

MINUTES OF MEETING
SPECIAL BOARD OF DIRECTORS MEETING, BRINY BREEZES INC.
Wednesday, July 16, 2014, 9:30 A.M.
COMMUNITY CENTER

A Special Meeting of the Briny Breezes Inc. Board of Directors was called to order at approximately 9:30 AM on July 16, 2014 by President Michael Gallacher. The Pledge of Allegiance was recited and a Moment of Silence was observed.

Secretary Oglesby called roll and noted that all Directors were in attendance and a quorum was established for the meeting. Directors Gallacher, Gross, Stewart, Elble, Long, and Oglesby were present at the Community Center in Briny and Directors Coyner and Brannen attended by conference phone link.

President Gallacher confirmed that Proof of Notice for the meeting was posted on Friday, June 27 2014 at 1:00 pm and signed/witnessed by President Gallacher.

Approval of Minutes

Secretary Oglesby informed the Board that the minutes being considered for approval at this meeting were those for the Special Board Meeting held on May 28, 2014. The Secretary further explained that approval of the minutes also includes approval of the attached Procedure for Board Approval of Membership Applications as delineated in that meeting, approved by the Board, and attached to these minutes. Then Oglesby called for amendments to the minutes.

As there was no motion for amendments, ***Secretary Oglesby moved to waive reading of the afore-mentioned minutes and approve the minutes as written.*** The motion received a second, there was no discussion and the question was called. **The Board approved the minutes and attached Procedure unanimously (8-0) by voice vote.**

Reading of Correspondence to the Board

The Secretary read a handwritten letter from Suzanne Snyder-Carroll (U-208) related to the proposal to turn over Briny mail sorting and delivery to the USPS that expressed concern over liability regarding mailmen working in the Briny Office. In her letter, Ms. Snyder-Carroll suggests utilizing outdoor distributed mailboxes placed along the Quonset common areas.

Report of Officers – President & Treasurer

The President did not make a report but referred to the update on Corporation activities published in the July Bugle.

Treasurer Elble reported on the Corporation's financial condition as of June 30, 2014:

<u>Cash on Hand</u>		<u>Delinquent Accounts</u>		<u>Budget Status</u>
Operating Account	\$320,154	Assessments (2)	\$2,408	Income: \$1,293k
Park Improvement Fund	\$236,129	Yacht Basin (1)	<u>\$1,588</u>	Disbursements: \$1,296k
Catastrophe Fund	<u>\$114,600</u>	Total	\$3,996	
Total Operating Cash	\$670,883			
Reserves Funds	\$589,978			
Total Cash Assets	\$1,260,861			

Committee Reports

Director Long provided an update on the Technology and Communications Committee mentioning that the discussion on options for the Cable TV service for the park after the AM3 contract expires is ongoing. (Note:

Director Oglesby asked that the Committee identify and communicate the deadline to notify AM3 in writing that Briny will not renew its current contract with the company.) Director Long also mentioned that the Committee was investigating electronic systems for the Community Center, Ocean Clubhouse and Auditorium. Further, the Director informed that Stockholder Larry Erickson was continuing to improve the Briny Website. Finally, she noted that no meeting of the Orientation Committee has occurred this summer, but Director Long believes that the Committee has a good plan in place to act on next season in the November-January period designated for orientations.

Director Stewart informed that the Maintenance and Storage Committee is reviewing the fees for storage services as well as the billing process. This will be presented to the Board next season for action.

Director Elble, speaking for the Marina and Watercraft Committee, updated the Board and attendees on the status/progress of the Dock Drive seawall and marginal dock project.

Director Brannen advised that the Sales and Rentals committee will be meeting this Friday to make a recommendation on the application for membership related to sale of three units as well as to review requests for 13 rentals.

Director Coyner spoke on behalf of the Landscape and Pest Control Committee supporting the re-planting of new sea grapes on Briny dunes and to work to remove vegetation that would impede the reforestation of the sea grapes.

Unfinished Business

1. Sales – two letters of reference

Director Brannen, who request that this item be placed on the Agenda, took this opportunity to inform the Board that the Sales and Rentals Committee supported the current Rule requiring two letters of reference and no further action is needed at this time.

For the record, the Rule Director Brannen was referring to:

C.1.a iii. *Each purchaser applying for membership in the Corporation agrees to allow and pay for criminal and financial background checks as permitted by law. Two letters of recommendations (preferably from Briny Breezes residents) must be received with the application. All new stockholders and all new residents shall attend a meeting with the Orientation Committee.*

As **Director Brannen and the rest of the Board did not to make any motion on this Agenda item**, the Board moved on to New Business.

New Business

1. Discussion/Vote on Rule Changes to modify Rule B.5 and the Building Permit Application and associated addenda

Director Oglesby made a motion to change Rule B.5 and the Building Permit Application and all its associated addenda as follows:

- **Change all “P & Z Committee” references to “Architectural Review Committee”**
- **Increase allowable width for new 12 foot units to general industry standard: 12 ft interior with a maximum of 6 inches allowed on each side for Insulation, vapor wrap, siding and trim for a total unit being no wider than 13 ft.**
- **Increase allowable width for new 24 foot units to general industry standard: 24 ft interior with a maximum of 6 inches allowed on each side for insulation, vapor wrap, siding and trim for a total unit being no wider than 25 ft.**
- **Eaves/Overhangs for units allowed in the Park may extend up to 8 inches from each side**

President Gallacher added that the three items dealing with unit dimensions only apply if all other setbacks are met per current/allowable district requirements.

The motion received a second and was discussed. Following discussion, the question was called and **the Board approved Oglesby's motion unanimously (8-0) by voice vote.**

2. Laundry Room - Consideration of New Equipment "lease" and/or Rate Increases

President Gallacher explained that this agenda item is to respond to resident complaints about the Laundry Room and to encourage a discussion of either leasing the laundry business to an outside vendor or significantly increasing laundry equipment charges.

Director Stewart made a motion to table this item and refer it to the Maintenance and Storage Committee to develop a comprehensive plan to improve the Laundry room and its equipment. The Motion received a second and was discussed.

Director Elble informed that the Laundry Room has been losing money based on an evaluation she and GM Pussinen had developed and that we are not currently assessing for Laundry Room Reserves. She explained the assumptions she used for propane, gas and electricity costs that were used to develop total Laundry expenses. The Director added that in the process of her evaluation, one vendor suggested considering leasing the washing machines and dryers. Director Elble expressed the opinion that Laundry Room should be "cost-neutral" versus subsidized by the stockholders.

Director Gross stated that the Laundry Room problems he is aware of are 1) the facility is dirty, 2) not aesthetically pleasing, 3) and some of the machines are not working properly. He supports tabling Director Elble's motion to form an 'ad hoc' committee (not Storage and Maintenance) to study these issues and bring its recommendation back to the Board for action.

Director Coyner argued that this Agenda item should be solely focused on cleaning up the Laundry, and supports creating a special committee to evaluate further action with regard to the Laundry Room. The Director also questioned the inclusion of this item at a Special Meeting

Director Stewart believes that this matter should go to the Maintenance and Storage Committee and have an opportunity for Stockholders to ask questions and provide their input during the season when the Committee reports back to the Board.

Director Brannen supported tabling the motion and referring it to a committee to make recommendations to the Board.

President Gallacher asked that the Board approve using the funds in the Laundry Reserve (~\$21k) to improve the floor (install a non-skid surface), paint the walls, refinish the clothes baskets and improve the look of the machines.

Following the discussion, **the Board approved Director Stewart's motion (7-1). Director Elble provided the dissenting vote. The matter was referred to the Maintenance and Storage Committee to develop a plan to improve the Laundry Room and its equipment as well as to determine the full cost to the Corporation for this service.**

3. Background Checks – who must have, who is exempt etc.

Director Brannen made the motion that; excluding current stockholders, current/recent renters and previous resident guests; any person living in our community for more than thirty days requires a background check. The motion received a second and was discussed.

Director Brannen provided the following chart for the Board to summarize the situations that need Board clarification for the office to use when determining on who requires background checks. She also noted that the Corporation no longer requires financial checks for anyone.

<u>Category</u>	<u>Background Check</u>	<u>Application</u>	<u>Processing Fee</u>	<u>Badge</u>
Applicants for membership/purchase	Yes	Yes	Yes + a transfer fee	Resident badge with building entry strip
First time Renters	Yes	Yes	Yes	Resident badge with building entry strip, deposit
Resident Guest-member of immediate family (children, parents, siblings, aunts, uncles, nephews, nieces & grandchildren. Un-limited stay; non-paying	No	Yes	No	Guest badge but I am not sure of that; deposit; some of our long term resident guests must have a resident's badge
Resident Guest- non family member; limit of 2 weeks (visitor when owner is not there.) Non paying	No	Yes	No	Guest badge; deposit+
Guest (visiting a resident while the resident is there) No limit if you do not exceed normal sleeping capacity of the unit.	No	No	No	Guest badge w/deposit- there is supposed to be "proper registration" of said guests. Not sure how this plays out in the office.
Bull Pen Guests: RV's for overnight parking of <i>guests</i> and residents	No	No	A rental charge per day	Guest badges with deposit; limited to 14 days unless requested for an extension maximum to 30 days. Mute on how often they can come back. Must have parking decal
Persons who inherit the property	No/Yes??	Yes	Transfer fee only	Resident badge
Persons who live in a property designated as a Trust and are named in the Trust	Yes	Yes	Yes	Resident's badge
Transfer of Family property	No/Yes??	No	One-time fee of \$100 (discussion suggests that this requires a lot of work on part of office	Resident's badge

Following discussion, the question was called and the Board approved Director Brannen's motion unanimously (8-0) by voice vote. This action is documented in an amendment to Briny's existing Policy for Background Checks and the amended Policy is included for the record as Attachment 2 to these minutes.

4. **Ratify act of Board of Directors – Amending May 28th Special Meeting Agenda to include reading of Correspondence**

Director Oglesby moved that the Board ratify its decision during the May 28th Special Meeting of the Board to amend the Agenda of that meeting to add “Reading of Correspondence” to that Agenda.

Oglesby’s motion received a second. President Gallacher noted that this action is required by Statute 719. There was no discussion so the question was called. **The Board approved Oglesby’s motion unanimously (8-0) by voice vote.**

5. **Consideration of important corrective action dune/sea-grape planting/path modification & invasive/non-native plant removal to help avoid erosion.**

President Gallacher began by informing the Board that the Briny Breezes ‘Dune Project’ began last week with a pilot / test on one of the dunes on our beach. The project is planned to continue with the rest of our dunes. The President summarized the objectives and drivers of the project.

- Remove invasive, non-native plantings that are negatively impacting our sea-grapes
- Further enhance the stability of our dunes by planting new sea-grapes in the bare areas
- Change traffic patterns (no straight paths) so that the sand does not blow up into our grassy areas.
- We are currently in the relatively short, planting (rainy) season for sea grapes

The President explained how the pilot project came about and expressed his appreciation for the volunteers that that helped with removal of non-native plants and planting new sea-grapes in the pilot area. He also noted that Christian Lambright, an Environmental Protection Agency official, visited Briny on July 10th and reviewed the work in place and project scope. He added that Lambright strongly endorsed the project.

President Gallacher stated that the pilot project cost about \$2000 and the remainder of our dune project will cost an estimated additional \$4,000 to \$6,000. He asked to Board to support the project and its costs informing that the Corporation has adequate funds to pay for this project out of our FY 2013-14 Budget for our outdoor maintenance and from a few other underspent line items.

Director Elble moved to approve the complete dune restoration project including sea-grape planting/path modification and removal of invasive/non-native plant at a cost not to exceed \$6,000.00 to be paid from the General Operating Budget. The motion was seconded by Director Ted Gross and was discussed.

Following discussion, the question was called and **the Board approved Director Elble’s motion unanimously (8-0) by voice vote.**

6. **Approval of US Post Office takeover of mailroom**

President Gallacher moved that our GM work with the US Postal Service officials to develop a plan, options and costs for the US Postal Service to takeover the sorting and delivery of Briny mail in a timetable to be agreed and to be presented to the Board when the plan and options are ready for review. The motion received a second and was discussed.

The President noted that the Board will make sure that Stockholders and other residents are given sufficient notice and the opportunity to make suggestions and ask questions before any final decisions are made. President Gallacher’s motion received a second and was discussed.

President Gallacher pointed out that the Corporation employees should not be handling USPS mail. He suggested using the current mail room location for installing USPS-approved mail boxes and to relocate the existing mail boxes for inter-Briny mail.

Director Brannen requested that the Board consider a plan that continues to utilize current mail room boxes for inter-Briny written communications (office, clubs, personal) and to place USPS mail boxes outside at various locations around the Park for government mail delivery and pick-up.

President Gallacher stated that a post office official informed him that they cannot deliver to Briny using outdoor boxes distributed throughout the community.

Director Elble mentioned a community that constructed shelters over outside mail boxes. She also recommended that the motion be framed to allow our GM to continue her investigation of this matter so she can make a report to the Board when prepared to do so.

Director Stewart believes that this matter should be discussed in front of the stockholders when they return for the season before the Board takes any action.

Director Coyner also supports allowing that this matter to be fully researched by our GM and be reported back to the Board during the season for a decision.

GM Pusinnen pointed out that the idea for this change came about because of the need for additional staff to accomplish important work that cannot be done by our current staff due to their other competing responsibilities. The GM explained that if we can get the USPS to handle, sort and deliver their (USPS) mail to the stockholders, it would free up at 5 of the 6 hours that one employee (Christy) works. The time savings could be used to take on this needed work. GM Pussinen believes that this change would 1) allow her to better utilize her employee's time and capabilities than to continue to sort USPS mail and 2) is less expensive than hiring a new employee.

Director Stewart suggested that the Corporation should hire another part-time person to sort and deliver Briny USPS mail.

Following the discussion, the question was called and **the Board approved President Gallacher's motion unanimously (8-0) by voice vote.**

7. Approval of Building Reserve Fund expenditure not to exceed \$20,000 for mailroom overhaul including new mailboxes for all units.

President Gallacher moved to table this item until the plan and options for overhauling Briny's mail system can be fully developed. There was no discussion and no Director expressed concern with or took exception to President Gallacher's motion, so the motion was considered tabled and approved without a formal vote.

Adjournment

Director Oglesby moved to adjourn. The motion received a second and was approved unanimously (8-0).

President Gallacher adjourned the meeting at approximately 12:32 AM.

Respectfully submitted,

Tom Oglesby
Secretary, Briny Breezes Inc.
Approval Date: July 30, 2014

NOTICE

**SPECIAL MEETING of Briny Breezes Inc. Board of Directors
Wednesday July 16, 2014 at 9:30 A.M.
Briny Breezes Community Center**

AGENDA

ALL SHAREHOLDER COMMENTS MUST BE LIMITED TO THREE (3) MINUTES

- I. Pledge of Allegiance & moment of silence
 - II. Call to order & Roll call
 - III. Proof of Notice
 - IV. Approval of previous board meeting minutes
 - V. Reading of Correspondence to the Board
 - VI. Report of Officers – President & Treasurer
 - VII. Committee Reports
 - VIII. Unfinished Business
 1. Sales – two letters of reference
 - IX. New Business
 1. Discussion/Vote on Rule Changes supported by Architectural Review Committee (ARC) to modify Rule B.5 and the Building Permit Application and all associated addenda as follows:
 - a. Change all “P & Z Committee” references to “Architectural Review Committee”
 - b. Increase allowable width for new 12 foot units to general industry standard: 12ft interior with a maximum of 6 inches allowed on each side for Insulation, vapor wrap, siding and trim for a total unit being no wider than 13 ft.*
 - c. Increase allowable width for new 24 foot units to general industry standard: 24ft interior with a maximum of 6 inches allowed on each side for insulation, vapor wrap, siding and trim for a total unit being no wider than 25 ft.*
 - d. Eaves/Overhangs for units allowed in the Park may extend up to 8 inches from each side.*
- *Items ab, c, d only apply if all other setbacks are met (per current/allowable district requirements)
2. Laundry Room – Consideration of New Equipment “lease” and/or Rate Increases
 3. Background Checks – who must have, who is exempt etc.
 4. Ratify act of board of directors – Amending May 28th Special Meeting Agenda to include reading of Correspondence
 5. Consideration of important corrective action dune/sea-grape planting/path modification & invasive/non-native plant removal to help avoid erosion.
 6. Approval of US Post Office takeover of mailroom
 7. Approval of Building Reserve Fund expenditure not to exceed \$20,000 for mailroom overhaul including new mailboxes for all units.
- X. Adjournment

All stockholders are welcome

Michael Gallacher President, Briny Breezes Inc.

This notice is dated and posted: Friday, June 27, 2014 at 1:00 p.m.

Emailed to shareholders that receives electronic bugle on or before Friday 6/27/14 & Mailed to all that receive printed bugles on or before Monday 6/30/14.

Attachment 2

Policy for Background Checks for Briny Rentals and Sales

*(Approved by Briny Board of Directors on May 4 2012, Revised by BOD decision Nov 29, 2012 to eliminate Sales & Rental Committee & add word "ever" to criteria #2 on page 3 of this document; Revised by BOD decision Dec 12, 2012 to no longer require financial background checks; **To be reviewed for needed changes after re-establishment of Sales and Rental Committee on March 20, 2014**; Revised on July 16, 2014 to add Current Policy for Background Checks)*

PURPOSE

The purpose of this Policy is to take reasonable precautions to protect the privacy of sensitive information obtained through Background Checks from disclosures not directly related to the Board of Directors responsibility to screen applications to purchase or rent a home in Briny.

CURRENT POLICY (Approved by Board of Directors on July 16, 2014)

Excluding current stockholders (as of July 16, 2014), current/recent renters and previous resident guests; any person living in our community for more than thirty days requires a background check.

OVERVIEW

The Briny Manager will request a Criminal Background Check for anyone who signs a contract to purchase a unit and its shares of the Corporation or applies to rent a unit in the Park but has never rented in Briny, according to Office records, or a resident guest or any guest staying for 30 days in the community. When the Background Check report is received electronically, the Manager will make one hard copy (referred to hereafter as the Original) of the report to be filed in a locked file cabinet when not in use.

If, after review of the information on the Criminal Background Check, the General Manager identifies any issue(s) in that report which could impact a Board's decision to deny the applicant's request to purchase or rent in Briny, the Manager will notify and meet with the President (or if the President has a personal interest in the matter, with the 1st Vice President) to advise the indicated officer of the issue(s) identified. The President, considering the advice of the Manager, will decide on and pursue appropriate action, as needed, to prepare the Board of Directors to make an informed decision on the application in question.

The Original of the Background Check Report remain in the sole custody of the Briny Manager and is not to be copied or distributed, except that one copy may be made and sent to legal counsel, as needed. The Original may be transferred to the temporary custody of the President (or 1st Vice President) working with the General Manager to evaluate the issue(s), but must be returned to the General Manager for final disposition. After the Board has made a final decision on the application, the General Manager will delete any electronic copies of the Background Check report, as necessary, and retain the Original a period of at least three (3) years. If a copy is made for legal counsel review, it will be returned to the Manager and filed with the legal opinion or be kept securely by the Corporation's attorney who provided the related legal advice.

PROCESS

1. The Briny Breeze's General Manager will obtain a Background Check for all first-time renters, all potential purchasers of Briny stock (units), resident guests and any guest planning on living in the Briny Community for more than 30 days.
2. The Briny General Manager will review each Background Check report on the same day it is received, or as soon as possible thereafter, to determine if the information brings to light issues that could impact the decision to approve the rental or sales of the subject unit. In her/his evaluation, the Manager will be guided by, but not limited by "**Criteria for Disapproving Sales and Rental Applications**" listed at the end of this document.
3. After reading and evaluating the Background Check report, the Manager will determine in her/his best judgment that either (1) there are no issues in the Background Check report that impact the decision to approve rental or sales of the unit or (2) there is a potential Background Check issue that may have a bearing on that decision. The Manager will prepare and sign a memo documenting his/her findings and attach the memo to the Background Check report.
4. If the Manager determines there are no issues revealed in the Background Check, the Manager will inform the appropriate office person responsible for processing the application to continue processing that application. The Manager will insure that a memo indicating "no Background Check Issues" will be attached to the application.
5. If the Manager identifies any issue(s) related to the Background Check report that could impact the decision to rent or sell a unit, the Manager will
 - a. As soon as possible, instruct the person processing the application to suspend work on the application until the issue(s) is resolved.
 - b. Forward a copy of the application and her/his memo describing the issue to the President of the Briny Board of Directors (or 1st Vice President if the President has a personal interest in the matter).
6. The president or his/her designee will read the memo from the Manager and, if needed, any part of or all of the Background Check report indicated by the Manager as relating to the issue she/he identified. If legal advice is needed, all or part of the Background Check Report may be copied and sent to the Board's legal counsel.
7. After review of the potential criminal issue(s) by the President or her/his designee and legal counsel as needed, the Manager will prepare a one-page summary (but not the entire background check report) of the issue(s) and distribute a copy in a sealed envelope to each member of the Board of Directors in a timely manner in so that each Director has a

minimum of two (2) days before the Board of Directors Meeting to consider the application coming before the Board.

8. After the Board approves or denies the application in question, the Manager will collect all copies of the summary distributed to Board members. Manager will attach one copy of the summary to the Background Check Report and destroy the remainder of the copies. He will also attach a signed memo to the report that certifies that he has completed this action.

Criteria for Disapproving Sales and/or Rental Applications

1. Anyone who does not meet occupancy restrictions in Briny Corporate documents
2. Anyone **ever** (amended by BOD at Nov 14 2012 Regular Meeting) convicted of violence against persons or a felony against minors or a felony involving arson or substantial property damage, or any felony within 10 years
3. Anyone (prospective purchaser) paying less than 35% cash, i.e., with a 65% mortgage or greater
4. Anyone taking possession prior to approval
5. Anyone who has a negative history of living in Briny as a renter or guest
6. Anyone who does not submit required application, interview, or other requirements
7. Any sale/transfer of a unit with outstanding assessments or uncured bylaws violations