

## **MINUTES OF MEETING**

### **BOARD OF DIRECTORS MEETING, BRINY BREEZES INC. WEDNESDAY, JULY 17, 2013, 9:00 A.M. COMMUNITY CENTER**

A Meeting of the Briny Breezes, Inc. Board of Directors was called to order at approximately 9:00 AM on July 17th 2013 by Board President, Joe Coyner.

General Manager Carl Forrest called roll to document that a quorum was present. Roll call indicated that the Directors (listed below) were present at meeting

President Coyner                      Director Stewart                      Director Gallacher

The following Directors were present via Conference Group telephone service:

Director Long                      Director Malchuski                      Director Koplen  
Director Oglesby                      Director Coppola

President Coyner led the Pledge of Allegiance, followed by a Moment of Silence. Proof of Notice was posted July 10th 2013 at 10:00pm and signed by GM, Carl Forrest.

#### **Approval of Minutes from Previous Meetings**

*Director Stewart made a motion to approve the minutes of the April 3<sup>rd</sup> 2013 Board Meeting.*

Following a second to the motion, a roll call vote of all directors resulted in unanimous approval of the April 3<sup>rd</sup> 2013 minutes as written.

*President Coyner made a motion to approve the minutes of the April 10<sup>th</sup> 2013 Board Meeting.*

The motion was seconded and the Board unanimously approved the April 10<sup>th</sup> 2013 minutes as written by roll call vote.

President Coyner informed the Board that there was a lack of correspondence that needed to be addressed at today's meeting. That being the case, he directed the Board to move on to the next item on the agenda, the Presidents Report.

#### **President's Report**

President Coyner began his report by stating that, in the Manager's Report to follow, GM Forrest would cover some of the recent improvements to the Briny facilities and to our Park office

The President then spoke about the need for the Board to prepare for the 2013-14 season. He asked each Board Director to prepare a list of seven (7) topics or goals that the board should work toward next season. He would like to receive these lists of goals/topics by August 1. President Coyner will compile/prioritize a preliminary composite list by mid-August. Together the Board will work with our shareholders and our committees to adopt a final list no later than December or early January.

President Coyner pointed out that the Board needs to do 'Forward Planning' in areas such as

beautification and the Town's Comprehensive Plan. He explained that the Town plans to hold a public meeting in mid-November to share the feedback from the Department of Economic Opportunity (DEO) on the Comprehensive Plan submitted to the agency by the Town.

### **Ocean Ridge Police Report**

After completing his President's report, President Coyner introduced special guest, Christopher T Yannuzzi, Chief of Police of Ocean Ridge Police Department. Chief Yannuzzi's presentation was an ad hoc item added to the Agenda during the meeting due a recent security incident in Briny.

The Chief began his comments by offering to attend all Briny Board meetings in the future. He announced that the Ocean Ridge Police Department had just signed a 3-year contract with the Town of Briny Breezes, continuing their service to Briny. Then, he turned to the subject of Briny security. After an overview of prior security incidents, the Chief concentrated his remarks on the details of his Department's current investigation of a recent strong-arm robbery of a Briny resident. The Chief stressed the importance of residents calling the police directly at 732-8331 or call 911 to report any suspicious or unusual activity that they observe in and around the park. He also requested that our residents to write down and report vehicle license tag numbers or any other identification marking that could be helpful to the police in identifying and apprehending criminals that prey on Briny and its residents. Chief Yannuzzi further suggested that residents keep the telephone numbers of the Ocean Ridge Police and close neighbors in the directory of their cell phones in case of emergency.

In response to a question from Lynne Weiner (M-201) on the police's authority to enforce Briny traffic rules, Chief Yannuzzi responded that the police could only enforce traffic laws on A1A, Briny Breezes Boulevard and Old Ocean Blvd (public roads). He informed the Board that officially, the police department cannot enforce corporate rules or traffic ordinances on private roads but could enforce Town ordinances. He suggested seeking legal advice to attempt to remedy this situation. He added that even in enforcing Town ordinances, the Police authority is somewhat limited.

President Coyner suggested that the Board consider seeking legal advice regarding the police department's ability to enforce traffic laws on Briny's private roads and defer further discussion of these issues regarding traffic rules until the next Board meeting. Director Coppola supported the President's recommendation moving to table the discussion. No exception was taken by any Director.

Resident Sue Thaler (Q-207) informed the Board that a couple of years ago, the Board received a legal opinion on this matter and learned that the police cannot enforce traffic laws in Briny without a Town ordinance allowing them to do so. Mrs. Thaler added that at that time, the Board decided not to pursue this remedy because it would allow the police to enforce rules that the Board did not want enforced. She added that since then, it has been the Manager's job to enforce the rules. Mrs. Thaler stated that this (Manager enforcing traffic rules) is not happening currently and suggested that the Corporation have the Manager enforce these rules, at least

until another solution is implemented.

Director Malchuski asked if there is Board agreement on the matter of the Manager enforcing traffic laws. President Coyner responded that this will be discussed at the next Board meeting. Director Malchuski then asked if the Corporation is going to enforce the rules. The President assured her that the rules will be enforced.

### **Treasurer's Report**

Director Long informed the Board that Nicole Johnson of Hafer & Company, Briny's CPA and Auditor was present at the meeting.

Ms. Johnson told the Board that the third quarter (Briny fiscal year) financial statement is complete as of June 30, 2013. She further related that Briny is now using 'QuickBooks' software that has automated its accounting needs so that all payables, receivables, balance sheets, daily reports and unit owner information are now paperless. Ms. Johnson pointed out that the June Financial Statement has been reviewed and it is the cleanest financial statement (accrual-based) that Briny has had in a long time. She added that the statement shows a budget surplus as of June 30 of this year. Ms. Johnson committed to a review of Corporate books on a quarterly basis and is currently working on the 3<sup>rd</sup> quarter books (Apr-Jun). Bank reconciliations are in progress and should be available shortly.

Director Long stated that Hafer & Company receives a flat fee for their services and that Ms. Johnson is attending this meeting (at no additional cost to the stockholder) to address any questions that the Board members may have on Briny's financial position. Director Long stated that she is pleased with the decision to hire Hafer and Company and that the relationship has been very beneficial to the Corporation. She also pointed out that Mary Springer, a QuickBook Certified Trainer and independent contractor hired by the Corporation, has been very attentive to getting our new accounting system working and is willing to answer Board member questions at any time at no additional expense. Finally, Director Long commended Briny Book Keeper, Cindy Bowling for her commitment to and excellent progress in understanding and employing the new accounting system.

Director Malchuski asked Ms. Johnson if we could get the breakdown we used to get showing how much we have spent and the total budget for the year so that it is clear how much we have left to spend. Ms. Johnson responded that she is working on getting QuickBooks to produce such a full-year budget reconciliation report.

Stockholder Sue Thaler (Q-207) raised some questions on the use and strategy for depreciation of expenses that will be discussed more fully at a later date.

Ms. Johnson clarified that the cost of training Cindy on QuickBooks was approximately \$2200, but that amount includes the task of entering the old FilePro data into QuickBooks. GM Forest added that he had received quotes for converting FilePro data to use in QuickBooks that were in the range of \$6000.

## **Manager's Report**

General Manager Carl Forrest began his report by announcing that:

- With the help of Paul Stewart and AT&T, we will be getting U-Verse in our office up and running in the next week or two and will cancel our month-to-month, Access Media phone contract when U-Verse is working.
- Our New Insurance agent "Wells Fargo" was able to get our current policy with Scottsdale Ins. amended to include all Directors, Officers and all Committee Members duly appointed by the Board or by Committee Chairpersons, thanks to efforts of Michael and Carl.
- Briny has renewed all of our flood insurance policies for another year.
- A new appraisal of the Park's valuation has recently been completed. This new appraisal is lower than the previous appraisal.
- The QuickBooks accounting system is up and running.
- The office is using a new check capture system for corporation banking. The system transfers the image of each check to the bank where the account is immediately debited.
- The lien on property of Houghton/Golden/Fine that was filed in connection with the lawsuit related to eviction of District 5 renters several years ago has been removed in return for a settlement of \$12,500 in favor of Briny Breezes.

Next, the GM informed the Board of the status of ongoing projects and maintenance activities:

- The resurfacing of the pool is complete. The new pool sign is in place. The pool deck resurfacing is pending a Board decision on product selection. The most attractive options are to lay down pavers or to use a Home Depot 2-step non-slip product to coat the deck. The GM plans to complete the resurfacing by the end of August or beginning of September 2013.
- Bathhouse 1 is 99% complete. The exterior of Bathhouse 1 has been repainted. The painting of Bathhouse 2 is on the agenda. Water pipes in Bathhouse 2 that were hidden inside the bathhouse concrete walls had a half a dozen leaks. The wall was torn down and the leaks repaired. Final repairs to the wall are estimated to be complete on July 20<sup>th</sup>. The "non-slip" floor tile we installed in both bathrooms is slippery. Currently, we are using temporary carpets in these bathrooms to mitigate the risk of accidents due to slips and are evaluating putting a non-slip coating over the tile (see related agenda item under New Business).
- Bathhouse 6: Our staff has repaired/replaced water pipes that were "caved-in" and replaced the damaged concrete over the repaired pipes.
- Our staff is in the process of fixing cracks in concrete, sidewalks and curbing as well as finishing the painting parking lines, but the numbers on the parking spaces will be deferred until there is time available on our Maintenance Team's schedule. A significant amount of line re-marking remains.
- Briny Breezes signs have been replaced on Briny & A1A, RuthMary and at the east end of Cordova.
- Repair of the Marina Dock is ongoing. The north side of the Marina dock repairs are completed. Work on south side of the Marina is pending a decision on seawall repair.

- The heavy drainage cover on Briny Breezes Blvd in District 1 has been replaced with a galvanized steel plate to that can be removed by a single person.
- Shrubs and bougainvillea have planted along the fence lines of the South storage lot.
- GM Forrest is meeting with landscaping company after each visit to identify and correct any problems that may be observed after the work is completed. This procedure should improve the quality of the service provided over time.

At Director Koplen's request, Carl agreed to take down the lowest of the three Do Not Enter' signs that are north of Briny Breezes Blvd not far from Bruce Koplen's unit. Chief Yannuzzi informed that all new signs should be installed at least seven feet above ground level.

Stockholders Janea Riley (G13) & Tom Byrne (F 208) expressed their appreciation to the Management, Staff and the Board for all the improvements the Briny Breezes (new Briny signs, pool, pool bathrooms, cabana improvements, District 1 & 2 bathrooms, etc.) that are being completed at Briny and suggested that everyone should appreciate the improvements.

Ira Friedman (A-5) asked if the gate on the North end of District 4 could be left open.

### **Insurance Committee**

Director Gallacher repeated that the Wells Fargo (our new insurance agent) was able to get our SCOTTSDALE D&O Insurance Policy amended and it now covers Board Members and all Committee members. He pointed out that insurance carriers typically will not cover a 'for profit' corporation like Briny. However, because of Briny's outstanding claims record with the carrier, SCOTTSDALE agreed to cover us, as requested, at no additional cost. Director Gallacher added that in next three months, all 12 Briny insurance policies will need to be renewed. The Insurance Committee is now preparing for this event by determining the premium costs for our annual budget.

### **Previous Business**

#### **A. Approval from the DBPR for Use of Funds**

- GM Carl Forrest summarized the background behind soliciting the DBPR ruling for seawall work in order to obtain an exception to the requirement in our By-Laws that state that expenditures of \$30k or more require a vote of the stockholder. The GM said that, according to the DBPR ruling and based on his discussions with Becker and Poliakoff, any seawall expenditure to mitigate flooding that is approved by the Board and is paid for from the Seawall Reserve Account does not require stockholder approval. GM Forrest reminded the Board that the DBPR is the regulatory entity that has authority over Corporation actions.
- Oglesby stated for the record that his interpretation of the DBPR ruling is that it covers all repairs, may or may not cover upgrades, and that new improvements are definitely not covered by the DBPR ruling. He also suggested that the Board obtain assurances from Becker and Poliakoff for any upgrades that it believes are covered by the DBPR ruling.
- Director Malchuski stated that she agrees with the General Manager's interpretation of

the DBPR Ruling, believes that Oglesby's interpretation is incorrect and that no further consultation with Becker and Poliakoff is necessary.

- The Board unanimously agreed with Director Long and GM Forrest's recommendation to defer any decision on the applicability of the DBPR ruling until later in the meeting when a specific proposal for seawall work is brought forward.

## **B. Pool Deck Paint or Replace**

- GM Forrest explained that the two options for re-surfacing the pool deck are installing pavers or using a Home Depot 2-step, non-slip covering. Based on prior discussions with several Directors (Koplen, Gallacher, Stewart), GM Forrest recommends using the Home Depot product that is weather and heat resistant and requested that the Board select the color of the product it preferred.
- During the ensuing discussion, Directors Gallacher and Stewart suggested deferring the decision on installing pavers until next spring based on the following reasons.
  - ✓ Given all the work that Park Management has underway or planned, it is not the right time to add a new, expensive project to its already full work schedule.
  - ✓ Any repairs to the pool plumbing system that would require breaking the concrete deck should be done before covering the pool deck with pavers.
  - ✓ Initiating a new lengthy project for the pool at this time will result in further limiting the use of the pool by residents during this summer.
- *Director Gallacher made a motion to use a light tan colored, Home Depot 2-step product that provides a coating that is textured and nonslip to resurface the pool deck. The motion was seconded and the subsequent roll call vote was unanimous in favor of Director Gallacher's motion.*

## **New Business**

### **A. Kimley-Horn Report on Dock Drive**

- General Manager Carl Forrest reminded the Board that this agenda item dealt with the Kimley-Horn engineering report regarding options/cures for the flooding between Flamingo & Dock Drive and that the purpose of this agenda item was simply to report the Kimley-Horn findings and recommendation. (Decisions on actions to be considered under item C).
- The GM further explained that the Kimley-Horn proposal is to install a 24-26 inch high bulkhead on the south side of Dock Drive on top of a corrugated metal sheet driven into the ground approximately 3.5 feet. The bulkhead would extend from the first trailer nearest Banyan and Dock Drive down to the last trailer. Kimley-Horn believes that this work will potentially alleviate flooding between the two streets (Flamingo & Dock). GM Forrest added that Kimley-Horn also recommend that a similar bulkhead be installed along Flamingo Drive.
- Director Oglesby shared his judgment as a geologist on the efficacy of the Kimley-Horn proposal versus the alternative of simply raising the cap on the existing Dock Drive seawall. He summarized his findings as: a) either building a new bulkhead along Dock Drive or raising the cap on the existing seawall to a maximum of two feet (in the low areas) will significantly reduce the risk of overtopping of the new or raised seawall by

canal water flowing unrestricted into North District 3 during high tides and b) the flow barrier (metal sheet) below the Kimley-Horn bulkhead is not likely to materially mitigate groundwater flow into District 3 during high tides. He noted that the estimated cost of Kimley-Horn bulkhead is a bit cheaper than raising the cap on the existing seawall (Qualmann original proposal) and avoids destruction of serviceable portions of the Marina dock along Dock Drive.

- GM Forrest related that he has met with Qualmann to discuss the effectiveness of the Kimley-Horn proposal. Qualmann told him that based on their engineering knowledge and experience in building South Florida seawalls, that the Kimley-Horn bulkhead would not solve our flooding problems. Their reasoning is that if the wall is built as proposed, the water will find another way to go around and flood the area, and that Briny would be wasting \$70K if they built this wall.
- GM Forrest added that the Qualmann representative told him that based on their professional experience, building the Kimley-Horn bulkhead along Flamingo is likely to create pressure on the existing seawall causing it to fail and also that a similar bulkhead along Dock Drive might also weaken the existing Dock Drive seawall. If the Flamingo seawall fails, Qualmann estimates that the cost to build a new seawall will be at least four times the cost of the envisioned repairs.
- President Coyner added that his own evaluation and discussions with others have convinced him that the Kimley-Horn proposal will not work.
- Shareholder Robert Purcell (U-206) spoke supporting repairing the Flamingo Drive and suggested that Briny should ask Kimley Horn to evaluate the building a pumping station and the possibility of obtaining State and Federal funds for the pumping station.

#### B. DECISION ON SEAWALL REPAIRS FOR DISTRICT 4 (Qualmann Bids)

- *A motion was made by Director Oglesby to approve the repair work on the District 4 seawalls as indicated on the three Qualmann bids that total approximately \$16,200. He amended his motion to include that this work should be initiated as soon as possible, but consistent good business judgment, so that the repairs are completed no later than November 2013. The motion was seconded and a roll call vote resulted in unanimous approval of Oglesby's motion.*
- Several Directors suggested that seawall maintenance (up to 200 feet of seawall each year) should be done and/or has been done in past years without requiring any formal approval of the Board. As this was not on the agenda, the subject was tabled.

#### C. REVIEW AND APPROVAL OF QUALMANN BID FOR DOCK & FLAMINGO DRIVES

- *President Coyner and Director Stewart moved to table any action on the Dock Drive Seawall. The motion received a second and was unanimously approved by the Board by roll call vote.*
- Directors Long and Oglesby asked that the GM obtain a written statement from Qualmann engineers stating that the Flamingo seawall is in immediate jeopardy and needs near-term and repair and upgrade, after consultation with Becker and Poliakoff on the best language for letter from Qualmann engineers.
- Directors Coppola and Oglesby asked that the GM get Qualmann to put the

specifications (height/length) for the Flamingo seawall in writing.

- *Director Coppola made a motion to approve the repairs and upgrade to the seawall on Flamingo Drive as proposed by Qualmann at a cost not to exceed \$85,000. The motion was seconded, put to a roll call vote and passed unanimously.*
- Director Gallacher stated that he would like to put on the record that the Board is approving this project without a vote of the stockholders under the authority given to it by the DBPR ruling (of May 28, 2013). He added that the Board's understanding is that we have a critical situation with regard to the stability and integrity of the Flamingo seawall and that the repair and upgrades proposed by Qualmann are necessary to prevent collapse of the seawall and to mitigate the flooding in the areas adjacent to the seawall when abnormally high tides return in October.

#### D. \$12,500.00 SETTLEMENT (Briny vs.: Houghton, Golden & Fine)

- The discussion on this matter centered on which Account to place the \$12,500 settlement funds that the corporation recently received. Hafer CPA, Ms Johnson, stated that the funds should be used to offset legal fees that occurred when the lawsuit was filed and that the monies should now be placed monies in the Operating Account. Any subsequent legal fees connected with this settlement will be paid out of that account and the balance will remain in Operating Account.
- *A motion was made by Director Stewart to put these monies in Operating account. The motion was seconded and a roll call vote was taken that resulted in passing the motion by a 7 to 1 vote in favor of Director Stewart's motion. Director Malchuski opposed, preferring to place the monies in a special fund and not put them the Operating account.*

#### **Adjournment**

President Coyner then moved for Adjourn. The motion received a second. No director opposed, so President Coyner adjourned the meeting at approximately 11:50 am.

Respectfully submitted,

Tom Oglesby  
Secretary, Briny Breeze Board of Directors

Link to temporary audio record of meeting was utilized to prepare these minutes  
(<http://www.conferenceplayback.com/stream/18276835/62519201.mp3>) (Recording no longer available)

Approval Date: November 13, 2013

# NOTICE

## MEETING OF THE BOARD OF DIRECTORS

### BRINY BREEZES, INC.

WEDNESDAY, JULY 17, 2013, 9:00 A.M.

COMMUNITY CENTER

## AGENDA

*STOCKHOLDERS MAY SPEAK ONCE FOR A MAXIMUM OF 3 MINUTES ON EACH AGENDA ITEM*

1. CALL TO ORDER/ROLL CALL
2. PLEDGE OF ALLEGIANCE
3. PROOF OF NOTICE
4. APPROVAL OF PREVIOUS MINUTES, APRIL 3<sup>RD</sup>, 10<sup>TH</sup>
5. CORRESPONDENCE
6. PRESIDENT'S REPORT
7. TREASURER'S REPORT
8. MANAGER'S REPORT
9. COMMITTEE REPORT
  - A. INSURANCE
10. PREVIOUS BUSINESS
  - A. APPROVAL FROM DBPR FOR USE OF FUNDS
  - B. POOL DECK REPAINT OR REPLACE
11. NEW BUSINESS
  - A. KIMLY-HORN REPORT ON DOCK DRIVE
  - B. DECISION ON SEAWALL REPAIRS FOR DISTRICT 4 (Qualmann Bids)
  - C. REVIEW AND APPROVAL OF QUALMANN BID FOR DOCK & FLAMINGO DRIVES
  - D. \$12,500.00 SETTLEMENT (Briny vs: Houghton, Golden & Fine)
12. ADJOURNMENT

ALL STOCKHOLDERS WELCOME

THIS NOTICE IS DATED AND POSTED: THURSDAY, JULY 10, 2013, 9:00 A.M.

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Carl Forrest, General Manager