

MINUTES OF MEETING
REGULAR MEETING OF THE BOARD OF DIRECTORS
BRINY BREEZES, INC.
9:00 A.M. Wednesday February 12, 2014
Briny Breezes Community Center

The February 12, 2014 Regular Meeting of the Briny Breezes Inc. Board of Directors was called to order on Wednesday at 9:00 AM by Board President Joe Coyner. General Manager Carl Forrest confirmed that Proof of Notice for this meeting was posted February 7, 2014 at 9:00 am and signed by the General Manager.

The Pledge of Allegiance was recited and a Moment of Silence was observed.

General Manager Carl Forrest called the roll. Directors Coyner, Malchuski, Koplen, Coppola, Stewart and Gallacher were present at the meeting. Oglesby attended by conference call phone link. Director Long was absent with notice.

Approval of Minutes

The Board considered the approval of the minutes for the Regular Board Meeting of January 15, 2014 and the Special Board Meetings of January 29, 2014. There were no amendments offered to either minutes and reading was waived. *Director Coppola moved for approval of both sets of minutes.* **Director Coppola's motion received a second and was approved by the Board unanimously** (7-0, Director Long absent with notice).

President's Report

President Coyner urged the stockholders to return their Annual Meeting Proxies as soon as possible.

Treasurer's Report

Treasurer Sally Long was absent with notice. However, GM Forrest informed that the Treasurer had asked the GM to invite 1st United Bank to make a presentation on CDARS, Certificate of Deposits Account Registration Services.

1st United Bank Vice President and Branch Manager Don Davis from the Ft. Lauderdale made the presentation. Vice President Linda Hall who is Branch Manager of 1st United in Cooper City was also present. In short, Davis told the Board that the Corporation could place all its Reserve Funds in CDARS with 1st United Bank and still have the monies fully insured by the FDIC. Under this arrangement, 1st United would manage these accounts for the Corporation. Reserve funds would be distributed by 1st United to separate banks and held in CDs in increments of \$250k or less. Davis told us that this is a government program so it is fully sanctioned by the FDIC.

GM Forrest informed that the CDARS option was recommended to the corporation by Hafer and Co., our accountants. The GM explained that the benefit of this approach is that it significantly reduces the administrative effort by the Corporation. In addition, the CDARS would earn CD interest rates that exceed money market rates.

Mr. Davis stated that the risks of using CDARS with 1st United are no different than those we would be exposed to if Briny itself placed the Reserve monies in CD's at different banks.

The issues raised were (1) the need to identify the monies associated with each Briny reserve account separately, (2) timely access to these funds without incurring early withdrawal penalties equal to or less than the amount of interest to be earned at maturity and (3) the process for CD renewal. The risk related to accessing our monies when needed could be mitigated by staggering CD maturities (3 month, 6 month, 12 month, 24 month) so that sufficient funds are available in short term CDs to meet anticipated expenses.

The United Bank CDARs proposal was referred to the Finance Committee for recommendation to the Board. Stockholder Gail Elble (H-210) asked that Insured Cash Sweep (ICS), which does not require CD deposits but puts the (Reserve) funds in Money Market accounts, be considered by the Financial Committee as an alternative to CDARS.

Manager's Report

General Manager (GM) Forrest began by informing the Board that he was still in the process of negotiating with fuel companies, electric and gas, on the possibility of switching fuels for the heater for the swimming pool and for the corporate laundry room dryers. These vendors have informed the GM to expect their response by the end of February.

After stating that the 2nd Notice of the Annual Meeting had been mailed or delivered to all Stockholders of record, the GM disclosed that the attorneys did not include the number of shares owned by each stockholder on the ballots for voting for Directors. The office is preparing and will soon distribute new ballots that include this information.

GM Forrest has prepared a notice for all stockholders in regard to trash pick-up. The park is short one person starting the end of the month and pick-up will only occur once on the scheduled day. The staff cannot handle numerous return trips to pick-up trash that was not placed outside units by 8:00 AM on the trash pick-up day. GM Forrest added that this procedure will start March 1, 2014.

The GM informed the Board that one resident has violated rental rules by not informing the office when renting his unit. The office attempted to notify the unit owner by phone and sent a certified letter regarding the violation but the stockholder has not responded. Therefore, the unit owner has been sent a letter telling him that he will be fined.

Correspondence

Since Oglesby was not physically present at the meeting, Director Coppola read the letters from stockholders addressed to the Board of Directors including letters from:

- Dan Statt (V-205) noting the lack of any Technology Committee Meetings and requesting that Technology Committee members have the opportunity to participate in discussions and recommendations in their area of responsibility. With regard to the comments regarding technology matters, Director Stewart clarified that the information he provided at the January 15th Board Meeting was based on research done by himself and GM Forrest and that he did not intend to imply that this work was done or reviewed by the Technology Committee. Chairman Stewart further stated that he intended to involve his committee in these matters in the future. He also informed that Board that his Wi-Fi test site had been shut down because the network had been used by an unidentified person to view child pornography.
- Director Marcia Malchuski stating that unit H-16 Hibiscus Dr. in District 2 has been illegally rented and occupied twice during the last sixth months and was illegally rented during the

off-season months. The letter also requested that the information on Christmas bonuses for Briny employees be provided to stockholders. GM Forrest noted that the owner(s) in question has(have) been notified by phone and certified mail of the violations and that the owner(s) would be fined. However, the owner(s) has (have) not responded to date and the office has not been able to contact the owner(s). The amount of the fine will be put on the owners account and if not paid in a timely manner, will be turned over for collection.

- Director Marcia Malchuski recommending that the Board change the procedure requiring that correspondence be received 10 days in advance of a Board Meeting so that stockholders who cannot attend the board meetings have adequate time to view the Agenda for the meeting and write a letter to the Board expressing their position or concerns regarding the Agenda items. She also felt that the 10-day criteria made it difficult to respond to questions from stockholders in the 30-day time frame required by Statute 719.106 (1) a.2. **President Coyner told the Board that this matter (10 day criteria) would be on the next Regular Board Meeting Agenda.**
- Roger Klink resigning his position as Boynton Beach Fire Department liaison for the Corporation as of Feb 5th 2014. (see New Business below on same subject)

Ocean Ridge Police Chief and Briny Town Marshal Report

Chief Yannuzzi's comments covered the following:

- There were 74 police reports last month for Briny but 31 of these were normal security checks. Nothing of significant concern was highlighted.
- The Corporation has trapped 28 feral cats and taken them to Palm Beach County Animal Welfare and Control. Officer Kelso, in charge of Nuisance Control, is looking into a reported complaint.
- A bike event for orphans from 8-11am is scheduled for date of the Briny Bazar.
- Ocean Ridge has 2 seats open for the March 11 elections

Committee Reports

• Rules and By-Laws Committee – Chairman Frank Coppola

The chairman proposed an addition to the Rules for Temporary/Short Term Parking to be added to be added to section 4C, 1st line as follows:

4. TEMPORARY/SHORT TERM PARKING

A resident pays \$25.00 per card requested. The fee will be refunded when card(s) are returned.

One day passes are available without charge. Parking for these One Day guest cards is only on the east side of Banyan Blvd under the trees.

After Chairman Coppola moved to approve this rule change, Director Oglesby raised a point of order stating that he did not receive a written copy of the rule prior the Board meeting and that the proposed rule change was not on the Agenda. Director Malchuski and GM Forrest stated that this was only a clarification to the rules that did not need to be on the Agenda.

Chairman Coppola moved to approve the proposed rule change above. The motion was seconded and approved by a vote of 4 to 3 with Directors Stewart, Gallacher, and Oglesby voting against the motion.

Chairman Coppola then read a second proposed change to the Rules to be added to Section B, 1st paragraph.

5. IMPROVEMENTS

1. Which provides that members and their tenants, and the members and tenants family members, guests, invitees may not perform illegal acts and must follow the law and zoning ordinances.
2. Prohibits feeding feral cats or other animals wandering loose on the premises.
3. Provides that any vendor or employee of a unit owner who does not follow these guidelines will not be permitted on the property.

GM Forrest explained that this proposal must be on the agenda to be considered and cannot be voted on by the Board. No further discussion occurred.

Director Malchuski left the meeting at this point. President Coyner noted that this would be the Director's last Regular Board meeting as the District 2 Board Representative since her current term expires on February 26 and thanked Malchuski for her service to Briny.

• Voting Oversight Committee – Chairman Tom Oglesby

Chairman Oglesby advised that the 2014-15 Election Coordinator Chuck Foland has substituted Paul Sullivan (F-16) for Gus Poulos (CD-11) as Vote Certification Official for District 1 on his 2014-15 Vote Certification team. This notification was just for information purposes for the Board since the By-Laws grant the Election Coordinator the right to select Vote Certification Officials without Board oversight or approval.

• Landscape and Pest Control Committee – Chairman Joe Coyner

Chairman Coyner informed that his committee is active in the following areas related to beautification of Briny:

- An initiative called "Front Door" that is focused on what one sees when they enter the Park
- Developing a list of recommended trees and shrubs for planting on corporate leases.

The Chairman added that his committee and the Board were continuing to look into the issue of long-term maintenance for Briny.

• Insurance Committee – Chairman Michael Gallacher

Committee Chairman Gallacher informed that the liability and collision insurance for the corporate tractor will be renewed in March of this year. No Board action is necessary. The Chairman also announced that the Board will need to approve Liquor Liability coverage for up to one million dollars at an annual premium of \$836. This will be presented to the Board for approval at the next Regular Board Meeting.

Old Business

A. Status of Cat Collection

This was an informational item that was covered in Chief Yannuzzi's report. No Board action.

B. Update / Reconsider Prior Approval of Dock Drive Seawall repair & Consideration and Approval of Plan for Dock Drive Dock Replacement

Director Coppola made a motion to sole source Qualmann to repair the Dock Drive seawall and raise its cap elevation so that it is the same elevation as the Flamingo Seawall for a cost of approximately \$114,650. The motion was seconded and discussed. Director Coppola

explained that the monies to complete these repairs will be taken from the Seawall Reserves. The GM added that in the past, he has attempted to seek competitive bids from other vendors for major seawall repairs such as the work on Flamingo. These vendors have responded saying that they will not submit bids because they cannot compete against Qualmann. GM Forrest also informed that there is currently \$137,237 in the Seawall Reserves, sufficient to pay for the proposed repairs to the Dock Drive Seawall. **Director Coppola's motion carried unanimously, 6-0, by the remaining quorum of Board Members.** (as previously mentioned, Director Malchuski had left the meeting and Director Long was absent with notice)

Director Oglesby made a motion to rescind the Board's approval for the Dock Drive seawall that was granted at the January 15, 2014 Regular Board Meeting. The motion received a second and was unanimously approved by the Board (6-0).

Director Coppola moved to sole-source to Qualmann, the replacement/rebuild of the marginal dock that must be torn down to repair the seawall. This will cost up to \$101,980 depending on how many of the 60 existing pilings need to be replaced. Director Coppola's motion was seconded and discussed. Coppola noted that Florida Statute 719.1055 requires the Board to maintain the marginal dock of the Marina along Dock Drive. The Director amended his motion to include that the dock replacement would be paid for as follows: \$35k of the final bill would come out of the Yacht Basin Reserves which contains over \$70k and the rest of the cost would be sourced from the Excess Operating Funds account which stands at over \$240K. This amendment was seconded by Director Gallacher.

GM Forrest explained that the work will be done a section at a time to attempt to minimize the inconvenience for each boat owner and that the finger piers will be raised to the level of the new dock. GM Forrest, while noting that further discussion was necessary, that it was his understanding from the meeting with Qualmann (president Coyner and Director Coppola were also participants in the meeting) that the electrical fixtures and wiring would be removed by Qualmann before starting work and laid on the ground behind the seawall in such a way that they can be replaced after the new dock is built. Stockholder Faron (L-211) asked that consideration be given to restoring the oversize slip to form two slips. **Director Coppola's motion and its amendments were unanimously approved by the six directors present for the vote.**

C. Auditorium Kitchen Suppression Hood (Emergency addition to the Agenda)

Director Coppola made "off-Agenda" emergency motions (1) for the Board to rescind the prior motion regarding purchase of the Suppression Hood approved at the January 15 Board and (2) to raise the amount approved to \$25k for purchase and installation of a Fire Suppression System for the kitchen in the auditorium and to pay for these costs by using \$15k from the Building Reserves Fund (which currently stands at \$65k) and \$10k from the Excess Operating Funds Account.

The cost for the suppression hood and installation will be paid for from Excess Operating Funds account. The suppression system is required by Fire Code in order to use the Auditorium kitchen and was understood to be part of the agreement reached between the Corporation and the Boynton Beach Fire Department to allow continued use of the facility without installing a sprinkler system. Coppola informed that the cost of the hood is \$12,620 but electrical work and required steel paneling increase to the total to \$17,740. Finally, installation and gas line replacement / hook-up costs as well as together possible additional modifications could run the total bill to over \$20,000. **Both motions received a seconds and was carried unanimously by the Board (6-0).**

D. Wi-Fi Status

This item was covered under Correspondence discussed / no board action was taken.

E. Approval of Reserves Accounts

This item was part of the committee reports and was referred to the Financial Committee for further consideration.

New Business

A. Change of Locks on South Lot for Security

GM Forrest recommended that the corporation purchase a Medco lock (prevents copies of keys being made) with 50 keys which cannot be duplicated. This item did not require Board action and was discussed here so that the Board and Community were aware of the office's plans.

B. Consideration and Approval of Plan for Dock Drive Dock Replacement

This matter was combined with the Dock Drive seawall motion and action taken is covered under Old Business.

C. Appointment of Fire Watch Chairperson and Personnel

Director Stewart made a motion to create a new committee called the Fire Watch Committee chaired by himself and to appoint Stockholder Roger Klink as the Boynton Beach Fire Department Liaison for the Corporation who will also run the Fire Watch activities. This motion explicitly includes access to the office during normal business for Stockholder Klink to conduct his Fire Watch and Fire Department liaison business. The Fire Watch Committee includes the following stockholders:

Lynne Weiner-----561-278-2583-----M 201 Lark
Chuck Foland----- 561-272-3990-----R 202 S Ibis
Thomas Goudreau-----207-212-2277-----K 12 Juniper
Paul Ruopp-----561-707-9655-----N 210 Flamingo
Roger Klink-----513-484-5306-----I 209 Palm
Nathan Eastman-----201-394-6558-----C 202 Cardinal

Director Stewart's motion received a second and was passed unanimously by the Board (6-0).

Comments/Questions from the Stockholders

Town Council President and Stockholder Sue Thaler informed the Board that the period to qualify as a candidate for the town election closed yesterday (Feb 11) at noon. She stated that the incumbent Mayor, Mike Hill, applied for re-election and is unopposed and added that one incumbent, Barbara Molina filed to run, also unopposed. There are two remaining open Council seats. The Town Council will be looking for individuals to fill these positions by appointment before the 4th Thursday in March.

Don Faron (L-211) asked about the money that was borrowed from the roll-over operations fund (=excess operating funds account) to pay insurance premiums during the summer. He asked the Board if these funds will be restored to this account and if so, when this will occur. GM Forrest responded for the Board saying that he would provide the answer to Mr. Faron's question after thoroughly researching the matter. Stockholder Faron also pointed out the legal settlement (~\$12,500) the Corporation received for cancelling the lien in connection with the

District 5 litigation is “sitting” in the excess operating fund account. Because these monies were not derived as excess operating income, they are available to meet some of the regular expenses incurred this year.

Adjournment

*Director Stewart moved to adjourn the meeting. **Director Stewart’s motion was seconded and passed unanimously by the Board.*** President Coyner adjourned the meeting at approximately 11:45 AM.

Respectfully Submitted,

Tom Oglesby
Secretary, Briny Breezes Inc.

Approved: March 12, 2014

Attachment A

NOTICE

**BOARD OF DIRECTORS MEETING
FEBRUARY 12, 2014 AT 9:00 A.M.
COMMUNITY CENTER
AGENDA**

ALL COMMENTS MUST BE LIMITED TO THREE (3) MINUTES

- 1. MOMENT OF SILENCE, PLEDGE OF ALLEGIANCE**
- 2. ROLL CALL**
- 3. APPROVAL OF PREVIOUS MINUTES**
- 4. PRESIDENT'S REPORT**
- 5. TREASURER'S REPORT**
 - A. PRESENTATION BY 1ST UNITED BANK RE: RESERVE ACCOUNTS**
- 6. MANAGER'S REPORT**
- 7. CORRESPONDENCE**
- 8. POLICE CHIEF'S REPORT**
- 9. COMMITTEE REPORTS**
- 10. OLD BUSINESS**
 - A. STATUS OF CAT COLLECTION**
 - B. UP DATE/RECONSIDER OF PRIOR APPROVAL OF DOCK DR SEAWALL REPAIR**
 - C. WiFi STATUS**
 - D. APPROVAL OF RESERVE ACCOUNTS**
- 11. NEW BUSINESS**
 - A. CHANGE OF LOCKS SOUTH LOT FOR SECURITY**
 - B. CONSIDERATION AND APPROVAL OF PLAN FOR DOCK DR DOCK REPLACEMENT**
 - C. APPOINTMENT OF FIRE WATCH CHAIR PERSON AND PERSONNEL**
- 12. ADJOURNMENT**

All stockholders are invited

Dated and Posted on February 7, 2014 at 9:00 a.m.

Carl Forrest, General Manager