

MINUTES OF MEETING
SPECIAL BOARD OF DIRECTORS MEETING, BRINY BREEZES INC.
Annual Budget Meeting
Wednesday, February 4, 2015, 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 February 4, 2015 by President Michael Gallacher. The purpose of the meeting was to approve the 2014-15 Final Budget. The Pledge of Allegiance was recited and a Moment of Silence observed.

Secretary Oglesby called roll and verified that all seven Directors, Gallacher, Gross, Brannen, Stewart, Coyner, Long and Oglesby) were in attendance, thus establishing a quorum. GM Pussinen was absent with prior notice.

President Gallacher confirmed that Proof of Notice for the meeting was posted on Tuesday January 20, 2015 at 1:00 pm and signed/witnessed by General Manager Theresa Pussinen.

Approval of Minutes

President Gallacher told the Board that the minutes being considered for approval at this meeting included those for the Regular Board Meeting held on January 14, 2015, the Special Board Meeting of January 16, 2014 and the Minutes of the Ad Hoc Committee of the Ballot Design Committee (approved here since the Committee is dissolved and had no way to approve these minutes). Secretary Oglesby then called for amendments to the minutes as written.

As there were no motions for amendments, ***Secretary Oglesby moved to waive reading of the aforementioned minutes and to approve these minutes as written.*** The motion received a second, there was no discussion and the question was called. **The Board approved Oglesby's motion unanimously (7-0) by voice vote.**

Reading of Correspondence to the Board

The Secretary read a letter to the Board from Stockholder Sue Thaler dated February 3, 2015. Ms. Thaler requested that the Board consider increasing the forecast in the Corporation's budget for Marina revenue based on the success of the advertising campaign for new leases of Marina slips. Subsequently (see below) the Board increased the budgeted amount for revenue anticipated from the Marina by \$20k for the 2014-15 Fiscal Year.

Report of Officers – President & Treasurer

No reports of officers were presented at this meeting.

Committee Reports

No Committee reports were presented at this meeting

Unfinished Business

There was no Unfinished Business.

New Business

A. Review and Approval of 2014/2015 Fiscal Year Budget

With regard to the Budget categories of the Final Budget for FY 2014-15, ***President Gallacher moved to approve:***

- **Total Income of \$1,673,315** (*Secretary Note: the \$1,669,932 on the spreadsheet distributed to stockholders was a typo that had no effect on the approved assessments*) **including an increase of \$20k for Marina income above the amount recommended by the Finance Committee.**
- **Total Operation Expense (A) of \$273,855**, consistent with the Finance Committee Recommendation
- **Total Park Facilities Expense (B) of \$240,500**, increased by \$6k (\$3k in 518- Landscaping and Maintenance, \$2k for 519-Tree Removal and Trimming, and \$1k for 522-Signs)
- **Total Insurance Expense (D) of \$219,589** as recommended by the Finance Committee
- **Total County/Municipal Expense (E) of \$417,171** as recommended by the Finance Committee

Secretary Oglesby moved to approve Administrative Expenses (C) of \$522,200, \$8k higher than recommended by the Finance Committee with the entire increase coming under 541-Office Expense to cover the cost of TOPS accounting software and training.

All above motions received seconds and were discussed. The Board unanimously (7-0) approved each motion sequentially and by voice vote.

Next, President Gallacher ***moved to approve Reserve Funding and Reserve Income, as recommended by the Finance Committee, of \$202,567.50. The motion received a second and was discussed.***

After discussion, **the Board by voice vote unanimously (7-0) to approve FY 2014-15 Reserve Funding and Reserve Income in the amount of \$202,567.50**

Finally ***President Gallacher moved to approve FY 2014-15 Assessments of \$93.12 per share. The motion received a second and was discussed.***

After discussion, **the Board by voice vote, voted 5-2 to approve FY 2014-15 Assessments of \$93.12 per share. The dissenting Board members were Director Long and Director Coyner who would have preferred an increase in the Reserves Assessment to cover anticipated expenses for Seawalls and Roads & Drainage.**

Through the above process, the 2014-15 Annual Budget was formally approved as reflected in Attachment 2 below.

President Gallacher acknowledged the Finance Committee and its Chair, Gail Elble, for their outstanding work in developing such a well thought out and balanced budget proposal as well as for the clear and thorough responses to all to the Board's questions.

Adjournment

Director Oglesby moved to adjourn. The motion received a second and was approved unanimously (7-0) by voice vote. President Gallacher adjourned the meeting at approximately 11:45 am.

Respectfully submitted,

Tom Oglesby
Secretary, Briny Breezes Inc.
Approval Date: February 11, 2015

Attachment 1

NOTICE

Special Meeting of Briny Breezes Inc. Board of Directors

ANNUAL BUDGET MEETING

Wednesday February 4, 2015

9:30 a.m.

Briny Breezes Community Center

AGENDA

ALL STOCKHOLDER 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 minutes
- V. Reading of Correspondence to the Board
- VI. Report of Officers
- VII. Committee Reports
- XI. Unfinished Business
 - A. none
- XII. New Business
 - A. Review and Approval of 2014/2015 Fiscal Year Budget
- XIII. Adjournment

All Stockholders are Welcome

This notice is dated, mailed or delivered via Briny Breezes internal mail on Friday January 16, 2015.

Notice Posted: Tuesday January 20, 2015 at 1pm.

Theresa Pussinen, General Manager, Briny Breezes Inc.

Attachment 2 - Briny Breezes 2014-15 Final Approved Budget

BRINY BREEZES, INC.
FINAL - BOARD APPROVED BUDGET (2/4/15)
OCT 2014 THROUGH SEPT 2015

Ordinary Income/Expense		Oct '13 - Sep '14	Oct.13-Sep14	Oct '14 - Sep 15	Oct '14 - Sep 15
		Budget	Actual	Approved Temp Budget	FINAL BOARD APPROVED BUDGET
Income					
1-OUTSIDE INCOME					
	4100 - Parking MotorHomes/Cars-BPen	3,000.00		3,000.00	5,000.00
	4101 - Lease Rental-Corp.Bldg	48,052.00	47,851.00	48,052.00	47,700.00
	4102 - Indoor/Outdoor Storage	36,000.00	35,942.00	36,000.00	36,000.00
	4103 - Application-Estop-Trnsfr-Bkgrnd	4,500.00		4,500.00	5,500.00
	4104 - Marina Rental Income	85,000.00	83,030.00	85,000.00	98,000.00
	4105 - Laundry Income	5,000.00	6,682.00	5,000.00	4,000.00
	4106 - Family Transfer Fees-Stock Cert	1,000.00		1,000.00	1,000.00
	4107 - Service Charges-In house Labor	4,000.00		4,000.00	4,000.00
	4108 - Rental Application Fees	5,500.00		5,500.00	5,500.00
	4109 - Bldg. Permit Application	2,000.00		2,000.00	2,000.00
	4110 - Misc. Income	2,000.00		2,000.00	2,000.00
	4111 - Interest on Operating Fund	300.00	262.00	300.00	250.00
	4113 - Blue Book Income	650.00		650.00	0.00
	Total 1-OUTSIDE INCOME	197,002.00		197,002.00	210,950.00
2-STOCKHOLDER INCOME					
	4200 - Operating Budget (Assessments)	1,184,627.00		1,262,597.00	1,265,980.00
	4201 - Per Unit (Common) Bylaw 13.10	29,280.00		29,280.00	29,280.00
	4202 - Cable (Common) Income	159,148.00		167,105.00	167,105.00
	Total 2-STOCKHOLDER INCOME	1,373,055.00		1,458,982.00	1,462,365.00
	Total Income	1,570,057.00		1,655,984.00	1,673,315.00
Expense					
A - OPERATIONS					
	501 - Pool Maint. Contract	5,400.00	5,400.00	6,000.00	6,000.00
	502 - Beach Service Contact	11,250.00	8,625.00	12,500.00	10,000.00
	503 - Safety/Security Contracts & Ser	5,000.00	7,747.00	5,000.00	6,500.00
	504 - Electricity	35,000.00	34,115.00	35,000.00	35,000.00
	505 - Propane Fuel	19,000.00	19,821.00	20,000.00	20,000.00
	506 - Waste Management Contrat	15,000.00	19,767.00	15,000.00	20,000.00
	507 - Annual Land Fill Fee	8,500.00	8,092.00	8,500.00	8,500.00
	509 - Cable TV Contract	159,148.00	149,835.00	167,105.00	167,105.00
	559 - Contingencies-Permits/Misc Exp	750.00	340.00	750.00	750.00
	Total A - OPERATIONS	259,048.00	253,742.00	269,855.00	273,855.00
B - PARK FACILITIES					
	510 - Park & Outdoor Maintenance	26,000.00	19,211.00	30,000.00	28,000.00
	511 - Air Conditioning	3,000.00	5,841.00	4,500.00	6,000.00
	512 - Roofing	8,000.00	8,882.00	8,000.00	8,800.00
	513 - Buildings Maintenance	18,000.00	17,478.00	20,000.00	18,000.00
	514 - Floor Cleaning Bldgs,Baths, ect	4,000.00	4,219.00	4,000.00	4,500.00
	515 - Exterminating	14,000.00	8,800.00	14,000.00	23,700.00
	516 - Fire Extinguishers	2,750.00	2,966.00	2,750.00	3,000.00
	517 - Corporate Vehicle Expense	7,000.00	6,558.00	7,000.00	7,000.00
	518 - Lawn Maintenance Contract	65,000.00	60,000.00	65,000.00	60,000.00
	519 - Landscaping Maintenance	3,000.00	2,814.00	13,000.00	13,000.00
	520 - Tree Removal & Trimming	10,000.00	11,966.00	10,000.00	14,000.00
	521 - Irrigation	1,200.00	30.00	1,200.00	1,200.00
	522 - Signs	1,000.00	371.00	1,500.00	1,500.00
	523 - Electrical Systems	8,000.00	8,081.00	8,000.00	8,000.00
	524 - Seawall & Drainage Exp Repair	12,000.00	9,248.00	10,000.00	12,000.00
	525 - Janitorial Supplies	5,000.00	4,425.00	5,300.00	5,000.00
	526 - Uniform	1,000.00	366.00	800.00	800.00
	527 - Pool Repair Expense	4,000.00	4,020.00	4,200.00	4,000.00
	528 - Marina Expense	1,500.00	2,619.00	1,500.00	3,000.00
	529 - Laundry Expense	2,000.00	1,926.00	2,000.00	0.00
	530 - Water System Expense	4,000.00	3,464.00	4,000.00	4,000.00
	531 - Sewer/Drainage System Expense	15,000.00	1,575.00	15,000.00	15,000.00
	Total B - PARK FACILITIES	215,450.00	184,860.00	231,750.00	240,500.00

BRINY BREEZES, INC.
FINAL - BOARD APPROVED BUDGET (2/4/15)
OCT 2014 THROUGH SEPT 2015

	Oct '13 - Sep '14	Oct 13-Sep14	Oct '14 - Sep 15	Oct '14 - Sep 15
C - ADMINISTRATIVE				
532 - Payroll Expenses	348,000.00	366,304.00	363,000.00	376,000.00
532.1 - Payroll Tax Expense-EMPLOYER	30,000.00	34,866.00	33,000.00	35,500.00
532.2 - ADP Invoice-Payroll Preparation	1,850.00	1,856.00	2,300.00	2,300.00
533 - Pension Fund Expenses	12,351.00	8,991.00	12,500.00	12,500.00
534 - Retirement Expenses	17,086.00	17,083.00	17,086.00	9,500.00
535 - Office Equipment Expense	2,000.00	2,334.00	2,000.00	2,000.00
536 - Equipment Lease Rental	4,000.00	4,188.00	7,500.00	4,200.00
537 - Accounting & Auditing	13,000.00	16,756.00	11,500.00	11,500.00
538 - Corporate Legal Expense	8,500.00	13,806.00	11,500.00	12,000.00
540 - Entertainment General	2,200.00	57.00	2,800.00	2,800.00
541 - Office Expense	20,000.00	19,236.00	24,000.00	31,000.00
542 - Postage	7,000.00	7,515.00	7,500.00	7,500.00
543 - Telephone	12,800.00	18,873.00	12,800.00	12,800.00
544 - License & Fees-State/County	2,500.00	2,584.00	2,500.00	2,600.00
Total C - ADMINISTRATIVE	481,287.00	514,529.00	509,986.00	522,200.00
D - INSURANCE				
545 - Corporate Building Insurance	9,656.00		9,656.00	8,600.00
546 - General Liability	9,876.00		12,000.00	12,500.00
546.1 - Liquor Liability				900.00
547 - Umbrella	29,024.00		30,000.00	32,000.00
548 - Wind & Flood	73,000.00		73,000.00	78,000.00
549 - Marina/Kubota	13,403.00		14,000.00	16,100.00
550 - Corp. Vehicles	2,681.00		2,800.00	2,589.00
551 - Directors & Officers	7,710.00		7,900.00	8,900.00
552 - Workers Comp.	12,651.00		15,000.00	15,000.00
553 - Employee Group Insurance	39,500.00		47,000.00	47,000.00
Total D - INSURANCE	197,501.00	192,006.00	211,356.00	219,589.00
E - COUNTY / MUNICIPAL				
554 - Corp.R/E Taxes-Common Property	7,600.00	7,600.00	8,000.00	8,000.00
555 - Town Police,Fire, EMS	197,860.00	197,860.00	205,274.00	197,860.00
556 - Town Water & Sewer	211,311.00	211,311.00	219,763.00	211,311.00
Total E - COUNTY / MUNICIPAL	416,771.00	416,771.00	433,037.00	417,171.00
Total Expenses	1,570,057.00		1,655,984.00	1,673,315.00
F - RESERVE FUNDING				
904 - Reserves - Seawall Expense	109,921.00		109,921.00	70,663.50
905 - Reserves - Buildings Expense	31,406.00		31,406.00	15,703.00
906 - Reserves - Pool Expense	15,703.00		15,703.00	0.00
907 - Reserves - Laundry Expense	2,620.00		2,620.00	1,600.00
908 - Reserves - Yacht Basin Expense	5,312.00		5,312.00	36,086.00
909 - Reserves - Cap.Asset Expense	15,703.00		15,703.00	47,109.00
927 - Reserves- Roof				31,406.00
Total F - RESERVE FUNDING	180,665.00		180,665.00	202,567.50
RESERVE INCOME				
4300- Reserve Assessments	172,733.00		172,733.00	196,287.50
4301- Reserve Laundry	2,620.00		2,620.00	1,600.00
4302- Reserve Yacht Basin	5,312.00		5,312.00	4,680.00
Total Reserve Income	180,665.00		180,665.00	202,567.50
Per Share Calculation				
Operating Expenses	1,570,057.00		1,655,984.00	1,673,315.00
Less: Cable TV & Common Expenses	188,428.00		196,385.00	196,385.00
Less: Outside Income	197,002.00		197,002.00	210,950.00
Operating Expense Net	1,184,627.00		1,262,597.00	1,265,980.00
Per Share (15,703 shares)	75.43		80.40	80.62
Reserve Assessment	11.00		11.00	12.50
Total Per Share	86.43		91.40	93.12
2013-2014 vs 2014-2015 Difference	8.54		4.97	6.69