

SPECIAL INTERIM BUDGET MEETING
BRINY BREEZES, INC.
BOARD OF DIRECTORS
WEDNESDAY SEPTEMBER 2, 2015
9:30; COMMUNITY CENTER
AGENDA

- I. The Pledge of Allegiance was recited and a moment of silence observed.
- II. Meeting was called to order at 9:35 am by President Gallacher. Roll call was taken by President Gallacher. Present in the Community Center were Directors Gallacher, Gross, McMorrow, Oglesby and Stewart; present via phone were Directors Brannen, Coyner and Long. GM was present.
- III. Proof of notice was posted by Treasurer Paul Stewart on Tuesday August 11, 2015 at 1 PM as well as mailed to shareholders.
- IV. There were no previous minutes of a Board of Directors' budget meeting.
- V. Reading of communications re: the interim budget. No relevant correspondence was received.
- VI. No reports of the Officers- Special budget meeting.
- VII. Committee reports- No reports
- VIII. Approval of the Interim Budget for 1st and 2nd quarter 2015/2016 year. President Gallacher suggested that we take it section by section.
Motion to approve Expenses -A Operations \$327,218.48 was made by Director Oglesby. A second was received. Biggest changes (increases) are cable contract, electricity and waste management; service contract for beach maintenance is reduced given that we no longer have the ropes. Director Long stated that a resident of District 4 is concerned about the cleaning of the beach. Question was called. ***Motion passed unanimously.*** Later in the meeting it was noted that the spread sheet did not tally into the total the pool maintenance line item. President Gallacher asked Director Oglesby to amend his previous motion to reflect the corrected amount. ***An amended motion to approve Expenses section A Operations \$333,218.48 was made by Director Oglesby.*** Seconded. ***New motion passed unanimously.***

Motion made by Director McMorrow to approve Expenses B-Park Facilities at \$246,835.71. This was seconded. Discussion included the biggest change which was a reduction to the landscape maintenance by \$10,000. An item was added to this budget for park security which will address our secured doors at the Laundry, Clubhouse, Chiselers. Biggest change is the Landscape maintenance reduced to \$3000; Director Coyner requested that we return the budget for Landscape Maintenance to \$13,000 so that the 3 year plan/goal can

be accomplished. Question still remained what plan and has it been updated. **Director McMorro** asked to amend the motion to increase the Expense B-Park Facilities by \$10,000 for a Total of \$256,835.71 to accommodate the landscape maintenance committee so they can attain the goals of the plan previously proposed. Seconded. Further discussion about signs and lights to the main ocean side entrances and exits (Ruthmary and Cordova.) Suggested that we take this to the GM and our outside maintenance crew. Question was called. *Vote was 7 in favor -1opposed(Stewart). Motion carried.*

Director Oglesby moved to accept Expenses Item C Administrative at a total of \$516,600.00. A second was received. Discussion included the possibility of additional staffing that might be required to handle changes in rules and regulations for golf carts e.g. inspections, insurance, registration etc. Several said this should be handled at the annual budget meeting. Question was called. *Vote was unanimous. Motion carried.*

Director Oglesby moved to approve Expenses Item D Insurance for a total of \$229,589.00. This was seconded. After a robust discussion it was determined that we could save additional money by modifying the insurance plan for employees and still provide excellent coverage. Director Oglesby withdrew this motion and made another. **Director Oglesby** moved to approve Expenses Item D Insurance for a total of \$222,589.00. The discussion here reflected the effort to make the interim budget as close to real numbers as possible. Question was call. *Vote was unanimous. Motion carried.*

Director McMorro made a motion to approve Expenses E-County/Municipal for a total of \$521,791.55. This was seconded. It reflects an increase of 5% for water and sewer, 30% for police and fire and EMS which includes the modifications proposed to continue use of golf carts across A1A; Discussions were predominantly on the additional \$75,000 that is included in the town, Fire, EMS. This seems ambiguous since the \$75,000 is being used for signage, widening of sidewalks etc. When asked about getting a separate bill and/or our budget having a separate line item, Sue Thaler speaking on behalf of the Town said they do not bill that way. We were reminded of the upcoming meeting and that there have been many Town meetings on the subject. The Directors were reminded that there is an agreement that the corporation pays any excess anyway. President Gallacher pointed out that there is a need to engage shareholders in these discussions but difficult given the “out of season” timing. Question was called. *Vote was unanimous; motion carried.*

Director McMorrow made a motion to approve Income- Outside Income for a total of \$2,068,156.74. Seconded. Discussion included an anticipated \$6,000.00 increased revenue from the Marina. **Director McMorrow amended her motion to approve Income- Outside Income for a total of \$2,171,374.74.** This was seconded. Question was called. ***Vote was unanimous; motion carried.***

Director Stewart made a motion to approve Expenses-F Reserve funding for a total of \$226,122.00 Seconded. This is what the Finance committee proposed. Discussion included that we have not funded adequately and we have spent our reserves down; the proposed reserved budget still underfunds by 28% relative to the Reserve study's recommendations; a real problem with roads and drainage; the finance committee was asking for guidance from the Board; GM Theresa Pussinen was asked about the Reserves study; she said that it is just a study and in her opinion we have not been funding enough and we have been spending to make necessary improvements; it was suggested that we need a thorough study of the water and sewer system. Question was called. ***Vote was 0 in favor-8 opposed. Motion failed.***

Director Oglesby made a motion to accept an alternate proposal for Expenses-F Reserves for a total of \$320,340.00. This was seconded. Discussion included that we need to seek more options for revenue; that this was still not enough. The question was called. Roll Call Vote: Director Gross Yes; Director Brannen Yes; Director Long Yes; Director Coyner Yes; Director McMorrow Yes, Director Stewart No; Director Gallacher Yes. ***Vote 7 - 1. Motion carried.***

Motion made by Director Oglesby that to accept the final budget as adjusted through the above motions for a total budget of \$2,171,374.74. Seconded. ***Motion carried unanimously.***

Motion made to adjourn by Director Oglesby at 11:45. Seconded. ***Vote was unanimous; motion carried.***

Respectfully submitted by

Susan J. Brannen, Secretary

Approved: