

**MINUTES OF MEETING**  
**SPECIAL BOARD OF DIRECTORS MEETING, BRINY BREEZES INC.**  
**Thursday, April 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 April 16, 2014 by President Michael Gallacher for the purpose of approving an Interim FY 2014-15 Budget.

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

President Gallacher called the roll. Directors Gallacher, Gross, Coyner, Elble, Brannen, Long, Stewart and Oglesby were present at the meeting constituting a quorum of Board Members. Oglesby attended by conference phone link.

President Gallacher confirmed that Proof of Notice for the meeting was posted on Friday, March 24, 2014 at 1:00pm and signed/witnessed by Treasurer Elble. The President noted that the proposed budget was sent to the stockholders on March 26, 2014.

**Approval of Minutes**

President Gallacher advised the Board that consideration of approval of the minutes will be deferred to the Special Meeting that will follow this meeting.

**Approval of Interim Budget 2014/15**

Treasurer Elble stated that the Board is already aware of some savings opportunities relative to the Proposed Budget currently under consideration. However, further evaluation of these and other savings opportunities will be undertaken next Fall to be documented in the February 2015 when the Final FY 2014-15 Budget is considered. Also at that time, the Board will need to reapportion Reserve Funding to reflect expenses incurred this Fiscal Year. The Treasurer also clarified that Yacht Basin and Laundry line items are actually savings accounts, not Reserves funded by the stockholder, and will be properly named the next time we consider budgets.

***Treasurer Elble then moved to approve the Interim Budget for FY 2014-15 as proposed by the Finance Committee.*** The motion received a second and was discussed.

Director Brannen expressed a concern that a Landscaping Budget increase of \$10k seems inconsistent with an anticipated decrease in the cost of the Landscaping (Lawn, Tree & Shrub Maintenance) Contract. Also, the Board entertained questions about the Landscaping Committee wanting to hire a staff gardener. President Gallacher explained that the Landscaping Committee's goal is to reduce the annual lawn maintenance contract cost to mow, edge and clean up, and with the funds saved, possibly hire an in-house grounds keeper to do all of the shrub and tree trimming. The President added that the \$10k increase in the Landscaping Budget is related to projects such as re-sodding and landscaping (\$4-5k) behind the Dock Drive seawall, replacing dead bushes around the Clubhouse and replacement of dead trees around

the Park. Director Coyner updated the Board by sharing that the Committee members had reviewed two new offers for Landscaping, both over \$100k annually and not attractive alternatives to the Dynaserv Contract. He added that some of the increase in the Landscaping Budget is related to replacing sea grape plants on the Beach and also stated that the committee is looking at doing some of this work in-house to save money.

Director Brannen pointed out the need to disclose the full costs of projects such as the Dock Drive work at the time the Board considers approving a new project. There was no disagreement among Board Members.

In response to a follow-up question from Director Brannen, Treasurer Elble explained the monies from the Marina Savings Account and from the Capital Asset Reserves would be used to rebuild the marginal dock but not the finger piers.

Stockholder Coppola (C-212) noted that the contracts for the Dock Drive work were clear that electrical, plumbing and sodding were not covered under the contract price. *(Secretary's Note: The prior Board understood that much or all of this additional work would be done in-house / TWO)*

Director Stewart raised the issue of depleting the Yacht Savings Account (~\$72K) to complete the marginal dock rebuild due to underfunding of the account that normally covers operating expenses. Treasurer Elble noted that she will be looking closely at the Marina income versus expenses to determine the net income to determine what percentage of the net income should be made available for operating expenses and repairs.

Stockholder Ruopp (N-210) and member of the Finance Committee spoke about the need to better control expenses, especially regarding the Landscaping and Salary Budgets. President Gallacher clarified that the Board is currently seeking to approve the Budget as proposed by the Finance Committee. In response to a question from Director Brannen, Ruopp stated that historically, the board-approved expenditures would be taken to the finance committee and should drive the Budget.

**After discussion, the Board of Directors voted unanimously (8-0) by roll-call to approve Treasurer Elble's motion to adopt the attached (Attachment 2) Interim Budget for FY 2014-15 as proposed by the Finance Committee and as sent to the Stockholders.**

President Gallacher informed that next year, the Board will hold a Meeting to discuss the Finance Committee's recommended budget in order to consider Board adjustments, if any, before sending the Proposed Interim Budget to the stockholders. After any potential adjustments to the Finance Committee recommend budget are considered and adopted or not by the Board, the Board will send the Proposed Interim Budget to the stockholders at least two weeks prior the Board Meeting to approve the Interim Budget.

## **Adjournment**

**Director Brannen moved to adjourn. The motion received a second and was unanimously (8-0) approved by voice vote of the Board.**

President Gallacher adjourned the meeting at approximately 10:10 AM.

Respectfully submitted,

Tom Oglesby  
Secretary, Briny Breezes Inc.  
Approval Date: April 23, 2014

*Attachment 1*

# **Special Interim Budget Meeting**

**of**

**Briny Breezes Inc.**

**Board of Directors**

**Wednesday April 16, 2014**

**AT 9:30 A.M.**

**Briny Breezes Community Center**

## **AGENDA**

**All stockholder comments must be limited to (3) minutes.**

- I. Call to Order**
- II. Pledge and Moment of Silence**
- III. Roll Call**
- IV. Proof of Notice** (posted March 24<sup>th</sup>, mailed March 26<sup>th</sup>)
- V. Approval Of Minutes**(deferred to following meeting)
- VI. Approval of Interim Budget for 1<sup>st</sup> and 2<sup>nd</sup> quarter 2014/15.**
- VII. Adjournment**

**All Stockholders are Welcome**

**This notice is dated and posted: Monday March 24, 2014 at 1pm**

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**Gail Elble, Treasurer Board of Directors**

## Attachment 2

### Approved Interim Budget for 1st and 2nd quarter 2014/15

	<u>Oct '13 - Sep '14</u>	<u>Oct '14 - Sep 15</u>
Ordinary Income/Expense		Board Approved.as
Income		Proposed
<b>1-OUTSIDE INCOME</b>		
4100 · Parking MotorHomes/Cars-BPen	3,000.00	3,000.00
4101 · Lease Rental-Corp.Bldg	48,052.00	48,052.00
4102 · Indoor/Outdoor Storage	36,000.00	36,000.00
4103 · Application-Estop-Trnsfr-Bkgrnd	4,500.00	4,500.00
4104 · Marina Rental Income	85,000.00	85,000.00
4105 · Laundry Income	5,000.00	5,000.00
4106 · Family Transfer Fees-Stock Cert	1,000.00	1,000.00
4107 · Service Charges-In house Labor	4,000.00	4,000.00
4108 · Rental Application Fees	5,500.00	5,500.00
4109 · Bldg. Permit Application	2,000.00	2,000.00
4110 · Misc. Income	2,000.00	2,000.00
4111 · Interest on Operating Fund	300.00	300.00
4113 · Blue Book Income	650.00	650.00
<b>Total 1-OUTSIDE INCOME</b>	<b>197,002.00</b>	<b>197,002.00</b>
<b>2-STOCKHOLDER INCOME</b>		
4200 · Operating Budget (Assessments)	1,184,627.00	1,262,597.00
4201 · Per Unit (Common) Bylaw 13.10	29,280.00	29,280.00
4202 · Cable (Common) Income	159,148.00	167,105.00
<b>Total 2-STOCKHOLDER INCOME</b>	<b>1,373,055.00</b>	<b>1,458,982.00</b>
<b>Total Income</b>	<b>1,570,057.00</b>	<b>1,655,984.00</b>
Expense		
<b>A · OPERATIONS</b>		
501 · Pool Maint. Contract	5,400.00	6,000.00
502 · Beach Service Contact	11,250.00	12,500.00
503 · Safety/Security Contracts & Ser	5,000.00	5,000.00
504 · Electricity	35,000.00	35,000.00
505 · Propane Fuel	19,000.00	20,000.00
506 · Waste Management Contrat	15,000.00	15,000.00
507 · Annual Land Fill Fee	8,500.00	8,500.00
509 · Cable TV Contract	159,148.00	167,105.00
559 · Contingencies-Permits/Misc Exp	750.00	750.00
<b>Total A · OPERATIONS</b>	<b>259,048.00</b>	<b>269,855.00</b>
<b>B · PARK FACILITIES</b>		
510 · Park & Outdoor Maintenance	26,000.00	30,000.00
511 · Air Conditioning	3,000.00	4,500.00
512 · Roofing	8,000.00	8,000.00
513 · Buildings Maintenance	18,000.00	20,000.00
514 · Floor Cleaning Bldgs,Baths, ect	4,000.00	4,000.00
515 · Exterminating	14,000.00	14,000.00
516 · Fire Extinguishers	2,750.00	2,750.00
517 · Corporate Vehicle Expense	7,000.00	7,000.00
518 · Lawn Maintenance Contract	65,000.00	65,000.00
519 · Landscaping Maintenance	3,000.00	13,000.00
520 · Tree Removal & Trimming	10,000.00	10,000.00
521 · Irrigation	1,200.00	1,200.00

522 · Signs	1,000.00	1,500.00
523 · Electrical Systems	8,000.00	8,000.00
524 · Seawall & Drainage Exp Repair	12,000.00	10,000.00
525 · Janitorial Supplies	5,000.00	5,300.00
526 · Uniform	1,000.00	800.00
527 · Pool Repair Expense	4,000.00	4,200.00
528 · Marina Expense	1,500.00	1,500.00
529 · Laundry Expense	2,000.00	2,000.00
530 · Water System Expense	4,000.00	4,000.00
531 · Sewer/Drainage System Expense	15,000.00	15,000.00
<b>Total B · PARK FACILITIES</b>	<b>215,450.00</b>	<b>231,750.00</b>
<b>C · ADMINISTRATIVE</b>		
532 · Payroll Expenses	348,000.00	363,000.00
532.1 · Payroll Tax Expense-EMPLOYER	30,000.00	33,000.00
532.2 · ADP Invoice-Payroll Preparation	1,850.00	2,300.00
533 · Pension Fund Expenses	12,351.00	12,500.00
534 · Retirement Expenses	17,086.00	17,086.00
535 · Office Equipment Expense	2,000.00	2,000.00
536 · Equipment Lease Rental	4,000.00	7,500.00
537 · Accounting & Auditing	13,000.00	11,500.00
538 · Corporate Legal Expense	8,500.00	11,500.00
540 · Entertainment General	2,200.00	2,800.00
541 · Office Expense	20,000.00	24,000.00
542 · Postage	7,000.00	7,500.00
543 · Telephone	12,800.00	12,800.00
544 · License & Fees-State/County	2,500.00	2,500.00
<b>Total C · ADMINISTRATIVE</b>	<b>481,287.00</b>	<b>509,986.00</b>
<b>D · INSURANCE</b>		
545 · Corporate Building Insurance	9,656.00	9,656.00
546 · General Liability	9,876.00	12,000.00
547 · Umbrella	29,024.00	30,000.00
548 · Wind & Flood	73,000.00	73,000.00
549 · Marina	13,403.00	14,000.00
550 · Corp. Vehicles	2,681.00	2,800.00
551 · Directors & Officers	7,710.00	7,900.00
552 · Workers Comp.	12,651.00	15,000.00
553 · Employee Group Insurance	39,500.00	47,000.00
<b>Total D · INSURANCE</b>	<b>197,501.00</b>	<b>211,356.00</b>
<b>E · COUNTY / MUNICIPAL</b>		
554 · Corp.R/E Taxes-Common Property	7,600.00	8,000.00
555 · Town Police,Fire, EMS	197,860.00	205,274.00
556 · Town Water & Sewer	211,311.00	219,763.00
<b>Total E · COUNTY / MUNICIPAL</b>	<b>416,771.00</b>	<b>433,037.00</b>
<b>Total Expenses</b>	<b>1,570,057.00</b>	<b>1,655,984.00</b>
<b>F · RESERVE FUNDING</b>		
904 · Reserves - Seawall Expense	109,921.00	109,921.00
905 · Reserves - Buildings Expense	31,406.00	31,406.00
906 · Reserves - Pool Expense	15,703.00	15,703.00
907 · Reserves - Laundry Expense	2,620.00	2,620.00
908 · Reserves - Yacht Basin Expense	5,312.00	5,312.00
909 · Reserves - Cap.Asset Expense	15,703.00	15,703.00
<b>Total F · RESERVE FUNDING</b>	<b>180,665.00</b>	<b>180,665.00</b>
<b>RESERVE INCOME</b>		
4300- Reserve Assessments	172,733.00	172,733.00

<b>4301- Reserve Laundry</b>	2,620.00	2,620.00
<b>4302- Reserve Yacht Basin</b>	5,312.00	5,312.00
<b>Total Reserve Income</b>	<b>180,665.00</b>	<b>180,665.00</b>

**Per Share Calculation**

Operating Expenses	<b>1,570,057.00</b>	<b>1,655,984.00</b>
Less: Cable TV & Common Expenses	<b>188,428.00</b>	<b>196,385.00</b>
Less: Outside Income	<b>197,002.00</b>	<b>197,002.00</b>
Operating Expense Net	<b>1,184,627.00</b>	<b>1,262,597.00</b>
Per Share (15,703 shares)	<b>75.43</b>	<b>80.40</b>
Reserve Assessment	<b>11.00</b>	<b>11.00</b>
Total Per Share	<b>86.43</b>	<b>91.40</b>
2013-2014 vs 2014-2015 Difference	<b>8.54</b>	<b>4.97</b>