

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 10:10 am on April 16, 2014 by President Michael Gallacher.

The Pledge of Allegiance and a Moment of Silence were observed at the previous morning meeting and were not repeated.

President Gallacher called 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 Monday April 14, 2014 at 8:30 am and signed/witnessed by President Gallacher.

Approval of Minutes

Secretary Oglesby informed the Board that the minutes being considered for approval at this meeting are those for the Regular Board Meeting of April 9, 2014. The Secretary called for amendments. There were no motions for amendments and ***Secretary Oglesby moved to waive reading of the afore-mentioned minutes and approve these minutes as written.*** The motion received a second, there was no discussion and the question was called. **The Board unanimously (8-0) approved the Secretary's motion by voice vote.**

New Business

A. Board Resolution to remove Dorothy Wilson & Steve Best from BB&T Safe Deposit Box & approve new signers

President Gallacher noted that the Board recently became aware of a Briny Breezes Safe Deposit Box located at the BB&T Bank in Lantana. He shared that the Board believes that the safe deposit box contains some historical Briny documents and may also contain other important and valuable items. The President added that the only persons that currently have access are Dorothy Wilson and Steve Best, neither of which is currently employed by Briny.

President Gallacher informed the Board that Dorothy has graciously agreed to accompany us to BB&T Bank so that we can retrieve the documents, close the account or update the list of authorized signers, as appropriate.

Director Elble made a motion, as amended, to (1) close the safe deposit box in the BB&T Bank in Lantana after removing the contents of the safe deposit box, (2) make an inventory the contents which will be stored in the safe in the Briny Breezes office and (3) open a new safety deposit box at 1st United Bank (to store the documents) giving access

to President Michael Gallacher and Current Manager Theresa Pussinen. The amended motion received a second.

The motion was discussed. Director Brannen supported the idea that we only have two people that are present year-around with access. Stockholder Gauer (F-211) suggested inventorying the contents of the box. The President agreed to compose such an inventory after opening the safe deposit box. He added that this inventory would be signed by himself and Dorothy Wilson and a copy of the inventory will be kept in the Briny office safe. Director Elble amended her motion to close the BB&T box and open another safe deposit box at 1st United Bank and to limit access to the President and General Manager. President Gallacher commented that he would expect to get a safe deposit box from Bank United for free given the amount of money we now have with them. **The question was called on the amended motion and the Board unanimously (8-0) approved Director Elble's amended motion by voice vote.**

B. Manager Contract Revisions

President Gallacher confirmed that our new Manager, Ms. Theresa Pusinnen, began working at Briny effective Monday, April 14, 2014. The President explained that since her original contract specified a start date of March 24th and the Board must vote to amend the contract to reflect Ms. Pusinnen's actual start date of April 14, 2014. After the administrative change is approved, the President and Ms. Pussinen will prepare and sign the Addendum to Ms. Pusinnen's one-year contract reflecting this change.

Director Long made a motion to amend General Manager Pussinen's contract start date to April 14, 2014 by an addendum to be executed by President Gallacher. The motion received a second. There was no discussion. **The question was called and the Board unanimously (8-0) approved Director Long motion by voice vote.**

C. Approval of Qualmann raise/re-build finger piers Marina

President Gallacher explained that because we are going to raise the marginal dock up to 18 inches in places, the gap in elevation between the main dock and some of the finger piers (if not raised) constitute a safety hazard. Initially, installing a ramp was considered, but because the finger piers are quite narrow, those involved felt that it was much safer to simply raise the 19 finger piers to the level of the new dock. The Board had previously planned for our maintenance staff to repair and raise the finger piers to the level of the new dock as part of the Dock Drive marginal dock project. However, given the amount of work that completing this project in-house would require, the finger dock project would displace other important in-house work that we expect our staff to accomplish over the summer. In addition, our estimates indicate that it will cost Briny more than \$36.1k to do the work in-house.

For these reasons, the President believes that it is more prudent to pay Qualmann \$36.1k so that this project can be completed by Qualmann in conjunction with the rebuilding of the marginal dock and seawall repair along Dock Drive. The President also informed that, if this

proposal is approved, Qualmann has agreed to bill a portion this year and a portion after October 1.

Director Elble made a motion to pay Qualmann \$36.1k to rebuild, strengthen and raise the finger docks along the Dock Drive marginal dock to the level of the new dock and to pay the cost partly out of our FY 2013-14 Capital Reserves budget and partly from our recently-approved, Interim 2014/15 Budget for Capital Asset Reserves. The motion sole-sourced this project to Qualmann, since the work is an integral part of Qualmann's overall seawall/marginal dock project and recognized the lack of any competitive bidders for this work in the local marketplace. The motion received a second and the motion was open for discussion.

Stockholder Coppola (C-212) asked about the width of the finger piers. Director Elble answered that the standard width of the finger piers will be around 30", in most cases wider than many of the current finger piers and will be uniform across the dock. Director Stewart suggested that the Yacht Basin Committee look at the option of floating docks. President Gallacher advised the Board that a second bid was obtained for raising the finger piers, but that it was significantly more costly than the Qualmann bid. Director Elble mentioned that some of the Marina customers are threatening to leave our Marina due to the condition of the finger piers. President Gallacher suggested that we put the finger pier proposal on hold for a short time. He explained that he and Director Elble were expecting to meet with a new vendor regarding this project after the meeting. After meeting the new vendor, they may need to do some further evaluation or possibly return to the idea of installing ramps to the finger piers.

Director Gross suggested that we re-look at the entire Dock Drive project and that we present a comprehensive plan on the project. Director Elble summarized the history of the seawall/marginal dock project and pointed out that the plan was approved by the prior Board but the finger piers and electrical work were not addressed when the project was approved. Director Brannen supported the seawall project and commented that this project is intended to mitigate the severe periodic flooding in portions of District 3 and thus is a quality of life issue for our stockholders.

The question was called and Director Elble's motion failed 5 to 3 with Directors Long, Elble and Oglesby voting for the measure.

D. Approval – Marina Electrical Project – raise & bring up to code all electrical on dock drive

Director Elble made a motion to approve a licensed electrical contractor to raise and upgrade all electrical systems along the Dock Drive Marginal Dock for a cost of up to \$31k including providing, installing, and repairing, all electrical equipment and wiring utilized for the marginal dock so that it is consistent with code and raised above high tide level. The costs will be paid from Capital Reserves.

The motion received a second and was discussed. Board Liaison for the Marina Committee, Director Elble, informed that there are a significant number of electrical upgrades required for the Dock Drive marginal dock project. None of the existing electrical systems are up to code. The new work to correct these discrepancies and to raise the electrical wiring above high tide level will cost the Corporation approximately \$31k. The Committee obtained 4 bids for this work. Low bidder so far is Bi-us Electrical Company. Another company is expected to bid for this work today. Director Elble explained that the cost for this work will be paid from Capital Asset Reserves partly from the 2013/14 Budget and partly from the recently approved 2014/15 Interim Budget.

The question was called and the Board approved Director Elble's motion 6 to 2 motion by voice vote. Directors Stewart and Coyner voted against the measure.

At this point in the Meeting, Director Long excused herself from the Board meeting, leaving a quorum of seven Directors.

President Gallacher used this interlude to inform District 4 stockholders that the Board had followed-up on the question raised at the April 9th Board meeting regarding the impact of the District 4 seawall repair work on private docks. The President reported that Qualmann's Mitch Scavone has assured the Corporation that their work filling the cracks and bracing the cracked seawall panels in District 4 will have no impact on the private docks in this area.

E. Discussion – Reserving Auditorium for Private Parties

President Gallacher noted that during the last week or so, he has been asked by several stockholders as to why the Board was allowing the Auditorium to be used for private parties. In response to those inquiries, Gallacher stated that he saw no reason that the stockholders should pay for utilities for private events held in the Auditorium. He emphasized that this large structure is too expensive to light, heat or cool to justify the stockholders subsidizing the utility cost for private events. Also, he noted that cooking in the Auditorium kitchen results in increasing the Corporation's propane bills. Finally, Gallacher suggested that the Board could possibly look at a "rental charge" to cover these expenses if a number of stockholders really want to use the facility for a private event.

Director Elble made a motion to (1) immediately suspend all use of the Auditorium for private events, (2) have the office re-key the Auditorium with keys that cannot be commercially-duplicated and limit documented distribution of copies as appropriate and (3) instruct the Rules Committee to draft a new rule under Section F documenting the Board's decision that "no private parties may be held in the Auditorium without prior Board approval". This motion, if approved, effectively cancels all and any existing reservations for private functions in the Auditorium.

The motion received a second and was discussed. Director Elble noted that there are currently no provisions in the Rules dealing with private use of the Auditorium. Director Brannen supported the motion sharing her concerns (1) that the expensive audio-visual equipment stored

in the Auditorium which could not be secured during private events and (2) that any fees for the use of the facility for private events should cover the cost of the use of this building.

Stockholder Gauer (F-211) supported with this proposal. Stockholder Wahne (H-211), noted that there are too many keys to the Auditorium in circulation but raised a concern that several people in the Park will need to have a key to conduct routine Briny Business (i.e. church services on Sunday) and repeatedly having to sign out for a temporary key did not make sense.

After discussion, the question was called and the Board unanimously (7-0) approved Director Elble's motion by voice vote. (Secretary Note: Director Long had left the meeting prior to the vote, as noted above)

F. Shuffleboard request for exception to rule A.4.D for guests 1x each month Dec – Mar
President Gallacher noted that rule A.4.D for guests requires that events held in Briny at which the majority of Participants are not Stockholders must receive Board approval. This agenda item represents such a request.

Director Gross made a motion to approve the exception to Rule A.4.d for one day for each month, December 2014 through March 2015, for the Shuffle Board competition.

The motion received a second. It was clarified that this motion does not include use of the Ocean Clubhouse during this once-a-month event.

The question was called and the Board unanimously (7-0) approved Director Gross' motion by voice vote. (Secretary Note: Director Long had left the meeting prior to the vote, as noted above)

Closing Comments

- Director Gross stressed the importance of clear and consistent communications regarding major projects.
- Director Brannen suggested holding workshops to gather and exchange ideas on key issues or major projects as well as to have direct communication with the stockholders. She pointed out the restriction of no more than 4 Directors can attend any meeting.
- President Gallacher wished farewell to the Stockholders for the Summer promising to see them again next season.

Adjournment

Director Brannen moved to adjourn. The motion received a second and was unanimously approved by the Board. President Gallacher adjourned the meeting at approximately 11:25 AM.

Respectfully submitted,

Tom Oglesby
Secretary, Briny Breezes Inc.

Approval Date: April 23, 2014

Attachment 1

NOTICE

Special Meeting of Board of Directors
Briny Breezes Inc.
Wednesday April 16, 2014
Immediately following 9:30am Special Meeting
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
- V. Approval of Minutes (prior board meeting)

New Business:

- A. Board Resolution to remove Dorothy Wilson & Steve Best from BB&T Safety Deposit Box & approve new signers
- B. Manager Contract Revisions
- C. Approval of Qualmann to re-build finger piers Marina
- D. Discussion/Approval – Marina Electrical work required for seawall and marginal dock rebuild.
- E. Discussion – Reserving Auditorium for Private Parties
- F. Shuffleboard request for exception to rule A.4.D for guests 1x each month December – March

- VI. Adjournment

All Stockholders are Welcome

This notice is dated and posted: Monday April 14, 2014 at 8:30am

Michael Gallacher, President - Board of Directors