

BAYSHORE BEACH CLUB, INC.
BOARD OF DIRECTORS SPECIAL MEETING
Monday, May 24, 2021

In Attendance:

Kenn Apel, Director	District 1
Gina Bebek, Director	District 2
Steve Sager, Director	District 3
Jacque Smith, Corp. Secy	District 3
Tom Hurt, Vice President	District 4
Carolyn Gardner, Director	District 5
Mark Mugnai, Director	District 6
William Nightingale, President	District 7

The Board of Directors Special Meeting was called to order by President Nightingale at 5:01 pm.

Pool Opening. Bob Tunison, Facilities Manager, presented a report regarding the proposed pool schedule, closing mid-day for deep cleaning of facilities per Lincoln County’s Covid-19 Regulations. The pool will reopen on June 14th. Bob wished to have some way to distinguish between vaccinated and unvaccinated attendees, and it was suggested that temporary wrist bracelets such as you would receive while at the hospital would be one way to accomplish this for unvaccinated attendees. The Board has another option which would be for all Members to wear masks.

There was discussion by Vice President Hurt of not wanting to segregate or discriminate or ask people using the pool or other facilities if they have been vaccinated and was afraid that it wouldn’t be enforceable due to HIPAA. President Nightingale said that HIPAA regulations don’t preclude a business from asking if someone is vaccinated. Vaccination isn’t covered by HIPAA because it does not involve a physician. There was more Board discussion about wearing mask at all facilities just to be safe. Director Sager discussed his conversations with County and State officials and how he received conflicting information on the subject.

Member Comments as follows: 1) Norman Fernandes suggested that the Pool remain closed for the balance of the year; 2) Elaine Ferguson thanked President Nightingale for clarification of how HIPAA Regulations worked for businesses; 3) Michael O’Donald, who had previously run a City Pool for 17 years said that we would get organic materials such as feces and urine in water and was concerned about not wearing masks.

Motion. Vice President Hurt moved, and it was seconded by Director Gardner, that all visitors and members would be required to wear masks or face coverings in all facilities, including the Clubhouse, except when seated at the pool or in the pool.

Vote:

Apel	Yes	Hurt	Yes
Bebek	Yes	Gardner	Yes
Sager	Yes	Mugnai	Yes
Smith	Yes	Nightingale	Yes

Motion passed.

The limitation of the pool will be 54 according to County restrictions. The pool schedule was then discussed:

2021 DAILY POOL SCHEDULE

<u>Session Description</u>	<u>Session Time Period</u>
Aquasizers*	9:00 AM – to – 10:00 AM
Lap Swim	10:00 AM – to – 11:00 AM
Member Families	11:00 AM – to – 12:00 PM
Adult Members ONLY	12:00 PM – to – 1:00 PM
POOL CLOSED (Cleaning)	1:00 PM – to – 1:30 PM
OPEN SWIM**	1:30 PM – to – 4:30 PM
Member Families	4:30 PM – to – 6:00 PM
Adult Members ONLY	6:00 PM – to – 8:00 PM
Pool Closes	8:00 PM

*Aquasizers session not available on Saturdays and Sundays.

Pool opens at 10:00 AM on weekends.

** OPEN SWIM includes members, families, and vacation renters.

Office Administrator. The discussion about making the Office Administrator position into a time-share position and review of salary was tabled to next regular Board of Directors meeting in June.

IRS Issue. President Nightingale was contacted by the Bayshore’s Accountant that there may be issue with our exemption status. He was instructed to look into the IRS file in the cabinet in the office and review certain documents. The accountant’s reasoning was that we could be in jeopardy of losing our exempt status because we have closed the pool and other amenities to the STR’s. He believed this was going against the meaning of the 501(C)(4) we were filed under.

In 1981, there was an audit of the Bayshore Beach Club by the IRS and it was recommended by the investigator to revoke our 501(C)(4) status because the organization was not following the rules of the 501(C)(4) requirements. The investigation lists out the potential areas of violation, item 2 page 5, Bayshore does not conduct or participate in any physical aspect of exterior maintenance of private residences and item 3 page 6, that not all common areas of the facilities such as the clubhouse, swimming pool, and tennis courts are not open to the general public found in the 1981 document.

In 1983, the IRS issued a notice to revoke the 501(C)(4) exempt status because (2) it must not conduct activities directed to the exterior maintenance of private residences and (3) the common area or facilities it owns and maintains must be for the use and enjoyment of the general public.

With the vote of the Board of Directors Meeting in March 2021 to eliminate the STR usage of the pool and all other amenities, making the pool and amenities exclusive to the Bayshore Beach Club members only, this jeopardizes our exempt status.

Motion. Vice President Hurt moved, and it was seconded by Director Apel, to open our facilities as needed to meet IRS standards moving forward.

Vote:

Apel	Yes	Hurt	Yes
Bebek	Yes	Gardner	Yes
Sager	Yes	Mugnai	Yes
Smith	Yes	Nightingale	Yes

The motion passed unanimously.

Committee Liaisons.

There was discussion among Board Directors about whom the liaisons would be for the Committees.

Motion. Director Apel moved, and it was seconded by Director Gardner, to nominate Director Steve Sager to act as liaison to the Safety Committee.

Vote:

Apel	Yes	Hurt	Yes
Bebek	Yes	Gardner	Yes
Sager	Abstain	Mugnai	Yes
Smith	Yes	Nightingale	Yes

The motion passed 7-0-1.

Motion. Director Apel moved, and it was seconded by Director Bebek, to nominate Vice President Tom Hurt to act as liaison to the Planning Committee.

Vote:

Apel	Yes	Hurt	Abstain
Bebek	Yes	Gardner	Yes
Sager	Yes	Mugnai	Yes
Smith	Yes	Nightingale	Yes

The motion passed 7-0-1.

Motion. Director Apel moved, and it was seconded by Vice President Hurt, to nominate Corporate Secretary Jacque Smith to act as liaison to the Communications Committee.

Vote:

Apel	Yes	Hurt	Yes
Bebek	Yes	Gardner	Yes
Sager	Yes	Mugnai	Yes
Smith	Abstain	Nightingale	Yes

The motion passed 7-0-1.

Motion. Director Smith moved, and it was seconded by Director Sager, to nominate Director Mark Mugnai to act as liaison to the Social Committee.

Vote:

Apel	Yes	Hurt	Yes
Bebek	Yes	Gardner	Yes
Sager	Yes	Mugnai	Abstain
Smith	Yes	Nightingale	Yes

The motion passed 7-0-1.

Committees. There was discussion among Board Directors about nominations for the Committees.

Motion. Vice President Hurt moved, and it was seconded by Director Apel, to nominate members Jennifer Olson, Roger Smith, and Karen Fitzgerald to the Safety Committee.

Vote:

Apel	Yes	Hurt	Yes
Bebek	Yes	Gardner	Yes
Sager	Yes	Mugnai	Yes
Smith	Yes	Nightingale	Yes

The motion passed unanimously.

Director Hurt started a discussion about a member who is not a full-time resident but teaches architecture and would be great on the Planning Committee. He was confused about the line in the P&Ps about having a business interest and would like clarification. Director Hurt did not want to bring her name forward until this issue is clarified. General discussion followed. Director Apel recommended that the new Directors complete our training before we rule.

Vice President Hurt requested help approving some pending Planning Committee items. Directors Smith, Apel, and Bebek offered to help in the interim while the Planning Committee is fully staffed. Vice President Hurt invited comments and applications from Members wishing to help the Planning Committee.

Motion. Director Apel moved, and it was seconded by Director Mugnai, to nominate Jennifer Berry to the Policy and Procedures Committee.

Vote:

Apel	Yes	Hurt	Yes
Bebek	Yes	Gardner	Yes
Sager	Yes	Mugnai	Yes
Smith	Yes	Nightingale	Yes

The motion passed unanimously.

Motion. Director Smith moved, and it was seconded by Director Apel, to nominate Roger Smith to the Social Committee.

Vote:

Apel	Yes	Hurt	Yes
Bebek	Yes	Gardner	Yes
Sager	Yes	Mugnai	Yes
Smith	Yes	Nightingale	Yes

The motion passed unanimously.

Breeze Publication:

President Nightingale would like to suspend the Breeze Publication temporarily until we can get a qualified person to do that job again. He has spoken with Leslie O’Donnell, our former editor, about coming back, but she is hesitant about doing formatting because of computer issues, but she is considering it. There was discussion about purchasing a dedicated laptop for the Breeze permanently, so all of the pictures and articles are saved in one central location so it easy to use again.

The purchase of computer equipment was further discussed and decided that the costs be researched by Corporate Secretary and brought back up at the June Board Meeting.

Motion. Vice President Hurt moved, and it was seconded by Director Mugnai, to suspend the Breeze Publication temporarily until we can get a qualified person to do that job again.

Vote:

Apel	Yes	Hurt	Yes
Bebek	Yes	Gardner	Yes
Sager	Yes	Mugnai	Yes
Smith	Yes	Nightingale	Yes

The motion passed unanimously.

Executive Session:

All Directors, with the exception of President Nightingale, went into Executive Session at 7:07 pm. They were joined by the Bayshore’s attorney Tom Johnson, who updated them on the outstanding legal matters. Various courses of action were discussed.

Return to Regular Session:

The Board returned to Regular Session led by Vice President Hurt.

Motion. Corporate Secretary Smith moved, and it was seconded by Director Mugnai, to tender defense of the Corrinet case to our attorneys and/or insurance company per legal advice from counsel.

Vote:

Apel	Yes	Hurt	Yes
Bebek	Yes	Gardner	Yes
Sager	Yes	Mugnai	Yes
Smith	Yes	Nightingale	Absent/Recused

The motion passed 7-0-1.

Corporate Secretary Smith discussed about how the Board and the attorneys have set up a very defensive “Chinese Wall” so that there is no interaction between President Nightingale and any pending litigation. Vice President Hurt is acting as the intermediary to the attorneys and President Nightingale will not have any contact with either the Board or Bayshore’s attorneys about any pending litigation. It is hoped that this explanation will help calm some Members’ concerns about the Board being objective, and she feels that the Board can be objective.

Motion. Corporate Secretary Smith moved, and it was seconded by Director Mugnai, to tender defense of the Nightingale case to our attorneys and/or insurance company per legal advice from counsel.

Vote:

Apel	Yes	Hurt	Yes
Bebek	Yes	Gardner	Yes
Sager	Yes	Mugnai	Yes
Smith	Yes	Nightingale	Absent/Recused

The motion passed 7-0-1.

Adjournment. Motion was made, seconded and passed to adjourn the Special Board Meeting.

Vote:

Apel	Yes	Hurt	Yes
Bebek	Yes	Gardner	Yes
Sager	Yes	Mugnai	Yes
Smith	Yes	Nightingale	Absent

The motion passed 7-0-1.

The meeting was adjourned at 7:44 pm by Vice President Hurt.