

**SCHOONER BAY CONDOMINIUM ASSOCIATION
ANNUAL MEETING OF THE COUNCIL OF UNIT
OWNERS' MINUTES
THE PALMS AT PELICAN COVE
LA GRANDE PRINCESSE, ST. CROIX, USVI
MAY 5, 2012 @ 9:08 a.m.**

The annual Schooner Bay Condominium Association (SCBA) meeting was called to order by Board President Tom Yaegel, who chaired the meeting. After signing in, attendees were given a packet of information, including the agenda.

After opening remarks and the introduction of the Board, Ken Porch, General Manager, and David Johnson of David Johnson Accounting Services, the purpose of the meeting was discussed to elect two Directors for a two-year term or until their successors are elected and qualified; and to transact such other business as may properly come before the meeting or any adjournment thereof. Jon Rowe was introduced as the newly-appointed board member, having taken Ed DeSantis's position after his passing.

Susan Nissman-Coursey presented the Notice of the Annual Meeting. David Johnson reported the number of units eligible to vote at this year's meeting was 62.3044% (Proxy: 44.5476 and Present: 17.7568). Therefore, a quorum was present and it was determined that the meeting was deemed legal.

2011 ANNUAL MEETING MINUTES: Jean Mabbatt discussed the owners list and asked why wasn't one created and distributed. Tom Yaegel explained that the Board consulted an attorney regarding privacy laws, and there are concerns in that regard. It was suggested that one could be created with individual owners' permission and owners could opt out if they so wished.

Mrs. Mabbatt was upset that there wasn't death notices given to owners.

Mrs. Mabbatt made a motion to dispense with the reading of said minutes and accept them; Bonnie Dedinsky seconded. Motion passed.

Ms. Mabbatt requested that the minutes be prepared before the next meeting, preferable by June.

REPORT PRESENTATIONS:

- **PRESIDENT'S:** Tom Yaegel presented his President's Report, which was included in the owner packets. Mr. Yaegel asked for a moment of silence for our owners that had passed recently, Ed DeSantis and Cole Iselin.

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- **INSURANCE:** Brian O'Grady presented the Insurance Committee Report for review. He explained the committee's mission to compile the best coverage for the Association including, but not limited to, CGL Commercial General Liability, Theft, Liability and Directors and Officers. Stan Smith, CPA, who has provided professional independent insurance services to the Association, gave an overview of coverage and the ratio of premium to total sum insured. He feels we are adequately insured and have acquired very good coverage. Brian reminded everyone to check with their insurance agent to make sure their coverage was adequate.
- **TREASURER'S:** Brian O'Grady presented his Treasurer's Report, which was included in owner packets. He explained both internal and financial controls. Insurance payments were discussed; how they would be financed over seven months. He introduced David Johnson and how the bookkeeper prepares checks and their work is reviewed. The Board has approved an independent auditor's report to be prepared of a full audit of SBCA's financial records. The audited financial statements were distributed and discussed. Discussion was had regarding how our capital improvement fund was created and has avoided special assessments to our owners. Major repairs were addressed and are contained in owner packets. Homeowner fees are less now than they were in 2002. Schooner Bay property is in great shape and being very well maintained. Collections were discussed; we are having particular trouble with just a couple units. Legal foreclosure will be enforced on units that fall 60-90 days behind. Aside from very few units, we are experiencing good collections.
- **SECURITY:** Major concern has been trespassers using our pools. Col. Cuffy and the Board have been addressing this issue. Extra security will be ordered to see if that deters trespassers. Cameras have been mounted and are being recorded to DVR. Surveillance signs will be mounted throughout the property. Ms. Sanpere suggested cameras be mounted in the pool areas and a light be affixed on the road leading up to the Courageous Building. Brian O'Grady suggested individual owners can purchase their own home security systems, which are now relatively inexpensive.

There was little response to the car registration request. Board will try again at a later time. Head-in parking was discussed. New signs will be posted.

- **PROPERTY OVERVIEW:** An overview of property improvements were discussed by Tom Yaegel at length. LED bulb replacement project has now covered nearly 95% of the property and we are seeing results. All roofs have been sealed and painted.

West Pool: Extensive work has been done to the deck. New furniture, including chairs,

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chaises, tables and large umbrellas will be added for shade later in the year. There is a leak that will require extensive work, but that will be done later in the year.

East Pool: Two additional lounges were requested . Wood deck and large portion of concrete deck were replaced in 2011. Major renovations will be started soon on the deck and pool surfaces. New Pool furniture will be ordered when structural renovations are complete.

Galleries: Gallery maintenance and wood replacement will start after season. Guttering systems were designed for residential use, not commercial, so guttering will be addressed to try and upgrade them when and where possible.

Potholes: Mr. Sanpere suggested that asphalt curbs below the West Pool be installed to help direct water runoff. Potholes are being repaired as soon as possible. Ground and holes have to be completely dry before repairs can happen. Having Mother Nature comply when our contractor is available has been a struggle.

- **OLD BUSINESS:** Brian O'Grady discussed our ongoing litigation with Joe Hollins. Basically there has been nothing new to report. We are monitoring the case, along with counsel. Hoping this case will end soon.

Mrs. Sanpere mentioned seeing a foreclosure suit published in the newspaper regarding Unit 220. Tom Yaegel gave the history to the members present of this long-standing legal battle and where SBCA stood as far as any recovery. This unit has been repaired/refurbished and the Association has been reimbursed for their expenses and fees are being paid.

DOCK: Joe Thayer discussed what the Association perceives as violations of cargo vessels that use Gallows Bay Dock. He proposes a letter be sent to the Virgin Islands Port Authority and the Harbormaster to address ways that the vessels can be less intrusive, more secure, and lower noise. Mrs. Sanpere moved to have the letter written; Tony Mabbatt seconded. Motion passed.

MEETING DATE: Tony Mabbatt discussed that it takes a two-thirds vote to change the meeting date. Suggested that an inquiry be made to owners as to a date. Next meeting date was suggested for April 27, 2013.

Mrs. Sanpere asked that there be better communication between the Board and the owners. Suggested monthly e-mails be sent out, perhaps with our statements.

ELECTION OF NEW DIRECTORS: Brian O'Grady explained the process and the

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function of David Johnson as our monitor for tallying votes. Brian O'Grady and Joe Thayer gave a presentation to be elected. Having no nominations from the floor, the voting was closed.

Tony Mabbatt moved to accept the Board of Directors; Charles Jones seconded. Motion passed.

- **NEW BUSINESS:** Charles Jones discussed Ken Porch's salary. Wanted clarification on hours, bonuses and job title. Ken Porch was asked to leave the room while this discussion was had. Brian explained what Ken's salary was and that it had not changed in six years. He also noted that in one year, Ken's annual bonus was paid in the following year and it looked like Ken received an extra check, but that this was only a timing difference. A few members discussed their dissatisfactions with his performance. Discussion was had regarding making the position part time or full time or whether we should perhaps hire a new manager.

TRASH: It was recommended that there only be one trash pickup per week and getting possible bids from other contractors.

With no other business for the body, Bonnie Dedinsky moved for the adjournment of the annual meeting; seconded by Thaddeus Posey. Motion passed unanimously. The meeting was adjourned at 12:00 noon.

Respectfully submitted,

Susan C. Nissman-Coursey
Secretary