

**SCHOONER BAY CONDOMINIUM ASSOCIATION  
ANNUAL MEETING OF THE COUNCIL OF UNIT  
OWNERS' MINUTES  
THE PALMS HOTEL, ST. CROIX  
MAY 1, 2019 @ 6:08 P.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, along with Paul Neil; Sage Business Service, who was in charge of proxy materials and determining quorum; the purpose of the meeting was discussed to elect two Directors for a two-year term or until their successors are elected and qualified; the Board of Directors were introduced, along with Jonathan Babin, our property manager, Dwight Goodling, Gus Abraham, and Lt. Cuffy, VI Security; and to transact such other business as may properly come before the meeting or any adjournment thereof.

Soren Andersen interrupted asking for proxy and financial information, along with a list of owners to be distributed. His requests, at this point in the meeting, were to be addressed under new business.

Brian O'Grady asked if there was a motion to waive the reading of the notice. Carol Greco made such a motion; Randall Belsvik seconded. Motion passed.

Susan C. Nissman-Coursey presented the Notice of Annual Meeting. Sage Business Service reported that owner percentage present in person or by proxy was 71.9620%. Therefore, a quorum was present and it was determined that the meeting was deemed legal.

Brian O'Grady gave an overview of how the meeting would progress. Asked if there was anyone that wanted to revoke their proxies. There was no response.

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**2018 ANNUAL MEETING MINUTES:** Ed Barry (Proxy holder for R. Mejias) made a motion to approve the minutes as presented. Carol Greco seconded. Motion passed.

**OWNER'S REPORT:** Tom Yaegel reviewed his Owner's Report, which was included in owner packets. A general overview was had regarding our current financial situation, along with improvements made to the property and events that happened after the 2017 hurricanes and insurance-related events, and where we are with generator backup proposal. All these issues would be more deeply discussed in individual reports to follow.

**INSURANCE REPORT:** Steve Carter reviewed the Insurance Committee's report enclosed in owner packets. There were small increases to each of SBCA's five policies. Encouraged owners to review their individual coverages to make sure they are adequate.

Tom Yaegel gave a quick overview of what happened after the hurricane, addressing how, having a strong reserve fund, allowed us to immediately begin repairs. We acted as general contractor for hurricane repairs. Dave Schnur was hired to certify the work was done and done correctly.

Brian O'Grady spoke on the insurance settlement process, calculations, and Stan Smith's involvement in acquiring a very favorable settlement with the insurance company. Our settlement was \$3.189 million gross; 3% deductible - \$300,000; \$2.8 million net. Further breakdowns were discussed regarding repairs and contractors.

Tom Yaegel lead a discussion regarding the backup generator project with some insurance monies and owner contributions. Jonathan further explained discussions that have been had with our consulting engineers, TropiTech and the current status of the project proposal. Brian O'Grady is estimating that total cost for owner contribution for the generator project will be in the \$2-3,000 range per unit. Total project cost is projected to be \$550,000-600,000.

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**LEGAL REPORT:** Brian O’Grady reported there is nothing pending.

**TREASURER’S REPORT:** Brian O’Grady discussed the overall insurance settlement process. Our contractors that were primarily used, ProTouch for the building painting and roofs, Dennis and his sheetrock crew for the interiors, Gus and Dwight. How instrumental Jonathan’s arrival was in moving things forward as well as the importance of obtaining insurance advances so that we could continue with ongoing repairs without disruption.

An engagement letter was signed with Tom Singleton to get all our audited financial statements, 2016-2018, up to date. Due to the hurricanes, we experienced a setback, however, we are on track to get them completed soon and posted on the SBCA website.

We are in a very strong financial position with nearly a million dollars in the bank.

Soren Andersen objected to there being no audits since 2015, to which it was explained to him again why that was and that the Board has taken steps to have them completed very shortly. Ed Barry made a motion to limit comments, Les Cooper seconded. Motion passed.

Brian O’Grady reported that after 8 years of no increases in the regular operating budget, in 2017, after being urged by our auditor, a small inflation increase was applied in 2017 (2.1%), 2018 (1.8%), and 2019 (2.2%). Still not able to accept online payments at this time.

**LANDSCAPING REPORT:** Susan Nissman-Coursey reported that Gus continues to do an excellent job maintaining the property grounds. Should you have any special needs/requests, please notify the office and not Gus directly.

**SECURITY:** Jonathan Babin reported that with recent improvements by the East Pool, there’s been no significant security issues at all. High-resolution security cameras have been installed around the property. New

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signage has been posted about the property. Speeding still continues to be an issue around the property. Vehicle registration is improving, but 100% compliant has not been achieved. Owners and rental agents are encouraged to get occupants to register their cars with the office ASAP.

**SPECIAL PROJECTS:** Tom Yaegel discussed ongoing and future projects for the property. The West Pool will be drained and fiberglassed at a cost of about \$12,000 starting in June.

Vents for dryers is an ongoing concern for fire hazards and looking for better alternatives. A vent was shown as a possible alternative that many owners are using and is very effective.

The wall A/C units and wooden window replacement project was discussed. All window A/Cs will be replaced by split units. This was part of our negotiations to further mitigate and decrease our insurance premiums.

**ELECTION OF NEW DIRECTORS:** Candidates running for election to the Board: Tom Yaegel, Susan Nissman-Coursey, and Ivar Olsen. There were no floor nominations presented. Candidates were given the opportunity to speak on their behalf if they chose to. After a brief recess, the results were as follows: Susan Nissman-Coursey 38 votes; Tom Yaegel 34 votes; and Ivar Olsen 10 votes.

**UNFINISHED BUSINESS:** Brian O'Grady discussed the draft pet policy. The Board asked for any comments before it becomes final.

**NEW BUSINESS:** Soren Andersen discussed his displeasure with the current nominating committee and wants a committee that is free of any Board input. He wants a call for candidates for next year's election. He further discussed out-of-pocket expenses and that he would like them available for review.

With no other business for the body, Brian O'Grady moved for the adjournment of the annual meeting; seconded by Carol Greco. Motion

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passed. The meeting was adjourned at 9:13 p.m.

Respectfully submitted,

Susan C. Nissman-Coursey  
Secretary