



Association of St. C Condominium Owners

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MINUTES

Board of Directors Meeting

November 16, 2022 – 7:30PM AST

WELCOME & CALL TO ORDER

The Board of Directors' meeting was called to order at 7:30 pm AST.

In commemoration of Veterans' Day 2022, President Christine Merna recognized a number of Owners and Staff at St. C who have served in the U. S. Military, and she acknowledged their service to our country. Many of these Owners and Staff are identified on a tribute to St. C Veterans which can be found on the St. C website.

ROLL CALL

Directors Present:

Pres. Christine Merna (304), via Zoom
Treasurer, Jessica Hodge (107), via Zoom
Secretary, Mark Pratt (309), via Zoom
Todd Charles (243), via Zoom
Diane Petrushkevich (103), via Zoom

Directors Absent:

None

St. C Staff:

Jerraine Miller, General Manager
Patrick Nugent, Operations Manager
Leroy Peña, Security Manager

Owners in Attendance¹:

maxs
iPhone (60)Michael
BrandieKennedy
Mona
Monk
Kay & Janis #211 (Janis)
Rachel
17086123314
Kimberly's iPhone
iPhone
Joe Estes 201
Sibyll Jones
Fitzgerald Lawrence

Tommy McGlothlin
Vicki & Vera
307 (Yeisan)
jerry
Carlos Walcott
13055386224
13015756856
Sharone Pierre
D. McDougal
Joanne Erznosnik
luz solarez
19086475710
Samsung SM-A136U

[Note: Owners are reminded to use a descriptive attendee name on Zoom to ensure an accurate accounting of Owner attendance at the virtual Board meetings. Thank you!]

¹ Attendee names unaltered from Zoom attendee report

APPROVAL OF AGENDA

MOTION [J. Hodge] – Adopt the meeting’s agenda as presented

This motion was seconded by T. Charles. All Board members present voted in favor of the motion, which was subsequently carried.

APPROVAL OF PAST MINUTES

MOTION [J. Hodge] – Approve minutes from the October 19, 2022 meeting of the St. C Board of Directors as presented by Secretary.

This motion was seconded by M. Pratt. All Board members present voted in favor of the motion, which was subsequently carried.

Note: Draft annotations will be removed from the minutes, and the documents will be signed as approved and posted on the St. C website.

GENERAL MANAGER’S REPORT

Due to audio difficulties with the office phone connecting to Zoom, Christine Merna, on behalf of Jerraine Miller, provided a verbal summary of the General Manager’s Report (attached to agenda package). Highlights include the following:

- Office staff continues to work with the board on the two-step approval process for invoices – as a reminder, directors should be frequently looking for invoices in Dropbox to review/approve
- Reimbursements to Owners are being processed for door replacements
- Liens and Foreclosure processing continues on several units
- Completed the purchase of a replacement work truck from Centerline Rental – 2017 Nissan
- Washing machine replacements for the St. C laundry room – this needs some discussion as prices have changed
- Employee Thanksgiving celebration planned for Wednesday, November 23, 2022
- Employee gift certificates for turkeys were distributed this week

Comments/Questions:

Comment [J. Hodge]: Shanier has mentioned that the office is receiving a lot of packages from the USPS on behalf of Owners as we enter into the holiday season. With limited space in the front office, it is important for Owners to promptly retrieve their packages upon notification from the front office. The board may consider providing delivery service of packages to Owners for a fee.

OPERATIONS MANAGER’S REPORT

Patrick Nugent provided a verbal summary of his Operations Report (attached to agenda package). Highlights include the following:

General

- Thank you to the board for the Thanksgiving gift certificates
- St. C Maintenance staff continues to address the backlog of work orders with priority given to health & safety issues

Concrete Repair

- Major repairs to a lower-level unit have been completed; Spalling and rebar deterioration is being observed
- Three sets of stairs and 8 front porches and catwalks need replacement
- St. C could benefit from additional staff with expertise in concrete repair

Roof Repairs

- Tropical Storm Fiona damaged the roof coatings on Buildings A and B and caused damage to the roof over the St. C office
- Repair estimates are anticipated to be < \$100K
- According to Rooftops (contractor), the previously applied product and application on Buildings A & B were incorrect; this may have contributed to the failures

Garbage Area

- St. C staff completed work on an enclosure for the garbage bins and it is ready for Owner use
- Email was sent from the St. C office asking Owners to ensure the doors to the bin are closed securely after depositing their garbage

Emergency Generator

- The emergency generator replacement work continues with some unanticipated work being necessary; options to address this out-of-scope additional work is being reviewed by the board
- The temporary emergency generator remains available until installation of the permanent generator is complete.

Roof Overhang Project

- This work will begin upon review of bids and approval by the board

Door Replacement Project

- Door replacements are underway
- 24-hour notice will be sent to Owners prior to work
- Critical doors will be given priority

Comments/Questions:

Comment [J. Hodge]: Please send the quote for overhang replacement so the board can review and vote on this project. **Response [P. Nugent]:** The quote was sent previously, but I will resend, if necessary. **Response [C. Merna]:** I have the quote (\$65,690) and will forward it to the board for review. Regarding the information provided by Rooftops – VI, this is yet another example of why it is so important to make sure that we have quality control in all the work that contractors do at St. C. This board is committed to making sure repairs are performed correctly – even if the cost is a little more. In the long run, this approach saves the Owners money by avoiding unnecessary re-work.

SECURITY REPORT

Patrick Nugent provided a security update as Leroy Peña was unavailable to cover his Security Report (attached to agenda package). Highlights include the following:

Security Contractor

- St. C is utilizing the services of a contract security company (RTS) to augment the security staff during absences (i.e., vacation, medical leave, etc.)
- This approach eliminates some of the costs associated with overtime, as we negotiated a very competitive rate with RTS for their services
- Owners should be aware of this, as some faces may not appear familiar during this time

Entrance Road

- Due to recent heavy rains, there is a lot of mud on the entrance road
- This situation presents additional challenges/hazards over-and-above the already deteriorated road surface
- St. C Maintenance plans to secure the services of an operator and backhoe to remove the mud

Comments/Questions:

Question [T. Charles]: Can you speak to the board's right to have this work done? **Response [C. Merna]:** Yes, although this portion of the entrance road is privately owned, our legal counsel has advised that we are within our right to address this work to ensure adequate and safe ingress/egress from St. C property. This after reaching out to the local government authorities and the owner of the road to partner with them on repairs. These efforts have not proven to be productive.

OFFICERS' REPORTS

The following reports by the Officers were presented:

President's Report (C. Merna)

Refer to the report by the President (attached to agenda package) for details on Board activities since the last meeting.

Announcement of New Directors

- Brandie Kennedy and Michael (Ryan) Pickard. Both Brandie and Ryan are new Owners who answered the recent call for applicants to fill vacancies on the St. C Board of Directors. Brandie and Ryan were voted in on November 16, 2022. Each will serve terms through the 2025 election cycle.
- Brandie introduced herself to the board and to participants on the call.
- Ryan introduced himself and spoke to his background in security and construction.
- Christine welcomed both to the Board and indicated that we still have additional vacancies to fill. She encouraged interested Owners (in good standing) to submit applications to be considered for these vacancies. The application (i.e., nomination form) is available on the St. C website under the Owner section.

Sale of Unit 124

- Unit 124 listing agreement is signed, and the unit is now listed on the MLS at an asking price of \$210K (This is \$80K more than the previous sale price).

Revenue Opportunities

- We continue to look for opportunities to generate additional revenue for St. C. Director Diane Petrushkevich provided a brief summary of some of the revenue-generating projects underway as well as some of the ideas that are being considered by the Board:
 - Currently renovating Apartments A, B and C – these rental apartments are expected to generate approximately \$2K per month each when renovations are completed
 - Looking into opportunities with the restaurant – Contacted several chefs to gauge interest
 - Looking into vending machine opportunities
 - Considering additional opportunities with the Dolphin Suite

Electrical Issues (Apartments A, B and C)

- During renovation of the Apartments, we encountered some safety issues with high-voltage service lines (220 V). This is being addressed as a priority S&H issue.
- Owners should be aware of this electrical work and avoid the areas in and around the apartments while this work is being completed.

Security Team

- Thank you to the security team for their handling of issues at St. C.
- We are increasingly getting reports from St. C staff regarding interactions with Owners that can be considered abusive or harassing. There are several repeat offenders, and the Board is consulting with our legal counsel in the appropriate manner to address this inappropriate behavior by certain Owners.

Maintenance Projects Underway

- Thank you to the St. C staff for their work in completing the new dumpster enclosure and their continuing work related to the new emergency generator installation.
- Owners are reminded and asked to comply with the posted signs around the dumpster area.

Employee Holiday Fund

- A reminder to Owners that St. C is currently accepting donations for an Employee Holiday Fund. Last year we collected more than \$1,000. Thank you to those that contributed last year. Please consider donating to the fund for the 2022 holiday season.
- The Board will look into setting up a Venmo account (or something similar) so off-island Owners can also contribute.

St. C Website

- We currently have more than 75 Owners registered on the St. C website.
- As a reminder, the administrator for the St. C website continues to offer one-on-one help for those who are interested. Please reach out to Fitzgerald Lawrence directly if you would like assistance with the website.

General

- As a reminder, influenza season is upon us, and COVID-19 is still in our midst. Please consider getting your flu shot and keeping up-to-date on your COVID booster vaccines.
- Happy Thanksgiving!!

Comments/Questions: None.

Vice President's Report (Vacant)

No report

Secretary's Report (M. Pratt)

Refer to the report by the Secretary (attached to agenda package) for details on Board voting pertaining to the following topics:

- Reimbursement to Owners of Units 125, 140 and 315 for Door Replacements
- 2018 Audit for St. C
- Renewal of D&O Insurance Coverage

Comments/Questions: None

Treasurer's Report (J. Hodge)

Refer to the report by the Treasurer (attached to agenda package) and the Financial Update presentation (also attached to the agenda package) for details. Additionally, J. Hodge covered the following in her verbal summary of her Treasurer's Report:

St. C Audits (2017 & 2018)

- Tom Singleton, CPA has completed the 2017 Audit; results will be made available upon final Board review.
- Our focus has now turned to the 2018 Audit which is currently underway.

Budget for 2023

- The 2023 budget is being presented for Board review/approval.
- Recommendations include an increase in monthly HOA fees to \$940/month and an additional one-time special assessment of \$3,329.11 per unit due in May 2023.

[Refer to the attached Treasurer's Financial Update presentation (PowerPoint) for additional details and explanations related to the HOA fee increase and special assessment]

Hurricane Funds

- Cost of Hurricane Maria repairs completed to date in 2023: ~\$306K

Miscellaneous

- Changing banks from 1st Bank to Bank of St. Croix to reduce costs to the Association
- Exploring other carriers for our renewal D&O insurance policy resulted in a savings to the Association of \$5K
- Considering moving to Payroll Vault (St. Thomas) for St. C payroll processing – will cover in 'New Business'

Comments/Questions:

Comment [M. Pratt]: The inflation rate for 2022 identified in your presentation is only part of the inflation picture. We experienced a 4.7% inflation rate in 2021. This adds up to nearly 13% increase in the cost of just about everything since 2020. Also, the increases in insurance premiums year-on-year are counter to information our underwriters in London provided us in a call in 2020. So, it is not reasonable to expect that the board should have anticipated the \$100K increase in property insurance from 2022 to 2023. **Response: [J. Hodge]:** Agreed. Also, this board was very proactive in negotiating a lower insurance premium in 2022 which saved a significant amount of money. We just aren't seeing insurance premiums stabilizing as we thought they would based on those discussions with the underwriters – they continue to go up significantly both in the USVI and stateside.

Question [D. Petrushkevich]: We do have funds that are unaccounted for – is this amount factored into the proposed increase in monthly HOA fees and the special assessment? **Response [J. Hodge]:** No. The proposed increase and special assessment is intended to cover (primarily) budget deficits and repayment of borrowed hurricane funds. We will need to continue to investigate what happened to the \$1.5M in unaccounted for funds and incorporate a plan to address that at a later date.

Question [M. Pratt]: Was there a line item for the generator in the Adjuster's Report for Hurricane Maria settlement? **Response [J. Hodge]:** No. The generator was not identified in the Adjuster's report and, therefore, Hurricane Maria funds cannot be used to offset the cost of the generator replacement.

COMMITTEE UPDATES (by exception)

The following updates were provided by the Committee Chairs or Liaisons:

Finance Committee (J. Hodge – Chair)

- Finance Committee updates are included in the Treasurer's Report and Financial Update presentation provided by J. Hodge.

Buildings and Grounds Committee (T. Charles – Chair)

- No formal report this month

Communications Committee (T. McGlothlin – Chair)

- No formal report this month

OLD BUSINESS

- None

NEW BUSINESS

- Increase Monthly HOA Fees for 2023

Discussion

- **Comment [M. Pratt]:** The proposed HOA fee increase is approximately 15% over the current amount of \$817. This is in line with the cumulative inflation of the past two years. I recognize that just keeping up with inflation does nothing to address existing deficits, but it can't be considered an unreasonable increase since it is consistent with the inflation rates we've seen.
- **Comment [T. Charles]:** I think the increase is necessary. We're trying to do this (get to a balanced budget) gradually, and the proposed increase will help without creating too much of a financial shock.
- **Comment [C. Merna]:** The proposal to use a combination of a monthly HOA fee increase and a special assessment appears to be a good strategy to get us closer to a balanced budget while recognizing that it may not get us all the way there in 2023.
- **Call for Motion [C. Merna]**

MOTION [J. Hodge] – Increase the monthly HOA fees in 2023 to \$940 per month per unit (effective January 1, 2023).

This motion was seconded by M. Pratt and unanimously approved (carried) by all Board members present. None opposed. No abstentions.

- Levy a Special Assessment for 2023

Discussion

- **Comment [D. Petrushkevich]:** We should consider extending the due date out to later in the year.
- **Comment [J. Hodge]:** The due date of May 1, 2023 factors in tax season and time for IRS/BIR refunds to be processed. However, we might be able to push this out a bit later.
- **Comment [T. Charles]:** I could support an additional 30 days, but I defer to the Treasurer on whether this would create any issues.
- **Question [C. Merna]:** Is there any con to moving the due date out 30 days? **Response [J. Hodge]:** The concern is having enough cash to ensure we can meet our insurance installments. We already had to borrow from Hurricane Maria funds in September. The thought is to pay this loan back with the proceeds from the sale of Unit 124, but we could possibly retain those funds from the sale to allow for an extension of the due date. The manner in which Owners pay the special assessment (i.e., installments versus lump sum on the due date) will also factor in. If most Owners pay in installments, which I expect, then I think we can accommodate an extension by 30 days to June 1, 2023 without any issues.
- **Comment [M. Pratt]:** Regarding the amount of the special assessment, I generally support the basis provided in Jessica's presentation, with the exception of one item. I don't feel that it is appropriate to include an anticipated shortfall for the 2023 budget year considering this

amount is speculative and subject to change based on revenue-generating opportunities that are either underway or being explored. If this amount is removed from the calculation, I would expect the special assessment to drop to about \$2,600 per unit.

- **Comment [D. Petrushkevich]:** To Mark's point, I don't see anything in the proposed budget regarding the anticipated revenue from the rental apartments.
- **Comment [T. Charles]:** I can appreciate the concern regarding the inclusion of an anticipated (i.e., not realized yet) shortfall in the special assessment calculation. Perhaps there is a way we can agree to a number between what Jessica is proposing and what Mark is proposing.
- **Comments [All]:** Much discussion on the apartments – the cost and timeline for renovations, rentals, net proceeds, whether these amounts are included in the proposed budget for 2023, etc.
- **Comment [M. Pratt]:** Another way to express my concern is to say it seems we are addressing an anticipated budget shortfall in 2023 partly by raising the monthly HOA fee and partly by levying a special assessment. I think the special assessment should be targeted to the known expenses associated with the actual shortfall from the 2022 budget, the PPP loan payback and the generator replacement. I think anticipated budgets drive the HOA fees – why don't we cover the anticipated shortfall in 2023 in the HOA fee increase or just see where we land with the financials next year and make the adjustment for any realized shortfall with an additional special assessment like we're doing this year?
- **Comment [J. Hodge]:** The major driver for the anticipated shortfall is the realized shortfall for 2022 (\$158K) plus the insurance increase (\$100K). The insurance cost increase, while identified as an anticipated shortfall for 2023, is a hard number from the insurance carrier.
- **Question [B. Kennedy]:** Is this a two-year (or longer) process to get back to a balanced budget with Hurricane Maria funds paid back, etc? Would it be better to have one shock this year rather than a shock in 2023 and then again in 2024? **Response [J. Hodge]:** Yes, but we will likely need to revisit additional increases in 2024 as well given our financial situation.
- **Comment [B. Kennedy]:** Then, if we reduce the proposed special assessment amount now, we will just need to make it up next year along with any additional shortfall and/or unanticipated major expenditures. We should develop a multi-year plan so Owners can anticipate well in advance what to expect in the way of HOA fees and special assessments.
- **Question [T. Charles]:** Shouldn't we be conservative with the special assessment to reduce the potential for having to repeat this year after year? **Response [C. Merna]:** Yes, because we haven't even included the costs for pool renovations, the erosion problem, the aging infrastructure, etc., etc.
- **Call for Motion [C. Merna]**

MOTION [J. Hodge] – Levy a special assessment in the amount of \$3,329.11 per unit due in full by June 1, 2023 (installments are allowed and are not required to be equal). The special assessment is intended to address the 2022 budget shortfall, payback of the PPP loan, replacement of the emergency generator and the anticipated 2023 budget shortfall.

The motion was seconded by T. Charles and approved (carried) by a majority of Board members present. Specific votes by Director as follows:

Yay: B. Kennedy, C. Merna, T. Charles, J. Hodge, R. Pickard

Nay: M. Pratt, D. Petrushkevich

Abstentions: None

- Proposed Budget for 2023

Discussion

- **Comment [J. Hodge]:** The budget, as proposed, will need to be revised to reflect the approved HOA fee increase and the approved special assessment and extension.
- **Comment [C. Merna]:** Will table the 2023 budget approval pending the changes Jessica mentioned, and we will address this vote via email.

- Payroll Outsourcing

Discussion

- **Comment [J. Hodge]:** I am proposing that St. C outsource the payroll activities. Quotes have been received and forwarded to the board for review.
- **Question [D. Petrushkevich]:** What is the cost? **Response [J. Hodge]:** Estimated cost is approximately \$3,150 per year, but is dependent on the number of employees.
- **Question [D. Petrushkevich]:** Who is currently doing the St. C payroll, and will the use of Payroll Vault move this responsibility? **Response [J. Hodge]:** Payroll is currently being performed by St. C front office personnel using Quickbooks. There are issues with Quickbooks for payroll such as errors in calculating payroll taxes, etc. Also, we are subject to fines when we miss payroll tax filing deadlines using the manual process we have today for filing payroll taxes. The use of Payroll Vault will remove payroll responsibilities from front office staff, and this will eliminate late filing penalties.
- **Comment [B. Kennedy]:** I use Payroll Vault, and I can attest that it is a good product/service.
- **Question [M. Pratt]:** Do we have an idea of the typical penalties we pay for late filing of payroll taxes in a year? **Response [J. Hodge]:** Penalties have been about \$1K - \$1.2K annually and this, at least partially, offsets the cost of using Payroll Vault.
- **Comment [C. Merna]:** The use of Payroll Vault will, in addition to ensuring more accurate payroll accounting, will also eliminate some of the risk we face today in our current payroll processes.
- **Question [M. Pratt]:** The accuracy of payroll will continue to rely on the accuracy of timesheets, correct? **Response [J. Hodge]:** Shay has indicated that the biometric timesheet software has some issues, and this will need to be addressed independently from the payroll process.
- **Call for Motion [C. Merna]**

MOTION [B. Kennedy] – Outsource St. C’s payroll activities to Payroll Vault, effective January 1, 2023.

The motion was seconded by J. Hodge and approved (carried) unanimously by the Board members present.

- Overhang Repair Project

Discussion

- **Comment [J. Hodge]:** Recommendation to move forward with the overhang repair project (8 porches and 6 seaside overhangs) per quote received by RMH Construction, LLC (proposal reviewed on shared screen)
- **Question [M. Pratt]:** Has this contractor performed concrete work on site in the past? **Response [J. Hodge]:** Per Patrick, this company comes highly recommended, and Patrick has worked with Carlos in the past – not sure if it was on site at St. C.

- **Question [M. Pratt]:** Will the work specification require the use of Taylor Babb's concrete repair procedures? **Response [J. Hodge]:** I believe so, but this will be included in the contract we develop upon acceptance of the contractor's proposal.
- **Question [B. Kennedy]:** A timeline for completion does not appear to be provided in the proposal. This could result in a protracted timeline with the opportunity for multiple change orders due to unanticipated issues. **Response [J. Hodge]:** We develop the terms of the contract (separate from the proposal) which will specify the timeline for completion.
- **Comment [T. Charles]:** Recommend that Todd, Jessica and Brandie participate in the review of the contract with RMH along with Jerraine and Patrick.
- **Comment [C. Merna]:** We are going to table this discussion/vote until we can get a meeting scheduled with Patrick (prior to Thanksgiving), so he can answer the board's questions/concerns. Then we will move on this recommendation via email.

ANNOUNCEMENTS

2023 Annual Owners' Meeting

- The tentative date for the 2023 Annual Owners' Meeting is Saturday, February 25, 2023 mid-afternoon.
- No decision yet on whether in-person or virtual.

December 2022 Board Meeting

- The Board will not hold a regular meeting in December 2022.
- Look for a regular Board meeting to be held in January 2023.

Comments/Questions:

Question [T. Charles]: Will we try to get back on a regular monthly schedule (2nd Wednesday) for Board meetings? **Response [C. Merna]:** Maybe, but it is too early to say definitively that we will get back to regular monthly Board meetings (may be 3rd Wednesday). The bylaws require meetings at least quarterly – not monthly.

Social Committee

- Call for volunteers for the Social Committee in 2023 to plan the 50th Anniversary celebration in 2024. Please consider participating.

ADJOURNMENT

MOTION - There being no further business, on motion duly moved by M. Pratt and seconded by R. Pickard, the meeting was adjourned at 9:44 pm AST.

Minutes submitted and approved by:



Mark Pratt, Secretary



St. C Condominiums
St. Croix, U.S. Virgin Islands

AGENDA

Board of Directors Meeting

November 16, 2022

7:30 PM AST

Welcome & Call to Order

Roll Call

Approval of Agenda

Approval of past Minutes

Reports:

- General Manager's Report
- Operations Manager's Report
- Security Manager's Report

Officers' Reports:

- President's Report
- Vice President's Report
- Secretary's Report
- Treasurer's Report

Committee Updates

- Finance Committee
- B&G Committee
- Communications Committee

Old Business

New Business

Announcements

Adjourn



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Manager's Report November 16, 2022

EMPLOYEES Work orders and repairs as reported and identified are being worked by our staff with priority of safety and security. Microsoft Office software would assist the office in sharing files. Thanksgiving gift certificate, in the amount of \$30.00, was presented to the staff. The staff will have a Thanksgiving luncheon on November 23 at 12:00 PM.

INVOICE APPROVAL It is imperative that invoices be approved in a timely manner. This will prevent late fee and interest charges.

REIMBURSE LISTING Units 315, 140, and 125 was reimbursed; a total of \$4,100.00

FORCLOSURE Notice of Intent of Foreclosure was sent to units 102, 110, 131 and 339.

AUDIT The audit is in process in regards to 2018 information.

VEHICLE A used 2017 Nissan Frontier was purchased for the maintenance staff.

LAUNDRY There is a real need to have two additional washers. There are two operational washers.

PRIORITIZE LISTING We are awaiting the Board's approved Prioritize Listing. This listing contains work to be completed by contractors and will help us establish our one/two/three-year plan. Quotes have been received for the overhangs and other quotes are being solicited.

Submitted by Jerraine Miller
General Manager
November 16, 2022

Operations Report

Prepared by Patrick Nugent, Operations & Security Manager

November 16 2022

We continue to work towards addressing work orders and long-standing health and safety issue on the property.

Major repairs to a lower-level unit have been completed. The repairs included major ceiling repairs due to corroded rebar, repairs to severe cracks in the walls of the living room and bedroom. The team began repair work to another lower-level unit with similar repairs. With the rain, many units have reports similar issues. The list increases daily and they are scheduled for repairs in as a timely manner as possible. Additional staff is needed to manage the repairs in a more efficient manner.

We continue address health and safety matters. Presently we have 3 sets of stairs that requires immediate replacement, along with 8 critical front porch and catwalks with major repairs. These repairs are traditionally done by the STC maintenance staff.

Rooftops have presented their proposal for the roof repairs of Building A, B and the main office. Presently the proposal is being reviewed for consideration by the board. The sum total of the repairs is under \$100,000. Once approved the repair work will commence. During the assessment of the roof by the roofing company it was noted that the process that was used previously to coat rooves was not done properly. It is now this board and the management team's task to fix another incorrectly done maintenance project.

The garbage bin enclosure is complete and the bins have been placed into the enclosure. An email was sent in regards to the operations of the gates for accessing the bins. Please close and secure the gates after you have placed your garbage in the bins.

The generator is in place. Connecting the generator to the house meter is pending as the scope of work is being reviewed. The temporary unit is still in place in the event of a power failure.

The roof overhang project is expected to commence after the board final approval. We were fortunate to secure an additional quote that has placed this project in a better position to be completed.

The front door and bedroom replacement project is ongoing. Once we are ready to replace the front and or bedroom door for your unit, a 24 hour notice will be sent to the owner. Please be reminded that we are replacing critical doors first and all others afterwards.



St. C Condominiums

St. Croix, U.S. Virgin Islands

President's Report

November 2022

Submitted by: Christine Merna

Following is a report of Board activity to be recorded with the Minutes for the Board Meeting held on November 16, 2022:

- Happy Veterans Day....and week! The board recognizes the great commitment and sacrifice of those serving in the military and our Veterans who have given so much! It is my hope that everyone took some time to reflect and appreciate those who have dedicated themselves to the service of our great nation! Please check out the St. C website and look for the "Salute to Veterans" page featuring some of our St. C military members and Veterans.
- New Board Members. I am so excited to announce that we have two new board members. Brandie Kennedy and Michael (Ryan) Pickard are fairly new St. C owners and have volunteered their service to the Association. The board is thrilled to have their fresh eyes, experience and energy on the team! Welcome aboard!! As a reminder, we have more positions to fill. Owners in good standing are encouraged to apply. So, please consider rolling up your sleeves and helping us out. The application can be found on the St. C website under the "Owners" section.
- Unit 124. It is listed on the MLS with an asking price of \$210K. We've had some interest in the unit but are waiting for the right offer. Another great opportunity for one of the many interested buyers out there seeking to purchase a condo at the most desirable Condominiums on the island. Spread the word!
- The Board is actively working on strategies for increasing revenue. There are some exciting possibilities that we are exploring. More information to follow as the plans continue to mature and take shape.
- The renovation and long overdue upgrades of the apartments has begun. It is a bit of a construction zone down there, so if you don't need to be in the area, please stay clear while we complete the work.
- Many thanks to our security team who continue to keep our community safe and secure. We are leveraging our partners from RTS for support during this holiday season, while our staff takes some well-deserved time off. So, if you see someone new, stop and say hello!

- Many thanks to our hardworking maintenance crew. They have completed the dumpster enclosure and that area is undergoing a beautification effort. Please help us to take care of that enclosure by keeping the area free from debris and closing the enclosure when finished. Our “dumpster cam” is still in play and is being closely monitored. Please comply with the “no dumping” signs. Fines are being levied. We thank everyone for their cooperation in keeping our grounds free of garbage and debris.
- The employee holiday fund....is back! This is the opportunity to share some holiday cheers and spread some love. Show our hard-working staff your appreciation with a donation that will go directly to our employees. Last year, through the generosity of the owners we collect over \$1000.00. Let's see if we can exceed that target!
- Unfortunately, the board has been made aware of some very inappropriate interactions and behaviors directed toward the St. C staff and managers. Abusive, aggressive and threatening behaviors by any owner or tenant toward staff, other owners, contractors or board members will not be tolerated. The St. C staff have been directed to provide written reports of any inappropriate encounters and the board is evaluating these incidences with our legal counsel for action. If any owner has an issue or concern, they can contact me directly to help resolve the issue.
- We have over 75% of our owners registered on our website. For those not yet connected, please do that soon. We post our meetings on the calendar and provide responses to owner's inquiries under the owner's page. Please visit the St. C website at www.stccondo.com to register and don't forget to monitor our Facebook page to keep up with St. C happenings.
- Website assistance. The Board will, once again, offer assistance and training to any owner who would like to learn/or needs assistance navigating the St. C website. Please send an email to nattyfitz@live.com to schedule a time for one-on-one assistance.
- COVID and Flu. We continue to be reminded that these illnesses are still circulating in our community. Please take care to protect yourselves and wear a mask when accessing the front office.
- And finally, the Board wishes everyone a very Happy Thanksgiving! ☺ We hope everyone takes time to spend time with those you love and reflect on just how lucky we all are to live in our beautiful seaside community. Wishing you a peaceful and restful holiday.
- Reminder: Next Board meeting is targeted for January 2023. Happy Holidays!!

Christine Merna, President
Association of St. C Condominium Owners



Secretary's Report

Submitted by: Mark Pratt

Following is a summary of actions taken by the Board since October 19, 2022 to be recorded with the Minutes for the Board Meeting to be held on November 16, 2022:

Regarding Reimbursement to Owners of Units 125, 140 and 315 for Door Replacements

October 28, 2022

- **Issue:** Approval for reimbursement to Owners of Units 125, 140 and 315 (within consistently applied eligibility criteria and dollar thresholds established by the St. C Board of Directors) for certain door replacements
- Approved unanimously by the Board with five (5) "Yes" votes, zero (0) "No" votes, zero (0) non-votes and zero (0) abstentions.

Regarding the 2018 Audit for St. C

October 31, 2022

- **Issue:** Authorize moving forward with the 2018 Audit of St. C's financial statements using Thomas Singleton, CPA at an estimated cost of \$7,900.
- Approved unanimously by the Board with five (5) "Yes" votes, zero (0) "No" votes, zero (0) non-votes and zero (0) abstentions.

Regarding Renewal D&O Insurance Coverage

November 2, 2022

- **Issue:** Accept the D&O insurance policy offered by Inter-Ocean Insurance Agency at an annual cost of approximately \$35K
- Approved unanimously by the Board with five (5) "Yes" votes, zero (0) "No" votes, zero (0) non-votes and zero (0) abstentions.

To the best of my knowledge, the above is a fair representation of the actions taken by the Board Members of the St. C Condominium Association.

Mark Pratt
Secretary



St. C Condominiums
St. Croix, U.S. Virgin Islands

Treasurer's Report

Submitted by: Jessica Hodge

Following is a summary relating to the financial status of the Association to be recorded with the Minutes for the Board Meeting to be held on November 16, 2022:

Fund Balances

- No new data since last meeting to report

Audit

- Office staff is actively working with Tom Singleton, P.A. on the 2018 audit
- Audit for 2017 will be available upon final review

2023 Budget

- The budget is being presented with the following recommendations:
- Monthly dues at \$940/month starting January 1, 2023
- Special Assessment of \$3,329.11 due in full by May 1, 2023

Hurricane Funds

- Cost of Hurricane Repairs to Date completed in 2023: \$305,915

Miscellaneous Activities

- Change in banks from FirstBank to Bank of St. Croix is in progress
- Adding credit card processing fees and EFT options is being explored
- D&O insurance was secured with a new carrier at a savings @\$5k
- Request to move forward with Payroll Vault for processing payroll

To the best of my knowledge, the above reflects the current financial affairs of the Association.

Jessica Hodge
Treasurer



Finance Update

Presented November 16, 2022



2022 Actual Expenses vs. Monthly Dues

- Actual Expenses vs. Monthly Dues
 - Increase in monthly dues starting 2022 did not cover expenses. This was expected and conveyed to the ownership in 2021
 - By year end 2022 the **shortfall in operational funds** = approx. **\$30k** (even with borrowing \$128,500 in hurricane funds)
 - It would have required fees to be at \$1,100/month to be balanced
 - To have been balanced for 2021, income dues would have needed to be \$1,056/month
 - The difference between 2021 and 2022 balanced budget estimation is an increase of \$44/month



The facts ...

- Expenses continue to increase
 - Cost of insurance has increased
 - Insurance premiums increased \$100k: 2021 budgeted amount \$460k; 2022 renewal amount at \$560k
 - General cost of materials/labor/etc. required to perform normal maintenance has increased
 - Inflation for 2022 alone has been estimated at @8% nationwide
 - St C is a high-maintenance, aging property
 - Common areas have been neglected over the years and the Assoc. is having to catch up on normal maintenance issues that have not been performed



The facts ...

- Reminder: non-operating funds and hurricane funds were used to cover operating costs over the previous years
- Hurricane funds continue to be depleted with non-hurricane related expenses in 2022
 - The insurance expense deficit was offset with a loan from hurricane funds
 - A PPP loan was applied for that the Assoc. did not qualify for and had to be paid back with a loan from hurricane funds
 - The aging generator broke down and had to be replaced. This was paid by borrowing from hurricane funds



What is the plan moving forward?

- The Assoc. has to start collecting monies that cover the annual expenses without using hurricane funds
- Repayment of borrowed hurricane funds must begin in order to ensure the continuance of the necessary repairs left to be made
- A reserve study should be conducted to determine a plan to fund future repairs/replacement
- After this increase, annual increases will be needed until a balanced budget can be achieved
 - Fees need to both cover operating costs and fund reserves



What is being proposed for 2023?

- Total Expenses for 2023: \$1,655,411
 - 2023 Budgeted Operating Expenses: \$1,580,411
 - 2023 Budgeted Reserve Funding: \$75,000
- Total Normal Income for 2023: \$1,560,371
 - 2023 Monthly Assessments: \$1,488,960 (\$940/month)
 - 2023 Budgeted Other Income (i.e. rent, late fee, etc.): \$71,411
- Total Special Assessment for 2023: \$439,443 (\$3,392.11/unit)
 - 2023 Shortfall: \$95,040
 - 2022 Shortfall: \$158,183
 - PPP Loan Pay Back: \$90,670
 - Generator: \$95,550



Summary

- For years the Association was spending reserve and hurricane funds in order to cover operating expenditures
- Fees must be collected in order to cover the operational costs and reserve funds

2023 Proposed Monthly Dues and Special Assessment:

Expense Summary		Total
2023 Budgeted Expenses		\$1,580,411.00
2023 Budgeted Reserves		\$75,000.00
Monies Borrowed from Hurricane Funds 2022		
2022 Budgeted Insurance Funds	\$128,550.00	\$128,550.00
2022 Estimated Budget Shortfall	\$29,632.71	\$29,632.71
2x Insurance Payments (BOD 9/14/22)	\$83,610.00	
PPP Loan Pay Back (BOD 9/14/22)	\$90,670.00	\$90,670.00
Generator (BOD 9/14/22)	\$95,550.00	\$95,550.00
Total Monies to Collect for 2023:		\$1,999,813.71

Proposed Income Summary	Total
Regular Assessment	\$1,488,960.00
Other Income	\$71,411.00
Special Assessment for 2023 Shortfall (1)	\$95,040.00
Special Assessment for 2022 Shortfall (2)	\$158,182.71
Special Assessment for Borrowed Funds (3)	\$186,220.00
	\$1,999,813.71

Per Unit	
One Time	Monthly
	\$940.00
\$720.00	
\$1,198.35	
\$1,410.76	
\$3,329.11	\$940.00

Proposed Monthly Assesment: **\$940.00** Due First of Each Month

Proposed Special Assessment 1: **\$3,329.11** Due by 5/1/23

Monthly Installment Option: \$665.82 Due by 1/1/23
 Monthly Installment Option: \$665.82 Due by 2/1/23
 Monthly Installment Option: \$665.82 Due by 3/1/23
 Monthly Installment Option: \$665.82 Due by 4/1/23
 Monthly Installment Option: \$665.83 Due by 5/1/23

Association of St. C Condominium Owners

Proposed Budget For Fiscal Year January - December 2023

	Current Budget 2022	Proposed Fiscal Year 2023
Income		
4000 ASSESSMENTS INCOME		
4010 Insurance Assessment	380,821.00	557,490.00
4020 Monthly Maintenance Fee Income	759,379.00	951,510.00
4021 Cable Fee Income	52,000.00	0.00
4030 Insurance Deductable	15,000.00	15,000.00
4035 Long Term Repair / Replacement	60,000.00	60,000.00
Total 4000 ASSESSMENTS INCOME	\$ 1,267,200.00	\$ 1,584,000.00
4300 LATE FEES - INCOME		
4310 Finance Charges Fees	10,026.00	10,026.00
4312 Late Fee Income	300.00	300.00
Total 4300 LATE FEES - INCOME	\$ 10,326.00	\$ 10,326.00
4500 MISCELLANEOUS - INCOME		
4100 Cable TV Remote Control Sales	175.00	0.00
4200 Interest Income	890.00	750.00
4525 Cable Box Income	360.00	0.00
4530 Faxes & Copies Income	0.00	70.00
4535 Fine Assessments	0.00	2,300.00
4540 Gate & Mail Keys Fee Income	144.00	950.00
4543 Gate Remote	312.00	665.00
4545 Laundry Income	1,676.00	2,400.00
4555 HOA Clearance Statement Fee	0.00	1,800.00
4560 Miscellaneous Income	0.00	1,400.00
4565 Hurricane Shutter Service Income	0.00	750.00
4575 Gain on Sale of Property	0.00	5,000.00
4599 Cleaning Income	950.00	600.00
Total 4500 MISCELLANEOUS - INCOME	\$ 4,507.00	\$ 11,685.00
4600 RENTAL INCOME		
4610 Apt A - Rental Income	10,200.00	18,000.00
4620 Apt B - Rental Income	10,200.00	11,400.00
4630 Apt C - Rental Income	13,200.00	14,400.00
4650 Lobby Apt - Rental Income	5,000.00	5,000.00
4670 Restaurant - Rental Income	600.00	600.00
Total 4600 RENTAL INCOME	\$ 39,200.00	\$ 49,400.00
Total Income	\$ 1,321,233.00	\$ 1,655,411.00
Gross Profit	\$ 1,321,233.00	\$ 1,655,411.00
Expenses		
5000 ADMINISTRATIVE (OPERATING EXPS)		
5100 ASSOC COMMON ADMIN EXPENSE		
5110 Annual & Board Meeting Expenses	3,500.00	1,750.00
5130 Cable TV Monthly Expense	52,000.00	0.00
Total 5100 ASSOC COMMON ADMIN EXPENSE	\$ 55,500.00	\$ 1,750.00
5200 INSURANCE EXPENSE		

5210 Auto Insurance	2,470.00	5,200.00
5220 Comm. General Liability Ins.	14,617.00	14,618.00
5230 Crime Bond Insurance	2,365.00	2,365.00
5240 Director's & Off's Gen Liab Ins	38,106.00	41,000.00
5250 Excess Liability Comm Ins	4,000.00	4,000.00
5260 Property Insurance	398,463.00	476,510.00
5280 Insurance Finance Charge	0.00	16,200.00
Total 5200 INSURANCE EXPENSE	\$ 460,021.00	\$ 559,893.00
5400 LICENSES & FEES		
5420 Fees & Licenses	2,000.00	1,000.00
Total 5400 LICENSES & FEES	\$ 2,000.00	\$ 1,000.00
5500 MISCELLANEOUS		
5525 Late Fee Expense	100.00	250.00
5530 Bank Charges	600.00	1,800.00
5537 Commission Expense - CCRD FEES	18,500.00	30,000.00
5595 Taxes	5,800.00	5,800.00
Total 5500 MISCELLANEOUS	\$ 25,000.00	\$ 37,850.00
5600 OFFICE EXPENSE		
5605 Security Cameras	1,000.00	4,000.00
5610 Computer/Printer Expense	4,500.00	4,000.00
5615 Dues & Subscriptions	1,095.00	1,400.00
5616 Employee Uniforms	2,500.00	1,000.00
5620 Office Expense - Misc	2,000.00	100.00
5625 Phone/Fax Expense	6,800.00	7,500.00
5630 Phone Service Contract	1,668.00	1,668.00
5636 Internet Expense	2,300.00	3,700.00
5650 Office Supplies	3,700.00	2,600.00
5650 Office Subsistance	0.00	1,500.00
5652 Employee Training Exp	0.00	600.00
5655 Postage	600.00	650.00
5656 Recording/Filing Fees	0.00	200.00
Total 5600 OFFICE EXPENSE	\$ 26,163.00	\$ 27,418.00
5800 PROFESSIONAL FEES		
5810 Accounting	15,000.00	15,000.00
5815 Reserve Study	5,000.00	5,000.00
5830 Engineering	1,500.00	1,500.00
5840 Legal	27,000.00	40,000.00
Total 5840 Legal	\$ 27,000.00	\$ 40,000.00
Total 5800 PROFESSIONAL FEES	\$ 48,500.00	\$ 61,500.00
5900 SALARIES & WAGES (ADMIN)		
5910 Admin Hrly - Regular Pay	24,960.00	43,600.00
5950 Manager Salary - Regular Pay	106,000.00	112,000.00
Total 5900 SALARIES & WAGES (ADMIN)	\$ 130,960.00	\$ 155,600.00
Total 5000 ADMINISTRATIVE (OPERATING EXPS)	\$ 748,144.00	\$ 845,011.00
6000 MAINTENANCE EXPENSES		
6050 Auto Expenses - Chevy (old)		
6055 Gas	550.00	0.00

6070 Repairs & Maint	1,500.00	0.00
Total 6050 Auto Expenses - Chevy (old)	\$ 2,050.00	\$ -
6051 Auto Expense		
6052 Gas	800.00	1,400.00
6053 Registration	300.00	600.00
6054 Repairs & Maint	300.00	3,000.00
Total 6051 Auto Expense- Ford (new)	\$ 1,400.00	\$ 5,000.00
6200 COMMON AREA EXPENSES		
6150 Cleaning Supplies	250.00	1,800.00
6155 Cleaning Contract	6,000.00	2,000.00
6215 Vehicle Removal Exp	0.00	500.00
6221 Gate Pass/Mail Key Expense	0.00	900.00
6222 Gate Pass Buy Back	240.00	200.00
6225 Equipment & Tools	1,200.00	3,500.00
6228 Fire Extinguishers & Certificat	1,800.00	1,800.00
6235 Landscaping	25,000.00	25,000.00
6240 Paint & Paint Supplies	4,500.00	1,500.00
6244 Parking Decal/Violation Expenses	0.00	1,000.00
6247 Guard House Expenses	0.00	350.00
6248 Tools & Equipment Rentals	800.00	300.00
6249 Safety Supplies & Equipment	150.00	2,800.00
6260 Security Contract Labor	0.00	5,000.00
6270 Exterminating	8,460.00	9,400.00
Total 6200 COMMON AREA EXPENSES	\$ 48,400.00	\$ 56,050.00
6280 INSURANCE - EE		
6283 Health Insurance	71,308.00	72,350.00
Total 6280 INSURANCE - EE	\$ 71,308.00	\$ 72,350.00
6300 LAUNDRY ROOM EXPENSES		
6315 Laundry Expense	2,000.00	2,000.00
Total 6300 LAUNDRY ROOM EXPENSES	\$ 2,000.00	\$ 2,000.00
6500 RENTAL APT. EXPENSES		
6505 Apt A Expenses	500.00	500.00
6510 Apt B Expenses	500.00	500.00
6515 Apt C Expenses	500.00	500.00
6520 Lobby Apt Expenses	500.00	3,000.00
Total 6500 RENTAL APT. EXPENSES	\$ 2,000.00	\$ 4,500.00
6600 REPAIRS & MAINTENANCE		
6603 Water Plant Repairs & Maint	0.00	2,550.00
6605 Gate Repairs & Maint	1,000.00	2,000.00
6607 Office Repairs & Maint	1,000.00	4,600.00
6615 Building Repairs & Maint	4,000.00	2,500.00
6616 Guard House Repairs & Maint.	0.00	400.00
6620 Pool Repairs & Maint	5,500.00	10,000.00
6621 Railing Repair & Maintenance	0.00	6,700.00
6622 Plumbing Repairs & Maint	5,500.00	5,500.00
6623 Electrical Repairs & Maint	0.00	7,500.00
6625 Generator Repairs & Maint	3,000.00	3,150.00

6625 Paving Repairs & Maint	1,000.00	1,000.00
6632 Cistern Repairs & Maint	1,000.00	7,000.00
6633 Filtration System Repairs & Maint	0.00	2,000.00
6636 General Repairs & Maintenance	500.00	1,800.00
Total 6600 REPAIRS & MAINTENANCE	\$ 22,500.00	\$ 56,700.00
6640 TRASH REMOVAL		
6610 Trash Removal	7,500.00	10,350.00
Total 6640 TRASH REMOVAL	\$ 7,500.00	\$ 10,350.00
6660 MAINTENANCE SALARY & WAGES		
6673 Maintenance Hrly - Regular Pay	210,641.00	220,000.00
Total 6660 MAINTENANCE SALARY & WAGES	\$ 210,641.00	\$ 220,000.00
6680 SECURITY SALARY & WAGES		
6675 Security Hrly - Regular Pay	105,040.00	125,900.00
6690 Security Salary - Regular Pay	31,200.00	43,600.00
Total 6680 SECURITY SALARY & WAGES	\$ 136,240.00	\$ 169,500.00
6700 UTILITIES		
6705 Electricity - St C	21,500.00	22,000.00
6710 Generator Fuel	1,500.00	3,600.00
Total 6700 UTILITIES	\$ 23,000.00	\$ 25,600.00
6800 WATER		
6810 W.A.P.A. Water	48,000.00	51,000.00
6830 Water Testing	2,000.00	8,000.00
Total 6800 WATER	\$ 50,000.00	\$ 59,000.00
Total 6000 MAINTENANCE EXPENSES	\$ 577,039.00	\$ 681,050.00
6900 PAYROLL TAXES		
6405 FICA Expense	25,500.00	31,000.00
6410 FUTA Expense	700.00	1,100.00
6415 Medicare	6,000.00	7,000.00
6430 VIESA	13,000.00	11,000.00
6435 Workman's Compensation	4,400.00	4,250.00
Total 6900 PAYROLL TAXES	\$ 49,600.00	\$ 54,350.00
Total Expenses	\$ 1,374,783.00	\$ 1,580,411.00
Net Operating Income	\$ (53,550.00)	\$ 75,000.00
Other Income		
7500 Loan Offset		
7505 Loan Offset - Hurr Funds for Ins	128,550.00	0.00
Total 7500 Loan Offset	\$ 128,550.00	\$ -
Total Other Income	\$ 128,550.00	\$ -
Other Expenses		
8000 Reserve Funding		
8005 Insurance Deductable Rserve Fun	15,000.00	15,000.00
8010 Long Term Rep/Repl Res Funding	60,000.00	60,000.00
Total 8000 Reserve Funding	\$ 75,000.00	\$ 75,000.00
Total Other Expenses	\$ 75,000.00	\$ 75,000.00
Net Other Income	\$ 53,550.00	\$ (75,000.00)
Net Income	\$ -	\$ -

