



MINUTES OF THE ANNUAL GENERAL MEETING OF THE MEMBERS
OF SOUTH OCEAN ESTATES PROPERTY OWNERS ASSOCIATION,
COMMENCING AT 6 PM ON FRIDAY, 5th APRIL, 2019, AT THE BRITISH
COLONIAL HILTON, 1 BAY STREET, NASSAU, NEW
PROVIDENCE, BAHAMAS

BOARD MEMBERS

Present: Mr. Basilio Christie – President
 Mr. Eric Strachan – Vice President
 Mr. Elwood Bonimy - Treasurer
 Mr. Monte Riley - Secretary
 Mrs. Kyosen Young – Assistant Secretary

INVITEES

Homeowners:

Bahamas Holdings Limited (Via Proxy)	Eric Strachan
Elwood Bonimy	Kyosen Young
Monty Riley	Basilio Christie
Nigel Boodansing	James Sands
Tanya Rahming	Thurl Edwards
Mr. & Mrs. Noel Johnson	Deon Mitchell
Qwenique Charlow	George Hayles
Melinda Knowles	Kadeem Coleby
Ted Thompson/Cynthia	Antoine Sands
Leaman Rolle	Theresa Rolle
Clinton Rolle	Glennis Knowles
Joel Lewis	Mr. & Mrs. Jacob Louis
Barbara Cartwright	Adena Flowers

PROCEEDINGS

The meeting began with Mr. Basilio Christie, President of South Ocean Estates welcoming and thanking persons for attending the 2018/2019 Annual General Meeting ("AGM"). Mr. Christie went on to introduce the members of The Board: Basilio Christie - President, Eric Strachan - Vice President, Elwood Bonimy - Treasurer, Monty Riley - Secretary and Kyosen Young - Assistant Secretary.

Reading of the Minutes

Kyosen Young did not read the minutes from the previous AGM meeting, instead distributed copies to homeowners to read themselves. If questions were raised, they were to be directed towards Mrs. Young.

Minutes were accepted by Janene Johnson
Seconded by James Sands

Agenda

Mr. Christie turned the meeting over to Mr. Elwood Bonimy who presented the financial highlights.

Financial Highlights – Mr. Elwood Bonimy

- Reports for the last 3 months to the 31st March, 2019 also for the fiscal year 2018 with comparatives to 2017.
- The past two years have been challenging with cash flow issues, increasing balances of receivables, also the cost of things that were necessary for the community mainly the salary for the security staff.
- For the last 3 years the responsibility of the salaries was taken over by the Association, prior to this the service was outsourced but we still had challenges with this as well.
- Receivables and Liquidity - for the last 2 1/2 years there has been a decline in receivables on average of about 5%, however, even though there was a decline the major issue that still remained was the aging of the account's receivables.
- (page 7) Note 3 (Accounts Receivable) - in the 12 months and over category makes up the bulk of what that balance sheet represents \$333,175 in 2017 to \$363,170 currently so our challenges with cash flow really stems from this fact.
- Unapplied balances from time to time we work with First Caribbean and the bank there are homeowners making deposits or wire transfers and the banking staff are not always identifying that this credit is for this homeowner and the responsibility falls on The Association to try and determine who the payment is for. We encourage homeowners when making transfers/deposits to send a note to the association inbox indicating the amount, date and who made the payment. Very little change has been

made from 2017 to 2019 with this legacy balance going back as far as 2010 to determine who the unapplied payments belong too.

- (page1) Major repair work (repairs and maintenance) - repairs to the control arm at the gate house, gate house shutter, street light repairs, lift station repairs which are ongoing issues to which Eric can speak to later. This was to give you a general idea of what our major costs were in 2017-2018.
- (page 2) General notes we have had some cash balances over the last 6 - 9 months where we have been able to make good on some of our expenses. We still have an outstanding balance owing to Executive Security which was a company that we outsourced the security services to 2-3 years ago.
- The Association thought we could do a better job at this so we brought it inhouse and found that we had difficult challenges with staff so we made a decision to revert and outsource the security services again. One of the changes in the financial statement is where we have a heavy line item for salary and wages, this year it will change to Security Services being the major line item as far as expenses go.
- (page4) The \$500,000 balance sheet although I am sure you would agree that we would like to see the components a little different, we would like to see \$450,000 cash as opposed to receivables but that is not where we are today. We have had a healthy cash balance over the past three months and we have a fixed asset note on (page 6) which gives you an idea of what the \$15,000 dollars in fixed assets is comprised of.
- (page 7) Accounts Payable - at the end of March the accounts payable was \$49,000 and a good portion of this is VAT payable. As an Association we are responsible for the VAT on the cash basis but as we collect our receivables, 12% of whatever is collected goes to Inland Revenue. We still owe Executive Security \$11,000 and we have been able to negotiate with them because we had challenges and have been making periodic payments to reduce the accounts payable in terms of security.
- (page 5) Income Statement - 2019 the Association Fees were around \$200,000 which is what we bill on an annual basis and the extent to which we can collect on most of that, we would be able to see the extent to which we can do more within the community. If we continue to have \$250,000 in invoices/bills and we are not collecting 50% of that, then we will continue to have the challenges we see presented by these statements.
- (page 5) Salaries/Wages/Benefits - are featured as the major items here, but we decided to outsource the securities services again this will trump that in 2019.

- (page5) Utilities - 80% has to do with electricity cost (electricity, telephone, water and sewage 10%) 2017-2018 around \$20,000. The major expense items that we do face on a monthly/quarterly basis would be security cost now, it was salaries and wages but it will be security cost, utilities B.E.C and any other repair work for things not planned for but we have been able to cover ourselves in terms of cost.

Financials accepted by: Melinda Knowles

2nd by: Thurl Edwards

HOA Fee Structure & Concerns - Mr. Eric Strachan

- There are over half a million in fee due, the board has taken many steps over the years to collect this debt.
- 2 ½ -3 years ago we approached banks where property owners have mortgages, Chancellor Chambers sent letters and the board was able to obtain some \$70,000 as a result of going after those fees.
- Last year we placed names in the paper of property owners asking them to contact the Association in order to work out a payment plan the net effect of this was zero.
- Last month we sent notices to various banks and the cash value of those efforts has been \$150,000 - \$200,000. It usually takes about a month to see any monies from these efforts come in, phone calls are made and we will receive some returns from that.
- A lawyer was approached and a quote given for approximately \$10,000 as a retainer fee to take persons to The Supreme Court. We will send demand letters in the interim.
- The developer meets their obligation each quarter and we collect around \$12,000 to \$13,000 each quarter.
- We must live up to our commitments as homeowners. The only way we can see things done in the community is by paying our fees, which contribute to the value of your property.
- Salary deductions, cheques, wire transfers, the bulk of it is not having any contact with a property owner who purchased the property in cash and there is no mortgage, it is not possible to find them, the only thing in this case would be to contact the lawyers who handle the property matters.
- Receivables of about 26 persons owe some \$10,000 each, but we will do our best to try and locate them. Some persons have contacted the Association who have indicated that they do have an outstanding balance which they can't pay all at once but have agreed to a payment plan to take care of their arrears.

Security Policies and Review - Mr. Eric Strachan

- A month ago, we engaged a new security firm called Priority Security Limited a company owned by Superintendent Anthony Rolle on the

police force at the Airport Police Station. The Association was in charge of the security detail, however, we had recurring issues since taking over the security 2 years ago. It was working but not to a level where we were satisfied and we found a security company that fit within our budget and so we were able to hire Priority Security Limited.

- They provide 5 officers same regular patrols, as well as gate checks and this is at a cost of \$8,000 a month, which is within our price range because we paid the security detail about \$7,000 a month as well as a huge liability with that of paying NIB. It became pretty involved dealing with the HR matters such as vacation, bonuses, etc. Since taking on the new security company they were able to keep on the guys we had as security in addition to rotating some new faces at the booth and within the community. They have been working in the community for about a month now and it has not been working as favorably as we would like, so a discussion was had with Mr. Rolle this week and he has made some changes and intends to make more changes in the coming two weeks with regards to personnel and security schedule.
- One of the changes you will see currently we have one person on in the day and two persons on at night, this will change to two persons on in the day and one on at night, this person will still do patrols. Between the hours of 7 -9 there will be a security guard standing outside the booth next to the entrance gate where the construction workers come into the community.
- The 2nd arm is up at the exit out from the community not operational as yet but is there to screen the construction workers as they leave the community. You will not be able to just drive out between 4-6 and the vehicles will be checked prior to them leaving the community.
- There will be 3 ways to access the security gates: -
 1. When security is in the booth
 2. Homeowner has a clicker
 3. Security is not there due to being out on patrol and not someone who has a clicker, they would have to call the property owner who would have the power to grant access by calling the gate and the gate would automatically open up.
- The clickers will be available by next week (two buttons - one in and one out) \$60.

Sewerage System - Mr. Eric Strachan

There are two Lift Stations (giant septic tanks) 1. Front of the Community 2. In the back of the community adjacent to Jason Dodge's house.

- You should have a handout of the septic system which got clogged 2 months ago with towels/dish rags, string, door heads, plumbing lines

- which construction workers use. There are 4 pumps in the lift station and each pump costs around \$15,000 to replace.
- Apex Underground Services noted that Water and Sewerage will discontinue using this type of pump in their stations. If for whatever reason we have to replace them we would have to use what is called a grinder pump which will cost essentially more to replace.
- The repair to this system costs the association \$3,000 it should have cost more around \$10,000.
- The laterals, which are the green pipes sticking out each lot, is where your sewer line would tie into. We have found that a large number of those are damaged or the heads of the laterals are off and this is significant because rats find a way to get into the sewage system chewing on the wires connecting to the pumps.
- The wires to replace would cost around \$3,000 for 1 wire and you can't bandage the wire, you would have to buy the whole wire.
- The property manager (Mr. McKinney) goes around to check to see which laterals are damaged on the properties to see which need to be repaired or capped.

Drainage System

- Each drainage system has with them 200-foot wells so when it rains the water disappears really quickly.

Restrictive Covenants - Mr. Christie

- The Restrictive Covenants are guidelines to what can and cannot be done on a homeowner's property. This is to safe guard your property and its value within the community as a whole and to maintain the wellbeing of the residence and its surroundings.
- There are some breaches to the Covenants which we have identified and will be presenting homeowners with letters shortly.
- The Association must be presented with the plans for approval before building.
- Guidelines for clearing and building on the property will also be issued to property owners who are ready to clear and build.
- Setbacks from the property line, septic system tie in etc. are some of the things that the Association looks at before granting approval to build.

General Concerns

- We recently upgraded the surveillance system and we have 8 cameras in the security booth facing in different directions. This network system allows us to pick up different angles (pan tilt zoom camera by the service entrance) that transmits to the security booth.

- Phase 2 & 3 include networking cameras as well through-out the community having them on the street lights being able to focus on street activity, some homes in the area all the way over to the vulnerable side of the community, which is the southern side.
- Garbage disposal - property owners are responsible for disposal of their own garbage. You are required to have a garbage enclosure on the street side of your lot and we have an agreement with Bahamas Waste Management and they come once a week and also put liners in your bins.
- Every homeowner should be encouraged to have their own surveillance system for their properties.
- Streetlights - retrofitted all of the lights on Tall Pines Drive with LED lights and the next step would be to do the same on Dragon Fly Drive.
- Amenities (Clubhouse) - 5 acres have been allotted for this, but this is the responsibility of the Developers.
- Perimeter fence on the western side of the community is being repaired in stages, however it has been somewhat of a challenge to access the remaining damaged areas but will be done shortly.
- Lawncare – should be included in the Restrictive Covenants, which plays a large part in the property esthetics.

Election Of Officers & Directors - Monte Riley

- All positions become null and void at each AGM

Eric Strachan nominated George Hayles as Vice President - James Sands (1st), Gwen Charlow (2nd)

Eric Strachan nominated for Treasurer - Noel Johnson (1st), George Hayles (2nd)

Remuneration of Directors - Eric Strachan

- Article 82 allows for directors to be remunerated in lieu of payment for services rendered to be exempted from paying association fees for the year they are on the board.
- Concerning assessment fees board members are not excluded from payment which will be added every quarter taking into account the two-year cycle which was missed.
- A preventative measure of \$25 fee assessed every quarter to your bill to be set aside for the sewer system.

Meeting adjourned at 8:00pm Clinton Rolle (1st) James Sands (2nd)

