

COA 2025 Owners Meeting Minutes

Caribe Owners Association, Inc Annual Meeting held at 28107 Perdido Beach Blvd D100 Orange Beach, AL 36561 at 1:00pm on March 15, 2025.

Rick Legendre: Calls meeting to order. Welcome all new first-time attendees, and new owners.

John Evans: Opens the meeting with prayer.

Pledge of Allegiance

Rick Legendre: Roll call

- Larry Wireman
- John Evans
- Rick Legendre
- Lester Boihem
- Judy Wireman - Secretary/Treasurer (non-board member)

Rick Legendre: Do we have a quorum? Caleb Glover: Yes, we do.

Rick Legendre:

- Is there a motion to waive the reading of the 2024 minutes? D712 Frank Nettles, motion to waive the reading, B712 Larry Alexander, to second the motion. All say Aye. Motion accepted.
- Please do not mark ballots until all candidates can present.

Rick Legendre: Introduced the Board of Directors; Larry Wireman – President; John Evans; Lester Boihem; and himself Rick Legendre. Introduced Judy Wireman and Stan Szapiel.

Presentations

- Matt Taylor, CPA – Grant, Sanders & Taylor
 - Presents the 2024 Financial Audit Report
 - The Balance Sheet is now back to normal after Hurricane Sally Insurance. \$407,064 was the last of the carryover so we won't have this anymore moving forward.
 - The expense of the Cabanas and Tiki Hut increased but additional revenue is expected to come in at \$267,000 of a profit this year.
 - New rental income, at \$120,575, will increase the budget and Stan Szapiel will cover this.

- 3.3 Cash at the beginning of the year and is 1.9 at the end of the year. This decreased due to the insurance being spent.
- Cash flow will go positive this year.
- Hurricane Sally repairs have been paid.
- The only debt is a small loan for the fitness equipment which is almost paid off.

Rick Legendre: Is there a motion to accept the 2024 Financials? D712 Frank Nettles, motion to accept, D601 Richard Kincaid, to second motion. All Ayes, to accept 2024 financials.

- D204 Patti Cummings: What makes up management fees? Matt Taylor: Stan to cover in his budget discussion.
- D1010 Walter Bell: What are you seeing with other condo associations across the beach? Matt Taylor: The global situation is bad across the board therefore Captive Insurance plans are not feasible. No one is using Captive Insurance.

Rick Legendre: Motion to accept audit. All Ayes, No Oppose.

Stan Szapiel: Introduced the Building Estimator, Barry Runk – True Estimating via Zoom

The board hired True Estimators to review the estimated cost of repairs vs. the market price for the repairs from the Hurricane Sally damage.

Analysis:

- They spent several days meeting with various departments. The estimate is well over 200 pages. They used RSMeans Construction Based Software for a comprehensive estimate. They broke the Estimate down in several categories as follows.

○ Structural Drying	\$ 763,687
○ Unit Cleaning	\$ 784,963
○ Common & Misc. Areas	\$ 3,218,395
○ Landscape	\$ 640,086
○ Caribe Labor	\$ 1,526,608
○ General Cond.	\$ 2,183,081
○ Heavy Equipment	\$ 896,811
○ Docks	\$ 3,033,151
○ Sub-Contractor	\$10,574,286
○ Total	\$23,621,072
- This is a conservative number.
- Caribe paid 18,066,189 leaving the COA a net profit of \$5,554,882

Barry Runk to end Zoom call at 1:40 pm.

Rick Legendre: Not only did we save a lot of money, but we were the first ones to get back open. He also noted that this estimate did not include the time factor.

D502 Ann Humprey: What was the estimate cost? Stan Szapiel: \$16,000

- Richard Buckley, - Insurance – Acrisure Insurance
 - Good news! The final numbers for the premium will be in by next weekend, and they expect it to be down considerably.
 - If we have a bad Hurricane Season this year, then we can expect the premiums to go up to the 2023 level.

Rick Legendre: It is time for the Board Election. Please vote for 5 candidates on the ballot. There are three new candidates running. Each new candidate will tell a little about themselves.

- Michael Waltheim – Not present
- CPH13 Mark Taupeka – A local attorney who owns Orange Beach Title.
- D209 Jimmy McClain – Lived here three years, from a small farm town and is a business owner.

Rick Legendre: Any questions for the candidates? No questions were asked. Please take about 5 minutes to vote and turn in your ballots and also be sure to put your unit number on your ballots. (1:52 pm)

Rick Legendre: (1:58 pm) Please take your seats so we can continue.

Rick Legendre: Last year's minutes were posted online to the website. John Evans: Makes a motion to accept last year's minutes. D712 Frank Nettles, Seconds to accept last year's minutes. All say Aye, none opposed. Motion accepted.

Stan Szapiel: Covers topics on the Budget. There was a draft mailed out to all owners. There were a few small adjustments after the CPA looked at it and the final is in everyone's packet.

- Misc. Income – Is broken out as Misc. and Cabana Tiki Rental.
- Assessment – For this year's assessment it will be the same as last year's.
- Management Fee – Will increase as it's been decided to move some expenses to COA expenses to cover the Owner Relations (Hayli Parnell and Caleb Glover salary). They take so many packages from (Amazon, UPS, FedEx now, among other things).
- Beach Mouse Trappings – It was budgeted for \$24,000 but cost \$18,000 with Mr. Wendell Neal passing away and his wife taking over charged \$18,000. This year we will be budgeting \$18,000 and we will be using another group for the trappings, and this will decrease a lot (possibly down as far as \$6,000).
- Building Maintenance – The 2025 budget was set for \$275,000 but will most likely go over on that. Elevator Service will be a further discussion. We changed

vendors for our elevator maintenance from Kone to Cavinder which will save us approximately \$30,000 a year.

- Landscape Maintenance – This will increase as the freezing snow weather did a lot of damage.
- Security – During Spring Break last year we couldn't get outside services to come in and we hired our own staff for security while being paid overtime. It ended up saving us money and had better services. We also used wristbands. Last year was very successful. We will implement that again this year.
 - B612 Fletcher Thornton – Different Jobs - Will this add extra risk?
No, it is still covered by general liability.
 - Stan Szapiel – With Comprehensive Insurance there will be an adjustment.
- Common Area Cleaning – Most are contract labor. This includes trolley's, cleaning, pool areas, all common areas and restrooms.
 - B1002 Gilbert Broussard: A few questions,
 - New Phone System?
 - Leak in Building C?
 - Lights on the pole in the dog park area are not enough.
 - Drive too fast down ramp.
- Capital Expenses –
 - Garage Repairs – Are about \$150,000. They are being overseen by a structural engineer. Water is getting into the cracks and damaging the pilings.
 - Elevators to the Lazy River – We have bids for \$659,000 to \$730,000. The elevators are expired and need to be replaced.

Rick Legendre: Asked us to hold questions until after Stan was finished with his presentation.

There was a lot of discussion about the Beach Mouse.

- Is it only our condo that must, do it? - No, it's unknown at this time.
- Are they indigenous to this area? Yes, it is the Alabama Mouse and is indigenous to here (the Alabama Beach Mouse is west of Perdido Pass. Perdido Beach Mouse is east of Perdido Pass).

Rick Legendre: Is there a motion to approve the budget? D712 Frank Nettles, motions, BPH16 Gary Turner, seconds.

D204 Patty Cummings: Is the assessment included in the budget? Stan Szapiel: Yes.

B1002 Walter Broussard: If the budget is approved does the vote also approve the assessment too? If there is a decrease, as expected, is it necessary to continue with these numbers? Stan Szapiel: No a decrease will not be significant enough from what is in the budget. If there is a decrease, we will pre-pay insurance and keep the flow going in reserves.

Rick Legendre: We have a motion and a second to approve the budget. We will do two more questions and then move on.

Daniel Craven – Craven & Perry

- This is the best run association I have seen up and down the beach and he wanted to say how lucky we are to be with Caribe as others are paying much higher fees. Caribe is a well-maintained property for a twenty-year property.

Rick Legendre: Do we have the election results?

- Hayli Parnell: Yes
- Caleb Glover:
 1. Lester Boihem
 2. John Evans
 3. Rick Legendre
 4. Larry Wireman
 5. Mark Taupeka

Rick Legendre: Opens the owner's discussion.

D1007 Sandra Sims: Purchased 2 units in 2002 (C & D Towers) Caribe is a prestigious resort. Thank you Board, Larry and Staff. Sandra asked for a motion that all colored lights be prohibited on balconies and visible areas. Rick Legendre said it was discussed in the Board meeting earlier and agreed that lights on balconies could only be displayed during the Christmas holiday beginning at Thanksgiving and concluding the 15th of January. The board has the power to enforce it if violated with first a warning, then a fine. Stan Szapiel will oversee this.

D315 Ellen Rogers: Can we get an update on the Lawsuit? Lynn Perry: For an update. The suit is about an accusation of misappropriation of funds. The insurance company hired attorneys that represent the COA. Baldwin County Circuit Court – anyone can follow along. There is no exposure to the association. Let's just let it play out in court. That is the right place for it.

There were others that jumped in asking: Who filed the lawsuit? How long will it take? Lynn Perry: responded that it won't be over this year. What happens when the insurance money runs out? Lynn Perry: No he didn't see that the money would be running out – he didn't know the cap. Can we countersue? The association has a countersuit to cover the expenses. It went to the Supreme court. Unit owners cannot sue a non-profit organization.

D908 Lyle Stephens: What is the lawsuit about? Lynn Perry: The docks are a common element, and all have the opportunity to utilize it. Many owners spoke up that they feel if someone isn't happy here, they should move! Many stated their frustration at the lawsuit and oppose it. They are very unhappy that it's happened. Someone asked if the lawsuit affects the value of the units.

Mark Taupeka: Thank you for voting me on the board. Yes, a lawsuit hurts both the buyer and the seller. It's not a good thing for Caribe.

Rick Legendre: Do we have any other questions?

D205 John Harmon: I would like to propose considering a fish cleaning station on the east end of the docks/bay walk.

D1009 Jim McClain: Would like to have water and power back on D Docks. When will it be restored?

DPH11 Wendy Green: This is my 4th meeting, and I have some things to say. The COA Board works for our owners. This meeting is for the owners and shouldn't be timed. I don't believe the board is doing anything sneaky. COA paid insurance for the Marina two years ago and she doesn't think there should be a price on what Larry provides to the COA. Things should be documented. I feel there are things that look bad. The board appoints the Treasurer who is Larry's wife. This looks like a conflict of interest. This position should be voted on. Does the COA receive 100 percent of the proceeds from the Cabanas and Tiki Bar?

Stan Szapiel: They are booked through Realty which keeps 5% for credit card processing, the COA retains 75%, and Cobalt retains 20%. COA earns \$2,350 a month in rent for the Tiki Bar.

DPH11 Wendy Green: Larry why should I come, vote, and give my input? Larry controls because of his number of proxies.

Larry Wireman: Send your proxies to whoever you want to. I wish they'd send all of them to you.

D712 Frank Nettles: Motion to approve budget.

BPH16 Gary Turner: Second the motion.

All Ayes, zero No's to accept the 2025 budget. Budget is Approved.

D812 John Sparks: Do we want once a year assessment or up our monthly fee to accommodate it? Lynn Perry – It makes no sense not to be in regular dues but doesn't work with people. People buy with lower monthly payments. All condos are that way.

Daniel Craven: Caribe is in FANTASTIC SHAPE!

D712 Frank Nettles, Motion to adjourn, B103 John Mayfield, second motion. All Ayes, to adjourn.

Rick Legendre: Meeting Adjourned.

****Every year it is a problem to get a quorum. It costs us lots of money. We had at least 3 robo calls, mail outs and personal calls.****