

## **SEPO Board Meeting (Regular) Minutes**

**Tuesday, November 9, 2021 @ 1:00 PM CT**

**'Hybrid' Meeting (Retzlaff Hall & Google Meet)**

**CALL TO ORDER** President Tony Tramel called the meeting to order at 1:00 PM CT on October 12, 2021.

**ROLL CALL** was taken. Tony Tramel, Mecca Henry, Beth Parrish, Jean Burgoine, Lenore Combs and Lyn Swonger were present in Retzlaff Hall. Larry Keller was present via Google Meet and the phone.

The meeting was recorded. The recording can be viewed at this link:

[https://video.wixstatic.com/video/2851bf\\_15c3f8ab0f1b48269a7019fd066bebc7/720p/mp4/file.mp4](https://video.wixstatic.com/video/2851bf_15c3f8ab0f1b48269a7019fd066bebc7/720p/mp4/file.mp4)

President Tony Tramel read the following:

*Everyone attending this meeting "in person", by their presence, acknowledges potential exposure to Covid-19. Each person is responsible for his/her own choice as it relates to attending SEPO Board meetings.*

### **AGENDA**

***Posting:*** Beth reported the original agenda met the 144-hour pre-Board meeting requirement for posting. The amended agenda was posted at around 72 hours pre-meeting. We are in compliance.

***Amendments to this Agenda (by the Board):*** There were none.

### **PREVIOUS MEETING MINUTES**

Mecca motioned to approve the November 4, 2021 'Special' Board meeting minutes (***Attachment 1 in Agenda***) as submitted to the Board. Jean seconded the motion. The motion passed unanimously.

### **DIRECTOR'S REPORTS –**

#### **1) Lyn Swonger - Golf Course**

- a) It appears we have everything we need, except a load of sand, to get through this year.
- b) There was a meeting on November 8 with a golf course inspector concerning course chemicals. We haven't received the report but think there might be some issues that will need addressing. Lyn will supply with the results when he gets them.

#### **2) Jean Burgoine (Common Grounds/Maint. Area 1) SEPO Buildings**

- a) There are no issues with the Pool or Hot tub. We have started closing the pool at 3pm the day before the monthly shock treatment to allow the chemicals more time to work. It looks like that is taking care of the algae problem that 70-80% of the pools in south TX seem to have.
- b) New water filters, which took a very long time to receive, have been installed in the drinking fountains and under the sinks in the library and Card room.
- c) A chunk of concrete has gone missing from around the top ring of the Hot tub. It is being repaired today.

#### **3) Larry Keller (Common Grounds/Maint. Area 2) Streets, Drainage & Irrigation Ditches, TX Ave:**

Larry passed on any reporting today.

#### **4) Lenore Combs (Common Grounds/Maint. Area 3) Storage & Shop Area, Tennis/Shuffleboard:**

- a) Lalo is going to spruce up the Gazebo in the doggie park and repair some of the Shuffleboard benches.
- b) Tennis - Lenore thanked Tony for patching a part of the loose area of netting adjacent to the mailboxes. SEPO does not supply tennis balls.
- c) SEPO supplies doggie bags and cans for them. Don't put your regular garbage bags in the doggie bag cans.

d) Need volunteers to replace practice tee netting.

**5) Mecca Henry - Treasurer - Financial Status / Reports:**

- a) The October financials were sent to everyone. We are very close to meeting the budgeted income. We are going to be close on expenses.
- b) We have \$31,000 left for the year, but that will cover the Payroll. It appears we will be negative by yearend, which had been anticipated during last year's budget process.
- c) Everything is normal concerning the Balance sheet.
- d) Mecca transferred money from the Money Market account to fund day-to-day operations. We put money in this Money Market at the beginning of this year in order to earn interest and also be able to access it when we need it. However, we are only around \$10,000 over the required amount of \$100,000 before we start incurring a bank fee.

**6) Beth Parrish – Secretary:** Nothing to report.

**7) Tony Tramel – President:**

- a) We will be discussing the 2022 budget today to finalize and approve it.
- b) Governing Rules Updates –
  - i) We are extremely close to receiving final documents from our attorney which include (1) changes suggested by the SEPO Review Committee and (2) changes from our attorney required for us to be in compliance with TX Property Code.
  - ii) The final proposed documents will be given to the Board first, so they understand all revisions and know how to answer questions about them prior to the documents being sent to the entire community. The Board will be working on a process(es) of how best to educate the community concerning the proposed changes so they may make 'informed' decisions when it comes to voting for the Feb 15, 2022 SEPO Shareholders meeting.
- c) Soon the Board anticipates addressing how we replace money in the Reserve Fund which was used this year to repair W IN Circle.

**SPEAKER REQUESTS from November 8, 2021 Residents Meeting –**

Two residents spoke at the Nov 8 meeting on agenda items for this November 9 Board meeting by utilizing the 'Speaker Request' form and process (<https://www.sunshinecountryclub.com/speaker-request>). This process allows non-Board members to voice their opinion while the Board listens. At the end of each speaker, the Board President thanks he/she for their comments. The comments received are listed below under the agenda item they pertain to. *They are being incorporated into this meeting's minutes in order to become part of public record.* There were no requests from the 'open comments' portion of the November 8 meeting.

**UNFINISHED BUSINESS –**

- a) **Mecca** – Approval of the October 2021 Financials as presented to the Board. (***Attachment 2 in Agenda***)  
Jean moved and Lenore seconded to approve these financials as presented to the Board. The motion passed unanimously.
- b) **Mecca** – Finalize and Approve the 2022 SEPO Budget.
  - i) **SPEAKER REQUESTS from November 8, 2021 Residents Meeting:**
    - (1) *Dave Fleiner:* The greatest benefit at Sunshine are the amenities. Everyone realizes (and should if they don't) expenses for these exist/increase. Everyone paying HOA fees pays for these expenses, even though they may not partake in the amenities. One amenity is paid for by only those who use it - the storage lot – and I am okay with this. The problem - the fees that are being paid now versus the expenses they cover in this area, means the entire community doesn't have to cover those expenses. In the Jan-Oct financials, even if the expenses went completely to the budget, there is still going to be an overage for those expenses paid by the people using the storage lot. This

means this is going to go to the general budget, because I don't see anything earmarked to improve those sites. Already those people paying for storage lots are contributing more to the general budget than everybody else. You are saying those people aren't digging deep enough into their pockets. I think that should be considered into the resolution to raise the rates of those sites. It's paying for itself and it's paying for other things over and above what the people who don't have skin in the game have to pay.

- (2) *Cathy Richmond*: I want to thank the Board members for their service because this is not an easy thing to do. One of the things that disappointed me about the Board is that I don't see where, before the Board decided to raise rates, the budget was cut. All budgets can be cut. You can't just go to the storage lot every time you need some more money. We spent \$80,000 on streets this year. We have \$500,000 in our contingency fund that you are going to whittle away if you keep dipping into it because you can't balance the budget. Stop spending and start saving now. The HOA increase is something that should be done – probably every year. It does share the wealth to the whole community. But it is only a stopgap, and the Board is fooling itself if they think – we've got \$15,000 and we balanced the budget – because nobody would cut their budget. My opinion is you are able to stop spending and you should be able to start saving. I don't believe in taxing amenities because that is why we moved here. I will fight that. Thank you.
- ii) **BACKGROUND**: The latest budget Mecca has given the Board includes Larry Keller's voluntary budget reduction of \$1000, Resale Certificate revenue of \$1250 and doubling the storage lot fee structure. The net result is \$4,973 more total income than total projected expenses. Tony thought that we could do either of the following: move to proceed with approving the budget as presented to the Board at this meeting which contains an approximate \$5000 overage in income OR move to attempt to balance the budget prior to voting.
- (1) At this point Mecca reminded the Board that we needed to officially vote on raising the HOA assessment. Jean motioned and Lyn seconded we raise the SEPO HOA assessment by \$45 for the year 2022. The motion passed unanimously.
- iii) **MOTION**: Beth moved, and Mecca seconded that the Board attempt to balance the budget, taking into account whatever we need to, so that we won't have \$5000 in excess revenue.
- iv) **DISCUSSION**: Jean had done some recalculating. If we increase the storage lot fees by 60%, instead of 100%, we need ten Resale Certificates in 2022 to break even. If we had a 65% increase, we need six Resale Certificates. It was noted that Resale Certificates are not a 'for sure' income source. Mecca noted that all new income, other than HOA assessments will be taxable, but she didn't know by what amount, if any. Previously we have always had enough expenses to offset taxes.
- v) **VOTE**: Lyn, Mecca and Lenore voted No. Jean, Larry and Beth voted Yes. Since the vote was a tie, President Tony Tramel was required to vote. Tony voted Yes. This provided us with an adopted approved SEPO Budget for 2022.
- c) **Tony** – Update on utilization of Law Firm LADD & THIGPEN, P.C. concerning status of **possible changes to SEPO Rules**.  
Refer to the President's report above.
- d) **Tony** – Lock on the emergency gate between Sunshine and the RV park on Texas Avenue.  
**UPD**: Tony removed the lock and installed a bolt with a nut so it can be opened.  
Beth indicated, so that everyone is aware, this location is the opening right next to the golf cart entrance into the Encore RV Park next door.
- e) **Board** – 2022 SEPO Board Nominating Committee Appointees  
Committee needs to be finalized by November 16.
- i) **Formation of Nominating Committee.**

- (1) **DISCUSSION:** The Board has been recruiting residents for this committee. We need at least three members and there can be up to five on this committee. Cathy Richmond and Share Nelson have agreed to serve. They have both been previous Board members. Nancy Steele, who is a relatively new resident, has requested to serve.
  - (2) **MOTION:** Mecca moved and Lenore seconded to appoint Share, Cathy and Nancy to the Nominating Committee and give them the authority to recruit two additional members if they can find anyone.
  - (3) **VOTE:** Lyn abstained. Everyone else said yes. The motion passed.
- ii) **Appointment of Nominating Committee Chairperson.**
- (1) **MOTION:** Jean moved and Mecca seconded Cathy Richmond be the chairperson. The motion passed unanimously.
  - (2) **UPDATE:** Cathy has been informed the Board would like her to serve as chairperson and she accepted.
- f) **Beth** – Board Nominating Committee Guidelines (*Attachment 3 in Agenda*)  
Beth had previously been on the Nominating Committee and has dusted off that documentation and created a SEPO Nominating Committee Guidebook. Beth went through this document quickly indicating the **YELLOW** highlighted areas were ‘requirements’ per SEPO governing rules. The other areas were ‘suggestions/guides’ to aid in the committee process. Everyone was in agreement this was something that needed to be done. This ‘guidebook’ is not an official SEPO Governing Rule and did not require a formal vote to implement. **UPDATE:** Beth has sent Cathy both the Guidebook and the document listing the current Board’s remaining length of terms.

**NEW BUSINESS –**

- a) **Tony/Beth** – ‘Sale of Excess or Retired SEPO Equipment or Property’ update to Policies & Procedures (*Attachment 4 in Agenda*)
- i) **DISCUSSION:** The proposed addition to the Policies & Procedures was based on a successful process that resident Pat Harvey followed in the past. After review it was amended to add item (4) (below).
- DISPOSAL OF EXCESS OR RETIRED SEPO EQUIPMENT OR PROPERTY**  
When SEPO Equipment or Property is no longer required by SEPO, in order to give everyone a fair chance to procure it, if they wish, we will use the process defined as follows:
- 1) The community will be informed via Community E-mail and physical posting that an item is available for inspection at a ‘specified location’ until a ‘specified Day, Date and Time’.
  - 2) Anyone can send an e-mail (or handwritten bid with a legible signature) to a ‘designated person’ with the amount they are offering by a ‘specified Day, Date and Time’. The ‘designated person’ receiving the bids is not eligible to submit a bid.
  - 3) On a ‘specified Day, Date and Time’ the ‘designated person’ will look at the offers and announce the name of the purchaser to the community via e-mail and physical posting.
- Added the following during meeting.**
- 4) Concerning any item that fails to receive a bid, the Board will vote on how to dispose of it.
- ii) **MOTION:** Beth moved and Mecca seconded to accept this addition to the Policies & Procedures.
  - iii) **VOTE:** The motion passed unanimously.
- b) **Mecca** – Disposal of assets from the SEPO Office. (*Attachment 5 in Agenda*)
- i) **BACKGROUND:** We currently have some items that we can utilize the process above to dispose of.
  - ii) **MOTION:** Mecca moved and Beth seconded to approve the disposal of this list using the process we just approved.

- iii) **VOTE:** The motion passed unanimously.
  - iv) **NEXT STEP:** Mecca will run this the first time to dispose of the list of items she had put together.
- c) **Tony** – ‘Property and Yard Maintenance’ update to Policies & Procedures (*Attachment 6 in Agenda*)
- i) **MOTION:** Mecca moved and Lenore seconded to amend the Policies & Procedures per Tony’s update.
  - ii) **DISCUSSION:** Beth would like to see some minor changes to the proposed verbiage.

It is the responsibility of all property owners to see that their property or yard is maintained, mowed, and trimmed AT ALL TIMES. If it becomes necessary for SEPO to care for an owner’s property at any time, a service fee of \$50.00 for mowing and \$75.00 for weeding of **non-grassrocked** yards will be made each time such services are performed. There will be a service fee of \$75.00 per incident to pick up fruit that has fallen from your fruit tree onto any Owner’s property or the street. Owners will be notified via e-mail ten (10) days before the SEPO services are scheduled, to allow owners to correct the issue themselves. All owners must furnish SEPO office personnel with up-to-date information as to who is responsible for their property during the owner’s absence.

- iii) **MOTION (Amended):** Mecca amended her motion to include the above revisions. Lenore seconded the amended motion.
  - iv) **VOTE:** The amended motion passed unanimously.
- d) **Tony** – ‘Architectural Control’ plus ‘Other’ updates to Policies & Procedures (*Attachment 7*)
- i) **PREFACE:** This section of the Policies & Procedures was amended a long time ago and has been misinterpreted ever since. The proposed changes are for clarification.
  - ii) **MOTION:** Beth moved to accept this amended paragraph. Mecca seconded it.

Paragraph 17 states, “No fence, wall or hedge or shrub planting which obstructs sight lines shall be placed or permitted on corner lots.” Paragraph 18 states, “All fences shall be approved prior to construction.” Paragraph 19 states, in part, “No lot owner shall impair any easement. No fences, walls or structural improvements shall be built or constructed on any easement.” For clarification, our lots have a ten foot utility easement from the lot line across the front and a five foot utility easement from the lot line across the back. That in itself declares no fences will be allowed within the five foot rear lot easement adjacent to the golf course.

- iii) **VOTE:** Lyn voted No. The rest of the Board voted Yes. The motion passed.

#### **ADJOURNMENT**

Lenore moved and Larry seconded we adjourn. The vote was unanimous. The meeting was adjourned at 2:02 PM.

Respectively Submitted,

**Beth Parrish**  
**SEPO Board Secretary**