

“MINUTES”

SEPO BOARD (REGULAR) MEETING

Tuesday, November 15, 2022 @ 1 PM

“Hybrid” Meeting: Retzlaff Hall & Google Meet

1. **Call to Order** – Meeting was called to order at 1:00 PM.
2. The meeting was recorded via **Google Meet video**. The recording can be viewed at this link:
https://video.wixstatic.com/video/2851bf_f0937b1c3a9940038e7dbc3ffee34008/720p/mp4/file.mp4
NOTE: Although the first few minutes of this video recording were inadvertently muted, the entire contents of the meeting are listed in these written minutes.
3. **SEPO Board Roll Call** – Share Nelson, Larry Keller, Jean Burgoine, Mark Owen, Randy Davis and Lenore Combs were in attendance at Retzlaff Hall. Beth Parrish was absent from this meeting.
Note: Genie Newsom was acting secretary in Beth’s absence.
4. **Meeting Notice & Agenda Document** was made available to the community by the required day/time.
5. The Board did not request any **Amendments** to the posted Agenda.
6. **Approval of Board meeting minutes** from November 1, 2022 (Special) –
Jean moved and Larry seconded to approve these minutes. The motion passed unanimously by all present at the meeting.
7. **DIRECTORS REPORTS** –
 - a. **Randy Davis** – *Golf Course*
 - i. A bush from the butterfly garden has been planted on the course.
 - ii. The new greens mower is working great. The old greens mower is being used to mow the collars of the greens anywhere from ¼ to ½ inch higher than the green itself, but lower than the fairway. We will be using that same mower to mow the tee boxes.
 - iii. As always, do your best to stay on the cart paths, use a tee when teeing off and fix your ball marks.
 - b. **Jean Burgoine** – *(Common Grounds/Maint. Area 1) SEPO Buildings*
 - i. On Nov 1 Genie Newsom, Dee Novak, Pat Heinerikson and myself removed the grout and loose debris from around the edges of the pool and hot tub. Jean thanked those who helped her. The next morning was the normal morning for closing the pool for routine maintenance and all four SEPO workers regouted and painted around the edges of the pool and hot tub. The pool reopened that same afternoon and looks much better.
 - ii. Jean has obtained an estimate of just under \$8,000 for replastering the hot tub. Since this is purely a cosmetic issue, no action will be taken at this time.
 - iii. The timer on the hot tub has been replaced.
 - iv. So far the bandage Lalo applied to the hall roof above the kitchen to stop water leakage is working. As per the request made at the last Board meeting Jean has received an estimate of around \$100,000 to replace the entire Retzlaff Hall roof. Prices pre-Covid were \$15/sq ft. Now it is \$25/sq ft. The roofer said prices are beginning to come down and we should hold off doing anything for as long as possible. Jean advocates doing nothing as long as the bandage approach is working.

- c. **Larry Keller** – *(Common Grounds/Maint. Area 2) Streets, Drainage & Irrigation Ditches, Texas Ave*
Nothing to report this month.
- d. **Lenore Combs** – *(Common Grounds/Maint. Area 3) Storage & Shop Area, Tennis/Shuffleboard*
- i. The storage lot lease form is available in the office if anyone has questions about ACC restrictions.
 - ii. The Tennis, Pickleball and Shuffleboard courts and the doggie area in the storage lot look very nice.
 - iii. If you need any winter items for the sports programs let me know so I can get Lupe and Lalo on that.
 - iv. I thank everyone for cleaning up their storage lot space.
 - v. I am looking for assistance from other Board members concerning the storage lot roadbed project. No report at this time.
 - vi. I want to remind everyone when we had a storage lot survey a few years ago, the terrain was laid to facilitate water drainage so that it wouldn't get under our sheds, vehicles, etc. But over time some folks have been rearranging that terrain which has complicated the plan. Please be mindful of that and if you have water under your stuff that is why.
 - vii. Thanks you to our staff for taking care of the weeds etc.
- e. **Mark Owen** – *Treasurer - Financial Status / Reports*
- i. Everyone should have received the Balance Sheet and P&L statement for October. Randy is no longer under budget due to the purchase of the greens mower. Mark needs to work with the SEPO Office to determine why the financials reflect \$7,000 in HOA fees that were recorded as income in January, but have not yet been received from residents. We have \$85,000 in income after ten months vs a budgeted \$91,000 in income for this time period. We already have most of the property taxes booked which had originally been scheduled for Nov. We still have \$511,000 in cash.
 - ii. Mark gave all Board members who were present at the meeting the most recent copy of the proposed 2023 budget.
 - iii. This incorporates a \$45 increase in the maintenance fees which will be deposited in RIO and amounts will be transferred into Wells Fargo as needed for our operating expenses.
 - iv. Mark believes we can take \$15,000 of the received maintenance fees for 2023 and put it in our Reserve Fund at Frost.
 - v. The budget includes the salary increases and bonuses the Board approved.
- f. **Beth Parrish** – *Secretary & Governing Documents (Was not at meeting. No report)*
- g. **Share Nelson** – *President*
There was a question at our last meeting as to how we can access our general funds in case of an emergency. We have about \$500,000 in cash. Every year the budget takes care of our anticipated expenses. *Bylaw 701a states the Board may not spend more than \$20,000 for a one-time annual item that is not budgeted. Any amount over that requires a 51% vote of the property owners. If the approved amount is not available it should be paid by a special assessment.* In past instances this money has been taken from general funds. We need to look at a possible change to that Bylaw. Four decades ago, that \$20,000 bought a lot more than it does today. And our structures, buildings, pool etc are not in the same shape as then. We are financially strong but we are charged with maintaining deteriorating elements. We have work to do concerning this Bylaw.
8. **UNFINISHED BUSINESS** –
- a. **Share Nelson / Mark Owen** – 2023 Annual HOA fees
Board additional discussion (if needed) and vote on proposed 2023 Annual HOA fee amount
- i. The budget incorporates a \$45 per lot increase in the HOA/maintenance fees.

- ii. **MOTION:** Jean moved and Larry seconded our annual HOA/maintenance fees be increased by \$45 per lot.
 - iii. **DISCUSSION:** In order to keep up with rising economy costs, this is a necessity. It comes out to less than \$1/week increase.
 - iv. **VOTE:** YES = Larry, Randy, Mark and Jean. ABSTAIN = Lenore. The motion passed by those present at the meeting.
 - v. The new figures need to be given to the SEPO Office and an email needs to be sent to the community.
- b. Mark Owen – 2023 SEPO Budget**
Finalize and approve 2023 SEPO budget
- i. Mark answered questions about various budget figure differences from last year and how the Reserve Fund will be handled. It was suggested the Employee Handbook be reviewed and include job descriptions with beginning salary and max cap with each job description.
 - ii. Larry moved and Jean seconded we approve the budget as presented to the Board. The motion passed unanimously by all present at the meeting.
 - iii. **UPD:** The 2023 SEPO ‘approved’ budget can be found here:
www.sunshinecountryclub.com/files/ugd/2851bf_bb2b644cd24242069ef71b27ce33061a.pdf
- c. Mark Owen – Movement of money from PNC Bank to an interest-bearing account.**
Status update on movement of this money
We have agreed to move the \$200,000 in PNC that was in a non-interest bearing checking account into CDs to make interest.
- d. Lenore - Age Survey**
Status of obtaining Age information from Residents who hadn’t provided it to the SEPO Office by the original deadline of February 28, 2022.
There’s only a handful of residents who haven’t complied.
- e. Share Nelson – Architectural Control Committee**
ACC Member Resignation and Need for Replacement
- i. Terry Lacy reported in the Residents' meeting yesterday they only have three regular ACC members now due to the resignation of Kathleen Sunders who served on this committee for almost four years. Share thanked Kathleen for her work on this committee.
 - ii. Larry moved and Lenore seconded to retain the appointments of Terry Lacy, Brad Anderson and Matt Lyne to the ACC. The motion passed unanimously by all present at the meeting.
 - iii. Terry Lacy reported –
 - 1) On requests received and that only a handful of those had been rejected. Three homeowners were approached when they were discovered doing work on the outside of their residences without having submitted an ACC request. They were informed of the rules and submitted requests. The ACC’s goal is to receive a request for any proposed work to the outside of a resident’s home. They also need to see city permits when one is required by Combes or Harlingen.
 - 2) On two other potential ACC members. Terry will let the Board know if one or both of them agree to be on the committee in order for the Board to vote on their acceptance to the committee.
- f. Share Nelson – 2023 SEPO Board Nominating Committee Appointees**
Committee formation status / appointments
We have four residents who have volunteered to be on the Nominating Committee: Janis McFee (chairman), Derek McFee, Sue Swidryk and Marian Young. Mark moved and Randy seconded to appoint them to the Nominating Committee. The motion passed unanimously by all present at the

meeting.

g. Share Nelson – Board Nominating Committee Process Guide Status

Complete and to be provided to the 2023 Nominating Committee

https://www.sunshinecountryclub.com/files/ugd/2851bf_43f472900dfb4c8f8f07618130258215.pdf

The Board-approved Nominating Committee Process Guide has been given to the Nominating Committee.

h. Share Nelson (for Beth Parrish) – SEPO Board Election Committee

Election Committee and Process Guide Status

We have a couple of volunteers for the Election Committee but need several more. Beth will be finalizing the Election Committee Process Guide when she returns and providing it to the Board for final review and approval.

i. Share Nelson – Governing Rules Amendments

Status and next steps

- i. Share has begun reviewing various items that need to be addressed for the Feb election. She and Beth will be working on this extensively during the next few weeks. The review will include results from last year's Review Committee, new TX laws and attorney input. All Board proposed changes will be reviewed with the SEPO attorney.
- ii. Last year the proposed Covenants updates did not pass, probably because there needs to be separation of the different types of updates. We will have that separation this year. All proposed updates will be explained to the homeowners prior to the election.

9. NEW BUSINESS –

a. Mark Owen – Treasurer Reports

Approval of monthly Financial Reports from October 2022, as presented to the Board.

The financials were made available to the community via SEPO email prior to this meeting. They are on the Sunshine Web site here: <https://www.sunshinecountryclub.com/sepo-financials-2022>

- i. See Mark's report in 7c above concerning the current state of SEPO finances.
- ii. Mark will be meeting with our accountants to prepare the yearend reports and have them ready for next year.
- iii. **UPD:** Inadvertently there was no motion made nor vote taken to have the Board approve the Oct 2022 financials. This will be done at the next Board meeting.

10. ADJOURNMENT –

Lenore moved and Larry seconded to adjourn the meeting. The motion passed unanimously by all present at the meeting. The meeting was adjourned at 1:41 PM. The Google Meet recording and video session were stopped.

Due to the acting secretary's health these minutes are –

Respectfully submitted by,

Beth Parrish

SEPO Board Secretary