

SEPO Board Meeting (Special) Minutes

Tuesday, January 4, 2022 @ 2:30 PM CT

“Hybrid” Meeting: Retzlaff Hall and Google Meet

CALL TO ORDER President Tony Tramel called the meeting to order at 2:30 PM on January 4, 2022.

ROLL CALL was taken. Tony Tramel, Mark Owen, Lyn Swonger, Lenore Combs, Jean Burgoine, Larry Keller and Beth Parrish were all present in Retzlaff Hall.

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

https://video.wixstatic.com/video/2851bf_5844acbb967a4d2e90780535df7f8c0c/720p/mp4/file.mp4

Tony read the ‘Covid-19’ statement/disclaimer as it pertains to those attending this meeting ‘in person’.

AGENDA

Posting: Beth reported the original agenda met the 72-hour pre-Board (Special) meeting requirement for posting. We are in compliance.

Amendments to this Agenda (by the Board):

Two amendments to this agenda were brought up by:

- Beth – Bylaws changes - one fix, one addition and one revision and
- Tony – Age survey

but were deferred as possible revisions to the January 6 “Residents & Directors” agenda.

NEW BUSINESS –

a. Discussion and Directions to Finalize drafts of:

- i. Covenants (in anticipation of SEPO vote in Feb 2022)
 1. *The Board was able to make it all of the way thru the Covenants. However, four items were deferred to the discussion we will be having in the January 6, 2022 Special Board meeting.*
 2. *Beth has made some revisions to the Covenants based on this meeting and have provided them to the Board for the Thursday Special Board meeting.*
- ii. Bylaws (in anticipation of SEPO vote in Feb 2022)
Due to time constraints the Bylaws were not reviewed at this meeting but are an Agenda item for the January 6, 2022 Special Board meeting.
- iii. Rules and Regulations Pertaining to Leasing and Occupancy of Units (in anticipation of implementation by the SEPO Board)
Due to time constraints this document was not reviewed at this meeting but are an Agenda item for the January 6, 2022 Special Board meeting.

NOTES FROM 'SPEAKER REQUESTS' SUBMITTED DURING THE JANUARY 4, 2022 RESIDENTS MEETING

RESIDENTS/RENTERS PUBLIC COMMENTS (Speaker Requests) –

OPPORTUNITY 1:

Any SPEAKER REQUESTS submitted by residents/renters pertaining to the January 6, 2022, SEPO Residents & Directors Meeting Agenda items were called upon at this time.

- **Concerning Agenda items for the January 6, 2022 Directors & Residents meeting –**

UNFINISHED BUSINESS in SEPO Board Meeting Agenda for January 6, 2022 –

Tony – SEPO Governing Documents Update

Tony reminded everyone of the Special Board meeting at 2:30 today where the Board will start reviewing 'possible proposed' changes to our SEPO Governing rules. It is important for the Board to listen to residents' comments during the Residents meeting to help us decide what, if anything, we want to update in those documents. Also at the Special Board meeting we will be discussing whether the Board wants to attempt to move forward with any of the 'proposed' changes in the Feb 2022 election/voting.

Here is a summary of the input from all of the Speaker Requests pertaining to possible/proposed Governing Rules changes -

- Su McCurdy: Leasing and Occupancy of Units Document -

Su is opposed to this document and does not see a need for it. She is concerned it applies to other than a common area and can't see how it's in the best interest of the people living in Sunshine. It requires a level of knowledge about the Law which will require most people to hire an attorney or they just take a chance that they are going to put all of this in their lease. This should already be in our policies and Covenants. It's duplicating that but moving the burden for a possible lawsuit to residents. This needs to be dealt with as a group if there's something wrong in the way we have our rules written.

- Cathy Richmond: Occupancy –

I own my property – I pay the taxes – I pay the insurance – and I keep it up. Nobody should be able to tell me I need to be here 30 days. The Canadians couldn't be here last year. Some people get sick and can't return. What is the reason for saying somebody should live here for 30 days unless it is punitive on the Board's part?

- Su McCurdy: Covenants, 6.1 SR Citizen Residential Use -

Su is opposed to the 30 day language in this section and proposes that it is not included. There are many reasons why a homeowner might not be here; border closings, health issues. It's worked perfectly in the past without the 30 day language.

- Jean Lawrence: Covenants Article VI, Section 6.1 - SR Citizen Residential Use -

What if you have a spouse who is 55 and not retired and has to be away for work two to three months – maybe out of the state or even the country? If the other spouse is under 55 are you going to kick them out of their house? They should have the use of the property even though they are under 55.

- Su McCurdy: Covenants, 4.9 Insurance -

Su is opposed to changing the insurance message. It is not in the best interest of all owners to have a small group of people, even though we elected them, determine not to ensure property of our association. The property should remain insured so we don't have a future liability, which by default has to fall back on the homeowners to pay.

- Cathy Richmond: Insurance –

Cathy agrees with Su. She isn't saying that this Board or the next Board would cut our insurance short, but everything has to be fully insured. The wording should not be changed.

- Su McCurdy: Covenants, 8.1 Mgmt of Property –

I think you should remove fines from this area because fines, by definition, are punitive. I understand why some would want them, but there's no correlation between the actual infringement and the cost of remedying that infringement. I also think we need to change the way the fees part is written. Anything you are doing as a fee should be related to estimated costs without inflation built into it to generate more money. I feel the fines and fees of this past year are being used to supplement the HOA annual dues we pay. I would agree with probably the why of the Board doing it this way – because a maximum of \$45 per year increase in HOA fees is unrealistic. When it was written, it should have been a set percentage – not a set dollar amt. So you can't possibly increase enough to cover the costs of inflation in this facility. But this should be addressed in other ways than adding additional fees as a supplement. I started looking at your financials. We brought in about \$25,000 for rental of the storage lots. We spent less than \$500. So in the balance sheet I expected to see an unearned revenue item as a current liability that talked about the service fees for the lot rent that were being held back. That would make sense because the storage lot does need some work. There are really bad potholes over there.

At this point three min were up.

- Su McCurdy: Covenants, 6.8 Signs -

Please add Garage Sales as a possible sign that would be allowed. Without them people are going to be driving all over our community looking for the sale.

- Cathy Richmond: Signs –

I fully recognize that political signs are ruled by TX law. I don't think you need to put the entire TX law in our Governing rules. But if you tell me I can't have a sign that offends someone – who decides what is offensive? If I see a sign that I tell you offends me, what are you going to do about it? I think you are getting into a very deep mire by telling me what signs I can put in my window or my door that might offend somebody. You are overstepping your bounds because that is not TX law.

- Su McCurdy: Covenants, 6.10 Pets -

Su was concerned about the language in this section. Most owners who have a dangerous animal don't consider them to be dangerous – just friendly. There are more problems than just dog attacks. Some people are traumatized by dogs and are afraid of them. Others have severe allergies to pets. The language should say the dogs have to be under the control of their owner and they should not approach anyone else or anyone else's pet without permission.

- Cathy Richmond: Dogs –

We have nuisance rules and you don't need to keep rewriting them. If a dog is a nuisance, it can be taken care of without involving the SEPO Board. If my next door neighbor has a dog that's mean, I'm not calling you. I'm calling the dog pound – the dog control officer. It's not your job to be the dog control officer. I think you've overstepped your bounds. This can be handled by the owner, by the person who is complaining and with dog control

- Cathy Richmond: Policy on Leasing -

You made an error when you referred to 4.01 as your reason for being able to pass rules. It is actually 8.01 or 2. However, my property is not your common property. You can't tell people who they can and can't lease to or how long they have to stay. If you are afraid of Air BNBs or there is some ulterior motive for this particular policy – you need to tell us. Several people in here do their own leases. If you are going

to dictate what they say – their lawyers are going to be here. We already work just fine. So I'm disappointed. You have control over all of the common property, but those other areas are our personal property and they are not for you to tell us what to do.

Beth found this after the mtg – The Leasing document should have referred to 8.1 in the Covenants.

Bylaws: ARTICLE IV - BOARD OF DIRECTORS

General Powers

4.01 The affairs of the Sunshine Estates Property Owners, Inc. shall be managed by its Board of Directors.

Covenants: ARTICLE VIII

MANAGEMENT OF PROPERTIES

SECTION 8.1

DECLARANT shall have responsibility and authorization to prescribe Rules and Regulations covering the use of the Common Areas, streets, utilities and any other portions of the properties and to collect fees and fix assessments. All rules and regulations prescribed shall be mailed or hand delivered to OWNERS.

- Jean Lawrence: Bylaws Article III -

This needs to be explained better. It talks about written, printed and electronic. I didn't see anything about how to establish a quorum by proxy when we have our annual mtg.

- Bill Peterson: Missing Policies & Bylaws -

Bill thanked everyone for working thru these rules. It's a boring job and very tedious.

I've formed non-profits in other states and TX is no different from any other state, except for a few minor laws that may change. But one thing any non-Profit needs in their Rules documents Conflict of Interest policy. If you violate that policy there is immediate sanctions against everything. It is a law and we could get shut down. This is something they even want to be reviewed every year. I've never seen it happen but the Board needs to be aware of this.

Another thing would be a Dissolve policy. Should this community be dissolved, what happens to the assets? It needs to be in writing. \$500,000 seems like a lot, but if any of it is banished with a dissolve, being a non-profit, there can be heavy litigations on that also. It's almost mandatory to be in our rules somewhere.

- Wade Prater: Storage Area -

While you are changing the SEPO documents, you should put some protection on Storage Lot fees just as was done with HOA fees. Two of the four years I've been here the storage lot fees have gone up tremendously and hardly any money is being spent on the area. It seems like the storage lot is a scapegoat when folks can't balance the budget or they need money. If a need arises where more money is needed it should come from the entire community and not just those who pay storage fees.

- Su McCurdy: Policies & Procedures, 8 Use of Common Area -

The language here needs to be modified to limit to only Sunshine Encore RV Park and not any of the other three Encore RV Parks in Sunshine.

OPPORTUNITY 2:

Any SPEAKER REQUESTS submitted by residents/renters pertaining to any items were called upon at this time in the order of receipt.

• ***Residents Open/Public Comments on Any Topics –***

- David Fleiner: Format and Procedure for Residents mtgs -

I feel the format of the Residents meetings is not in the best interest of the residents. I feel there's no discussion or ability to ask questions of the Board regarding their proposals, the rationale behind those proposals, the perceived outcome by the Board and the affect that it will have on the residents. I was told that would just leads to these meetings getting out of hand. I think this could be handled in a structured manner. I think that questions need to be answered, particularly concerning financial matters, proposals for expenditures, fees and assessments. And I think that the Board needs to be able to explain to us why these are being proposed in an open forum. This isn't just for the Board to hear complaints or comments. This is for the residents to have the ability to ask questions of the Board in an open forum. And I would like for this format to be changed.

ADJOURNMENT

Mark moved and Lyn seconded we adjourn. The vote was a unanimous yes. The meeting was adjourned at 4:31 PM.

Respectively Submitted,

Beth Parrish
SEPO Board Secretary