SUNSHINE ESTATES PROPERTY OWNERS, INC.
BOARD OF DIRECTORS MEETING MINUTES

Thursday, August 20, 2026 | 11:30 a.m. | Virtual Meeting via Google Meet

Meeting Format	Virtual only - Google Meet
Directors Present	Lisa Seiser, Gay Paxton, William Petersen, Tom Perrier, Pat Heinerikson, Phillip Lay, and Tracy Wagner
Minutes Submitted By	Gay Paxton, SEPO Board Secretary

1. Call to Order

President Lisa Seiser called the meeting to order at 11:30 a.m. Virtual meeting procedures were reviewed. Attendees were asked to use the raise-hand feature to be recognized; participants would otherwise remain muted.

2. Roll Call (SEPO Board)

The following directors were present: Lisa Seiser, Gay Paxton, William Petersen, Tom Perrier, Phillip Lay, and Tracy Wagner via Google Meet; Pat Heinerikson participated by telephone. A quorum was established.

3. Verification of Notice and Agenda Posting

Secretary Gay Paxton verified that the meeting notice and agenda were posted and distributed as required.

4. Agenda Amendments

No amendments to the posted agenda were proposed or adopted.

5. Approval of Minutes

ACTION: Tracy Wagner moved to approve the June 9, 2026, meeting minutes as presented. Phillip Lay seconded the motion. The motion passed, and the Board approved the minutes.

6. Board of Directors Reports

a. Golf Course - William Petersen

William Petersen reported that weed control and the condition of the greens were improving. Bridge repairs were completed at a cost of $780.50, compared with the original estimate of $650. A rear-end leak on the tractor was identified, with repairs estimated at $2,200.

The crew continued rolling and vertical cutting the greens. New wiring and low-profile sprinkler heads were being installed to reduce the potential for water damage to nearby homes. In-house repairs to motor mounts saved approximately $1,000 in labor and parts. A drainage problem on Green No. 3 was corrected by installing a drain connected to the main box.

Pat Heinerikson advised that the tractor's third-member differential leak could be caused by a clogged vent and recommended keeping the vent open to prevent pressure buildup. He offered to check the fluid levels.

William stated that the golf course remained close to budget and that the goal was to finish the year within budget despite unexpected repairs.

b. Common Grounds, Area 1 - Pat Heinerikson

Pat Heinerikson reported that 33 of 34 priority tasks had been completed. After review of the pavilion acoustics, it was determined that there was no cost-effective correction that would not create additional maintenance concerns; the acoustics were considered a structural characteristic of the building.

Pat planned to apply a traction-improving product to slick tile near Retzlaff Hall and the office and to complete touch-up painting near the pool. The hot tub was operational, although one jet required adjustment when Lalo returned.

Pat and Tracy Wagner reviewed the Area 1 budget and projected that the 2027 budget would be approximately $8,000 lower than the current-year budget because major repairs had been completed. Pat anticipated remaining within the current budget for the balance of the year, excluding roof repairs.

c. Common Grounds, Area 2 - Tom Perrier

Tom Perrier's written report was provided to the Board and is incorporated by reference as an attachment to these minutes.

d. Common Grounds, Area 3 - Phillip Lay

Phillip Lay reported that weeding was progressing well in the summer heat and dry conditions. Gravel would be spread in the fall after renter equipment was cleared from the applicable area. Storage-lot renters were reminded that weeds grow quickly and that residents away for the summer must arrange for weed removal.

Phillip reported that the shop air compressor had remained off during the summer. Pat explained that compressors should be drained regularly to prevent condensation, rust, and tank damage, which may have caused the unit to be deactivated.

e. Treasurer's Report - Tracy Wagner

The Treasurer's written reports were provided to the Board and are incorporated by reference as attachments to these minutes.

> **ACTION:** Gay Paxton moved to approve the July 2026 financial reports. Phillip Lay seconded the motion. The motion passed unanimously.
>
> **ACTION:** Gay Paxton moved to approve the June 2026 financial reports. Phillip Lay seconded the motion. The motion passed unanimously.

f. Secretary's Report - Gay Paxton

Gay Paxton reported that there was no additional Secretary's report.

7. Architectural Committee Report

No representative of the Architectural Committee was present, and no report was presented.

8. Five-Year Planning Committee Report

Tony Tramel reported that the committee fully implemented its initial pavement recommendations. The committee estimated that replacement of all community pavement at current prices would cost approximately $2.5 million.

9. Safety Committee Report

Lisa Seiser reported that the committee was seeking additional Safety Committee members. The committee will address traffic-calming measures, stop signs, and other safety concerns and may overlap with or incorporate the neighborhood watch group.

10. New Business

a. Action - Approve Chair of Election Committee - Jeanette Makowiec

ACTION: Tracy Wagner moved to appoint Jeanette Makowiec as chair of the Election Committee. Tom Perrier seconded the motion. The motion passed.

The Election Committee intends to move toward online voting while retaining an option for residents who cannot vote electronically. The change is also expected to reduce election costs.

b. Discussion - 2027 Preliminary Budget Revenue and Expenses

The Board reviewed preliminary 2027 revenue and expense information. Tracy Wagner will distribute the preliminary budget to the Board and residents when it is complete. The discussion included the long-term cost of maintaining and replacing community assets and the need to present realistic cost scenarios to residents. Lisa Seiser will develop figures and potential scenarios for presentation at the October meeting.

c. Discussion - Revenue-Generating Ideas for Reserves

The Board discussed several options to strengthen reserves and address future capital needs.

Capital contribution fee. The Board discussed a capital contribution or buy-in fee, potentially approximately $1,000, for new owners. Members agreed to investigate whether this should be addressed through the covenants or bylaws so that incoming owners contribute to infrastructure improvements funded by existing owners.

Vehicle and axle fee. Tracy presented an annual axle-fee concept, modeled after a wheel tax, that could apply to vehicles, recreational vehicles, and trailers. Revenue would go into a separate account dedicated to road work. Tony Tramel cautioned that Texas law might restrict such a fee. The Board agreed to research the proposal and ask legal counsel about its viability.

Road use and trash service. Pat suggested that heavy trash trucks may contribute to road wear and asked whether weekly trash collection could reduce that impact. William noted that prior efforts to reduce service had not been successful. Tom stated that road professionals had advised that heavy truck traffic was not the primary source of pavement damage.

Golf course improvement fee. The Board considered whether the $25 golf course improvement fee, currently associated with golf-cart use, should be expanded to all golf course users. The discussion addressed the small number of walkers, collection and enforcement difficulty, added staff demands, resident friction, and the broader effect of amenities on property values. The Board reached consensus to retain the current fee structure for now. The Board may consider a future increase to $50.

Special assessment and HOA fees. Lisa proposed a special assessment to replenish reserves and support capital improvements, including completed road and roof work, provided that the assessment is tied to a specific and transparent purpose. Tracy reported that HOA fees had been increased only 28 times in 46 years. The Board discussed the need to address inflation and prior underfunding while keeping the community affordable.

d. Discussion - Revision of Policies and Procedures: Use of Common Area

Tracy identified unclear language regarding access to the storage and maintenance areas, including who may enter and who may hold gate keys. Board members expressed differing understandings of the existing maintenance-area access policy. The Secretary will research prior meeting minutes, and the topic will return for discussion at the October meeting.

During the broader common-area discussion, Pat suggested prioritizing visible accessibility improvements, including wheelchair accessibility in the office restrooms. William noted resident requests for golf course grass and sprinkler improvements. The Board agreed to continue evaluating these items.

e. Discussion - Use of Golf Course by Residents

The Board tabled further discussion concerning resident use of the golf course when residents are not actively golfing. The Board identified the matter for additional discussion in executive session.

f. Discussion - Nominating Committee Update/Requests

Lisa emphasized the need to form a Nominating Committee to recruit candidates for the upcoming Board election, preferably more than one candidate for each open position. It was clarified that service on the Nominating Committee does not obligate a member to become a candidate.

g. Discussion/Action - Survey to Residents

> **ACTION:** Tom Perrier moved to distribute a SurveyMonkey survey to residents concerning the proposals under consideration. William Petersen seconded the motion. Lisa Seiser will draft the survey questions for Board review before distribution.

11. Old Business

a. Action - Approve New Attorney - Michael Gonzalez (Brownsville)

> **ACTION:** Tracy Wagner moved to retain Michael Gonzalez of Brownsville as the Association's attorney. Pat Heinerikson seconded the motion. The motion passed.

b. Discussion - Use of Attorney and Retainer

The Board discussed using the attorney's retainer efficiently, primarily for compliance review, legal guidance, and document review rather than administrative drafting. Lisa Seiser will create and organize background materials and questions before submitting matters to counsel, including proposals intended to build reserves.

c. Possible Action - Use of Insurance Proceeds from Palm Trees

The Board discussed use of insurance proceeds received for lost golf course trees. Tom suggested transplanting existing mature trees to other locations (Texas Avenue) as a cost-effective alternative to purchasing new trees. The matter was tabled until October.

d. Discussion - Road Work Update

Tony Tramel reported that the milling and overlay work had been completed ahead of schedule and under budget. He described Reclamite spray, which will occur soon, as an efficient pavement-rejuvenation treatment and estimated a potential pavement-life extension of approximately three to ten years, depending on environmental conditions.

The Reclamite spray treatment will cost approximately $1.90 per square yard and was estimated to save approximately $78 per square yard compared with full road replacement. Testing is planned to evaluate the treatment's effect on pavement longevity. The Board expressed appreciation for Tony's expertise and leadership in overseeing the pavement work without an outside consultant.

e. Discussion - Covenant Changes/Special Assessment for February Ballot

The Board discussed presenting covenant changes as separate, specific ballot questions to improve clarity and voter participation. Possible matters included age requirements, HOA fee increases, a special assessment, and other reserve-building initiatives. The Board agreed to include a special assessment on the next ballot and supported moving toward electronic voting to permit more efficient voting on individual projects during the year.

Lisa Seiser will prepare proposed language for attorney review. Beth Parrish offered to provide existing language from the community website to assist with the process.

f. Discussion/Action - Speeding Signage and Other Options

Lisa reported that the newly-created Safety Committee will evaluate speeding signs and other lower-cost traffic-calming options, including temporary roundabouts, later in the year.

g. Discussion - Property Maintenance Options

The Board discussed a small number of dilapidated or poorly maintained homes and lots and the difficulty of enforcement under the Association's current authority. Lisa will compile the relevant history and documents for the attorney and request guidance concerning legally available enforcement options.

h. Discussion/Possible Action - Water/Well Update

Tom reported that the well vendor had not yet located a buyer for the pump. Research continued concerning the cost and feasibility of treating water from the second well compared with purchasing city water. No action was taken.

i. Discussion - Golf Survey Update

William reported that 118 golf surveys had been distributed and 117 responses received. Of the respondents, 27.4 percent indicated that they did not golf. The Board plans to distribute the survey again in September and may revise questions based on comments received in the initial survey.

12. Resident Complaints/Suggestions - Forms Submitted

The Board considered a resident concern regarding private parties in Retzlaff Hall, including cleanup, traffic, energy use, common-area access, and liability. Tracy suggested developing a written event agreement addressing limits on use, liability, cleanup responsibilities, and a possible private-event fee.

William suggested directing smaller groups to the library or card room when appropriate to reduce energy costs. Tracy expressed concern about unduly restricting resident access to common areas but agreed that events involving outside guests require clearer controls. The Board will continue reviewing an appropriate hall-use policy.

13. Executive Session

At 2:57 p.m., the Board voted unanimously to adjourn the open session and enter executive session to discuss personnel hours and rates and confidential resident complaints. The Google Meet recording was stopped, and the open Google Meet session was ended.

14. Adjournment

ACTION: A motion was made to adjourn the executive session. The motion passed unanimously. The meeting adjourned at 4:15 p.m.

Respectfully submitted,

Gay Paxton
SEPO Board Secretary

Mtg. Report 8.20.26

I have been out of Sunshine since July 7th but I've been keeping in touch with Pat Heinerikson and Jerry Wetherbee.

Lalo has been helping Pat with several things in the pool/hot tub area along with his regular tasks. He repaired a valve behind Dee's house that was leaking with help from Manny and Joe.

Will start building a small block wall by the pump house when I get back, so we can access 2 valves over there.
The pick up tube for the pumps still needs maintenance, will get to that when I get back.

Did an audit of the palms on Texas Ave. with Chuck Malloy. Chuck said he would not remove any of those trees, that they may look a little "rough" on the outside, but the strength is in the core of the trunk and he didn't see any of them "popping".
We also talked about transplanting some existing palms in the woody area near the gazebo. He gave me contact info for a guy who he thought could do that. I would move them to areas along Texas Ave. where trees have been lost.

Talked with Randy at the Harlingen Irrigation District, he said at their last meeting they had been released from their restrictions and we were looking good through the end of the year.

Tony Tramel will give report on the road repairs.

Started working on the budget for 2027, looking to identify what needs maintenance/repair and what can wait.

Thomas Perrier
Area 2

Well Update 8.20.26

Spoke with Hip from Figueroa’s Well Drilling and he hasn’t found a buyer for our pump yet. I reminded him that we are willing to talk about price.

Still with the help of Jerry Wetherbee looking into the costs and feasibility of treating water from the second well with possible use of city water.

Thomas Perrier
Area 2

Financial update for June 2026

I want to highlight some items from the preliminary reports that I think are noteworthy, in addition to any footnotes I made in the financial reports:

1) Valerie & I continue to monitor resident accounts to ensure timely payments of HOA fees. We have one resident who is delinquent with June HOA fees.
2) Here are the current interest rates on our cash investments: the brokered liquid deposit account at Wells Fargo is at 3.35%; the money market account with Fidelity is at 3.53%; the Money Market account at PNC remains at 3.2%; the Reserve Contingency Money Market account at RIO remains at 3.32%; the Golf Course Money Market account at RIO remains at .51%.
3) The CD at Oceanfirst Bank expired on 06/01/2026. These funds have been transferred to the Brokered Liquid Deposit and will remain there to help cover our operating expenses for the rest of the year.
4) Memorial lockbox in library was checked and there were no memorial donations in June.
5) At the June board meeting, it was reported by Director Pat Heinerikson that 2 resident families are donating the palm trees on hole #3 so the insurance proceeds can now be used for another project. The board also approved at the June meeting to move $367.73 from Golf Course Maintenance to the Insurance Proceeds account which leaves a balance of $7,132.27. These proceeds will remain on the balance sheet until a decision is made on how to use those funds.
6) On June 25th, a payment of $11,831.54 was made to I.M. Services for the 25% downpayment of road repairs.
7) I reviewed the June financial transactions, and they all looked good. I sent the preliminary financial reports to Beth on 07/07/2026 and she sent them out to the community on 07/07/2026. June financial reports were also sent to our CPA on 07/07/2026 for review.

If there are no questions from the board, I am asking for an official motion to approve the June 2026 financial reports.

Financial Update for July 2026

1) Valerie & I continue to monitor resident accounts to ensure timely payments of HOA fees. We have four residents who are delinquent with July HOA fees.
2) Here are the current interest rates on our cash investments: the brokered liquid deposit account at Wells Fargo remains at 3.35%; the money market account with Fidelity remains at 3.53%; the Money Market account at PNC remains at 3.2%; the Reserve Contingency Money Market account at RIO remains at 3.32%; the Golf Course Money Market account at RIO remains at .51%.
3) Memorial lockbox in library was checked and there were no memorial donations in July.
4) The road repair capital project was completed in July. The final payment was made on July 31st. The total cost of this capital project was $48,602.51 as shown on the balance sheet.
5) You will see a new asset account called Quickbooks Payroll Tax Holding Account on the balance sheet starting this month. After each weekly direct deposit payroll, Quickbooks deducts the payroll taxes we owe from our checking account and places these funds in a holding account. Then when the taxes are due, Quickbooks will pay these taxes to the appropriate tax agency by the appropriate due date. All this is automated within Quickbooks when Valerie processes the weekly payroll.
6) I reviewed the July financial transactions, and they all looked good. I sent the preliminary financial reports to Beth on 08/09/2026 and she sent them out to the community on 08/10/2026. July financial reports were also sent to our CPA on 08/09/2026 for review.

If there are no questions from the board, I am asking for an official motion to approve the July 2026 financial reports.

Future Financial Matters for SEPO

1) (June) I have completed changing the Wells Fargo Checking plan to one that only requires a $2,000 minimum daily balance as approved by the board at our June meeting. This allows me to keep more money in our investments, earning higher interest.
2) (June) I will be working on the budget for 2027 during July and August and discussing with various board members, so we are ready to present/discuss our plans/ideas at our August board meeting.
3) (July) I was notified by our local investment banker at Wells Fargo that the Fidelity and Brokered Liquid Deposits accounts will no longer be managed by him. This is his explanation sent via email verbatim: “I am writing to you today with an important update regarding the servicing of your account. Due to the nature of your entity as a Homeowners Association (HOA) for a local community, coupled with recent changes in our internal personnel and account structures, your account has been identified for transition to our dedicated Solutions Team in the coming months. This means that, unfortunately, I will no longer be your primary point of contact or service your account directly. Our Solutions Team specializes in working with entities like yours and is well-equipped to continue providing excellent service tailored to your specific needs. I also wanted to address the possibility of continuing our working relationship in a different capacity. Typically, for us to continue working together, it would need to be in a fiduciary capacity, where I provide advice and accounts entail a certain level of risk. However, given the nature of your entity and the community funds you manage, I am not comfortable recommending investment strategies that involve significant risk, and I am confident that you would also prefer to avoid such risk with your community's money. I sincerely apologize for any inconvenience or disruption these changes may cause. This decision is a result of evolving internal policies designed to ensure the most appropriate and specialized service for all our clients. Please do not hesitate to contact me directly at your earliest convenience to discuss these next steps and ensure a smooth transition.” I am in the process of working with our local business banker at Wells Fargo to determine the best savings option for these funds that will offer a competitive interest rate. At the end of July, the total amount of funds I am referring to is $86,792.41. I plan to have this done before the end of the month so our accounts don’t transition to the Solutions Team in September.
4) (July) Now that we know what was spent on the road repairs and we have signed a contract for the reclamite road project, I updated the use of cash funds graph with those numbers. We budgeted $155,000 for pavement repairs and preservation and we have/will be spending approximately $127,572.51. Because we are spending less than we budgeted, we will be increasing the amount for future cash reserves. In April we reported that amount to be around $75,000. Now we can report that that number should be around $104,000. If we don’t replace the 2 air conditioners in Retzlaff Hall this year, the cash reserves will increase. The July updated graph will be a part of this report and will be sent out to the community as part of the meeting minutes.

2026 USE OF CASH FUNDS (UPDATED JULY 2026)

2026 Undesignated Cash Funds (Wells Fargo & PNC accounts)	826,122.48	87.64%	
2026 Designated Cash Funds (RIO Bank Reserve Contingency)	116,538.79	12.36%	
	942,661.27	100.00%	
2026 operating expenses (approved budget)	(466,876.22)	49.53%	see other graph for breakdown of where money is spent
2026 capital: roofs/gutters/downspouts for RH/library/office	(179,173.64)	19.01%	actual amount spent on this capital project
2026 capital: 2 AC units for RH	(50,000.00)	5.30%	not been spent yet but is an approved project
2026 capital: well #2	(15,000.00)	1.59%	spent $2,000 so far; rest of project is pending
2026 capital: pavement repair & preservation	(127,572.51)	13.53%	spent $48,602.51 on road repairs; will be spending $78,970 for Reclamite project
Money left for future cash reserves & future capital needs	(104,038.90)	11.04%	
	(942,661.27)	100.00%