

SEPO Board Meeting Minutes

Thursday, June 24, 2021 @ 1:00 PM CT
'Hybrid' Meeting (Retzlaff Hall & Google Meet)

CALL TO ORDER President Tony Tramel called the meeting to order at 1 PM CT. Tony then informed everyone that the meeting was being recorded.

The recording can be viewed by clicking on (or copying and pasting) this link:

https://video.wixstatic.com/video/2851bf_9d215f9e441f4bc883a07b92b02b5dc7/720p/mp4/file.mp4

ROLL CALL was taken. Tony Tramel, Jean Burgoine, Lenore Combs, Mecca Henry, Larry Keller, Beth Parrish and Lyn Swonger were present.

AGENDA

To meet the 72-hour pre-Board meeting requirement for posting, the agenda was sent via e-mail to the community and put on the Sunshine Web site on Sunday, June 20, 2021 @ 2 PM CT. It was also posted outside the SEPO office and on the poolside door into Retzlaff Hall on Monday, June 21, 2021 @ 11:40 AM CT.

President Tony Tramel asked if there were any amendments or additions to the posted agenda. There were none.

PREVIOUS MEETING MINUTES

President Tony Tramel asked the board if there were any items to discuss prior to approving the minutes from the June 10, 2021, Board meeting (**Attachment 1**). Larry Keller moved the minutes from the June 10, 2021, meeting be approved as submitted. Mecca Henry seconded the motion. The motion passed unanimously.

UNFINISHED BUSINESS –

Board – Discuss an action plan regarding recommendations of our SEPO Rules Review Committee (**Attachment 2**) regarding Covenants, ByLaws and Policies & Procedures (**Attachment 3**).

Tony had previously requested the board appoint a Review Committee to take the action to review the SEPO Rules and present their recommendations for any potential changes. It is Tony's understanding that in the past this review was done sometimes by a Standing Committee of the Board, but it hasn't been done in a while. The Review Committee, which was appointed by our current Board, included Steve Fransene, Share Nelson, Pat Harvey, Earl Weir and Jerry Wetherbee. Both Share and Pat attended this board meeting.

The Cover Letter from the Review Committee presented the big picture of issues that were addressed in written reports. The Review Committee submitted a number of specific recommendations. Other issues were identified and discussed, but no conclusion or recommendations were offered by the Review Committee. While SEPO operates under a set of Covenants, ByLaws, and Policy & Procedures, these documents must also be in compliance with Texas Homeowners Association (HOA) Laws, which can change whenever the Texas Legislature makes changes. If SEPO documents are in conflict with Texas HOA Laws, the Texas HOA laws override our SEPO documents. The Board was pleased with the Review Committee results and expressed their appreciation to each member for all the hard work the Review Committee put in to get our Board to this point in this effort.

After some discussion of how to proceed with this meeting –

MOTION: Mecca Henry moved to acknowledge receipt of the Review Committee report dated April 28, 2021, which consisted of four documents; a Cover Letter and three recommendation documents - one for each of the following - Covenants, ByLaws and Policies & Procedures. Lyn Swonger seconded the motion.

VOTE: The vote was unanimous to accept the motion.

Larry stated that as a board, our greatest concern should be with who can live in our community. The concept of 80-20 (80% of the community must be 55 or older) is what SEPO's intent was when first developed.

Tony indicated we have the recommendations that the Board could either agree or not agree on each item provided in the Review Committee reports. Today the Board has the opportunity to move forward with looking at each of these items.

It was proposed the next step would be to start addressing each item one at a time and vote on each. Larry was okay with discussing the recommendations at this meeting, but he did not want to 'approve' anything until we seek the advice of counsel. That brought up the fact that the board was pursuing hiring counsel that is competent, capable, and very knowledgeable about HOAs. ***This hiring process will now become a top priority.***

NOTE: *In the following explanations words that have a strike-through are proposed to be deleted and underlined words are proposed to be added.*

Review Committee POLICIES & PROCEDURES Recommendations

#1 – Fences:

- 1) The following proposal is to clarify where a fence may be considered for construction:
~~no fences will be allowed along~~ within the 5' rear lot easement adjacent to the golf course.
- 2) The next proposal means our rules do not state anything about someone going into your yard. TX State Law governs this.
~~Golfers are allowed to go onto an Owner's property for the purpose of retrieving a stray golf ball and for no other purpose. They may not strike a ball from within an Owner's yard.~~

DISCUSSION: The Covenants permits fences. The boundaries were incorrectly stated in the Policies & Procedures. Beth wanted to ensure we were consistent with the use of "five vs 5" and "foot vs using an apostrophe". Tony added that another issue is - What is the definition of a fence? Mecca proposed we let counsel provide the definition.

MOTION: Larry Keller moved to accept the Review Committee recommendations with Beth's correction. Lyn Swonger seconded it.

VOTE: The vote was unanimous to accept the motion.

#2 – Political Signs

After extensive review, the Review Committee recommendation was that ~~we do not take any action.~~ We need to get counsel to clearly explain, in writing, what can and cannot be done concerning political signs. A flag is an even more difficult issue to deal with.

MOTION: Larry Keller moved we have counsel address this. Beth Parrish seconded it.

VOTE: The motion passed with a five to one vote. Mecca Henry voted no.

#3 Fees for Services

The proposal is as follows:

If it becomes necessary for SEPO to care for an owner's property at any time, ~~an assessment~~ a service fee of \$50.00 for mowing and \$75.00 for weeding of rocked yards will be made. There will be ~~an assessment~~ a service fee of \$75.00 to pick up fruit that has fallen from your fruit tree. **The service fee would be assessed each time the service is provided.**

DISCUSSION: We also need to address 'yard debris' fees and possibly other items. Tony wanted to add 'each time it occurs' after both items defined above.

MOTION: Lyn Swonger moved that the Review Committee recommendations, along with Tony's addition, be taken to counsel to determine how to establish fines and ultimately how to administer them. Larry Keller seconded it.

VOTE: The vote was unanimous to accept the motion.

Review Committee COVENANTS Recommendations

MOVE: Lyn Swonger moved to take all of the Review Committee recommendations, along with additional questions of how we determine/state who can live in our community, to counsel. Lyn amended his motion based on Tony's recommendation to state that we have the ability to accept or reject what counsel says, even if we have to go back to counsel again. Mecca Henry seconded the amended motion.

DISCUSSION: We definitely need to have any changes to the Covenants legally and technically correct. Concerning age, we can't just say at least one resident has to be 55+. We are allowed to be exempt from Fair Housing Act Federal Rules & Regulations as long as we have 80% or more persons living here who are 55 or greater in age. The board should document some examples of varying ages living in households and perhaps develop other wording to define this issue before presenting to counsel. The term 'residing/living there' also needs to be defined.

VOTE: The vote was unanimous to accept the motion.

Review Committee BYLAWS Recommendations

MOVE: Lyn Swonger moved to take all of the Review Committee recommendations, along with an additional question of how we determine/state who can live in our community, to counsel. We would then have the ability to accept or reject what counsel says, even if we have to go back to counsel again. Lenore Combs seconded the amended motion.

DISCUSSION: None

VOTE: The vote was unanimous to accept the motion.

IN SUMMARY:

1. The Board has acknowledged receipt of the Review Committee Report.
2. The Board needs to find counsel proficient in HOAs.
3. Counsel needs to review the Review Committee recommendations and provide us with options.
4. The Board needs to receive a written report from counsel.

5. In addition, all board members should review all three of the SEPO Rules documents to determine if they have any of their own recommendations for changes. Any proposed changes should be sent to Beth and Tony to compile.

Additional Items Discussed

We need to ensure we have the ability to identify the ages of residents currently living in Sunshine and those who continue to move into Sunshine. We need to survey any residents who we don't know their ages to prove we have met the 80-20 rule. It is a federal requirement to know ages to keep our tax-exempt status. The board will draft a letter to send to residents requesting this information.

Tony has consulted with other 55+ communities that have documents that could be beneficial in getting us to our desired endpoint. He has compiled a 15-page document that he will send to the board members.

NEW BUSINESS – None

ADJOURNMENT

Mecca Henry made a motion to adjourn. Lenore Combs seconded it. The motion passed unanimously by all present. The meeting was adjourned at 2:12 PM CT.

Respectively Submitted,

Beth Parrish
SEPO Board Secretary

ATTACHMENTS –

1. **June 10, 2021, Unapproved Minutes of Board Meeting**
https://2851bf60-6e92-4440-b098-0166b6640e11.usrfiles.com/ugd/2851bf_7a0a6fc2c20246fc921b6a41f0a3a948.pdf
2. **Recommendations of the SEPO Rules Review Committee**
https://2851bf60-6e92-4440-b098-0166b6640e11.usrfiles.com/ugd/2851bf_173be73fdd334098adda2020728eaa6e.pdf
3. **Copies of Current SEPO Rules (Covenants, ByLaws & Policies & Procedures)**
 - a. **Covenants:**
https://2851bf60-6e92-4440-b098-0166b6640e11.usrfiles.com/ugd/2851bf_470be9a3f3534a1389706146258b3391.pdf
 - b. **ByLaws:**
https://2851bf60-6e92-4440-b098-0166b6640e11.usrfiles.com/ugd/2851bf_66ea76269c4b4ec5a8663a8090cf2a72.pdf
 - c. **Policies & Procedures:**
https://2851bf60-6e92-4440-b098-0166b6640e11.usrfiles.com/ugd/2851bf_ea41b2935b714168a07e49ce5b46cdde.pdf