

SEPO Board Meeting (Special) Minutes

Thursday, November 4, 2021 @ 1:30 PM CT

'Hybrid' Meeting (Retzlaff Hall & Google Meet)

CALL TO ORDER President Tony Tramel called the meeting to order at 1:55 PM CT on November 4, 2021. The lateness of the start of this meeting was due to technical issues with internet connectivity in Retzlaff.

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

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

https://video.wixstatic.com/video/2851bf_2c2f44fd6f6b4081af7e1229d02d4d4c/720p/mp4/file.mp4

AGENDA

- The 72-hour pre-Special Board meeting requirement for posting the agenda was met.
- The Board members had no amendments or additions to the posted Agenda.

PREVIOUS MEETING MINUTES

Jean motioned to approve the October 12, 2021 Regular Board meeting minutes (***Attachment 1 in Agenda***) as presented to the Board. Larry seconded the motion. The motion passed unanimously.

UNFINISHED BUSINESS –

- a) **Board** – Development of ‘Proposed SEPO Budget for 2022’ for consideration at the November 9, 2021 Regular Board meeting.

This meeting is to finalize the ‘proposed’ budget, which will not become official until the Board votes on it at the November 9 Regular Board meeting.

- i) Mecca provided the Board with a copy of “Draft #3” of the proposed budget, which included Lyn’s budget request.
- ii) In this draft, which includes an HOA assessment increase of \$45 in 2022, we have \$8,351 more expenses in the budget than what we are anticipating our income to be. After the executive meeting, which was held just prior to this meeting, we now have a difference of \$12,351, due to Payroll expenses. We need to either come up with a way to increase revenue or lower some of our proposed costs. We don’t want to have a negative budget for just normal operating expenses.
- iii) **Where can we increase Revenue? -**
 - (1) **Assessments:** The HOA assessment hasn’t been increased in four years.
 - (2) **Storage Lots:**
 - (a) The storage lot fees haven’t been increased in four years. They are currently \$140, \$150 or \$160 per year, depending on the size and purpose of the lot. This generates about \$15,000 in revenue per year.
 - (b) Market price for considerably smaller storage spaces is around \$50/\$75 per month.

To be considered for Approval at the November 9, 2021 Board meeting

- (c) **MOTION:** Larry motioned we amend the proposed budget to include doubling the storage lot fees effective Jan 1, 2022. Beth seconded it.
- (d) **VOTE:** YES = Larry, Beth, Lyn & Jean. NO = Lenore & Mecca. Motion passed.

(3) Resale Certificate:

- (a) A resale certificate is a “closing” document requested from SEPO that says there are no liens against the home from the HOA. We are also using that certificate now for an additional purpose. Until the buyer acknowledges in writing that they have received our governing documents, either from the realtor or the person selling the home, SEPO will not sign the resale certificate.
- (b) We don’t currently charge to produce this certificate. We prepared about 20 of them in 2021 so far. This is normally a fee paid by the buyer and should have little to no effect on our residents.
- (c) **MOTION:** Larry moved we include a \$250 Resale Certificate fee in the proposed budget and start charging this fee on Jan 1, 2022. Lyn seconded it.
- (d) **VOTE:** YES = Larry, Beth, Jean & Lyn, NO = Lenore & Mecca. Motion Passed.

(4) Other possible sources of Revenue:

No action was taken on any of the following items: Private Parties, Activities in Hall (such as Line Dancing), Tennis / Pickleball / Shuffleboard, charge more for golfing etc.

(5) Other discussion –

Non-HOA Fees: The Board is authorized to establish fees in accordance with our Covenants, Article VIII Management of Properties, Section 8.1.

- iv) The next step at the November 9 Board meeting is to move to approve the proposed 2022 budget as it is after today’s meeting. Larry requested all Board members at the November 9 meeting who say no to this budget to 1) acknowledge they don’t agree with our decision concerning employees raises or 2) explain what services they would like to cut to get to a balanced budget.
- v) **UPDATE after the meeting:** Several Board members are reviewing the budget numbers approved at this meeting to determine if there are items which can be revised in order to come up with a different way to balance the proposed 2022 budget figures.

ADJOURNMENT

By acclamation the vote was unanimous to adjourn the mtg at 2:28 PM CT.

Respectively Submitted,

Beth Parrish
SEPO Board Secretary