

# San Clemente Annual Meeting for 2022

**March 2, 2022**

## Roll call and certification of proxy ballots

The following attended the meeting:

<b>Name</b>	<b>Property</b>
Marise Textor	424 Lechuguilla
Brisa Garcia	343 and 347 Rocky Pointe
Patty Russell	456 and 454 Rocky Pointe
Sheldon Wheeler	Dana Properties - Management Company
Karen Foster	375 Rocky Pointe
Mike Myers	416 and 420 Lechuguilla
Joann Palofox	437 San Clemente
Brian Moats	445 San Clemente
Luisa Miller	441 Cross Canyon Place
Carmen Gloria	

Sheldon had the following proxy ballots:

- Brisa - 2
- Brian Moats
- Matthew Bowman - 378 Rocky Pointe

Luisa was asked by Hector Mendoza (436 San Clemente) to serve as his proxy but did not have a signed ballot from him, reporting that he had an emergency and would send her a ballot afterwards.

Joann had to leave during the meeting and texted into the meeting chat that she turned her proxy over to Mike.

Total properties represented: 12 plus the possibility of Hector Mendoza.

## Proof of notice of meeting or waiver of notice

Marise showed the meeting notice that went out. The proof of notice was met.

## Approval of minutes of 2021 Annual meeting

Patty moved to approve the minutes of the 2021 annual meeting, held by zoom on December 5, 2021, and Karen seconded. There were no corrections, and no one opposed the approval. The motion passed unanimously.

## Financial report

Report provided by Brisa Garcia and Sheldon Wheeler.

Brisa reported that our balance sheet was negative \$861 for the month of December 2021 and negative ~\$6000 for the year, and that it was negative the last two years. She said that it is

important that we consider a special assessment so that we can remain positive. A homeowner reminded us that we had the 5%/year increase in annual dues intended to maintain the budget, and Marise explained that we are running negative despite the annual 5% increase.

Sheldon ran a report earlier today to identify the delinquent accounts and only three properties owe more than the 2022 assessment (down from nine a month ago). Twenty properties have not paid the 2022 assessment yet. A homeowner asked what we do about delinquent accounts or what we can do. Marise reported that we sent certified letters in January and will likely do that again. Management needs to re-write the letter that they use to conform to state law changes in September 2021 so that we can, under the new law, report delinquent accounts to a credit agency. The next step if a property owner does not pay after receiving a certified letter with the appropriate information in it and reporting to a credit agency is that we could obtain the services of a collection agency, but the Board would have to decide to do that, considering whatever fees would be charged. Not discussed at the meeting: The management company also puts a lien on the property so that eventually, we will be paid including interest when the property changes hands.

### **Reports of officers - President's Report**

Report provided by Marise Textor.

Adequacy (inadequacy) of the current dues and restrictions on dues increases - As discussed above, the dues do not adequately cover current expenses. Dues may only be increased by 5% per year on a Board decision without a vote of the property owners.

Tractor Trailers - The question of continuing the prohibition on tractor trailers was discussed at the 2021 annual meeting. In the January Board meeting, the Board discussed the issue and decided to maintain the prohibition on tractor trailers.

Contractor Liaison - The Contractor Liaison position was discussed in the 2021 annual meeting. In the January Board meeting, the Board decided that we would put a contract in place for this position, considering that it is our single largest expense, and we have no paper to define it. Marise drafted a contract and obtained feedback from the rest of the Board, management, and ARC Chair, and then discussed it with David Karns and sent it to him by email. David replied with concerns but has not yet provided a counter proposal, which the Board is waiting for. A homeowner questioned if something was wrong with the work and why we need to put a contract in place when we have not had one for ten years. Two homeowners expressed concern that we do not want to lose David. One homeowner said he was stunned to hear that we have done business for so long without a contract. Marise explained that as an independent consultant she has contracts for all of her work under the advice of attorneys, insurance, and others, and that San Clemente has contracts with Dana Properties and Green Scene, that a contract is good business practice, and that having a contract does not indicate anything is being done incorrectly. Brisa said that she spoke with David and encouraged him to identify any language that he would like to see in the contract. Another homeowner said that David should provide his feedback and will not sign it if he does not agree with it.

Electronic notice of future board meetings - **Homeowners should provide an email address to Dana Properties as soon as possible.** Future Board meetings, which are open to homeowners to attend, will be noticed via email and on the Dana Properties webpage on the San Clemente page.

Process to submit demand letters to property owners for delinquent accounts - This was discussed during the Treasurer's report.

Rock wall issue raised by homeowner - A property owner raised a concern at the January Board meeting about a commonly owned rock wall partly built on their property. After discussing it at the Board meeting, the Board gave the property owner a choice of signing the agreement that our attorney developed, proposing changes to the agreement, or deeding that part of their property to the HOA at the expense of the property owner. We have not heard back from the property owner on how they will proceed.

Date of next Board meeting - The next Board meeting will be at 5:00 p.m. on March 8 by zoom and the meeting notice was included with the annual meeting notice and is posted on the San Clemente page of the Dana Properties website. Property owners are welcome to attend.

### **Vice President and Treasurer report**

Report provided above as the Treasurer's report. Brisa added that she will reviewing financial statements monthly basis as opposed to quarterly. Sheldon is emailing them to her every 5<sup>th</sup> of the month. She will inform the board if there are increasing costs and decreasing bank balances.

### **Report of Architectural Review Committee**

Report provided by Patty Russell, ARC Chair. (Other ARC members include Luisa Miller, Andrew Palafox, Diane Anderson, and Karen Foster.)

The ARC approved one set of plans and currently has another set to review.

The ARC is considering increasing the construction deposit with a nonrefundable part to allow better review and monitoring of the plans. Sheldon stated it is not uncommon for some associations to hire an architect to review plans and pass that charge on to the owner.

### **Election of Directors**

One nominee, Karen Foster, was on the ballot. Sheldon reported that none of the ballots he received included a write-in candidate. Marise called for other nominees, and none were identified. Patty moved and Mike seconded to close the nominations. Karen Foster was elected to the Board by a unanimous vote.

(Not discussed at the meeting, but now that Karen has been elected to the Board, she cannot simultaneously serve on the ARC under current Texas State law, effective September 1, 2021. Therefore, the ARC has an open position. Anyone who wishes to serve on the ARC should contact Marise and Patty or Sheldon. The Board appoints the ARC and can appoint a new member if/when a volunteer comes forward.)

A discussion of Board positions occurred. After the membership elects individuals to serve on the Board, the Board then decides who will fill each position on the Board and will do so at the next Board meeting. Sheldon mentioned that one potential conflict would be if a document required signature by the President and the Secretary, that the same person could not sign for both. Marise stated that in that case, we would need to have the Treasurer or Vice-President sign in the second position if she retains the President and Secretary role.

## **Old Business**

Formal and transparent complaint process - Sheldon reported that the normal policy is that complaints must be in writing. Sheldon forwards any complaints received to the Board the next business day. Marise will ensure that we develop a complaint log and post it on the website and keep up to date with any complaints received and current status or how resolved.

Water costs – An analysis of water bills over past 3 years and status of sprinkler repairs was included in the first notice packet. Water costs have increased, and we are working on sprinkler repairs and control of water flow. If anyone has any questions or discussion on the slides provided, contact Marise.

Explanation of insurance cost increases – These increases have been nominal in size.

Arroyo Cleanup - Cleanup should probably be done a minimum of two times per year but we are currently unable to pay for this with current dues and financial status. One bid for cleanup was \$2100. This is one of the reasons we need a dues increase greater than 5%.

Gate Repairs - A homeowner has ordered the parts for a permanent repair to the gate at their cost and will proceed with the permanent repair soon.

Review of Green Scene contracts – Marise reviewed the Green Scene contract. It covers routine sprinkler repairs for problems they find in the course of their work and for parts on their truck at the time. They can come back to do more repairs at a cost but their contract does not call for a routine search for leaks and repairs. This is a possible contract change that the Board will likely want to consider.

## **New Business**

Adequacy of dues - As discussed above, we need to have a special assessment and/or a substantial dues increase. Normal wear and tear of the streets and damage from rainwater would not be covered as an insurance cost and we would need to pay for it as the streets are private, owned by us, and not maintained by the City of El Paso.

Several homeowners spoke in favor of both a special assessment and dues increase, the need to have an adequate reserve.

In response to a question of what we would do if a small number of homeowners oppose a dues increase, Marise shared a summary on the screen of the requirements that must be followed to adopt dues increase of more than 5% or a special assessment, as follows:

*The following are the requirements to allow a special assessment and a dues increase of more than 5% in a year, per Article IV, Covenant for Maintenance Assessments, in the Amended and Restated Declaration of Covenants, Conditions, and Restrictions:*

- *Both a special assessment and an annual assessment more than 5% greater than the prior year's annual assessment may be approved by a vote of 2/3 of the members who vote either in person or by proxy at a meeting duly called for this purpose.*
- *Written notice for the meeting shall be sent to all members not less than 30 days nor more than 60 days in advance of the meeting.*
- *At the first such meeting called, the presence of members or proxies entitled to cast 60% of all votes shall constitute a quorum.*

- *If the required quorum is not present at the first meeting, another meeting may be called and the required quorum at the subsequent meeting shall be on-half of the required quorum at the preceding meeting.*
- *No such subsequent meeting may be held more than 60 days following the preceding meeting.*
- *If we have 82 lots, then a quorum at the first meeting is  $0.60 \times 82 = 49$ , and a successful vote is  $2/3$  of the number voting. If exactly 49 vote, it would pass with 33 votes in favor. For the second meeting, the quorum would be  $49/2 = 25$ . Again, a successful vote is  $2/3$  of the number voting, so if the number voting is exactly 25, it would pass with 17 votes. In either case, if more than the minimum number for the quorum vote, then the number needed to pass increases accordingly.*

Thus, in response to the question of what if a few homeowners oppose, the answer is prescribed by the above requirements for a successful vote. If/when we prepare a notice for a dues increase and/or special assessment, Marise indicated we will include the plain English summary as well as the original document language to describe the requirements.

One homeowner cautioned about the amount of the increase, that the amount should not be so large that it allows the routine expenditures to increase unnecessarily or inappropriately without proper monitoring.

Marise showed a list that she compiled of community needs that are currently unfunded. This is a running list; if anyone has anything to add, please contact Marise. The list includes:

- *Replace dead and dying plants in common area landscaping. Ongoing need.*
- *Clean up the trash in the arroyos and natural common areas (area not landscaped) – minimum two times per year. \$2100/cleanup (based on recent quote). Ongoing need.*
- *Re-do the median on Rocky Pointe. May be able to get some of all of the cost from one or more builders, but that remains to be seen. One-time need, possibly two-time need.*
- *Build a fund for asphalt and major road maintenance (our roads within the gate are privately owned by us so the City of El Paso has no responsibility to care for them.)*
- *Install working camera at the front gate and maintain footage on cloud storage for retrieval as needed. (For example, when someone recently drove into the gate and severely damaged it and the mechanism, we had no camera footage and therefore could not identify who was at fault.)*
- *Maintain a fund for significant repairs – e.g., gate, gate mechanical, gate electronics, lamp posts, canyon bridge, medians, signs.*
- *Recent quotes to repair the inlet gate ranged from \$4500 to \$7500. We could not afford to pay for this, and a homeowner in the construction business repaired it at their own cost. We need to be able to fund repairs like this without relying on the generosity and grace of an individual homeowner. Further, while this will leave the inlet gate mechanism as new, the outlet gate is old and not being replaced at this time.*

- *Annual major sprinkler repairs – our water bills have crept up, possibly due to leakage or maybe overwatering. Landscape contract only calls for doing minor repairs with equipment they have on hand in the truck when they do routine maintenance. In any event, the landscaper charges us for all sprinkler repairs.*
- *Conduct a periodic financial audit – maybe once every 3 years? 5 years? We are overdue for one.*
- *Cover future increases in costs for services such as the management company (who has not raised their charges to us in several years) and the landscaping company.*

*Note: San Clemente Estates shares the costs of maintenance of the median on N. Stanton Street on this side of Festival with the other communities. Although the City of El Paso maintains N. Stanton St., they do not maintain this median. The communities on this side of N. Stanton St. have agreed that it enhances our property values to maintain the median. Therefore, landscaping, water, plant replacement, and sprinkler repairs of this section of N. Stanton St. median are shared costs.*

The meeting adjourned at 6:21 p.m.

**Key Decisions:**

1.	The membership elected Karen Foster to the Board for a two-year term.
----	---

**Tasks and Action Items:**

	Owner	Due Date	Task
1.	Board	Next Board meeting	Consider whether to add something to the landscaping contract to require Green Scene to actively look for and repair sprinkler leaks on a routine basis. (We can discuss a path forward in the March Board meeting but it was not on the Notice as an agenda item for action so if a decision needs to be made, it will need to be on the following Board meeting.)
2.	Sheldon	March 30	Obtain a new demand letter that meets the requirements of current Texas State law to allow reporting delinquent accounts to a credit agency before we send new letters out.
3.	Homeowners	ASAP	Provide a current email address to Dana Properties.
4.	Marise/Sheldon	March 15	Develop a complaint log and post it on the website.

Minutes prepared and submitted by:

Marise Textor

Board President and Secretary

March 2, 2022

Minutes approved at Annual Meeting, February 5, 2023