**SUNDIAL OWNERS’ ASSOCIATION**

**ANNUAL MEETING**

**SATURDAY, OCTOBER 14, 2023 @ 2PM**

**6109 SH 361, PORT ARANSAS, TX 78373**

Dan O’Connor, President called the meeting to order at 2:07pm. A sign in sheet was passed around. There were 48 proxies and 256 SOAs for a total of 304 represented votes establishing quorum met at 39.7%.

Board Members:

Dan O’Connor, President Harry Westerfield, Treasurer

Henry Fey, Vice President Nancy Saunders

Giovanne Turincio, Secretary Christine Hernandez

We have come a long way!

We pay Mustang Towers 200K per year.

We lost 200 owners, with each owner paying $850 in maintenance fees that is a big chunk out of our bottom line.

We have 460 current owners.

Dan is selling units as fast as he can. He sold 14 weeks just last week. Most of the available weeks are in November and December.

The board has agreed to offer a credit of $100 to current owners who refer someone that buys a two-bedroom week and $150 for a three-bedroom week.

Ways to dig out:

1. We could sell unit 503, all owners would have to agree to move their week to other units.
2. Listing vacant weeks on RCI
3. Winter Texans

There is no place to rent on the island less than 1K a week.

Dan has been on property 13 months, he has a vested interest in Sundial, his parents were original owners. Dan owns five weeks, and he must move weekly depending on availability.

Only two people don’t have email addresses. We need to streamline the way we do business. Snail mail is too expensive. We are going to go to electronic updates. Also, the cost of accepting payment by credit card is 3% and has become too large of an item in our operating expenses. That cost is going to have to be charged back to the owner as a processing fee. Owners can continue to pay by check with no additional cost.

Dan has been taking care of the day-to-day function.

Jennifer allowed people to pay monthly, but we can’t afford to do that any longer. We need the money up front to budget. Dan has been flying blind this past year. We need to modify the way we do business.

**Question**: Will new owners be responsible for back taxes?

**Response**: We don’t know.

**Comment**: some owners bought specific weeks on specific floors and are worried about being moved around. They don’t want to move floors and don’t want the three bedrooms on a different side of the building because it is a different view.

We know the units are still missing some things. We started at the top of the building and as we worked our way down, the money ran short, so some bedrooms don’t have TV’s. The kitchens need more items. The goal was to get everyone in their units as soon as possible, so we rushed it and some of the work looks rushed. It is difficult to find quality work on the island.

A week in January is selling for $250.

Maintenance fees are what bring in income.

The minutes of the 2022 Annual Meeting were sent out prior to this meeting. **A motion was made by Ostine Watts unit 703 and seconded by Dru Canion unit 701-26.**

**Discussion**: the owners’ questions in the minutes do not reflect the answers. This needs to be clarified.

**The motion to approve the minutes of the 2022 Annual Meeting were approved with clarification.**

**Taxes - Discussion**

The 2014 and 2015 tax appraisal were not fair and equitable.

Brad Condit was placed on retainer in 2016 as attorney for Sundial to deal with the tax issue.

How can the county foreclose when each owner never received a bill? If the county were to foreclose, then the county would be responsible for the maintenance fees.

How can the board allow for the taxes to not be paid? We should keep paying the bills because the county will pay us back any overpayment. We are going to have to pay eventually. We still must pay our taxes. I have never known anyone to not pay taxes. Dan testified the value of our properties. We must pay taxes, not let them accumulate. We are all powerless to go up to the county. We should pay till the dispute is resolved. We pay $10 per unit per year because a judge told us we had to pay something. We need elected officials to treat us with respect. No one is collecting taxes. It is too late now; the taxes are over a million dollars. The court must decide. If the county believed they had a case, they would have foreclosed years ago. As an owner of a unit, we don’t know what the taxes are. The taxes for each unit can be found on the web site. Years ago, Sundial divided the taxes by 51 weeks and that was sent to each owner. However, that assumes that a week in the summer has the same value as a week in the winter. The only thing certain is death and taxes, there will be a settlement and at that time we will have to collect taxes from each owner. Back taxes affect the sale of weeks due to the uncertainty what each owner will have to pay in back taxes. At this time every week would have to pay $1300 in back taxes. What do other timeshares do? There are no other timeshares on the island. By law there must be comparables. Last year Ms. Schumacher recommended that each person set aside money so that when there is a settlement, they will have the money available to pay the taxes. An individual commented that they don’t care how the taxes are divided between owners. The court needs to take into consideration when the units were not habitable. We must wait for the lawyer to settle with the county. Ms. Marshall owns a condo on Lake Travis and feels someone should talk to them about how they assign taxes. Someone could turn their home into a timeshare to avoid paying taxes. Prior to when we stopped paying taxes Sundial was paying taxes under the incorrect name. In 1988 the name was changed from Sundial Timeshare to Sundial Owners Association. From 1988-2015 Sundial paid taxes under the wrong name. It was not until the county refused to change the name and refused to work with Jennifer or anyone from Sundial that we had to hire an attorney and file a lawsuit. We have spoken with many different individuals with the county. Each time we have had a court date, we have had a different Judge.

**Question**: Have we considered calling 6 investigates? The county would be forced to respond because of the embarrassment.

**Response**: none

**Eva Wagner: can we get the names of the judges that have heard the case?**

**Action Item: Dan will get her the names.**

**Question**: Can we write a letter to a congressman signed by everyone? That would mobilize them.

**Response**: none

They are dismissing us. We are just waiting for the shoe to drop. They can’t foreclose on Sundial because they have never billed each owner. The county did finally change the name to Sundial Owners Association. The county does not number the deeds. The processing fee is $200 to get a new deed. The county says it is too much trouble to bill each owner.

**Financial Report**

Sundial lost 270K last year. We pay 16K to Mustang Towers monthly. The past Mustang Towers President decided what to spend to repair each unit. Sundial sued Mustang Towers and we settled in mediation. Because Sundial owns 15 units, in Mustang Towers, our votes resulted in a change in the elected officers. As a result, the current officers are more favorable to Sundial.

**Question**: can we assume that since most of the construction has been done, will expenses be reduced?

**Response**: yes, as we sell weeks, this will increase income from the maintenance fees.

The money we received from the settlement was not enough to complete the construction/remodeling. As a result, an assessment of $200 per owner was imposed. In addition, an assessment of $100 was imposed to cover the cost of the increased insurance paid to Mustang Towers.

We need 485K to run the business next year till we sell more units, then the maintenance fees can come down.

Christine is looking to see if we can get in an ACH so that fees can be paid electronically. There should not be a fee for ACH.

QuickBooks will be able to generate the bill to each owner and send by email.

**Motion to accept the financial report was made by Susan Bauer 203-22-23 and seconded by Cynthia Villarreal 203-35. Motion carried.**

Christine’s husband Rene Hernandez is a contractor and has been helping with the maintenance in the units.

**Recommendation to post the bylaws on the web site.**

**Recommendation to appoint a parliamentarian or a Sargent at Arms to help keep the meeting in order.**

**Maintenance Fees**

A final decision on the maintenance fees will not be made until the board holds the budget meeting, but at this time, it looks like the assessments imposed last year will be needed as part of the operating budget.

Maintenance fees will be used for restocking the units as well as maintenance. For example, it would be nice to have two sets of sheets, so we did not have to wait for the sheets to be washed and dried weekly. This would make the check in process faster and the ability to turn the units around.

Maintenance fees for weeks 1-16 will be due December 15, 2023.

Maintenance fees for weeks 17-52 will be due March 31, 2024.

All maintenance fees for 2025 will be due December 15, 2024.

**Comment**: vote of confidence in Dan

**Election of Board of Directors**

A motion was made to approve the slate of directors by acclimation. The motion was seconded. The motion carried.

Place 1 – Christine Hernandez

Place 3 – Giovanne Turincio

Place 5 – Nancy Saunders

Place 7 – Dru Canion

**Rentals**

Rental Police, cost $250 per unit per year to rent units.

Sundial has not used Life in Paradise yet to rent vacant weeks.

Yes, we can list available weeks on our website. We are still part of RCI.

Yes, Owners can rent their weeks.

**Updates**

Sundial has a new email.

603 had to be done twice and should be completed mid-January.

**Question** – What happened to Jennifer?

**Response** – She decided to leave Sundial. She is not eligible for rehire.

**Question** – Is the treasurer of the board reviewing checks and balances?

**Response** – Yes, that has always been the practice and will continue. Harry reviewed the books including the general ledger. Two signatures have always been required. The books have not been audited. Mustang Towers paid $15K for an audit. Agreed to do better moving forward, the past is the past. We have an external CPA. We need to shore up our processes moving forward.

**Comment** – the units were tastefully done. They look lovely.

**Question** – would it be possible to have an inventory list? Possibly posted on the owner’s web site with what is in each unit, i.e., wine opener, Keurig, so that owners know what to bring when they come.

**Response** – Nancy will work on an inventory list.

**Comment** – thank you to the board, especially Dan for being so responsive to questions, comments, concerns.

**Motion to adjourn made by Bower, second by Ostine Watts. Motion carried; meeting was adjourned.**