

SEPO Board Meeting Minutes

Thursday, June 10, 2021 @ 1:30 PM
'Hybrid' Meeting (Retzlaff Hall & Google Meet)

CALL TO ORDER President Tony Tramel called the meeting to order at 1:30 PM CT on June 10, 2021.

ROLL CALL was taken. Tony Tramel, Mecca Henry, Lenore Combs, Jean Burgoine and Lyn Swonger were all present in Retzlaff Hall and introduced themselves to the audience. Tony then acknowledged that Beth Parrish and Larry Keller were present via Google Meet.

Tony informed everyone that the meeting was being recorded. The recording can be viewed at this link:
https://video.wixstatic.com/video/2851bf_b3e92b6b9c40435c98b8a60e2c7cef5e/720p/mp4/file.mp4

AGENDA

To meet the 72-hour pre-Board meeting requirement for posting, the 'amended' Agenda was sent via e-mail to the community and put on the Sunshine Web site on Sunday, June 6, 2021 @ 4:15 PM CT. It was also posted outside the SEPO office and on the poolside door into Retzlaff Hall on Monday, June 7, 2021 @ 8:40 AM CT.

President Tony Tramel asked if there were any amendments or additions to the posted Agenda.

MOTION: Mecca Henry moved two items be added and she would like them to be considered individually.

- 1) The purchase of sod, which has already occurred.
- 2) The sale of a 'SEPO owned' trailer.

Beth Parrish seconded the motion. The motion passed unanimously.

PREVIOUS MEETING MINUTES

President Tony Tramel asked the board if there were any items to discuss prior to approving the minutes from the May 20, 2021, Board meeting (*Attachment 1 in Agenda*).

MOTION: Mecca Henry motioned to approve the minutes as presented to the Board. Larry Keller seconded the motion. The motion passed unanimously.

UNFINISHED BUSINESS

Item #5 in the Agenda – Tony & Larry:

Discussion & Board Approval/Rejection of contract with D&J Site Construction, in accordance with plans, specifications and contract documents noted as Ver11 and summarized in the Exhibit labeled "Sunshine Estate Country Club Summary of 2021 Road Project from D&J Site Construction dated 2021 05 27 (Attachment 2 in the Agenda), which reflects a total estimated cost of \$62,836.

1. Tony reported there were extreme problems with trying to obtain competitive bids for the needed work on W Indiana Circle. Ten sets of plans were sent to various contractors with little to no response. Responses that were received stated the project was either too big or too small for them. Associated General Contractors (AGC) (who have access to 10s of contractors) were then contacted and sent the documents. Even with that exposure, we only received one bid (Rhyner Construction) and it was 50% more than we had allocated for the project.

2. After doing a value engineering exercise to determine how we could reduce the cost of the project, we chose to reduce scope by only doing half of our original plan. We also reduced cost by indicating using 'removed' asphalt so it could be recycled into the finished pavement.
3. After asking for bids on the reduced scope, the original bidder, Rhyner Construction, bid \$58,312.32 and a new bidder, D&J Site Construction, bid \$35,728.60.
4. We then approached D&J and asked if they would consider doing the original scope of the project. They could do that for \$49,536, and then also include needed miscellaneous spot repairs of approximately 250 square yards of pavement, primarily on W Michigan Ave, and asphalt crack sealing for a grand total of \$62,836.
5. At this point, rather than fielding questions from residents during the Board meeting, Tony indicated he would personally meet with any homeowner on W Indiana Circle and describe any details they wanted to know concerning what this project is about and how it will impact them during the construction timeframe.
6. Larry Keller said there has been a LOT of time, work and consideration put into this effort to get us to this point. In meetings with both contractors, they felt this is being done right and professionally. Jean Burgoine noted the community was extremely fortunate to have Board members with the drive and the education/knowledge to get us here. There has been a great effort and a lot of time exerted and we have educated people working on this subject. We can rely on their guidance.

MOTION: Based on what he has seen and in reviewing the contract Larry Keller motioned that the Board move to authorize President Tony Tramel to sign the contract with D&J Site Construction in accordance with the plans, specifications and contract documents. Jean seconded the motion. Board vote was unanimous to approve.

7. Tony will work on getting all insurance and any other miscellaneous items addressed and get the contract signed, hopefully within the next week.

NEW BUSINESS

A. Item #2 added to Agenda at start of meeting: Mecca Henry –

The purchase of sod, which has already occurred.

1. A check was written to an employee to pay for a service provided by that employee's wife's company. It was done this way because the wife is not a US citizen and has trouble cashing checks.
2. This is in direct violation of IRS rules. An employee should not receive both a W2 form as an employee and a 1099 Misc form as a contractor for non-employee compensation. Mecca was given this information by our CPA last year and she had passed it on to the Board. If the TWC (TX Workforce Commission) finds out about this, we are going to have to pay taxes and fines on the money paid to the employee for the work done by his wife's company because we paid it to an employee.
3. The check has already been cashed. At this point we can't stop it. Mecca's point in bringing this up is that we can't ever do this again. We may have to pay a little more upfront for work we need done, but we won't want to have to pay at a later day for any inappropriate action.
4. Larry didn't think there was any intention of deception. We have now all been made aware and it should not be done again.
5. Everyone agreed there was no need for any kind of motion. This item is appearing in the minutes as an acknowledgment that the Board has heard Mecca's statements and that, as a Board, we will do the right thing ongoing.

B. Item #3 added to Agenda at start of meeting: Mecca Henry –

The sale of a 'SEPO owned' trailer.

1. Mecca has been made aware that we have sold a trailer to an individual, Fabian Flores. As this is SEPO property the sale should have been discussed by the Board prior to the sale occurring. Because

this has happened in the past does not make it right.

MOTION: Mecca Henry motioned that all sales of SEPO assets, whatever their value, should be discussed by the board prior to the sale. Lenore seconded the motion.

Discussion - Larry asked if we had an asset inventory. Mecca indicated we do but has no idea if it is accurate. This a project that needs to be undertaken – clean up the list. There was additional discussion on how asset depreciation was calculated and how Mecca goes through SEPO records and also talks with the CPA to determine an asset's value.

Vote - The motion was approved five (5) to one (1) with Lyn Swonger representing the 'no' vote.

2. Beth Parrish asked if we needed to approve 'after the fact' the sale of this trailer. Lyn Swonger said a new trailer was purchased last year. The trailer being sold needs lots of repairs. However, Lyn thought it was worth more than \$400, which is the most that has been offered for it in the past. We still have the trailer in our possession and have received \$300 (of the \$600 selling price) from Fabian. That money is in the SEPO office.

MOTION: Larry Keller moved to approve the sale of the trailer for a sum of \$600 and authorize Lyn Swonger to sell it. Jean seconded the motion. The motion was approved five (5) to one (1) with Lenore Combs representing the 'no' vote.

ADJOURNMENT

Larry Keller made a motion to adjourn. The motion passed unanimously. The meeting was adjourned at 2:04 PM CT.

Respectively Submitted,

Beth Parrish
SEPO Board Secretary

Attachments (from Agenda):

1. **May 20, 2021, Unapproved Minutes of Board Meeting**
View / Print from https://2851bf60-6e92-4440-b098-0166b6640e11.usrfiles.com/ugd/2851bf_9d593c85dff24443acc9e18f78db2de7.pdf
2. **Summary of D&J Site Construction Bid Proposal dated 2021 05 27**
View / Print from https://2851bf60-6e92-4440-b098-0166b6640e11.usrfiles.com/ugd/2851bf_6f54457d42a549a78f44b651d902621e.pdf