

# WESTMINSTER CRIER

## Letter to the Residents

Westminster Residents:

On Monday, June 25th at 12:30 pm the Board of Directors at Westminster held a Special Executive meeting to discuss a personnel issue. The issue was the overpayment to the Property Manager, Paul Braid.

I would like to provide all the facts of what occurred and what action has been taken:

The overpayment was due to the error by Oasis, our former payroll company. In the Fall of 2017, after the error was discovered, a meeting was held with the then Board of Directors who voted not to go after Paul for the error, but rather Oasis as they were responsible for the error. A thorough investigation determined at no time did Paul cause or take part in establishing this payroll error. On the contrary, on two separate occasions, he had forwarded to Oasis what the correct compensation amount was to be and Oasis had actually responded with agreement to said amount. The over-payment by Oasis was in the amount of \$10,915.12 over 43 biweekly payrolls, in the amount

of \$253.84 biweekly. Because this occurred at the very same time as a salary increase, it was not evident that the change/increase in the biweekly compensation was an error.

At this same meeting, the Board was discussing the renewal of Paul's contract, which the Board did renew, including giving him the salary increase, stated above, based on past performance. The Board also gave Paul a one-time bonus of \$1000 because of his tireless work during and after Hurricane Irma. (Paul was evacuated from his home and brought his family to the Community Center where they slept for two nights. With Paul's contacts he was able to get "claw trucks" in to the Community to get rid of the debris from the storm that littered the streets. Within a 3 week period our streets debris free.)

Oasis was then contacted by the Master HOA Attorney regarding the error but they refused to take responsibility or make full restitution. Our HOA Attorney advised the Board that pursuing legal action against Oasis would be more costly than what the overpayment was. Because of Community sentiment and knowing that restitution was not going to be made by Oasis, the Board then held a second Special Meeting on Monday, February 26th. Unfortunately the meeting was held when Janey Kennedy was out of town

and Betsy Rosser was working and unable to make the meeting. At the second Special Executive meeting the 5 Board members again voted not to have Paul make the repayment since it was not his error. They felt, at that time, that nothing had changed since the first meeting that would deem Paul responsible.

Since I was elected as President May 15th, I have been in discussion with Paul Braid regarding the over payment issue. I emphasized to Paul that this issue would never go away and would be a hindrance for both the Community and him. I asked him to become part of the solution to this controversy. Within a two week period Paul sent me a proposal for repayment which I shared with Janey Kennedy, ( Board Member) because of her Human Resource background and extensive negotiations experience. This has been an ongoing conversation to attempt to come to a solution. Janey has crunched the numbers and tweaked Paul's proposal that Paul had agreed to. This occurred Sunday night, June 17th.

The Board held a Special Meeting on Monday, June 18th, with Council, to discuss the proposal. I was hoping to announce the outcome at the HOA meeting Tuesday, June 19th. However, due to some questions and concerns, the Association Attorney thought it

best to draw up a legal document for Paul and the Board to sign - which delayed the information to be released.

This leads us to the Board holding another Special Executive Meeting on Monday June, 25th at 12:30pm. The Board members discussed once again the settlement that was drawn up by the Attorney. A vote was taken and the settlement passed 4-2 with Rosser, Kennedy, McKinnon, Cossart for the agreement; McManus and Baranek voting against to accept the agreement. Chuck Bennett did not vote due his sudden resignation on Sunday, June 24th.

The (settlement) is below so the Community can be aware what was presented and voted on.

\* Paul would not have benefited from the entire \$10,915.12 as there would have been tax liabilities that he would have had to pay. The error went unnoticed by anyone for approximately 18 months, therefore the feeling that Paul alone is not responsible for this error.

\* Oasis did reimburse the Association \$507.68 which is the total of two biweekly invoices for payroll processing. The Association will also have some relief on the Worker's Compensation costs due to

the reduction of payroll. Deducting Paul's potential tax liability, it was determined that \$8,000 would be a fair determination of what he should be required to reimburse.

His repayment will be as follows:

\* A payment of \$2000 will be taken from Paul's earned vacation or personal time as follows:

35.0 hours of vacation, equates to \$941.50, plus 40 hours of personal/sick time, equates to \$1076.00, for a total of \$2017.50.

\* Starting with the paycheck dated July 6, 2018 and continuing for 26 biweekly payrolls, Paul's salary will be reduced by \$230.00/biweekly, for a total of \$5,980.00.

\* Total reimbursement will be \$7,997.50.

This is the 2nd time that Oasis has overpaid one of our Property Managers. We immediately began a search for a new payroll company and Paychex was chosen from among the two companies that best fit our needs. (3 companies were contacted) Paychex began processing our payroll in March 2018. We have also instituted a very detailed payroll procedure with many checks and balances to ensure that this never happens again.

Just as a side note: The change from Oasis to Paychex will save the Association approximately \$5,500 per year in fees and will offset the \$2,915.12 the Association has borne. In the first eight (8) payrolls processed by Paychex, we have saved \$1,711.19 in fees versus what we would have paid to Oasis for the same time period.

I would like to thank Janey Kennedy for utilizing her background in human resources and negotiations to help us with the settlement.

The Community has a lot of issues and projects that need to be discussed and taken on. We now have to find a new Board member. We still have to be sure that the canals are cleaned out, The Geo-Thermal System still needs to be put in, the tennis courts have to be resurfaced, the sidewalks need to be fixed, and of course the worry about the sale/closing of the Golf Course, etc, etc. I hope that the Community can now move on to making Westminster the best it can be!

Betsy Rosser

Board President



The **back gate** is closed for a few days while we purchase a new bar code reader. Thank you for patience while we will replace the bar code reader.

