

GEORGETOWN COMMUNITY SERVICES ASSOCIATION, INC.
BOARD OF DIRECTORS

MINUTES OF GENERAL MEETING
March 10, 2015

1. **CALL TO ORDER.** Mr. Richardson called the General Meeting to order at 7:45. Mr. Smith took roll with the following results:

:

| | | |
|-----------------|---------------|---------------------------------|
| Mike Richardson | President | Present |
| Renee Rabbitt | VP | Present |
| Warren Smith | Sec/Treasurer | Present |
| Robin Byers | Member | Present |
| David Campbell | Member | Present |
| Marlin Clifton | Member | Absent, proxy to Mr. Richardson |
| John Sewell | Member | Present |
| Melissa Friel | Member | Present |
| Vacancy | | |

2. **APPROVAL OF AGENDA.** Mr. Smith motioned to approve the proposed agenda amended to move proposed item 5(b) (Consideration of BOD Candidates) to item 3. Mrs. Rabbitt seconded the motion. There was no further discussion and the Board voted unanimously, including the proxy, to approve the motion.

3. **CONSIDERATION OF BOD CANDIDATES.** Mr. Richardson stated that, since the last meeting, the Association had received one self-nomination from a potential candidate to replace Mr. Sili who resigned at the last meeting. He further stated that this candidate was Dorothy Strong whose resume was shown on pages 53-54 of the Board package. He concluded by saying that the General Manager reported that she was well-qualified and recommended that she be appointed. Mr. Smith motioned to approve the appointment of Ms. Strong to the Board to fulfill the remaining term of this position. Mrs. Rabbitt seconded the motion. There was no further discussion and the Board voted unanimously, including the proxy, to approve the motion. Ms. Strong was seated on the Board.

4. **APPROVAL OF MINUTES.** Mr. Smith motioned to approve, as written, the minutes of the CSA General Meeting held on February 10th. Mrs. Rabbitt seconded the motion. There was no additional discussion and the Board voted unanimously, including the proxy, to approve the motion.

5. **COMMITTEE REPORTS**

a. GENERAL MANAGER. Mr. Odom called the attention of the Board to the general reports provided for February 28, 2015, specifically: the Collection Office Report, Accounting Summary, Profit and Loss Report, and the Balance Sheet. Highlights of the reports are shown below.

Balances. As of February 28, 2015, CSA checking (operational account) totaled \$82,554.63. The total of CSA reserves (Vanguard Account, First Chatham, South State Bank, United Community Bank, Ameris Bank, Carver State Bank, and Queensborough accounts) is \$1,196,421.20. The total of CSA funds, including checking, reserves, petty cash, undeposited funds, and pre-payments is \$1,279,375.83. We made a deposit of \$11,901.75 into CSA reserves for February in accordance with the approved budget. All parcels also made their required reserve deposits for February. The total of all GCSA accounts is \$1,684,717.85. Aggregate deposits at each financial institution/program include:

AMERIS BANK (took over Coastal Bank 7/1/14)

| | | |
|-----------------|---------------------|--|
| CSA Checking | \$ 82,554.63 | |
| CSA Reserve MM | \$ 38,481.30 | |
| Parcel Checking | \$ 55,615.09 | |
| Parcel MM | <u>\$ 74,280.90</u> | |
| | \$250,093.92 | (\$50K was moved to Vanguard 2/25/15) (\$40K was moved to Vanguard 1/14/15) |

FIRST CHATHAM BANK

| | |
|----------------------|------------------|
| CSA Reserve MM | \$248,283.93 |
| CSA Reserve Checking | <u>\$ 100.00</u> |
| | \$248,383.93 |

SOUTH STATE BANK

| | |
|----------------------|------------------|
| CSA Reserve MM | \$248,384.51 |
| CSA Reserve Checking | <u>\$ 100.00</u> |
| | \$248,484.51 |

UNITED COMMUNITY BANK

| | |
|-----------------|---------------------|
| CSA Reserve MM | \$196,860.82 |
| GTP Reserves MM | <u>\$ 45,038.38</u> |
| | \$241,899.20 |

VANGUARD

| | |
|----------------|--------------|
| CSA Reserve MM | \$153,407.21 |
|----------------|--------------|

CARVER STATE BANK

| | |
|----------------|--------------|
| CSA Reserve MM | \$249,299.83 |
|----------------|--------------|

QUEENSBOROUGH BANK

| | |
|----------------|---------------------|
| CSA Reserve MM | \$ 16,465.22 |
| AP Reserve MM | \$ 5,534.23 |
| HG Reserve MM | \$ 5,403.45 |
| LL Reserve MM | \$ 25,707.48 |
| GTP Reserve MM | \$105,216.22 |
| TH Reserve MM | <u>\$ 88,546.27</u> |
| | \$246,872.87 |

| | | |
|---------------------------|------------------|--|
| Total CSA Reserves | \$1,196,421.20 | (AB, FCB, SSB, UCB, VG, CSB, QB) |
| CSA Petty Cash Fund | \$ 300.00 | |
| Undeposited funds | <u>\$ 100.00</u> | |
| Total CSA Funds: | \$1,279,375.83 | (incl: cking, res, p/c, undep funds, & pre-pays) |
| Total GCSA Funds: | \$1,684,717.85 | (incl: tot CSA, parcel ck & mm res) |

Income and Expenses. Total income for February was \$80,769.85 which was \$353.52 lower (worse) than budget (due to lower than expected late payment fees). Expenses for the month were \$85,194.68 which were \$566.44 higher (worse) than budget. We saved \$1926.66 in ARB inspection services, and we under-executed the legal plan by \$823.25. Insurance was \$2,244.82 over budget due to much higher than expected Worker's Comp premiums. Net Income was -\$4,424.83 which was \$919.96 lower than budget. Year-to-date net income is \$13,199.86 better than budget.

Capital Budget Execution thru 2/28/15:

| BAL SHEET | RS LINE | ITEM | BUDGET | ACTUAL | DIFF |
|---|---------|------------------------|-----------------|--------|------|
| 2210 Buildings | | | | | |
| | 1006 | SS Interior Painting | \$2,950 | | |
| | 6003 | BH Exterior Painting | \$1,000 | | |
| | 6005 | BH Interior Painting | \$1,500 | | |
| | 22007 | SS Front Doors | \$8,000 | | |
| | | Reserve Study Update | \$2,500 | | |
| 2220 Furniture | | | | | |
| | 26004 | NS Furniture | \$ 800 | | |
| | 21 | Pool Furniture | \$1,485 | | |
| 2230 Land No planned expenditures for 2015 | | | | | |
| 2240 Land Improvements | | | | | |
| | 17001 | Tree Work | \$2,000 | | |
| | 31002 | KG Ent Lighting | \$1,075 | | |
| | 31006 | KB Ent Lighting | \$1,075 | | |
| | 31007 | EL Cor Lighting | \$1,075 | | |
| | 31008 | EL Junco Lighting | \$1,075 | | |
| | 32014 | St. Ives A Lagoon | \$5,000 | | |
| | 32016 | Wexford I Lagoon | \$5,000 | | |
| | 32017 | Wexford II Lagoon | \$5,000 | | |
| | 32018 | Grove Point Lagoon | \$5,000 | | |
| 2250 Machinery and Equipment | | | | | |
| | 5 | SS Computers (3) | \$3,000 | | |
| | 5003 | SS Sec Alarm System | \$2,529 | | |
| | 11.01 | SS Sec Cam & DVRs | \$3,000 | | |
| | 15004 | Tennis Court Nets | \$1,420 | | |
| | 18001 | Playground Swings | \$1,900 | | |
| | 26001 | NS Sec Alarm System | \$1,775 | | |
| | 26002 | NS Security Cams 16 | \$2,500 | | |
| | 19012 | Rolling Blower | \$ 425 | | |
| | 19016 | Wet/dry Vac | \$ 150 | | |
| | 23005 | NS Water Heater | \$ 1,600 | | |
| | 10000 | Gate Guard Bldg A/C | \$ 1,375 | | |
| | 400 | Lawn Tractor overhaul | \$ 400 | | |
| | | Mini-Split A/C for Gym | \$ 3,937 | | |
| | | Additional treadmill | \$ 2,300 | \$2300 | 0 |
| 2260 Vehicle | | | | | |
| | 19001 | Ford Ranger | <u>\$17,500</u> | | |
| | | Total | \$88,346 | | |

CSA Capital Budget and Reserves Summary

Annual Budget

**Actual Results
Year-to-date**

| | | |
|--|--------------------|-------------------|
| Beginning CSA Reserve Balance 1/1/15: | \$1,037,237 | |
| (+) Allotments/Deposits: | \$142,821 | \$ 23,803.50 OK |
| (+) Depreciation | \$132,000 | \$ 22,000.00 OK |
| (+) Interest | \$ 1,380 | \$ 242.14 (+\$12) |
| (-) Expenditures: | <u>\$ 88,346</u> | \$ 2,300.00 (0) |
| Projected Ending Balance 12/31/15: | \$1,225,092 | |

*Not including income from payments on prior-year accounts receivable, and misc income that is over budget.

Parcel Capital Budget Execution thru 2/28/15:

| PARCEL | BAL SHEET | RS LINE | ITEM | BUDGET | ACTUAL | DIFF |
|--|--|-----------|-------------------|-----------------|--------------------|------|
| AP: | No planned capital expenditures for 2015 | | | | | |
| HG: | 2240 | Line 1007 | Tree Work | \$ 500 | | |
| | 2250 | Line 1009 | Mail Box | \$ 1,710 | | |
| | 2240 | Line 1011 | Sign Repair | \$ 600 | | |
| LL: | 2240 | Line 1006 | Tree Work | \$ 500 | | |
| GTP: | 2240 | Line 1006 | Tree Work | \$ 600 | | |
| | 2240 | Line 1011 | Entrance Sign | \$ 900 | | |
| | 2240 | Line 1014 | Irrigation Repair | \$3,000 | | |
| | 2250 | Line 1015 | Irrigation Timer | \$ 500 | | |
| TH: | 2250 | Line 1002 | Mail Boxes | \$4,465 | | |
| | 2240 | Line 2003 | Replace Curbing | \$31,000 | | |
| | 2240 | Line 2005 | Sidewalk Overlay | \$12,600 | recommend deferral | |
| | 2240 | Line 2008 | Tree Work | \$ 700 | | |
| Total of Parcel Capital Budgets | | | | \$57,075 | | |

Past Due Accounts. The number of past due accounts increased in February from 509 to 551, and the dollar amount increased from \$232,967.42 to \$255,418.05. The number of accounts 31-60 days rose from 162 to 255, and the dollar amount expanded from \$2,412.00 to \$33,390.78. The number of accounts 61-90 days past due went down from 161 to 134, and the dollar value fell from \$4,633.79 to \$2,457.51. The number of accounts over 90 days in arrears declined from 156 to 136, and the dollar value dropped from \$225,921.63 to \$219,569.76. This is the lowest number of accounts over 90 days since August of 2008, and the lowest dollar amount since 2011. The total number of accounts past due (551) represents 28% of all properties which is a 2 percentage increase from January. The February 28th past due amount represents a 1.20% decrease compared to February 2014. In February, we issued 199 first and second letters (combined), and processed 7 new or updated liens, and 10 suits/judgments. We received 17 payments (of \$200 or more) for past due amounts totaling \$5,721.68. 14 of our accounts are in bankruptcy (same as January), with \$19,721.35 owed pre-bankruptcy, and \$11,839.47 in post-bankruptcy owed. The total amount in bankruptcy is \$31,560.82 28,364.94 and that amounts to a \$3,195.88 increase over last month. The attached report summarizes the status of accounts that the Board approved special payments.

Scheduled Projects and Other Repairs/Replacements:

- **Wexford Lagoon Repairs.** The status from last month, shown below, is still valid. A follow-up request to Public Works was sent on March 4th. No answer has yet been received.

The GM met with the Director of Chatham County Public Works, Robert Drewry, regarding our proposed partnering arrangement for repairing drainage pipes and dredging portions of the 2 lagoons. Mr. Drewry and his staff reported that the drain at the end of Mallory's Way is one of three in a network—and all have leaks that need to be repaired. Public Works plans to plug the drains, then vacuum out the water. Afterwards, they will use mobile cameras to locate the exact locations. This process, and the subsequent repairs, are notionally scheduled for later in the spring. The GM pointed out that we need to be part of the planning

because we need to minimize the amount of time we have to have excavators and dump trucks working our project. While we pushed to have the County agree to clear the pipe from the street to the lagoon, and the pipe connecting the 2 lagoons, Mr. Drewry stopped short of agreeing to it. The County feels that the second pipe is on Association property, so they are not responsible for cleaning it. Mr. Drewry also indicated that the type of drain outfall going into the lagoon (“equalizer” type) was probably incorrect. He agreed to have his staff do more research and to have us be a part of any upcoming site visits.

- **Northside Clubhouse Exterior Restrooms.** Repairs to the men’s restroom floor have been completed. Cost was approximately \$865.12. Similar repairs to the women’s room floors will have to be made in the near future.

Mr. Smith motioned to accept the General Manager’s report. Mrs. Rabbitt seconded the motion. There was no further discussion and the Board voted unanimously, including the proxy, to approve the motion.

b. SECRETARY/TREASURER. Nothing additional to report.

c. PARCEL REPRESENTATIVE. No report

d. ARB REPORT was provided by Mr. Sili. A copy is attached. Mr. Sewell asked who was responsible for repairing the pedestrian bridge across the culvert on King George Boulevard. Mr. Odom responded that the County has that for action and that he would follow up on their repair efforts.

5. UNFINISHED BUSINESS. None.

6. NEW BUSINESS

a. Request for Write-off Approval. Mr. Smith motioned to approve the General Manager’s recommendation to write off as uncollectible three accounts totaling \$1,295.15. These properties located at 12 Bitterroot Lane, 62 Beaver Run Drive, and 10 Sunset Way, have been involved in bankruptcies. Mr. Sewell seconded the motion. There was no further discussion and the Board voted unanimously, including the proxy, to approve the motion.

b. Proposal to extend lawn notice deadlines from 8:00 a.m. to 12:00 on Mondays. Mr. Richardson reported to the Board that the General Manager and the ARB Inspector proposed this change, and that it was considered and endorsed by the Architectural Review Board at their March 3rd meeting. He added that the proposed change would allow homeowners more time to request an extension. Mrs. Rabbitt motioned to approve extending the lawn notice deadline from 8:00 a.m. to 12:00 noon on Mondays. Mr. Smith seconded the motion. There was no further discussion and the Board voted unanimously, including the proxy, to approve the motion.

c. ARB Yard Assessment Appeal by S. Portis, 9 Chowning Drive. Mr. Richardson noted the presence of Ms. Porter and provided her an opportunity to explain her appeal. Ms. Portis stated that she did not get the notice until Friday evening, January 19th and that she attempted to call the office several times Monday morning to request an extension. She added that the time frame allowed was too short. Mr. Smith asked Ms. Portis who she talked to in the office, and Ms. Portis responded that she was not sure of the name, but thought it was the secretary. Mr. Smith asked if she left a message, and she responded that she did not. Mr. Smith noted that the staff had been asked about the calls, and that Annette responded that she had spoken to one lady who had called about yards, but that the caller would not leave a message. Mr. Smith went on to say that the ARB Inspector would virtually always grant an extension, and he added that, during this period, the General Manager was required to perform the ARB Inspector function for the past two months due to an untimely departure of the previous contractor. Mr. Smith stated that the GM was likely out performing inspections when the reported calls were made. Mr. Smith asked Ms. Portis if she could possibly produce phone records confirming that calls were made as she contended. Ms. Portis stated that she probably could not. Mr. Smith motioned to accept the

GM's recommendation that the fee waiver request be denied. Mr. Campbell seconded the motion. During discussion, Mr. Graves stated that the five days from receipt of notice until the deadline was unreasonable. Mr. Kenny talked about a neighbor's situation that was similar to Ms. Portis, and agreed that the time allowed was too short. At the end of discussion, the Board voted 7-1-1 to approve the motion, with Mrs. Friel voting in opposition, and Mr. Sewell abstaining.

d. **Reserve Study Update.** At the request of the President, Mr. Odom briefed the Board on the current status of the Reserve Study update. Mr. Odom reported that he had held several video teleconferences over the past few weeks with the Reserve Study Engineer, Tim Rohmoser, PE, MBA, of Design Management Associates. Mr. Odom provided the attached excerpts from the current version of the draft update. According to Mr. Odom, the six reserve studies (CSA Master, Audubon Park, Hunter's Green, Lott's Landing, Georgetown Place, and the Georgetown Townhomes) had been reviewed in detail. Changes had been made to keep the asset list current, efficiently schedule future work, and to ensure that no reserve account dropped below zero at any point in the next 30 years. He stated that all reserve studies other than Audubon Park met those standards, and that this parcel account was only solvent for the next 23 years using the maximum available annual increases. Mr. Odom provided the following report highlights:

CSA: Revised study regarding lagoons to increase near-term proposed lagoon maintenance by 25%, and to reduce long-range dredging from 100% to 25%. He stated that the Engineer recommended the change based on the best available information and would still provide funding up to about \$225K for any significant dredging that might be necessary sometime 20-30 from now. The RS allotment rate would be zero for the next 30 years, meaning that any needed increases in homeowner assessment would be driven by costs other than reserve study allotments.

AP: Assessment would increase by 10% in 2016 using the 5% previously approved for 2015...then, 5% per year through 2019. The RS escalation rate drops to 0% after 2019 but could be increased so as to moderate or eliminate the deficit currently projected for 24 years from now. More engineering and pricing work needs to be done on the 2018 parking lot repairs.

HG: The overlay of the sidewalks was deleted due to cost. Asphalt overlay of parking lot is scheduled for year 2018. A moderate 2.4% escalation rate is being utilized.

LL: The overlay of sidewalks was deleted due to cost. Asphalt overlay of parking lot is scheduled for year 2018. A zero percent RS escalation rate is being utilized.

GTP: A minor 1.5% RS escalation rate is being utilized. Roofing will be replaced in year 2020 at a projected cost of \$166K.

TH: The overlay of sidewalks was deleted due to cost. Assessments need to increase 5% during years 2016-2018. The RS escalation rate drops to zero after that point. New landscaping, which is needed now, can be considered at some point after year 2019.

At the end of the briefing, Mr. Smith motioned to approve the current update and the changes that were briefed. Mr. Sewell seconded the motion. During discussion, Mr. Smith asked Mr. Gerard if the Association would be potentially liable if a flood occurred in the future and could be attributed to the proposed cutback in future dredging. Mr. Gerard responded that the Board has a fiduciary responsibility to appropriately plan for the future, and that plans have to pass the reasonableness test. He went on to say that he felt the Association's plan was reasonable. At the end of discussion, the Board voted unanimously, including the proxy, to approve the motion.

7. OPEN DISCUSSION.

a. Mr. Graves stated that the five days allowed for lawn maintenance is ridiculous. Mr. Gerard responded that Mr. Graves should go to the ARB and convince them to propose a change to the rules or process. Mr. Sewell explained that the ARB had recently reviewed the process and that the Board of Directors had voted to maintain the current process and procedures.

b. Mr. Imler stated that he felt that there was uneven applications of standards, and that the issues are subjective. Mr. Gerard responded that he agreed that there was subjectivity in the process and that the Association's goal is the even-handed application of the rules. Mr. Richardson added that he had ridden twice with the ARB Inspector and that he was scheduled to do it again.

8. **ADJOURNMENT OF GENERAL MEETING.** At 9:05 p.m., Mr. Smith motioned to adjourn the General Meeting. Mr. Sewell seconded the motion and the Board voted unanimously to approve it.