

**GEORGETOWN COMMUNITY SERVICES ASSOCIATION, INC.
BOARD OF DIRECTORS**

**MINUTES OF GENERAL MEETING
August 12, 2014**

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

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Mike Richardson	President	Present
Renee Rabbitt	VP	Present
Warren Smith	Sec/Treasurer	Present
Robin Byers	Member	Present
David Campbell	Member	Present
Raymond Sili	Member	Present
Marlin Clifton	Member	Present
John Sewell	Member	Present
Melissa Friel	Member	Present

2. **APPROVAL OF AGENDA.** Mr. Smith motioned to approve the proposed agenda. Mrs. Rabbitt seconded the motion. There was no further discussion and the Board voted unanimously to approve the motion.

3. **APPROVAL OF MINUTES.** Mr. Smith motioned to approve as written the minutes of the CSA General Meeting held on July 8th. Mrs. Rabbitt seconded the motion. There was no additional discussion and the Board voted unanimously to approve the motion.

4. **COMMITTEE REPORTS**

a. **GENERAL MANAGER.** Mr. Odom called the attention of the Board to the general reports provided for July 31, 2014, 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 July 31, 2014, CSA checking (operational account) totaled \$112,247.75. Year-to-date (March & May) we have moved a total of \$125K in excess checking to reserves. As of July 31st, the total of CSA reserves (Vanguard Account, First Chatham, Savannah Bank, United Community Bank, Ameris Bank, Carver State Bank, and Queensborough accounts) is \$940,911.89. The total of CSA funds, including checking, reserves, petty cash, undeposited funds, and pre-payments is \$1,053,820.18. We made a deposit of \$11,455 into CSA reserves for July in accordance with the approved budget. All parcels made their required reserve deposits for July. The total of all GCSA accounts is \$1,395,960.58. Aggregate deposits at each financial institution/program include:

AMERIS BANK (took over Coastal Bank 7/1/14)	
CSA Checking	\$112,247.75
CSA Reserve MM	\$ 11,968.71
Parcel Checking	\$ 36,716.25
Parcel MM	\$ 35,354.92
Parcel CD's	\$ <u>0.00</u> (liquidated)
	\$196,287.63

FIRST CHATHAM BANK

CSA Reserve MM	\$248,140.44
CSA Reserve Checking	<u>\$ 100.00</u>
	\$248,240.44

SOUTH STATE BANK (Formerly THE SAVANNAH BANK)

CSA Reserve MM	\$236,749.10
CSA Reserve Checking	<u>\$ 100.00</u>
	\$236,849.10

UNITED COMMUNITY BANK

CSA Reserve MM	\$196,682.45
GTP Reserves MM	<u>\$ 45,010.57</u>
	\$241,693.02

VANGUARD

CSA Reserve MM	\$ 5,048.38
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CARVER STATE BANK

CSA Reserve MM	\$237,122.23
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QUEENSBOROUGH BANK

CSA Reserve MM	\$ 5,000.58
AP Reserve MM	\$ 5,000.58
HG Reserve MM	\$ 5,000.58
LL Reserve MM	\$ 25,004.42
GTP Reserve MM	\$105,033.05
TH Reserve MM	<u>\$ 85,020.03</u>
	\$230,059.24

Total CSA Reserves \$940,911.89 (FCB, SSB, UCB, AB, VG, QB)

CSA Petty Cash Fund	\$ 300.00
Undeposited funds	<u>\$ 360.54</u>

Total CSA Funds: \$1,053,820.18 (incl: cking, res, p/c, undep funds, & pre-pays)

Total GCSA Funds: \$1,395,960.58

Income and Expenses. Total income for July was \$81,684.98 which was \$1,193.39 lower than budget. Expenses for the month were \$75,585.61 which were \$1,798.52 lower (better) than budget. Net Income was \$6,099.37 and that was \$605.13 better than budget. Bad debt expense was \$2488.55 over budget. As discussed last month, the mowing expense line for this month reflects a credit that offsets the apparent overcharging last month (resulting from the timing of the original posting). As it stands, year-to-date net income is \$7,294.46.

Capital Budget Execution thru 7/31:	Budget	Actual Cost To Date	Difference To Date
CSA			
7.5 HP Pump Motor	\$ 2,150	\$1,150.25	-\$ 999.75
2 HP Pump Motor	\$ 1,000	\$ 368.08	-\$ 631.92
1/.75 HP Pump Motors	\$ 450	\$ 470.80	+\$ 20.80
Shredder/Vac	\$ 1,650	\$ 533.93	-\$1,116.07
Generator	\$ 390	\$ 384.13	-\$ 5.87
Pressure Washer	\$ 390	\$ 373.43	-\$ 16.57
Backpack Blower	\$ 375	\$ 341.33	-\$ 33.67
Tree Work	\$10,000	\$9,775.75	-\$ 224.25
Fitness Equip Overhaul & Mats	\$ 7,250	\$7,044.20	-\$ 205.80
NS Dehumidifier Replacement	\$ 3,125	\$3,125.00	\$ 0
Electrical Repairs/Upgrades	\$25,796.25	\$25,796.25	\$ 0
Playground Boarders	\$ 2,953.75	\$1,227.67	-\$1,726.08
Pool Furniture	\$ 1,485	\$1,345.12	-\$ 139.88
Resurface Tennis Courts	\$14,800	\$15,800.00	+\$1,000.00
Wet/Dry Vac	\$ 150		
NS Water Heater Replacement	\$ 1,500		
Wexford II Lagoon Repairs	\$ 5,000		
Grove Point Lagoon Repairs	<u>\$ 5,000</u>		
	\$83,465	\$67,735.94	-\$ 4,079.06

No capital spending was done in July.

CSA Capital Budget and Reserves Summary	Annual Budget	Actual Results Year-to-date
Beginning CSA Reserve Balance 1/1/14:	\$758,168	
(+) Allotments/Deposits:	\$137,460	\$ 80,185 OK
(+) Depreciation	\$132,000	\$ 77,000 OK
(+) Interest	\$ 960	\$ 843 (+\$282)
(-) Expenditures:	<u>\$ 84,915</u>	<u>\$ 67,736</u> (-\$4079)
Projected Ending Balance 12/31/14:	\$943,673 *	

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

Parcel Capital Budget Execution thru 7/31:	Budget	Actual Cost	Difference
PARCEL			
Audubon Park:			
Entrance Sign Repair	\$600	\$573.99	-\$26.01
Tree Work	\$2,050	\$2,050	0

Hunter's Green:	Sidewalk Repair	\$1,248		
	Bench	\$250		
	Tree Work	\$1,600	\$1,600	0
Lott's Landing:	Driveway Repair	\$6,600		
	Tree Work	\$2,200	\$2,200	0
	Entrance Sign Repair	\$ 600	\$573.99	-\$26.01
Georgetown Place:	Tree Work	\$1,600	\$1,600	0
Townhomes	Entrance Sign Repair (2)	\$1,200	\$1,147.98	-\$52.02
	Tree Work	\$3,750	\$3,750	0
		\$21,698		

On July 29th, a contract was signed with CCI in the amount of \$6,493.46 for driveway repair at Lott's Landing. This is \$106.54 below budget. Work is projected to be completed by August 8th. Sidewalk repair for Hunters Green and parking space modification (unbudgeted) for Georgetown Place will be deferred and discussed during the parcel budget hearings in September.

Past Due Accounts. The number of past due accounts went down in July from 564 to 497, and the dollar amount decreased from \$335,328.05 to \$317,796.34. The number of accounts 31-60 days old went down from 300 to 258, and the dollar amount was reduced from \$17,668.73 to \$8,478.01. The number of accounts 61-90 days past due declined 226 to 197, and the dollar value was cut from \$14,344.31 to \$9,305.11. The number of accounts over 90 days in arrears rose from 208 to 218, but the dollar value went down from \$303,315.01 to \$300,013.22. The total number of account past due (497) represents 25% of all properties which is a 4 percentage point drop from June. The July 31st past due amount represents a 1.01% increase since July of 2013. In July, we issued 88 first and second letters (combined), and processed 14 new or updated liens, 2 FiFas, and 9 suits/judgments. We received 52 payments (of \$200 or more) for past due amounts totaling \$18,794.48. 21 of our accounts are in bankruptcy (down 2 from June), with \$21,838.90 owed pre-bankruptcy, and \$20,261.66 in post-bankruptcy owed. The total amount in bankruptcy is \$42,100.56 and that amounts to a \$5,442.42 decrease from the previous month. The attached report summarizes the status of accounts that the Board approved special payments.

Scheduled Projects and Other Repairs/Replacements:

- We have installed the solar LED light at the Heron's Crest Entrance Sign. We are doing some reviews at night to see if the light is bright enough and measure how long the batteries actually last. Initial review indicated that the light was less bright than with metered electricity, but it was adequate.

2015 CSA Budgets...First Look. Mr. Odom provided the Board with a rough draft of the CSA Operational and Capital Budgets. He noted that some of the figures are subject to change as more data becomes available. He also provided results of a recent research on local pay scales for the types of employees GCSA hires and stated that he used the results in formulating the first draft of the budget.

At the end of the briefing, Mr. Smith motioned to accept the GM's report. Mr. Clifton seconded the motion. There was no additional discussion and the Board voted unanimously to approve the motion.

- b. SECRETARY/TREASURER.** Nothing to add to what GM has reported
- c. PARCEL REPRESENTATIVE.** No report

d. **ARB REPORT** was provided by Mr. Yardman and a copy is attached. At the end of the briefing, Mr. Sewell asked what the difference was between a hang tag and the various letters. Mr. Yardman responded that, with the exception of lawn maintenance, hang tags are usually given for first violations. If no action is taken by the homeowner, the Association will send follow-on letters that are increasingly forceful. Mr. Sewell asked about the process of issuing lawn notices and Mr. Yardman explained the weekly inspection and notice process. Mr. Richardson stated that the key element of the letters was the requirement to either call Mr. Yardman and request and extension, or to have the work done by the date and time specified in the letter. At the end of the discussion, Mr. Clifton motioned to accept the ARB report. Mr. Campbell seconded the motion. There was no further discussion and the Board voted unanimously to approve the motion.

6. **UNFINISHED BUSINESS.** None

7. **NEW BUSINESS**

a. **Request for Write-off Approval.** Mr. Smith motioned to approve the General Manager's request to write off as uncollectible two accounts totaling \$4,218.17 resulting from foreclosures are located at: 10 Rivermarsh Court and 118 E. Sagebrush Lane. Mrs. Rabbitt seconded the motion. During discussion, Mr. Sewell asked what situations result in write-offs. Mr. Odom responded that foreclosures and Chapter 7 bankruptcies generally require write-offs. At the end of discussion, the Board voted unanimously to approve the motion.

b. **Postage Machine Lease.** Mr. Richardson stated that our postage machine lease is expiring and he briefed the Board on the results of a recent solicitation to replace it. He recommended that the Board support the GM's proposal to award to Ashley's based on a significant difference in service performance between low-bidder Pitney Bowes and the second-lowest bidder, Ashley's. Mr. Sili motioned to accept the General Manager's recommendation to sign a 39-month postage machine lease with Ashley's Business Solutions for \$206.49/month. Mr. Campbell seconded the motion. There was no further discussion and the Board voted unanimously to approve the motion.

c. **Proposed changes to Pool Operations.** Mr. Richardson briefed the Board on two proposals submitted by the General Manager: (1) to install electronic card readers to replace gate guards at the pools, and (2) to change in the pool rules to address the pool safety rope line. Mr. Richardson stated that it would cost \$12,984 to add the necessary equipment to both clubhouse pool areas, but we would face a serious loss of control over pool entry and operations. Mr. Odom added that it would likely lead to vandalism, patron complaints, and increased liability. Mr. Odom also pointed out that the change to the pool rules was shown as Rule #8 which reads: "No removing, or hanging onto, or standing on the float line separating the shallow end from the deep end." Mr. Smith motioned to decline the transition to an automated entry system. Mr. Clifton seconded the motion. There was no further discussion and the Board voted unanimously to approve the motion. Mr. Sili motioned to approve the proposed revision to the pool rules regarding the float line, effective immediately. Mr. Clifton seconded the motion. During discussion, Mr. Imber asked what happens when someone breaks the rules. Mr. Odom replied that the Association operates under a "swim at your own risk" policy and, as such, much of the rule enforcement is on the shoulders of the patrons. He added that our gate guards preempt some of the violations during the check-in process...such as inspecting for food or unauthorized floats being brought in. Mr. Gerard stated that if the Association makes a rule, it needs to have a way to enforce it. Mr. Smith responded that the Board had considered this issue in the past and had been advised by counsel that we would be accepting increased liability if the staff got involved with this type of rule enforcement. At the end of discussion, the Board voted unanimously to approve the proposed rule change, effective immediately.

d. **Repair or Replacement of King's Grant Sign.** The President briefed the Board regarding the recent traffic accident that resulted in damage to the right side of the King's Grant entrance sign. He stated that repair of the sign would cost \$3,687.50 and that we had received a reimbursement check for that amount from the driver's insurance company. He went on to say that the Reserve Study calls for replacing the sign in year 2016 for \$20,000. Mr. Richardson pointed out that we had received one bid for new sign construction that offered two options: (1) stucco finish for \$23,339.25, and (2) brick veneer for \$25,368.75. At the end of the brief, Mr. Smith motioned to repair the current sign vice replace it. Mr. Clifton seconded the motion. During discussion, Mrs. Byers asked whether we wanted a (new) sign as large as the one the GM proposed. Mr. Odom responded that the proposed sign would actually be four feet shorter (less wide) than the current sign. Mrs. Byers added that, in her opinion, it make more sense to apply the insurance money to the new sign rather than spending the repair money now and tear the sign down for replacement in 2016. Mr. Smith replied that the sign replacement in 2016 was simply a Reserve Study projection and that the Board would have an opportunity to consider that issue at a later date. At the end of discussion, the Board voted 6-2 to approve the motion to repair vice replace the King's Grant entrance sign. Mrs. Byers and Mrs. Rabbitt voted in opposition.

e. **Appeal by Shalotta Holmes.** Mr. Richardson briefed the Board regarding a request by Ms. Holmes to reduce her account balance based on her physical condition and inability to work. He reminded the Board that Ms. Holmes made this request at the last meeting and has since submitted a written request. At the end of the brief, Mr. Odom stated that, historically, the Association only removed charges or fees after learning that a clerical error had been made or that the staff or its contractors had not followed established procedures. He said that an example would be when a lawn notice letter was sent to the wrong address. He closed by say that, while Ms. Holmes situation is regrettable, it is not unique. He recommended that Ms. Holmes utilize the established option of using a Consent Order to establish and maintain a viable payment plan. At the end of Mr. Odom's comments, Mr. Sili motioned to deny Ms. Holmes' request for a reduction in the amount she owes and to, instead, offer her a Consent Order with payments of at least \$88/month. Mr. Smith seconded the motion. During discussion, Mrs. Friel asked if the Association had done anything else to get Ms. Holmes to pay. Mr. Odom replied that she had received the normal progressively urgent notices. At the end of discussion, the Board voted unanimously to approve the motion.

7. OPEN DISCUSSION.

8. **ADJOURNMENT OF GENERAL MEETING.** At 8:50 p.m., Mr. Sili motioned to adjourn the General Meeting. Mr. Smith seconded the motion and the Board voted unanimously to approve it.