

GEORGETOWN COMMUNITY SERVICES ASSOCIATION, INC.
BOARD OF DIRECTORS

MINUTES OF GENERAL MEETING
July 9, 2013

1. **CALL TO ORDER.** Mr. Lindsey called the General Meeting to order at 7:40 after pausing the Annual Meeting to facilitate vote counting. Mr. Smith took roll with the following results:

Richard Lindsey	President	Present
Kenneth Corder	VP	Present
Warren Smith	Sec/Treasurer	Present
Robin Byers	Member	Present
Butch Braddy	Member	Present
Renee Rabbitt	Member	Present
Barbara Rubin	Member	Present
John Thompson	Member	Present
David Campbell	Member	Present

2. **APPROVAL OF AGENDA.** Mr. Smith motioned to approve the proposed agenda. Mr. Corder seconded the motion and the Board voted unanimously to approve the motion.

3. **APPROVAL OF MINUTES.** Mr. Smith motioned to approve as written the minutes of the General Meeting held on June 11, 2013. Mr. Corder 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 June, specifically: the Collection Office Report, Accounting Summary, Profit and Loss Report, and the June 30th Balance Sheet. Highlights of the reports are shown below.

Balances. As of June 30, 2013, CSA checking (operational account) totaled \$140,899.79. The total of CSA reserves (Vanguard Account, First Chatham, Savannah Bank, United Community Bank, and Ameris Bank accounts) is \$633,033.18. The total of CSA funds, including checking, reserves, petty cash, undeposited funds is \$783,626.94. We made a deposit of \$9,600 into CSA reserves for June in accordance with the approved budget. Parcel reserve deposits have been made for June, except for Audubon Park who now owes \$411.50 for February, \$467.50 for May, and \$467.50. Also, while Lott's Landing is current in reserve deposits, we had to use reserves to cover the following June expenses that will have to be reimbursed from their operational account once cash flow improves: \$795 termite bond and \$650 tree removal. This week, we have had to take out a second tree that was hit by lightning, so another \$650 will be spent out of LL reserves. The Townhomes still owe \$1904 for March. The total of all GCSA accounts is \$1,027,225.20. Aggregate deposits on hand at each financial institution/program include:

Coastal CSA Checking	\$ 140,899.79 (does not count against FDIC coverage limit)
Coastal Parcel Checking	\$ 15,943.17 (does not count against FDIC coverage limit)
Coastal Parcel MM	\$ 110,782.56
Coastal Parcel CD's	\$ 116,872.61 (\$250.767.95 against \$250K FDIC coverage)

CSA RESERVES

1 st Chatham CSA MM	\$ 219,555.20	
1st Chatham Checking	\$ 100.00	(does not count against FDIC coverage limit)
The Savannah Bank MM	\$ 243,554.00	
The Savannah Bank Check	\$ 100.00	(does not count against FDIC coverage limit)
United Community Bank	\$ 100,000.43	(includes \$60,000 in excess checking from Apr)
Ameris Bank	\$ 64,676.15	
Vanguard	<u>\$ 5,047.40</u>	
Total CSA Reserves	\$ 633,033.18	
CSA Petty Cash Fund	\$ 300.00	
Undeposited funds	\$ 9,393.97	
Total CSA Funds:	\$ 783,626.94	(includes checking, reserves, petty cash & undeposited funds)
Total GCSA Funds:	\$1,027,225.20	

Income and Expenses. Total income for June was \$83,828.08 which was \$1,889.71 better than budget. Expenses for the month were \$155,288.38 which were \$83,176.14 over budget due to the increase in bad debt expense (to be further discussed later this meeting). Net Income was -\$71,460.30 and that was \$81,286.43 under (worse than) budget.

Capital Budget Execution:	Budget	Actual Cost	Difference
January: Lagoon Dredging (down payment)	\$13,487.78	\$13,487.78	0
Lagoon Dredging (1st phase pmt)	\$20,231.66	\$20,231.66	0
TH Sidewalk & Drainage	\$15,020.00	\$15,020.00	0
February: Lagoon Dredging (final payment)	\$33,719.44	\$33,719.51	0
Lagoon Eng & Surveying (final)	\$ 3,344.51	\$ 3,344.51	0
March: No activity			
April: No activity			
May: Pool Furniture	\$4,450.00	\$1,447.64	-\$3002.36
June: Wind Screens (1st increment-obl)	\$5,500.00	\$585.96	-\$4,914.04
HG Parking lot (obligated)	\$4,600.00	\$4,600.00	0 *
LL Parking lot (obligated)	\$7,100.00	\$7,100.00	0 *

GTP Parking lot (obligated)	\$6,900.00	\$6,900.00	0 *
TH Parking lot (obligated)	\$12,000.00	\$12,000.00	0 *

*Board voted in June to amend the budget to recognize actual cost of contract.

CSA Capital Budget and Reserves Summary	Annual Budget	Actual Results Jan-June
Beginning CSA Reserve Balance 1/1/13:	\$556,711	\$ 556,711
(+) Allotments/Deposits:	\$132,300	\$ 50,600 OK *
(+) Depreciation	\$120,060	\$ 60,030 OK
(+) Interest	\$ 1,380	\$ 486 (-204 YTD)
(-) Planned Expenditures (orig):	<u>\$ 13,585</u>	<u>\$ 72,817</u>
Projected Ending Balance 12/31/13:	\$796,866	

* Does not include \$60,000 in excess checking deposited in April, nor interest earned.

REMAINING APPROVED 2013 PLANNED EXPENDITURES/RECAPITALIZATIONS

CSA		PARCELS	
Item/Requirement	Amount	Item/Requirement	Amount
Wind Screens	\$4,914	None	
Logo Banners	\$1,800		
Replace DVR	\$ 785		
Replace Gate Guard a/c	<u>\$1,050</u>		
Total	\$ 8,549		

Past Due Accounts. The number of past due accounts went up in June from 598 to 621, and the dollar amount increased from \$330,944.62 to \$342,078.29. The number of accounts 31-60 days old went down from 356 to 299, and the dollar amount decreased from \$30,110.89 to \$28,375.06. The number of accounts 61-90 days past due increased from 277 to 316, and the dollar value rose from \$16,063.05 to \$24,350.55. The number of accounts over 90 days in arrears decreased from 284 to 269, but the dollar value rose from \$284,770.68 to \$289,352.68. The total number of account past due (621) represents 32% of all properties (up 2% points from May). In June we issued 278 first and second letters (combined), and processed 15 new or updated liens, 6 FiFas, and 10 suits/judgments. We received 67 payments (of \$200 or more) for past due amounts totaling \$24,874.87. 12 of our accounts are in bankruptcy, with \$11,933.84 owed pre-bankruptcy, and \$5,966.92 in post-bankruptcy owed. The total amount in bankruptcy is \$17,900.76 and that amounts to a \$7,784.95 decrease over May's figures. The attached report summarizes the status of accounts that the Board approved special payments.

Repairs and Scheduled Projects:

- Parcel Parking Lot Repairs. As of July 5th, Griffin Contracting has cleaned and striped the Lott's Landing parking lot and had repaired, seal-coated and striped the lots at Hunter's Green, the Townhomes, and Georgetown Place. Weather has delayed the stenciling of each of those lots, but it should occur within the next few days..

- Wind Screens have been replaced on the basketball court. Logo banners are being solicited in July for installation in August. Remaining wind screen purchases are on hold pending further inspection later this year.

- Sidewalk at entrance to King's Grant has been completed on time and on budget (\$4500).

b. **SECRETARY/TREASURER.** Nothing to add.

c. **ARB.** Mr. Odom reported on the results of the Architectural Review Board meetings of June 18th and July 1st. During these meetings, the ARB approved: 5 tree removals and 1 garage enclosure project.

Total new violations	444	YTD	2013
Total violations repaired	424	YTD	2316
Hang Tags issued	80	YTD	430
Letters mailed	401	YTD	2029
Issues referred to GM/atty	109	YTD	473
Total current violations at the end of June:			379

d. **PARCEL REPRESENTATIVE.** No report

5. **UNFINISHED BUSINESS:** None

6. **NEW BUSINESS**

a. **Request for Write-off Approval.** Mr. Odom requested authority to write off as uncollectible four accounts totaling \$6,287.97. These write-off requests were due to bankruptcies. The properties involved included: 5 Beaver Run Drive; 110 Barksdale Drive; 139 Sugar Mill Circle; and 14 St. Ives Way. Mr. Odom also requested the Board approve posting \$70,471.92 of additional bad debt expense in June and approve the strategy of expensing write-offs, dollar-for-dollar, for the remainder of the year to maintain a Provision for Doubtful Debt at the \$78,701 level. Mr. Odom explained that \$78,701 was equivalent to a year's worth of write-offs at the current level, and that he and the Secretary Treasurer had agreed that increasing the Provision for Doubtful Debt to that level would provide a more conservative portrayal of the Balance Sheet while, at the same time, addressing a current audit finding. He added that he and the Secretary Treasurer had discussed some potential offsets, as shown below, but had agreed to hold action for now on all but the health insurance savings which are automatic. He closed by saying that he and the Secretary Treasurer recognize that these actions will negatively affect the Profit and Loss Statements from June through the remainder of the year.

\$2,700 from group health insurance (budgeted for 3 employees and only ended up with 2)

\$7,678 by deleting the mobile security requirement and decreasing security hours to 5 per day

\$2,500 by cancelling Fallfest and Breakfast with Santa events

\$1,200 by cancelling the fall quarterly statement mailing

\$2,856 by closing the pools after Labor Day

Mr. Warren Smith motioned to: approve the General Manager's request to write off \$6,287.97; approve the additional write-off of \$70,471.92 in June; and approve the strategy of expensing dollar-for-dollar new write-offs for the remainder of the year. Ms. Rabbitt seconded the motion. During discussion, Ms. Rubin asked if we could look at other expense lines as possible offsets. Mr. Smith responded that we could certainly do that, and that the best time to do it may be the October budget hearing. He added that, as the year progresses, we will achieve savings in various areas and that those savings will be applied to this deficit. Mrs. Byers asked why we couldn't implement any of the possible offsets now. Mr. Smith replied that the identified cuts would not make a significant difference in the deficit and that implementing some, such as reductions in security patrols, may be counter-

productive. At the end of discussion, the Board voted 7-0-1 to approve the motion. Mrs. Byers abstained.

b. Policy Change Regarding Debris Removal. At the request of the President, Mr. Odom briefed the Board on a request to modify Board policy regarding removal of debris left on properties. He noted that there has been a steady increase in the instances of household debris being left on properties for extended periods of time. He stated that some were from evictions and some were from renovations, but that most were simply from owners or tenants moving out and leaving debris in their yards and driveways without any consideration of the type of debris or recognition of the schedule for the monthly bulk pick-up. Mr. Odom stated that the current Architectural Guidelines require concealing trashcans and other items for disposal except for within 24-hours in advance of scheduled pick-up. He further stated that the Guidelines say that the Association can advise the owner of a date by which the debris has to be removed and that if it is not removed by that time, the Association may remove the debris and assess the owner for the cost plus admin fee. Mr. Odom went on to say that the Association normally gives the owner 10 days to correct a debris issue, unless it qualifies as “blowing debris” which is allowed a much shorter (48-hour) response time. Mr. Odom requested that the Board “expand the current policy to allow 48-hour notices to be issued in situations where the residence has been previously vacated and debris of any type has been left behind...and that the Association notify members and residences of this policy change via the August newsletter and make implementation effective September 1st. At the end of the briefing, Mr. Warren Smith motioned to approve the General Manager’s requested policy change. Ms. Rubin seconded the motion. During discussion, Mrs. Byers asked how non-local homeowners are going to get notified on time. Mr. Odom replied that they probably would not get much notice, but that the neighbors are demanding more proactive measures by the Association to more quickly remove this debris which is negatively affecting property values. He added that everyone will have the opportunity to see and understand this new policy in advance. Mr. Gerard reiterated his previous concerns about providing adequate notice. He suggested that there be a provision for calling and requesting more time as we do with grass letters. Also, if there are subsequent requests for fee waivers, the Board can address them on a case-by-case basis. Mrs. Byers advised that we tell them in the newsletter article and in the notice letter how much the homeowner will be charged—or at least the rate structure. Mr. Odom stated that this could be done. At the end of discussion, the Board voted unanimously to approve the General Manager’s requested policy change.

7. OPEN DISCUSSION.

a. Officer Harrell, Savannah/Chatham Metro Police Crime Prevention Officer, briefed attendees on a series of car break-ins occurring in our area last week. He stated that residents had called the Police regarding suspicious activity and that ultimately led to the apprehension of six individuals and charges being levied on five of them. According to Officer Harrell, these suspects have been linked to a number of other crimes in the City. He asked that we continue to urge residents to notify the Police when they see suspicious activity.

8. ADJOURNMENT OF GENERAL MEETING. At 8:10 p.m., Mr. Smith motioned to adjourn the General Meeting. Ms. Rubin seconded the motion and the Board voted unanimously, including the proxy, to approve it.