

GEORGETOWN COMMUNITY SERVICES ASSOCIATION, INC.
BOARD OF DIRECTORS

MINUTES OF GENERAL MEETING
September 9, 2014

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	Absent
David Campbell	Member	Absent
Raymond Sili	Member	Absent
Marlin Clifton	Member	Present
John Sewell	Member	Present
Melissa Friel	Member	Present

2. **APPROVAL OF AGENDA.** Mrs. Friel motioned to approve the proposed agenda with an amendment to add “extension of the 2014 pool season” as item “f” under new business. Mr. Smith 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 August 12th. 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 August 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 August 31, 2014, CSA checking (operational account) totaled \$113,897.34. Year-to-date (March & May) we have moved a total of \$125K in excess checking to reserves. As of August 31st, the total of CSA reserves (Vanguard Account, First Chatham, Savannah Bank, United Community Bank, Ameris Bank, Carver State Bank, and Queensborough accounts) is \$956,170.96. The total of CSA funds, including checking, reserves, petty cash, undeposited funds, and pre-payments is \$1,070,611.14. We made a deposit of \$11,455 into CSA reserves for August in accordance with the approved budget. All parcels made their required reserve deposits for August. The total of all GCSA accounts is \$1,415,523.83. Aggregate deposits at each financial institution/program include:

AMERIS BANK (took over Coastal Bank 7/1/14)	
CSA Checking	\$113,897.34
CSA Reserve MM	\$ 27,118.26
Parcel Checking	\$ 38,340.09
Parcel MM	\$ 36,454.56
Parcel CD's	\$ <u>0.00</u> (liquidated)

\$215,810.25

FIRST CHATHAM BANK

CSA Reserve MM \$248,160.16
CSA Reserve Checking \$ 100.00
\$248,260.16

SOUTH STATE BANK (Formerly THE SAVANNAH BANK)

CSA Reserve MM \$236,777.32
CSA Reserve Checking \$ 100.00
\$236,877.32

UNITED COMMUNITY BANK

CSA Reserve MM \$196,705.89
GTP Reserves MM \$ 45,014.15
\$241,720.04

VANGUARD

CSA Reserve MM \$ 5,048.42

CARVER STATE BANK

CSA Reserve MM \$237,159.91

QUEENSBOROUGH BANK

CSA Reserve MM \$ 5,001.00
AP Reserve MM \$ 5,001.00
HG Reserve MM \$ 5,001.00
LL Reserve MM \$ 25,007.61
GTP Reserve MM \$105,059.81
TH Reserve MM \$ 85,034.47
\$230,104.89

Total CSA Reserves \$956,170.96 (FCB, SSB, UCB, AB, VG, QB)

CSA Petty Cash Fund \$ 300.00

Undeposited funds \$ 242.84

Total CSA Funds: \$1,070,611.14 (incl: cking, res, p/c, undep funds, & pre-pays)

Total GCSA Funds: \$1,415,523.83 (inc: tot CSA, parcel ck & mm res)

Income and Expenses. Total income for August was \$83,539.67 which was \$1,211.30 better than budget. Expenses for the month were \$68,004.61 which were \$2,187.71 lower (better) than budget. Net Income was \$15,535.06 and that was \$3,399.01 better than budget. As it stands, year-to-date net income is \$10,693.47 above budget.

Capital Budget Execution thru 8/31:	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 August.

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	\$ 91,640 OK
(+) Depreciation	\$132,000	\$ 88,000 OK
(+) Interest	\$ 960	\$ 959 (+\$319)
(-) 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 8/31:	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	Deferred	-\$1248.00
Bench	\$250	Deferred	-\$250.00
Tree Work	\$1,600	\$1,600	0

Lott's Landing:	Driveway Repair	\$6,600	\$6,494	-\$106.00
	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		

The Lott's Landing parking lot repair project was completed at \$106.00 below budget. The Hunter's Green sidewalk repair and bench replacement are temporarily deferred pending discussions with homeowners and the Board at the Budget Hearing. The sidewalks need more work that was originally projected and budgeted for. The bench may, or may not, need immediate replacement.

Past Due Accounts. The number of past due accounts rose in August from 497 to 623, but the dollar amount decreased from \$317,796.34 to \$305,749.19. The number of accounts 31-60 days old went up from 258 to 276, and the dollar amount increased from \$8,478.01 to \$12,451.38. The number of accounts 61-90 days past due rose from 197 to 251, but the dollar value decreased from \$9,305.11 to \$8,064.03. The number of accounts over 90 days in arrears declined from 218 to 213 and the dollar value was reduced from \$300,013.22 to \$285,233.78. The total number of account past due (623) represents 31% of all properties which is a 6 percentage point increase from July. The August 31st past due amount represents a 1.11% decrease compared to August of 2013. In August, we issued 100 first and second letters (combined), and processed 44 new or updated liens, and 6 suits/judgments. We received 52 payments (of \$200 or more) for past due amounts totaling \$20,284.94. 20 of our accounts are in bankruptcy (down 1 from July), with \$18,889.50 owed pre-bankruptcy, and \$16,402.97 in post-bankruptcy owed. The total amount in bankruptcy is \$35,292.47 42,100.56 and that amounts to a \$6,808.09 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:

- Repairs to the King's Grant sign were completed last week at the contract price, which was the same as the insurance proceeds.

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 report, Mr. George Gratton asked how long ARB project approvals are good for. Mr. Yardman responded that they are good for 90 days.

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 four accounts totaling \$4,142.95. These four foreclosures are located at: 118 Wimbledon Drive, 152 Sugar Mill Circle, 208 Whittington Drive, and 205 Westminster Road.

Mrs. Rabbitt seconded the motion. During discussion, Mr. George Gratton asked the Board to explain what prompts write-offs. Mr. Smith responded that the Association has to remove from the books those accounts affected by foreclosure and certain bankruptcies; basically, accounts that we are never going to be able to collect on. At the end of discussion, the Board voted unanimously to approve the motion to write-off \$4,142.95.

b. Proposed Budget Amendment to Increase Legal Funding. Mr. Richardson briefed the Board on a proposal to amend the 2014 CSA Operational Budget to add \$10,000 to budget line 7362 (legal). He explained that the funding was needed to reduce the backlog of legal actions relating to covenant enforcement and collections. According to Mr. Richardson, the funding comes from \$10,693 in excess net income at the end of August. Mr. Smith motioned to approve the proposal. Mr. Sewell seconded the motion. During discussion, Mr. George Gratton asked what these additional funds would go to. Mr. Gerard responded that the funds go toward covenant enforcement, such as mailing notice letters, filing suits, and attending hearings. He added that the funds also go toward filing garnishment actions in collection cases, and to file proofs-of-claim in bankruptcy cases. There was no further discussion, and the Board voted unanimously to approve the motion.

c. Consideration of Strategic Plan Initiatives

(1) **Annual Billing.** Mr. Richardson briefed the Board on Strategic Plan action items 1b2-3 and 3b1-3 which call for considering the implementation of annual billing of assessments. He explained that the intent of the initiatives was to provide an opportunity to evaluate the pros and cons of billing the full annual assessment at the first of the year. He went on to say that having one annual assessment would save \$4447 in quarterly mailings and gain \$4172 in additional interest...along with some initial operating efficiencies. He added, however, that these savings and efficiencies would be offset by increased accounts receivables and later-year surges in collections. At the end of the briefing, Mr. Smith motioned to deny the proposal for annual billing and to retain the current monthly account billing and quarterly mailed statements. Mr. Clifton seconded the motion. There was no further discussion and the Board voted unanimously to approve the motion.

(2) **Semi-Annual Statements.** Mr. Richardson briefed the Board on Strategic Plan action items 1b2-4 and 3b1-4 that call for considering the implementation of semi-annual statements in lieu of the current requirement for quarterly statements. He said that notionally, the two mailings would occur in May and November, or June and December. According to Mr. Richardson, the initiatives would save \$2,918 in production and mailing costs; however, the fewer mailings would likely lead to increased accounts receivable and increased customer frustration due to less frequent information sharing. At the end of the briefing, Mr. Smith motioned to deny the implementation of semi-annual statements and to continue monthly account billing and quarterly mailed statements.

(3) **Customer Feedback Postcard.** Mr. Richardson briefed the Board on Strategic Plan initiative 4a2-1 that calls for considering the implementation of customer feedback postcards. According to Mr. Richardson, the postcards would be used in two ways: (1) notify residents/owners that the Association recognizes the successful correction of a cited ARB violation, and (2) request feedback from residents/owners regarding the level of service provided as it pertains to office visits, phone calls, or written correspondence. He said the cost would be approximately \$8,000. At the end of the briefing, Mr. Smith motioned to deny the implementation of these postcards due to budget considerations. Mr. Clifton seconded the motion. There was no further discussion, and the Board voted 4-1 to approve the motion with Mrs. Friel voting in opposition.

d. ARB Lawn Maintenance Appeal, K Bellows. After noting for the record that the appellant, Mr. Bellows, was not present to state his case, Mr. Richardson briefed the Board on Mr. Bellows' appeal of a \$65

lawn maintenance assessment lawn maintenance conducted on his property by the Association's landscaping contractor on July 1st. According to Mr. Richardson, Mr. Bellows claimed in his appeal letter that he had edged the property himself and that if it had not been done correctly, he should have been notified and provided additional time to comply. Mr. Richardson noted that the "before" and "after" pictures taken by the contractor indicated that the curb edging had not been done prior to the contractor arriving there on the 1st. At the end of the briefing, Mr. Smith motioned to deny the appeal. Mr. Clifton seconded the motion. There was no further discussion, and the Board voted 4-1 to approve the motion with Mrs. Friel voting in opposition.

e. ARB Lawn Maintenance Appeal, A. Jackson. Mr. Richardson noted for the record that the appellant, Mrs. Jackson, was in attendance and he offered her an opportunity to state her case. Mrs. Jackson said that the notice letter she received did not specify that only edging was needed. Mr. Sewell responded that the notice letter of August 4th stated, "Your lawn is in need of maintenance; more specifically edging is needed." Mr. Sewell called attention to the fact that the word "edging" was underlined for emphasis. Mrs. Jackson replied that her letter did not say that. Mr. Gerard suggested that Mrs. Jackson bring to the next meeting the letter she is referring to. Mr. Smith motioned to table this matter until the next meeting. Mrs. Rabbitt seconded the motion. There was no further discussion and the Board voted unanimously to approve the motion.

f. Extension of 2014 Pool Season. Mr. Sewell proposed that the Association open the pools for the remainder of September. Support for that initiative was voiced by attendees: George Gratton, Anne Sherman, and both John and Rivana Graves. Mr. Odom asked for clarification regarding the number of days and hours. Mr. Smith explained that the closure of the pools after Labor Day was debated during last year's budget process and was one of several trade-offs made, including elimination of Summerfest, to balance the budget and keep amenities from going up. Mr. Gratton asked how much it costs to keep the pools open. Mr. Odom responded that it costs about \$10.50 in direct and indirect labor cost per hour for gate guards, plus the cost of additional pool chemicals and janitorial supplies. He added that he would have to go through the hiring process again for new gate guards since the former ones have completed their temporary appointments and are back in school/college or involved with follow-on employment elsewhere. Mr. Odom went on to say that the initial draft budget for next year, which has not yet been vetted or approved by the Board, includes a proposal to keep the pools open on weekends in September. He concluded by adding that the pool attendance was practically non-existent on weekdays after school was back in session mid-August. Mr. Graves stated that the Association has spent a lot on fixing up the pools and urged the Board to find the funds to keep it open through September. Someone asked if the office staff could check people in and out to get around the need for gate guards. Mr. Smith responded that we couldn't afford to have people drip chlorine water on the carpets, and that the staff may not be able to handle the additional workload...which is why we use gate guards to begin with. Mr. Sewell withdrew his proposal. There were no further motions or discussion.

7. OPEN DISCUSSION.

a. Mrs. Padilla asked if the Board election had been finalized. Mr. Smith replied that it had. Mr. Richardson said that new members: Melissa Friel, Marlin Clifton, and John Sewell had been seated. Mrs. Padilla stated that she was a candidate and had not been advised of the outcome. Mr. Richardson stated that the results had been posted in the newsletter.

8. ADJOURNMENT OF GENERAL MEETING. At 9:30 p.m., Mr. Smith motioned to adjourn the General Meeting. Mrs. Friel seconded the motion and the Board voted unanimously to approve it.