

GEORGETOWN COMMUNITY SERVICES ASSOCIATION, INC.
BOARD OF DIRECTORS

MINUTES OF GENERAL MEETING
January 10, 2012

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

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

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

3. **APPROVAL OF MINUTES.** Mr. Warren Smith motioned to approve as written the minutes of the General Meeting of December 13, 2011. 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 December, specifically: the Collection Office Report, Accounting Summary, Profit and Loss Report, and the December 31st Balance Sheet. He noted that our Accountant had not finished auditing the financials, so updated documents would be provided later. Highlights of the draft reports are shown below.

Balances. As of December 31, 2011, CSA checking (operational account) totaled \$132,499.34. The total of CSA reserves (Vanguard Account plus First Chatham Accounts) is \$291,019.31 (which includes \$125,000 of excess checking deposited in previous months and a deposit of \$37,000 from the sale of the easement). We have made a deposit of \$10,000 into reserves for December in accordance with the approved budget. The grand total of CSA funds (CSA reserves plus operational checking) is \$423,418.65. The total of all GCSA accounts (including CDs) is \$652,709.40. Aggregate deposits on hand at each financial institution/program include:

Coastal CSA Checking	\$ 132,499.34	(does not count against FDIC coverage limit)
Coastal Parcel Checking	\$ 15,876.66	(does not count against FDIC coverage limit)
Coastal Parcel MM	\$ 94,522.90	
Coastal CD's	\$ 115,947.13	
Undeposited funds	\$ 2,844.06	
1st Chatham Checking	\$ 100.00	(does not count against FDIC coverage limit)
1 st Chatham CSA MM	\$ 275,878.24	(will be drawn down below \$250K FDIC coverage level by February)

Vanguard	<u>\$ 15,041.07</u>
Total:	\$ 652,709.40

Income and Expenses. Total income for December was \$79,749.67 which was \$473.53 under budget. This was due to lower miscellaneous income from fewer suits, liens, and ARB yards being processed. Expenses for the month were \$56,236.77 which were \$2,587.65 lower than budget. Net Income was \$23,684.04 and that was \$2,285.26 better than budget.

**Capital Budget Execution:
December**

Repaired Wexford & St. Ives Signs	\$1,177.00	Charged...will be paid in January
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Capital Budget Execution Summary	Annual Budget	Current Execution
Reserves B/F 1/1/11:	\$116,846	\$124,209 (actual)
(+) Res Deposits 2011:	\$120,000	\$ 120,000
(+) Income from sale of easement		\$ 37,000
(+) Mid-year transfers from checking		\$ 125,000
(+) EOY transfer from check + interest		\$ 30,000
(-) Outlays/reinvest:	\$144,790	\$ 110,582 (includes sign work)
Ending Balance 12/31/11:	\$ 92,056	\$ 325,627

Past Due Accounts. The number of past due accounts went up in December from 241 to 265, and the dollar amount increased from \$286,264.20 to \$287,418.79. The number of accounts 31-60 days old rose from 39 to 40, and the dollar amount increased from \$16,422.09 to \$16,437.36. The amounts 61-90 days past due rose from 22 to 26 and the dollar value increased from \$5,756.87 to \$8,766.60. Accounts over 90 days in arrears declined from 201 to 199, and from \$264,085.24 to \$262,214.83, respectively. In December, we issued 105 first and second letters (combined), 25 new or updated liens, and 2 law suits. We received 50 payments (of \$200 or more) for past due amounts totaling \$14,784.61. 25 of our accounts are in bankruptcy, with \$19,715.14 owed pre-bankruptcy, and \$22,817.33 in post-bankruptcy owed. The total amount in bankruptcy is \$42,532.47. The attached report summarizes the status of accounts that the Board approved special payments.

Repairs and Scheduled Projects:

- **Repair of Entrance Signs at St. Ives and Wexford.** Due to both vandalism and deterioration, we had to replace the lettering on these two signs. The cost, \$1,177.00, was charged to the capital account. Work was completed on January 3rd. Additional landscaping work is planned for these 2 entrances which will be paid for out of normal operating funds.

- **Lagoon Surveying and Engineering.** Given recent problems with insurance and pricing with original bidders, we are preparing a new solicitation that will combine the survey and engineering requirements. Results will be briefed at the next Board meeting.

- **IRONKEY Trusted Access:** After receiving a briefing from the Coastal Bank and conferring with the President and Secretary Treasurer, we subscribed to the IRONKEY Trusted Access System which provides military-grade hardware encryption that protects us from computer hacking when we are doing on-line banking or purchasing from a list of commonly-used vendors.

- **Georgetown Place Loss Assessment Insurance:** The Board previously voted to recommend to the Lot Owners of Georgetown Place Subdivision the passage of an amendment to the Supplemental Declaration of Covenants and Restrictions for Georgetown Place reducing from \$50,000.00 to

\$1,000.00 the owner's Loss Assessment insurance coverage requirement. Attached is a sample of the letter and petition that were sent to the 66 GTP owners.

- **Flood Insurance Increase:** Since the last meeting we have received invoices for 3 of 4 annual premiums. The pricing for the Southside facilities remains the same as 2011, but the cost for the Northside Clubhouse rose by approximately \$300. This will impact the Profit and Loss

- **GCSA Insurance out for Bid:** Our insurance broker, Jackson Sherrill, has notified us that AutoOwners Insurance has opted not to renew the casualty portion of our insurance. He will be rebidding all portions of our coverage and expects to be able to match us with a reputable provider for approximately what we are paying now. Our current policy expires on February 29th.

- **Reserve Study Update:** On Friday, January 6th, we provided our RS Engineer with current financial data and some revised repair/replacement requirements. He will incorporate the data into the RS model and produce a revised Study for all 6 of our entities. We asked that any changes to reserve allotments begin in 2013 so we would be able to prepare appropriate budgets later this year.

- **Georgetown Social Network Meeting,** approved by the Board in December, was held last Friday at the Southside Clubhouse. The results were positive.

At the end of this report, the President recognized Mrs. Julie Hansil who coordinates the Social Network Meeting. She reported that there were 6 attendees and all were very excited that the Association was pursuing additional social events. The participants expressed interest in setting up groups to do walks, play cards/canasta, and maybe establishing a garden club. Mrs. Hansil mentioned that the next steering committee meeting would be held in the evening off-site. She asked if the announcement could be put on the marquis. Mr. Warren Smith responded that we should put the notification on our web site and marquis. He added that our membership demographics are increasing in age and that we need to find a way to involve those people. Mr. Odom asked Mrs. Hansil to please provide details of the next meeting so he could notify the Board and post the advertisement. Mrs. Byers thanked Mrs. Hansil for arranging to have some of the meetings at night so that people who work during the day could participate. She added that she would be a volunteer. Mrs. Hansil stated that she would provide the GM with a more detailed proposal.

b. **SECRETARY/TREASURER.** Mr. Warren Smith that he had reviewed the financial information provided by the General Manager and concluded that the Association is a lot healthier financially than we have been in a long time. He added that the cost-saving measures and other strategies implemented over the past few years are paying dividends. At the end of Mr. Smith's report, the President recognized Army Major Medvegy from Georgetown Place. Major Medvegy acknowledged the improved financial condition and asked at what point the Association would consider refunding some of the difference to the membership. Mr. Corder stated that we need the extra liquidity to handle unprogrammed repairs, such as St. Ives and Wexford signs briefed earlier. Mr. Warren Smith explained how the Reserve Study works and how we set aside funds for projected repairs and replacements. Major Medvegy asked how many entities made up the Association and asked if they all paid equally. Mr. Lindsey responded that there are 18 subdivisions and that all members pay the same amenities (\$38.92/month) but that parcel communities, such as Georgetown Place, pay additional maintenance fees specific to their parcel.

c. **ARB.** The ARB Inspector, Mr. Yardman, reported on the results of the Architectural Review Board meeting of December 20th and January 3rd. During those meetings, the ARB approved 1 utility shed, 1 entrance door installation, and 1 sidewalk construction. They disapproved one time extension request. He also provided the following inspection statistics for the month of December:

Total new violations	226	YTD 3453
Total violations repaired	242	YTD 3515

Hang Tags issued	71	YTD	863
Letters mailed	190	YTD	3193
Issues referred to GM or attorney	65	YTD	935

d. **PARCEL REPRESENTATIVE.** No report

5. **UNFINISHED BUSINESS.** None

6. **NEW BUSINESS**

a. **Georgetown Place New Infrastructure.** At the request of the President, Mr. Odom briefed the Board on a proposal to close the GTP New Infrastructure account and rebate the proceeds to the GTP owners. He referred to the decision by the Board last November to temporarily suspend new infrastructure projects and to survey GTP members as to how they currently wanted to use the available funds. Mr. Odom provided the Board with a copy of the survey sent to all GTP owners. He stated that 29 of 66 owners had responded at that 69% had indicated a desire to liquidate the account and rebate the proceeds to the owners. At the end of the briefing, Mr. Warren Smith motioned to table the issue based on limited feedback from the members. Mr. Corder seconded the motion. During discussion, Mr. Lindsey asked how long we hold action on this. Mr. Smith responded that the staff could possibly canvas the remaining owners. Mr. Lindsey replied that he did not feel the staff should handle this. Major Medvegy offered to assist with surveying remaining owners. Mr. Odom agreed to provide Major Medvegy with a list of these owners. At the end of discussion, the Board voted 7-1 to approve the motion with Ms. Rubin voting in opposition.

b. **Maintenance Building Water Project.** At the request of the President, Mr. Odom briefed the Board on project alternatives. He explained that the City had recently increased the fees and permit requirements by over \$3500. The Board had previously approved \$11,600 in capital budget funds and \$1400 in operational funds for this project. Mr. Odom provided 3 alternatives: (1) Status Quo (wait until water system breaks and put away funds now deal with the issue at that point); (2) Delete the median irrigation requirement...install one regular water meter next to the irrigation meter currently installed, and run piping for each down the front sidewalk and into the Maintenance Building area. The cost would be at least \$5300, but would avoid \$2,575 in meter installation and water tap fees and would reduce the monthly meter fee from \$146.04 to \$73.02. (3) Delete the median and maintenance yard irrigation requirement and run a new water pipe from the original source down the west side of the complex and into the Maintenance Building. The construction cost would be approximately \$6500 over the original plan, but would avoid monthly meter fees. There would be, however, significant risks in laying new pipe in that area due to a large amount of buried power lines and telephone/TV cables in that corridor...not to mention a significant quantity of tree roots to deal with. At the end of the briefing, Mr. Warren Smith motioned to confirm approval of the original plan and to authorize an additional \$4,000 for the project for a new total of \$15,600. Pastor Smith seconded the motion. There was no further discussion and the Board voted 7-1 to approve the motion with Ms. Rubin voting in opposition.

c. **Professional Services Contract Extensions.** At the request of the President, Mr. Odom briefed the Board on a proposal to extend the annual agreements through 2012 for professional services from the following providers: (1) Jim Gerard, Esq., Oliver Maner LLP; (2) Mike Yardman, Professional Management Inspections; (3) Neville Stein, Stein Accounting CPA; and (4) Cooper Glenn, Glenn Accounting CPA. At the end of the briefing, Mr. Warren Smith motioned to extend these four service agreements through 2012. Mr. Corder seconded the motion. During discussion, Mrs. Byers asked if the fees were reasonable and in line with market rates. Mr. Odom replied that they were. At the end of the discussion, the Board voted unanimously to approve the motion.

d. Appeal of ARB Decision by Ms. Sofia Davis. At the request of the President, Ms. Davis appealed to the Board for additional time to paint her house an ARB-approved color. She cited health and financial reasons for needing the extension. Mr. Lindsey asked Ms. Davis when she could get the work done. Mr. Davis replied that the work could be done in March when she received her tax return. Mr. Warren Smith motioned to approve a 90-day extension with a condition that the agreement be in the form of a legal consent order. Mr. Corder seconded the motion. Mr. Gerard discussed the legal implications of a consent order. Ms. Davis stated that she understood and agreed to the conditions. Mrs. Byers asked if the color has been approved by the ARB. Mr. Yardman replied that it had. Mrs. Byers asked when the 90 day term starts. Mr. Gerard recommended that it start today. At the end of discussion, the Board voted 7-0 to approve the motion, with Ms. Rubin abstaining.

7. OPEN DISCUSSION.

a. Major Medvegy asked the Board if it would reopen the previously tabled discussion on the GTP New Infrastructure issue. Mr. Warren Smith responded that he was the one who motioned to table the issue earlier, and that he was not ready to re-open it at this time. Mr. Smith reiterated that he wanted to see more GTP owners respond to the survey before further discussion and/or decisions were made. Major Medvegy asked if the Board would consider moving ahead on any of the other GTP New Infrastructure initiatives given that the original survey he helped conduct several years ago reflected a majority of owners wanted to proceed with those projects. Mr. Gerard replied that the Major's survey results reflected a recommendation to the Board, and that the Board makes the final decision. He added that time has elapsed and that both conditions and membership has changed. He closed by saying that it appears that the Board simply wants to find out what the current owners want to do.

8. ADJOURNMENT OF GENERAL MEETING. At 9:15 p.m., Mrs. Rabbit motioned to adjourn the General Meeting and go into executive session. Mr. Corder seconded the motion and the Board voted unanimously to approve it.

9. EXECUTIVE SESSION.

a. The Board heard testimony from ARB members and the ARB Inspector regarding an incident at a recent ARB meeting in which an ARB member, William Campolongo, reported brought in a toy gun and pointed at the temple of another Board member. According to reports, Mr. Campolongo additionally pointed the gun (BB gun) into the main part of the room and shot it to show that it worked. Mr. Warren Smith motioned to remove Mr. Campolongo from the ARB and to issue him a letter that states he should never again come into the Clubhouse with any type of weapon...real or simulated. Mr. Thompson seconded the motion. The motion passed on a vote of 7-0 with Mr. Corder abstaining.

b. Mr. Warren Smith motioned to appoint himself, Mrs. Rabbitt, and Ms. Rubin to the ARB. Mr. Braddy seconded the motion and the Board voted unanimously to approve the motion.

c. Mrs. Byers asked if the Association could have a set of pre-approved exterior paint colors. Mr. Yardman replied that the proposal had been considered before and not approved. One rationale was that you don't necessarily want multiple houses side by side that are painted exactly the same color. Further, some might go ahead and paint their house and say they were using a pre-approved color when they were not.

At 9:45, Mrs. Rabbitt motioned to adjourn the executive session. Ms. Rubin seconded the motion and the Board voted unanimously to approve the motion.