

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

**MINUTES OF GENERAL MEETING  
October 9, 2012**

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

Richard Lindsey	President	Present
Kenneth Corder	VP	Present
Warren Smith	Sec/Treasurer	Present
Robin Byers	Member	Absent
Butch Braddy	Member	Present
Renee Rabbitt	Member	Present
Barbara Rubin	Member	Present
John Thompson	Member	Present
Carmen Ward	Member	Absent, proxy to Ms. Rubin

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

3. **APPROVAL OF MINUTES.** Mr. Warren Smith motioned to approve as amended the minutes of the Parcel Budget Hearings of September 11, 2012 (Audubon Park, Hunter's Green, Lott's Landing, Georgetown Place, and Georgetown Townhomes) as well as the minutes of the General Meeting held on September 11<sup>th</sup>. Mr. Corder seconded the motion. There was no additional discussion and the Board voted unanimously, including the proxy, to approve the motion.

4. **COMMITTEE REPORTS**

a. **GENERAL MANAGER.** Mr. Odom called the attention of the Board to the general reports provided for September, specifically: the Collection Office Report, Accounting Summary, Profit and Loss Report, and the September 30<sup>th</sup> Balance Sheet. Highlights of the reports are shown below.

**Balances.** As of September 30, 2012, CSA checking (operational account) totaled \$124,857.80. The total of CSA reserves (Vanguard Account, First Chatham, and Savannah Bank accounts) is \$471,266.86, which includes \$67,000 of previously deposited excess checking. We have made a deposit of \$11,800 into CSA reserves for September in accordance with the approved budget. Parcel reserve deposits have been made for September; however, Audubon Park still owes \$625 for both June and July, and \$400 for August. As previously reported, we have continued to defer the July pressure washing of the Townhomes (\$3150) due to low cash flow. The grand total of CSA funds (CSA reserves plus operational checking) is \$595,124.66. The total of all GCSA accounts and undeposited funds is \$842,130.39. Aggregate deposits on hand at each financial institution/program include:

Coastal CSA Checking	\$124,857.80	(does not count against FDIC coverage limit)
Coastal Parcel Checking	\$ 15,483.85	(does not count against FDIC coverage limit)
Coastal Parcel MM	\$112,554.22	
Coastal CD's	\$116,574.96	

1st Chatham Checking	\$ 100.00	(does not count against FDIC coverage limit)
1 <sup>st</sup> Chatham CSA MM	\$221,803.31	
The Savannah Bank MM	\$234,217.86	
The Savannah Bank Check	\$ 100.00	(does not count against FDIC coverage limit)
Vanguard	\$ 15,045.69	
Undeposited funds	<u>\$ 1,392.70</u>	
Total:	\$842,130.39	

**Income and Expenses.** Total income for September was \$83,953.40 which was \$1,650.03 better than budget. Expenses for the month were \$66,739.06 which were \$2,190.16 lower than budget. Net Income was \$17,214.34 and that was \$3,840.19 better than budget. These results included the effects of keeping the Northside pools open in September. The most significant added expense relating to that initiative was \$1,324.50 for gate guards. In regard to the parcel accounts, Georgetown Place experienced a water leak in the irrigation system that increased the bi-monthly bill to \$1,505. We have sent in an appeal and expect the ultimate charge to be around \$125.

<b>Capital Budget Execution:</b>		<b>Budget</b>	<b>Actual Cost</b>	<b>Difference</b>
<b>January:</b>	Pool Equip Replacements	\$7,462	\$7,460	(-\$2)
<b>February:</b>	Maint Bldg Water Project	\$15,600	\$15,130	(-\$470)
<b>March:</b>	Survey of Cormorant Lagoon	\$875	\$ 875	0
	Refund of Water Project bond		(\$100)	(-\$100)
	Lagoon Survey & Eng (survey)	\$3,345	\$ 3,345	0
<b>April:</b>	Basketball Court Replacement	\$12,650	\$12,305	(-\$345)
<b>May:</b>	Lagoon Survey & Eng (2 of 3)	\$10,034	\$10,034	0
	Northside Carpet Replacement	\$7,368	\$7,368	0
	Northside A/C Replacement	\$9,377	\$9,377	0
	Northside Appliances	\$3,135	\$3,135	0
	Northside Countertops	\$1,200	\$1,180	(-\$20)
<b>June:</b>	Tennis Court Nets	\$1,420	\$1,400	(-\$20)
	Marquis repair (50%)	\$1,665	\$1,585	(-\$80)
<b>July:</b>	None			
<b>August:</b>	Marquis repair (final 50%)	<u>\$1,665</u>	<u>\$1,584</u>	(-\$81)
	Totals to date:	\$75,796	\$74,678	(-\$1,118)
<b>September:</b>	None			

## Remaining 2012 Planned Expenditures/Recapitalizations

Item/Requirement	Amount
Gate Guard a/c	\$ 850 (July) May defer to 2013
Lagoon Survey & Eng (3of3)	\$4,621 (TBD)
Lagoon Dredging	<u>\$22,800</u> (TBD)
Total	\$28,271

Capital Budget Execution Summary	Annual Budget	
<b>Beginning Balance 1/1/12:</b>	<b>\$291,019</b>	
<b>(+) Budgeted Allotments/Deposits:</b>	<b>\$126,000</b>	<b>Currently on track</b>
<b>(-) Budgeted Expenditures:</b>	<b>\$104,067</b>	
<b>(+/-) Current Net Cost/Savings:</b>	<b>+ \$1,118</b>	<b>Through September</b>
<b>Projected Reserve Balance 12/31/12:</b>	<b>\$314,070</b>	<b>Does not include net income</b>

**Past Due Accounts.** The number of past due accounts went down in September from 191 to 167, and the dollar amount decreased from \$291,627.99 to \$280,761.57. The number of accounts 31-60 days old went down from 17 to 3, and the dollar amount declined from \$10,296.62 to \$2,955.60. The amounts 61-90 days past due went down from 22 to 6, and the dollar value declined from \$12,149.86 to \$797.54. Accounts over 90 days in arrears increased from 152 to 158, and from \$269,181.51 to \$277,008.43 respectively. In September, we issued 179 first and second letters (combined), and processed 40 new or updated liens, 25 FiFas, 12 suits/judgments, and 14 garnishment interrogatories. We received 48 payments (of \$200 or more) for past due amounts totaling \$17,695.09. 21 of our accounts are in bankruptcy, with \$18,775.27 owed pre-bankruptcy, and \$27,571.81 in post-bankruptcy owed. The total amount in bankruptcy is \$46,347.08 and that is an increase of \$347.99 from August's total. The attached report summarizes the status of accounts that the Board approved special payments.

### Repairs and Scheduled Projects:

- **Lagoon Survey/Engineering:** We only received one bid on this project. A more detailed briefing on this subject is scheduled for later in this meeting.

- **Marquis Repair/Replacement:** The Northside marquis has been reinstalled and the Southside marquis should be completed this week. Total cost was \$160 below budget.

**Fallfest/Halloween Party** will be held here on Friday, October 26<sup>th</sup> 6:00-8:00 p.m.

- b. **SECRETARY/TREASURER.** Nothing to add to what the General Manager has reported.

c. **ARB.** Mr. Yardman reported on the results of the Architectural Review Board meetings of September 18<sup>th</sup> and October 2<sup>nd</sup>. During those meetings, the ARB approved 1 fence construction, 1 tree removal request, and 3 color changes. Mr. Yardman also provided the following inspection statistics for the month of September:

Total new violations	491	YTD	3370
Total violations repaired	497	YTD	3249
Hang Tags issued	104	YTD	715
Letters mailed	465	YTD	2971
Issues referred to GM/atty133		YTD	745

Total current violations at the end of September: 349

Mr. Yardman requested that the Board approve ARB membership for Mr. Mike Richardson who had asked to join the Board and had attended the requisite 3 meetings. Mr. Warren Smith motioned to amend the agenda to allow for consideration and vote. Mr. Corder seconded the motion and the Board voted unanimously to approve the motion. Mr. Warren Smith motioned to approve the nomination of Mr. Richardson. Mr. Corder approved the motion. There was no further discussion and the Board voted unanimously to approve the motion.

d. **PARCEL REPRESENTATIVE.** No report

## 5. UNFINISHED BUSINESS

a. **Amount Charged for Lawn Maintenance Assessment Admin Fee.** At the request of the President, Mr. Odom briefed the Board on data he had developed on the costs associated with the lawn maintenance inspection and enforcement program. He identified 14 cost elements that totaled \$526.79 per week. Mr. Odom stated that our contracted landscapers are assigned an average of 25 yards per week, so the average overhead cost is \$21.07 per yard. At the end of the briefing, Mr. Warren Smith motioned to increase the lawn maintenance admin from \$15 to \$20 effective January 1, 2013. Mr. Corder seconded the motion. During discussion, Mr. Thompson stated that the Board should consider raising it to \$22 so that the vast majority of owners who are doing their yards as they should are not subsidizing those who are not. At the end of discussion, the Board voted 6-0-1 including the proxy to approve the motion. Mr. Thompson abstained.

b. **Parcel Budget Updates.** At the request of the President, Mr. Odom briefed the Board on additional budget information pertaining to the proposed parcel budgets that were initially briefed last month. At the end of the brief, he made the following recommendations: (1) defer mailbox replacements for Hunter's Green and the Townhomes because the units have been verified to still be in adequate condition; (2) continue plans for parking lot cleaning/sealing/stripping for Hunter's Green, Lott's Landing, Georgetown Place, and the Townhomes; (3) defer irrigation and landscaping project for Lott's Landing unless owners support higher assessments; (4) incorporate the lower-priced tree work into the Townhome operations budget; (5) include \$14,370 in the Capital Budget for Townhome sidewalk and drainage repairs—with the projects being paid through a 5% increase in assessments; and (6) defer Townhome curbing replacement unless owner's agree to a special assessment of an additional 5% increase in their maintenance assessment. At the end of the brief, Mr. Warren Smith motioned to accept the General Manager's recommendations. Mr. Corder seconded the motion. During discussion, Mrs. Rabbitt suggested that the Association ask the Townhome owners their opinions regarding the various issues and proposals affecting them. Mr. Randy Culver, a Townhome owner in the audience

responded that, in his opinion, the work needed to be done; however, the rates can't keep going up. He asked why the Association does not cover roof repair at the Townhomes. Mr. Odom replied that a portion of their maintenance assessments are put in reserves per the Reserve Study to fund cyclical replacement of items like the roofs that are common to multiple units. He also stated that interim repairs of items like that are the responsibilities of the homeowner. Mr. Gerard added that Townhome owners have the authority to tell the Association to what extent the exterior maintenance should be covered. He went on to say that the owners once had more coverage, but paid more in assessments. When the owners came to a point where they were not willing to pay for that level of coverage, the current paradigm was put in place—i.e. cyclical replacement of items that are truly common to multiple units. At the end of discussion, the Board voted 6-0-1 including the proxy to approve the motion. Mrs. Rabbitt abstained.

## 6. NEW BUSINESS

a. **Request for Write-off Approval.** The General Manager requested authority to write off as uncollectible three accounts totaling \$4,352.49. Mr. Odom explained that these write-offs involve foreclosures at #4 Hunter's Green, 6 St. Ives Court, and 8 East Goldfinch Court. He stated that as of September 30<sup>th</sup>, the Association had \$28,389.89 set aside in Balance Sheet line 1260, Provision for Doubtful Debt, to cover write-offs such as this. Total write-offs this year, including those recommended above, total \$26,865.09. Mr. Warren Smith motioned to approve the requested write-offs. Mr. Corder seconded the motion. There was no further discussion and the Board voted unanimously, including the proxy, to approve the motion.

b. **Contract Award for Audubon Park Fencing.** At the request of the President, Mr. Odom briefed the Board on the results of a solicitation for replacing the fencing at Audubon Park. He stated that one of the bids came in low enough for Audubon Park to afford. He recommended that the Association approve the contract award to JDH Decks and Fences for \$5,540 and that the staff handle the demolition. Mr. Corder motioned to approve the GM's recommendations. Mr. Braddy seconded the motion. There was no further discussion and the Board voted unanimously, including the proxy, to approve the motion.

c. **Lagoon Dredging Project.** At the request of the President, Mr. Odom briefed the Board on status of the Lagoon Dredging Project. He stated that bids were solicited electronically through the local firm, Clayton Digital, which is the same firm and mechanism used by Chatham County and the City of Savannah for similar type projects. Mr. Odom went on to say that seven companies as far away as Colorado and Washington paid to download the specifications, but only one company (CCI) submitted a bid. Mr. Odom stated that he called the local companies and attempted to find out why more did not submit a proposal. Two of those companies returned the call, but ultimately decided not to participate. Mr. Odom went on to say that he has requested, but not yet received, cost and pricing data from CCI. He added that once that data is received, the Board can decide whether their bid of \$67,488.88 is reasonable, and whether the project is both prudent and affordable given that it is three times the Reserve Study estimate of \$22,800. At the end of the brief, Mrs. Rabbitt motioned to table the issue until the next meeting when cost and pricing data will be available. Mr. Corder seconded the motion. There was no further discussion and the Board voted unanimously including the proxy to approve the motion.

## 7. OPEN DISCUSSION.

a. Mrs. Melanie Jones requested that the Association look into the costs associated with the ARB contract to ensure we are getting value from our expenditures and that there are no more efficient ways of getting this job done. She also asked that the Board look into putting timers on the tennis

court lights. Mr. Lindsey responded that the General Manager will do the research and brief the Board and attendees at the next meeting.

b. Mrs. Obreedella Ellington asked why we have to use off duty police for clubhouse rentals and why the closing for rentals was changed from midnight to 10:00 p.m. She also asked the Board to consider lowering the prices for rentals to offset some of the police costs. Mr. Smith responded that the time change and the use of off-duty police were driven by several events a couple of years ago when parties got out of control, shots were fired in the parking lot, and the police told us that we needed to make changes—to include the use of 2 armed guards for events. The Board changed the rental rules at that time to reduce the closing time from midnight to 10:00 p.m. and implement the requirement for armed off-duty police coverage for rentals that met any of the following criteria: (1) event goes past 6:00 p.m.; (2) event has over 25 participants; or (3) alcoholic beverages are served at the event. He added that members may seek waivers of these requirements from the Board. Mr. Lindsey stated that the proposal to change the rental closing time will be put on the agenda for the next meeting.

c. Mr. Hong-Jie Wang asked the Board to reconsider the increase in the lawn maintenance admin fee. Mr. Gerard responded that Mr. Wang needed to provide some basis for the request to reconsider—i.e., some new information, or some errors in facts used by the Board in determining their original decision. Mr. Wang asked to see the data the General Manager briefed. Mr. Lindsey provided Mr. Wang with a copy of the briefing paper.

d. Mrs. Jones asked what was included in the “communications” budget line. Mr. Odom replied that it included the cost of the 5-line phone system, 2 cell phones, and the satellite TV for the Fitness Center. Mrs. Jones asked what was included in the “copier” budget line. Mr. Odom responded that it included the lease for the multi-function copier, printer, scanner, fax machine and all the copies made. Mrs. Jones asked what was included in the “gate guard” budget line. Mr. Odom replied that it included the guards at the pool gate and the fitness center who control entry and produce/check credentials. Mrs. Jones asked what was included in the “social activities” budget line. Mr. Odom replied that it covered the cost of the four quarterly social events (Fallfest, Breakfast with Santa, Springfest/Easter Egg Hunt, and the Summerfest/BBQ. It also covers the semi-annual yard sales. Mrs. Jones asked why it appeared we were spending year-round for pool security. Mr. Odom replied that we use the security company to monitor our Southside complex—particularly the playground on a year-round basis.

**8. ADJOURNMENT OF GENERAL MEETING.** At 9:30 p.m., Mr. Corder motioned to adjourn the General Meeting. Mr. Braddy seconded the motion and the Board voted unanimously, including the proxy, to approve it.