

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

**MINUTES OF SPECIAL MEETING
GEORGETOWN CSA BUDGET OPEN HEARING
OCTOBER 11, 2016**

1. **CALL TO ORDER.** Mr. Smith called the hearing and took roll with the following results:

Mike Richardson	President	Absent, proxy to Mr. Smith
Robert Fitch	VP	Absent, proxy to Mr. Smith
Warren Smith	Sec/Treasurer	Present
John Sewell	Member	Present
Melissa Friel	Member	Present
Dorothy Strong	Member	Absent
Jeff Riehl	Member	Absent
Amber Ealy	Member	Present
Scott Bill	Member	Present

2. Mr. Smith turned the meeting over to Mr. Odom, the General Manager. Mr. Odom noted that there were 10 residents in the audience. He stated that the annual budget hearing is required by the covenants and provides the homeowners and residents an opportunity to hear and comment on draft capital and operational budgets for the coming year. Mr. Odom provided a briefing which discussed: (a) current 2016 finances; (b) the proposed Capital Budget for 2017; and (c) the proposed CSA Operational Budget for 2017.

a. **Status of 2016 Finances.** Mr. Odom began by saying that the Association had received very positive results from a financial audit last May. He went on to provide current status of CSA bank accounts which included \$115,283.64 in operational checking and \$1,467,102.33 in reserves. He stated that of the bank totals included \$128,587.80 in customer prepayments. Both CSA and the parcels were current in the monthly reserve deposits for the year so far. Mr. Odom reported that the current CSA Reserve Study shows that our future repairs and replacements are funded for 30 years based on the current program. He added that the reserve allotment requirement has stabilized at \$137,460/year. Mr. Odom stated that the Capital Budget for 2016 was \$18,799.34 over budget, year to date, due to the paving project the Board agreed to at the last meeting. He added that there were 5 projects/procurements that he recommended be deferred to 2017, including: King's Grant sign (\$26,000), Playground Spring Riders (\$2100), Gym Multi-station (\$4,000), Tennis nets (\$1,500), and Wet/Dry vacuum (\$150). Mr. Odom stated that the operational budget, year to date, currently reflects a Net Income that is \$27,409.96 above budget as shown below; however, a portion of that will be needed to cover the higher cost of the new landscaping contract that goes into effect later this month.

	Budget	Actual	Difference
Income:	\$ 734,491.33	\$ 741,210.58	+\$ 6,719.25
Expenses:	\$ 656,879.61	\$ 636,188.90	- \$20,690.71
Net Income:	\$ 77,611.72	\$ 105,021.68	+ \$27,409.96
Reserve Allot.	\$ 103,095.00	\$ 103,095.00	0

b. 2017 Proposed CSA Capital Budget. Mr. Odom proposed the attached Capital Budget of \$130,104 covering 27 major repairs or replacements cited in the current Reserve Study, along with one three new additions. He reported that \$33,750 of that proposed budget related to five items brought forward from 2016. He pointed out that the two items (“overhaul all equipment” and “replace equipment mats”) were recommended deletions. Mr. Odom noted that the budget funded a biennial reserve study update, along with cyclical repairs to six entrance signs. Additionally, the budget includes \$31,250 for the dredging of the 2 lagoons on Dovetail crossing. He added that the dredging was needed on either side of the culvert to allow for unimpeded flow of water. A list detailing proposed capital budget expenditures for 2016 is attached and was provided to attendees. As a part of the capital budget hearing, Mr. Odom also briefed the Board and audience on results of research into two projects proposed by residents at previous Board meetings. The first was a proposed expansion of the Fitness Center. Mr. Odom provided a sketch of two possible construction options which would add up to 1264 square feet to the existing facility. He estimated that the construction and outfitting costs could range from \$80,000 to \$120,000, but more refined numbers would require an investment of approximately \$6,000 for architectural drawings and advice. The second project Mr. Odom discussed related to a proposal to install lighting and security cameras to the basketball court. Mr. Odom stated that it would cost approximately \$14,900 to install that equipment and an additional \$50.00 per month in electricity and maintenance. After the briefing, the following questions and comments were received from the residents and Board members:

- A resident requested more attention and funding for landscaping. He said the landscaping in the medians, islands, and other common areas needed a lot of work to make the community look nice and enhance property values. He asked if there was any money in the budget to begin that work. Mr. Odom responded that he agreed that landscaping should be a long range priority. In the near term, however, there is no money in the budget for it. This is an initiative that will be added to the 2017-2021 Strategic Plan.

- A resident asked why we could not get the County to do the maintenance on the Dovetail lagoon culvert. Mr. Odom replied that any blockages within the culvert will be handled by the County; however, the budgeted repair project covers dredging on either side of the culvert to minimize the silt and debris that would potentially clog the culvert in future storms. This is work the County will not normally pay for.

- A resident from Eagles Landing stated that the culvert under Cormorant Way gets clogged in storms and tends to flood the street. Mr. Odom noted the concern and stated that the culvert connects the County owned drainage ditch in that area. He agreed to keep an eye on it and notify Chatham County Public Works when blockages are discovered.

c. 2017 Proposed Operational Budget. The proposed operational budget below assumes: (1) no increase in assessments (for the 9th straight year) and (2) no major changes in pool schedule. The budget also assumes the following increases: \$4,300 in miscellaneous income, \$1,994 in non-GM payroll/taxes, \$2,728 in employee health insurance, \$4,505 in building/grounds maintenance, \$4,775 in liability/worker’s comp insurance, \$17,618 in general office/postage, and \$1,200 in depreciation expense. Decreases to the budget included: \$24,000 in bad debt expense, \$550 in electricity, \$634 in recreation, and \$7,617 in office, janitorial, and pool chemical expenses. Mr. Odom noted that the budgeted net income for 2017 and 2016 only differed by \$39.75. He added that there are no projected changes to admin fees. The bottom-line budget figures are as follows:

Budgeted Income:	\$984,111.32	(+\$5,772.88)
Budgeted Expense:	\$846,637.75	(+\$5,812.63)
Budgeted Net Income:	\$137,473.57	(-\$39.75)
Reserve Allotment:	\$137,460.00	no change
Residual Net Income:	\$	13.57

A spreadsheet showing detailed expenditures by month is attached and was provided to attendees.

There was no comments or discussion items raised by the audience or by the Board.

3. **ADJOURNMENT.** At 7:48 Mr. Warren Smith motioned to adjourn the Hearing. Mr. Sewell seconded the motion and the Board voted unanimously to approve the motion.

2017 CSA CAPITAL BUDGET

2210 Buildings

Line	Item	Total	
.001	Reserve Study Update	\$2,500	
1.003	SS Ext Painting & Trim Rep.	\$5,500	
22.003	NS Ext Painting & Trim Rep.	<u>\$5,000</u>	\$13,000.00

2220 Furniture

Line	Item	Total	
4.006	Folding Tables & Chairs	\$3000	
21	Pool Furnishings	<u>\$1,485</u>	\$4,485.00

2230 Land

<u>\$ 0</u>	\$0.00
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2240 Land Improvements

Line	Item	Total	
16.011	SS Playground Fence Replacement	\$ 8,740	
17.001	Tree Work (removals)	\$ 2,000	
17.002	Tree Pruning (large scale)	\$ 6,000	
18.007	Playground Sand	\$ 1,000	
18.01	Replace Installed Trashcans	\$ 900	
31.014	Repair Magnolia Woods Sign	\$ 600	
31.006	Repair Lion's Gate Sign	\$ 8,600	
31.026	Repair Sugar Mill Sign	\$ 900	
31.028	Repair GT Main Ent Sign	\$ 900	
31.04	Repair VG Ent Sign	\$ 900	
31.012	Replace King's Grant Sign	\$26,000	From 2016
32.006	Repair Dovetail A Lagoon	\$18,750	
32.007	Repair Dovetail B Lagoon	\$12,500	
New	Entrance Lights for Village Green	\$ 1,000	
New	Entrance Lights for Sugar Mill	\$ 1,000	\$89,790.00

2250 Equipment

Line	Item	Total	
4.011	Replace Multi-station	\$ 4,000	From 2016
4.014	Replace (2) TVs in Gym	\$ 800	
5.005	Replace DVR	\$ 785	
15.004	Tennis Court Nets	\$ 1,500	From 2016
16.011	Replace Playground Fence 3-slat	\$ 8,740	
18.002	Playground Spring Riders	\$ 2,100	From 2016
19.0	Replace Shop & Landscaping Eq.	\$ 3,000	
19.01	Replace Skid Sprayer	\$ 1,334	
19.016	Wet/Dry Vac	\$ 150	From 2016
New	Bagging Attachment for Mower	<u>\$ 420</u>	\$22,829.00

2260 Vehicles (\$0)

Grand Total	\$130,104.00
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Defer/Cancel:

4.013	Replace Equipment Mats (Gym)	\$ 844	(defer...replaced in 2016)
4.012	Overhaul all Equipment	\$ 6,200	(cancel...now covered by individual equip reqmts.)