

GEORGETOWN COMMUNITY SERVICES ASSOCIATION, INC.
BOARD OF DIRECTORS

MINUTES OF GENERAL MEETING
November 8, 2011

1. **CALL TO ORDER.** Mr. Lindsey called the General Meeting to order at 8:00. 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	Absent, proxy to Mrs. Rabbitt

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

3. **APPROVAL OF MINUTES.** Mr. Corder motioned to approve as written the minutes of the Special Meeting of October 11, 2011 (CSA Budget Hearing). Mrs. Rabbitt seconded the motion. There was no additional discussion and the Board voted unanimously, including the proxy, to approve the motion. Mr. Corder motioned to approve as written the minutes of the General Meeting of October 11, 2011. Mrs. Rabbitt 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, specifically: the Collection Office Report, Accounting Summary, October 2011 Profit and Loss Report, and the October 31st Balance Sheet. He highlighted the following information from those reports:

Balances. As of close of business on October 31, 2011, CSA checking (operational account) totaled \$117,077.52. The total of CSA reserves (Vanguard Account plus First Chatham Accounts) is \$239,002.31 (which includes \$125,000 of excess checking deposited in previous months). We have made a deposit of \$10,000 into reserves for October in accordance with the approved budget. The grand total of CSA funds (CSA reserves plus operational checking) is \$356,079.83. The total of all GCSA accounts (including CDs) is \$581,316.12. Aggregate deposits on hand at each financial institution/program include:

Coastal CSA Checking	\$117,077.52	(does not count against FDIC coverage limit)
Coastal Parcel Checking	\$ 20,899.87	(does not count against FDIC coverage limit)
Coastal MM	\$ 84,140.37	
Coastal CD's	\$115,947.13	
Undeposited funds	\$ 4,248.92	

1st Chatham Checking	\$ 100.00 (does not count against FDIC coverage limit)
1 st Chatham CSA MM	\$223,861.89
Vanguard	<u>\$ 15,040.42</u>
Total:	\$581,316.12

Income and Expenses. Total income for October was \$81,083.66 which was \$360.46 better than budget. Total expenses were \$56,990.48 which were \$5,248.17 lower than budget. Net income was \$24,093.18 which was \$5,608.63 better than budget.

Capital Budget Execution:

October	
SS Roofing	\$28,404.00
Heron's Crest Sign	0
	\$16,537.00
	\$ 1,578.25

Capital Budget Execution Summary	Annual Budget	Current Execution
Reserves B/F 1/1/11:	\$116,846	\$124,209 (actual)
(+) Res Deposits 2011:	\$120,000	\$ 100,000 YTD
		\$ 20,000 programmed Nov-Dec
(-) Outlays/reinvest:	\$144,790	\$ 103,097 YTD
		\$ 7,130 Remaining Program
Ending Balance 12/31:	\$ 92,056	\$ 133,982

Remaining 2011 Capital Items	Budget	Actual (to date)*
SS HVAC Ductwork	\$1,825	\$5,250 *
Surveillance Systems (Phase III)	\$1,880	TBD

* Inspection of attic by General Contractor and HVAC contractor revealed numerous breaks, damaged trunk lines, and improper duct board collars. Immediate repair needed to preclude losing more money "air conditioning and heating" the attic.

Past Due Accounts. The number of past due accounts went down in October from 286 to 271, and the dollar amount decreased from \$290,402.45 to \$289,541.36. The number of accounts 31-60 days old declined from 39 to 31, and the dollar amount went down from \$17,813.56 to \$12,988.64. The amounts 61-90 days past due declined from 45 to 29 and the dollar value plummeted from \$21,669.92 to \$9,917.38. Accounts over 90 days in arrears went up from 202 to 211, and from \$250,918.97 to \$266,635.34, respectively. In October, we issued 57 first and second letters (combined), 17 new or updated liens, 1 FIFa and 3 law suits. We received 39 payments (of \$200 or more) for past due amounts totaling \$14,507.50. 25 of our accounts are in bankruptcy, with \$19,176.67 owed pre-bankruptcy, and \$21,576.94 in post-bankruptcy owed. The total amount in bankruptcy is \$40,753.61.

Repairs and Scheduled Projects:

- (1) **Heron's Crest Sign:** As discussed at the last meeting, we had to replace the sign due to vandalism. The new sign has been manufactured and installed at a price of \$1,578.25.
- (2) **Southside Re-roofing:** Per the Strategic Plan and 2011 Capital Budget, the roofs on the Southside Clubhouse, Maintenance Building and Gate Guard Building have been replaced. The project was on time, to specification, and under budget at a contract price of \$16,536.79. We also had to spend \$110 to get the satellite dish re-aimed after the work was completed.
- (3) **Georgetown Place Fencing:** Status will be briefed later this meeting.

Neighborhood Watch Introductory Meeting. This meeting is scheduled for December 13th at 7 p.m.

b. **SECRETARY/TREASURER.** Mr. Warren Smith commented that he concurred with the Financial information provided by the General Manager.

c. **ARB.** The ARB Inspector, Mr. Yardman, reported on the results of the Architectural Review Board meeting of October 18th and November 1st. During those meetings, 2 tree removal requests were approved along with one satellite dish installation. He also provided the following inspection statistics for the month of October:

Total new violations	299	YTD	2995
Total violations repaired	317	YTD	3042
Hang Tags issued	66	YTD	729
Letters mailed	294	YTD	2771
Issues referred to GM or attorney	99	YTD	796

d. **PARCEL REPRESENTATIVE.** No report

5. UNFINISHED BUSINESS

a. **Georgia Power Easement Purchase.** At the request of the President, the General Manager summarized the current status of proposed purchase deal that had been discussed at the past two Board meetings. He stated that Georgia Power has offered the Association \$37,000 to purchase a 2.46 acre easement, along with funding for the following: \$32,656.50 to install a landscaping buffer by the Northside Clubhouse (\$2500 of that amount covers 1 year of programmed maintenance); \$3015.65 contingency; and \$2,000 to cover the cost of consultants to monitor the landscaping installation. Closing is scheduled for November 11th at 9:30, subject to Board approval of these agreements. Mr. Odom explained how the attorney handling the escrow account would provide two funding draws by the landscaping contractor...one at the beginning, and one when the project was essentially complete. He added that, at that point, the escrow attorney would issue the Association \$2500 to pay for cost of the 12-month maintenance plan, along with the contingency funds (\$3,015.65) which the Association could use as it sees fit. Mr. Odom noted that Tidewater Landscape Solutions was the low bidder of two qualified potential providers. At the conclusion of his briefing, Mr. Odom recommended that the Board approve the easement purchase, the escrow agreement, and the landscaping contract award. Mr. Corder motioned to approve the sale of the easement to Georgia Power Company for \$37,000 and to approve the proposed escrow agreement and contract award to Tidewater Landscape Solutions. Mr. Braddy seconded the motion. During discussion, Mrs. Byers asked if we received a land appraisal. Mr. Odom replied that we did, in fact, receive a portion of the overall project appraisal that reflected the value of our portion to be \$37,000. At the end of discussion, the Board voted unanimously, including the proxy, to approve the motion. Mr. Steve Wohlfel, Georgia Power's consultant for this

deal, was at the meeting and agreed to notify Tidewater Landscape that their proposal had been accepted.

b. **2012 Audubon Park Maintenance Budget.** At the request of the President, Mr Odom briefed the Board on the proposed budget for Audubon Park. He stated that the attached budget incorporates a 5% rise in the Maintenance Assessment that equates to an increase of \$6.89/month/member for a new monthly assessment of \$144.59 or \$1,735.08/year. According to Mr. Odom, the budget reflects an increase in the reserve allocation, but that Audubon Park cannot afford to set aside enough to meet Reserve Study requirements without raising the assessment more than 5% (which they have already rejected earlier this year). The reserve allocation for 2012 is \$3,170 below requirements and the cumulative shortage is \$7,120. After a briefing by the General Manager, Mr. Warren Smith motioned to raise the Audubon Park Maintenance Assessment by 5% and to approve the budget shown below.

Budgeted Annual Income:	\$13,887.24
Budgeted Annual Expenses:	\$ 8,262.36
Budgeted Net Income:	\$ 5,624.88
Reserve Allotment	\$ 5,100.00
Residual Net Income	\$ 524.88

Mr. Corder seconded the motion. There was no further discussion and the Board voted unanimously, including the proxy, to approve the motion.

c. **2012 Hunter's Green Maintenance Budget.** At the request of the President, Mr Odom briefed the Board on the proposed budget for Hunter's Green. According to Mr. Odom, the budget incorporates a 5% increase in the Maintenance Assessment that equates to an increase of \$4.13/month/member for a new monthly level of \$86.76. It also includes an increase in the reserve allocation required by the 2010 Reserve Study. At the end of the briefing, Mr. Corder motioned to raise the Hunter's Green Maintenance Assessment by 5% using the deferred increase from 2011; to approve but defer implementation of a 5% increase for 2012; and to approve the 2012 budget shown below.

Budgeted Annual Income:	\$18,746.16
Budgeted Annual Expenses:	\$11,180.85
Budgeted Net Income:	\$ 7,565.31
Reserve Allotment	\$ 4,569.60
Residual Net Income	\$ 2,995.71

Mr. Warren Smith seconded the motion. There was no further discussion and the Board voted unanimously, including the proxy, to approve the motion.

d. **2012 Lott's Landing Maintenance Budget.** At the request of the President, Mr. Odom briefed the Board on the proposed budget for Lott's Landing. According to Mr. Odom, the budget includes an increase in the reserve allotment required by the 2010 Reserve Study. The budget also assumes approval but deferred implementation of a 5% increase in the Maintenance Assessment. For 2012, members will continue to pay \$74.04/month. Mr. Odom added that the residual net income will be put into reserves and will more than compensate for the \$1749 paid in 2011 for emergency sink hole repairs. At the end of the briefing, Pastor Bob Smith motioned to: (1) raise the Lott's Landing Maintenance Assessment by 5% but defer implementation until some future date; (2) continue deferring the 5% increase approved in 2011; and (3) approve the 2012 budget shown below .

Budgeted Annual Income:	\$28,515.36
Budgeted Annual Expenses:	\$18,207.70
Budgeted Net Income:	\$10,307.66
Reserve Allotment	\$ 7,781.80
Residual Net Income	\$ 2,525.86

Mr. Corder seconded the motion. There was no further discussion and the Board voted unanimously, including the proxy, to approve the motion.

e. **2012 Georgetown Plan Maintenance Budget.** At the request of the President, Mr. Odom briefed the Board on the proposed budget for Georgetown Place. According to Mr. Odom, the budget includes an increase in the reserve allotment required by the 2010 Reserve Study. The budget also assumes approval but deferred implementation of a 5% increase in the Maintenance and Reserve Assessments. For 2012, members will continue to pay \$126.13 (\$109.39 +16.74). At the end of the briefing, Pastor Bob Smith motioned to: (1) increase the Georgetown Place maintenance and reserve assessments by 5% but defer implementation until some future date, and (2) approve the 2012 Georgetown Place budget as shown below.

Budgeted Annual Income:	\$100,472.61
Budgeted Annual Expenses:	\$ 64,516.88
Budgeted Net Income:	\$ 35,955.73
Reserve Allotment	\$ 10,762.50
New Infrastructure Allotment	\$ 21,200.00
Residual Net Income	\$ 3,993.23

Mr. Corder seconded the motion. There was no further discussion and the Board voted unanimously, including the proxy, to approve the motion.

f. **2012 Georgetown Townhomes Maintenance Budget.** At the request of the President, Mr. Odom briefed the Board on the proposed budget for Georgetown Townhomes. According to Mr. Odom, the budget includes an increase in the reserve allotment required by the 2010 Reserve Study. This increase also covers some underfunding in year 2011 and some expected increases in siding replacement costs when roofs are replaced in the next 5-6 years. For 2012, Townhome members will continue to pay a maintenance assessment of \$123.97/month. At the end of the briefing, Pastor Bob Smith motioned to: (1) approve a 5% increase in the Townhomes maintenance budget but defer implementation until some future date; (2) continue deferring previously approved 5% increases from 2010 and 2011; and (3) approve the 2012 budget shown below.

Budgeted Annual Income:	\$70,119.08
Budgeted Annual Expenses:	\$33,113.90
Budgeted Net Income:	\$37,005.18
Reserve Allotment	\$35,600.00
Residual Net Income	\$ 1,405.18

Mr. Corder seconded the motion. There was no further discussion and the Board voted unanimously, including the proxy, to approve the motion.

g. **2012 CSA Capital Budget.** At the request of the President, Mr. Odom briefed the Board on the proposed 2012 Capital Budget. He provided two options, A (\$57,442) and B (\$164,942), described in the attachments. According to Mr. Odom, the difference between the two was that Option A did not include a proposed enclosure for the Northside Pool... a project the Board had requested the GM investigate. Mr. Odom explained that projections indicate that sufficient capital project funding would be available for either option. He added, however, that accepting Option B would limit the Board's ability to address future lagoon dredging—the cost of which is yet to be determined. He also stated that the anticipated monthly operating costs of approximately \$5,000 would significantly impact the operating/amenities budget. Both options include the following capital repairs and replacements: pool pump/motors (1/2); lagoon surveying and engineering prototype; Maintenance Building water supply and adjacent irrigation system; and replacement of Northside Clubhouse a/c, gate guard building a/c, marquis (2), Northside Clubhouse carpet, and Northside Clubhouse appliances. Mr. Odom recommended approval of Option A. At the end of the briefing, Mr. Warren Smith motioned to approve the 2012 Capital Budget shown as Option A (\$57,442). Mr. Corder seconded the motion. During discussion, Mrs. Byers stated that if the Board decides in the future that it wants to enclose the pool, we need to ask the members if they feel this is something they want to pay for. At the end of discussion, the Board voted unanimously, including the proxy, to approve the motion.

h. **2012 CSA Operational Budget and Fee Structure.** At the request of the President, Mr. Odom briefed the Board on the proposed 2012 Operational Budget and fee structure as described in the attachments. According to Mr. Odom, the proposed budget assumes that the general assessment remains at \$38.92/month as it has since the middle of year 2008. He stated that the budget reflects a 1.3% increase in income and a 1.4% increase in expenses over the current 2011 budget. The increase in income is mostly derived from more instances (vice higher rates) of admin fees on suits, liens and lawn maintenance. The increases in expenses are mostly due to additional suit/lien filings, bad debt write-offs, additional clubhouse security, and additional insurance expense. Savings were achieved in maintenance, office expenses, and utilities. Mr. Odom added that the savings in maintenance is a direct result of recent capital investments in our facilities. At the end of the briefing, Mr. Warren Smith made the following motions:

- (1) Approve raising the maximum annual general assessment by 5% but defer implementation until some future date, thus making the 2012 assessment \$467.04/year or \$38.92/month.
- (2) Approve the 2012 Operational Budget shown below:

Budgeted Total Income:	\$980,420.44
Budgeted Total Expenses:	\$843,225.70
Budgeted Net Income:	\$137,194.74
Reserve Study Allotment:	\$126,000.00
Residual Net Income:	\$ 11,194.74

- (3) Approve allowing equal monthly payments of the annual general assessment due in advance on the first of each month
- (4) Approve maintaining the current interest rate charge of .5% on unpaid members' accounts over 30 days old
- (5) Approve assessment of court fees and administrative fees as follows:

GCSA Admin Fees	Court Fees (subject to change during year)
\$15 Lawn Maintenance	\$5 Lien Filing Fee (\$7 to remove)
\$30 Lien Fee	\$99 Suit Fee
\$3.29 Certified Mail Fee	\$9 FIFA Fee (\$7 to remove)
\$30 Fee for receipt of NSF Checks	\$105 Garnishment Fee

\$30 Filing Suits
\$10 FIFA Fee
\$25 Interrogatories
\$10 Garnishments

\$35 Interrogatory Fee (\$10 filing + \$25
Serving Fee)

(6) Approve maintaining facility rental rates for members at \$150/day (\$100 for half day); maintaining rental rates for non-members at \$500/day for non-members; maintaining the \$25/weekday evening rental rate, except for Boy Scouts and Girl Scouts which are granted a payment and security guard requirement waiver; requiring two armed security guards for weekend events that meet any of these conditions: (1) serve alcoholic beverages; (2) have more than 25 total participants; or (3) have rentals that go past 6:00 p.m.

Mr. Corder seconded the motions. There was no further discussion and the Board voted unanimously, including the proxy, to approve the motion.

Note: Mr. Thompson arrived at the meeting at this time and withdrew the proxy for subsequent votes.

6. NEW BUSINESS

a. **Additional Perimeter Fencing for Georgetown Place.** At the request of the President, Mr. Odom briefed the Board on the status of the perimeter fencing project for Georgetown Place. Mr. Odom reminded the Board that this project was one of four requested by the GTP owners and funded through a special New Infrastructure Account created in 2011. According to Mr. Odom, member have contributed \$19,342 into this account to date, and there is an outstanding invoice of \$900 to pay for a just-completed survey of the property line. He explained that this survey revealed that the southern property line was not where we thought it was and that we would have to request and receive an encroachment permit from the County in order to build the fence where we need it. He went on to say that, given that the fencing project is problematic, the Board and owners may want to consider other new or previously proposed projects (entrance gate, video security system, additional trees), or agree on some other use of the money...to include possible reductions in assessments or rebates. At the end of the brief, Mr. Warren Smith motioned to: (1) put the fencing project and other new infrastructures expenditures on temporary hold; (2) survey the GTP owners to get input on how the funding should be used; and (3) schedule a special meeting of the Board in early 2012 to consider owner input and decide on a revised strategy. Mr. Corder seconded the motion. There was no further discussion and the Board vote unanimously to approve the motion.

b. **ARB Appeal regarding unapproved construction (color) at 21 Sugar Cane Drive.** At the request of the President, Mr. Odom briefed the Board on an appeal by the owner of 21 Sugar Cane Drive. In this appeal, the owner requested after-the-fact approval of an exterior paint color that was applied earlier this year without prior ARB approval. Mr. Odom stated that this appeal was received after several ARB violation notifications had been sent since May, and two letters from our attorney. He added that the ARB had reviewed and denied the appeal at the last meeting and that the Board was unanimous that the current color needs to be changed. At the end of the brief, Mr. Warren Smith motioned to: (1) deny the request for after-the-fact color approval; (2) put the owner on notice that she must submit a color for ARB approval no later than noon on November 14th for ARB consideration on the 15th, and (3) provide the owner 30 days to get the work accomplished, otherwise the Association shall file a suit. Mr. Corder seconded the motion. There was no further discussion and the Board voted unanimously to approve the motion.

c. **Lawn Assessment Appeal regarding 117 Westminister Drive.** At the request of the President, Mr. Odom briefed the Board on an appeal by the owner of 117 Westminister Drive regarding a \$35 invoice for lawn maintenance. According to Mr. Odom, the owner claimed that, after receiving a violation notice letter, he had made an arrangement with our Inspector that the owner would be contacted if the tenant did not resolve the issue. Since the owner did not receive a call, he

assumed the work was accomplished. The Inspector claimed that he simply honored the owner's request for an additional week to get the work done, but made no offer or agreement to call the owner. Mr. Odom added that this type of member claim has come up on occasion in the past and we confirmed that, because of workload, cost, and phone number availability considerations, the ARB Inspector's contract does not include a requirement for this type of calling. He went on to say that he believes that our Inspector nicely, but consistently, refrains from making offers or agreements of this type. At the end of the brief, Mr. Warren Smith motioned to deny the owner's appeal. Mrs. Rabbitt seconded the motion. There was no further discussion and the Board voted unanimously to approve the motion.

Mr. Warren Smith motioned to amend the agenda to add, to New Business, review of a proposal regarding the Northrup collection suits. Mr. Corder seconded the motion and the Board voted unanimously to approve the agenda amendment.

d Northrup Settlement Proposal. At the request of the President, Mr. Gerard provided for Board consideration the following settlement proposal received today from Dr. Northrup's attorney. According to Mr. Gerard, this attorney has offered to enter into a consent judgment to address his client's arrearages, currently in excess of \$16,000 over multiple properties. The terms of the consent judgment would be as follows:

1. The judgments against the Northrup Entities will be the full amounts owed in assessments.
2. The judgments will be satisfied by consecutive monthly payments in the amount of \$500.00 made collectively by the Northrup Entities commencing January 1, 2012, and continuing each month thereafter until the judgment amount is satisfied.
3. The \$500 will be credited towards the account of the property of the Northrup Entities' choosing. Once an account for a property is satisfied, the tenant residing at such address can use the amenities.
4. The Northrup entities will remain current with the assessments accruing against the properties going forward.
5. So long as the terms of the consent judgment are being complied with, GSCA will not attempt to collect the judgment by execution or garnishment. If the terms of the consent judgment are not complied with, GCSA can enforce the judgments in any way it wishes, including the garnishment of the owners' rent monies in the hands of tenants.

At the end of the briefing, Mr. Warren Smith motioned to approve the proposal. Mr. Corder seconded the motion. During discussion, Mr. Smith recommended that the proposal be accepted and that it was in the Association's best interest to do so. Mrs. Byers stated that the proposal would allow Dr. Northrup to simply apply the assessment payments to only those properties he wanted to keep—the rest would likely be going back to the bank. She added that she was skeptical on how Dr. Northrup could agree to pay up to \$1100/month (\$500 + normal monthly payments on the properties) while he cannot pay anything on those properties now. Mrs. Rabbitt asked how long it takes to file bankruptcy and wondered aloud if Dr. Northrup was just stringing this out to buy time. At the end of discussion, the Board voted 7-1 to approve the motion. Mrs. Rabbitt voted in opposition.

7. OPEN DISCUSSION. No topic was proffered.

8. ADJOURNMENT. At 9:10 p.m., Mr. Warren Smith motioned to adjourn. Mr. Corder seconded the motion. There was no further discussion and the Board voted unanimously to approve the motion.