

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

**MINUTES OF GENERAL MEETING  
April 12, 2011**

1. **CALL TO ORDER.** The President called the meeting to order at 7:45. He asked the Secretary/Treasurer to call roll, which he did with the following results:

Richard Lindsey	President	Present
Warren Smith	VP	Present
William Campolongo	Sec/Treasurer	Present
Robert Smith	Member	Present
Jim Shea	Member	Absent, no proxy
Robin Byers	Member	Present
Kenneth Corder	Member	Absent, no proxy
Butch Braddy	Member	Present
Renee Rabbitt	Member	Present

2. **APPROVAL OF AGENDA.** Mr. Warren Smith motioned to approve the proposed agenda. Mrs. Rabbitt seconded the motion. There was no additional discussion and the Board voted unanimously to approve the motion.

3. **APPROVAL OF MINUTES.** Mr. Warren Smith motioned to approve the minutes of the March 8, 2011 General Meeting as written. Mr. Braddy 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 noted that the members had been provided copies of the Collection Office Report, Accounting Summary, March 2011 Profit and Loss Report, and Balance Sheet. He, then, provided the following information regarding financials, project, and other events.

**Balances.** As of April 1, 2011, CSA checking (operational account) totaled \$174,427.88. \$70,000 of that has since been deposited (on April 6<sup>th</sup>) in the CSA reserve money market account. This excess cash flow is a combination of significant number of payments on past due accounts (\$33K this month alone) and the effect of many people paying in advance on their account(s). The total of CSA reserves (Vanguard Account plus First Chatham Accounts) is \$108,496.08. We have made a deposit of \$14,000 into reserves for March in accordance with the approved budget. The grand total of CSA funds (CSA reserves plus operational checking) is \$282,923.96. The total of all GCSA accounts (including CDs) is \$505,836.31. Aggregate deposits on hand at each financial institution/program as of April 1<sup>st</sup> include:

Coastal CSA Checking	\$174,427.88
Coastal Parcel Checks	\$ 43,076.47
Coastal MM	\$ 53,763.35
Coastal CD's	\$ 126,072.53
1st Chatham Checking	\$ 100.00
1 <sup>st</sup> Chatham CSA MM	\$ 93,359.30
Vanguard	\$ 15,036.78
Total:	\$ 505,836.31

**Income and Expenses.** Total income for March was \$83,130.58 which was \$2,533.38 better than budget. Total expenses were \$64,206.86 which was \$2,015.33 lower than budget. Net income was \$18,923.72 which was \$4,548.71 better than budget.

**Capital Budget Execution:**

<b>January</b>	<b>Budget</b>	<b>Spent</b>
- upgrade SS CH security DVR	\$ 750.00	\$ 708.91
- additional/replacement security cameras SS	\$1,000.00	\$ 879.92
- tables & chairs for SS	\$5,703.00	\$5,478.77
- replace SS pool pumps/motors	\$3,400.00	\$3,400.00
- replace SS pool filters	<u>\$4,063.00</u>	<u>\$4,044.08</u>
	\$14,916.00	\$14,511.68 (\$404.32 under budget)
<b>February</b>		
- repair SS playground west boarder fence	\$3,500.00	\$3,500.00
- NS HVAC ductwork	\$1,369.00	\$1,369.00
- replace NS pool pumps/motors	\$3,400.00	\$3,400.00
- replace NS pool filters	\$2,362.00	\$ 268.61
- upgrade NS CH security DVR	<u>750.00</u>	<u>\$ 716.66</u>
	\$11,381.00	\$9,254.27 (\$2,126.73 under budget)
<b>March</b>		
- sidewalk/concrete repair projects	\$35,000.00	\$35,000.00 (on budget)

**Budget Execution Summary**

	<b>Budget</b>	<b>Current Execution</b>
Reserve Balance Brought Forward from 2010:	\$124,209	\$124,209.00 (per budget)
(+) Scheduled reserve deposits in 2011 per RS:	\$120,000	\$ 42,000.00 (per budget)
(-) Outlays/reinvestments in 2011:	\$155,626	\$ 58,765.66 (-\$2531.05)
(+) 2011 Residual Retained Earnings (ops budget):	\$ 37,040.11	\$ 17,320.92(Jan-Mar NI +\$16,371.95)
Projected Ending Balance 12/31/11:	\$125,623.11	\$144,526.11 (+\$18,903.00)

**Past Due Accounts.** The number of past due accounts declined in March from 269 to 262, and the dollar amount decreased from \$325,363.56 to \$313,998.51. The number of accounts 31-60 days went up from 35 to 42, but the dollar amount decreased from \$39,431.72 to \$24,939.43. The amounts 61-90 days past due went up from 29 to 45, and the dollar value increased from \$75,465.89 to \$87,821.85. Accounts over 90 days in arrears went down from 205 to 175, and from \$210,465.95 to \$201,237.23 respectively. In March, we issued 111 first and second letters (combined), 46 new or updated liens, 10 FiFas, and 5 new law suits. We received 77 payments (of \$200 or more) for past due amounts totaling \$33,284.17. 25 of our accounts are in bankruptcy, with \$22,305.08 owed pre-bankruptcy, and \$18,466.99 in post-bankruptcy owed. The total amount in bankruptcy is \$40,772.07.

**Repairs and Scheduled Projects:**

a. **Sidewalk Repairs:** The 5-part sidewalk repair and replacement project was completed on time, to specification, and within budget (\$35,000). This covered the sidewalks surrounding the SS Clubhouse and playground; repairs to sections at the Maintenance Building and tennis court sidewalk; and replacement of the sidewalk in front of the NS Clubhouse.

b. **Irrigation, Sod and Sand for the Southside Playground:** The Playground portion of the project has been completed on time, to specification, and within budget (\$8875...\$7275+\$1600). In order to complete the project and open the Playground sooner, we swapped the implementation dates of sand delivery and irrigation of the tennis court area (which will now be done in May vice April). Additional note: A vandal broke one of the irrigation lines one Friday evening during the installation process and the water leaked continuously until someone reported it early Saturday morning. Our contractor fixed it by 8:00 a.m. on Saturday at no cost to use, but we did lose quite a bit of water over night. We are in the process of requesting some credit from the City Water Department.

c. **Landscaping for Main Entrance** and the east side of the Clubhouse has been completed within budget (\$920).

d. **Northside A/C Ductwork Repairs** have been completed on budget (\$1369)

e. **Parking Lot Sealcoating:** The \$5945 contract for parking lot repair and seal-coating has been executed. We purchased \$482 of additional crack fill for the Southside lot, bringing the total contract price to \$6,427 which is well within the \$12,682 capital budget.

**Georgetown Place (GTP) Elevation Certificates.** Through research we have determined that the GTP property is not in a flood zone, so flood insurance is not required (although it is available). According to our insurance agent, an elevation certificate is not required to obtain flood insurance as long as the property in question is not in a flood zone. As a result, the Association should not pay to have the elevations determined unless at some future point the flood zones get revised so as to include GTP.

**Easter Egg Hunt** is scheduled for Saturday, April 23<sup>rd</sup> from 9:00-11:00 a.m.

**The Southside Pools** will open on May 1<sup>st</sup> and will be open from 12:00-6:00 p.m. during the month of May. On Monday, May 30<sup>th</sup>, both the Northside and Southside pools will be open daily from 10:00 a.m. to 8:00 p.m.

**Community Yard Sale** is scheduled for Saturday, May 7<sup>th</sup> from 8:00 a.m. to 12:00 noon.

**Additional Playground Repair:** A part of the slide at the Southside Playground has developed a split. A new module has been ordered and should be installed next week. The cost is \$793. To pay for this unplanned repair, we will be using funds from the entrance repair (line 7909).

**King's Grant Entrance Lighting:** We are obtaining estimates to run new wiring to service the lighting at the King's Grant entrance. This repair is needed to correct an unsafe condition at the corner of Red Fox and King George Boulevard and to resolve an unreliable circuit. A revised Capital Budget will be proposed at the next meeting to cover the cost of the new installation. The price should be easily covered by the savings we have achieved to date in executing the Capital Budget.

**Spring pine straw** deliveries should be completed next week at all sites.

**Pressure washings for Audubon Park and Georgetown Place** are scheduled for the last week in April.

At the end of the GM report, Mr. Warren Smith asked how it affects the profit and loss reports when someone pays a past due account and possibly includes payment for the rest of the year in question. Mr. Odom responded that our accounting process takes credit for the income when the members are initially billed—whether they pay at that point or not. Any payments not received on time are shown as accounts receivable on the Balance Sheet and that information is shown on the Accounts Receivables Report in the Board member packages. Advance payments are posted to Pre-paid Income (line 3250) on the Balance Sheet. Money received on past due accounts prompt a credit to accounts receivables and a debit to our checking account.

Mr. Smith asked if the Association would consider a change in future pool scheduling that would allow for the pool to be open during spring break or other periods in the spring/fall when the kids are out of school. Mr. Odom agreed to look into it.

- b. **SECRETARY/TREASURER.** Mr. Campolongo reported that he had nothing to add.
- c. **ARB.** Mr. Yardman reported on the results of the ARB meetings held on March 15<sup>th</sup> and April 5<sup>th</sup>. Afterward, he provided the following February data:

Total new violations: 271	YTD 732
Total violation repaired this period: 206	YTD 712
Hang Tags issued: 56	YTD 211
Letters mailed: 259	YTD 647
Issues forward to GM or attorney: 51	YTD 201
Total current violations: 296	

At the end of his briefing, Mr. Braddy asked about the status of the front yard swing on Lion's Gate Road. Mr. Yardman replied that we had legal action pending, but recently found out that the defendant had just deeded the property to his wife. Mr. Yardman spoke to the wife and she said she was in the process of getting rid of the swing. He added that, if the swing is not removed by the next scheduled inspection, that we would pursue action against the wife. Mr Braddy then asked about the

bags of black cow that had been in front of 10 Cobblestone for the past few months. Mr. Yardman replied that we have had a number of recent issues with that property, including trash cans and an incomplete ARB project...which is a subject of Board consideration later this meeting. We have also written the property up for grass in the not-too-distant past, but the mulch Mr. Braddy was referring to has not yet been written up.

d. **PARCEL REPRESENTATIVE.** No report.

4. **UNFINISHED BUSINESS.** None.

5. **NEW BUSINESS.**

a. **Write-off of uncollectible Accounts.** Mr. Warren Smith motioned to approve writing off three uncollectible accounts totaling \$1,309.61. Mrs. Rabbitt seconded the motion. There was no further discussion, and the Board voted unanimously to approve the motion.

b. **Election Printing Contract Award.** At the request of the President, Mr. Odom briefed the Board on the results of a recent solicitation for printing and mailing the election materials. Mr. Odom recommended awarding the contract to the low bidder, Minuteman Press, for a price of \$1554.82. According to Mr. Odom, this contractor did a good job with the election package last year and was the low bidder for the quarterly mail-outs that begin this summer. Mr. Warren Smith motioned to approve Mr. Odom's recommendation. Pastor Smith seconded the motion. There was no further discussion and the Board voted unanimously to approve the motion.

c. **Digital Document Management.** At the request of the President, Mr. Odom briefed the Board on a proposal to begin implementing a process and system to reduce paper use as well as filing, retrieval and storage costs. According to Mr. Odom, this proposal was part of initiative 1b2-2 of the 2011-2015 Strategic Plan. It included: (1) analyzing office work flow with a focus on documents received, created, distributed, and stored; (2) comparing the current storage process against the legal storage requirements and make any necessary adjustments; (3) determining where digital copies may be used and/or saved in lieu of hard copies; (4) setting up a digital file framework and file back-up system; (5) changing processes to implement optimum digital document management; and (6) converting current hard-copy files and documents to digital form. Mr. Odom stated that actions 1-4 had been accomplished and that we were ready to procure a system to assist with actions (5) and (6). He said that, when it comes to systems and software to facilitate digital document management, there are a range of approaches and products that cost from \$395/license (for a decent but modest approach) to \$60,000 for a high-tech/high volume solution. For our level of requirements, we have identified two potential solutions. The lowest cost product is software from Lucion Technologies called File Center Pro. It has an up-front cost of \$220 for each of our 3 computers (\$660) and an optional \$39/year maintenance fee each year thereafter which would provide product updates and technical assistance. All files stored files accessible via Windows and the system integrates with MS Office/Outlook. It works by scanning the document on our current copier/scanner/fax machine, then taking the file from a queue and dropping it into a pre-formatted "cabinet, drawer, folder, file" system. The other solution involves leasing a terminal from Ashley's Business System that connects to our copier and prompts you to identify the ultimate file location at time of scanning. The machine (with software and customized programming) costs \$280.34/month

for 36 months (\$3364.08/yr) (lease). According to Mr. Odom, the ultimate results are the same as with the File Center Pro product, but it costs significantly more and locks you in for at least 3 years. Both approaches will save approximately \$500/year in paper, folders, labels and storage boxes...and about \$400 every two years in additional file cabinets. Both also provide improved document safety/security. Neither provides significant labor savings on the front end of the filing process, but both would offer approximately \$500/year in labor savings relating to file retrieval and research. File Center Pro pays for itself in less than a year (\$660 price vs. \$1000 in savings). Either solution will also require the purchase of a 1 TB hard drive (approximately \$100). Mr. Odom recommended purchasing and implementing File Center Pro and a 1 terabyte hard drive utilizing year-to-date funding in the Strategic Plan/Contingency Line of the CSA operating budget. Mr. Warren Smith motioned to approve Mr. Odom's recommendation. Mr. Braddy seconded the motion. During discussion, Mr. Campolongo asked how the data/information would be secured. Mr. Odom replied that the information would be held on a separate hard drive which would be backed up continuously by Carbonite. Mrs. Byers advised that, just because we're putting information into electronic form doesn't necessarily mean that it will be easier to find. She asked if all the office staff would be able to access the information. Mr. Odom responded that they would. There was no further discussion and the Board voted unanimously to approve the motion.

**d. Georgetown Place Loss Assessment Insurance.** At the request of the President, Mr. Odom briefed the Board on a proposal to amend the Georgetown Place covenants to reduce the amount of "loss assessment" insurance required to be purchased by homeowners. According to Mr. Odom, Article V-(a)-(h) of the Supplementary Declarations of Covenants and Restrictions for Georgetown Place requires owners to maintain appropriate and adequate insurance coverage. One of the specific types of insurance the Covenants require is \$50,000 in "loss assessment" coverage. Loss assessment insurance pay the homeowner's share of a casualty/loss to common area/property in cases where uninsured damage occurred and where that type of casualty would be covered by the homeowner's policy. Wind and/or fire damage appear to be the casualties most likely to be covered in a loss assessment scenario. The current problem is that only 23% of the owners are covered by a company that offers that level (\$50K) of loss assessment coverage. Georgia insurance regulations require companies to provide a minimum of \$1,000 coverage. Given that only a small percentage of Georgetown Place owners have the requisite amount of Loss Assessment coverage available for purchase, the Association is faced with either forcing the majority of owners to change insurance companies (and pay possibly higher overall rates), or change the Covenants to reduce or delete the requirement. If the Association chooses to pursue Covenant changes, it has to assess the risks and mitigation options to see how much reduction in Loss Assessment coverage can be reasonably handled. According to Mr. Odom, the current replacement value of the main features of the GTP common property is \$127,962 which is scheduled to increase to \$150,458 with the installation of additional perimeter fencing by the end of the year. Mr. Odom stated that, after carefully reviewing our case, our insurance agent recommended that the Association (on GTP's behalf) purchase \$30K of additional casualty coverage for the fencing at GTP which would cost approximately \$200/year. He stated that our current GCSA policy covers \$25,000 of (non-specific) outdoor property which could notionally be used to cover a potential loss of the GTP Mail Center/boxes, flag pole, and traffic signs. Our Agent also confirmed that we have \$10,000 of shrub coverage, and we could purchase \$20K more coverage for \$600/year. The entrance sign is already covered under the GCSA policy. The parking lot would cost \$1500/year to insure, but there do not seem to be many covered causes of loss that would harm the parking lot, so it probably does not make sense to pay for the coverage. Any

additional premiums should be charged to the GTP account (vice the general fund). In summary, GTP can invest between \$200-\$800/year for insurance to cover all the perimeter fencing (current and planned) and for the trees and shrubs. Given the low risk of a covered loss affecting all the trees and shrubs, adding insurance for only the fencing is a reasonable proposition. Reducing the covenant requirements to cite the state minimum of \$1K Loss Assessment coverage would provide a \$66,000 additional cushion. Mr. Odom concluded by recommending that the Board vote to, through covenant-established processes, change the Supplemental Declarations for Georgetown Place to reduce the Loss Assessment insurance requirement from \$50,000 to \$1000...and to purchase \$30K more coverage for the Georgetown Place fencing at a cost of approximately \$200/year and charge it to the Georgetown Place operating account. Mr. Warren Smith motioned to approve Mr. Odom's recommendations. Pastor Smith seconded the motion. During discussion, Mr. Warren Smith asked if we would be able to increase the coverage as we add more infrastructure in the future (as had been requested by GTP residents). Mr. Odom responded that we would. Mr. Campolongo asked if this was the same group (GTP residents) that had wanted no change in dues. Mr. Odom replied that the Georgetown Place residents had previously submitted two petitions...one requesting additional infrastructure (fencing, gate, security cameras, and trees)...and one requesting that the maintenance assessment not be raised any further. There was no further discussion and the Board voted unanimously to approve the motion.

**e. Tree Removal Appeal.** Mr. Lindsey stated that, because the party in question is sick and cannot be here tonight to discuss her appeal, that the issue be tabled until the next meeting. Mr. Warren Smith motioned to table the issue until the May General Meeting. Mrs. Rabbitt seconded the motion. There was no further discussion and the Board voted 4-2 to approve the motion, with Pastor Smith and Mr. Campolongo voting in opposition.

**f. Rental Fee Waiver Request.** At the request of the President, Mrs. Renee Rabbitt briefed the Board on her proposal to allow the Girl Scouts to use the Clubhouse on Saturday, April 30<sup>th</sup> and to waive all fees. According to Mrs. Rabbitt, the Girl Scouts were in need of a place to hold the Father/Daughter dance given that the church they were originally scheduled to use had withdrawn the offer without explanation. Mrs. Rabbitt went on to say the Girl Scouts are a non-profit organization and they did not have the funds to rent an alternate location. At the end of her brief, Mr. Warren Smith motioned to approve the use of the facilities by the Girl Scouts for this dance and to waive all fees. Pastor Smith seconded the motion. During discussion, Mr. Campolongo asked Mrs. Rabbitt to confirm that there were going to be 150 people using our hall, kitchen, lighting, etc. and asked who was going to be liable for the cost of operations and potential damage. Mr. Gerard stated that he saw a potential conflict of interest given that a Board member was asking for special treatment for a group she happened to be involved with. He asked Mr. Odom if the Boy Scouts were given the same arrangements. Mr. Odom replied that the Boy Scouts have not asked to use the facility on any other day from the one they have contracted for (Monday)...they simply request to expand the hours a little bit when they have a banquet function. Mr. Gerard stated that, at a minimum, the Association should have some sort of hold-harmless agreement. Mr. Odom confirmed that both the Boy Scouts and Girl Scouts had signed agreements covering specific weekday evenings that included such liability/hold-harmless caveats. He added that weekend renters sign a separate agreement that also has such a caveat. Mr. Warren Smith stated that he was in favor of letting the Girl Scouts use the facility at no cost. He added that this group has used our facility in the past and had an excellent track record of not causing any problems. Mr. Campolongo stated that, when a member of the Board seeks free

access, it is a conflict of interest. He added that, as a work around, the Association could offer a rental discount or get a security deposit. Mr. Gerard again stated that the Association should get an indemnification document. Mr. Lindsey stated that he did not see this as a conflict of interest and that if we do it for the Boy Scouts, we should do it for the Girl Scouts. Mr. Campolongo replied that we should receive a nominal fee and that this proposal sets a bad precedent. He also asked if this was going to be an annual requirement. Mrs. Rabbitt replied that it was not. Mr. Lindsey stated that we needed to establish the same approach for both the Boy Scouts and Girl Scouts. He asked if there was going to be a security deposit. Mrs. Rabbitt replied that she and Melody White (the other leader) were both Association members—as are most of the Scouts. She stated that, if necessary, her husband would be willing to front the deposit. Mrs. Byers stated that Mr. Campolongo had a point...we need to define the limits of this decision...e.g., is this only acceptable for the Boy Scouts and Girl Scouts or under what circumstances would it apply to others? Mr. Gerard replied that one approach would be to have it apply to all non-profits where a majority of members are also GCSA members. Mr Odom confirmed that this approach covered how we handle tennis lessons conducted here by the non-profit, Savannah Area Tennis Association. Mr. Warren Smith stated that he did not feel that the Girl Scouts should be required to lay out money to rent the facility, and that he fully expected that Mrs. Rabbitt would ensure that the place would be taken care of. At the end of discussion, the Board voted 4-1 to approve the motion. Mr. Campolongo voted in opposition, and Mrs. Rabbitt abstained.

#### **6. OPEN DISCUSSION.**

a. A member of the audience asked if everyone pays the same amenities. Mr. Lindsey responded that everyone pays the same general assessment (amenities) but that people living in the town home communities also pay a separate maintenance assessment which varies from one parcel to another.

b. The same member of the audience asked what fees were associated with renting the clubhouse. Mr. Odom replied that a member would pay either \$100 or \$150 to rent the facility, depending on whether the event went past 2:00 p.m. He also said that there is a required \$300 security deposit as well as a fee for armed security (\$160 for minimum of 4 hours) if the event had more than 25 participants, or if alcohol was being served, or if the event went past 6:00 p.m.

**7. ADJOURNMENT.** At 8:50 p.m., Mr. Warren Smith motioned to adjourn the meeting. Mrs. Rabbitt seconded the motion. There was no further discussion and the Board voted unanimously to adjourn.