

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

**MINUTES OF GENERAL MEETING
August 9, 2011**

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
Rence Rabbitt	Member	Present
Barbara Rubin	Member	Present
Vacancy		

2. **APPROVAL OF AGENDA.** Mr. Corder motioned to approve the agenda as written. Mrs. Rabbitt seconded the motion. There was no further discussion, and the Board voted unanimously to approve the motion.

3. **APPROVAL OF MINUTES.** Mrs. Byers motioned to approve the minutes of the July 12, 2011 General Meeting as written. 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 noted that the members had been provided copies of the Collection Office Report, Accounting Summary, July 2011 Profit and Loss Report, and Balance Sheet. He, then, provided the following information regarding financials, project, and other events.

Balances. As of August 1, 2011, CSA checking (operational account) totaled \$103,254.96. The total of CSA reserves (Vanguard Account plus First Chatham Accounts) is \$237,442.00 (which includes \$100,000 of excess checking deposited in previous months). We have made a deposit of \$9,000 into reserves for July in accordance with the approved budget. The grand total of CSA funds (CSA reserves plus operational checking) is \$340,696.96. The total of all GCSA accounts (including CDs) is \$578,956.22. Aggregate deposits on hand at each financial institution/program include:

Coastal CSA Checking	\$ 103,254.96 (does not count against FDIC coverage limit)
Coastal Parcel Checking	\$ 40,975.41 (does not count against FDIC coverage limit)
Coastal MM	\$ 70,782.88
Coastal CD's	\$ <u>126,500.97</u>
	\$ 341,514.22

1st Chatham Checking	\$ 100.00 (does not count against FDIC coverage limit)
1 st Chatham CSA MM	\$ 222,302.52
Vanguard	<u>\$ 15,039.48</u>
Total:	<u>\$ 578,956.22</u>

Income and Expenses. Total income for July was \$85,111.28 which was \$4,393.08 better than budget. Total expenses were \$68,313.29 which were \$2,975.70 lower than budget. Net income was \$16,797.99 which was \$7,368.78 better than budget. Miscellaneous Income was higher than budget, but was partially offset by higher suit/lien expense...a function of aggressive pursuit of past-due accounts. We also saved on Southside Pool electricity now that we have a new meter that is providing more accurate readings. The water bill for the Southside was much lower than expected, so most of the extra money authorized by the Board at the prior meeting was shifted to future months...mostly September when the next bill is expected. A copy of the updated CSA operational budget is provided and includes the changes to the legal expense (+\$5K) and bad debt expense (+\$10K), as well as the (+\$5K) increase in water approved at previous meetings.

Capital Budget Execution:

	Budget	Spent	
January			
- 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)
February			
- 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)
March			
- sidewalk/concrete repair projects	\$35,000.00	\$35,000.00	(on budget)
April			
- irrigate & sod playground	\$7,275	\$ 7,275.00	
- irrigate tennis/maint area	\$1,600	\$ 1,600.00	
- seal coat /re-stripe SS parking lot	\$10,000	\$ 6,427.00	
- repair & seal coat/re-stripe NS parking lot	<u>\$2,682</u>	<u>incl w/SS job</u>	
	\$21,557	\$15,302.00	(\$6,255 under budget)
May			
- dredge Red Fox A lagoon	\$7,569	Project deferred pending engineering assessment	
- replace SS Gate Guard Bldg A/C Unit	<u>\$ 450</u>	Project deferred	
	\$8,019		

June

- Sidewalks, Apron, irrigation, & King’s Grant lighting	\$11,739.20	\$250 encroachment permits \$1500 construction bond (refundable) \$700 water meter installation <u>\$9,318.62</u> construction contract \$11,768.62
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New King’s Grant Entrance Lighting \$1,500.00 will be paid from with the money currently being used for the construction bond.

Including the \$500 increase in the sidewalk projects approved by the Board, the projects above will be over the original budget by \$529. Total cost \$12,268.62. \$1,500 will be deducted when the our construction bond is refunded.

- Lagoon surveying & engineering	\$ 9,900.00	Contracts still under review. Projects tentatively rescheduled for 2012.
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July

- No additional action/expenditures

Budget Execution Summary

	Annual Budget	Current Execution
Reserve Balance Brought Forward from 2010:	\$124,209	\$124,209.00 (per budget)
(+) Scheduled reserve deposits in 2011 per RS:	\$120,000	\$ 60,000.00 (per budget)
 (-) Budgeted Capital outlays/reinvestments in 2011: Reflects approved changes/projects thru July.	 \$148,854	 \$86,336.57 (-\$8,257.05) Under budget
 (+) 2011 Ops Budget Residual Net Income: Reflects approved \$15K changes in July	 \$16,840.11	 \$ 36,159.39 (+25,906.36) Better than budget
 Projected Reserves Ending Balance 12/31/11:	 \$127,195.11	 \$161,358.52 (+\$34,163.41)

2012 Operational Budget...first look. The attached draft CSA operational budget is provided for initial review and comment. The formal budget hearing for CSA will be held on October 11th.

Past Due Accounts. The number of past due accounts declined in July from 249 to 244, and the dollar amount decreased from \$273,861.38 to \$271,191.00. The number of accounts 31-60 days old remained at 29, and the dollar amount decreased from \$14,12,987.31. The amounts 61-90 days past due remained at 35, and the dollar value increased slightly from \$8,717.64 to \$8,808.58. Accounts over 90 days in arrears went down from 185 to 180, and from \$250,990.93 to \$249,395.11

respectively. In July, we issued 100 first and second letters (combined), 58 new or updated liens, 3 FiFa's, and 17 law suits. We received 38 payments (of \$200 or more) for past due amounts totaling \$16,819.80. 25 of our accounts are in bankruptcy, with \$19,645.38 owed pre-bankruptcy, and \$22,615.31 in post-bankruptcy owed. The total amount in bankruptcy is \$42,260.69. The attached report summarizes the status of accounts that the Board approved special payments.

Repairs and Scheduled Projects:

a. **Sidewalks and Apron:** Since the last meeting, the water and electrical meters affecting the Lions Gate-Wild Heron Road sidewalk have been relocated and that project has been completed. The only remaining project of the 5 original one is the crosswalk on Lion's Gate Road. It is scheduled to be completed later this week. The County will return our \$1500 bond upon project completion.

b. **Lagoon Dredging:** Given that Chatham Surveying decided not to acquire the necessary general liability coverage, I was forced to re-solicit for the surveying portion of the lagoon-dredging prototype project—at least to get a budget figure for 2012. We have received 3 bids, the lowest of which is \$5,500 plus \$275 admin fees plus a \$1500 option to reset the adjacent property corners around the lagoon. The engineering portion of the project, if done today, would cost \$5,500. Mr. Odom suggested that, due to cost, the Board defer the project until early 2012.

c. **King's Grant Entrance Light Repair.** Braddy Electric has run new wire from the Bath House out to the corner of Red Fox and King George Blvd. There have been unexpected delays in getting the rest of the connections made. We are pushing to get it completed as soon as possible.

d. **Southside Clubhouse & Maintenance Bldg Roofing:** Later this month, we will be soliciting for shingle replacement on these buildings in accordance with the Reserve Study, Strategic Plan and Capital Budget. Work is scheduled to be accomplished in October.

e. **Northside a/c Repairs.** Last Friday, one of the a/c condensers and air handlers failed, sending water through the ceiling of the kitchen. The unit had to be immediately replaced to forego further water damage in the building. The cost of replacement was \$3500. We were able to get a unit that can accept both the old and new types of Freon, so we did not have to immediately replace the associated compressor which currently uses the old type of Freon. .

Townhome Roofing issue. The owners of #68 and #69 King James Court came to the GM and demanded that the Association pay for roof repairs at #68. The owner of that unit claimed that the Association's roofing contractor, some time in the past, installed improper flashing which led to roof rot, major water leaks, and interior damage. The owners of #69 are involved because the fixing of the flashing affects the exterior siding on their unit. Both owners were scheduled to move and/or deploy within a week and requested to have the work done expeditiously. There was also rain forecasted within the next few days, so time was of the essence. I explained that granting their request would be a change in policy regarding exterior maintenance and would require Board approval. I went about briefing the Board officers and getting an estimate for the repairs. Meanwhile, the owner of #68 contracted someone to do the work. I expect that the owner may file a claim against the Association for the cost. Further research indicated that the unit in question did not receive a new roof when most of the others did back in 2003. I contracted with a roofing specialist to do a new assessment of the Townhome roofs. The results indicate that, with the exception of Unit 68, the roofs in King Henry

and King James Courts are in generally decent condition for their age, but several lack the proper flashing. The Reserve Study programs funding for roof replacements in 2017. The recent assessment indicates that the roofs have approximately 5 years of remaining life, which seems to closely coincide with the Reserve Study projections. In conjunction with the future roof replacements, it would be prudent to budget to replace the sections of siding that will be impacted by the replacement of the flashing between the buildings.

b. **SECRETARY/TREASURER.** Mr. Warren Smith called the Board’s attention to pages within the GM’s report that listed people that owed the Association money, the amount, and any consent orders/payment plans that existed and their status. He discussed the difference between “pre-“ and “post-“ bankruptcy accounts and the conditions under which we can pursue collection.

c. **ARB.** Mr. Yardman reported on the results of the ARB meetings held on July 19th and August 2nd. Afterward, he provided the following July data:

Total new violations: 440	YTD 1991
Total violations repaired this period: 424	YTD 1995
Hang Tags issued: 93	YTD 482
Letters mailed: 413	YTD 1802
Issues forward to GM or attorney: 118	YTD 528
Total current violations: 247	

Mr. Yardman stated that over 80% of the violations this period were attributed to homes occupied by renters. Mrs. Byers asked how many of these were related to yard maintenance. Mr. Yardman replied that he sent out 74 yard letters and 40 of those were non-owner occupied.

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

4. **UNFINISHED BUSINESS.** None.

5. **NEW BUSINESS.**

a. **Vacancy Fill.** Mr. Lindsey briefed the Board that there was a vacancy created by the July 13th resignation of Mr. Jim Shea. He reported that the vacancy had been advertised and that we had received two candidate submissions: Mr. Thomas Wallace of 4 Watermill Court, and Mr. John Thompson of 165 St. Ives Drive. Mr. Lindsey called the Board’s attention to the resumes provided. He canvassed the audience and determined that Mr. Thompson was the only one of the two candidates that was present. He offered Mr. Thompson an opportunity to speak to the Board. Afterwards, the Board considered the two candidates and voted unanimously to select Mr. Thompson as a Director. Mr. Thompson took a seat as a member of the Board.

b. **Write-off of uncollectible Accounts.** At the request of the President, Mr. Odom briefed the Board on his request to write off as uncollectible six accounts totaling \$4,081.19. He stated that there was \$13,703.71 set aside in Balance Sheet line 1260, Provision for Doubtful Debt, to cover write-offs such as these. He added that we had allotted \$19,000 to this line so far this year (including \$5,000 of the \$10,000 addition approved by the Board at the July meeting)—and that write-offs for the year, including the one’s now recommended, total \$21,926.12. Mr. Warren Smith motioned to approving the General Manager’s request to write off six accounts totaling \$4,081.19. Mr. Braddy

seconded the motion. During discussion, Warren Smith suggested that it may be in the Association's interest to maintain the appearance of houses that are foreclosed. Robin Byers asked how we would determine if a property was, in fact, in foreclosure. Mr. Thompson asked whether the Board really wants to get into the judgment decision regarding which properties to do. Kenneth Corder responded that the ARB can handle it. Mr. Gerard stated that the BOD has the authority under the declarations. There was no further discussion and the Board voted unanimously to approve the write-off motion.

c. Georgia Power Company Request for Easement Purchase. At the request of the President, Mr. Odom briefed the Board on a proposal from Georgia Power to purchase from the Association a 2.46 acre easement for a price of \$37,000. The property in question is between the rear of the Northside Clubhouse and GA-204. According to Mr. Odom, Georgia Power was also will also consider paying for some sort of barrier (trees, fencing, etc to replace the green space buffer behind the Northside Clubhouse that will be eliminated to install the power-line corridor. Mrs. Byers asked if we have received a copy of the land appraisal. Mr. Odom replied that we have not. Mr. Corder stated that, at some point, they will claim imminent domain. Mr. Gerard stated that the property could be condemned under imminent domain, but that Georgia Power would still have to pay fair market value for the easement. He added that because they are simply purchasing an easement, the Association still technically owns the property—and that appraisals are difficult because you have to figure the difference between the current value and the value after the easement is granted. He concluded by recommending that what ever deal is struck that it be all in one document and signed at one time. Mr. Warren Smith stated that we could put up a fence, but that fences require maintenance. Mr. Thompson that trees might be used vice fencing to provide privacy. Mr. Lindsey stated that the issue is what kind of barrier would be best. He added that landscaping options take time to become viable. Mr. Warren Smith stated that a brick fence would require limited maintenance and might be a good option. Mr. Corder responded that given the area is right on the marsh, foundations for the brick fence might be challenging. Mr. Yardman added that, to be effective as a buffer, the fence would have to be about 18 feet high. Mrs. Rabbitt asked if sound barrier(s) had been discussed or considered. Mr. Braddy asked if the metal-type barriers, like along interstates, had been considered. Mr. Warren Smith responded that those were DOT projects and that they had both a high price tag and a high qualification threshold. At the end of discussion, Mr. Corder motioned to allow the GM to get with a landscape architect to come up with a proposal. Mr. Braddy seconded the motion. The Board voted unanimously to approve the motion. Mrs. Byers added a request to get a copy of the appraisal.

d. Playground Rules. At the request of the President, Mr. Odom briefed the Board on his proposal to establish and advertise rules of the use of the Playground. He explained that there were currently rules for using the tennis and basketball courts, but none for the use of the playground. He provided the attached list of rules for consideration and he mentioned that the list had been compiled with the assistance of our attorney. Mr. Corder motioned to approve the rules and the creation of applicable signage. Mr. Braddy seconded the motion. During discussion, Mrs. Rabbitt asked if we really wanted to restrict food and drink as indicated in rule #10. Mr. Warren Smith suggested that #10 be modified to say that no food or drink is allowed on the playground equipment. Mr. Corder motioned to change his motion to adapt Mr. Smith's suggested change. Mr. Braddy seconded the motion. Mrs. Byers stated that, we can make the rules, but they will be useless unless someone enforces them. Mr. Lindsey responded that we have DSI security to help us enforce them. Mr. Thompson asked if we could possibly set us someone to screen ID's for using the basketballs court

and other outside facilities—like we do the pools. Mr. Lindsey responded that it takes significant resources and the Board has considered that several times in the past. At the end of discussion, the Board voted unanimously to approve the playground rules as amended at the creation of signage.

e. Establishing a Fitness Center at the Northside Clubhouse. Ms. Rubin briefed the Board regarding her request to consider creating a fitness center in the Northside Clubhouse. She made the point that the facility is underutilized and that it might be cost effective and provide a balance of amenities for those living on the Northside of GA 204. Mr. Corder stated that we would probably need to hire additional employees to run it during the off-season of the pool. Mrs. Byers suggested that other uses of the facility be considered before deciding on the fitness center. Mrs. Rabbitt asked about the impact on meetings currently being held at the Northside. Mr. Warren Smith asked about the potential for making the Northside a year-round pool. It would be smaller and easier to enclose—and the gate guards could serve as monitors for a fitness facility. Ken asked whether we could negotiate to have GA Power pay for enclosure as a solution for the buffer problem. Mr. Lindsey added that parking is limited on the Northside. At the end of discussion, Ms. Rubin motioned to modify the Strategic Plan to reflect reconsideration of the fitness center options during the CY 2013 budget process. Mr. Corder seconded the motion. The Board voted unanimously to approve the motion.

f. Irrigation Meter for the Northside Clubhouse. At the request of the President, Mr. Odom briefed the Board regarding the potential for installing an irrigation meter for the Northside Clubhouse. This question had been raised by Board member, Barbara Rubin. Mr. Odom provided installation costs and monthly fees and concluded that it would not be cost effective at this point. He added, however, that the issue would be worth revisiting periodically because the situation could change. Mr. Warren Smith motioned to modify the Strategic Plan to reflect reconsideration of the Northside irrigation meter installation during the CY 2013 budget process. Mr. Corder seconded the motion. There was no further discussion and the Board voted unanimously to approve the motion.

6. OPEN DISCUSSION. No questions or issues were tendered.

7. ADJOURNMENT. Mr. Warren Smith motioned to adjourn the meeting. Mr. Corder seconded the motion and the Board voted unanimously to approve it.