

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

**MINUTES OF GENERAL MEETING
February 8, 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	Present
Robin Byers	Member	Present
Kenneth Corder	Member	Present
Butch Braddy	Member	Present
Renee Rabbitt	Member	Present

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

3. **APPROVAL OF MINUTES.** Mrs. Rabbit requested that the minutes of the Special Meeting of Audubon Park on January 11th be changed to reflect that she was present for that meeting. Mr. Warren Smith motioned to approve, as amended, the minutes of the Special Meeting of Audubon Park and the General Meeting of January 11th. Pastor Smith 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, Bank Balances Report, Accounting Summary, and January 2011 Profit and Loss Report. He, then, provided the following information regarding financials, project, and other events.

Balances. As of February 4, 2011, CSA checking (operational account) totals \$94,252.73. The total of CSA reserves (Vanguard Account plus First Chatham Accounts) is \$152,388.38. For January and February, we have deposited a total of \$28,000 to reserves in accordance with the approved budget and we are on track to deposit \$120,000 into this account by the end of the year as required by the Reserve Study. The grand total of CSA funds (CSA reserves plus operational checking) is \$246,641.11. The total of all GCSA accounts (including CDs) is \$452,219.65. Aggregate deposits on hand at each financial institution/program include:

Coastal	\$ 173,771.85	
CD's	\$ 126,059.42	(at Coastal Bank)
First Chatham	\$ 137,353.40	(one checking and one money market account)
Vanguard	<u>\$ 15,034.98</u>	

Total: \$ 452,219.65

As CD's mature, we will be purchasing CDs at another institution so as to lower the total amount at Coastal Bank to below the \$250,000 FDIC coverage amount.

Income and Expenses. Total income for January \$81,575.81 which was \$1,228.61 better than budget. Total expenses were \$63,452.81 which was \$2,709.15 lower than budget. Expenses would have been over budget by a few hundred dollars due to an unexpectedly high legal bill for the month (\$6,005), but our accountant capitalized the cost of the automatic door lock system for the fitness center instead of showing the expense in line 8530 as originally budgeted. Net income was \$18,123.00 which was \$3,937.76 better than budget.

Capital Budget Execution:

January	Budget	Spent/Obligated
- 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	pending (see note below)
- replace SS pool filters	<u>\$4,063.00</u>	pending (see note below)
	\$14,916.00	
February		
- repair SS playground west boarder fence	\$3,500.00	\$3,500.00
- NS HVAC ductwork	\$1,369.00	pending
- replace NS pool pumps/motors	\$3,400.00	pending
- replace NS pool filters	\$2,362.00	pending
- upgrade NS CH security DVR	<u>750.00</u>	pending
	\$11,381.00	

Past Due Accounts. The number of past due accounts decreased in January from 270 to 260, and the dollar amount decreased from \$236,250.41 to \$229,925.24. The total due spiked (as usual) in January due to the full year's assessment being applied to accounts that are more than 60 days in arrears. The number of accounts 31-60 days went down from 43 to 32, but the dollar amount increased from \$18,031.06 to \$21,375.65. The amounts 61-90 days past due went down from 49 to 41, and the dollar value decreased from \$18,709.50 to \$7,523.94. Accounts over 90 days in arrears went up from 178 to 187, and from \$199,509.85 to \$201,025.65, respectively. In January, we issued 172 first and second letters (combined), 9 new or updated liens, and 12 new law suits. We received 30 payments (of \$200 or more) for past due amounts totaling \$10,497.30. 28 of our accounts are in bankruptcy, with \$22,979.49 owed pre-bankruptcy, and \$18,932.32 in post-bankruptcy owed. The total amount in bankruptcy is \$41,911.81. The attached report summarizes the status of accounts that the Board approved special payments.

Repairs and Scheduled Projects:

Southside Clubhouse: The playground fencing project was completed on time and within both budget (\$3500) and specification by JDH Decks and Fencing. New tables and chairs have been received and cost \$224.23 less than originally forecasted due a reduction in shipping costs. A new,

high capacity DVR and 4 additional cameras have been purchased for the SS Clubhouse per the capital budget. The total investment was \$161.17 lower than the capital budget amount. The purchase of a portion of the pumps and filter units in the SS Pump Room was delayed while we assess the cost effectiveness of installing one 10-HP motor/pump to replace the 2 current 7.5 HP motors/pumps. The savings in electricity might be substantial. Other planned projects are on schedule.

b. **SECRETARY/TREASURER.** Mr. Campolongo stated that he had nothing additional to report.

c. **ARB.** Mr. Yardman reported on the results of the ARB meetings held on January 18th and February 1st. Afterward, he provided the following January data:

Total new violations: 201
Total violation repaired this period: 217
Hang Tags issued: 61
Letters mailed: 179
Issues forward to GM or attorney: 71
Total current violations: 271

At the end of Mr. Yardman's report, Mr. Warren Smith asked Mr. Yardman about the circumstances that prompted the Association to take action on the Scaringi property which was the subject of discussion at the last meeting. Mr. Yardman replied that he followed the normal inspection and notification procedures. He added that the general criterion was that if the leaves were covering the ground, he would normally write it up. For the case in question, there were leaves covering the left side of the driveway and were building up a pile along the hedge. Mr. Smith thanked Mr. Yardman for the feedback and stated that he just wanted to be sure we were not singling her out. Mr. Shea noted that he had seen contractors blowing leaves into the streets and into storm drains and said that we need to notify companies doing yard work in our area that these practices are unacceptable. Mr. Warren Smith asked Mr. Yardman about who is responsible for picking up trash in the wetland areas (near his house). Mr. Yardman replied that those areas are property of homeowners. Mr. Smith requested that the ARB pay closer attention to these wooded areas and take action to have the responsible parties remove the trash/debris.

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 \$2,598.90. Mr. Corder seconded the motion. There was no further discussion, and the Board voted unanimously to approve the motion.

b. **Request for ARB Project Timeline Extension.** At the request of the President, Mr. Odom briefed the Board on a project extension request submitted by the owner of 5 Cutler Court. Mr. Odom provided the history of violation notices dating back to July of 2010. He summarized the owner's extension request letter, and noted that the owner stated that she did not have the money to

make the repairs and was unsure when she would be able to afford them. At the end of the briefing, Mr. Campolongo motioned to deny the request. Mr. Shea seconded the motion. During discussion, Mr. Campolongo stated that the owner had a history of non-compliance. Mrs. Byers asked what the next step would be if the Board denied the request...i.e., what do we do next to get this (violation) fixed? Mr. Warren Smith replied that it would take the full legal gambit to get this done. Mr. Gerard indicated that we would get a judgment that would require the violation be fixed within 30 days. If it is unresolved at the end of that period, the judge can issue a contempt warrant. At a contempt hearing, may allow 60 more days to finalize repairs if the defendant provided appropriate and compelling financial information. Mrs. Byers asked what the cost would be to the Association to go through that process. Mr. Lindsey requested that the question be deferred to later in the meeting when the cost of litigation was scheduled to be discussed. At the end of discussion, the Board voted unanimously to approve the motion to deny the extension request.

c. Modification of the 2011 Budget. At the request of the President, Mr. Odom briefed the Board on his request to modify the 2011 budget to increase the legal expense budget line for February and March. According to Mr. Odom, this change was necessary due to an unexpected increase in court filing fees (from \$60 to \$257-single/\$307-couple) and a high case load carried over from the 2010 holiday season. Mr. Odom proposed moving \$3000 in February and \$1000 in March from residual net earning to line 7362 (non-litigation legal costs). The change would reduce the residual net income for the year from \$41,040.11 to \$37,040.11. Mr. Odom also requested that an unrelated change be allowed to move \$1325 from Landscaping (line 7920) to Entrance Maintenance (line 7909) to help pay for the repair of the Knightsbridge Sign that was recently overrun by an uninsured motorist. At the end of the briefing, Mr. Campolongo motioned to approve the requested changes as reflected in the attached budget. Mr. Corder seconded the motion. During discussion, Mr. Campolongo stated that it was a sad commentary that people move into what they realize to be a covenant community, then fight the system...and all that costs the Association money...it's insulting. Mr. Warren Smith asked Mr. Odom whether the residual net income was a projected amount. Mr. Odom replied that it was. He added that it was a minimum expectation and that it was part of the budget and it would not be changed without the Board's prior approval. Mrs. Byers asked what it cost to take all these cases to trial. Mr. Gerard stated that it is important that members know that the Association is serious about enforcement, and that the recent challenge by WSAV proved the value of having a solid track record of enforcement. He added that he was in favor of prioritizing cases we file suit on. Mr. Lindsey remarked that if we had good communications, he would agree with prioritizing...but neighbors don't currently know what is happening with those around them. As a result, we need to be consistent with enforcement. Mr. Shea asked if we win the case, do we get reimbursed. Mr. Gerard replied that we can usually be reimbursed for filing fees, but that getting reimbursed for legal fees was very difficult due to the way our covenants read. Mr. Warren Smith asked if we can foreclose on properties. Mr. Gerard replied that foreclosure was only an option that related to a member's failure to pay assessments (vice an ARB violation issue). He added that we would have to pay off the first mortgage in those cases, and that would not be feasible. Mr. Campolongo asked if the Association could publish addresses of violators. Mr. Gerard replied that we could and said that the Landings does it. Mr. Shea indicated his agreement with that prospect. Mrs. Byers asked how much volume we are talking about. Mr. Corder stated that if you embarrass them enough, they will find a way to fix the violation. Mr. Warren Smith stated that he did not think it was wise to take the Georgetowner from two pages to multiple pages. Mr. Lindsey asked whether we could simply add a general summary of cases (in the newsletter). Mr. Warren Smith replied that it would miss the "embarrassment" angle. Mr. Braddy said he was OK with the proposal, but did not know if it would do any good.

Mr. Shea said that you will get more people involved if they see their names on the list. Mrs. Rabbit proposed using the web site. Mr. Campolongo stated that we should publish the weightier cases and summarize the rest. Mr. Braddy proposed putting lists on a bulletin board in the gym. Mr. Campolongo replied that bulletin boards tend to get trashed out. Pastor Smith suggested getting a covered bulletin board. Mrs. Byers stated that quantity was a potential problem. Mr. Warren Smith said he would like to get back to the issue of the budget and stated that he did not want the Board to get in the habit of using funds we have not earned yet. Mr. Lindsey stated he agreed and that have a residual line for the purposes that it is being proposed for. Mr. Campolongo stated that we do not spend money "willie nillie". At the end of discussion, the Board voted unanimously to approve the motion to modify the budget. Mr. Warren Smith proposed a second motion to improve the Georgetown NewsLetter by including list of the worst offenders along with a summary of other pending litigation. Mr. Corder seconded the motion. During discussion, Mrs. Byers asked whether we open ourselves to legal challenge doing it this way. She also asked how we would determine the worst cases. Mr. Lindsey suggested we include only those that had been adjudicated (received judgments). Mr. Smith revised the motion to include that suggestion. There was no further discussion and the Board voted unanimously to approve Mr. Smith's motion as revised.

d. Strategic Plan Update. At the request of the President, Mr. Odom briefed the Board on the proposed 2011-2015 Strategic Plan. Mr. Odom stated that the introduction (Mission Statement, Vision Statement, and Core Values), and the Balanced Scorecard approach was continued unchanged. He added that there were four general categories: Financials, Business Processes, Customers, and Employees...and that each category had one or more Objective, Strategy, and Action Item. All action items were assigned a lead person/group and included an estimated completion date and status block (coded red, yellow or green). Mr. Odom called special attention to Strategy 1b2 (Reducing Operational Costs) and the proposed supporting action items. He requested the Board provide suggestions and proposed edits to the Plan via e-mail and that he would provide a revised edition at a future meeting.

6. ADJOURNMENT. At 9:20 p.m., Mr. Warren Smith motioned to adjourn the meeting. Mr. Corder seconded the motion. There was no further discussion and the Board voted unanimously to adjourn.