

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

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

1. **CALL TO ORDER.** Mr. Lindsey called the General Meeting to order at 7:25 immediately after the Annual Meeting was suspended to allow for vote counting. Mr. Campolongo called roll 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	Present
Butch Braddy	Member	Present
Renee Rabbitt	Member	Present

2. **APPROVAL OF AGENDA.** Mr. Warren Smith motioned to approve the agenda as written. Mrs. Byers seconded the motion. There was no further discussion, and the Board voted unanimously to approve the motion. Mr. Odom asked if the agenda could be modified to add, to New Business, discussion of a request for a payment plan by Northup Properties. Mr. Warren Smith motioned to add this to the agenda. Mr. Corder seconded the motion and the Board voted unanimously to approve it.

3. **APPROVAL OF MINUTES.** Mr. Warren Smith motioned to approve the minutes of the June 14, 2011 General Meeting as written. Mrs. Byers 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, June 2011 Profit and Loss Report, and Balance Sheet. He, then, provided the following information regarding financials, project, and other events.

Balances. As of June 30, 2011, CSA checking (operational account) totaled \$112,859.60. The total of CSA reserves (Vanguard Account plus First Chatham Accounts) is \$213,070.88 (which includes \$100,000 of excess checking deposited in previous months). We have made a deposit of \$4,000 into reserves for June in accordance with the approved budget. The grand total of CSA funds (CSA reserves plus operational checking) is \$325,930.48. The total of all GCSA accounts (including CDs) is \$532,316.80. Aggregate deposits on hand at each financial institution/program include:

Coastal CSA Checking	\$ 112,859.60 (does not count against FDIC coverage limit)
Coastal Parcel Checking	\$ 42,403.87 (does not count against FDIC coverage limit)
Coastal MM	\$ 61,354.70

Coastal CD's	\$ <u>102,627.75</u>
	\$ 319,245.92
1st Chatham Checking	\$ 100.00 (does not count against FDIC coverage limit)
1 st Chatham CSA MM	\$ 197,931.78
Vanguard	\$ <u>15,039.10</u>
Total:	\$ 532,316.80

Income and Expenses. Total income for June was \$82,525.72 which was \$1,683.52 better than budget. Total expenses were \$74,312.45 which were \$4,100.04 lower than budget. Net income was \$8,213.27 which was \$5,783.56 better than budget. Pool maintenance and chemicals were over budget for the month, mostly due to the excessive heat. Pest control was over budget due to the timing of the invoice for the annual termite bond.

Revised Budgets. Copies of the revised 2011 Capital Budget and the CSA Operational Budget are attached. They reflect the modifications approved at the June Board meeting, such as: (1) installation of the irrigation water meter for the Southside Playground/pools; (2) construction of a driveway apron and 4 sidewalk sections; (3) deferral of two lagoon dredging projects and one related retaining wall replacement; (4) approval of funding for surveying and engineering services relating to potential lagoon dredging; and (5) deferral of purchasing a new a/c unit. It also includes a \$200 correction to line 7870 of the June operational budget resulting from a typographical error in loading the QuickBooks budget information. We have reduced the budgeted Capital outlays for 2011 and project to have \$161,858.10 in reserves at the end of the year (+\$34,662.99 better than budget).

Capital Budget Execution:

January	Budget	Spent	
- 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 to June pending identification of source
	\$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
---	-------------	---

New King's Grant Entrance Lighting \$1,500.00 will be paid from with the money currently being used for the construction bond. Assuming no changes, these projects will be over budget by \$29.42.

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

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 in June.	\$148,854	\$85,836.57 (-\$8,756.63) Under budget
(+) 2011 Ops Budget Residual Net Income: Reflects approved \$5K change + \$200 edit.	\$31,840.11	\$ 28,359.40 (+25,906.36) Better than budget
Projected Reserves Ending Balance 12/31/11:	\$127,195.11	\$161,858.10 (+\$34,662.99)

Past Due Accounts. The number of past due accounts declined in June from 252 to 249, and the dollar amount decreased from \$278,386.47 to \$273,861.38. The number of accounts 31-60 days went down from 33 to 29, and the dollar amount decreased from \$19,403.18 to \$14,152.81. The amounts 61-90 days past due went up from 28 to 35, and the dollar value increased from \$4,814.53 to \$8,717.64. Accounts over 90 days in arrears went down from 191 to 185, and from \$254,168.76 to \$250,990.93 respectively. In June, we issued 62 first and second letters (combined), 17 new or

updated liens, 4 law suits, and 4 interrogatories (for garnishment). We received 33 payments (of \$200 or more) for past due amounts totaling \$13,747.37. 26 of our accounts are in bankruptcy, with \$20,629.71 owed pre-bankruptcy, and \$22,424.79 in post-bankruptcy owed. The total amount in bankruptcy is \$43,054.50. The attached report summarizes the status of accounts that the Board approved special payments.

Repairs and Scheduled Projects:

a. **Southside Gate Guard A/C:** Purchase still pending. Pricing obtained so far indicates that we will need to spend around \$800 vice \$450.

b. **Irrigation Water Meter:** Meter has been installed along with piping to connect it to our irrigation system and to a hose bib to service the pool.

(1) The annual operating budget for water has been increased by \$5,000.00 as reflected in the attached revised budget. This change was approved by the Board at the last meeting.

c. **Sidewalks and Apron:** Encroachment permit requests, fees, and bond was provided to the County. As of Thursday, July 7th, 2 of the 5 projects have been approved and 2 others should be approved within a day or two. The project relating to the sidewalk at the intersection of Lion's Gate Road and Wild Heron Road requires design modification to keep within the Right-of Way. A revised plan is in process. Our contractor should be starting work on the approved concrete projects by the end of the week. The County will return our \$1500 bond upon project completion.

b. **Lagoon Dredging:** During contract negotiations, the surveyor (Chatham Surveying) reported that he now carries Workman's Comp insurance but not general liability coverage. I am giving him an opportunity to obtain the requisite insurance coverage. If it cannot be resolved by the end of this week, I plan to re-solicit for the surveying.

Pool Closures During Inclement Weather: On a recent Sunday, we had temporarily closed the pool due to thunder. One resident called me to question why we were doing that, particularly since he did not see any clouds overhead at the time. My initial answer was that it was a long-standing posted rule that I believed was based on Georgia Pool Regulations. After returning to the office and formally researching the issue, I discovered that the rule was not covered by the Georgia Pool Regulations. The posted rule (and signage) dates back to near the beginning of pool operations in the 1970's and is based on safety, insurance, and contractual considerations. According to local pool management contractors, over 50 local pools have similar rules and lifeguard contracts have this requirement identified. The National Lightning Safety Institute states that "pool activities should remain suspended until thirty minutes after the last thunder is heard." The Red Cross and the YMCA both have similar guidance/policies. Our insurance agent, who is also an attorney, strongly recommends maintaining the rule. He adds that if the Board chooses to change the rule, the decision should be based on significant compelling evidence. Otherwise, they may be accused of reckless endangerment if someone sues due to an injury/death that could be attributed to the decision to change the rule.

b. **SECRETARY/TREASURER.** Mr. Campolongo reported that he and Mr. Odom had carefully reviewed the financials and that everything appeared in order.

c. **ARB.** Mr. Odom reported on the results of the ARB meetings held on June 21st and July 5th. Afterward, he provided the following June data:

Total new violations: 323	YTD 1551
Total violations repaired this period: 281	YTD 1571
Hang Tags issued: 61	YTD 389
Letters mailed: 301	YTD 1389
Issues forward to GM or attorney: 74	YTD 410
Total current violations: 226	

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

4. **UNFINISHED BUSINESS.** None.

5. **NEW BUSINESS.**

a. **Write-off of uncollectible Accounts.** At the request of the President, Mr. Odom briefed the Board on his request to write off as uncollectible four accounts totaling \$5,101.72. He reported that, while this figure was much higher than the monthly norm and budget, it did not include over \$8,000 in one foreclosure that he was recommending a personal suit against the member. Action would need to wait until the first of August because of budgetary limitations in the legal expense account. Mr. Odom also mentioned that the Northrup properties, which would be discussed in more detail later, posed a risk of future foreclosure that may amount to more than \$15,000. Mr. Warren Smith motioned to approving the General Manager's request to write off four accounts totaling \$5,101.72. Mr. Corder seconded the motion. There was no further discussion, and the Board voted unanimously to approve the motion.

Mr. Warren Smith motioned to modify the 2011 CSA Operational Budget to increase the Provision for Doubtful Debt (line 1260) by \$10,000, and to increase the Legal Expense (line 7362) by \$5,000. Mrs. Byers seconded the motion. During discussion, Mrs. Byers asked if we must treat multiple property owners (rental companies) the same as single owners, given that these are businesses that are taking risks and making business decisions that are in their best interest and not necessarily the Association's. Mr. Gerard responded that, unfortunately, we must treat them the same. At the end of the discussion, the Board voted unanimously to approve the motion to amend the budget.

b. **Repair/Replacement of the Summerfield Entrance Signs.** At the request of the President, Mr. Odom briefed the Board on his proposal to repair the white fencing and to replace both the signage plaques and the landscaping on both sides of the road. He stated that, after careful consideration, this approach was more aesthetically appropriate and cost effective than constructing brick-based sign platforms that we have used in most other entrance signs. Mr. Odom requested \$5,000 for the project vice the budgeted amount of \$6,675. Mr. Lindsey expressed concern over the blistering of the paint and suggested that more full-scale replacement of the fence/wall boards may be necessary. Mr. Odom modified his request to \$5,300 to accommodate the extra lumber that would be needed. Mr. Warren Smith motioned to approve the plan and the request for \$5,300. Mr. Corder seconded the motion and the Board voted unanimously to approve it.

c. Request to Waive Attorney Fee Assessment (L. Shinall). Ms. Lois Shinall of 5 Finch Court requested that the Board remove from her account an assessment of \$195.00. She said that she had been laid off and could not afford to pay the assessment. Mr. Gerard stated that the fee paid for filing a motion of relief from the bankruptcy stay. Mr. Warren Smith stated that the Board had previously worked with other residents that had significant issues like this, but that he was having a little trouble accepting a proposal to remove the assessment. Mr. Smith motioned to allow Ms. Shinall to work out a payment plan with the General Manager for the \$195. Mr. Corder seconded the motion and the Board voted unanimously to approve the motion.

d. Request to Waive Bank and Attorney Fees (A. Dudley). Mr. Dudley of 112 Dukes Way requested that the Board reimburse him for \$150 associated with a recent garnishment action. He said he paid all known assessments on May 2nd, but on May 3rd the Association processed a garnishment action that cost him \$150 (\$100 bank fee, and \$50 bank attorney fee). Mr. Odom explained that the staff had requested the garnishment action weeks before this time, and that the attorney delivered it to the courthouse on or before the time of Mr. Dudley's payment. He added that the staff did not know the exact day garnishment was being processed, otherwise we could have attempted to immediately terminate it. Mr. Warren Smith motioned to accept Mr. Odom's recommendation that Mr. Dudley be credited \$150 upon receipt of evidence from Mr. Dudley that he actually incurred these expenses. Mr. Corder seconded the motion and the Board voted unanimously to approve it.

MEETING PAUSE. Mr. Warren Smith motioned to pause the meeting and reconvene the Annual Meeting to receive the election results and conduct any remaining business. The Board so voted.

MEETING RECONVENED. At the end of the Annual Meeting, Mr. Warren Smith motioned to reconvene the General Meeting and to go into executive session to allow the selection of officers. The Board so voted.

SELECTION OF OFFICERS. During this session, the Board members selected Mr. Richard Lindsey as President, Mr. Kenneth Corder as Vice President, and Mr. Warren Smith as Secretary/Treasurer. Mr. Warren Smith motioned to end the executive session and reopen the General Meeting. The Board so voted.

NEW BUSINESS (Continued)

e. Request for Payment Plan by Northup Properties. At the request of the President, Mr. Odom briefed the Board on a payment plan proposal by the Manager of Northup-owned/controlled properties. This manager was proposing that he pay the Association \$350/month (total) toward the arrearage and that his tenants be able to use the pool. Mr. Odom explained that Dr. and Kristin Northup own 20 properties in the Association with a current total arrearage of \$15,391.33. He added that the proposed payment plan was only 45% of the normal monthly amenities for these properties and would do nothing to reduce the current arrearage. Mr. Warren Smith motioned to deny the Northup proposal. Mr. Braddy seconded the motion. During discussion, Mr. Gerard mentioned that the Association could consider garnishing the rents of these properties. He confirmed that the Association would first have to get a court judgment against the owner and that the total lead-time

before receiving any payments may be 4-6 months. At the end of discussion, the Board voted unanimously to approve the motion to deny the Northup payment request.

6. OPEN DISCUSSION.

a. Mr. Braddy asked for status of the cross-walk project on Lion's Gate Road; specifically, he wanted to know if we were going to get a raised cross-walk. Mr. Odom replied that the current encroachment permit request, which should be approved by the County in the next day or two, does not include a raised walk-way. Mr. Warren Smith suggested that we get the regular crosswalk installed first, then decide later whether to apply to get it raised.

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