

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

MINUTES OF GENERAL MEETING

March 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.** There were no proposed changes to the agenda.

3. **APPROVAL OF MINUTES.** Mr. Warren Smith motioned to approve the minutes of the February 8, 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, Bank Balances Report, Accounting Summary, and February 2011 Profit and Loss Report. He, then, provided the following information regarding financials, project, and other events.

Balances. As of March 1, 2011, CSA checking (operational account) totaled \$78,611.55. The total of CSA reserves (Vanguard Account plus First Chatham Accounts) is \$151,103.65. We have made a deposit of \$14,000 into reserves in February in accordance with the approved budget. The grand total of CSA funds (CSA reserves plus operational checking) is \$229,715.20. The total of all GCSA accounts (including CDs) is \$433,051.93. Aggregate deposits on hand at each financial institution/program include:

Coastal Checking	\$ 104,022.81	(unlimited FDIC coverage)
Coastal MM	\$ 51,866.05	
Coastal CD's	<u>\$ 126,059.42</u>	
	\$ 177,925.47	(\$250,000 FDIC coverage)
1st Chatham Checking	\$ 100.00	(unlimited FDIC coverage)
1 st Chatham MM	\$ 135,967.87	(\$250,000 FDIC coverage)
Vanguard	<u>\$ 15,035.78</u>	
Total:	\$ 433,051.93	

Income and Expenses. Total income for February was \$ 84,186.09 which was \$3,388.89 better than budget. Total expenses were \$61,162.92 which was \$5,445.56 lower than budget. Legal expenses came in \$1962 lower than projected for the month. Net income was \$23,023.17 which was \$8,834.45 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	\$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)

Capital Budget Budget vs Execution

	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	\$ 28,000.00 (per budget)
(-) Outlays/reinvestments in 2011:	\$155,626	\$ 23,765.66 (-\$2531.05)
(+) 2011 Residual Retained Earnings:	\$ 37,040.11	\$ 10,473.23 (Jan+Feb NI) (\$10,099.27)
Projected Ending Balance 12/31/11:	\$125,623.11	\$138,253.43(+\$12,630.32)

Past Due Accounts. The number of past due accounts rose in February from 260 to 269, and the dollar amount increased from \$229,925.24 to \$325,363.56. The number of accounts 31-60 days went up from 32 to 35, and the dollar amount increased from \$21,375.65 to \$39,431.72. The amounts 61-90 days past due went down from 41 to 29, but the dollar value increased from \$7,523.94 to \$75,465.89 (large percentage of these accounts had the rest of the year's assessment added for being 60 days in arrears). Accounts over 90 days in arrears went up from 187 to 205, and from \$201,025.65 to \$210,465.95 respectively. In February, we issued 100 first and second letters (combined), 22 new or updated liens, and 21 new law suits. We received 48 payments (of \$200 or more) for past due amounts totaling \$20,662.60. 28 of our accounts are in bankruptcy, with \$23,310.83 owed pre-bankruptcy, and \$19,316.24 in post-bankruptcy owed. The total amount in bankruptcy is \$42,627.07.

Repairs and Scheduled Projects:

a. **Sidewalk Repairs:** The 5-part sidewalk repair and replacement project is underway and should be completed on time (March 18th) and on budget (\$35,000). This covers 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: Project has been planned and will be executed by our contracted landscapers, The Outsiders Landscape Management Company, upon completion of the sidewalk project. Work will be completed within the funding approved in the 2011 Capital Budget (irrigation and sod) and the 2011 Operational Budget (sand).

c. Parking Lot Sealcoating: Projects have been planned and the contract award will be the subject of a briefing later this meeting.

d. Security camera and DVR upgrades that were budgeted for January and February for both clubhouses and the bath house have been purchased and installed. Phases II and III occurring later this year will provide additional cameras.

e. Replacement of pumps, motors & filters at the SS and NS Clubhouses is scheduled to be completed this week and will be well-within budget.

Sugar Mill: One-way signage at the intersection of Sugar Mill Drive and Sugar Cane Court has been reviewed and upheld by the County.

Georgetown Place: There is an issue developing regarding obtainment of “loss assessment” insurance by owners of homes in Georgetown Place. The GTP covenants require \$50K of loss assessment coverage, but insurance companies are no longer offering that much coverage. A proposal to address this issue will be provided at the April BOD meeting.

At the end of the GM’s report, Mr. Campolongo asked if the assessments would go up for GTP residents relating to the loss assessment issue? Mr. Odom replied that they would not go up for that reason. Mr. Warren Smith asked if we had budgeted for additional water in light of the upcoming irrigation project. Mr. Odom replied that the budget had been increased, but only time will tell if we budgeted enough. Mr. Lindsey asked if it was feasible to split out irrigation from other water usage, given that the sewerage portion of the water bill was the highest factor. Mr. W. Smith replied that the water company won’t let you do that...nor can you drill a private well without approval. Mr. Campolongo asked whether the amount of water we expected to use was the same as what we were recently losing in pool leaks. Mr. Odom responded that he was not sure. Mrs. Byers asked how much we expect to ultimately get back from bankruptcy cases. Mr. Gerard responded that we won’t get anything from Chapter 7 filings, but that we would likely get 100% of amounts due relating to Chapter 13 filings. Mr. Warren Smith noted that the GM’s report showed that 17 of 28 filings were Chapter 13.

b. SECRETARY/TREASURER. Mr. Campolongo reported that he had reviewed and was satisfied with the numbers. He lauded the General Manager for his work.

c. ARB. Mr. Yardman reported on the results of the ARB meetings held on February 15th and March 1st. Afterward, he provided the following February data:

Total new violations: 195
Total violation repaired this period: 212
Hang Tags issued: 80
Letters mailed: 180
Issues forward to GM or attorney: 55
Total current violations: 267

Mr. Yardman reported that the Architectural Review Board voted to recommend changing the property inspection procedures to address mailbox repair issues. Mr. Yardman explained that there are 20 current mailbox repair violations and our present process requires legal action if owner's don't comply. The ARB is proposing to give owners 15 days to repair mailboxes on their own (after proper notice), then having the Association perform the repairs/replacements and bill the owners for the work—in accordance with the Covenants. The ARB felt that the change would provide a quicker and cheaper resolution to mailbox issues. Mr. Gerard stated that, even though the Covenants allow it, he has been against the Association doing this type of work on people's property due to the risk of violence. Mr. Yardman replied that the ARB had considered that, but felt that it was even less intrusive than doing yards. Mr. Gerard added that some people don't know the regulations and some don't care that the Covenants allow for it. He has always advised only doing it on vacant properties. Mr. Campolongo stated that he understands Mr. Gerard's points and that we live in dangerous times. He added that the ARB Inspector is taking some amount of risk when putting hang tags on doors. Mr. Warren Smith stated that the Association needs to educate the homeowners through notices in newsletters, marquis, and on the web site...and give them 30-60 days warning. Mr. Lindsey asked Mr. Yardman about notification procedures. Mr. Yardman replied that the Association would send out notices via regular and certified mail—and provide 15 days from the date of the letter to comply. The notice would say that all costs associated with the repair/replacement would become a special assessment to the property. It would also give Mr. Yardman's name and number, and say that owners should call if they have questions or issues—just like we do for yards. Mr. Lindsey suggested that the owner be given an option up front to have the Association perform the work for a fee. Pastor Smith stated that problems might arise if the home was being rented to tenants. Mr. Lindsey asked how mail was sent. Mr. Yardman replied that it was sent both regular and certified to the owner, and a copy of the letter was provided via regular mail to the tenant. Mr. Warren Smith asked how pricing would be done. Mr. Yardman replied that all costs associated with the repair would become an assessment to the property. Mr. W. Smith stated that it would help if we knew how much it would cost in advance. Mr. Yardman responded that we will know about how much the various parts and labor would be—so we could provide a ballpark number. Mr. W. Smith asked about the special horse heads on Lion's Gate mailboxes. Mr. Yardman replied that we know of 2 sources for those. Mr. Corder added that if a mailbox were bricked-in, it might pose a problem. Pastor Smith questioned whether the Post Office would even deliver mail to the damaged mailboxes in question. Mr. Yardman responded that they are still getting the mail. Mr. Warren Smith motions to close debate. Mrs. Byers seconds the motion. Mr. Lindsey asks Mr. Corder to read the motion. Mr. Corder motioned “to approve an administrative change recommended by the ARB to modify the property inspection procedures to address mailbox repair/replacement issues in the same manner as lawn maintenance issues but with a compliance deadline of 15 days from the date of violation notice.” Mr. Campolongo seconded the motion. During additional discussion, Mr. Braddy asked what was the difference in cutting grass, cutting trees, or re-doing bricks. Mr. Corder replied that it was the amount of intrusion on the property. Mr. Lindsey stated that the proposal is simply trying to save time and money by by-passing the judicial system. Mr. W. Smith added that the proposal was a common sense approach, and that the level of intrusion was acceptable to ensure the Covenants are enforced. Mr. Lindsey added that it saves money, too. Mr. Gerard stated that the Association has the legal right to do it...he's just concerned about safety. Mrs. Byers asked if the Association would use its own staff for this. Mr. Odom replied that we would. Mr. Lindsey added that using the staff was the most cost-effective option. Mr. Warren Smith stated that we do not want any appearance of favoritism when it comes to using private contractors. He motioned again to close discussion. Mr. Lindsey called for the

vote. The Board voted to approve the motion with 7 votes in favor and one vote (Pastor Smith) abstaining.

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 four uncollectible accounts totaling \$2,424.77. Mr. Corder seconded the motion. There was no further discussion, and the Board voted unanimously to approve the motion.

b. **Election Timeline.** At the request of the President, Mr. Odom briefed the Board on a proposed timeline for the 2011 election cycle. Key dates are: candidate petitions are due by April 27th...ballots will be mailed on May 10th...and ballots are due in by June 13th. Mr. Odom added that all related documents had been updated and reviewed by our attorney. Mr. Warren Smith motioned to approve the General Manager's recommended election timeline. Mr. Corder seconded the motion. During discussion, Mr. Lindsey recommended that those interested in running should not procrastinate. At the end of discussion, the Board voted unanimously to approve the motion.

c. **Parking Lot Repair and Seal-coating.** At the request of the President, Mr. Odom briefed the Board on a proposal to award a contract to the Asphalt Doctor of Savannah in the amount of \$5,945.00. According to Mr. Odom, the contract would cover repair and seal-coating of the parking lots at both Clubhouses and that the work was scheduled and budgeted in line with the recent Reserve Study, Strategic Plan, and Capital Budget. Mr. Odom stated that 10 regional companies were solicited and that we received 3 bids. The Asphalt Doctor was the low bidder and was the only Savannah company providing a bid...the other two were from South Carolina and Macon, respectively. All three companies had the proper insurance, good customer feedback, and used the same materials and products. At the end of the brief, Mr. Campolongo motioned to approve the contract award to the Asphalt Doctor and to approve expenditure of up to \$6,250 from the Georgetown CSA Reserve Money Market Account. Mr. Corder seconded the motion. During discussion, Mr. Warren Smith asked if we had used the Asphalt Doctor before. Mr. Odom replied that we had not, but we had checked the company's references. At the end of discussion, the Board voted unanimously to approve the motion.

d. **Outsourcing Quarterly Mail-outs.** At the request of the President, Mr. Odom briefed the Board on a proposal to terminate the lease on our folding/stuffing machine and authorize an agreement with Minuteman Press to handle the printing, stuffing and mailing relating to our quarterly mail-outs. According to Mr. Odom, the 3-year lease on our mailing equipment is about to expire and, given that the Board voted 2 years ago to move from monthly to quarterly mailings, the folding/stuffing machine is only used 4 times a year. To renew the lease on it would cost \$376.43/month, and the quarterly cost would be \$1129.28. Mr. Odom said that he had solicited local print shops and found that we could get this work done for as low as \$614.55...a savings of \$514.73 per quarter. At the end of the brief, Mr. Warren Smith motioned to approve the outsourcing of quarterly mail-outs and the acceptance of the quote (\$614.55) from Minuteman Press. Mr. Corder seconded the motion. During discussion, Mrs. Byers asked if a full cost benefit analysis was done. Mr. Odom responded that we took all the tasks that did not have to be done by

our staff and put them in the solicitation and let the market forces prevail. Mr. Warren Smith asked how much labor was associated with this process. Mr. Odom replied that Mrs. Albright spends the better part of 2 days putting together statements and printing newsletters...and several staff members are involved in stuffing envelopes. Mr. Warren Smith commented that the man-hour reallocation justifies the outsourcing. At the end of discussion, the Board voted to approve the motion, with 7 voting in favor, and one vote abstaining (Mrs. Byers).

e. Appeal of Yard Maintenance Assessment by Ms. Sherry Butler, 115 W. White Hawthorne. Mr. Odom provided the Board with documents relating to Ms. Butler's appeal to include the notice letter, copies of postmarked envelopes (regular and certified mail), Post Office tracking results on the certified mail, and pictures of the property taken at the end of notice expiration and at the end of contractor-performed yard-cleaning. Mr. Lindsey asked the audience if Ms. Butler was present...and she was not. Mr. Lindsey asked the Board if they had any questions or comments on the matter. There were none. Mr. Warren Smith motioned to deny Ms. Butler's request to remove the \$90.00 charge relating to the cleaning of her yard. Mr. Corder seconded the motion. There was no further discussion and the Board voted unanimously to approve the motion.

6. OPEN DISCUSSION.

a. Ms. Gwendolyn Lowe of 17 Beaver Run asked the Board to give her until August 31st to have her driveway repaired. She explained her financial situation and said that it was going to cost up to \$4200 to get the work done. Mr. W. Smith motioned to allow Ms. Lowe until August 31st. Mr. Braddy seconded the motion. During discussion, Mr. W. Smith and Mr. Lindsey stated that they understood and sympathized with her situation. Mr. Lindsey asked what the real due date would be. Ms. Lowe said that she will work had to get it done sooner, but she needed to have the date set at August 31st. Mr. Lindsey stated that the Association should get a 90-day status report. Mr. Campolongo stated that we're giving 180 days with a promise to perform...and that's a throw of the dice. He added that we need a more reasonable time frame. Mrs. Byers asked if Ms. Lowe could come back to the Board with more details regarding bids and budget, and added that it may be too soon to make a decision on this request right now. Ms. Lowe stated that she had recently obtained a part-time job and that a portion of those earnings would be applied each week to a fund to pay for the driveway. Mrs. Rabbitt stated that she agreed with granting the request, but wondered what precedent it was setting. At the end of discussion, the Board voted to approve the extension to August 31, 2011, with 7 votes in favor and 1 vote abstaining (Mr. Campolongo).

b. Mr. Shea mentioned that some local yard maintenance companies are disposing of debris down the storm drains, and that garbage trucks are dripping fluids. He also stated that solicitors are on the rise. Mr. Odom added that he had spoken to one garbage contractor in the past about this. The response was that the garbage companies can't control what things people put in their garbage bags. If there are fluids, they will spill out the vent holes in the bottom of the truck when the garbage is compressed. Mr. Odom also thanked Mr. Yardman for his support in dealing with solicitors.

c. Mr. Warren Smith mentioned that our landscapers had done a "drive-by" of his cul-de-sac this week and did not perform any work. Mr. Odom stated that he would address it.

7. ADJOURNMENT. At 9:15 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.