

**MINUTES OF THE ANNUAL ELECTION AND ANNUAL MEETING
PINE RUN CONDOMINIUM ASSOCIATION, INC.
TUESDAY, FEBRUARY 4, 2020
7:00 P. M.**

Prior to the beginning of the meeting, a Commercial Representative from Brown & Brown discussed policies in place and a Residential Representative from Brown & Brown discussed recommendations to owners.

The meeting was called to order by the President, Keenie Bugenhagen, at 7:30 P. M. at the Association Clubhouse. A quorum was announced with 77 owners represented by proxy or in person. Proof of Notice of Meeting was submitted. Present from Management were Jim Kraut and Jackie Wood.

Keenie Bugenhagen welcomed all those present, thanked them for coming, and introduced herself and the Board of Directors. The Annual Meeting needs to be Chaired by a non-Board member. Pat Foley was asked to Chair the meeting. Mrs. Foley accepted.

Reading and Approval of Minutes of the Last Annual Meeting, February 5, 2019: Hearing no objection, the Minutes of the Annual Meeting of February 5, 2019, were accepted as presented.

Appoint Inspectors of Election: Jim Kraut and Jackie Wood agreed to be the Inspectors of Election.

Items on the Limited Proxy/Ballot were reviewed, owners were given an opportunity to speak on the items being voted on. Limited Proxy/Ballot forms were collected.

REPORTS OF OFFICERS AND COMMITTEES

Secretary: Karen Stone read her report, a copy of which is attached and made a part of these original minutes.

Maintenance: Tom Foley read his report, a copy of which is attached and made a part of these original minutes.

Q. When will the fencing in Section 1 be done?

A. Waiting for FPL to mark the utility lines.

Vice President: No report.

Treasurer: Owen Hodge read his report, a copy of which is attached and made a part of these original minutes.

President: Keenie Bugenhagen read her report, a copy of which is attached and made a part of these original minutes.

Pat Foley recognized Kate Koski, who had served on the Board for seven years, and retired from the Board this past year for personal reasons.

FINANCIAL REPORT

The Association books are with the CPA. A copy of the year-end report will be made available with the Annual Meeting minutes.

UNFINISHED BUSINESS: None.

NEW BUSINESS

Approval of carry forward of operating surplus (if any) into 2020 operating budget.

FOR 76 AGAINST 0 PASSED.

The Board of Directors recommends approval to borrow funds from the Reserves during the year 2020 to be used for payment of insurance premiums. Reserve borrowing would occur no more than once annually and be repaid within the same calendar year.

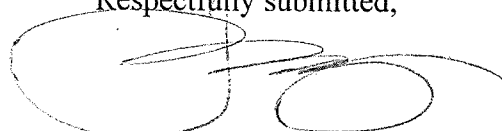
FOR 76 AGAINST 0 PASSED.

Announcement of New Directors: Tom Foley, Pat Hamilton, Owen Hodge and Karen Stone were announced to have been elected for two-year terms each. Kip Kellogg was appointed to the Board to fill a vacant seat.

Open Floor: None.

There being no further business to bring before the membership, the meeting was adjourned at 7:59 P. M.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Jacalyn K. Wood', written over a faint circular stamp or watermark.

Jacalyn K. Wood
For the Secretary

Secretary's Report for
Board Meeting
February 4, 2020 at 7:00 PM

A. Statistics

1. Sales from January to December:

- a. 2018: There were 17 sales, a percentage of 12 based on 147 units total
- b. 2019: There were 19 sales, a percentage of 13 based on 147 units total

2. Leases from January to December:

- a. 2018: There were 13 leases, a percentage of 9 based on 147 units total; 5 of the units were leased twice (2) by the same owner and 1 was leased three (3) times.
- b. 2019: There were 26 leases, a percentage of 18 based on 147 units total; 7 of the units were leased twice (2) by the same owner and 3 were leased three (3) times.

3. Visitors from January to December:

- a. 2018: 8 visitors
- b. 2019: 9 visitors

B. Orientations

1. I am finding that some renters have rented in Pine Run before and don't feel they need an orientation. For that reason, I would like to add the following to our lease application:

"Have you been a renter at Pine Run within the past 2 years? Yes _____ No _____"

2. Orientation packets have been updated as follows:

- a. The welcome letter has been updated by Keenie to include the new recycling information as a visual.
- b. The checklist of things to do when leaving your unit for a week or more has been updated by Damon.
- c. A biography form was developed by Keenie to be used by residents who would like to share their background/skills as a way for the community to get to know each other.
- d. I will ask Keys-Caldwell if the the bio form and the email/directory forms could be made a part of their website packet for sales applications. Otherwise, these would become a part of the orientation.

C. New Directories

I will begin working on the new Directories this month and will request information from Keys-Caldwell regarding changes in ownership. People not wanting to be in the directory will only have their name and unit number published.

Annual Meeting Report

- ✘ Everyone on the board has contributed to the creation of a maintenance schedule that is broken down into responsibilities that occur:
 - Daily
 - Twice weekly
 - Weekly
 - Monthly
 - Quarterly
 - Biannually
 - Annually
 - Three year and six year
- ✘ Owen created a check off table that indicates both the last time and the next time the work will be performed
- ✘ The BOD also created an assignment sheet that indicates if Pete or Walt or both are responsible for the items on the responsibility list
- ✘ Our weekly maintenance reports have become regular and routine
- ✘ We have come a long way in cleaning out a backlog of work orders
- ✘ We implemented a time clock finger print sign in process that we are slowly working the bugs out of. The time sheets go directly to Keys Caldwell
- ✘ A subset of the BOD met with our crew for evaluations and all of the above helped to inform that process and will help even more as we iron out those aforementioned bugs bugs
- ✘ Steve Ross agreed to take over maintenance responsibility when I am up North and, depending on the board assignments that we will establish after this meeting, I expect some sharing of responsibilities will continue
- ✘ Lastly I want to say that unit owners have to realize that a building rehab which encompasses roofing, fascia, gutters and painting has an inviolable order of operations. Couple four contractors with the weather and this requires patience and understanding. People also have to appreciate that the above mentioned work-orders sometimes have to take a back seat to unexpected problems that crop up.

February 4, 2020 Pine Run Annual Association Meeting Treasurer
Report: Owen Hodge

2020 Financials

* In order to avoid paying interest on a bank loan, we will borrow from our reserves to pay our insurance premium, as we have been doing the past few years, This requires a vote by the Pine Run Association membership. The board recommends that we approve.

* A vote of Pine Run owners is required in order to carry any budget surplus over from 2019 to 2020. The board recommends that we approve.

* Our greatest Pine Run financial asset is simply that we, as owners and members of the Pine Run Association, pay our assessments reliably on time month after month. There are 147 units in Pine Run. According to our yearend financial report, assessment payments are current with 145 units. One unit is past due for one payment. Only one unit, in section 2, is seriously in default. The deficit is now \$8000. The association is pursuing legal action.

* Reserve levels are at the expected amounts for all of the Pine Run budget categories except Small Pool. This means that the multi-year roof replacement project will continue on schedule. The reserve funds for this will be supplemented by special assessments in sections 1 and 3. As to the small pool, just in the past month we have learned that the all of the heat and pump equipment needs to be replaced and it should be done soon. We currently have \$11,000 in small pool reserves. We may need as much as \$10,000 more for the necessary upgrade. Small pool reserve funds increase at a very slow monthly rate of \$118 a month. If a special assessment of \$10,000 is needed, that could be accomplished with a one-time payment of about \$70 for most owners. In the spirit of let's get it done I would recommend we consider this at our next board meeting.

* Due mainly to severe unexpected drainage problems in the swale the 2019 commons expenses are \$30,000 over budget. Legal, audit and accounting expenses are also substantially over budget. All of this was offset to a considerable degree by tree trimming and removal expenses that were more than \$20,000 under budget.

- * Small Pool operating expenses are \$3234 below budget.
- * Recreation: Large Pool expenses were \$5527 over budget. The total deficit for recreation operations expense is \$6140. On the positive side, the pool deck has been completely and beautifully replaced and there have been substantial repairs to the pool equipment. We will be replacing the clubhouse electric panel soon. What that is done the recreation budget should be easier to maintain.
- * Operations expenses for the three Pine Run sections are related to insurance, water, electricity and repairs. Section 1 operations expense is \$1,110 over budget. It is clear from the meter data that there is a serious ongoing section 1 water loss issue that we are now trying to locate. Section 2 expenses are \$3377 under budget. However, the section 2 electricity bill is \$850 over budget. Compared to other items this is not a lot. However it is 50% over what was expected. We need to check the section 2 electricity meters. Section 3 expenses are \$5150 under budget.
- * The total 2019 Pine Run operating budget was \$1,128,252. The total amount over budget was \$30,489. That comes to 2.7% over budget for operations expenses in 2019. (To compare, in 2018 operations expenses were 2.8% under budget.) We have addressed some of these 2019 deficits in our 2020 budget. Careful fiscal management will be important this year.
- * Insurance comprises 3/8 of our annual operations expense. The premiums kick in at the end of June. In June of 2019 we moved our insurance contract to the firm of Brown and Brown. The reduced cost of the new policy means we are \$4500 under budget for insurance at the end of 2019. Since this new policy runs until the end of June in 2020 we were able to reduce our 2020 insurance budget and still be prepared for the typical annual 5% increase in insurance costs.

Overview

This is my 6th Pine Run Association annual meeting treasurer report. I thought I might make a comment or two relevant to that 6 year span instead of focusing only 2019 and 2020. A common board goal throughout these years has been to maintain the integrity of our grounds and buildings. For sure it is never possible to completely resolve every problem quickly. We have done our best to set priorities

and then honestly and realistically evaluate appropriate assessment levels. One thing I have very much appreciated is the positive response from board members and owners to establishing and maintaining our multi-year roof replacement project. I believe we have a healthy community agreement in Pine Run that yes, this is expensive, but we are all the better for getting it done even when special assessments are needed to maintain the pace of the project. Another benefit of the roof project has been that in 2019, for the first time since I came on the board, Pine Run was able to attract a quote from more than one insurance carrier.

It seems to me that in 2020 it is time to expand on the idea of planning ahead for more than one year. If a multi-year plan is working for roofs it can work for other things. There are certainly some problems that have had to be put off being addressed longer than any of us would like. We should try to establish some new long range plans possibly starting with fences, invasive tree removal, and more Florida friendly planting. It would be to everybody's advantage to have clearly stated plans that identify what needs to be done, what it costs, and when it can be taken care of. We might consider providing more opportunities for community participation by having committees to gather information and formulate plans to be presented to the board.

In closing I want to add how much I appreciate Keenie Buggenhagen's contribution to Pine Run through her 4 year tenure as board president. As treasurer it has been essential to have that second pair of eyes going over the financial reports, picking up some details I might have missed and asking the right questions. Her knowledge, skill, and enthusiasm for Florida native landscaping gets at the heart of what can keep Pine Run in harmony with nature. Thank you Keenie.

PRESIDENT'S ANNUAL REPORT 2020

The past year has brought many positive changes to Pine Run. Some of these things were large and some not so large. Some were planned, and others were the result of unexpected emergencies. Some happened quickly, and others are still a work in progress.

Our primary focus has been to continue with the roofing project, which includes upgrades to fascia, stairs, rails, fences and painting. Buildings B, 9 and 10 were completed, except for a few gutters and downspouts. Those are being slowly installed, with the end in sight. Work on Buildings C and 2 is continuing at a steady pace. We are set for Buildings A, D and 6 to be completed during the year. This will mean that twelve of our seventeen residential buildings will have roofs to code. The recreation area has also seen improvements. The new fountain in the lagoon is the most obvious. There is a new air conditioning unit in the exercise room. The badly rusted paper towel dispensers and garbage cans were removed from the walls of the locker rooms and replaced, and the areas were repaired and painted. A new bicycle rack was built for the tennis courts. A gas meter has been installed in preparation for the new grill and fire pit area. The heater in the small pool was replaced. An electrical panel in Section 3 had to be replaced, at substantial cost to that section. Dryer vents in Section 3 and the clubhouse were cleaned, meaning that all dryer vents that are the responsibility of the Association have now been cleaned. The eastern property line is looking much improved over what it was a year ago. The plants now tower over the fence in most areas. The areas in the entry and along Blackburn Point Road that were cleared of invasives and replanted in previous years have really filled in.

New agreements have been made, as well. We changed insurance companies, resulting in a significant savings. Our shared use agreement with Blackburn Point Woods for the recreation area has been renegotiated. We have a new landscaper. A second pool service now checks pool chemicals on weekends, since 7-day a week testing is now being enforced.

There are several ongoing issues that will require attention on the part of the Association. While pickleball play has resumed, we need to continue to work with legal counsel to resolve the HUD complaint. We are awaiting Florida Power and Light so that the replacement of the electric panel in the clubhouse can be scheduled. Both the moving of the fence and the installation of the gas line for the grill and fire pit are on hold until all utility lines have been marked. The pump for the small pool needs to be replaced, so how it will be funded must be determined. The needed swale work and bamboo removal on the northern border is too expensive to be all done this year, so must be broken down into a 2-year project. The work started by the committee outlining exactly what is, and what is not allowed on limited common elements needs to continue with legal counsel so that the rules are clearly defined and enforced. A discrepancy in electric costs between the sections needs to be investigated. Lastly, we need to continue with the legal action against the delinquent account in Section 2.

Looking forward, it is going to be very important to prioritize what projects most need our limited funds and time. While I will no longer be directly involved as a board member, I would like to share my thoughts on this. My time on the Board of Directors, especially as president, has not only given me new wrinkles, but I hope imparted some wisdom, as well. Restoring and maintaining the integrity of the buildings needs to be the number one focus. This has and will continue to require discipline to make sure that once the roofing project is complete, that the schedule for painting buildings is followed.

Ensuring proper drainage to avoid flooding during heavy rains is part of this commitment. I caution against trying to do too much at once. Every year we have unforeseen problems develop that require large amounts of money. It is important that the Association not overwhelm itself financially, leaving no cushion to respond to these emergencies without overtaxing the budgets of our residents. We do not want to return to the times of having many units in arrears. Landscaping needs to be rethought and simplified, or it will be a money pit that is the undoing of the Association. We have approximately twenty-seven acres to be maintained by 147 owners. We should move forward in a manner that is less reliant on water and requires less work to maintain. Plantings need to be carefully evaluated, with a focus on returning to a more naturalized setting. The current situation is contributing to rodent and termite problems and plumbing and other building issues and is not sustainable.

It has been an honor to serve on the Board of Directors over the last six years. I have learned a lot. While the challenges are many, I am confident that we are moving in the right direction. Damon, Owen, Karen, Tom and Steve will continue to ably serve on the Board. Kip's recent return is a welcome addition. I am sure that Pat will bring the new perspective and expertise that all boards need on a regular basis. I would like to thank my fellow board members, everyone at Keys-Caldwell, the maintenance staff, and the many residents who have offered help and support during my tenure. While I am stepping down, I am not going away, so I will continue to stay involved. The functioning of an Association requires positive input from many people, and I encourage all owners to be active participants.

**MINUTES OF THE MEETING
BOARD OF DIRECTORS
PINE RUN CONDOMINIUM ASSOCIATION, INC.
TUESDAY, FEBRUARY 4, 2020
8:00 P. M.**

Present: Thomas Foley, term expiring 2022
Patricia Hamilton, term expiring 2022
Owen Hodge, term expiring 2022
Karen Stone, term expiring 2022
Steve Ross, term expiring 2021
Damon White, term expiring 2021
Absent: Kip Kellogg, term expiring 2021

Present from Management were Jim Kraut and Jackie Wood.

The meeting was called to order by the Acting Chairman, Jim Kraut, at 8:00 P. M. at the Association Clubhouse, a quorum being present. Proof of Notice of Meeting was submitted.

Hearing no objections, officers were appointed as follows:

President	Kip Kellogg
Vice President	Damon White
Secretary	Karen Stone
Treasurer	Owen Hodge

Approvers of the invoices continue to be: President, Treasurer, Jim Kraut and Jackie Wood.

Maintenance and Recreation Board liaisons will be Tom Foley and Steve Ross.

Landscape Board liaison will be Damon White. Keenie Bugenhagen will Chair the Landscape Committee.

The Board meetings will remain the 4th Thursday, 8:30 A.M. at the clubhouse.

There being no further business to bring before the Board, the meeting was adjourned at 8:07 P. M.

Respectfully submitted,



Jacalyn K. Wood
For the Secretary