

Revised
BOARD OF DIRECTORS MEETING
PINE RUN CONDOMINIUM ASSOCIATION, INC.
January 21, 2016
4:00 PM Pine Run Club House
AGENDA

- I. Call the Meeting to Order.**
- II. Determination of Quorum.**
- III. Proof of Notice of Meeting.**
- IV. Resignations and Appointments.**
- V. Approval of Minutes of December 17, 2015**
- VI. BOARD REPORTS**
- VII. OLD BUSINESS**
 - a) Pine Run Supervisor of Maintenance Evaluation final form**
 - b) Unit 366**
 - c) Grounds Modification Request Reconsideration Unit 351**
 - d) ARC request Reconsideration Unit 106**
- VIII. NEW BUSINESS**
 - a) Compliance Committee Hearing Recommendation**
 - b) Motor Scooter violation Unit 113**
 - c) Door color request Unit 755**
 - d) Grounds Modification Request Unit 114**
 - e) ARC request 108, 233 and 304**
- IX. ADJOURNMENT**

**MINUTES OF THE MEETING
BOARD OF DIRECTORS
PINE RUN ASSOCIATION, INC.
THURSDAY, JANUARY 21, 2016
4:00 P. M.**

Present: Pat Foley, President, Keenie Bugenhagen, Vice President, Owen Hodge, Treasurer, Peter Campanelli, Secretary, Kip Kellogg and Kathleen Koski, Directors, Jim Kraut for Management and owners in the audience. Absent: Chris Saffici, Director.

The meeting was called to order by the President, Pat Foley, at 4:01 P.M. at the clubhouse, a quorum being present. Proof of Notice of Meeting was given with Notice and Agenda posted at least 48 hours in advance. All motions at this meeting were unanimously passed with all Directors present voting in favor of the motion, unless otherwise noted.

Resignations and Appointments: Brian O'Grady has resigned from the Compliance Committee. The Board needs to look for his replacement as well as alternate members.

Reading/Approval of Minutes of the Board of Directors Meeting of December 17, 2015: MOTION was made by Owen Hodge and seconded by Kate Koski to approve the minutes of the Board of Directors meeting of December 17, 2015, as presented.

MOTION PASSED.

BOARD REPORTS

Vice President/Landscaping: Keenie Bugenhagen read her report which is attached and made a part of these original minutes. There will be a vine cutting work party in February.

Treasurer: Owen Hodge read and reviewed his report, which is attached and made a part of these original minutes. Only Section I will vote on the chairlift for the Recreation Building.

Secretary: Peter Campanelli read and reviewed his report, which is attached and made a part of these original minutes.

Maintenance: Kip Kellogg read his report, which is attached and made a part of these original minutes. 1). Tom Foley will work with the maintenance staff tomorrow to complete the installation and coding of the new punch code door locks. The code for all locks, except the clubhouse, was included in the second notice of the annual meeting. 2). Next month a reminder about proper trash disposal will be given to all owners. 3). Blackburn Point Woods has requested that work be done on the sidewalks and storage yard at the Recreation Building. 4). H & H Signs has provided samples of new signage for the Board to review. 5). In February, the maintenance crew will start a weekly building rotation to address outstanding work orders.

Directors.

1. Kate Koski: The Social Club had a luncheon for new owners and renters last Tuesday. The event was a great success with 35 people attending. Club members talked about the need for volunteers within the community.

President: Pat Foley reported that 1). The new laundry machines for the laundry rooms in the 300 and 700 buildings, should be delivered before the end of the month. 2). The bikes locked to the light poles in the 300's are there because of the painting being done at Building A. 3). The louver repair/replacement at Unit # 308 is almost complete. Unit # 703 will be done next. 4). The new punch lock codes has been sent to all owners with the second notice of the annual meeting. 5). The request from Unit # 363, for statues and rocks, has been denied and the items are being removed. 6). Management needs to look at paint charges for Sections I and III, and make

adjustments as needed. 7). Utility bills seem to have been properly allocated. 8). Management needs to see if the Association received credit for water lost by draining the swimming pool for repairs. 9). The Association is over budget in legal expenses because of ongoing issues with Units # 364 and # 366.

UNFINISHED BUSINESS

- a. Pine Run Supervisor of Maintenance Evaluation Form: Tom Foley provided the Board with the form and rating system. The Board members were asked to have the form completed using the rating formula by the March Board meeting.
- b. Unit # 366: The President reported that the occupant of Unit # 366 has not returned the rental application provided before the December Board meeting and appears to be renting the unit. The owner of the unit is reportedly publishing a foreclosure notice for non-payment of the mortgage.

MOTION was made by Owen Hodge and seconded by Kate Koski to begin the process of seizing the rent from the tenant of Unit #364, or if not possible, to begin the eviction process.

MOTION PASSED.

- c. Unit # 351 Grounds Modification Request: MOTION was made by Keenie Bugenhagen and seconded by Kate Koski to approve the GMR from Unit # 351, as amended by the Board.

MOTION PASSED.

- d. Unit # 106, ARC Request: The owner of Unit # 106 was contacted by Kip Kellogg but no additional information was provided. No further action will be taken at this time.

NEW BUSINESS:

- a. Compliance Committee Hearing Recommendation: This issue will be placed on the next Board of Directors agenda. The noncompliance issue with Unit # 364 will be addressed after proper action has been taken by the Board.
- b. Motor Scooter Violation Unit # 113: MOTION was made by Kate Koski and seconded by Kip Kellogg to define two scooters as one vehicle and to allow the owners of Unit # 113 to park their two scooters in their carport space throughout the year.

MOTION PASSED.

- c. Door Color Request Unit # 755: Keenie Bugenhagen, Kip Kellogg and Kate Koski will work with owner volunteers to provide a list of paint colors for front doors and styles of screen doors and present those recommendations to the Board of Directors at the March Board meeting.
- d. Grounds Modification Request Unit # 114: MOTION was made by Keenie Bugenhagen and seconded by Kate Koski to approve the Grounds Modification Request form for Unit # 114, as presented.

MOTION PASSED.

- e. Arc Requests for Units # 108, # 233, # 304: 108: MOTION was made by Owen Hodge and seconded by Kate Koski to approve the installation of pavers in the entry courtyard, as presented.

MOTION PASSED.

Unit # 233: MOTION was made by Keenie Bugenhagen and seconded by Kate Koski to approve the ARC request for Unit # 233, for toilets, faucets, vanities and floor coverings, as presented.

MOTION PASSED.

Unit # 304: MOTION was made by Owen Hodge and seconded by Keenie Bugenhagen to approve the ARC request for like for like door replacement for Unit # 304, as presented.

MOTION PASSED.

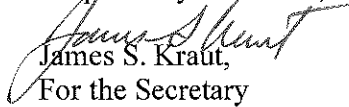
Public Comment: None.

MOTION was made by Kate Koski and seconded by Keenie Bugenhagen that the meeting be adjourned.

MOTION PASSED.

The meeting was adjourned at 5:58 P. M. The next scheduled meeting of the Board will be the annual meeting, on Tuesday, February 2, 2016, at 7:00 P. M., in the clubhouse.

Respectfully submitted,


James S. Kraut,
For the Secretary

February 2, 2016 Pine Run Association Annual Meeting Treasurer Report: Owen Hodge

2015 Recap

Reserves The increase in Pine Run reserve funds from the end of 2014 to the end of 2015 is \$118,000. Overall we are accumulating reserves at a significant rate but not enough to avoid special assessments in all three sections this year. The building restoration funds have been drawn down during the last several years and building restoration, mainly for stairways, is what will be taking place again this year. Reserve funds are dedicated, so, for example, roof funds may not be applied to building restoration. The only way to pay for the 2016 restoration work is by special assessment. (Funds for roof replacement are now close to \$350,000. When we start replacing roofs we will have a strong reserve to start with.)

Also regarding reserves, we resurfaced the pool in 2015. The cost was \$15273. The pool and pool deck reserves have been spent down to zero. This in itself is not alarming. Reserves always go down when there is major work. However, the replacement was needed sooner than expected so we will need to keep an eye on the condition of the pool.

Operating Expense We are awaiting the auditor's definitive report but it appears that operating expenses for 2015 were well within the budget.

2016

The budget process for a condo association is a patient process. The budget for 2016 is now in place and provides the financial parameters within which the board will act for the rest of the year. A great deal of the board finance conversations in 2016 will be about how to plan for the next five years. Here are three longterm factors that we will be considering.

1. Roofing and Irrigation

The estimated remaining life for irrigation in all three sections is 4 years.

The estimated remaining life for roofs and painting for all three sections is 5 years. We will need to choose between less expensive roofing with a shorter life or longer lasting roofing that is more expensive. If we carefully manage our finances over the next five years and complete all of this work we might be moving into a stretch of time when no such large-scale expenses are expected. Once this work is accomplished, there will be nothing on the reserve to-do lists with an estimated life of less than 8 years. We have some careful and patient planning to do. This year we will be working hard to devise a long term plan that addresses needed renovations and improvements in an affordable and fiscally responsible way.

2. Insurance

The single most dominating budget expense is insurance. It accounts for a third of the budget. The current contract is for \$283907. By increasing the deductible this year, we have avoided an increase in our annual rate. When the insurance rates inevitably increase, we will have some important decisions to make. The heart of the matter is whether we attempt to keep the monthly assessments constant and reduce our operating expenses, or whether we increase the assessments. It would be wise to start planning for these insurance increases before we are confronted with them.

3. Quality Of Life at Pine Run

We are already engaged in the first steps of eliminating invasive species in Pine Run. This will be an ongoing program and the result will be a Pine Run that is even more pleasant to live in. It will have a positive effect on property values. We might consider other landscaping improvements or things like upgrading the lighting along the parking areas and walkways in Pine Run. This is not a recommendation for any action. It is a suggestion that we might all benefit from what could be a rewarding conversation about quality of life in Pine Run.

LANDSCAPING REPORT JANUARY 2016

Our maintenance crew filled in the area by the tennis courts with top soil, and laid sod there. Sod was also laid in the areas where the old mailboxes were located, as needed.

After looking over property lines online, it has been determined that the dead slash pine behind the 700's is on our property. There is another long-dead tree behind it. I have sent a request for a bid for removal to three different tree companies. I asked each of them to also give a price to have the second tree removed at the same time.

The bella palms purchased to screen the portable pump this summer were planted.

We are working on display boards of invasive plants and native plants. These will be ready for the annual meeting, and will be used throughout the year at association functions to educate residents about desirable and undesirable plant species.

The lawns were fertilized in December. No fertilization is scheduled for this month, but the turf and plants will be inspected and treated, as necessary.

This has been a difficult month for landscaping. Fridays have not been very productive, with holidays and rain. This past Monday was devoted to cleaning up after the weekend storm, including cutting up and removing a carrotwood tree that was blown down in the 200's. As a result, mowing and other projects are behind. The weather forecast

for tomorrow does not sound promising. Routine mowing and trimming will be caught up as soon as possible.

Our maintenance crew has been helpful with both the laying of sod, and tree removal this month.

Maintenance Report January 2016

Happy to proclaim that the best part of this report, is saying that we dodged the bullet in regards to the tornado. Two or three trees and one blown out window were all that hit us.

Considerable time was spent on a water main break in the 300's. A temporary seal was applied on Jan. 15 by Ron Horn plumbing, after help from Sarasota County. As a courtesy, we suggested residents in the 300's boil water the following morning until enough water could run through the pipes. Our work to finish the job was completed on Jan. 19th.

*105 New light *111/113 Lots of work by our staff and Ron Horn plumbing in regards to decay to the main stack *141 gutter cleaned and reattached.

*210 Roof leak repaired *228 New light *227 Second story window damaged by our work staff repaired *Small pool bathroom plumbing leak just discovered. Will necessitate a re-pipe through the pool house

*Painting has begun in the 300's. Work will continue when the weather cooperates. We thank the residents and guests for the disruption to their lives while we make slow progress *359 Shower leak fixed *354 Ceiling leak and roof repair *305-307 Complete rebuild of the second floor outside patio in order to solve leak into the neighboring downstairs unit *Re-pipe the laundry house adding a fresh water spigot

*713 Electric wiring and new light *714 Light fixture sensor *715 Removed large Norfolk pine

CALENDAR YEAR 2015

NUMBER OF UNIT SALES.....21

NUMBER OF RENTALS.....41

Includes:.....10 Annual

2 Carports

NUMBER OF NON-OWNER USE.....13

Submitted: January 21, 2016

REAL ESTATE MATTERS

Lenders have issues with condos

By Bruce Glink
and Samuel J. Tamkin
Tribune Content Agency

Q: I caught an article of yours from a year ago on The Washington Post website. You make the claim, which I've heard often, that for owners looking to reside in a condominium project, lenders will not impose any rental restrictions on the project. That is to say, like you said, someone looking to buy into a project with 99 percent rented units will not be turned away by financing.

Then I've heard the opposite, that no matter the buyer-type, if a project has more than the limit number of rental properties (which is pretty low), then the whole project is ineligible for Fannie Mae financing, including for prospective buyers looking to reside in the project as

their home.

I keep coming back to a description on the Fannie Mae website that lists ineligible project information and that the number of rental units impacts the ability to lend to borrowers in those developments (<https://www.fannie.mae.com/content/guide/selling/b4/2.1/02.html>).

I don't know if this condition conflicts with any other, but I feel trapped because there are so many renters. Whenever I dream of selling, this problem turns it into a nightmare.

A: We don't believe we've said that there aren't any restrictions on financing when it comes to buying property. In fact, FHA, Fannie Mae and Freddie Mac all impose some restrictions on the ratio of rented units and owner-occupied units.

If you have a project that

is 100 percent leased out, the first buyer to come in might have one heck of a time trying to get conventional financing. That is to say, that first buyer may find most lenders turning down the loan, not because the buyer has bad credit or can't afford to buy the condominium unit, but because the lender doesn't want to get stuck as the sole owner in a building that is mostly a rental building.

Consider the following, if you are a homeowner looking to buy a condominium unit, the traditional lender won't want to lend you money if the building you're buying into is more like a hotel or a timeshare development than a residential building occupied by its owners.

Your confusion with the documentation you saw online is that Fannie Mae and Freddie Mac use a

system to approve condominium developments in advance. If your condominium development is approved, you may not see any restrictions or ratios on leasing units in the building. But the key there is that you must have the condominium development approved in advance with Fannie Mae and Freddie Mac or by the lender giving the buyer a loan on the purchase.

At one time, lenders required a high percentage of condominium units to be owner occupied, but since the Great Recession, many lenders have allowed purchasers to move forward on loans as long as the condominium development was at least 51 percent occupied with the owners using the condominiums as a primary residence or second home.

Keep in mind that the rental number is just one of many issues lenders have with condominiums. Among others is the amount of reserves the association has on hand for major repairs and expenses and that at least 10 percent of the annual budget goes towards the reserves of the association. Lenders are finding that they would prefer to give out mortgages on buildings that are well managed with ample reserves and are not involved in litigation that could harm the association.

It's the whole package deal they are looking at and not just the number of rental units in a building. If your building has at least 51 percent of its units owner-occupied, association has good reserves, your budget has a line item contributing 10 percent of your budget towards your reserves, and your building is not involved in