

**TWIN SHORES BEACH AND MARINA, INC.**  
**MONTHLY TREASURER'S REPORT**  
**February 20, 2014**

Date of Accounts: January 31, 2014

Operating account:_____ \$ .....	\$ 97,768.23
Money Market_____ \$ .....	\$ 80,418.59
Petty Cash_____ \$ .....	\$ 123.26
Special Assessment_____ \$ .....	\$ 18,302.07

**TOTAL.....\$196,612.15**

**Loan Balance on Special Assessment 1/18/14.....\$222,770.38**

**Villa Reserve Account : 1/10/2014.....\$13,644.03**

**1. The Florida Shores Bank has been sold to Stonegate Bank. This bank is located on the East Coast of Florida and is expanding along the West Coast. I have been assured nothing should change as well as all personnel will remain the same.**

**2 . As of February 17, 2014 there is a total of \$3,028.00 due in HO's fees, Special Assessment, Late Fees and Administrative fees from 4 Shareholders.**

**3. We have a number of people paying in advance. As of February 10, 2014 there is \$8,979.92 prepaid in Special Assessments and HO'S fees.**

**4. Anyone with fees due will not be approved for renting their unit. The Management Company charges an administrative fee of \$10 per bill. In addition, late fees are \$25 . This has definitely helped in timely payments.**

**5. I have received a few request for taxes and interest paid in 2013 by Twin Shores. On advice from our accountant, we will not be passing on interest or taxes paid by Twin Shores this year. According to her, these can only be taken by the entity paying them. She said we are not set up as a pass through Association.**

**6. I would like to request permission from the Directors to move \$10,000 from the Special assessment account, currently at \$18,302.07, to further pay down the current Loan Balance.**

**Mandy Brewer, Treasurer, Twin Shores Beach and Marina**

# **FINAL REPORT**

## **2013/14 RENTAL COMMITTEE**

The Rental Committee, consisting of Trish Kelley, Janet Delande, Nancy Cornuke, Dick Kaufman, Barbara Ann Manning, John Brewer and Penny Koerner, with Elaine Rufener as the board liason, has met regularly since November. This is our final report.

The purpose of the committee has been to explore perceived issues surrounding rentals in the park and how to ameliorate those issues. Opinions in the park on how to deal with these perceived issues have ranged from banning rentals to doing nothing, with other suggested solutions covering the gamut between those two extremes.

As a starting point, Penny Koerner, as chair of the committee, spoke with Scott Gordon, the park's attorney, about the legality of terminating rentals and/or restricting them. He said that there was no legal prohibition to terminating leasing or restricting it. That would not, however, mean there would be no legal or other consequences for doing so. A discussion followed as to whether Florida law would see the elimination of rentals as a taking of a property right of owners who rent. Scott did not think a court would rule that way but also felt that wouldn't prevent lawsuits were we to take such drastic action. He also noted that he would not recommend such action because of the acrimony it would produce.

With that as a background, the committee began by identifying the issues. The most consistent complaint by people is that they don't know the people in the park anymore and they attribute that to the number of renters. The second major issue is the belief that participation in social events and management of the park is down. The larger concern regarding participation is that it is becoming difficult to get a quorum for the annual Shareholders Meeting and to get people to serve on the board. In addition, there were secondary issues identified by the committee related to renters and their guests (i.e., too many in a unit at one time and a revolving door of guests visiting renters).

The next step was to examine whether the identified issue was indeed the result of rentals or whether it had some other genesis. With respect to the first issue, we looked at how many rentals there are in the park, who the renters are and how many are long term renters vs. new renters. Then we looked at how many new owners we have in the park. Our analysis showed that there are currently 45 total rentals, 8



of which are duplicate rentals, meaning a unit is rented more than once during the year (one being rented three times). So that means a total of 38 units are rented. Of those 38 rentals, two (2), Nos. 21 and 51, belong to the park, two (2) are the Duplex and four (4) are owned by folks who own a second unit that they occupy, plan to occupy in the future or have occupied. Seven of those units then are, by their nature, intended as rentals and, under most circumstance, would continue to be so. That leaves 31 other rentals, four (4) of which are Villas (with four (4) more such units to come on line when the south side is done, all of which units may or may not be rented in the future). Of those 31, at least 14 are long term renters who have rented seasonally or annually for multiple years.

What does all that mean? We'll always have some number of units that are by their very nature rentals. That number could go down with the sale of 21 or up if an owner or owners purchased second units, which is allowed under our rules. Of the 31 other existing rentals, there are at least 14 renters who are very integrated into the community because of longevity or family history. That leaves 17 or fewer seasonal renters with little or no history with the community. The committee feels strongly that this is the new reality in the park and, in fact, the numbers probably will increase. We have lost a number of long time residents and, frankly that trend will continue. This will prompt sales, some third party and some will be familial transfers. Children of deceased residents who inherit a unit may or may not be at the point of retirement. Purchasers even if they are 55 may not be ready to retire (economic experts are telling us that people are putting retirement off because of the current and foreseeable economic climate thus contributing to delayed occupancy). In each case, the parties will probably rent in order to cover carrying costs.

So how do we deal with the sense of loss of community? The committee does not recommend banning of rentals as the solution. We think that really doesn't address the core of the issue which is social and economic, and in any case, there probably would have to be too many exceptions (i.e. duplex, duplicate owners, inheritance, grandfathering, etc.). We think we would end up with a fair number of renters anyway and in the process two classes of owners would be created, resulting in a disparity in property values and creating another potential source of friction. And this wouldn't eliminate the issues rentals are perceived to create. What the committee does recommend is a more proactive approach. The park should make a continuing effort to integrate renters into the community so that owners and renters get to know each other and renters are encouraged to come back year after year or, better yet, buy in the park and thereby become part of the community. The committee, with a nod to last year's efforts, prepared a package for renters with information about park rules, garbage and recycling, facilities and parking. This was distributed to this years' group of renters and the committee would recommend that that same package, updated as needed, be distributed each year. In connection with that, the committee would recommend that a "Welcome Committee" be created as a subcommittee of the Social Committee to distribute packages, spearhead a Welcome party in January each year and arrange other events or efforts to foster community which would be coordinated with the rest of the social committee.

The second issue, participation is more problematic. The committee undertook to informally survey other co-ops and condo associations to see if they were experiencing similar issues. Not surprisingly, we found that the several organizations we spoke with are having similar problems. This was true even with larger parks. Participation in social activities is definitely down. In some of the larger associations, they haven't yet experienced a problem with getting people to serve on boards because of sheer numbers, but participation in social activities is less than it used to be. This is also what our property management company has told us regarding other parks. Why? Ask a dozen people and you'll get a dozen different answers. However, demographics seem to be the root of the issue.

While we did not undertake a scientific survey, anecdotal evidence seems to support this conclusion. Buyers generally are younger, in relative terms, than the average age in the various parks and more active so they are less interested in events like bingo and potlucks, for example. Gulf Shores is a case in point. They have had to cancel some traditional activities because of lack of interest. Others noted that they have more owners who come down for short periods but don't spend the entire season, renting instead. This would seem to coincide with the economists' view that people are, and will be, delaying retirement. So the question we asked ourselves was "Will banning or restricting rentals solve our participation problem or will it have other unintended consequences?" The conclusion our committee reached was that it wouldn't solve the problem and could very well have consequences we don't like.

Many of our renters are very active in social events and park activities like beautification, even acting as the organizers. That is a good thing that we want to encourage. What we also want is to increase owner participation in all aspects of park life. The assumption has been that owner participation is down because so many owners rent. They are absentee landlords. There is no question there is some of that but there are many who rent who are involved with the park, at least to the extent they can be at this time. In addition, health issues and the aging of our population are also factors. Sadly, it is also true that participation has been negatively impacted in a couple of cases by residual bad feelings tied to our struggles with the Villas. When coupled with the types of deferred occupancy described earlier, it was clear to the committee that the problem is more complex than simply pointing to rentals as the culprit and it has far reaching implications for our future. Our goal must be to get owners to take an active interest in the park, especially park governance, and not eliminate the positives associated with our renters.

Despite our conclusion that rentals were not the root of our participation issues but only a contributing factor (or perhaps more accurately a symptom of a larger issue) we looked at a variety of different suggested solutions short of banning rentals to determine if they would have a beneficial impact, including banning rentals by new owners and grandfathering current owners; 2 year moratoriums both as to current owners and new ones and different variations on that; penalties for misrepresentations about a buyer's intended use of a unit; and setting limits on the number of rentals each year. None of



these ideas really addressed what the committee believes is the essence of the problem and the committee felt strongly that each idea had its own negatives (including fair housing implications) and would likely create disharmony, making the problem worse. Again, our suggested approach is more proactive. It is our recommendation that the board appoint a standing committee of board and non-board members whose responsibility it will be to contact owners to assure by physical presence or proxy that we have a quorum at our annual meetings. We are not referring to the notices of the meeting that go out, but rather in-person or phone contact to remind people of the issues, the importance of their participation and encourage them to do so or to secure proxies in lieu of physical participation. This committee would also solicit owners to become candidates for board positions. This would NOT be a nominating committee. It would not target specific individuals but rather provide information, nomination forms and encouragement to any and all who express an interest in serving, emphasizing that each of us has a responsibility to the community and unique talents to share.

Finally, as to the secondary issues, the committee looked at a variety of ideas to enhance what is already in our rules and concluded that the rules we currently have can adequately address these issues. No one wanted to restrict a renter's visitors as those restrictions would then also apply to owners. We all want our families to be able to visit and, in any case, who and how would we enforce such restrictions? A committee of our neighbors running around telling us we have too many grandkids in the house? Pay the management company? Neither is very palatable. Thankfully, this doesn't seem to be an acute problem but rather something that can be handled on a case by case basis if things get too loud or there are too many cars or some other issue arises.

The committee held many frank, thoughtful and very open discussions and divergent views and opinions were expressed freely. Ultimately, we arrived at a consensus which this report reflects.

Respectfully submitted

this 19<sup>th</sup> day of February, 2014

A large, stylized handwritten signature in black ink, likely belonging to Penny Koerner, the Chair of the Rental Committee.

Penny Koerner, Chair

Rental Committee

## Board Approval – Rental & Sales

### Rental:

- |   |                                |
|---|--------------------------------|
| 1. #19 Scalera to Rick & Jeanne Daniel    | March 1, 2014 – April 30, 2014 |
| 2. #42 Collier to Howard & Janet Thompson | Dec. 1, 2014 – May 1, 2015     |
| 3. #48 Bayne/D'Arcy to Donald K. Lane     | March 1, 2014 – Feb. 28, 2015  |
| 4. #63 Kroll to Lois Elms                 | Feb. 1, 2014 – March 31, 2014  |
| Application fee ?                         |                                |
| 5. #68 Stiles to Dorothy Wodock           | Jan. 1, 2014 – Dec. 31, 2014   |
| 6. #84 Furniss to Lee & Marlene Saylor    | Jan. 1, 2014 – March 31, 2014  |
| 7. #118 Chapin to Betsy Falls             | Jan. 15, 2014 – Jan. 15, 2015  |

### Already Approved

### Sales:

#### Already Approved

1. #98 Paul Mellon to Brian & Jeannette Mellon  
Board Interview – Nov. 12, 2013 Closed Jan. 8, 2014

## Board Approval – Work to be done by Shareholder

1. #37 Allman  
Request permission to paint Unit #37 the same color.
2. #70 Brewer  
Request permission to paint shutters dark blue which is similar to the trim of the Villas. A sample of the color is attached.
3. #97 Mellon  
Request permission to install a new unit – floor plan is submitted.

### Already Approved

1. #8 Bruce  
Request permission to replace the railing on their front porch with new aluminum Maxey railings. Height will be 3' tall and color will be white.  
Approved Jan. 23, 2014
2. #39 Koerner

Request permission to replace stringers on the steps on the south side of the Unit. There will be no change in appearance or dimension.

Approved Feb. 8, 2014

3. #74 Fulchino

Request permission to tile the floor on porch and back landing with outdoor skid proof tile.

Approved Jan. 29, 2014

4. #83 Thomas

Request permission to paint the west side (back) & north side exterior of unit #83 with existing colors, white & blue trim.

Request permission to replace the front porch with new boards & support beams; paint the front porch with the same color – blue. There will be no design change Approved 1/15/14

Request approval to replace porch railings.

Approved 1/22/14

5. Cox #100

Request permission to replace deck on South side of unit with a new wood deck and vinyl/screen room. Permits have been issued by the Town of Longboat Key.

Approved Feb. 6, 2014