

**SEAPOINTE VILLAGE MASTER ASSOCIATION**  
**Annual Meeting**  
**Saturday, May 25, 2019**  
**10 AM – Lobby of Garden Residences**

Meeting was called to order by Master Council President Stan Cach at 10:08 am.

**Roll Call:**           SPV I – Gene Rozzi AWR / Larry Willis   SPV II – Stan Cach  
                          SPV III – Ben Martorana                    SPV IV – John Ferrara  
                          SPV V – Mike Szelak                         SPV VI – Elly Bernstein  
                          SPV VII – Anton Lemli

Proof of notice was mailed to homeowners on April 15, 2019. Notices have been posted in all buildings and on announcement boards.

Approximately 175 homeowners were also in attendance. (120 in 2018)

**Approval of minutes**

Upon motion by Bernstein, second by Szelak, the minutes of SPV Master Meeting held March 2, 2019 were accepted by consent as presented.

**Opening Comments:** Stan Cach

Moment of silence in honor of veterans service/Memorial Day. Change in the format for this meeting. First on the agenda will be the Plaza Deck Hot Tub Area Update. We will resume the regular meeting agenda after this report.

**Plaza Deck Hot Tub Area Update:** Jim Yost

The project is slightly behind schedule but is expected to be complete within 2-3 weeks.

The oceanfront pool and garden pool (kiddie pool) received Township and Dept of Health approval this past week to be open this weekend. The elevated deck and spas are expected to be completed by June 7 and the project is expected to reach substantial completion by June 13.

The project has taken longer because of unknown factors that have either caused project delays or unforeseen site conditions realized during construction.

At the core of this project is the rehabilitation and waterproofing of the structural planks and completely new aquatics operations systems. The heart of the project is an entirely new main pool mechanical room that houses the mechanical and electrical systems, pumps, motors, filters, piping, water quality control equipment, heaters, etc. Everything is new commercial grade equipment, designed and selected to provide better water quality and longer, more reliable service, right down to the media used in the filter tanks.

The project received unanimous (conditional) approval from the Lower Township Planning Board on September 20, 2018, but it took until mid-November for the Township engineer to complete his review and sign off on all the constructions plans and specifications, which pushed back the permitting process, and subsequently the start of demolition longer than expected, a six week delay.

The entire original hot tub area was over-designed and over-built using reinforcing steel normally only seen in heavy construction such as bridges and roadways. This caused demolition to take more than double the anticipated time.

The demolition was carefully planned, methodical and deliberate because the contractor had to protect adjacent areas outside the project's contract limits not scheduled for demolition and not damage the plaza deck's supporting reinforced prestressed concrete planks infrastructure. The existing hot tub area structure was built with excessive concrete in thickness and reinforced steel which was not anticipated, an unforeseen site condition. This was not expected by the contractor. This resulted in extending the demolition time because the concrete had to be broken into smaller pieces in order to be removed from the construction site. This process was time consuming and tedious since smaller equipment had to be used because of the weight, size and noise restrictions, especially since the construction area was very close proximity to the residential community. In addition, materials being removed were separated such as, concrete, soil, metals, etc., prior to being disposed.

The defined contract limits of the project were challenging in a small construction area that required the contractor to plan and coordinate the project working in the furthest areas first, completing work in this area, and working their way "out" so as not to be performing work that adversely affected areas not in the construction zone, and so as not to affect newly completed work. In essence, each contract specialty had to be planned and sequenced in proper order and completed before the next contract specialty could begin their work.

Due to weight and size limitations, concrete mixer trucks were not able to park on the plaza deck near the construction area, and therefore all of the concrete used for the project had to be poured one yard at a time, using a small "Bob-Cats" transported across the plaza deck maneuvering very carefully with the concrete load to the construction site.

The project also required many specialties: specialized demolition equipment, specialty waterproofing materials & equipment, mandatory use of a certified waterproofing sub-contractor, and multiple sub-contractor crews for carpentry, masonry, tile and mechanical all requiring coordination of ordering, fabrication, installation and construction. The water proof testing of each plaza deck area had to be water proof tested prior to commencing the next area and any plaza deck area must be properly water proof tested and approved before the next section could be repaired.

The laminated glass railings can only be measured once the deck installation is complete, due to the precision required for each fabricated piece.

The general contractor has been challenged to locate and identify qualified contractors in Southern New Jersey to apply the waterfall gazebo coating which has certain temperature requirements. This will be finished in early June and will provide the waterfall trellis with a durable, sea-shore resistant white coating.

The general contractor has repeatedly stated that this project has been more meticulous and time consuming than most other projects, yet the hybrid design-build process has insulated us from the typical extra costs such work would likely have caused in a typical bid process.

Some inclement weather and holidays were planned for this project by the contractor however 16 straight Fridays with rain did impact the schedule. The loss of that much time to rain, plus trying to work throughout the challenging winter and early Spring conditions had an impact on the project's continuity.

The mix of professional designers and Merrell & Garaguso and the hybrid design-build approach worked well. This project quality exceeds anything ever constructed at Seapointe Village. The actual work, in many respects was far more complex, technical and detailed than many expected. Our Construction Manager worked cooperatively with the Contractor to make adjustments throughout the project to fine tune every aspect of the project.

The approach had other advantages. It allowed us to extend the period of homeowner input last Fall since we weren't bound by finalizing plans and specifications to meet bid submission deadlines that would have precluded the extensive vetting we provided as well as allowing the many modifications based on homeowner input to be included.

Following a traditional approach meant the project would not have been completed this year.

Considering the time required to solicit and review bids, check contractor and sub-contractor qualifications, and to award a contract would have extended the total project timeline and potentially added to the cost of the project, since the tariffs that have been and are now being imposed could well have caused significant material and construction cost increases.

We will still be tweaking details throughout this first season in operation. We expect to be considering shade options, outdoor furniture, lounge chairs, water misters and other minor elements of the project and plan to learn the opinions of our homeowners and guests so that we can address these things during this season and even into next season.

The construction contract is \$3,179,632. To date, the net change orders total \$30,851, bringing the construction cost to \$3,210,483. Additional project-related hard costs are \$60,000. Professional fees are expected to be just over \$510,000 (for both the 2016 Plan and the current plan). Expenses for legal services, permits, inspections, administrative expenses and loan costs are \$130,000. We expect the final project cost to be approximately \$3.91 million. We will announce final project costs when the project is complete, and all expenses are reconciled. We expect this to occur in late Summer.

To date, approximately \$2.3 million has been pre-paid from over 300 homeowners.

The preliminary special assessment amount of \$3.5 million will be increased to cover the actual cost of the project. The preconstruction per-unit estimated special assessment amounts will be adjusted based on the final actual cost and the details of the allocation method will be provided.

The intent was always to replace the professional fees that were borrowed from the replacement reserve account since those costs were not included in the current replacement reserve study. In addition, there will be funds needed in the near future for the dune access walkway and gatehouse rehab projects.

**President's Comments:** Stan Cach

Welcome to the Seapointe Village Master Association Annual Meeting. During your weekend, we remind you to keep in mind those veterans, first responders, and their families sacrificing for our benefit.

The Annual Meeting is the traditional start of the summer season at Seapointe. The landscaping and flower color coordination and selection, pools and beach look alive.

The Seapointe Village Mission Statement is to preserve, protect and enhance quality of life at Seapointe Village. Seapointe Village Master Council correlates its agenda to be in line with the mission, while being aware of owner feedback guiding Master Council actions to adjust service levels and enhance/expand amenities.

The Master budget for the fiscal year ended 3/31/2019 is balanced. We continue to invest in improvements and replacement to facilities and equipment this off-season. We've invested over \$70,000 this year, with details about the items during the Treasurer's Report.

Master Council correlates its agenda to be in line with the mission, while being aware of owner feedback guiding Master Council actions to adjust service levels and enhance/expand amenities.

Major items driving the Master Council agenda this year:

We anticipate completion of the plaza deck hot tub area rehab project within 2-3 weeks. We will finalize all outstanding items and closeout documents within a month after the end of the project, approximately by end of July where some items might be completed in the off-season.

Shore Protection Plan –working with our consultants, monitoring government actions, and determining best long-term strategy for Seapointe. We will collaborate with State, County and local government officials regarding Seapointe's interest and objectives.

Master Plan and update of recreational facilities, main entry area and gatehouse, dune access and beach utilization.

Storm system plan to address improved management of heavy rains, address vulnerable conditions when system is over capacity

We continue to welcome input from homeowners regarding improvements to the beach

We welcome your ideas for seating and lounge furniture for the elevated deck and spa areas

We continue to monitor beach activities on our neighboring beaches

Reminder to all owners to replace original appliances, minimize chances of water damage by changing water heaters, ice maker lines, washer hoses, and to turn off water when leaving the condo. And we suggest homeowners have insurance and make sure the contractors they use to perform services in your condos also have insurance certificates.

Please feel free to contact the Association Management Office and your Village board members to get the facts and specifics regarding ongoing activities and projects at Seapointe Village. He encouraged owners to get the facts to speak with Master Council members and/or come to the Association Management Office.

**Manager's report:** Jim Yost

The staff has been working to maintain the village infrastructure, facilities and amenities, plaza deck beach and pools. We are evaluating and planning improvements to the recreational facilities (playground, tennis courts, plaza deck trellis and barbecue grills), monitoring the stormwater system and constantly inspecting general site conditions. Long term – looking into electric vehicle charging stations.

Challenges with the Master Association and Village 2019 budgets (impact of minimum wage increases); results for fiscal year ended 3/31/2019 are mixed but within acceptable ranges.

Safety continues to be of importance: the inter-local agreement with Wildwood Crest providing first response coverage for fire alarms continues thru 2019, LTPD and First Response will be present in Diamond Beach.

Master Council continues to monitor the Shore Protection Plan, FEMA flood insurance concerns, and the impact of graduated minimum wage increases.

He noted Village strengths: landscaping, pools and the beach. He noted the staff experience and professionalism – supervisors, full time year round staff and many returning seasonal staff.

He noted the importance of vendor relationships for dependable, quality performance and prompt response for service, along with strong knowledge of Seapointe Village.

Swiftreach community outreach notification service in place, broadcast email & text.

He reminded owners about general conduct expected to meet the needs and expectations of both residents and rental guests.

Resale activity is steady - (6 sold year to date, four under contract). 28 units are in the multi-list (31 last year same time) and SV Realty reports rental activity year to date is ahead of last year.

Kathy Murphy and Gail Miller are the summer staff for the Association Management Office. Office hours are 9 AM – 5 PM daily thru Labor Day.

Reminded owners of the other village open meetings this weekend. SV I & V this afternoon; SV IV, III and VII Sunday

**Reports of officers and committees:**

**Treasurer's Report: Mike Szelak**

2018-2019 Fiscal year recap Preliminary financial statements for fiscal year April 2018 through March 2019 operating performance compared to budget indicate the fiscal year finishes with a \$9,535 surplus before adjustments and journal entries. Anticipate an end-of-fiscal-year deficit of between \$10,000 - \$15,000 after adjustments and journal entries.

ITEM	AMOUNT	OVER/UNDER BUDGET	COMMENT
<b>INCOME</b>	<b>\$2,631,390</b>	<b>+\$64,344</b>	<b>2.4%</b>
Reimbursable payroll	\$218,175	+\$48,175	Custodial
Administrative fees	\$31,053	+\$12,053	Resale activity
Miscellaneous income	\$64,866	+\$4,116	beach tags/vending
<b>EXPENSES</b>	<b>\$2,356,869</b>	<b>+\$54,809</b>	<b>2.3%</b>
Professional fees	\$66,100	+\$17,100	Legal – ESAnimals
Office operations	\$55,249	+\$12,249	Engr – storm system report
Misc A&G expenses	\$18,599	+\$5,499	Additional meetings/mailings
Maintenance expenses	\$62,005	+\$11,005	Additional meetings
Beach related expenses	\$36,819	+\$9,819	Tractor/dumpster repairs
Security supplies	\$12,407	+\$2,407	Additional beach lockers/tent
Payroll & related	\$1,102,571	+\$11,971	Net payroll variance -\$36,204
Trash	\$25,801	+\$5,801	Bulk disposal
Electric	\$116,455	+\$4,455	
Gas	\$46,504	+\$4,504	
Water	\$126,128	+\$9,128	Usage up 70,000 gal (.004%)
Insurance	\$117,180	-\$28,720	D&O adjusting journal entry
Pools Operation/Maint	\$57,611	-\$12,389	

2018-2019 fiscal year account balances & related fiscal issues

As of May 20, 2019, Master Association cash is \$1,365,002. Total combined reserve accounts equal \$631,208 (\$632,565 last year).

<u>Account Balances</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Operating/Payroll	\$196,076	\$146,627	\$162,884	\$172,175
Capital Reserve	\$664,535	\$504,226	\$522,197	\$561,569
Deferred Maintenance	<u>\$146,883</u>	<u>\$128,339</u>	<u>\$116,697</u>	<u>\$115,500</u>
TOTAL	\$1,007,494	\$779,192	801,778	\$849,244
Rehab Assessment	<u>\$357,508</u>			
TOTAL	\$1,365,002			

Balance on line of credit \$784,463

Reserve Replacement / Deferred Maintenance

Reserve / Deferred Maintenance expenses during 2018-19 fiscal year are \$1,916,563 of which \$1,846,307 is project-related, \$41,044 is identified as Reserve Replacement, and \$29,212 is classed as Deferred Maintenance. Detail shown below.

<u>Reserve for Replacement</u>	<u>\$41,044</u>	<u>Deferred Maintenance</u>	<u>\$29,212</u>
Concrete site work	\$16,335	Roadway repairs	\$3,294
HVAC (Gym)	\$6,800	Plaza deck expansion joints	\$9,379
HVAC (Ibis pool)	\$7,720	Firepit/trellis painting	\$5,200
Pool bonding repairs	\$4,000	Signage	\$1,960
Ejector pit pump	\$2,364	Pool coping sealant	\$9,379
Beach recycling cans	\$2,284		
Memorial bench	\$1,541		

Oceanfront hot tub project related expenses during 2018-19 fiscal year - \$1,846,307

Loan related bank fees	\$10,000	Merrell & Garaguso	\$1,589,400
Interest on line of credit	\$2,553	Buck Electric	\$19,979
Legal services fees	\$43,440	Patriot Leak Detection	\$900
Filing/permit fees	\$73,432		
Mellilo & Bauer	\$40,292		
SOSH	\$51,370		
Atlantic Aquatic Engineers	\$27,825		
GEI/Feld Kaminetzky	\$39,031		
Industrial Thermal Systems	\$49,752		
Mott MacDonald	\$747		

2019 Master Association Budget - \$2,670,946 (4.0%) Increase

The 2019 Master Association budget includes a 4% increase in condo fees. (\$13, \$14, \$15 and \$17)

Budget handouts sent to all owners in March explained the reasons for the operating budget increase, the line item components and minimum wage increase impact.

The 2019 operating budget increases by \$103,900.

What increased and why:

- \$41,580 increase for payroll (mostly custodial & aquatics), wage taxes and employee medical insurance, of which a substantial portion was driven by the minimum wage increase
- \$20,500 increase in utilities (\$9,000 for water; \$7,000 for gas; \$4,500 electric)
- \$11,500 increase in professional fees
- Accounting \$2,500; legal \$6,000; engineering \$3,000 (shore protection plan)
- \$5,000 increase in beach operating expenses
- \$4,200 increase in insurance premiums (workers compensation)
- \$8,960 for bad debt reimbursement & depreciation
- \$6,990 increase in annual reserve contribution

The year-end audit work will be performed by St. Clair, CPA Solutions. Their fieldwork is scheduled for the week of June 3-7, and final statements issued in early September.

**Landscaping:** Jim Yost

The pre-season landscaping work (other than at the ocean front pool area) is complete. Landscaping team is Avalon Flowers/Lyn Taylor for seasonal flowers and design; Haberman Landscaping for weekly maintenance, irrigation and shrubs, trees and general services; Arbor Care provides tree and shrub maintenance and treatment.

Flowers arrived April 23rd. The flower plan for 2019 more or less follows the same planting plan as last year. Again, there are no impatiens, heavy on the begonias, salvia, geraniums and verbenas.

The new landscaping around Centre Court was paid by SV V as part of the rehab project budget. Landscaping around oceanfront project is part of the rehab project budget.

**Beach:** Jim Yost

Amenities are in place. The beach layout and additional amenities, including walkways and connectors, the Ibis Lane landing, tiki umbrellas, volleyball and tetherball generally follow past years layout. DEP reps marked the toe of the dunes in March. Their flag placement is consistent with last years marking.

This is the second year into a 5 year deli-hut lease with Brian Balestreire.

The 20' x 40' A-frame beach tent for covered seating was delivered and erected May 22 and has been moved slightly south compared to last year.

Over 80 owners submitted applications for the beach storage locker lottery. The 62 beach storage lockers are located in the same area as last year, immediately south of the lifeguard storage shed, similar to last season. Drawing took place Saturday May 11. Seasonal rental fee increased to \$275 this year.

Addressing the recommendations for beach improvements, we have done the following:

- Bought professional quality volleyball nets, moved the courts further apart
- Will repaint the framework for the beach tiki huts
- Put umbrellas at the tables that are not under the tent
- Install a hose to water down the volleyball courts
- Extend walkways an additional 50ft
- Brian will add additional walkway advertising

What won't/can't be done

- Hiding the beach storage lockers with bamboo fencing isn't practical
- Add cabanas on the beach (approx. 18-24) – cost approx. \$50,000 to purchase (will not be done at this time)
- Palm trees for ambiance around deli-trailer were rejected by attendees
- Larger tent for covered seating would have cost additional \$5,000/season for 30x40 tent, and would be much taller, so it will not be done for this season

In April, the US Fish and Wildlife Service sent notice of closing of the beaches south of Diamond Beach from April 1 thru September 30 to protect migratory shorebirds.



**Pools:** Jim Yost

Garden and Centre Court pools opened for Mother's Day weekend. Oceanfront pool will be open this weekend, then closed weekdays until project is complete.

Aquatics supervisory staff includes Steve McBride, and Steve Sorenson. Jose Otero will be the head pool guard this summer.

Recreation Tags - The manufacturing plant where the rec tags and bands have been made is apparently shut down, and the company we order from was unaware of this when our order was placed. This wasn't discovered until early April, and it took over a month for the company to locate and identify a viable alternative.

The tags this year are a circular white tag with black imprinted sequential numbers with a black plastic wrist coil.

**Personnel & Security:** Elly Bernstein

Seapointe Village benefits from experienced department heads, pre-season planning, and returning seasonal staff.

Mel Casanova leads the Custodial Department. Besides the full time year round staff, many seasonal staff are returnees.

Wayne Craig oversees the Maintenance Department, which did an excellent job this off-season, particularly dealing with the effects of rainy weather.

Roger Eckhart is the Security Supervisor. The department has mostly returning staff. He requested and encouraged cooperation from all owners regarding tag wearing.

Linda Kelly returns as Beach Ambassador.

**Covenants Committee:** Jim Yost

The committee will meet bi-weekly during July and August if needed. Same committee members in 2019 as previous year, and welcome volunteers, in particular from Garden Residences. Roger Eckhart is cooperative with the committee and the better job he and his staff do, the easier it is for the committee.

## **Unfinished Business**

### Shore Protection Plan Update

During a meeting in February in Wildwood the State and federal agencies were flexible regarding design of beach accessways but inflexible regarding dune design and elevations.

The design plans show no changes to Seapointe since earlier versions, other than confirmation that there will be no sand borrowing from the Seapointe beach. There would be three pedestrian walk-overs, and a vehicle cross over at Memphis Avenue. An ADA accessible walk-over is proposed in front of The Grand. The board of The Grand is opposing this walk-over, suggesting it be relocated to the end of Memphis Avenue next to the vehicle cross-over.

In early April, legal counsel for Seapointe Village and for The Grand each sent separate correspondence to the USACE Project Manager Michael Hart requesting an interagency meeting regarding details of the USACE project. To date, a meeting has yet to be scheduled.

Most recent timetable puts this project at taking place in late 2020 into 2021 depending on real estate agreements. We have repeatedly expressed concern that work not take place on our beach between May and September.

Our legal counsel reports that there is no new news regarding the pending challenges to the project in the Appellate Division. Oral arguments have yet to be scheduled.

## **New Business**

None was presented.

## **Public Comment**

- 1-517 Asked about dune walkovers. Asked about Icona plans. Response that exact number of walkovers not confirmed but expect to be 3, at current locations. Icona plans are unknown at present.
- 4-300 Suggests Master Council consider a long range planning committee
- 5-404 Asked if pool railings at Centre Court pool can be changed to match white balcony railings on Centre Court Building, suggests moving away from the teal color.
- 5-101 Wants white colors. Suggests updating colors in Master common areas in Pinnacle.
- 3-311 Commented that a sale fell thru because of comments from SV Master regarding placement of umbrellas on upper deck.
- 2-417 Suggests people use the public walkways to the beach
- 1-410 Requests boosters for wireless internet service
- 4-318 Comments that gazebo over plaza deck BBQ grills was supposed to be removed
- 2-417 Question about service dogs
- 4-316 Suggests SV Master contact SV Realty about financial contribution after plaza deck project is done

There were no further questions, and the meeting was adjourned at 12:15pm.