

SEAPOINTE VILLAGE MASTER ASSOCIATION
Annual Meeting
Saturday, May 27, 2017
10 AM – Plaza Deck

Meeting was called to order by President Stan Cach at 10:15 am.

Roll Call: SPV I – Gene Rozzi/ 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 28, 2017. Notices have been posted in all buildings and on announcement boards.

Approximately 160 homeowners were also in attendance.

Approval of minutes

Upon motion by Bernstein, second by Lemli, the minutes of SPV Master Meeting held March 4, 2017 were accepted by consent as presented.

President's Comments: Stan Cach

He welcomed owners to the meeting, and called for a moment of silence in honor of those we remember on Memorial Day; veterans, first responders, those families sacrificing for our military.

The Annual Meeting starts the summer season at Seapointe. Optimism and positive atmosphere throughout the Village. Landscaping, pools and beach look alive.

He reminded owners of the Seapointe Village Mission Statement – to preserve, protect and enhance quality of life at Seapointe Village. He stated that the Seapointe Village Master Association is fiscally sound, and has a pro-active maintenance program.

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. He noted recent additions of the second firepit and beach storage lockers as examples.

We've invested over \$200,000 in improvements and replacement to facilities and equipment this off-season. Beach enhancements include a new deli-trailer and covered seating area, along with longer walkways across the sand. We've invested over \$20,000 in site work including walkway surface coating around oceanfront hot tubs; trellis recoating and ongoing improvements throughout the village.

We continue to monitor beach activities on our neighboring beaches

Policies and amending the rules & regulations regarding drone use and prohibition of hoverboards to be presented in interest of safety.

President's Comments, continued

Major item driving the Master Council agenda this year:

Master Plan and update of recreational facilities, main entry area and gatehouse, dune access and beach utilization, rehabilitation of perimeter walls, fencing and signage – presentation by resort design consultants later in meeting, and will have open house meetings with owners June 24, July 22 and August 19.

Shore Protection Plan –working with our consultants, monitoring government actions, and determining best long term strategy for Seapointe.

Recommendations to owners – replace original appliances, minimize change of water damage by changing water heaters, ice maker lines, washer hoses, turn off water when leaving. Suggest homeowners have insurance and make sure contractors they use have insurance certificates.

He reminded owners to replace original appliances, and to minimize change of water damage by changing water heaters, ice maker lines, washer hoses, turn off water when leaving.

He thanked the owners for attending and for their participation in making Seapointe Village the premier location on the Jersey Shore.

Manager's report: Jim Yost

He welcomed owners to the annual meeting.

The staff has been working to maintain the village infrastructure, facilities and amenities, plaza deck beach and pools.

This last week before we just completed testing and operation of all pool/ hot tub equipment, and installing new utility lines to new deli trailer / covered seating area on beach.

Safety continues to be of importance: the inter-local agreement with Wildwood Crest providing first response coverage for fire alarms continued thru 2019
Master Council to meet with Lower Township Police & elected officials this summer to improve first response for police and medical emergencies

The firepit on the man-made beach – hours extended until 11pm – it is the smore-free firepit

Swiftreach community outreach notification service in place. 84% of owners have provided email and/or cell numbers for emergency contact.

Manager's Report, continued

He reminded owners of the right to quiet enjoyment that all owners are entitled to, and to be considerate of others. He stated that the key rules and regulations handouts are available at the management office, and are distributed to all rental guests thru Seapointe Realty. He reminded owners about general conduct expected to meet the needs and expectations of both residents and rental guests.

Resale activity has been strong since last fall - (ten sold to date, one under contract). 28 units are in the multi-list (42 last year same time) and SV Realty reports rental activity year to date is slightly ahead of last year. Orientation for new SPV owners scheduled for June 17th. Notice will be sent in coming week for owners that have purchased within past 2 years.

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.

He reminded owners of the other village open meetings this weekend, and the various homeowner receptions over the weekend. He announced Jim Scott would perform under the trellis this evening from 6-10pm.

Reports of officers and committees:

Treasurer's Report: Mike Szalak

2016-2017 Fiscal year recap He reviewed the handout, a recap of the unaudited results for fiscal year April 2016 through March 2017.

Overall income is \$11,724 over budget, (resale contributions; reimburseable payroll and miscellaneous income) Expenses are \$21,660 under budget, (insurance, property & workers comp; pool operations; payroll under budget; electric and gas under budget) unaudited variance is \$33,384 before depreciation and adjusting journal entries (.05% positive variance).

Cash balances are approximately \$873,591, increase of over \$36,027 since last year. Included in the cash balances, \$637,644 is in reserve replacement accounts, which is ahead of the where our Capital Reserve Study Update projected our reserve funds.

Fiscal 2016-17 Reserve and Deferred Maintenance expenses were \$402,774, of which \$172,537 were for professional fees related to oceanfront hot tub project; and \$91,620 for the new deli trailer.

2017 Budget

The 2017 budget was presented at the March meeting, which included 1% increase in condo fees. The 2017 Master budget was included with meeting handouts. 3/31/2016 surplus \$7,120; 2015 surplus \$249.

The year end audit work will be performed by St. Clair, CPA Solutions. Their fieldwork is scheduled for the week of June 12-16, and final statements hopefully issued in early September.

Treasurer's Report, continued

Capital Reserve Study (CRS) Update – Second Draft May 2017

SV Master Council is in process of finalizing our capital reserve study update with FWH. CRS anticipated a beginning cash balance in reserve replacement accounts to be \$500,000 as of April 1, 2017. Actual Reserve for Replacement account cash on hand as of 4/1/2017 is \$554,831 (\$671,528 for RR & DM combined); was \$705,253 last year; \$594,800 in 2015, \$477,209 in 2014.

The second draft of the SV Master CRS starts in 2017 with a \$226,200 contribution and anticipates about 3% increase annually to the recommended budgeted reserve contribution.

Landscaping: Jim Yost

The pre-season landscaping work is complete. Flowers arrived April 25th. The flower plan for 2017 continues with begonias, salvia, mandevilla, dupont, geraniums and verbena. Some white color flowers were also added this year. Arbor Care was on site several times this Spring for extra tree and shrub maintenance and treatment. Cape Organic mulch has been discontinued (cases of spontaneous ignition have been attributed to the CO mulch). New landscaping will be added where necessary to replace wind damaged trees and shrubs

Beach: Jim Yost

Several changes on the beach this season – new deli-trailer and covered seating area are most noticeable. The beach layout and additional amenities, including walkways and connectors, the Ibis Lane landing, additional tiki umbrellas, volleyball and tetherball will generally follow past years layout. Walkways extend out 240-280ft.

DEP representatives flagged the dune in early April, flag placement very favorable. DEP has taken a more strict review of placement of seasonal amenities. The thatch reed tikis on the beach are again set back closer to the deli-hut.

CAFRA notice for adjacent beach Club at Atlantis...typical requirement for notice to nearby property owners. No action necessary.

Icona will have a similar beach setup as last year.

There are a total of 50 beach box storage lockers for the 2017 season.

Brian Balestreire will operate the beach deli-hut again for the 2017 season. He has a few minor menu changes, and will continue the evening dinners several nights a week.

The beach lifeguard staff is led by Steve Sorenson in 2017, again a mix of older experienced guards with several young staff members.

Beach, continued
Shore Protection Plan

SV environmental consultant Joe Lomax reports the following from a recent discussion with DEP Project Manager Chris Constantino: Chris confirmed to Joe that there would be no sand borrowing from Diamond Beach. He also stated that the shore protection plan process for the Wildwoods has slowed, and earliest work is likely to commence would be 4-6 months after Fall 2018, although the USACE/DEP have not officially revised the schedule at this time.

Chris also reported that the shore protection plan as it applies to the Wildwoods include the following restrictions: once the beach and dune height is established, it will not be lowered; fencing in place for sand accumulation cannot be removed; and public access points and pathways must be maintained, and may not be reduced or eliminated.

The DEP has convened a real estate group to review and deal with specific requests from oceanfront stakeholders. The purpose of this group is to bring greater clarity in guidance for consistency in sorting out issues specific to each municipality, while still allowing for flexibility on a case by case basis.

Of note, Chris indicated that a new protected shorebird has entered the picture: the red knot, a migratory bird typically found along the bayside that has been found to have migrated to the oceanside. Typical season in this area is to arrive as early as May, and stay until October. Last year, 700 were identified in Avalon. They are attracted to undisturbed areas and beaches, so the fact that we maintain our beach year round makes it less likely they will be hanging out at Seapointe, but Joe Lomax said they are monitoring this bird in the USFW dunes and beaches just to the south of Seapointe.

The USFWS beach in Diamond Beach is closed to foot traffic 4/1 thru 9/30/2017.

Litigation Update

Statewide litigation reports challenges to the State's exercise of eminent domain powers on the basis that the takings were not properly authorized by legislation - beachfront properties in Bay Head, Brick Township, Mantoloking and Point Pleasant Beach.

Efforts of the State are geared to obtain or reclaim fee simple ownership of riparian lands. The legislative scheme developed over the past 100 years focuses on having municipal agencies undertake shore protection efforts, but this policy (which had been followed for decades prior to Hurricane Sandy) was surreptitiously modified – without any new legislation or regulations- after Sandy by following an Executive Order entered by the Governor in 2013 which mandated that the NJDEP undertake these efforts without cooperation or participation by the municipalities.

The Judge's questions focused on these main issues in the appeals, as opposed to the State's often-repeated and unsubstantiated position that it has the authority to condemn because several separate and distinct pieces of legislation should be "harmonized" and read together. Expect Court's opinion this summer.

Pools: Jim Yost

Pools are open. A few glitches to some blowers, and challenging weather in early May. The Ibis pool was closed the week after Mother's Day for annual pre-season maintenance. Ibis pool is open 10am-10pm daily.

Aquatics supervisory staff includes Steve McBride, and Steve Sorenson. Jose Otero is a returning head guard. There will quite a few new guards this season.

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. She requested and encouraged cooperation from all owners regarding tag wearing. Linda Kelly returns as Beach Ambassador.

Covenants Committee:

The committee will meet bi-weekly during July and August if needed. Same committee members in 2017 as previous year. 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

Master Plan - Design Professionals

Master Council held a kick-off meeting with the design professionals on Monday April 24th to commence the master plan process.

In September 2016, the governing board postponed a major rehabilitation project; on part because the bids exceeded preliminary estimates, and also because the work would replicate existing conditions. Out of that unfinished project, subsequent discussions identified the need to identify design professionals, planners and architects with experience in resort areas to develop new concepts that are compatible with and integrate with the existing facilities at Seapointe Village. Also recognizing that the Garden and Centre Court pool facilities are approaching 30 years old and will require significant re-investment over the next 5 years, Master Council began the process of developing a Master Plan for Seapointe that will guide reinvestment through the next generation of amenities and infrastructure.

The objectives and guiding principles include evaluation of the opportunities to enhance, update, renew, and/or expand Seapointe Village's common areas and amenities and their usage cost effectively. Even though the recreational amenities are aging, they do not look out of date thanks to timeless design.

Master Plan - continued

Addition goals are to anticipate and maximize future value of the recreational amenities and visual infrastructure appeal facilities while avoiding short term trends; refresh and renovate the recreational amenities while introducing captivating design elements consistent with the original Seapointe Village design, and keep in mind that physical component construction must be appropriate for environment.

Master Plan components include but are not limited to renovation and rehabilitation of the ocean front pool, hot tubs, main pool pumping room and water falls including repair, replacement and rehabilitate the plaza deck's structural members per the structural engineer's directive.

Promoting access to the beach for people, beach amenities and emergency vehicles in conjunction with the USACE/NJDEP Shore Protection Plan, including enhanced dune protection systems, and encourage dune landings as gathering areas.

Improving the water features, landscape areas and traffic control islands and the main entrance and along Seapointe Blvd. Rehabilitation of the main entrance gate house area to maintain and improve the iconic visual and structural components. Improving and expanding the surveillance monitoring capabilities. Improving safety for pedestrians at the main entrance through hardscape design

Replacement of the original wooden gazebo structures on the plaza deck, and overall recreational areas to have expanded shaded seating areas.

Improve, coordinate and integrate the signage, landscape areas, retaining walls and hardscape at the Pacific Avenue and Seaview Avenue entrances with the main entrance

Improve and enhance the beach food & refreshment hut area, offer additional food options and provide shaded seating area with tables and flooring
Rehabilitation of the Garden and Centre Court pool areas

Enhance and improve outdoor evening recreational amenities and opportunities

Most improvements would take place between 2017 and 2024; possibly extending thru 2027.

Most of the work would be done using reserve contributions and be funded from the Master Association Reserve Replacement, with the exception of the ocean front hot tub infrastructure rehab and the dune project.

Budget range is uncertain at this time, but based on the Capital Reserve Study projections and last year's ocean front hot tub rehab, it could be between \$4million and \$10 million.

Master Plan - continued

The preliminary calendar of improvements

- 2017 Beach food service enhancements – new deli-trailer, covered seating area
Pacific Avenue and Seaview Avenue landscape and hardscape entrance
renovation
Replace gazebos on plaza deck
- 2018 Beach access – elevated walkways, 25' x 25' landings at crest of dunes
Main entrance gatehouse, waterfeature, landscape and hardscape renovation
- 2019 Ocean front pool, waterfall pool, hot tubs and lagoon rehabilitation
Plaza deck shade areas
Enhance and improve evening recreational amenities
- 2020- 2022 Garden pool area rehabilitation
Centre Court pool area rehabilitation

What we know for certain is that the Shore Protection Project will begin no later than Spring 2019. Our structural engineer recommends the ocean front hot tub work be started within 3 years to ensure. Master Council wants to perform necessary work in concert with other areas.

As previously stated, some of the guiding principles include: **an overall timeless design** - redesign of the ocean front hot tub area; product quality; future entertainment value; initial construction cost; future operating and maintenance costs; permit-ability.

To allow for assessment planning, the board is discussing commitment to a budget range before redesign; to work with selected contractors on the redesign; and to agree on a timeframe (at least as it applied to the ocean front hot tub area they just decided not to move forward with).

Their focus has been to identify and address the needs to maintain the facilities in good and sound condition, and forward thinking from a functional and appearance viewpoint.

Design team members include Tom Sykes and Mark Petrella from SOSH; Tom Bauer and Matt Yeager of Melillo & Bauer (MB) and John Bray of Atlantic Aquatics (AA). They met with Master Council members to discuss the Master Plan options, understand essential timeframes; review the process and discuss the communication processes.

Mark Petrella provided a brief introduction. He reviewed a site plan of the village, discussed the recreational areas and facilities, and how and when and by whom the facilities are used, and gathered historical information regarding these assets. He emphasized the importance to get Seapointe owners involved and gather feedback to understand owner perspectives.

A topographical property survey is in progress for developing their concept plans, and the consultants will prepare preliminary storyboard ideas.

Master Plan - continued

Master Council emphasized the importance of engaging the homeowners in the planning process, and since the meeting, dates for a meeting of the Joint Councils (June 24th) and open houses with owners (June 24, July 22 and August 19) have been scheduled.

This portion of the meeting was opened for owner comment.

An owner asked where the SPSH introductory video could be viewed. Response – owner the spvma.com website.

An owner stated the cosmetics of Seapointe are fine, focus should be on maintaining status quo. Stan Cach responded that Master Council will look at all alternatives.

An owner suggested evaluating the capital plan in relation to unit market value. Stan Cach responded that we can analyze market value during the process, but we need to address capital replacement needs of the village regardless of market value.

Ben Martorana stated that the process is function-driven to solve problems. As we do that, we can look at new and alternative designs that meet contemporary standards with the same costs. Mark Petrella reiterated that they can address aesthetics while staying within a budget.

Jim Yost explained the gatehouse conditions and needs for rehabilitation.

An owner asked if owners will be permitted to vote on the plan. Stan Cach stated that the Master Council has the duty to preserve and protect the assets; that owners would vote to enhance to significantly change the recreational facilities.

An owner stated that he understand the needs to correct problems, wants alternatives provided and costs for each alternative.

New Business

Drone Policy

Elly Bernstein presented a pilot program for 2017 regarding drones.

It shall be the policy of the Master Council due to concerns about noise, safety and security, privacy and nuisances to issue the following guidelines to ensure that the use of unmanned aircraft, known as drones, do not pose a danger nor interfere with Seapointe Village's owners' use and enjoyment of property.

The following guidelines refer to non-commercial drones used for recreational purposes:

- Drones shall never be operated over any people who are in plain view
- No drone activity shall be permitted over common areas of Seapointe Village at any time day or night, except drones may be flown on the beach between the hours of 6 a.m. and 9 a.m. but under no circumstances shall the drones be flown over people who are on the beach.
- Drones cannot be operated under a covered structure
- The drone operator shall at all times maintain a visual line-of-sight with the drone
- Drone operators are encouraged to review all Federal Aviation Agency (FAA) rules and regulations prior to flying drones for recreational purposes.
- If a drone weighs more than .55 pounds then it is subjected to FAA regulations.
- Drone activity of a commercial nature are subject to FAA regulations
- The operator of the drone must be 16 years or older or operating under the auspices of an adult drone operator who also must always maintain line-of-sight with the drone
- Any commercial activity of drones over any Seapointe Village property shall be approved by the Master Council, in writing, prior to such activity
- Violators of this policy shall be subject to the fine schedule set forth in the Seapointe Village Rules & Regulations

Question from homeowners regarding 100% ban; another owner suggests policy in effect only during busy months; another question about how to control any drone on adjacent property.

Question who controls air space at Seapointe. Bernstein responded that the FAA regulates air space.

Motion by Bernstein, second by Ferrara, drone policy passed 7-0; effective July 1, 2017 for the 2017 season, to be reviewed and reconsidered next year.

Hoverboards

Elly Bernstein proposed a revision to the Rules and Regulations prohibition of skateboards to include hoverboards in the existing prohibition within Village – all common areas and inside buildings.

Motion by Ferrara, second by Rozzi, passed 7-0 effective July 1, 2017.

Public Comment

There were no further questions, and the meeting was adjourned at 12:40pm.