

President's Comments, continued

Update on Shore Protection Plan – Master Council continuing to coordinate efforts with Lomax Consulting, Dr Stewart Farrell & special legal counsel Anthony DellaPelle to provide updates on litigation ongoing throughout the State of New Jersey. We are in process of obtaining preliminary cost estimates to bring SV dunes into compliance with USACE dune design. Tentative expected project in the Wildwoods to begin Fall 2018. Seapointe Village Master Council wants to stay ahead of the process. Master Council also recognizes uncertainty if the new Administration in Washington DC as well as in New Jersey next year will continue the Plan.

In September, Master Council announced the plaza deck/ hot tub rehab would not take place this off season. Master Council taking a step back, now working to identify planners, architects and designers for purpose of developing and conceptualizing the framework of a Master Plan, a coordinated multi-year integrated project to identify and address original recreational facilities and infrastructure items, such that over the next 25-30 years, the facilities continue to function efficiently and meet expectation of owners. Master Council is conducting a nation-wide search for resort design consultants that can continue to successful timeless design originally implemented at Seapointe Village.

Master Council is looking into improvements for the beach, including a covered seating area and new deli-trailer are on the agenda for 2017 summer

The Master Council will update the Capital Reserve Study in 2017, and the Owners Handbook has been updated for 2017.

He announced the 2017 meeting schedule has been distributed.

The 2017 Master Council meeting dates are

- Saturday March 4
- Saturday May 27 (Annual Meeting)
- Saturday September 9
- Saturday December 2

He reminded owners to replace original appliances, minimize chance of water damage by changing water heaters, plastic ice maker water lines, washer hoses, and turn off water shut off valves when leaving your unit for extended periods of time. He recommended dryer duct cleaning to owners.

He acknowledged the following homeowners passed away: John Berte (Pinnacle 507), former Pinnacle owner Carole DeCastro, and recent unexpected passing of Fred Walz (Centre Court 311)

The contract with Jim Yost/Elite Management renewed for 2017 and 2018.

Fire response agreement between Lower Township and Wildwood Crest to be extended thru 2019.

Manager's report: Jim Yost

Insurance premiums for the new policy year were essentially flat at \$363,241 for the 2016-2017 property and liability package. Property value increased to \$123,900,000 from \$111million.

The deductible for water damage claims remains at \$25,000 for the coming year; deductible is \$10,000 for all other perils.

Guy Riska of Global Risk Partners is the agent for the association. Diane Parr and Brenda Adamson and Donna Parsons handle requests from homeowners and mortgage companies for proof of insurance certificates. (609) 641-6677, fax (609) 641-6670, or email dianep@grpinsurance.

Off-season work included the trellis framework – grinding off rust and re-coating the metal, upgrading some of the surveillance cameras and monitors; annual plaza deck caulk work; tiki thatch work; running the gas line to the beach, and routine off-season operations and maintenance assignments.

The Reserve Study update for Master Assn to be done in early 2017.

There were 17 SPV condos sold year to date for 2016 (7 additional are under contract), following 18 last year and 16 in 2014 and 2013. Average sales price for 2016 shows an increase of \$30,000 over last year. About 7% of Seapointe units are listed for sale.

Crest Saving Bank Diamond Beach branch announced permanent closing effective Feb 2017. South Station Market closed for the off-season.

The 2017 village meetings schedule is posted in the Association Management Office and in the Pinnacle Master Common Hallway and essentially follows the traditional meeting schedule.

The Seapointe Village Owner Handbook has been updated for 2017. It is available in the Management Office and on the spvma.com website.

Offseason management office hours are Monday-Friday 8am-5pm and Saturday 9am-noon.

He thanked Master Council, all village Council members, homeowners and staff for their support.

Reports of officers and committees:

Treasurer's Report: Mike Szelak

2016 Fiscal year to date recap He reviewed the handout, a recap of the unaudited results for fiscal year April 2016 through November 2016.

Total income is \$1,698,917, under budget \$3,081. (.02%) Expenses are \$1,605,380 under budget \$77,957. We are 4.3% ahead of budget year to date, and the goal is to break even at fiscal year end.

Fiscal year to date, notable negative budgeted expense variances are in Landscaping & Extermination; Trash and Water.

Positive budgeted expense variances are in Professional Fees (accountants billing lagging behind budget); Insurance (worker's compensation); Custodial & Maintenance Supplies; Pool & Spa Operations; Beach-related expenses; Uniforms; Electricity and Gas.

Reserve replacement / deferred maintenance expenses are about \$15,466 fiscal year to date. He projects \$140,000 expenses for the year, with the new deli-trailer being the single biggest expense; plaza deck expansion joints are \$10,500; the extended gas line to the beach \$15,500; CCTV camera system \$6,373; concrete site work \$3,400; trellis frame rehab was \$4,700.

At present cash balances are approximately \$601,019; (\$381,778 in reserve replacement, \$108,546 in deferred maintenance) \$724,706 on hand last year – less this year attributed to plaza deck hot tub engineering fees

3/31/2016 Financial Statements

The 3/31/2016 Master Association audited financial statements show a \$7,120 (.03%) surplus for the previous fiscal year on a \$2,483,421 budget.

Reserve Study Update

The accountants recommend updating the Reserve Study, last done in 2012. The current reserve study was last updated in May 2012 by FWH Associates. The accountant's recommended the reserve study be updated as part of their management recommendation included with the 3/31/2016 financial statements.

FWH proposed to update their 2012 study for a lump sum fee of \$5,000. FWH has already been retained by SV I, II, III and V to perform their respective reserve study updates this off-season, with the intent that the updated reports and reserve contribution recommendations will be incorporated into the 2017 fiscal budget process.

The 2012 Report recommends an annual reserve contribution of \$226,000 each year through 2020, increasing to \$235,000 in 2021. Recommended cumulative annual reserve contributions are \$1,139,000 and cumulative projected expenditures are \$640,817 for 2017 thru 2021. Motion by Szelak, second by Willis, vote 7-0 to accept the FWH \$5,000 proposal to update the reserve study.

Landscaping: Jim Yost

In-house landscaping cleanup, irrigation system winterization and sycamore trimming was completed in November. The post-season walkthrough identified typical wind damaged shrub replacement needed on the plaza deck, and some nominal work throughout the rest of the village.

Lyn Taylor submitted the flower plan for the 2017 summer. She will continue the flowers next year including begonia salvia, verbena and geraniums. Total cost is \$35,800 a decrease of \$3,120 or 7.8% from last year. She reduced her proposal, and subsequently the cost, by eliminating some of the flowers inside the west gate. Delivery date for 2017 is Tuesday April 25th, 2017.

He commented that the contractors - Haberman and Lyn Taylor, along with the in-house grounds crew once again did a nice job maintaining the landscaping throughout the property.

Beach: Jim Yost

The beach was cleared of all seasonal amenities and structures by the end of September. The beach is raked through the off-season as needed to prevent dune accretion eastward and to control the level of the back beach sand, ensure the North Beach and South Beach landings are not enveloped.

About 200 ft of snow fencing has been installed at the northernmost dune and between South Beach and Ibis landings to increase sand accumulation in these areas for the purpose of bringing the Seapointe dunes closer to full compliance with the USACE dune design.

Plan for 2017 includes adding covered seating area in front of the deli-trailer for 2017. .

Plan for 2017 includes replacement of the existing deli-trailer is a 24ft 2004 Cargo Mate Utility Trailer. It was purchased in February 2005 for \$34,000 and partially outfitted with cooking equipment and a fire suppression system for an additional \$16,000. We are evaluating build our own vs purchase of new or used. Preliminary cost to replace the deli-trailer to be between \$70,000 and \$85,000

Pools: Jim Yost

Only Ibis pool facility is open year round. The normal off-season practices; installing the pool gate and the outdoor pool cover, and the cover above the gate under the glass doors was done by end of October. During the off-season, the Ibis pool facility is open 10 AM – 10 PM. The pool temperature is 84-85 degrees, the hot tub is 102 degrees, and inside air temperature is kept above the pool water temperature to control humidity levels within normal 50-60 percent range.

Off-season work includes replacing the sand in most of the sand filters, and reconfiguring the Ibis pool pump room to replace the filter racks and to enhance access to equipment.

Personnel & Security: Elly Bernstein

Department supervisors are evaluating equipment and tools, supplies and personnel as part of preparation for 2017 budget planning.

Off-season staffing includes 6 in Custodial, 5 in Maintenance, 1 in Aquatics and Security running 224 hours per week (1 round the clock plus second guard daily 8am – 4pm)

The management routine and procedures translate to effective and efficient operations thanks to Jim Yost and the department supervisors.

Unfinished Business

Shore Protection Dune Plan / NJ DEP & USACE

No news of significance to report. Oral arguments will be taking place regarding the consolidated cases on appeal. The Bay Head litigation strategy is that taking of land for the construction of shore protection dunes is not necessary due to the storm protection provided by the existing rock revetment and the existing privately owned and maintained sand dunes. A hearing is expected to take place in January.

Last month, the USACE/NJDEP announced awarding of the contract to construct the shore protection dunes on Absecon Island (Atlantic City, Ventnor, Margate and Longport). Work is expected to begin within a few months. New litigation has been filed by five private property owners in Margate that the new shore protection dunes will create problems with ponding behind the dunes and in front of private beachfront property.

We are working with our environmental consultant on multiple tasks for Seapointe, including administrative work for our coastal general permit, which renews in May 2017. We expect to have a meeting with NJDEP Land Use Project Manager Chris Jones to determine whether or not Seapointe would be required to also apply for an individual permit.

We are working to obtain preliminary construction cost estimates for three items: 1) to bring the Seapointe dunes into full compliance with the USACE dune design; 2) for the Memphis Avenue hardpack vehicle access; and 3) to construct a walkway up and over the North Beach and South Beach walkways along with seating area landings at the crest of the dune.

There is slow movement on part of Lower Township officials to arrange a meeting with USACE and NJDEP officials regarding the Hereford Inlet Dune Project, which is tentatively scheduled to begin construction in Fall 2018.

The Borough of Wildwood Crest has filed an application for a major modification to their existing CAFRA individual permit. The Borough proposes to construct a 16' wide concrete multi-use path on the beach, east of the dunes, from Cresse Avenue to Jefferson Avenue (the entire length of the Borough).

New Business

Insurance renewal

The insurance handout was reviewed. Even with a \$12,878,000 increase in property insurance coverage (to \$123,930,000 for 2016-2017), insurance premiums for the new policy year decreased .03%, or \$100 to \$363,241 for the 2016-2017 property and liability package.

Property insurance remains with Lexington (\$123,930,000 value), based in the insurance valuation update done in early 2016.

The deductible for claims from water damage remains at \$25,000 for this new policy year. There have been no water damage claims in 4 years.

Guy Riska of Global Risk Partners continues as the agent for the association. Diane Parr and Brenda Riska handle requests from homeowners and mortgage companies for proof of insurance certificates. (609) 641-6677, fax (609) 641-6670, or email brendar@grpinsurance.com.

Public Comment

3-611 Asks about the gas line to the beach. Response that SJ Gas, Breuss Plumbing and SPV Maintenance staff members found a way to get the line run more cost effectively than originally expected.

1-318 asks if the dune height (Shore Protection Plan Army Corp dune design) is negotiable. Stan Cach commented that each beach has unique and different designs. The Army Corp determined the dune design. We can defer to our consultants Dr Farrell and special legal counsel.

1-318 asked if DEP reported the purpose, observations and findings when they were on the Seapointe beach during summer 2016.

5-407 suggests to caulk the cracks in the sidewalk by the firepit.

There were no further questions, and the meeting was adjourned at 11 am.