

President's Comments, continued

The 3/31/2018 audited financial statements have been completed for Master and all villages.

Spa area rehab is underway. Demolition of the area is in progress. The area will be reconstructed to the 2018 Plan. Our construction oversight manager is in place, working daily to review plans and specifications, coordinate between the contractor and design team

The Shore Protection Plan dune construction project appears if it will commence in 2020. Through special legal counsel, Master Council is monitoring the on-going litigation in cases affecting property owners further north along the New Jersey coast specific to DEP eminent domain actions.

Mott MacDonald (MM) conducted an evaluation of the storm drainage system. Master Council is reviewing the MM report of findings and recommendations, including long range plans for upgrades to address the size adequacy and capacity of the system.

First response for fire alarms continues with Wildwood Crest thru 2019. Emergency police and first aid/EMT response continues with Lower Township.

He announced the 2019 meeting schedule has been distributed.

The 2019 Master Council meeting dates are

- Saturday March 2
- Saturday May 25 (Annual Meeting)
- Saturday September 7
- Saturday December 7

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 owners to clean dryer duct.

He mentioned the Facebook page administered by a Seapointe owner for the purpose of a homeowner forum. He expressed his dissatisfaction with the inaccurate, defamatory and salacious statements that mis-represent the facts, in particular a recent post regarding the plaza deck hot tub area. He demanded the false statements be removed from the Facebook page.

He reiterated to owners that the history of the plaza deck is posted on the Association website (spvma.com). He briefly recapped the chronology of the plaza deck from 2000 to present.

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

Insurance premiums for the new policy year increased \$1,492, or .04% to \$371,258 for the 2018-2019 property and liability package. Property value is \$123,900,000. 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.

The DCA 5-year inspection followups were conducted October 25 in the five multi-family buildings, and the reports have been issued. No violations in Centre Court. One in Garden & Pinnacle for entry door operation. Violations for multiple units in North Beach and South Beach for not providing unit entry. These owners were notified.

The Centre Court exterior rehab project is in progress, estimated completion in late April 2019. This project involves removal and replacement of original exterior aluminum siding with a pvc-cellular siding, removal and replacement of original exterior stucco with a stone veneer, and removal and replacement of original Anderson windows and sliding patio doors with Simonton windows and doors. Scheduled completion in April 2019.

Domestic water pump systems were replaced in Pinnacle and are scheduled for replacement in North Beach (mid-December) and South Beach (December 4-6) by same contractor that did Centre Court pump replacement project last off-season.

South Beach will be installing tile in the elevator lobbies in December and replacing hallway carpeting in February 2019.

South Beach will be replacing common area rooftop HVAC systems (December 5-6).

Drop ceiling throughout the Pinnacle parking area was removed in October.

There are 23 SPV condos sold year to date for 2018 (4 additional are under contract; scheduled to close before calendar year end). There were 18 sold in 2017, 20 sold in 2016; 19 in 2015 and 18 in 2014 and 2013.

Total of the 23 posted sales in 2018 to date is \$10,550,100 for an average of \$458,700. Sales prices range from \$245,000 for a one bedroom unit in North Beach to \$890,000 for a 2 bedroom den penthouse in South Beach.

Average sales price last year was \$406,464 and \$426,000 per unit in 2016.

20 units, or about 4% of Seapointe units are for sale; there were 29 in December 2017.

The 2019 village meetings schedule is part of the meeting handouts, will be 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 2019, no significant revisions. It is available in the Management Office and on the spvma.com website.

Manager's Report, continued

Contractor guidelines are available on the website and in the office as helpful information and requirements for contractors working at Seapointe.

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

2018 Fiscal year to date recap He reviewed the handout, a recap of the unaudited results for fiscal year April 2018 through November 2018.

Total income is \$1,780,899, over budget \$33,785. (1.9%) Expenses are \$1,735,359 under budget \$12,796. We are 2.6% 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 Professional Fees (Icona CAFRA application and the stormwater report); Postage (certified mailing for site plan application); Maintenance Supplies (HVAC); Trash (bulk trash removal) and Utilities.

Positive budgeted expense variances are in Insurance; Pool & Spa Operations; Security Supplies; Trash; Electricity and Water. Landscaping well under budget but awaiting November billing.

At present cash balances are approximately \$570,153; (\$300,846 in reserve replacement, \$116,240 in deferred maintenance) \$494,423 on hand last year; (\$601,019 in 2016; \$724,706 in Dec 2015)

Reserve/ Deferred Maintenance expenses to date this fiscal year (excluding the plaza deck hot tub area project) total \$30,862. Items include:

<u>Reserve for Replacement</u>		<u>Deferred Maintenance</u>	
Beach recycl cans	\$2,284	Roadway repairs	\$3,294
Benches	\$1,541	Plaza deck expansion joints	\$9,379
HVAC (Gym)	\$6,800	Firepit/trellis painting	\$5,200
Ejector pit pump	\$2,364		

So far in fiscal 2018-19, \$181,436 spent for plaza deck project: \$25,190 legal; \$137,187 professional fees; \$8,660 permit/inspection fees; \$10,000 loan commitment fee.

3/31/2018 Financial Statements

The 3/31/2018 Master Association audited financial statements show a \$42,954 (1.7%) deficit for the previous fiscal year on a \$2.52 million budget.

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 typically submitted the flower plan for the upcoming season in early December, consistent with the past year. She indicates she will continue the flowers next year including begonia salvia, verbena and geraniums, and retain the white color reintroduced in 2017. Delivery date for 2019 is fourth Tuesday in April (23rd).

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, to prevent the North Beach and South Beach landings from being enveloped by sand.

The additional snow fencing installed in 2016 continues to increase sand accumulation along the east side of the dunes bringing the Seapointe dunes closer into compliance with the USACE dune design, specifically the crest width. The fencing also serves to define the beach raking limits and should make DEP pre-season flag placement more consistent from year to year.

2018 was the first year of a five year lease with Brian Balestreire to operate the deli-hut.

The Icona CAFRA decision is expected to be issued by the DEP Land Use Regulation Program any day. LURP is the same department that reviews the Seapointe CAFRA applications, and odds are against the permit being issued because what Icona is proposing is inconsistent with CAFRA guidelines and also is inconsistent with the USACE Shore Protection Plan. Seapointe homeowners submitted over 50 letters of opposition/concern to the DEP and Lower Township.

Pools: Jim Yost

During the off-season, the Ibis pool facility is open 10 AM – 10 PM. Pool water temperature is kept at 84-85 degrees and the hot tub at 103 degrees. We are maintaining inside air temperature slightly above the pool water temperature, which is keeping humidity levels within normal 50-60 percent range.

The usual 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.

No significant off-season aquatics projects (other than the obvious).

Personnel & Security: Elly Bernstein

Department supervisors are evaluating equipment and tools, supplies and personnel as part of preparation for 2019 budget planning. Off-season staff continues to perform preventive maintenance and off-season projects. The Maintenance staff built an additional 12 beach storage lockers.

Off-season staffing includes 6 in Custodial, 5 in Maintenance, 1 in Aquatics and Security staffing at 240 hours per week (1 round the clock plus second guard daily 8am – 4pm and Friday/Saturday evenings)

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

Unfinished Business

Plaza Deck Hot Tub Area Rehab Project Update

M&G contract \$3,179,632 - completion by Memorial Day Weekend 2019

Demolition of the spa area/crows nest/pump rooms started early November.

Dismantling of the equipment in the pump rooms started first and took more than a week. We scavenged all useful pump room equipment prior to M&G's work. Once the pump rooms were dismantled, demolition work began above deck. This effort is methodical and deliberate, because the contractor must protect adjacent areas not scheduled for demolition, and so as not to damage the supporting structural planks. The existing spa structure was built with very strong reinforcing bars, also making demolition move slower than M&G expected. In addition, materials being removed are separated (concrete, soil, metals, etc) prior to being dumped.

Construction Oversight Manager Gerry MacDonald is SV rep; working directly with M&G. He coordinates responses to both Requests for Information and submittals submitted by M&G with the design team; ensures project built to 2018 Plan plans and specifications.

In process of setting up page on the spvma website for photos and live camera stream.

Pre-payment of the assessment

Based on the \$3.5million project budget; of which \$712,960 is identified as costs for professional fees, permit & inspection fees and contractor expenses not directly for demolition or construction (and this amount is allocated equally to all units); and \$2,787,040 identified as demolition and construction costs (and this amount is allocated by population).

Unit type	#tags	#units	Demo/constr	GC/Prof fees	Asmt per unit	5 pmts
One bedroom	4	95	\$3,701	\$1,429	\$5,130	\$1,026
One bedroom den	5	100	\$4,627	\$1,429	\$6,055	\$1,211
Two bedroom	6	150	\$5,552	\$1,429	\$6,981	\$1,396
Two br/den TH/SFH	8	154	\$7,402	\$1,429	\$8,831	\$1,766

Prepayments to avoid carrying costs will begin January, for 5 months, due the 15th of each month.

Shore Protection Plan Update

We submitted our comments to the Lower Township municipal administration and public officials with a copy to the DEP in early October. The ACE and DEP will schedule meetings with the municipalities to discuss all comments, expected sometime before the end of the year. This may be delayed into next year because the DEP Coastal Engineering Manager has been involved in court cases and condemnation litigation, so they are falling behind on scheduling the meetings with municipalities.

The current (60%) 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.

Most recent timetable puts this project at taking place in late 2020 into 2021.

Our special legal counsel reports that there is no new news on related litigation matters. Consolidated matters in the Bay Head and Berkeley Township remain pending in the appellate court. The State's opposition brief is due in mid-December. He does not expect oral argument until Summer 2019.

Cases to determine just compensation appear to be moving through the courts. In the single jury trial so far, the owner prevailed but was awarded only \$250,000 in damages for a home worth \$3 million. Next trial is scheduled in February 2019.

New Business

Insurance renewal

The insurance handout was reviewed. No changes in coverage for the renewal term. Property insurance coverage is \$123,930,000 for 2018-2019).

Insurance premiums for the new policy year increased 0.04%, or \$1,492 to \$371,258 for the 2018-2019 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

1-406/410 requested that the capital reserve studies be posted on the Association website.

1-508 asked if Ibis owners will pay the special assessment. Response that Ibis owners are not part of the Seapointe Village Master Association, and therefore do not pay Master Association special assessments.

1-508 asked what Ibis owners pay. Response that Ibis owners pay an amenity usage fee. For the current fiscal year, that total fee paid by Ibis owners to the Master Association for the amenity usage is just under \$90,000.

3-503 commented that he joined the Facebook owners forum page. He suggested to Stan that he give Seapointe owners credit to be able to determine what are stupid posting on the page.

5-119 stated they are not on Facebook and asked if this page is an official Association site. Stan Cach commented that it is not an official Association page.

5-112 commented that the SV V Centre Court board set up a dedicated Facebook page for Centre Court owners to follow the Centre Court exterior rehab project.

3-608 asked if Master Council is considering additional fees for Ibis. Stan Cach commented that the Master Council is open to discussions with the Ibis board.

3-610 asked if service/comfort animals are permitted on the beach (yes to service animals) and if there were any rules/restrictions for tents on the beach.

1-406 responds in regards to comment about service animals, stated it was her opinion that laws are not clear whether an owner has to rent to someone with a service animal.

4-318 asked about drones. Response that Seapointe has a drone policy.

5-214 recommends more updates on the Seapointe website, in addition to posting more documents on the site.

3-610 stated hot tubs could have been included in 2005 plaza deck rehab, but she acknowledged there was pressure to control costs at that time, and that she understands Master Council was/is working for homeowners best interests.

1-319 comments about dune height. Jim Yost respond that existing dunes meet or exceed dune design height in Shore Protection Plan in all areas except walkthroughs.

5-407 suggests Seapointe establish a beach tent policy

2-504 suggests constructing walkways over dunes on an angle to prevent tidal surges from affecting walkways.

There were no further questions, and the meeting was adjourned at 11:55am.