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President's Comments, continued

We will have reports on the insurance renewal during the meeting.

The Owners Handbook has been updated for 2024 with only minor edits and is on the Association website spvma.com.

Unit valuations continue to increase the past few years.

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 thanked Master Council, all village Council members, homeowners and staff for their support and wished everyone a healthy holiday season and new year.

Manager's Report

Insurance and the dramatically increasing labor costs will make it challenging as we budget for next year. The 2024 budget process will start after the new year for the upcoming fiscal year, which begins April 1, 2024.

North Beach balcony waterproofing project is in progress. This project involves removal of balcony railings, prepare and waterproof balcony surfaces, powder-coat balcony railings and reinstall. Project includes new railing brackets and replacement of about 50% of bolts securing the brackets to the balconies.

Garden Residences fire suppression system replacement is in progress. Project involves removal of original copper pipes and replacement with CPVC pipes.

Start date for replacement of balcony support beams on 30 balconies in Garden Residences is undetermined at this time.

Centre Court interior refurbishment including painting, lighting and carpeting is in progress. Obtained bids for elevator modernization, likely to be performed 2024-2025 off-season.

South Beach replacing the metal seam roof. Contract awarded, material selection in progress.

Townhomes Capital Reserve Study completed.

In-house staff is refurbishing 25 of the beach storage boxes for 2024 and building 10 additional, bringing the total number of boxes to 100. Lottery will again take place in Spring.

Centre Court pool slide tile has been replaced.

This off-season, HVAC/ dehumidification system for the Ibis pool facility will be replaced. Expect the Ibis pool to be closed for several weeks when this work takes place. It will not occur before the Christmas/New Year holiday.

There have been 16 sales to date this calendar year, and 2 units are under contract as of Nov 30. (19 last year, 27 in 2021; 34 in 2020; 19 ytd in 2019). At this time there is one unit for sale (SB202) that is not under contract.

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Manager's Report, continued

Even with significant increases in condo fees and increasing mortgage rates, the available inventory of condo units for sale in the Wildwoods is very low and sales prices have continued to increase during 2023.

SPV Realty reports demand for 2024 rentals is strong, booking availability opened November 1st, earlier than ever before.

Reminder that lease fees have increased effective January 2024.

Maintenance Supervisors Mike Siner and Juan Irizarry will have a float in the West Cape May Christmas Parade, which takes place this evening.

Special acknowledgement to Stan Cach. He has been influential in development of the long term maintenance planning and care of Association property.

Welcomes Joe Panepinto as new SV Master Council President and looking forward to working with him.

Treasurer's Report

Financial Review – Preliminary financial statements for fiscal year April through November 2023 operating performance compared to budget indicate:

Income is over budget by \$18,568. Expenses are under budget by \$6,640.

ITEM	AMOUNT	OVER/UNDER BUDGET	COMMENT
TOTAL INCOME	\$2,295,640	+\$11,928	
Administrative fees	\$18,622	+\$2,222	Resale activity
Reimbursable payroll	\$192,006	+\$506	
Miscellaneous income	\$118,500	+\$9,200	Parking fees/beach lockers
TOTAL EXPENDITURES	\$2,315,020	-\$6,640	
Professional fees	\$59,440	+\$13,440	
Office operations	\$20,421	+\$3,346	Help wanted ads \$3,668
Misc A&G expenses	\$14,780	+\$2,995	
Insurance	\$121,044	-\$10,956	Workers Comp
Custodial expenses	\$24,700	-\$1,300	
Maintenance expenses	\$37,251	-\$16,499	
Landscaping	\$121,316	-\$21,784	
Beach related expenses	\$33,508	-\$14,492	
Pool Operations	\$90,637	+\$13,637	Pool chemicals/ testing
Security supplies	\$14,340	+\$90	
Payroll & related	\$1,309,724	+\$50,724	Starting rate/ OT
Trash	\$18,473	+\$2,473	
Electric	\$69,637	-\$8,363	
Gas	\$44,535	+\$1,535	
Water/Sewer	\$122,169	-\$8,631	
Reserve Contribution	\$101,386	-\$0-	
NET INCOME	(\$120,766)	+\$18,568	0.9% positive variance

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Comparative fiscal year to date.

Operating expenses April – November 2023 \$2,315,020, an increase of \$58,925 (2.7%) compared to \$2,256,095 for same period last year. Most notable:
 Payroll and related \$1,309,724, an increase of \$59,759 (4.8%) over same period in 2022, and \$50,724 over budget ytd. Yet 2023 total hours ytd are 8,790 fewer than in 2022.

<u>2018-2023 comparison</u>	<u>2018</u>	<u>2023</u>	<u>Difference</u>	<u>% change</u>
Minimum hourly wage	\$9.25	\$14.13	+\$4.88	+52.8%
Average hourly rate	\$13.65	\$20.67	+\$7.02	+51.5%
Total hours worked	67,465	53,351	-14,114	-21.0%
Payroll \$\$	\$920,897	\$1,102,526	+\$181,629	+19.8%

Pool Operations/Maintenance \$91,637, a decrease of \$2,300 (2.5%) over same period in 2022 but \$13,637 over budget ytd.

Account balances & related fiscal issues

<u>Account Balances</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Operating/Payroll	\$69,119	\$51,698	\$52,941	\$27,758	\$81,653
Capital Reserve	\$347,349	\$527,164	\$1,024,625	\$1,073,402	\$358,163
Deferred Maintenance	\$9,355	<u>\$58,433</u>	<u>\$84,902</u>	<u>\$28,178</u>	<u>\$136,093</u>
TOTAL	\$425,823	\$627,295	\$1,162,468	\$1,129,338	\$575,909

Reserve Replacement / Deferred Maintenance expenses fiscal year to date - \$107,118

Reserve Replacement / Deferred Maintenance expenses during 2023-2024 fiscal year to date are \$107,118, \$81,352 of which is classified as Reserve Replacement and \$25,766 is classed as Deferred Maintenance. Detail shown below.

	<u>\$81,352</u>	<u>Deferred Maintenance</u>	<u>\$25,766</u>
<u>Reserve for Replacement</u>		<u>Deferred Maintenance</u>	
Stormwater outfall prof fees	\$22,376	Sewer line cleanout	\$7,586
Sitework	\$18,211	Plaza deck sealant	\$18,180
Golf carts (2)	\$13,828		
Centre Court pool slide tile	\$11,050		
Pool heaters (2)	\$6,608		
Pool motors (3)	\$4,508		
Ibis pool restroom doors	\$3,972		

Expected Reserve Expenses in 2023-2024 off-season

Ibis pool building HVAC System	\$197,000
Ibis pool building roof/additional	\$15,000

Reserve for Master Plan / Anticipated Projects

This topic has been a regular mention during open meetings.

<u>Project</u>	<u>Timeframe</u>	<u>Budget</u>
Gatehouse / front entry	2024-2025 off-season?	\$200,000?
Dunes / walkovers	2025	\$450,000
Street repaving	unknown	\$200,000 Twp participation?
Garden pool & lagoon	2025-2026?	Unknown
Centre Court pool	after Garden pool	Unknown

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Treasurer's Report, continued

Audited Financials

RKL performed the fiscal year end 3/31/2023 financial statement and tax return preparation for Master and villages. All villages have reviewed draft financial statements. Awaiting issuance of final statements.

ACH Participation

At present, 237 SV homeowners use the ACH for condo fee payment and 131 use bill-pay services - combined almost 74% of all owners.

The current village-wide condo fee delinquency rate (over 30 days) is less than 1%.

Committee Reports

Landscaping

In-house landscaping cleanup, irrigation system winterization and sycamore trimming was completed in November. We conducted the post-season walkthrough in mid-September to identify areas for shrub replacement. Megan Hunter (designer for Haberman) is developing the plan for 2024.

Beach

The beach was cleared of all seasonal amenities and structures by early October. The beach is raked several times per week 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.

SV Maintenance staff completed rehab of 25 beach storage boxes with new siding and hardware and are in process of building 10 additional boxes, bringing the total to 100.

Personnel & Security

Supervisors are evaluating equipment and tools, supplies and personnel as part of preparation for 2024 budget planning. Off-season staff continues to perform preventive maintenance and off-season projects.

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)

2023 was a challenging labor market, with the shore businesses trying to attract qualified employees from the same transient seasonal labor market.

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Unfinished Business

Shore Protection Project

The State of New Jersey Department of Environmental Protection advises the USACE-NJDEP dune project is tentatively scheduled to begin in 2025.

Meeting was held October 25th with Lower Township officials and the four private beach owners and the Township. Township officials directed us to meet with the DEP. DEP and USACE officials has requested a meeting with SV in December.

SV legal counsel held a conference with DEP DAGs last week to continue discussions on the legal track. The agenda for their conference was to review the history of ACE Dune Project/State Aid Agreement Negotiations, past Seapointe Village communications with NJDEP/Lower Township, discuss Seapointe Village concerns, and determine the next steps on Easement negotiations. They requested that we provide as-builts and technical plans of any areas we don't want disturbed when the project takes place, as well as anything specific we want to have maintained.

Stockton University Coastal Research Center ("CRC") was engaged to update the 2015 GPS mapping of the Seapointe dunes. Steve Hafner, Director of the CRC and his team have made several trips to Seapointe Village to perform drone flights to gather data to define the coverage areas and to conduct RTK GPS surveys. Static scans are scheduled for early December and they expect to have a draft report before the end of the year for our review.

SV Master Capital Reserve Study Update status

FWH conducted a site visit in late summer and are in process of updating the information. We expect a draft by end of December.

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New Business

Insurance Renewal 12/1/2023 -12/1/2024

The insurance renewal has not yet been finalized. We are still working with our agent. Overall premiums appear likely to increase significantly, depending on your village..

There are several reasons why:

First – the insurance reconstruction valuation appraisal updated in 2023 increased total property valuation by over \$40,000,000 from \$123,000,000 to over \$164,000,000, a 33% increase. This means that the total amount of property insurance coverage required increases, and premiums will increase.

Second – For as far back as we can recall, Seapointe had property insurance coverage under one policy – and for the past decade that coverage was with one company NSM offering a program for coastal condominiums known as the CHAMP program. For many years, the insurance was provided by Lexington. Several years ago, Lexington declined to continue in the program but two other insurance companies, Arch Specialties and Old Republic stepped in to provide coverage. The CHAMP program has experienced significant losses in recent years and subsequently restructured their portfolio and reduced their capacity for any single location.

As a result the CHAMP program no longer insures frame construction -meaning that Garden Residences and Townhomes had to find new insurance carriers.

The reduction in capacity for any single location affects Seapointe Village because effective this year, the CHAMP program is not willing to insure all of the remaining buildings (North Beach, South Beach, Pinnacle and Centre Court). Subsequently, one of the buildings had to obtain a separate policy.

So rather than one property insurance policy, we will have multiple policies.

This situation is a result of increased coverage requirements, market conditions, fewer insurers willing to offer insurance to coastal condominiums and some carriers unwilling to insure frame construction, some carriers unwilling to insure buildings with EIFS, and some carriers unwilling to offer coverage to condominiums depending on age of the roof.

Our agent is still working to find more cost effective coverage, and we have reached out to other agents to review our efforts and see if they can identify other insurance carriers.

The general liability market is also getting more difficult in response to increasing claims across the condominium market, especially for associations with greater than 25% rental participation.

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Ibis Pool HVAC /Dehumidification System

The HVAC/dehumidification system for Ibis pool needs to be replaced. We received two proposals \$197,000 & \$187,000. Proposal to replace with in-kind for \$197,000, with an additional \$15,000 for the project for roof replacement under the HVAC equipment, electrical work and crane.

Motion by John Ferrara, second by Mike Szelak to approve replacement of the Ibis Pool Building HVAC/Dehumidification system, project budget of \$215,000. Vote is 7-0 in favor.

Special Assessment

SV Master – Special assessment proposed up to \$500,000 for purposes of financing the insurance spike (just for the Master Assn portion) and reserve funding (to pay for the Ibis Pool HVAC system).

Master Association budget is allocated by line item, either on a “Per-unit” or “Per-population” basis. Insurance is allocated based on a “per-unit” basis. The insurance increase for the Master Association is just over \$25,000, or approximately \$50/unit. Pool HVAC is allocated based on a “per population” basis

Assessment	Per Unit (\$50/unit)	Per population Total (\$83/person)		#units	Total
One Bedroom	\$50.00	\$332.00	\$382.00	95	\$36,290
One Bedroom den	\$50.00	\$415.00	\$465.00	100	\$46,500
Two Bedroom	\$50.00	\$498.00	\$548.00	150	\$82,200
Two bedroom den +	\$50.00	\$664.00	\$714.00	<u>154</u>	<u>\$109,956</u>
				499	\$274,946

Motion by John Ferrara, second by Mike Szelak to approve implementing the special assessment for insurance and reserve funding. Vote is 7-0 in favor.

ADDENDUM TO MINUTES

Following the approval of the above assessment, SV Master Council realized that the Master Association portion of the insurance increase was substantially less than \$250,000. Subsequently, the amount of the insurance portion of the above assessment will be reduced from \$250,000 to \$25,000. On a per-unit basis, that equates to \$50.

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Parking

A new parking policy is being proposed for 2024. Master Council is introducing this proposed policy at this meeting to allow for feedback from homeowners. Owners are invited to send their feedback via email to spvma@comcast.net.

Proposed parking policy for 2024

- 1). The underground ocean front parking garages are designated parking areas restricted to the homeowners of the three ocean front buildings, I, II, III.
- 2). The (16) parking spaces located outside adjacent to Bldg. I and the (21) parking spaces located outside Bldg. 2 shall be designated only for the three ocean front bldgs. I, II, & III.
- 3). The (10) parking spaces located outside and adjacent to Bldg. II and designated shall be for guest parking on a first come first served daily basis.
- 4). Guest parking shall be limited and controlled by security during the summer season with no guests passes issued during holidays or peak weekends.
- 5). The summer season is defined from Memorial Day weekend through Labor Day weekend.
- 6). The enforcement of the 2023 Parking Policy shall be strict enforcement with violators issued \$250 parking ticket on the first offense (for violators in the main garage) and \$250. 00 daily afterwards for their illegally parked vehicle.
- 7). The renting Seapointe Village homeowner shall be responsible for any of their renter(s) that is, are given a parking ticket for their illegally parked vehicle and does not pay the outstanding parking violation(s).
- 8). Written notices of the 2023 Parking Policy shall be issued to each Seapointe Village homeowner informing them of the 2023 Parking Policy effective for the upcoming 2024 summer season.
- 9). All renting entities shall be issued a copy of and informing them of the Seapointe Village 2023 Parking Policy, underscoring the Seapointe Village Parking Policy will be implemented commencing in the 2024 summer season and strictly enforced.
- 10). Appropriate signage shall be posted of the Restricted Parking for Homeowners of the Bldgs., I, II, III, Guest Parking areas, the No Parking Areas. Include amount of the fine on the signage.
- 11). Additional Guests parking is located: (30) parking spaces on Memphis Ave.; (27) parking spaces on Seaview Ave.; (12) parking spaces in the parking lot located on the eastern end of Dune Drive.

This parking Policy will be monitored during the summer season and revisions may be made, upon approval of the Seapointe Village Master Council, depending upon the effectiveness of the policy.

Owners are invited to send their feedback via email to spvma@comcast.net.

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Homeowner Comment

- 2-308 Suggests to notify realtors about fines for parking violations, penalizing the homeowner who is renting for violations committed by guests doesn't make sense to him.
- 2-708 Homeowners need to be notified of parking violations by their rental guests
- 2-401 Asks to define peak weekend for parking.
Asks about use of empty former game room.
- 2-504 Supports reinstating as a game room.
- 2-707 Is ok with fines for parking violations, but supports a 24-hour grace period for "accidental" violations if owner forgets to hand parking pass
- 2-707 Supports building increases into the condo fees for insurance
- 2-308 Requests open houses be held in June and September, not just July and August
- 7-512 Asks about insurance for frame construction (the Townhomes)
- 1-707 Asks about schedule for reinstallation of railings on North Beach Residences (north side)
- 5-404 Questions definition of illegal parking/ no tag/parking in wrong area/ or something else
- 5-214 States for parking violations, Lower Township Police will issue tickets.
- 2-707 Security should register vehicles to help identify vehicles with no tags
- 3-203 States oversized vehicles don't fit in many sections of the main garage
- 2-704 Residents from SV I-II-III (North Beach, South Beach and Pinnacle Residences) are allowed to park in the main garage
- 2-517 Suggests new parking passes
- 3-503 Parking on Memphis Avenue, Seaview Avenue and the Dune Drive Lot are available for guest parking
- 5-404 Sees a potential issue with sharing of insurance premiums

There were no further questions, and the meeting was adjourned at 11:30 a.m.