

**SEAPOINTE VILLAGE MASTER ASSOCIATION**  
**Open Council Meeting**  
**Saturday, December 7, 2019**  
**10 AM – North Beach Residences Lobby**

Meeting was called to order by Jim Yost at 10:05 AM.

**Roll Call:**           SPV I – Joe Panepinto                           SPV II – Stan Cach - AWR  
                          SPV III – John Easter                           SPV IV – John Ferrara  
                          SPV V – Mike Szelak                            SPV VI – Elly Bernstein - AWR  
                          SPV VII – Anton Lemli

Proof of notice was mailed to homeowners on November 7, 2019. Notices have been posted in all buildings and on announcement boards.

Approximately 35 homeowners were also in attendance. (55 in 2018)

**Approval of minutes**

Upon motion by Ferrara, second by Szelak, minutes of SPV Master Meeting held September 7, 2019 were accepted as presented and approved by vote of 5-0.

**Opening Comments/Manager's Report:** Jim Yost

He noted the anniversary of the bombing of Pearl Harbor. He welcomed everyone to the meeting, thanked them for coming, and expressed best wishes for the holidays to all present.

He noted several Master Council members Ben Martorana, Stan Cach and Elly Bernstein were unable to attend. Because they are unable to attend, the reorganization of the Master Council for 2020 has been postponed until March.

Insurance premiums for the new policy year increased \$29,150, or 7.85% to \$400,408 for the 2019-2020 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.

Plaza Deck Spa area project is being wrapped up, punchlist items are being resolved with the contractor.

No news regarding the Shore Protection Plan dune construction project. Through our environmental consultant and 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.

First response for fire alarms continues with Wildwood Crest thru 2020. Emergency police and first aid/EMT response continues with Lower Township.

He announced the 2020 meeting schedule has been distributed.

The 2020 Master Council meeting dates are

Saturday March 7

Saturday May 23 (Annual Meeting)

Saturday September 12 / Saturday December 5

### **Opening Comments, continued**

There are a few notable village/Master projects on-going or planned for this off-season.

Drop ceiling throughout the Centre Court parking area was removed in October.

Garden Residences elevator modernization will take place this off-season.

Playground will be refurbished

New cameras installed to provide additional coverage to plaza deck, west gate and Ibis pool area. 2 or 3 of them will be set up for live streaming to be viewed on the Association website.

Centre Court lower pool sidewalk drainage work done, and retaining wall erected next to bottom of slide

Garden pool deck sealant being replaced

The tennis court and basketball surfaces will be resurfaced before next year.

Ibis pool zero entry pool tile replaced before next season.

Beach walkways will be extended 80'

Two beach wheelchairs were purchased.

North Beach has a new exercise room.

There are 19 SPV condos sold year to date for 2019 (5 additional are under contract; scheduled to close before calendar year end). There were 27 sold in 2018; 18 sold in 2017, 20 sold in 2016; 19 in 2015 and 18 in 2014 and 2013.

Total of the 19 posted sales in 2019 to date is \$7,941,502 for an average of \$417,974. Sales prices range from \$220,000 for a one bedroom unit in North Beach to \$898,000 for a 3 bedroom den 4 bath unit in Ibis.

Average sales price last year was \$459,550 \$406,464 in 2017 and \$426,000 per unit in 2016. 22 units, or about 4% of Seapointe units are for sale; there were 20 in December 2018.

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.

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

2019 Fiscal year to date recap Preliminary financial statements for fiscal year April 2019 through November 2019 operating performance compared to budget indicate:  
 Income is over budget by \$18,515. Expenses are under budget by \$57.

ITEM	AMOUNT	OVER/UNDER BUDGET	COMMENT
TOTAL INCOME	\$1,833,869	+\$18,505	1.01%
Administrative fees	\$19,823	+\$9,923	Resale activity
Reimbursable payroll	\$143,612	+\$5,112	Custodial / Maintenance
Miscellaneous income	\$64,970	+\$3,470	Beach storage lockers
TOTAL EXPENDITURES	\$1,814,428	-\$57	.0%
Professional fees	\$44,568	-\$2,932	Consultants/Engr.
Office operations	\$30,768	+\$2,568	Help wanted ads/Postage
Misc A&G expenses	\$10,698	-\$2,087	Licenses/Meeting Exp.
Insurance	\$83,899	-\$18,881	D&O journal entry
Custodial expenses	\$32,468	+\$14,468	Tried contract supplies
Maintenance expenses	\$35,965	-\$9,285	Cost controls
Beach related expenses	\$35,723	+\$3,723	Extra end of season grading
Pool Operations	\$66,599	+\$8,599	Some 2018 expenses
Security supplies	\$12,316	+\$3,066	Bought 2 defibrilators
Payroll & related	\$907,304	+\$37,934	Net payroll var +\$32,822
Trash	\$22,794	+\$4,794	Bulk trash \$7,026
Electric	\$80,357	-\$8,643	
Gas	\$35,328	+\$328	
Water	\$98,596	-\$4,404	
NET INCOME	(\$71,217)	\$18,562	1.02% positive variance

Account balances & related fiscal issues

As of December 1, 2019, Master Association cash is \$1,298,848.

Account Balances	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Operating/Payroll	\$81,653	\$153,067	\$41,507	\$110,695
Capital Reserve	\$358,163	\$300,846	\$344,141	\$381,778
Deferred Maintenance	<u>\$136,093</u>	<u>\$116,240</u>	<u>\$108,775</u>	<u>\$108,546</u>
TOTAL	\$575,909	\$570,153	\$494,423	\$601,019
Rehab Assessment	<u>\$722,939</u>			
TOTAL	\$1,298,848			
Balance on line of credit	\$784,463			

Reserve Replacement / Deferred Maintenance expenses fiscal year to date - \$2,087,847  
 Reserve Replacement / Deferred Maintenance expenses during 2019-2020 fiscal year to date are \$2,087,847 of which \$2,011,247 is project-related; \$62,078 is identified as Reserve Replacement and \$14,522 is classed as Deferred Maintenance. Detail shown below.

<u>Reserve for Replacement</u>	<u>\$62,078</u>	<u>Deferred Maintenance</u>	<u>\$14,522</u>
Beach trash cans	\$5,052	Plaza deck sealants	\$13,732
CCTV system	\$7,122	Signage	\$790
Golf cart	\$4,425		
Tiki huts	\$8,292		
BBQ grills	\$3,995		
Benches	\$3,752		
Plaza deck furniture	\$5,166		
Playground equipment	\$11,871		
CC pool sitework	\$12,400		

Oceanfront hot tub project related expenses during 2019-2020 fiscal year - \$2,011,247

<u>Professional fees</u>	<u>\$92,540</u>	<u>Project costs</u>	<u>\$1,918,707</u>
Mellilo & Bauer	\$0	Merrell & Garaguso	\$1,706,563
Feld Kaminetzky	\$11,031	Interest Expense	\$22,576
Atlantic Aquatics	\$0	Heater venting	\$63,740
SOSH	\$0	Misc mechanical	\$26,328
Industrial Thermal	\$81,271	Polycarbonate panels	\$8,659
Lowenstein Sandler	\$238	Furniture	\$13,818
		Painting	\$6,100
		Elevated deck glass panels	\$35,329
		Gazebo coating	\$15,500
		Garden spa corner work	\$4,638

3/31/2019 Audited Financials

Awaiting issuance of final 3/31/2019 financial statements for Master Association. Accountants issuing clean opinion and statements are consistent with previous years.

**Landscaping:** Jim Yost

In-house landscaping cleanup, irrigation system winterization and sycamore trimming was completed in November. We conducted the post-season walkthrough in mid-September, and performed typical wind damaged shrub replacement, added arborvitae by the basketball court and did some work at the main entrance.

Lyn Taylor typically submitted the flower plan for the upcoming season in early December. She indicates she will continue the flowers next year including begonia salvia, verbena and geraniums, and retain the white color reintroduced in 2017. She will also introduce 200 flats of impatiens on the plaza deck and send soil samples for testing. Delivery date for 2020 is fourth Tuesday in April (27th).

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. Due to several periods of strong NE winds, we needed to bring in heavy equipment to re-grade the sand in September and October. 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. It is noticeable this year that the back-beach sand is higher than the elevation of the NB/SB landings.

The additional snow fencing 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 has been making DEP pre-season flag placement more consistent from year to year.

2019 was the second year of a five year lease with Brian Balestreire to operate the deli-hut.

Developing a survey for beach amenities, seeking input for beverage license, additional amenities, anticipated effect on annual operating budget.

**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.

Several notable off-season projects.

The Ibis pool zero-entry tile surface will be replaced before next season. There are about six areas where the tiles are missing, several others where the tiles are loose, and a substantial area where the grout is deteriorated. 2 companies submitted proposals to completely retile this pool. Mainline Pool is the low-bid contractor (\$25,000).

The Ibis pool pump room has a vertical filter rack that needs to be replaced. The stand holds two large sand filters for the Ibis facilities and has deteriorated to the point where it may fail. In order to replace the stand, the four filters need to be disassembled, the present rack needs to be removed, a new rack installed and the filters reassembled. We obtained only one proposal \$11,425.

To perform this work to replace the filter rack means the Ibis pool will have to be closed for approximately 3 weeks. At the same time this is done, we can have the zero-entry pool retiled and we can repaint the Ibis pool surface. This work will be scheduled for Spring, exact dates tbd.

Evaluated resurface the oceanfront pool? Every year we repair the surface (fill in any cracks and replaster areas as needed), then paint. This takes place every year, at an approximate cost of about \$4,000 for time and material.

We contacted six pool contractors and obtained 3 proposals to replaster the entire pool surface and retile the waterline - \$74,000, \$75,500 and \$96,500. These replastering proposals include a one-year conditional warranty.

Given the payback period for replastering is about 19 years and only includes a one-year warranty, and in looking at the additional anticipated projects it difficult to justify the expense to replaster. Stay the course for 2020.

**Personnel & Security:** Jim Yost

Department supervisors are evaluating equipment and tools, supplies and personnel as part of preparation for 2020 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)

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

**Unfinished Business**

Ocean Front Hot Tub Area Rehab Project

At the September meeting, there were several major items outstanding for completion of the project. The items, current status and cost (if any) as shown below.

<u>Item</u>	<u>Status</u>	<u>Cost</u>
Kynar finish on Main Pool Aluminum Gazebo	Completed	\$15,500
Garden Spa Waterwall corner barrier	Completed	\$4,638
Landscaped Area lighting	Completed	-\$0-
Exhaust pipe wall	Completed	\$4,500
Laminated SentryGlas for the elevated deck	Ordered from Post to Post	\$35,329
Spa Coping Replacement	Removed in October Awaiting completion by MLP	-\$0-
Fountain Feature overspray	Open	TBD

There are a few minor items remaining: pipe support for raincurtain; deck stairs lighting.

At the September work session, we estimated \$90,000 to complete the outstanding items. As of December 4, 2019, total expenditure is \$44,307.

Ocean Front Hot Tub Area Rehab Project, Fountain Feature

The single largest outstanding item is the Fountain Feature. It has a few shortcomings that need correction. The manufacturer indicates the waterfall height is too high for the basin width. If the waterfall height is maintained, the basin width would have to be increased substantially.

The contractor has proposed to reconstruct a larger lower section. This approach requires an enlarged basin, new shotcrete, new floor and walls, new piping, new tile, new Fieldstone and new stone coping.

We are still negotiating this item with the contractor and responsible design professionals. At this time, we are still holding over \$40,000 from final payment to the contractor until all items are resolved.

Ocean Front Hot Tub Area Rehab Project, Assessment Update

The total assessment for the project is \$4,057,712. At the September meeting, the assessment was implemented effective October 15, 2019, due November 15, 2019. The project summary report was mailed to the owners October 11/12. Included in the summary was a written narrative, breakdown of project costs, and an assessment allocation breakdown. Owners were given a monthly payment plan option.

As of December 6<sup>th</sup>, payments total \$3,702,956; \$367,165 outstanding. 417 owners paid in full, 59 owners followed the pre-payment schedule but still owe the final payment; 8 selected a monthly payment plan option and 22 owners haven't paid anything.

In determining this assessment, rather than simply allocate the contract cost to the usage side, the Master Council drilled down into each contract component category related to construction, legal, financing, design, project management, etc. and determine if that item is predominantly impacted by the wear and tear of the number of people who use it, or if the majority of that item's cost would be the same regardless of the number of people using it.

As an example: the water proofing under the hot tub deck on the original plaza deck level has no relation to the number of people in using the hot tubs. The water proofing was an essential part of the project but would have been the same even if no one ever used the hot tubs, to give an extreme. In the past, waterproofing would be included under the total contract cost and allocated under usage, but given the more detailed analysis, water proofing was allocated under unit.

This refinement of the existing formula makes the apportionment more detailed and more accurate.

Beach – Shore Protection Plan – USACE/NJ DEP

Nothing new regarding the project. We await a meeting between the Diamond Beach private beach owners, Lower Township, the NJDEP and the USACE.

Our legal counsel also represents monitoring litigation related to this matter also reports nothing new. He is still waiting for oral argument in the appellate court on the Bay Head and Berkeley Township cases.

The compensation trials for the other properties in Ocean County are moving forward at a snail's pace. There have been 8 so far (of about 100). The owners have received significant verdicts in 3 (\$250,000 or more for homes worth \$2.5MM to \$4MM), have gotten compromise verdicts in two (between \$75K and \$125K) and the State won the other three (nominal verdicts). This range of results is not surprising. We'll see if the relative successes get the State to start looking at possible settlements of the rest of the cases. There are 2 possible trials in the next 2-3 weeks, both involving homes in Point Pleasant Beach.

### **New Business**

#### Insurance renewal

Insurance premiums for the new policy year increased 7.85%, or \$29,150 to \$400,408 for the 2019-2020 property and liability package.

Property insurance premium increased \$25,452, and 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.

Liability insurance premiums increased \$3,698, again attributed to an open slip-and-fall claim

#### Hotel Icona

Hotel Icona LTPB application was presented in October, but the lengthy presentation and extensive vocal opposition during the public comment period resulted in the decision being delayed until the next LTPB meeting, scheduled for December 12. Icona seeks to add a pool deck, infinity pool, relocate the event tent from the beach to the deck, add the 6<sup>th</sup> floor and enclose the banquet facility on the roof of the restaurant.

Our legal counsel reviewed the application and opined that: 1) the variances requested were minor, (parking, height, signage); 2), similar variances were granted in prior applications, and 3) improvements are within the parameters of the zoning ordinance. It is most likely the application would receive preliminary site plan approval. Legal counsel recommended obtaining negotiated concessions from our neighbor.

In early October, several Seapointe board members and I met with Eustace Mita and his team to review our concerns with the application. The meeting was cordial and cooperative. We negotiated concessions that we felt would minimize negative impact of the development on Seapointe. (no solid fencing on pool deck, move the second tent, chairs on west end of pool deck, exhausts facing away from SPV, roof equipment screened, no more development on site, continuous dune line)

At the October LTPB meeting, Seapointe took no position either for or against the Icona application.

Icona has also submitted a CAFRA application for this project. The Grand responded by requesting the DEP hold open public meetings on this matter.

#### Master Planning – Looking ahead

Project	Timeframe	Estimated cost
Gatehouse / front entry	2020-2021 off-season	\$200,000
Dunes / walkovers	2020-2021 off-season	\$350,000
Street repaving	in the coming 5 years	\$200,000, looking for Twp participation
Garden pool & lagoon	2021-2022?	Unknown
Centre Court pool	after Garden pool	Unknown
Storm water system	TBD	Unknown



**Public Comment**

1-618 Asked if Icona will meet their commitments to Seapointe? Joe Panepinto stated there was an open and honest dialogue, and that representations were put in writing and are on the record with the Lower Township Planning Board. He believes so.

1-406 stated that when doing online searches of Seapointe Village, Hotel Icona comes up.

1-406 suggested that pickleball lines should be added on the tennis courts

6-212 asked about the beach. Exact date for dune project unknown, not likely to happen in 2020.

1-318 asked about a survey for beach amenities, comments that tag checking was inadequate.

2-704 commented about the need for better beach tags. Response that plan is to go back to tags used prior to 2019.

3-610 expressed her displeasure about the methodology for the plaza deck assessment

1-406 read a statement expressing her displeasure about the methodology for the plaza deck assessment.

3-610 asked for list of Master Council work sessions. Response that the Master Council work sessions are held the evening before the open meetings, with an additional budget work session held usually the last Saturday in January.

2-408 suggests the allocation method for Master Association assessments be defined for the future.

There were no further questions, and the meeting was adjourned at 11:35 am.