

SEAPOINTE VILLAGE MASTER ASSOCIATION
Open Council Meeting
Saturday, March 3, 2018
10 AM – Garden Residences

Meeting was called to order by President Stan Cach at 10:05 AM.

Roll Call: SPV I – Larry Willis SPV II – Stan Cach
 SPV III – Ben Martorana AWR SPV IV – John Ferrara
 SPV V – Mike Szelak SPV VI – Elly Bernstein AWR
 SPV VII – Anton Lemli AWR

Proof of notice was mailed to homeowners on February 8, 2018. Notices have been posted in all buildings and on announcement boards.

Approximately 40 homeowners were also in attendance.

Approval of minutes

Upon motion by Willis, second by Ferrara, the minutes of SPV Master Meeting held December 2, 2017 were accepted as presented and approved by vote of 4-0.

President's Comments: Stan Cach

He welcomed everyone to the meeting and thanked them for coming.

Purpose of meeting is to present the 2018 budget for Master Assn during Treasurers report. He asked that for other than budget questions, to hold public comment until the end of the meeting.

Primary budget objective is to control costs. Challenge is to balance Association requirements, address and respond to feedback and service level expectation from owners, while controlling costs. The Master Council has many years of detailed expense documentation so as to ensure a good understanding of the annual village operating costs. Every January the Master Council and village Treasurers conduct a financial review with management during the budget review process. The accountants also attend to provide an overview of the previous year financial statements. The detailed budget information helps the Master Council understand what it costs to operate the village.

Master Council and management continue to focus on asset management – to identify and perform condition assessments of critical assets, have a reliable basis for determining full cost replacement pricing for reserve funding and work with professionals to develop capital plans and to address issues and concerns; to develop and continue with energy cost controls, and to extend the useful life of the infrastructure.

He commented about the Fiscal Initiatives, initially introduced in 1997, which focus on cost effective controls in operations, maintenance and energy. Internal controls, multiple bidding, define staff duties and set performance standards, institute annual work plans tied to the budget, regular financial reports, quarterly reviews and meetings, managers reports and a pro-active preventive maintenance program. Master Council is working to continue improving communications via information and documentation available on the Association website, spvma.com

President's Comments - continued

Mission Statement – to preserve, protect and enhance quality of life at Seapointe Village. Correlate owner feedback guiding Master Council actions to enhance amenities. (non-smoking areas, deli-trailer and new covered seating at the beach, the exercise room, beach firepit, beach storage lockers)

Other major business items:

Shore Protection Plan –update on schedule, working with our consultants and special legal counsel to monitor activity.

Master Planning for refurbishment of recreational amenities. A current concept plan for ocean front hot tub area was distributed to all attendees and is available on the website. This new concept plan incorporates homeowner comments, in particular regarding retaining 3 hot tubs, site line concerns, and additional seating. Stan noted that a Master Project Plan outline is available on the website.

Master Council is working with design team to quickly arrive at cost estimates for the project. Master Council will ultimately present alternatives to homeowners – either reconstruct to original plan, or to construct an alternate plan that retains the same amenities, but in a more contemporary and cost-effective design, cost effective both for initial reconstruction as well as for on-going operating costs.

Master Council is not prepared to present final plan and alternatives to homeowners at today's meeting but expects to have it available at SVMA Annual meeting in May or at special meeting in early summer.

He noted there are updated swimming pool codes which will be reviewed later during the meeting.

He noted homeowner passing; Bruce Calderaro an original owner in Garden; Russ Burnside, a longtime owner in North Beach, and Ann Lepore, a relatively new owner in North Beach.

Reminders & 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 noted there are contractor guidelines available on the website, in the Management Office and at the Security Gatehouse.

Thanks for attending and for participation in making Seapointe Village the premier location on the Jersey Shore.

Manager's report: Jim Yost

Other than a 10 day severe cold spell in early January, it has been a relatively uneventful off-season with typical routine off-season maintenance projects. It has been a rainy winter, particularly in February.

Off-season projects include quite a bit of concrete sitework, leak detection at all pools and subsequent pipe repairs, on-going conversion to LED lighting, new signage in the main parking garage; installation of new combination smoke/co detectors in all condo units in the multi-family buildings, rebuilt the BBQ grills, and ongoing storm system inspection and evaluation.

The village-wide budget challenges this year revolved around payroll increases, reserve contribution increases. Budget includes decreases in professional fees, office expenses, miscellaneous administrative expenses and electric costs.

The USACE/NJDEP Shore Protection Project as it applies to Seapointe is moving slowly and schedule is pushing back into late 2019, or even 2020.

Rec tags this year have a blue band and black tag.

The NJ DCA Bureau of Housing will conduct inspections of all condo units in all multi-family buildings this Spring.

A total of 30 Seapointe Village condos (SPV & Ibis) are in the multi-listing. There have been 2 resales to date this calendar year, with 2 more units are under contract.

He also noted the passing of former Seapointe security guard Bob Bebee.

Treasurer's Report: Mike Szelak

Fiscal year to date He reviewed the handout of fiscal year to date April 2017 through February 2018. Total income is under budget \$8,034 Expenses are under budget \$49,012. He projects an overall end of fiscal year nominal surplus budget. Income is under budget due to lower than expected resale activity. Some expenses for professional fees are down compared to budget due to timing of Insurance payments, pool operating costs, and landscaping. Cash balances are approximately \$717,599, of which \$439,437 is in reserves.

He mentioned the Master Association bookkeeping is reviewed and audited by outside accountants annually, and they issue financial statements for all villages and prepare the annual tax returns. All villages including Master received a clean unqualified opinion for fiscal year end 3/31/2017.

2018-2019 Budget: Mike Szelak

He presented the 2018 fiscal year budget. The \$2,567,046 budget includes a 2% increase in condo fees, which is \$5, \$6, \$7 or \$9 depending on unit size. He reviewed the line item detail in the 2018 budget. Mike commented about the detail and expense history involved in the budget development process. Increases in the budget noted for payroll and employee medical insurance, reserve contributions, management fees and liability insurance premium increases.

Floor was open for comments from owners. There were none.

Upon a motion by Szelak, second by Ferrara, the 2018 Seapointe Village Master Association operating budget passed as proposed by a 4-0 vote.

Mike also reminded owners about the collection policy and late payment fees, and that the policy would be distributed to all owners with the 2018 condo fee mailing.

Committee reports:

Landscaping: Jim Yost

The pre-season landscaping cleanup and mulching begins this coming week. Habermans is using the root mulch this year for Seapointe. The landscaping is a hallmark of Seapointe and there are high expectations again this year. Flower delivery will be last week in April. The 2018 plantings plan follows the 2017 plan with reduction in quantity of flowers in lower visibility areas. The arborist will inspect the property in the coming weeks. A few trees and pines will be replaced before the season.

Beach: Jim Yost

Covered seating introduced for 2017 will continue in 2018. Off-season grading and raking maintains the level contour of the beach. Additional dune fencing was installed during the off-season to accumulate sand for purpose of complying with USACE design for dune crest width. Beach grading and amenity placement (consistent with plan) scheduled for early May. There will be a lottery for beach storage lockers this season.

Pools: Jim Yost

Pre-season work will begin week of March 27. Some pumps and motors serviced during the off-season. Leak detection work also done this off-season. Pre-season projects include replacing coping sealant at all pools, and some tile replacement work as needed.

A copy of the 2018 hours of operation for recreational facilities was distributed.

The New Jersey Bathing Codes have been updated, and there will be some new procedures in effect to comply with updated code.

Personnel & Security: Jim Yost

All four department supervisors are returning. Department supervisors are focusing on pre-season work, planning and facility opening, and powerwashing. Security staff emphasis on consistency of procedures.

Unfinished Business:

Shore Protection Study Master Council continues to consult with special legal counsel and environmental consultant to discuss strategies.

DEP Project Manager Chris Constantino commented regarding the shore protection plan that several factors are slowing the project, citing significant public comment regarding the project, and the fact that easement agreements have not yet been resolved with private property owners in Wildwood. Indications are that construction will likely not happen before late 2019/early 2020.

The Grand is submitting their CAFRA permit applications (2 & 22) in similar fashion as Seapointe, to allow The Grand to construct their dunes to the USACE design standards.

An article in the 12/2/2017 Press of Atlantic City reported that a state judge ruled that the NJ DEP can move forward with land seizure by use of eminent domain in the Midway Beach case. At Midway Beach, their dunes are 25 ft tall on average, compared with the 22 ft height in the Army Corp project design. The decision marked the 7th time a judge has ruled in favor of the state, which has not lost a dune condemnation case in nearly 5 years since the 2012 Superstorm Sandy.

The judge found no evidence of bad faith, fraud or other malfeasance in deciding to seize the land. She ruled in favor of the state in other cases, upholding its right to use eminent domain to seize land for publicly beneficial projects after paying fair compensation for it. In the Midway Beach case, a state appraiser determined the land is worth \$6.6 million, the state offered \$500.

In this case, street-level gaps between the dunes where access walks presently exist will be filled in, and the state will add another 100 ft of sand between the dunes and the ocean.

The courts have been siding with the government to give it control over the beaches notwithstanding the success of the private property owner in providing storm protection on its own property. Seapointe has a history of responsible beach/dune maintenance. Concern is that the government, after it seizes control, will not maintain the storm protection systems and dunes in place nearly as well. It will cost governmental agencies significant monies, which they don't have. Even where the government intends to perform needed maintenance, their response time is inferior to what Seapointe can do.

Master Plan

Looking ahead, the Seapointe Village Master Council recognizes the need to plan for refurbishment/ rehabilitation and replacement of original assets with second generation infrastructure.

The 2004-2005 plaza deck rehab project (done at a cost of approximately \$6 million) did not include the ocean front hot tub area. The Master Association and its engineer managed the water leaks in the area via regular monitoring, periodic maintenance and annual inspections. In the 2015 plaza deck inspection report, the engineer noted that the leaks are starting to affect the structural condition of the precast planks under the ocean front hot tub area.

The 2016 plan was to remove the existing, repair the planks, waterproof the area and replace the amenities as they originally were constructed. Bids for this project came in much higher than expected. As a result, the SV Master Council wanted to re-evaluate the project with the objective of developing a more cost effective plan. At the same time, looking ahead, for a comprehensive plan that included additional association assets. The SV Master Council selected a team of resort designers in early 2017.

They worked with the Master Council to develop concept plans that were presented to the SV ownership in summer 2017. These concept plans were intended to achieve a more cost effective reconstruction cost (compared to the 2016 plan) as well as being more cost effective operationally on an annual basis.

He reviewed the spa concept handout with the attendees. This concept was revised in December, and is available for review on the spvma website. The plan retains 3 hot tubs, in response to previous owner comments.

The Master Council objectives for this 2018 plan is that costs will be less than the 2016 plan. To that end, the Master Council engaged Merrell & Garaguso for this hybrid design-build project.

The entire design team met at Seapointe in January 2018, to begin reviewing the area of demolition, determine equipment requirements, discuss and develop plans, specifications and alternative construction materials and methods.

The SV Master Concept Plan also includes other Association assets, including the main entry gatehouse and water feature, other pool areas, the gazebo over the plaza deck BBQ grills, dune access, boundary walls around the village and other amenities.

The ocean front hot tub area is an important component of the family-oriented atmosphere resort, and at 30 years old, this rehabilitation project has cost-effectiveness, quality and long term performance as its objectives. The concept plan as presented addresses site view concerns, retains 3 hot tubs, add seating, adds additional shaded seating areas, is kid-friendly and retains the waterfall, in a different location at the front pool.

New Business:

None was presented.

Homeowner Comment

4-318 questioned the height of the new deck compared to the crows nest. Stan Cach responded that they are at similar elevation, but the new deck has an expanded surface area.

4-318 suggested a financial analysis of the concept plan. Stan Cach stated that financial information will be provided to all owners to assist in their decision-making.

4-307 asks if new pool equipment is part of the project. Response – yes, they are

2-704 asks the website information. Website is spvma.com; password to access the information is “spvma-owner”

1-318 ask why a new trellis is needed by the front kiddie pool Stan Cach responded that the trellis by the front kiddie pool includes piping for the waterfall. The concept plan is still evolving, has not yet been finalized. The framework for the large metal trellis on the plaza deck is not being replaced, but the wooden trellis inserts will be changed.

3-503 asks for the updated Master Assn reserve study to be put on the website.

3-503 suggests the entertainment usually scheduled for Saturday night to be rescheduled for Sunday afternoon. Stan Cach said it could be done as a trial.

3-610 asked for a copy of the condo fee allocation table

3-610 commented that all balcony furniture was not removed for the off-season.

1-705 commented that resale prices are lowering, and more focus on reinvestment at Seapointe is needed to increase unit value.

5-404 rests his unit in summer, and sees strong rental demand, acknowledges resale is more difficult, but is bullish on Seapointe.

2-704 sees a lot of construction activity in Wildwood Crest. He purchased in late 2014 for use by their extended families. Resale price is a complex issue, but everyone benefits from a common area rehab/renovation project.

Stan Cach closed the meeting by commenting that the Master Council appreciates the comments and homeowner feedback.

With no further questions, the meeting was adjourned at 11:45am.