

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, covered seating at the beach, the exercise room, beach firepit, beach storage lockers)

Other major business items to be reported on during the meeting:

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

He noted continued master planning for refurbishment of recreational amenities.

Additional future projects and costs anticipated include:

Storm water system outfall pipe extension during the 2021-2022 offseason

Dunes and walkovers forecast during the 2022-2023 off-season;

Gatehouse / front entry rehab with a preliminary budget of \$200,000 financed from existing reserves; exact year undetermined at this time

Street repaving sometime in the coming 5 years, with a preliminary budget of \$200,000 based on cost estimates obtained several years ago, but Master Council is also looking for Township participation to reduce this cost.

Also, Garden pool & lagoon rehab and Centre Court pool rehab after Garden pool. No budgets or timetable have been established for these pool rehab projects.

He reminded owners to register their bikes annually, and that village bike rooms are periodically inspected and unregistered, abandoned bikes are removed.

Reminders & recommendations to owners – replace original appliances, minimize chance 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 participating in making Seapointe Village the premier location on the Jersey Shore.

Manager's report: Jim Yost

The Master Association budget challenges focused on the impact of the continued minimum wage increase, pandemic-related operating plan changes, a difficult insurance marketplace and controlling operating expenses. The village-wide budget challenges this year revolved around insurance premiums and increases in recommended reserve contributions.

Rec tags this year have a green band and yellow tag. They will be available in mid-May.

We are replacing all of the trex beach walkways with AccessDeck this season.

We built 16 more beach storage boxes and platforms. Total of 78 available for rental.

We evaluated the beach tent from a rent-v-purchase analysis. Rental costs over 5 years are projected to exceed \$50,000. We researched options and ultimately invested in purchasing a beach tent and materials to build the platform at a cost of approximately \$15,000. We expensed it in the current fiscal year. This investment will eliminate the annual rental expense (\$10,000/yr) and is expected to save about \$30,000 over the next 5 years.

Manager's report - continued

We will be buying 7 additional Weber BBQ grills in Spring 2021.

We will replace additional underwater lagoon lighting as we start up the water features for the season.

We purchased a new copier for the Association Management Office. (\$6,450).

A new tractor has been ordered (\$43,978) eta late April; less \$4,500 trade-in for the old tractor.

Off-season Projects throughout the Village

North Beach roof repairs were completed. North Beach lobby refurbishment was done.

South Beach replaced rooftop HVAC ductwork.

Garage ceiling lighting was replaced under North Beach, South Beach and Garden.

Exterior building inspections of NB, SB and Pinnacle will take place in early April.

Garden Residences replaced their domestic water pumps.

Ibis Residences removed their decorative exterior shutters.

Roof was replaced on one single family home; chimney caps will be replaced on 2 homes.

This Spring, exterior power-washing will take place on North Beach, Townhomes and Ibis

A total of 3 Seapointe Village condos (SPV & Ibis) are in the multi-listing. There are 5 under contract. There have been four resales to date this calendar year. Demand is strong. SV Realty reports demand for vacation rental properties is high for the 2021 season. The first week in August is already sold out. Covid is an influence, as the importance of safe accommodations and staying with in drivable destinations. Having a big beach helps too. The inventory for rental properties at Seapointe Village is down but this is consistent across the country. Many owners who previously would place their residences on the rental market are now opting to use them personally.

Construction has resumed on the top floor addition to Hotel Icona. They expect to be done for the summer season. FYI – Mita recently purchased the Windrift Hotel Restaurant and Bar in Avalon

5-year Fire Inspections for the Multi-Family Buildings have been scheduled.

Monday March 22 – North Beach and Ibis

Thursday March 25 – Pinnacle and Garden

Tuesday March 30 – South Beach and Centre Court

Access into all common areas and ALL UNITS is required during this inspection.

We will have a security guard and maintenance staff member accompany the LT Fire officials during their inspections so any minor issues can be addressed on-the-spot to expedite the process and reduce documented violations (and the subsequent follow-up inspections).

Memphis Avenue Parking - In lieu of investing in new meters or a kiosk, we will rely on a parking ap. The ParkMobile system works based on the vehicle license plate. Users download the ap, enter our location ID, register their license plate and pay by credit card. No meters or numbering of parking spaces is necessary. Enforcement is via the nforce.com website, which generates reports of vehicle license plates that have paid. The ap allows us the ability to adjust rates at our discretion. We initially will charge \$2.00 per hour for parking, double what we had been charging. The fee to ParkMobile is 3% plus 15 cents per transaction. Users also pay a 35 cents convenience fee per transaction. There is a \$250 initial set-up fee plus need for multiple signs at \$20 per sign. This system will be in effect by the beginning of May.

Managers report - continued

Electric vehicle charging stations - With recent news that auto-makers are transitioning to more and more electric vehicle models, there is increasing interest in installing electric vehicle charging stations at Seapointe.

At present the combination of low volumes of electric vehicles, high initial investment cost, relatively early-stage technology and high costs of electricity means that the revenue generated from vehicles using fast-charging stations does not yet cover the costs of installing, owning and operating them.

However, fast charging is poised for rapid expansion, and experience and economies of scale will allow costs to decline. Streamlined processes will accelerate market saturation and maturation. Reliability and convenience of fast charging an EV is important.

But given the fact that a very small percentage of SV owners and rental guests have EVs, while there is encouragement from the early-adapters for SV to install chargers, it is difficult to justify the substantial expense of Association funds for something that will only benefit a few.

We are investigating a subscription-based and direct purchase options.

We will continue to closely monitor this issue and report at quarterly meetings.

Recent homeowner passings

Matt Yarczower	Garden 414	Feb 3 rd
Michael Callahan	209 Dune Drive	Feb 19 th

As the end of the pandemic hopefully approaches, we recognize a new normal. At Seapointe Village, this means: probably more virtual meetings, and more on-line activity in general; changes in pool operating procedures (one way in-out); tracking use by-the-hour for the pools; reductions in custodial staffing; enhanced cleaning and infection-prevention measures may be incorporated into updated custodial procedures; and as always....finding ways to eliminate or reduce some expenses while dealing with increases in other expenses.

Treasurer's Report: Mike Szelak

Fiscal year to date Review the handout for fiscal year to date April 2020 through February 2021. Income is over budget by \$13,447. Expenses are over budget by \$47,881.

ITEM	AMOUNT	OVER/UNDER BUDGET	COMMENT
TOTAL INCOME	\$2,550,673	+\$13,447	+0.53%
Administrative fees	\$31,190	+\$15,040	Resale activity
Miscellaneous income	\$64,557	-\$2,443	Vending, parking tags
TOTAL EXPENDITURES	\$2,377,711	+\$47,881	+2.0%
Professional fees	\$54,112	-\$1,888	Legal
Office operations	\$43,930	+\$3,305	Postage
Misc A&G expenses	\$19,429	-\$1,822	Meeting Expenses
Insurance	\$151,940	+\$11,015	Workers Comp premiums
Custodial expenses	\$40,092	+\$15,591	PPE
Maintenance expenses	\$33,342	-\$15,907	Cost controls
Beach related expenses	\$77,943	+\$37,943	Tent/lockers/grading
Pool Operations	\$68,722	+\$4,722	Testing service
Security supplies	\$9,202	-\$3,048	Fewer gate, CCTV repairs
Payroll & related	\$1,168,071	+\$50,967	OT, bonuses
Trash	\$33,065	+\$10,565	Higher in season/ Bulk trash
Electric	\$95,259	-\$13,741	
Gas	\$34,435	-\$11,815	
Water	\$135,195	+\$9,095	Higher in-season population
NET INCOME	(\$52,868)	(\$34,434)	1.35% negative variance

Account balances & related fiscal issues

As of February 28, 2021, Master Association cash is \$1,233,383.

<u>Account Balances</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Operating/Payroll	\$170,934	\$87,560	\$162,992	\$278,162
Capital Reserve	\$988,443	\$861,879	\$373,604	\$313,957
Deferred Maintenance	\$74,006	\$141,684	\$116,512	\$125,480
TOTAL	\$1,233,383	\$1,091,123	\$653,108	\$717,599

Note: The forgiveness application (Form 3508) for the \$219,887 in PPP funds will be submitted within the next two weeks.

Treasurer's report, continued

Reserve Replacement / Deferred Maintenance expenses fiscal year to date - \$148,616

Reserve Replacement / Deferred Maintenance expenses during 2020-2021 fiscal year to date are \$148,616 of which 100% are identified as Reserve Replacement. Expenses previously listed as Deferred Maintenance (plaza deck trellis and tennis court resurfacing) have been reclassified as Reserve Replacement.

Stormwater system engr	\$11,331
Copier	\$6,450
Ibis pool tiling	\$26,656
Lounge chair restrapping	\$20,530
Dumpster repairs	\$12,881
Ibis pool filter rack	\$13,578
Tennis court resurfacing	\$20,151
Garage drainage grates	\$7,357
Plaza deck trellis	\$9,150
Golf cart	\$5,864
Centre Court pool sitework	\$3,395
Trash cans	\$2,771
Plaza deck umbrellas	\$2,479
Loan interest/fees	\$4,495

Notes:

An additional 1,100 linear feet of AccessRec beach walkway was purchased (\$56,704) which will be paid in April 2021 (next fiscal year).

BBQ grills will be ordered in the Spring (\$10,500).

The beach tent purchase (\$6,907) and materials to build the wood platform (\$8,447) will be allocated to the Reserve class in fiscal year end 3/31/2021.

2021 Master Association Budget - \$2,836,620 (3.0%) Increase

The 2021 operating budget increases by \$81,378.

What increased and why:

\$47,692 increase for payroll and wage taxes, most of which is driven by the minimum wage increase to \$12 effective 1/1/2021

\$16,568 increase in reserve contributions

\$12,200 increase in insurance premiums (\$9,000 in umbrella liability \$3,000 in G/L)

\$9,000 increase in water expense

\$8,000 increase in beach operating expenses

Same as last year, the budget handout includes a 3-page handout explaining components of each of the budget line items.

Master fees for the 2021-2022 fiscal year (compared to prior year) are as shown below.

	<u>2020-2021</u>	<u>2019-2020</u>	<u>Change</u>
One bedroom	\$327	\$319	\$8
One bedroom / den	\$367	\$357	\$10
Two bedroom	\$407	\$395	\$12
Two bedroom / den & larger	\$486	\$471	\$15

2021 Budget, continued

One owner asked a question about the beach expenses. Jim Yost explained that there were several one-time expenses in 2020 (additional grading following windstorms, building additional beach storage boxes and purchase the tent).

Upon a motion by Szelak, second by Bernstein, the 2021 Seapointe Village Master Association operating budget passed as proposed by a 7-0 vote.

He reminded owners about the collection policy and late payment fees, and that the policy would be distributed to all owners with the 2021 condo fee mailing.

ACH for condo fee payment

Starting in April, Seapointe is initiating a voluntary ACH (automatic withdraw) of monthly condo fees. Interested homeowners will have to complete a written authorization for auto condo fee payment. We will schedule this to be done on one date (5th of the month). We will include this voluntary sign-up form with the upcoming budget condo fee information being sent to all owners next week.

Rather than an exact amount, the document will state that the homeowner authorizes the Association to withdraw the budgeted condo fee every month. This eliminates the annual hassle of having to change the withdraw amount when condo fees change.

Committee reports:

Landscaping: Jim Yost

The pre-season landscaping cleanup began on Dune Drive this past week. The Spring work will be mostly routine cleanup and mulching. The arborist is scheduled to perform annual pre-season inspection in mid-March. Flower delivery is scheduled for Tuesday April 27th.

Beach: Jim Yost

Beach grading and raking has been on-going 3 times per week for most of the off-season. The fencing installed along the east side of the dunes continues to aid in additional sand accretion on the dunes to enhance the crest width. The tractor raking has defined a line along the toe of the dune which has led to a relatively consistent back line of the dunes.

The beach amenity plan is consistent with last year, including the tented seating area. As mentioned previously, Seapointe purchased a tent. The tent is scheduled to be put up the week in early-to-mid May. Amenity placement will begin in early May.

There are 78 beach storage lockers available for rental. We will distribute lottery forms with the condo fee mailing in the coming weeks. Rental fee is \$300 for this coming season.

There will be additional signage and fencing where necessary to keep people off the dunes.

Pools: Jim Yost

Pre-season work will begin week of March 29. Pre-season opening will begin at oceanfront pool, then move to Garden pool, then finally to Centre Court.

The Ibis pool will be closed for the week immediately after Mother's Day for pre-season maintenance.

Steve McBride will be supervising the department. Same operating procedures will be in effect to start the season, including capacity limits, contact tracing efforts, and single entry/exit gates.

Even if restrictions are eased or lifted, the single entry/exit gates will remain in effect.

A copy of the 2021 hours of operation for recreational facilities will be distributed this coming week. The hours for the firepit on the man-made beach remain until 11pm, consistent with the Ibis firepit.

Personnel & Security: Jim Yost

All four department supervisors are returning. Department supervisors are focusing on pre-season work and facility opening, and payroll cost controls. Security staff emphasis on ongoing training and consistency of procedures.

Unfinished Business:

Shore Protection Plan

The USACE-NJDEP dune project is currently planned for the winter of 2022-2023, beginning after the tourism season in the fall/early winter of 2022. The DEP is working on the 90% plans which will still show no sand harvesting south of Jefferson Avenue.

The DEP is working on the 90% plans which will still show no sand harvesting south of Jefferson Avenue, according to what Constantino to Lomax.

The beach cases in the other communities have ground to a halt during the pandemic. Jury trials have once again been suspended by the NJ Supreme Court so he is not expecting much to happen until mid to late 2021. Also, as he indicated to us previously, about 2/3 of the cases involving single family homes were settled over the summer, with about 30-40 remaining open. None of the cases involving association-owned properties settled and none of them have resulted in jury verdicts to date.

New Business:

Property tax issue

Seapointe Village Master Assn is looking into if it can eliminate paying \$9,000/yr property taxes, by possibly amending the governing documents to link these properties to our common element. Our legal counsel is pursuing this issue with the municipal tax assessor. If we can do so, a 2/3 owner vote is required to amend the declaration. We will keep you updated on this issue at the next meeting.

Club License

Lower Township amending its ordinance to create additional club licenses. Seapointe will apply for a club license in the coming months. Cost is \$200 to the municipality and \$150 to the State. The Master Council will surveying the membership this season regarding interest to provide limited alcoholic beverage service on the beach.

Stormwater System Report

Our engineer has prepared plans for the extension to the stormwater outfall. Documents will allow contractors to provide bids to extend the outfall pipe either 150' or 234' (which obviously means working in the water). The bottom of pipe would be about 1' above mean low water level (seafloor). Timeframe is 7-8 months for permit approval process. We will obtain bids while in permitting. Mobilization to finish approximately 4 weeks. The RFP will include contractor option to bid competitively based on their off-season schedule.

Exercise Room

Several homeowners have inquired about the exercise rooms. Master Council reviewed several options, both of which would incur substantial additional cost relative to the number of owners that would benefit. Any plan to open the Pinnacle exercise room would require having a monitor at the entrance. With access limited to only 2 or 3 individuals at one time, with time limits on use, and required cleaning after each use. Master Council also considered adding exercise equipment (a treadmill, an elliptical and a spin bike) in the recreation room next to the Ibis Pool – essentially set up a remote exercise room. (unfortunately, we cannot move equipment from Pinnacle to Ibis – the equipment is too big to fit thru the door without disassembling). A benefit to this plan would be to allow for greater time to use the equipment - from 12noon to 8pm daily. In either of these plans, staffing would increase by 28-32 hours per week. Ultimately, the decision was made to keep the exercise rooms closed at this time and re-evaluate this matter in mid-May.

Homeowner Comment

2-401 asked if there had been any reports of illegal activity in the area. Jim Yost reported there were reports of vehicle break-ins in the Diamond Beach area this last Fall, and the 2 individuals were caught.

2-408 Asked if vaccinated individuals could be granted exemption to use the gym.

2-704 Also supports reopening of the gym.

3-605 commented about an incident in Pinnacle lobby last season with several teens not wearing masks.

With no further questions, the meeting was adjourned at 11:25 am.