

SEAPOINTE VILLAGE MASTER ASSOCIATION
Report in lieu of Annual Meeting
Saturday, May 23, 2020

SV Master Council

SPV I – Joe Panepinto	SPV II – Stan Cach
SPV III – Ben Martorana	SPV IV – John Ferrara
SPV V – Mike Szelak	SPV VI – Elly Bernstein
SPV VII – Anton Lemli	

The Seapointe Village Annual Meeting scheduled for Saturday May 23, 2020 has been cancelled because of the Covid-19 pandemic. Homeowners are directed to the bi-weekly Master Association updates issued via email since March 20th and posted on the Association website.

Minutes of the SPV Master Meeting held March 7, 2020 were distributed to all homeowners in mid-March and are posted on the Association website.(spvma.com)

The Seapointe Village Master Association Annual Meeting scheduled for Saturday May 23rd is cancelled. This report in lieu of Annual Meeting will serve to update the membership regarding Master Association activities.

Treasurer’s Report

2019-2020 Fiscal year recap Preliminary financial statements for fiscal year April 2019 through March 2020 operating performance compared to budget indicate the fiscal year finishes with a \$17,075 deficit before adjustments and journal entries. Anticipate an end-of-fiscal-year deficit of between \$20,000 - \$25,000 after adjustments and journal entries. Income is over budget by \$45,122. Expenses are over budget by \$62,197.

ITEM	AMOUNT	OVER/UNDER BUDGET	COMMENT
TOTAL INCOME	\$2,716,068	+\$45,122	1.69%
Administrative fees	\$34,545	+\$18,045	Resale activity
Reimbursable payroll	\$207,864	+\$23,864	Custodial / Maintenance
Miscellaneous income	\$65,463	+\$3,213	Beach storage lockers
TOTAL EXPENDITURES	\$2,461,167	+\$62,197	2.59%
Professional fees	\$44,708	-\$15,792	Consultants/Engr.
Office operations	\$47,059	+\$4,059	Help wanted ads
Misc A&G expenses	\$10,547	-\$2,053	Meeting Expenses
Insurance	\$136,241	-\$13,859	Workers Comp premiums
Custodial expenses	\$37,990	+\$17,990	Tried contract supplies
Maintenance expenses	\$57,029	+\$6,029	Equipment repairs
Beach related expenses	\$45,384	+\$13,384	Tractors/tent/grading
Pool Operations	\$80,563	+\$10,563	Some 2018 expenses
Security supplies	\$21,597	+\$11,597	2 AED; gate repairs
Payroll & related	\$1,176,916	+\$44,736	Net payroll var -\$20,872
Trash	\$23,894	+\$3,894	Bulk trash \$7,026
Electric	\$101,948	-\$14,552	
Gas	\$46,669	-\$2,331	
Water	\$125,881	-\$119	
NET INCOME	(\$17,075)		0.64% negative variance

2019-2020 fiscal year account balances & related fiscal issues

As of May 4, 2020, Master Association cash is \$1,149,453. Total combined reserve accounts equal \$857,921 (\$631,208 last year).

<u>Account Balances</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Operating/Payroll	\$88,705	\$204,537	\$146,627	\$162,884
Capital Reserve	\$810,703	\$484,445	\$504,226	\$522,197
Deferred Maintenance	<u>\$47,218</u>	<u>\$146,763</u>	<u>\$128,339</u>	<u>\$116,697</u>
TOTAL	\$946,626	\$935,745	\$779,192	801,778
Rehab Assessment	<u>\$202,827</u>	<u>\$457,508</u>		
TOTAL	\$1,149,453	\$1,293,253		

Balance on line of credit \$137,789 \$784,463

Reserve Replacement / Deferred Maintenance expenses fiscal year to date - \$2,181,523

Reserve Replacement / Deferred Maintenance expenses during 2019-2020 fiscal year to date are \$2,181,523 of which \$2,008,385 is project-related; \$138,330 is identified as Reserve Replacement and \$34,808 is classed as Deferred Maintenance. Detail of the non-project expenses are shown below.

<u>Reserve for Replacement</u>	<u>\$138,330</u>	<u>Deferred Maintenance</u>	<u>\$34,808</u>
Beach trash cans	\$5,052	Plaza deck sealants	\$13,732
CCTV system	\$7,122	Signage	\$790
Golf cart	\$4,425	Trellis repairs	\$12,758
Tiki huts	\$8,292	Garden pool deck caulk	\$7,528
BBQ grills	\$3,995		
Benches	\$3,752		
Plaza deck furniture	\$5,166		
Playground equipment	\$11,871		
CC pool sitework	\$12,400		
Beach walkway	\$16,015		
Beach bathroom doors	\$3,268		
Exterior lighting	\$4,297		
Tennis court resurfacing (Dep)	\$10,000		
Dumpster repairs	\$14,324		

2020 Master Association Budget - \$2,755,242 (3.2%) Increase

The 2020 Master Association budget was finalized with a 2.6% increase in condo fees. The 2020 operating budget increases by \$84,296. Budget was presented and approved in March.

- \$49,628 increase for payroll and wage taxes, most of which is driven by the minimum wage increase to \$11 effective 1/1/2020
- \$8,000 increase in beach operating expenses
- \$5,000 increase in custodial and maintenance operating supplies
- \$4,298 increase in bad debt reimbursement & depreciation
- \$3,750 increase in gas
- \$3,400 increase in insurance premiums (workers compensation)
- \$3,000 increase in trash removal expenses
- \$2,500 increase in security supplies

2020 Master Association Budget, continued

Like everything else right now, there is a lot of uncertainty regarding the near term future, and the impact of the coronavirus on the Seapointe operating budget.

On one hand, there are several immediate actions that affect our operation:

Ibis pool closing in April should result in nominal utility expense reductions.

We have been tentative with the pre-season activity – so supply costs should be down

Less Custodial staff – should be lower payroll expense in April and May

We are buying additional cleaning/sanitizing supplies & equipment at higher prices

We are buying masks, shields and gloves at higher prices

Looking ahead into summer months

There is uncertainty regarding seasonal staff arriving in Wildwood

There is uncertainty regarding rental availability for out-of-town seasonal staff

New operating procedures will require more staffing

Additional cleaning steps for common areas will increase labor & supply costs

There is uncertainty regarding condo fee collection rates for the coming months

There is uncertainty regarding rental activity and vacationers coming to the Shore

There is uncertainty regarding infection rates after opening

What will resident attitudes be toward the crowded summer season

Landscaping

The pre-season landscaping work is complete. Flowers arrived April 28th. The flower plan for 2020 more or less follows the same planting plan as last year. This year there are 200 flats white impatiens, heavy on the begonias, salvia, geraniums and verbena.

Arbor Care has been on site several times for tree and shrub maintenance and treatment.

Beach

Amenities placement has moved slowly this year, in part due to weather and part due to lack of available staffing. The beach layout and additional amenities, including walkways and connectors, the Ibis Lane landing, tiki umbrellas, volleyball and tetherball will generally follow past years layout, with exception that majority of beach storage lockers will be located in front of dunes to the southern end of our beach. DEP reps marked the toe of the dunes in March. Their flag placement is consistent with last years marking. However, the area of the beach approved for amenity placement seemed to shrink from past years, with much less area at the very northern and southern end of the property.

The 20' x 40' A-frame beach tent for covered seating is scheduled to be delivered and erected May 22 and will have approximately the same location placement as last year.

100 owners submitted applications for the beach storage locker lottery. Drawing took place Monday May 11th Seasonal rental is \$275. Beach lockers have been moved toward the southern end in an attempt to accommodate owner sight lines.

In April, the US Fish and Wildlife Service sent notice of closing of the beaches south of Diamond Beach from April 1 thru September 30 to protect migratory shorebirds.

Pools

Executive Order #107 prohibits opening of swimming pools and spas. While all facilities are operational and functioning, they will not be open for Memorial Day weekend.

Steve McBride, Jose Otero & Steve Sorenson will be supervising the department. Steven and Jose will concentrate on getting the pools open for the season, then the daily operations while Steve Sorenson (along with Dave Lindsay) will handle the beach for the summer. Most of the beach lifeguard staff is returning.

Key lifeguard staff have been conducting regular meetings to prepare for season, review Covid-19 procedures, signage and make sure staff is comfortable with procedures.

For 2020, recreation tags will have a red elastic band with white tag, numbered sequentially from 1000 to 4599. Seasonal beach tags will have red print on a white pin-on badge.

Personnel & Security

Seapointe Village benefits from experienced department heads, pre-season planning, and (hopefully) returning seasonal staff.

Mel Casanova leads the Custodial Department. Besides the full time year round staff, most expected seasonal staff are returnees.

Wayne Craig oversees the Maintenance Department, which did an efficient job this off-season completing projects throughout the village.

Roger Eckhart is the Security Supervisor. The department has mostly returning staff. He requested and encouraged cooperation from all owners regarding compliance with CDC recommendations and guidelines.

Shore Protection Plan

The earliest commencement for the project is Fall 2021 into early 2022. There have been no further revisions to the 60% Plans for 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.

BayHead homeowners lost their appeal. On April 16th the New Jersey appeals court upheld that the DEP did not act arbitrarily or unreasonably when it used eminent domain to condemn and seize portions of the Bay Head beachfront land to build the dune project. The property owners were undecided regarding further appeals, but they plan to press for fair compensation as individual cases come to trial.

The property owners argued that they spent millions of their own dollars building a rock wall that provided as much or better protection from storm damage as the state's dune project would. They also claimed the state acted in bad faith in seizing the land without offering fair compensation.

The court ruled that the benefits of the wall mostly affected private homeowners and not the community at large.

The court also noted that many homes sustained damage during Hurricane Sandy when waves crashed over the wall.

Ocean Front Hot Tub Area Rehab Project

Status of remaining outstanding items. 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-
Laminated SentryGlas for the elevated deck	Completed	\$35,329
Lighting on elevated deck stairs	Completed	\$4,297
Exhaust pipe wall	Completed	\$4,500
Spa Coping Replacement	Completed	-\$0-
Pipe supports for the main pool rain curtain	Completed	\$8,103
Fountain Feature overspray	Open	TBD
Shade covering for main pool gazebo	Open	TBD

At the September work session, we estimated \$90,000 to complete the outstanding items. As of May 19, 2020, total expenditure is \$72,367.

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. Owners were given a monthly payment plan option.

As of May 19, 2020 the amount outstanding from owners = \$141,276 (3.5%; 96.5% collected)
As of May 19, 2020 the balance on the line of credit = \$137,789
28 owners still owe/have a balance. 17 opted for the payment plan. 8 owners have made no payments to date, of which 2 of those selected the monthly payment option. \$15,232 is expected to be uncollectible from 2 owners.

Off-season Master Projects

New cameras have been installed to provide additional coverage to plaza deck, west gate and Ibis pool area. 2 of them (plaza deck and Ibis pool) have been set up for live streaming to be viewed on the Association website. (Cameras were part of a \$7,122 CCTV project)

Centre Court lower pool sidewalk drainage work done, and retaining wall erected next to bottom of slide (\$12,400). Looking into some sort of shade for this area.

Garden pool deck sealant replaced (\$7,528)

The underwater lighting in the Garden lagoon has been replaced.

Playground equipment rehabilitated - clamps, decking and slide replaced (\$11,871). Installation done in-house.

We gave a \$10,000 deposit for tennis court and basketball surfaces to be recoated this Spring. Contracted with Sport Surfaces to perform crack repair/2 coats resurfacer/2 coats acrylic color \$29,500 Contractor expected to start work in late May.

New beach walkways will be installed at North Beach landing.

Off-season Master Projects, continued

New beach wheelchair purchased.
The basketball backboards have been replaced.

The Ibis zero-entry pool tile surface will be replaced starting week of May 18-22. Mainline Pools contracted to perform this work for \$25,000.

Vertical filter rack in the Ibis pool pump room was replaced and main Ibis pool filter had several slow leaks in the seams and was replaced. Work was completed in April.

The plaza deck trellis framework was rehabilitated and painted.

Notable off-season projects throughout the Village

Garden Residences elevator modernization is in progress. Modernization project was completed by end of April- awaiting final inspection.

Pinnacle –new rooftop gutters installed in April; new coating to SUF roof scheduled for late May.

Drop ceiling throughout the Centre Court parking area was removed in September/ wiring rehabilitated as much as possible. New LED lighting installed throughout.

North Beach and South Beach changing over to LED lighting fixtures throughout their parking garage. New lights are much brighter (4000k) and use less electricity compared to fixtures they replaced. Expected to take 4-5 years to complete this change-over, replacing 5-6 lights per year.

South Beach is implementing new resident parking tags for 2020.

North Beach upgraded their exercise room with all new equipment / switched the meeting rooms and exercise rooms.

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

Sales/Rental Report

A total of 13 Seapointe Village condos (SPV & Ibis) are in the multi-listing. There have been ten resales to date this calendar year. There have been four units sold so far since the pandemic began.

Short term rental activity is currently prohibited in Lower Township.

Association Management Office

Office hours are 9 AM – 5 PM daily May 18 thru Labor Day, September 7.