



**President's Comments**, continued

The Seapointe Village Mission Statement is to preserve, protect and enhance the quality of life at Seapointe Village. Seapointe Village Master Council continues its agenda to be in line with our mission, while being aware of owner feedback guiding Master Council actions to adjust service levels and enhance/expand amenities.

We continue to maintain and invest in facilities and replace component assets. In the past 15 years the Master Association spent almost \$8,000,000 for maintaining the facilities and replacement of component assets.

The reserve contribution from 2008-2012 was \$1,115,376, or 11.4% of the budget and Master Association reserve expenses were \$1,312,323 during that 5-year period of time.

The reserve contribution from 2013-2017 was \$1,815,009, or 16.9% of the budget and Master Association reserve expenses were \$1,285,651 during that 5-year period.

The reserve contribution from 2018-2022 was \$1,265,849, or 10.7% of the budget and Master Association reserve expenses were \$4,987,830 during that 5-year period (which included rehabilitation of the plaza deck spa area).

There are a few anticipated projects we will be preparing for and planning toward. We do not have an exact schedule or timetable and we have not solicited proposals.

<u>Project</u>	<u>Timeframe</u>
Ibis Pool HVAC system	within 3 years
Gatehouse / front entry	2024-2025 off-season
Dunes / walkovers	2024-2025 off-season
Street repaving	in the coming 5 years
Garden pool & lagoon	2024-2025?
Centre Court pool	after Garden pool

The Shore Protection Project appears to be commencing Fall 2024. All four island municipalities have entered into State Aid Agreements with the DEP. The Master Council strategy continues to be to work with our consultants to determine the best long-term strategy for Seapointe.

This past off-season the stormwater outfall pipe on the northern property line was extended approximately 300 ft.

Master Council will re-institute the open houses again this summer, one in July and one in August.

Master Council will be using the summer season to evaluate strategies to maximize use of our club license.

Reminder to all owners to replace original appliances, minimize chances of water damage by changing water heaters, ice maker lines, washer hoses, and to turn off water when leaving your home. And we suggest homeowners have insurance and make sure the contractors they use to perform services in your homes also have insurance certificates.

Also, for those owners living in the multi-family buildings, please consult with the Management Office if you are having any plumbing work to ensure your contractor knows where the water shut off valve to your unit is located within the building. Remind all owners that should you hire a contractor, guidelines are available in the Management Office. Contractors should be licensed, bonded and insured.

**Manager's report:** Jim Yost

Welcome back to many of you. So what's happened since you've been gone....

At the west end of the Village, Pacific Avenue has been redesigned through Diamond Beach to suppress speeds on the roadway and make it safer for pedestrians.

There was road construction throughout the island all off-season.

The Wildwoods are undergoing a transformation as many of the older buildings are being demolished and replaced by new residential and commercial development including several new hotels. If you take time to drive the island, you will see the Wildwoods are not a down-market beach resort town anymore.

Eustace Mita owner of Hotel Icona next door ran into serious opposition to his development plans in Ocean City, Cape May and here in Wildwood Crest. No doubt it keeps him up at night wondering why but that just means he keeps investing and enhancing Hotel Icona next door. For most shore businesses, business is good but the costs to run these businesses keep going up and up.

This development and subsequent dramatic valuation increases will have generational impact throughout the Wildwoods and unless you purchased in the last year or so, your Seapointe Village residence is probably worth a lot more than you ever thought it would be.

If you have a boat, you will be glad to hear that a State DOT dredging project in the back bays and intercoastal waterways will take place starting after Labor Day.

North Wildwood is locked in a pretty serious and litigious battle with the State DEP over beach erosion and sand replenishment. And at the same time....

The Shore Protection Project looks like it will be moving ahead thanks to the Lower Township Council capitulating to a domineering Commissioner by signing a State Aid Agreement. Once again, the Township officials demonstrate their disregard and disrespect for the resident taxpayers in Diamond Beach.

If you are interested in following shoreline movement and activity, I recommend the North Wildwood Coastal Processes Facebook page.

There were quite a few organized protests against off-shore windmills and concerns over dead whales, dolphins and other sea-life washing up on our shores in southern NJ.

The City of Wildwood enacted a new law supporting an existing law prohibiting alcohol on the beach and boardwalk. I'm sure there's a joke in there somewhere, but shore communities are enacting new laws and ordinances in response to safety concerns about pop-up parties and gatherings such as the outlaw car show in Wildwood in September 2022 that resulted in several accidents that claimed two lives.

A balcony collapse in Sea Isle City in February killed a construction worker performing maintenance to that balcony. While the collapse was caused by worker negligence and lack of contractor supervision, for better or worse we are feeling the effects through closer scrutiny by municipal building inspectors and two of the Villages are planning on exterior balcony maintenance projects that will be discussed during village meetings this weekend.

The staff has been working to maintain the village infrastructure, facilities and amenities, plaza deck beach and pools.

**Manager's Report**, continued

He noted Village strengths: landscaping, pools and the beach. He noted the staff experience and professionalism – supervisors, full time year round staff and many returning seasonal staff.

The biggest challenge this summer is keeping staff to maintain the amenities and provide expected services. Staffing shortages are impacting the Shore and almost all seasonal businesses. High starting wage rates, lower than expected number of foreign student workers, fewer workers from outside mainland US, lack of affordable housing and the change in how younger workers approach employment are all impacting the labor market. The hourly rates being offered this year continue to increase for many positions compared to previous years. Economic conditions at the shore have reduced housing inventory for summer staff.

We are acutely aware of economic conditions and we regularly re-evaluate our actions, operations and projects. The massive increases in costs to operate the Village, caused in part by Covid, the Florida building collapse, supply chain issues and inflation have affected the way we operate the Village.

We recognize we have limited income sources and derive the vast majority of our income from our residents. Like most Associations, (locally, regionally and nationally) we raised our condo fees and some villages implemented reserve funding payments. Our focus is to make sure we don't have another deficit this fiscal year.

Master Council continues to monitor the Shore Protection Project, FEMA flood insurance concerns, and the impact of graduated minimum wage increases.

Lower Township enacted a 3% occupancy tax for third party rentals effective in 2023. Seapointe Village also requires lease fees to offset the expenses incurred by the Village due to the transient rental activity.

There have been some changes at SV Realty. Judy Huber, a consummate salesperson for the village has been promoted to Broker. Dorothy Lindholm has been hired as Director of Services. Dorothy brings a focus to unit cleanliness to improve what has been a weak point of the Realty operation for years. Brendan Stickle has been hired as a new salesperson. If you are not aware, Jim Morey, the founder of SVR passed away in January. Demand for Seapointe continues to be strong - (by end of May there will be 4 sold year to date). Only one unit currently listed for sale. SV Realty reports rental activity year to date is ahead of last year and their inventory is sold out for many peak summer weeks.

ACH for automatic condo fee payment is in place. 45% participation at present and over 70% when includes owners that use an auto-pay service. There is no charge to participating homeowners. Participation is voluntary.

The ParkMobile parking ap started on Memphis Avenue last year remains in place and has been extended to the diagonal spaces on Seaview Avenue. Use your parking tag to avoid paying.

Our sympathies to the families of TH 422 owner Terry Hull who passed away in March and former long time owner Eileen Sardella who passed away last week.

Swiftreach community outreach notification service in place, broadcast email & text. Association Management Office hours are 9 AM – 5 PM daily thru Labor Day.

In close, again I welcome you back and ask your cooperation. This is the time of year when luggage carts disappear from the garage lobbies and we need your help to return them where they belong.

**Treasurer's Report**

Financial Review – Preliminary financial statements for fiscal year April 2022 through March 2023 operating performance compared to budget indicate:

Income is over budget by \$43,645. Expenses are over budget by \$325,566.

ITEM	AMOUNT	OVER/UNDER BUDGET	COMMENT
TOTAL INCOME	\$3,051,889	+\$43,645	1.5%
Administrative fees	\$25,894	+\$4,294	Resale activity
Reimbursable payroll	\$244,966	+\$36,966	Custodial / Maintenance
Miscellaneous income	\$98,885	+\$2,385	Beach tags
TOTAL EXPENDITURES	\$3,038,074	+\$325,566	12.0%
Professional services	\$63,315	-\$1,935	
Insurance	\$186,591	+\$13,891	Workers Comp
Maintenance expenses	\$89,341	+\$341	
Beach related expenses	\$53,012	+\$8,012	Beach lockers
Pool Operations	\$119,293	+\$34,293	Chemical costs
Security supplies	\$16,882	+\$732	
Payroll & related	\$1,587,218	+\$261,758	
Trash	\$14,798	-\$3,202	
Electric	\$100,258	-\$5,742	
Gas	\$64,731	+\$10,731	
Water	\$158,447	+\$5,247	
NET INCOME	(\$281,921)		

A challenging labor market leading to higher hourly wages, subsequent increases in workers compensation insurance, spiking pool chemical costs and general inflationary effects on many other material, supply and service costs across all expense line items resulted in the operating deficit in 2022-2023.

2022-2023 fiscal year account balances & related fiscal issues

As of May 12, 2023, Master Association cash is \$534,063. Total combined reserve accounts equal \$413,334 (\$1,019,520 last year).

<u>Account Balances</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Operating/Payroll	\$120,729	\$172,494	\$105,334	\$88,705
Capital Reserve	\$390,495	\$940,902	\$1,048,405	\$810,703
Deferred Maintenance	\$22,839	\$78,618	\$79,389	\$47,218
TOTAL	\$534,063	\$1,192,014	1,233,128	\$946,626
Rehab Assessment			\$97,773	\$202,827
TOTAL	\$534,063	\$1,192,014	\$1,330,901	\$1,149,453

Year end accounting

RKL will perform the 3/31/2023 work for Master and villages. This is their second year of service.

Reserve Replacement / Deferred Maintenance expenses - \$660,395

Reserve Replacement / Deferred Maintenance expenses during 2022-2023 fiscal year to date are \$660,395, \$552,868 of which is classified as Reserve Replacement and \$107,527 is classed as Deferred Maintenance.

<u>Reserve for Replacement</u>	<u>\$552,868</u>	<u>Deferred Maintenance</u>	<u>\$107,527</u>
Stormwater outfall project	\$308,273	Recharge basin cleaning	\$18,392
Stormwater outfall prof fees	\$43,424	Plaza deck sealant	\$21,334
Centre Court pump room	\$55,990	Plaza deck trellis	\$27,900
Storm system generator	\$16,504	Pool sandblast/paint	\$39,900
Sitework	\$13,535		
Plaza deck/pool furniture	\$12,378		
Access system software	\$11,850		
Ibis pool cover	\$6,504		
Gatehouse/entry engineering	\$9,772		
Tiki hut thatch	\$5,958		
CCTV wifi network	\$5,300		
Lagoon pump	\$4,486		
Exterior light fixtures	\$2,207		
Memorial bench	\$1,750		

The SMVA Capital Reserve Study is in process of being updated by FWH at a cost of \$5,000.

2023 Master Association Budget - \$3,323,773 (10.5%) Increase

The 2023 Master Association budget was finalized with a 10.2% increase in condo fees.

The 2023 operating budget increases by \$315,409. (10.5%)

What increased and why:

- \$229,740 (16.9%) increase for payroll and wage taxes, most of which is driven by the difficult local labor market and the minimum starting wage at \$15
- \$20,300 (11.8%) increase in insurance premiums
- \$12,000 (4.4%) increase in management and support services
- \$10,000 (11.8%) increase in allowance for pool/spa operating/ maintenance expenses
- \$10,000 (6.0%) increase in allowance for landscaping related expenses
- \$8,000 (10.0%) increase in allowance for maintenance and custodial expenses
- \$5,000 (3.3%) increase in water expense
- \$4,000 (7.4%) increase in gas

Internal and external factors affecting the 2023 budget

2023 financial plan / challenge

- Historic inflation increases (consistent with overall US inflation rate +8-9%)
- Continued above average inflation forecast in 2023
- Deliver existing services valued by owners in a cost-effective manner
- Increase savings for reserves/capital investment
- Effects of operating deficits for past 3 years (even with PPP funds)

Discussion points during the budget review – looking ahead

- Wage price spirals – payroll costs will never go down
- Shrinking housing market for year round and seasonal workers
- Continued investment in facilities (Gatehouse / dunes / pools)
- Challenging coastal condo insurance market – impact for 2024 & beyond
- Service contracts under control (union contract)
- Inflation is affecting some operating/supply costs
- Utility costs trending upwards

ACH/bill-pay for condo fee payment

It's been two years since Seapointe Village initiated ACH payment.

At present, 222 homeowners use the ACH (up 60 in last year) for condo fee payment, and 132 use bill-pay services (down 27 in last year), 71% of all owners.

Landscaping

The pre-season landscaping work is complete. Flowers arrived April 24th. Haberman provided the flowers and the design plan for 2023 that includes lantana, begonia, salvia, verbena and geraniums. The color and flower design is a notable change from previous years.

Habermans season opening costs in 2023 including flowers was just over \$45,000. For comparison, last year the season opening costs not including flowers was \$45,058.

The arborist performed his first application in late April and second application on the sycamore trees this last week. They noted some of the sycamore trees and older evergreens on the plaza deck are struggling.

Beach

Amenities were placed on the beach starting the last week in April. The beach layout and additional amenities, including walkways and connectors, the Ibis Lane landing, tiki umbrellas, volleyball and tetherball generally follow past years layout.

Total of 90 beach lockers, of which 14 storage lockers have been placed at the north end of the beach. The lottery took place May 12<sup>th</sup>. The McKinley family (SB-708) was present during the drawing and their 8-yr old daughter Nora drew the names. There were 140 entrants in the lottery. Rental fee increased to \$400 for this season.

The beach grill will be open Friday through Monday of Memorial Day Weekend, then weekends through June 12<sup>th</sup>. It will be open daily from June 18<sup>th</sup> through Labor Day. The fall hours of operation will be occupancy dependent.

Once again this year, beach tents and canopies are restricted to back beach areas. Also, our northern boundary is delineated with decorative bollards and rope along with signage, to assist our beach ambassadors in monitoring activity.

The US Fish and Wildlife Service has again closed the beaches south of Diamond Beach from April 1 thru September 30 to protect migratory shorebirds.

Aquatics

Oceanfront pool and spas and Garden pool and spa opened May 11<sup>th</sup>. Ibis pool was closed May 15-21 for pre-season maintenance.

Next to the outfall extension, the largest off-season project was a rehab of the Centre Court pump room. The electrical panels and all wiring to pumps, filters and motors were replaced, and the piping in the pump room is all brand new. A few snafus affected opening the Centre Court pool, including some tiles on the slide popping off a few weeks after they were installed.

Mike Damico is supervising the department. Joe Taylor is beach guard supervisor. Mike will be conducting pool lifeguard training and certification in June. Staffing is once again expected to be a significant challenge in Aquatics this season.

### **Personnel**

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. Currently have 11 staff members, staffing standards call for 20 in peak season.

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

Tony Kiska was promoted to Security Supervisor last Fall. The department has mostly returning staff. Staffing standards call for 540 hours per week in peak season, we expect to be 40-60 hours short at this time.

### **Unfinished Business**

#### Shore Protection Project Update

Lower Township Council signed the State Aid Agreement in April. The Agreement outlines the obligations of the local government and State as the Project is built and beyond.

The most recent announced timeline is for the Project to start in the fall of 2024 and last through the 2024-2025 off-season. The Project involves constructing approximately 25,000 linear feet of dunes 16 ft nav height and 25 ft crest width. Sand for the Project will be taken from beach and underwater areas of Wildwood and Wildwood Crest and pumped to the dunes throughout the island. The Project will take 6-8 months to complete. The initial cost of the Project is \$21million, funded 65% by the federal government and 35% by the State. Future renourishment is funded 50/50 between the State and federal government.

To date, there have been no new details on the Project beyond what has been presented in the 65% Plan presented in 2018.

The DEP will begin to negotiate perpetual easements with the private beach owners in Lower Township for construction of the dunes. The DEP will require the private property owners to sign a perpetual easement that allows the State to construct and maintain the dunes for the 50-year life of the Project.

The State will require Seapointe Village to sign the Easement, which essentially overlays the public access easement over property currently owned by Seapointe. Statements have been made by DEP representatives in a February 2022 presentation to Lower Township Council that the State would only be taking the area necessary for constructing the dunes, however, language in the Easement and SAA state that the easement includes all of the beach.

It is unclear whether it includes riparian rights.

If negotiations between Seapointe Village and the State are not successful in reaching a mutually acceptable agreement and Seapointe does not willingly sign an easement, the State will initiate eminent domain litigation. This process is expected to proceed rapidly, and at that point, its not a matter of if the State will acquire the property, because (assuming the State acts in good faith) that will occur. The litigation will determine the amount of compensation Seapointe will receive.

Seapointe Master Council will be meeting with its team (legal counsel, special legal counsel, and our environmental consultant (Joe Lomax) to discuss authorities, responsibilities and liabilities of each party; fiduciary issues; compensation, specific positions and negotiation points with Lower Township, State (DEP & AG) USACE; USFWS and any other important points for our information.



Shore Protection Project Update, continued

Seapointe Village will retain an experienced property assessor that can identify factors affecting value including but not limited to the loss of value of the beach; how this affects the value of the units; is there a value if sand is taken from our riparian areas over 50 years and other issues.

Stormwater Outfall Extension

The stormwater outfall extension is complete. The 306' extension was performed by Larsen Construction. Mott MacDonald performed project oversight. Total project cost \$351,697.

The project costs are as follows:

Contract (Larsen Construction)	\$113,004
Lumber (Marine Lumber)	\$22,099
Pipe (Caterina)	\$167,038
Subtotal	\$308,273
Engineering	\$43,424
TOTAL	\$351,697

We will be installing reflectors and piling caps in the coming weeks.

Rules & Regulations Amendment (Noise, nuisance and disciplinary actions for non-owners)

At the March Open Meeting, the Master Council passed an amendment to the existing Rules & Regulations to eliminate the advance written notice requirement, allows for immediate imposition of fines for non-owner residents and increases the amount of the fines. After the meeting an owner raised the question whether the language was discriminatory.

Our attorney since revised the language in the amendment to eliminate specific reference to rental guests and other language which could be perceived as discriminatory. The proposed amendment was included with the meeting handouts.

Motion: Berstein      Second: Panepinto      Vote to accept: 6-0 (Ferrara unavailable)

## **New Business**

### E-bikes/ Electric Vehicles

In response to the increase and severity of e-bike fires, Seapointe Village has a temporary prohibition on e-bikes in or under the multi-family buildings. Electric bikes are not as predictable as electric cars. There have been a number of fires, and it is harder to ascertain who makes the batteries and whether there is adequate circuitry to control charging. We do not permit bikes of any kind indoors in the multi-family building, so we should not have to worry about bike fires.

The risk of fire in electric vehicles such as a Tesla or any of the mainstream auto makers like Ford, GM or BMW is very small and acceptable for a condominium like Seapointe Village. Electric vehicles do not spontaneously catch fire. The recorded EV fires which are relatively few are the result of an accident or damage to the battery, or in one case, a vehicle being caught in a flood. The fires are intense and very difficult to put out, but so are fires in gasoline vehicles.

There is little risk of fire during charging because the EVs and their batteries are equipped with circuitry to prevent thermal runaway. An electric vehicle battery is designed with software and circuitry that governs charging and discharging and controls the rate of charge and discharge so that the battery does not wear out prematurely or discharge at a rapid rate.

The batteries in a Tesla or Ford EV are typically a series of lithium-ion cells, produced by major battery manufacturers such as Panasonic, LG or Samsung. The batteries and cooling technology are typically cased in a metal box under the floor of the vehicle and are not easily damaged.

Currently any charging being done by an EV owner at Seapointe Village is being done on a 120 circuit, which is trickle charging. There is very little heat being created and almost certainly a very small risk. Finally, it is worth noting that there is no electric or mechanical device which involves zero risk.

### **Public Comment**

5-404 Would like Centre Court pool to remain open later into September.  
Response that CC pool requires two certified lifeguards to operate. Because school re-opens It is difficult to keep two certified lifeguards available. Ocean front pool requires one certified lifeguard to operate. Garden and Ibis pools do not require certified lifeguards to open and operate.

5-119 Commented about leak from back of water feature at spas. Response is that is isn't a problem, occasionally occurs during operation based on water levels.  
Suggests a Seapointe logo on back wall of water feature.  
Main firepit needs powerwashing  
Mentions a curb cut is needed behind Centre Court.

5-303 commented about cost of pool chemicals

1-219 asks to keep ocean front spas open later than 7:30, possibly until 10pm.

2-418 asks about Townhome residents parking on the apron posing a hazard to other drivers.  
Response that apron parking requires 3 of the 4 vehicle tires to be on the apron.

3-704 commented about the gameroom. Response that games have been permanently removed. Ultimate use of the space has not been determined.

5-407 commented about dogs using the grass at the back gate. Response to make sure signage is posted.

2-308 asked if the new Wildwood laws will have any effect on the Seapointe club license.  
Response that the Wildwood law has no effect on Seapointe beach activities.

1-318 commented about the Shore Protection Project.

1-302 commented about removing older pine trees on the plaza deck

2-705 asked about the gatehouse plan. Response that the project has been postponed one year.

1-515 suggested utilizing the old game room for package dropoff.

There were no further questions, and the meeting was adjourned at 10:35am.