

**SEAPOINTE VILLAGE MASTER ASSOCIATION**  
**Open Council Meeting**  
**Saturday, September 10, 2022**  
**9:00am Video-conference**

Meeting called to order at 9:00 am

**Roll Call:**        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 – Matt Marra

Proof of notice was distributed to homeowners along with notice of their respective village meetings.

Approximately 80 homeowners were also in attendance.

**Approval of minutes**

Upon motion by Panepinto, second by Bernstein and Ferrara the minutes of SPV Master Meeting held May 28,2022 were accepted by consent as presented.

**President's Comments:** Stan Cach

He welcomed everyone to the meeting and thanked them for coming. He asked for a moment of silent reflection for victims of the 9/11 terrorist attacks and Hurricane Ida.

At this meeting we will recap summer operations, announce the off-season project agenda and review financial performance compared to budget for the first five months of the fiscal year.

He commented that the September meeting traditionally served as an evaluation of the summer season. He noted that the complex is 34 years old, and still remains a beautiful facility.

Master Council issued periodic updates throughout the summer.

There will be an update on the Shore Protection Dune Project. Progress moving slowly, but it appears there is an estimated date for work to take place starting in 2024.

Seapointe Village was issued a Club License (0505-31-032-001) by Lower Township in July. The license allows Seapointe Village to sell alcoholic beverages to its membership, following the laws established by the State ABC. Master Council will engage in discussion to determine if and how to best use the license and will survey the membership whether to utilize the license to sell alcohol, and if we do proceed, for member comments, concerns, suggestions and ideas.

The annual plaza deck and facilities inspection was performed by our structural engineer and the facility remains sound. There were no significant findings.

Sales and rental activity was strong. Demand for condos exceeds the supply, and when a unit was listed, substantial offers came in quickly.

The Stormwater outfall pipe will be extended this off-season.

Th Seapointe Village trademark was renewed. Renewal process occurs every 10 years.

He thanked staff and management for their efforts this summer.

**Manager's Report:** Jim Yost

Generally it was a positive summer experience for those who were at SPV for the season. Extremely crowded this summer, all available rentals were booked.

We faced a severe staffing shortage for Custodial and Security staff and substantially higher hourly pay rates for all positions than ever before, Custodial staff was 14 full time staff this season, compared to 20-22 staffing standard. Security staff averaged 440 hours per week, compared to 540 staffing standard. As a result, there was an average of 40 hours OT per week for Security and an average of 100 hours OT per week in Custodial. In addition, Maintenance was short staffed and averaged about 37 hours OT on a weekly basis this summer. Only Aquatics was not short staffed, but much higher hourly wages contributed to a significant negative payroll variance fiscal year to date.

Advertised hourly rates for service positions was substantially higher than previous years. While the number of foreign and off-shore American workers was more than the past 2 years, it was still harder to get workers, and the inventory of housing for seasonal workers continues to decline, and rents continue to increase.

Aquatics and Custodial seasonal positions were budgeted at \$13-\$14 per hour this summer, and Security seasonal positions budgeted at least \$15.00 per hour. But actual starting pay rate for all seasonal positions \$15.00 per hour this summer and \$16.00 for Security staff in addition to seasonal hourly bonuses.

I want to give credit to the staff for their efforts during a very hard and challenging summer. Department supervisors Mike Siner, Mel Casanova, Roger Eckhart and Mike Damico were especially dedicated and committed to executing the plan. I want to give a special note of thanks to owners that encouraged their children, grandkids and even husbands to work full time all summer.

Because of their commitment, all of the facilities were open all posted hours this season.

We are beginning the post-season evaluation of equipment and facilities as part of off-season planning.

The Association's structural engineer conducted the annual plaza deck inspection on August 23<sup>rd</sup>. Nothing unusual or unexpected during his inspection. There was some minor spalling to the undersides of the structural planks, and on ends of beams and columns. We will perform the repairs this off-season.

In addition to the plaza deck, inspections were performed of the Garden & Centre Court garages as well as a cursory review including ground level visual inspections of the multi-family buildings. Some balcony spalling on North Beach and Pinnacle was identified, attributed in part to tile installation on exterior balconies. Tile, carpet and other permanent materials that trap and hold moisture in the balcony concrete surfaces pre-maturely age the concrete and should be removed.

Our 10-year trademark review process was completed this summer and our attorneys submitted the Declaration of Use Renewal filing on behalf of Seapointe Village with the US Patent and Trademark Office. Once this renewal process is completed, the trademark is valid for 10 years until the next combined Declaration of Use is due August 20,2032.

The end-of-season checklist is included with the meeting materials for your reference. Contractors guidelines are available on the Association website, in the Management Office and we can email them to you.

**Manager's Report, continued**

Tile, laminate, hardwood and other solid material flooring installations require an integral or secondary acoustical underlayment for sound, vibration and noise isolation and deadening. This applies to owners in the multi-family buildings where there is a separate residential unit immediate below.

There have been 10 sales to date this calendar year (2022), 4 more under contract and 2 in review period as of Sept 6. The 2022 summer rental season was very strong and rental activity will continue well into September.

Off-season work includes:

Centre Court pool pump room rehabilitation  
Repair as needed and paint the plaza deck gazebo  
Gatehouse interior painting and carpeting  
Some new lagoon lighting

Through Labor Day there were 330 reservations for tennis and 157 for pickleball if anyone is keeping track. The tennis court/basketball fencing is showing signs of wear, and we expect to replace within 2 years – estimated cost is \$50,000.

Packages delivery for owners and guests overwhelmed the Management Office at times. Packages dropped off at the Management Office were delivered by SV Security to the condo unit entry door. The Management Office saw a 65% increase in packages this summer compared to last year and this does not include those delivered to the gatehouse, SV Realty or dropped at building entrances.

The walkways to the beach and the beach landings are aging. We perform a minimum of weekly inspections to repair and address uneven boards and popping screw heads.

Beach yoga, swimming and surf lessons were again very well received. Yoga had consistent participation and surf lessons were done almost every day the surf was cooperative. Demand for swimming lessons was down this season compared to last year.

Demand for the bocce court was down this summer compared to previous years

Off-season Projects throughout the Village:

North Beach, South Beach and Pinnacle will perform routine exterior rehab work based on Pericles inspection and in-house observations.

Pinnacle will be performing interior refurbishment including painting, lighting and carpeting.

Garden Residences is planning for fire suppression system monitoring.

Wildwood Crest Fire response time continues to be very good.  
Lower Township Police and Emergency Rescue were present.

### **Manager's Report, continued**

The Village was very crowded this summer and demand for parking exceeded available spaces inside only over July 4<sup>th</sup> holiday weekend but we were near capacity several other times during the season.

The ParkMobile app for the 25 spaces on Memphis Avenue AND the spaces on Seaview Avenue generated \$10,052 through the end of July 2022. Implementing the ParkMobile app for both the Memphis Avenue and Seaview Avenue spaces resulted in some additional parking income (\$1,603 compared to same period last year), but more importantly, the Seaview Avenue spaces were always available for resident overflow.

Off-season long term vehicle parking is located in the east drive parking bays under oceanfront pool and if you are leaving a vehicle, please register it in the Management Office.

Pacific Avenue through Diamond Beach was supposed to be repaved last off-season and is scheduled to be done this off-season.

Please replace original appliances, to minimize chance of water damage by changing water heaters, ice maker lines, washer hoses, and to turn off water when not in residence.

Looking ahead, the Association commercial package of insurance policies renews in mid-November, so by that time we should have some idea what the impact of the insurance renewal premiums will be on the budget for fiscal 2023.

The wedding of Jordan Morey (TH 112) and Alyssa Hogan (TH 318) takes place on the southern side of the beach on Saturday afternoon September 17<sup>th</sup>. The reception is also taking place on the beach. There will be a large tent (roughly the size of the larger Icona tent), supporting kitchens restrooms and recreational areas. Set-up starts on Wednesday 9/14 and breakdown will occur Monday 9/19. Attendance is about 280, of which over half are either Seapointe owners and family or guests staying at Seapointe.

While each one of us is entitled to our own view, Seapointe Village has many rules and regulations that owners and residents must comply with to ensure a safe and enjoyable experience. The rules should be respected.

This year, same as in past years I observed numerous instances where some individuals pick and choose which rules to follow. For example, regarding wearing of the recreation wristbands, dogs (weight, number, leash and picking up), smoking, bikes, compliance with leasing restrictions/requirements and others.

Management, security and staff are challenged to enforce the rules that are in place Seapointe residents need to understand the rules and comply. Non-compliance creates issues for Management as well as frustration for homeowners. The Board members and management are available to discuss changes to rules and regulations as needed.

He thanked the Master Council and staff for their efforts and support this season.

**Treasurer's Report:** Mike Szelak

Financial Review - Preliminary financial statements for fiscal year April 2022 through August 2022 operating performance compared to budget indicate:

Income is over budget by \$12,597. Expenses are over budget by \$143,367.

ITEM	AMOUNT	OVER/UNDER BUDGET	COMMENT
TOTAL INCOME	\$1,321,407	+\$12,597	
Administrative fees	\$10,294	+\$794	Resale activity
Reimbursable payroll	\$117,731	+\$11,731	
Miscellaneous income	\$75,822	+\$72	
TOTAL EXPENDITURES	\$1,547,906	+\$143,367	9.3%
Professional fees	\$30,926	+\$6,176	Shore Protection Project
Office operations	\$21,801	+\$2,601	help wanted ads
Misc A&G expenses	\$7,818	+\$279	
Insurance	\$68,987	-\$263	
Custodial expenses	\$18,741	-\$4,259	
Maintenance expenses	\$27,115	-\$10,385	
Landscaping	\$77,223	-\$28,877	
Beach related expenses	\$34,970	-\$4,030	
Pool Operations	\$78,999	+\$23,999	Chemicals/ testing
Security supplies	\$6,048	-\$1,602	
Payroll & related	\$905,329	+\$158,329	Starting rate/ OT / Bonuses
Trash	\$8,706	-\$7,284	
Electric	\$47,866	-\$5,134	
Gas	\$28,523	+\$4,023	
Water	\$56,366	+\$5,566	
NET INCOME	(\$226,499)	-\$130,770	9.3% negative variance

Account balances & related fiscal issues

As of August 31, 2022, Master Association cash is \$899,677

Account Balances	2022	2021	2020	2019
Operating/Payroll	\$106,656	\$60,703	\$110,492	\$206,959
Capital Reserve	\$722,602	\$1,113,866	\$1,169,593	\$181,286
Deferred Maintenance	\$70,419	\$79,495	\$28,147	\$136,744
TOTAL	\$899,677	\$1,254,064	\$1,308,232	\$524,989
Rehab Assessment	-\$0-	-\$0-	-\$0-	\$357,884
TOTAL	\$899,677	\$1,254,064	\$1,308,232	\$882,873

Audited Financials

RKL performed the fiscal year end 3/31/2022 financial statement and tax return preparation for Master and villages. Draft financial statements were provided last week. The respective Village Councils will arrange conferences with the accountants to review changes in format and presentation within the statements prior to issuance as final.

**Treasurer's Report:** continued

ACH/bill-pay for condo fee payment

It's been eighteen months since ACH was initiated ACH. At present, 193 homeowners use the ACH for condo fee payment, and 159 use bill-pay services, combined over 70% of all owners.

Reserve Replacement / Deferred Maintenance expenses fiscal year to date - \$144,677

Reserve Replacement / Deferred Maintenance expenses during 2022-2023 fiscal year to date are \$144,677, of which \$126,284 is classified as Reserve Replacement and \$18,393 is classed as Deferred Maintenance. Detail shown below.

<u>Reserve for Replacement</u>	<u>\$126,284</u>	<u>Deferred Maintenance</u>	<u>\$18,393</u>
Centre Court pump room	\$55,990	Recharge basin cleaning	
Plaza deck/pool furniture	\$12,378		
Access system software	\$11,850		
Storm system generator	\$11,629		
Stormwater outfall engineering	\$11,261		
Gatehouse/entry engineering	\$6,282		
Tiki hut thatch	\$5,958		
CCTV wifi network	\$5,300		
DEP outfall permit	\$3,000		
Memorial bench	\$1,750		
Sitework	\$1,085		

Expected Reserve Expenses in 2022-2023 off-season

Stormwater Outfall construction  
 Sitework throughout Village  
 Lagoon lighting

Reserve for Master Plan / Anticipated Projects

<u>Project</u>	<u>Timeframe</u>	<u>Budget</u>
Outfall extension	2022-2023 off-season	\$350,000
Gatehouse / front entry	2023-2024 off-season?	\$200,000+
Dunes / walkovers	2024-2025 off-season	\$450,000
Street repaving	in the coming 5 years	\$200,000 Twp participation?
Garden pool & lagoon	2023-2024?	Unknown
Centre Court pool	after Garden pool	Unknown
Storm water system	ongoing	Unknown

**Landscaping**

2022 was a good year for landscaping. Lyn Taylor's design effort, flower selection, placement and color scheme were good this summer. The hydrangeas bloomed well in season. The white impatiens at the main entry made for a very nice appearance upon arrival. Only little negative was that the pink begonias were not consistent throughout the village.

Some off-season replacement of evergreen shrubs and bushes will be necessary. Haberman did their usual efficiently professional job maintaining the landscaping throughout the property. Pruning and trimming was cut back (pardon the pun) to once in June, as a cost-saving measure.

Through end of August 2022 Haberman invoices total \$67,827, compared to \$66,326 last year.

## **Beach**

The beach layout followed the same general configuration as past several years. 20 x 40 tent for table seating; the deli-trailer & service pavilion, three storage sheds. This year we had 90 beach storage boxes on platforms, 78 located at the southern end of the beach and 12 at the northern end. We will not be building any additional boxes for next year but need all items be removed from all existing boxes by Sept 18<sup>th</sup> in order to allow for refurbishment of the older boxes with new hardware, hinges, handles and wood as needed.

John Myers handled the beach raking this season. While the beach surface sand didn't appear as smooth and level compared to past summers, the beach was clean and appeared generally well groomed every day. The cost of diesel fuel rose dramatically this season.

No major issues with the tractors this season. The tractors and beach gators will be sent out for routine service after the beach amenities are cleared.

Considering how crowded the beach was this season, restricting tents to the back of the bathing beach area again this summer worked well.

We will leave walkways and amenities on the beach through the last week in September and will look into extending the existing walkways next season.

Brian Balestreire reported a very strong summer at the beach grill, but he also experienced staffing issues and food delivery shortages affected menu offerings in August.

229 seasonal beach tags were sold this year compared to 244 last year. Income from seasonal beach tag sales was \$16,695. 191 daily tags were sold compared to 275 last year.

## **Pools**

Aquatics Department and pool operations was a major challenge this summer. Lack of staff and supervisory inexperience were the challenges, and recruitment efforts, retention and referral bonuses were effective in securing needed personnel. On the positive side, the pools and pool decks were clean. Equipment maintenance was good, in fact the ocean front pool operating equipment performed better than since initially installed. We passed the only County pool inspection performed this season. Water quality testing was much better compared to previous years.

Mike Damico was in his first season as Dept Supervisor. He was dedicated and worked every day and he deserves credit in the areas mentioned above. He also became qualified to train and certify lifeguards. He was ahead on pre-season work which certainly helped in May. We will work on staff training, especially with operating procedures. The caliber of some of the seasonal (pool) aquatics staff left a bit to be desired, especially the foreign students. But we had several owners kids work for us, and there were some really good lifeguards that paid attention and did their job well.

We will look at more cost-effective options for to tag checking/monitoring next season. A benefit of the monitors and limited gate access was that pools were below prior year occupancy levels and never really near capacity this season, and there were few incidents between pool monitors and difficult guests but overall issues were fewer compared to previous years.

The filters, motors, pipes and electrical panels at Centre Court will be replaced this off-season.

Ibis pool will remain open daily year-round 10am – 10pm

### **Personnel & Security**

Maintenance did its usual efficient, effective job this summer. Mike Siner and his staff generally stayed on top of maintenance needs throughout the village. Year round staff includes Mike along with Juan Irizarry, Jesus Casanova and Israel Acevedo. John Myers will continue to work part time on beach raking this off-season. Billy Maldonado performed summer pool maintenance and will be moving into a full time position in Maintenance at the end of September.

Custodial ran with a crew of 14 most of this summer, 6-8 fewer than standard. Mel Casanova and his staff also did a terrific job. Most of the staff has worked at least 3 years, so there was no training necessary. The year-round crew sets an excellent example for workmanship and we had a very dependable night crew. Custodial supply costs are down almost \$3,000 compared to last year: \$18,741 compared to \$21,519 in 2021.

Security The Security Department performed adequately this summer, given they were understaffed all summer. The staff was generally effective, visible and active. The department staff know their regular routines. Most of the officers are mature and deal with the general public calmly and professionally. They performed the building and grounds tours and parking checks throughout the summer and assumed increasing package delivery responsibility.

Off-season staffing levels will gradually decrease to 240 hours per week, allowing for one guard per shift, plus an 8-4 person daily and 2 guards on weekend evenings.

### **Unfinished Business**

#### Beach – Stormwater Outfall Pipe

The pipe and lumber for the stormwater outfall pipe has been ordered. Delivery of the pipe and lumber is expected in late November, and the project will begin in December (weather permitting). The project is expected to take 6-8 weeks to complete. The materials will be delivered to Seapointe and will be stored on our back beach area close to the end of Memphis Avenue. The pipe will be extended 306 feet. The project (estimated to be \$350,000 for construction and engineering) is being paid from our Reserve Fund.

#### Shore Protection Plan

On August 30 Lower Township officials held a video-conference to update the Diamond Beach private beach owners regarding Township position relative to the Shore Protection Project. The Project has been more-or-less in a holding pattern for the past 12 months. The Township has requested the 90% plans from the DEP. The DEP is unwilling to provide additional plans prior to the Township executing the State Aid Agreement. The DEP has represented to LT that it does not expect the US Army Corps to dramatically change the plans. The design elevation and slopes of the dune will not change. Other project features, such as the locations and styles of public-access crossovers may change, and those changes are largely dependent on input from the Township and property owners.

The DEP provided a brief and underwhelming response to our Fall 2021 correspondence. The DEP stated that the easement will only be placed on portions of the property required to construct, operate and maintain the Project, and that Seapointe will still own and operate the beach as we do today.

The project is tentatively scheduled to begin in Fall 2024.

#### Gatehouse/Main Entry Improvements

Seapointe Village Master Council is looking into improvements to the main entry/gatehouse to modernize the gatehouse to be able to improve surveillance, improve services to the homeowners and update an aging building.



## **New Business**

### Club License

Seapointe Village was issued a Club License (0505-31-032-001) by Lower Township in July. The license allows Seapointe Village to sell alcoholic beverages to its membership, following the laws established by the State ABC. Master Council will engage in discussion to determine if and how to best use the license and will survey the membership whether to utilize the license to sell alcohol, and if we do proceed, for member comments, concerns, suggestions and ideas. Survey hopefully will be issued by end of September and Master Council will report back to the members at the December open meeting.

We know there will be questions about adequate insurance. Without knowing intent of use and estimated sales it's very difficult to estimate cost of insurance. If the club license is transferable to a 3<sup>rd</sup> party, its possible that 3<sup>rd</sup> party could bear the cost of the insurance by lease. If not, Seapointe would have to get a stand-alone liquor liability policy since most condo insurers do not get involved with adding liquor liability exposures.

### Leasing and Fannie Mae & Freddie Mac Changes

Recently (within the past 6-12 months), during lender review some lenders are rejecting loan applications for Seapointe Village citing the increasing presence of Seapointe Village on 3<sup>rd</sup> party rental sites and short-term rental offerings. Underwriters are monitoring these websites and if they see many short-term rental listings it raises concerns. (This is also happening at other condominiums located in Cape May County).

The Seapointe Village lease restrictions state: "Units shall not be leased more frequently than once per week.

Indirectly, rental activity is related to the overall investment value of your Seapointe Village residence for the following reason.

Seapointe Village maintains a status with FM/FM as "warrantable" This status is important because a warrantable condominium is one that the buyer can finance using a conventional mortgage, after the condominium association has been approved under a set of guidelines set by government-sponsored Fannie Mae & Freddie Mac.

When purchasing a condo, the warrantable status may be essential for the buyer's ability to complete the purchase transaction. The process for obtaining a mortgage for a warrantable condo is similar to that of a single-family residence.

Non-warrantable condos, on the other hand, are not as easy to obtain a mortgage for. If FM/FM have deemed certain condo associations as too risky (because of a perceived high percentage of short term or transient rentals and higher number of investor-owners, those associations are rated as non-warrantable. Non-warrantable condos are harder to obtain financing for. Instead of using conventional mortgages, buyers of non-warrantable condos have to seek financing with more stringent underwriting criteria and such mortgages may require larger down payments and carry higher interest rates than comparable conventional loans.

In each respective village budget, one of the income line items is identified as "Lease Fees" In next year's village budgets, this line item will be re-titled to prevent any possible confusion by lenders when they review our budgets.

**Public Comment**

- NB 318            Comment about packages taking up too much space and wear in North Beach Lobby.
- SB 401            Comment about security upgrades including package storage and remote access
- SB 506            Suggests a homeowner directory
- CC 407            Comments that there is a problem with large dogs and owners with more than 1 dog.
- PN 503            Suggests the beach grill contract be put out for bid  
Said the begonias were below par this season
- NB 515            Says too many residents have an "entitlement attitude" wants more enforcement of tag wearing to improve control Saw issues with glass and dogs
- SB 708            Supports idea of homeowner directory

There were no further questions, and the meeting was adjourned at 10:45 am.