

Manager's Report: Jim Yost

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

The severe labor shortage made it very challenging to recruit and retain staff. Aquatics, Custodial and Security never reached budgeted staffing levels this summer. This can be attributed to several factors, but probably the most impactful was the inability of foreign and off-shore American workers to come to the US this summer. New Jersey increased its minimum wage to \$12.00 this year.

Aquatics and Custodial seasonal positions initially budgeted at \$12.00 per hour this summer, and Security seasonal positions budgeted at \$13.50 per hour. But actual starting pay rate for all seasonal positions \$15.00 per hour this summer. Seasonal businesses placed help wanted ads mentioning higher than normal starting hourly rates and many were offering substantial hiring bonuses and/or seasonal hourly bonuses. The additional federal COVID-related unemployment benefits also contributed to the lack of available staffing, although it is difficult to quantify its impact. Overtime and bonus expense this summer (to date) is \$87,995.

I want to thank the staff for their efforts during a very hard and challenging summer. I must thank the department supervisors Wayne Craig, Mike Siner, Roger Eckhart and especially Mel Casanova. They were especially dedicated and committed to executing the plan. I want to give a special note of thanks to Owen Lennox and Will Richards. Owen's parents own in the Ibis Residences, Will's grandfather owns in Centre Court. These two young men are lifeguards and worked full time all summer.

Even with our staffing challenges, it was a consistent season, demonstrating that the experience of the staff and the procedures and systems are in place to ensure stable operations. We are beginning the post-season evaluation of equipment and facilities as part of off-season planning.

There were no reported cases of COVID-related infection at Seapointe this summer. There was a small percentage but noticeable number of individuals wearing face coverings over the course of the summer. All of the facilities were open this season. Our "no vaccine required" policies to use the facilities didn't generate any obvious or evident controversy among the homeowners or guests. We did maintain the hand sanitizer stands throughout the Village, and Custodial Staff continued to use the bio-protect cleaners on frequent contact points.

We will build 12 more beach storage boxes for 2022 (increasing the total to 90) and place some at the northern end of the beach.

We will paint the Pinnacle Master common areas this off-season.

The second tennis court will be lined for pickleball. 2021 reservations: tennis:378 pickleball:64

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 strong again this season

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

Manager's Report, continued

There have been 24 sales to date this calendar year (6 over asking price/5 at asking price) 3 units under contract as of Sept 11. There are 2 units listed for sale. SPV Realty reports an incredibly high demand for rentals. Almost everything available through end of September is booked.

Wildwood Crest Fire response time continues to be very good. Lower Township Police and Emergency Rescue were present. The LTPD vehicle was parked at the end of Pacific Avenue to slow down drivers entering Diamond Beach. Lower Twp has contracted with Inspira for first response. Inspira has not finalized their plans for this area yet. Emergency response time was inconsistent this summer- excellent on a few occasions, over twenty minutes on one other occasion.

Hotel Icona completed its top floor addition by the end of July, about six weeks behind schedule. They will be closing early November for the off-season to continue to work on the rooftop banquet center. Eustace Mita (owner of Icona) purchased the Regal Plaza Motel immediately north of The Grand. Plans are for a complete interior and exterior renovation and refurbishment of the property this off-season. It will be renamed and rebranded as the Mahalo Motel and have a Hawaiian theme.

Even though the Village was very crowded this summer, demand for parking exceeded available spaces only over July 4th holiday weekend. Security continued the regular practice whereby staff were recording the number of available parking spaces in and around Garden & Centre Court Residences every 2 hours from 2pm until 6am.

The ParkMobile ap for the 25 spaces on Memphis Avenue generated \$8,449 through the end of July 2021. Parking meter income should be close to double that of previous years.

For 2022, the angled spaces on SeaView Avenue will become pay-spaces, using the ParkMobile ap. Homeowners with a parking tag will not be required to pay.

The Seapointe Village structural engineer will be conducting the plaza deck inspection, along with structural inspections of the multi-family buildings later this September.

The County Engineer advises that Pacific Avenue through Diamond Beach will be repaved this off-season.

Note passing of two SV owners

Ralph DiVietro – TH 614 unexpectedly in June

Monica Young – Pinnacle 208 original owner, in August

He reminded owners to 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.

Manager's Report, continued

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 2022.

For about the past decade, Lexington was a strong player and has been the primary property insurer for coastal condominiums, under what has been known as the Champ Program. Lexington is no longer offering coverage in our market.

As a result, we can expect to pay substantially more in order to secure coverage that has the backing of well rated reinsurers. The condo / shore resort market has been surprisingly "soft" for an extended period of time, and premium costs tend to cycle as markets soften and harden. We will not simply purchase the lowest cost coverage available without ensuring that the companies backing our coverage through reinsurance are going to be standing strong if and when called upon to provide us with coverage. Just as we "pre-qualify" construction bidders for major projects, we will consult with our insurance agent to ensure that insurers / reinsurers are AM Best rated in the "A" range.

Insurance and the dramatically increasing labor costs will make it challenging as we budget for next year.

The off-season preparation checklists were included with the meeting materials, most important to shut off water and maintain inside temperatures above 55 degrees.

Off-season long term vehicle parking in east drive parking bays by O/F pool – register in Office.

If you are planning off-season unit projects, please follow the contractor guidelines.

Thanks to office staff Kathy Murphy and Nathan Yost for their efforts this summer. Off-season office hours (Saturday mornings and closed Sunday) begin next week.

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 through August 2021 operating performance compared to budget indicate:
 Income is over budget by \$30,660. Expenses are over budget by \$48,723.

ITEM	AMOUNT	OVER/UNDER BUDGET	COMMENT
TOTAL INCOME	\$1,270,985	+\$30,660	+2.5% positive variance
Administrative fees	\$20,102	+\$13,852	Resale activity
Reimbursable payroll	\$103,338	-\$662	
Miscellaneous income	\$87,870	+\$17,470	Beach tags/storage lockers
TOTAL EXPENDITURES	\$1,366,589	+\$48,723	3.7% negative variance
Professional fees	\$7,124	-\$11,626	Accounting exp zero ytd
Office operations	\$14,329	-\$4,396	Office expenses well under
Misc A&G expenses	\$11,524	+\$9,215	Boiler inspection fees
Insurance	\$61,536	-\$5,964	D&O & W/C timing
Custodial expenses	\$21,519	-\$2,480	
Maintenance expenses	\$35,143	-\$2,357	
Landscaping	\$78,702	-\$36,748	Favorable, but will decrease
Beach related expenses	\$22,179	-\$19,821	Favorable summer
Pool Operations	\$56,209	+\$8,709	Testing costs / LG training
Security supplies	\$9,037	+\$37	
Payroll & related	\$786,87	+\$122,276	Starting rate/ OT / Bonuses
Trash	\$10,448	-\$9,552	Favorable, but will decrease
Electric	\$49,926	-\$3,074	
Gas	\$26,539	+\$7,539	
Water	\$51,754	+\$4,754	
NET INCOME	(\$95,904)	-\$18,063	1.4% negative variance

Account balances & related fiscal issues

As of August 31, 2021, Master Association cash is \$1,254,064

Account Balances	2021	2020	2019	2018
Operating/Payroll	\$60,703	\$110,492	\$206,959	\$191,333
Capital Reserve	\$1,113,866	\$1,169,593	\$181,286	\$383,737
Deferred Maintenance	\$79,495	\$28,147	\$136,744	\$115,986
TOTAL	\$1,254,064	\$1,308,232	\$524,989	\$691,056
Rehab Assessment			\$357,884	
TOTAL			\$882,873	

Audited Financials

Our previous accounting firm St. Clair CPAs merged with Eisner Amper in 2021. Eisner Amper still working on draft 3/31/2021 financial statements for the villages. Once draft reports are issued, we will arrange conference calls with the accountants to review the drafts prior to issuance of final 3/31/2021 financial statements.

ACH Participation – 139 owners, or 28% currently participate in auto-payment. Forms attached.

Treasurer's Report: continued

Reserve Replacement / Deferred Maintenance expenses fiscal year to date - \$99,863
Reserve Replacement / Deferred Maintenance expenses during 2021-2022 fiscal year to date are \$99,863, all of which is classified as Reserve Replacement and \$0 is classed as Deferred Maintenance. Detail shown below.

<u>Reserve for Replacement</u>	<u>\$99,863</u>	<u>Deferred Maintenance</u>	<u>\$0</u>
Beach walkways	\$56,704		
Access gates (3)	\$9,000		
Stormwater outfall engineering	\$8,374		
Golf cart for Security	\$5,651		
Pool sitework	\$3,395		
BBQ grills (3)	\$2,716		
Beach mats for tent	\$2,576		
Beach Tiki hut canopies	\$2,163		

Expected Reserve Expenses in 2021-2022 off-season

Stormwater Outfall
Sitework throughout Village
Ibis Lane stormwater upgrades
Centre Court pool pump room rehab
Lagoon lighting
Dumpsters (4)
Golf cart upgrades (2)

Landscaping

2021 was a good year for landscaping. Haberman did their usual efficiently professional job maintaining the landscaping throughout the property. 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.

Typical off-season replacement of evergreen shrubs and bushes will be necessary. The driveway circle between South Beach and the 100 Townhomes Building will be relandscaped. The four trees aligning Seaview Avenue at the west gate and Dune Drive will be replaced. The plantings at the plaza deck hot tub area rehab matured a bit this season. The daylilies lining the inside of the main pool fence created better sightlines and enhanced views from the plaza deck.

Beach

The 2021 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 78 beach storage boxes on platforms, all located at the southern end of the beach. We will build 12 more for 2022. Some will be placed at the northern end in 2022.

John Myers handled the majority of beach raking this season. He worked 3 hours per morning this summer raking the beach and found a very efficient raking system, attested by the clean, groomed beach and well controlled diesel fuel use/expense.

The tractors generally functioned but we did have a few in-season issues for unplanned service. The newer tractor and both beach gators will be sent out for routine service after the beach amenities are cleared.

The beach lifeguard crew served effectively this summer. Jen Rickert handled the supervisory duties for the 2021 season and will continue next year. We supplemented the crew with three younger beach guards this year. Linda Kelly continued the position of "Beach Ambassador".

Restricting tents to the back of the bathing beach area again this summer worked well.

The posts and ropes at the southern property line will be relocated to line them along the southernmost beach walkway. The posts and rope delineating the northern property line will remain.

We will leave walkways and amenities on the beach through the last week in September.

244 seasonal beach tags were sold this year generating \$18,200. This was almost four times the number sold in 2020.

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.

Pools

The biggest challenges Aquatics Department dealt with this summer was a lack of staff. Even though we conducted two rounds of training sessions, we had few lifeguards. It was challenging to maintain equipment and emphasize pool deck cleaning and monitor and supervise the staff when you are concerned about who will show up.

Longtime Aquatics Supervisor Steve McBride departed unexpectedly in late August for personal reasons. After Steve departed, the two young supervisors Luis Acevedo and Jose Panesso did a good job running the department. They were receptive to direction, supervision and seemed properly motivated. Luis will move into a full time position in Aquatics, with about half his time during the off-season spent working with the Maintenance staff.

Multiple members of the department worked 55+ hours per week almost every week during July and August. Even though we had a significant staff shortage, the increase in starting wage to \$15 per hour along with the \$1 hourly bonus contributed to low overall Aquatics staff turnover.

For the most part the pools and spas functioned adequately. The electrical panels and piping in Centre Court pool pump room will be replaced this off-season, a short in the O/F spa lights will be addressed when we close for the season.

There were no capacity limits this season, which eliminated altercations between pool monitors and difficult guests. There were a few isolated incidents, but nothing too drastic.

There were 2 reported rescues in the pools this summer – one at Centre Court and one at oceanfront pool.

Ibis pool will remain open daily year round 10am – 8pm

Personnel & Security

As has been mentioned numerous times, staffing was the major challenge again this year, especially for Custodial and Aquatics. Security was understaffed 50-90 hours per week throughout the summer and never reached adequate staffing levels. Custodial was severely under-staffed all season. All three departments (Custodial, Security and Aquatics ran into overtime throughout July and August.

Maintenance did its usual efficient, effective job this summer. Wayne Craig and his staff generally stayed on top of maintenance needs throughout the village. Wayne will be retiring by the end of the year, with longtime Dept Supervisor Mike Siner taking over.

Custodial ran with a crew of 13 most of this summer, 7-9 fewer than standard. Most of the staff has worked at least 3 years. The entire Custodial staff did an outstanding job. The year-round crew sets an excellent example for workmanship and we had a very dependable night crew. The challenge Custodial faced in 2021 was a high volume of work compared to last year, so some of the lower priority tasks such as cleaning the parking garages and Memphis Avenue were not done as frequently as last year.

Security The Security Department performed well this summer. Even though the department operated short-staffed, the staff was generally effective, visible and active. It was a generally consistent season for the department as a whole. 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

Shore Protection Plan

A meeting was held on July 19th in Lower Township regarding the Shore Protection Plan. This meeting was attended by representative from the USACE, NJDEP, Lower Township, The Grand and Seapointe Village.

The purpose of the meeting was to provide an update regarding the proposed Shore Protection Dune Project. The DEP advises that the plans are 65% complete, and the project is tentatively scheduled to begin in 2023. Seapointe dunes meet the design standard. Project will be financed from the Hurricane Sandy Fund.

Seapointe Village has concerns and objectives regarding this project. We will be preparing a document to submit to Lower Township outlining our objectives and expectations, and modifications to the draft easement.

Beach – Outfall Extension

The end of the outfall line is completely covered in sand, far short of the low tide line, and SV Maintenance uses the tractor to remove sand from the mouth of the pipe on a daily basis.

We are working thru the permitting process and the engineering design for the outfall itself.

Preparation of engineering design is just about complete.

Permitting process will take several months, but at the same time we will solicit proposals.

Our engineer will be responsible for soliciting bids, reviewing them, and preparing and submitting a report with recommendations on award.

The actual construction will only take a few weeks, expected to be done before May 2022.

Reserve for Master Plan / Anticipated Projects

This topic has been a regular mention during open meetings.

<u>Project</u>	<u>Timeframe(tentative)</u>	<u>Budget</u>
Outfall extension	2021-2022 off-season	Unknown
Gatehouse / front entry	2022-2023 off-season	\$200,000
Dunes / walkovers	2023-2024 off-season	\$350,000
Street repaving	in the coming 5 years	\$200,000 Twp participation?
Garden pool & lagoon	2023-2024?	Unknown
Centre Court pool	after Garden pool	Unknown

New Business

Stormwater system

The low points under South Beach and Garden garages are the single largest vulnerable area for flooding in the Village.

We are working to finalize a proposal to install two underground pumps for the southern side of the stormwater system along with a permanent underground pipe across the driveway and outside parking area outside South Beach Residences to the overflow pipe that runs to the dunes and add a backup gas generator for these pumps.

Installing these pumps and generator will address both the primary and secondary stormwater removal for these low points.

As part of this project, the entry to the Ibis beach walkway will be made wider to accommodate the beach carts and prevent parked vehicles from obstructing this walkway.

Main Entry / gatehouse

We are starting the planning for refreshing the main entrance and gatehouse.

Initial thoughts are for a new aesthetic at the entrance; modified vehicular circulation to allow for expanded central landscape island; an expanded Gatehouse; the single exit drive lane; improved pedestrian circulation and crosswalks; implementation of visible falling water as a prominent landscape feature and improving wayfinding signage

We will be prioritizing Gatehouse functionality; improve guest/guard interface when vehicles stop for assistance and making it so the officers are standing when dealing with arriving guests. We want to dissuade pedestrians from approaching the gatehouse from the drive-in lanes; refresh the exterior to better blend into look of surrounding buildings.

The main entry – water features and fountain will be refreshed; improving center island in front of gatehouse and retaining an iconic feeling that you have “arrived”

In the process of refreshing the main entrance we will consider ways to improve pedestrian cross walks to further separate pedestrians and vehicles. That may include speed humps at the Atlantic Avenue transition to Seapointe Blvd to slow traffic

Structural Inspection

The Seapointe Village Structural Engineer will be conducting his inspection of the plaza deck, garages, all buildings in late September. Seapointe staff will continue the preventive and deferred maintenance program.

Public Comment

TH 316 Commented that the Ibis beach landing did not have an umbrella nor the same amenities as the other beach landings.

Kids continue to play on the dunes along the Ibis walkway.

The stormwater being pumped onto the dunes has eroded the back of the large dune.

The Pinnacle gym cannot handle the usage, should be relocated into another area.

Broken mirror on the gym wall.

Oceanfront hot tub project not a good value.

SB 311 Issues with pool/hot tub lighting.

Caulk joint around coping at oceanfront pool needs to be replaced.

Suggests better directional signage at pool gates, pointing to open access gate

NB 311 Comments that the beach utility vehicles are driving over the beach walkways

SB 401 (Via video-chat feature) suggests more surveillance cameras are needed throughout the Village especially in the parking garages.

There were no further questions, and the meeting was adjourned at 10:15 am.