

SEAPOINTE VILLAGE MASTER ASSOCIATION
Open Council Meeting
Saturday, September 8, 2018 10AM – Garden Residences Lobby

Meeting was called to order by President Stan Cach at 10:10am.

Roll Call: SPV I – Gene Rozzi/Larry Willis SPV II – Stan Cach
 SPV III – Ben Martorana SPV IV – John Ferrara AWR
 SPV V – Mike Szelak SPV VI – Elly Bernstein
 SPV VII – Anton Lemli

Proof of notice was mailed to homeowners on August 17, 2018. Notices have been posted in all buildings and on announcement boards.

Approximately 150 homeowners were also in attendance.

Approval of minutes

Upon motion by Bernstein, second by Rozzi the minutes of SPV Master Meeting held May 26, 2018 were accepted as presented and approved by unanimous consent.

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.

He noted that compared to recent summers, 2018 summer was rainy.

He commented that the September meeting traditionally served as an evaluation of the summer season. He noted that the complex is 31 years old, and still remains a beautiful facility. He noted it was a reasonably good season.

In evaluating the summer season, we look at ways to make things better, landscaping and facilities operation is very good, cost controls in operations, maintenance, aquatics and utilities very good, challenges in staffing.

Later in the meeting will be discussion of the plaza deck hot tub area rehab project.

There will be an update on the UASCE/NJDEP Shore Protection Dune Plans.

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.

He thanked staff and management for their efforts this summer.

He thanked owners for attending and for their participation in making Seapointe Village the premier location on the Jersey Shore. He reminded owners to remove furniture from balconies in advance of the upcoming storm.

Manager's report: Jim Yost

Generally it was a very positive summer experience for those who were at SPV for the season. Rainy several weekends through June, hot dry August.

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 very few complaints about Hotel Icona beach activities this summer, but loud comments in regard to their CAFRA application.

He noted there were few emergency response incidents this summer. Wildwood Crest fire response was excellent.

Some new BBQ grills will be purchased for next year. Yoga/surf lessons were well received, steady demand for massage and bocce this summer.

The sheer volume of packages delivered for residents this summer posed challenges for the Management Office.

It was a strong season for rental activity. There are 12 resales year to date, and six more under contract, and 33 units listed for sale (6.3%).

A number of notable off-season projects throughout the Village Centre Court is moving forward with an exterior rehab project, commencing in October with estimated completion in late April 2019. This project involves removal and replacement of original exterior aluminum siding with a pvc-cellular siding, removal and replacement of original exterior stucco with a stone veneer, and removal and replacement of original Anderson windows and sliding patio doors with Simonton windows and doors.

Domestic water pump systems will be replaced in North Beach, South Beach and Pinnacle this off-season, by same contractor that did Centre Court pump replacement project last off-season. Expect this work to be done in November.

South Beach will be replacing hallway carpeting this off-season.
South Beach will be replacing common area rooftop hvac systems this off-season.

Pinnacle will be removing the drop ceiling throughout their parking area and replacing lighting throughout their parking areas this off-season.

Garden Residences are planning for elevator modernization as early as the 2019-2020 off-season.

He reminded owners about the off-season preparation checklists, most important to shut off water and maintain inside temperatures above 55 degrees.

He reminded owners about contractor guidelines for off-season work in units.

Manager's report, continued

He acknowledged the office staff, especially Kathy Murphy and Gail Miller for their efforts this summer, and noted the off-season office hours (Saturday mornings and closed Sunday) would begin next week.

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

Reports of officers and committees:

Treasurer's Report: Mike Szelak

2018 Fiscal year to date recap He reviewed the handout, a recap of the unaudited results for fiscal year April through August 2018.

Total income is over budget \$30,637 on \$1,135,477 income. Expenses are under budget \$41,526, or 3.5%. Overall a net positive variance ytd of \$72,163, or 6.1%.

Cash balances are \$691,056. He mentioned the timing of reserve funding, that reserves are funded during the second half of the fiscal year, when operating expenses are lowest.

He reviewed Reserve/ Deferred Maintenance expenses fiscal year to date: beach trash cans \$2,284, pool coping sealants \$9,380, benches \$1,541, exercise room HVAC \$6,800, trellis rehab/paint \$5,200, ejector pit pump \$2,364, roadway repairs \$3,294

Awaiting issuance of final 3/31/2018 audited financial statements but drafts have clean opinion, and are consistent with previous years.

Landscaping: Jim Yost

2018 was a good year for landscaping. Lyn Taylor's design effort, flower selection, placement and color scheme were very good this summer. The roses bloomed early this summer. The hydrangeas did not bloom as well this year compared to previous years. The white flowers this year provided great bloom and appearance.

Typical off-season replacement of evergreen shrubs and bushes will be necessary in 2019 pre-season. The plaza deck hot tub area rehab project will necessitate removal and replacement of a significant amount of landscaping this off-season. The Centre Court exterior rehab project will also require a lot of landscaping, particularly close to the building perimeter, to be removed this off-season.

Haberman did their usual efficiently professional job maintaining the landscaping throughout the property. They pruned and trimmed in June (I held off on the August pruning/trimming) to address the trees and shrubs on the plaza deck that obstruct owner views. I will do a post-season walk-thru with Haberman in the coming weeks.

Beach: Jim Yost

The 2018 beach layout followed the same general configuration as 2017. The 20 x x40 tent for table seating; the deli-trailer & service pavilion, three storage sheds and the 50 beach storage boxes on platforms.

Brian Balestreire reported that food sales were ok this summer, as unsettled weather during the first half of the summer hurt sales. He attempted evening dinners three or four times per week, which were generally successful, especially taco and seafood nights, assuming the weather cooperated. He booked live entertainment four times this summer, of which 3 were cancelled because of weather conditions.

Staff will construct additional beach storage boxes for next year.

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 without major breakdown and only minor issues for unplanned service. Both will be sent out for routine service after the beach amenities are cleared.

We have an excellent beach lifeguard crew, and they served effectively this summer. Steve Sorenson has a low key management style fitting with the older more experienced beach guard staff.

60 seasonal beach tags were sold this year (2018), generating \$4,500

For next year, Master will survey the membership regarding consider investing in the overall appearance of our beach compared to the adjoining beaches.

- Hide the beach storage lockers with bamboo fencing

- Move the volleyball courts further apart, high quality net, stabilize the posts better and have a hose to water down the courts (too hot)

- Repair/repaint the framework for the beach tiki huts

- Add cabanas on the beach (approx. 18-24)

- Palm trees for ambiance around deli-trailer (rejected by attendees)

- Larger tent for covered seating

- Put umbrellas at tables not under the tent

- Additional walkway advertising for deli-hut operator

- Extend walkways – find a viable alternative product

We will get cost estimates to see what could get incorporated into next year's budget.

Pools: Jim Yost

Aquatics Department had another fairly smooth, uneventful season. For the most part, pools and hot tubs operated well, equipment generally performed well, water quality was maintained very well throughout the season, and routine maintenance/custodial work was done according to schedule.

Weekly testing of water quality for our pools and hot tubs was consistently satisfactory and the unannounced Cape May County pool inspection on August 1st was 100% satisfactory for all facilities again this season for the 9th year in a row. This is a testament to Steve McBride, his head guards and his pool maintenance team.

Steve worked almost every day this season and gave a solid, consistent effort this season in his handling of the guard staff, scheduling and taking care of the day-to-day operation of the pools and hot tubs. He maintained a positive attitude and was very dedicated throughout the summer. Dependable effort from head guard Jose Otero must be noted.

Overall lifeguard staff turnover was low, but staff departures through the month of August led to a lot of overtime from mid-August through Labor Day weekend, but noticeably less than last year. There were 3 reported rescues in the pool this summer, including 1 at Centre Court slide.

We continue to monitor water consumption at Centre Court pool. This year, including initial pre-season fill, a total of 260,066 gallons were used (256,299 last year; 276,843 in 2016; 168,291 in 2015 (not including pre-season cleaning and initial fill); 260,147 in 2014; 223,157 in 2013; 359,007 in 2012; 409,701 in 2011). Centre Court pool capacity is 90,000 gallons.

No major off-season repair work for the Garden, Centre Court and Ibis pools is planned for this off-season, other than improving drainage at the steps by Centre Court slide.

Personnel & Security: Jim Yost

He acknowledged the staff and department supervisors for their dedication and prompt response to whatever village needs arise. He noted maintenance efforts intended to stay ahead of problems.

He noted the difficult Security had recruiting and retaining staff this summer. Security ran 80-100 hours short of staffing standard this summer; Custodial was under-staffed. Aquatics ran into overtime in late August. OT thru 8/31/2018 is \$16,703. (\$28,363 last year).

Unfinished Business

Shore Protection Plan Update:

The USACE 60% Plans were presented to us several weeks ago. *The NJ DEP is requesting comment from Seapointe Village.* Our comments (SPV supports no sand harvesting in LT; no construction on LT from May thru Sept) will be submitted to the Lower Township municipal administration and public officials with a copy to DEP. Once comments are received from the municipalities, the Corps and DEP will schedule meetings with the municipalities to discuss all comments. The DEP and the Corps look to schedule these meetings on the island by end of September.

The dune encompasses all five condo associations in Lower Township, but no sand harvesting is proposed.

The 60% Plans show no changes to 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. An ADA accessible walk-over is proposed in front of The Grand. The board of The Grand is opposing this walk-over, suggesting it be relocated to the end of Memphis Avenue next to the vehicle cross-over. We will discuss this with our environmental consultant.

Most recent timetable puts this project at taking place in late 2020 into 2021.

Our legal counsel reports there has been little change as to the challenges to the DEP's authority to condemn. Consolidated appeals remain pending, and his appellate briefs are due for filing in late September.

In some towns, the condemnation commissioners' hearings have started. These are the non-binding arbitration hearings. The results have been varied but it appears that cases with association-owned beach parcels are faring better than those involving single family homes.

State Courts have ruled that the NJDEP possesses legal authority to use eminent domain to take easements for perpetual storm protection and public use. These rulings vest the DEP with virtually unlimited discretion to acquire any kind of private property to protect the NJ coastline.

Seapointe Village Master Council objective is to maintain control, and not to turn over control of the dunes and beach to the State or federal government agencies.

Plaza Deck Hot Tub Area Rehab

Several issues were confirmed this meeting.

First and foremost, we need to confirm that the project will move forward this off-season.

Since the August 4th meeting, the board directed the design team to update the 2018 Plan. Changes include: architectural style consistent with "seashore classic"; removal of the shade trellis over the lower section of the elevated deck; replace 4ft concrete wall around hot tub area with fence, reusing existing fence if possible; using a fieldstone (and faux rock combination) finish on the wall in place of the tiles; reconfiguring the kiddie pool & adding a water wall behind the kiddie pool; adding misting towers on the elevated sundeck; eliminating changes to the fence and concrete walkway bump out beyond existing fence where new trellis waterfall will be constructed.

The Master Council will consider 3 resolutions. *Specifically, action is necessary to:*

Authorize the 2018 Plan – confirming the details.

The 2018 Plan received 322 votes. The 2016 Plan received 97 votes. Since the 2018 Plan involves relocation of the amenities, Lower Township determined that a minor Site Plan Application is necessary. The application will take place at the Lower Township Planning Board meeting on Thursday September 20, 2018. Karim Kaspar will present the application. Mark Petrella, Tom Bauer and Jim Yost will be available to explain the details of the application.

Authorize opening a line of credit.

The line of credit received 421 out of 499 ballots. 356 voted for the line (67% owner approval is required for borrowing funds – 334 or more votes required for passage). 65 votes against the line, 78 ballots not returned. Both Crest Savings Bank and Popular Bank will have updated commitment letters for the \$3.5 million line of credit.

In advance of the formal commitment letter, Popular is pricing the interest rate for the line of credit at 4%, interest for the term loan at 4.70%. Origination fees (\$8,750) and closing costs (\$3,650) are \$12,400. The loan includes a \$200,000 depository requirement. In May, Popular priced the interest rates at 3.5% and 4.70% respectively.

In May, Crest Savings Bank's interest rate for the line was WSJ Prime + 1% with a floor of 5.50%. Interest for the term loan is tied to New York FHLB 5-year fixed advance rate plus 3.50% with a floor of 6.5%. Origination fees are \$17,500.

Authorize a contract with Merrell & Garaguso

As of Friday 9/7, the Merrell & Garaguso proposal is \$3,179,632, (subject to a reduction for hot tubs, as Master Council is still working this process and seeking sign off from the aquatic engineer to realize savings and reduce proposal to approximately \$3,045,000) not including cost of permits and plank repairs. Master Council will seek conditional approval, based on LTPB approval of the minor site plan; and financial parameters for the scope of work, perhaps including a "not to exceed" limitation. (Low range of the proposal is \$2,892,036)

M&G needs a commitment by Thursday 9/20 to begin the ordering and scheduling process for this project to take place this off-season.

SPV Master Plan / Plaza Deck Hot Tub Area Rehab Project Update, continued

There will be one public comment/discussion period for all 3 resolutions the Board is about to consider.

Legal counsel has given the Master Council advice that its actions are within the parameters of its authority.

The meeting was open to public comment on the resolutions.

1-414 asked if the construction project will cause an increase in property taxes. Ben Martorana explained that assessments are based on market value, not on projects such as the plaza deck hot tub area rehab project, so this project will not cause taxes to increase. Jim Yost stated he spoke about this topic with Lower Township Tax Assessor Jennifer Dowe and she stated her opinion that this would not affect taxes.

1-517 Spoke on behalf of an owner in South Beach that was unable to attend, expressing concern that the new proposal for an elevated deck and removal of the Lagoon, the beautiful landscape surrounding the area in question, moving the hot tubs and removing the magnificent waterfall, will completely change the decor of the outdoor openness. It is also unfair to the unit owners that will now have a blocked view that they enjoyed for so many years. With resale prices dropping, this would put a major impact on future sales, as well as affecting the rental of all the properties with the new obstructive views. They believe to leave the design as is, protect the views and landscape, and keep what was originally designed as beautiful openness, and not remove what everyone has grown to love and enjoy.

1-512 Appreciated the updated renderings and asked when the final designs would be available. Jim Yost replied that there were three minor changes to be made; changing color of the misting tower, changing the fence behind the waterfall trellis, and minor revisions to the water wall, and he estimated that the renderings reflected over 95% completeness and accuracy.

5-314 asked about additional future projects and costs. Jim Yost replied that looking ahead, Master Council anticipated the following: Gatehouse / front entry rehab during the 2019-2020 off-season with a preliminary budget of \$200,000 financed from existing reserves; dunes and walkovers during the 2020-2021 off-season with a preliminary budget of \$300,000 based on cost estimated obtained 2 years ago; 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 perhaps in 2021-2022 offseason, and Centre Court pool rehab after Garden pool. No budgets have been established for these projects.

1-410 disagrees with the vote, states that the governing documents require obsolete amenities need 2/3 majority vote to change, and the 2018 Plan only received 64.8% approval. She is unhappy because property values will go down because she bought two units with waterfall views. She also stated it is dangerous for kids to run/jump into the pool thru the waterfall, might get hurt on the underwater bench in front of this area.

SPV Master Plan / Plaza Deck Hot Tub Area Rehab Project Update, continued
3-610 appreciated explanation of financing and payment options

5-214 commented that assessments for all large units are the same, but should be pro-rated. This can be changed with 100% vote of the owners to change method for assessment allocation.

At conclusion of public comment, vote was taken on the Resolutions:

1. Resolution to move forward with the 2018 Design Plan for reconstruction of the oceanfront plaza deck water feature amenity area.
Motion by Rozzi Second by Bernstein Vote 6-0 in favor
2. Resolution to open a line of credit/term loan facility in accordance with the low offer from Popular Association Bank, or equivalent.
Motion by Szelak Second by Cach Vote 6-0 in favor
3. Resolution to move forward with the proposal from Merrell & Garaguso as contractor for the project.
Motion by Rozzi Second by Martorana Vote 6-0 in favor

It was noted that Master Council member John Ferrara, who was absent, also expressed his support and endorsement for the resolutions via email.

New Business

Rules & Regulations Clarification - Emotional Support Animal

Master Council will be working on a policy regarding emotional support animals, and what is reasonable accommodation; to be studied this off-season, expect action in Spring 2019. Requesting homeowner comment.

The SPVMA Association's position that the NJ Bathing Code which clearly prohibits any animals except for service animals in the pool or any other parts of the pool area.

Hotel Icona CAFRA Application

A CAFRA application has been filed by the owners of Hotel Icona, seeking to relocate the existing bulkhead further toward the beach, expand their parking lot, construct an event building, construct a brew pub, overlook areas and concrete pads for tents and beach amenities. We are currently in the public comment period. SVI Council distributed a form letter opposing the application, for distribution during the village meetings this past weekend. A copy of the form letter is handed out.

The Management Office is handling the mailing of these letters to the DEP and sending copies to Lower Township.

Public Comment

3-610 commented that a person brought a dog to the beach during bathing hours, was under the impression dogs not allowed on beach. Response that dogs are not allowed during bathing (lifeguard) hours, but that some residents are granted accommodations to bring emotional support animals to the beach during these hours.

5-214 asked if the project was part of the Master Plan. Response – yes

5-214 asked if the project is included in the Capital Reserve Study Response – no

5-214 asked if there was a RFQ or RFP (competitive bidding) Response – no

1-205 commented that Seapointe needs to secure the facilities, people are coming to Seapointe thru the front gate and from the beach and using facilities. Need tag checking presence at landing ramps.

5-101 was unsuccessful in renting beach storage locker in 2018, really would appreciate having more built. As a result of discussion among owners, Master Council agreed that owners that did not get locker in 2018 would be assured of being able to rent a beach storage locker in 2019.

5-214 regarding beach storage lockers, he requested a fee to use exercise room several years ago, Master Council told him they could not charge. He questions how Master Council can charge for rental of beach storage lockers.

3-313 Need improved walkways to get to beach storage lockers

6-218 suggests owners that don't get lockers on year get first pick next year.

1-410 Asks if she has to rent to a guest that has a service animal. Response that owners can not discriminate against guests with service animals. Reminds owners about Seapointe owners facebook forum.

There was no further public comment and the meeting was adjourned at 11:50 am.