

SEAPOINTE VILLAGE MASTER ASSOCIATION
Open Council Meeting
Saturday, September 9, 2023
9:00am Video-conference

Meeting called to order at 9:01 am

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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.

At the peak, approximately 85 homeowners were in attendance.

Approval of minutes

Upon motion by Panepinto, second by Ferrara the minutes of SPV Master Meeting held May 27, 2023 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 & first responders.

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 35 years old, and still remains a beautiful facility.

Master Council held two open houses during the summer. Notable feedback included Security staff time involved with package delivery and taking away from other duties, need for lifeguards at all pools, and parking concerns. Master Council will be meeting with Management and department supervisors to address these concerns, and will focusing on updating the parking policies throughout the village to ensure owners have parking spaces and that appropriate punitive action is taken against violators.

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 2025.

There was a power outage on Friday July 7 and Seapointe Village lost electrical power as a result of a fire at a power substation at Lake Avenue in Wildwood for about 5 ½ hours. On July 29th an electrical storm in the over-night hours into Saturday July 29th caused issues island wide and affected many operational components and systems and caused significant damage throughout the Village. Master Council and management are working through lessons learned to evaluate what should be done to build resiliency.

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.

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President's Comments, continued

In January 2023 the main entry/gatehouse renovation project was pushed back one year until Fall 2024. Master Council will review the most current concept plans and re-engage our professionals for improvements to the main entrance and gatehouse.

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.

Again this season we faced staffing challenges and substantially higher hourly pay rates for all positions than ever before.

The Department Supervisors did an outstanding job during a very hard and challenging summer. Department supervisors Mike Siner, Mel Casanova, Tony Kiska and Mike Damico were especially dedicated and committed to executing the plan.

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 in August. 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 ocean front buildings 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.

There have been 8 sales to date this calendar year (2023), 6 more under contract as of Aug 31st. The 2023 summer rental season was very strong and rental activity will continue well into September.

The insurable valuation appraisal for the Village was updated this summer. Property valuation increases to \$152,294,429 in this report from \$139,824,000.

Based on information from our insurance agent, we should expect significant increases when property and liability insurance renews in November. Other local associations are dealing with increases ranging from 10 to 40%.

The NJ Department of Community Affairs will be conducting inspections of the multi-family buildings this off-season. Access into EVERY unit is required. Dates have not been announced. These are State-mandated inspections occurring every five years. Owners that fail to provide access to their units or have in-unit violations will be held accountable for fines and penalties imposed on the Association.

North Beach starting a balcony waterproofing project in October; balcony railings and EIFS coating next off-season.

Garden Residences replacing the fire suppression system throughout the building this off-season. Replacement of balcony support beams on 30 balconies expected to start later this off-season and through subsequent off-seasons until all are replaced.

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Manager's Report, continued

Centre Court will be performing interior refurbishment including painting, lighting and carpeting. Obtained bids for elevator modernization, likely to be performed 2024-2025 off-season.

Townhomes have authorized a Capital Reserve Study

Through Labor Day there were 346 reservations for pickleball and 300 for tennis 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.

There will be a beach wedding on Saturday September 23rd.

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.

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Treasurer's Report

Financial Review - Preliminary financial statements for fiscal year April 2023 through August 2023 operating performance compared to budget indicate:

Income is under budget by \$4,805. Expenses are under budget by \$63,717.

ITEM	AMOUNT	OVER/UNDER BUDGET	COMMENT
TOTAL INCOME	\$1,454,715	-\$4,805	
Administrative fees	\$6,244	-\$5,956	Resale activity
Reimbursable payroll	\$127,343	-\$3,657	
Miscellaneous income	\$92,058	+\$4,808	
TOTAL EXPENDITURES	\$1,559,908	-\$63,717	4.0%
Professional fees	\$35,328	+\$7,828	
Office operations	\$23,905	+\$2,330	help wanted ads
Misc A&G expenses	\$11,076	+\$2,726	
Insurance	\$78,115	-\$3,135	
Custodial expenses	\$15,080	-\$6,920	
Maintenance expenses	\$25,743	-\$20,757	
Landscaping	\$87,322	-\$28,778	
Beach related expenses	\$18,869	-\$23,131	
Pool Operations	\$72,869	+\$7,869	Chemicals
Security supplies	\$14,535	+\$3,035	
Payroll & related	\$912,735	+\$22,485	OT / Beach lifeguards
Trash	\$9,231	-\$3,769	
Electric	\$38,757	-\$12,243	
Gas	\$29,851	+\$2,851	
Water	\$53,149	-\$4,651	
NET INCOME	(\$105,193)	+\$58,912	3.7% positive variance

Account balances & related fiscal issues

As of August 31, 2023, Master Association cash is \$469,594

<u>Account Balances</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Operating/Payroll	\$62,533	\$106,656	\$60,703	\$110,492
Capital Reserve	\$384,172	\$722,602	\$1,113,866	\$1,169,593
Deferred Maintenance	\$22,889	\$70,419	\$79,495	\$28,147
TOTAL	\$469,594	\$899,677	\$1,254,064	\$1,308,232

Audited Financials

RKL performed the fiscal year end 3/31/2023 financial statement and tax return preparation for Master and villages. Clean, unqualified opinions were issued. Draft financial statements were provided in early August. Master statements were reviewed last week, several villages still have to arrange video-conferences to finalize their respective financial statements.

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Treasurer's Report, continued

ACH/bill-pay for condo fee payment

It's been 2 ½ years since ACH was initiated ACH. At present, 204 homeowners use the ACH for condo fee payment, and 132 use bill-pay services, combined over 2/3 of all owners. It appears ACH usage increased and bill-pay has decreased. Overall percentage is down 3% since 2022.

	<u>ACH</u>	<u>Bill-pay</u>	<u>Total %</u>
North Beach (108)	43	32	70%
South Beach (108)	49	31	74%
Pinnacle (78)	42	13	71%
Garden (51)	26	16	83%
Centre Court (72)	37	13	70%
Single Family (20)	7	4	55%
Townhomes (62)	<u>24</u>	<u>23</u>	<u>76%</u>
TOTAL	204	132	67.4% (down 3% from last year)

Reserve Replacement / Deferred Maintenance expenses fiscal year to date - \$53,858

Reserve Replacement / Deferred Maintenance expenses during 2023-2024 fiscal year to date are \$53,858, of which \$41,358 is classified as Reserve Replacement and \$12,500 is classed as Deferred Maintenance. Detail shown below.

<u>Reserve for Replacement</u>	<u>\$41,358</u>	<u>Deferred Maintenance</u>	<u>\$12,500</u>
Outfall engineering	\$19,127	Plaza deck joint repairs	\$12,500
Golf cart	\$7,169		
Pool heaters (2)	\$6,609		
Lagoon pump	\$3,503		
Plaza deck furniture	\$3,406		
Memorial bench	\$1,894		

Expected Reserve Expenses in 2023-2024 off-season

Ibis Pool Building HVAC/dehumidification system & roof \$150,000
 Centre Court pool – sandblasting, repainting & tile \$45,000
 Golf cart replacement \$7,000
 Ibis Pool restroom door replacement \$6,500

Reserve for Master Plan / Anticipated Projects

<u>Project</u>	<u>Timeframe</u>
Gatehouse / front entry	2024-2025 off-season?
Dunes / walkovers	2025-2026 off-season
Street repaving	in the coming 5 years
Garden pool & lagoon	2024-2025?
Centre Court pool deck	after Garden pool
Storm water system	ongoing

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Landscaping

2023 was a spectacular year for landscaping. Megan Hunter was responsible for flower selection, design, placement and color scheme this summer. There were several comments made by homeowners that the overall quality and size of the annuals were much better this year compared to previous years. Once weather warmed up in late June, the annuals exploded. The hydrangeas bloomed well all season. The main entry improvements (annuals, perennials and hardscape fountain centerpiece made for a very nice appearance upon arrival.

Some off-season replacement of mature evergreen shrubs and bushes will be necessary. Haberman did their usual efficiently professional job maintaining the landscaping throughout the property. Pruning and trimming was done just once, in June. At the end of August, the shrubs and bushes look full, but not too overgrown.

Through end of July 2023 Haberman invoices total \$86,376 of which \$34,336 is for seasonal flowers.

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 be building 10 new additional boxes for next year and refurbishing 24 additional (24-50). All items be removed from all existing boxes by Sept 17th in order to allow for refurbishment of the older boxes with new hardware, hinges, handles and wood as needed.

The beach was clean and generally well groomed every day. 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.

Beach lifeguard staff coordinated its efforts with the other three private beaches this summer. Joe Taylor served as beach guard supervisor. He and most of the staff are expected to return in 2024. Linda Kelly continued the position of "Beach Ambassador" and a second person, Mark Attanasio was hired to work on her days off.

Restricting tents to the back of the bathing beach area continued to work well.

204 seasonal beach tags were sold this year generating \$15,250 (229 in 2022) and 105 daily tags were sold.

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Pools

Aquatics Department had a good summer. Much of the pool staff were returnees. Pool lifeguards improved in both maturity and performance. The supervisory staff was a big improvement. Mike Damico worked every day and was attentive to opening and cleaning procedures this season.

The pools and pool decks were clean. Equipment maintenance was good. Centre Court pool operation was noticeably improved, mostly attributed to overhauled pump room. We noted much less water consumption at Centre Court pool this year compared to previous years..

We passed three unannounced County pool inspections performed this year, including one on 9/1. Water quality testing reporting was much better compared to previous years.

We eliminated pool monitors and single gate access this season. There were one or two incidents with outsiders and difficult guests. Overall it was a positive season for Aquatics.

Off-season Aquatics work plan includes:

Ibis Pool facility HVAC system replacement (\$125,000) and the roof under HVAC equipment
Retime Centre Court slide. Replace broken filter laterals for Garden pool and spa filter

Personnel & Security

Maintenance did its usual efficient, effective job this summer. You could not have a more dedicated maintenance supervisor than Mike Siner. He was dedicated and he and his staff generally stayed on top of maintenance needs throughout the village. Year round staff includes Mike along with Juan Irizarry, Israel Acevedo, Angelo Lemma and David Cox. John Myers will continue to work part time on beach raking this off-season.

Custodial ran with a crew of 14 most of this summer, same as last year. Same can be said about Mel Casanova that can be said about Mike Siner. Most of the staff has worked at least 3 years, so there was no training necessary. The entire Custodial staff did an outstanding job. The year-round crew sets an excellent example for workmanship and we had a very dependable seasonal crew. The challenge Custodial faced in 2023 was a continued high volume of work, and even though some of the lower priority tasks such as cleaning the parking garages and Memphis Avenue were not done as frequently as past years, overall Seapointe is very clean.

Security The Security Department performed well this summer. The staff was generally effective, visible and active. Most of the seasonal staff were returnees. The department staff know their regular routines. Most of the guys are older, mature and deal with the general public calmly and professionally. They performed the building and grounds tours throughout the summer and assumed increasing package delivery responsibility.

Tony Kiska is a reliable department supervisor. He demonstrates leadership skills and abilities and communicates with all staff through the entire department. The few unusual situations and incidents were generally handled properly.

Off-season staffing levels will gradually decrease to 242 hours per week, allowing for one guard per shift, plus an 8-4 person daily and 2 guards on weekend evenings.

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Unfinished Business

Shore Protection Plan – USACE/NJ DEP

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 high 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 \$21 million, 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 four private beach owners are planning to meet with the Township later this month.

Two Board members from The Grand met with US Congressman Jeff Van Drew to express concerns over the Project. Van Drew stated he would arrange for DEP and USACE representatives to meet in Lower Township with the private property owners sometime this Fall.

Seapointe Village retained an appraiser to prepare a valuation appraisal for the beach.

New Business

FHA Status

Last Fall I reported that during lender review some lenders are rejecting loan applications for Seapointe Village citing the increasing presence of Seapointe Village on 3rd party rental sites and short-term rental offerings.

Earlier this summer we were advised by a mortgage broker that Seapointe Village is on the FNMA's list of "NJ ineligible condos for Conventional loans" as of January of this year. It wasn't a "problem" for the first 8 months of the year because of so few sales (4 total, of which 2 were cash). However in August Citizen's Bank had to decline a mortgage for a potential buyer.

Seapointe Village is now listed as unavailable and listed as a condo tel. No conventional lender can get Seapointe loans through Fannie or Freddie until this is corrected. There are owners advertising short term rentals on their own and while this alone does not make the property a condotel, FNMA condo project standards are now classifying Seapointe as a condotel.

Judy Huber from SV Realty attempted to speak with a representative from Fannie Mae last week and was informed that the only way to be added to the approved list is for a lender to place the property in for Fannie Mae Condo review. As FNMA works in the secondary market, they do not nor will not speak to the consumer or a consumer representative. A lender will be the only way this can be straightened out, keeping in mind each Phase would need to have a condo review as well as Ibis. Judy worked backwards through the 2022 sales but was unable to identify the lender that may have caused this.

We have reached out to senior officers at Crest Savings to see if they can offer assistance.

The issue at hand is that because of the "unwarrantable" status, buyers will have fewer mortgage options and those will be at higher rates than if conventional mortgages were available. While there are a number of all-cash buyers, the majority of Seapointe buyers finance a significant portion of the purchase price.

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Public Comment

- 2-308 Flowers look beautiful; suggests Association look into bulk services agreement for cable
Has Association ever looked into emergency generators?
- 2-707 Comment that SVMA outfall pipe much longer compared to other municipal outfall pipes
in Wildwood and Wildwood Crest
- 5-100 Likes landscaping, lifeguards should not have air-pods; club license poses an opportunity
for revenue generation; gatehouse and packages
- 1-318 Find ways to increase revenue, such as renting the beach for weddings and selling more
beach tags
- 5-214 Suggests hiring dedicated staff to sell beach tags on an incentive-basis
- 3-503 Sees a rodent (skunk) problem; suggests selling memberships to outsiders to use pools
and spas
- 3-507 Sees game room as a revenue generation opportunity, suggests charging additional to
owners that do not pay using ACH
- 5-114 Requests notice when Ibis pool is closed for HVAC replacement
- 7-608 Security limits parking passes issued for Seaview Avenue / hot tub jets are too noisy
- 2-704 Issues with lifeguards, thinks ocean front spa monitors are not needed
- 2-401 Suggests online reservations for tennis courts and from the beach grill, supports game
room
- 2-517 Asks about swiping gate card to exit village
- 2-704 Doesn't know why Townhome owners park on apron in front of their garages
- 2-707 Supports idea of bulk service agreement with Comcast; suggests changing games,
inquires about insurance implications of selling services to outsiders
- 3-704 Suggests more mechanical games in game room
- 2-212 Asks number of parking spaces under main garage (304) and total available for 3
oceanfront buildings vs spaces needed (351 needed)
- 1-406 Asks if rental guests can have pets / emotional support dogs

There were no further questions, and the meeting was adjourned at 10:50 am.