

**SEAPOINTE VILLAGE MASTER ASSOCIATION**  
**Open Council Meeting**  
**Saturday, September 9, 2017 10AM – Plaza Deck**

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  
                         SPV V – Mike Szelak    SPV VI – Elly Bernstein  
                         SPV VII – Anton Lemli

Proof of notice was mailed to homeowners on August 9, 2017. Notices have been posted in all buildings and on announcement boards.

Approximately 100 homeowners were also in attendance.

**Approval of minutes**

Upon motion by Elly Bernstein, second by John Ferrara the minutes of SPV Master Meeting held May 27, 2017 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, and for the victims of the Texas and Florida hurricanes.

He noted that compared to recent summers, 2017 summer was rainy.

He commented that the September meeting traditionally served as an evaluation of the summer season. He noted that the complex is 30 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.

He noted the positive reaction to the new deli-trailer and covered seating area.

Later in the meeting will be discussion of the plaza deck hot tub area rehab project. Thru a series of open houses, Master Council has been working with design consultants to develop a new spa area concept.

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 noted the passing of former North Beach owner Ann Russo.

He thanked owners for attending and for their participation in making Seapointe Village the premier location on the Jersey Shore.

**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 the summer.

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.

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

We will be inspecting the storm drain system this off-season, particularly at the lowest areas, for pipe condition, discharge capacity and the recharge area.

Some new BBQ grills will be purchased for next year. Yoga/surf lessons were well received, steady demand for 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 11 resales year to date, and several under contract, and 31 units listed for sale (6%).

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

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 Szalak

2017 Fiscal year to date recap He reviewed the handout, a recap of the unaudited results for fiscal year April through August 2017.

Total income is under budget \$10,530 on \$1,078,580 income. Expenses are under budget \$73,086 on \$1,179,947 budgeted expenses, and in line with previous 6 years. Overall a net positive variance ytd of \$62,556, or 5.3%.

**Treasurer's Report – continued**

Cash balances are \$600,222. 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 noted the accountants issued 3/31/2017 audited financial statements with clean opinion and a \$19,112 positive income or .76% variance on \$2.2 million budget.

**Landscaping: Jim Yost**

2017 was a good year for landscaping. There were some changes to the design and flower selection. Placement and color scheme (addition of white flowers) were very good this summer. Lyn Taylor's design plan and product recommendations gave us maintainable flowers that provided colorful flowers, green leaves, and strong growth throughout the summer.

Some of the shrubs and trees are showing signs of windburn and minor disease. Arbor Care was on site regularly throughout the summer to attend to these problems, and some off-season replacement will be necessary.

Haberman did their usual efficiently professional job maintaining the landscaping throughout the property. They pruned and trimmed in late June to address the trees and shrubs on the plaza deck that obstruct owner views. We will do a post-season walk-thru with Haberman before the end of September.

**Beach: Jim Yost**

2017 was a very good season for beach use. Biggest noticeable change was the 20' x 40' tented seating area. The new deli-trailer performed well. Platforms for the beach storage boxes helped custodial maintain the area. It was a very windy summer for the beach which posed challenges dealing with accumulations of sand.

We have an excellent beach lifeguard crew, and they served effectively this summer. Steve Sorenson has a low-key management style for the beach guards. The older more experienced guard staff and a pro-active attention to ocean bathers resulted in no significant ocean rescues to report this year.

Former beach lifeguard Linda Kelly served as "Beach Ambassador" roaming the beach for the summer, making sure beach users were aware of rules and regulations, enforcing tags and generally monitoring behavior.

In mid-August, a sailboat washed ashore on the beach when the captain experienced medical issues and lost navigation. With help of SeaTow, the boat was towed to the back beach area by Memphis Avenue. We are expecting the title from the owner, and have made arrangements to have the boat removed.

**Pools:** Jim Yost

Aquatics Department had another fairly smooth operating season, dealing with staffing challenges in August. The pools and hot tubs operated well, equipment 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 good and the unannounced Cape May County pool inspection in early July was 100% satisfactory for all facilities again this season for the 8th year in a row. This is a testament to Steve McBride, his head guards and his pool maintenance team. Excellent effort from head guard Jose Otero must also be noted.

We will bring in a leak detection service to identify water leaks in the pools, and repair before next year.

**Personnel & Security:** Elly Bernstein

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

She noted the difficult Security had recruiting and retaining staff this summer.

She recognized Linda Kelly Beach ambassador and the many returning beach lifeguards, that used to work over the years, but now return if needed to fill in during the summer.

**Unfinished Business**

Shore Protection Plan Update: The design phase of the project is funded. USACE is proceeding with final design, most recent estimate is for the project to begin in early 2019. Other projects and related litigation have slowed down the project.

Seapointe has applied for our renewal CAFRA permit that will allow us to perform work to build our dunes in compliance with the USACE design, also including the Memphis Avenue hardpack vehicle access and Dune walkovers and landings.

Our legal counsel is monitoring ongoing NJ litigation and reports that 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.

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

Stan Cach began the report by providing an overview.

Last fall, the Master Council was planning and was prepared to move ahead with the project, but as the designers and consultants worked on the area, their design and scope expanded to include not only the repair of the structural planks and replacement of the hot tubs, but also to include replacement of the waterfall pool, replacement of the lagoon and the redesign of the pool equipment rooms. Costs also increased as the design expanded. The bid range received was widespread (\$2.4 million to \$4.2 million), and Master Council had difficulty understanding the bid comparisons. Ultimately, Master Council decided that they were not ready to implement the project at that time.

Since the major rehab in 2005, the structural engineer conducts an annual plaza deck inspection and in 2015, he determined that the structure will perform for a few additional years, but deterioration continues, signs of structural damage to the concrete planks are becoming evident, and managing the water leaks is not a viable option

The Master Council decided that the project will be done within three years, which will allow time to look into redesign and to get a bigger picture and longer-range vision to incorporate other projects, such as the dunes, front entry and other amenities to meet 21<sup>st</sup> century standards and a 25 year useful life. These other projects under consideration also have costs.

He recognized that cost is in all homeowner's minds. In 2016, the bids came back higher than expected. Since the Fall of 2016, Master Council is seeking to find ways to achieve the objectives, maintain amenities and reduce costs,

The Master Council retained the structural and aquatics experts (and will reuse their design work), but added architects with resort design experience.

Master Council is trying to plan, a fiscal and operational plan, to explore viable alternatives keeping in mind quality and affordability.

Jim Yost explained the construction of the hot tub area, the need to remove existing amenities to be able to assess, repair and install a waterproof membrane on the planks, then to reconstruct new amenities in the same area.

Ben Martorana stated that in analyzing the 2016 bids, Master Council sought to identify the cost-drivers, since the bids came in so much higher than pre-bid estimates. They determined that the precast hot tubs, waterfall and receiving pond were very expensive as bid in 2016, so one objective this year is to find cost-avoidance and cost reduction in the new design and materials.

The Master Council authorized the consultants to re-design this area, changing the lagoon, relocating the hot tubs and considering different construction methods and materials. Master Council also directed the consultants to be cognizant of operational costs and concerns.

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

The re-design relocated some of the amenities. The existing baby pool area would be converted into a waterfall, which would flow into the main pool, eliminating the need for the receiving pond. The baby pool would be relocated to where the existing waterfall pool exists, moving this closer to the lifeguard.

The crow's nest is iconic but underutilized. The area would be incorporated into a raised deck for seating, and move it out of the fenced-in pool area so it would be open all the time.

Eliminating the crow's nest would also increase the viewing deck area over the pool and enhance ocean views. Shade areas could be added to this area.

This new design addresses sign line concerns by eliminating the crows nest structure. The new concept plan theoretically also reduces construction costs and operational costs compared to the 2016 project.

The Master Council also learned from the high bids last year that bidders had concerns about the unknown aspects of the project. Since Master Council already has a long term positive history with Merrell & Garaguso (M&G - they were the general contractor for the 2005 plaza deck rehab and were the low bidder in 2016) Master Council is seeking to develop a working collaborative with M&G during the final stages of design – sort of a “value engineering” taking advantage of their experience and knowledge as a concrete contractor.

The meeting was then opened to questions and comments.

2-615 would like to either keep the same number or increase the number of hot tubs; and expressed comments that the new seating area would not serve many people.

2-411 expressed concern that a large cost project could increase number of owners in default on condo fees. Stated the firm he works for was invited to bid but ultimately declined last year, thinks \$2.6 million is too low a bid.

2-511 stated that this project should be disclosed to potential buyers.

5-312 asked how much the project would cost each owner. Stan Cach stated they do not know the exact cost at this time, but every \$1 million of cost is equal to approximately \$2,000 per unit. Doesn't know if the project will be financed via special assessment, loan other or some combination.

2-303 asked if an assessment is allocated based by unit or other method. Jim Yost stated that the Finance Committee (Village Presidents and Treasurers) would ultimately make the determination.

3-510 supports the new plan, expects construction costs will increase due to increased construction demand in areas hard hit by natural disasters.

2-206 made attendees aware of financial information in recent audited financial statements.

2-515 would like to see project delayed, and for owners to vote to do the project.

2-514 stated homeowner must vote if amenities are moved.

5-314 requested an idea of costs of all other amenity rehab projects being considered.

5-119 asked ballpark component costs. Stan Cach said the baseline of \$3-4 million for all projects under consideration for the master plan, (which includes the hot tub area rehab, dune project, gatehouse and front entrance, Garden pool, Centre Court pool areas).

1-311 understand the cost to repair the planks is \$600,000 - \$700,000 and this must be done. Discussion is really about options for putting the amenities back. Appreciated the presentation and would like homeowner vote for options.

3-508 asks what owners would vote on

2-501 stated that new owners bought in at lower price, expressed frustration with promises of past assessments (in his village) not being kept.

2-303 requests a survey

1-318 has concerns the waterfall as shown in concept plan will not have as much background noise. Ben Martorana stated the waterfall feature is designed with a variable speed range which can be adjusted to desired flow and noise.

2-205 asked about rental ability during construction. Response that project would take place after Labor Day and be completed before Memorial Day so as not to affect rental season.

2-206 is an owner since 1988, resale prices are down, wants to maintain existing, control annual operating costs and doesn't want an assessment. Stan Cach responded that the area must be fixed.

1-312 would like to see the trellis over the crow's nest rebuilt as it was originally.

2-615 would like the hot tub area rebuilt as is; suggests 2-phase bidding, one for demolition, one for reconstruction.

### **New Business**

None was presented

### **Public Comment**

There was no further comment.

The meeting was adjourned at 12:25 pm.