

THE LASAMMANA CONDOMINIUM OWNERS ASSOCIATION, INC.

NOTICE OF ANNUAL MEETING 2023

TO: ALL INTERVAL OWNERS

PLEASE TAKE NOTICE that the Annual Meeting of The La Sammana Condominium Owners Association, Inc. will be held on **online** Wednesday, November 08, 2023 at 7:00 p.m. via **Zoom** Meetings, Meeting ID: **983 185 2492**, <https://zoom.us/> for purposes of an annual members meeting. The agenda will include nomination and election of two (2) Trustees from among Interval Owners, and such other business of the membership as may properly come before the meeting may be conducted. Participation by all Interval Owners eligible to vote is necessary to establish a quorum to conduct the meeting and transact business for the purpose(s) stated. Once on the website, in the top right-hand side, click **“Join a Meeting”**. Or join by telephone using **1 646 558 8656 (NY)** and enter the Meeting ID: **983 185 2492**.

Formal action may be taken at any regular, special or rescheduled meeting.

Minutes of the 2022 Annual Meeting of The La Sammana Condominium Owners Association, Inc., and any duly held meeting of the Board of Trustees are available for inspection by all members of The La Sammana Condominium Owners Association, Inc. during business hours at the Office of the General Manager.

Owners reserve the right to nominate themselves or others in “good standing” as defined in legislation.

This notice supersedes all prior notices published by The La Sammana Condominium Owner’s Association, Inc.

BOARD OF TRUSTEES
LS COA, INC.

Dated: October 10, 2023

AGENDA

THE LA SAMMANA CONDOMINIUM ASSOCIATION, INC.

ANNUAL MEETING OF THE MEMBERSHIP

November 08, 2023

Location: Zoom Meeting

Time: 7:00 P.M.

- I. OPEN MEETING ANNOUNCEMENT/PUBLICATION OF NOTICE
- II. PARLIMENTARY PROCEDURES
- III. WAIVER OF READING AND APPROVAL OF MINUTES OF 2022 ANNUAL MEETING
- IV. ELECTION OF TRUSTEES
- V. PRESENTATION OF THE 2024 BUDGET
- VI. REPORTS OF:
 - a. OFFICERS
 - b. PROPERTY MANAGER
- VII. OLD BUSINESS/NEW BUSINESS
- VIII. ADJOURNMENT

PARLIAMENTARY PROCEDURE

LA SAMMANA CONDOMINIUM ASSOCIATION, INC. ANNUAL MEETING

NOVEMBER 08, 2023

1. There are no questions on the agenda of this annual meeting which require a vote of the membership other than the election of Trustees.
2. At this annual meeting the chair will take questions from the members under old/new business and allow debate limited to 10 minutes per question. Any members wishing to speak or debate the question may do so, without interruption from others, but only if he or she conducts himself or herself in an orderly fashion and is not abusive to the chair, members of the Board or owners present. Otherwise, the chair will declare the guest out of order.
3. The chair will limit the length of speeches and allow each member to speak only once on each question.
4. Formal motions, seconds and/or amendments are not necessary.
5. Following the debate the chair will close the debate, "restate" the question and put the question to a non-binding vote of the members present by a show of hands. The purpose of the non-binding vote will be solely to obtain the consensus of the members assembled whether or not the Board should consider the proposed question more fully at a subsequent regular open meeting of the Board.

6. If the consensus is that Board considers the proposed question more fully, the Board will report its action or inaction on the proposed question and its reasoning at the next annual meeting, or the Board may put the proposed question to a formal vote of the full membership on the agenda of the next annual meeting.
7. A binding vote on any questions raised by the membership at this annual meeting requires notice of the question to all members and a membership vote of the majority in person or by proxy at a duly noticed meeting of the membership.
8. The Board considers that the above procedure is fair and time efficient and it applies the basics of parliamentary procedure for running a meeting.

LA SAMMANA CONDOMINIUM ASSOCIATION, INC.
ANNUAL MEETING OF THE MEMBERSHIP
Wednesday, November 9, 2022
MINUTES

1. **OPEN MEETING ANNOUNCEMENT, QUOROM and OPEN OF MEETING.** Hans Juette, President, called the meeting to order at 7:10 p.m. The meeting was conducted on the Zoom platform. Trustees present were Hans Juette, Jim Liebler, and Clem Thomas. Also, in attendance were Donna B. Shaw, Esq., Association Counsel, Chris Ibone, Accounts Supervisor, Nikki Crawford, Director of Design and Ashley Moore, General Manager. Mr. Juette advised the owners that the Notice of Open Board Meetings was published and posted in accordance with the provisions of the Open Meetings Act. The meeting commenced with the Pledge of Allegiance led by Mr. Juette. Thereafter Mr. Juette asked Ms. Shaw to explain the informal parliamentary procedures for conducting business at the Annual Meeting.

2. **WAIVER OF READING AND APPROVAL OF MINUTES.** Mr. Juette called for a motion to approve the minutes of the November 10, 2021, Annual Meeting and to waive reading of and approve the minutes. A motion was made by Jim Liebler and duly seconded by Hans Juette and the members passed the motion by acclamation without dissent. The motion passed.

3. **ELECTION OF BOARD MEMBERS.** Ms. Shaw advised the owners in attendance that there were two candidates for two open seats, Hans Juette, and Jim Liebler. Balloting for this election was entirely by ballot in advance of the virtual meeting. Counsel reported that the ballots submitted met quorum, and that there were no write-in candidates, and asked for a motion to waive counting the ballots and to elect the candidates by acclamation. The motion was made by Debra _____ and duly seconded by Ronald Switzer. All voted in favor. Accordingly, Hans Juette and Jim Liebler were re-elected for 2-year terms. Mr. Liebler thanked the membership for re-election and that it was a privilege to serve on this Board.

4. **FINANCIALS AND PRESENTATION OF THE 2023 BUDGET AND TREASURER'S REPORT.** Mr. Ibone reviewed the method of accounting for the Association, which is known as Fund Accounting. There are two separate funds for the Association. The first fund is the Replacement Fund used to fund projects

for room and common area renovations and future replacement of building elements. Expenditures from this fund are largely determined by a Reserve Study prepared by an independent professional engineer. The second fund is the Operating Fund from which the largest portion of the maintenance fees are used for day-to-day operations, such as housekeeping, maintenance, hospitality, and property management. He explained that the largest contributors to maintenance fees are the reserves for renovations, real estate taxes assessed by the City of Brigantine, uncollectible bad debt and projected increases in salaries, benefits, and insurance. The finances of the Association are designed to break even and to be self-sustaining and supported by maintenance fees collected from the members of the Association.

Referring to the 2021 Audited Financials, the balance of Operating Fund at the beginning of 2021 was \$1,600,015 and the balance of the Replacement Fund was \$1,142,349. The balance of Operating Fund at the end of 2021 was \$1,819,661 and the balance of the Replacement Fund was \$1,278,674.

Mr. Ibone noted that the excess of revenues over expenses is a measure of performance in 2021.

Mr. Ibone reviewed the budget approved by the Board for 2023. The increase in the 2023 Maintenance Fee is 1.0% across all unit types. He noted that over the past 4 years, the average increase, inclusive of 2023, is 1.51%, which is well below the industry average of 3-6% per year. He noted that the Board was able to use surplus carry-over revenue to defray expenses away from the owners. The Replacement Fund is healthy and is 79% funded.

Mr. Ibone noted several projects which are anticipated in 2023, including lock replacements, and pool and siding projects.

Balance Sheet and Income and Expense Statements were distributed to members in the meeting packets.

5. **OWNERS' SERVICES REPORT.** Ms. Moore reported on Owners' Services. She indicated the level of staffing at 16 full time persons and 2 part-time employees, with positions open for one full-time Houseman and 1 full-time Guest Room Attendant. These positions will not be filled until summer season.

Ms. Moore reviewed the RCI hospitality scores from the twelve months ending 10/31/22 based on 596 cards sent and 173 cards received. Out of the 5.0 Gold Crown Standard--Check-in was rated 4.8; Resort Hospitality was rated 4.9; Resort

Maintenance was rated 4.7; Unit maintenance was rated 4.6; and Unit Housekeeping was rated 4.8.

Ms. Moore noted that WiFi boosters have been added throughout the building, preventative maintenance is in progress for deep-cleaning and replacing appliances, as needed.

Ms. Crawford, Director of Design, reported on various projects which have been completed. New projects included re-doing the pool deck and improving the Owners' Lounge and Gym.

6. OLD BUSINESS/NEW BUSINESS.

The meeting was opened to questions from the members.

Salimah Ali asked about the name change from Fantasea to Club Boardwalk Resorts and what that meant for owners. Mr. Ibone responded that it does not change anything for owners but was a marketing decision to re-create the brand.

David Graule inquired about selling his studio units and upgrading to a one-bedroom. Mr. Ibone advised that it was best to send inquiries to contact@60north.net and the question would be referred to the appropriate team member for response. Additional questions on returning units to inventory were answered with referral to the contact@60north.net as well.

Another owner asked whether the coffee machines could be upgraded to Keurigs. Ms. Crawford responded on plans for the "next gen" design for units, and that while Keurigs were not being considered, upgrading to Cuisinart for coffee machines and other appliances were in line.

Ms. Ali asked whether non-stick pots and pans were being considered, and Ms. Crawford noted that it was a great idea and she would look into it.

Another member asked about increasing the number of handicapped accessible parking spots in the garage. Ms. Crawford advised that sufficient accessible parking spaces were supplied under building codes.

Another member inquired about the unlocked door from the garage to the lobby. Ms. Moore responded that a vendor was coming out to inspect the door, which seems to have had a buzzer linked to the front desk for admission to the lobby, but with the lock replacement project, it may be more practical to install such a lock on that door, so that admission will be dependent on having a keycard.

Ms. Ali inquired whether the new locks could be unlocked via smart phone. Mr. Ibone replied no, but the new cards will be much simpler to use.

Ms. Shaw reported that there were no legal matters to be reported.

Mr. Ibone reiterated his advice to use the "contact" email for getting answers to most questions.

There being no further business, the meeting was adjourned at 8:24 p.m. following a motion from Clem Thomas and duly seconded by Hans Juette.

CERTIFICATION

I hereby certify the foregoing minutes of the Annual Membership meeting held on November 9, 202, were approved, and duly adopted by the Board of Trustees on the ___ day of _____, 2023.

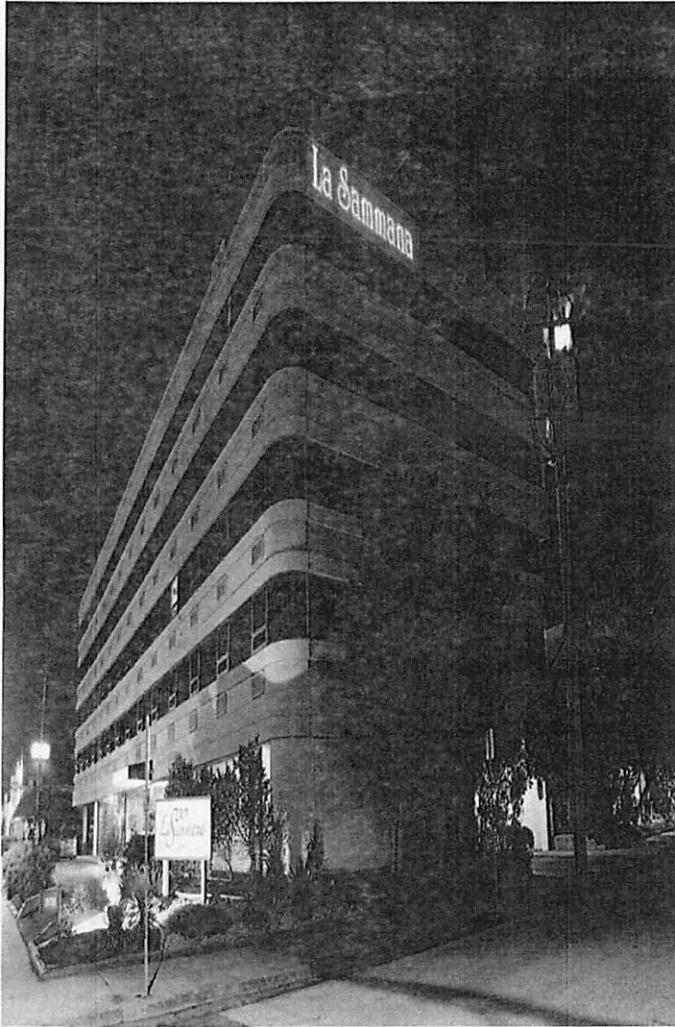
Jim Liebler , Secretary

WELCOME OWNERS!

**LASAMMANA CONDOMINIUM
ASSOCIATION**

**NOVEMBER 08, 2023 ANNUAL
MEETING**

CLUB
BOARDWALK
RESORTS



LARGEST CONTRIBUTORS TO DUES

- **Reserve Contributions** – How much contribution in dollars does the independent reserve study call for renovations
- **Property Taxes** – City, State, Local Bodies determine the tax rates each and every year. The rate tends to be relatively flat in their case.
- **Bad Debt Expense** – Expense to Reserve what is estimated to be uncollectible in a given year
- **Insurance** – The insurance markets can be really volatile, and that market dictates our rates.
- **Other Factors** – Projected Revenues/Salaries and Related Expenses/Insurance Costs, Operating Expenses etc...

REFERENCE ITEM 2022

AUDITED FINANCIALS

La Sammana Condominium Owners Association, Inc.
Statement of Changes in Fund Balances
For the Year Ended December 31, 2022

	<u>Total</u>	<u>Operating Fund</u>	<u>Replacement Fund</u>
Fund Balances - Beginning of Year	\$ 3,098,335	\$ 1,819,661	\$ 1,278,674
Excess of Revenues over Expenses	<u>263,729</u>	<u>69,574</u>	<u>194,155</u>
Fund Balances - End of Year	<u>\$ 3,362,064</u>	<u>\$ 1,889,235</u>	<u>\$ 1,472,829</u>

1. Fund Balances – Beginning of Year: Where we started @ YE 2021
2. Excess of Revenues over Expenses: How we performed in 2022, which was a \$69,574 surplus in the Operating Fund, and a \$194,155 surplus in the Replacement or Reserve Fund (Interfund Transfers – Auditor Suggestions to balance funds)
3. Fund Balances – End of Year: Where we finished @ YE 2022 or the Association’s year over year positioning – Year over Year (running) surplus of \$1,889,235 in Operating and \$1,472,829 in Replacement Fund

GENERAL BUDGETING PROCESS

- **We begin with \$0 expenses across the board in all departments. We hold meetings to discuss what is necessary for operating said departments, and translate that into a budget, while looking for areas of savings along the way.**
- **It is good and common practice to always budget a non-profit Association such as LSCOA to a break even or \$0 surplus or deficit. The picture is clearer and more effective when you do so (non for profit/self-sustaining entity)**

REFERENCE ITEM 2024 FEE GRID

LA SAMMANA CONDOMINIUM OWNER'S ASSOCIATION 2024 MAINTENANCE FEE SCHEDULE BASED ON 62 UNITS

UNIT SUMMARY - 62 units

Unit Type	Total Maintenance	Real Estate Taxes	Total Reserves	Weekly 2024 Maint. Fee
Studio	\$294.46	\$20.30	\$53.18	\$367.94
One Bedroom	545.20	37.59	98.46	681.25
Two Bedroom	929.55	64.09	167.88	1,161.52

For the year 2024 Maintenance Fees will increase 2.75% across all unit types from 2023. Last year's increase was 1.0% from 2022 to 2023. The average Maintenance Fee is 613.86 for 2024 versus 597.43 for 2023 or on average increase of \$16.43 per interval.

*Per ARDA (American Resort Development Association) Industry Average Maintenance Fees Across the U.S. territories are roughly \$1000.00 per interval week. Based on the unit type/weeks split for LSCOA, your average MF is \$613.86. ARDA also goes on to say that Industry Average Rate increases are on average 5% per year (since 2019), this year your increase is well below that average.

It is important to note that the Average MF Increase for LaSammana over the last 5 years, is 1.74% inclusive of 2024, and 2.07% over the last ten years. In the last two years CPI has gone up over 12.7% alone, in comparison.

SIGNIFICANT DRIVERS OF THE 2024 BUDGET

- **Bad Debt Expense is increased from \$110/interval to \$115/interval week or ~\$16,000, to avoid any large provisions at year end, we strive to keep dues 100% allowed for in any given year.**
- **Payroll and Related expense was increased to accommodate normal rate increases and the changing NJ law for minimum wage, and their related expenses (tax, etc.) Some positions were adjusted to accommodate market rates. NJ minimum wage for 1/1/24 is \$15/hour.**
- **Operating expenses are increased slightly vs 2023's budget.**
- **Hotel revenue is increased slightly based on 2022/2023 actuals.**
- **Property insurance was increased by 42% to accommodate a volatile market.**
- **Other income lines were increased. The Board has elected to continue to use a Surplus Carry Over Revenue line, to defer MF expense from the Owners. Increase largely due to Interest Income generated from reserve investments.**
- **Important to note that it only takes ~\$19,000 to move the MF 1%.**
- **All other areas of the budget were kept relatively flat and do not significantly impact the budget, or its final break even number of \$0**

FINANCIAL CLOSING

- **As demonstrated with the various points the LaSammana COA is consistent and strong. We strive to keep the Association as healthy as possible as it is vital to its sustainability when unexpected/uncontrollable events can occur (IE. Emergency Renovations/Damage to Rooms, Unanticipated hikes in Property Taxes, etc..) Maintaining surpluses in the funds can quell some of those costs, and divert the cost potentially away from the owners**
- **Fulfillment of all owners to paying their dues not only helps the health of the association (bad debt reserves) but helps that dues paying owner from footing the bill of the non-paying owner**
- **2023 again looks like a good year for the LSCOA, and we appreciate each and everyone's part as owners in contributing to its growth**
- **The fact that LSCOA is adhering to allowing for 100% of all dues, and has a ~80% funded Replacement Fund makes it incredibly healthy and sustainable.**
- **Any particular items of financial nature are available via request**