

THE ROYAL SUITES INTERVAL ASSOCIATION, INC.

NOTICE OF ANNUAL MEETING 2023

TO: ALL INTERVAL OWNERS

PLEASE TAKE NOTICE that the Annual Meeting of The Royal Suites Interval Association, Inc. will be held **online** Saturday, November 18, 2023 at 12:00 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 Royal Suites Interval Association, Inc. and any duly held meeting of the Board of Directors are available for inspection by all members of The Royal Suites Interval Association, Inc. during business hours at the Office of the General Manager. For 2023, the Annual Meeting Notice, Agenda, PowerPoint, and Minutes will be made available under Owner Information at www.clubboardwalkresorts.com.

This notice supersedes all prior notices published by The Royal Suites Interval Association, Inc.

BOARD OF TRUSTEES
ROYAL SUITES INTERVAL ASSOCIATION, INC.

Dated: October 20, 2023

AGENDA

ROYAL SUITES INTERVAL ASSOCIATION, INC.

ANNUAL MEETING OF THE MEMBERSHIP

November 18, 2023

Location: Zoom Teleconference Host ID: 983 185 2492

Time: 12:00 P.M.

- I. OPEN MEETING ANNOUNCEMENT/PUBLICATION OF NOTICE - PRESIDENT
- II. PARLIMENTARY PROCEDURES (FOR IN PERSON MEETINGS) – BOB
- III. WAIVER OF READING AND APPROVAL OF MINUTES OF 2022 ANNUAL MEETING - PRESIDENT
- IV. ELECTION OF TRUSTEES/ANNOUNCEMENT OF ELECTION RESULTS- BOB
- V. PRESENTATION OF THE 2024 BUDGET- CHRIS
- VI. REPORTS OF:
 - a. OFFICERS – ROXANNE (and/or others)
 - b. PROPERTY MANAGER - MELISSA
 - c. OWNER SERVICES – MARK C.
- VII. NEW BUSINESS/QUESTIONS GENERAL ATTENDANCE – PRESIDENT
- VIII. ADJOURNMENT- PRESIDENT

Note*

OFFICERS: MARIA P. BATTLE, MICHELE JONES, LUIZ PEREZ, ROXANNE PASSARELLA, GARY EARLAND

MANAGEMENT STAFF: CHRISTOPHER IBONE (ASST. TREASURER), MELISSA COSSIO (GM), MARK CONNOLLEY (OWNER SERVICES)

OTHER: ROBERT HUESTON (ASSOCIATION ATTORNEY)

PARLIAMENTARY PROCEDURE
ROYAL SUITES INTERVAL ASSOCIATION, INC.
ANNUAL MEETING

NOVEMBER 18, 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.

DRAFT

THE ROYAL SUITES INTERVAL ASSOCIATION, INC. MINUTES OF THE ANNUAL MEETING NOVEMBER 19, 2022

The Annual Meeting of The Royal Suites Interval Association, Inc. was held November 19, 2022, via zoom and in-person for the Atlantic Place Resort. President Maria Battle called the meeting to order at 12:04 p.m. and appointed Attorney Robert Hueston as Acting Secretary for purposes of recording the minutes. Ms. Battle thanked the members for their attendance and introductions of the Board of Trustees and management staff followed.

I. Roll Call and Certifying Proxies.

Board of Trustees in attendance included: Maria Battle, President; Michele Jones, Vice President; Gary Earland; and Roxanne Passarella, Treasurer. Association Attorney, Robert Hueston of Hueston, McNulty, P.C. was present. Present from Club Boardwalk Resorts Management were Chris Ibone, Account Supervisor, Melissa Cossio, Resort Manager, German Guadrado and Mark Connolley, Owner Services, Nicky Crawford and Vicky Belber (Design and Housekeeping and Maintenance).

II. Open Meeting Announcement and Publication of Notice.

Ms. Battle announced that notice of the November 19, 2022 Annual Meeting of The Royal Suites Interval Association, Inc., was Published in the Atlantic City Press and Star ledger, and posted and mailed to all interval owners (aka members) in accordance with the New Jersey Open Meeting Act and the Association Bylaws. Attorney Robert Hueston certified that the 3% quorum requirement was met by owners present and those represented by proxy.

III. Parliamentary Procedure.

Robert Hueston reviewed parliamentary procedure. Chris Ibone announced the procedures for conducting the members meeting and zoom protocols. He asked the members to sign in with name and contract number via chat. Questions and comments will be taken when the general membership is unmuted after the presentation are made by the board members and management staff.

IV. Waiver of the Reading and Approval of Prior Minutes.

Ms. Battle stated the minutes from the November 20, 2021 Annual Meeting had been posted on the website. She called for a Motion to Dispense with Reading of the Minutes and Approval of the Minutes.

A motion was made by Michele Jones and seconded by Roxanne Passarella to dispense with the reading of the minutes of November

20, 2021 Annual Meeting, which as presented were approved by acclamation.

V. Appointment of Election Judges/Election.

Attorney Hueston explained that the two (2) candidates ran uncontested for the two (2) trusteeships. Therefore, the election was conducted by acclamation. The motion was made by Michele Jones and seconded by Roxanne Passarella and was carried by acclamation. Maria Pajal Battle and Gary M. Earland were elected to the Board. Both spoke briefly to the members.

VI. Financial Report.

Chris Ibone provided an explanation of the 2023 Operating and Reserve Budget, stating the fiduciary obligation of the Board is to have a breakeven budget. The 2023 Budget required an average of 3.75% across all unit types in maintenance fees and was determined on review of each department's operating needs. He reviewed the factors which were the largest contributors to the 2023 Budget, which included payroll increases due to State mandated minimum wage increases. It was decided to adopt the \$15/hour minimum wage fee one year earlier to attract, hire and retain housekeeping staff. This was the largest increase in operating expense amounting to \$250,000. In addition, property insurance premiums increased by 15% and condominium fees due the APCOA increased by 3%. Most other areas of the budget were flat in reaching a -0- breakeven budget for 2023. Nevertheless, the increased maintenance fees are well below the ARDA averages, and the 5-year historic increase is at 2.35%, well below the national average of 3-6% increase per year.

VII. Operations Report.

Roxanne Passarella spoke of the renovations taking place with the look of the new generation and a complete re-branding of the resort's image. The summer season had a good feel overall. Major events in Atlantic City helped raise hotel rates and Atlantic City is undergoing major renovations by other developers. Royal Suites attracts families and those who don't want the casino atmosphere, and has its own niche market.

Melissa Cossio reported as we have made a turn from the Pandemic and are re-opening some of our resort activities and conducting more events for owner enjoyment. She also reported that all departments take pride in improving the resort working as a team. Twenty (20) room units were renovated this Spring/Summer. Currently there are an additional seventeen (17) room planned for renovation in the Fall 2023 with a new modern look. New HVAC systems were installed as part of the renovations. The pool was refinished as well as the upper deck. The lower deck refurbishment is scheduled for early Spring.

Plans were also discussed future projects by the APCOA (Condominium Association):

- New Miwa lock system installed on all the entrance doors.
- Replacing the Jacuzzi on the pool deck.
- Upgrading the Fire System.
- Improving the Elevator system.
- Installing New HDMI boxes by Comcast/Xfinity.

VIII. Unfinished Business/New Business.

Ms. Battle stated there is no unfinished business from 2021 to discuss or new business to bring up at this time and she opened the forum to questions from members. Mark Connelly (Owner Services) responded to owner questions regarding usage and online booking which is available 24/7 through the owner portal.

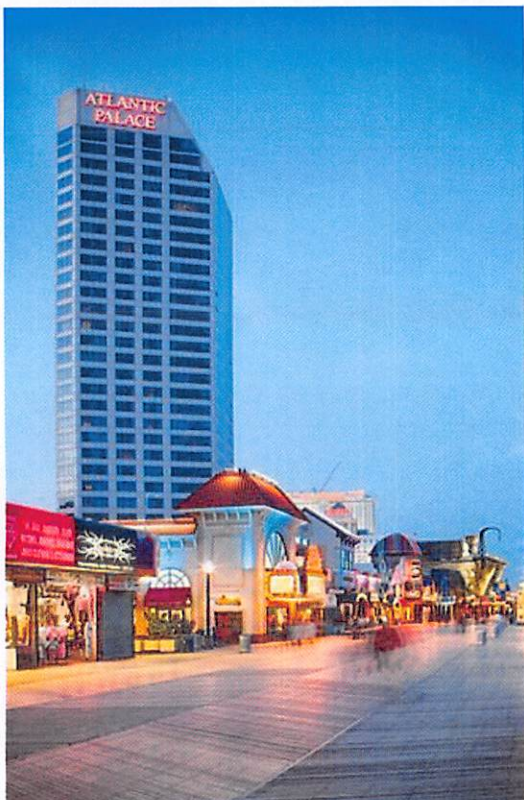
IX. Adjournment.

A motion was made and seconded to adjourn the meeting at 12:50 p.m.

CERTIFICATION

I hereby certify the foregoing Minutes of the Annual Meeting of The Royal Suites Interval Association, Inc. held on November 19, 2022, were approved and duly adopted by the Association Members on the 18th day of November 2023.

Secretary

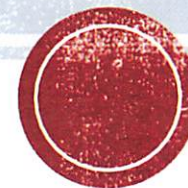


WELCOME OWNERS!

Royal Suites Interval Association

November 18, 2023 Annual Meeting

CLUB
BOARDWALK
RESORTS



FUND ACCOUNTING

- What is it?
- Fund Accounting is the method of accounting non-profit HOA's use, such as Royal Suites Interval Association consisting of two separate funds:
 - Replacement Fund – Portion of your Dues (MF's) used to fund projects for room renovations/future replacements. Contributions/Expenditures are largely determined by an independent 3rd party Reserve Study, to ensure proper funding
 - Operating Fund – Largest portion of your Dues used to maintain day to day operations of your functioning HOA. Examples: Housekeeping Duties, Maintenance Duties, Hospitality/Owner Services, General Property Management
 - A sizable part of your Operating Fund is also your Property Tax Expense or City, State, and Local Tax.



CUSTOMER
SERVICE
IS NOT A DEPARTMENT
It IS AN
ATTITUDE.

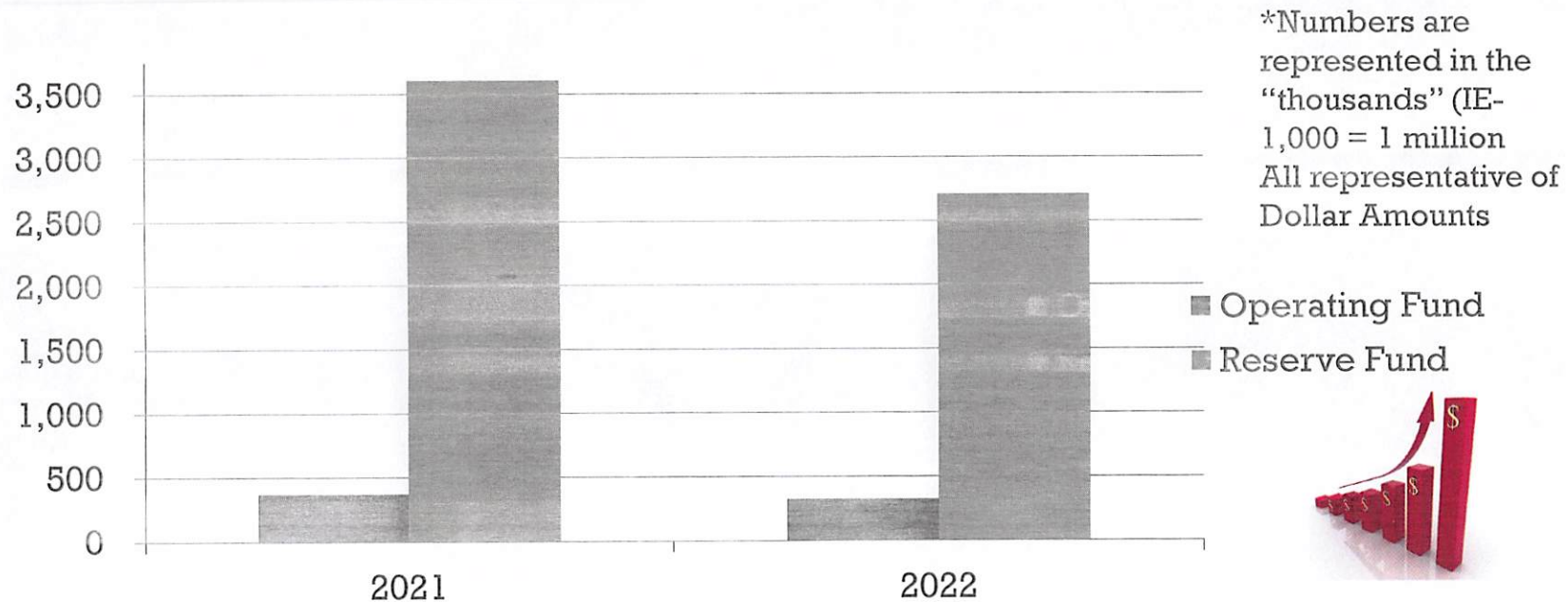


ALLOCATION OF MEMBERSHIP DUES

- Reserve Contributions – How much contribution in dollars does the independent reserve study call for renovations in a given year
- Property Taxes – City/State/Local determines the tax rate which gets applied to the evaluation of the real estate – have no control other than to appeal on the Association's behalf which we did successfully this year, but less units
- Bad Debt Expense – Expense to Reserve what is estimated to be uncollectible in dues in a given year
- Other Factors – Projected Revenues/Salaries and Related Expenses/ Operating Expenses, Insurance, etc..



WHERE WE ARE CURRENTLY (2022)



Currently the RSIOA sits with a \$323,148 rolling surplus in the Operating Fund and \$2,709,380 in the Reserve Fund for 2022. Bare in mind these two funds are the two key indicators of the status of an NPO such as the RSIOA. These are audited financials as of 2022 versus 2021. Note for 2022, a 1.4m Room Renovation for 20 units started in the Fall. Also the PPP loan of 289,000 was forgiven in 2022.



GENERAL BUDGETING PROCESS

- We begin with \$0 expenses across the board in all departments or a clean budget. 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. Expenses are filled in as we go along in this process.
- It is our legal and fiduciary responsibility to create a zero based budget. Also known as break-even, and the picture is much clearer when assessed from that perspective. RSIOA is designed as a Not For Profit/Self sustaining entity.



REFERENCE ITEM 2024 FEE GRID

Royal Suites Interval Association **2024 MAINTENANCE FEE SCHEDULE**

Unit Summary - Annual Ownership - 230 Units

Unit Type	Total Maintenance	Real Estate Taxes	Total Reserves	Weekly 2024 Maint. Fee
Jr. Studio	\$656.16	\$48.54	\$75.12	\$779.82
Studio	781.14	57.79	89.43	928.36
One Bedroom	924.87	68.42	105.89	1,099.18
Two Bedroom	1,031.11	76.28	118.05	1,225.44

For the year 2024 Maintenance Fees will increase 3.50% across all unit types from 2023 Last year's increase was 3.75% from 2022 to 2023. The average Maintenance Fee is 896.36 for 2023 versus 866.05 for 2023 or \$30.31 on average annually.

*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 RSIOA, your average MF is \$896.36. ARDA also goes on to say that industry rate increases are on average 3-6% per year, this year your increase is within the lower end of that spectrum.

It is also important to not that the 5 year historical average increase is 2.65% inclusive of 2024, and 2.56% on a 10 year historical average.



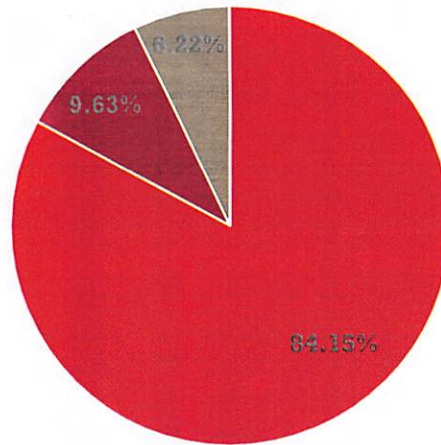
BUDGET ALLOCATIONS FOR THE 2024 BUDGET

- Property tax was reduced slightly based on the valuation of real estate and actuals, and we aren't anticipating a large rate increase in 2024, reduced about \$72,000.
- Hotel Revenue was increased based on 2022/2023 actuals, about \$24,500.
- Operating Expenses/Payroll in total to meet the requirements of the departments and the property were increased, about \$61,000.
- Reserve Contributions were kept even based on the independent reserve study.
- Bad Debt Expense was increased based on the amount of dues estimated to be uncollectible based on 2023 collections, increased about \$72,000.
- Increases in payroll (within "Operating") are largely related to the State Law requiring \$15 minimum wage as of 1/1/24.
- Property/Liability insurance was increased by a blended 31% to accommodate a volatile market, this remains to be a harsh market, increased \$20,475.
- Condominium Fees were increased by 20%, based on their budgeted increase. This is the single largest increase of \$484,000 from 2023's budget.
- Important note it takes ~\$103,000 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



BUDGET ALLOCATION CHART 2024

Allocation



■ Operating Expense ■ Reserves ■ Property Tax



FINANCIAL SUMMARY

- As demonstrated with the various points the Royal Suites Interval Association is on solid foundation and on the mend. 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 (you) that dues paying owner from footing the bill of the non-paying owner
- If there is any requests for specific financials not on our website you can email requests to chrisi@60north.net.





WELCOME HOME

THE NEW STANDARD

