

THE ROYAL SUITES INTERVAL ASSOCIATION, INC.

NOTICE OF ANNUAL MEETING 2024

TO: ALL INTERVAL OWNERS

PLEASE TAKE NOTICE that the Annual Meeting of The Royal Suites Interval Association, Inc. will be held **online** Saturday, November 23, 2024 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 2023 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 2024, 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 23, 2024

AGENDA

ROYAL SUITES INTERVAL ASSOCIATION, INC.

ANNUAL MEETING OF THE MEMBERSHIP

November 23, 2024

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 2023 ANNUAL MEETING - PRESIDENT
- IV. ELECTION OF TRUSTEES/ANNOUNCEMENT OF ELECTION RESULTS- BOB
- V. PRESENTATION OF THE 2025 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 23, 2024

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.

THE ROYAL SUITES INTERVAL ASSOCIATION, INC.
MINUTES OF THE ANNUAL MEETING
NOVEMBER 18, 2023

The Annual Meeting of The Royal Suites Interval Association, Inc. was held November 18, 2023, via zoom and in-person for the Atlantic Place Resort. Vice-President Michele Jones 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. Jones 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: Michele Jones, Vice President; Gary Earland; Luiz Perez, 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, Mark Connolley, Owner Services, and Nikki Crawford (Design and Maintenance).

II. Open Meeting Announcement and Publication of Notice.

Ms. Jones announced that notice of the November 18, 2023, 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. Jones stated the minutes from the November 19, 2022 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 Gary Earland and seconded by Laura Frank to dispense with the reading of the minutes of November 19, 2022 Annual Meeting, which as presented were approved by acclamation.

V. Appointment of Election Judges/Election.

Attorney Hueston explained that the two (2) incumbent candidates ran uncontested for the two (2) trusteeships. Therefore, the election was conducted by acclamation. The motion was made by Roxanne Passarella and seconded by Tracy Earland to elect Michele Jones and Luiz Perez for two (2) year terms to the Board and was carried by acclamation.

VI. Financial Report.

Chris Ibone provided an explanation of the 2024 Operating and Reserve Budget, stating the fiduciary obligation of the Board is to have a breakeven budget. The 2024 Budget required an average of 3.5% across all unit types in maintenance fees and was determined by a review of each department's operating needs. He reviewed the factors which were the largest contributors to the 2024 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. The largest increase in operating expense amounting to \$484,000 was based on the assessments by the Atlantic Palace Condominium Association (APCOA) for increase expense associated with maintaining the common areas of the building. In addition, property insurance premiums increased by 31% due to the volatile market for waterfront properties. Most other areas of the budget were flat in reaching a -0- breakeven budget for 2024. Nevertheless, the increased maintenance fees are well below the ARDA averages of 3-6%, and the 5-year historic increase is at 2.65%, and the 10-year historic increase is 2.56%, again well below the national average of 3-6% increase per year.

VII. Operations Report.

Nikki Crawford spoke of the renovations taking place with the look of the new generation for 38 units and re-branding of the resort's image.

Melissa Cossio reported on resort activities and conducting more events for owner enjoyment, such as the air show, fall ceramic painting, Club Boardwalk Resorts hosting a New Year's Eve party at the Flagship on December 31st. She also reported that all departments take pride in improving the resort staff working as a team.

As of September 25th, the new Miwa lock system was operational on all entrance doors throughout the building on all the entrance doors. Also new washing machines arrived so the association no longer had to outsource laundry, which will improve efficiency and reduce costs.

Mark Connelly reported on room nights that for 2023 through October there were 17,962 hotel nights, 14,020 exchange nights, and 5,494 interval owner nights; in all 37,476 occupied room nights compared to 35,967 for the same period in 2022.

VIII. Unfinished Business/New Business.

Ms. Jones stated there is no unfinished business from 2022 to discuss nor new business to bring up at this time, so she opened the forum to questions from members. Mark Connelly (Owner Services) responded to a question from Laura Frank regarding the Club Model membership by which you can use points at any of the three Club Boardwalk Resorts, otherwise you must exchange through RCI to use the other resorts. Diane Owens asked when the renovations would occur on the lower floor units. Nikki Crawford indicated that scheduling new room renovations is based on the oldest rooms previously remodeled. Ms. Crawford reported that renovations for Floors 25-32 have been completed, and that Floors 22-25 are to be completed by the summer season. Since she is buying furniture in bulk due to cost and shipping issues, she will survey replacing old furniture on the lower floors before the lower floors undergo complete renovations.

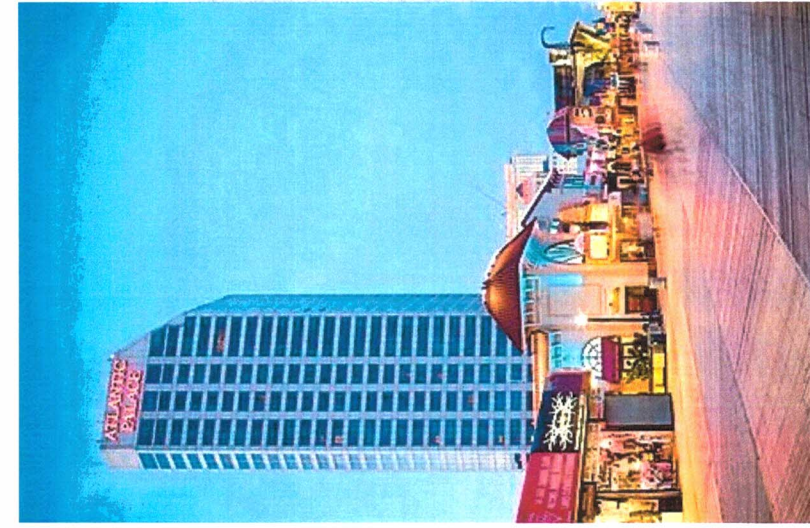
IX. Adjournment.

A motion was made Jane Johnson Morris and duly seconded to adjourn the meeting at 12:42 p.m.

CERTIFICATION

I hereby certify that the foregoing Minutes of the Annual Meeting of The Royal Suites Interval Association, Inc. held on November 18, 2023, are approved, and duly adopted by the Association Members on the 16th day of November 2024.

Secretary



WELCOME OWNERS!

Royal Suites Interval Association

November 23, 2024 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, Bad Debt Expense, and 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

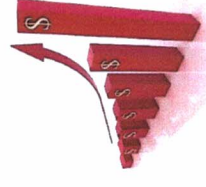
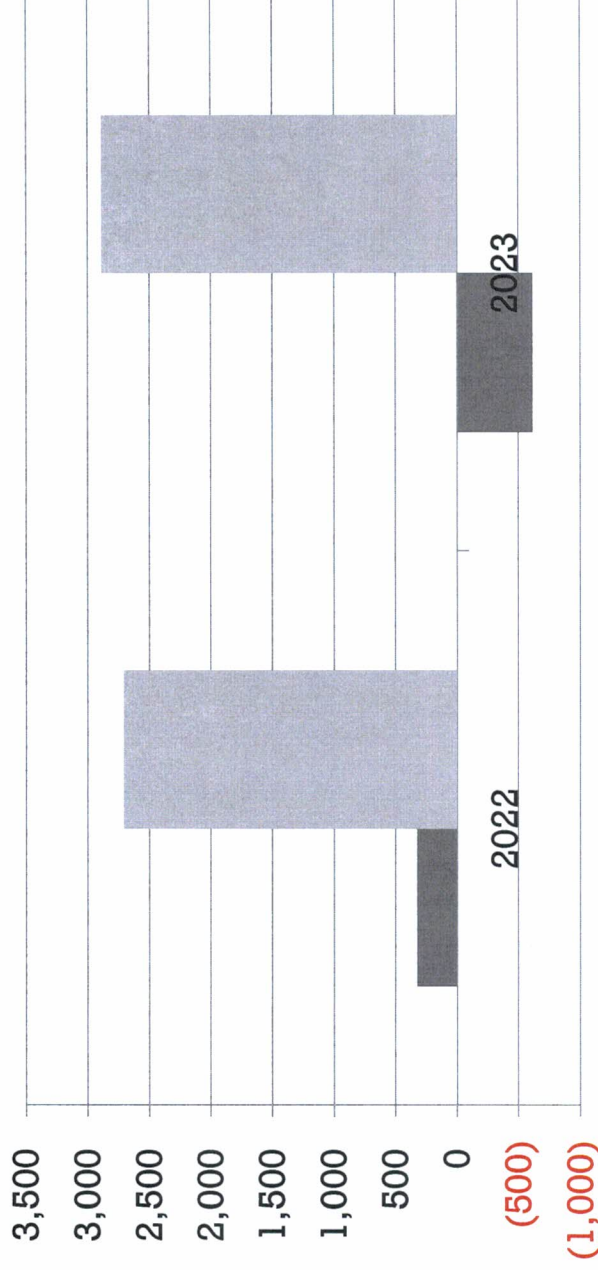
- Reserve Contributions – How much contribution in dollars does the independent reserve study call for renovations in a given year
- Property Taxes – City/State/Local determines the tax rate which gets applied to the evaluation of the real estate – have no control other than to appeal on the Association's 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 (2023)

*Numbers are represented in the "thousands" (IE- 1,000 = 1 million All representative of Dollar Amounts

■ Operating Fund
■ Reserve Fund



Currently the RSIOA sits with a (\$615,759) rolling deficit in the Operating Fund and \$2,887,681 surplus in the Reserve Fund for 2023. 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 2023 versus 2022. The goal would be in future years to turn the current deficit back to break even or a surplus for the overall health of the Association as is typical.



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 2025 FEE GRID

Royal Suites Interval Association 2025 MAINTENANCE FEE SCHEDULE

Unit Summary - Annual Ownership - 230 Units

Unit Type	Total Maintenance	Real Estate Taxes	Total Reserves	Weekly 2025 Maint. Fee
Jr. Studio	\$725.53	\$45.45	\$75.12	\$846.10
Studio	863.73	54.10	89.43	1,007.26
One Bedroom	1,022.65	64.06	105.89	1,192.60
Two Bedroom	1,140.12	71.41	118.05	1,329.58

For the year 2025 Maintenance Fees will increase 8.50% across all unit types from 2024 Last year's increase was 3.50% from 2023 to 2024. The average Maintenance Fee is 972.53 for 2025 versus 896.37 for 2024 or \$76.17 on average annually.

*Per ARDA (American Resort Development Association) Industry Average Maintenance Fees Across the U.S. territories are roughly \$1170.00 per interval week (2022 data). Based on the unit type/weeks split for RSIOA, your average MF is \$972.53. ARDA also goes on to say that industry rate increases are on average 5% per year, this year your increase is 3.50% higher as per needed for Association sustainability it its current environment.

It is also important to note that the 5 year historical average increase is 3.82% inclusive of 2025, and 3.21% on a 10 year historical average.



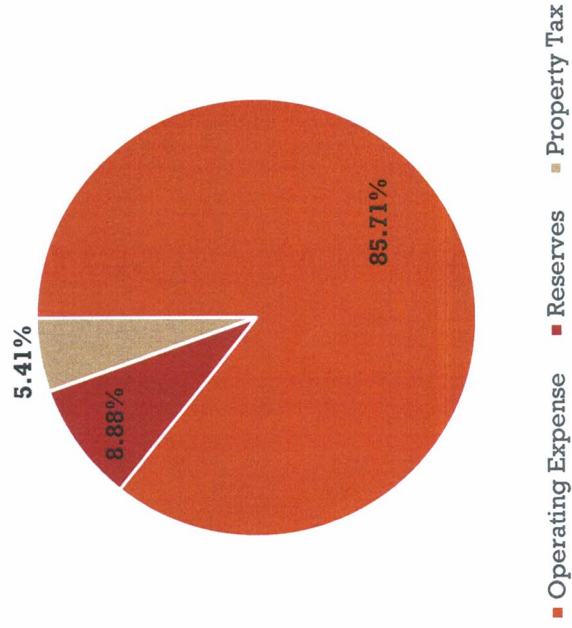
BUDGET ALLOCATIONS FOR THE 2025 BUDGET

- 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 \$42,000.
- Hotel Revenue was kept even based on 2023/2024 actuals.
- Operating Expenses/Payroll in total to meet the requirements of the departments and the property were decreased, about \$169,000, and due to comprehensive expense reviews.
- 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 2024 collections, increased about \$567,000, the single largest driver of increase, and due to the amount of uncollectible dues and its allowance.
- Increases in payroll (within "Operating") are largely related to the State Law requiring \$15.49 minimum wage as of 1/1/25.
- Property/Liability insurance was increased by a blended 20% to accommodate a volatile market, this remains to be a harsh market, increased \$25,000. Over the past 2 years Property Insurance has exceeded 100% in increases due to volatility.
- Condominium Fees were increased by 8%, based on their budgeted increase. This is increased by \$208,000 from 2024's budget.
- Important note it takes ~\$107,000 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



FINANCIAL SUMMARY

- As demonstrated with the various points the Royal Suites Interval Association is in recovery mode/circumstance. 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. The process to get back to a break-even or surplus in the Operating Fund make take a few years, as we make the necessary changes vital to sustainability.
- 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. As you saw this was the single largest expense that went up.
- If there is any requests for specific financials not on our website you can email requests to chrisi@60north.net.



WELCOME HOME

