BOCA WEST
COUNTRY CLUB

MINUTES

MEETING:	Board of Governors
DATE:	May 29, 2020
MEMBERS PRESENT:	P Kupperman, H. Boilen, B. Winikoff, J. Macher, H. Moskowitz, J. Banks, P. Echenberg, P. Edwards, S. Forman, J. Glassman, E. Hoffman, B. Lerner, C. Rosenblatt, D. Shifrin, C. Wolf, H. Liebman (ex-officio)
MEMBERS ABSENT:	
PARTICIPANTS:	M. Linderman, K. Campbell, D. Wright, L. Stefaniw
FOR INFORMATION:	The Board of Governors
ISSUED BY:	Philip Kupperman
ISSUE DATE:	June 29, 2020

Approval of the Minutes

Motion: On a motion made by Dr. Edwards and seconded by Mr. Forman, the minutes of the April 24, 2020 Board meeting are approved.

Chairman's Report – Phil Kupperman

The Board received an email from a member questioning if the Club would need a second approval vote from the membership for the Club Improvement Program as the project has been delayed due to the COVID-19 pandemic. Legal counsel confirmed a second approval is not needed. Florida Statue authorizes the Club to take action in good faith during an emergency. There is no liability or negative financial implications and the Club can delay the project.

The Club has received requests from first year lessees who have not been able to find another home due to the COVID-19 pandemic. They have asked if the Club would consider allowing them to have their first year privileges in their second year but still charging them the 30% upcharge.

Motion: On a motion made by Mr. Winikoff and seconded by Mr. Forman, the Board unanimously agrees to ratify the Lessee Privileges vote of the Board through email.

General Manager's Report – Matthew Linderman

Financial Flash Report

Some highlights of the current flash report include re-opening golf revenues exceeding last year and budget with rounds played exceeding budget by 2,145 and 1,974 higher than last year.

For the period of May 1st through May 25th Panache and Grand Central takeout orders totaled 10,885 generating $175,875 in revenue, this includes 547 meals prepared for Cinco De Mayo, 378 meals prepared for Mother's Day and 720 meals prepared for Memorial Day.

For the period of May 1st through May 25th Pantry orders totaled 1,885 generating $80,482 in revenue.

Delinquent Dues, Foreclosures and Downgrades

There are currently 62 delinquent members, 36 of those have been delinquent for more than one year. Last year at this time there were 46 delinquent members and nine of those have been delinquent for more than one year.

As of today there have been three foreclosures compared to four last year at this time.

As of May 27, 2020 golf is down 16 players compared to up 11 players last year and tennis is down 15 players compared to down three players last year. There are 27 players who took the Pickleball Membership.

General Business

We will be opening Grand Central inside for lunch starting Monday June 1st and dinner, inside and outside, starting Thursday, June 4th.

We are planning Drive-In movie events that will continue over the next couple of months. We are working on getting new releases and will show some classics as well.

We have been taking temperatures of the staff for a couple of weeks. We would like to start taking temperatures of the members that come inside the buildings, including the cart barn. We will follow the CDC guidelines and will not allow access to anyone who reads 100.4 degrees or higher.

Motion: on a motion made by Mr. Kupperman and seconded by Mr. Boilen, the Board unanimously approves the staff to take members temperatures as they enter the Clubs buildings.

We will remain firm on the current no guest policy and reevaluate at the June Board meeting.

The Department Heads are in the process of meeting with Committee Chairs to evaluate their budget. We are being challenged on how to plan for season with events and the difficulty of not knowing what circumstances we will be experiencing.

We are moving forward with International program and visa process for next season.

Boca West Realty received a $62,000 loan from the Paycheck Protection Program.

The National Club Association continues to work with the government on including private clubs around the country in the relief stimulus package. The bill is in the House awaiting a vote.

The Club's Business Interruption insurance claim was denied by Zurich stating COVID-19 was excluded in our policy as they define COVID-19 as a microorganism and virus, and there was no direct physical damage to the Club's property. The Club's insurance representatives are appealing the denial and we will evaluate if outside counsel is needed.

We have begun a solar energy study for the upcoming Sports Center project.

On May 28th 550 meals were delivered to the staff at Boca Raton Regional Hospital.

The Club is a finalist in the Sun Sentinel Top Workplace 2020. We are the only Country Club featured. We are so proud of the entire team and all their hard work and dedication, especially during these difficult and uncertain times.

IT Project

We are in phase two of the project. We are currently working with CSSI on facial recognition time clocks that have built in temperature checks and can be integrated with the new system.

COVID-19

Our in-house Training Coordinator, Gabriel Felix, is developing a training program for our staff with all the new updated safety procedures and protocols. We are working on a Health and Safety Precautions brochure that will be shared with the members. This brochure will detail what the Club is doing in response to COVID-19.

We have engaged a WELL certified engineer firm to perform a full wellness assessment of all our building mechanical systems. They will evaluate the air conditioning filtration, ventilation and purification and will investigate the addition of UV lights.

We have ordered several electrostatic machines as an addition to the daily cleaning we do already. Cleaning supplies and the cost associated with sanitization has been elevated.

In conjunction with BWMA we are evaluating companies on the market that provides on-site COVID-19 and antibody testing for large scale communities. The goal is to have a continuous program over the next several months. There will be no cost to the Club. The tests are covered by insurance, including Medicare and private insurance, with a self-pay option for our out of country residents (final costs to be determined). We will include testing for the staff and the program will be in place for our international staff, when they start to arrive. BWMA is scheduled to have a board meeting next week for approval.

George Snow Scholarship

We had two dependents of employees selected to receive the scholarship this year. The daughter of Meg Botting in Golf and the daughter of Bernier Deliska in Golf Course Maintenance.

Foundation report – Pamela Weinroth (written report provided)

As the coronavirus jeopardizes aid to at-risk children, the Boca West Children's Foundation has not stopped working. The Grant Committee has begun to distribute much needed funds to the following partner charities that provide essential services for local children:

- Place of Hope, JAFCO, SOS Children's Villages and HomeSafe, which has direct care responsibility for more than 1,000 at risk children within the dependency system.

- Florence Fuller Child Development Center, American Association for Caregiving Youth, Sweet Dream Makers, Caridad Center and the Youth Activity Center, which are providing direct financial aid, food, and emotional support for those out of work and caring for young or old at risk.

- Education Foundation of Palm Beach County to help provide computers for the underserved kids who have none and will need to be home schooled for the foreseeable future.

- Faulk Center. The mission of the Faulk Center for Counseling is to promote emotional well-being through a variety of free and low-cost programs for counseling, therapy, and support.

- Boca Helping Hands. As one of the largest community service agencies in Palm Beach County, Boca Helping Hands is being asked to maintain its critical services and provide additional support as part of a coordinated response to the ongoing crisis. They have also starting to offer distance-learning options for professional development and the Job Training Program.

- Unicorn Children's Foundation. The Unicorn Children's Foundation has announced a "virtual" Unicorn Connection for teens to find resources and jobs.

- Best Foot Forward. Best Foot Forward pairs program participants, in the dependency system, with an Academic or Graduation Coach from kindergarten to college. Through one-on-one support, each Coach provides a range of educational planning and monitoring to ensure academic success.

- Grandma's Place who provides abused or neglected children a place where they receive 24-hour care in a safe home-like environment; including many children with disabilities or developmental delays.

- The YMCA for day camp for children of First Responders during this pandemic.

- Viner Scholars to provide South Palm Beach County High School students with four year scholarships to colleges and universities in the State of Florida public educational system.

Additional funds sent:
- To our Charity Partners for our Super Bowl Raffle.
- To our Charity Partners as Pass Through Grants.

For a total amount, so far, of $734,400 with more to come in the following weeks.

The Foundation is in the process of working on new fundraising initiatives to engage our current donor base as well as attract more philanthropic dollars from all parts of Palm Beach County.

Legal – Jerry Glassman

Member Complaint

A Member filed a Complaint with the Club alleging that a Lessee with Privileges harmed the member by behaving improperly during a transaction between them. The Chairman appointed an ad hoc committee to investigate the Complaint. The ad hoc committee after conducting an investigation filed its report and recommendation, which the Board adopted in the following Resolution.

Motion: On a motion made by Mr. Glassman and seconded by Mr. Winikoff, the Board unanimously approves and accepts the resolution as stated below:

WHEREAS, Gilbert and Linda Snyder (hereafter the Snyders) were Lessees with Privileges and are not members of Boca West Country Club, Inc. (CLUB), and

WHEREAS, the Snyders during the term of their lease with privileges entered into two contracts for the purchase of units in Boca West. Each contract requires that the Club approve the buyer for Membership in the Club before the contract could close. The first contract with Barbara and Marvin Mitzner (Seller) failed to close, prompting Seller to file a complaint against the Snyders. Immediately after the Snyders failure to close on the first contract, they entered into the second contract. The Club immediately notified the seller and realtor on the second contract that an investigation was ongoing into the allegations contained in Seller's complaint. The notification advised the seller, realtor and the Snyders that in the event the investigation substantiated the allegations in the complaint, the Snyders would not be approved for Membership by the Club; and

WHEREAS, The investigation revealed that the failure of the Snyders to close on the first contract was due to a willful act that resulted in harming the Seller who are Members in Good Standing of the Club. The Snyders waited until late morning on the day before the scheduled closing, with knowledge that the Seller had vacated the unit and removed all Seller's furniture, appliances and other personal items on to a moving truck, a time when Seller was committed to a sell and simultaneous buy transaction to demand a 15% reduction ($19.500) in the purchase price. Buyer's action placed a Member in a financial and personal predicament. In desperation, Seller offered a $5,000 reduction. The Snyders rejected the Seller's proposed price reduction and refused to close. The investigation concluded that the Snyders harmed a Member of the Club and that their behavior constituted improper conduct likely to endanger the reputation and harmony of the Club, and

WHEREAS, the Board of Governors having had the opportunity to consider all options available to the Club with respect to the Snyders who are not Club Members and are no longer Lessees with privileges and whose application for Membership is pending approval by the Club with respect to the terms of the second contract entered in to by the Snyders; and pursuant to the authority set forth in the CLUB's Bylaws and Rules and Regulations concludes that it would be in the best interests of CLUB to bar the Snyders from the CLUB and/or CLUB Property for life, effective immediately;

NOW THEREFORE IT IS HEREBY RESOLVED AS FOLLOWS:

1. Effective immediately, the Snyders shall not be permitted to become a Member and/or in any way enter and/or use CLUB facilities. Moreover, the Snyders shall not be permitted to participate in any activities of the CLUB as a guest of another Member, Staff, Management or any person or entity that contracts to use the CLUB's facilities (i.e. outside affairs).

2. The Snyders or any person or any entity (including but not limited to a Trust, Land Trust, Corporation, Partnership, Limited Partnership and Limited Liability Company) owned or affiliated with the Snyders or one of their entities shall not purchase property in the Boca West Community and/or apply for membership in the CLUB, or designate the Snyders as a "Designated Users".

3. Management is hereby authorized to take all necessary steps to implement the terms of this RESOLUTION, including the "posting" of this RESOLUTION in accordance with Article X, Section 10.02, Paragraph C of the CLUB's Bylaws.

Election Task Force

The report previously distributed by the election task force was discussed in depth and the following motion was made.

Motion: On a motion made by Mr. Glassman and seconded by Mr. Winikoff the Task Force Report was accepted by the Board as the standard operating procedures (SOP) for the operation of the Nominating Committee going forward. The present and future Chairman of the Board is directed to give the standard operating procedures to the Chair of the Nominating Committee they select for ratification at the June meeting. Management is directed to modify Rule B2 and add it to the Rules and Regulations and published to the Membership.

Further Discussion took place with regard to the role of the nominating committee members who are on the Board, and whether or not it’s a conflict of interest for said nominating committee member to run as Chairman of the Board for the upcoming election year.

Motion: On a motion made by Mr. Kupperman and seconded by Mr. Macher the Board approves that each of the three Board members selected by the Chairman of the Board must commit, as a condition of serving on the Nominating Committee, that he or she will not run for Chairman of the Board in the election year in which the Nominating Committee is nominating candidates to run for the Board. (Against: Dr. Edwards, Mr. Forman, Mr. Rosenblatt, Mr. Lerner, Mr. Echenberg and Mr. Winikoff).

Long Range Planning – Paul Echenberg

In Executive Session, the Board considered the report of the Long Range Planning committee's recommendation with the issue of member infirmities. The report and recommendations were approved and all relevant Task Forces, Committees and Management are directed to implement those parts of the report that come within their jurisdiction.

Executive session ended.

Finance – Joel Macher

The Club's closing due to the Coronavirus pandemic had a significant impact to the Club's Operating Profit. Many areas of the Club have been impacted by the pandemic. The goal is to go into next fiscal year with no deficit or assessment.

Non-operating items include dues related to the number of non-paying members being in excess of the numbers anticipated in the budget.

Gross Profit for the month of April was $850,200 lower than budget due to the closing of the Club. Food and beverage gross profit (excluding catering) was $205,200 lower than anticipated and Catering Gross Profit was $201,600 lower than budget due to cancellation of events. Food and Beverage cost was 56%, which is 2% higher than budget and last year.

Golf Revenue was down $188,200 for the month of April and Retail Gross profit was $42,000 lower than anticipated.

Fitness Revenue was $205,300 lower than budget offset by commissions not paid of $160,500.

Wages and Benefits (excluding commissions) were $740,500 favorable for April as the International Staff was sent home earlier than expected and adjustments were made in staffing due to closures around the Club.

Operating Expenses were $303,500 favorable for the month of April. Savings in expenses directly related to closing Club operations such as Valet, Music/Entertainment, Food & Beverage operating supplies and Utilities contributed to the savings offset by the purchase of airline tickets for the international staff to return to their home country.

Total cash as of April 30, 2020 was $6.1 million with $5.0 million outstanding on the line of credit. As of April 30, 2019 total cash was $8.0 million which included $15.0 million outstanding on the line of credit. Cash balances, excluding borrowing, were $8.1 million higher than last year.

Special Project – Howard Liebman.

Akoya

Akoya has 66 units sold or 58% current occupancy.

Renovator Program

We are at 86 sold and there are five more pending. One additional unit has been acquired by the renovator.

Bulk Renovator

Mr. Kupperman, Mr. Liebman, Matthew Linderman and Leslie Kennedy met with one bulk renovator who will start with five units that are already identified. There is a second bulk renovator who has been identified and a meeting will take place in the upcoming weeks.

Leadership Development.

We have 15 members who will be participating in the Program this year. Our first meeting was held virtually on May 18th, 2020. BWMA has committed to participate this year. We are impressed with the quality of members who are participating this year with expectation that this program will continue to be a conduit to succession planning for the Clubs future leadership.

Audit – Paul Echenberg

The committee met with Kathy Campbell on April 29th, 2020 to review the annual tax returns. There are no issues with the tax filings. The Conflict of Interest form has been amended in order to address certain questions on the tax filing.

Membership – Harriet Moskowitz

Motion: On a motion made by Mrs. Moskowitz and seconded by Mr. Winikoff the Board unanimously approves the 13 new memberships for April 2020.

Membership Statistics

As of May 22nd, closed and pending sales to new members were 108 (including 12 Akoya) compared to 142 (including 33 Akoya) last year. Closed and pending sales to new members excluding Akoya were 96 compared to 109 last year.

There has been an increase in membership inquiries.

Leasing Program Task Force – Bob Winikoff

This task force was charged with the responsibility to analyze the current leasing program to determine if the program as it exists today is in the best interest of Boca West that does not want to promote itself as a rental community.

The Board reviewed the report by the task force and adopted the following Resolution.

Motion: On a motion made by Mr. Winikoff and seconded by Mr. Macher, the Board unanimously approves and accepts the resolution as stated below.

WHEREAS, the Board of Governors has evaluated whether limitations on the transference of membership privileges to lessees are appropriate; and

WHEREAS, the evaluation has revealed that (1) some lessees have become de facto members of the Club without ever officially joining the Club and paying the Joining Fees required of all new members, and that (2) some residential equity units of the Club have become rental units, with membership privileges attached to those units being transferred year after year; and

WHEREAS, in view of the foregoing, the Board of Governors has concluded that it is in the best interests of the Club to promulgate a Rule limiting the transfer of membership privileges to lessees;

NOW, THEREFORE, IT IS RESOLVED AS FOLLOWS:

A. The new Rule created by this RESOLUTION is set forth in Paragraph B below. The Rule will be added to the Club's Rules and Regulations, and will be entitled "LIMITATIONS TO THE TRANSFERENCE OF CLUB MEMBERSHIP PRIVILEGES TO LESSEES". The Rule will have immediate effect and will be announced to the membership as soon as practical after enactment of the RESOLUTION by the Board of Governors. The Rules and Regulations Update Committee is directed to insert this new Rule in the appropriate section of the updated and revised Rules and Regulations.

B. LIMITATIONS TO THE TRANSFERENCE OF CLUB MEMBERSHIP PRIVILEGES TO LESSEES

1. No lessee may have membership privileges in the Club during more than two fiscal years in the aggregate.

2. There is a maximum of two fiscal years in the aggregate during which an owner/member of a unit may transfer to lessees of that unit membership privileges.

3. All lessees who receive membership privileges shall be subject to, at a minimum, the same screening procedures as apply to prospective members.

4. For all units, owners and lessees, the two fiscal year measuring period shall begin on October 1, 2020, subject to the proviso below. That means that any leasing activity prior to October 1, 2020 is not counted; provided, however, that any lessee who has received membership privileges at any time prior to October 1, 2020, may receive membership privileges only during one fiscal year beginning on or after October 1, 2020.

<u>Communications – Howard Boilen</u>

Nothing to report at this time other than the minutes already distributed.

Tennis – David Shifrin

The most recent Executive Order allows tennis to move to doubles.

Golf Operations – Steve Forman

Nothing to report at this time other than the minutes already distributed.

House/Activities – Charlie Wolf

The online activities have been well received with high participation from the members. A few highlights of upcoming events include Drive-In movies, a night in Italy pop-up to-go dinner and Father's Day to-go.

Fitness/Aquatics – Bob Lerner

Aquatics has had steady traffic since reopening. Safety continues to be a challenge. We have received many questions on the use of masks, the current policy remains. Shields will be accepted in place of the masks.

Retail – Enid Hoffman

The retail staff is scanning and evaluating inventory in the warehouse.

Human Resources – Jeanine Banks

H2B Update

The prevailing wage statement has been received. There is an increase in pay in a few positions but no significant increases in the petitions with the highest number of employees. All of the necessary information is being prepared to send to the immigration attorney's office to start the H2B application process. To date, the attorney is saying that we should receive all of the approvals as we have in the past.

Employee Apartments

We have been invited back to all four apartment complexes next year. Our staffing numbers should be similar to last year.

Recruitment

We are calling back all employees (part-time, seasonal, instructors etc.) who have not been working due to the closing of parts of the Club. We have a few staff members who have decided they do not want to return and have resigned their positions.

The recruiting trips to Europe and South Africa have not been finalized. We are waiting to determine if the trip will be needed or if we can make other arrangements. We anticipate hiring from South Africa, Ireland, Italy, Portugal and Romania. There are a number of former participants that are interested in returning so we should have a very high return rate next season.

Staffing

The current number of employees is 398 vs 534 last year. This number is considerably lower than past year's staffing because of the COVID-19 pandemic.

BWMA – Phil Edwards

The BWMA Board of Directors meeting was held virtually via zoom on April 29, 2020.

The Masters Association has a process in place for confirmed covid cases. The community at large will be notified, names will be released after receiving consent from the resident.

The Masters Association received a $750,000 loan from the Paycheck Protection Program.

Ombudsman – David Shifrin

Many inquiries have been received regarding the fitness rule of wearing masks to workout.

Adjournment

There being no further business to discuss, the meeting adjourned to executive session at 1:20pm