BOCA WEST
COUNTRY CLUB

MINUTES

MEETING:	Board of Governors
DATE:	June 29, 2023
MEMBERS PRESENT:	P. Edwards, J. Banks, E. Hoffman, F. Richard, B. Berkowitz, A. Adler, M. Haberman, B. Lerner, S. Roth, J. Schraub, R. Schwartz, A. Schwartzman, D. Shifrin, R. Shulman, C. Wolf,
MEMBERS ABSENT:	
PARTICIPANTS:	P. Kupperman (Non-Board Member) M. Linderman, K. Campbell, L. Stefaniw
FOR INFORMATION:	The Board of Governors
ISSUED BY:	Philip Edwards
ISSUE DATE:	September 21, 2023

Grievance Committee – Rick Chavis

Grievance 09-2023

Rick Chavis presented the report and recommendation of the Grievance Committee in regards to the grievance complaint filed by a Member against another Member. The Member involved in the grievance engaged in improper conduct affecting the welfare, safety, harmony and good reputation of the Club, in violation of Bylaw Article X Section 10.02.

The Grievance Committee recommends the Member be suspended from all activities and venues at Boca West Country Club for a period of two years; completion of an approved anger management course; appropriate letters of apology to the Board of Governors, Matthew Linderman and the Golf staff.

The Board discussed the grievance at length.

Motion: On a motion made by Mr. Haberman and seconded by Mr. Schwartzman, the Board agreed for the Member to be suspended for a period of one year; the Member is to successfully complete an Anger Management course and appropriate letters of apology to the Board of Governors, Matthew Linderman and the Golf Staff.

Additionally, the Board requested Mr. Lerner and Golf Management address concerns regarding the Golf rules with the Member who filed grievance complaint 09-2023.

Grievance Appeal 07-2023

Phil Edwards recused himself from the Grievance.

The Member involved in the grievance appeared before the Board with their Spouse to appeal the final decision of the Board. The Member thanked the Board for the opportunity to appeal the decision and gave a statement.

The Member was excused and the Board discussed the Members appeal.

Motion: On a motion made by Mr. Schwartz and seconded by Mr. Lerner, the Board agrees to reduce the suspension to a two week period followed by a three month probation period.

Grievance Appeal 08-2023

The Member involved in the grievance appeared before the Board to appeal the final decision of the Board. The Member thanked the Board for the opportunity to appeal the decision and gave a statement.

The Member was excused and the Board discussed the Members appeal.

Motion: On a motion made by Mr. Schwartzman and seconded by Dr. Shifrin, the Board agrees to reduce the suspension to a six month period followed by a one year probation period.

<u>Budget – Enid Hoffman</u>

Ms. Hoffman expressed her appreciation to the Committee and Professional Staff on an outstanding job working on the budget.

The Management Team, in consultation with Committee Chairs, went through individual departmental budgets first and made suggestions on items they believed could be deleted, as well as anything they had on their wish list for addition.

The Committee was faced with the almost impossible task of presenting a budget that will meet our expanding programs and high expectations of our Membership. This year the Country is faced with a Consumer Price Index increase of 9% and Boca West has continued to incur increasing costs in key areas such as Wages and Benefits, Insurance, Real Estate Taxes, Staff housing and Valet services all of which needed to be addressed in the 2023/24 budget.

Increase in annual dues was impacted by Staff wage increases, which includes the prevailing wage for the International Staff and payroll benefits to 77% of the total increase. Other increases impacting our dues are Valet services 7%, Insurance 4% and Staff housing 9%. Employees are the Clubs main assets and in order to be competitive in the marketplace, we need to increase salaries and wages to ensure the Staff receive a living wage

It appears we will finish the 2022/23 fiscal year without a deficit, even with the increase in costs this past year.

This budget presents a proposed increase of $2,200 with equates to 13% on social dues and 11% on social plus golf dues. All neighboring Clubs are experiencing an increase in dues this year in the 15%-20% range.

Motion: On a motion made by Ms. Hoffman and seconded by Mr. Berkowitz, the Board approves the social dues presented for the 2023/24 budget.

Motion: On a motion made by Ms. Hoffman and seconded by Mr. Haberman, the Board approves the social plus golf and racquet sports dues presented for the 2023/24 budget.

Membership – Enid Hoffman

Motion: On a motion made by Ms. Hoffman and seconded by Mr. Berkowitz the Board unanimously approves the 17 new Member nominees and three companions presented.

Motion: On a motion made by Ms. Hoffman and seconded by Mrs. Banks, the Board unanimously approves the one new 75 mile Member Nominee. The 75-mile rule acknowledgement and agreement has been signed.

Membership Statistics

As of June 27, 2023, closed and pending sales to new Members were 158 compared to 216 last year. Including two new Members in Akoya this year compared to five last year.

Racquet Sports – David Shifrin

Motion: On a motion made by Mr. Lerner and seconded by Mr. Berkowitz, the Board unanimously approves to discontinue the Racquet Sports incentive program for the 2023/24 fiscal year.

Enid Hoffman left the meeting.

Market Report and Trends - Stephann Cotton and Laurie Andrews: Cotton & Co.

Stephann Cotton, Founder and CEO of Cotton & Co, and Laurie Andrews, President of Cotton & Co, presented the annual market report and real estate trends to the Board.

Approval of Minutes

Motion: On a motion made by Mrs. Banks and seconded by Mr. Berkowitz, the minutes of the May 31, 2023 Board meeting are approved.

Chairman's Report – Phil Edwards

Dr. Edwards commended the work of Budget committee in conjunction with Matthew Linderman, General Manager; Kathy Campbell, CFO and Kris Nielsen, Controller on the preparation of the 2023/24 Budget that was presented to the Board by Enid Hoffman.

Dr. Edwards thanked Stephann Cotton and Laurie Andrews for the insightful market report and real estate trends report given to the Board.

Boca West Joining Fee

Dr. Edwards shared a comparative list of Joining Fees and Annual Dues of neighboring Clubs within Palm Beach County. The last increase in the Club's Joining Fee was in 2021. Upon completion of the current Club Improvement Program, the Club will have invested over $200 million in capital improvements to its facilities. Those investments have allowed the Club to maintain and enhance the infrastructure, amenities and services widely rated as among the best in the world. This was all accomplished without assessments to the Membership. The effective marketing efforts of Boca West Realty has also helped the Club participate in the exceptionally strong real estate market in our area, and importantly aided by our effective renovator programs, the value of residential units, small, medium and large, in Boca West has substantially increased.

Lengthy discussion took place regarding the amount of the increase.

Motion: On a motion made by Mr. Haberman and seconded by Mr. Lerner, The Board agreed to raise the Joining Fee from the present $90,000 to $115,000, effective for all Contracts of Sale of residential units within Boca West dated or delivered to the Membership Office on or after October 1, 2023.

Motion: On a motion made by Mr. Adler and seconded by Dr. Shifrin, the Board unanimously agreed to raise the Joining Fee for residential units purchased under the Legacy Starter Program from the present $75,000 to $100,000, effective for all Contracts of Sale of residential units within Boca West dated or delivered to the Membership Office on or after October 1, 2023.

General Business

The Master Association recently sent an email notification to the Community regarding Golf Carts not permitted to drive on the cart paths within the Community. The Club will request clarification on this new rule

The Master Association recently passed the proposed amendments to the BWMA Governing Documents as well as the new Capital Contribution of $10,000 for all Contracts of Sale of residential units within Boca West on or after September 1, 2023.

Matthew and the Management team are reviewing options for a Board Portal platform. This is a directive from discussions at the June Board Retreat.

Board Goals

No additional comments on the suggested Board goals that were submitted.

Motion: On a motion made by Mrs. Banks and seconded by Mr. Schwartzman, the Board unanimously agrees to adopt the Board goals as submitted.

General Managers Report – Matthew Linderman

Financial Flash Report

For the period of June 1 through June 21, 2023

Golf Operations revenues are currently ahead of last year but slightly lower than budget due to unfavorable weather conditions in June.

The Cabana Shoppe is under budget due to the delay in opening.

Fitness and Spa is experiencing a strong June with revenues and services higher than budget and last year.

Food and Beverage restaurant revenues are lower than budget due to the delay in opening of the Lifestyle and Racquet Center. Grand Centrals average check is higher than budget as it is open for more meal periods. Panache average check is higher than budget as it is open for dinner more days than budgeted and due to an increase in menu prices.

House revenues are higher than budget due to the timing of Dinner and a Show that was budgeted in July.

Delinquent Dues, Foreclosures and Downgrades

There are currently 16 delinquent Members and 11 of those have been delinquent for more than one year. Last year at this time, there were 30 delinquent Members and 26 of those were from previous years. The reduction in delinquent Members for more than one year is due to the Joint Venture lien initiative.

As of today, there are six foreclosed units compared to one at this time last year.

As of June 27, 2023 there are currently 1,986 Golf players which is up 110 players compared to last year. This is 48 more players than in fiscal year 2009/2010. There are currently 246 Racquet Sports players which is up 32 players compared to last year. The Racquet Sports community has not had this many players since fiscal year 2015/2016.

Human Resources

We are currently engaged with Kopplin, Kuebler and Wallace executive search firm for the Director of People and Culture, Director of Lifestyle and Wellness and Clubhouse Manager searches.

Joint Venture

Boca West Realty is doing very well with 70% Market Share of sales within Boca West.

We are working on the budget for the next fiscal year. We now have two years of history. The budget will be presented to the Steering Committee in the upcoming months.

General Business

Fifth Third Bank won the award “One of the Best Banks in the World”. It is reassuring as the Club is one of their clients.

We currently have $850,000 place holders for Golf Course repairs that will be completed this summer. Most of the work will be done on Course II; the grass of holes 3, 4, 5 and 6 will be killed and sprigs will be added. We have secured Bimini sprigs for the tees, fairways and roughs. It takes three to four months to grow. There will be 14 holes for play on the course while this work is being done and the team feels confident with this direction. These sprigs will be a trial to see how our Members respond to the Bimini grass before we make the final decision on the grass for the Golf Course Renovation that we are still in the planning phase for. Additional Golf Course repairs include sand work, bunkers, the back of driving range as well as the normal Summer maintenance.

The Country Club building will be closed July 24 through August 7 to reset the pavers at the Porte Cochere as well as the normal Summer maintenance of the building.

The Golf and Activities Building will be closed August 8 through August 31. The carpet in Grand Central will be replaced. In addition to the Summer Maintenance of the Building, the lobby carpet will be replaced with tile and the fountain at Valet will be retiled.

We have extended Mr. D's lunch on Tuesdays and Fridays and will watch business levels.

Foundation Report – Pamela Weinroth (written report provided)

Upcoming events:

June 9 Budsies Draw Date: The Boca West Children's Foundation, in partnership with Budsies, organized a magical event for kids at the Fuller Center. Children were given the opportunity to unleash their imaginations and draw their own unique creations. Budsies will transform those drawings into customized stuffed animals. In a few weeks' time we will be back at the Fuller Center for the "reveal" when the children unwrap the toy they designed. For many of the children, this will be the first stuffed animal of their own.

June 13 Budsies Reveal: The excitement was palpable at the YMCA Chase's Place (for special needs children) for the Budsies Reveal Event. The children eagerly gathered to witness the moment when Budsies returned to deliver the stuffed animals they had previously drawn. Faces lit up as each child realized their unique creation had come to life. Seeing the children's enthusiastic smiles when they held their very own customized stuffed animals was a heartwarming experience.

June 14 Summer Picnic: Jeri Caprio with the help of Sharon DiPietro, supporters of the Foundation invited the children served by our charity partners, SOS Children's Villages Florida and Place of Hope, to the farm for an extraordinary summer picnic. From the moment the children arrived, they were greeted with warm smiles and open arms, instantly feeling the love and care that had been poured into preparing this incredible event.

Jeri's neighbors and friends supplied multiple farm animals for the children to pet and talk to. The Boca Pointe Clowns were on hand to make balloon animals and Semper Fi Service dogs were there with wagging tails. PDQ donated lunch for everyone and finally, a friend, Kim Van Kampen Crook, donated a stuffed animal rescue puppy for each child to take home after they signed a contract committing to care for their puppy.

June 12 through June 30 Pickleball Camp: The BWCF hosted three one-week Pickleball Camps at Boca West for children from the Fuller Center and YMCA South Palm Beach. The camp provided the kids with an opportunity to learn and enjoy one of the fastest growing sports in the country.

A huge thank you to the Tennis/Pickleball staff at Boca West Country Club including John, Rob, Matt, Maria, and Art and to the BW Catering team including Kaitlin, Stefan, Sara and Michelle, who came out every Friday to set up and serve. We also had many Boca West members volunteer their time and knowledge to make these camps a success. We don't know who got more out of the camps – the kids or the staff and volunteers!

June 23 Nat King Cole Summer Strings Concert: Now in its 13th year, this two-week summer music camp for elementary, middle & high school string students serves children in Palm Beach County with the greatest need and fewest resources. The camp culminated this past Friday with a free community concert.

June 12 and June 26 Ball Stars Camp: Former NBA All Stars Otis Birdsong and Michael Ray Richardson to lead the camp for one week at Palm Beach Gardens High School and a second week at Delray Beach Boys and Girls Clubhouse. In addition to learning basketball skills, prominent business and local community leaders share their life experiences with campers throughout the week.

Nominating Committee – Jonathan Schraub

The three Board members on the Nominating Committee have chosen the following six members, in good standing of our Club, to serve on the 2023/24 Nominating Committee as members at large: Nancy Frydman, Linda Lester, Doug Rayvid, Barry Roberts, Alan Rosenberg, Vic Tannenbaum.

Motion: On a motion made by Mr. Schraub and seconded by Dr. Shifrin, the Board unanimously ratifies the Nominating Committee as presented for the 2024 Board election.

Legal – Jonathan Schraub

Jonathan Schraub recommended the Board rescind the revised 75-mile Rule.

Motion: On a motion made by Mr. Schwartz and seconded by Mr. Schraub, the Board agrees to rescind the revised 75-mile Rule and the Legal Committee is to review the rule and present revisions, if applicable.

Audit Committee – Arthur Schwartzman

The Accounting team has been working with RSM on providing payment applications, change orders and other supporting documentation for their review. We have identified several areas where credits and adjustments are anticipated.

We are working with RSM to formally document these adjustments for future pay applications.

We have received the engagement letter from RSM for the 401K audit. Kathy Campbell will be reaching out to other Audit firms for comparison.

Special Projects – Philip Kupperman

Akoya

As of May 31, 2023 Akoya has 112 units sold with one unit under contract for June 30, 2023 closing. This accounts for all units.

Renovator Program

As of May 31, 2023 the Renovator Program is at 177 acquisitions with three pending acquisitions.

As of May 31, 2023 there are 161 renovated units sold with two pending sales.

Total Market appreciation is $29.3 million.

There are 14 units now under construction, six of those units are required to and are currently paying social dues for this fiscal year.

Bulk Renovator

As of May 31, 2023 the Bulk Renovator Program has a total of 58 units closed and one pending acquisition.

As of May 31, 2023 there are 40 renovated units sold with two pending sales.

Market Value appreciation from these sales is $10.4 million.

In summary, total Market Value appreciation is $39.6 million, with three pending acquisitions, 21 units under renovation, nine units for sale and four pending sales for a total of 37 additional units to be sold under this program. These additional units to be sold will generate another $3.3 million in new Joining Fees.

Combined Units

There has been no change in the number of units acquired under this initiative. We have been approached by another Member living in Sabal Lake looking to acquire and combine an adjacent unit. The Member is awaiting HOA approval before she begins the application process with Boca West.

Of the seven Members who have acquired combinable units, five have been completed and approved. One combinable unit is completed and awaiting permits and final inspection.

Leadership Development – Bill Berkowitz

An additional session has been scheduled for June 26 for those participants who were absent from Session 2 of the Program.

Joint Venture Committee on Villages – Bob Schwartz

We have received dates to host next seasons Village sessions and we will be assigning topics for each session at the next meeting.

Human Resources – Bob Schwartz

International Staff

All payroll information and supporting revenue documentation is being compiled and will be sent to the attorney for next season's H2B visas. The reports are due by June 28th.

All offer letters for the rehires from last season will be sent out in July. We are also receiving numerous inquiries from previous years H2B employees, asking to return this upcoming season.

The recruiting trip to South Africa has been scheduled for the end of July. We are currently working on dates for the European recruiting trip to Ireland, Portugal and Italy. As of today, there are 407 openings that will be filled by recruiting internationally as well as rehires from South Africa, Ireland, Portugal, Italy and Romania.

Hospitality Management Interns and Summer J1's

The 18 Hospitality Management Interns have been immersed in their Boca West Academy classes, as well as their rotational shifts within the other departments.

The J1s, we are required to schedule cultural activities for them during their time with us. We have scheduled a Golf and Tennis/Pickle Ball clinic for them to take part in as well as participate in volunteer work with Boca Save Our Beaches.

Staffing

The current number of employees is 559 compared to 477 last year. With the change in business demands, the departments have increased staffing levels, to be able to function at a higher level than past summer seasons. Having our Hospitality Management Interns and J1's has helped tremendously in these tough recruiting times.

Ombudsman – Steve Roth

Nothing to report other than inquiries received on the grievance appeal process.

Finance Committee – Frank Richard

Frank Richard reported on highlights for the month of May.

Adjournment

There being no further business to discuss, the meeting adjourned to executive session at 1:45pm.