BOCA WEST
COUNTRY CLUB

MINUTES

MEETING:	Board of Governors
DATE:	June 25, 2024
MEMBERS PRESENT:	J. Banks, A. Schwartzman, R. Schwartz, E. Hoffman, A. Adler, J. Schraub, P. Edwards, J. Attermann, B. Berkowitz, M. Haberman, B. Lerner, B. Roberts, S. Roth, D. Schulman, R. Shulman
MEMBERS ABSENT:	
PARTICIPANTS:	M. Linderman, K. Campbell, L. Stefaniw
FOR INFORMATION:	The Board of Governors
ISSUED BY:	Jeanine Banks
ISSUE DATE:	August 23, 2024

Grievance Committee

Grievance Appeal 05-2024

The Member involved in the grievance appeared before the Board with their Attorney and a Court Reporter to appeal the final decision of the Board. The Club's Counsel, Larry Corman of Greenspoon Marder was also in attendance.

The Member, their Attorney and Court Reporter were excused and the Board discussed the Members appeal at length.

Motion: On a motion made by Philip Edwards and seconded by Bill Berkowitz, the Board denies the appeal made by the Member involved in grievance 05-2024.

14 in favor; 1 opposed.

Motion: On a motion made by Jonathan Schraub and seconded by Philip Edwards, the Board instructed Larry Corman to send a letter to the Members Attorney demanding a written retraction to the Club of false, unsubstantiated and libelous statements that were sent by the Members Attorney to Larry Corman prior to the Grievance Appeal. Furthermore, should the written retraction not be provided to the Club, a grievance will be filed in accordance with the Club's Bylaw Section 10.02.

14 in favor, 1 opposed.

Budget Committee – Enid Hoffman

Jeanine Banks expressed her appreciation to Enid Hoffman, Arthur Schwartzman, the Budget Committee, Matthew Linderman, Kathy Campbell and Kris Nielsen on their outstanding work on the preparation of the 2024/25 Budget that will be presented to the Board by Enid Hoffman.

Enid 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 additions.

After careful consideration and evaluation of our operating expenses, it has become necessary to implement an increase in social dues for the upcoming fiscal year. We understand that any increase in dues requires careful and thoughtful consideration while continuing to deliver exceptional value and service. We further recognize the importance of financial stability for our Club and remain committed to providing the necessary funding to support our strong financial position.

Approximately 73% of this increase is directly attributed to rising costs associated with wages, prevailing wage requirements regulated by the federal government for international employees, employee benefits, and housing for our international employees. Ensuring fair compensation and adequate living conditions for our valued staff members is crucial to maintaining the high standards of service that Boca West Country Club is known for.

It appears we will finish the 2023/24 fiscal year without a deficit, even with the increase in costs this past year.

This budget presents a proposed increase of $2,055 which equates to 10.78% on social dues and 9.99% on social plus golf dues. All neighboring Clubs are experiencing an increase in dues again this year in the 15% - 20% range.

Motion: On a motion made by Ms. Hoffman and seconded by Mr. Berkowitz, the Board unanimously approves the social dues presented for the 2024/25 budget.

Motion: On a motion made by Ms. Hoffman and seconded by Mr. Haberman, the Board unanimously approves the social plus golf and racquet sports dues presented for the 2024/25 budget.

Approval of Minutes

Motion: On a motion made by Danny Schulman and seconded by Mark Haberman, the minutes of the May 30, 2024 Board meeting are unanimously approved.

Chairman's Report – Jeanine Banks

Jeanine Banks reviewed the SWOT analysis that was created by the Board at the Board Retreat on June 3, 2024.

Jeanine Banks reported that the Club is working on a complete history and timeline of Boca West Country Club.

Jeanine Banks congratulated Matthew Linderman and the Staff of Boca West on earning the Distinguished Clubs Elite Status. Boca West ranks in the top three percent of Clubs worldwide.

Boca West Community Advisors / "Joint Venture"

A strategic planning collaboration between the Club and the Master Association has following the April Steering Committee meeting. Arthur Adler, Long Range Planning Committee Chairman and Barry Roberts, Long Range Planning Committee Vice Chair have since met with Members of the Master Association Strategic Committee with positive results. The Clubs and Master Associations goals are aligned.

Technical Assistance Advisement (TAA) – Florida Sales Tax Holiday

The Club has received a response from the Florida Department of Revenue on the request for clarification on two of their responses. An email with the details is being worked on and will be going out to the Membership in the next week.

The Boca West Children's Foundation Report – Richard Zenker

The Boca West Children's Foundation had a very successful year granting more than $1.5 million to our charity partners. Inception to date the BWCF has now raised more than $19 million for specific projects to help underserved kids and their families in Palm Beach County.

Here are some highlights from the past year:

- The Foundation held a hugely successful first time luncheon with Alex Guarnaschelli at a lower price point than our galas. We drew more than 500 people and raised almost $300k.
- Golf raised more money than at any other outing with the exception of the post-Covid outing where we benefited from pent-up demand.
- The Super Bowl Raffle and Annual Appeal each raised more $ than ever.

So where do we go from here?

The Foundation is great at allocating grants to organizations on which we perform deep due diligence so donors know that their contributions are being well spent. Strategically we have been increasing our emphasis on tangible projects like diapers, bikes, beds and our newest project, backpacks. Our initial backpack trial resulted in adopting 2 north county schools in which each and every student will receive a fully loaded backpack before the start of the school year. Kudos to Beth for taking Sharyn's idea and running with it and additional thanks to Linda, who once again has graciously agreed to host a kickoff party in the Hamptons for our backpack project.

This year's party will be on August 22. Projects like these are great ways to get more Boca West members and outsiders involved.

Five point preview for next year:

- We'll be having our usual events - golf, Super Bowl raffle, Annual Appeal, Holiday Shopping plus a gala on MLK weekend to celebrate our "Sweet 15".
- Hope Week
  - Packing backpacks will be part of Hope Week.
  - Reading to children through the Literacy Coalition and potentially Roots & Wings will also be a Hope Week activity.
  - We're exploring some type of Hope Week activity preparing meals for those in need of food.
- The nascent effort to find internship opportunities at Boca West for "our" kids is gathering momentum: Stu and Sue Steckler's AACY mentee broke the ice and got an internship at Boca West and is working at Grand Central, Market Square and The Cabana Bar. Boca West recently hosted the first career day for kids from the Boys & Girls Club in which they worked with staff and current hospitality management interns. The Club is excited about a new source of recruitment opportunities and the kids are thrilled with the experience.
- Our volunteer corps continues to grow under the leadership of Rebecca Schwartz and Robyn Cohen and the rest of the Because We Care team.
  - We are looking at a couple of low price point events to broaden our reach, further expand the level of BWCC member engagement and recruit new volunteers.
  - We will be looking for ambassadors to cultivate relationships with our charities to complement our due diligence. We have a number of very enthusiastic candidates who spent their careers teaching and working with children and who are ideally suited for this.
- Outside Boca West, we believe the time is right to lead our fellow gated communities in a county wide philanthropic project. We are leading an effort to contribute one million diapers to The Diaper Bank Covering South Florida next February. This would almost double their annual diaper distribution budget. The benefits are both totally obvious and very subtle, with the subtle benefit in the form of lots of great Boca West publicity in print, on TV and on social media. This year we donated a record 302,000 diapers and hope to lead the charge by doing even more next year. We have 6 clubs signed up and hopefully more to come as the word gets out and clubs decide that they do not want to be left out.

So while this year was a great one, we have even higher expectations for next season.

We hosted two outstandingly successful pickleball camps in June for Florence Fuller kids and are excited to host the Propel kids the week of July 15. I urge you to take a walk over to the pickleball courts between 10am and noon on July 15 to 19 to see our pickleball camp in action. Our Racquet Sports staff and volunteers do a terrific job and the kids are adorable. Even the kitchen got into the act on the Friday of the first camp, making special giraffe cookies for the kids to celebrate World Giraffe Day. You may have also seen pictures from our visits to the Ball Stars Camp at the Delray Boys & Girls Club.

The common denominator behind much of our success is the relationship between the Club and the Foundation. We appreciate everything each of you do to facilitate our work and improve the lives of "our" kids.

This is especially true in the case of Pam Weinroth and Christina Irving, who continue to do outstanding work and are the glue that makes our team the success that it is.

General Manager's Report – Matthew Linderman

Financial Flash Report

For the period of June 1 through June 19, 2024.

Fitness and Spa is experiencing a strong June with revenues and services ahead of budget and last year. The positive variance to the budget is due to an increase in all services.

Food and Beverage restaurant outlets are ahead of budget, even though Blue Point opening has been delayed. Market Square continues to be a great success.

Catering and House are both ahead of budget due to timing of events and additional high revenue events not budgeted.

Delinquent Dues, Foreclosures and Downgrades

There are currently 13 delinquent Members and nine of those have been delinquent for more than one year. Last year at this time, there were 16 delinquent members and 11 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 three foreclosed units compared to seven at this time last year.

As of June 21, 2024 there are currently 2,083 Golf players which is up 100 players from last year. This is up 40 more players than in fiscal year 2008/2009. There are currently 344 Racquet Sports players which is up 94 players compared to last year. The Racquet Sports community has not had this many players since fiscal year 2012/2013.

Lifestyle Center update

Last week, there was a Life Safety walk through. The original drawing submitted to County were approved, however after this walk through the County responded with a request to separate the drawings. The Palm Beach County Fire Department inspection also resulted with a request for revised drawings. The Contractor is working on concerns, and they are being addressed.

Matthew reported that he met and walked through the Lifestyle Center with CFO/Partner of T&G construction. They have committed to finish the project and finalize corrections needed.

We are hopeful to receive the building TCO's at the beginning of next week.

Habitat for Humanity

Boca West Country Club sponsors a home build each year. This year marks the 13th home sponsored by Boca West and the family dedication will be scheduled in the coming months.

General Business

Annually, Leslie Kennedy, Director of Membership and Marketing and Alyssa Martinez from the Master Association completes a non-equity study. This project will commence in the upcoming weeks.

Usage at the Lifestyle Center, including Aquatics is up significantly.

Last year the Club served 355,000 meals, this year the Club has served 525,000 meals to date. These counts include house and catering events. Matthew Linderman commended his Food & Beverage Professional staff and their teams navigating the season without Blue Point and executing this volume of business. We have never had numbers this high.

Golf rounds are currently at 109,000 rounds which is on par with last year 108,000 rounds. The last time the Club had golf rounds this high was in 2006/07 where we had a total of 119,000 golf rounds.

The re-grassing of Fazio II golf course is going well. The project was delayed by a week for rain, however overall it will not impact the targeted completion date.

All the consultants for the Golf Course reconstruction project have been finalized and the teams are having weekly meetings.

Future project discussion with the architects, designers and contractors continue weekly; this includes the Living Room Terrace expansion, New Employee Building and the Racquet Sports Complex building.

The new Water Cannons that were purchased as a temporary solution to the high water temperatures at the Aquatics Center is working well, bringing the pool temperatures down to the low 80's overnight.

Matthew Linderman reported that the Club has submitted a 558 against Hedrick Brothers following the failure of the waterproofing of the terraces in the Golf and Activities building. The Club continues discussions with outside counsel as July 2024 will mark seven years since opening the building and will mark the end of the statute of limitations.

The Club's website in review. The new landing page has gone live.

Cobalt - Online payments is on target to be rolled out at the end of August/beginning of September.

Human Resources

Almost all of our H2B employees have either gone home or up North for the Summer. Those remaining will go home at the end of June.

The Human Resources department is in the process of preparing the reports required by the Department of Labor for next season's H2B application. The recruiting trip to South Africa is scheduled for the end of July and Europe at the end of August

We are planning our Annual Family Fun day for August 5 at our Aquatics Center. Our employees and their families will be invited.

This Summer, we are hosting Employee Sports Clinics – to support our Promise of "We are Active". Employees will be able to participate in Pickleball, Golf and Yoga. These clinics are well attended.

The Club has hired a new Recruiting Manager, Arly Saloman with experience recruiting local staff within Country Clubs.

The Club has hired a new Spa Manager, Hailee Wilde with extensive Spa experience nationwide. She recently relocated from California and started yesterday.

The Club has hired a new Fitness Manager, Edward Connelly with extensive Fitness experience within Country Clubs. He is local and will be starting next week.

The current number of employees is 720 compared to 559 at this time last year.

Communications and Marketing – Barry Roberts

Barry Roberts presented an overview of this year's Committee goals.

End of Communications and Marketing report to the Board. Steven Roth left the meeting

Audit – Joan Attermann

Annual 401k Audit

The Club has confirmed the engagement with Holyfield and Thomas for the annual 401k audit. Fieldwork will be scheduled for August.

Finance - Arthur Schwartzman

There was no Committee meeting in June due to budget meetings.

Arthur Schwartzman reviewed the financial highlights for the month of June.

Golf – Bob Lerner

Bob Lerner gave an overview of the June Golf Committee meeting.

Legal – Jonathan Schraub

Nothing to report at this time.

Membership – Mark Haberman

Membership Statistics

As of June 20, 2024, closed and pending sales to new Members were 161 compared to 158 last year.

Board Approvals Needed

Motion: On a motion made by Mark Haberman and seconded by Enid Hoffman, the Board approves the six new Member nominees and two Internal transfers.

14 in favor; 1 absent.

Mark Haberman presented a New Member Nominee to the Board with the recommendation to decline the nomination.

Motion: On a motion made by Mark Haberman and seconded by Enid Hoffman, the Board accepts the recommendation to decline the new Member nominee.

14 in favor; 1 absent.

Mark Haberman presented a New Member Nominee to the Board with the recommendation to accept the nomination.

Motion: On a motion made by Mark Haberman and seconded by Philip Edwards, the Board accepts the recommendation to accept the new Member nominee.

13 in favor; 1 opposed; 1 absent.

Nominating Committee – Philip Edwards

The three Board members on the Nominating Committee have chosen the following six members, in good standing of our Club, to serve on the 2024/25 Nominating Committee as members at large: Howard Boilen, Kris Etter, Steve Forman, Myrna Lippman, Peter Ruben and Roz Wolpov.

Motion: On a motion made by Philip Edwards and seconded by Jonathan Schraub, the Board ratifies the Nominating Committee as presented for the 2025 Board election.

14 in favor; 1 absent.

Special Projects – Bob Schwartz

Bob Schwartz presented the written report provided by Philip Kupperman, Special Projects Committee Member.

Renovator Program

In summary, on new acquisition is currently pending and last month's pending acquisition closed. Three pending sales closed, raising the total units sold under this program to 228 generating market value appreciation to $46.5 million.

As of May 31, 2024, there are five units with pending contracts, three additional units up for sale and nine units still under construction for a total of 17 additional units that will generate another $2 million in new Joining Fees.

Regular Renovator

There are six active Regular Renovators.

As of May 31, 2024 there are 186 acquisitions with one pending acquisition. There are 175 units sold with three pending sales and two units for sale.

Total Market appreciation increased to $32.8 million on the sale of 175 units.

Of the 11 units not sold, one of those units are currently paying social dues for this fiscal year. Two are delinquent and we plan to deduct the prorated dues plus interest upon the unit's sale.

Bulk Renovator

As of May 31, 2024 there are a total of 59 units acquired. Of these, 53 have been renovated and sold and two more are pending sales. Of the four units not under contract, one is now up for sale.

Market Value appreciation from these sales is $13.7 million.

Of the six units now under construction and not for sale, one of these units is required to pay social dues for this fiscal year but is delinquent and we plan on deducting the prorated dues plus interest upon the units sale.

Combined Units

Eight units have been acquired under this program with seven already combined and approved as one combined residential unit.

We are in receipt and have approved the plans for the eighth contiguous unit combination under this Program.

Boca West Community Advisors Committee on Villages – Bob Schwartz

Bob Schwartz updated the Board on the Village Committee seminars for the upcoming season.

Boca West Master Association – Bob Schwartz

Nothing to report at this time.

Unscheduled Topics

Boca West Joining Fee

Jeanine Banks 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 2023. 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.

Jeanine Banks made a recommendation for the Joining Fee to be increased to $150,000 effective October 1, 2024.

The Board discussed the recommendation.

Motion: On a motion made by Philip Edwards and seconded by Jonathan Schraub, the Board agreed to raise the Joining Fee from the present $115,000 to $150,000, effective for all Contracts of Sale of residential units within Boca West dated or delivered to the Membership Office on or after October 1, 2024.

14 in favor; 1 absent

Motion: On a motion made by Mark Haberman and seconded by Danny Schulman, the Board unanimously agreed to raise the Joining Fee for residential units purchased under the Legacy Starter Program from the present $100,000 to $135,000, effective for all Contracts of Sale of residential units within Boca West dated or delivered to the Membership Office on or after October 1, 2024.

14 in favor; 1 absent

Adjournment

There being no further business to discuss, the meeting adjourned to Executive Session at 1pm.