

President's Report



November 03, 2014—Issue 5

Fred Stern, President

Hello Members,

As the weather continues to cool in both the North and the Midwest, members are arriving each day for the season. The weather has been excellent down here and we look forward to seeing the rest of you shortly. You are in for a treat as the property and the grounds are in superb condition. Members in residence are up approximately 2% versus the same time last year. This report includes highlights of the October 16 Board meeting and various other items of interest.

2014/2015 **BOARD OF GOVERNORS**

Officers:

Fred Stern, President
Ruth Krall, 1st Vice President
James Anchin, 2nd Vice President
John Hecht, 3rd Vice President
William Gersten, Treasurer
Mark Pritch, Secretary

Board Members:

Steven Bernstein
Jane Feinstein
Richard Fleisher
Alan Furst
Larry Kleinberg
Joel Miller
Denise Siegel
Martin Sleprow
Marvin Zucker

Financial Overview:

For the first five months of our fiscal year ending September 30 the community is under budget by \$50,000. The Club is under budget by \$20,000 and the POA is under budget by \$30,000. Some increased overhead trends to be monitored throughout the year include Employee Housing (\$31k neg) which continues to rise due to increases in lease costs and the inability to get short-term seasonal leases, and Member Relations (\$30k neg) due to summer events for the members and greater usage of the clubhouse by the membership. Our financial condition remains strong with excellent cash flow both actual and projected.

Our certified financial statements for the year ending April 30, 2014, were issued by our auditors, McGladrey and Pullen, LLP, once again with a "clean" opinion. I would like to thank our accounting and financial staff for the excellent condition of our books and records and accuracy of the internally prepared financial statements. Thanks also must go out to our Finance Committee for their hard work and monitoring of our financial statements and cash flows throughout the year. Last but not least I would like to

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thank our audit committee chaired by Bob Shaw and consisting of Frank Spitalny, Mark Zusy, Herb Cohan and Howard Winer for their guidance throughout the audit process and prepublication review of the financial statements details and footnotes.

New Memberships:

As of September 30th, we have closed on fourteen 14 home sales of which seven (7) are to new members (capital producing). There are three (3) home sales pending of which two (2) are to new members. We currently expect to have nine (9) new members by January 2015 against fourteen (14) projected for our fiscal year ending April 30. We currently have approximately 20 homes listed for sale versus 24 last year at the same time.

Summer Projects:

The South Course improvement project is now complete and scheduled to open on time on November 1, 2014. The course looks to be in magnificent shape. The project was completed within budget. Kudos to Wes Dillard, our golf course superintendent and his staff for their hard work in bringing this project to a timely completion. I would also like to thank Robert Bruno for his efforts on this project.

The breezeway corridor project, the 19th hole permanent roof overhang at the East entrance, and the upstairs walkway project, necessitated by water leaks, are all now complete and on budget. These three enhancements are wonderful additions to our clubhouse and have been well received by the membership.

You will notice a number of smaller upgrades and projects completed this summer at various venues which will enhance functionality and our enjoyment of the club.

Parking Garage:

The Board decided at the last meeting to place this project on hold for the time being. This was done in order to be able to focus on other projects that the board feels are more urgent for the community at this time.

Beach Club Ad Hoc Committee:

The committee continues to review concept drawings for this project. In addition they are working with our Engineering Committee and our architect to understand the options we have considering the constraints of our property and the age of the current structure, approximately 25 years.

Train Issue:

The Federal Railroad Administration (FRA) held a public comment meeting on All Aboard Florida (AAF) on Wednesday, October 29, in West Palm Beach. Members of the CARE FL steering committee and approximately 20 Frenchman's Creek members attended. Unfortunately, rather than providing an opportunity for transparency and open, honest dialogue, the meeting was organized like a series of poster presentations, with AAF staff on hand to answer questions. Those in attendance were able to offer comments in writing or by speaking for three minutes to a court reporter who diligently recorded what was said. Newspaper and television reporters interviewed two members of the CARE FL steering committee. Sincere thanks to those members who attended and commented.

Members who were unable to attend the public comment meeting can still offer comments, either by mail or by email. I strongly encourage you to do so. Mail comments to Mr. John Winkle, Federal Railroad Administration, 1200 New Jersey Ave. SE, Room W38-311, Washington, D.C. 20590. Email comments to AAF_comments@vhb.com.

Alarm System:

Over the summer our security team inspected the home alarm system for 466 homes in our community. The result of the inspection found that 31% of these homes have nonfunctional alarm systems for various reasons. The real danger here is that these systems include fire and smoke detection components in addition to burglar alarms. This creates a serious safety issue for our community and members aside from the security issue. The vast majority of the systems inspected are 25 years old and in serious need of replacement. We are currently reviewing a system manufactured by Honeywell which would be monitored by Honeywell in addition to our guardhouse. The system would be installed and maintained by Hotwire. There are currently approximately 15 members that have been using this state-of-the-art system for between 12 and 24 months with excellent success. Once we have more information on cost and compatibility of this system with newer existing alarms the Board will be reviewing the results

Porte Cochere:

The Board has authorized preparation of architectural and detailed building plans for a new Porte Cochere at the main entrance to our clubhouse in order to determine the cost of such a project. It is envisioned that the structure will allow for three lanes of traffic to create better traffic flow at the front of the clubhouse in addition to a wider entry walkway for better ingress and egress to the building in a weather protected environment. The intent would be to construct this project next summer.

Board Nominations:

The Nominating Committee selection process will be starting shortly. There are five Board positions open for nominations. The committee will be conducting interviews in early January. Applications for consideration will be due by December 31, 2014, so this is a good time to think about seeking nomination. Our community needs to replenish our Board roster with capable, dedicated and visionary members who are willing to serve a three-year term. Anyone interested should feel free to contact any of the current Board members and/or attend the next few Board meetings to better understand what is involved with Board service.

Final Thoughts:

It is wonderful to be back in our special community and see and speak to members I have not seen all summer. I look forward to seeing the rest of you shortly.

Sincerely,
Fred Stern, President



UPCOMING MEETINGS

NOVEMBER 2014

- ▶ NOVEMBER 19—DISCUSSION WITH THE PRESIDENT (LIVING ROOM, 4:30 P.M.)
- ▶ NOVEMBER 20—BOARD OF GOVERNORS MEETING (BOARD ROOM, 11:30 A.M.)

DECEMBER 2014

- ▶ DECEMBER 17—DISCUSSION WITH THE PRESIDENT (LIVING ROOM, 4:30 P.M.)
- ▶ DECEMBER 18—BOARD OF GOVERNORS MEETING (BOARD ROOM, 11:30 A.M.)

JANUARY 2015

- ▶ JANUARY 14—DISCUSSION WITH THE PRESIDENT (LIVING ROOM, 4:30 P.M.)
- ▶ JANUARY 15—BOARD OF GOVERNORS MEETING (BOARD ROOM, 11:30 A.M.)



BEACH & COUNTRY CLUB

13495 Tournament Drive, Palm Beach Gardens, FL 33410

President's Report Enclosed