

BOARD OF GOVERNORS MEETING MINUTES
March 19, 2024
Sims Club

Attendees: Lydia Anderson, Jeff Atkins, Kim McConkey, Marianne Greisofe, Pat Spooner, Dave Hauger, Tony, Gemma, Tony Giordano, Rich Harvie, Adam Horvit

Absent: None

Call to Order: 3PM

Meeting Minutes Approval/Status/Publishing Schedule:

Marianne asked to receive the minutes in Word instead of PDF as she was having trouble opening them. Tony Gemma asked if he could get a copy of the final version of the February 13 meeting minutes. Kim requested listing Board Members present and those who are absent, on the Minutes. A request was made of Rich to forward the Executive Board Minutes to all members and Rich said he would. Rich also said that all minutes would be in SharePoint and published on the Legacy Members website shortly. The adjusted minutes were approved.

General Discussion:

Lydia began the meeting by discussing that anything that goes out to the general membership must go through the Board first. As an example, a meeting of tennis members was set up without Board approval. Another example was that all new members have to be approved by the Board as well as any adjustments in initiation fees. There were concerns that Decisions are being made either by the Executive Board or outside of the Board meetings, and only one identified example of a Hiring Freeze was identified as something that the whole Board did not vote on. This was discussed as a key expense item and it is important for all Hiring Plans and Replacement Hires need to be reviewed with the Board. This is why Adam will be presenting his Staffing Model and Salary Planning with the Board in today's Agenda. It is not intended that any decisions be made at the Executive Committee Level, other than in an emergency. In the case of any emergency, all Board members would be promptly notified of that decision.

Pro Resignation:

The Resignation of Dick Smith, was the first topic discussed. Dick gave a three-week notice. He will be going up north for several days and then will be back to assist in the transition. Kim raised a general concern about Dick's Transition. It will be critical to get Knowledge Transfer around his Inventory Plans, Merchandise on order, Upcoming Member Events, Upcoming Outside Events, Reciprocal Plans (PGA and other Clubs), and whatever else Adam determined was important. Adam will be closely managing Staff impact, and will determine when it no longer serves The Legacy to have him on site. Adam will judge when the Transition is complete for all of the above items. Adam also reported that Vera is no longer here, and an advertisement will be placed in Indeed to solicit applicants for a Shop Employee. A vote was taken and the Board approved the hiring of a replacement for the Vera position.

The upcoming US Open qualifier will need someone as a point person, even though they run pretty self-sufficiently. Tom Ryan was identified as a perfect candidate for this, and Adam and

Tony Giordano will determine whether he is available and whether that is an appropriate solution. Adam was aware that the USGA needs to have 6 golf carts available for the officials.

A committee, consisting of Lydia, Kim, Marianne, Tony Giordano, Jeff and Rich, was formed to come up with parameters for replacing the Pro. Marianne will act as point to set up that meeting.

Debrief of the Town Hall:

The general consensus is that the meeting went well. Kim brought up the hope and plan for Angel investors for the irrigation and course improvements. Wink Pearce agreed to act as a point person to assemble a group of Advisors and/or Investors to evaluate options. Rich mentioned that Wink had stopped at his house and they talked about a combination of a large single assessment and a monthly assessment paying for half and the other half coming from a loan secured by the Angel investors. All options are still on the table. It will be important to take into account the Ages of our Member types when designing any solution for funding any Capital improvements and Debt Service.

The need for a Cash Flow projection was a key point resulting from input from Members. Kim will work with David Hauger to complete something that can be shared.

A discussion of the pump station ensued. It was decided that we can afford it but that we also needed an updated contract. Chris will be asked to get that as well as any other expenses that might be incurred during the installation of the pump station. A vote will be held at the next meeting assuming we get all the required information.

Membership:

The current Promo is ending 3/31/2024. After that date, the Initiation Fee will revert back to \$25,000. Jeff brought up a new Preview Promo, which is classified as a miscellaneous membership, and proposed starting this April 1. The proposed promotion would be \$2,000 plus cart fee and go through September 30, 2024. Although everyone liked the idea in general, most thought that it should be for 2 or 3 months vs 6. Another point of discussion was whether it should be for one person or a family. Jeff will create a full package of documents and Terms/Conditions surrounding this new type of Membership for review at the next meeting.

A fully completed application with all initiation fees and dues information should be brought to the Board for all prospective members. The Membership Committee, and then the Board, needs to approve all prospective members. All members, past and present, should have a Subscription Agreement, as well as a membership certificate.

Jackie has resigned and needs to be replaced. A vote was taken to approve this Staff replacement and was passed unanimously. Adam will look for a replacement as that position follows new membership inquiries.

Former member, Mr. Telese, wants to rejoin The Legacy. He was a member until about 2004 and then resigned and is believed to have initiated legal proceedings against The Club at that time. He also produced an offer letter created by Adam at the request of the former Board, allowing him to bypass any repayment of Initiation Fees. After much discussion, it was agreed to that Adam and Jeff would reach out to him to let him know any old offers were no longer valid, and that he would be required to join as a new Member.

FPL Eminent Domain:

FPL will be putting up 24 miles of transmission wires through Port St Lucie starting around the end of 2024. The areas of The Legacy that will be impacted most likely will be the 13th tee and the 12th green. Pat and Rich met with Darren Guettler, a club member and civil engineer with experience in eminent domain issues, to discuss how these proceedings might work. Darren suggested that we obtain legal representation and recommended the Brigham Law Firm which specializes in property rights law. He is currently working with them on three cases and has worked with them on many cases in the past. Since there are statutory legal fees in Florida when dealing with eminent domain cases, all lawyers are paid the same. Most of the legal fees are paid by FPL with only fees for specialists when a jury trial is necessary being paid by the client. However, all Legal fees would be owed by The Legacy if no Eminent Domain action were to be undertaken. Rich and Tony Giordano will investigate having the employment agreement changed so that The Legacy will not be responsible for any legal fees.

IT RFP: There are 3 vendors that have rebid the full breadth of current Services. ATCOM bid at its current price. MicroTech provided a lower bid, but could not deliver all Services requested, so we would have to identify other vendors that could deliver the remaining services, and whether that is optimal. A third Vendor will be sent the revised Bid document so that they can also provide a rebid.

Finance Committee:

CRI is almost done with the review. It needs any lines of credit that we have, a members' handbook and employees' handbook. Adam will provide the Employee information to Kim to provide to CRI. Most of the Cap Ex expenditures for 2024 will be the leases that we have. A cash summary for February should be done shortly. Department P&L's should be ready by the end of March. No increases in salaries are in the budget because of the reduction in the Dues Increase proposed in November. This will have to be reviewed on a case-by-case basis.

A motion was made to allow all tennis players to use the Sims and the Fazio. The vote was seconded and passed unanimously.

Adam discussed an issue with the guest of a member at the Sims Club on March 13. The guest used vulgar language directed toward Denise Laino which was heard by other employees and members. As this is a violation of The Legacy Bylaws, General Rules, Club Policy, and common decency, Adam recommended that the member, who is responsible for the actions of a guest, and the guest be suspended for 15 days. A motion was made to suspend both the Member and his guest for 15 days, seconded, and the vote passed unanimously.

Tony Giordano brought up that the articles of incorporation say that the club is a 501(c)(7) which means that if sold, the proceeds would have to go to another 501(c)(7), not the members. Both the articles of incorporation and the bylaws need to be changed to reflect this. Kim identified that there were several tax items that he would be requesting CRI start reviewing after busy season.

Kim is also working with Mike Piazza at Raymond James to create alternative options for managing our portfolio, including alternate CD products.

A letter to CGM is still outstanding regarding the Data Destruction. Lydia will refer back to her files for the latest version and work with Adam to get it ready to send. It was suggested that someone reach out to Steve Graves prior to sending the letter, letting him know it is coming.

All remaining items outlined in the Agenda were tabled for discussion until the next Board Meeting, scheduled for March 26 at 3PM in the Sims Club. The meeting adjourned at 7PM.

Respectfully Submitted,

Rich Harvie