

GREATER BOCA RATON BEACH & PARK DISTRICT
MINUTES OF A REGULAR MEETING OF THE BOARD OF COMMISSIONERS
SUGAR SAND PARK - 300 SOUTH MILITARY TRAIL, BOCA RATON
January 2, 2018

The MEETING was called to order by CHAIRMAN Robert K. Rollins, Jr. at approximately 5:15 p.m.

COMMISSIONERS PRESENT: Craig F. Ehrnst
Steven M. Engel
Robert K. Rollins, Jr.
Susan Vogelgesang
Erin A. Wright

CHANGES TO AGENDA: Based on discussions with Mr. Koski, Chairman Rollins requested, the elimination of the following agenda items under Regular Business: #2- Execution of Boca Raton Championship Agreement; and #3- City Waterfront Masterplan Discussion. In addition, Public Requests were moved to follow the Ocean Breeze Interlocal Agreement discussion.

APPROVAL OF MINUTES OF PREVIOUS BOARD MEETINGS:

MOTION was made by Commissioner Vogelgesang and seconded by Commissioner Engel to approve the minutes of the Regular Board meeting of December 18, 2017.

MOTION UNANIMOUSLY APPROVED

REGULAR BUSINESS:

Ocean Breeze Interlocal Agreement

Chairman Rollins stated that there has been a great deal of consternation with the first Interlocal Agreement received from the City regarding Ocean Breeze. Chairman Rollins and Mr. Koski both discussed the areas of concern with City Staff. Mr. Koski stated that the Interlocal Agreement that the City prepared was a draft, and that the District's response was rather curt in some respect. Further discussions are intended to take place at the City Council Workshop meeting on Jan 8, 2018.

Due to the urgent time frame associated with the closing of the contract with Lennar and Wells Fargo on February 28, 2018, Mr. Koski will have a conference call with Mr. Brown, Assistant City Manager, on Thursday, January 4, 2018. Mr. Koski had an encouraging conversation with Leif Ahnell, City Manager, and feels confident that he will be able to present an Interlocal Agreement that will be mutually acceptable to the City and the District prior to January 8, 2018.

Alterations to the transaction include-

1. City Issue Tax Exempt Borrowing/Debt Service Policy- After consulting with Mr. Timberlake, District Financial Advisor, Mr. Koski proposed that the District acquire (with money in its Reserves), all of the property that is associated with Ocean Breeze lying east of NW 2nd Avenue. That would be based upon the pro rata value as determined by the appraisal received by Callaway & Price. The title would go directly to the District.

City Financing- Hypothetically, the amount of money the District originally intended to borrow from the City would be reduced from \$27 million to \$19 million, and the two years of capitalized payments would be eliminated. This would be an indication that both the City and the District would have an investment in the entirety of the project. It would be more palatable to have both parties jointly on the deed and would potentially resolve the issue.

2. City Review & Approval- This item would only pertain to the portion of the property that is subject to City financing (the 18 holes of golf). Mr. Koski and Mr. Ahnell feel that they can mutually agree upon additional language to the City's approval process to parenthetically say "such approval not to be unreasonably withheld".
3. District Assumption of City Employees- Mr. Koski and Mr. Ahnell agreed that the District could employ possibly one to three City employees to be the interface between the Board and the maintenance organization. They could oversee whomever the District employs to do the maintenance of the project. This could be a private maintenance organization, or possibly enter into an Interlocal Agreement with the City. Further conversation on this subject was agreed upon.

Mr. Koski feels that these changes will give the District more flexibility on the property east of NW 2nd Avenue, and the District will not be in danger of violating any Tax-Exempt Financing, or City Debt Service Policies.

Commissioner Rollins stated that Mr. Koski mentioned some of the more salient issues that the District was displeased with, and inquired about the other bullet points in the memo to George Brown that he had not mentioned. Mr. Koski advised that it is agreed that there should be a differential between residents of the District/City and non-residents. This issue will be subject to negotiations or decisions that will be made once operations get underway. He feels that there will be no need to have provisions that survive the Interlocal Agreement, especially if the District retains two or three of the City administrative employees. Mr. Koski believes that many of the bullet points will be resolved over the next few days.

Chairman Rollins queried if this would affect the ability for the District to borrow funds for development. Mr. Koski advised that the District would need the second tranch of money and that it is available from the City. He noted that there are other sources of financing, and that the District will have the ability within the private marketplace to borrow money.

Mr. Koski does not anticipate that there will be a need for survival of the relationship of City employees. The City feels comfortable that they can find positions within the Recreation Services Department for those other people who will be displaced when the Municipal Golf Course shuts down.

Chairman Rollins stated that his prevailing concern is that the contract for financing evolved into a contract for operation; it absolutely must be negotiated out of the issue.

Mr. Koski believes the District and the City realize that both properties will be a District owned, operated and designed facility (with the assistance and approval of the City), with concurrence that what the District is building is for the betterment of the community. Mr. Koski pledged support to the City and Mr. Ahnell pledged the cooperation of the City.

Chairman Rollins acknowledged that at the Joint meeting, the District only asked for funding and the arrangement presented was a great deal different. He recalled Mayor Haynie's comments explicitly when the vote was taken, "this is your project and we are in a support role." Mr. Koski believes this will be the end result.

Commissioner Wright asked if it is the District's sole discretion if a third party runs the golf course, or if City approval is needed. Mr. Koski replied that it can be approved, but it cannot be unreasonably withheld. The City fully understands that a maintenance company may operate the golf course; the City does not want to operate the facility. The City wants to make sure no employees are left without work and to utilize whatever expertise exists within the City staff to help with the operation of the golf course. The City employees can act as an interface between the District and a maintenance organization.

Commissioner Engel inquired if the two separate purchase transactions will be consolidated under one deed. Mr. Koski explained that there will be two separate deeds: one from Redus [the Wells Fargo subsidiary] directly to the District; and the other, hopefully, from Redus, jointly to the City and District.

Commissioner Ehrnst was very pleased with Mr. Koski's proposal. He believes that the District and City working together can do a far better job delivering a very worthwhile product. He would prefer to make the architect selection before the closing to avoid any delays. He feels that having the two properties separated will give the District flexibility. The District and City need to be a team and complete this project in a set time frame.

To keep the lines of communication open, Chairman Rollins suggested sending the minutes from District Board meetings to City Council members. Mr. Koski was very optimistic after discussions with Mr. Ahnell and feels the District and the City will be able to reach an agreement and an understanding, and will be able to close on the transaction on February 28th.

Proposals for Ocean Breeze

Florida Statute §287.055 and an Architect Selection Factor document were handed out to the Commissioners to aid in their selection of a golf course architect. Mr. Koski announced that the proposals will not become public record until January 20, 2018, and that the presentations from the proposers would be closed to the public. A complete record will be made available to the public after the presentations are complete.

The Board agreed to review all proposals by January 16, 2018, and will make a decision as to which proposers will be invited to make an oral presentation on January 25 & 26, 2018. An architect ranking will take place on January 29, 2018 to choose the architect.

Commissioner Ehrnst reiterated that after the architect is selected, there will be opportunities for public input as to the design of the golf course.

PUBLIC REQUESTS:

Robert Dukate, 5351 NW 3rd Terrace, Boca Raton

Mr. Dukate thanked the Commissioners and Mr. Koski for their support over the last year and a half. He was shocked and horrified at the lack of cooperation by the City regarding the Interlocal Agreement. He does not want the City involved in any of the decisions being made with regard to Ocean Breeze. He feels that the amount of cooperation and effort that the District has provided to the City is understated in many ways. "Let's keep the City out of District owned property!"

Greg Galanis, 1780 Parkside Circle South, Boca Raton

Mr. Galanis wished the Board a Happy New Year and thanked them for their efforts. He represents the Boca Golf Association which offered their support to the Board in design criteria and architect selection. He feels that it is important for the golfers to be involved in the process.

Harold Chaffee, 6200 NW 2nd Avenue, Boca Raton

Mr. Chaffee, representing "Keep Golf in Boca", was happy with Mr. Koski's report, however, he was not happy with the City's Interlocal Agreement. Mr. Chaffee stated that the "City hasn't handled any projects well and the District does not get the credit they deserve." He indicated that if the District runs the golf course and takes responsibility for it, it will be a success!

Tom Vasell, 1901 S. Ocean Boulevard, Boca Raton

Mr. Vasell, representing the Boca Raton Men's Golf Association, stated that they enjoy the facilities at the Municipal Golf Course and want to maintain the same ambiance at the new course at Ocean Breeze. They do not want it to be a "golf destination". They want reasonable green fees and facilities that everyone can utilize and afford. Chairman Rollins responded that it is the District's intention to make it pleasurable and to meet the high standards the District maintains at its parks.

Doug Collier, 5701 NW 2nd Avenue, Boca Raton

Mr. Collier feels that the District should be the only entity in charge of the golf course. He would support the District negotiating an agreement with the City that allows for the City's input and support, but gives control to the District for decisions regarding the golf course. Chairman Rollins stated that the District does rely on professional advice from City staff, however, the ultimate decision will rest with this body.

David Sergi, 559 NE 46th Street, Boca Raton

Mr. Sergi inquired if the District/Architects have taken into consideration where the swimming pools in the area are located when designing the golf course. Mr. Koski assured him that the golf course will not interfere with the people who reside there. Landscape architects will aid in developing a championship golf course that considers its surroundings.

ELECTION OF BOARD OFFICERS FOR 2018:

Chairman

Commissioner Vogelgesang nominated Commissioner Rollins for the position of Chairman. By acclamation, Commissioner Rollins accepted the position of Chairman.

Vice-Chairman

Commissioner Vogelgesang nominated Commissioner Engel for the position of Vice-Chairman. By acclamation, Commissioner Engel accepted the position of Vice-Chairman.

Secretary-Treasurer

Commissioner Vogelgesang nominated Commissioner Ehrnst for the position of Secretary-Treasurer. Chairman Rollins seconded the nomination. By acclamation, Commissioner Ehrnst accepted the position of Secretary-Treasurer.

APPROVAL OF INVOICES: Secretary-Treasurer Vogelgesang provided a revised invoice disbursement list and recommended approval.

<p><u>MOTION</u> was made by Commissioner Vogelgesang and seconded by Commissioner Engel to approve the revised invoices as presented totaling \$79,670.96</p>

MOTION UNANIMOUSLY APPROVED

REPORTS AND DISCUSSION ITEMS:

Commissioners-

Commissioner Vogelgesang wished everyone a happy, healthy New Year and advised that the Red Reef Golf Course is up 4% over last year. She welcomed Councilwoman O'Rourke and thanked her for all of her input and a good first year in office.

Commissioner Engel wished everyone a happy, healthy, prosperous New Year. He extended his congratulations to Commissioner Ehrnst on his nomination as Treasurer-Secretary and congratulated Chairman Rollins for an exceptional job over his tenure. Commissioner Engel also showed his appreciation to the members of the audience and thanked them for all their input saying "without you we would not be able to function the way we do!"

Commissioner Wright wished everyone a Happy New Year and advised that the rezoning of the Boca Executive Golf Course is on the Planning and Zoning Agenda scheduled for Thursday, January 4, 2018 at 6:30 p.m.

Swim & Racquet Center Pool Closings

Facilities Manager, Melissa Dawson, announced that the pool closings are being posted on the Swim & Racquet Center page on the District's website. Meadows Park Pool will be open every day at 7:30 am. All aquatics memberships will be valid at Meadows Park Pool during this time.

Commissioner Ehrnst wished everyone a Happy New Year and requested the prioritization of District projects be added as a future agenda item.

Chairman Rollins extended his wishes to all for a Happy New Year and thanked the audience for their valuable input. He expressed to Councilwoman O'Rourke that he is delighted that she is serving on the City Council and that she is quite transparent and is serving us very well. He also appreciates Michael Kalvort coming to the District meetings.

FUTURE AGENDA ITEM – Prioritization of District Projects

ADJOURNMENT:

MOTION was made by Commissioner Engel and seconded by Commissioner Vogelgesang to adjourn the meeting at 6:30 p.m.

MOTION UNANIMOUSLY APPROVED



Robert K. Rollins, Jr. Chairman



Craig F. Ehrnst Secretary-Treasurer