

**SALT POND HOMEOWNERS ASSOCIATION
BOARD OF DIRECTORS MEETING
November 20, 2009**

ATTENDEES:

Board Members present: Tom Anfinson, Jim Beachboard, Gerry Buckley, Gary Clipp, Dick Crawford, Chuck Gularson, Michael Headman, Jim Kennedy and Loeda Stango.

- Homeowners present: Bob Adams, Marilyn Adams, Wanda Beachboard, Bob Buckley, Fred Chiccone, Ann Crawford, Monte Fitch, Michael Hill, Stan Grella, Pat Kennedy, Bill Kester, Bill Loschmann, Anne Nagle, Wendy Parker, Jessie Pieplow, Al Stango, Nickie Stephan, Jim Stephan, Nadine Townsend, Donna Villani, Carolyn Watkins and David Watkins.
- Visitors: John and Julie Jensen
- Community Manager: Mary Davis
- SPHA Council: Bob Valihura

CALL TO ORDER:

Gerry Buckley called the meeting to order at 2:03 P.M.

MINUTES APPROVAL:

Gary Clipp made a motion to approve the October minutes and Tom Anfinson seconded the motion. Board approved October minutes.

TREASURER'S REPORT – Chuck Gularson:

- YTD thru October Revenues - \$596,109; expenses \$525,245 and other income of \$28,097; YTD Net Income of \$99,061.
- We have contributed \$100,000 into reserves for the ten months; plus an additional \$48,015 in excess revenues over expenses from the last two years, for a \$148,015 into reserves.

Management Report – Mary Davis:

Pool/Spa Repair

- Pool opened on November 20th; exterior wall will be repaired by T-N-T Concrete and Masonry for \$600 on November 29th and Dave Flickinger will paint after repair is completed.
- **After Hours Heating and Air Conditioning** will hold off on replacing a bearing assembly and thermostat and installing new filters in indoor pool until after all the repair work is completed.

- **AAA Dry Foam will be cleaning and sanitizing the indoor pool duct system for \$730 on Tuesday, Dec. 1 for \$730.**

After Hours Heating and Air Conditioning has completed most of the repair work on the indoor pool dehumidifier system. They still need to install a new thermostat that is compatible with our electrical system.

Criterion, Inc. delivered the repaired and new pool furniture on Nov. 13 for a total cost of \$1,735.00.

Trash Proposals Under the proposed new contract, Salt Pond homes, Topsail, Skipjack, and the community center would be combined into a single contract. Waste Management submitted a bid for first-year cost of \$38,538.41, Moor Disposal submitted a bid for \$44,990, and Allied Waste, our current service, submitted a bid was \$46,719. Allied came back with another proposal of \$36,140 per year for each of three years including a 5 percent discount each year for paying the total amount in advance. We currently spend about \$52,600 for trash service, excluding Skipjack. Allied also has a curbside recycle option which would run \$3.00 per home per month which is half the cost of Delaware Solid Waste Authority. Allied would provide the container.

The Board voted to approve the Allied Waste proposal.

Jim B. stated that he does not like to rehash bids such as we did with Allied Waste. Other Board members said that this type of bidding is common in the business industry. We will further discuss this issue with Mary D. on how she should handle future proposals.

Delmarva Power – Mary has had a preliminary meeting with a representative from the Bethany-Fenwick Chamber of Commerce. They are in the early stages of forming their third power cooperative. Bills were reviewed for both the homeowners and golf course and it appears that there would be little benefit for the homeowners but that the golf course may see a greater savings from such an arrangement since they have wider fluctuation in their bills. The Chamber will start signing up members for the new co-op in the beginning of the year with implementation expected around mid-year. More information on this will be forthcoming.

Heathman II Roofing & Builders on Nov. 19th caulked around the large round window in the main room and installed several loose shingles for a cost of \$50.00. This is a temporary measure to prevent further leaking in the clubhouse.

Architectural Review - modification requests along with the required \$100 fee were submitted by the John & Deb Flinchbaugh, 257 Oyster Shell to enclose an existing porch; by David & Deb Hamilton, 532 Bethany Loop to enlarge an outside shower; by Patricia Chellew, 607 Bethany Loop to enclose an existing rear porch; and by Chip & Joan Brown, 712 Deer Leap to enclose an existing screened porch and to extend the existing upper and lower decks.

Annual Corporate Franchise Tax and Report - James Fuqua filed 2008 with the State of Delaware annual franchise tax and report. Mary filed the required form for a change of registered agent so that we will handle the processing internally. The \$25 fee for a nonprofit corporation must be filed electronically by the beginning of March each year.

Proposed 2010 Budget - In response to our mailing, we have received 204 votes for the budget and six votes against the budget. Those voting against it cited the plaza expenses, legal and consulting fees, indoor pool costs, the road repaving project, and the lack of explanation regarding expected increase in the homeowners' assessment.

HOMEOWNERS FORUM:

Mr. Stephan presented his request for The Schooner Village 48 Exterior Elevator Addition.

- Mr. Stephan addressed the SPHA Board and homeowners under the Open Comment Section of the meeting. The SPHA Board welcomes his presentation but will not respond to his request today.
- Mr. Stephan said that he and his wife Nickie reside in Williamsburg, Virginia and at #48 Schooner Village which is the only home they own. Nickie, is handicapped for reasons unknown to doctors over the past five years.
- Let it be reflected that Mr. Stephan said, “that I am on the Open Comment Section for this meeting and that I have seven or eight minutes to speak”.
- Mr. Stephan distributed two binders of his discussion package with pictures and ten copies of the discussion package with no pictures but including the Fair Housing Act document information. The binders with pictures are to be given to Schooner Village Homeowners Association (SVHA) and Salt Pond Architectural Committee (SPAC) for their records at the end of this meeting. He provided nine copies of discussion presentation for Board members on Nov. 19th.
- Let it be reflected that Mr. Stephan said “I have been removed twice from the meeting agendas, once in October and once in November.”
- Let it be reflected that Mr. Stephan said “that SPHA, SPAC and SVHA have known about the FHA subject now for 45 days since October 7 not two weeks.
- Let it be reflected that Mr. Stephan said “ that since March 3, SVHA has only responded to me one time in a letter dated March 18 (from Legum and Norman) and two times by telephone (May 20 from Michael Hill and October 7 from Edward Tarlov)”.

- Mr. Stephan said that it appears to since SVHA has not responded to his July 9 letter requesting concurrence for construction, that they have given him a silent approval (tacit). He believes that the SPHA covenants has jurisdiction over Multi-Family Associations. He further stated that if after reviewing all documents, if SPHA believes that an approval is in order, SPHA should be able to veto the denial of the SVAC and SPAC architectural committees or if SPHA believes that all documents do not support an approval, then a denial would be in order.
- Picture 8 – Building on Rt. 1 in Bethany Beach similar to #48 as it has a chimney shaft like the proposed elevator shaft, mechanical room and porch for the weather. The elevator configuration is less than ½ of 1 percent of total footage.
- Picture 9 – Building in Fenwick showing an exterior elevator shaft constructed after the building was built.
- Picture 10 – A bump out on a South Bethany building. There are hundreds of these in Sussex County.
- Let it be reflected that Mr. Stephan said “I would like to inform the SPHA Board of Directors, SPAC and SVHA that my timeline remains the same as stated in the November 16th letter and that SPHA is required by the appeal procedures (per Covenants) to approve or deny my appeal by November 27th. Also, the SPHA cannot shirk from their responsibility. Since March 3, SPHA has had information to make a decision and does not need more time.
- Mr. Stephan said that he could go over Sections 1 – 8 of his discussion package. This would take much more than his allotted time. He said that SPHA, SPAC and SVHA could read his discussion package.
- Mr. Stephan asked if there were any questions. Jim B. said that Mr. Stephan had mentioned other communities in Pictures 8, 9 and 10. (a) Has Mr. Stephan checked the covenants of these communities and (b) how will changing the side structure of his town home affect the neighborhood. Mr. Stephan responded that (a) he does not know the other communities covenants and (b) only one family will be able to see the addition.

UNFINISHED BUSINESS:

Salt Pond Plaza – Michael Headman:

- Not much has changed since update provided in the fall newsletter.
- Cheryl W. wrote letter to Mr. Zimmerman on Nov. 9th regarding 5 things that remain outstanding, one item being the work near Hole #5 is still not completed.
- Wrong trees were provided around Plaza; Eastern Red Cedar is an alternative.
- SPHA can purchase these 53 trees from the developer at minimal cost. These trees will be planted on our property in various locations with priority near the Plaza.
- The berm that is being constructed is at the developer's expense.
- The \$55,000 in the reserve budget for 2010 is as follows: \$20,000 is being carried over from 2009 (\$15,000 for road repavement and \$5,000 for installation of an irrigation system on SPHA property). The additional \$35,000 is for the berm (which is being constructed by the developer.) and privacy fencing for the back of the store, if needed. H.T. may decide once the store is in operation that they will install fencing, etc.
- The pavers at the front and along the edges of the plaza parking lot are for storm water management.
- A water line has been installed from our water meter on Plaza property to our side of the road for irrigation.
- The back and side lighting looks good. The front will still have to be reviewed. There is a series of six spotlights on front; the one at corner is very catching. One light is broken which could be vandalism.
- Considering additional signs and where they may be installed.
- SPHA's stonewall entrance sign off Fred Hudson will be rebuilt and installed by the developer.
- Work on the plaza should be finished by end of November.
- H.T. expects to return in mid-January to do stocking, etc. H.T. expects to open the store first week in May.
- Marilyn Adams asked if we are going to plant trees across from Barnacle. Michael responded that there are no other areas other than the median strips that can be planted. He understands that it would be nice to have trees/shrubbery near the store across from Barnacle but this would be up to H.T. to plant in this area. There is no guarantee that such will occur by H.T.

Road Program – Gerry Buckley: Two weeks ago the County Council amended Chapter 96, Sussex Community Improvements, for unit pricing for streets; all 536 owners would pay the same rate. The Salt Pond is on the Council agenda for Salt Pond streets. We are waiting to see our next step. This would eliminate the need for a special assessment.

NEW BUSINESS:

Skip Jack Village – Fred Chiccone: Skip Jack has gone to self-management. They would like for Mary D. and Wendy P. to write check, etc. Would need Board approval for this. Jim K. and Dick C. requested a documented plan before taking a vote. This item tabled for next meeting when Fred will present a detailed description of the work to be performed.

Women’s Club Appeal – Gerry Buckley: The SPWC has requested that the SPHA consider adding the Women’s Club officers and committees on our insurance policies. Dick Malone had previously told Gerry that Women’s club could be insured for a price of \$250 per year and that it would not cover cars. Gerry said that if something should happen on Salt Pond premises they are already covered. Michael H. said that if one group is insured then other groups might also need to be covered. Where do we stop? Bob Valihura, our attorney, said that we have negligent act immunity for volunteer clubs. This item was tabled until next month when Dick Malone can address it.

Volunteer Appreciation Party – Gerry Buckley: December 16th is the date for the SPHA’s appreciation party for the volunteers. There will be food and drinks at the clubhouse from 4 – 6 PM.

Storm Clean-up – Gerry Buckley: Two trees have fallen on the kayak racks; Bruce D. has been asked to clean up beach area. Jim K. suggested that Pond and Wetlands mark what needs to be cut.

2010 Envirotech Contract Proposal – Jim Beachboard: The contract cost is \$40,260, less than last year due to fewer areas to work and less chemicals being used. This contract does not include the beach area. The beach area will be on next month’s agenda. Ten letters have gone out for violations of the Conservation area. Michael H. made motion to approve the 2010 contract proposal; Tom A. seconded the motion. The Board approved the 2010 Envirotech proposal. Jim B. will provide sole source for contract to Chuck G.

Executive Session Guidelines – Gary Clipp: Gary felt that the Board tends to abuse Board Executive Sessions and it appears that we discuss matters secretly. Jim K. said that Gary was away when we had the working session regarding the new Delaware laws. All of our Executive Sessions fall under Section 308A(c). Gary thanked Jim for providing this information.

Next Board Meeting: December 18, 2009 at which time we must approve the budget for 2010.

Jim K. made motion to adjourn meeting so that we could go into Executive Session . Dick C. seconded the motion. Meeting adjourned.

Submitted by: Loeda Stango
November 28, 2009 (Revision 1)