

SPHA Annual Meeting

June 6, 2009

Meeting Minutes

President Gerry Buckley called the meeting to order at 2:01 PM.

WELCOME

Gerry welcomed everyone and why we were meeting:

1. Update SPHA members on issues of importance to the Salt Pond Community.
2. Elect three members to the SPHA Board of Directors.
3. Vote on Resolution to Amend Article IV of the Declaration of Covenants, Conditions and Restrictions by adding new Section 5 (See Attachment).

Gerry then introduced the Board of Directors (BOD), Vice President Dick Crawford, Treasurer Chuck Gularson, Secretary Gary Clipp, Jim Kennedy, Michael Headman, Katherine Coulson (absent), and Jim Beachboard. She also introduced Bill Kester, President of the Salt Pond Golf Club (SPGC) BOD, and BOD Member Max Sewald, and Community Manager, Mary Davis, and Wendy Parker, our Chief Financial Officer.

APPROVAL OF 2008 MINUTES

Gerry B. then asked for the approval of the June 2008 Annual Meeting minutes. Jim Kennedy Headman made a motion to approve the minutes and Chuck Gularson seconded the motion. All approved.

YEAR IN REVIEW

This was followed by a review of the year recounting the decision to move to self management, hiring a financial officer, and establishing an official office. We also performed major renovation of our Community Center, exercise rooms, and bathrooms as the result of the efforts of many volunteers. She thanked Frank Cappella and Al Stango for obtaining a flag pole and flags and installing them. Also, thanks to Frank Cappella for building the 50 kayak racks at the beach. Thanks to the efforts of Max Sewald, the SPHA now gets electricity from Washington Gas at an annual savings of about \$10,000 per year.

Gerry then reminded everyone the condition of our 6 ½ miles of roads was deteriorating. Having spent \$40,000 last year in emergency repairs, an engineering assessment of the roads was done and reported an estimate of about \$750,000 to pave them. She warned that in the next 2-3 years a special assessment for \$1-1.6M may be required for this major improvement. It was noted there existed a special Sussex County program to assist homeowner associations in road paving which the BOD is pursuing.

FINANCIAL REPORT

Treasurer Chuck Gularson then explained the financial handouts summarizing SPHA finances. Membership assessments were \$466,000. There are still 5-6 people who have not paid their annual dues. Replacement reserves were budgeted at \$36,000. Total revenues were within \$4,000 of budget. Administrative expenses were cut substantially primarily as a result of reduced legal expenses. Payroll expenses were up due to move to self management. Utilities were less than budgeted. Repairs and maintenance was less than budgeted. Maintenance services contracts increased primarily due to trash increase. Taxes and licenses were down. Net revenues over expenses were budgeted at \$10,500 and we came in at \$11,500.

SALT POND GOLF CLUB UPDATE

Bill Kester reported on the status of the Salt Pond Golf Club. He introduced members of the BOD: Dick Crawford, Vice-president; Chuck Gularson, Treasurer; Jim Kennedy, Secretary; Max Sewald, and financial manager Wendy Parker. Bill explained that the SPGC BOD wants the SPHA membership to vote for the resolution.

He reported a successful 2008 with a slight increase in membership. 2009 has been hit with a poor economy and a wet spring that has diminished revenue. However, Memorial Day and weekend was the best on record. Many improvements to the course have been made to improve play and appearance. Bill reported significant savings by changing to Washington Gas for electricity. The Ranger program is working very well, but some open shifts remain. Birdies will be open under a new caterer this year. There remains a problem with storm water management and the Salt Pond Plaza project that will be hopefully soon resolved. Also, the SPGC is looking for folks to "Adopt a Hole" as part of a beautification process.

FINANCES: Chuck Gularson reported on the SPGC finances. Audit is still in process and numbers are not quite final. Final audit will be available soon and can be seen at the management office. Chuck lauded the abilities of Wendy Parker and the job she is doing for the SPGC. Only owe \$491,000 for the golf course and we are making payments in advance. Revenues were \$108,000. Cart fees approached a half million dollars, and pro shop merchandise sales were \$62,000. Total revenue was \$760,000. Interest expense was a major line item that will be non-existent next year. Payroll expense is also a major expense and is watched carefully. 2008 operating profit looks to be almost \$50,000.

SALT POND PLAZA UPDATE

Cheryl Wisbrock reported on the status of Salt Pond Plaza. The detail of the report is in the package. Current status has construction finished by end of summer and opening in the spring of 2010. Delay is due to developer complying with SPHA issues. Agreement has been reached regarding roads and landscaping. Entrances are almost finished. Medians will not be impacted. Back of building will be painted block to match the brick on the front.

LEGAL UPDATE

Jim Kennedy addressed legal issues. He explained the reason for the resolution being voted on today. He then explained the provisions in the Covenants and By-Laws regarding penalties for not paying dues or assessments, and how we merged them all together into one easy to read document. The SPGC BOD has been increased from three to five, and is appointed by the SPHA BOD.

OTHER ISSUES

Bethany Woods – all damage done to roads and landscaping will be repaired to original condition.

ELECTION

Gerry read the names of individuals running for office: Tom Anfinson, Jim Beachboard, Steve Bartlett, Gerry Buckley, Bill Loschman, Bill Johnstone, Jeff Rupperecht, and Loeda Stango. Gerry then called for additional nominations from the floor. There were none. It was moved to close the nominations, and seconded, and unanimously affirmed. Nominations were closed.

Gerry announced if anyone wished to vote at this time, or to change their vote, they may do that now.

QUESTION & ANSWER

- Spinnaker Village resident reported problem with roads. It was recommended the issue be brought before the Spinnaker Village association
- Member asked for drivers to PLEASE drive slowly in the Salt Pond to protect our children and residents.
- Member expressed displeasure with kayak rack management. She had a 2-person and single person kayak and since it is on the upper rack, she has difficulty getting it down, and cannot get it up. She felt her needs were being disregarded, and that the design of the racks was not considerate of people of similar needs.
Gerry reported that as of June 15th, any slot not occupied will be given to one of the 30 members on the waiting list. She then asked if anyone would be willing to switch with the member and someone did.
- Member complained of the Salt Pond Plaza (SPP) and Harris Teeter (HT) development. He supported his view with pictures of an acceptable HT. He proclaimed the SPHA BOD has let the community down and thinks evergreen trees should shield the Salt Pond from the store.
- Michael Headman, Board Liaison to SPP Committee, addressed concerns and gave history of how we got to where we are. He explained how delays and economy has hindered construction.
- Several members expressed concerns about the landscaping plan, route of delivery trucks, work schedule, etc.
- Discussion of the newly constructed circular concrete pad for water retention was discussed at length.
- Member expressed concern of noise, traffic, and lighting, and the need of a wall and extensive landscaping to protect Foxtail residents and hoped the community would buy in as was done with the purchase of the golf course.

VOTING RESULTS

352 votes required to pass resolution to amend the covenants, and 366 yeas votes were received.

Following members were elected to the SPHA BOD for three year terms:

Tom Anfinson
Jim Beachboard
Gerry Buckley

Straw vote indicated preference for 10 AM Annual Meeting in 2010

Motion was made to adjourn the meeting, and seconded. All concurred and the meeting adjourned at 3:22 PM.

Gary Clipp, Secretary
June 2, 2010