

# **SPHA Annual Meeting**

June 5, 2010

## **Meeting Minutes**

President Gerry Buckley called the meeting to order at 2:00 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. Entertain questions to the Board.

Gerry then introduced the Board of Directors (BOD),

- Michael Headman, Vice President and outgoing board member, who had been leading the Salt Pond Plaza project for the SPHA. Gerry thanked him for his four years of service;
- Loeda Stango, Secretary, who is chairperson of the Landscaping Committee;
- Chuck Gularson, Treasurer for the past five years;
- Gary Clipp, who is absent but is our webmaster and is responsible for our quarterly Newsletter;
- Dick Crawford, also an outgoing board member after serving six years, and is currently responsible for the Community Center. Dick will continue to serve on the Golf Course BOD;
- Tom Anfinson, elected last year, will assume responsibility as SPHA Treasurer;
- Jim Beachboard, our in house engineer and serves as liaison to the Architectural Review Committee;
- Jim Kennedy, is also absent, but is our legal expertise and works closely with our attorneys on legal issues.

She also introduced Bill Kester, President of the Salt Pond Golf Club (SPGC) BOD, Community Manager, Mary Davis, Financial Manager, Wendy Parker, and Dave Flickinger who is responsible for day to day maintenance of the facilities.

### **APPROVAL OF 2009 MINUTES**

Gerry B. then asked for the approval of the June 2009 Annual Meeting minutes. Michael Headman made a motion to approve the minutes and Jim Kennedy seconded the motion. All approved.

### **YEAR IN REVIEW**

- Mary Davis worked with the Bethany Beach Chamber of Commerce to incorporate the Salt Pond into a cooperative for providing electricity at tremendous reduced rates;
- Mary has also managed to reduce the price of trash collection by 18% which is passed on to all residents;
- Salt Pond hosted a Chamber of Commerce function in the community center which has resulted in several rentals;

- New kitchen floor was installed in the clubhouse, and acquired new stainless steel tables to try and make it more attractive for potential renters;
- Snow plowing took a big bite out of budget, but use of SPGC resources kept it at a minimum;
- Kayak racks continued to be major problem with time spent managing issues;
  - Recreation Committee decided to use lottery system for 2011.
  - Drawing will be in March, 2011 for the 60 kayak slots.
- Indoor pool developed floor cracks right after opening and had to be closed six weeks for \$16,000 repair;
- Outdoor pool requires new \$7,000 pump;
- Tennis courts resurfaced for \$18,000;
- DELDOT to install bike path from Bethany Loop to McCoy's Way to link with existing path;
- Roads deterioration continues to be a major issue;
  - Spent \$2800 this year on potholes.
  - BOD reviewed offer by county to repave roads but decided it was too costly;
    - Required 2/3 vote of the SPHA to approve;
    - Would have doubled property taxes for 10-15 years;
  - Estimate is just shy of \$1 Million;
  - Special assessment is not an option;
- Homeowners continue to volunteer at a tremendous rate.

## **FINACIAL REPORT**

Treasurer Chuck Gularson then explained the financial handouts summarizing SPHA finances. Handout is summary report and detailed reports are on the website. Audit is 98% complete due to previous management transactions. Revenues were \$623,000 with expenses of 592,053 for net revenue over expenses \$31,376, which will go into the Reserves Account. Expenses have not increased over the last two years. Replacement reserves have been increased to \$222,000. Plan for 2010 is to add another \$172,000 to reserves.

## **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. He also acknowledged golf pro, Art Whaley, and superintendent, Bruce DeForest.

He reported that in late 2009, the SPHA made the final payment to Rupert Smith for the golf course. Almost all assessments have been received, except for three which are in collections. The SPGC is sound both monetarily and professionally. While over 130 golf courses closed their door in the area, SPGC continues to thrive.

- Direct result of BOD efforts to stay within budget;

- Conservative approach to in capital improvements to pay off the debt;
- 11 golf cars were purchased, but also several old ones sold to offset some of the costs;
- New well is required to support the course (\$40-50,000);
- #10 Bulkhead requires replacement (\$50,000);
- Spent \$6-7,000 in electrical equipment repairs;
- Safety signs were installed throughout the course;
- Golf course winter crew provided significant snow removal for SPHA;
- Worked with SPHA Salt Pond Plaza committee to resolve issues affecting SPGC;
- Birdies is being self-managed thanks to help from Dick Crawford, Charlie Smith, and Pat Milstead;
- Ranger program has been successful and we still need a few for 2010;
- Proposal made to SPHA regarding SPGC BOD term limits;

FINANCES: Chuck Gularson reported on the SPGC finances. Revenues were \$716,495 with expenses before depreciation of \$614,683, for net revenue of \$3,800. Capital expenses were budgeted at \$67,000, but only spent \$14,000 so debt could be paid off.

2010 budget is forecasting revenue at \$723,000 for net income before depreciation of \$110,000. Limited experience seems to indicate maximum revenue to be expected is around \$740,000 and expenses, once everything is stabilized, to be around \$620,000.

Q. Any plans to give some money back to homeowners?

A. Not at this time. While there is excess money from assessments, it would not be prudent to return money until we know for sure what we are up against. This may take 3-4 years.

Q. Are there any perks for the homeowners?

A. Yes, discounts for golf play are available for homeowners and guests as well as 5% discounts in the pro shop and reduced prices for lessons.

Q. What is being done to bring in more revenue/

A. We have a marketing committee of 6 people who are organizing various events and tournaments, as well as advertising in strategic locations.

### **SALT POND PLAZA UPDATE**

Cheryl Wisbrock reported on the status of Salt Pond Plaza:

- Committee established in 2007 to minimize impact of development;
- Met with State and County officials, homeowners, and developer;
- Mike Zimmerman remains owner of record;
- Property is for sale, but all agreements with SPHA will transfer to new owner;
- Storm water management issues resolved and working as planned;
- Landscaping plan has been implemented and HT has been maintaining it;
  - HT has caused the plantings to be watered on a regular basis by manual methods;

- Dead plants replaced;
- Lighting still not as specified, but adjustments being made;
- Entrance signs and lights damaged by developer repaired;
- Still no additional tenants;
  - Changed from two large to three smaller pads;
  - Pads have been landscaped.
- Harris Teeter has been very accessible regarding issues with developer;
  - Repainted building at cost of \$65,000;
  - Painted the water tank per Salt Pond's request;
  - Fixed initial traffic issues;
  - Filling in for developer's maintenance shortcomings.

Cheryl thanked everyone for their support over the last 3 ½ years. Special thanks to Michael Headman and Rich Polk and her committee members.

### **PONDS & WETLANDS UPDATE**

Chris Brown gave an update on the Conservation Easement (CE) and condition of the ponds:

- Signs were up as of October to clarify CE areas;
- Numerous educational activities given for homeowners;
- 16 violations discovered initially, and only 8 responded;
- DNREC found 14 violations and sent notices, and only 2 responded;
- Ponds are being maintained by EnviroTech.

### **LEGAL UPDATE**

Gerry Buckley presented in Jim Kennedy's absence:

- Title 25, Chapter 81 of Delaware Law
  - Delaware Common Interest Ownership Act, 1/2009;
  - Affects SPHA so we retained legal to interpret for us;
  - Requires forms for sale of SPHA home;
  - Community Manager has info and forms.
- Six members still owe for Golf Course assessment;
- Eight members still owe for 2010 SPHA assessments;
  - Have tried to work out payment schedule to no avail;
  - Outside counsel retained;
  - Penalty now 18% for unpaid assessment;
- Considerable money spent on easement issues inherited from the developer;

## **OTHER ISSUES**

DE law requires your signed approval for SPHA to send official business to members via email. Cooperation will save lots of money and community manager's time.

## **ELECTION**

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**

Statement – Bethany Loop is very dark at night. It would be a big help if homeowners kept outside lamps (yard or porch) lit. Use of photocell is useful gadget for homeowners to use.

Statement – There is a significant problem in Salt Pond with lack of identification or house numbers.

Q. What is status of subaqueous land issue?

A. The BOD has formed a committee to look into this issue on behalf of the Salt Pond community. They are still gathering information so as to decide on an action plan if warranted. We do know that DNREC is not interested in buying or even being gifted the land. This unresolved issue has impacted the sale of some affected properties.

Q. Why is this being addressed by SPHA and not just affected homeowners?

A. The BOD voted 5-4 to form a committee to look into the issue and report back. No ownership has been assigned and will not be until we have all of the information and can make educated decisions.

Q. Unknown Rupert Smith inherited items keep rising up. Can we find out if there are any more issues out there we are unaware of?

A. Not that we are aware of.

Q. What does recent newspaper article about increasing assessments mean to Salt Pond residents?

A. We have not seen the article and cannot address without more information.

EnviroTech presented information relating to the CE and the maintenance and conditions of the Salt Pond ponds.

Al Stango thanked the entire community for their concerns, prayers, cards, letters, and compassion during Loeda's recent critical illness.

## **VOTING RESULTS**

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

Fred Chiccone ----- Bill Johnstone -----Loeda Stango

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

Gary Clipp, Secretary

May 9, 2011