

SALT POND HOMEOWNERS ASSOCIATION

2011 ANNUAL MEETING

COMMITTEE REPORTS

REPORT FROM THE PRESIDENT

Gerry Buckley

The 2010 calendar year has been a relatively quiet one with many projects completed. Due to our fiscal conservatism, we have been able to put a healthy amount of money each month into our reserve accounts insuring backup for any unforeseen emergencies.

The biggest challenge was the repaving of the six and one-half miles of roads in the Salt Pond. Due to the hard work and expertise of a number of board members, we were able to accomplish this million dollar project without a special assessment. That our community continues to improve is in direct proportion to the volunteers that have come forward to lend their time and talents to many ongoing projects.

We are very fortunate in this regard, and I encourage more of you to come forth and participate in the community activities. Through the efforts of our communication director, Gary Clipp, we continue to keep you all informed of the happenings here at the Pond and urge you to visit our website (www.sphamembers.org) on a regular basis.

TREASURER'S REPORT

Tom Anfinson

The certified audit for the calendar year 2010 is currently underway, and once the Board receives the audited financial statements the complete audit report will be posted on the website, as we did last year. We also will discuss the report at the board meeting once we receive it.

The preliminary financial statements as of December 31, 2010 were posted this last January on our website and can be reviewed.

Overall, the SPHA operating costs were \$53,142 under budget and other income was \$20,699 over budget. Income was on budget.

For our Reserve Fund Budget, we were able to contribute \$193,374 to the fund, which was \$21,374 over budget and there were expenses of \$56,523. At the end of the year the reserve bank accounts had a balance of \$370,429.

Overall, the association ended last year only \$4,225 over budget. The board and committee members are to be congratulated for doing such a great job with their budget responsibilities.

LEGAL COMMITTEE

Jim Kennedy

- A review and amendment of The Salt Pond Golf Club Operations, Inc. (TSPGCO) bylaws was completed. The revised bylaws were approved by TSPGCO's sole shareholder, Salt Pond Homeowners Association Inc., at its April Board meeting. The revised bylaws are posted on our website.
- Prepared the formal format and procedure for the annual shareholder meeting of TSPGCO to take place in June of each year.
- Delinquent homeowner assessment accounts continue to require an inordinate amount of staff time to do the required follow-up. As of May 31, 2011, \$24,015.65 (includes penalty and past due interest) was due from eight (8) owners compared to \$26,101.56 from six (6) owners last year. Efforts are being made to arrive at satisfactory payoff arrangements with delinquent owners. Under the SPHA Covenants and Delaware law, all delinquent accounts plus penalty and interest automatically constitute a lien on the property, but to enforce the lien, SPHA must obtain a judgment through the Delaware Courts. Where no payout agreement is reached or it is breached by failing to make the agreed payments, the account is immediately turned over to outside legal counsel for appropriate action in the courts. SPHA currently holds several Judgments.
- Several legal opinions were sought and received from outside counsel, including:
 - An opinion that the unused excess funds collected for the golf course purchase and were contributed by SPHA to TSPGCO as operating funds were in fact considered as "Restricted Funds" to be used for the sole benefit of the golf course.
 - In another opinion, the right of SPHA to enter into a mortgage, pledging the golf course land and buildings as collateral for the \$800,000 loan to repave Salt Pond streets, was confirmed.

COMMUNICATIONS COMMITTEE

Gary Clipp

- The ***SPHA Newsletter*** is published quarterly with Spring, Summer, Fall, and Winter issues.
 - The number of mailed black and white copies is down significantly to approximately 40 members, who are either without email, or wish to receive a mailed copy in addition to an email version.
 - Emailed links to color copies go out to almost 600 email addresses representing 496 of the 536 SPHA members.
 - Use of email to distribute the newsletter has resulted in significant financial savings.

(NOTE: If you do not receive email notification of the newsletter and have an email address, please contact the SPHA Community Manager to correct your email address or to enroll for email by providing an email address. Multiple email addresses per household are acceptable)

- The ***SPHA Website*** is updated at a minimum two to four times per month.
 - Members should reference it weekly for community updates.
 - Access for the past 12 months exceeded 32,000 visitors, or almost 90 per day, compared to 25,000 or 68 per day last year.
 - Home page “Hot Topics” contains content or links to all current information, such as upcoming Community Activities, Board Minutes, Newsletter, Finances, current issues, and slideshows.
 - Visitors are encouraged to leave comments or suggestions on the Guestbook or email them directly to BOD members at info@sphamembers.org

(NOTE: If you have not visited our website, we encourage you to do so. The SPHA website is found at www.sphamembers.org.

- The ***SPHA Email*** program has been greatly enhanced for 2011. We now have “permission” to send official Salt Pond Documents to 377 homeowners! Please understand if you receive the newsletter and incidental emails, it does not mean you have signed up to receive “official business” emails. 120 of you have still not elected to sign up. PLEASE submit your **signed** affidavit at your earliest convenience. Fill one out at the information desk at the annual meeting, or print one off the website and email, fax, or mail it to the SPHA office, 400 Bethany Loop, Bethany Beach, DE 19930.
- The ***SPHA Facebook*** is off to a good start. When on Facebook, search for “Salt Pond Homeowners Association.” 64 folks now “like” the site. Check it out and use it to communicate with other Salt Ponders for items or services of interest.

Gary Clipp is editor and publisher of the newsletter, and webmaster of the SPHA and Golf Course websites. Your suggestions and comments on all communication topics are most welcomed. Please do not hesitate to contact Gary at Saltponder@mchsi.com.

LANDSCAPE COMMITTEE

Loeda Stango

The Landscape budget is \$50,000 for 2011. Our landscape company is Lawnworks, Inc. which does all the mowing of the common ground and certain lots as well as mulching the flower beds and clean-up in the spring and fall and irrigation maintenance. There are 40 lots that get mowed at least 13 times per year and these lot owners pay SPHA for annual mowing when they submit their annual assessment. The landscaping is handled by the Landscape Committee on a volunteer basis which is a savings for SPHA.

In the summer of 2010, shrubbery and plants were planted at the entrances of McCoy's Way, Fred Hudson Road and Central Avenue. Since these plants are perennial, there are minimal costs for plants in these areas this year. All flower beds have been enhanced by colorful annuals to go along with the perennials. Pavers and a stone rock wall were added around the walkway to the clubhouse entrance. The crepe myrtle project of homeowners purchasing memory trees came to an end due to space requirements. The wording on the tree plaques will be repainted this year. Some of the trees now have three years growth which should make for a beautiful showing by the fall.

PONDS AND WETLANDS

Chris Brown

Engaged Envirotech to perform our Comprehensive Ponds/Wetlands Management for 2011. This includes five contracts for the common area ponds/wetlands and "Salt Pond beach Area" budgeted at a cost of \$37,870.53.

Applied for and received approval from the Sussex Conservation District to undertake a second shoreline stabilization project; this to be located on the north/east side of the "beach area," facing the Salt Pond. This will protect the "beach area and the kayak/canoe racks from further damage from severe storms as experienced last year. The project will include construction of a series of "Biologs" and plantings of grasses and shrubs to stabilize and protect the shoreline. Sussex Conservation District will share in the project cost, estimated at \$7,375.00. Construction should begin by June.

Subsequent to the erection of all of the Conservation Easement (CE) signs, which denote the boundaries of the CE/Wetlands areas, SPHA members and the Ponds and Wetlands Committee continue to conduct inspections to insure that property owners are in compliance with the CE. Previous violations have, for the most part, been corrected.

Our joint annual inspection with DNERC representatives is forthcoming, and owners of property affected by the CE **MUST** be aware that violations of the CE may result in punitive action, including fines *to them* by DNREC, and not SPHA.

SALT POND GOLF CLUB

Dick Crawford

The members of the SPGC Board of Directors include Dick Crawford, president; Jim Kennedy, vice-president; Chuck Gularson, treasurer; Max Sewald, secretary, and Bill Kester, member. Other key people on the golf staff include Art Whaley, golf professional; Bruce DeForest, golf course superintendent; Wendy Parker, finance manager; Pat Milstead, Birdies manager, and the golf course rangers.

Golf memberships for the 2010 calendar year included 51 individual memberships, 41 family memberships, and 10 players in the 10 Play Membership program. There were a total of 16,981 rounds played in 2010. The marketing committee continues to explore more effective ways to promote the SPGC including advertisements in widely distributed publications, church bulletins, and mass mailings to households in surrounding communities.

All assessments have been paid except for one which is in the legal collection process.

Staffing costs are within budget and consist of paid employees in the maintenance area (6), pro shop attendants (4), cart persons (5), and Birdies staff (9).

Significant labor cost savings have been realized by having volunteers serve as golf course rangers (25) and for a new program to assist the Birdies staff in catering golf tournaments.

Please note that we accept additional volunteers in these areas.

- A proposal is being evaluated to increase the SPGC BOD membership from 5-7 members and should this occur the SPHA board will be so advised.
- SPGC graciously increased its contribution to the SPHA roads paving project from \$30,000 to \$100,000 as its more than fair share of the project.
- In the maintenance area, a new snow blower has been purchased and new or replaced equipment includes a Z turn mower and a triplex greens mower.

- In 2010 a total of 15 golf cars were purchased and 11 old ones were sold to offset some of the purchase cost to bring our fleet to a total of 50 cars.
- The new golf course well is operational and increases the overall pumping capacity to 550 gallons per minute which will supply enough irrigation water even during very dry conditions.
- Signage in the form of golf car returns, drop area notifications, and cart path cross over signs are in place throughout the course.
- The golf course maintenance winter crew provided significant snow removal assistance to the SPHA.
- The Birdies snack bar completed its second year of self-management operation with a profit of \$1,063, thanks to the assistance of homeowner Charlie Smith and the outstanding commitment of Pat Milstead and her staff of 8 people ;
- The ranger program continues to be successful and we welcome volunteers for the 2011 season.