

SALT POND GOLF COURSE OPERATIONS, INC.
BOARD OF DIRECTORS MEETING
January 15, 2010

The meeting was called to order by Vice President Dick Crawford at 12:00 Noon in the Community Center.

Attendees:

Board Members present: C. Gularson, J. Kennedy and R. Crawford
Also present: Bruce DeForest, Superintendent, Wendy Parker, Finance Mgr. and Gerry Buckley, President, SPHA

Acceptance of the Prior Minutes

The Minutes of the December 18, Meeting of the Board were approved.

Final payoff of the SPA Note for the Golf Course

The final installment on Note to SPA for the purchase of The Salt Pond Golf Course was finally paid off by SPHA on December 18, 2009 with a payment of \$202,496.58 SPHA. The Golf Course land and business is now officially complete and is the property of SPHA. [This Amendment made Dec. 8, 2010]

Superintendent's Report

Bruce DeForest reported for himself and for Art Whaley. Art was away.

The January Marketing meeting took place on January 8. Gary Clip attended and they discussed an e-mailing process for the golf club to get promotional material out to a wide audience quickly. The membership renewal letters will be going out around the end of the month. The committee also discussed staffing of the Pro Shop during inclement weather. While the objective will be to have the Pro Shop open, during times when the course is snow covered or if it's likely to rain most of the day, then Art will direct the staff to close to reduce operating costs.

The 2010 Rate schedule was approved and is attached to these Minutes.

The bridge repair near Hole 10 was completed.

The new well project is expected to be ready by spring. As part of that project, an existing well pump motors that failed will be replaced. Bruce is still gathering information regarding the new well. So far it has been determined that up-graded power will have to be supplied through a new line from the transformer. The new well will be located near the first tee. An underground line will be installed from the well cap to the existing pump house.

The Hole 5 drainage problem remains unresolved, as does the electric for the sign at Central Ave. Melvin Joseph intended to be on site to complete the work, but the ground has been too wet. The electric to the Salt Pond Golf sign similarly is not in place. The Salt Pond Plaza Committee is aware of both matters.

Bruce has indicated his desire to be more actively involved in the Birdies Snack Bar operation next season. The Board supports this involvement. He reported a contact by a person interested in operating the snack shop either as a contractor or employee. Her qualifications will be considered. An ad has been prepared for parties interested in a position as snack bar manager or counter employee that will run in the Salt Pond Newsletter later in the month.

Eleven used replacement golf are on order with delivery expected in March.

Because of the Golf Club's Bethany/Fenwick Chamber membership, the golf club is able to display its literature at the Chamber offices. Art will be asked to get the brochures and pricing info to the Chamber.

At the Board's direction, Bruce will request Art to start preparing and posting a written work schedule for the Pro Shop counter employees.

II(an additional effort to increase play, Art will be requested to make the contacts with the golf package companies to explore the possibility of having the golf club included in some of these packages. Bruce will follow-up with Art. It was also suggested that Bob Adams be contacted for assistance.

FINANCIALS

Chuck reported that the December and year-end financials are still not complete. Preparations are being made for the financial audit that will start as soon as the books are closed for the year.

The approved 2010 Budget will be presented to the SPHA Board later today for final approval. Total income is planned to be \$732,420.00 and total expenses are planned at \$723,319.00, yielding a net profit before depreciation of \$110,373. Depreciation is planned at \$101,272.00, profit before tax of \$9,101.00.

A new cash account will be established for planned and emergency capital improvements and future expenses. A revised five year capital projects plan will be developed to draw from this account. A copy is attached to these Minutes.

Chuck reported that the Pro Shop inventory cost procedure will be tightened in 2010 so that new inventory is updated with revised costs and applicable freight. A quarterly inventory will be conducted to better track the inventory costs at reduce the likelihood of year-end write offs. Consideration will also be given to acquire a point of sale reader to reduce misidentified merchandise.

Wendy asked for clarification on outstanding gift certificates issued in 2008. These obligations are accounted for on the club balance sheet as a liability. The certificates include a statement that they are valid for one year from the date of issuance, so the Board determined that they are no longer valid. As a matter of policy, in the future the Board unanimously approved

gift certificates to be valid only for one year from the date of issuance. Further to assist in the reconciliation of the issued certificated, Art is to secure gift certificate forms with carbon back-up to be kept on file. Bruce will follow-up with Art on this.

Wendy reported on the status of delinquent golf course assessment payments. So far nine owners have not made the third and last payment. One Owner has been in contact to establish a payment plan; a first installment is due Jan 15. Two owners made the third installment payments late, but without the required interest and penalty. The Board directed that the delinquent owners be turned over for collection as soon as possible.

OLD BUSINESS

SNACK BAR OPERATION

Payments due from MAC Catering to the Golf Course amounting to \$3982.81 continue unpaid. The matter is in the hands of the TSPGCO lawyer for collection.

NEW BUSINESS

LEASE OF THE SPHA GOLF COURSE FOR 2010

The annual lease for the use of the SPHA golf Course land was proposed for 2010 on the same terms and conditions as before. The Board unanimously approved the lease and directed Vice President Crawford to sign it on behalf of TSPGCO and to submit it to SPHA for signature.


UNEMPLOYMENT INSURANCE COST INCREASE

Wendy reported the TSPGCO unemployment insurance rates for 2010 are increasing from 2.2% to 6.0%. The lower rate for the first two years was a "starter" rate granted by Delaware and starting with the third year the rate is based on actual experience. Because of the seasonal nature of many of the TSPGCO employees, the rate is affected when they are laid off for the season and file for unemployment. This cost will need to be carefully watched from now on. Bruce will be asked to consider the use of contractors where possible rather than adding staff to control these costs.

ADJOURNMENT

The meeting was adjourned at 1:35 pm.

Respectfully submitted,


J. Kennedy
Secretary