

THE SALT POND GOLF CLUB OPERATIONS, INC.  
BOARD OF DIRECTORS MEETING  
January 21, 2011

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

**Attendees:**

Board Members present: M. Sewald, C. Gularson, R Crawford and J. Kennedy.  
Also present: Bruce DeForest, Superintendent, A. Whaley, Golf Pro., Gerry Buckley, SPHA President, F. Chiccone, SPHA Board member, Wendy Parker, Finance Manager, and Pat Milstead, Birdies Manager.

**Acceptance of the Prior Minutes**

The minutes of the December 17 Board Meetings, and the Special Meeting of January 3, were approved.

**SUPERINTENDENT'S REPORT**

Bruce DeForest mentioned that the downed tree near the 13<sup>th</sup> was taking care of by a homeowner.

Bruce was given the approval to purchase the necessary cart batteries as the money is in the 2011 budget.

Bruce has been investigating carts for purchase. He is looking at Easy Go carts at a local supplier on route 26. The eleven (11) carts are '08 models and he anticipates he may be able to negotiate on pricing. The advantage of a nearby supplier is faster service calls. The current supplier of our carts is behind schedule to service problems with our current carts. Since we usually purchase carts are a few years older than the '08 models, Jim asked if purchasing newer carts will mean that in the future we will have to replace fewer carts each year. That may be a possibility. Chuck raised the point that our competitive bid efforts need to be documented formally for audit purposes and he suggested a \$5,000 expenditure for competitive bidding or sole source documentation. The \$5,000 threshold was approved by the board.

Bruce said that the evaluation of a competitive supplier of environmental services is still under review.

Wendy stated that snow removal rates for the townhouse committees are \$50.00 per hour and have not been update in the years to reflect today's costs. Bruce agreed that the rate does not reflect current fuel, labor truck costs. Dick Crawford will propose a new rate schedule at the nest board meeting.

Bruce said that the new well work has been completed and that Wendy can capitalize the costs.

Three bids have been received for the bulk head on the 10<sup>th</sup> tee. These bids will be analyzed and a subcontractor will be proposed at the next board meeting. The work has been budgeted for 2012; however, the proposed subcontractor will be contacted to determine if it can be done in the fall of 2011.

Gerry Buckley commended Bruce and his staff for the snow removal efforts during the last storm. Bruce also mentioned that they tried a salt/water mixture, like the state uses, in our development.

## **GOLF PRO's REPORT**

Art Whaley reported that greens fees and cart revenue for the month of December was only \$199.00 due the weather. Pro Shop revenues were \$84.00.

Art reviewed the tournament schedule and is trying to have them use Birdies for lunch. So far those efforts have been successful and Dick asked that efforts to encourage the use of Birdies for lunch be part of our tournament sales efforts. The Starboard and NARFE tournament may switch dates to allow NARFE to use Birdies. Art has schedule two more tournaments than we schedule in 2010. The Indian River Senior South Division is playing at Salt Pond this year and Art is checking with the other two divisions to see if they would play here. A suggestion was made to see if St. Martha's would switch to Salt Pond.

Wendy reported that the Pro Shop's inventory write off was \$1535.58, with \$611.63 for physical inventory variance and \$923.95 for dollar variance in inventory list. Dick stated that our inventory record system in the Pro Shop needs to be reviewed and improved. Our ability reconcile item sold information and the inventory item number is a problem. During the summer season, the counter people do not have the time to properly record item number of items sold. Suggestions of adding a double tag on sales items, modifying sales sheets by adding a column for item number, replacing the cash register system, etc. were mentioned. Chuck suggested that a special meeting be called next week to address this problem.

The Membership application for 2011 is in the process of being mailed.

Art reviewed the suggested rate schedule for 2011. The rate schedule was approved with the following changes:

Period March 18<sup>th</sup> thru May 22<sup>nd</sup> changed to March 18<sup>th</sup> thru May 15<sup>th</sup>. For this period the green fees for 9,18 holes were increased by \$1 and the local rate for 18 holes was increase by \$1. The golf cart fee for locals was raised by \$1 for 9 and 18 holes.

Period May 23<sup>rd</sup> thru September 12<sup>th</sup> was changed to May 16<sup>th</sup> thru September 17<sup>th</sup>  
Twilight fees start time was changed from 3:00 to 1:00

Period September 13<sup>th</sup> thru October 31<sup>st</sup> was changed to September 18<sup>th</sup> thru October 31<sup>st</sup>.

The cart fee charge for special groups such as the VFW, Ladies Group, Couples, and Friday's men group will be changed to \$10.00 versus \$8.00.

A suggestion that rates be temporarily increased during the 4<sup>th</sup> of July week will be reviewed in May.

## **FINANCIALS**

Chuck Gularson reported that the December Draft Profit and Loss Statement's revenue YTD was \$683,499.02 against a budget of \$724,790.00, or \$41,290.98 behind. The two biggest factors for this variance were membership, \$12,173.91 behind and green/cart fees \$44,828.10 behind. YTD expenses are \$720,045.92 compared to a budget of \$723,319.00 or \$3,273.08 better than plan. This favorable variance of expenses was primarily achieved through the management of wages by Bruce and Art. Net income after depreciation YTD is minus \$29,097.25 compared to a \$9,101.00 budget.

Among other factors our YTD financials were negatively effected by reduced play in June,\$21,000, due to weather related lower play.

The Club Balance sheet YTD shows cash and money market accounts totaling \$509,941.20, a reduction of \$35,807.58 from last month, and \$82,255.00 from two months ago. Current liabilities equal \$73,558.52, compared to \$44,199.76 last month.

### **OLD BUSINESS**

### **ABCC NOTIFICATION**

Jim reported that a letter was sent by Dick to ABCC that satisfied their reporting requirements associated with our changes to the board office holders.

### **SPGC MONTHLY CALENDAR**

According to the calendar, the marketing plan is due to be completed. Art stated that the plan will be completed in February.

### **ENVIRONMENTAL ALTERNATE SUPPLIER**

Bruce reported that efforts will continue, but at this point there is nothing new to report.

### **NEW BUSINESS**

### **2011 BUDGET SPREAD**

Chuck report that Wendy has completed the budget spread and that he would e-mail that document to us.

### **INVENTORY PROCESS AND POINT OF SALES**

As a result of this year's inventory and inventory adjustments, the need for an improved point of sales system was very apparent. A special meeting will be held next week to deal with the problem.

### **SKIPJACK CART PATH**

Jim reported that in the golf course purchase agreement, it stated that the SPGC is the owner of the golf cart path between the 17<sup>th</sup> and 18<sup>th</sup> holes.

### **GOLF COURSE LEASE**

SPGC has paid the Salt Pond Homeowners Association the \$1.00 lease fee.

### **BIRDIES 2010 RESULTS REVIEW**

Pat Milstead reviewed the sales distribution and gross margin for key items and labor intense item. The sales of beverages and snacks represented 64% of sales, items requiring some preparation (hot dogs and hamburgers) represented 24% of sales and items that are labor intense represented 12% of sales. In order to reduce costs and better utilize the staff, she recommends having only one labor intensive items (salads, sandwiches) as a special on selected days and weekends. She discussed the utilization of the cart person, prep work done in the evenings, marketing aggressively to pool attendees, menus available at the pool sign in desk, phone in orders at the 8<sup>th</sup> home, signage on the course reminding golfers of birdies and the ability to purchases beverage and food. She also reviewed her recommendations on salary and 2011 estimated payroll. She feels that the payroll could be favorable to the \$16,000 budget..

## **ADJOURNMENT**

The meeting was adjourned at 1:15 pm.

Respectfully submitted,

M. Sewald

Secretary