

THE SALT POND GOLF COURSE OPERATIONS, INC.  
BOARD OF DIRECTORS MEETING  
January 16, 2009

The meeting was called to order by Vice President Dick Crawford at 12:30 pm in the Community Center, SPHA Office.

**Attendees:**

Board Members present: W. Kester (by phone), C. Gularson, J. Kennedy, R. Crawford and Max Sewald  
Also present: Bruce DeForest, Superintendent, Art Whaley, Head Golf Pro., Wendy Parker, TSPGCO Finance Manager and Gerry Buckley, President, SPHA  
Homeowner present: Bob Buckley

**Acceptance of the Prior Minutes**

The Minutes of the December 19, 2008 Board Meeting were approved.

**Superintendent's Report**

Bruce DeForest reported as follows:

The golf course chipper was stolen over the New Year's holiday from its location near Hole 18 where the staff was working last before the holidays. The theft was reported to the police and the insurance company, but no other info is available at this time. This is the first time that a major piece of equipment has been stolen from the grounds.

The pump house roof has been replaced.

All the golf carts, except for 10 have been given their annual maintenance. The other 10 all need new batteries and they will be overhauled in April/May before the heavy use season begins.

Emergency exit lights are being installed as necessary in the club house.

The Envirotech pond maintenance proposal for the Hole 18 pond was discussed with the Envirotech people and Bruce concluded that he cannot do much to assist with the work spelled out in the contract proposal because of its specialized nature. He left it to the Board to determine if the proposal was otherwise acceptable. The Treasurer noted that \$4000 was budgeted for the work. The proposal cost is \$4686.75, so if the proposal is accepted an offset for \$ 686.75 will have to be found. After further discussion, on motion made by Chuck and seconded by Max, the contract proposal was approved. Dick Crawford will sign this contract since Bill Kester is not in the area.

Clean up of the SPHA Beach area will begin soon, but Bruce will have to rent a chipper to do the work.

## **GOLF PRO's REPORT**

Art reported as follows:

This is the slow period at the, so interior painting is being done by the staff.

The Delaware Women's Golf Association (DWGA) application was approved by the Association. With the payment of the \$100 per year fee the Salt Pond Golf Course will be listed as an approved course for women's play. Any Salt Pond women interested in joining will need to pay the \$25 annual membership fee and then will be eligible to play at other DWGA courses around the state for just cart fees on the open play days. Eligible courses include Bayside, Kings Creek and Bear Trap. Marilyn Adams will be the Salt Pond delegate to the Association for the first year. Marilyn and Art will have all the application forms.

The Marketing Committee met on Jan. 9 and was joined by Max and Bob Adams. The VFW spring tournament is being planned. The new National Guard tournament is booked. The membership letter wording is set and ready for printing. The proposal is to have Coastal do the printing again, but the Board suggested that John Barrett at the UPS Store be contacted to see if he can do the work cheaper. TSPGCO has a number of people who have volunteered to fold and stuff envelopes once the printing is done. Art will follow-up with Ronnie Malone on the printing.

Art is working with Gary Clip to prepare a membership e-mail list

The complete tournament schedule for 09 is about finished with the tournaments available. There is good traffic committed for the spring, but there is opportunity for more participation in the fall.

Chuck reminded Art to double check with the Starboard tournament officials to make sure they are aware that the liquor consumed at this tournament must come from TSPGCO under its license.

## **FINANCIALS**

Chuck Gularson reported that for the first full year of operation the Salt Pond Golf Club had total operating income of \$756,161. This included a one-time revenue of \$32,748 from 2007 Membership dues received at the closing and \$11,739 in other income. Added to this is \$33,289 of interest income for a total income of \$ 789,450. Total expenses were \$788,360, yielding a net taxable operating profit of \$1089.49. When the depreciation of

\$68,332, is added, the net operating profit before depreciation is \$67,232. This reflects positive cash flow for 2008.

As of the December 31, there are \$535,000 in CD's, \$190,597 in the money market and \$23,635 in the checking account. This plus \$400 in petty cash and the cash register equals \$749,632 in cash. The \$109,000 of principle and interest approved at the last Board meeting was paid. The remaining note due to the developer is down to \$591,667 and current plans are to pay of this note off in July when the CD's mature.

Chuck reviewed the proposed 2009 budget, noting the income is projected to be \$754,723, expenses of \$750,880 for income of \$3843. Depreciation is projected at \$70,200, yielding a positive cash flow of \$74,043.

## **OLD BUSINESS**

### **SNACK BAR OPERATION**

Chuck and Jim will meet over the next two weeks to prepare a response to the Mac Catering proposal. Bill will contact Caryn McIntyre to let her know.

### **SALT PONDA PLAZA UPDATE**

Gerry Buckley reported that all the easements have been signed and are being filed. Mr. Zimmerman had a final meeting with Sussex County Planning and Zoning on Jan 14 and received final approval for the Plaza development plan. The Committee continues its negotiation with Harris Teeter regarding the lighting issues to reduce the height of the light poles and to defuse the lights. Bruce asked for follow-up with Zimmerman to get the drainage work to be done on the golf course under the easements started ASAP and to be completed within 60 days. Gerry will follow-up with the Committee.

### **COKE/PEPSI CONTRACT STUDY**

Max Sewald and Art will meet with the Coke marketing people next week to re-discuss the agreed arrangements and finalize the contract. [It was subsequently learned that the Coke sales rep that they had been dealing with had been terminated so the agreements will have to be reexamined]

### **PAYMENT OF THE 2<sup>ND</sup> INSTALLMENT OF THE SPECIAL ASSESSMENT**

Wendy Parker reported that as of Dec 5, the original due date for the second assessment installment, 16 homeowners had not paid. Each got a notice of default and since then one owner paid in full as required, two owners paid the amount due without the penalty and interest, one owner made a partial payment, and one was an address error so we allowed them to pay the second payment amount without penalty and interest.

Eleven owners have not made the required payment. After discussion the Board agreed to deposit the checks in hand and to send reminder letters to all the delinquent parties that they will have one last chance to pay in full before collection actions are begun. Chuck, Jim and Wendy will cooperated to draft the additional notice letter.

### **VFW GOLF**

Dick reported that the VFW golf committee sent a notice to its members informing them that they were eligible for play on Thursdays at the Beach Club if they were interested. The Salt Pond couples and women golf groups were canvassed to see if they would be willing to swap days with the VFW group and Dick and Bill reported that those groups replied as maybe and no, respectively. Bill expressed an opinion that no changes be made. The possible loss of membership income was discussed and Art suggested that he would expect that he can fill the VFW slot with regular golf play if they chose to pull out and the club would likely come out ahead. He further suggested that they be informed that he could accommodate play on another day in April and May and from Sept 14 thru December if the group is interested. After discussion, Bill Kester said he will follow-up with Vic Beringer by phone.

### **NEW BUSINESS**

#### **BID TO REPAIR THE CART BARN WALL**

The cart barn walls need to be parged and repainted. After last meeting it was agree to differ this work, but Dick has received another lower bid from Wall Coatings Plus of \$1350. There is \$3000 in the budget for repairs. On motion by Jim and second by Chuck, the Board agreed unanimously to approve the bid, subject to the obtaining proof of insurance and obtaining a certificate of insurance naming TSPGCO as an additional insured.

#### **ELECTRIC STUDY**

Max will collect the actual electric bills for the golf course and SPHA operations from Wendy to collect the data on usage and the rate(s) charged. He has identified 15 possible commercial electric suppliers thru Delmarva Power. There are only two suppliers that provide both residential and commercial power. The Board agreed that the electric study should concentrate on the commercial power issue of the Golf Club first and the SPHA second. The residential aspect of the study should be differed. He believes only short term contracts will be available, but he will investigate the available options.

**ADJOURNMENT**

The meeting was adjourned at 1:55 pm.

Respectfully submitted,

J. Kennedy  
Secretary