

THE SALT POND GOLF COURSE OPERATIONS, INC.
BOARD OF DIRECTORS MEETING
MAY 15, 2008

The meeting was called to order by President W. Kester at 9:30 am in the Community Center.

Attendees:

Board Members present: W. Kester, President, C. Gularson, Treasurer and J. Kennedy, Secretary

Officers present: R Crawford and M. Headman

Grand Opening of the Golf Course

Bill Kester reported that the grand opening activities for the golf course are planned and a good turnout is expected. Invited dignitaries for the opening ceremony and lunch include State and local representatives, including Senator Bunting, Representative Gerald Hocker, Representative Robert Valihura, Sussex County Councilman, George Cole and the Mayors of Bethany Beach, Oceanview and Millville. A shotgun start, best ball tournament is set for both the morning and afternoon. Lunch will be served in between.

Financials

Chuck Gularson reviewed year-to-date financials. YTD we missed our budgeted membership by \$4,529. We sold 13 family memberships and 18 single memberships in April. This brings us to a total of 90 memberships sold so far this year. YTD this is behind plan by approximately four family memberships (or eight single memberships).

Green/cart fees revenue was \$22,290.50 for April. We exceeded our April budget by \$2,590.50 and have exceeded our YTD green/cart fee budget by \$6,548.50.

Pro Shop merchandise is close to being on target. Our YTD total is favorable by \$330.56.

Other Pro Shop revenue YTD was \$4. We budgeted \$3,400 YTD, so we have missed our budget by \$3,396. Much of this is due to the learning center range not being open.

Our overall operational revenue is than less budgeted for the year by \$1,045.94. When the \$32,747.76 of membership income received at settlement is added, we are \$31,701.52 ahead of plan. When we subtract YTD expenses, we have approximately a \$9,000 shortfall before depreciation. However, the interest income was not booked yet, which should put us ahead of plan. How transactions are booked might change after the auditors evaluate the Golf Club books. This is scheduled for late May.

The Board had a meeting with PKS the outside accounting firm to review options for the contribution of the golf course assets from SPHA to this company. A recommendation is expected shortly.

Memberships

The Marketing Committee believes that part of the reason for the membership numbers being behind stems from people returning late from the winter away. The Committee is working to close the gap by having Art Whaley make phone calls to prior members along with the mailing of a new letter prepared by the Committee to be sent to communities not contacted in the first mailing.

The Board approved (on a special exception basis) the return of two membership checks to two individuals who just found out they will have medical restrictions that will keep them off the golf course this year. In the future, the policy will be that no refunds will be issued once the membership is paid.

VFW

The Board reviewed the background concerning the request from the VFW group to change their scheduled day of play from Tuesday to another day. Scheduling the request is problematic and Bill Kester was directed to meet with VFW reps to explore a possible solution.

Employee Incentive Plan

The Board began a review of a possible incentive pay plan for the Golf Course General Manager. No conclusions were reached. Further study will be undertaken.

Snack Bar Operation

Bill Kester reported that the contact by Jonathan Spivak to operate the Snack Bar this summer did not work out as Mr. Spivak intended to pursue another opportunity. Another party has expressed interest but has yet to submit a written proposal.

Assessment Delinquencies

Chuck Gularson reported that there are only two homeowners who have not paid the \$5000. special assessment for the golf course. New letters have gone out to these two owners, and if there is still no response, collection activities may be undertaken.

Building Insurance

The recommended insurance for golf course buildings was reviewed by the Insurance Committee and it was recommended that the insured values be left as is Chuck Gularson reported. The Board agreed to accept the recommendation.

Golf Course Beautification

Chuck Gularson proposed that the Board seek sponsors for the 18 holes of the course to take responsibility for planting and up keep of flowers, etc., as a way to enhance the beauty of the golf course. The Board agreed that this would be appositve step, but with the press of other matters at this time, the proposal should be tabled for a future review.

Fees for Junior Golfers

Bill Kester reviewed a proposal to offer reduced greens fees to member's and Salt Pond homeowners junior golfers (up to 16 years old) when playing with an adult member or homeowner adult. The Board unanimously approved the proposal as follows:

Opening to 11:59 am – full fees
12 noon to 3:59 pm – a fifty percent (50%) discount
4:00 pm to closing – free

Adjourn

Meeting adjourned at 11:50 am.

Respectfully Submitted.

J. J. Kennedy
Secretary