

BOARD OF DIRECTORS MEETING
June 18, 2010

The meeting was called to order by President Bill Kester at 12:00 Noon in the Community Center Office.

Attendees:

Board Members present: W. Kester, M. Sewald, C. Gularson, R Crawford and J. Kennedy.

Also present: Bruce DeForest, Superintendent, A. Whaley, Golf Pro., G. Buckley, SPHA President and Fred Chicone, SPHA Board Member.

Acceptance of the Prior Minutes

The minutes of the May 21 Meeting of the Board of Directors were approved.

GOLF PRO's REPORT

Art Whaley reported that for the period June '09 to June YTD, golf revenue is off about \$2000. Memberships are behind plan with the loss of seven family memberships and 14 singles. YTD there are 37 family members and 50 singles. That equates to a revenue loss of \$20,720.

The Marketing Committee is recommending use of the 10 round membership again this season, increasing the price from \$299 to \$329. This program will be good for 10 rounds of play after 12 noon from June 19 through September 11. After the tenth round there will be one (1) free round. Like last year, half price range balls are included. The program was approved.

Hugh O'Neill is redesigning the membership application form and expects to have it ready in November in time for mailing in early January.

The ad in the Yellow Book will be dropped in favor of a ¼ page ad in the Verizon phone book.

The promised payment from Mac Catering was not made. Art will follow up, but expectations of getting any payment are not high.

The ad in the Coastal Point will be modified to give \$3.00 off greens fees (instead of cart fees) if the coupon is presented at the time of play. This modification was approved.

Jeff Rupprecht has been invited to join the Marketing Committee. He accepted.

Some of the groups playing regularly on the course were paying more than others. The groups (VFW, women and the Friday Reese group) will now all pay the same \$8.00 cart fee.

There are new member prospects who have been playing a lot at regular rates and will join if the membership rates are prorated. Art was given permission to prorate the membership fee if these people will join.

SUPERINTENDENT'S REPORT

Bruce DeForest reported that the dry weather is causing problems. The staff is just about able to keep up with needed watering. He recommended that handicapped players be advised to ride on the fairway, not on the rough, because it is so dry.

FINANCIALS

Chuck Gularson reported that YTD revenue was \$217,700 against a budget of \$202,635.81, or \$10,064.19 behind plan. The revenue shortfall needs to be improved. The Marketing Committee will be challenged to find additional revenue sources. YTD expenses are \$273,150 compared to a budget of \$273,650. Irrigation expenses are over budget due to the needed well pump motor replacement. Chuck is investigating whether the pump motor expense can be capitalized instead of expensed. The rest of the expense over run continue to result from chemical purchase in January ahead of plan. Net Income YTD is a loss of \$70,909.52 compared to a planned loss of \$59,498.

The audit report has been completed in draft form. It appears that the company will be in a net loss for 2009 of \$340. These findings will be reviewed with the auditors. Cash flow was positive at about \$74,000.

The physical inventory of the pro shop determined that the inventory adjustment will amount to \$340.59. Very low.

OLD BUSINESS

BIRDIES SNACK BAR 2010 OPERATION

Dick Crawford reported that, including Pat, there are nine employees with three backups available to staff the shop. The first cart girl found a full time job so that position must be refilled. An interested party has been identified and will be interviewed.

The new menu will be introduced starting in a week or so. Salads will be added. Chicken, tuna and shrimp salads will be available for sandwiches.

Propane usage is higher than expected. The shop goes through a tank every 2-3 days. At this rate the propane will add cost at about \$750. Pat will see if one of the suppliers could put in a larger tank.

2010 RANGER VOLUNTEERS

Ranger volunteers are now in place to cover all time slots except Sundays, but Bill believes there are enough substitutes to cover the Sunday slots.

LEGAL

Collection efforts for the golf course special assessment continue. The affected parties will be sued in the Sussex County Court of Common Pleas to seek judgments to protect the SPHA interests.

Noel Tuck has raised a question about the use of the money collected for the golf course purchase that is in excess of the purchase price and related costs. He believes that this money should be returned to SPHA. The money in question has been fully accounted for and, after discussion, the Board agreed that the money in question is essential to golf operations and will be retained in the reserves of the golf course business. This position is supported by the company's parent, SPHA.

PROCESS FOR SELECTING AND RETAINING THE TSPGCO BOARD OF DIRECTORS

The Board is awaiting a definitive statement from SPHA Board. Once the policy is agreed to the appropriate changes will be made to the TSPGCO By-Laws.

The Board agreed that the current officers will remain in place for 2010 – 2011. Bill Kester, President, Dick Crawford, VP, Chuck Gularson, Treasurer and Jim Kennedy, Secretary.

HOMEOWNER (NON-MEMBER) BENEFITS

A question was raised at the SPHA Annual Meeting concerning golf benefits for non-member homeowners. After discussion, the Board agreed that the rate for such players and their quests playing with them will be \$41 for 18 holes with a cart. Also there a 5% discount off Pro Shop merchandise. benefits for non member homeowners are listed under hot topics on the SPHA Website.

LIQUOR LICENSE RENEWAL

The Delaware ABCC license renewal has been filed. The rates were recently increased by the state to \$2900.

NEW BUSINESS

OUT OF BOUNDS STAKES

The out of bounds stakes on Hole 13 disappeared. They have been replaced.

ENVIRONMENTAL CONDITION OF THE GOLF COURSE PONDS

The environmental condition of the pond at Hole 18 has continued to decline as a result of the extreme dry weather. It's being over grown with lily pads. Arrangements have been made to have SPHA's environmental consultant, Envirotech, examine the pond and recommend treatment options.

In preliminary discussions with Envirotech, it was learned that by state law TSPGCO will have to prepare and file a nutrient management plan related to nutrient run-off from the golf course to its ponds. The plan preparation is expensive, but the state Dept of Agriculture may have funds to off-set that cost. Envirotech will investigate. In the preliminary discussions, Envirotech believes current practices will be acceptable.

The drain near Hole 14 was also examined and now it's not sure that the pipe under Drake is a drain. An effort will be made to determine if there is a drain from the ditch along Hole 14 to the Loop Canal.

GOOSE CONTROL

Delaware Fish & Wildlife will conduct a goose round up on the golf course in the next few days. The goose population on Hole 18 is particularly bad and contributing to the adverse condition of the pond.

SPECIAL THANK YOU AWARD

The Board agreed to recognize the work done by Charlie Smith in getting Birdies ready for TSPGCO operation for 2010. Charlie consulted on staff hiring, cleaning, recommending suppliers, menu selections and pricing. He will be given a \$100 Pro Shop Gift Certificate.

ADJOURNMENT

The meeting was adjourned at 1:35 pm.

Respectfully submitted,

J. Kennedy

Secretary