

THE SALT POND GOLF COURSE OPERATIONS, INC.
BOARD OF DIRECTORS MEETING
June 19, 2009

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

Attendees:

Board Members present: W. Kester, C. Gularson, J. Kennedy and R. Crawford
Also present: Bruce DeForest, Superintendent, Art Whaley, Head Golf Pro., Gerry Buckley, President, SPHA, and Tom Anfinson, SPHA Board Member
Homeowner present: Fred Chiccone, President Top Sail Village

Acceptance of the Prior Minutes

The Minutes of the May 15 Meeting of the Board were approved.

Superintendent's Report

Bruce DeForest reported that the drainage problem behind 108 Oyster Shell Cove has been referred to the Salt Pond Plaza contractor, Melvin Joseph, for evaluation and correction.

Otherwise he reported that the course is in great shape in spite of the rain, so go play.

Fred Chiccone reported that the net and poles donated to Skip Jack Village to reduce damage from golf balls is working well. No damage has been reported to date. The Village residents are pleased.

The area around the pump house on Walkabout has been weeded and seeded.

GOLF PRO'S REPORT

Art reported as follows:

The staff shirts for club rangers are in and ready for pick-up. Any remaining shirts will be distributed to the paid golf course staff.

The proposal for a 10 play limited membership program at \$299 per person (including cart fees) for non member SPHA homeowners was reviewed in detail. Art will prepare the cards to be issued to people buying the package that will allow rounds to be punched to track play. The program will be available only once per person and will be good for play through April 2010. This limited membership will also offer smaller discounts for club merchandise, range balls, private lessons and discounted rates for guests. The rules include tee times after 12 noon thru September 8; it cannot be split 18 to 9 holes; and cannot be split between partners. The program was approved.

Membership YTD stands at 94 (41 family[6 new] and 61 single[9 new]). This is a net loss of 17 members from 2008. We will continue to pursue full club memberships and the limited membership program should help to close the gap. Realistically, however, the Board is recognizing that around 100 memberships is the likely norm for planning purposes.

FINANCIALS

Chuck Gularson reported that YTD operating revenues were \$196,597, or \$30,118 behind budget. The revenue shortfall is mainly a result of reduced membership (-\$23,619) and cart and greens fees (-\$6,582). YTD expenses through the period were \$254,712, or \$24,881 under budget; therefore, the Net Operating Income was only behind budget by \$5,237.

The Golf Club is under budget in Other Income (-\$6,719); mainly due to lower interest income caused by decreased interest rates. After adding in Other Income, the YTD Net Income is -\$54,094 vs. a budgeted YTD -\$42,139, or -\$11,995 behind budget. However, the depreciation expenses were increased by \$11,601 in May do to a modified depreciation schedule. Therefore, we are about on target YTD (-\$11,999 - \$11,601) or only -\$398 behind budget.

Looking at the financials from a different perspective, the actual YTD loss after depreciation is -\$54,094. If we look at the May YTD before non-cash depreciation, the YTD operating loss is only -\$13,243 (\$54,094-\$40,851 in depreciation). The net income should be significantly switch to a positive position after July.

The need to continue controlling expenses remains paramount. We need a break in the weather to get back on track.

OLD BUSINESS

SNACK BAR OPERATION

Full daily operation of Birdies began June 13, not June 1 as originally planned due to a number of reasons, but mostly due to low play. The operation continues slow due to the weather – low golf play and low pool attendance.

PAYMENT OF THE 2ND INSTALLMENT OF THE SPECIAL ASSESSMENT

Jim Kennedy reported that the collection letters to the homeowners' delinquent on their special assessment have gone out.

NEW BUSINESS

COURSE RANGERS

Bill noted that the ranger schedule is set for the summer season. All slots are covered.

FIRST DRAFT OF THE GOLF COURSE CAPITAL REPLACEMENT PLAN

Chuck presented to first draft of the golf course capital replacement plan was reviewed and will be refined in the coming months in conjunction with Bruce and his staff. Once this plan is finalized, the Board will have a good planning tool for setting adequate operation reserves.

ADJOURNMENT

The meeting was adjourned at 1:15 pm.

Respectfully submitted,

J. Kennedy
Secretary