

THE SALT POND GOLF COURSE OPERATIONS, INC.
BOARD OF DIRECTORS MEETING
September 17, 2008

The meeting was called to order by President W. Kester at 12:30 pm in the Community Center.

Attendees:

Board Members present: W. Kester, C. Gularson and J. Kennedy
Officers present: R. Crawford and M. Headman
Also present: Bruce DeForest, Superintendent and Art Whaley, Golf Pro. And Gerry Buckley, President, SPHA
Homeowner's present: Bud Hillman of Pond View Dr.

Acceptance of the Prior Minutes: The Minutes of the July 18 Board Meeting were approved.

Superintendent's Report

Bruce DeForest reported that the 18th hole tee area has been cleared of the overgrowth and all the course rough area has been aerated. Dead trees along the 5th fairway have been marked for removal. Greens will be aerated starting next week. Phragmites around the course has been sprayed and is dying. The brush near the 16th hole green that borders a private residence will not be cut at this time. The adjacent homeowner wanted the area clear cut, but our desire is to cut brush only and not remove trees in the space.

He noted that the signs warning about the hazards of walking, jogging, etc., on the course cart paths during golf hours are on order and are expected any time.

Bruce and his staff are preparing a five year analysis of projected spending requirements for equipment and course improvements. It will be available for review later in the fall.

Dick Crawford asked about the condition of the bulkhead at the 10th tee and whether it will need replacement. Bruce said there is no plan to replace it now, but they will consider that in the five year plan.

Dick also asked whether there is any plan to improve the water level in the pond at the 18th hole. He remarked that the pond bench seems to be overgrown and the pond is drying up. Grass clipping are being dumped along the edge. Bruce said there is no plan to take any action at the pond, although if his employees are dumping grass clippings along the pond edge, he will have that stopped.

The Envirotech proposal to maintain water quality in golf course ponds has not yet been acted on and the question was raised whether we need to have them look at the water quality specifically in the pond on the 18th hole. While no action on the full proposal is

proposed for now, Bruce will follow up with Envirotech to see what the cost of that review might be.

An additional well will be needed in 2009. Bruce says there are only two qualified well drillers in the area. One has bid \$29,000.00 and the other has not submitted a bid. The money for the new well is in the 2009 budget.

GOLF PRO's REPORT

Art reported that John Shaughnessey has resigned as the head of the golf course marketing committee and that he will replace him effective immediately. John will remain available for consultation, however. Art will convene his first meeting in November.

The new add for fall play ran in the latest issue of the Coastal Point. For the period Sept 8 through November 1 fees for play will be reduced for "Locals" (the three county area), Monday through Thursday from \$46.00 to \$34.00 for 18 holes and from \$ 46.00 to \$39.00 Friday through Sunday. Junior and 9 hole rates were also adjusted for the period. After November 1 the winter rates will kick in.

Notices will also go out to all SPHA homeowner's to let them know that that even if they are not members or full time residents that they are eligible for the "Locals" rates. For homeowner's this amounts to a 26% discount Monday – Friday and a 15% discount on weekends

Golf Course members will be able to bring relatives and house guests to play with them and receive the "Locals" rates till November 1. Guests must play with the member and use a cart. Cart fee for members will be reduced to \$10.00 per 18 hole round.

The reduced winter rates for everyone will become effective Nov.1.

Bruce noted that Stosh continues to provide maintenance services for SPHA. His work is first class and cheaper than outside contractors.

FINANCIALS

Chuck Gularson reported that Salt Pond Golf Club total operating revenue August YTD was \$611,786.41 compared to a \$616,070.00 budget or \$4,283.59 behind the plan. The largest shortfall was in the membership category falling \$ 28,970.00 behind the budget. This shortfall was offset by the YTD increase in greens and cart fees of \$29,873.70. Even with the membership shortfall, we are still more than \$12,000.00 ahead of last year.

The January, 2009 \$691,000.00 payment of principle due to Salt Pond Associates has been made from current assets as well as a partial payment of accrued interest. Only an additional interest payment will be due in January 2009.

Chuck noted that August revenue was very strong as planned. Net income for August was \$89,924.08, boosting YTD net income to \$113,881.72 for the year. Those numbers show how important August is to our overall performance. On a cash flow basis, when the YTD net income is added to depreciation expense YTD, we have a positive cash flow of \$163,962.06.

The next installment of the golf course special assessment will be due in November and the letter reminding those homeowners that elected to pay in installments that the \$1825.00 installment is due Nov.5, 2008. The usual late fees and interest will be assessed if the payment is late. There is a built in grace period for payment until Dec. 5. Payments paid after that date will be past due.

OLD BUSINESS

Liquor License

The liquor license for the Salt Pond Golf Club was issued in August and the requisite final inspection of our facilities involved in liquor sales were inspected earlier in the week. Everything was in order. The final license fee of \$975 (includes Sunday sales) for a two year renewal was paid. The license is good till October 2010.

Bill Kester also had clarified with the ABCC inspector that the main SPHA club room is not part of the controlled area, so homeowner's and outside groups are permitted to bring alcoholic beverages into that area for their own consumption.

SNACK BAR OPERATION

Bill and Chuck will meet with Diane in October to finalize the operation of the snack bar during the past season. A written contract will be developed to memorialize the operation for the year.

RANGER PROGRAM

Rangers will be used for one shift during the month of September. The shift will run from 9-2. If play is slow, then the person on duty will have the option of stopping that day before the shift ends.

EMPLOYEE HAND BOOK

At the behest of the golf course insurers, an Employee Hand Book spelling out the term and conditions of employment has been drafted and is in the final process of review. I should be ready for full implementation shortly.

GOLF CART ON THE ROADWAY

For liability and safety reasons all golf cart users from the golf club are being told it is no longer acceptable to drive golf carts on the Salt Pond roadways. They may only be driven on the course cart paths. The VFW group has been advised as will the couples group. All other tournament groups will also be so advised.

SELECTION OF TSPGCO DIRECTORS AND OFFICERS

The process for the selection of the future slate of TSPGCO directors and officers was discussed and Jim Kennedy pointed out that the company by-laws provide for the selection of the directors by the sole shareholder (SPHA) in June. The Directors will then elect their officers for the year. The number of directors can also be increased from the current three to another number at that time.

NEW BUSINESS

APPRECIATION BARBECUE

Bill Kester suggested that we ought to fund an appreciation barbecue to thank all the golf course volunteers for getting us to such a great start. After discussion, it was agreed that such an event ought to include all the SPHA volunteers as a group and the Board unanimously agreed to push this recommendation up to the full SPHA Board.

PAINTING OF THE SNACK BAR AND LEARNING CENTER

Dick Crawford and Bruce reported that the golf course snack bar and the learning center buildings will be painted by Bill Guyer in return for a surplus course utility cart. The arrangement was approved.

HOMEOWNER'S FORUM

Gerry Buckley requested that TSPGCO consider sharing the cost of purchase and installation of a flag pole in the center circle in front of the club house. The cost is projected to be \$6-\$800.00 in total. The SPHA Women's Club and the SPHA Board will also participate in the funding. The electricity is already in place. On motion duly made and seconded, the contribution plan to join in the funding not to exceed 50% of the cost was approved.

Gerry Buckley asked if Bruce would consider trimming the Willow tree at the forward tees on 18th hole to improve visibility and also to consider putting skid reducing material on the steps to the forward tees on the 14th hole. Bruce agreed to look into both requests.

Bud Hillman commented that as a ranger that he is happy the Board has acted to have the signs for the cart paths warning against walking, jogging, etc. on the cart paths.

TRIAL GOLF COURSE MEMBERSHIPS

A proposal was made to enhance the membership shortfall noted above by offering a trial, non-refundable of 10 rounds for \$199.00 during the period October 2008 through April 2009. On motion duly made and seconded the proposal for this program and the special fee program noted above for Sept 8 – Nov. 1 were approved.

RESIGNATION

At the end of the meeting, Michael Headman tendered his resignation as Vice President of the company, effective immediately. Michael was thanked for his service to the Board.

ADJOURNMENT

The meeting was adjourned at 1:45 pm.

Respectfully submitted,

J. Kennedy
Secretary