

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

The meeting was called to order by President W. Kester at 12:32 pm in the Community Center.

**Attendees:**

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

Officers present: R. Crawford

Also present: Bruce DeForest, Superintendent and Gerry Buckley, President, SPHA

Homeowner's present: None.

**Acceptance of the Prior Minutes:** The Minutes of the September 17 Board Meeting were approved.

**Superintendent's Report**

Bruce DeForest reported that construction of the wash pad at the maintenance shed, clean up of contaminated soil in the backhoe storage area and the decking on the bridges near Holes 5, 6 and 10 will be started now that the heavy seasonal work has begun to wind down. The bunkers at Hole 9 are being stripped to improve drainage. The dead trees along the 5<sup>th</sup> fairway previously marked for removal will be cut down. A new roof will be put on the pump house. The brush near the 16<sup>th</sup> hole green that borders a private residence will be cut as soon as we receive the owner's check and a confirming letter to proceed is received. The area will not be clear cut. Trees larger than 6 inches in diameter will not be cut. The ice machine will be relocated from the snack bar to the learning center to relieve congestion and reduce heat in the snack bar.

Bruce discussed the location of the new well. Originally the well was to be located near Hole 12, but it may not be possible to locate it there because the electric requirements needed to power the pump are lacking. The pump will require 440 volts, three-phase power to operate and in the area near the 12<sup>th</sup> Hole there is only 220 volt single phase power available. They are exploring installation of a device called "Rotophase" which can convert the single phase current to three-phase, but if that doesn't work, the new well will have to be drilled in the vicinity of the current pump house. He is reluctant to engage the power company on the matter because of the expected expense.

Bruce also reported that he has had follow up with the Skipjack Homeowners Association regarding the surplus netting and poles that TSPGC will donate to reduce the incidence of stray golf balls hitting the building next to the beige tee at Hole 18. Bruce or one of his people will be present when the poles are set to make sure the net will not interfere with the tee box.

Dick Crawford reported that the painting of the snack bar and learning center buildings will be completed by Oct 22. It was also pointed out that the snack bar floor needs to be repainted and sealed. Bruce will look at it.

As a follow up item, Bruce reported that carpeting was installed on the steps leading to the green tees on hole 14. This should help avoid skids going up and down the steps.

Bill Kester received a comment from a homeowner regarding the failure of drivers stopping at the new Bethany/Bethany Loop stop signs. He suggested painting lines on the street ahead of the signs to further alert drivers to the signs. Bruce will take care of it.

### **GOLF PRO'S REPORT**

Bill Kester reported in Art Whaley's absence that new winter rates will become effective Nov. 1. Ad copy has been prepared indicating a rate for locals for 18 holes of \$22.00 will be charged Mon-Fri and \$25 on weekends. The regular 18 hole rate is \$29.

The proposed rates for the 2009 season were presented for approval. Generally the rates remain the same as those in effect for 2008, except the Fri- Sun and holiday fees March 21 – May 15 will be one dollar more.

The scheduled Juniors Tournament was cancelled for lack of interest. Art will plan a tournament for next year that will be advertised.

### **FINANCIALS**

Chuck Gularson reported that operating revenue for September was \$54,122.78, approximately \$19,000.00 behind budget. The monthly shortfall was a result of poor weather and the date of the Labor Day holiday. When the holiday falls early in the month as it did this year, there is a loss of vacation revenue. On a YTD basis total revenue was \$702,779.35, keeping revenue ahead of budget.

Net income for the month was a loss of \$10,616.05. Through the end of September, YTD, income was \$102,525.09. This results in a positive cash flow of \$159,021.85 YTD. This cash will be needed to carry the operation through the rest of 2008 and into the spring of 2009.

Current assets total \$739,910.26, of which \$485,000.00 is invested in laddered CD's. The balance due on the loan to purchase the golf course (not due until January 2010) is \$694,260.27, so nearly all of the last payment is currently in the bank before the second and third assessment installments are due.

The notice letter for the next \$1825 installment of the golf course special assessment due Nov. 5 was sent to 133 homeowners who choose to pay the assessment in installments. 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.

Chuck reported that 13 owners have already responded, including several who have paid the total remaining balance of installments. Those who chose to paid the entire balance can save \$250.00.

The collection effort against the sole owner who has refused to pay anything has begun. The file was turned over to our lawyers for collection.

## **OLD BUSINESS**

### **NEWSLETTER ARTICLE**

Bill Kester and Chuck Gularson collaborated to write the article for SPHA Fall Newsletter.

### **SNACK BAR OPERATION**

Bill reported the he and Chuck had a meeting with Diane Turner of Luna Tuna Catering to resolve the final agreement for the 2008 operation and plan for 2009. There continues to be areas to be clarified. Diane did make a payment of \$1,500.00 to cover the cost of the alcohol sold. The parties will meet again in the next few days to resolve the remaining issues. In planning for next year, all the parties agree that there must be substantial changes in the menu to make the operation profitable.

In the meantime, another vendor has come forward and expressed interest in operating the snack bar next year. Karen McIntyre has experience operating the Sea Colony snack bar and has indicated she would offer a different menu if she were operating Birdies. Bill will meet with her in the near future to determine if her services would work in our situation.

Both possible caterers will be asked for their respective views on modifications to the physical layout in the snack bar to improve operations.

### **FLAG POLE INSTALLATION**

The flag pole installed in front of the clubhouse was donated by a homeowner so the only cost involved was \$76.22 to install the pole and purchase the flags. TSPGCO will pay for this costs plus the cost for flagstone to be installed at the base of the flag pole.

### **GOLF CARTS ON THE ROADWAY**

The effort has been made to remind all players that it is no longer acceptable to drive golf carts on the Salt Pond roadways. While there has been good co-operation, there is not total compliance. This is a good start.

## **NEW BUSINESS**

### **SALT PONDA PLAZA UPDATE**

The storm water discharge issues regarding runoff of water from Salt Pond Plaza onto the golf course are being resolved in negotiations with the developer. The final settlement language is being worked out between the lawyers acting for the parties. A new easement will be used to settle the matter.

### **REPLACEMENT OF A VICE PRESIDENT**

Given the resignation of Michael Headman as Vice President of the company at the end of the last meeting, Mr. Max Sewald has been offered and accepted the position, effective immediately. The board voted unanimously to support this appointment.

## **ADJOURNMENT**

The meeting was adjourned at 1:30 pm.

Respectfully submitted,

J. Kennedy  
Secretary