

THE SALT POND GOLF CLUB OPERATIONS, INC.  
BOARD OF DIRECTORS MEETING  
November 19, 2010

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

**Attendees:**

Board Members present: W. Kester, M. Sewald, C. Gularson, R Crawford and J. Kennedy.  
Also present: Bruce DeForest, Superintendent, A. Whaley, Golf Pro., F. Chiccone and Gary Clip, SPHA Board members, Wendy Parker, Finance Manager and Richard O'Leary, SPHA homeowner.

**Acceptance of the Prior Minutes**

The minutes of the October 15 Meeting, the Executive Session of October 15 and the October 19 Special Meeting of the Board of Directors were approved.

**SUPERINTENDENT'S REPORT**

Bruce DeForest asked for clarification on the handling of the Thanksgiving holiday, since most of the seasonal workers are still working. Is it a paid or unpaid holiday for the seasonal employees? In accordance with the Policy Manual, it was determined to be an unpaid holiday for seasonal and paid for full time employees.

A homeowner has requested that the entry to the tee box at Hole 2 be revised to discourage players from entering the tee box from the south side next to his house. The Board discussed the request. The Board also revisited a similar request from an owner near the tee box on Hole 6 that had previously been denied. Bruce indicated that he had some excess Knockout Roses (or other plants that could be acquired at low cost) that could be used in both places to present a natural barrier. Also, some enhancements of the current entrances could be made with minimal cost to encourage tee box entry away from these two home sites. The Board approved the changes.

The Hole 5 and 10 tee box modifications will start in the next two weeks, weather permitting. All the materials and necessary equipment are on hand.

The Hole 17 tee box bulkhead has been power washed and one top board has been replaced. The non-skid material will be applied as soon as possible, weather permitting.

Bruce noted that, effective January 1, 2011, Sussex County will no longer accept yard waste that is mixed with other garbage. Allied Waste will offer special pick-up of yard waste only at \$120.00 per hour. A smaller Maintenance dumpster will be ordered for normal refuse and a separate one for yard waste. Bruce asked whether this separate dumpster could be used by the entire Salt Pond Community for disposal of yard waste, but the Board, after discussion, unanimously voted no to this suggestion because there will be no way to control what is dumped there.

The well hook up is nearly complete. Just the repowering of the well pump in the pump house is left to complete the work.

Bruce was advised of a complaint by Harris Teeter that someone from the golf course may have driven a vehicle (golf cart or such) across its water retention pond bed sometime last summer or fall. He is certain that no golf course employee would have drive across the area. There is no proof that it was a golf cart or that any golf course patron would have done it either. Harris Teeter has already been notified by SPHA that it likely was a random act of vandalism.

Dick O'Leary attended the meeting and raised an issue about the deteriorating condition ( low water level and vegetation growth) of the pond on Hole 18 near his home. He submitted that the pond maintenance was an obligation of the golf course to maintain the pond both for the enhancement of the course and Salt Pond property values. The Board reported that Bruce has been treating the pond bench and further work is planned to clear out dead plant material. Bruce reported that the phragmites has been sprayed, but the Cattails present another problem for eradication. Dick believes the Cattails can be cut below the water line to eradicate them, otherwise the only other remedy is to dig them out. Bruce reminded everyone that the DNREC regulations must be adhered to with any maintenance for the pond. The Board asked that Bill Kester consult with Chris Brown, SPHA Ponds and Wetlands Committee Chair, about permitted further maintenance work. In the meantime, Bruce will continue to do the clean-up work. Dick O'Leary was generally satisfied with the plan.[In a follow-up after the meeting with Chris, Bill reported that the permitted work includes cleaning drains, treating invasive species and removal of dead plant material.]

Another request was made by the owners of homes at the end of Canal Way West to trim trees and shrubs near the black/white tee box at Hole 12. Since some of the plant material in question is in or near wetlands, the Board wanted Chris Brown's input first. If he agrees with the cutting, the work can proceed, but at the owner's expense as was done on Hole 16. The owners would be so notified. Bruce will prepare a cost estimate. [Again, after consultation with Chris Brown, the requested trimming is permitted under the Conservation Easement with DNREC.]

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

Art Whaley reported that greens fees and cart revenue for the month to date was \$4810 compared to a budget of \$6,000. If the weather holds through month end the revenue target should be met. Pro Shop revenues were on track for the month. Art will staff the Pro Shop on Thanksgiving Day until 2 pm.

Art has called people with outstanding gift certificates to remind them to use them by yearend.

He also reported that several area courses are changing status. Shawnee is being taken over by The Rookery. Sussex Pines will be taken over by another group. Beach Club has closed. A number of other clubs are reported to be under stress.

Art is seeking additional play by local groups. A local direct mailer will go out to residents of BB, Lewes, Rehoboth and Ocean View promoting the course. He has contacted the Indian River Senior's Golf Group about scheduling play at the Salt Pond in 2011.[ The south group has already committed.]

Jim Kennedy asked if the cost of a round of golf at the Salt Pond has ever been calculated. Art will take a stab at coming up with a figure.

The Pro Shop e-mail list for e-mail blasts is being built. Art hopes to have this ready to go in the coming weeks. The Board agrees that he needs to concentrate on this.

Art noted that the DE Women's Golf Assn. will re-rate the Salt Pond course in the coming months to get handicaps for SP women closer to regular full length courses. The Board agreed that the men's handicaps should also be re-rated to be consistent with the full length courses. Art will oversee the revised ratings.

## **FINANCIALS**

Chuck Gularson reported that the October actual revenue of \$35,697.22 was better than budget for the month by \$7,247.22, but overall results remain behind budget for the year. Revenue through October was \$669,768.52 against a budget of \$713,200.00, or \$43,431.48 behind. Membership revenue and cart fee are still down a combined \$58,532.41 for the year. YTD expenses are \$624,182.55 compared to a budget of \$631,424.00, \$7,241.45 better than plan. Net income, after depreciation, YTD is \$47,290.45, compared to a \$84,452.00 budget.

Projected year end revenues are \$681,358.52, are \$43,431.48 less than budget. Expenses, including depreciation, are projected to be \$716,083.55. Net income, FOR TAX PURPOSES, INCLUDING DEPRECIATION, for the year is a projected loss of \$28,066.55 against a budgeted profit of \$9,101.00. The business will be profitable at year end on an operating basis.

The Club Balance sheet YTD shows cash and money market accounts totaling \$592,196.10, a reduction of \$6778.53 from last month. Current liabilities equal \$52,015.51, up from last month.

The proposed 2011 operating budget has undergone some additional modifications. Chuck asked all Directors to review the proposal one more time and be ready to adopt a final budget in December.

## **OLD BUSINESS**

### **GOLF BOARD OFFICERS AND TERMS**

The Board again took up the matter of the officers for the balance of the current Board's tenure (a new Board is elected in June each year). Because of his physical absence from January until early May, Bill Kester will resign as President effective Jan. 1, but will remain on the Board and participate in Board meetings electronically. Vice President Dick Crawford will assume the Presidency. Jim Kennedy will become Vice President and Max Sewald will become the Secretary. Fred Chiccone will assist Chuck Gularson on financial matters.

### **HOLE 5 DRAINAGE – ROBEY LETTER**

The letter from the Robey's addressed to SPHA about continued drainage issues alleged to be coming from the golf course on to their property was reviewed. It is not clear that the water they complain about is coming from the golf course or from a neighboring lot. The belief was the latter. Bruce has seen no evidence that the golf course drains are not doing what they are designed to do. The corrective action taken by the Salt Pond Plaza contractor is believed to have fixed the issues raised previously by the homeowners. The Board decided that this needs to be handled by the SPHA Board to whom the letter was addressed.

## **NEW BUSINESS**

### **GOLF CLUB FINANCE MANAGER**

Wendy Parker has notified all parties that she will be moving from the area in the near future and it is necessary that she terminate the use of her house as the Community Business Office as soon as possible. This will mean finding space for a new office and the equipment necessary to carry out the functions of the office. The Board, after discussion, decided that an office sharing arrangement with the SPHA Business Office is the best solution for now. The golf club will recommend to SPHA to split the cost of the necessary equipment to outfit the office with SPHA on a 50/50 basis. A replacement for Wendy will be undertaken in cooperation with SPHA closer to her departure.

### **YEAR-END INVENTORY**

The year-end inventory of the Pro Shop must be done in one day before the end of the year. Chuck, Art, Jim and Bill have all volunteered to help Wendy when the date is set.

### **VOLUNTEERS FOR BIRDIES CATERED FUNCTIONS IN 2011**

Dick Crawford, in conjunction with Art and Pat Milstead, have been discussing ways to reduce costs in the birdies operation for next year. One suggestion is to develop a cadre of volunteers to assist with serving and prep duties at Birdies catered functions in the Club House. The Board agreed this is a worthwhile approach. Dick will coordinate the project.

### **ADJOURNMENT**

The meeting was adjourned at 1:51 pm.

Respectfully submitted,

J. Kennedy

Secretary