

THE SALT POND GOLF CLUB OPERATIONS, INC.  
BOARD OF DIRECTORS MEETING  
December 17, 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., Gerry Buckley, SPHA President, F. Chiccone, SPHA Board member, and Wendy Parker, Finance Manager.

**Acceptance of the Prior Minutes**

The minutes of the November 19 and December 7 Board Meetings, the Executive Session of December 7 and the amendment of the minutes of the January 15, 2010 of the Company Board of Directors were approved.

**SUPERINTENDENT'S REPORT**

Bruce DeForest thanked the Board for his bonus and the year-end gifts to his maintenance staff.

The seasonal repair work on golf carts has started. Battery replacement cost may run to an estimated \$2400. The budgeted total repair costs are \$3000, so this new estimate on battery cost may negatively impact the budget.

The Hole 5 tee box modification is underway. Clean up of the environmental areas on Holes 11 and 16 are in process. The view from the black tee on Hole 16 to the lay-up area is now clear.

Allied Waste has confirmed the cost of a 12 yard, on-call, roll-on/roll-off container, will cost \$120/pickup, plus a \$20 tipping fee for yard waste. A smaller Maintenance dumpster will be ordered for normal refuse and may result in a cost reduction. Bruce is exploring the cost of chippers which could be used to increase volume in the container and reduce the pickup cost. Chipper costs range between \$8000 and \$15,000; rental costs run \$200/day. A final recommendation will be made later.

Bruce has identified a possibly more cost competitive alternative supplier of environmental services. He will meet with the company's principal to further evaluate the capabilities. He is also alerting Chris Brown, SPHA Ponds and Wetlands Committee chair, about the company's potential.

**GOLF PRO'S REPORT**

Art Whaley also thanked the Board for his year-end bonus and the gifts to the Pro Shop employees.

Reported that greens fees and cart revenue for the month to date was only \$130 due the weather so far this month. Pro Shop revenues are approximately \$800 month-to-date. Gift certificates are being used.

There were 15 rounds of golf played in November and xxxx YTD. So far, month-to-date, five rounds have been played.

The course will be closed Dec 24 and 25 and will reopening Dec 26, weather permitting.

Tournament play is being confirmed for next season. The Starboard tournament is set for May 9. The Indian River Seniors-South Div. - will play on Sept18 with Birdies doing the lunch.

The Pro Shop inventory is set for Dec 27. Bill Kester will assist.

The Membership application is still being developed. A mock-up was circulated. The new graphics are still being worked out. The Board made a suggestion for the front cover. The finished brochure will be finished and mailed the first week of January.

## **FINANCIALS**

Chuck Gularson reported that the November revenue was \$11, 433, 36, \$7850. better than budget. Revenue YTD through November was \$681,201.88 against a budget of \$721,050.00, or \$39,848.12 behind. Membership and green/cart fee revenues are still down a combined \$55,830.41 for the year. YTD expenses are \$663,236.13 compared to a budget of \$673,757.00, \$10,520.87 better than plan. Net income, after depreciation, YTD is \$25,197.56, compared to a \$50,227.00 budget.

The Club Balance sheet YTD shows cash and money market accounts totaling \$545,748.78, a reduction of \$46,447.42 from last month. Current liabilities equal \$44,199.76, compared to \$52,015.51 last month.

## **OLD BUSINESS**

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

Bill Kester tendered his resignation as President, effective Jan. 1(copy of the letter to be attached to the paper minutes). On motion made by Chuck Gularson and seconded by Jim Kennedy a new slate of officers was elected, effective January 1, as follows:

President- Dick Crawford

Vice President- Jim Kennedy

Secretary- Max Sewald

Chuck Gularson will continue as Treasurer, assisted by Fred Chiccone, SPHA Board liaison.

The Delaware ABCC will be notified accordingly.

## **2011 BUDGET APPROVAL**

The finalized budget draft was reviewed by the Board and approved as submitted.

Revenues from all sources	- \$714,200
Expenses	- \$635,943
Net Profit	- \$78,257
Depreciation	- \$102,000
Earnings/(Loss) before Tax	- (\$23,743)

In the final publication of the 2011 Budget, professional fees will be split out and the FICA number needs to be revised. Wendy will make the changes.

## **NEW BUSINESS**

### **CHANGE IN REPORTING REQUIREMENTS**

Effective 1/1/2011 all employer paid health insurance premiums must be shown on the employee's pay check. IRS is still determining whether the premium will be taxable. IRS is expected to publish its ruling this year.

### **GOLF CLUB FINANCE MANAGER**

Wendy Parker's new office has been set up in the SPHA Community Business Office. She has a new desk and computer. Her new e-mail address will be set up later today.

### **COMPANY SUPPLIED WATER BILLS**

All of the 2010 invoices for Company supplied water have been paid.

### **GIFT CERTIFICATES**

In November about \$700 worth of previously issued gift certificates expired due to age. Additional certificates were issued in late 2009 before expirations were added. The Board agreed to write them off as well. If they are presented in the future they will be honored.

### **OPERATIONS CALENDAR**

Dick Crawford presented a draft operations calendar and asked all Board members to review it and make changes for the January Board meeting.

### **ADJOURNMENT**

The meeting was adjourned at 1:12 pm.

Respectfully submitted,

J. Kennedy

Secretary