

Minutes

BOARD/COMMISSION: Recreation

DATE: February 17, 2010

MEETING: Regular

CALLED TO ORDER: 7:30 p.m.

QUORUM: Yes

ADJOURNED: 10:10 p.m.

MEMBER ATTENDANCE:

PRESENT: Chairman Girsch,
Commissioners
Rosley, Conley, Dwyer,
Gallagher, Cavanagh;
Recreation Director
Pekarek

LOCATION: Glen Ellyn Civic Center

ABSENT: Commissioner Powers

ALSO PRESENT: Trustee Liaison
Cooper, Jeff Vesevick, Village
Links Director of Golf

Call to Order

Chairman Girsch called the meeting to order at 7:30 p.m. on February 17, 2010.

Introduction of New Commissioner Cheryl Conley

Chairman Girsch introduced Commissioner Conley and briefly described the purpose of the Recreation Commission and current issues facing the community.

Public Comments

No public comments were given.

Approval of the Minutes of the November 17, 2009 and January 20, 2010 Meetings of the Recreation Commission.

Chairman Girsch stated the minutes from November 17, 2009 were presented to the Commission for approval. Commissioner Rosley motioned for the approval of the minutes from November 17, 2009. Commissioner Cavanagh seconded. The motion passed unanimously.

Chairman Girsch stated the minutes from January 20, 2010 were presented to the Commission for approval. Commissioner Rosley motioned for the approval of the minutes from January 20, 2010. Commissioner Cavanagh seconded. The motion passed unanimously.

Standing Reports

Manager – Matt Pekarek

Mr. Pekerek presented information from his staff report and stated January normally is the quietest month of the year. He touched on programmed events that will be taking place during the 2010 season, which could equate to roughly 12,000 rounds and 9,800 hours of instruction, that amounts to 15% of the total rounds that will be played at Village Links this upcoming year. These events tend to draw a lot of attention to new golfers and also helps to retain more serious golfers.

Mr. Pekerek compared Village Link to other surrounding municipal courses and stated other golf courses generally do not put on as many events because of the amount of staff time involved to produce these events. He also reported on the draft budget for the next year at Village Links. If play continues to drop, staff hours as well as other services will need to be reduced depending on the amount of rounds that will be played. He touched on other golf courses that are facing similar declines in rounds played and mentioned the possibility that green fee price competition may become fierce as golf courses will be trying to cater to a shrinking market.

Mr. Pekerek reported that ice on several portions of the golf course could suffocate grass. The extent of any damage will not be visible until spring, after the snow has melted.

Mr. Pekerek reported 2008 and 2009 were two very mild summers and 2010 will likely be much hotter which could have the potential to damage the golf course because of weaker grasses that have survived the mild seasons in the past. He also mentioned that Nicor has said that they will resolve the ongoing problem of leaks from a natural gas pipeline that crosses the course by abandoning the pipeline. The pipeline is old and has many leaks that kill turf and cause concern among golfers.

A Discussion regarding the number of activities planned at the Village Links golf course took place between the Commission members and staff. Commissioner Gallagher praised staff for the work they have done and noted the golf course continues to be one of the few Village entities that shows a profit each year. Mr. Pekarek stated the schedule of events is similar to previous years although a few new events have been planned.

Trustee Cooper questioned who receives the Village Links newsletter. Mr. Pekaerk stated that the newsletter is mailed to 4,800 residences that have done some type of business with the Village in past years. Depending on the status of the resident, certain people are taken off the list because they become inactive or rarely use the course anymore. He discussed the use of other mailing lists but explained he has yet to find anything that has the possibility to hold value to the Village because of the cost of the list compared to the potential to increase in revenue. He expects newsletter mailings to gradually be replaced by email blasts.

Financial – Commissioner Rosley

Commissioner Rosley discussed the net loss that the food service sector has seen each year at Village Links. He stated on average \$47,000 is lost in expenses over revenue from the food service sector of the Village each year, totaling over 1.2 million dollars over the past 27 years and suggested the Commission look at an alternative plan. Mr. Dwyer questioned what figures other golf courses have had regarding their food service at golf courses to provide a better example of how the golf course is running. Mr. Pekerek stated the Village Links food service essentially

operates at break even, and that the cash revenue and expense summary distributed does not take into account up to \$60,000 a year in KEEP PACE beverages that are given to customers. The value of these revenues is reported in the department budget each year to accurately assess profit/loss performance. He stated that while food service strives to be as profitable as possible, the primary goal of that division is to provide customer service to golf customers to keep the golf course profitable. He stated his opinion that most area golf courses lose money in food service. He provided examples of certain courses that have shown revenue in the food service sector. General discussion took place over the possible strategies Village Links could take in order to increase revenue in the food service sector.

The Commissioners discussed pros and cons of the Keep Pace beverage program. Mr. Pekerek stated this program is valued greatly by golfers and has been successful since it was created in 1990. Food service alternatives continued to be discussed. It was mentioned that an improvement in food service profitability could actually hurt the overall revenue to the Village if customer service to golfers was impacted. Mr. Rosley expressed his concerns with the food service revenue problem and requested staff and the Commission to explore possibilities to increase revenue and reduce expenses.

The Commission discussed the merits of making various capital investments in the clubhouse restaurant. Commissioner Gallagher stated that he felt that it was a good strategy to hold onto cash during uncertain economic times.

Trustee Liaison – Peter Cooper

Trustee Cooper stated that staff has been working to tighten budgets in each department. Revenue from state income tax is down 14% on the year and sales tax revenue is flat, and the increase of a home rule sales tax has had zero effect on retail sales by merchants.

Trustee Cooper reported that the Village Board was discussing snow removal options. He also thanked Mr. Pekerek for working with the Park District to consider possible joint efforts to benefit the community. Trustee Cooper also reported that information is now available online regarding a prioritizing of Village core services.

Old Business – New Revenue Ideas – Continuation of Discussion

Chairman Girsch provided a summary of discussion from the previous meeting and asked Commissioners if they had any additional comments or ideas to present. Commissioner Dwyer offered two ideas. One was for the Village Links to offer its services as a golf course management consultant to other municipalities. The other idea was to sell advertising at the golf course in both the club house and in the golf course itself. Mr. Pekerek stated staff has evaluated a large number of advertising opportunities and has evaluated the potential revenue to be too small for the intrusive impact such advertising would have on the golf customer. He said that he had not considered starting a golf consulting business, saying that he could foresee a time when municipalities might link with other golf courses in order to consolidate certain positions to cut costs. General discussion took place over potential advertising that could be sold at Village Links. The Commission agreed to keep this an ongoing discussion and to revisit the subject often to continue raising ideas to increase revenue and cut expenses and also look at ideas presented at previous meetings and research to determine if these ideas could be profitable. Mr. Pekerek mentioned that the Village Board would like to receive a recommendation from the Recreation

Commission on possible new revenue ideas, and that he has committed to keeping this topic on the Commission's agenda until a recommendation is developed. He suggested that the process of having staff respond off the cuff to random suggestions offered by the Commission might not be the most effective way to approach this task. Instead, he suggested that it might be helpful for the Commission to suggest a few ideas that they think might be worth pursuing, and asking staff to investigate those ideas in greater detail.

New business – Tap House Grill Presentation

Dan Skronoski, proprietor of Tap House Grill, Glen Ellyn, proposed that the Village Board and Recreation Commission to lease the food service at the Village Links to a private entity. He listed dozens of reasons why this would be advantageous to the Village Links. He explained his experience and his company's experience in managing restaurants. He discussed several options regarding rent and profit sharing that the Village and Tap House Grill could work together with. He provided sales growth information regarding Tap House Grill and stated the restaurant has seen profits over the last two year which is very rare in a time of recession. Mr. Skronoski pointed out that he was experienced managing a leased food service for a golf course owned and operated by the Village of Buffalo Grove, IL and that management of that course was quite happy with that arrangement. He presented many ways that he felt the restaurant could be made a destination restaurant and that it was an excellent restaurant location. He said that he had been working on this proposal for 1½-years and listed a number of marketing and improvement ideas that could benefit the golf course and Village.

Chairman Girsch questioned what type of facility issues may arise if Tap House Grill would rent space inside the clubhouse. Mr. Skronoski stated certain improvements and investments will need to be made but most of the improvements will be aesthetic changes. General discussion took place over key features such as the investment that would be required and other costs associated with opening this type of restaurant as well as the target audience and the potential to draw this population to the golf course and restaurant.

Mr. Rosley expressed questioned how Mr. Skronoski could guarantee excellent service. Mr. Skronoski stated this is one of the main things that his restaurants provides, that in addition to excellent food he would also provide excellent customer service.

General discussion took place over how to proceed with considering this proposal. Trustee Cooper suggested the Recreation Commission should discuss this agenda item in further detail and come up with a recommendation to be referred to the Village Board. Trustee Cooper questioned if this type of proposal would require a Request for Proposal (RFP). Mr. Pekerek stated that the first step would be for the Village Board to decide if they wanted to solicit proposals to lease out food service. Once that decision was made, staff would need to develop specifications for a request for proposal. The request for proposal would be distributed to prospective contractors, who would be invited to submit proposals. Those proposals would be evaluated and a recommendation would be made to the Village Board for final action.

The Recreation Commission members felt they needed more information in order to make a decision on this agenda item as the presentation by Mr. Skronoski did not have any specifics on any proposed lease terms such as capital investment or lease payments. Chairman Girsch suggested that the Recreation Commission discuss this further at the next meeting.

Announcements and Other Business

No announcements were made.

Adjournment

The Commission agreed that the next meeting would take place on Tuesday March 16, 2010 at 7:30 p.m.

With no further business, Chairman Girsch asked for a motion to conclude the meeting. Commissioner Rosley motioned for adjournment. Commissioner Gallagher seconded. The motion passed unanimously and the meeting was adjourned at 10:10 p.m.

Submitted by: Chris Ragona

Reviewed and edited by Matt Pekarek, Recreation Director March 12, 2010

Approved by the Recreation Commission March 16, 2010