

Minutes

BOARD/COMMISSION: Recreation

DATE: March 16, 2010

MEETING: Regular

CALLED TO ORDER: 7:30 p.m.

QUORUM: Yes

ADJOURNED: 9:16 p.m.

MEMBER ATTENDANCE:

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

LOCATION: Glen Ellyn Civic Center

ABSENT: None

ALSO PRESENT: Trustee Liaison
Henninger, Jeff Vesevick,
Village Links Director of
Golf, Dan Sronkoski, Tap
House Grill

Call to Order

Chairman Girsch called the meeting to order at 7:30 p.m. on March 16, 2010.

Public Comments

No public comments were given.

Approval of the Minutes of the February 17, 2010 Meeting of the Recreation Commission.

Chairman Girsch stated the minutes from February 17, 2010 were presented to the Commission for approval. Minor adjustments and corrections were made and Commissioner Dwyer motioned for the approval of the minutes from February 17, 2010. Commissioner Gallagher seconded. The motion passed unanimously.

Standing Reports

Manager – Matt Pekarek

Mr. Pekarek stated February is the month of registrations for permanent tee times and will start the beginning of the business cycle for the golf season. He discussed how the upcoming permanent tee time blind draw will work and the close of the resident card

discount period. Once these dates are closed it gives an idea of what kind of year the golf course could expect to have from a revenue standpoint. As of this meeting a 3% drop in permanent tee times was present when compared to the previous year.

Mr. Pekarek stated the 18 hole golf course was opened on March 16th and the 9 hole course is also in operation. When compared to last year revenue is down 30% for the previous year but this most likely due to amount of precipitation that has fallen over the past few weeks. He also mentioned that snow mold damage is visible throughout the golf course and that the damage from this fungus disease will clear up in coming weeks. Overall every aspect of the golf course is very close to the previous year. General discussion took place over the differences between snow mold and ice damage.

Financial – Commissioner Rosley

Commissioner Rosley briefly reported on the financial report of golf operations and stated 86 rounds were played and revenue is down significantly but mostly due to increased precipitation.

Trustee Liaison Reoprt – Carl Henninger

Trustee Heneger discussed the upcoming budget and the problems the Village will be facing due to declining revenues and increasing pension costs. He discussed the proposed 30% reduction in State income tax revenue shared with municipalities. This proposed reduction would have an effect on the General Fund budget and might lead to a decrease in services and possible lay-offs.

He also briefly touched on the closure of the main street railroad crossing. He expects to see increased traffic at other crossings and stated the closure should last roughly 10 days.

Public Works has assessed the Village parkway trees for the Emerald Ash Borer. Ash trees have been categorized based on the age and health of the tree. He stated the Village Forester will be constantly monitoring each of these trees throughout the year.

Commissioner Gallagher questioned certain figures reported in the financial report from Commissioner Rosley. Commissioner Rosley stated these numbers were at a loss because workers are preparing the golf course for the upcoming season while very few rounds are being purchased and is normal for this time of the year.

Golf Operation Report – 2010

Director of Golf Jeff Vesevick discussed the upcoming plans for golf operations and stated the focus will be on the budget. He was looking to cut as much costs as possible without lessening the service provided from the Village Links. He presented several statistics and operating costs from the past 9 years and discussed options as to how limit expenses. He outlined several ways that he is looking to control costs including limiting

overtime, sending staff home during slow times, and limiting the selection in the pro shop.

Mr. Pekarek noted that the figures presented were only be for seasonal staff. Pension costs are also continuing to rise and the number of rounds played has been dropping over the past few years.

Mr. Vesevick discussed the cost savings from getting a new credit cards processor that has resulted in savings of almost \$36,000 annually since 2008. He stated these costs will be monitored in an effort to look for additional savings. General discussion took place over the cuts of a total of \$200,000 in order to balance the budget including a \$31,000 savings from decreased supervisor shifts, and the combination of certain positions.

Cashier positions also be staffed less this year that will have a total savings of \$75,000 for all of the proposed changes. If staffing suffers changes could be made to make demands and requests of golfers

Old Business – New Revenue Ideas – Continuation of Discussion

Commissioner Rosley questioned how the new Spring Special was promoted. Mr. Pekarek stated several email blasts have been sent to roughly 2,000 people in the Village database and flyers have been placed at the White Pines golf dome. Mr. Pekarek stated that it was promoted in the last three Village Links newsletters. Advertisements are running in the DuPage County edition of the Daily Herald over the last two weeks of March. These ads will run in the Sports and Neighbor sections. An ad will also run on the sports page of the Daily Herald website.

Mr. Pekarek stated the outing business could be a significant source of revenue in the next few years. He stated due to size constraints he had to turn away several golf outings. In order to host larger outings a permanent tent or open air structure will need to be constructed or the food services center will need to be closed to regular customers. He discussed the bidding process for outings and stated that there is much competition for outings.

The last idea to enhance revenue discussed was to install a POS system that will let golfers set tee times online. This system would not be ready until the 2011 season. Questions around the amount of outings and the revenue expected were discussed.

New business – Tap House Grill Presentation

Dan Sronkoski, proprietor of Tap House Grill, presented potential sales information that the Village Links and Taphouse Grill could expect to see if this restaurant were to lease the Village Links food service. He provided several revenues projections and stated the more money the restaurant makes the more money the Village could expect to see. Mr. Stunguski stated even during the off season the restaurant could still expect to see increased revenue from the current food service situation.

He presented figures regarding utility usage such as water, electric, and gas and how these costs would be factored into the equation of revenue and the effect it will have on the amount of revenue that will go the Village.

He touched on the possible remodeling costs and stated rough estimates could be anywhere from \$137,000 to \$141,000. This cost would cover the bar, electronics, paint, and kitchen improvements. He also discussed certain marketing ideas such as offering banquet deals to local businesses and organizations and also a coupon program to target local sports teams

Commissioner Cavanagh questioned how long these changes would take to complete. Mr. Sronkoski stated that depending on Village approvals the typical time needed is roughly 60 days. He also touched on the possible opportunities to rebuild the outside patio into a 3 season room. General discussion took place over how the costs would be shared between the incoming restaurant and the Village and other revenue forecasts as well as potential lease agreements.

Commissioner Powers questioned if a per square foot rent would be more appropriate than a percentage rent type of agreement.

The question of property taxes was raised. Mr. Pekarek stated that the Village could lose its property tax exemption if it rented to a for profit entity, but he does not know what the tax would be. Commissioner Rosley stated this number will certainly be negotiable if the Village Board discusses this issue to approve a certain price for rent.

Commissioner Conley questioned how the scenario in Buffalo Grove worked. Mr. Sronkoski stated this financial model was used on this project and revenue was roughly \$900,000. Trustee Henninger stated the Village would encourage incentives to improve the bottom line and that an RFP would certainly need to be formed in order to attract the interest of other parties. He stated he was looking for a recommendation from the Recreation Commission and also Village Staff. Chairman Girsch stated she was confident in Village Staff and praised Mr. Pekarek for the way the golf course has been operated.

Commissioner Rosley questioned what some of the pitfalls were that could make a project like this fail. Mr. Sronkoski stated this type of agreement needs to be a partnership and communication is constantly needed in order to be successful. The Commission agreed and stressed the need for this type of agreement to be included in the RFP. Mr. Pekarek questioned to the Commission if staff should prepare a presentation from the point of view of the staff regarding this type of proposal. The Commission agreed and Mr. Pekarek stated he would prepare a presentation for next month's scheduled meeting. Trustee Henninger suggested that the Recreation Commission determine a potential meeting when a decision and recommendation would be made on this type of proposal.

Announcements and Other Business

No announcements were made.

Adjournment

Reminder – next scheduled meeting scheduled for Wednesday April 21, 2010 at 7:30 p.m. at the Glen Ellyn Civic Center.

With no further business, Chairman Girsch asked for a motion to conclude the meeting. Commissioner Cavanagh motioned for adjournment. Commissioner Gallagher seconded. The motion passed unanimously and the meeting was adjourned at 9:16 p.m.

Submitted by: Chris Ragona, Secretary

Reviewed and edited by Matt Pekarek, Recreation Director April 14, 2010

Approved by the Recreation Commission, April 21, 2010.