

Minutes

BOARD/COMMISSION: Recreation

DATE: April 21, 2010

MEETING: Regular

CALLED TO ORDER: 7:34 p.m.

QUORUM: Yes

ADJOURNED: 10:07 p.m.

MEMBER ATTENDANCE:

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

Commissioner Conley left
the meeting at 8:30 p.m.

LOCATION: Glen Ellyn Civic Center

ABSENT: Commissioner Power

ALSO PRESENT: Trustee Liaison
Cooper, Trustee Henninger,
Jeff Vesevick, Village Links
Director of Golf, Mike Atkins,
Village Links Food Service
Manager,

Call to Order

Chairman Girsch called the meeting to order at 7:34 p.m.

Public Comments

None

Approval of the Minutes of the March 16, 2010 Meeting of the Recreation Commission.

Commissioner Cavanaugh moved for the approval of the minutes from March 16, 2010.
Commissioner Conley seconded. The motion passed unanimously.

Standing Reports

Manager – Matt Pekarek

Mr. Pekarek stated the month of March produced roughly an average month of rounds played and revenue was similar to the previous year. The permanent time draw was completed and was down roughly 2.5% compared to the last year. This trend has continued over the years. March is a transition month with both courses opening for the season. Off season green fees were in effect during the entire month of March and regular rates started on April 1st. Trustee Cooper

questioned how the spring special program fared on its 1st year. Mr. Pekarek stated 96 people purchased the card. They averaged 38 rounds per day, about 43% of the play on the 18-hole course. The program appears to be a marginal success.

Trustee Cooper questioned how the change in greens fees has affected the number of rounds played. Mr. Pekarek stated it will take longer to determine if these rate changes has had any effect on the number of rounds purchased because most of the play to date has been determined by weather conditions.

Financial – Commissioner Rosley

Commissioner Rosley stated resident card revenue is down 6% from the previous year. Revenue from the pro shop, food, and greens fees is down currently from the previous year.

Commissioner Dwyer questioned if this represents a pattern of declining resident card sales. Mr. Pekarek stated that it is difficult to identify trends based on sales this early in the year when weather plays such a large role.

Trustee Liaison Report – Peter Cooper

Trustee Cooper reported on the current budget schedule and stated it will be approved in the next couple of weeks. The budget has been lowered for a third consecutive year mostly due to declining revenue from sales and a number of other revenue sources. He discussed the current status and the possibility of the state of Illinois taking revenue away from the Village with a new bill that was introduced recently.

A recycling event will be held this coming weekend for everything except electronics and an unlimited garbage pick up will be held on this upcoming Monday.

He touched on Emerald Ash Borer and the effect it has on the Village. He stated it is very similar to Dutch elm disease and could wipe out the entire tree stock of ash trees in the Village. 200 to 250 trees could be removed this year that are infected or are at risk to succumb to the Emerald Ash Borer. Residents will have some input on the ultimate decision to keep or take the tree down.

Old Business – New Revenue Ideas – Continuation of Discussion of Food Service Leasing

Commissioner Rosley questioned if Wi Fi will be installed at the Village Links. Mr. Pekarek stated this is an idea that is one of a number of planned technology updates that could be installed this year. General discussion took place over the positive effect it could have on the golf course for possible business meetings after a round of golf or general leisure to golfers.

Chairman Girsch questioned how the ability to provide hospitality could suffer if food service was leased. Mr. Pekarek stated that when the Village provides food service under a contract, new items that arise during that contract need to be negotiated and the contractor may agree or disagree with a proposal. He referenced the “Have One On Us” event, stating that the hospitality for the event was less effective when working with a contractor and that the event improved when the Village operated food service in house, adding the Friday Evening Family Cookout and the \$1 Food Tent, for example. He mentioned the Friday evening Nine and Wine League that might not be attractive to a food contractor because while it generates golf revenue, it hurts food service because it occupies a large portion of the patio on the busiest night of the week.

Commissioner Rosley questioned if the goal of the Village Links was to keep golfers coming back, rather it be playing golf or eating at the restaurant. He also felt these potential conflicts could be actual opportunities for both the golf course and restaurateur to take advantage of patrons

Commissioner Conley stated through her limited knowledge with this material and after reading the comprehensive report provided she could see the hesitance of the Village Links staff regarding this type of request.

Commissioner Dwyer questioned if the right vendor was to partner with the Village Links could it prove to be a money making opportunity. Mr. Pekarek stated he was unsure and the number one issue that any vendor will face will be to how to work with the current inadequate facilities at the course. He stated unless he can see a large benefit to the Village up front he was unsure if this type of proposal could work. General discussion took place over the risk associated, funding, time constraints, and oversight needed to manage a food service lease.

Commissioner Rosley questioned Mr. Pekarek's estimates on the impact on golf revenue and expense from overseeing a food service lease, feeling that they were extremely high. Mr. Pekarek stated that he made his estimates as accurately as possible, pointing out that in just the last few months the diversion of management's attention has hurt the bottom line. He mentioned that this impact is greater with reduced staffing levels.

Mr. Pekarek stated these number were estimates but felt these numbers were a fair estimate of the financial impact on golf course operations. Management time devoted to administering a food service lease will reduce the amount of management time left to devote to the golf business. He mentioned items that management has worked on in the past ten years that might not have been accomplished if that time had been needed to work with a food service contractor. Management oversight would vary greatly from contractor to contractor. Based on past experience at the Village Links and at other courses, contractors would change every 3 to 4 years. General discussion took place over the pros and cons of leasing food service and the Commissioners expressed their concerns and feelings towards it.

Commissioner Rosley stressed the need for improvements at the golf course and felt this opportunity could be advantageous to the Village because residents south of Roosevelt Road have to go to downtown Glen Ellyn for restaurants.

Commissioner Gallagher referenced an example from the library and the partnership with elected Village officials, outside factors, for profit businesses, and a number of other entities. He stated he was against leasing the restaurant business to an outside vendor because the Village Links is a jewel to the community and should be preserved and run by the Village.

Trustee Cooper stated he polled the Village Board regarding this request and they agreed the Village Links is a declining resource from a revenue standpoint. Revenue from the pro shop, greens fees, and restaurant are either operating at a decline or declining in revenue. He stated the Village Board would not accept a recommendation to keep things the same at the course and asked the Commissioners to discuss the possibility of a recommendation to the Village Board.

Chairman Girsch stated the Village Links is acting fiscally responsible and this is one of the reasons that improvements have not been made.

Trustee Cooper stated that the capital improvement amount of \$100,000 is not set in stone. He stated he has reported to the Village Board that this committee has worked very hard with coming up with new revenue ideas.

Chairman Girsch stated the report presented from Mr. Pekarek was very informative and asked Village staff for recommendations in order to increase revenue, and if this was not possible to reach out for other opportunities to increase revenue.

Commissioner Rosley questioned if any studies were available from surrounding golf courses regarding this type of situation and if any financial reports or numbers were available. Mr. Pekarek stated that in some respects, the status quo has been good. The last 5 years has been the most profitable period in the history of the Village Links. Cash reserves have been increased by over a \$500,000, \$1,800,000 in debt service payments have been made on time and the course's equipment is in good condition. He said that this is unlike most other publicly owned golf courses that require taxpayer subsidy. He agreed that the clubhouse is worn and needs to be improved, but that there is not a good plan on how to accomplish efficiently given that utility infrastructure at the clubhouse is inadequate and that some facilities need to be shifted within the site to provide desired motor carts and to keep the driving range functional.

He has been hesitant to invest money improving the clubhouse at the present location because he does not know of a single DuPage County golf course that has recouped such an investment. He reiterated that the downturn in golf has left most courses operating at a loss and that he would not want to have the Village Links join those courses that lose money.

He felt that uncertainty over how to proceed should not prevent the Village Links from making improvements, but that a master plan for facility improvements is needed and the staff needs help assembling that plan. He felt that a committee could be assembled to study the possibilities and make recommendations.

Commissioner Rosley expressed his concerns with use of the golf course as only a golf course; he felt the use of the golf course could also cater to other residents who may not golf. He discussed several use opportunities that the Village could take advantage of such as a permanent tent that could be installed.

Trustee Cooper questioned if any capital was earmarked for clubhouse improvements. Mr. Pekarek stated that no money was earmarked for any special purpose and that the Recreation Fund has a balance of about \$2-million, which includes operating cash as well as reserves available for improvements. He stated the golf course should retain at least 1 million dollars to cover any expenses that may arise, which leaves 1 million dollars to invest if needed. Trustee Henninger was not in favor of draining this fund but was in favor of investing a certain amount in order to increase the service and potential of the food sector of the course.

General discussion took place regarding the best way to maximize profits at the Village Links and what would need to be addressed if a committee were formed to study facility improvements.

Commissioner Gallagher questioned if the issue of a new clubhouse was researched 8 years ago. Chairman Girsch stated a lot of work was done but that things changed after the September 11. The Commission members discussed alternatives and goals that could be considered for improvements to the Village Links such as driving range improvements, increased in outings, all while maintaining a positive revenue.

Commissioner Dwyer agreed there was an opportunity but he suggested the return on investment should be looked at in great deal if a major change is proposed. Chairman Girsch agreed and felt other changes may take a first priority on the golf course before food service, such as improvements to the driving range.

Trustee Henninger suggested that the Commission might want to look at everything and develop a plan for the property for the next 20 to 50 years. For example, he said that the Commission might want to consider reducing the size of the course to 18 holes and finding alternate uses of the property to better benefit the residents of Glen Ellyn. Commissioner Rosley agreed by looking at the grand scheme of the golf course as a whole to determine realistic goals that could be accomplished by creating a comprehensive business plan.

Trustee Cooper suggested the first objective would be to create a mission statement and outline before any discussion would take place. General discussion took place over the preliminary outline of this sub committee. Mr. Pekarek said that he would draft a mission statement for the next Recreation Commission meeting. Chairman Girsch agreed and suggested a plan for the restaurant will also need to be decided in the coming meetings.

Chairman Rosley questioned how the Commission will determine a recommendation to the Village Board. Chairman Girsch stated more information still needs to be presented.

Trustee Cooper stated the Village Board would like a recommendation within 60 days to determine if the Village Links food service should be kept in house or contracted out.

Chairman Girsch stated this recommendation would not come from a master plan committee because that would be a long term committee. General discussion took place regarding the use of a committee to develop a master plan and the decision to keep food service in house or to contract it out.

New business

No new business.

Announcements and Other Business

No announcements were made.

Adjournment

Reminder – next scheduled meeting scheduled for Wednesday May 19, 2010 at 7:30 p.m. at the Village Links Maintenance Building.

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 10:07 p.m.

Submitted by: Chris Ragona May 8, 2010

Reviewed and edited by Matt Pekarek, Recreation Director May 13, 2010

Approved by the Recreation Commission May 19, 2010