

Revised Agenda
Glen Ellyn Village Board of Trustees
Monday, January 9, 2012
8:00 p.m. – Galligan Board Room

1. Call to Order (It is expected that the Regular Meeting will follow the close of the Special Meeting scheduled for 7 p.m.)
2. Roll Call
3. Pledge of Allegiance
4. Village Recognition:
 - A. An out-of-town visitor sent a letter complimenting Police Records Clerk Nadine Giagnorio for helping him with parking information.
 - B. The residents of Sunrise sent a note to Police Officer Tom Staples, thanking him and the members of the Police Department for all they do in the community.
 - C. The Police Department received an email from a resident forwarding her thanks to Community Service Officer Rose Volpe for helping her to adjust her child's infant car seat.
 - D. A note of thanks was received from Park View School to Deputy Police Chief Bill Holmer, who participated in the events for American Education Week by reading a Thanksgiving book to their third graders.
 - E. A certificate of appreciation was presented to the Police Department in recognition of their support of the United States Marine Corps Reserve Toys for Tots program.
 - F. A letter was received from Saint James the Apostle School thanking the Police Department for a basket donation to their annual auction event.
 - G. Police Chief Norton received a letter from DuPage County Sheriff Zaruba thanking the Department for participating in the Shop with a Cop/Sheriff event in December.
 - H. A resident emailed a note of thanks to the Police Department and Volunteer Fire Company for their help when a fire took place recently in his condo building.
 - I. The Wheaton Police Department sent a letter forwarding their thanks to Police Officers Kyle Duffie, Carrie Nemchock, and Brent Pacyga for their assistance with a recent incident involving a barricaded subject.
 - J. Arbor View School sent a letter of thanks to the Police Department for donating a basket to the school's first Trivia Night and Silent Auction.

K. Village Forester Peggy Drescher gave a presentation recently on the Emerald Ash Borer to the Naperville Area Homeowners Confederation, and she received a letter of thanks from the president of the group.

L. The Village Board and Management Team congratulates the following employees who recently celebrated an anniversary as a Village employee:

Jacqueline Bjes	Police Department	5 years
Heidi Carr	Planning and Development	5 years
Lisa Ebergeny	Finance Department	10 years
Raymond Munch	Police Department	10 years
Paul Baird	Police Department	15 years
William Holmer	Police Department	20 years
Kenneth Major	Public Works Department	40 years

5. Audience Participation

A. Open:

Members of the public are welcome to speak to any item *not* specifically listed on tonight's agenda for up to three minutes. For those items which are on tonight's agenda, the public will have the opportunity to comment at the time the item is discussed. In either case, please complete the Audience Participation form and turn it in to the Village Clerk.

6. Consent Agenda

The following items are considered routine business by the Village Board and will be approved in a single vote in the form listed below: *(Trustee Cooper)*

A. Village Board Meeting Minutes:

1. December 5, 2011 Regular Workshop
2. December 5, 2011 Special Meeting
3. December 12, 2011 Regular Workshop
4. December 12, 2011 Regular Meeting

B. Total Expenditures (Payroll and Vouchers) - \$4,289,202.02.

The vouchers have been reviewed by Trustee Cooper prior to this meeting.

C. Ordinance No. 5992-VC, an Ordinance Amending Chapter 1 (Building Code) of Title 4 (Building Regulations) of the Village Code of the Village of Glen Ellyn, Illinois to Adopt the 2009 International Fuel Gas Code with Local Amendments. *(Planning and Development Director Hulseberg)*

D. Motion to approve a contract with Utility Services Co., Inc. for the Cottage Avenue Water Tower annual maintenance agreement in the amount of \$22,000, to be expensed to the FY11/12 Water Division Fund. *(Public Works Director Hansen)*

- E. Motion to waive Section 4-5-9 (Special Event Signs) of the Glen Ellyn Village Code for the 2012 Electronics Recycling Collection Events, sponsored by the Glen Ellyn Environmental Commission, scheduled from 8 a.m. to 12 p.m. on the following Saturdays: January 28, 2012; July 28, 2012; and October 27, 2012. *(Assistant to the Village Manager Schrader)*
- F. Motion to approve a schedule for Glenbard High School District 87's variation requests for improvements to Memorial Field. *(Village Manager Franz)*
- 7. Finance Director Kevin Wachtel will provide an overview of the financial activity of the Second Quarter of Fiscal Year 2011/2012. *(Trustee Friedberg)*
- 8. Motion to accept a Reserve Policy as part of the Village of Glen Ellyn's Financial Policies, to be incorporated into the FY12 Comprehensive Annual Financial Report. *(Trustee Hartweg)*

Finance Director Kevin Wachtel will present information on an accounting rule that will change the language that is used to present fund balance in the annual audit. The proposed language also incorporates an update of Water and Sewer Fund cash reserves as previously discussed by the Village Board.

- 9. Recreation Director Matt Pekarek will present recommendations regarding a proposed Village Links Facility Master Plan. The Master Plan was presented to the Village Board in July 2011. In October 2011 the Village Board hired the National Golf Foundation (NGF) to review the Master Plan and the profit projections that would pay for the facility improvements. The NGF has issued a draft report, in which they recommend that the Master Plan be implemented. The next step would be to hire architects/engineers to design facility improvements and obtain permitting approval, allowing construction work to begin in late 2012. *(Trustee Ladesic)*
 - A. Motion to approve a budget amendment to the 2011-12 Recreation Fund Budget, using reserve fund balance to increase the authorized budget by \$237,000.
 - B. Motion to accept the proposal of Gill Design, Inc. of River Falls, WI in a not-to-exceed amount of \$22,400, which includes a 10% design contingency, to provide golf course architect services pertaining to the Village Links Facility Master Plan.
 - C. Motion to accept the proposal of PPK Architects, of Glen Ellyn, IL in a not-to-exceed amount of \$82,000, which includes a 10% design contingency, to provide building architect services pertaining to the Village Links Facility Master Plan.
 - D. Motion to accept the proposal of V3, of Woodridge, IL in a not-to-exceed amount of \$133,300, which includes a 10% design contingency, to provide engineering services pertaining to the Village Links Facility Master Plan.

10. Reminders:

- The Regular Village Board Workshop scheduled for Monday, January 16, 2012 has been cancelled and is rescheduled for Monday, January 23, 2012 beginning at 6:30 p.m. in the Galligan Board Room of the Glen Ellyn Civic Center.
- The next Regular Village Board Meeting scheduled for Monday, January 23, 2012 has been cancelled and is rescheduled for January 30, 2012, with a Workshop beginning at 6:30 p.m. and the Special Board Meeting beginning at 8 p.m. in the Galligan Board Room of the Glen Ellyn Civic Center.

11. Other Business?

12. Motion to adjourn to Executive Session for the purposes of discussing pending litigation, setting the price for sale or lease of property, and the appointment, employment, compensation, discipline, performance or dismissal of specific employees, adjourning thereafter without returning to open session. *(Trustee Henninger)*

**Minutes
Village Board Workshop
Glen Ellyn Village Board of Trustees
December 5, 2011**

A-6A,

Time of Meeting: 6:58 p.m.

Present: President Pfefferman; Trustees Hartweg, McGinley, Ladesic, Henninger, Cooper, and Friedberg arrived at 7:23 p.m. Village Clerk Connors. Village Attorney Diamond. Staff present: Village Manager Franz, Assistant to the Village Manager-Admin. Schrader, Public Works Director Hansen, Police Chief Norton, Planning and Development Director Hulseberg, and Finance Director Wachtel arrived at 7:05 p.m.

1. Call to Order

President Pfefferman called the Board Workshop to order at 6:58 p.m. with a roll call. Trustees Hartweg, Henninger, Cooper, Ladesic, and McGinley, responded "Here." Trustee Friedberg arrived at 7:23 p.m.

2. Public Comments

President Pfefferman deferred this item to the Special Village Board meeting scheduled to begin at 7:30 p.m.

3. State of the Glen Ellyn Library Presentation

President Pfefferman introduced Dawn Bussey, Glen Ellyn Library Executive Director. She began by giving details of materials available at the Library such as text books used at the local schools that are available. This allows students to come into the Library to study even though they forgot their book at school. She continued with details of the services available, such as chat reference, homebound delivery and interlibrary book loans; social programs to introduce reading programs such as summer reading programs and Bookfest; and fund-raising events such as Swinging through the Stacks – another one of which will be held January 22, 2012 from 6-9 p.m.

Executive Director Bussey proceeded to give an update of the condition of the Library building including repairs that have been made. She was proud to report that the building no longer leaks. HVAC hardware and software repairs are almost done and may be under budget. The parking lot needs to be repaired, but the balance of some capital repairs are being deferred.

Expenses are within the recommended guidelines. Revenue comes mainly from property taxes since very few grants are available and the Library does receive some monetary assistance from the Foundation.

In looking toward the future, rebranding is planned with a new logo and website and a master plan for a better use of interior space. On April 13, 2012, an After Hours Special Event is also planned.

The Village Board asked questions about the Library's bidding process, their increase in revenue and their staffing levels. Library Board President John Mulherin and Director Bussey discussed the demand placed on the Library as people were asking for more services and the Library's future.

4. Other Items?

There were no other items to be addressed at this time.

5. Adjournment

At 7:44 p.m., Trustee Ladesic moved, and Trustee Hartweg seconded, a motion to adjourn to the Special Meeting of the Village Board. Upon roll call, all voted "Aye." Meeting adjourned.

Submitted by:

Suzanne R. Connors,
Village Clerk

**Minutes
Special Meeting
Glen Ellyn Village Board of Trustees
December 5, 2011**

A-6A₂

Call to Order

Village President Pfefferman called the meeting to order at 7:45 p.m.

Roll Call

Upon roll call by Village Clerk Connors, Village President Pfefferman, Trustees Cooper, McGinley, Hartweg, Henninger, Friedberg and Ladesic answered, "Present."

Public Comments

President Pfefferman asked if anyone wished to address the Village Board on any item not on tonight's agenda. No one wished to speak.

College of DuPage Update

President Pfefferman announced he would begin with an update of the College of DuPage situation. He explained that in 2005 the question of jurisdiction was discussed. This eventually led to the 2007 intergovernmental agreement (IGA) that worked for 3 years. The College of DuPage then cancelled it, but both parties continued to work for another year as if it was still in effect. In 2011, the Village of Glen Ellyn Village Board did not make a decision to accept that IGA as presented and it went back to COD. While mediation did not go well, the Village had an obligation to enforce its ordinances. COD was of the opinion it did not have to obey Village ordinances considering themselves the same as a public grade or high school.

On November 8, 2011, the Village received a ruling in its favor from the court, but COD disagreed with the ruling as stated in a letter to Village Manager Franz from the COD Senior Vice President, Administration and Treasurer and made a part of these minutes. In addition to reading the aforementioned letter, President Pfefferman read an email he received from COD President Breuder announcing COD's intention to disconnect from the Village, which is also made a part of these minutes. The email referred to an acrimonious relationship between the Village and the college. In order to clarify the previous relationships between the

two institutions, President Pfefferman read a May 18, 2007 letter from a former COD president to the Village complimenting the Village on working well with the college. A copy of the letter is made a part of these minutes.

President Pfefferman continued by explaining that the Village Board offered again to sit down with the COD Board and discuss the situation, but has received no response. He explained that upon disconnection, the college will pay more for water and sewer service and DuPage County rules in some cases may be more stringent. The Village Board will not spend any more taxpayer dollars, but does not agree with the college's action. It is difficult to negotiate with Dr. Breuder, but the Village Board will not give up.

President Pfefferman concluded by saying that the college uses their resources to write news releases and disparage the Village Board, Village President and the residents of the town. The Village will not do this.

Village Manager Franz announced that stop work orders began to be issued December 1, 2011 as it previously announced it would.

Attorney Stewart Diamond explained that the college asked for mediation before the court which has not worked previously in the last four years. The college has not gotten a building permit from the Village. He explained how it became necessary for COD to obtain a liquor license from the Village.

Chicago/DuPage Water Commission Rate Follow-Up Discussion

Finance Director Wachtel gave a short background explaining that the City of Chicago and the DuPage Water Commission have indicated they will be raising their rates. The total rate increase will be 115% over 4 years from 2011 to 2015. The Village's rate increase will begin January 1, 2012. Various models have been considered to meet the increase and retain Village reserves at 25%. Rates will increase year over year.

Discussion followed regarding water/sewer rates and reserve policies. Reserve policy outlines were considered and the Village Board agreed revenue will be split 50/50 between water and sewer.

An ordinance will be prepared for the Regular Village Board meeting of December 12, 2011. Assistant to the Village Administrator-Admin. Schrader will prepare information for dissemination to residents using various available media.

Economic Incentive Guidelines Follow-Up Discussion

Planning and Development Director Hulseberg continued her presentation that began at the workshop of November 28, 2011. She indicated that suggestions from two trustees have been incorporated into the packet for this meeting. She heard comments and answered questions for clarification from the Village Board. They discussed how the Village Board can use the information. The guidelines can be published on the Village's website. Director Hulseberg gave examples of corporations/companies who would fit into and use the guidelines. She explained that the Village's grant programs are separate documents.

The Village Board made suggestions for changes which will be incorporated into the final document and made available in the next packet. The resolution will be considered at the December 12, 2011 Village Board meeting.

Other Business?

None

Adjournment

At 9:43 p.m. Trustee McGinley moved and Trustee Friedberg seconded the motion to adjourn to Executive Session for the purpose of discussing threatened or pending litigation, adjourning thereafter without returning to open session. All present voted, "aye." Meeting adjourned.

Submitted by,

Suzanne R. Connors,
Village Clerk

**Minutes
Village Board Workshop
Glen Ellyn Village Board of Trustees
December 12, 2011**

A-6A₃

Time of Meeting: 7:00 p.m.

Present: President Pfefferman; Trustees Friedberg, Cooper, McGinley, Hartweg, Ladesic, and Henninger; Village Clerk Connors, Village Attorney Diamond.
Staff present: Village Manager Franz, Assistant to the Village Manager - Admin. Schrader, Finance Director Wachtel, Planning and Development Director Hulseberg, Public Works Director Hansen, Police Chief Norton, Bob Greenberg, Public Works Program Coordinator Andrew Letson, Administrative Intern.

1. Call to Order

President Pfefferman called the Board Workshop to order at 7:00 p.m. with a roll call. Trustees Cooper, Henninger, Friedberg, Ladesic, Hartweg, and McGinley responded "Present."

2. Economic Incentive Request

Village Manager Mark Franz gave background information concerning the joint efforts of the Village and the Economic Development Corporation to utilize the vacant Packey Webb property. SRS Real Estate Partners are the developers who are working with the Village for meeting the challenges in a way to benefit everyone. The 2.2 acres would accommodate a Fresh Market and two other stores. The total cost would be \$12 million including build-outs and parking lots. The Village is being asked to extend Taft Avenue which is the improvement that would make this project possible.

Ryan Murphy, Senior Vice President of SRS Real Partners spoke explaining that it took 4 years to reach this point. The broker for Fresh Market, Michael LaRue, gave the history of the chain. It was founded in 1982 and has grown mostly in the Eastern and Southeastern part of the U.S. There are now four stores in the Midwest. The stores are about 1/3 the size of a Jewel or Dominicks, but have excellent quality and specialty items.

Mr. Murphy continued that Fresh Market would like to move forward quickly. He used display boards to demonstrate areas where it is anticipated customers will originate. Most stores draw from a ring of 1 to 1½ miles, but Fresh Market has a much larger range. This store will be 32,000 sq.ft. plus the parking lot; the total site will be 3 acres.

Because of the size, Fresh Market felt there is a need for the Taft Avenue improvement. There were various facades shown to the Village Board and Mr. Murphy indicated the facade Fresh Market would prefer. Fresh Market is excited about the opportunity to come to this area.

Finance Director Kevin Wachtel gave an overview of several scenarios considered assuming revenues of \$15 million in sales per year for the development. He presented comparisons of the length of time it would take before the Village would recoup the amount of sales tax revenue it would forgo and the cost of the Taft Avenue improvement.

Mr. Murphy spoke about the anticipated cost of site improvements including building demolition, land fill-in, and re-grading to the loading dock location.

The Village Board asked questions of Mr. Murphy, Mr. LaRue, and Director Wachtel and commented noting positives and negatives of the proposal. When asked, staff indicated they recommended this project. The Village Board supported the project at this time.

3. Other Items?

None

4. Adjournment

At 8:00 p.m., Trustee Henninger moved, seconded by Trustee Friedberg to adjourn to the Regular Village Board Meeting in the Galligan Board Room. All voted "aye." Motion passed; Village Board Workshop adjourned.

Submitted by:

Suzanne R. Connors,
Village Clerk

Minutes
Regular Minutes
Glen Ellyn Village Board of Trustees
Monday, December 12, 2011

A-6A4

Call to Order

Village President Pfefferman called the meeting to order at 8:01 p.m.

Roll Call

Upon roll call by Village Clerk Connors, Village President Pfefferman and Trustees Cooper, Friedberg, Hartweg, Henninger, Ladesic and McGinley answered, "Present."

Pledge of Allegiance

Pledge of Allegiance was led by President Pfefferman.

Village Recognition:

- A. A resident emailed the Public Works staff to compliment them for filling a pothole in a timely manner following her call.
- B. The Police Department received a phone call from a motorist forwarding her thanks to Community Service Officer Rose Volpe who assisted her with a disabled vehicle.
- C. Community Service Officer Rick Perez received a note of thanks from a motorist for checking and then closing his pickup's back hatch which had been left open in a parking lot.
- D. The Village accepts the resignations of Paul Temcio from the Environmental Commission and Nicole Janninck from the Historic Preservation Commission and thanks them for their service to the Village.

Audience Participation

- A. Portions of a Proclamation in recognition of outgoing Assistant Finance Director Larry Noller were read.
- B. Members of the public are welcome to speak to any item *not* specifically listed on tonight's agenda. No one indicated that they wished to speak at this time.

Consent Agenda

Trustee McGinley moved and Trustee Henninger seconded the motion that the following items are considered routine business by the Village Board and will be approved in a single vote in the form listed below.

Village Manager Franz presented the Consent Agenda.

- A. Village Board **Meeting Minutes**:
1. November 21, 2011 Regular Workshop
 2. November 28, 2011 Regular Meeting
 3. November 28, 2011 Board Workshop
- B. Total **Expenditures** (Payroll and Vouchers) - \$1,539,735.77.
- The vouchers have been reviewed by Trustee McGinley prior to this meeting.
- C. Designate Trustee Henninger to **Village President Pro Tem** for the four-month period from January through April, 2012.
- D. Approve the recommendation of Village President Pfefferman that the following appointments and **reappointments be made for Boards and Commissions**:

Architectural Review Commission

James C. Burdett – for a term ending December 31, 2014, and as Chairman through December 31, 2012

Pamela A. Albrecht – for a term ending December 31, 2014

George W. Allen – for a term ending December 31, 2014

Rollin S. Burkett – as Student Commissioner for a term ending December 31, 2014

Capital Improvements Commission

Patrick Brugh – for a term ending December 31, 2014

Michael A. Colliander – for a term ending December 31, 2014

Craig R. Pryde – for a term ending December 31, 2014

Environmental Commission

Leonore M. Neary – for a term ending December 31, 2014, and as Chairman through December 31, 2012

Tracy C. Flood – as Student Commissioner for a term ending December 31, 2014

Donald Pellico – for a term ending December 31, 2014

Xristina S. Rahn – for a term ending December 31, 2014

Historic Preservation Commission

Christine C. Wilson – for a term ending December 31, 2014

Plan Commission

Craig J. Bromann – for a term ending December 31, 2014

Linda L. Dykstra – for a term ending December 31, 2014

Julie A. McCormick – for a term ending December 31, 2014

Recreation Commission

Bonnie S. Girsch – for a term ending December 31, 2014, and as Chairman through December 31, 2012

Glen G. Graham – for a term ending December 31, 2014

Zoning Board of Appeals

Richard E. Garrity – for a term ending December 31, 2016, and as Chairman through December 31, 2012

- E. **Ordinance No. 5984-VC**, an Ordinance to Amend Section 7-11-28 of the Village Code of the Village of Glen Ellyn, Illinois **Regarding Water and Sewer Rates and Charges.**
- F. **Ordinance No. 5985**, an Ordinance Granting Approval of **Sign Code Variations for Advance Auto Parts to be Located at 696 Roosevelt Road.**
- G. **Resolution No. 11-19**, a Resolution Adopting **Economic Incentive Guidelines** for the Village of Glen Ellyn.
- H. **Ordinance No. 5986**, an Ordinance **Partially Abating the Tax Hereto Levied for the Year 2011 to Pay the Principal of and Interest on the General Obligation Bonds, Taxable Series 2010** (Build America Bonds – Direct Payment), of the Village of Glen Ellyn, DuPage County, Illinois.
- I. **Ordinance No. 5987**, an Ordinance **Directing the Application of Funds** from Specified Sources to the Payment of Principal and Interest Upon General Obligation Refunding Bonds, Series 2010, for the Fiscal Year 2011/12 in the Amount of \$337,418.

Finance Director Kevin Wachtel summarized items H and I in detail. When the budget was prepared, these abatements were considered.

Village President Pfefferman called for questions and/or discussion of the items on the Consent Agenda.

Trustee McGinley asked that the Consent Agenda be amended to indicate that Architectural Review Commission Chairman Burdett's term as Chairman ends in December 2012 not in 2014 as presented and Environmental Chairman Neary's term as Chairman ends in December 2012 not in 2014 as presented.

Trustee McGinley moved, seconded by Trustee Henninger to approve the Consent Agenda as published and amended.

Upon roll call, Trustees McGinley, Henninger, Cooper, Friedberg, Hartweg and Ladesic voted "Aye." Motion carried.

Public Hearing – 1S701 Taylor Road - Annexation Agreement Amendment

Trustee Cooper moved and Trustee Ladesic seconded the motion that the public hearing to receive comment on an annexation agreement amendment for 1S701 Taylor Road be opened. All Trustees present voted "Aye." Motion carried.

Planning and Development Director Staci Hulseberg presented information related to an annexation agreement amendment for 1S701 Taylor Road. She explained the conditions that were in the annexation agreement and the request for an amendment by the property

owners. Allen and Janet Gould, property owners, have requested an amendment to the annexation agreement for their property to extend the deadline to connect to the Village's sanitary sewer main from January 1, 2013 to January 1, 2015. The property is located in unincorporated Glen Ellyn and is not contiguous with the Village boundaries.

Trustee Cooper moved and Trustee Ladesic seconded the motion that the public hearing be closed. All Trustees present voted "Aye." Motion Carried.

Ordinance No. 5988 - 1S701 Taylor Road - Annexation Agreement Amendment

Trustee Cooper moved and Trustee Hartweg seconded the motion that Ordinance No.5988 be passed, an Ordinance Approving an Amendment to the Annexation Agreement for Property Located at 1S701 Taylor Road.

Upon roll call, Trustees Cooper, Hartweg, Friedberg, Henninger, Ladesic and McGinley voted "Aye." Motion carried.

Ordinance No. 5989 – 1000 Oxford Road - Side Yard Setback Variation

Planning and Development Director Staci Hulseberg presented information on a request by Diane Urban, Heather Dalskov and Jesper Dalskov for a construction necessitated variation from the Glen Ellyn Zoning Code Section 10-5-5(B)4 item 36 to allow a patio, previously constructed, with a side yard setback of 8 feet in lieu of the minimum required side yard setback of 13 feet 4 inches. The property is located at 1000 Oxford Road on the northwest corner of Abbotsford and Oxford. The property, although on a corner, is curved and it meets the definition of a corner lot. Director Hulseberg produced a sketch of the lot.

A neighbor who lives across the street spoke about the way the Dalskov's have improved the property to the benefit of the neighborhood and the difficulty of individual homeowners to go through the variation process.

The neighbor at 230 Abbotsford Court complimented the improvements to the home in question and encouraged the Village Board to allow them to have the patio.

The neighbor who lives immediately to the west of the property said that she has no problem with the distances between her lot and the patio and supports allowing the patio. She said there is no problem with stormwater run-off.

The Dalskov's landscape contractor, Scott Janisak from Downers Grove, spoke that he misunderstood the information required by the Village and would not have violated any Village regulations purposely. Additional assistance from the Planning and Development Department would have helped.

Mr. and Mrs. Dalskov spoke about the reasons they needed the patio in its present location and how it fit into the shape of the lot. Neighbors indicated they were in favor of allowing the patio to remain and sent additional support to the Planning and Development Department after the ZBA meeting was held. The Dalskov's distributed a letter from a neighbor at 999 Oxford which Mrs. Dalskov read.

The Zoning Board of Appeals considered the request at a public hearing on November 8, 2011, voting on a motion to recommend approval that did not carry with three (3) yes and three (3) no votes.

Trustee Cooper moved and Trustee Henninger seconded the motion that Ordinance No. 5989 be passed, an Ordinance approving a Construction Necessitated Variation from the Side Yard Setback Requirements of the Zoning Code to allow a Patio on the Property at 1000 Oxford Road.

Upon roll call, Trustees Cooper, Henninger, Friedberg, Hartweg, Ladesic and McGinley voted "Aye." Motion carried.

Redevelopment Agreement with Vequity LLC.

Village Manager Mark Franz presented information related to a redevelopment agreement with Vequity LLC. He noted that the area was 3.2 acres with Roosevelt Road on the north, Taft Avenue extension on the south, between Lambert on the east and Lorraine on the west. Staff recommends the project. The stormwater costs have not been determined as yet.

Trustee Henninger moved and Trustee Hartweg seconded the motion to approve the business terms of a future redevelopment agreement with the developer Vequity LLC for \$793,000 to be reimbursed upon completion of Taft Avenue improvements and the opening of The Fresh Market and \$1 million in performance-based sales tax reimbursements on a 60/40 split, with the Village getting the 60 portion, between the Village and the Developer and directed staff to prepare a redevelopment agreement between the Village and the Developer.

Trustee Cooper moved to amend the motion to reduce the amount in the motion from \$793,000 to \$647,277. Trustee Cooper explained that he was making this motion because the Village had vacated the Taft Avenue extension to Packey Webb years ago for a nominal amount and was now being asked to purchase it for 2 times the original amount. The amended motion failed for lack of the second.

Upon roll call of the original motion, Trustees Henninger, Hartweg, Cooper, Friedberg, Ladesic and McGinley voted "Aye." Motion carried.

Ordinance No. 5990 - Special Use Permit - DuPage Public Safety Communications Antennae - 439-447 Cottage Avenue Water Tower

Planning & Development Director Staci Hulseberg presented information on the request for approval of a Special Use Permit to allow two existing DuPage Public Safety Communications (DuComm) antennae located on top of the Cottage Avenue water tower to remain. The Plan Commission reviewed the request at a public hearing on October 13, 2011 and recommended approval by a vote of 9-0.

Planning and Director Hulseberg gave the background of the antenna placement, the current placement, height, and other antennas that are in place on the tower. People did speak at the Plan Commission meeting in opposition to the height of the antennas.

Charles Chejfec, 427 Cottage Avenue, introduced himself as a pro-bono attorney for area residents opposed to antennas on the water tower. He objected as a resident saying that the Village is in violation of its own ordinances in that there are too many antennas on the water tower and that the maximum height should be 140'. The DuComm antenna is 155'. During the course of the Village Board's discussion, Mr. Chejfec rose to speak many times stressing his objections to the antennas on the water towers.

Jeff Reber, 433 Cottage Avenue, spoke against any more new antennas. During the course of the Village Board's following discussion, Mr. Reber spoke again to stress his opposition to additional antennas and inquire about the operation of the Village's lift stations.

Mrs. Jeff Reber, 433 Cottage Avenue, spoke numerous times during the remainder of the evening questioning the special use and what happens if an antenna blows over in a heavy wind. She stressed that the Village was exposing the residential area of the community to commercial structures.

Trustee Friedberg moved and Trustee McGinley seconded the motion that Ordinance No. 5990 be passed, an Ordinance Approving a Special Use Permit to Allow Two Existing DuPage Public Safety Communications (DuComm) Antennae to Remain on the Cottage Avenue Water Tower located at 439-447 Cottage Avenue.

Trustee Ladesic moved and Trustee Cooper seconded a motion to table this ordinance until after the court case regarding T-Mobile and other antennas is settled.

Attorney Diamond explained that the court has asked about the Village's position and in fact one of the things that would help in resolving the case would be if the Village Board would act upon this ordinance. He recommends voting "no" on the motion to table the ordinance since the court has asked the Village to act upon the ordinance. T-Mobile antennas have been validated by the courts and now Mr. Chejfec has taken the case to the Appellate Court.

RECESS TO EXECUTIVE SESSION

At 9:57 p.m., Trustee Friedberg moved and Trustee Hartweg seconded to adjourn to Executive Session in Room 301 for the purpose of discussing threatened or pending litigation, returning thereafter to open session.

RECONVENE TO OPEN SESSION

At 10:30 p.m., the Village Board reconvened to open session with all the same Village Board members present.

Trustee Cooper withdrew his second on the motion to table the motion of Ordinance No. 5990. There was no other second. Motion failed for lack of a second.

Mr. Chejfec spoke that he was going to make an offer to withdraw all claims for fees and fines if the Village Board would table action on the on the two ordinances, but since they have not, he will not make the offer.

Mr. Chejfec challenged Trustee Friedberg's right to vote on either Ordinance No. 5990 or Ordinance No. 5991 because of a letter he previously submitted during a court case stating he opposed T-Mobile's position on the tower and would not build within a 3-4 block radius of the antenna. He presented Trustee Friedberg with the letter to which he referred.

Trustee Friedberg volunteered to recuse himself from voting on both Ordinance No. 5990 and Ordinance 5991 pending a conversation with the Village's Ethics Officer.

Since Trustee Friedberg made the original motion to approve Ordinance No. 5990 and has recused himself, the second was withdrawn and a vote on the motion will not be taken.

Trustee Hartweg moved and Trustee McGinley seconded the motion that Ordinance No. 5990 be passed, an Ordinance Approving a Special Use Permit to Allow Two Existing DuPage Public Safety Communications (DuComm) Antennae to Remain on the Cottage Avenue Water Tower located at 439-447 Cottage Avenue.

Upon roll call, Trustees Hartweg, McGinley, Cooper and Henninger voted "Aye." Trustee Ladesic voted "No." Trustee Friedberg recused himself. Motion carried.

Ordinance No. 5991 - Special Use Permit - Supervisory Control and Data Acquisition System Antenna - 439-447 Cottage Avenue Water Tower

Planning and Development Director Staci Hulseberg presented information on an Ordinance approving a Special Use Permit to allow the installation of a SCADA antenna on the Cottage Avenue Water Tower. She explained that this is the same type of request as the previous request discussed. The antenna is 8.75' tall. The Plan Commission reviewed the request at two meetings and voted 8-0 to approve.

The Village Board discussed the reasons for the location and the necessity for the antenna to operate the Village's water service.

Trustee Hartweg moved and Trustee McGinley seconded that Ordinance No. 5991 be passed, an Ordinance Approving a Special Use Permit to Allow a Supervisory Control and Data Acquisition System (SCADA) Antenna to be Installed on the Cottage Avenue Water Tower Located at 439-447 Cottage Avenue.

A nearby Cottage Avenue resident asked about the cost of putting up the antenna and if it will assist in providing safe water. Public Works director Hansen responded that it will provide an early alert for a problem with the Village's drinking water.

Mrs. Reber, 433 Cottage Avenue asked about maintenance and if other locations were considered. Public Works Coordinator Bob Greenberg responded that the water tower was the highest place in the Village and it is very low maintenance.

Upon roll call, Trustees Hartweg, McGinley, Cooper and Henninger voted "Aye." Trustee Ladesic voted "No." Trustee Friedberg recused himself. Motion carried.

Reminders:

- The next Regular Village Board Meeting is scheduled for Monday, January 9, 2012, with the Workshop beginning at 7 p.m. and the Regular Board Meeting beginning at 8 p.m. in the Galligan Board Room of the Glen Ellyn Civic Center.

Other Business?

Trustee Hartweg reminded all that snow will be falling before you know it. Please shovel your sidewalks.

President Pfefferman wished everyone Happy Holidays and a Happy New Year.

Adjournment

At 11:14 p.m., Trustee Ladesic moved and Trustee Friedberg seconded the motion to adjourn to Executive Session for the purpose of discussing threatened or pending litigation, adjourning thereafter without returning to open session.

Upon roll call, Trustees Ladesic, Friedberg, Cooper, Hartweg, Henninger, Ladesic and McGinley voted "Aye." Motion carried. Meeting adjourned.

Respectfully submitted,

Suzanne R. Connors,
Village Clerk

A-6c

MEMORANDUM

TO: Mark Franz, Village Manager *z*

FROM: Staci Hulseberg, Director of Planning & Development *SH*
 Joe Kvapil, Building and Zoning Official *JK*

DATE: January 3, 2012

RE: Village Board Meeting January 9, 2012
 Adoption of the 2009 ICC International Fuel Gas Code



Background:

On September 9, 2002, the Village Board passed Resolution 02-22 (attached), a Resolution to Establish a Building Code Adoption Policy for the Village of Glen Ellyn. The Policy requires staff to maintain current and accurate codes and make appropriate updates. The 2009 International Fuel Gas Code is one of eight new or updated codes identified for adoption including:

<u>Code</u>	<u>Status</u>
1. 2009 ICC International Property Maintenance Code (new)	adopted 8/23/10
2. 2009 NFPA 101 Life Safety Code (new)	adopted 8/23/10
3. 2009 ICC International Fire Code (update/new)	adopted 11/1/10
4. 2009 ICC International Building Code (update)	pending
5. 2009 ICC International Residential Code (update)	pending
6. 2009 ICC International Fuel Gas Code (new)	proposed
7. 2009 ICC International Mechanical Code (update)	adopted 10/24/11
8. 2009 ICC International Energy Conservation Code (new)	adopted 8/22/11

The 2009 ICC International Fuel Gas Code prescribes the requirements and standards governing the design and installation of fuel gas equipment and appliances, fuel gas piping and venting systems, and gaseous hydrogen systems in new and existing buildings and structures except one and two family dwellings and townhouses. Due to its size, we did not attach a copy of the Fuel Gas Code. If Board members are interested in seeing a copy, please contact the Planning & Development Department.

The International Code Council (ICC) is the largest recognized building and fire code development agency with ICC codes adopted in all 50 states. Staff has surveyed suburban municipalities and found that the majority have adopted the ICC International Fuel Gas Code. Although the first edition of the ICC International Fuel Gas Code was published in 1997, the Village has never adopted the ICC International Fuel Gas Code. The primary reason is that other adopted ICC International Codes contain specific references to the ICC International Fuel Gas Code were applicable and necessary. The Building Board of Appeals felt that a formal adoption of the 2009 ICC International Fuel Gas Code was appropriate and consistent with our code adoption policy.

The Building Board of Appeals reviewed the 2009 ICC International Fuel Gas Code at a public meeting on November 7, 2011. At this meeting, no persons spoke in favor of or in opposition to the proposed code adoption and amendments. After discussion and consideration, the Building Board of Appeals voted on a motion to recommend approval of adoption of the 2009 ICC International Fuel Gas Code with local amendments. The motion carried unanimously with seven (7) “yes” votes and zero (0) “no” votes.

Issues:

New regulations generally require some time to be realized and incorporated into design and construction work by the developers, architects and contractors. Adequate notification will be provided on the Village website, newsletters, and on informational handouts in the Planning & Development Department. These new regulations will not be applicable to permit applications received prior to the effective date of the ordinance and consideration will be given to projects designed and engineered prior to, but received shortly after, the effective date of the ordinance.

Recommendation:

Staff recommends that the effective date of this Ordinance be February 1, 2012 to allow time for public notification on the Village website and newsletters, issuance of a press release, revision of our current Planning & Development Department forms and guidelines, training and education of building inspectors and the plan examiner, and the completion of construction design work under the prior code.

Action Requested:

It is requested that the Village Board consider the recommendation offered by the Building Board of Appeals and any further evidence or testimony presented at the Village Board Meeting and approve, reject or amend the adoption of this ordinance. Staff has prepared an ordinance to approve the adoption of the 2009 ICC International Fuel Gas Code with local amendments as recommended by the Building Board of Appeals.

Attachments

- Building Code Adoption Policy – Resolution No. 02-22
- Ordinance Adopting the 2009 ICC International Fuel Gas Code with Local Amendments
- 2009 ICC International Fuel Gas Code Amendments, Exhibit “A (with text format and comments)”
- 2009 ICC International Fuel Gas Code Amendments Exhibit “A (clean)”
- Minutes of Building Board of Appeals Meeting on November 7, 2011, Exhibit ‘B’
- 2009 ICC International Fuel Gas Code Preface
- Effective Use of the International Fuel Gas Code (contents summary)

RESOLUTION TO ESTABLISH A BUILDING CODE ADOPTION POLICY
FOR THE VILLAGE OF GLEN ELLYN

WHEREAS, the Village of Glen Ellyn is a growing and active community which has experienced an increase in the number of construction projects and developments; and

WHEREAS, the Village desires to establish a framework that would adequately safeguard the public health, safety and welfare of the general public and citizens of Glen Ellyn; and

WHEREAS, the Village also desires to establish a framework that would adequately protect and promote the longevity of the building stock and property in the Village; and

WHEREAS, the Village acknowledges the continued advancements in building technology, materials and methods of construction; and

WHEREAS, the existing Village building, mechanical, electrical and fire prevention codes are outdated and sometimes ambiguous and irrelevant with today's needs; and

WHEREAS, the Village recognizes that the national codes provide a consistency for property owners, design teams, builders and Village staff; and

WHEREAS, the Village recognizes the need for a modern, up-to-date comprehensive building code to establish minimum regulations for the design and installation of building systems; and

WHEREAS, the Village has created the Building Board of Appeals and the Electrical Commission to be advisory to the Village Board; and

WHEREAS, the Building Board of Appeals' and Electrical Commission's intent and purpose is to advise the Village Board on standards, specifications, rules, regulations and fees regarding building systems; and

WHEREAS, the Village Board discussed the adoption of the most up-to-date and applicable codes at the time of each new publication or code development cycle that occurs every three years;

NOW, THEREFORE, BE IT RESOLVED BY THE PRESIDENT AND BOARD OF TRUSTEES OF THE VILLAGE OF GLEN ELLYN, DUPAGE COUNTY, ILLINOIS, in the exercise of its home rule powers as follows:

SECTION ONE: The purpose of this policy is to establish a framework in which the Village will consider the adoption of up-to-date building codes at the time of each newly published edition for, but not limited to, the following reasons:

- A. To safeguard the public health and safety of the general public and citizens of Glen Ellyn;
- B. To protect and promote the longevity of the building stock and property in Glen Ellyn;
- C. To acknowledge the advancements in technology, building materials and methods of construction;
- D. To establish minimum regulations for the design and installation of building systems; and
- E. To reduce ambiguous regulations that are common in older building code editions.

SECTION TWO: Staff shall gather pertinent information related to the most current building codes to be forwarded to the Village of Glen Ellyn Building Board of Appeals and Electrical Commission. Each appropriate Board or Commission will be requested to assemble to discuss the adoption of the most current edition of the applicable building codes of Glen Ellyn. Staff will prepare a written recommendation from each Board or Commission to the Village Board by March 1, 2003, for enactment.

SECTION THREE: Village staff shall develop and maintain current, accurate information pertaining to the updates and publications of codes and shall forward all pertinent and relevant information to each Board or Commission within three months of publication. The Village of Glen Ellyn Building Board of Appeals and Electrical Commission will be requested to have regular meetings to discuss each newly published edition of the applicable building code as they become available for adoption. Staff will prepare a written recommendation from each Board or Commission to the Village Board for enactment within six months of publication.

SECTION FOUR: The written report from the Building Board of Appeals and Electrical Commission shall include the edition, title and year of the code along with any recommended code additions, modification or deletions including all applicable insertions, if necessary.

SECTION FIVE: Village staff shall develop and maintain current, accurate information concerning the applicable building codes.

SECTION SIX: This resolution shall be in full force and effect from and after its passage and approval.

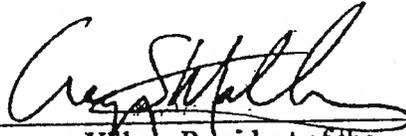
PASSED by the President and Board of Trustees of the Village of Glen Ellyn,
Illinois, this 9TH day of SEPTEMBER 2002.

AYES: RILEY, MELROY, LOCH, MULHERIN, STRAYER

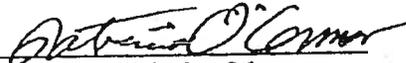
NAYS: - 0 -

ABSENT: KOHNKE

APPROVED by the Village President of the Village of Glen Ellyn, Illinois, this
9TH day of SEPTEMBER, 2002.


Village President of the
Village of Glen Ellyn

ATTEST:


Village Clerk of the
Village of Glen Ellyn

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Village of Glen Ellyn

Ordinance No. _____ -VC

**An Ordinance
Amending Chapter 1 (Building Code) of
Title 4 (Building Regulations) of the
Village Code of the Village of Glen Ellyn, Illinois to
Adopt the 2009 International Fuel Gas Code with Local Amendments**

**Adopted by the
President and the Board of Trustees
of the
Village of Glen Ellyn
DuPage County, Illinois
This _____ Day of _____, 20_____.**

**Published in pamphlet form by the authority of the
President and Board of Trustees of the Village of
Glen Ellyn, DuPage County, Illinois, this
day of _____, 20_____.**

ORDINANCE NO. _____ - VC

**An Ordinance
Amending Chapter 1 (Building Code) of
Title 4 (Building Regulations) of the
Village Code of the Village of Glen Ellyn, Illinois to
Adopt the 2009 International Fuel Gas Code with Local Amendments**

Whereas, the President and Board of Trustees of the Village of Glen Ellyn, DuPage County, Illinois, pursuant to the provisions of Division 30 of Article 11 of the Illinois Municipal Code (Chapter 65, Section 5/11-30-1 et seq. of the Illinois Compiled Statutes), have the power and authority to prescribe the strength and manner of constructing all buildings, structures, and their accessories, including life and fire safety requirements, to promote the public health and safety of building occupants and the public; and

Whereas, the President and Board of Trustees of the Village of Glen Ellyn passed Resolution No. 02-22, a Resolution to Establish a Building Code Adoption Policy for the Village of Glen Ellyn on September 9, 2002 to establish a framework in which the Village will consider the adoption of up-to-date building codes at the time of each newly published edition; and

Whereas, the 2009 International Fuel Gas Code has been published by the International Code Council for the intended use by municipalities in regulating and governing the installation of fuel gas equipment, appliances, piping and venting systems in new and existing buildings and structures except one and two family dwellings and townhouses; and

Whereas, the 2009 International Fuel Gas Code is generally regarded as the reference standard used by local building agencies to establish the minimum required installation requirements

for fuel gas equipment, appliances, piping and venting systems for commercial buildings and structures; and

Whereas, the provisions of the other ICC International Codes, previously adopted by the Village, specifically reference the provisions of the 2009 International Fuel Gas Code; and

Whereas, the Building Board of Appeals conducted a public meeting on November 7, 2011, for the purpose of considering an amendment to Chapter 1 (Building Code) of Title 4 (Building Regulations) of the Glen Ellyn Village Code to adopt the 2009 International Fuel Gas Code with local amendments which are attached hereto as exhibit "A" (clean); and

Whereas, the Building Board of Appeals has made its recommendations as set forth in the draft Minutes of its public meeting conducted on November 7, 2011, a draft of which is attached hereto as Exhibit "B"; and

Whereas, the President and Board of Trustees of the Village of Glen Ellyn have considered the recommendations of the Building Board of Appeals as set forth in the Minutes of its public meeting conducted on November 7, 2011 which are attached hereto as Exhibit "B"; and

Whereas, the President and Board of Trustees deem it to be in the best interest of the Village of Glen Ellyn to adopt the proposed amendments to Chapter 1 (Building Code) of Title 4 (Building Regulations) of the Glen Ellyn Village Code as recommended by the Building Board of Appeals in order to adopt the 2009 International Fuel Gas Code with local amendments, which is attached hereto as Exhibit "A" (clean), as the standards and regulations governing the installation of fuel gas equipment, appliances, piping and venting systems in new and existing buildings and structures except one and two family dwellings and townhouses within the Village of Glen Ellyn.

Now, Therefore, be it Ordained by the President and Board of Trustees of the Village of

Glen Ellyn, DuPage County, Illinois, in the exercise of its home rule powers as follows:

Section One: Chapter 1 (Building Code) of Title 4 (Building Regulations) of the Glen Ellyn Village Code shall be and is hereby amended as set forth in Exhibit "A" (clean) attached hereto.

Section Two: This Ordinance shall be in full force and effect from and after February 1, 2012 to allow time for notification of the public and incorporation into the Planning & Development Department, Building Division administrative process.

Passed by the President and Board of Trustees of the Village of Glen Ellyn, Illinois, this ____ day of _____, 20____,

Ayes:

Nays:

Absent:

Approved by the Village President of the Village of Glen Ellyn, Illinois, this ____ day of _____, 20____.

Village President of the
Village of Glen Ellyn, Illinois

Attest:

Village Clerk of the
Village of Glen Ellyn, Illinois

(Published in pamphlet form and posted on the ____ day of _____, 20____).

Exhibit A (with text format and comments)
The 2009 ICC International Fuel Gas Code
As Adopted and Amended by the Village of Glen Ellyn, Illinois

Text format:

Normal – change number and description or existing text in the IFGC to remain

Bold – new code section, new amendment or new text inserted into an IFGC section

~~**Strikethrough**~~ – current text in the Village Code or IFGC to be removed

Italics – comments that will be removed from final ordinance document

Village Code format:

1 (title)- 2(chapter)- 3(section)

(A) subsection

1. subsection

(a) subsection

(1) subsection

Add new Village Code Section as follows:

4-1-13 ADOPTION OF THE 2009 ICC INTERNATIONAL FUEL GAS CODE.

(A) The 2009 ICC international fuel gas code is adopted by reference as the standards and regulations for governing the design and installation of fuel gas equipment and appliances, fuel gas piping and venting systems, and gaseous hydrogen systems and related accessories, as this code is intended, recommended, maintained and published by the International Code Council except such portions thereof as are deleted, modified, or amended in this chapter. At least one copy of the 2009 ICC international gas fuel code shall be maintained on file in the office of the village clerk for inspection and copying as a public record.

(B) The provisions of the 2009 ICC international fuel gas code are hereby deleted, modified, and amended as follows:

1. Amend section 101.1 to read as follows:

101.1 Title. These regulations shall be known as the Fuel Gas Code of the Village of Glen Ellyn, hereinafter referred to as "this code."

Comments: Standard language to be inserted in the code by the municipality.

2. Add new section 101.6 to read as follows:

101.6 Administration and Enforcement. This code shall be administered and enforced in accordance with the provisions in chapter 1 of the ICC international building code as adopted and amended by the Village of Glen Ellyn.

Comments: The administration and enforcement of code provisions adopted and amended in the building code are identical to, and also apply to, this fuel gas code. Code requirements should not be unnecessarily duplicated and maintained in two locations to avoid possible confusion or conflict.

3. Delete section 103, DEPARTMENT OF INSPECTION, in its entirety.

Comments: These code provisions are included in the ICC building code.

4. Delete section 104, DUTIES AND POWERS OF THE CODE OFFICIAL, in its entirety.

Comments: These code provisions are included in the ICC building code.

5. Delete section 105, APPROVAL, in its entirety.

Comments: These code provisions are included in the ICC building code.

6. Delete section 106, PERMITS, in its entirety.

Comments: These code provisions are included in the ICC building code.

7. Delete section 107, INSPECTIONS AND TESTING, in its entirety.

Comments: These code provisions are included in the ICC building code.

8. Delete section 108, VIOLATIONS, in its entirety.

Comments: These code provisions are included in the ICC building code.

9. Delete section 109, MEANS OF APPEAL, in its entirety.

Comments: These code provisions are included in the ICC building code.

10. Delete section 110, TEMPORARY EQUIPMENT, SYSTEM AND USES, in its entirety.

Comments: These code provisions are included in the ICC building code.

11. Amend section 303.3 item 4 to read as follows:

4. A single wall-mounted unvented room heater is installed in a bedroom and such unvented room heater is equipped as specified in Section 621.6 and has an input rating not greater than 10,000Btu/h (2.93kW). The bedroom shall meet the required volume criteria of Section 304.5 and be provided with a carbon monoxide detector that is listed and labeled by an approved testing agency.

Comments: While the code requires these heaters and fireplaces to be provided with an oxygen depletion sensitive safety shutoff system, a carbon monoxide detector is a reasonable additional safety precaution.

Exhibit A (clean)
The 2009 ICC International Fuel Gas Code
As Adopted and Amended by the Village of Glen Ellyn, Illinois

4-1-13 ADOPTION OF THE 2009 ICC INTERNATIONAL FUEL GAS CODE.

- (A) The 2009 ICC international fuel gas code is adopted by reference as the standards and regulations for governing the design and installation of fuel gas equipment and appliances, fuel gas piping and venting systems, and gaseous hydrogen systems and related accessories, as this code is intended, recommended, maintained and published by the International Code Council except such portions thereof as are deleted, modified, or amended in this chapter. At least one copy of the 2009 ICC international gas fuel code shall be maintained on file in the office of the village clerk for inspection and copying as a public record.
- (B) The provisions of the 2009 ICC international fuel gas code are hereby deleted, modified, and amended as follows:
1. Amend section 101.1 to read as follows:
101.1 Title. These regulations shall be known as the Fuel Gas Code of the Village of Glen Ellyn, hereinafter referred to as "this code."
 2. Add new section 101.6 to read as follows:
101.6 Administration and Enforcement. This code shall be administered and enforced in accordance with the provisions in chapter 1 of the ICC international building code as adopted and amended by the Village of Glen Ellyn.
 3. Delete section 103, DEPARTMENT OF INSPECTION, in its entirety.
 4. Delete section 104, DUTIES AND POWERS OF THE CODE OFFICIAL, in its entirety.
 5. Delete section 105, APPROVAL, in its entirety.
 6. Delete section 106, PERMITS, in its entirety.
 7. Delete section 107, INSPECTIONS AND TESTING, in its entirety.
 8. Delete section 108, VIOLATIONS, in its entirety.
 9. Delete section 109, MEANS OF APPEAL, in its entirety.
 10. Delete section 110, TEMPORARY EQUIPMENT, SYSTEM AND USES, in its entirety.
 11. Amend section 303.3 item 4 to read as follows:
4. A single wall-mounted unvented room heater is installed in a bedroom and such unvented room heater is equipped as specified in Section 621.6 and has an input rating not greater than 10,000Btu/h (2.93kW). The bedroom shall meet the required volume criteria of Section 304.5 and be provided with a carbon monoxide detector that is listed and labeled by an approved testing agency.

DRAFT
BUILDING BOARD OF APPEALS
MINUTES
NOVEMBER 7, 2011

The meeting was called to order by Chairman James Ryan at 7:30 p.m. Board Members Thomas Bredfeldt, Michaelene Burke Hoeh, Pete Campbell, Kennedy Hartsfield, James McGinley and Mike Morange were present. Also present were Trustee Liaison Carl Henninger (arrived at 8:05 p.m.), Building and Zoning Official Joe Kvapil and Recording Secretary Barbara Utterback.

Board Member Bredfeldt moved, and Board Member Morange seconded, a motion to approve the minutes of the October 3, 2011 Building Board of Appeals meeting. The minutes were approved unanimously with seven (7) "yes" votes as follows: Board Members Bredfeldt, Burke Hoeh, Campbell, Hartsfield, McGinley, Morange and Chairman Ryan voted yes.

2009 ICC INTERNATIONAL FUEL GAS CODE. PUBLIC DISCUSSION, CONSIDERATION AND RECOMMENDATIONS REGARDING A PROPOSED ORDINANCE TO ADOPT AND AMEND THE 2009 ICC INTERNATIONAL FUEL GAS CODE TO BE INCORPORATED AS A TEXT AMENDMENT INTO THE VILLAGE CODE, TITLE 4 BUILDING REGULATIONS, CHAPTER 1 BUILDING CODE.

Building and Zoning Official Joe Kvapil stated that the 2009 ICC International Fuel Gas Code had been discussed at the previous BBA meeting, at which time it was decided to adopt this code as part of the building regulations.

Mr. Kvapil stated that Section 4-1-13 is a new Village Code Section entitled Adoption of the 2009 ICC International Fuel Gas Code. He stated that 4-1-13 (A) is standard language that generally describes what is included in the International Fuel Gas Code as follows: (A) The 2009 ICC International Fuel Gas Code is adopted by reference as the standards and regulations for governing the design and installation of fuel gas piping systems, fuel gas appliances, gaseous hydrogen systems and related accessories, as this code is intended, recommended, maintained and published by the International Code Council except such portions thereof as are deleted, modified, or amended in this chapter. At least one copy of the 2009 ICC International Fuel Gas Code shall be maintained on file in the office of the Village Clerk for inspection and copying as a public record.

Mr. Kvapil also stated that 4-1-13 (B)2 adds a new Section 101.6 regulating administration and enforcement of this code by the ICC International Building Code. He added that code requirements should not be duplicated to avoid possible confusion or conflict. This section reads as follows: 101.6 Administration and Enforcement. This code shall be administered and enforced in accordance with the provisions in Chapter 1 of the ICC International Building Code as adopted and amended by the Village of Glen Ellyn.

Mr. Kvapil added that the following sections should also be deleted in their entirety as these code provisions are included in the ICC Building Code: Section 103, Department of Inspection; Section 104, Duties and Powers of the Code Official; Section 105, Approval; Section 106, Permits; Section 107, Inspections and Testing; Section 108, Violations; Section 109, Means of Appeal; and Section 110, Temporary Equipment.

Mr. Kvapil also stated that Village Building Inspectors Mike Morange and Brian Pohlis reviewed the International Fuel Gas Code and suggested adding a provision to have carbon monoxide detectors in bedrooms and sleeping rooms if that room also includes an unvented fuel gas heater or fireplace. Mr. Kvapil felt that the provision is a good precaution even though the unvented heaters are required to have oxygen depletion sensors that will turn the machine off if a low oxygen level is detected. Mr. Kvapil clarified for Chairman Ryan that this requirement would not apply to single-family homes and townhomes—only apartments and condominium units. Mr. Kvapil also responded to Chairman Ryan that the units would require a gas line to be piped in. Mr. Kvapil also responded to Chairman Ryan that he did not require an electrical service for the carbon monoxide detector because he felt batteries would be adequate. Chairman Ryan asked if the additional requirement will be put into the residential code, and Mr. Kvapil replied no. Therefore, a recommendation was made to add a provision to both the fuel gas code and the residential code as follows: Amend Section 303.3 Item 4 to read as follows: 4. A single wall-mounted unvented room heater is installed in a bedroom and such unvented room heater is equipped as specified in Section 621.6 and has an input rating not greater than 10,000 Btu/h (2,93kW). The bedroom shall meet the required volume criteria of Section 304.5 and be provided with a carbon monoxide detector that is listed, labeled and complies with the standards of an approved testing agency.

Motion

Mr. Bredfeldt moved, seconded by Mr. McGinley, to approve the 2009 ICC Fuel Gas Code with a clarification regarding Section 101.6 with seven (7) “yes” votes and zero (0) “no” votes as follows: Board Members Bredfeldt, McGinley, Burke Hoeh, Campbell, Hartsfield, Morange and Chairman Ryan voted yes.

Staff Report

Mr. Kvapil distributed and explained an existing and proposed format sample of Chapter 2, Electrical Code.

Trustee Report

Trustee Liaison Henninger stated that the Village won the Montessori School case and that a ruling will occur tomorrow regarding the College of DuPage. He also stated that the hearings on the Village levy have begun.

There being no further business before the BBA, the meeting was adjourned at 8:14 p.m.

Submitted by:
Barbara Utterback
Recording Secretary

Reviewed by:
Joe Kvapil
Building and Zoning Official

PREFACE

Introduction

Internationally, code officials recognize the need for a modern, up-to-date fuel gas code addressing the design and installation of fuel gas systems and gas-fired appliances through requirements emphasizing performance. The *International Fuel Gas Code*®, in this 2009 edition, is designed to meet these needs through model code regulations that safeguard the public health and safety in all communities, large and small.

This comprehensive fuel gas code establishes minimum regulations for fuel gas systems and gas-fired appliances using prescriptive and performance-related provisions. It is founded on broad-based principles that make possible the use of new materials and new fuel gas system and appliance designs. This 2009 edition is fully compatible with all of the *International Codes*® (I-Codes®) published by the International Code Council (ICC)®, including the *International Building Code*®, *International Energy Conservation Code*®, *International Existing Building Code*®, *International Fire Code*®, *International Mechanical Code*®, *ICC Performance Code*®, *International Plumbing Code*®, *International Private Sewage Disposal Code*®, *International Property Maintenance Code*®, *International Residential Code*®, *International Wildland-Urban Interface Code*™ and *International Zoning Code*®.

The *International Fuel Gas Code* provisions provide many benefits, among which is the model code development process that offers an international forum for fuel gas technology professionals to discuss performance and prescriptive code requirements. This forum provides an excellent arena to debate proposed revisions. This model code also encourages international consistency in the application of provisions.

Development

The first edition of the *International Fuel Gas Code* (1997) was the culmination of an effort initiated in 1996 by a development committee appointed by ICC and consisting of representatives of the three statutory members of the International Code Council at that time, including: Building Officials and Code Administrators International, Inc. (BOCA), International Conference of Building Officials (ICBO) and Southern Building Code Congress International (SBCCI) and the gas industry. The intent was to draft a comprehensive set of regulations for fuel gas systems and gas-fired appliances consistent with and inclusive of the scope of the existing mechanical, plumbing and gas codes. Technical content of the latest model codes promulgated by BOCA, ICBO, SBCCI and ICC and the *National Fuel Gas Code* (ANSI Z223.1) was utilized as the basis for the development. This 2009 edition presents the code as originally issued, with changes reflected in subsequent editions through 2006, and with code changes approved through the ICC Code Development Process through 2008 and standard revisions correlated with ANSI Z223.1-2009. A new edition such as this is promulgated every three years.

This code is founded on principles intended to establish provisions consistent with the scope of a fuel gas code that adequately protects public health, safety and welfare; provisions that do not unnecessarily increase construction costs; provisions that do not restrict the use of new materials, products or methods of construction; and provisions that do not give preferential treatment to particular types or classes of materials, products or methods of construction.

Format

The *International Fuel Gas Code* is segregated by section numbers into two categories — “code” and “standard” — all coordinated and incorporated into a single document. The sections that are “code” are designated by the acronym “IFGC” next to the main section number (e.g., Section 101). The sections that are “standard” are designated by the acronym “IFGS” next to the main section number (e.g., Section 304).

Adoption

The *International Fuel Gas Code* is available for adoption and use by jurisdictions internationally. Its use within a governmental jurisdiction is intended to be accomplished through adoption by reference in accordance with proceedings establishing the jurisdiction’s laws. At the time of adoption, jurisdictions should insert the appropriate information in provisions requiring specific local information, such as the name of the adopting jurisdiction. These locations are shown in bracketed words in small capital letters in the code and in the sample ordinance. The sample adoption ordinance on page vii addresses several key elements of a code adoption ordinance, including the information required for insertion into the code text.

Maintenance

The *International Fuel Gas Code* is kept up to date through the review of proposed changes submitted by code enforcing officials, industry representatives, design professionals and other interested parties. Proposed changes are carefully considered through an open code development process in which all interested and affected parties may participate. The code development process of the *International Fuel Gas Code* is slightly different than the process for the other *International Codes*.

Effective Use of the International Fuel Gas Code

The IFGC is a model code that regulates the design and installation of fuel gas distribution piping and systems, appliances, appliance venting systems, combustion air provisions, gaseous hydrogen systems and motor vehicle gaseous-fuel-dispensing stations. The definition of fuel gas includes natural, liquefied petroleum and manufactured gases and mixtures of these gases.

The purpose of the code is to establish the minimum acceptable level of safety and to protect life and property from the potential dangers associated with the storage, distribution and usage of fuel gases and the byproducts of combustion of such fuels. The code also protects the personnel that install, maintain, service and replace the systems and appliances addressed by this code.

With the exception of Section 401.1.1, the IFGC does not address utility-owned piping and equipment (i.e., anything upstream of the point of delivery). See the definition of "Point of delivery" and Section 501.8 for other code coverage exemptions.

The IFGC is primarily a specification-oriented (prescriptive) code with some performance-oriented text. For example, Section 503.3.1 is a performance statement, but Chapter 5 contains prescriptive requirements that will cause Section 503.3.1 to be satisfied.

The IFGC applies to all occupancies including one- and two-family dwellings and townhouses. The IRC is referenced for coverage of one- and two-family dwellings and townhouses; however, in effect, the IFGC provisions are still applicable because the fuel gas chapter in the IRC (Chapter 24) is composed entirely of text extracted from the IFGC. Therefore, whether using the IFGC or the IRC, the fuel gas provisions will be identical. The IFGC does not apply to piping systems that operate at pressures in excess of 125 psig for natural gas and 20 psig for LP-gas (note exception in Section 402.6).

The general Section 105.2 and the specific Sections 304.8, 402.3, 503.5.5 and 503.6.9 allow combustion air provisions, pipe sizing and chimney and vent sizing to be performed by approved engineering methods as alternatives to the prescriptive methods in the code.

Arrangement and Format of the 2009 IFGC

The format of the IFGC allows each chapter to be devoted to a particular subject, with the exception of Chapter 3, which contains general subject matters that are not extensive enough to warrant their own independent chapter.

Chapter 1 Scope and Administration. Chapter 1 establishes the limits of applicability of the code and describes how the code is to be applied and enforced. A fuel gas code, like any other code, is intended to be adopted as a legally enforceable document, and it cannot be effective without adequate provisions for its administration and enforcement. The provisions of Chapter 1 establish the authority and duties of the code official appointed by the jurisdiction having authority and also establish the rights and privileges of the design professional, contractor and property owner.

Chapter 2 Definitions. Chapter 2 is the repository of the definitions of terms used in the body of the code. Codes are technical documents and every word, term and punctuation mark can impact the meaning of the code text and the intended results. The code often uses terms that have a unique meaning in the code and the code meaning can differ substantially from the ordinarily understood meaning of the term as used outside of the code.

The terms defined in Chapter 2 are deemed to be of prime importance in establishing the meaning and intent of the code text that uses the terms. The user of the code should be familiar with and consult this chapter because the definitions are essential to the correct interpretation of the code and because the user may not be aware that a term is defined.

Chapter 3 General Regulations. Chapter 3 contains broadly applicable requirements related to appliance location and installation, appliance and systems access, protection of structural elements and clearances to combustibles, among others. This chapter also covers combustion air provisions for gas-fired appliances.

Chapter 4 Gas Piping Installations. Chapter 4 covers the allowable materials for gas piping systems and the sizing and installation of such systems. It also covers pressure regulators, appliance connections and overpressure protection devices. Gas piping systems are sized to supply the maximum demand while maintaining the supply pressure necessary for safe operation of the appliances served.

Chapter 5 Chimneys and Vents. Chapter 5 regulates the design, construction, installation, maintenance, repair and approval of chimneys, vents, venting systems and their connections to gas-fired appliances. Properly designed chimneys, vents and venting systems are necessary to conduct to the outdoors the flue gases produced by the combustion of fuels in appliances. The provisions of this chapter are intended to minimize the hazards associated with high temperatures and potentially toxic and corrosive combustion gases. This chapter addresses all of the factory-built and site-built chimneys, vents and venting systems used to vent all types and categories of appliances. It also addresses direct-vent appliances, integral vent appliances, side-wall mechanically vented appliances and exhaust hoods that convey the combustion byproducts from cooking and other process appliances.

Chapter 6 Specific Appliances. Chapter 6 addresses specific appliances that the code intends to regulate. Each main section applies to a unique type of gas-fired appliance and specifies the product standards to which the appliance must be listed. The general

requirements found in the previous Chapters 1 through 5 also apply and the sections in Chapter 6 add the special requirements that are specific to each type of appliance.

Chapter 7 Gaseous Hydrogen Systems. Chapter 7 is specific to gaseous hydrogen generation, storage, distribution and utilization systems, appliances and equipment. Note that hydrogen is not within the definition of "Fuel gas," but it is, nonetheless, commonly used as a fuel for fuel-cell power generation and fuel-cell powered motor vehicles. The scope of Chapter 7 is not limited to any particular use of hydrogen (see Sections 633 and 635). Hydrogen systems have unique potential hazards because of the specific gravity of the gas, its chemical effect on materials and the fact that it is not odorized.

Chapter 8 Referenced Standards. Chapter 8 lists all of the product and installation standards and codes that are referenced throughout Chapters 1 through 7. As stated in Section 102.8, these standards and codes become an enforceable part of the code (to the prescribed extent of the reference) as if printed in the body of the code. Chapter 8 provides the full title and edition year of the standards and codes in addition to the address of the promulgators and the section numbers in which the standards and codes are referenced.

Appendix A Sizing and Capacities of Gas Piping. This appendix is informative and not part of the code. It provides design guidance, useful facts and data and multiple examples of how to apply the sizing tables and sizing methodologies of Chapter 4.

Appendix B Sizing of Venting Systems Serving Appliances Equipped with Draft Hoods, Category I Appliances and Appliances Listed for Use with Type B Vents. This appendix is informative and not part of the code. It contains multiple examples of how to apply the vent and chimney tables and methodologies of Chapter 5.

Appendix C Exit Terminals of Mechanical Draft and Direct-vent Venting Systems. This appendix is informative and not part of the code. It consists of a figure and notes that visually depict code requirements from Chapter 5 for vent terminals with respect to the openings found in building exterior walls.

Appendix D Recommended Procedure for Safety Inspection of an Existing Appliance Installation. This appendix is informative and not part of the code. It provides recommended procedures for testing and inspecting an appliance installation to determine if the installation is operating safely and if the appliance is in a safe condition.

MEMORANDUM

A-6D

DATE: January 4, 2012
TO: Mark Franz, Village Manager
FROM: Julius Hansen, Director of Public Works
RE: Annual Maintenance Fee for the Cottage Avenue Water Tower



Background.

The Village contracted with Utility Services Company of Perry, Georgia to paint the Cottage Avenue Water Tower in 2009. The cost of the work has been paid.

With the successful completion of this work, the Village entered into a contract with Utility Services Company for future annual maintenance to the water tower. The annual contract covers all maintenance and pre finances the next painting of the water tower, which is scheduled to be 10 to 15 years out.

Issues.

The payment of \$22,000 will be the first installment of the maintenance contract for the Cottage Avenue water tower, and the amount needs to be authorized by the Village Board.

Recommendation.

Approve the request for a purchase order in the amount \$22,000 dollars payable to Utility Services Company of Perry, Georgia.

Action Requested.

Authorize the purchase order in the amount \$22,000 dollars payable to Utility Services Company of Perry, Georgia.

Attachments.

- Memo from Bob Greenburg, Project Coordinator
- Page 7-38 of the 2011/12 Village budget
- Utility Services Co, Inc. Maintenance Contract

MEMORANDUM

DATE: January 4, 2012

TO: Julius Hansen, Public Works Director

FROM: Bob Greenberg, Project Coordinator/COIRC *ryb*

RE: Approval to Pay Annual Maintenance Fee for Cottage Avenue Tower

CC:



Cottage Avenue Water Tower, (our 500,000 gallon spheroid elevated tank built in 1992),was repainted and rehabbed for the first time in 2009. On April 14, 2008 the Village Board approved the awarding of a contract in the amount of \$ 205,269 to Utility Services Company, Inc. of Perry, Georgia to sand blast, repair and paint Cottage Avenue Water Tower. The costs were spread over the three budget years of FY09, FY10, and FY11 in equal payments of \$68,423 each.

In the FY12 Water Division Budget, line item Maintenance of Buildings & Grounds, (50100-520970), footnote #5, \$22,000 was allotted to fund the annual maintenance contract with Utility Services Company to clean inspect and perform any needed maintenance on the Water Tower. This amount covers all maintenance and pre finances the next painting of the tower which is scheduled to be 10 to 15 years out. (Please see budget footnote attachment).

I request/recommend that the Village board approve a purchase order in the amount of \$22,000 payable to Utility Services Company of Perry, Georgia to fund the payment of the annual maintenance agreement for Cottage Avenue Water Tower. This purchase order should be charged to Water Division Fund, Maintenance Building & Grounds 50100-520970.

OPERATIONS DIVISION – WATER FUND
BUDGET FOOTNOTES

1. **Salaries - FT: (\$394,000)** Provides for one-half (50%) of the salaries of the Project Coordinator, Senior Plant Operator, and Customer Service Worker. Also provides for a percentage (30%) of the sixteen members of our Operations Division that will be funded through the Operations – Water Fund budget.
2. **Salaries - PT: (\$33,000)** Provides for four part-time meter readers who read all 8,200 water meters in the Village each month and 30% of one part-time maintenance worker.
3. **Temporary Help: (\$18,300)** Provides for a percentage (30%) of eight summer seasonal (12 week) employees and two extended seasonal (25 week) employees that work for the Operations Division of Public Works. Seasonal employees work on all aspects of Operations including water distribution system maintenance activities.
4. **Bank Services: (\$14,000)** Costs associated with the utility bill lockbox processing and acceptance of credit cards as a form of payment at the Village Cashier's counter.
5. **Maintenance / Buildings & Grounds: (\$50,000)** Provides \$16,000 for annual landscape maintenance contract at the Cottage Avenue elevated tank site, Newton and Wilson Avenue pumping stations, and North and West Pressure Adjusting Stations. **\$22,000 to fund the Cottage Avenue maintenance contract.** Also provides \$12,000 for miscellaneous supplies and equipment to assure our water distribution facilities are maintained in a secure and proper working order.
6. **Maintenance / ROW: (\$38,500)** Provides for restoration of streets and parkways disturbed during water system repairs (concrete, asphalt, and landscaping material) including the water portion of the material hauling contract for spoil removal and stone delivery. As a result of excavations, Public Works hauls out approximately 1,200 cubic yards of spoil, and purchases 550 tons of gravel each year.
7. **Maintenance / Water Meters: (\$30,000)** Provides for water meters, copper horns, and radio reads for new residential and commercial accounts and miscellaneous repair parts as needed. Radio-read units are typically installed when anew meter is required. The cost associated with this upgrade is recovered in the meter fee portion of the building permit for the home or business.
8. **Maintenance / Hydrants: (\$30,000)** Provides \$10,000 to fund the purchase of parts and supplies to maintain and replace hydrants. Non-functioning hydrants are typically replaced instead of repaired because of obsolescence. On average, the Utilities Division replaces 8 hydrants per year (out of a total of some 1,230 hydrants) in addition to those replaced as part of our extensive Capital Improvements Program. Also funds the second year of a 5 year program (working north to south) to sand blast and repaint all Village hydrants; funding in the amount of \$20,000 is sufficient to recoat about 250 units.

PROJECT # 119217

Utility Service co., inc.

Water Tank Maintenance Contract



**Owner: Village of Glen Ellyn
Glen Ellyn, Illinois**

Tank Size/Name: 500,000 Pedisphere – Cottage Avenue Tank

Location: 439 Cottage Avenue

Date Prepared: May 13, 2008



535 Courtney Hodges Blvd.
P.O. Box 1350
Perry, Georgia 31069
tel: 478-987-0303 800-223-3695
fax: 478-987-2991
www.utilityservice.com

WATER TANK MAINTENANCE CONTRACT

This Contract entered into by and between **Village of Glen Ellyn**, whose business address is **30 South Lambert Road, Glen Ellyn, Illinois 60137** (hereinafter, the "Owner") and Utility Service Co., Inc., whose business address is Post Office Box 1350, 535 Courtney Hodges Boulevard, Perry, Georgia 31069 (hereinafter, the "Company").

Therefore, in consideration of the mutual promises contained herein and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the Owner and the Company, the parties agree as follows:

The Owner agrees to engage the Company to provide the professional service needed to maintain its **500,000** gallon water storage tank and tower located at **439 Cottage Avenue, Glen Ellyn, Illinois 60137** (hereinafter, the "Tank").

Article 1. Company's Responsibilities. The Company hereby agrees to perform the following services for the care and maintenance of the subject Tank:

A. Tank Maintenance Service.

1. The Company will annually inspect and service the Tank. The Tank and tower will be thoroughly inspected to ensure that the structure is in a sound, watertight condition.
2. Biennially, beginning with the first washout-inspection, the Tank will be completely drained and cleaned to remove all mud, silt, and other accumulations that might be harmful to the Tank or its contents. After cleaning is completed, the interior will be thoroughly inspected and disinfected prior to returning the Tank to service; however, the Owner is responsible for draining and filling the Tank and conducting any required testing of the water. A written report will be mailed to the Owner after each inspection.
3. The Company shall furnish engineering and inspection services needed to maintain and repair the Tank and tower during the term of this Contract. The repairs include: steel parts, expansion joints, water level indicators, sway rod adjustments, and manhole covers/gaskets.
4. The Company will clean and repaint the interior and/or exterior of the Tank at such time as complete repainting is needed. The need for interior painting is to be determined by the thickness of the existing liner and its protective condition. When interior repainting is needed, procedures as outlined in A.W.W.A.-D102 specifications for cleaning and coating of potable water Tanks will be followed. Only material approved for use in potable water Tanks will be used on any interior surface area. The need for exterior painting is to be determined by the appearance and protective condition of the existing paint. At the time the exterior requires repainting, the Company agrees to paint the Tank with the same color paint and to select a coating system which best suits the site conditions, environment, and general location of the Tank. When painting is needed, all products and procedures will be equal to, or exceed the requirements of **Illinois Environmental Protection Agency**, the **American Water Works Association**, and the **Society for Protective Coatings** as to surface preparation and coating materials.

5. The Company will purchase and install a lock on the roof hatch of the Tank.
6. The Company will provide emergency services, when needed, to perform all repairs covered under this Contract. Reasonable travel time must be allowed for the repair unit to reach the Tank site.
7. The Company will furnish pressure relief valves, if requested by the Owner, so that the Owner can install the valves in its water system while the Tank is being serviced.

B. Chemical Clean Service.

1. During every fourth year washout-inspection, the Company will apply an NSF 60 approved chemical cleaning agent to the interior walls and floor surfaces of the Tank to treat mineral build-up and bio-film that form on the interior tank surfaces.
2. The Company will fresh water rinse the interior walls and floor surfaces to remove the cleaning agent and to dilute residual concentrations. The Company will also ensure that the rinse water is disposed of in on-site drainage.
3. Thereafter, the Company will complete the washout-inspection as outlined in Article 1.A.2.

Article 2. Definition of Contract Year. A "Contract Year" shall be defined as each consecutive 12-month period following the first day of the month in which the Contract is executed by the Owner and each subsequent 12-month period thereafter during the time the Contract is in effect. For example, if a contract was signed by Owner on April 17, 2007, Contract Year 1 for that contract would be April 1, 2007 to March 31, 2008, and Contract Year 2 for that contract would be April 1, 2008 to March 31, 2009 and so on.

Article 3. Contract Price/Annual Fees. The Tank shall receive an **interior and exterior renovation and repairs** prior to the end of Contract Year 1. The first **three (3)** annual fees shall be **\$68,423.00** per Contract Year. The annual fee for Contract Year 4 and each subsequent annual fee shall be **\$21,672.00** per Contract Year; however, in Contract Year 7 and each third anniversary thereafter, the annual fee shall be adjusted to reflect the current cost of service. The adjustment of the annual fee shall be limited to a maximum of 5% per annum. All applicable taxes are the responsibility of the Owner and are in addition to the stated costs and fees in this Contract.

Article 4. Payment Terms. The annual fee for Contract Year 1, plus all applicable taxes, shall be due and payable upon completion of the interior renovation or exterior renovation, whichever occurs first. Each subsequent annual fee, plus all applicable taxes, shall be due and payable on the first day of each Contract Year; however, beginning in Contract Year 2, the annual fee can be paid either monthly, quarterly, semiannually, or annually. Owner shall circle the preferred billing frequency. If the Owner does not choose a preferred billing frequency, the Owner will be billed quarterly. (Note: Due to the length of time that it takes to perform the initial renovation project, it is possible that two (2) annual fees could fall within one budget year for the Owner). Furthermore, if the Owner elects to terminate this Contract prior to remitting the first **three (3)** annual fees, the unpaid balance of the first **three (3)** annual fees shall be due and payable within thirty (30) days of the termination.

Article 5. Structure of Tank. The Company is accepting this Tank under a program based upon its existing structure and components; however, the Owner hereby agrees that the Company's obligation to perform under this Contract is contingent upon the Owner performing or ensuring that the items on Schedule A, if any, are properly completed. Schedule A is attached hereto and incorporated herein by reference for all purposes. *Any modifications to the Tank, including, but not limited to antenna installations, shall be approved by Utility Service Co., Inc., prior to installation or modification and may warrant an increase in the annual fee.*

Article 6. Environmental, Health, Safety, or Labor Requirements.

A. Environmental, Health, Safety, or Labor Requirements. The Owner hereby agrees that future mandated environmental, health, safety, or labor requirements as well as changes in site conditions at the Tank site which cause an increase in the cost of Tank maintenance will be just cause for modification of this Contract. Said modification of this Contract will reasonably reflect the increased cost of the service with a newly negotiated annual fee.

B. Prevailing Wages. The work performed under this Contract is subject to prevailing wages, and the workers who are performing work under this Contract are to be paid no less than the prevailing hourly rate of wages as set by the appropriate authority. Any future work performed by workers under this Contract will be subject to the wage determination of the appropriate authority which is in effect when the work is performed. However, the Owner and the Company hereby agree that if the prevailing wage rates for any job or trade classification increases by more than 5% per annum from the effective date of this Contract to the date in which any future work is to be performed under this Contract, then the Company reserves the right to re-negotiate the annual fee(s) with the Owner. If the Company and the Owner cannot agree on re-negotiated annual fee(s), then: (1) the Company will not be obligated to perform the work and (2) the Company will not be obligated to return past annual fee(s) received by the Company.

Article 7. Excluded Items: This Contract does NOT include the cost for and/or liability on the part of the Company for: (1) containment of the tank at anytime during the term of the Contract; (2) disposal of any hazardous waste materials; (3) resolution of operational problems or structural damage due to cold weather; (4) repair of structural damage due to antenna installations or other attachments for which the tank was not originally designed; (5) resolution of operational problems or repair of structural damage or site damage caused by physical conditions below the surface of the ground; (6) negligent acts of Owner's employees, agents or contractors; (7) damages, whether foreseen or unforeseen, caused by the Owner's use of pressure relief valves; (8) repairs to the foundation of the tank; or (9) other conditions which are beyond the Owner's and Company's control, including, but not limited to: acts of God and acts of terrorism. Acts of terrorism include, but are not limited to, any damage to the tank or tank site which results from unauthorized entry of any kind to the tank site or tank.

Article 8. Termination. The Owner shall have the right to continue this Contract for an indefinite period of time providing Owner makes payment of each annual fee in accordance with the terms herein. This Contract is subject to termination by the Owner only if written notice of intent to terminate is received by the Company ninety (90) days prior to the first day of the upcoming Contract Year. Notice of Termination is to be delivered by registered mail to Utility Service Co., Inc., Attn: Customer Service, P.O. Box 1350, Perry, Georgia 31069, and signed by three (3) authorized voting officials of the Owner's management and/or Commissioners. Any termination is subject to the terms of Article 4 hereinbefore.

Article 9. Assignment. The Owner may not assign or otherwise transfer all or any of its interest under this Contract without the prior written consent of the Company. If the Company agrees to the assignment, the Owner shall remain responsible under this Contract, until its assignee assumes in full and in writing all of the obligations of the Owner under this Contract. The Company may not assign or otherwise transfer all or any interest under the Contract without the prior written consent of the Owner, except that the Company may assign the Contract to a wholly owned subsidiary or other complete successor in interest.

Article 10. Indemnification. THE COMPANY AGREES TO INDEMNIFY THE OWNER AND HOLD THE OWNER HARMLESS FROM ANY AND ALL CLAIMS, DEMANDS, ACTIONS, DAMAGES, LIABILITY, AND EXPENSE IN CONNECTION WITH LOSS OF LIFE, PERSONAL INJURY, AND/OR DAMAGE TO PROPERTY BY REASON OF ANY ACT, OMISSION, OR REPRESENTATION OF THE COMPANY OR ITS SUBCONTRACTORS, AGENTS, OR EMPLOYEES. IN TURN, THE OWNER AGREES TO INDEMNIFY THE COMPANY AND HOLD THE COMPANY HARMLESS FROM ANY AND ALL CLAIMS, DEMANDS, ACTIONS, DAMAGES, LIABILITY, AND EXPENSE IN CONNECTION WITH LOSS OF LIFE, PERSONAL INJURY, AND/OR DAMAGE TO PROPERTY BY REASON OF ANY ACT, OMISSION, OR REPRESENTATION OF THE OWNER OR ITS CONTRACTORS, AGENTS, OR EMPLOYEES. THE INDEMNIFICATION PROVIDED IN THIS PARAGRAPH DOES NOT AFFECT THE COMPANY'S LIMITATIONS OF LIABILITY SET FORTH IN OTHER PARAGRAPHS OF THIS CONTRACT.

Article 11. Insurance. The Company will provide the Owner with a current Certificate of Insurance evidencing its insurance coverage throughout the term of this Contract, and the Company will keep in force, during the term of this Contract, the insurance in types, amounts, and general quality of companies equal to or better than those shown in the Certificate of Insurance. The current Certificate of Insurance is attached hereto as Schedule B.

Article 12. Assignment of Receivables. The Company reserves the right to assign any outstanding receivables from this Contract to its Bank or other Lending Institutions as collateral for any loans or lines of credit.

Article 13. Miscellaneous Items. No modifications, amendments, or alterations of this Contract may be made except in writing signed by all the parties to this Contract. No failure or delay on the part of any party hereto in exercising any power or right hereunder shall operate as a waiver thereof. The parties expressly warrant that the individuals who sign below are authorized to bind them.

Article 14. Entire Agreement. This Agreement constitutes the entire agreement of the parties and supersedes all prior communications, understandings and agreements relating to the subject matter hereof, whether oral or written.

This Contract signed this 13 day of May, 2008.

OWNER:

Village of Glen Ellyn

By: Vicky Hase

Title: Village President

Print Name: Vicky Hase

Witness Andrew Brath

Seal:

COMPANY:

Utility Service Co., Inc.

By: A. T. Smith

Title: Pricing Director

Print Name: Andrew T. Smith

Witness Regina J. Arthur

Seal:

SCHEDULE A

Owner's Obligations

None.

SCHEDULE B

Certificate of Insurance

See attached.

ACORD CERTIFICATE OF LIABILITY INSURANCE

OP ID PT
UTIL-01

DATE (MM/DD/YYYY)
12/31/07

PRODUCER
Senn Dunn Marsh & Roland, LLC
3625 N. Elm Street
P O Box 9375
Greensboro NC 27429-0375
Phone: 336-272-7161 Fax: 336-346-1397

INSURED
Utility Service Co., Inc.
P. O. Box 1350
Perry, GA 31069

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

INSURERS AFFORDING COVERAGE		NAIC #
INSURER A:	Travelers Prop & Cas of America	
INSURER B:	Travelers Indemnity of America	25666
INSURER C:	Cincinnati Insurance Co.	
INSURER D:	A.I. Specialty Lines Ins. Co.	
INSURER E:	St. Paul Surplus Lines	

COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR ADD'L TR INSRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> Contractual Liab <input checked="" type="checkbox"/> X, C, U Included GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input checked="" type="checkbox"/> PROJECT <input type="checkbox"/> LOC	VTC2JCO280D0539TIL08	01/01/08	01/01/09	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 300,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000
A	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS	VTC2JCAP280D0527TIL08	01/01/08	01/01/09	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
	GARAGE LIABILITY <input type="checkbox"/> ANY AUTO				AUTO ONLY - EA ACCIDENT \$ OTHER THAN EA ACC AGG \$ AUTO ONLY: AGG \$
C	EXCESS/UMBRELLA LIABILITY <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE DEDUCTIBLE RETENTION \$	XS1146292	01/01/08	01/01/09	EACH OCCURRENCE \$ 10,000,000 AGGREGATE \$ 10,000,000
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? If yes, describe under SPECIAL PROVISIONS below OTHER	VTRHUB280D051508	01/01/08	01/01/09	<input checked="" type="checkbox"/> WC STATU-TORY LIMITS <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000
D	Pollution Liability	CPO2673319	01/01/08	01/01/09	\$10,000,000
E	Professional Liab	QC05500576	01/01/08	01/01/09	\$2,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS

CERTIFICATE HOLDER

CANCELLATION

SAMPLE

FOR INFORMATION PURPOSES

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

Senn Dunn Marsh & Roland

IMPORTANT

If the certificate holder is an **ADDITIONAL INSURED**, the policy(ies) must be endorsed. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

If **SUBROGATION IS WAIVED**, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

DISCLAIMER

The Certificate of Insurance on the reverse side of this form does not constitute a contract between the issuing insurer(s), authorized representative or producer, and the certificate holder, nor does it affirmatively or negatively amend, extend or alter the coverage afforded by the policies listed thereon.

MEMORANDUM

A-6E

TO: Mark Franz, Village Manager *MF*
FROM: Kristen Schrader, Assistant to the Village Manager – ADM *KS*
Andrew Letson, Administrative Intern *AL*
DATE: January 6, 2012
RE: Electronics Recycling Event



Background

As of January 1, 2012, it is illegal to dispose of certain electronic devices in Illinois landfills. According to the U.S. Environmental Protection Agency, electronics are made up of a wide variety of materials – such as lead, nickel, cadmium and mercury – that can pose a risk to human health if disposed of improperly. In addition, precious metals, copper, glass and engineering plastics can be recovered from electronics. Recovering these materials result in reduced greenhouse gas emissions, energy savings and conservation of resources.

Issues

In order to alleviate the burden the landfill ban imposes on residents, the Environmental Commission will be sponsoring four electronics recycling collection events throughout the year. Each event will run from 8 a.m. to 12 p.m. on January 28, April 28 (in conjunction with the Recycling Extravaganza), July 28 and October 27 and will be held in the municipal parking lot at the corner of Duane Street and Lorraine Road. The Village will be partnering with Creative Recycling, who will recycle the electronics, and SCARCE, who will help provide volunteers, to run the events. These collections are only intended for residential electronic devices.

The following devices will be accepted at the electronics recycling collection events:

- Batteries (Alkaline, NiMh, NiCd, Li, Li Ion, Lithium Coin, Sealed Lead Acid)
- CD Players
- CD ROMs
- Cell Phones
- Computer Monitors – CRTs and Flat Panel
- Controllers
- Copy Machines
- Desktop Computers
- Docking Stations
- Extension Cords
- Gaming Consoles
- Hard Drives
- Keyboards
- Laptop Computers
- Mice
- Microwaves
- Modems
- Network Hubs
- Peripherals
- Power and Network Cables
- Printed Circuit Boards
- Printers
- Radios
- Scanner/Fax Machines
- Large and Small Household Appliances
- Stereos
- Switching Boxes
- Tape Players
- Telephones
- Televisions – CRTs and Flat Panel
- UPS (Personal and Network)
- VCRs

Action Requested

The Village Board is being requested to approve a motion waiving Section 4-5-9 (Special Event Signs) of the Village Code to allow for electronics recycling collection events to take place on January 28, July 28 and October 27. (Code waivers for the April 28 Recycling Extravaganza Event will be a separate motion at a later date.)

CC: Environmental Commission

MEMORANDUM

A-6F

TO: Honorable President and Board of Trustees
FROM: Mark Franz, Village Manager *MF*
DATE: January 6, 2012
RE: School District 87 Variation Requests – Schedule



Background

The Village Board will discuss Glenbard High School District 87's variation requests for improvements to Memorial Field during the January 23 and January 30 Workshops, as well the January 30 Village Board Meeting. In order to proceed with the consideration of these variances, a consent agenda motion should be made at the January 9 Village Board Meeting to accept the attached schedule. This schedule provides a detailed timeline of proceedings for the three upcoming meetings. Also attached is a frequently asked questions document related to the variation request proceedings.

Action Requested

It is requested that the Village Board approve the following motion at the January 9, 2012 Village Board Meeting:

Motion to approve a schedule for Glenbard High School District 87's variation requests for improvements to Memorial Field.

Attachments

- District 87 Variation Request Schedule
- Variation Request Frequently Asked Questions Document

Village Board Process for Hearing District 87's Variation Requests

Meeting One - Village Board Workshop - January 23, 2012 - 6:30 p.m.

	Topic	Minutes
I.	Welcome and Roll Call	5
II.	Village Attorney Process Explanation	10
III.	Village Management Presentation	15
IV	District 87 Presentation	30
V.	Our Field Our Town Presentation	30
VI.	Village Board - questions for Village Management, District 87, Our Field Our Town	60
VII.	Public Comment	60
VIII.	Village Board - questions or requests for further information, adjourn	15
	TOTAL	225

Meeting Two - Special Village Board Workshop - January 30, 2012 - 6:30 p.m.

	Topic	Minutes
I.	Welcome and Roll Call	5
II.	Public Comment continued	85
	TOTAL	90

**Meeting Three - Special Village Board Meeting - January 30, 2012 - 8p.m.
(Non-consent agenda item)**

Agenda Item Introduction – Village President
 Process Explanation and Legal Questions before the
 Board – Village Attorney
 Topic Presentation – Village Management
 Questions – Village Board
 Motion – Village Board
 Deliberation – Village Board
 Vote – Village Board

Village Board to Discuss School District 87 Variation Requests

Glenbard High School District 87 has requested multiple variances to allow construction of improvements to Memorial Field to include the installation of lights, permanent bleachers, a batting cage, impervious surface and a fence and gate. The Plan Commission considered these requests during 11 meetings and on December 20, the Plan Commission voted to recommend that the Village Board approve these variances, subject to a number of recommended conditions. The next step is for the Village Board to consider the matter and decide whether to approve or deny the variance requests. Below are some frequently asked questions regarding the process moving forward.

Frequently Asked Questions:

Q: When will the Village Board hear the requests?

A: The Village Board will discuss the variation requests during the January 23 and January 30 Workshops which begin at 6:30pm. The Board is expected to vote on the matter during the January 30 Special Meeting which begins at 8pm. However, the Board could chose to request additional information/meetings if there are any outstanding issues. As of now, no outstanding issues are expected, as the Board will come to the meetings having read the verbatim transcripts from the 11 public hearings conducted by the Plan Commission, the entire application packet, all letters and emails submitted to the Village on the topic, all presentation materials shared at the meetings, all reports prepared by consultants on the project, and any additional information submitted to the Village regarding the request.

Q: Will public comment be allowed?

A: Yes, the public will be allowed to comment, although the Village Board will not conduct another public hearing. Under state law, public hearings for zoning applications must be conducted by the Plan Commission, not the Village Board. In this case, the Plan Commission heard and considered testimony and evidence over 11 evenings.

Speaking times will be limited to facilitate as much participation as possible. A three minute per person time limit for individual comments will be strictly enforced. The Board will allow as many people to comment as possible, but cannot guarantee that everyone will have an opportunity to speak on this matter. To encourage a variety of comments to be heard within the time period set for public comment, the Board intends to alternate comments between individuals who are in favor of the proposal, opposed to the proposal, or are neutral or undecided.

Members of the public can comment by signing up to speak at a workshop meeting on January 23 or January 30. Sign up will start at 6:00 p.m. on both nights. Members of the public will be requested to identify whether they are for, against, or neutral/undecided when they sign up to speak on this matter.

Q: What if I cannot appear at one of the Village Board Meetings?

A: Please write your opinion in 500 words or less and e-mail them to villageclerk@glenellyninfo.org, or you can mail them to:

Village Clerk
535 Duane Street
Glen Ellyn, IL 60137

All correspondence will be sent to the entire Village Board and Village Management.

Q: Can I provide comment between the meetings?

A: Yes, you may e-mail or send a letter following the directions above. Please provide all comments no later than noon on January 27 to ensure that the Village Board and Village Management receive your comments prior to the January 30 meeting.

Q: Will the meetings be televised?

A: Yes, the meetings will be televised on the following cable channels: Comcast channel 10, Wide Open West channel 6 and AT&T channel 99. The meetings will be shown live and replayed during the week.

Q: Will the Village Board's decision be final?

A: Yes.

Q: What happens if the Village Board denies or approves the request?

A: If the Village Board denies any of the variation requests, the School District would need to reapply and receive approval of the Village Board before proceeding with any construction.

If the Village Board approves the variation requests, the matter will go back to the School District 87 Board of Education who would then decide on how to proceed with the construction of the projects, selection of vendors, timing, etc.

Q: Is there going to be a voter referendum on this issue?

A: Yes, there will be a non-binding referendum question on the March 20 election ballot for those living in the corporate limits of Glen Ellyn.

Q: What effect will the results of the referendum have on the variation requests?

A: The Plan Commission and Village Board public hearing and variation request process, which will include at least 13 public meetings over the course of six months, will be complete before the vote takes place. This is due to the Village's statutory and constitutional obligations to process and complete variation requests in as timely a manner as possible.

The referendum is non-binding and does not include all those living in Glen Ellyn's planning jurisdiction or School District 87. If the variation requests are approved, the School District's Board of Education may choose to review the results of the referendum before proceeding with construction. If the variation requests are denied, the results of the referendum will not restart the Village's process.



Fiscal Year 2011/12 Second Quarter Budget Report

This report highlights the financial performance and position of the Village for the period starting May 1, 2011 and ending October 31, 2011 with a focus on actual revenues and expenditures compared to our fiscal year 2011/12 approved budget as well as actual revenues and expenditures compared to the previous fiscal year. More detailed information on the fiscal year to date performance of each of the Village's 13 funds may be found immediately following this summary.

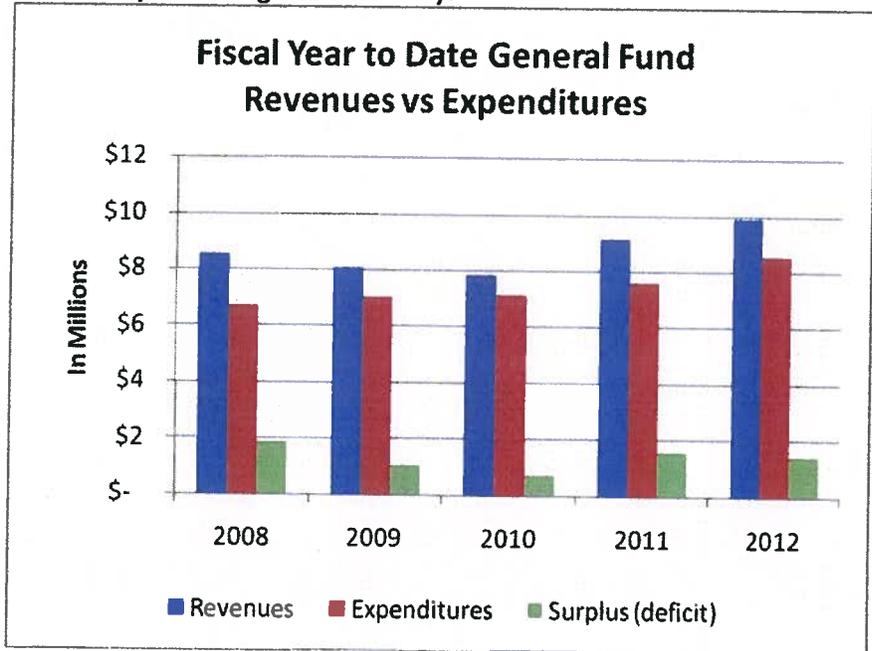
GENERAL FUND

The Village concluded the second quarter of our 2011/12 fiscal year with General Fund revenues in excess of expenditures by \$1,400,000. We expect to see a significant surplus in the second quarter as we have received nearly 100% of our property taxes by now.

Special Programs Fund Merge

In 2010, the Village Board asked the Finance Commission to examine the Special Programs Fund (SPF). Following their review, the Finance Commission made the recommendation that the Village merge the SPF into the General Fund and that the process of funding community groups be reconfigured for efficiency and transparency.

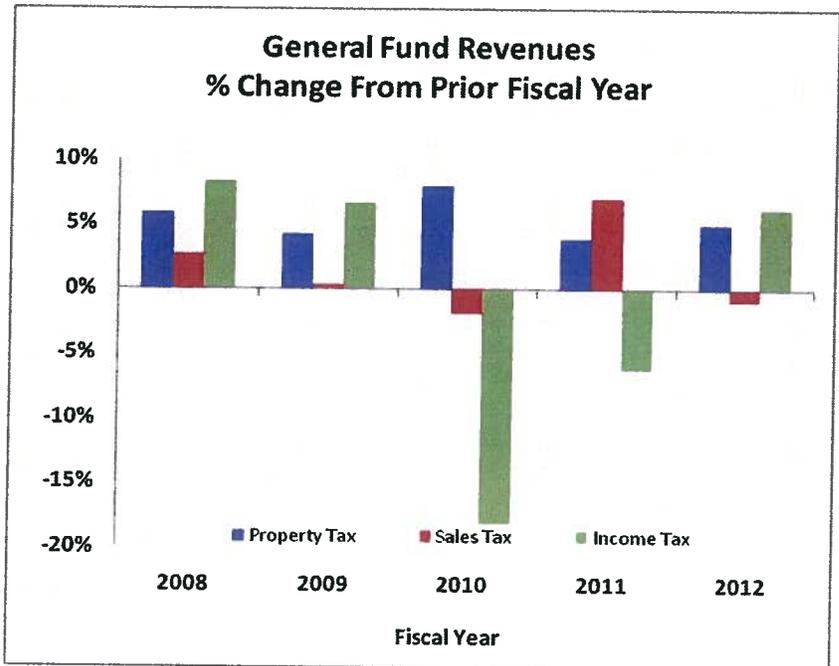
As a result of that recommendation and Village Board concurrence, the SPF has been closed as part of the FY12 budget and the approximately \$800,000 in revenues and expenditures formerly allocated within the SPF have been moved to the General Fund.



General Fund Revenues

Second quarter General Fund revenues were up by \$776,000, or about 8.5%, compared to the same period last year. About half of the increase is entirely due to revenue that that was formally allocated to the Special Programs Fund. Without these new revenues, income would be up about 3.2% from last year.

State Sales tax, the General Fund's single largest revenue source, was essentially flat through the second quarter and slightly below budgeted projections. (See page 8 for detailed history).



Our 1% home rule sales tax went in to effect July 1, 2009. Second quarter receipts are up about 4% from last year, but slightly below budget through the end of the quarter. (See page 9 for detailed history)

State income tax has rebounded a bit since the second quarter of FY11. Second quarter receipts are up by over \$67,000 or 6% compared to the prior year. Our FY12 budget projection for income tax was based on IML estimates of a 2.8% increase over last year. Since then, the IML modified its projection to about a 6% decrease. In addition, the municipal share of this revenue has been under repeated threats of cuts from the State. (See page 10 for detailed history).

Building permit revenue has dropped significantly with receipts down about 29% compared to last year.

Interest earnings are unchanged from last year and are unfortunately no longer a significant source of revenue for the General Fund as interest rates have dropped to essentially zero. During the mid 2000s, interest revenue was one of the General Fund's largest revenues, amounting to nearly \$750,000 in FY07.

General Fund Expenditures

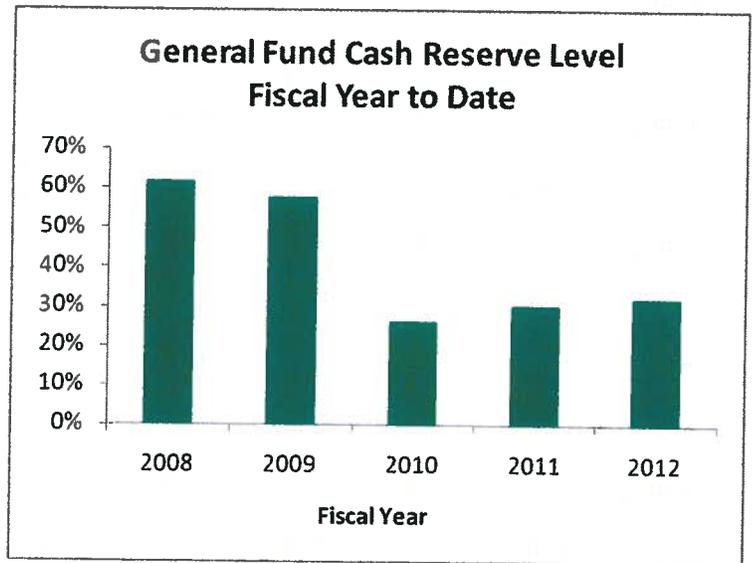
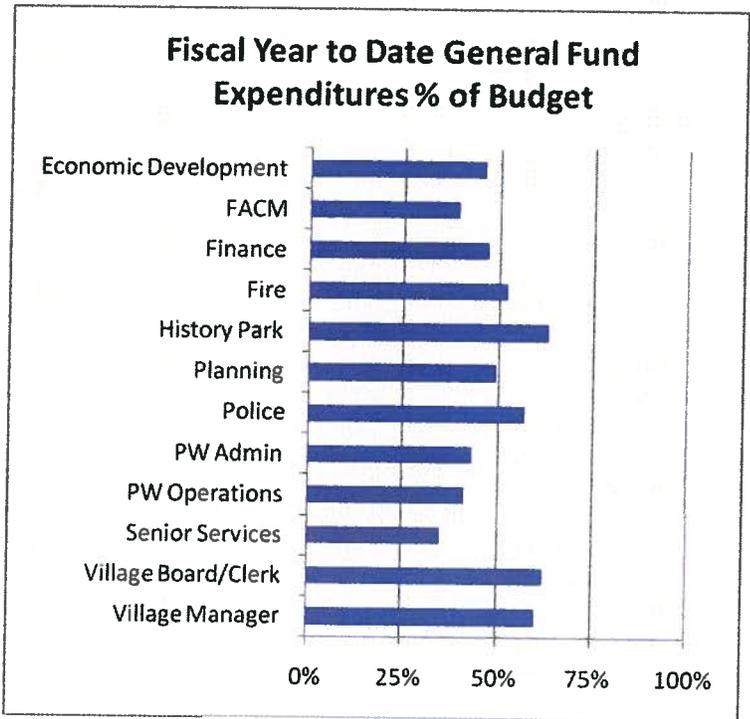
General Fund expenditures ended the second quarter \$916,000 or 12% above last year, and within budget at 52%. As with revenues, a portion of the increase is a result of the merge with the Special Programs Fund (SPF). Without the SPF merge, General Fund expenditures would be up 8.4%.

Cash Reserves

As of October 31, 2011, our General Fund cash reserves of \$5.13 million are equivalent to 31% of current annual budgeted operating expenses of \$16.50 million, which is above our 25% cash reserve policy.

CAPITAL PROJECTS FUND

Capital Projects Fund revenues are up about \$580,000 due primarily to an infusion of property tax revenue. The property tax revenue comes from tax dollars previously dedicated to debt payments on voter approved infrastructure improvement bonds. In 2008, the Village Board approved a plan endorsed by the Capital Improvements Commission to reallocate the bond payment tax dollars to an ongoing revenue source for street maintenance. This puts the Village on a pay as you go street repair program and avoids future borrowing. Utility taxes were lower than last year and real estate transfer taxes dropped significantly following a rebound in FY11.



On the expense side, the Sunset/Turner reconstruction project was the major expenditure infrastructure improvement expenditure during the first half of the year. Cash reserves in the Capital Projects Fund have been reduced significantly in recent years due to our aggressive street program. We are monitoring this fund closely to ensure sufficient cash flow is maintained.

WATER AND SEWER FUND

Beginning May 1, the Village’s cost of purchasing water from the DuPage Water Commission increased by 10%. The Village raised water rates by 5% and sewer rates by 10% in May and metered water and sewer revenue is on budget at the end of the second quarter. Cash reserves are higher than last year, but still below our 25% minimum policy level.

RESIDENTIAL SOLID WASTE FUND

Revenue in the Solid Waste Fund is up about 17% due to recycling rebates. Recycling rebates reached \$200,000 in FY08, but ended in late FY09 after a collapse in the recycling market. There has been a recovery in the market and we began receiving rebates again in late FY10. The increase in recycling revenue has allowed us to keep the rates charged to residents unchanged this year while the actual cost of the service has increased by 2% in August.

RECREATION FUND

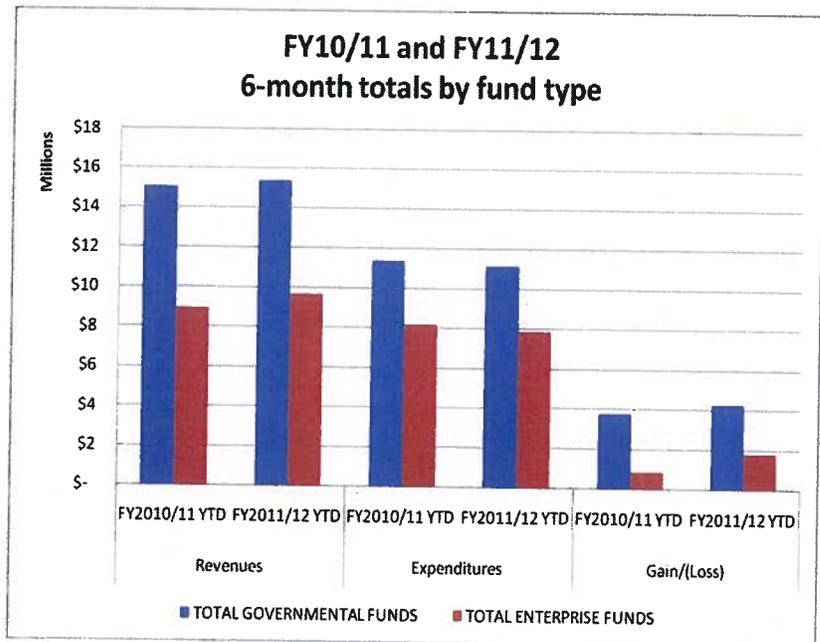
The Village Links experienced a 6.5% decrease in the number of green fee rounds played from May through the end of October. Revenue is slightly higher, and expenses are slightly lower than the prior fiscal year. The rest of the fiscal year will see much less revenue, but expenses will continue to be incurred.

PENSION FUND

As of October 31, 2011, the Police Pension Fund cash and investment balances were \$22.3 million, up approximately \$1.6 million since this time last year. The increase includes \$1,036,000 from the Village General Fund for the FY12 required annual pension contribution.

Summary of by fund type

The Village maintains different fund types, primarily governmental (typically tax supported and intended to provide customary government services, such as public safety and roads) and enterprise funds (for business type activities, such as water and sewer utilities and the Village Links.) Two new reports totals all the revenue and expenditures (expenses) for all governmental funds and enterprise funds for the first 6 months of the fiscal year. Both major categories have taken in more than they have spent this year, and are ahead of last year.



This information, while helpful, is not the total picture of financial health. The funds in each category may have different revenue sources, restrictions on expenditures, and other financial pressures. However, this snapshot is provided as an additional benchmark to evaluate

Village of Glen Ellyn
Budget to Actual Summary Report
For the Quarter Ended Oct 31, 2011

100 - General Fund

	Prior FY 10/11 YTD	FY 11/12 Revised Budget	Current FY 11/12 Actual	% of Budget	\$ Greater (Less) Than FY10/11	
Revenues						
State Sales Tax	\$ 1,516,457	\$ 3,190,000	\$ 1,503,108	47%	\$ (13,349)	1
1% Home Rule Sales Tax	801,488	1,720,000	832,917	48%	31,429	2
Property Tax	2,653,425	2,888,000	2,787,255	97%	133,830	3
State Income Tax	1,069,960	2,160,000	1,137,166	53%	67,206	4
Road & Bridge Tax	398,628	420,000	411,074	98%	12,446	5
State Use Tax	167,399	330,000	196,450	60%	29,051	6
PPRT	63,382	125,000	67,473	54%	4,091	7
Auto Rental Tax	11,370	20,000	9,799	49%	(1,571)	
Fire Service SSAs	182,745	197,000	193,787	98%	11,042	8
Vehicle Stickers	85,692	380,000	92,335	24%	6,643	9
Ambulance Service Fees	332,403	675,000	295,037	44%	(37,366)	10
Building Permits	338,493	550,000	239,013	43%	(99,480)	11
Other Fees & Licenses	206,543	256,000	207,875	81%	1,332	12
Police Fines	218,865	500,000	260,840	52%	41,975	
Reimbursements from						
Other Funds/Agencies	968,758	1,650,000	988,847	60%	20,089	13
Federal and State Grants	5,527	4,000	62,027	1551%	56,500	14
Interest Income	7,035	20,000	7,540	38%	505	15
Miscellaneous Income	76,969	225,000	106,806	47%	29,837	
Subtotal Revenues (Non SPF)	\$ 9,105,139	\$ 15,310,000	\$ 9,399,349	61%	\$ 294,210	16
Hotel Tax	-	105,000	73,973	70%	73,973	
Economic Development SSAs	-	184,000	163,555	89%	163,555	
Cable Franchise Fees	-	460,000	248,061	54%	248,061	
Demolition Tax	-	11,000	7,870	72%	7,870	
Federal and State Grants	-	39,000	7,616	20%	7,616	
Reimbursements	19,450	-	-	0%	(19,450)	
Subtotal Revenues (SPF)	\$ 19,450	\$ 799,000	\$ 501,075	63%	\$ 481,625	17
Total Revenues	\$ 9,124,589	\$ 16,109,000	\$ 9,900,424	61%	\$ 775,835	
Expenditures						
Village Board/Clerk	\$ 31,634	\$ 54,500	\$ 33,830	62%	\$ 2,196	18
Village Manager	434,295	886,786	617,898	70%	183,603	19
Facilities Maintenance	171,591	402,700	155,289	39%	(16,302)	
Finance	554,622	1,088,733	514,358	47%	(40,264)	
Public Works - Admin	390,419	855,775	369,963	43%	(20,456)	
Public Works - Operations	882,774	2,280,312	936,759	41%	53,985	
Police	3,774,680	7,250,286	4,115,991	57%	341,311	
Volunteer Fire Company	782,798	1,729,430	899,678	52%	116,880	
Planning & Development	561,085	1,176,600	579,309	49%	18,224	
Subtotal Expenditures (Non SPF)	\$ 7,583,898	\$ 15,725,122	\$ 8,223,075	52%	\$ 639,177	20
Village Manager	-	143,700	-	0%	-	
Police	-	25,000	-	0%	-	
Senior Services	-	118,200	41,442	35%	41,442	
History Park	-	64,051	40,364	63%	40,364	
Economic Development	-	427,841	195,357	46%	195,357	
Subtotal Expenditures (SPF)	\$ -	\$ 778,792	\$ 277,163	36%	\$ 277,163	21

Village of Glen Ellyn
Budget to Actual Summary Report
For the Quarter Ended Oct 31, 2011

100 - General Fund

Total Expenditures	<u>\$ 7,583,898</u>	<u>\$ 16,503,914</u>	<u>\$ 8,500,238</u>	52%	<u>\$ 916,340</u>
 Budgeted Gain/(Loss)		<u>\$ (394,914)</u>			
Net Income (Loss)	<u>\$ 1,540,691</u>		<u>\$ 1,400,186</u>		
Outstanding Encumbrances	<u>(355,828)</u>		<u>(459,726)</u>		
Net Income (Loss) after Encumbrances	<u>\$ 1,184,863</u>		<u>\$ 940,460</u>		

	<u>10/31/2010</u>	<u>10/31/2011</u>
Cash Reserves (in \$1,000's)	\$ 4,546	\$ 5,134
25% Minimum Reserve Policy	<u>(3,763)</u>	<u>(4,008)</u>
Unobligated Cash Reserves	<u>\$ 783</u>	<u>\$ 1,126</u>

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FOOTNOTES

1. **State Sales Tax:** Sales tax receipts are essentially flat compared to the same quarter last fiscal year. See page 8 for a 10 year history.
2. **1% Home Rule Sales Tax:** The home rule sales tax began in July 2009 and does not include food or autos. See page 9 for detailed history.
3. **Property Tax:** The Village receives about 50% of its extended property taxes in June of each year and the remaining 50% in September.
4. **State Income Tax:** Income tax revenue is up 1.7% compared to FY11. Our budget is based on early IML projections of a 2.86% increase in FY12. See page 10 for a 10 year history.
5. **Road & Bridge Tax:** Revenue dedicated to road maintenance which is collected by Milton Township. By State law the township must share half of the collections with the Village.
6. **State Use Tax:** Village share of state tax imposed on out of state retail purchases.
7. **Personal Property Replacement Tax:** Replacement taxes are revenues collected by the state of Illinois and paid to local governments to replace money that was lost by local governments when their powers to impose personal property taxes on corporations, partnerships, and other business entities were taken away with the 1979 Constitution.
8. **Fire Special Service Areas:** This special property tax in unincorporated Glen Ellyn helps support fire and emergency services.
9. **Vehicle Stickers:** The majority of vehicle sticker revenue is collected in the last quarter of the fiscal year as stickers must be renewed by April 30 of each year.
10. **Ambulance Service Fees:** The Village provides ambulance services thru a contracted paramedic vendor and collects fees from users. Collections to date in FY12 are about 10% below FY11.
11. **Building Permits:** Building permits are down 30% compared to last year.

Village of Glen Ellyn
Budget to Actual Summary Report
For the Quarter Ended Oct 31, 2011

100 - General Fund

12. **Other Fees & Licenses:** Includes liquor licenses, business and contractor registration and miscellaneous police service fees. The majority of liquor license revenue is collected early in the fiscal year.
13. **Reimbursements:** The General Fund is reimbursed for services provided to other agencies, including the Public Library and the Glenbard Wastewater Authority as well as by other Village enterprise funds such as the Recreation Fund and Water & Sewer Fund.
14. **Federal and State Grants:** The Village received a large reimbursement from FEMA for costs incurred during the February, 2011, major snow event.
15. **Interest Income:** Interest income, once a major revenue source for the General Fund, has been essentially eliminated due to historically low interest rates.
16. **General Fund Revenues:** With the merge of the Special Programs Fund into the General Fund in FY12, nearly \$800,000 in revenue has been added to the General Fund. This "new" revenue is offset by expenditures which were formally included in the Special Programs Fund. The reallocated revenues are shown separately in order to facilitate an "apples to apples" comparison of FY12 General Fund revenues with FY11. Excluding the Special Programs Fund revenues, General Fund revenue is up 3.2% from FY11.
17. **Former Special Programs Fund Revenues:** These revenues were formally in the Special Programs Fund which was merged with the General Fund in FY12. These revenues are shown separately in order to facilitate an "apples to apples" comparison of FY12 General Fund revenues with FY11.
18. **Village Board & Clerk:** This Department is over 60% of budget in the second quarter due to payment of dues to various organizations including the DuPage Mayors and Managers Conference.
19. **Village Manager:** Expenditures include four months of payouts to previous Village Manager as well as payment to interim Village Manager, recruitment costs for new Village Manager, and legal fees, which have exceeded original budgets.
20. **General Fund Expenditures:** With the merge of the Special Programs Fund into the General Fund in FY12, nearly \$800,000 in expenditures were added to the General Fund. These "new" expenditures are offset by corresponding revenue which was formally included in the Special Programs Fund. The reallocated expenditures are shown separately in order to facilitate an "apples to apples" comparison of FY12 General Fund expenditures with FY11. Excluding the Special Programs Fund reallocation, General Fund expenditures are up 8.4% from FY11.
21. **Former Special Programs Fund Revenues:** These expenditures were formally in the Special Programs Fund which was merged with the General Fund in FY12. These expenditures are shown separately in order to facilitate an "apples to apples" comparison of FY12 General Fund expenditures with FY11.
22. **Cash Reserves:** General Fund cash reserves have recordered in the last year and are above the Village's 25% minimum reserve policy by a healthy margin. The recovery is due in part to a general strengthening in revenues in FY12. We do expect a significant surplus at this point in the year as we have already received most of our property taxes.

Village of Glen Ellyn
General Fund
Sales Tax - Ten Year History

Month Received by Village	FY02/03	FY03/04	FY04/05	FY05/06	FY06/07	FY07/08	FY08/09	FY09/10	FY10/11	FY11/12	\$ Change From Prior Year Gain/(Loss)	% Change From Prior Year Gain/(Loss)
May	245,669	210,214	210,135	237,117	223,492	219,626	227,039	199,934	230,931	233,740	2,809	1.2%
Jun	207,070	220,704	226,302	254,043	222,303	243,546	225,651	238,645	231,267	253,579	22,312	9.6%
Jul	252,075	246,270	229,772	237,826	247,526	223,624	240,130	242,671	272,791	245,067	(27,724)	(10.2%)
Aug	247,313	218,852	231,022	219,122	245,798	259,975	246,141	251,180	263,827	249,021	(14,806)	(5.6%)
Sep	253,987	237,037	236,483	255,413	234,778	251,937	255,210	250,496	273,893	267,190	(6,703)	(2.4%)
Oct	238,244	223,721	228,010	225,688	228,002	240,209	249,699	234,060	243,749	254,511	10,762	4.4%
2nd Q. Total	1,444,358	1,356,798	1,361,724	1,429,209	1,401,899	1,438,917	1,443,870	1,416,986	1,516,458	1,503,108	(2,603)	(0.9%)

Nov	222,642	187,987	237,293	238,140	250,565	270,617	277,470	268,810	274,209			
Dec	244,317	254,070	248,645	249,229	221,387	249,109	242,329	243,398	250,668			
Jan	199,369	199,880	218,535	205,120	222,929	246,659	237,604	249,003	248,628			
Feb	222,486	224,960	242,384	223,168	252,740	238,984	270,094	245,921	278,833			
Mar	251,252	282,412	263,665	298,263	280,122	283,239	281,229	289,304	298,781			
Apr	228,888	229,510	260,778	272,110	250,552	267,846	257,380	272,753	252,047			
Total	2,813,312	2,735,617	2,833,024	2,915,239	2,880,194	2,995,371	3,009,976	2,986,175	3,119,624	1,503,108		

Budget	2,730,000	2,790,000	2,735,000	2,925,000	2,900,000	3,000,000	3,136,000	3,000,000	3,000,000	3,190,000		
% of Budget	103%	98%	104%	100%	99%	100%	96%	100%	104%	47%		
% Increase/ (Decrease) from Prior Year	35.0%	(2.8%)	3.6%	2.9%	(1.2%)	4.0%	0.5%	(0.8%)	4.5%			

Note: There is a three month lag between the month retailers collect sales taxes and when the Village receives payment from the Illinois Department of Revenue. For example, the Village receives taxes which were collected in January in April.

Village of Glen Ellyn
General Fund
HR Sales Tax - Three Year History

Month Received by Village	FY			% of State Sales Tax	\$ Change From Prior Year Gain/(Loss)	% Change From Prior Year Gain/(Loss)
	FY09/10	FY10/11	FY11/12			
May	-	109,541	119,921	51.31%	10,380	9.5%
Jun	-	137,957	134,909	53.20%	(3,048)	(2.2%)
Jul	-	133,493	133,295	54.39%	(198)	(0.1%)
Aug	-	141,563	148,605	59.68%	7,042	5.0%
Sep	42	146,323	152,970	57.25%	6,647	4.5%
Oct	122,144	132,611	143,217	56.27%	10,606	8.0%
2nd Q. Total	122,186	801,488	832,917	55.41%	31,429	3.9%
Nov	156,497	161,725	-			
Dec	141,476	143,851	-			
Jan	140,395	135,813	-			
Feb	133,821	147,976	-			
Mar	167,827	173,882	-			
Apr	151,258	148,985	-			
Total	1,013,460	1,713,720	832,917			
Budget	875,000	1,750,000	1,720,000			
% of Budget	116%	98%	48%			
% Increase/ (Decrease) from Prior Year	NA	69.1%				

Village of Glen Ellyn
General Fund
State Income Tax - Ten Year History

Month Received by Village	FY02/03	FY03/04	FY04/05	FY05/06	FY06/07	FY07/08	FY08/09	FY09/10	FY10/11	FY11/12	\$ Change From Prior Year <u>Gain/(Loss)</u>	% Change From Prior Year <u>Gain/(Loss)</u>
May	232,259	224,357	221,346	274,837	300,200	353,307	411,166	328,839	266,823	251,173	(15,650)	(5.9%)
Jun	138,656	142,797	121,480	170,637	214,514	225,351	219,791	175,582	142,274	163,860	21,586	15.2%
Jul	165,280	147,431	161,156	190,719	203,511	223,133	243,312	191,171	199,951	212,272	12,321	6.2%
Aug	112,875	96,853	107,316	118,897	126,311	133,935	141,873	130,133	131,089	146,036	14,947	11.4%
Sep	114,110	97,273	123,321	125,576	133,651	137,387	136,400	124,255	134,436	140,565	6,129	4.6%
Oct	165,341	139,309	173,756	201,133	228,600	234,067	242,598	191,473	195,387	223,260	27,873	14.3%
2nd Q. Total	928,521	848,020	908,375	1,081,799	1,206,787	1,307,180	1,395,140	1,141,452	1,069,960	1,137,166	18,257	1.7%

Nov	115,412	93,208	120,763	131,787	138,242	150,446	151,515	144,264	147,046			
Dec	109,021	120,723	116,957	119,468	135,568	137,102	118,018	113,400	162,625			
Jan	165,526	151,341	163,585	180,245	181,769	202,289	199,292	199,333	185,404			
Feb	124,069	166,092	199,174	222,181	252,099	298,927	250,579	211,259	229,119			
Mar	176,366	109,384	129,901	125,763	133,586	159,593	135,806	130,720	114,275			
Apr	145,201	142,942	189,068	201,808	227,518	230,351	209,659	203,935	196,592			
Total	1,764,116	1,631,710	1,827,823	2,063,051	2,275,569	2,485,888	2,460,009	2,144,363	2,105,021	1,137,166		

Budget	2,000,000	1,725,000	1,740,000	1,850,000	2,140,000	2,349,000	2,503,000	2,440,000	2,100,000	2,160,000		
% of Budget	88%	95%	105%	112%	106%	106%	98%	88%	100%	53%		
% Increase/ (Decrease) from Prior Year	16.7%	(7.5%)	12.0%	12.9%	10.3%	9.2%	(1.0%)	(12.8%)	(1.8%)			

Village of Glen Ellyn
Budget to Actual Summary Report
For the Quarter Ended Oct 31, 2011

200 - Corporate Reserve Fund

	Prior FY 10/11 YTD	FY 11/12 Revised Budget	Current FY 11/12 Actual	% of Budget	Greater (Less) Than FY10/11
Revenues					
DMMC Loan Repayment	\$ 3,923	\$ 4,000	\$ 7,777	194%	\$ 3,854 1
GE Park Dist Loan Repayment	100,000	100,000	-	0%	(100,000) 2
GEHS - 820 N Main	430,000	-	-	0%	(430,000) 3
Rent - GEHS Properties	10,554	12,600	5,307	42%	(5,247)
Interest Income	1,490	3,500	1,151	33%	(339)
General Fund Reimbursement	23,000	60,000	30,000	50%	7,000 4
Total Revenues	\$ 568,967	\$ 180,100	\$ 44,235	25%	\$ (524,732)
Expenditures					
Real Estate Purchases	\$ 591,928	\$ -	\$ -	0%	\$ (591,928) 5
Contractual Services	-	38,250	30,629	80%	30,629
Total Expenditures	\$ 591,928	\$ 38,250	\$ 30,629	80%	\$ (561,299)
Budgeted Gain/(Loss)		\$ 141,850			
Net Income (Loss)	\$ (22,961)		\$ 13,606		
Outstanding Encumbrances	-		(3,000)		
Net Income (Loss) after Encumbrances	\$ (22,961)		\$ 10,606		

	<u>10/31/2010</u>	<u>10/31/2011</u>
Cash Reserves (in \$1,000's)	\$ 887	\$ 913
100% Reserve Policy	(887)	(913)
Unobligated Cash Reserves	\$ -	\$ -

FOOTNOTES

- DMMC Loan Repayment:** Payment on a \$125,000, 20-year loan the Village made in FY01 to assist in the acquisition and renovation of their facility in Oak Brook. A supplemental payment has been received as a result of a member paying off their portion of the loan.
- GE Park District Loan Repayment:** The Village made a \$1,000,000 interest free loan to the Park District to assist with the demolition of the Maryknoll Seminary in 2000. Payment is due in December of each year.
- GEHS Loan - 820 N Main:** The Village purchased the property at 820 N Main in 2008 at a final cost of \$463,100 for use by the Historical Society. The Historical Society was scheduled to begin reimbursing the Village in FY10. The Village received \$230,000 from the Historical Society in July 2010 after the Village Board agreed to eliminate the remaining debt following an anonymous donation of \$200,000.
- Fire Company Reimbursement:** In FY09 The Village made a one time transfer of cash reserves from the Corporate Reserve Fund to purchase two new ambulances. The General Fund Fire Division is reimbursing the cost of this purchase over five years.
- Real Estate Purchases:** In FY11, the Village purchased the property at 825 N. Main.

Village of Glen Ellyn
Budget to Actual Summary Report
For the Quarter Ended Oct 31, 2011

210 - Motor Fuel Tax Fund

	Prior FY 10/11 YTD	FY 11/12 Revised Budget	Current FY 11/12 Actual	% of Budget	Greater (Less) Than FY10/11
Revenues					
State Allotments	\$ 348,288	\$ 693,000	\$ 332,906	48%	\$ (15,382)
Interest Income	140	500	51	10%	(89)
Miscellaneous Income	<u>130,431</u>	<u>13,000</u>	<u>117,248</u>	0%	<u>(13,183)</u> 1
Total Revenues	\$ 478,859	\$ 706,500	\$ 450,205	64%	\$ (28,654)
Expenditures					
Street Maintenance	\$ 300,000	\$ 400,000	\$ 300,000	75%	\$ - 2
Street Lighting	73,787	156,000	65,620	42%	(8,167)
Road Salt	-	200,000	-	0%	-
Total Expenditures	\$ 373,787	\$ 756,000	\$ 365,620	48%	\$ (8,167)
Budgeted Gain/(Loss)		\$ (49,500)			
Net Income (Loss)	\$ 105,072		\$ 84,585		
Outstanding Encumbrances			<u>(222,558)</u>		
Net Income (Loss) after Encumbrances	\$ 105,072		\$ (137,973)		

	<u>10/31/2010</u>	<u>10/31/2011</u>
Cash Reserves (in \$1,000's)	\$ 228	\$ 57
100% Reserve Policy	<u>(228)</u>	<u>(57)</u>
Unobligated Cash Reserves	<u>\$ -</u>	<u>\$ -</u>

FOOTNOTES

1. **Miscellaneous Income:** Includes a supplemental disbursement of MFT dollars.
2. **Street Maintenance:** This amount represents transfers to the General Fund (\$400,000) to reimburse labor and equipment costs associated with street maintenance activities.
3. **Cash Reserves:** MFT cash reserves are lower due to front loaded transfers to the General Fund for street maintenance. These transfers are front loaded so they can be completed within a calendar year to simplify MFT reporting to IDOT.

Village of Glen Ellyn
Budget to Actual Summary Report
For the Quarter Ended Oct 31, 2011

220 - Special Programs Fund

	Prior FY 10/11 YTD	FY 11/12 Revised Budget	Current FY 11/12 Actual	% of Budget	Greater (Less) Than FY10/11
Revenues					
Property Taxes (SSAs)	\$ 177,451	\$ -	\$ -	-	\$ (177,451)
Cable Franchise Fees	297,207	-	-	-	(297,207)
Hotel / Motel Tax	59,698	-	-	-	(59,698)
Interest Income	329	-	-	-	(329)
Demolition Tax	4,950	-	-	-	(4,950)
Grants	-	-	-	-	-
Miscellaneous Income	629	-	-	-	(629)
Total Revenues	\$ 540,264	\$ -	\$ -	-	\$ (540,264) 1
Expenditures					
Public Information	\$ 45,433	\$ -	\$ -	-	\$ (45,433)
Historic Preservation	38,486	-	-	-	(38,486)
Senior Services	34,336	-	-	-	(34,336)
Economic Development	235,078	-	-	-	(235,078)
Other Activities	20,920	-	-	-	(20,920)
Total Expenditures	\$ 374,253	\$ -	\$ -	-	\$ (374,253) 1
Budgeted Gain/(Loss)		<u>\$ -</u>			
Net Income (Loss)	\$ 166,011		\$ -		
Outstanding Encumbrances	<u>(81,421)</u>				
Net Income (Loss) after Encumbrances	\$ 84,590		\$ -		

	<u>10/31/2010</u>	<u>10/31/2011</u>
Cash Reserves (in \$1,000's)	\$ 261	\$ -
25% Minimum Reserve Policy	(189)	-
Unobligated Cash Reserves	<u>\$ 72</u>	<u>\$ -</u>

2

FOOTNOTES

- Special Programs Fund Merge:** In 2010, the Village Board asked the Finance Commission to examine the Special Programs Fund. Following their review, the Finance Commission made the recommendation that the Village merge the Special Programs Fund into the General Fund and that the process of funding community groups be reconfigured for efficiency and transparency.

As a result of that recommendation and Village Board concurrence, the Special Program Fund has been closed as part of the FY11/12 budget and the revenues and expenditures formerly allocated within this fund have been moved to the General Fund.

- Cash Reserves:** All Special Program Fund cash reserves were transferred to the General Fund as part of the fund merge in FY12.

Village of Glen Ellyn
Budget to Actual Summary Report
For the Quarter Ended Oct 31, 2011

300 - Debt Service Fund

	Prior FY 10/11 YTD	FY 11/12 Revised Budget	Current FY 11/12 Actual	% of Budget	Greater (Less) Than FY10/11
Revenues					
Property Taxes	\$ 2,116,955	\$ 1,660,000	\$ 1,606,571	97%	\$ (510,384)
Interest Income	1,107	2,000	806	40%	(301)
Total Revenues	\$ 2,118,062	\$ 1,662,000	\$ 1,607,377	97%	\$ (510,685)
Expenditures					
Bond Principal Payments	\$ -	\$ 1,550,000	\$ -	0%	\$ - 1
Bond Interest Payments	101,825	99,600	51,536	52%	(50,289)
Other Debt Costs	399	2,500	200	8%	(199)
Total Expenditures	\$ 102,224	\$ 1,652,100	\$ 51,736	3%	\$ (50,488)
Budgeted Gain/(Loss)		\$ 9,900			
Net Income (Loss)	\$ 2,015,838		\$ 1,555,641		
Outstanding Encumbrances	-		-		
Net Income (Loss) after Encumbrances	\$ 2,015,838		\$ 1,555,641		

	<u>10/31/2010</u>	<u>10/31/2011</u>
Cash Reserves (in \$1,000's)	\$ 2,018	\$ 1,579
100% Reserve Policy	(2,018)	(1,579)
Unobligated Cash Reserves	\$ -	\$ -

1. **Bond Principal Payments:** Principal payments are due in the third quarter.

Village of Glen Ellyn
Budget to Actual Summary Report
For the Quarter Ended Oct 31, 2011

400 - Capital Projects Fund

	Prior FY 10/11 YTD	FY 11/12 Revised Budget	Current FY 11/12 Actual	% of Budget	Greater (Less) Than FY10/11	
Revenues						
Property Tax	\$ 955,740	\$ 1,530,000	\$ 1,481,277	97%	\$ 525,537	1
Telecommunications Tax	647,383	1,200,000	604,572	50%	(42,811)	2
Electricity Use Tax	551,029	975,000	532,378	55%	(18,651)	
Natural Gas Use Tax	108,938	300,000	79,520	27%	(29,418)	
Real Estate Transfer Tax	242,988	400,000	225,414	56%	(17,574)	
Community Develop Grant	11,452	300,000	217,832	73%	206,380	3
Interest Income	4,002	5,000	3,704	74%	(298)	
Miscellaneous Income	222,305	27,000	180,113	667%	(42,192)	4
Total Revenues	\$ 2,743,837	\$ 4,737,000	\$ 3,324,810	70%	\$ 580,973	
Expenditures						
Infrastructure Improvements	\$ 2,578,054	\$ 6,801,478	\$ 2,089,639	31%	\$ (488,415)	4
General Fund Engineering	56,250	116,000	58,000	50%	1,750	
Miscellaneous	5,806	15,000	646	4%	(5,160)	
Total Expenditures	\$ 2,640,110	\$ 6,932,478	\$ 2,148,285	31%	\$ (491,825)	
Budgeted Gain/(Loss)		\$ (2,195,478)				
Net Income (Loss)	\$ 103,727		\$ 1,176,525			
Outstanding Encumbrances	(3,171,491)		(3,270,583)			
Net Income (Loss) after Encumbrances	\$ (3,067,764)		\$ (2,094,058)			

	<u>10/31/2010</u>	<u>10/31/2011</u>
Cash Reserves (in \$1,000's)	\$ (530)	\$ 269
100% Reserve Policy	530	(269)
Unobligated Cash Reserves	\$ -	\$ -

See footnotes on the following page.

Village of Glen Ellyn
 Budget to Actual Summary Report
 For the Quarter Ended Oct 31, 2011

400 - Capital Projects Fund

FOOTNOTES

1. **Property Tax:** Beginning in FY10, a portion of the Village's property tax levy previously dedicated to debt service was reallocated towards maintaining the 20 year street program.
2. **Telecommunications Tax:** Our 6% telecommunications tax continues a long term decline. Some of the decline is likely due to changes in telecommunications, such as greater use of internet based communications.
3. **Community Development Block Grant:** For FY2011/12, we have received grant dollars for the Braeside lighting improvement project.
4. **Miscellaneous:** Includes \$178,000 in reimbursements from DuPage County for Crescent Ave jurisdiction transfer and Riford Road improvements.
5. **Infrastructure Improvements:** Expenditures in this category to date for FY11 include payments on the following projects and include construction and/or engineering expenses:

Braeside Lighting	\$	477,859
Sidewalk improvements		4,822
Miscellaneous		16,254
Lambert / Roosevelt Road		1,960
Crescent Corridor Study		4,846
Hawthorne Corridor Improvements		43,421
Riford Road		1,730
Sunset/Turner		1,173,344
Essex Court Drainage		365,403
	<u>\$</u>	<u>2,089,639</u>

Village of Glen Ellyn
 Budget to Actual Summary Report
 For the Quarter Ended Oct 31, 2011

450 - Facilities Maintenance Reserve Fund

	Prior FY 10/11 YTD	FY 11/12 Revised Budget	Current FY 11/12 Actual	% of Budget	Greater (Less) Than FY10/11
Revenues					
Transfers from Departments	\$ -	\$ -	\$ -	0%	\$ - 1
Interest Income	1,397	2,500	1,310	52%	(87)
Total Revenues	<u>\$ 1,397</u>	<u>\$ 2,500</u>	<u>\$ 1,310</u>	52%	<u>\$ (87)</u>
Expenditures					
Facility Repairs / Renovations	\$ 7,490	\$ 30,000	\$ 7,605	25%	\$ 115
	<u>\$ 7,490</u>	<u>\$ 30,000</u>	<u>\$ 7,605</u>	25%	<u>\$ 115</u>
Budgeted Gain/(Loss)		<u>\$ (27,500)</u>			
Net Income (Loss)	\$ (6,093)		\$ (6,295)		
Outstanding Encumbrances	<u>(1,076)</u>		<u>(8,689)</u>		
Net Income (Loss) after Encumbrances	<u>\$ (7,169)</u>		<u>\$ (14,984)</u>		

	<u>10/31/2010</u>	<u>10/31/2011</u>
Cash Reserves (in \$1,000's)	\$ 1,039	\$ 1,026
100% Reserve Policy	<u>(1,039)</u>	<u>(1,026)</u>
Unobligated Cash Reserves	<u>\$ -</u>	<u>\$ -</u>

FOOTNOTES

- 1. Transfers From Departments:** Due to budget constraints, no transfers from other funds were budgeted for the past three fiscal years.

Village of Glen Ellyn
Budget to Actual Summary Report
For the Quarter Ended Oct 31, 2011

500 - Water & Sanitary Sewer Fund

	Prior FY 10/11 YTD	FY 11/12 Revised Budget	Current FY 11/12 Actual	% of Budget	Greater (Less) Than FY10/11
Water Division					
Revenues					
Metered Revenue	\$ 2,707,576	\$ 5,283,000	\$ 2,960,918	56%	\$ 253,342 1
Interest Income	1,833	3,500	1,810	52%	(23)
Federal Grant Income	98	-	-	0%	(98)
Other Revenue	96,366	100,000	69,574	70%	(26,792) 2
Total Revenues	\$ 2,805,873	\$ 5,386,500	\$ 3,032,302	56%	\$ 226,429
Expenditures					
Personnel Services	\$ 270,346	\$ 560,900	\$ 282,325	50%	\$ 11,979
Contractual Services	407,178	1,066,294	496,957	47%	89,779
Commodities	956,323	2,072,700	1,064,546	51%	108,223 3
Capital Outlay	823,054	1,489,947	601,532	40%	(221,522) 4
Total Expenditures	\$ 2,456,901	\$ 5,189,841	\$ 2,445,360	47%	\$ (11,541)
Budgeted Gain/(Loss)		\$ 196,659			
Net Income (Loss)	\$ 348,972		\$ 586,942		
Outstanding Encumbrances	(1,219,696)		(807,938)		
Net Income (Loss) after Encumbrances	\$ (870,724)		\$ (220,996)		
Sanitary Sewer Division					
Revenues					
Metered Revenue	\$ 2,035,913	\$ 4,085,000	\$ 2,303,493	56%	\$ 267,580 5
Property Tax - Lambert Farms	95,176	97,000	94,632	98%	(544)
Interest Income	1,833	3,500	1,810	52%	(23)
Federal Grant Income	24,116	-	-	0%	(24,116)
Other Revenue	653,730	1,287,999	718,231	56%	64,501
Total Revenues	\$ 2,810,768	\$ 5,473,499	\$ 3,118,166	57%	\$ 307,398
Expenditures					
Personnel Services	\$ 258,477	\$ 531,300	\$ 268,829	51%	\$ 10,352
Contractual Services	1,818,675	3,932,795	1,881,529	48%	62,854 6
Commodities	4,591	15,100	5,741	38%	1,150
Debt Service	53,973	108,000	53,972	50%	(1)
Capital Outlay	879,100	1,809,028	442,752	24%	(436,348) 4
Total Expenditures	\$ 3,014,816	\$ 6,396,223	\$ 2,652,823	41%	\$ (361,993)
Budgeted Gain/(Loss)		\$ (922,724)			
Net Income (Loss)	\$ (204,048)		\$ 465,343		
Outstanding Encumbrances	(1,221,364)		(733,174)		
Net Income (Loss) after Encumbrances	\$ (1,425,412)		\$ (267,831)		
Cash Reserves					
		10/31/2010	10/31/2011		
Cash Reserves (in \$1,000's)	\$	239	\$ 1,706		
\$2M Reserve policy		(1,999)	(2,000)		
Unobligated Cash Reserves	\$	(1,760)	\$ (294)		7

See footnotes on the following page.

Village of Glen Ellyn
 Budget to Actual Summary Report
 For the Quarter Ended Oct 31, 2011

500 - Water & Sanitary Sewer Fund

FOOTNOTES

1. **Metered Water Revenue:** Water rates were increased 5% in May from \$6.04 to \$6.34 per 1,000 gallons.
2. **Other Revenue:** Includes connection fees and inspections.
3. **Commodities:** This item primarily represents the cost of water purchased from the DuPage Water Commission which increased its rates by 10% this year.
4. **Capital Outlay Water and Sanitary Sewer Divisions:** Capital outlays to date were for system improvements related to the following projects:

	Water	Sanitary Sewer	Total
ESSEX COURT	\$ 183,329	30,881	214,209
SUNSET/TURNER	\$ 409,527	\$ 391,391	800,918
ROSLYN AND SCOTT SEWER EXTENSION	-	6,316	6,316
HAWTHORNE CORRIDOR	6,000	10,000	16,000
Miscellaneous	2,677	4,164	6,841
	\$ 601,532	\$ 442,752	\$ 1,044,284

5. **Metered Sewer Revenue:** Sewer rates were increased 10% in May from \$4.90 to \$5.39 per 1,000 gallons.
6. **Contractual Services:** Includes payments to the Glenbard Wastewater Authority for sewage treatment which increased about 3.5% this year.
7. **Cash Reserves:** Cash reserves have rebounded since FY11 but are still well below our 25% minimum policy after deducting encumbrances and utility deposits. The rate increases implemented in FY12 were intended to partially restore adequate cash reserves.

Village of Glen Ellyn
Water/Sanitary Sewer Fund
Water/Sanitary Sewer Metered Revenue - Ten Year History

Month Collected by Village	FY02/03	FY03/04	FY04/05	FY05/06	FY06/07	FY07/08	FY08/09	FY09/10	FY10/11	FY11/12	\$ Change From Prior Year	% Change From Prior Year
May	482,489	512,738	651,286	617,293	580,979	522,440	588,152	632,740	680,593	744,243	63,650	9.4%
Jun	564,656	594,414	654,287	680,998	658,088	732,857	697,835	637,766	775,487	745,296	(30,191)	-3.9%
Jul	577,425	712,693	639,330	885,620	803,451	828,735	644,209	756,612	741,780	839,212	97,432	13.1%
Aug	799,154	810,485	790,522	1,016,107	812,768	843,911	796,373	771,195	852,176	1,050,431	198,255	23.3%
Sep	676,417	807,468	774,946	930,300	797,200	774,309	889,729	794,394	915,070	986,546	71,476	7.8%
Oct	594,079	679,395	747,394	821,336	636,195	732,709	696,173	772,366	778,383	898,684	120,301	15.5%
2nd Q. Totals	3,694,220	4,117,193	4,257,765	4,951,654	4,288,681	4,434,960	4,312,471	4,365,073	4,743,489	5,264,411		
% of Budget	52%	59%	50%	59%	52%	54%	53%	50%	50%	56%		
% of Actual	55%	55%	54%	58%	55%	55%	54%	54%	53%	56%		
% from Previous Year	-1.4%	11.4%	3.4%	16.3%	-13.4%	3.4%	0.6%	-1.6%	8.7%	11.0%		

Nov	526,812	532,903	653,500	703,014	578,071	626,348	624,462	620,836	777,946			
Dec	513,143	507,704	599,372	564,710	638,902	656,690	618,494	617,748	695,979			
Jan	472,135	602,265	638,247	601,908	565,871	599,244	681,105	670,931	678,203			
Feb	550,400	569,288	595,301	616,354	586,925	592,578	666,574	610,443	824,362			
Mar	508,432	554,519	576,347	604,298	598,016	617,558	547,239	565,124	541,975			
Apr	441,794	548,284	556,710	489,785	531,574	540,771	535,180	570,506	657,818			
Total	6,706,935	7,432,156	7,877,242	8,531,723	7,788,040	8,068,149	7,985,525	8,020,661	8,919,772	5,264,411		
Budget	7,065,000	6,950,000	8,450,000	8,450,000	8,260,000	8,175,000	8,175,000	8,740,000	9,465,000	9,368,000		
% of Budget	95%	107%	93%	101%	94%	99%	98%	92%	94%	56%		
% Change from Prior Year	-1.5%	10.8%	6.0%	8.3%	-8.7%	3.6%	-1.0%	0.4%	11.2%			

Water Rate*	eff 7-1-03	eff 6-1-08	eff 7-1-09	eff 6-1-10	eff 5-1-11
Sewer Rate*	eff 5-1-04	eff 7-1-07	eff 6-1-08	eff 7-1-09	eff 6-1-10
	\$ 4.72	\$ 4.92	\$ 5.10	\$ 5.49	\$ 6.04
	3.49	4.30	4.45	4.45	4.90
	\$ 8.21	\$ 9.22	\$ 9.55	\$ 9.94	\$ 10.94
					\$ 11.73

* Per 1,000 gallons of water metered.

Village of Glen Ellyn
Budget to Actual Summary Report
For the Quarter Ended Oct 31, 2011

530 - Parking Fund

	Prior FY 10/11 YTD	FY 11/12 Revised Budget	Current FY 11/12 Actual	% of Budget	Greater (Less) Than FY10/11
Revenues					
Parking Income	\$ 72,971	\$ 332,000	\$ 73,151	22%	\$ 180 1
Interest Income	1,199	2,400	1,218	51%	19
Total Revenues	\$ 74,170	\$ 334,400	\$ 74,369	22%	\$ 199
Expenditures					
Contractual Services	\$ 115,884	\$ 381,885	\$ 101,776	27%	\$ (14,108) 2
Commodities	83	4,500	3,729	83%	3,646
Capital Outlay	78,301	-	-	0%	(78,301)
Total Expenditures	\$ 194,268	\$ 386,385	\$ 105,505	27%	\$ (88,763)
Budgeted Gain/(Loss)		\$ (51,985)			
Net Income (Loss)	\$ (120,098)		\$ (31,136)		
Outstanding Encumbrances	(7,551)		(14,927)		
Net Income (Loss) after Encumbrances	\$ (127,649)		\$ (46,063)		

	<u>10/31/2010</u>	<u>10/31/2011</u>
Cash Reserves (in \$1,000's)	\$ 862	\$ 939
25% Minimum Reserve Policy	(90)	(96)
Unobligated Cash Reserves	\$ 772	\$ 843

FOOTNOTES

- Parking Income:** Parking revenues for the second quarter are at 22% of budget. This situation is typical because parking spaces which are leased on an annual basis are renewed in the month of December each year. As a result, revenues are expected to "pick-up" during the third quarter.
- Contractual Services:** The FY11 amount included resurfacing of the Glenwood-Crescent lot.

Village of Glen Ellyn
Budget to Actual Summary Report
For the Quarter Ended Oct 31, 2011

540 - Residential Solid Waste Fund

	Prior FY 10/11 YTD	FY 11/12 Revised Budget	Current FY 11/12 Actual	% of Budget	Greater (Less) Than FY10/11
Revenues					
Billings to Customers	\$ 624,113	\$ 1,320,000	\$ 637,325	48%	\$ 13,212
Interest Income	538	1,000	634	63%	96
Miscellaneous Income	28,449	50,000	123,320	247%	94,871 1
Total Revenues	\$ 653,100	\$ 1,371,000	\$ 761,279	56%	\$ 108,179
Expenditures					
Weekly Pick-Up Service	\$ 510,077	\$ 1,042,000	\$ 603,186	58%	\$ 93,109
Brush Pick-Up Service	110,000	150,000	201,000	134%	91,000 2
Capital Outlay	-	10,000	7,987	80%	7,987
Miscellaneous	57,663	152,000	63,589	42%	5,926
Total Expenditures	\$ 677,740	\$ 1,354,000	\$ 875,762	65%	\$ 198,022
Budgeted Gain/(Loss)		\$ 17,000			
Net Income (Loss)	\$ (24,640)		\$ (114,483)		
Outstanding Encumbrances	-		-		
Net Income (Loss) after Encumbrances	\$ (24,640)		\$ (114,483)		

17%

	<u>10/31/2010</u>	<u>10/31/2011</u>
Cash Reserves (in \$1,000's)	\$ 410	\$ 383
25% Minimum Reserve Policy	(346)	(336)
Unobligated Cash Reserves	\$ 64	\$ 47

FOOTNOTES

- Miscellaneous Revenue:** Late in FY09, the recycling market collapsed and we were notified by Allied Waste that recycling rebates would end indefinitely. Rebates resumed in late FY10 and have since come in on a monthly basis. FY12 amounts have returned to pre-FY09 levels.
- Brush Pickup:** Includes costs of \$59,790 a special pickup from the July 29, 2011 storms in addition to regular service.

Village of Glen Ellyn
Budget to Actual Summary Report
For the Quarter Ended Oct 31, 2011

550 - Recreation Fund

	Prior FY 10/11 YTD	FY 11/12 Revised Budget	Current FY 11/12 Actual	% of Budget	Greater (Less) Than FY10/11
Revenues					
Green Fees	\$ 1,443,711	\$ 1,900,000	\$ 1,421,771	75%	\$ (21,940) 1
Range, Pro-Shop, Carts, Food	1,026,219	1,370,000	1,087,693	79%	61,474 1
Interest Income	3,318	8,000	2,874	36%	(444)
Miscellaneous Income	113,440	162,800	115,876	71%	2,436
Total Revenues	\$ 2,586,688	\$ 3,440,800	\$ 2,628,214	76%	\$ 41,526
Expenditures					
Administration	\$ 326,736	\$ 1,043,400	\$ 309,308	30%	\$ (17,428) 2
Golf Course Maintenance	560,981	933,300	504,182	54%	(56,799)
Golf Service	378,003	683,200	411,309	60%	33,306
Food Services	383,781	575,400	410,516	71%	26,735
Parks Maintenance	17,795	15,500	12,340	80%	(5,455) 3
Pro Shop	79,840	163,900	84,627	52%	4,787
Motor Carts	34,901	45,600	37,032	81%	2,131
Total Expenditures	\$ 1,782,037	\$ 3,460,300	\$ 1,769,314	51%	\$ (12,723)
Budgeted Gain/(Loss)		\$ (19,500)			
Net Income (Loss)	\$ 804,651		\$ 858,900		
Outstanding Encumbrances	-		(18,500)		
Net Income (Loss) after Encumbrances	\$ 804,651		\$ 840,400		

	<u>10/31/2010</u>	<u>10/31/2011</u>
Cash Reserves (in \$1,000's)	\$ 2,830	\$ 2,741
25% Minimum Reserve Policy	(830)	(807)
Unobligated Cash Reserves	<u>\$ 2,000</u>	<u>\$ 1,934</u>

See footnotes on the following page.

Village of Glen Ellyn
 Budget to Actual Summary Report
 For the Quarter Ended Oct 31, 2011

550 - Recreation Fund

FOOTNOTES

- 1. Recreation Fund Revenue:** Excluding interest and miscellaneous income, Recreation Fund revenue has increased 1.6% compared to last year.

Green Fee Rounds

	FY 08/09	FY 09/10	FY 10/11	FY 11/12	% Change From Prior Year
May	10,074	10,122	9,412	8,387	-10.9%
June	12,851	10,827	10,571	10,856	2.7%
July	14,012	13,398	11,169	11,648	4.3%
August	13,431	11,622	11,883	12,420	4.5%
September	9,033	10,489	9,589	8,865	-7.6%
October	5,460	3,588	5,877	2,497	-57.5%
2nd Q. Totals	64,861	60,046	58,501	54,673	-6.5%
November	1,634	2,383	2,409		
December	22	108	15		
January	7	3	12		
February	86	-	43		
March	1,816	1,832	1,209		
April	4,207	6,728	4,301		
Total	72,633	71,100	66,490	54,673	

- 2. Administration Budget:** The Administration budget includes all capital expenses, insurance, and bond payments for the Recreation Fund.
- 3. Parks Maintenance:** FY11 includes storm water engineering for Lambert Lake.

Village of Glen Ellyn
Recreation Fund
Greens Fee Revenue - Ten Year History

Month Received by Village	FY02/03	FY03/04 ¹	FY04/05	FY05/06	FY06/07	FY07/08	FY08/09	FY09/10	FY10/11	FY11/12	\$ Change From Prior Year Gain/(Loss)	% Change From Prior Year Gain/(Loss)
May	219,075	70,406	73,297	259,385	236,888	295,117	269,068	270,981	250,437	204,372	(46,065)	-18.4%
Jun	307,448	95,192	161,599	320,663	312,763	345,137	318,730	281,641	250,384	276,636	26,252	10.5%
Jul	342,082	100,516	401,690	365,632	335,203	375,857	364,228	346,388	284,613	302,684	18,071	6.3%
Aug	342,098	101,398	358,577	322,785	336,839	299,099	352,602	299,210	295,170	286,660	(8,510)	-2.9%
Sep	246,658	64,742	311,656	263,730	231,667	308,175	235,115	264,164	226,227	216,810	(9,417)	-4.2%
Oct	114,697	41,992	170,505	173,243	119,932	147,973	135,272	77,778	136,880	134,608	(2,272)	-1.7%
2nd Q. Total	1,572,058	474,246	1,477,324	1,705,438	1,573,292	1,771,357	1,675,015	1,540,162	1,443,711	1,421,770		
% of Budget	83%	73%	87%	76%	79%	91%	85%	81%	75%	75%		
% of Actual	96%	86%	88%	88%	90%	92%	89%	85%	88%	88%		
e from Previous Year	-5.6%	-69.8%	211.5%	15.4%	-7.7%	12.6%	-5.4%	-13.1%	-6.3%	-1.5%		

Nov	23,582	11,441	36,671	46,920	37,379	30,205	27,710	41,340	42,227			
Dec	505	2,400	1,952	111	1,281	176	39,099	39,487	40,020			
Jan	301	687	69	1,445	919	464	31	14	56			
Feb	473	1,437	718	994	10	-	389	-	192			
Mar	6,835	11,959	13,340	16,531	19,049	3,214	32,319	27,827	13,173			
Apr	41,577	50,152	155,979	162,056	117,819	113,035	105,193	163,584	108,315			
Total	1,645,331	552,322	1,686,053	1,933,495	1,749,749	1,918,451	1,879,756	1,812,414	1,647,694	1,421,770		
% Change From Prior Year	-11.4%	-66.4%	205.3%	14.7%	-9.5%	9.6%	-2.0%	-3.6%	-9.1%			
Budget	1,885,000	650,000	1,700,000	2,250,000	1,990,000	1,950,000	1,980,000	1,900,000	1,930,000	1,900,000		-1.6%
% of Budget	87%	85%	99%	86%	88%	98%	95%	95%	85%	75%		

1. The 18 hole course at the Village Links was closed for renovation in November, 2002. The course reopened in late-June 2004.

Village of Glen Ellyn
Budget to Actual Summary Report
For the Quarter Ended Oct 31, 2011

600 - Insurance Fund

	Prior FY 10/11 YTD	FY 11/12 Revised Budget	Current FY 11/12 Actual	% of Budget	Greater (Less) Than FY10/11
Revenues					
Transfers from Departments	\$ 940,100	\$ 1,944,800	\$ 972,400	50%	\$ 32,300
Payments by Other Agencies	213,000	438,700	219,350	50%	6,350
Participant Contributions	239,205	551,000	278,404	51%	39,199
Interest Income	1,162	3,000	1,434	48%	272
Miscellaneous Income	4,341	-	-	0%	(4,341)
Total Revenues	\$ 1,397,808	\$ 2,937,500	\$ 1,471,588	50%	\$ 73,780
Expenditures					
Health Benefits Plan	\$ 985,773	\$ 2,186,000	\$ 1,078,726	49%	\$ 92,953
Liability Insurance	601,239	730,000	518,497	71%	(82,742) 1
Miscellaneous	3,787	17,000	2,883	17%	(904)
	\$ 1,590,799	\$ 2,933,000	\$ 1,600,106	55%	\$ 9,307
Budgeted Gain/(Loss)		\$ 4,500			
Net Income (Loss)	\$ (192,991)		\$ (128,518)		
Outstanding Encumbrances	-		-		
Net Income (Loss) after Encumbrances	\$ (192,991)		\$ (128,518)		

	<u>10/31/2010</u>	<u>10/31/2011</u>
Cash Reserves (in \$1,000's)	\$ 1,006	\$ 1,269
100% Reserve Policy	(1,006)	(1,269)
Unobligated Cash Reserves	\$ -	\$ -

FOOTNOTES

- Liability Insurance:** The premium for the MICA insurance pool for property, liability, and workers compensation is paid early in the fiscal year. This year's premium decreased due to favorable claims experience.

Village of Glen Ellyn
Budget to Actual Summary Report
For the Quarter Ended Oct 31, 2011

650 - Equipment Services Fund

	Prior FY 10/11 YTD	FY 11/12 Revised Budget	Current FY 11/12 Actual	% of Budget	Greater (Less) Than FY10/11
Revenues					
Transfers from Departments	\$ 747,000	\$ 1,589,700	\$ 794,850	50%	\$ 47,850
Payments by Other Agencies	31,929	80,500	50,277	62%	18,348
Interest Income	2,926	5,000	3,295	66%	369
Miscellaneous Income	52,818	20,000	34,121	171%	(18,697) 1
Total Revenues	\$ 834,673	\$ 1,695,200	\$ 882,543	52%	\$ 47,870
Expenditures					
Personnel Services	\$ 146,247	\$ 319,200	\$ 150,457	47%	\$ 4,210
Contractual Services	58,854	124,300	57,974	47%	(880)
Commodities	43,564	32,200	42,605	132%	(959)
Vehicle Operating	139,727	450,000	161,146	36%	21,419
Vehicles and Equipment	422,889	293,600	89,435	30%	(333,454) 2
Total Expenditures	\$ 811,281	\$ 1,219,300	\$ 501,617	41%	\$ (309,664)
Budgeted Gain/(Loss)		\$ 475,900			
Net Income (Loss)	\$ 23,392		\$ 380,926		
Outstanding Encumbrances	(179,582)		(19,789)		
Net Income (Loss) after Encumbrances	\$ (156,190)		\$ 361,137		

	<u>10/31/2010</u>	<u>10/31/2011</u>
Cash Reserves (in \$1,000's)	\$ 2,153	\$ 2,781
100% Reserve Policy	(2,153)	(2,781)
Unobligated Cash Reserves	\$ -	\$ -

Village of Glen Ellyn
Budget to Actual Summary Report
For the Quarter Ended Oct 31, 2011

900 - Police Pension Fund

	Prior FY 10/11 YTD	FY 11/12 Revised Budget	Current FY 11/12 Actual	% of Budget	Greater (Less) Than FY10/11
Revenues					
Employee Contributions	\$ 146,799	\$ 300,000	\$ 149,675	50%	\$ 2,876
Village Contribution	943,000	1,036,000	1,036,000	100%	93,000 1
Investment Income	259,831	500,000	111,058	22%	(148,773)
Total Revenues	\$ 1,349,630	\$ 1,836,000	\$ 1,296,733	71%	\$ (52,897)
Expenditures					
Pensions	\$ 675,680	\$ 1,394,500	\$ 683,418	49%	\$ 7,738
Administrative Costs	31,504	60,300	33,776	56%	2,272
	\$ 707,184	\$ 1,454,800	\$ 717,194	49%	\$ 10,010
Budgeted Gain/(Loss)		\$ 381,200			
Net Income (Loss)	\$ 642,446		\$ 579,539		
Outstanding Encumbrances	-		-		
Net Income (Loss) after Encumbrances	\$ 642,446		\$ 579,539		

	<u>10/31/2010</u>	<u>10/31/2011</u>
Cash Reserves (in \$1,000's)	\$ 20,715	\$ 22,305
100% Reserve Policy	(20,715)	(22,305)
Unobligated Cash Reserves	\$ -	\$ -

- Village Contribution:** Village makes 50% of its contribution in June and September, consistent with the property tax installment schedule.

Village of Glen Ellyn
 Schedule of Cash and Investment Balances
 For the Quarter Ended Oct 31, 2011

	Cash/ Checking	Illinois Funds	IMET	Investments	Total	Investment Income			
						FY10/11	FY11/12	\$ Change	% Change
General Fund	\$ (209,917)	\$ 400,739	\$ 6,191,464	\$ -	\$ 6,382,286	\$ 7,035	\$ 7,540	505	7.2%
Corporate Reserve Fund*	98,515	114,778	703,437	-	916,730	1,490	1,151	-339	-22.8%
Motor Fuel Tax Fund	-	279,245	-	-	279,245	140	51	-89	-63.6%
Special Programs Fund	-	-	-	-	-	329	-	-329	-100.0%
Debt Service Fund	3,881	873,854	700,806	-	1,578,541	1,107	806	-301	-27.2%
Capital Projects Fund	223,705	750,335	2,567,030	-	3,541,070	4,002	3,704	-298	-7.4%
Facilities Maint Reserve Fund	76,235	110,834	847,896	-	1,034,965	1,397	1,310	-87	-6.2%
Water and Sanitary Sewer Fund	175,005	32,656	3,286,556	-	3,494,217	3,666	3,620	-46	-1.3%
Parking Fund	703	168,545	784,563	-	953,811	1,199	1,218	19	1.6%
Residential Solid Waste Fund	1,135	40,882	341,212	-	383,229	538	634	96	17.8%
Recreation Fund	215,805	357,600	2,186,230	-	2,759,635	3,318	2,874	-444	-13.4%
Insurance Fund	59,724	585,463	623,756	-	1,268,943	1,162	1,434	272	23.4%
Equipment Services Fund	265,718	120,798	2,414,126	-	2,800,642	2,926	3,295	369	12.6%
	\$ 910,509	\$ 3,835,729	\$ 20,647,076	\$ -	\$ 25,393,314	\$ 28,309	\$ 27,637	\$ (672)	-2.4%
Police Pension Fund	-	473,110	-	21,831,664	22,304,774	259,831	111,058	-148,773	-57.3%
Average Yields FY2011/12 YTD	0.00%	0.04%	0.30%						
Average Yields FY2010/11 YTD	0.28%	0.17%	0.29%						

Village of Glen Ellyn
 Analysis of Available Cash Reserves
 For the Quarter Ended Oct 31, 2011
 (in thousands)

Fund	Last Year		Current Year		(a)		Balance		Less		Available Cash
	Cash & Investment Balances	Cash & Investment Balances	Cash & Investment Balances	Encumbrances	Less Deposits/Other	Subject to Reserve Policy	(b) Reserve Policy	Minimum Reserve Policy			
1 General	\$ 5,776	\$ 6,382	\$ (460)	\$ (789)	\$ 5,134	25%	\$ (4,008)	\$ 1,126			
2 Corporate Reserve	910	917	(3)	(1)	913	100%	(913)	-			
3 Motor Fuel Tax	228	279	(223)	-	57	100%	(57)	-			
4 Special Programs	343	-	-	-	-	25%	-	-			
5 Debt Service	2,018	1,579	-	-	1,579	100%	(1,579)	-			
6 Capital Projects	2,642	3,541	(3,271)	(1)	269	100%	(269)	-			
7 Facilities Maint Reserve	1,040	1,035	(9)	-	1,026	100%	(1,026)	-			
8 Water and Sanitary Sewer Fund	2,926	3,494	(1,541)	(247)	1,706	\$2M	(2,000)	(294)			
9 Parking	869	954	(15)	-	939	25%	(96)	843			
10 Residential Solid Waste	410	383	-	-	383	25%	(336)	47			
11 Recreation	2,830	2,760	(19)	-	2,741	25%	(807)	1,934			
12 Insurance	1,006	1,269	-	-	1,269	100%	(1,269)	-			
13 Equipment Services	2,333	2,801	(20)	-	2,781	100%	(2,781)	-			
	<u>\$ 23,331</u>	<u>\$ 25,393</u>	<u>\$ (5,559)</u>	<u>\$ (1,038)</u>	<u>\$ 18,796</u>		<u>\$ (15,141)</u>	<u>\$ 3,656</u>			
14 Police Pension	20,715	22,305	-	-	22,305	100%	(22,305)	-			

(a) Encumbrances represent the unexpended portion of approved contracts for goods and services as of the end of the quarter. While encumbrances are not expenditures, they do represent a reduction in the level of available spendable cash at the close of the quarter.

(b) Operating funds are subject to the Village's 25% minimum cash reserve policy. This policy requires that at least 25% of the operating budget (excluding capital outlay and debt service) be retained as reserves. Other funds are 100% reserved for specific programs or functions. These are explained in the footnotes on the next page.

See footnotes on the following page.

The following footnotes correspond to the numbers on the left of the schedule on the previous page.

1. **General Fund** - Amount subject to reserve is 25% of budget minus capital expenditures ($\$16,030,000 \times 25\% = \$4,008,000$).
2. **Corporate Reserve Fund** - All Corporate Reserve Fund cash is reserved for emergency needs or for assisting other Village funds via loans.
3. **Motor Fuel Fund** - All Motor Fuel Tax revenue from the State is reserved by law for street maintenance.
4. **Special Programs Fund** - This fund was closed at the end of FY2010/11 and the remaining cash reserves were transferred into the General Fund.
5. **Debt Service Fund** - The cash in the Debt Service Fund represents funds accumulated from various sources to pay for principal and interest costs on the Village's outstanding debt obligations. These dollars are not available for reallocation.
6. **Capital Projects Fund** - Essentially all of the Capital Projects Fund cash is reserved. Real estate transfer taxes and utility tax revenues are reserved for street and storm sewer capital projects as part of our 20-year street and storm sewer improvement plan.
7. **Facilities Maintenance Reserve Fund** - This reserve is established for future replacement of major Village building components in the Civic Center, Reno Public Works Building, Fire Stations 1 and 2, Stacy Tavern Museum and the History Center. These funds are not available for reallocation.
8. **Water and Sanitary Sewer Fund** - Amount subject to reserve is $\$2,000,000$, which will be adjusted annually by CPI-U or 3%, whichever is less. FY2011 is the first year of this policy.
9. **Parking Fund** - Amount subject to reserve is 25% of budget minus capital expenditures ($\$384,000 \times 25\% = \$96,000$).
10. **Residential Solid Waste Fund** - Amount subject to reserve is 25% of budget minus capital expenditures ($\$1,344,000 \times 25\% = \$336,000$).
11. **Recreation Fund** - Amount subject to reserve is 25% of budget minus capital expenditures ($\$3,229,300 \times 25\% = \$807,000$).
12. **Insurance Fund** - All funds transferred to the Insurance Fund are budgeted to pay premiums and associated costs and are not available for reallocation.
13. **Equipment Services Fund** - This reserve is established for the scheduled replacement of Village vehicles and is not available for reallocation.
14. **Police Pension Fund** - All Police Pension funds are reserved for paying pensions of retired police officers.

Village of Glen Elyn
 Summary of FY2011/12 Activity, by Fund Type
 For the Quarter Ended Oct 31, 2011
 (in thousands)

Fund	Current Year Activity				Cash/Fund Balance Analysis					
	Year to date Revenues	Year to date Expenditures (Expenses)	Net Income (Loss)	Encumbrances	Remaining Budget (net income less encumbrances)	Cash & Investment Balances	Less Deposits/ Other	Balance Subject to Reserve Policy	Less Minimum Reserve Policy	Available Cash
Major Governmental Funds										
General	\$ 9,900	\$ 8,500	\$ 1,400	\$ 460	\$ 940	\$ 6,382	\$ (789)	\$ 5,134	\$ (4,008)	\$ 1,126
Debt Service	1,607	52	1,556	-	1,556	1,579	-	1,579	(1,579)	-
Capital Projects	3,325	2,148	1,177	3,271	(2,094)	3,541	(1)	269	(269)	-
ST Major Governmental Funds	\$ 14,833	\$ 10,700	\$ 4,132	\$ 3,730	\$ 402	\$ 11,502	\$ (790)	\$ 6,982	\$ (5,856)	\$ 1,126
Non Major Governmental Funds - Special Revenue										
Corporate Reserve	\$ 44	\$ 31	\$ 14	\$ 3	\$ 11	\$ 917	\$ (1)	\$ 913	\$ (913)	\$ -
Motor Fuel Tax	450	366	85	223	(138)	279	-	57	(57)	-
Special Programs	-	-	-	-	-	-	-	-	-	-
Non Major Governmental Funds - Capital Projects										
Facilities Maint Reserve	1	8	(6)	9	(15)	1,035	-	-	-	-
ST Nonmajor Governmental Funds	\$ 496	\$ 404	\$ 92	\$ 234	\$ (142)	\$ 2,231	\$ (1)	\$ 1,996	\$ (1,996)	\$ -
TOTAL GOVERNMENTAL FUNDS	\$ 15,328	\$ 11,104	\$ 4,224	\$ 3,965	\$ 260	\$ 13,733	\$ (791)	\$ 8,977	\$ (7,852)	\$ 1,126
Major Enterprise Funds										
Water and Sanitary Sewer Fund	\$ 6,150	\$ 5,098	\$ 1,052	\$ 1,541	\$ (489)	\$ 3,494	\$ (247)	\$ 1,706	\$ (2,000)	\$ (294)
Recreation	2,628	1,769	859	19	840	2,760	-	2,741	(807)	1,934
ST Major Enterprise Funds	\$ 8,779	\$ 6,867	\$ 1,911	\$ 1,560	\$ 352	\$ 6,254	\$ (247)	\$ 4,447	\$ (2,807)	\$ 1,640
Non Major Enterprise Funds										
Parking	\$ 74	\$ 106	\$ (31)	\$ 15	\$ (46)	\$ 954	\$ -	\$ 939	\$ (96)	\$ 843
Residential Solid Waste	761	876	(114)	-	(114)	383	-	383	(336)	47
ST nonmajor enterprise funds	\$ 836	\$ 981	\$ (146)	\$ 15	\$ (161)	\$ 1,337	\$ -	\$ 1,322	\$ (432)	\$ 890
TOTAL ENTERPRISE FUNDS	\$ 9,614	\$ 7,849	\$ 1,766	\$ 1,575	\$ 191	\$ 7,591	\$ (247)	\$ 5,769	\$ (3,239)	\$ 2,530
VILLAGE OPERATIONS TOTAL	\$ 24,943	\$ 18,953	\$ 5,990	\$ 5,539	\$ 451	\$ 21,324	\$ (1,038)	\$ 14,747	\$ (11,091)	\$ 3,656
Internal Service Funds										
Insurance	1,472	1,600	(129)	-	(129)	1,269	-	1,269	(1,269)	-
Equipment Services	883	502	381	20	361	2,801	-	2,781	(2,781)	-
ST Internal Service Funds	\$ 2,354	\$ 2,102	\$ 252	\$ 20	\$ 233	\$ 4,070	\$ -	\$ 4,050	\$ (4,050)	\$ -
Trust Fund										
Police Pension	\$ 1,297	\$ 717	\$ 580	\$ -	\$ 580	\$ 22,305	\$ -	\$ 22,305	\$ (22,305)	\$ -

Village of Glen Ellyn
 Comparison of FY2010/11 and FY2011/12 Activity, by Fund Type
 For the Quarter Ended Oct 31, 2011
 (in thousands)

Fund	Year to date		prior ytd		Year to date		prior ytd		Net Income	
	Prior ytd revenues	Year to date Revenues	Expenditures (Expenses)	Change	Expenditures (Expenses)	Change	Net Income (Loss)	Change	prior ytd Net Income (Loss)	Net Income (Loss)
Major Governmental Funds										
General (1)	\$ 9,125	\$ 9,900	\$ 776	\$ 776	\$ 8,500	\$ 916	\$ 1,541	\$ 1,400	\$ 1,400	\$ (141)
Debt Service (2)	2,118	1,607	(511)	(511)	52	(50)	2,016	1,556	1,556	(460)
Capital Projects (2)	2,744	3,325	581	581	2,148	(492)	104	1,177	1,177	1,073
ST Major Governmental Funds	\$ 13,986	\$ 14,833	\$ 846	\$ 846	\$ 10,700	\$ 374	\$ 3,660	\$ 4,132	\$ 4,132	\$ 472
Non Major Governmental Funds - Special Revenue										
Corporate Reserve	\$ 569	\$ 44	(525)	(525)	\$ 31	(561)	\$ (23)	\$ 14	\$ 14	\$ 37
Motor Fuel Tax	479	450	(29)	(29)	366	(8)	105	85	85	(20)
Special Programs (1)	540	-	(540)	(540)	-	(374)	166	-	-	(166)
Non Major Governmental Funds - Capital Projects										
Facilities Maint Reserve	3	1	(1)	(1)	8	(22)	(28)	(6)	(6)	21
ST Nonmajor Governmental Funds	\$ 1,591	\$ 496	\$ (1,095)	\$ (1,095)	\$ 404	\$ (966)	\$ 221	\$ 92	\$ 92	\$ (129)
TOTAL GOVERNMENTAL FUNDS	\$ 15,577	\$ 15,328	\$ (249)	\$ (249)	\$ 11,104	\$ (592)	\$ 3,881	\$ 4,224	\$ 4,224	\$ 343
Major Enterprise Funds										
Water and Sanitary Sewer Fund	\$ 5,617	\$ 6,150	\$ 534	\$ 534	\$ 5,098	\$ (374)	\$ 145	\$ 1,052	\$ 1,052	\$ 907
Recreation	2,587	2,628	42	42	1,769	(13)	805	859	859	54
ST Major Enterprise Funds	\$ 8,203	\$ 8,779	\$ 575	\$ 575	\$ 6,867	\$ (386)	\$ 950	\$ 1,911	\$ 1,911	\$ 962
Non Major Enterprise Funds										
Parking	\$ 74	\$ 74	\$ 0	\$ 0	\$ 106	\$ (89)	\$ (120)	\$ (31)	\$ (31)	\$ 89
Residential Solid Waste	653	761	108	108	876	198	(25)	(114)	(114)	(90)
ST nonmajor enterprise funds	\$ 727	\$ 836	\$ 108	\$ 108	\$ 981	\$ 109	\$ (145)	\$ (146)	\$ (146)	\$ (1)
TOTAL ENTERPRISE FUNDS	\$ 8,931	\$ 9,614	\$ 684	\$ 684	\$ 7,849	\$ (277)	\$ 805	\$ 1,766	\$ 1,766	\$ 961
VILLAGE OPERATIONS TOTAL	\$ 24,508	\$ 24,943	\$ 435	\$ 435	\$ 18,953	\$ (869)	\$ 4,686	\$ 5,990	\$ 5,990	\$ 1,304
Internal Service Funds										
Insurance	2,938	1,472	(1,466)	(1,466)	1,600	(1,333)	\$ 5	\$ (129)	\$ (129)	(133)
Equipment Services	835	883	48	48	502	(310)	23	381	381	358
ST Internal Service Funds	\$ 3,772	\$ 2,354	\$ (1,418)	\$ (1,418)	\$ 2,102	\$ (1,643)	\$ 28	\$ 252	\$ 252	\$ 225
Trust Fund										
Police Pension	\$ 1,836	\$ 1,297	(539)	(539)	\$ 717	(738)	\$ 381	\$ 580	\$ 580	\$ 198

Notes:

- (1) As of FY2011/12, the Special Programs Fund revenues and expenditures are now included in the General Fund.
- (2) As of FY2011/12, a portion of the tax revenue that had been used to make debt payments is now used in the Capital Projects Fund.

MEMORANDUM

A-8



TO: Mark Franz, Village Manager *MF*
FROM: Kevin Wachtel, Finance Director *KW*
DATE: January 3, 2012
RE: GASB 54 – the new fund balance

Background

The Governmental Accounting Standards Board (GASB) is the technical rulemaking authority for governmental accounting in the United States. In 2009, the GASB issued statement number 54 changing the language that we are required to use when presenting fund balance. The Village of Glen Ellyn is required to implement this change for the current fiscal year, which ends April 30, 2012.

In December, the Village Board reviewed the cash reserve policy for the Water and Sewer fund. The Village Board consensus at the December 5, 2011, meeting was to establish a \$2,000,000 cash reserve balance, annually indexed to the CPI or 3%, whichever is less.

Issues

For prior financial reports, the Village presented fund balance using terms such as reserved, unreserved, designated, and undesignated. These terms were sometimes confusing to users of financial statements, so the GASB established the statement to use language that makes more clear sense to technical and non-technical users. The new language also helps identify the origin of specific restrictions on fund balance dollars, rather than just the purpose for which those dollars may be used.

The new language incorporates the following definitions for the following fund balance categories: Nonspendable, Restricted, Committed, Assigned, and Unassigned. In addition, this policy incorporates the new policy statement for the Water and Sewer fund. These policies will be incorporated into our budget policies, if approved.

Recommendation

Staff recommends adopting a reserve policy in accordance with GASB statement 54.

Action Requested

Staff requests that the Village Board adopt the attached policy, to be incorporated into the Comprehensive Annual Financial Report for the year ended April 30, 2012.

Attachments

- Draft Reserve Policy
- “GASB Statement Brings Greater Clarity and Consistency to Fund Balance Reporting”, March, 2009

Village of Glen Ellyn
Financial Policies

F. Reserve Policy

Definitions

Fund Balance – the difference between assets and liabilities in a Governmental Fund.

Nonspendable Fund Balance – the portion of a Governmental Fund’s net assets that are not available to be spent, either short term or long term, in either form or through legal restrictions.

Restricted Fund Balance - the portion of a Governmental Fund’s net assets that are subject to external enforceable legal restrictions.

Committed Fund Balance - the portion of a Governmental Fund’s net assets with self-imposed constraints or limitations that have been placed by formal action at the highest level of decision making.

Assigned Fund Balance - the portion of a Governmental Fund’s net assets to denote an intended use of resources

Unassigned Fund Balance - available expendable financial resources in a governmental fund that are not the object of tentative management plan (i.e. designations). (Only in the General Fund, unless negative)

Note: In non-governmental funds, management may decide to “assign” funds for a specific purpose. This will be done as an internal budgeting procedure rather than as a formal accounting entry. Creating a fund automatically assigns fund balance.

1. The Village will maintain adequate cash reserves (committed fund balance) in its operating funds (General Fund, ~~Water and Sanitary Sewer Fund~~, Parking Fund, Residential Solid Waste Fund, and Recreation Fund) in an amount equal to or greater than 25% of the current year fund operating expense budget (excluding capital). Adequate reserve balances are maintained to:
 - a. offset unexpected changes in operating revenues
 - b. provide sufficient cash flow for daily transaction volumes
 - c. provide a buffer for unexpected or emergency expenditures

2. The Village will maintain \$2,000,000 in cash reserves in the Water and Sanitary Sewer Fund for FY2011/12, increased annually by the 12-month change in the

Village of Glen Ellyn
Financial Policies

CPI-U (December before the beginning of the fiscal year) or 3%, whichever is less.

3. The Village will spend the most restricted dollars before less restricted, in the following order:

-
1. Nonspendable (if funds become spendable),
 2. Restricted,
 3. Committed,
 4. Assigned,
 5. Unassigned.

4. The Finance Director will determine if a portion of fund balance should be assigned.

F. Reserve Policy
Definitions

Fund Balance – the difference between assets and liabilities in a Governmental Fund.

Nonspendable Fund Balance – the portion of a Governmental Fund’s net assets that are not available to be spent, either short term or long term, in either form or through legal restrictions.

Restricted Fund Balance - the portion of a Governmental Fund’s net assets that are subject to external enforceable legal restrictions.

Committed Fund Balance - the portion of a Governmental Fund’s net assets with self-imposed constraints or limitations that have been placed by formal action at the highest level of decision making.

Assigned Fund Balance - the portion of a Governmental Fund’s net assets to denote an intended use of resources

Unassigned Fund Balance - available expendable financial resources in a governmental fund that are not the object of tentative management plan (i.e. designations). (Only in the General Fund, unless negative)

Note: In non-governmental funds, management may decide to “assign” funds for a specific purpose. This will be done as an internal budgeting procedure rather than as a formal accounting entry. Creating a fund automatically assigns fund balance.

1. The Village will maintain adequate cash reserves (committed fund balance) in its operating funds (General Fund, Parking Fund, Residential Solid Waste Fund, and Recreation Fund) in an amount equal to or greater than 25% of the current year fund operating expense budget (excluding capital). Adequate reserve balances are maintained to:
 - a. offset unexpected changes in operating revenues
 - b. provide sufficient cash flow for daily transaction volumes
 - c. provide a buffer for unexpected or emergency expenditures
2. The Village will maintain \$2,000,000 in cash reserves in the Water and Sanitary Sewer Fund for FY2011/12, increased annually by the 12-month change in the CPI-U (December before the beginning of the fiscal year) or 3%, whichever is

less.

3. The Village will spend the most restricted dollars before less restricted, in the following order:
 1. Nonspendable (if funds become spendable),
 2. Restricted,
 3. Committed,
 4. Assigned,
 5. Unassigned.

4. The Finance Director will determine if a portion of fund balance should be assigned.



Governmental Accounting Standards Board
of the Financial Accounting Foundation

March 2009

GASB Statement Brings Greater Clarity and Consistency to Fund Balance Reporting

Fund balance refers to the difference between assets and liabilities in the governmental funds balance sheet. This information is one of the most widely used elements of state and local government financial statements.

Of central importance to the credit reviews performed by municipal bond analysts, fund balance information also is used by taxpayer associations, research organizations, oversight bodies, state, county and local legislators and their staffs, and reporters. Financial statement users examine fund balance information to identify the available liquid resources that can be used to repay long-term debt, reduce property taxes, add new governmental programs, expand existing ones, or enhance the financial position of the government.

The Governmental Accounting Standards Board (GASB) has found that, despite its popularity and usefulness, the value of fund balance information is significantly diminished by misunderstandings regarding the messages it conveys and inconsistency in governments' financial reporting practices.

In order to enhance how fund balance information is reported and improve its decision-usefulness, in March 2009 the GASB issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

How Will Fund Balance Be Reported?

This Statement is designed to improve financial reporting by establishing fund balance classifications that are easier to understand and apply. In essence, it establishes a hierarchy based largely on the extent to which a government is bound to observe spending constraints that govern how it can use amounts reported in the governmental funds balance sheet.

Statement 54 establishes the following classifications depicting the relative strength of the constraints that control how specific amounts can be spent:

- ***Nonspendable*** fund balance includes amounts that are not in a spendable form (inventory, for example) or are required to be maintained intact (the principal of an endowment fund, for example).
- ***Restricted*** fund balance includes amounts that can be spent only for the specific purposes stipulated by external resource providers (for example, grant providers), constitutionally, or through enabling legislation (that is, legislation that creates a new revenue source and restricts its use). Effectively, restrictions may be changed or lifted only with the consent of resource providers.
- ***Committed*** fund balance includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. Commitments may be changed or lifted only by the government taking the same formal action that imposed the constraint originally.
- ***Assigned*** fund balance comprises amounts *intended* to be used by the government for specific purposes. Intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority. In governmental funds other than the general fund, assigned fund balance represents the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund.
- ***Unassigned*** fund balance is the residual classification for the general fund and includes all amounts not contained in the other classifications. Unassigned amounts are technically available for any purpose. If another governmental fund has a fund balance deficit, then it will be reported as a negative amount in the unassigned classification in that fund. Positive unassigned amounts will be reported only in the general fund.

How Have the Fund Type Definitions Been Clarified?

The Statement also is designed to improve the usefulness of fund balance information by clarifying certain parts of the definitions of governmental fund types that have led to confusion and adversely affected the interpretation of fund balance information. It makes clear, for example, that special revenue funds are created only to report a revenue source (or sources) that is restricted or committed to a specified purpose, and that the revenue source should constitute a substantial portion of the resources reported in the fund.

The basic definition of the debt service fund type remains essentially unchanged. However, the terminology in the definition of the capital project fund type has been clarified to focus on the broader, more consistently understood notion of capital outlays, and to better capture the breadth of capital activities in today's environment.

“Rainy-Day” Funds

The GASB’s research indicates that information about amounts set aside for emergencies is very important to financial statement users. Because of the importance associated with these balances, Statement 54 clarifies how rainy-day amounts can be reported by treating stabilization arrangements as a specified purpose. Consequently, amounts constrained to stabilization will be reported as restricted or committed fund balance in the general fund if they meet the other criteria for those classifications. However, stabilization is regarded as a specified purpose only if the circumstances or conditions that signal the need for stabilization (a) are identified in sufficient detail and (b) are not expected to occur routinely. Governments are required to disclose in the notes key information about their stabilization arrangements, including the authority by which they were established, provisions for additions to the stabilization amount, and circumstances under which those amounts may be spent.

Some governments create stabilization-like arrangements by establishing formal minimum fund balance policies. Because users are interested in information about those minimum fund balance policies and how governments comply with them, governments are required to explain their minimum fund balance policies, if they have them, in notes to the financial statements.

What Other Note Disclosures Will Be Required?

Under Statement 54, governments will disclose their accounting policies that indicate the order in which restricted, committed, assigned, and unassigned amounts are spent, in circumstances when an expenditure is made for a purpose for which amounts are available in multiple fund balance classifications. For example, a town may have a state grant for public safety activities (restricted), proceeds from a portion of its own property tax that the town council voted could only be used for public safety (committed), and general revenues available for public safety spending (unassigned). The disclosure would identify the order in which the town will spend those resources. Governments already are required to make similar disclosures regarding restricted and unrestricted net assets.

In addition, governments are required to describe the processes through which they commit and assign fund balance amounts. Governments also are required to disclose the purpose for each major special revenue fund—identifying which specific revenues and other resources are authorized to be reported in each.

How Did the GASB Incorporate Constituent Feedback?

During the project that led to Statement 54, the GASB went through two rounds of public comment, beginning with an Invitation to Comment that was issued in October 2006. The input received from constituents in response to that due process document guided the development of changes that the GASB proposed in an Exposure Draft in April 2008.

Though the final standards retain the basic reporting requirements presented in the Exposure Draft, the GASB did make a number of changes based on public feedback and further study that are worth highlighting. With respect to fund balance classifications, the GASB significantly changed its proposal for reporting negative balances (see the earlier definition of unassigned fund balance). The GASB decided that deficits created as a result of overspending for a specific purpose should first reduce amounts assigned to other purposes within the fund. After eliminating those funds, a negative residual balance should be reported as negative unassigned fund balance.

The GASB decided to eliminate the heading *spendable* because constituents were concerned it might incorrectly be inferred that anything not classified as *nonspendable* could be considered spendable for any purpose. Also, the GASB agreed with constituents that the *limited* classification did not sufficiently convey the substance of the classification and determined that the term *committed* would be a better term.

The GASB also clarified how a government should report when it does not have an accounting policy guiding the order in which amounts from various fund balance classifications are spent. For such governments, the Statement establishes a default policy that should be applied, in which restricted amounts are used first, followed by committed, assigned, and unassigned amounts in that order, for purposes of reporting fund balance.

Finally, as mentioned previously, the GASB clarified terminology in the definition of the capital projects fund type largely in response to feedback received from respondents to the Exposure Draft.

When Do the Standards Take Effect?

Governments are required to implement Statement 54 for fiscal years first ending June 30, 2011. Fund balance reclassifications should be applied retroactively by restating fund balance for all prior periods presented in the financial statements. Changes to the fund balance information presented for prior years in the statistical section are not required, although retroactive application is encouraged. Early implementation of Statement 54 is encouraged.

A-9

Memorandum

January 2, 2012

TO: MARK FRANZ, VILLAGE MANAGER

FROM: MATT PEKAREK, RECREATION DIRECTOR *Matt Pekarek*

RE: HIRING ARCHITECTS/ENGINEERS TO DESIGN MASTER PLAN IMPROVEMENTS

Background

On July 18, 2011 I presented the concept Village Links Facility Master Plan to the Village Board of Trustees. That presentation is summarized in my memorandum of July 12, 2011 (attached).

On October 10, 2011, the Village Board of Trustees accepted the proposal of the National Golf Foundation (NGF) of Jupiter, FL to conduct a review of the feasibility of that master plan. The NGF has completed their study. Their draft report and my summation of that draft report are attached.

In mid-December 2011, the draft report was distributed to staff, the Village Board of Trustees, the Recreation Commission and the Master Plan Steering Committee. In late December 2011, staff presented NGF with a number of questions prompted by the draft report. The answers to these questions will help staff better understand the report's recommendations and how we can best implement them. I do not expect that the answers to those questions will impact the NGF evaluation of the Master Plan or related recommendations.

The NGF draft report concluded that facility deficiencies identified in the Master Plan are valid and that the proposed improvements would address those deficiencies. The NGF concluded that the profit projections in the Master Plan are reasonable and are slightly lower than the profits projected by the NGF. The draft report recommends that the Master Plan be implemented. The draft report further recommends that consideration be given to five ideas that would impact the Master Plan.

Issues

NGF Issues - The draft report recommends that consideration be given to five ideas that would impact the Master Plan:

1. p 35 - Redesign 9-Hole Course holes #3, #4, #5 to allow expansion of driving range to the south.

We considered several variations of this suggestions during the development of the Master Plan and decided not to implement this idea because of the negative impact it would have on the 9-hole course. Shortening hole #5 would leave 9-hole golfers with a 250 yard walk between #4 green and #5 tee. The NGF suggestion is impractical in that the proposed location of #4 tee is in an unsafe area vulnerable to approach shots on hole #2. The location of the proposed #4 green is impractical because it is about half the size needed for a green complex and would likely substantially increase the number of errant shots that would end up leaving the property into private residences to the south. There is not enough land between the pond on hole #5 and the south property fence to accommodate the proposed #5 tee complex. Such a location for #5 tee complex would pose complicated/costly storm water detention issues. We could implement a variation of this idea that would be safe and less costly, but it would likely have a negative impact on the quality of the 9-hole course and revenues that course would generate.

2. p 36 - Build a new clubhouse of 8,000 SF.

On May 4, 2011 we evaluated the cost of the Master Plan with a smaller 9,000 SF clubhouse. The annual debt service on that plan was \$507,000 per year. That is \$261,000 per year below what staff estimates the improved facility would generate in new profits and \$193,000 per year below what the NGF estimates the improved facility would generate in new profits. Rather than propose a plan that seems certain to fail, we developed the phased plan.

3. p 37 - Add a Private Dining/Meeting Room.

We are exploring this idea with the NGF to better understand the profit potential. As we improve our understanding of this suggestion, we will incorporate some version of it in the proposed Master Plan while staying within the proposed scope/budget. We expect that we might be able to incorporate this use into the flexible uses planned for the 150 seat banquet hospitality area.

4. p 40 - Add a Golf Training Center. and

5. p 40 - Offer a Golf Simulator.

We are exploring these two ideas with the NGF to better understand their profit potential. Depending on profitability, we could incorporate these suggestions in either Phase 1 or Phase 2.

The NGF has made a number of other recommendations that do not impact the Master Plan. We will consider those separately and report to the Recreation Commission and Village Board on the status of those recommendations.

Other Issues

Timing - The bigger and more immediate issue impacting a decision to proceed with the Facility Master Plan is one of timing. The Master Plan is a concept. It will take considerable work to turn that concept into a solid plan. We will have to work with architects and engineers to design a project that meets our needs and complies with DuPage County and Village of Glen Ellyn requirements. If we begin design work this month, we could possibly receive government approval this summer, so that we can bid construction work this summer, begin work later this year and be under roof before winter 2012 in time to open the new facility in 2013. If we delay the decision to proceed, we are likely guaranteeing that we will not open the new facility until 2014.

Delaying this project will be costly. Not only do we run the risk of interest rates and construction costs increasing, but we extend the uncertainty of future disruption and service levels that our customers have faced for months. Until we complete a final design and have a construction plan in place, this uncertainty will hurt revenues and discourage customers from booking events at the Village Links.

Additionally, staff needs to get this work done and move on to other important tasks. Customer service and day to day management of the business will continue to suffer if staff time is continually spent on the decision phase of this project.

Architects and Engineer - My recommendation and supporting rationale regarding the hiring of a building architect, a golf course architect and a civil engineer remains unchanged from my July 12, 2011 memorandum (attached). I recommend that the Village Board accept the three proposals for design services outlined in that memorandum to design Phase 1 improvements, per the recommendations of the Master Plan Steering Committee and Recreation Commission.

Action Requested

I recommend that the Village Board of Trustees accept proposals of three design firms to design facility improvements at the Village Links, per the Village Links Facility Master Plan. These proposals include the completion of a design, development of bid documents, recommendations on the award of bid and construction supervision services. I recommend that authorization of the proposed professional fee, plus a 10% contingency to be available at staff's discretion should unforeseen issues require additional work. My recommendations, per my July 12, 2011 memorandum, are:

Golf Course Architect, Gill Designs Inc. - Not to exceed \$22,400

Building Architect, PPK Architects - Not to exceed \$82,000

Engineer, V3 - Not to exceed \$237,000

Attachments

Memorandum - Village Links Master Plan dated July 12, 2011

National Golf Foundation draft report dated December 15, 2011

Memorandum - NGF Draft Consultant Review of Village Links Facility Master Plan dated January 2, 2012

cc: Recreation Commission
Master Plan Steering Committee
Kevin Wachtel, Finance Director

Memorandum

January 2, 2012

TO: MARK FRANZ, VILLAGE MANAGER

FROM: MATT PEKAREK, RECREATION DIRECTOR *Matt Pekarek*

**RE: NATIONAL GOLF FOUNDATION -
DRAFT CONSULTANT REVIEW OF VILLAGE LINKS FACILITY MASTER PLAN**

The National Golf Foundation has presented a draft report on their review of the Village Links Facility Master Plan. The purpose of their review was to obtain an outside opinion on the feasibility of the master plan, particularly on the reasonableness of profit projections.

In mid-December, the draft report was distributed to staff, the Village Board of Trustees, the Recreation Commission and the Master Plan Steering Committee. In late December, staff presented NGF with a number of questions prompted by the draft report. The answers to these questions will help staff better understand the report's recommendations and how we can best implement them. I do not expect that the answers to those questions will impact the NGF evaluation of the Master Plan or related recommendations.

Summary of NGF Conclusions Regarding the Facility Master Plan

Overall NGF Recommendation

p 33 - "It is the overall NGF recommendation that the proposed Village Links Master Plan be implemented as planned, perhaps with minor adjustments as discussed by NGF in this report."

NGF Profit Estimate

p 32- NGF estimates new profits resulting from the Master Plan to be 29% (\$68,400 per year) above the staff estimate. NGF estimates new revenues to be 11% (\$80,000 per year) below the staff estimate and new operating expenses to be 32% (\$148,000 per year) below the staff estimate.

Food and Beverage Revenue

p 30 - NGF estimates Food and Beverage revenue to increase by 33% (\$170,000) less than staff estimated. This will result in yearly profits \$13,600 below the staff estimate.

Driving Range Revenue

p 31 - NGF estimates Driving Range revenue to increase by 25% (\$10,000) less than staff estimated. This will result in yearly profits \$5,000 below the staff estimate.

Golf Revenue

p 31 - NGF estimates Golf revenue to increase by 63% (\$100,000) more than staff estimated. This will result in yearly profits \$100,000 above the staff estimate.

Other NGF Conclusions and Recommendations Regarding the Facility Master Plan

p 19 - "NGF agrees with the above assessment (*of facility deficiencies*) and agrees that the proposed Master Plan provides relief and improvement in these areas. However, some key deficiencies may not be addressed in Phase I and will have to wait for Phase II."

p 21 - "Building Efficiency: While we understand the fiscal realities that tend to drive key decisions like this, NGF recommends against dividing the clubhouse renovation into two phases. This seems unnecessarily inefficient and will cause longer disruptions, extending the time the building is under construction, inconveniencing customers for a longer period of time and will likely create more operational inefficiencies due to the construction."

p 21 - "Range Lights: The Master Plan states that it is the desire to put those items that will have the greatest impact to revenue enhancement in Phase I, and those with minimal impact in Phase II. Our analysis suggests that lighting the range should increase range revenue by at least 20%, with the heated stalls adding another 10%."

p 22 - "The 20% reduction (*in Phase I cost*) is large, and it is hard to imagine that changes resulting from this construction cost reduction could be accomplished without adversely affecting revenue projections."

p 22 - "If the Master Plan goes forward as proposed, it would be our recommendation to fund \$800,000 of the construction costs out of the reserve. This would reduce the debt payment by 20%, making it a more manageable \$240,000, while still leaving \$1.4 million in reserves, which we feel is more than adequate."

p 23 - "NGF is in full agreement with the assumption that tournaments and outings represent a great way to increase revenue quickly. We also understand that it comes with the risk of losing daily fee play, especially in a highly competitive market such as Chicago."

p 23 - "NGF recognizes that tournaments and outings represent a very different kind of business than daily fee play, and will require operational changes in addition to the physical changes being proposed. For example, if Village Links wants to significantly grow its tournament and outing business, it will need to have a dedicated salesperson to solicit the tournament business as opposed to waiting for them to call."

p 25 - "Our best advice would be to pursue weddings and non-golf events, but do not make them a major focus of your planning or operation."

p 26 - "While we would certainly encourage Village Links to try to solicit outside (*food and beverage*) business, again, we recommend caution with regards to the volume that can be generated."

p 27 - "A bar will have a significant impact on the facility's overall performance, which we estimate to be at least \$200,000 in increased revenue."

p 29 - "We feel the Committee should reconsider building a new clubhouse rather than renovating the old one. An appropriately sized facility would be well worth the additional cost and would generate a better short-and long-term return to the Village."

Additional NGF Suggestions that would impact the Master Plan

p 35 - Redesign 9-Hole Course holes #3, #4, #5 to allow expansion of driving range to the south.

p 36 - Build a new clubhouse of 8,000 SF.

p 37 - Add a Private Dining/Meeting Room.

p 40 - Add a Golf Training Center.

p 40 - Offer a Golf Simulator.

Additional NGF Suggestions that would not impact the Master Plan

p 33 - Add Tees to Offer a Shorter Length Golf Course.

p 34 - Set aside funds to rebuild greens and bunkers on the 9-hole course.

p 34 - Revise Hole Sequencing to create a "Three-Nines" 27 Hole Layout.

p 37 - Reduce the average Resident Green Fee Discount from 40% to 30%.

p 38 - Grill Hours - Close the Restaurant over the Winter.

p 38 - Devote More Resources to Merchandise Sales.

p 39 - Offer Snow Golf.

Memorandum

July 12, 2011

TO: MARK FRANZ, VILLAGE MANAGER
FROM: MATT PEKAREK, RECREATION DIRECTOR
RE: VILLAGE LINKS FACILITY MASTER PLAN



The purpose of this memorandum is to summarize the report that I will make to the Village Board of Trustees on the concept Village Links Facility Master Plan at the July 18, 2011 Village Board Workshop.

If the Village Board is in agreement with the concept Master Plan and the proposed funding method, I recommend that the Village Board accept the three proposals for design services outlined in this memorandum to design Phase 1 improvements, per the recommendations of the Master Plan Steering Committee and Recreation Commission.

This master plan was presented to the Steering Committee, who recommended that architects/engineers be hired to design the improvements. Information on the proposed master plan was placed on the Village Links website and publicized via email blasts to customers. Resulting feedback from the public is attached.

June 2011 - The Recreation Commission conducted a public meeting to present the master plan and receive public comment. The Recreation Commission discussed the master plan and recommended that architects/engineers be hired to design the improvements.

Chronology of Events to Date

October 2010 - The Steering Committee and staff begin working on a master plan. Staff outlined facility deficiencies and reasons for a coordinated solution.

November 2010 - Staff proposed a strategy for developing a master plan.

December 2010 - Staff presented various master plan scenarios, with layouts, cost estimates and revenue projections. The Steering Committee identified three scenarios for further investigation.

January 2011 - Architects/engineers were hired to refine the scenarios and prepare cost estimates.

February 2011 - After all scenarios proved to be too expensive, the architects/engineers reduced the scope of the most likely scenario.

March 2011 - After the most affordable scenario was still too expensive, the scope of work was split into phases and cost estimates were revised.

May 2011 - A phased concept master plan was developed that could likely be designed to be affordable.

Facility Deficiencies

Driving Range - The driving range is outdated. The tee needs to be rebuilt and expanded. Upgrades would include an artificial turf tee line, covered/heated tee stations, lights for night use, and better fairway targets. The driving range needs to be lengthened to insure future usability and improve customer safety.

Motorized Cart Storage - Indoor Cart Storage would keep the carts cleaner, would reduce wear from the elements and would allow electric carts that are preferred by golfers and better for the environment.

Restaurant Improvements - The restaurant is outdated. It lacks a bar. The decor is poor. The patio needs to be upgraded. We cannot accommodate groups (both golf outings and non-golf functions).

Rest Rooms - The rest rooms are outdated, with worn fixtures and a stark decor. They are too small and are not compliant with ADA handicap accessibility requirements.

Fire Sprinklers - A modest clubhouse addition or remodeling would require that fire sprinklers be added.

Utility Lines - Water, electric and natural gas lines need to be replaced to avoid service disruptions. Capacities need to be increased to modernize and/or expand the clubhouse.

Parking Lot - The main parking lot needs to be renovated. Lights should be added for evening business.

Stormwater Management - Most of the area surrounding the clubhouse is in the flood plain. Any construction below the flood elevation requires that 150% of additional flood water storage be built. Compared to a series of smaller projects, a single comprehensive plan will require less land and less engineering expense.

Concept Plan

This Master Plan is not a detailed design. It is a concept plan intended to make sure that we have adequate space and dollars available for the planned improvements. At the concept stage, all features have a generic estimated cost.

The Master Plan is expected to be built in phases. Phase 1 would be completed as soon as possible. Phase 2 would be completed as funds are available. If the financial outlook of the Village Links does not improve, Phase 2 improvements could be delayed indefinitely.

The Phase 1 improvements are planned in greater detail, with more accurate cost estimates than Phase 2. Phase 2 improvements are less defined, except to the extent required to avoid conflicts, waste or duplication in the future.

Phase 1 improvements are estimated to cost \$3,784,000. Phase 2 improvements are estimated to cost \$2,900,000. The Phase 2 cost estimate is much softer than that for Phase 1.

The Phase 1 improvements are expected to increase annual profits by \$246,000. This is not enough to pay for the expected debt service on Phase 1. To bring this project into balance, we either have to increase annual profits by \$65,000 or lower the capital cost of Phase 1 by \$800,000. We expect to lower the estimated cost of Phase 1 during the design phase, by removing expense items, value engineering, and saving money by doing some work in house.

Phase 1 - Summary of Improvements

Phase 1 would include clubhouse additions and remodeling. A bar would be added. New dining rooms would be added for general public dining and for use by groups, including golf outings. Parking would be added closer to the clubhouse to help attract customers year round. Parking lot lighting would make the facility more functional after dark. New rest rooms would bring the building up to ADA compliance. A new dining patio would be built. The food service decor would be upgraded. A small tee addition would be built to the west side of the driving range tee. A 10-15 space artificial tee would be built, with a protective cover for use in inclement weather. Unreliable utility lines serving the clubhouse would be replaced and expanded. The parking lot would be renovated. Facilities in the clubhouse site would be configured to accommodate changes to major components.

Phase 2 - Summary of Improvements

The original clubhouse (everything south of the existing main entrance, including all three locker rooms, existing rest rooms, the Pro Shop and store rooms) would be demolished. An addition to the driving range tee would be built in the space that the original clubhouse occupies. The driving range tee would include an artificial turf tee line extending across the entire back of the tee. An additional protective covering for that tee line would be built, along with a room for storing and washing driving range balls, and a station for the 9-hole course starter. The driving range tee would be lighted for night use. The first tee of the 9-hole course would be shifted to the east to allow further expansion of the driving range tee. Cart storage buildings would be added, with electrical service to allow the use of electric carts and water and sewers for cart washing. A new Pro Shop and store rooms would be built. The finished clubhouse would not have any locker or shower facilities.

Funding

We propose to finance Phase 1 with the sale of General Obligation Bonds, as the lowest cost financing option available. The debt service to retire those bonds would be paid from Village Links profits. Tax dollars would not be used.

The Village Links has \$2,000,000 in cash reserves, of which \$1,000,000 is available for facility improvements. We propose to finance the entire project, keeping that spare \$1,000,000 available for interim cash flow and to serve as a buffer in the event that profits do not immediately cover the debt service. This plan is conservative, but prudent given the business risk involved.

Why Make This Investment Now?

There is risk involved with making these improvements. There is just as much risk with not making these improvements. The deficiencies identified during this Master Plan process are significant and impact customers. We cannot afford to defer addressing these deficiencies indefinitely. It might be slightly less risky to wait until we see how the economy improves and how the golf business evolves from its current problems. But waiting might also bring inflation, higher construction costs and higher interest rates. We can't expand our golf clientele to include outings without a reasonable hospitality facility. After completing the improvements in Phase 1, we will be poised to address other deficiencies in smaller projects.

Waiting for "better times" might cause irreparable damage to our golf business. The key will be to get extraordinary value for our investment in Phase 1.

Design Contracts

We hired three design firms to help us develop the concept master plan:

Building Architect

Craig Pryde of PPK Architects, Glen Ellyn, IL

Golf Course Architect

Garrett Gill of Gill Designs, Inc., River Falls, WI

Civil Engineer

Dwayne Gillian of V3, Woodridge, IL.

We developed the concept plan with minimal work being done by these designers - about 8-10 hours each.

We solicited proposals from each firm to design Phase 1 improvements of the concept master plan, including design work on Phase 2 improvements needed to

obtain a county Stormwater Management permit. The design proposals for Phase 1 also includes work needed to secure competitive bids, award bids and administer construction of Phase 1.

We met with the three design firms and discussed our desire to obtain the lowest cost design proposal from each of them that would allow them to create designs that would provide us with superior value and a low overall construction cost. If their proposals were satisfactory, we would recommend to the Village Board that they be accepted. The proposals they submitted are summarized below:

Golf Course Architect - Gill Design	20,400	
contingency - 10%	2,000	
Gill Design - Total Not-To-Exceed		22,400
Building Architect - PPK	74,500	
contingency - 10%	7,500	
PPK - Total Not To Exceed		82,000
Engineer - V3	121,200	
contingency	12,100	
V3 - Not-To-Exceed		133,300
Design Total - Three Firms	216,100	
contingency - 10%	21,600	
Design Total - Not-To-Exceed		237,700

We recommend that these proposals be accepted.

Quality design, detailed plans and bid documents and proper contractor oversight are important factors impacting project cost. To get superior value, we need to work with high caliber architects and engineers. While the cost of designer fees is significant and should be managed to the extent possible, design costs are insignificant compared to the cost incurred when design work is not done in a quality way. It is not always possible to work with architects and engineers that you know will save you money on a project. In this case, we know from experience that working with Craig Pryde and Garrett Gill gives us the best chance to complete this project for a high value (low cost and high quality). We are less committed to V3 because our experience with them is less extensive and because the nature of their work is somewhat more straightforward. Still, the risk of incurring higher construction costs by working with another competent engineering firm easily outweighs the relatively minor savings that we might realize in design fees.

There is limited upside to hiring design firms at a lower design fee, as typically that means they will either spend less time on the project or assign less expensive (less experienced) personnel to the project. Lowering the design cost does not identify who will save the Village the most money and produce the greatest value. Instead, we want firms that will devote more experienced designers and more time to save us money defining the 90%+ of this project that will be covered by the cost of construction.

We have completed many construction projects at the Village Links, working with more than 20 architects and engineers. We sought out these three design firms and recommend that their proposals be accepted because our experience with them on previous projects demonstrated that we have a better chance of completing a successful improvement project with them as designers, than if we were to choose designers on some other basis.

PPK Architects - We have worked with Craig Pryde of PPK Architects on several projects, beginning with the renovation of our grounds maintenance center in 1995. We were dissatisfied with the work of the original architect who had developed a concept plan. Craig designed additions and renovations to our original maintenance building, a new equipment storage building, pesticide storage, a pesticide rinsate facility and bulk material storage. Superior thought and judgement went into Craig's design. He helped us make value based decisions to keep or eliminate various project features. His tight design enabled contractors to bid competitively without fear of an unknown complication. During construction, conflicts between the Village and the contractor were resolved fairly, with the Village's best interests in mind. There were no change orders resulting from design flaws or plan ambiguities. The total number and value of all change orders was insignificant. The \$1,000,000 project was completed on budget for about half of the original architect's estimate. For 16 years the renovated facility has worked as designed. Since then we have worked with Craig on a number of smaller projects. He has been professional, responsive, creative and cooperative - all attributes that we will need from an architect to make this project a success.

Gill Design Inc. - Garrett Gill designed our golf course renovation in 2002. Garrett was a good listener and showed flexibility in working with a large steering committee of staff and golfers. He produced a superior

design that showed creativity and style. His plans were accurate and complete. His superior bid documents allowed us to solicit very low bids and attract top contractors. The bid documents were structured to include alternate bids that helped us make complicated choices balancing quality and cost on large portions of the project. There were no change orders due to design flaws. Garrett separated many project components so Village Links staff could perform work at a net savings well into six figures. The project was completed on time and on budget. It was and still is one of the most successful full course renovations ever, with respect to quality, cost and timeliness.

V3 - We have worked with V3 twice. In 2002, they did environmental engineering for the golf course renovation. In 2009, they completed storm water management engineering at Lambert Lake, in follow up to a wetland delineation. We brought V3 in to the Lambert Lake project after the original engineering firm was unable to resolve regulatory questions with the wetland consultant hired by DuPage County. They resolved the stalemate in a reasonable manner at minimal added expense to the Village.

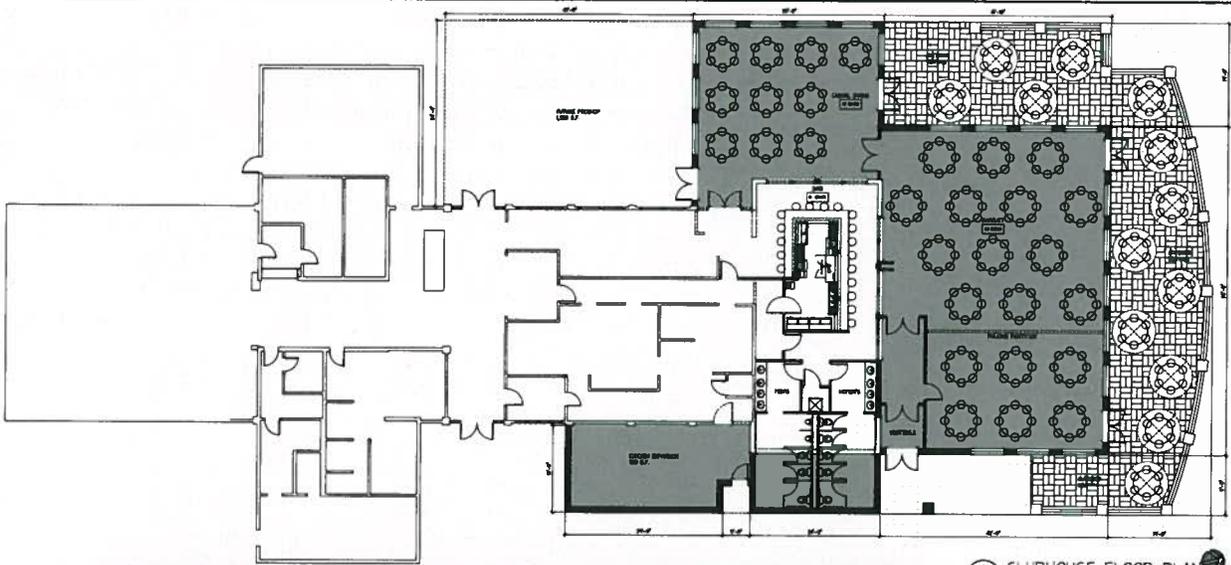
In reviewing the concept master plan with the Steering Committee and Recreation Commission we discussed our strategy for hiring architects/engineers and our rationale for proposing these three firms. We asked for any suggestions on how we might better secure design firm services. They did not have any suggestions on how we could do better.

Timetable

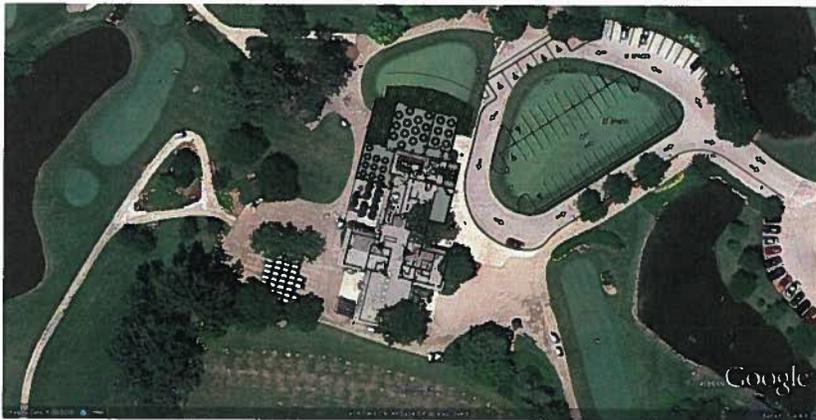
If we begin design work now, we should be able to complete the design, receive Village regulatory approval, and obtain construction bids so work could begin in mid-2012, for opening Spring 2013.

Attachments:

- * Clubhouse Plan with Close-in Parking by Craig Pryde, PPK (page 5)
- * Driving Range/Site Plan by Gill Design (page 6-8)
- * Spreadsheets of 5/4/11 Summary Cost Estimates and Revenue/Profit Projections (page 9-12)
- * 3 Design Proposals, with summary (page 13-42)
- * Public Feedback on the Master Plan (page 43-48)



1 CLUBHOUSE FLOOR PLAN
A1-0 SCALE: 1/8" = 1'-0" NORTH



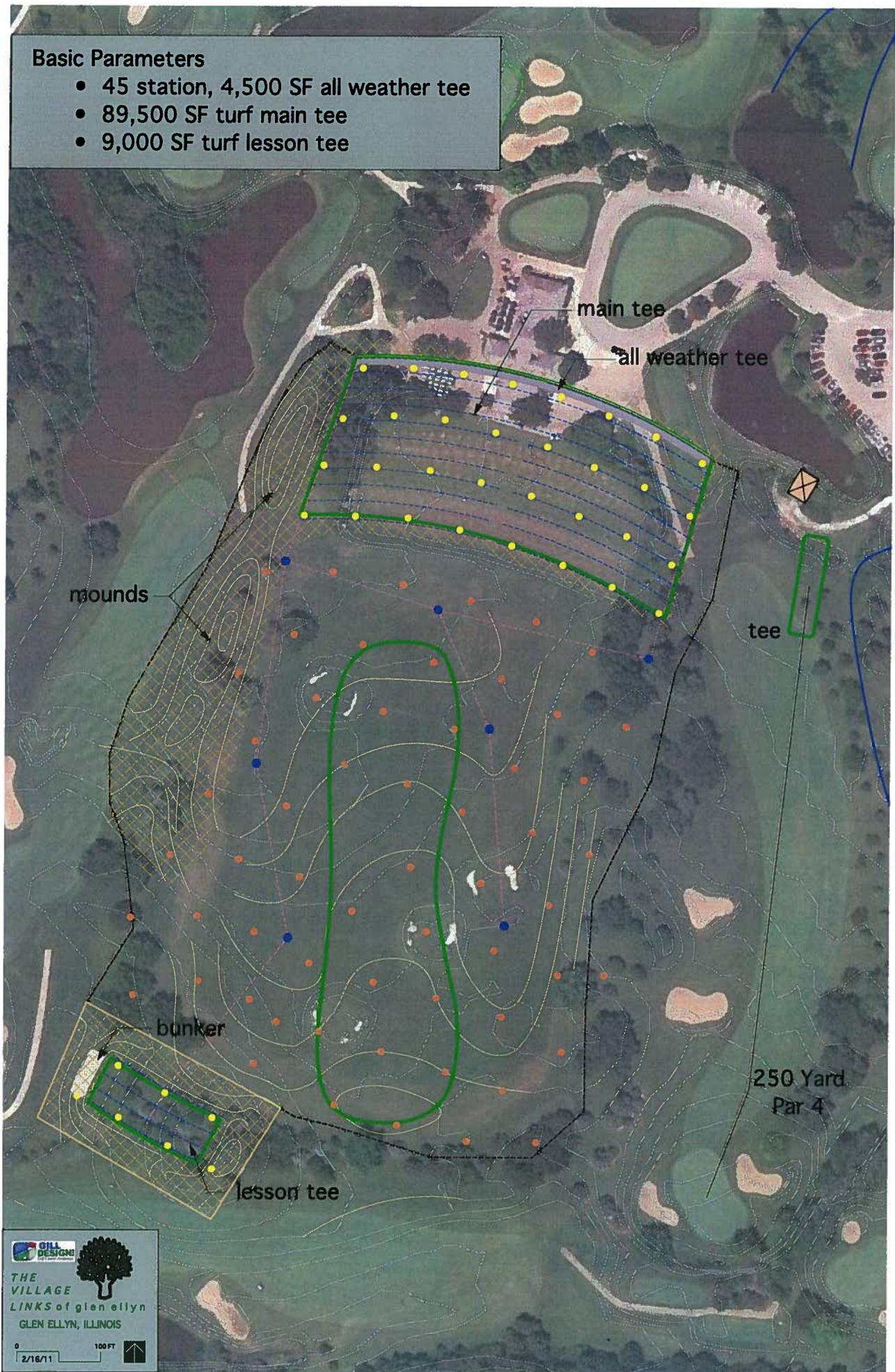
2 SITE PLAN
A1-0 SCALE: 1" = 40'-0" NORTH

VILLAGE OF GLEN ELLYN
VILLAGE LINKS CLUBHOUSE
485 WINCHELL WAY
GLEN ELLYN, ILLINOIS

architects
FLOOR PLAN/
SITE PLAN
A1-0

Basic Parameters

- 45 station, 4,500 SF all weather tee
- 89,500 SF turf main tee
- 9,000 SF turf lesson tee



mounds

main tee

all weather tee

tee

bunker

lesson tee

250 Yard
Par 4



THE VILLAGE
LINKS of glen ellyn
GLEN ELLYN, ILLINOIS

0 100 FT
2/16/11



11,100 SF
putting green

15 station all
weather tee

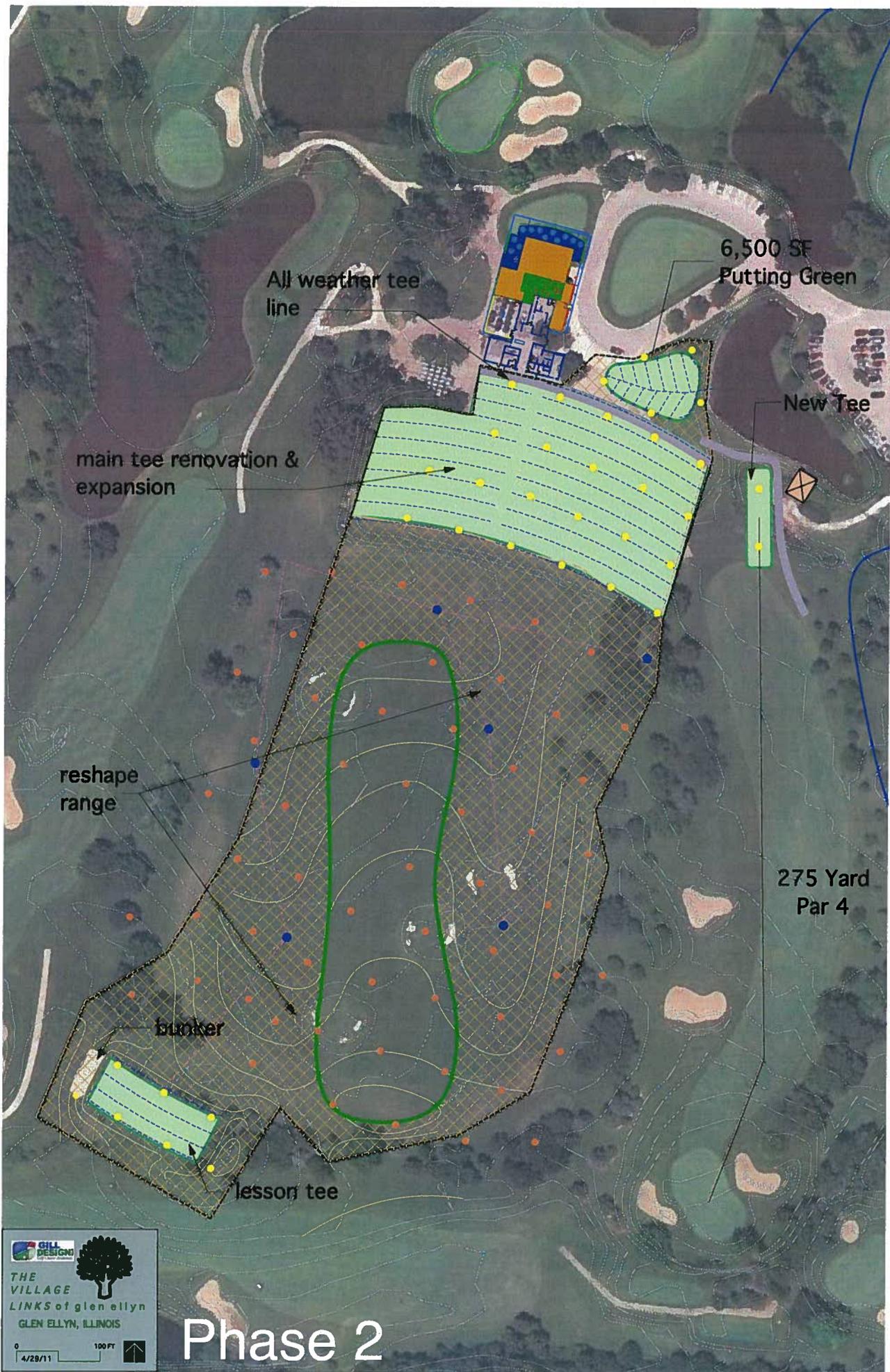
16,400 SF tee
expansion

mounds

 
THE VILLAGE
LINKS of glen ellyn
 GLEN ELLYN, ILLINOIS

0 100 FT 
 4/20/11

Phase 1



All weather tee line

6,500 SF Putting Green

New Tee

main tee renovation & expansion

reshape range

275 Yard Par 4

bunker

lesson tee

 
THE VILLAGE
LINKS of glen ellyn
GLEN ELLYN, ILLINOIS
0 100 FT
4/29/11

Phase 2

Village Links of Glen Ellyn
 Facility Master Plan Construction Cost Estimate
 updated May 4, 2011



Site Work - Estimate by V3	Quantity	Unit	Unit Cost	Cost
1.0 EARTHWORK				
1.01 Structural Fill Required Above Floodplain	600	CY		\$ -
1.02 Floodplain Fill Required	1,550	CY		\$ -
1.03 Cut To Fill (Structural Fill + (1.5 * Floodplain Fill))	2,925	CY	\$ 6.00	\$ 17,550.00
1.04 Erosion Control	1	LS	\$ 10,000.00	\$ 10,000.00
Subtotal Earthwork				\$ 27,550.00
2.0 UTILITIES				
2.01 6" Watermain, 6" Gate Valve	770	LF	\$ 35.00	\$ 26,950.00
2.02 Abandon Existing Watermain Service	1	LS	\$ 5,000.00	\$ 5,000.00
2.03 6" Sanitary Sewer, Pvc Sdr 26	200	LF	\$ 25.00	\$ 5,000.00
2.04 Parking Lot Lighting (Assuming 4 Poles Added)	1	LS	\$ 36,300.00	\$ 36,300.00
2.05 Electric Service (Remove/Abandon Existing & Provide New Service) Estimated by PPK & Staff				\$ 40,000.00
2.06 Telephone Service (Remove/Abandon Existing & Provide New Service) Estimated by PPK & Staff				\$ 9,000.00
2.07 Gas Service (Remove/Abandon Existing & Provide New Service) Estimated by PPK & Staff				\$ 15,000.00
Subtotal Utilities				\$ 137,250.00
3.0 PAVING				
3.01 Full Depth Pavement (4" Hma, 12" Aggregate)	500	SY	\$ 35.00	\$ 17,500.00
3.02 Mill & Resurfacing (2" Surface Course)	14,000	SY	\$ 15.00	\$ 210,000.00
3.03 Base Course Removal & Restoration	1,200	SY	\$ 25.00	\$ 30,000.00
3.04 Striping And Signage	1	SY	\$ 10,000.00	\$ 10,000.00
Subtotal Paving				\$ 267,500.00
Site Work Subtotal				\$ 432,300.00
Contingency - 20%				\$ 86,460.00
Soft Costs - 15%				\$ 64,845.00
Total Site Work				\$ 583,605.00

Additional Parking - Estimate by V3	Quantity	Unit	Unit Cost	Cost
1.0 Earthwork				
1.01 Structural Fill Required Above Floodplain	-	CY		\$ -
1.02 Floodplain Fill Required	6,000	CY		\$ -
1.03 Cut To Fill (Structural Fill + (1.5 * Floodplain Fill))	9,000	SY	\$ 6.00	\$ 54,000.00
1.04 Erosion Control	1	LS	\$ 5,000.00	\$ 5,000.00
Subtotal Earthwork				\$ 59,000.00
2.0 UTILITIES				
2.01 Parking Lot Lighting (Assuming 6 Poles Added)	1	LS	\$ 55,000.00	\$ 55,000.00
Subtotal Utilities				\$ 55,000.00
3.0 PAVING				
3.01 Full Depth Pavement (4" Hma, 12" Aggregate)	7,925	SY	\$ 35.00	\$ 277,375.00
3.02 Striping And Signage	1	LS	\$ 10,000.00	\$ 10,000.00
Subtotal Paving				\$ 287,375.00
Additional Parking Subtotal				\$ 401,375.00
Contingency - 20%				\$ 80,275.00
Soft Costs - 15%				\$ 60,206.25
Total Additional Parking				\$ 541,856.25

Golf Facilities - Estimate by Gill Design	Quantity	Unit	Unit Cost	Cost
1.0 - General				
1.01 Site silt fence	900	LF	\$ 3.50	\$ 3,150.00
1.02 Tree transplant	5	EA	\$ 150.00	\$ 750.00
1.03 Tree and stump removal	10	EA	\$ 250.00	\$ 2,500.00
1.04 Removals & salvage	1	LS	\$ 3,000.00	\$ 3,000.00
Sub-total General				\$ 9,400.00
2.0 - Excavation, Grading & Shaping				
2.01 Topsoil stripped & replaced	1,700	CY	\$ 2.50	\$ 4,250.00
2.02 Rough grading & shaping	7,500	CY	\$ 2.00	\$ 15,000.00
Sub-total Excavation, Grading & Shaping				\$ 19,250.00
3.0 - Drainage				
3.01 4" perforated pipe w/ gravel backfill	800	LF	\$ 5.50	\$ 4,400.00
3.02 6" perforated pipe w/ gravel backfill	135	LF	\$ 6.50	\$ 877.50
3.03 12" catch basin w/ grate	6	EA	\$ 300.00	\$ 1,800.00
3.04 24" catch basin w/ grate	1	EA	\$ 850.00	\$ 850.00
Sub-total Drainage				\$ 7,927.50
4.0 - Feature Construction				
4.01 Tee construction w/ 6" USGA mix	27,410	SF	\$ 1.25	\$ 34,262.50
4.02 Putting green (USGA construction method)	11,100	SF	\$ 5.00	\$ 55,500.00
4.03 Fairways and Roughs	2	AC	\$ 500.00	\$ 1,085.00
4.04 Bunker construction w/ 5" local bunker sand	-	SF	\$ 3.50	\$ -
Sub-total Feature Construction				\$ 90,847.50
5.0 - Irrigation				
5.01 60' Tee/green sprinkler w/ pipe, wire & controls	16	EA	\$ 900.00	\$ 14,400.00
5.02 80' Fairway sprinkler w/ pipe, wire & controls	-	EA	\$ 900.00	\$ -
Sub-total Irrigation				\$ 14,400.00
6.0 - Fine Grade, Seeding & Sodding				
6.01 Tee/green (bentgrass)	38,510	SF	\$ 0.12	\$ 4,621.20
6.02 Fairway (bentgrass)	-	SF	\$ 0.10	\$ -
6.03 Rough/disturbed (blue-fescue)	94,440	SF	\$ 0.08	\$ 7,555.20
6.04 Erosion fabric	90,440	SF	\$ 0.10	\$ 9,044.00
Sub-total Fine Grade, Seeding & Sodding				\$ 21,220.40
7.0 - Miscellaneous Amenities				
7.01 All weather tee (4" x 10' concrete)	1,565	SF	\$ 6.50	\$ 10,172.50
Sub-total Miscellaneous Amenities				\$ 10,172.50
Sub-total Golf Facilities				\$ 173,217.90
8.0 - Direct Project Costs				
9.01 Mobilization & Closeout	0			\$ 2,598.27
9.02 Contractor Project Administration	0			\$ 3,464.36
9.03 Contractor Bonds & Insurance	0			\$ 2,598.27
9.04 Contractor Permits & Testing	0			\$ 1,732.18
Sub-total Direct Project Costs				\$ 10,393.07
Total (General construction bid amount)				\$ 183,610.97
9.0 - Fees and Contingency				
Golf Course Design / Engineering	10%			\$ 18,361.10
Contingency	10%			\$ 18,361.10
Total				\$ 220,333.17

Buildings - Estimate by PPK Architects	Area SF	Cost/sf or Lump Sum	Total Cost plus 2012 Inflation
Clubhouse Addition	4,400	\$ 225.00	\$ 1,019,700.00
Clubhouse Renovation	1,100	\$ 150.00	\$ 169,950.00
Patio Structure	2,600	\$ 40.00	\$ 107,120.00
Kitchen Equipment		\$75,000.00	\$ 77,250.00
Bar		\$75,000.00	\$ 77,250.00
Site Paving - sidewalks, etc	25,000	\$ 6.50	\$ 167,375.00
Clubhouse SubTotal			\$ 1,618,645.00
Design Contingency - 20%			\$ 323,729.00
Fees - 7%			\$ 113,305.15
Clubhouse Estimated Cost			\$ 2,055,679.15

Undefined Items Estimate by Staff	Quantity	Unit	Unit Cost	Cost
Site Survey		LS		\$ 8,000.00
Covered Tee Structure - 160 LF, 15 spaces, with infra-red heaters and lighting	3,200	SF	\$ 50.00	\$ 160,000.00
Fixtures, Furnishings & Equipment for Clubhouse Addition (carpeting, tables/chairs, light fixtures etc)		LS		\$ 50,000.00
Replacement Scoreboard		LS		\$ 10,000.00
New Motor Cart Bullpen(s)	6,500	SF	\$ 6.50	\$ 42,250.00
New Cart Paths to #1 tee (18)	3,500	SF	\$ 6.50	\$ 22,750.00
Relocate Outdoor Beverage Cooler		LS		\$ 10,000.00
Relocate Trash Stockade		LS		\$ 5,000.00
Protective Fencing	350	LF	\$ 40.00	\$ 14,000.00
Landscaping - Installed		LS		\$ 25,000.00
Geo Thermal Grid				\$ 50,000.00
Electric Car Charging Stations				
Update Irrigation System Software		LS		\$ 5,000.00
Undefined Items Subtotal				\$ 394,000.00
Contingency - 20%				\$ 78,800.00
Undefined Items Estimated Cost				\$ 472,800.00

Phase 1 Construction Estimate Summary				
Site Work - Estimate by V3				\$ 583,605.00
Additional Parking - Estimate by V3				\$ 541,856.25
Golf Facilities - Estimate by Gill Design				\$ 220,333.17
Buildings - Estimate by PPK Architects				\$ 2,055,679.15
Undefined Items - Estimate by Staff				\$ 472,800.00
Phase 1 Construction Estimate				\$ 3,874,273.57

Phase 2 Items - Estimated by Staff - details to follow	Quantity	Unit	Unit Cost	Cost
Clubhouse Demolition		LS		\$ 50,000.00
New Pro Shop Addition	1,600	SF	\$ 250.00	\$ 400,000.00
Electric Service For Golf Carts		LS		\$ 200,000.00
Water Lines for Golf Carts	300	LF	\$ 35.00	\$ 10,500.00
Sewers for Golf Carts	270	LF	\$ 100.00	\$ 27,000.00
Cart Storage Structure - Open Air	6,500	SF	\$ 100.00	\$ 650,000.00
Covered Tee Structure - 220 LF, 20 spaces, with infra-red heaters and lighting	4,400	SF	\$ 50.00	\$ 220,000.00
9-hole starter station	50	SF	\$ 100.00	\$ 5,000.00
Driving Range Ball Wash/Store Room	200	SF	\$ 200.00	\$ 40,000.00
Driving Range Lights		LS		\$ 150,000.00
Rebuild Driving Range Tee	52,000	SF		
Expand Driving Range Tee to East	25,000	SF		
Golf Facilities - Estimate By Gill Design 4/29/11				\$ 454,594.25
Phase 2 Construction Estimate				\$ 2,207,094.25
Contingency - 20%				\$ 441,418.85
Design - 10%				\$ 220,709.43
Phase 2 Cost Estimate				\$ 2,869,222.53

Total Cost Estimate Phase 1 & Phase 2				\$ 6,743,496.09
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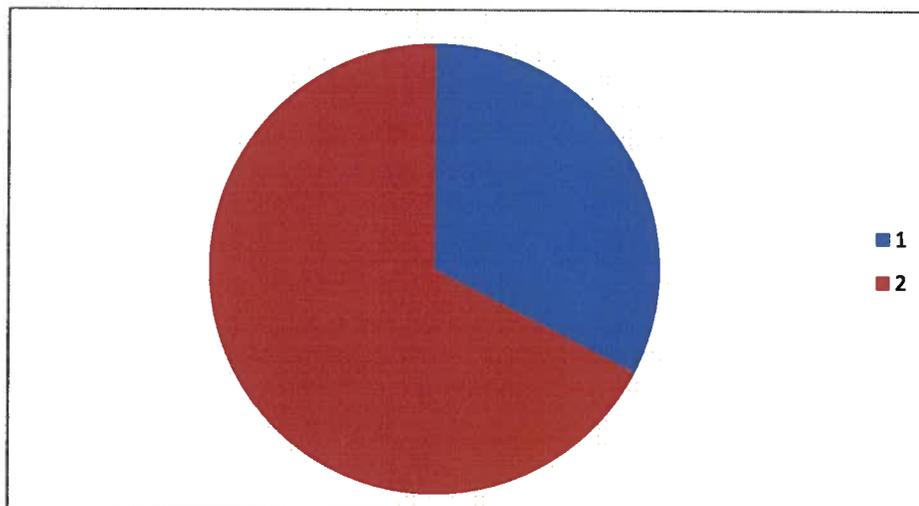
	Projected Annual Sales Increase	Annual Operating Expense Increase	Expense % (of Sales)	Net Profit
New Revenue/Profit - Estimated by Staff				
Bar	200,000	170,000	85%	30,000
Dining Room Remodeling - Food & Beverage	100,000	85,000	85%	15,000
Patio Remodeling - Food & Beverage	20,000	17,000	85%	3,000
Close In Parking Addition - Food & Beverage	120,000	102,000	85%	18,000
Hospitality Facility - Food & Beverage	70,000	56,000	80%	14,000
Driving Range Covered Tee Stations	10,000	5,000	50%	5,000
Improved Driving Range Tee	20,000	2,000	10%	18,000
Close In Parking Addition - Driving Range	10,000	1,000	10%	9,000
Hospitality Facility - Green Fees & Carts	100,000	20,000	20%	80,000
General Benefit - 3% Green Fees & Carts	60,000	6,000	10%	54,000
Total	\$ 710,000	\$ 464,000	65%	\$ 246,000

Subtotal - Food & Beverage	510,000	430,000	84%	80,000
Subtotal - Driving Range	40,000	8,000	20%	32,000
Subtotal - Green Fees & Carts	160,000	26,000	16%	134,000

2010 Food & Beverage Sales (Clubhouse & GEX)	373,000
2010 Driving Range Sales	202,000
2010 Green Fees & Cart Sales	2,100,000

Food & Beverage Sales - Projected Increase	137%
Driving Range Sales - Projected increase	20%
Green Fees & Cart Sales - Projected Increase	8%

\$ 80,000.00
\$ 166,000.00



Contingency - phase 1

\$ 587,625.10

Summary of Proposals from Architect/Engineers

6/9/2011

Golf Course Architect - Gill Design		
Final Development Plan	4,500	
Construction Documents	9,000	
Bid Process	1,800	
Construction Management	2,700	
Expenses	2,400	
Gill Design - Total	20,400	
contingency - 10%	2,000	
Gill Design - Total Not-To-Exceed		22,400
Building Architect - PPK		
<u>Clubhouse</u>		
Schematic Design	10,500	
Zoning Process	3,500	
Construction Documents	38,000	
Construction Administration	15,750	
<u>Driving Range Shelter</u>		
Schematic Design	1,500	
Construction Documents	4,500	
Construction Administration	750	
PPK Design Total	74,500	
contingency - 10%	7,500	
PPK - Total Not To Exceed		82,000
Engineer - V3		
Topographic Survey	15,900	
Wetland Engineering	4,800	
Stormwater Engineering	43,000	
Civil Engineering	32,000	
Lighting & Electrical Plans	8,000	
Bid and Construction Services	8,000	
Record Surveying	9,500	
V3 Design Total	121,200	
contingency	12,100	
V3 - Not-To-Exceed		133,300
Design Total - Three Firms	216,100	
contingency - 10%	21,600	
Design Total - Not-To-Exceed		237,700

Proposal of Golf Course Consultation Services for
**Village Links Phase 1 Driving
 Range Design & Consulting
 Services**
 Glen Ellyn, Illinois



Submitted to:
 Mr. Chris Pekarek
 The Village Links of Glen Ellyn
 490 Harding Avenue
 Glen Ellyn, IL 60137

Gill Design, Inc.

Q U O T A T I O N

Garrett Gill, ASGCA
 Gill Design, Inc.
 122 North 2nd Street
 River Falls, WI 54022 USA

Quotation #: GDI 11-0606
 Date: June 6, 2011
 Customer ID: VL) Phase 1 Services

Your Order #	Our Order #	Sales Rep.	FOB	Ship Via	Terms	GDI Tax ID/FEIN	Proposed Shipping Date
	GDI 11-0606	Garrett Gill		Electronic/PDF	Net 30	39-1839622	At clients request

Part	Item	Units	Description	Unit Price	Total
1	Design & Consultation Services	10% of the approved budget for which GDI is accountable. Estimated budget at this time is \$180,000	Part 1: Final Development Plan -- Meet, discuss and review project with staff. Based on approved Phase 1 Plan, dated 4/20/11 prepare Final Development Plan & update cost estimate. (1 trip estimated)	25% of Fee: \$4,500	\$4,500.00
			Part 2: Construction Documents -- Based on approved Final Development Plan, prepared working drawings, specifications and bid documents. Coordinate work with Owner and other consultant work. Coordinate with expected Phase 2 plan dated 04/29/11	50% of Fee: \$9,000	\$9,000.00
			Part 3: Bidding -- Assist in placing project out to bid, participate in pre-bid meeting, clarify and respond to bidder questions, review and make recommendation on award of bid. Revise plans to create construction set. (1 trip estimated)	10% of Fee: \$1,800	\$1,800.00
			Part 4: Construction Observation -- Conduct site visits and prepared progress reports at various stages of construction to ascertain status of work and compliance with plans and specifications. Review applications for payment. Prepare substantial completion punch list. Review work for Final Acceptance. (4 trips estimated)	15% of Fee: \$2,700	\$2,700.00
4	Expenses	Per trip, estimated 6 trips	Expenses include mileage, lodging & meals. Printing & reproduction at cost.	\$400 per trip	\$2,400.00

Quotation valid for 30 days.
 Quotation prepared by:

Garrett Gill, President

Tax	na
Shipping	electronic
Expenses estimate	included
Estimated Total	\$20,400.00

This is a quotation on the services provided, subject to the conditions noted below:

Golf design and consultation services are only for the services listed above. Any other work outside of identified services will be billed as additional work on a hourly basis. Design services exclude irrigation design or other previously completed or to be completed work by client's architects, engineers, land surveyors, soils consultants or any other service or designs requiring licensure of or by registered architects, engineers, or land surveyors.

Fees are presented on the basis of fixed fee and/or hourly rates with a not to exceed maximum amount. Hourly rates for this project are as follows: Principal @ \$135.00/hour; Design Associate@ \$95.00/ hour; Manager/clerical@ \$65.00/hour.

Direct project expenses, such as travel expenses, sales & use taxes, permit fees, printing, specialized graphics, surveying and the services of other specialized consultants or engineers, as approved by the Owner would be billed at cost.

To accept this quotation sign here and return one copy to Gill Design, Inc.

Date: _____





June 2, 2011

Mr. Matt Pekarek
Village Links Golf Course
485 Winchell Way
Glen Ellyn, IL 60137

Re: Architectural / Engineering Services Fee Proposal
Clubhouse Renovation / Site Design

Dear Matt,

PPK Architects Ltd. is pleased to submit the following proposal for A/E Services related to the design of a clubhouse expansion and the related site design of support components; Driving Range/ Covered Tee Structure, parking lot expansion and coordination with site utilities and storm water management revisions.

PPK Architects has completed several projects with the Village Links Golf Course and the Maintenance Facility. We are very familiar with the challenges that exist at the Village Links and the part that the golf course plays in storm water management for the Village of Glen Ellyn. PPK is very familiar with the local storm water ordinance and has designed several projects at the Village Links that have provided full compliance with storm water requirements and not reduced the effectiveness of the proposed projects.

PPK has a long history of renovation projects and was the Architect for the Clubhouse expansion in 1984 which included the current Kitchen and dining area. Our experience in leading design projects will also be very valuable to the Staff in coordinating the required design alterations for related alterations to supporting areas adjacent to the clubhouse.

This proposal has been prepared based on the existing information provided and the outlined scope of work and the program requirements included in the RFP.

A more detailed scope of work is as follows:

PROJECT ASSUMPTIONS

Our proposal was prepared based on the following assumptions:

1. The design shall be based on the existing documentation provided by the owner and in archives of PPK Architects. PPK shall field verify the accuracy of such documents in the initial design phase.
2. PPK assumes the program to be as outline in the attached design concept sketch with minor modifications and shall be a single story structure without lower level space.
3. VL will provide PPK with updated survey information and be responsible for the completion of all storm water management/ grading/ utility engineering or shall provide such engineering services under separate contract. PPK shall coordinate the A/E building design with such engineering consultants.
4. PPK shall assist the Village Links in the preparation, submission and presentation of the

- proposed development to the Village of Glen Ellyn for zoning approval.
5. PPK affirms that Craig R. Pryde, Principal is also a member of the Capital Improvements Commission and shall not participate in any discussion of the project is so presented to the CIC. Mr. Pryde has informed the Village Manager of his position and has complied with the Village of Glen Ellyn Ethics Ordinance regarding this project.
 6. PPK shall not be responsible for the specification of any kitchen equipment or planning of any kitchen layout modifications. PPK shall coordinate efforts with the VL Kitchen consultant if such a condition arises.

SCOPE OF WORK

It is understood by PPK that the scope of work for this project is as outlined below.

Schematic Design

1. PPK shall prepare schematic design documents of the program concept for this area to confirm the size of all areas and compliance with ADA guidelines and storm water ordinance requirements, including flood plain requirements.
2. PPK shall also prepare a concept design for Phase 2 of the Clubhouse Expansion that will provide a new Pro Shop/ Office area and demolish the original building (southern portion including existing toilets and locker areas).
3. Design meetings with local authorities to review concepts and make modifications to concept designs in order to clarify/ confirm zoning requirements and/or planned development requirements prior to submission.
4. Furniture layouts for dining area seating shall be confirmed by the owner.
5. PPK shall prepare a 3D model of the proposed design for review and approval.

Zoning Review/ Approval Process

6. PPK shall assist the VL in preparing the application package for the Planned Development submission that will be required due to the size and nature of this project.
7. PPK shall present the project design and design characteristics to the Village Board/Commissions during this process and revise any submittal information as a result of such meetings throughout the process.

Construction Documents/ Bid/ Permit Review

8. PPK shall prepare permit/ bid documents for review and approval of the Owner prior to distribution for bid pricing. PPK will issue a set for review at 95% and issue 100% documents after incorporating final Owner review comments. PPK shall meet with the Owner to review the bid documents prior to bidding for general construction.
9. PPK shall assist the Owner in submitting the project for permit review/ approval to authority having jurisdiction over this project and respond to permit comments as required.
10. PPK shall assist the Owner in the bidding process and support the process by providing copies of the drawings and specifications to bidding contractors.
11. PPK shall prepare and issue any Addendums during the bidding process and reply to Contractor RFI's (Request for Information).
12. PPK shall review the submitted bid proposals with the VL Staff and make a recommendation of the lowest responsive bidder to the VL Staff.

Construction Administration

13. PPK and it's consultants shall review all required shop drawings related to the construction documents.
14. PPK shall make site visits during construction to observe the progress and compliance with the construction documents, including a final punch list inspection at the completion of the project as requested by PE or the government agency and such site visits shall be an additional expense to the contract.
15. PPK shall review and certify contractor payment requests during the construction phase of the project.
16. PPK shall prepare and issue any required Bulletins or ASI's (Architect's Supplemental Instructions) during the construction phase of the project
17. PPK shall complete a punch list of items to be corrected or addressed at the completion of the project.

Project Team

PPK will be the Architect of Record for the project and shall hire the following consulting engineering firms to complete this project;

Structural Engineering

TGRWA - Chicago, IL

Mr. Kevin Wilson, Principal - PE.

M/ E/ P/ Life Safety Engineers

W-T Engineering - Hoffman Estates, IL

Mr. Steve Triphahn, Principal - PE

PROJECT SCHEDULE

PPK estimates the following project work effort schedule based on the scope of work:

Schematic Design	3-4 weeks
Zoning approval	6 months
Construction Documents	4-6 weeks
Bidding/Permit/ IDPH	3-4 weeks
Construction Admin	TBD

The schedule outlined is for project work by PPK and engineering consultants and does not include any review time by the Owner or government agencies.

COMPENSATION

PPK shall be paid a lump sum fee of **Seventy Four Thousand Five Hundred dollars (\$74,500.00)** plus the cost of reimbursable expenses related to the project.

Fee breakdown:

Clubhouse

Schematic Design	\$ 10,500
Zoning Process	\$ 3,500
Construction Documents	\$ 38,000
Construction Administration	<u>\$ 15,750</u>
	\$ 67,750

Driving Range Shelter

Schematic Design	\$ 1,500
Zoning Process	\$ Inc in Clubhouse Fee
Construction Documents	\$ 4,500
Construction Admin	<u>\$ 750</u>
	\$ 6,750

This fee can be adjusted by phase to match the required project schedule/ phasing plan if necessary.

PPK shall invoice monthly based on the percent complete for each task and for reimbursable expenses at 1.15 times the costs of project related expenses.

Additional Services

Should PPK be required or directed by the Owner to provide services beyond those indicated in this proposal or the scope of work shall change or be revised, PPK shall invoice the Owner for such services at the hourly rates included in this proposal or a negotiated fixed fee.

PPK Architects - 2011 BILLING RATE SCHEDULE

Principal	\$175.00 per hour
Project Architect / Project Manager	\$125.00 per hour
Intern Architect I	\$100.00 per hour
Clerical	\$50.00 per hour

Please note that billing rates are subject to modification on the first business day of each calendar year.

**Village Links Clubhouse Expansion
Mr. Matt Pekarek
A/E Fee Proposal**

**PPK Architects Ltd.
June 2, 2011
Page 5**

Matt, I thank you for considering PPK for this project. Should you have any questions regarding this proposal or the scope of services described within, please contact me.

Sincerely,
PERKINS PRYDE + KENNEDY ARCHITECTS LTD.



Craig R. Pryde, AIA LEED AP
Principal

ACCEPTANCE / AUTHORIZATION

I hereby accept this proposal and PPK is authorized to begin work, secure consultant contracts and incur expenses related to this project. PPK is also authorized to coordinate an initial project meeting with the local authorities on behalf of the Owner.

Accepted by

Title

Date



June 6, 2011

Mr. Chris Pekarek
Village Links of Glen Ellyn
490 Harding Avenue
Glen Ellyn, Illinois 60137

Re: Proposal for Professional Services
Village Links of Glen Ellyn – Clubhouse Renovations
Glen Ellyn, Illinois

Dear Mr. Pekarek:

On behalf of V3 Companies, Ltd., we are pleased to submit this proposal for Professional Services on the above-referenced project. If you find this proposal to be acceptable, the executed copies of this letter, together with the General Terms and Conditions attached hereto, which set forth the contractual elements of this agreement, will constitute an agreement between The Village Links of Glen Ellyn (CLIENT) and V3 Companies, Ltd. (V3) for services on this project.

Project Understanding

The subject property is located on Harding Avenue in Glen Ellyn, Illinois. Conceptual Plans have been developed for an expanded clubhouse and driving range. Other planned improvements include:

- Addition of a parking lot where the putting green currently exists on the east side of the building.
- Parking lot renovation and lighting.
- Patio off the north end of the expanded building.
- Relocation of the first tee of the nine hole course.
- Cart storage buildings.
- Earthwork consisting of filling proposed development areas and excavating other areas to compensate for floodplain impacts resulting from the proposed activities.

Many of the listed improvements are planned for Phase 2. However, it is anticipated that the majority of the site work will be completed in Phase 1. This is necessary to facilitate permits and to minimize disruption to the golf operations.

The on-site public and private improvements required to develop the property for which professional services will be needed are expected to include: grading improvements for the expanded clubhouse, driving range and parking lot; sanitary sewer service extensions, water service extensions; storm sewer system; improvements to the existing ponds to compensate for floodplain impacts and to provide for the stormwater impacts that result from development activities; site drainage and erosion/sedimentation control; driveways, parking lots, sidewalks, and parking lot lighting.

Details for the Scope of Services to be provided are described in the attached Scope Exhibits.

Compensation

<u>Service</u>	<u>Scope Exhibit</u>	<u>Lump Sum Fee</u>
Topographic Survey	A	\$15,900
Wetland Delineation Assessment & Report	B	\$3,000
DuPage County Field Verification	B	\$800
Wetland Meetings	B	\$1,000 ¹
Floodplain Analysis	C	\$6,000
Stormwater Management	C	\$4,000
Municipal Stormwater Submittals	C	\$5,000
IDNR-OWR Floodway Construction Permit	C	\$2,000
FEMA LOMR-F	C	\$9,000
Alternate 1 - Hydrologic & Hydraulic Modeling	C	\$12,000 ²
Alternate 2 - DuPage County Floodway Permit	C	\$5,000 ²
Site Civil Design Services	D	\$32,000
Site Lighting and Electrical Plans	E	\$8,000
Bid and Construction Phase Engineering Services	F	\$8,000
Record Surveying Services	G	\$9,500
Total Professional Services Fees		\$121,200

If Additional Services are required, V3 shall be paid a fee based on the actual hours expended multiplied by V3's Billing Rate Schedule or other negotiated fee.

In addition to the professional services fees set forth above, V3 shall be compensated for 110% of reimbursable expenses such as printing, postage, messenger service, travel and other similar, project-related items.

¹ Fee indicated is a budgetary amount. Actual fee shall be based on the actual hours expended multiplied by V3's billing rates.

² Lump sum fee if it is determined that this service is required.

Chris Pekarek
The Village Links of Glen Ellyn
June 6, 2011
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CLIENT will be invoiced monthly for professional services and reimbursable expenses. The above financial arrangements are on the basis of prompt payment of invoices and the orderly and continuous progress of the Project through construction.

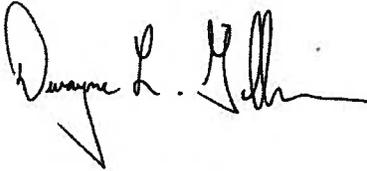
Miscellaneous Contractual Items

This agreement, together with the General Terms and Conditions represents the entire understanding between CLIENT and V3. If the terms of this agreement are found to be satisfactory please sign this agreement in the space provided below and return one copy to our office.

V3 will initiate its services promptly upon receipt of CLIENT's acceptance of this proposal.

We appreciate the opportunity to present this proposal to The Village Links of Glen Ellyn and look forward to working with you on this project.

Sincerely,
V3 COMPANIES, LTD.



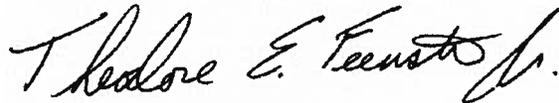
Dwayne Gillian, P.E.
Senior Project Manager

Accepted For:
THE VILLAGE LINKS OF GLEN ELLYN

BY: _____

TITLE: _____

DATE: _____



Theodore E. Feenstra, Jr., P.E.
Director of Land Development

Attachments

Extent of Agreement

V3 Billing Rate Schedule

V3 Companies General Terms and Conditions

EXHIBIT A
Topographic Survey

Description of Survey Area

The property to be surveyed is a portion of the Village Links Golf Course, located in Glen Ellyn, Illinois. The area to be topographically surveyed (Survey Area/Topo Limits) shall include that portion of the property as shown in the exhibit below.



Product

1. Survey will be a CAD-generated topographic survey oriented with north to the top or right.
2. Survey will show general notes, a north arrow, graphic scale, vicinity map, brief legal, and legend of all potential symbols.
3. Scale of survey will be as necessary to show all topographic information in a clear and legible manner or as requested by the CLIENT prior to commencement of survey work.

Description of Services

A. Topography

1. Record a minimum of two permanent benchmarks at the site. Elevations will be referenced to a datum commonly used at the site. Typical datum's used are the National Geodetic Vertical Datum of 1929 (NGVD29), and the North American Vertical Datum of 1988 (NAVD88). If an assumed local or other datum is used, an equation relating said datum to NGVD, or NAVD may be indicated on the survey. Description of location and elevation of the source benchmark to which the topographic surveying and site benchmark's are tied to, will be indicated on the survey.
2. A contour survey with 1'-0" contour intervals will be prepared from field spot elevations. Spot elevations obtained in the field will be of sufficient quantity to generate a contour survey, which properly represents the ground surface. Additional elevations will be indicated on the survey as required to establish accurate profiles (including all changes or breaks in grade) and cross-sections of walks, curbs, gutter, pavement edges, and centerlines.
3. Finished floor or top of foundation elevation(s) of existing buildings within the Survey Area.
4. Spot elevations will be shown to the nearest 0.01 foot on all "hard surfaces" and utility structures. Spot elevations in unpaved areas such as grass and dirt shall be accurate to the nearest 0.1 foot.
5. Pavement types such as concrete, asphaltic concrete, gravel, etc. shall be depicted.
6. Existing improvements, buildings, and surface features shall be located.
7. Individual trees of 4" diameter or greater (callipered 4'± above the ground) shall be tagged and located within one foot tolerance. Where trees are closely grouped, the perimeter outline only of the tree grove will be shown.
8. Mean elevations of water in retention ponds, lakes, or streams will be shown as depicted at the time the survey field work was conducted. Bathometric services are not included.
9. Top of curb, flow line, and edge of pavement elevations of all roadways and streets within the survey area.
10. Roadway striping of all roadways and streets within the survey area.
11. Wetland flags, if present, shall be located. A sketch shall be provided by V3 wetland staff showing the approximate shape, location and point range of each wetland before any field work is started.

B. Utilities

The Topographic Survey will incorporate information on existing utility systems adjoining or contained within the Survey Area which are obtained from village/city departments or utility companies responding to written or verbal requests for utility records through the Joint Utility Locating Information for Excavators (J.U.L.I.E.) Design Stage/Planning Information Process and available for V3's use at the time of the survey. Records or Atlas information that is provided to V3 after completion of the survey can be provided to the CLIENT or engineer.

Field markings by J.U.L.I.E. members, which are coordinated by others, shall be shown on the survey if present and practical at the time of survey.

Private utility markings and locations are not included herein. This service can be coordinated with a private utility contractor for an additional fee.

The following list contains typical information provided for the specific utilities located which are above ground and visible at the time of the survey. Snow cover, earth or construction debris covering typically above ground structures may not be located.

1. Sanitary and Storm Sewers: Size, type and direction of pipes; rim and invert elevations. Location of manholes, inlets, catch basins, and end sections.
2. Water Mains: Size, type and direction of pipes, top of pipe elevations, location of valves and hydrants.
3. Gas Mains: Location of valves and mains if marked in the field at the time of the survey.
4. Telephone, Electric, and Cable TV pedestals and transformers.
5. Traffic and Street Light poles and cables if marked in the field at the time of the survey.
6. Visible evidence of field tiles or those marked in the field at the time of the survey.
7. Other utilities not listed above and occurring within the Survey Area will be shown in a similar manner.

Utilities and improvements shall be shown based on visible field verified structures, in coordination with atlas information provided by utility companies through J.U.L.I.E.'s design stage process, if available. V3 shall only show underground utility lines between structures that are located in the field and appear to be connected. In areas where structures are not shown connected, V3 recommends that the CLIENT contract a specialist to perform a die test or other sub terrain exploratory test.

Chris Pekarek
The Village Links of Glen Ellyn
June 6, 2011
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Miscellaneous Contractual Items

The foregoing Topographic Survey shall not constitute a Boundary Survey. Boundary information may be referenced on the Topographic Survey, if such information is provided in a timely manner by CLIENT.

V3 will initiate its services promptly upon receipt of CLIENT's acceptance of this proposal and anticipates completing said services within four to five weeks from the Notice-to-Proceed, weather permitting.

EXHIBIT B

Wetland Delineation Services

The following services will be performed to provide you with information on the location, quality, and extent of wetlands or other jurisdiction areas present on the referenced property. The project area to be evaluated includes four ponds and adjacent areas on the golf course.

1. **Wetland Delineation.** A botanist, ecologist, and/or soil scientist from our Natural Resources Division will conduct a field investigation to locate and delineate wetlands in accordance with the *Regional Supplement to the Corps of Engineers Wetlands Delineation Manual: Midwest Region*. The limits of delineated wetlands/Waters of the U.S. will be staked in the field, and approximate boundaries will be mapped on a recent large-scale aerial photograph, based on our field assessment of the vegetation, soils and hydrology at the site. Off-site wetlands/Waters of the U.S. within 100 feet of the property will also be identified in accordance with the requirements of the DuPage County Countywide Stormwater and Floodplain Ordinance (Ordinance). The limits of any on-site and off-site wetland/Waters of the U.S. will be located using a hand-help GPS unit. The staked boundaries will be surveyed by V3's Survey Division, as described in Topographic Survey Scope of Services.
2. **Wetland Assessment.** If wetlands are delineated on the property, a wetland assessment is required by the U.S. Army Corps of Engineers, Chicago District (ACOE) and the Village of Glen Ellyn or DuPage County Department of Economic Development and Planning. Wetland assessment involves an evaluation of wetland characteristics, including wildlife habitat quality, the presence of threatened and endangered species, water quality functions, and plant community quality. As part of the wetland assessment, record inquiry letters or forms will be submitted to the Illinois Department of Natural Resources and the U.S. Fish and Wildlife Service regarding information on threatened and endangered species. Wetland Assessment also includes a preliminary jurisdictional determination for isolated or adjacent wetland³. Delineated wetlands will be rated as Regulatory or Critical in accordance with the Ordinance. Generally, impacts to wetlands classified as Critical require mitigation at a ratio of 3:1, while impacts to Regulatory wetlands require a 1.5:1 mitigation ratio.
3. **Wetland Delineation Technical Report.** A wetland report will be provided with the results of our field investigation, including the location and approximate size of wetlands present, a wetland quality evaluation, a Floristic Quality Assessment (FQA), and the wetland assessment. Floristic inventories and detailed soil classification data for each area investigated will be provided in the report. Areas determined to be wetland on the property will be shown on a recent, large-scale aerial photo exhibit. ACOE and DuPage County wetland permitting and/or mitigation requirements will be addressed in the report. The wetland report also will contain detailed technical documentation suitable for review and approval by the ACOE and DuPage County.

³ December 2, 2008, USEPA and Department of the Army Joint Memorandum, Clean Water Act Jurisdiction Following the U. S. Supreme Court Decision in *Rapanos v. United States* and *Carabell v. United States*.

4. **DuPage County Economic Development & Planning Field Verification and U.S. Army Corps of Engineers Jurisdictional Determination Request.** The DuPage County Economic Development & Planning Division will require a field verification of all delineated wetlands before acceptance of any development plans for a property. V3 will coordinate and attend this verification with the appropriate County personnel. If required, V3 will also prepare and submit a wetland jurisdictional determination request to the ACOE. The jurisdictional determination request requires a full wetland delineation technical report, so this may not be made until the report is available.
5. **Wetland Meetings.** V3 will participate in up to two meetings with CLIENT and public bodies, if required. It is anticipated that attendance may be required at one pre-application meeting with DuPage County to discuss the findings of the wetland delineation and one meeting with the CLIENT to discuss the project components and related permitting issues. Attendance at meetings will be invoiced on an hourly basis based on the actual hours expended for preparation and attendance at requested meetings.

Excluded Services

The following services are excluded from the current scope of services, but can be provided at an additional cost under a separate agreement. These services may be necessary if a permit from the US Army Corps of Engineers or DuPage County is required.

- Permit Application Submittal and Coordination
- Wetland Mitigation or Best Management Practices Design or Coordination

Schedule

We are available to conduct the wetland delineation within one week of receipt of notice to proceed, subject to weather conditions. Within two working days of completion of the field investigation, we will provide an exhibit showing the approximate location of the staked wetlands. Wetland Verification will be conducted with DuPage County Economic Development & Planning as soon as possible after the initial field investigation. A wetland boundary survey will be required for any projects needing a wetland permit, but it is recommended that any survey work follow the wetland verification in the event there are minor adjustments. If a survey will be conducted, plans showing the surveyed wetland boundaries should be provided to our office for our review and use in the final wetland report (if applicable). A preliminary wetland report will be available, upon request, two weeks following fieldwork completion. The final wetland report will be provided within two weeks of receipt of the following items:

1. Final surveyed wetland boundary (if applicable),
2. A response from the Illinois Department of Natural Resources (IDNR) and the US Fish and Wildlife Service (US FWS) concerning endangered and threatened species.

Chris Pekarek
The Village Links of Glen Ellyn
June 6, 2011
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Delineation Notes

The information provided by V3 regarding wetland boundaries is based on an interpretation of the three criteria that define wetlands (vegetation, soils, and hydrology) at the time the wetlands are delineated. V3 provides the best information available at the time of the delineation, but factors beyond our control may outwardly change the nature or the extent of wetlands on a site.

The ultimate decision on wetland boundaries rests with DuPage County, and in some cases, the federal government. As a result, there may be adjustments to boundaries based upon review by a regulatory agency. An agency determination can vary from time to time depending on many factors, including but not limited to, the experience of the agency representative making the determination and the time of year. In addition, the physical characteristics of the site can change with time, depending on the weather, vegetation patterns, drainage, activities on adjacent parcels, or other events.

EXHIBIT C

Floodplain Analysis, Design & Permitting Services

Based on the Flood Insurance Rate Maps (FIRM) issued for this area by the Federal Emergency Management Agency (FEMA), the subject property contains mapped floodplain/floodway associated with the Flooding Source referenced above. A detailed floodplain analysis for the subject property will need to be performed. Therefore, it is anticipated that the following services will be required.

1. Floodplain Analysis

- a. V3 will contact the Municipality, County, Illinois Department of Natural Resources – Office of Water Resources (IDNR-OWR), Illinois State Water Survey and FEMA to obtain any existing hydrologic and/or hydraulic modeling for the Flooding Source in the vicinity of the subject property. It is our understanding that an existing FEQ model exists and is maintained by DuPage County Stormwater. V3 will review the existing modeling information to determine the 10-year and 100-year floodplain elevations for the site.
- b. If no regulatory data is available, or the 100-year elevation for the site is not accepted by the Municipality and FEMA, then V3 shall establish the floodplain elevations under Alternate 1 below.
- c. Using the existing floodplain elevations for the site, V3 shall establish the 10-year and 100-year floodplain boundaries for purposes of determining the cut and fill volumes on the site for compensatory volume purposes.
- d. V3 shall prepare the existing conditions floodplain information in sufficient detail to be incorporated into permit submittals for approval of the proposed improvements.
- e. V3 shall prepare the proposed conditions compensatory storage analysis to be incorporated into permit submittals for approval of the proposed improvements within the floodplain. The proposed floodplain analysis shall be prepared based on the existing conditions floodplain analysis and the proposed final grading, utilities and stormwater management.
- f. V3 will recommend minor site plan and grading changes, if necessary, in accordance with the floodplain impacts due to the proposed improvements. If additional site plan changes are made after the initial floodplain calculations are performed, the services associated with these changes will be considered an additional service to the contract.

2. Stormwater Management

V3 shall evaluate the stormwater volume required for the proposed improvements and design stormwater management facilities accordingly. It is anticipated that the stormwater facilities and compensatory storage areas will be combined because the entire development area is within the 100-year floodplain. The compensatory storage and stormwater management calculations and associated documentations will be provided in sufficient detail to be incorporated into the stormwater submittals for the Municipality approval.

3. Municipal Stormwater Submittals

V3 shall provide the necessary calculations and documentation for submittal to the Municipality referenced above. It is understood that Glen Ellyn is a Full Waiver community and no permit submittal will be required to DuPage County. If one is required, those services will be provided as an additional service under a separate agreement. V3 will assist CLIENT in obtaining approvals for proposed construction activities to be performed in the floodplain/floodway based on the existing and proposed floodplain and stormwater analyses. This documentation shall include the delineation of the existing and proposed floodplain/floodway on the subject property, stormwater management calculations and compensatory storage calculations associated with fill and excavation work to be performed in the floodplain/floodway.

4. IDNR-OWR Floodway Construction Permit

The mapped Zone A Flood Hazard Area as referenced above associated with the Flooding Source has more than one square mile of tributary drainage area, therefore, IDNR-OWR considers the floodplain to be the regulatory floodway. Any modifications to the floodplain/floodway require a Floodway Construction Permit from IDNR-OWR. Because the subject development area is a depressional floodplain, it is anticipated that a regulatory floodway will not be defined and that IDNR-OWR will maintain the review in-house. V3 will assist the CLIENT in obtaining a Floodway Construction Permit for the proposed improvements. If IDNR-OWR delegates floodway review requirements to DuPage County, those additional services will be provided under Alternate 2 below.

5. FEMA LOMR-F

- a. V3 shall provide the necessary exhibits and Letter of Map Revision (LOMR-F) based on Fill supporting documentation for submittal to the Municipality and FEMA. This package will be prepared based on the necessary certified Record Grading Survey (to be completed by V3) depicting field verified elevations for improvements impacting the floodplain/floodway and fill certification (provided by the CLIENT and selected contractor). The above-mentioned Record Grading Survey drawings shall be certified by a Professional Licensed Land Surveyor. V3 shall assist the CLIENT in obtaining a signature from the Municipality on the Overview and Concurrence form, which is required for submittal to FEMA.

- b. The LOMR-F submittal does not include additional floodplain modeling as the result of differences between the proposed floodplain modifications and as-built floodplain modifications. The services associated with as-built modeling would be considered as an additional service to the contract.

6. Alternate 1 – Hydrologic & Hydraulic Modeling

The Municipality and FEMA may require additional modeling in order to define the regulatory base flood elevation for the Zone A floodplain that exists on the site. V3 shall establish existing discharge rates using computer programs such as TR-20 or HEC-HMS with an event hydrograph methodology. Using the discharge rates obtained through hydrologic computation, V3 shall establish base flood elevations on the Flooding Source within the limits of the property using computer programs such as HEC-2 or HEC-RAS with backwater calculation methodology. The downstream limit of the hydraulic analysis will be determined by significant structures or features of the Flooding Source. The upstream limit of the hydraulic analysis shall be just past the upstream limit of the subject property.

7. Alternate 2 – DuPage County Floodway Construction Permit

If the regulatory authority for the Floodway Construction Permit is delegated from IDNR-OWR to DuPage County, then additional services will be required to determine the floodway boundaries for the project. Based on the Hydrologic and Hydraulic modeling completed under Alternate 1, V3 will define a Floodway Boundary for the Flooding Source through the subject property.

EXHIBIT D

Site Civil Design Services

After authorization to proceed with the final design, V3 shall:

1. Serve as CLIENT's civil engineering representative for the project and provide professional engineering consultation and advice. V3 will participate in up to eight meetings with Owner, CLIENT, and public bodies to assist in securing approvals for the project. Additional meetings will be invoiced as an Additional Service.
2. Based on the proposed land plan and the Topographic Base Sheet, prepare final drawings and specifications to show the character and scope of work to be performed by Contractors on the project which shall include the following infrastructure components:
 - a. Mass earthwork; final grading and drainage, and; erosion and sedimentation control measures.
 - b. Sanitary sewer service.
 - c. Storm sewer system.
 - d. Water service system to the building.
 - e. Pavement for parking lots and sidewalks.
3. The Construction Documents are expected to include the following:
 - a. Site Demolition Plan indicating those site related items to be removed or abandoned for the proposed development.
 - b. Site Layout and Paving Plan showing property lines, setbacks, dimensions and general geometry of building, walkways, at-grade parking lots, driveways and open areas, as well as sections and details for proposed driveways, parking lots and walkways.
 - c. Site Erosion Control Plan indicating the temporary and permanent erosion control measures.
 - d. Site Grading Plan showing floor elevations, parking lot, driveway and walkway elevations, site berming and open area grading.
 - e. Erosion Control Plan indicating the temporary and permanent erosion control measures in accordance with the IEPA and municipality requirements.
 - f. Site Utility Plan to include sanitary sewer service, water service, and storm sewer systems. V3 will coordinate these systems with information provided by the

CLIENT concerning mechanical, electrical, and plumbing installations and with ComEd, AT&T, and Nicor Gas services.

- g. Details, Technical Specifications and General Notes required to provide appropriate information to construct the proposed site improvements.
4. Prepare storm sewer sizing calculations in accordance with the requirements of the local municipality and the DuPage County Stormwater Management Ordinance.
5. Prepare a Stormwater Pollution Prevention Plan (SWPPP) indicating the temporary and permanent erosion control measures in accordance with the IEPA and municipality requirements. As part of the SWPPP and submittal to the IEPA, a binder will be provided to the CLIENT for use during the construction phase of the project.
6. Prepare an "Engineer's Opinion of Probable Construction Cost" for the proposed site improvements, as indicated on V3's drawings.
7. Furnish to CLIENT such documents and design data as may be required and assist in the preparation of supporting documents so that CLIENT may obtain approvals of such governmental authorities as have jurisdiction over design criteria applicable to the project.
8. Assist the CLIENT in obtaining permits from the Village of Glen Ellyn, the DuPage County Public Works and the Illinois Environmental Protection Agency. V3 will reply to up to three sets of review comments as part of our Basic Services. Additional revisions, if required, will be invoiced as an hourly Additional Service.

EXHIBIT E
Site Lighting and Electrical Plans

Upon authorization to proceed with Site Lighting V3 will:

1. Obtain the Village's design criteria, standards, and submittal requirements for site lighting. V3 will provide three light fixture options to the CLIENT for review unless CLIENT has already chosen a fixture which will then be provided to V3. If existing lights are to remain and the proposed fixtures will match existing, CLIENT will provide specifications on those fixtures. V3 will submit catalog cut sheets of the light fixtures and poles to the CLIENT for approval prior to commencing work.
2. Based on the approved site plan, perform a photometric analysis of the parking lot pavement and access drives to determine light fixture locations. The light pole locations will be placed to avoid utilities.
3. Prepare a photometric plan that includes the light fixtures, pole locations, calculated lighting levels for the site, and point-to-point lighting levels. Submit the photometric plan to the CLIENT for concurrence.
4. Revise the photometric plan based on CLIENT's comments, if necessary. Submit photometric plan to the Village for review. Revise the photometric plan one time based on the Village's comments.
5. Coordinate the power service type and location with the CLIENT. It is assumed that power for the lights will be provided from a service panel at the existing pump house. The service panel location(s) will be provided by the CLIENT. V3 will review the capacity of the panel and determine if a new or modified panel is required. V3 will submit the power load requirements to the CLIENT to determine power needs for the project. A separate lighting controller design will not be performed.
6. Prepare a wiring diagram and voltage drop calculations. Calculate conduit and wire size.
7. Provide one typical light pole foundation detail for the light poles.
8. Prepare lighting and electrical plans consisting of the following sheets:
 - Site Lighting and Electrical Plan
 - Site Lighting and Electrical Notes and Details

It is assumed that the lighting plans will be incorporated into the Final Engineering Plans being prepared by V3.
9. Submit plans to the Village concurrent with the Final Engineering Plans. Revise plans a maximum of two times based on review comments.

EXHIBIT F
Bid and Construction Phase Engineering Services

1. During the bid phase, issue addenda as required to interpret, clarify or expand the Bid Documents.
2. Assist the CLIENT with evaluation of the bids if requested.
3. V3 will make up to five site visits in order to ascertain if site construction is being completed in general accordance with the Contract Documents. The timing of the site visits will be coordinated with the CLIENT.
 - V3 recommends a site visit at the onset of site work construction to address contractor questions related to utility installation or earthwork construction.
 - Subsequent site visits should occur during and after the site work is near completion to review for general compliance with the Contract Documents and address any outstanding items.
 - If requested, V3 will provide a final punch list summary report to the CLIENT after the final site visit to document field observations and provide any recommendations for outstanding site work.
 - Construction phase services do not include attendance at weekly project meetings or soil erosion control inspections as part of the Stormwater Pollution Prevention Plan requirements for the IEPA NPDES permit.
 - Additional site visits or meetings requested beyond those specified will be considered an Additional Service.
 - V3 shall not be responsible for construction means and methods or safety practices while on the job site.
4. V3 will review shop drawings and other data that the Contractor is required to submit, but only for conformance with the design concept of the Project and compliance with the information provided in the Contract Documents. Such reviews or other action shall not extend to means, methods, techniques, sequences, or procedures of construction or to safety precautions and programs incident thereto.
5. V3 will issue necessary interpretations and clarifications of the Contract Documents and in connection therewith prepare work directive changes and change orders as required.
6. V3 will review Record Drawings provided by others for general conformance with the Contract Documents and issue a statement as to whether or not the project was constructed in substantial conformance with the design intent of the project.

EXHIBIT G

Record Surveying Services

Record Utility Survey

Prepare a Record Survey of all on-site utilities constructed per the aforementioned design documents, which include sanitary sewer, storm sewer, and water distribution systems. Record Survey shall depict rim and invert elevations, and location of all manholes and valve vaults, elevation and location of all valves, storm sewer outfalls, and hydrants. Measured lineal footage and grade percentages between sewer structures shall also be shown. Record drawings shall be certified by a Professional Licensed Land Surveyor/Engineer for submittal to the Village of Glen Ellyn. No revisions are included in the scope of this proposal.

Record Grading Survey

A Certified Record Grading Survey with one foot contour intervals of the improvements impacting the floodplain/floodway will be prepared from field spot elevations. Spot elevations obtained in the field will be of sufficient quantity to generate a contour map which properly represents the ground surface. The mean elevation of water will be depicted as measured at the time the survey field work is conducted.

Incremental storage volume by conical method of average contour area shall be calculated and depicted on the map. No quantitative storage volume waiver or sign off of the site, detention facility, or swales are included or implied under this land surveying mapping service.

The foregoing Record Grading map shall be certified by a licensed Professional Land Surveyor for submittal to the Village of Glen Ellyn and FEMA. No revisions are included in the scope of this proposal.

Extent of Agreement

This agreement is for site-related improvements within the boundaries of the project site. Should additional infrastructure improvements be required beyond the boundaries of the site, the services associated with those improvements will be the subject of a separate agreement. Furthermore, this agreement does **not** include services for:

1. Services associated with preparation for, and attendance at public meetings with applicable public agencies in excess of the number of meetings specifically included in the above scope of services, or services required in connection with obtaining zoning approvals.
2. The following Survey Services: Boundary Surveys, Tree Location Maps, Construction Staking, and preparation or recording of Plats.
3. Archaeological and environmental consulting services.
4. Pump Station design for water, stormwater, or wastewater.
5. Traffic Impact Study, Traffic Signal design services, or off-site roadway design services.
6. Landscaping, irrigation, or geotechnical design or consulting services.
7. Structural engineering services of any kind including the design of site retaining walls, any stairs on-site or the design of underground stormwater detention facilities.
8. Services resulting from any significant modifications to the site plan by CLIENT or Owner after V3 has received authorization to proceed with a specific phase of work and has prepared its initial layout of the site.
9. Gas, electric, and telephone service design for the proposed buildings. V3 will include the location of these utilities on the Civil Engineering drawings for purposes of coordination only. The CLIENT will be responsible for providing the necessary information to the applicable utility companies for coordinating service to the site.
10. LEED consulting services, preparation of calculations and completion of LEED templates and registration of the project with the U.S. Green Building Council.
11. V3 may be required to produce documents and emails as part of the Freedom of Information Act and Open Meetings Act (Illinois Public Act 96-0542), or from a court ordered subpoena . Requests of this nature are beyond the control of V3 and are specifically not included in this contract. V3 will notify the CLIENT of any request received on behalf of this contract, and will invoice the CLIENT for time and materials in accordance with the Additional Services and Reimbursables sections of this contract.
12. Preparation of signage or way-finding plans and details.

Chris Pekarek
The Village Links of Glen Ellyn
June 6, 2011
Page 20

13. Preparation of additional logistics, phasing, traffic control or temporary parking plans.
14. Management and monitoring plans of new naturalized BMP areas constructed with this project.
15. Site inspections or documentation associated with maintaining the Stormwater Pollution Prevention Plan (SWPPP).

Please note that V3 can provide the services outlined above, subject to a separate agreement, should they be required.



V3 COMPANIES BILLING RATE SCHEDULE

(Rates effective January 1, 2011 through December 31, 2011)

Description	Hourly Rate
Principal	200.00
Division Director	200.00
Senior Development Consultant	200.00
Development Consultant	100.00
Senior Earthwork Specialist	200.00
Operations Director	175.00
Senior Project Manager	165.00
Senior Resident Engineer	150.00
Senior Estimator	150.00
Resident Engineer	125.00
Project Manager	125.00
Superintendent	125.00
Senior Technician	100.00
Project Engineer	100.00
Project Surveyor III	100.00
Project Ecologist	100.00
Project Scientist	100.00
Assistant Resident Engineer	95.00
Engineer III	90.00
Scientist III	90.00
Ecologist III	90.00
Construction Administrator	90.00
Engineer I/II	85.00
Scientist I/II	85.00
Technician III	85.00
Estimating Technician	85.00
Project Surveyor I/II	85.00
Field Ecologist	85.00
Ecologist I/II	85.00
Field Ecologist I/II	70.00
Technician I/II	70.00
Administration	60.00
Survey Crew*	150.00

*Time is charged portal to portal



V3 COMPANIES GENERAL TERMS AND CONDITIONS

1. CLIENT'S RESPONSIBILITIES

CLIENT shall do the following in a timely manner so as not to delay the services of CONSULTANT.

- a. Provide all criteria and full information as to CLIENT's requirements for the Project, including design objectives and constraints, borings, probings and subsurface explorations, hydrographic surveys, laboratory tests, environmental assessment and impact statements, property, boundary, easement, right-of-way, topographic and utility surveys, property and legal descriptions, zoning, deed and other land use restrictions; all of which CONSULTANT may use and rely upon in performing services under this Agreement.
- b. Arrange for access to and make all provisions for CONSULTANT to enter upon public and private property as required for CONSULTANT to perform services under this Agreement.
- c. Give prompt written notice to CONSULTANT whenever CLIENT observes or otherwise becomes aware of any development that affects the scope or timing of CONSULTANT's services, or any defect or non-conformance in the work of any Contractor.

2. CONSULTANT'S RESPONSIBILITIES

CONSULTANT will render engineering services in accordance with generally accepted and currently recognized engineering practices and principles. CONSULTANT makes no warranty, either expressed or implied, with respect to its services.

- a. Notwithstanding anything to the contrary which may be contained in this Agreement or any other material incorporated herein by reference, or in any Agreement between the CLIENT and any other party concerning the Project, the CONSULTANT shall not have control or be in charge of and shall not be responsible for the means, methods, techniques, sequences or procedures of construction, or the safety, safety precautions or programs of the CLIENT, the construction contractor, other contractors or subcontractors, other than its own activities or own subcontractors in the performance of the work described in this agreement. Nor shall the CONSULTANT be responsible for the acts or omissions of the CLIENT, or for the failure of the CLIENT, any architect, engineer, consultant, contractor or subcontractor to carry out their respective responsibilities in accordance with the Project documents, this Agreement or any other agreement concerning the Project. Any provision which purports to amend this provision shall be without effect unless it contains a reference that the content of this condition is expressly amended for the purposes described in such amendment and is signed by the CONSULTANT.
- b. CLIENT reserves the right by written change order or amendment to make changes in requirements, amount of work, or engineering time schedule adjustments, and CONSULTANT and CLIENT shall negotiate appropriate adjustments acceptable to both parties to accommodate any changes.
- c. The CONSULTANT will be responsible for correctly laying out the design data shown on the contract documents where construction staking services are a part of this Agreement. The CONSULTANT is not responsible for, and CLIENT agrees herewith to hold CONSULTANT harmless from any and all errors which may be contained within the Contract Documents. It is expressly understood that the uncovering of errors in the plans and specifications is not the responsibility of the CONSULTANT and any and all costs associated with such errors shall be borne by others.

3. TERMS OF PAYMENT

CONSULTANT shall submit monthly statements for Basic and Additional Services rendered and for Reimbursable Expenses Incurred, based upon CONSULTANT's estimate of the proportion of the total services actually completed at the time of billing or based upon actual hours expended during the billing period. CLIENT shall make prompt monthly payments in response to CONSULTANT's monthly statements.

If CLIENT fails to make any payment due CONSULTANT for services and expenses within thirty (30) days after receipt of CONSULTANT's statement therefore, the past amounts due CONSULTANT will be increased at the rate of 1.5% per month from said thirtieth day. CONSULTANT may after giving seven days written notice to CLIENT, suspend services under this Agreement until CONSULTANT has been paid in full all amounts due for services, expenses and charges. CONSULTANT shall have no liability whatsoever to CLIENT for any costs or damages as a result of such suspension.

4. SUSPENSION OF SERVICES

CLIENT may, at any time, by written order to CONSULTANT require CONSULTANT to stop all, or any part, of the services required by this Agreement. Upon receipt of such an order CONSULTANT shall immediately comply with its terms and take all reasonable steps to minimize the occurrence of costs allocable to the services covered by the order. CLIENT, however, shall pay all costs associated with the suspension.

5. TERMINATION

This Agreement may be terminated by either party upon fourteen (14) days written notice in the event of substantial failure by the other party to perform in accordance with the terms hereof through no fault of the terminating party. This Agreement may be terminated by CLIENT, under the same terms, whenever CLIENT shall determine that termination is in its best interests. Cost of termination, including salaries, overhead and fee, incurred by CONSULTANT either before or after the termination date shall be reimbursed by CLIENT.

6. ATTORNEY'S FEES

In the event of any dispute that leads to litigation arising from or related to the services provided under this agreement, the prevailing party will be entitled to recovery of all reasonable costs incurred, including staff time, court costs, attorney's fees and other related expenses.

7. REUSE OF DOCUMENTS

All documents including but not limited to Reports, Drawings and Specifications prepared or furnished by CONSULTANT (and CONSULTANT's independent professional associates and consultants) pursuant to this Agreement are instruments of service in respect of the Project and CONSULTANT shall retain an ownership and property interest therein whether or not the Project is completed. CLIENT may make and retain copies for information and reference in connection with the use and occupancy of the Project by CLIENT and others; however, such documents are not intended or represented to be suitable for reuse by CLIENT or others on extensions of the Project or on any other project. Any reuse without written verification or adaptation by CONSULTANT for the specific purpose intended will be at CLIENT's sole risk and without liability or legal exposure to CONSULTANT, or to CONSULTANT's independent professional associates or consultants, and CLIENT shall indemnify and hold harmless CONSULTANT and CONSULTANT's independent professional associates and consultants from all claims, damages, losses and expenses including reasonable attorney's fees and costs of defense arising out of or resulting therefrom. Any such verification or adaptation will entitle CONSULTANT to further compensation at rates to be agreed upon by CLIENT and CONSULTANT.

8. INSURANCE

Upon CLIENT request the CONSULTANT shall provide the CLIENT with certificates of Insurance evidencing all coverages held by the CONSULTANT.

In order that the CLIENT and the CONSULTANT may be fully protected against claims, the CLIENT agrees to secure from all CONTRACTORS and SUBCONTRACTORS working directly or indirectly on the project, prior to the commencement of work of any kind, a separate policy of insurance covering public liability, death and property damage naming the CLIENT and the CONSULTANT and their officers, employees and agents as additional insureds, and that said CONTRACTOR and SUBCONTRACTORS shall maintain such insurance in effect and bear all costs for the same until completion or acceptance of the work. Certificates of said insurance shall be delivered to the CLIENT and to the CONSULTANT as evidence of compliance with this provision. However the lack of acknowledgment and follow-up by CONSULTANT regarding the receipt of said certificates does not waive CLIENT's and CONTRACTOR's obligation to provide said certificates.

9. FACSIMILE TRANSMISSIONS.

The parties agree that each may rely, without investigation, upon the genuineness and authenticity of any document, including any signature or purported signature, transmitted by facsimile machine, without reviewing or requiring receipt of the original document. Each document or signature so transmitted shall be deemed an enforceable original. Upon request, the transmitting party agrees to provide the receiving party with the original document transmitted by facsimile machine; however, the parties agree that the failure of either party to comply with such a request shall in no way affect the genuineness, authenticity or enforceability of the document. Each party waives and relinquishes as a defense to the formation or enforceability of any contract between the parties, or provision thereof the fact that a facsimile transmission was used.

10. CERTIFICATIONS, GUARANTEES AND WARRANTIES

CONSULTANT shall not be required to sign any documents, no matter by whom requested, that would result in the CONSULTANT having to certify, guarantee or warrant the existence of conditions whose existence the CONSULTANT cannot ascertain. CLIENT also agrees not to make resolution of any dispute with CONSULTANT or payment of any amount due to the CONSULTANT in any way contingent upon the CONSULTANT signing any such certification.

11. INDEMNIFICATION

CONSULTANT agrees to the fullest extent permitted by law, to indemnify and hold CLIENT harmless from any loss, cost (including reasonable attorney's fees and costs of defense) or expense for property damage and bodily injury, including death, caused by CONSULTANT's, or its employees' negligent acts, errors or omissions in the performance of professional services under this Agreement.

CLIENT agrees to the fullest extent permitted by law, to indemnify and hold CONSULTANT harmless from any loss, cost (including reasonable attorney's fees and costs of defense) or expense for property damage and bodily injury, including death, caused solely by CLIENT's, its agents or employees, negligent acts, errors or omissions in the performance of professional services under this Agreement

If the negligence or willful misconduct of both the CONSULTANT and CLIENT (or a person identified above for whom each is liable) is a cause of such damage or injury, the loss, cost, or expense shall be shared between CONSULTANT and CLIENT in proportion to their relative degrees of negligence acts, errors or omissions and the right of indemnity shall apply for such proportion.

12. WAIVER OF CONTRACT BREACH

The waiver of one party of any breach of this Agreement or the failure of one party to enforce at any time, or for any period of time, any of the provisions hereof, shall be limited to the particular instance, shall not operate or be deemed to waive any future breaches of this Agreement and shall not be construed to be a waiver of any provision, except for the particular instance.

13. LIMITATION OF LIABILITY

CLIENT and CONSULTANT have discussed the risks, rewards, and benefits of the project and the CONSULTANT's total fee for services. Risks have been allocated such that the CLIENT agrees that, to the fullest extent permitted by law, the CONSULTANT's total liability to the CLIENT for any and all injuries, claims, losses, expenses, damages, or claim expenses arising out of this agreement from any cause or causes shall not exceed \$100,000. Such causes include but are not limited to the CONSULTANT's negligence, errors, omissions, strict liability, or breach of contract.

14. CONTROLLING LAW

This Agreement is to be governed by the law of the State of Illinois.

15. CONSTRUCTION STAKING PROVISIONS

- a. The destruction of any point(s) labeled C.P. (control point) without the consent of the CONSULTANT will be charged as a non-contract item, at \$300.00 per incident. Control points will be marked, highly visible and identifiable by a "plg-pen" or "triple lath" configuration surrounding each control point.
- b. CONSULTANT will require a minimum of 48 hours notice for scheduling of survey crews. Once the crew is on site, crew will return for as long as required to finish the requested work. ADDITIONAL WORK given to crew, while crew is on-site, will be performed in a minimum of 48 hours. Scheduled surveying requests shall constitute a minimum of 4 hours of field work.
- c. It is understood that it is the CLIENT's responsibility to notify the CONSULTANT (in writing) of any and all revisions to the contract documents. Current blue-line drawings for the project shall be supplied to CONSULTANT by CLIENT.
- d. If underground utility lines and/or curb lines are incorrectly constructed, and the CONSULTANT's stakes are claimed to be the source of error, the stakes in question MUST BE IN THE GROUND as set by the CONSULTANT in order that a re-verification of the location of the stakes can be accomplished.
- e. The CONSULTANT must be notified in writing within 24 hours of any potential staking error by the CLIENT so that the CONSULTANT may assess and verify the cause of the error. No claims shall be made as a result of a staking error against the CONSULTANT without the foregoing notification of the error in writing as specified.
- f. It is understood that the CONSULTANT will set offset stakes one time only, except as otherwise provided in this Agreement. A loss of a stake or stakes due to construction, vandalism, or an act of god will be replaced as an additional service to this Agreement. If the CONSULTANT is called upon to check or verify stakes that he has placed in the ground, and if it is found that those stakes were located and marked according to plan, the CONSULTANT's services will be considered an additional service to this Agreement.
- g. It is understood that it is not the responsibility of the CONSULTANT to verify the horizontal and/or vertical alignment of utility structures after they are built. Such services, should they be required by the CLIENT or the CONTRACTOR, will be provided as an additional service to this Agreement.
- h. CONSULTANT reserves the right to rely on the accuracy of the contract documents and is not responsible for the discovery of any errors or omissions that may exist on the contract documents.



Village Links Master Plan Feedback <masterplanfeedback@villagelinksgolf.com>

Small Plan is Uninspiring

Smith, Brian P <BrianP.smith@bmo.com>

Tue, Jun 14, 2011 at 4:13 PM

To: Village Links Master Plan Feedback <masterplanfeedback@villagelinksgolf.com>

Matt,

Thanks for the thoughtful response. Many residents I know have been wondering for years why Glen Ellyn hasn't renovated the Links, especially since it's such a well respected course. Everyone seems to think the improvements which include banquet facilities are a no brainer and should generate revenues in the future. I guess regardless of whatever happens or the scale, a renovation is long overdue and will be appreciated. It will be nice to eat in a dining room that doesn't look like a transformed conference room, and I think residents will appreciate having a real bar as opposed to the current closet.

Thanks again, and good luck with everything!

From: Village Links Master Plan Feedback [mailto:masterplanfeedback@villagelinksgolf.com]

Sent: Tuesday, June 14, 2011 12:52 PM

To: Smith, Brian P

Subject: Re: Small Plan is Uninspiring

Mr. Smith,

Thank you for your helpful comments about the Village Links Facility Master Plan. I will pass them along to our staff, the Master Plan Steering Committee, the Recreation Commission and the Village Board of Trustees. We rely on and appreciate the guidance that such feedback provides us. Thank you for taking the time to write!

In developing this plan, we looked at many area golf course clubhouses. Virtually every area golf clubhouse built in recent years is being paid for with property tax dollars - sometimes over \$1,000,000 a year in tax money for a larger clubhouse. We have not proposed building a clubhouse with tax dollars because we feel that Glen Ellyn taxpayers would not support such a plan. The proposed plan would keep the Village Links as one of the few publicly owned golf courses in DuPage County that does not use tax money for operations or debt service.

I agree with you in many respects. The proposed plan is modest, especially compared to facilities subsidized

by tax monies. However, the improvements would be a significant upgrade for visitors to the Village Links. It would allow the Village Links to host many of the group functions you mention with a capacity of up to 150 guests. The remodeled and expanded clubhouse would be convenient, attractive and comfortable. It would be a facility that Glen Ellyn residents would be proud to call their own.

Thank you for your comments and your interest in Glen Ellyn and the Village Links. It is appreciated very much. If you would like to discuss this in greater detail, please do not hesitate to contact me.

If I can be of further help, please let me know.

Matt Pekarek, General Manager

Village Links of Glen Ellyn

485 Winchell Way, Glen Ellyn, IL 60137

[630-469-8194](tel:630-469-8194)

On Mon, Jun 13, 2011 at 2:35 PM, Smith, Brian P <BrianP.smith@bmo.com> wrote:

Master Plan Committee:

The proposed plan is uninspiring. It's a shame that such a highly rated golf course sounds like it will have at best, an average facility. The obvious omission to the plan is no mention of more Banquet and Meeting Facilities. When considering the final plans, please consider the revenue from potential weddings, corporate outings/meetings, luncheons, reunions, anniversary parties, personal parties, meals after religious events, post-funeral gatherings, Mother's Day and Easter brunch ... etc. etc.

The Village Links is one of the few Glen Ellyn Village owned facilities that can actually generate money, why not take advantage of this and make it something special that people will want to travel to? Like Arrowhead in Wheaton, if done correctly the improvements will pay for themselves and actually generate a substantial amount of money in the long run. As a long time resident of Glen Ellyn it would be refreshing to see something inspiring or above average done within the community. We have a great opportunity with this renovation project to do something inspiring, but if it's done poorly (small & cheap) we will have to live with it for generations to come. Let's make the final plan something the residents of Glen Ellyn will be proud of, because nobody wants another Millennium Clock in the Village.

As Daniel Burnham said...

Make no little plans. They have no magic to stir men's blood and probably themselves will not be realized. Make big plans; aim high in hope and work, remembering that a noble, logical diagram once recorded will never die, but long after we are gone will be a living thing, asserting itself with ever-growing insistency. Remember that our sons and grandsons are going to do things that would stagger us. Let your watchword be order and your beacon beauty. Think big.

Daniel Burnham, Chicago architect. (1846-1912)

Sincerely,

Brian P. Smith

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To Master Plan Feedback @ Village Links Golf. Com

6/20/11

After attending the G.E. City Hall meeting last Friday, and Matt + Noel encouraging me to write my suggestion for some consideration - or at least for discussion.

My suggestion - for getting more \$ to help the proposed new MASTER PLAN is to appeal to the Glen Ellyn people in an effort to get contribution of (I would think) minimum \$500,000 to possibly 2 or 3 million.

- ① plan needed to contact all LOCAL Papers to get some reporter (over a free Round of Golf for a foursome of their choice) to do a "free article" on what the
* Links is planning to do in TOTAL
* a figure of what you need to get it done
* why you need to do it.
* an appeal to all Reading their different newspaper to help contribute in
Possibly several different ways.
- ② Explain to all (reading the Papers) that (at least to G.E. people) the Links has never (that I know of) gone to the people or taken tax \$ to do anything at Links.
- ③ Come up with some kind of selective different ways people can contribute in an "incentive" or "stimulating" way or just outright "send in what you can".

ie ... contributors ? for 10 free Rounds } Here maybe a doz. diff. choices
" " " " 12 mi " " } Ranging from ? 1000 to
" " " " LIFE TIME FREE } ? 100,000 or say MAXIMUM 1 million

ie ... all you need is one person or FAMILY to be looking for a good way to give say a million back to his village and for that receive some kind of acknowledgment at the course or the new BAR (I think of Phil's Grill at Graybank C.C. in Scottsdale) OR what-ever you come up with ?? = LIFE TIME FREE GOLF FOR the whole family including all Grandchildren ?? for example. Or have your Committee come up with incentive that would really make SOME people truly think about it - from Balls to Range to Carts to HANDS or Something to lifetime or whatever.

Get a good Committee together - Hopefully that has a Marketing sense about themselves + their project. This could be very important where you could possibly do some of the projects that are not on the "list to do" but on the "list IF WE have extra money".

You have nothing to loose (especially if you get free articles - including the Chicago Paper) and a possibly great upside. GET PEOPLE THINKING POSITIVE!

Please call me with any questions you might have on anything. I lived 42 yrs in Glen Ellyn + raised our 3 children in all the G.E. Schools + we were there when the course opened. (630) 505-1111

Dave Cassin

Master plan

Village Links Master Plan Feedback <masterplanfeedback@villagelinksgolf.com>

Wed, Jun 29, 2011 at 5:30 PM

To: mark.wieting@gmail.com

Hi Mark.

Matt Pekarek here. Thank you for your questions and comments. I will answer them briefly as best I can and pass them along to the Steering Committee, Recreation Commission and Village Board. I apologize for not fully addressing every issue that you raise. Give me a call or see me at the Links and I would gladly provide more detailed information. We all appreciate your valuable input, especially at this point when we have not yet started to design these improvements.

From: mark.wieting@gmail.com

Dear Planners:

Sorry I was traveling on business on June 15. I would like to have heard the presentation and discussion. Clearly we need a redo. I would bet most of these issues have been addressed and decided but some questions and suggestions:

1. Does this have to be a one-story facility? Dining rooms on the second floor of a 2-story building might actually have a good view of something, like the 18th green or 1st tees. A 2-story facility might provide room for meeting rooms that community groups could use.

Response - The architect has recommended a one story building, given the restraints of budget, space, etc.

2. Is there no provision for locker rooms in the new facility? I was hoping that a new clubhouse would have MORE not FEWER lockers. Having a locker at the Links is a tremendous convenience—much more than I thought it would be.

Response - Lockers are a great service, but do not generate revenue to pay for building space. The proposed building addition is marginally affordable. Adding lockers would almost insure that the Village Links would not be able to pay for the building. We don't expect that tax payers would support a tax increase for this purpose.

3. Isn't a 275 yard par 4 first hole on the 9-hole course an invitation to people waiting to hit their tee shots until the group in front clears the green? I think even I could drive it unless the wind is blowing hard from the southwest.

Response - The concept plan developed to date is very general, with many details yet to be worked out if this project advances to the design stage. You are correct - a 275 yard 1st hole is not an option. If we cannot develop a design with a suitable 1st hole, we will leave the first hole where it is and not expand the driving range tee as much to the east. The main concept of expanding the driving range tee north and west would remain the centerpiece of that part of the plan.

4. Why the huge emphasis on the driving range? I see that some of the improvements will generate more revenue, nearly year-round, but I think we are chopping up the clubhouse and making it fit the needs of the driving range, when the range really should be an ancillary facility.

Response - 1. The driving range tee is a source of significant customer complaints in mid to late summer when use wears out the turf faster than it can recover. This plan would address some of those complaints and improve customer service. 2. The lack of space at the south/rear of the driving range threatens to force us to consider limiting the use of woods at certain times. This is not an absolute problem in 2011, but is a realistic concern in the foreseeable future. This plan would ensure that the Village Links has a functional driving range for years to come. 3. The driving range is very important to the Village Links business. The driving range is profitable and will generate money to pay for clubhouse improvements. The Village Links could not afford these improvements without generating additional driving range profits.

5. Probably this was thought of and rejected, but could there be a winter teaching facility with video capabilities and electronic measurements of launch angle, direction, etc. with a video projected hole to swing at? I can think of numerous players who could use some winter instruction. And would pay for it.

Response - I have not looked very thoroughly into a winter teaching facility for this project. The facilities that I have looked at are not profitable enough to pay for building space. Winter teaching programs typically struggle to cover the cost of administration, equipment and instructors. I will check with other such facilities to see if they make enough financial sense to invest in building space.

6. The teaching tee concept at the south end of the range strikes me as a bad idea. I have seen this set up and it always seems like the trip to the teaching tee is a disincentive to use it.

Response - The lesson tee at the south end is a very minor idea from the architect that has not been vetted. Staff supports a tee at the south end if we can use that tee to reduce wear on the main tee so we can improve conditions for customers. We have significant safety concerns that could eliminate plans for a south tee. If we can find a safe space, the cost of building and maintaining such a tee is manageable. We may be looking for a use for excess fill at that elevation after expanding the storm water detention capacity to meet county requirements. That would reduce the cost even further. As with all project components, we will aggressively evaluate that item for feasibility and cost effectiveness during the design process.

7. Does the new plan allow room for special events [and tents] like the Posh Scholarship event and Have One on Us?

Response - We will continue to hold great events like "Have One On Us" and the Scholarship Shootout, with tents when needed.

8. Without any knowledge of this plan, I envisioned a new, 2-story clubhouse built essentially on the site of the east putting green and surrounding area. With this plan, that's parking, which I agree is desirable, but not if the new clubhouse must stay in its original spot, generally, and be a minor redo of the current one.

Response - We remain open to almost any idea as we work to address a variety of issues. The concept plan that we have developed for the Village Links is unique in that the golf course would pay for the building. This contrasts with every other publicly owned golf course clubhouse built in DuPage County in recent decades, all of which have been paid for with tax dollars. In recent months we considered various alternate concept

plans, including one that would be as you just described. The plan we selected is more modest, but affordable. It was selected with the understanding that Glen Ellyn taxpayers would not subsidize this project with tax dollars in the six or seven figure range annually. While it is more modest than some, I am excited because it can give the Village Links a facility that all residents would be proud to call their own.

Thank you again for your thoughtful input. Such questions and comments help us every day, whether they pertain to a daily operating detail or a major project like this. Thanks for your many years of support of the Village Links! If I can be of any further help, do not hesitate to call me.

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**Validation Study
for Proposed Alterations to the
Village Links of Glen Ellyn**

Prepared For:

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Glen Ellyn, IL 60137-6326

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December 2011

**Validation Study for Proposed Alterations
to the Village Links of Glen Ellyn**

DRAFT

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Overview

The National Golf Foundation (“NGF”) was retained by the Village of Glen Ellyn to review a Village plan to renovate the current clubhouse and driving range facility for the Village Links of Glen Ellyn (“Village Links”). NGF Director of Consulting Richard Singer and Senior Associate Consultant John Wait visited the facility on October 31, 2011, with Mr. Wait remaining until November 3. During this time, they toured the facility, interviewed senior staff and management, and met with Village leaders as well as representatives of citizen golf groups. They also surveyed area competing facilities.

This project had its beginning in 2002 when the 18-hole course was undergoing renovation. At that time, a study of 25 competing facilities was made, with the result being recommendations for a new clubhouse and improvements to the range. Original plans called for \$15 million investment in a new clubhouse and renovations to the range to begin in 2005. But the downturn in the golf industry caused reconsideration and the project was shelved. However, a continued decline in performance has caused reconsideration of the project, especially in light of the need to increase tournament revenue. In July 2011, a Master Plan was prepared by the General Manager of Village Links, and submitted to the Village for consideration. The new master plan downscaled the original proposal to renovating the existing clubhouse instead of replacing it. NGF was hired to review this proposal and do its own independent analysis with resulting recommendations.

In the interests of brevity, it will be assumed that the reader of this NGF report is familiar with the original master plan proposal so that its contents will not be repeated here. However, a brief summary is given below.

MASTER PLAN PROPOSAL

The Master Plan proposed by the Village Links GM was the work of staff and the Steering Committee, beginning in October 2010. The plan represents a compromise resulting from the need to reduce costs from the original concept. The result was to divide the project into phases. The plan’s basic premise was to remedy facility deficiencies and to create a more competitive facility allowing the facility to increase revenue through more tournament and outing play and increased banquet sales.

Noted Deficiencies

The plan noted the following facility deficiencies:

- **Driving Range** – The driving range at Village Links is outdated, and the tee should be rebuilt and expanded. The upgrades proposed would include an artificial turf tee line, covered/heated tee stations, lights for night use, and better fairway targets. Further, the driving range needs to be lengthened to ensure future usability and improve customer safety.
- **Motorized Cart Storage** – Indoor cart storage would keep the carts cleaner, would reduce wear from the elements, and would allow electric carts that are preferred by golfers and better for the environment.

- **Restaurant Improvements** – The restaurant is outdated, lacks a bar, and the decor is inferior; the patio needs to be upgraded as well. At present, the Village Links is not capable of accommodating large groups (either golf outings or non-golf functions).
- **Restrooms** – The restrooms are outdated, with worn fixtures and a stark decor. They are too small and are not compliant with ADA handicap accessibility requirements.
- **Fire Sprinklers** – A modest clubhouse addition or remodeling would require that fire sprinklers be added.
- **Utility Lines** – Water, electric, and natural gas lines need to be replaced to avoid service disruptions. Capacities need to be increased to modernize and/or expand the clubhouse.
- **Parking Lot** – The main parking lot needs to be renovated. Lights should be added for evening business.
- **Stormwater Management** – Most of the area surrounding the clubhouse is in the flood plain. Any construction below the flood elevation requires that 150% of additional flood water storage be built. Compared to a series of smaller projects, a single comprehensive plan will require less land and less engineering expense.

Phasing Plan

The proposed Master Plan consists of two Phases:

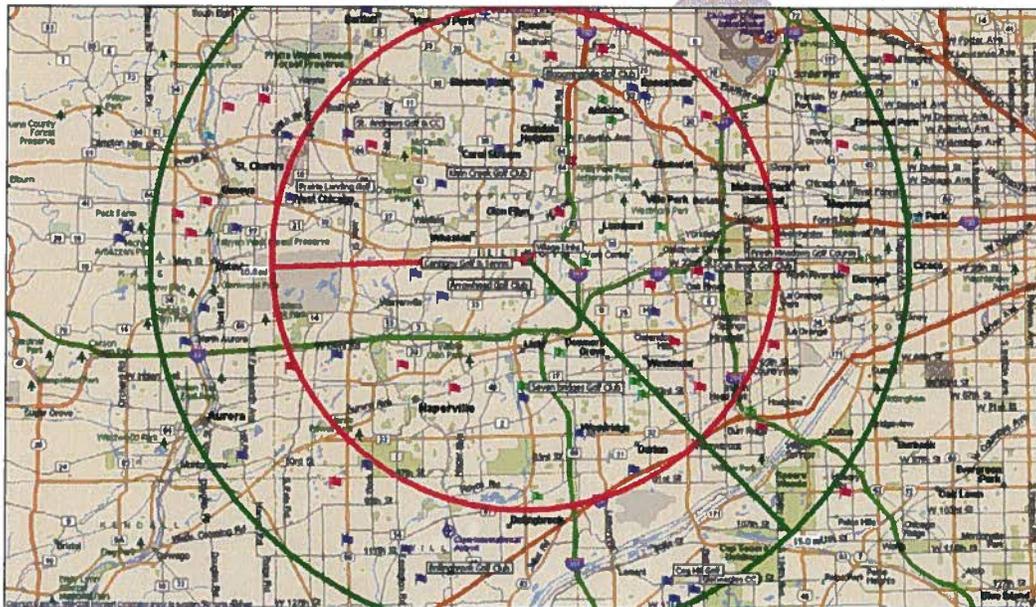
- **Phase I:** A 4,400 square foot (sf) addition to the clubhouse plus renovation consisting of adding a new bar, a new dining room, a larger banquet area, and new ADA compliant restrooms. The banquet room would consist of two rooms, one with a capacity of 100 and the other 50, which can be combined for larger functions. Additional parking would be created near the clubhouse. The parking lot would be renovated and parking lot lighting would be improved. Driving range improvements would include a new tee addition to the west side of the driving range and building a 10-15 space artificial tee with protective cover and heated stalls. Utility lines would be replaced and expanded.
- **Phase II:** This phase would demolish much of the current clubhouse (everything south of the current main entrance), allowing for the expansion of the driving range tee, including an artificial turf tee line extending across the back. Plans also include lighting the range for nighttime usage. A new station for the 9-hole starter would be built. The first tee for the nine-hole course would be moved. Cart storage building would be added and would allow for use of electric carts. A new pro shop and storage areas would be built. The reconfigured clubhouse would no longer have lockers or shower facilities.

The estimated cost for Phase 1 was \$3,874,274 and for Phase 2 was \$2,869,222. Construction for Phase I is planned for late summer 2012, with the opening in 2013. Phase 2 implementation would be based on cash flow with no set target date.

Market Analysis

As part of consulting effort to assist the Village of Glen Ellyn, the NGF team visited and reviewed 12 facilities within 15 miles of the Village Links that were identified as potential “competitors” to the Village’s golf facility. These included golf courses that were identified by Village Links staff as being the most comparable facilities, or those with amenities similar to those being proposed for Village Links.

The twelve facilities studied were: St. Andrews, Prairie Landing, Klein Creek, Cantigny, Arrowhead, Bloomingdale, Fresh Meadows, Oak Brook, Cog Hill, Gleneagles, Bollingbrook, and Seven Bridges. A summary of key findings appears in **Appendix A** to this report.



As we were concerned mostly with issues related to the clubhouse and driving range, our review and information gathering focused on these issues. Key details of operation obtained from these comparable facilities included:

- **Driving Range** information such as:
 - Number of tee stations
 - Is the range lighted for night use, and if so, what percentage of stations have lighting
 - Establishing if some or all of the range is heated, noting:
 - How many heated stalls
 - Percent of use coming from heated stalls
 - Noting any additional charge to customers for using heated stalls

- Establishing if the driving range is open during the winter, and if so what timeframe and winter hours.
- **Clubhouse** information such as:
 - Overall size of the clubhouse and amenities offered
 - Capacities for day-to-day food/beverage service and banquets
 - Operational performance information, including how many large events are hosted each year (weddings, large banquets, etc.)
 - Documenting operating practices such as when each segment of the facility is open (open in winter?)
- **Golf Course** information such as:
 - Is the golf course closed for the entire winter
 - What winter activities are hosted on the golf course

DRIVING RANGE FINDINGS

Our review showed that nine of the 12 (75%) facilities reviewed have driving ranges, with only Gleneagles, Seven Bridges and Klein Creek not offering a range. Some findings from the facilities that include ranges were:

Lighted Range

Four of the facilities have lighted ranges (Bollingbrook, Fresh Meadows, Arrowhead, and Cantigny). These courses reported that on average, 15.7% of their range usage occurs under lights. Of course, most of this usage is during the peak playing season.

If Village Links achieved the same average, based on its current volume of about \$240,000/year in range revenue, this could yield increased revenue of about \$45,000/year. Of course, this would depend significantly on the hours open and how well it is marketed. Actual return could be much higher.

Heated Range

Only two of the facilities, Cantigny and Cog Hill, offer heated stalls, with an average of 10 heated stalls per location. Neither charged more for the use of the heated stalls. The data provided to NGF showed overall usage of the heated stalls was about 24%, with only around one-third of that use with the heat systems actually turned on. Utilizing this assumption of 1/3rd using heaters, we can estimate a 8% of overall utilization of the driving range with heated stalls that are in use. For Village Links, this would equate to about \$20,000/year in additional income.

Closing

Five of the nine courses with ranges close them during the winter, with the average date being around November 10. One facility closes at the end of October, one around the first of December, one mid-November, and the others around Thanksgiving.

CLUBHOUSE

All 12 facilities reviewed had some form of clubhouse operation. Findings regarding clubhouse operations at these facilities included:

Clubhouse Size

The average size of the clubhouses was 23,733 sf, ranging from 4,800 sf at Fresh Meadows to 75,000 sf at Bollingbrook (Village Links is presently about 20,000 sf in size). Four of the clubhouses were smaller than 10,000 sf, while four were 30,000 sf or more.

Banquet Room

All 12 of the facilities have the capacity to host a banquet of more than 100 people. Fresh Meadows, however, uses a pavilion tent, while Klein Creek uses a “bubble” building that adjoins the regular clubhouse.

- **Capacity.** The average seating capacity was 288. Eight of the facilities could host parties of more than 200, while only one (Oak Brook) could host fewer than 160. Currently, Village Links has a capacity of about 102, using a combination of both the main dining room and grill room.
- **Weddings.** Three of the facilities (25%) did not do weddings. Notably, two of those with the smaller clubhouses did do weddings. The average for the nine that did weddings was 48.4 weddings per year, essentially one per week. In season, the weddings are predominantly held in the evenings so as to not conflict with golf. However, those with larger facilities, such as Bloomingdale, will hold them anytime.
- **Grill Closing.** Four of the facilities (33%) kept the grill open all winter (Bollingbrook, Gleneagles, Bloomingdale, and Arrowhead). Most of these clubs have a substantial membership that helps justify keeping it open. Notably, all four do close their course in the winter. All the other facilities close their grills in the winter. On average, they close down around Thanksgiving.

Course Closing

Only two of the facilities, Cog Hill and St. Andrews, keep their courses open during the winter, while the rest close (usually around Thanksgiving). One facility reported waiting until the first snow, which could occur in early November.

Winter Activities

When asked what activities are hosted at the golf courses in the winter months, most answered only banquets and parties. Prairie Landing included indoor lessons. Only one course, Arrowhead, offered an activity not seen the rest of the year – cross-country skiing.

Subject Facility Review

In this section, NGF will provide a summary review of the subject Village Links facility. This summary review is not designed to be a full review of the physical condition or program of the Village Links facility, but rather a general overview noting the most significant deficiencies observed in our study effort.

GOLF COURSE

Village Links has a total of 27 holes that are divided into an 18-hole course with non-returning nines and an additional and separate 9-hole course. The course was originally just 18 holes, designed by David Gill, and opened in 1967. The third nine holes (also designed by Gill) were added in 1975, but it was a separate facility with its own pro shop. In 1977, the newer nine-hole course was combined with the back nine of the original golf course to form a non-returning 18-hole course. The original front nine became a stand-alone nine-hole course.

The facility was renovated in 2004 using Garrett Gill, son of David, as the architect. New irrigation was installed for all 27 holes as well as \$500,000 spent on replacing stormwater drains. The total renovation cost \$5.2 million, and included renovation of only the 18-hole course. The nine-hole course was untouched except for the new irrigation.

The two courses serve very different markets, according to staff interviews. The 18-hole course is aimed at the upper-end daily fee market and attracts players who appreciate higher quality, more difficult courses. These tend to be the better players who “take golf more seriously,” according to staff. The nine-hole course is more value-oriented and attracts players who tend to prefer playing only nine holes of golf. In fact, an 18-hole rate is not even offered on the nine-hole course.

Design Features

The Village Links facility has won numerous awards over the years. Notably, it was the first public golf course to receive certification as a Wildlife Sanctuary course by the Audubon Society. It has also served as a qualifying course for 35 USGA and PGA Tour events.

The 18-hole course has 117 traps (an average of nearly 60 per nine), while the nine-hole course has 34. The 18-hole course does have five sets of tees, ranging from 5,436 yards to 7,208. The 9-hole course only has three sets, ranging from 5,488 (18 hole equivalent) to 6,606. There are 22 lakes spread across the layout, reflecting one of the original purposes of the facility, which was a drainage water project for the Village. The course is in a flood plain, and major flooding has occurred seven times since 1967. However, the course does drain well and will usually be open within two days.

A strategically located “half-way” house provides a small food and beverage operation that services both the 18-hole course and the nine-hole course. This helps make up for the lack of a returning nine.

NGF Comments and Observations

- We found the layout for the 18-hole course to be excellent, and the course is in superb condition.
- The current set-up with non-returning nines is not the ideal, and poses both marketing and operational challenges.
 - **Nine-hole play:** The non-returning nine on the 18-hole course virtually eliminates the possibility of 9-hole play on this course. This has implications for league play and golfers wanting to play only nine holes, significant markets in this area. Of course, the desire is to put both of these groups on the separate 9-hole course. However, this course is not of the same quality as the 18-hole course, and by the operator's own admission, services a different market. Those wanting a high-quality 9-hole experience are not served at Village Links.
 - **Popularity:** Most golfers prefer having a returning nine. Having a half-way house certainly reduces the issues, but some segment of the market may be lost with this set-up.
- **Nine-Hole Course:** The stated goal of the 9-hole course is to attract value-oriented golfers and those desiring to play only nine holes of golf. These are usually the occasional and/or less-skilled golfers. NGF notes that this is a generally harder-than-standard 9-hole golf course with 34 sand traps. A couple of issues to consider regarding the bunkers on the 9-hole course:
 - **Difficulty:** The number of traps greatly increases the difficulty level of the course, which is contrary to the stated target market.
 - **Pace of Play:** Having so many traps greatly increases the amount of time required to play the course, and pace is one of the biggest issues with golf today.
 - **Maintenance:** The number of traps increases maintenance costs.
- **Cart Paths:** A unique feature at Village Links is the fact that cart paths are limited to the tee and green area. According to the superintendent, the lack of tee to green paths has not adversely affected the course condition. Further, carts are allowed on the course, even after a rain. Wet areas are simply roped off to prevent damage. This may increase maintenance costs slightly, but not nearly as much as cart paths would cost, or the loss of revenue and rounds if carts were banned when it is wet.
- **Length:** Both courses would be considered "not friendly" to women and seniors. Women hit the ball about 70% as far as men, thus the desire is to have a forward tee that plays under 5,000 yards (Village Links is 5,439. This can have several negative consequences:
 - **Market share:** Obviously, it makes the course a lot less popular for women as they will find it very difficult to score well here.
 - **Pace of Play:** Simply put, the longer the course, the more strokes taken, and the longer it takes to play.
 - **Return Play:** Playability is very important in golf – if a golf course is too difficult, earning repeat play may be difficult.

PRACTICE FACILITY

The driving range is one of the focal points of the proposed Master Plan for Village Links. Driving ranges at golf courses are a major source of additional revenue and typically have a high margin associated with them; hence, they can be the most profitable part of the golf course operation. The range at Village Links is on older design, with little upgrade made to it over the last 40 years. The three most important observations noted by NGF about the driving range at Village Links include:

- **Overall Length:** The range measures only 210 yards from the front of the practice tee to the tree line at the back of the range. This is too short when you consider that many golfers hit golf balls over 250 yards or even longer with today's modern technology. As a result, there is some concern about the safety of golfers on the 5th hole of the 9-hole course, which is adjacent to the range on the other side of the trees. Range balls are routinely finding their way over the trees and into this fairway without warning to golfers. So far, no injuries were reported to NGF, but the potential is there and could be a liability situation for the Village.
- **Tee width:** The practice area has a depth of 150 feet, which is not deep enough to allow a 25 day rotation for the grass to properly recover. As a result, the tee will appear "beat up" and be less appealing to golfers.



Satellite photo showing typical wear pattern on the range. The lack of depth does not allow grass areas to recover before having to be re-used in a standard driving range tee rotation.

- **Tee Width:** There is also concern about tee width and the number of hitting stations that can be accommodated. Although the tee is frequently not at capacity, golfers are squeezed in at a less-than-desirable 11-foot spacing, making it feel tight when the golfer next to you is swinging. Adding width would also improve tee condition, as it gives more space that can be used. The increase in capacity will also be appreciated, especially when the course is hosting larger tournaments and there is a large demand for the range.

CLUBHOUSE

The clubhouse was built in 1968, making it 43 years old; it definitely appeared to NGF to be showing its age. The clubhouse was remodeled in 1977 and later expanded in 1984. There have been no significant improvements to the clubhouse in the past 27 years. The clubhouse has two levels, with offices and storage in the upper level. Overall, the clubhouse is about 20,000 sf in size.

There are two levels of food and beverage service in the Village Links clubhouse: (1) a snack window located near the front door, designed for golfers wanting quick service; and (2) a grill service with several components. The grill has two adjoining dining areas. The front room has seating for 24 people, while the larger main room has room for about 80. The main dining room also has two small flat screen TVs mounted on the wall.

There are only two restrooms – men's and women's. Both also serve as locker rooms. In addition, there is a separate locker room on the opposite side of the clubhouse. This one is for club storage only as there is no dressing area or privacy.

The pro shop includes about 2,200 sf of space, which is adequate to host a strong volume of sales. It is located on the opposite end of the clubhouse from the grill.

Comments and Issues

- **Wasted Space:** The clubhouse, as is often typical of older clubhouses with additions, has a lot of wasted space. The upstairs area, for example, is underutilized and mostly wasted area. (ADA requirements make it difficult to use this area for the public without adding an elevator).
- **Hall:** The main hall leading to the pro shop is very wide (about 10'). Currently, there are merchandise sales racks located in this hallway, giving it a cluttered and "cheap" look.
- **Dated:** The entire clubhouse has a very "dated" appearance and lacks any aesthetic appeal.
- **Kitchen:** The kitchen area is small for a clubhouse of this size, although adequate for the current volume.
- **Grill Capacity:** With a seating capacity of just 102 in the combined areas, there is not enough seating to host larger tournaments and outings. Further, any function over 80 would require using both grill rooms, thus displacing golfers (from the nine-hole course or golfers playing before or after the event).
- **Bar:** There is no bar, which is a significant disadvantage. A bar area provides an adult area where golfers can comfortably relax after a round. Having a bar has become a key element in successful golf operations and not having one will tend to reduce overall facility income.
- **Golfer "Express" snack stand:** This is a great idea, but not well-located. This would be much better if it had an outside window that golfers can use without having to come inside the clubhouse. Moreover, its location requires a dedicated attendant rather than sharing labor with the grill or bar (if there was one).

- **Lockers:** There are 119 lockers spread throughout the clubhouse, although located in three areas: men's locker room, women's locker room, and the common locker room. About 70 (59%) of these lockers are rented. The rental fee is \$80/year for total annual revenue of just \$5,600. They are primarily used for bag storage, although some use them for dressing as well. The lockers are old, battered and ugly. While they do provide a convenience for Village Links customers, they also detract from the facility's appearance and take up an amount of space not in proportion to revenue generated or service provided. In particular, the common locker room would make an outstanding private dining area that could host small parties and corporate functions, functions where it is likely to generate substantially more revenue than the locker rental fee. Notably, the lockers are to be phased out in the proposed Master Plan.

OTHER

- **Cart Barn:** The facility lacks a storage unit for carts, with several consequences:
 - **Gas Carts:** It forces the facility to use gas carts, which are not only more expensive to operate, but far less popular with golfers.
 - **Cleanliness:** With the carts stored outside and subject to weather, it is much more difficult to keep them clean. The choices are increased labor (\$\$) or lower standards on the carts (inconsistent with the target market and price points).
 - **Vandalism:** Being stored outside makes the carts more susceptible to vandalism.
- **Parking:** There are several concerns noted about parking:
 - **Convenience:** The parking lot is not very convenient to the clubhouse. The closest parking space is 400 feet away and most of the spaces more than 500 feet, with some as far as 800 feet. Although there is some irony in making people walk to a sports venue, nonetheless, it is less convenient to the golfer. It also makes it much more difficult to attract non-golf business, such as restaurant business, banquets, and weddings.
 - **Condition:** There are some worn areas in the parking lot that will need attention.
 - **Size:** The number of spaces may not be adequate, especially if volume increases. While the parking lot has not created issues in the recent past, with higher volume the lot would frequently overflow. This issue becomes more critical if Village Links decides to aggressively pursue non-golf business that would increase the demand on existing spaces.

FACILITY PERFORMANCE AND DATA REVIEW

This NGF report is not meant to serve as a comprehensive review of operations. However, some general understanding of the Village Links operation is both necessary and helpful to appropriately recommend a change to the overall Village Links physical program offering. As a result, NGF will provide a cursory look at facility performance, specifically focusing on issues related directly to the Master Plan proposal. The data in **Appendix B** to this report contains basic golf industry “averages” based on NGF research.

We note that facility performance has been declining steadily since 2007. Last year saw a slight increase in rounds, but a decline in revenue. This decline has been the motivating factor in creating the Master Plan.

Rounds

Last year Village Links produced 72,699 rounds, which is a slight increase (1.1%) over the previous year. While this was a positive sign, the overall trend is an 8.5% decline since 2007 (79,461). Performance peaked in 1998, with 103,172 rounds.

The table below shows the rounds counts through October and through December for both the 18-hole course and 9-hole course since 1998. We used October because those were the latest available to us for this study that included 2011. It is important to keep in mind that the 18-hole course closes around Thanksgiving, while the 9-hole course remains open throughout the year.

Rounds Played 1998-2011						
Year	Through October			Through December		
	18-hole	9 Hole	Total	18-hole	9 Hole	Total
1998	44,966	54,415	99,381	45,534	57,638	103,172
1999	43,649	51,259	94,908	44,691	54,570	99,261
2000	43,245	52,670	95,915	43,897	53,853	97,750
2001	38,552	47,195	85,747	39,437	50,424	89,861
2002	36,307	42,688	78,995	37,002	43,605	80,607
2003	-	40,882	40,882		42,474	42,474
2004	26,991	42,640	69,631	27,818	44,186	72,004
2005	35,219	40,993	76,212	36,404	42,409	78,813
2006	32,726	39,646	72,372	33,395	41,620	75,015
2007	35,915	41,809	77,724	36,727	42,734	79,461
2008	33,379	40,109	73,488	34,059	41,141	75,200
2009	30,639	38,679	69,318	31,218	40,651	71,869
2010	32,831	37,363	70,194	34,038	38,661	72,699
2011	31,756	34,242	65,998	31,756	34,242	65,998
Avg.	33,298	43,185	76,483	36,614	44,872	78,870

Comments

Nine-hole play: The nine-hole course consistently has produced more rounds than the 18-hole course, averaging just under 30% more for the year. However, this difference has diminished over the past two years. The reason for the shrinkage in the gap is due to a faster decline in 9-hole play than in 18-hole play. Since 2007, the nine-hole course has lost nearly 20% of its play, compared to 13.5% for the 18-hole course. Since 1998, the 18-hole course has decreased by 40.5%, while the 9-hole course has dropped 56.9% of its volume.

There are a few potential explanations for this accelerated decline for the 9-hole course:

- **Course Conditions:** The 9-hole course was not renovated when the 18-hole course was. Thus, it is showing its age more, which could contribute to its decline in popularity.
- **Economy:** This is likely the bigger reason. Because of its price point, the 9-hole course is going to be more popular with blue-collar and lower-income golfers than the 18-hole course. These golfers are more likely affected by the economic downturn and thus are cutting back on golf (which reflects the national trend).
- **Increased Competition:** While there hasn't been any new course added in this market recently, what is happening more and more during this slow period in golf is that we are seeing higher-fee courses dropping their prices, which makes them more competitive with value courses like Village Links. Thus, the higher-end courses may actually face less competition than in 2007 while the value courses face more, even though the total number of courses remains the same.

Revenue

Total revenue last year was \$3,133,200, which was down \$67,032 or 2.1% from 2009 and down \$521,333 (14.3%) from 2007.

- **Driving Range:** The biggest decline in revenue last year was in the driving range, which was down 11.6%, or \$26,624.
- **Merchandise:** The next biggest drop was merchandise, going down 11% or \$18,462.
- **Green Fees:** Green fees were down \$41,537 or 2.4%. Since 2007, green fees have declined by \$222,153 (11.5%), by far the largest decline.
- **Carts:** Golf cart revenue went up \$22,254 (6.2%), the largest increase. But cart revenue is down 8.3% (\$34,484) since 2007.
- **Food & Beverage:** F&B revenue has remained stable. It was down slightly last year (\$2,649); and down \$39,707 (7.5%) since 2007.

Revenue per Round

While the number of rounds declined by 1.1%, revenue per round declined by 3.2%, going from \$44.52 in 2009 to \$43.10 last year. Revenue per round peaked in 2008 at \$46.07. So Village Links is not just losing market share, it is also losing yield on each round. This is despite the fact that a greater percentage of the play is from 18-hole rounds, which are a higher revenue item. Other average revenue observations:

- **Green Fee/Round:** In 2010, green fee revenue per round was \$23.82, accounting for 54.8% of the revenue. The revenue per round was down \$0.84 (3.4%) from 2009 and \$.79 from 2007.
- **Cart Fee/Round:** Cart fee revenue accounted for 12.2% of the total last year. Cart revenue per round actually increased by 5% (\$.25) last year, going from \$5.02 to \$5.27. This suggests a higher cart utilization. Cart revenue per round last year was essentially the same as in 2007.
- **Range/Round:** Range revenue per round last year was \$2.79, or representing a 12.6% decline from the previous year (\$.40). Range revenue was \$3.02 in 2007 and peaked in 2009 at \$3.19 before falling last year.
- **Merchandise/Round:** Merchandise revenue also declined sharply last year, going from \$2.33/round to \$2.05, a drop of 12%. At \$2.05 per round Village Links is now performing at a level below the 'standard' of \$2.32 per round for merchandise at a municipal golf course and well below the \$6.65 per round for higher fee (premium) golf courses. In 2007, merchandise sales were \$3.02/round and the average has fallen steadily since. As a side note, we see that the cost-of-sales for merchandise in FY09-10 was just under 60%, which is very good and may be too good, suggesting prices are too high.
- **F&B/Round:** Food and beverage sales averaged \$6.74/round or 15.6% of the total revenue in 2010. The revenue per round represents a 1.6% (\$.11) drop from the previous year. It is comparable to 2007's \$6.67. F&B peaked in 2008 at \$7.10/round. The 'standard' F & B revenue for golf courses is \$5.61 for municipal golf courses and \$15.88 at premium courses (including banquets).

Expenses

Village Links generally has done a good job of controlling its expenses during this period of declining revenue. Expenses in 2010 were essentially the same as in 2009, and they have declined by 1.9% (\$54,546) since 2007 and by 9.6% (\$294,438) since 1998, despite the impact of inflation during this period. Of course, some of the expenses are directly tied to volume, but in golf, most expenses are fixed to a large degree. Nationally we see a lot of courses that are experiencing the "double whammy" of increasing expenses and declining revenues.

- **Administrative:** Administrative expenses have remained consistent over the past five years (when sales tax and debt service are not included). Last year saw a modest 1.4% (\$4,501) decline.
- **Course Maintenance:** Course maintenance expenses, which have risen nationally, have declined at Village Links, reducing by \$22,226 or 2.6%. Maintenance expenses are still \$16,454 less than in 2007.
- **Golf Operations:** Golf operations had the biggest drop, in terms of dollars last year, decreasing by \$45,370 or 6.8%. Current expenses are \$30,937 less than in 2007.
- **Food Services:** Food services expenses increased last year by 4.1% (\$21,794), despite a decline in revenue. Since 2007, expenses have increased by 0.9%, while revenue has dropped 7.5%.
- **Fields and Parks:** This is an area that has nothing to do with the golf course, but for which the course maintenance department is responsible. Last year's responsibilities increased, causing the expenses to jump 220% or \$13,916 to \$20,318.

Net Operating Income

The table below shows the Net Operating Income (NOI) for the past four years. NOI is the difference between revenue and operating expenses and does not take into consideration non-operating expenses such as debt service and depreciation. Nor does it consider capital investments.

Village Links of Glen Ellyn Net Operating Income					
	2007	2008	2009	2010	Average
Total Rounds	79,461	75,200	71,889	72,699	74,812
Revenue					
Interest Investments	\$104,503	\$47,643	\$9,084	\$7,336	\$42,142
Green Fees	\$1,939,536	\$1,858,538	\$1,758,920	\$1,717,383	\$1,818,594
Driving Range	\$239,949	\$226,102	\$229,118	\$202,494	\$224,416
Pro shop merchandise	\$240,038	\$209,970	\$167,530	\$149,068	\$191,652
Resident Cards	\$30,221	\$30,087	\$29,014	\$27,408	\$29,183
Carts	\$417,928	\$399,744	\$361,190	\$383,444	\$390,577
over/short	(\$1,615)	\$468	\$604	\$216	(\$82)
Miscl	\$101,424	\$103,685	\$99,584	\$101,972	\$101,666
Food Services	\$529,961	\$533,810	\$492,903	\$490,254	\$511,732
TOTAL	\$3,601,945	\$3,410,047	\$3,147,947	\$3,079,575	\$3,309,879
Expenses					
Administration	\$331,027	\$329,203	\$333,390	\$328,889	\$330,627
Course Maintenance	\$842,880	\$819,628	\$848,652	\$826,426	\$834,397
Golf Operations	\$657,630	\$646,137	\$672,063	\$626,693	\$650,631
Food Services	\$544,853	\$630,830	\$527,952	\$549,746	\$563,345
Fields and Parks	\$7,065	\$14,142	\$6,322	\$20,238	\$11,942
Pro shop	\$249,530	\$258,588	\$184,771	\$155,117	\$212,002
Carts	\$36,901	\$42,427	\$33,727	\$36,349	\$37,351
Maint- Admin			\$599		\$599
Maint- Grounds	\$96,651	\$77,441	\$84,735	\$91,673	\$87,625
Maint - Golf	\$7,346	\$9,766	\$9,016	\$5,607	\$7,934
Maint - F&B	\$7,873	\$17,468	\$16,042	\$12,816	\$13,550
Maint- Pro shop	\$225	\$225	\$225		\$225
Maint - Carts	\$7,600	\$2,095	\$3,376	\$6,463	\$4,884
TOTAL	\$2,789,581	\$2,847,950	\$2,720,870	\$2,660,017	\$2,754,605
Net Operating Income	\$812,364	\$562,097	\$427,077	\$419,558	\$555,274

As can be seen in the above table, Village Links has been operating very profitably the past four years. This does not include Debt service, which is about \$340,000/year. The NOI has declined over the past several years, and is now just about half (48.4%) of what it was in 2007. Last year's 1.8% decline was much less than in the previous two years, though.

Village Links' cash flow goal is to be able to service its \$340,000 debt and be able to support \$250,000 annually in capital improvements. To meet this ambitious goal requires an NOI of at least \$590,000. Thus the declining NOI hurts Village Links' ability to fund capital improvements, which could prove costly down the road.

Cash Position

Fortunately, Village Links has a very strong cash position. According to the reports given NGF, Village Links had \$2,216,000 cash on hand at the end of 2010. This is actually \$14,000 more than it had at the end of 2009. However, it does represent a decline of nearly \$200,000 since the end of 2008.

Food & Beverage Operation

The table on the following page shows a breakdown on the NOI for the Food and Beverage operation at Village Links. One of the complicating issues with the F&B department is the "Keep Pace" program, which gives away \$1 coupons for beverages. This does not produce "real" revenue for the F&B department but adds to the costs. In order to compensate, Village Links administration allocates the estimated revenue for those coupons and "charges" it to the golf department. In FY09-10, this amount was \$66,000.

Comments

Some observations regarding the Village Links food and beverage performance include:

- The fact that the food and beverage department has a positive NOI is certainly a good sign for Village Links as many operations struggle with profitability in this area. However, a positive NOI of 6% of the gross revenue is still low.
- The overall cost of sales is 34.5%, better than the NGF 'standard' of 40%.
- Payroll is the area where Village Links is exceeding industry guidelines, which is around 33% of gross sales. At Village Links, payroll is running at 50%, or about \$90,000 higher in expenses. We suspect that part of the issue is keeping the restaurant open through the winter months when the sales volume does not justify it. However, NGF is not certain of this and further study is recommended.

Village Links of Glen Ellyn Food and Beverage Operation	
Revenue	
Sales	\$498,179
Keep Pace allocation	\$66,000
Total	\$564,179
Cost of sales	
Beer & wine	\$36,694
Spirits	\$2,018
Food	\$116,492
Beverages	\$39,706
TOTAL	\$194,910
GROSS PROFIT	\$369,269
Payroll	
Salaries	\$63,504
Overtime	\$920
Temporary	\$190,259
FICA/taxes	\$20,942
IMRF	\$7,664
TOTAL	\$283,289
Expenses	
Credit Card	\$3,036
Dues	\$4,075
Employee education	\$453
Phone	\$1,368
Utilities	\$7,396
Insurance	\$1,312
Operating supplies	\$12,422
Uniforms	\$690
Mechanical Maintenance	\$14,588
Dry goods	\$6,613
TOTAL	\$51,953
Total Expenses	\$335,242
Net Operating Income	\$34,027

FACILITY REVIEW SUMMARY

The NGF summary review of the Village Links facility leads to the following key points regarding the operation, specifically as it relates to the proposed Master Plan of improvements:

- The Village Links golf course(s) are of good quality and there is nothing inherent in the design or features that should serve to reduce rounds of golf or revenues. NGF did observe a few minor issues such as cart paths and length that may impact some segments, but should not impact Village Links' ability to effectively market and increase its volume of tournament / outing business.
- The driving range at Village Links is not adequate or up to date, and real growth in range revenue is unlikely with the present set-up. The range is too short for the modern game, not wide enough to handle large volume, not lighted for night use, and not covered or heated for winter use.
- The clubhouse has clear deficiencies in both its program and condition. It is the opinion of NGF that the Village Links operation would benefit from upgrades to this facility, both directly by increasing F&B and merchandise revenue, and indirectly by enhancing the overall appeal of the facility, leading to more rounds of golf.
- The performance review shows declining rounds activity at Village Links, and the facility now has a need to establish new sources of rounds activity to replace the declines. One key area that other successful public golf courses have used to offset declines in rounds activity has been to increase tournament and outing rounds through direct marketing and targeting of groups, charities, and businesses. To be successful in this venture, the facility must have facilities appropriate for these types of events, including both a high quality golf course (present at Village Links) and high quality clubhouse amenities capable of hosting up to 144 golfers (not present).
- Total revenue at Village Links has been declining along with rounds volume, and additional revenue sources are needed to regain lost income. The two key areas that show the greatest potential to increase Village Links revenue are the driving range and the food and beverage operation. However, as noted, these areas are deficient at present. The range is not long or wide enough, and the food and beverage operation lacks a large gathering space and is especially deficient by not having a bar.
- The cursory review by NGF shows good efficiency in the Village Links operation. It appears that senior staff is making every effort to adjust the operation to reflect changes in market conditions and appear to be managing expenses and margins well. However, this is based on a limited review and a more in-depth review is recommended.

Current Proposal Review

PLAN SUMMARY

There are two primary rationales behind the Master Plan and the need for renovations at Village Links. They are:

- **Infrastructure Needs**
- **Revenue Enhancement**

Infrastructure

As a 44-year-old facility, there are bound to be areas where the original infrastructure has reached or exceeded its normal life expectancy, or whose age has become a deterrent. Infrastructure repairs are ones that are needed in order to maintain market position and/or contain maintenance costs. They generally will not significantly impact market share or revenue performance.

The Master Plan identified four such areas of clear infrastructure needs, with each area of need supported by NGF review and observation:

- **Clubhouse:** The clubhouse has not been renovated since 1977, with virtually no change since 1984. As such:
 - **Restaurant:** Needs updating.
 - **Patio:** Needs upgrading.
 - **Restrooms:** The restrooms not only are substandard in appearance, they are not compliant with today's ADA guidelines. Further, the fixtures are worn.
 - **Fire Sprinklers:** Any improvements to the clubhouse will require the addition of sprinklers
- **Utilities:** The utilities to the clubhouse area are not adequate to meet needs for today or the future.
- **Parking Lot:** There are areas in the parking lot in need of repair.
- **Driving Range:** The driving range is deficient in two key areas as noted – size and operating efficiency:
 - **Size:** Technology has made the current driving range inadequate. The tee is not wide enough to allow sufficient recovery of the grass.
 - **Operating Efficiency / Safety:** Balls hit into the trees require manual labor to retrieve, which takes time, adds expense, and results in more lost balls. Big hitters are able to clear the trees and hit into the fairway of #5 on the nine-hole course, affecting safety.

Other issues in need of infrastructure improvement that are mostly addressed in Phase II of the Master Plan and not Phase I.

- **Cart Storage:** Currently carts are being stored outside. This is adding to the expense, reduces cleanliness of the carts, and is less popular with golfers.

Comments

NGF agrees with the above assessment and agrees that the proposed Master Plan provides relief and improvement in these areas. However, some key deficiencies may not be addressed in Phase I and will have to wait for Phase II.

Revenue Enhancement

Reversing the slide in revenues appears to be the primary motivating force behind the Master Plan. The Master Plan is anticipating improvement in the following areas as a result of the renovations:

- **Tournament / Outing business:** With increased seating capacity and nicer amenities, Village Links will be more competitive in the profitable tournament and outing business. Tournaments and outings not only can add rounds to the facility, but they typically generate a higher yield than daily fee play.
- **Food & Beverage:** F&B should benefit significantly from the renovations. This will come from three primary sources:
 - **Tournaments / Outings** as mentioned above.
 - **Weddings / Non-golf Banquets:** The larger and more attractive amenities should help the facility attract non-golf business. This can be particularly beneficial during the off-season.
 - **Increased Yield:** Adding a bar should enable Village Links to significantly increase the yield seen from its daily fee play.
 - **Non golf Business:** In addition to non-golf outings, the Master Plan seeks to generate more non-golf restaurant business.
- **Driving Range:** The Master Plan has two ways in which the driving range can enhance its revenue:
 - **Increased Capacity:** The range tee will be widened with additional depth. This will increase the capacity of the range, providing for more revenue opportunity at peak demand times. This will also help with range maintenance.
 - **Increased Opportunity:** Adding lights and heated stalls will allow the range to capture business where it is not competitive currently. Nighttime usage can have a dramatic impact on revenue performance. However, only a few heated stalls are planned for Phase I, with the lights and rest of the heated stalls put off until Phase II.

Comments

Again, we agree with the Master Plan as to the potential for all these areas to be enhanced by the present plan. However, we have some concerns about some of the underlying assumptions that appear to be in place in the Master Plan. These assumptions affect the *degree* that these renovations will have on performance. They also affect the priorities and recommendations with regard to these improvements. We will discuss this in greater detail below.

Proposed Improvements

To accomplish the revenue enhancements, the following capital improvements are planned:

Phase I

- **Clubhouse:** A 4,400 sf addition to the current clubhouse, including:
 - **Banquet Area:** Two banquet rooms will be added with 100- and 50-person capacities, or combined for 150-seat banquets.
 - **Bar:** A new bar would be added.
 - **Dining Room:** A new main dining area will be created and food service décor upgraded.
 - **Restrooms:** Two new ADA compliant restrooms will be added.
 - **Updating:** A general updating of the clubhouse will be accomplished.
 - **Patio:** A new patio would be added on two sides for up to 90 people.
 - **Utilities:** would be upgraded
- **Parking:**
 - 40 new parking spots would be created near the clubhouse.
 - Lights would be added to serve evening banquets and improve safety.
 - Renovate rest of parking lot and fix problem areas.
- **Range:**
 - **Tee Addition:** A small tee addition will be built on the west side of the range. This will require moving the tee for the nine-hole course #1 hole.
 - **10- to 15-space Artificial Tee** would be built, with a protective cover for inclement weather.

Phase II

In phase II, additional changes are being planned:

- **Clubhouse**
 - Demolishing everything south of current main entrance, including the existing restrooms, all lockers and the current pro shop. The renovated clubhouse will NOT have any lockers or shower facilities.
 - Pro shop: Building a new 1,500 sf pro shop.
- **Range**
 - Deepen existing tee into area where the clubhouse was.
 - Artificial Tees: Add a line of artificial tee stations across the back. These would be covered and some heated.
 - Range ball cleaning: A new room would be built for washing and storing range balls
 - Lights: The range would be lit for nighttime usage.
- **Other**
 - Starter Shed: A starter shed would be built for the nine-hole course
 - Cart storage buildings: Would be added, allowing for use of electrical carts.

Comments

- **Building Efficiency:** While we understand the fiscal realities that tend to drive key decisions like this, NGF recommends against dividing the clubhouse renovation into two phases. This seems unnecessarily inefficient and will cause longer disruptions, extending the time the building is under construction, inconveniencing customers for a longer period of time and will likely create more operational inefficiencies due to the construction.
- **Range Lights:** The Master Plan states that it is the desire to put those items that will have the greatest impact to revenue enhancement in Phase I, and those with minimal impact in Phase II. Our analysis suggests that lighting the range should increase range revenue by at least 20%, with the heated stalls adding another 10%.

Costs and Funding

A detailed breakdown of the anticipated construction costs for the two phases is provided in Appendix A. The total cost of Phase I is given at just under \$3.9 million and for Phase II at \$2.9 million (today's dollars), for a total project cost of \$6,743,497.

The proposal is to fund Phase I with General Obligation bonds, which are projected to have an annual payment of \$300,000. None of the facility's \$2.2 million in cash reserves are planned to be used.

Revenue Projections

Village Links staff prepared the following financial projections for the Master Plan:

	Projected Annual Sales Increase	Annual Operating Expense Increase	Expense % (of Sales)	Net Profit
New Revenue/Profit - Estimated by Staff				
Bar	200,000	170,000	85%	30,000
Dining Room Remodeling - Food & Beverage	100,000	85,000	85%	15,000
Patio Remodeling - Food & Beverage	20,000	17,000	85%	3,000
Close In Parking Addition - Food & Beverage	120,000	102,000	85%	18,000
Hospitality Facility - Food & Beverage	70,000	56,000	80%	14,000
Driving Range Covered Tee Stations	10,000	5,000	50%	5,000
Improved Driving Range Tee	20,000	2,000	10%	18,000
Close In Parking Addition - Driving Range	10,000	1,000	10%	9,000
Hospitality Facility - Green Fees & Carts	100,000	20,000	20%	80,000
General Benefit - 3% Green Fees & Carts	80,000	6,000	10%	54,000
Total	\$ 710,000	\$ 464,000	65%	\$ 246,000

Subtotal - Food & Beverage	510,000	430,000	84%	80,000
Subtotal - Driving Range	40,000	8,000	20%	32,000
Subtotal - Green Fees & Carts	160,000	28,000	18%	134,000

2010 Food & Beverage Sales (Clubhouse & GEX)	373,000
2010 Driving Range Sales	202,000
2010 Green Fees & Cart Sales	2,100,000

Food & Beverage Sales - Projected Increase	137%
Driving Range Sales - Projected Increase	20%
Green Fees & Cart Sales - Projected Increase	8%

These projections show a total revenue increase of \$710,000 with an increase in expenses of \$464,000. This results in a net gain in profit of \$246,000, which is \$54,000 short of what is needed to pay the proposed bonds. The Master Plan suggests that this can be corrected by reducing the construction costs by \$800,000 (20.5%), but fails to mention how this reduction will be accomplished.

Comment

The 20% reduction is large, and it is hard to imagine that changes resulting from this construction cost reduction could be accomplished without adversely affecting revenue projections.

If the Master Plan goes forward as proposed, it would be our recommendation to fund \$800,000 of the construction costs out of the reserve. This would reduce the debt payment by 20%, making it a more manageable \$240,000, while still leaving \$1.4 million in reserves, which we feel is more than adequate. Keep in mind, the cash reserve was \$1.7 million as recently as 2005.

ASSUMPTIONS

In any plan, there are many necessary assumptions made. To best evaluate the Master Plan, it is important to examine and understand the assumptions that are part of the plan. Every plan has assumptions.

“Assumptions” in this case are concepts, ideas, or statements given as fact that underlie the concept of the Master Plan, the recommendations, and the projections. In many cases, these assumptions are not stated, but can be derived based on how the plan is formulated.

Many of these “assumptions” may, in fact, be a result of careful study and years of experience, which are impractical to document in any concise form. We will focus on those “assumptions” that we see that may, for one reason or another, be challenged. However, while some of these assumptions may be challengeable, we found that as a whole, the Master Plan was very well thought out and presented.

Premise

The main assumption we get from reading the Master Plan is that its execution will solve the main problems currently plaguing the facility, with a corollary assumption being “this is the best way to improve revenue performance and increase profitability long-term.”

It is hard for NGF to argue either premise, as we were not tasked with performing a general operations review. However, we can say that based on our preliminary observation, the facility is being well run.

But we can also state that there may be other capital improvements that can be made to Village Links that would require a smaller investment and also have a positive impact on revenues, both on a short- and long-term basis. We will discuss this further under the “Alternatives” section. This does not mean that the proposed plan is in any way “invalid,” as NGF does agree strongly with the general concept and rationale.

Tournaments / Outings

One of the key reasons for the clubhouse expansion is to make the facility more competitive to host tournaments and outings, particularly large ones that cannot be handled currently. In previous years, Village Links tended to avoid hosting large events and tournaments for fear it would “upset” the regular-play golfer, driving them to other facilities. Thus, not only were tournaments and outings not a priority, they were actively discouraged.

With the recent decline in regular-play golfers, the need to enhance tournaments is now a higher priority, and thus physical improvements are required. There are several reasons to support this assumption:

- **Rounds:** Tournaments and outings can be a great source of rounds, especially if done at otherwise slower periods.
- **Yield:** Tournaments and outings will often yield a greater revenue per round than daily fee play over the same time period. Tournaments almost always include a large amount of ancillary income – range, merchandise and especially food and beverage, that far surpasses the average daily fee round. Green and cart fee yields are also often higher due to the amount of discounting often present with daily fee play. This is especially true at Village Links where a high percentage of the play is from residents who get a 40% discount.
- **Marketing:** Tournaments and outings represent an excellent marketing opportunity because they typically will bring in golfers who otherwise would never have played the course. This provides the opportunity to capture future business from this customer, an opportunity that can be maximized with creative marketing strategies.

Comment

NGF is in full agreement with the assumption that tournaments and outings represent a great way to increase revenue quickly. We also understand that it comes with the risk of losing daily fee play, especially in a highly competitive market such as Chicago.

NGF recognizes that tournaments and outings represent a very different kind of business than daily fee play, and will require operational changes in addition to the physical changes being proposed. For example, if Village Links wants to significantly grow its tournament and outing business, it will need to have a dedicated salesperson to solicit the tournament business as opposed to waiting for them to call. It is our experience that in almost every case, the facilities that are most successful in the tournament and outing business have dedicated sales professionals tasked with soliciting and coordinating the events. There are several reasons why this is the case, including:

- **Sales Skills:** Sales success often requires a particular personality, motivation and skills. Simply assigning this duty to a staff person is not likely to yield great results unless that person happens to have the right combination of the above requirements.
- **Time:** Successful sales of tournaments and outings will often require a time commitment for telephone, meetings and follow-up. It is the experience of NGF that when these duties are assigned to staff as a “part-time” responsibility, they become a lower priority.
- **Compensation:** Successful sales people are always highly motivated—which is usually best accomplished with commissions. When the sales are part of other

responsibilities, incorporating a commission for the sales becomes problematic. If commission potential is high, then other responsibilities may not be completed. If the compensation is too low, there will be little motivation, leading to poor performance.

It is our experience, that it is easier to take a proven sales person and teach them the golf business than the other way around. This person should have a compensation package that is mostly commission-based, with a small base and/or a guaranteed "draw".

Estimated Impact

Conservatively, we would estimate an additional 3,500 rounds, or 5% increase, with the upgraded facilities and a more aggressive approach. NGF expects that these rounds will produce a higher yield per round than the historical at Village Links to a level as high as \$55 per round (more later in this section). National NGF research shows that golf facilities that are aggressive in attracting golf tournaments and have the facilities to accommodate these events can have upwards of 10% of total activity from tournaments. This equates to around 3,200 rounds per year on the "average" golf course, all sold at the highest average rate per round.

Village Links has lost over 23,000 rounds since 1998, indicating that there is capacity that is not being currently utilized. The actual number of tournament rounds is likely to be much higher than 3,500, as this figure represents the additional rounds, taking into consideration the rounds being "displaced." Obviously, the Village Links will not want to displace league play, so tournaments and outings would need to be scheduled around those activities. This does not include, though, informal leagues such as Men's and Women's golf association play, although Village Links should keep disruptions to a minimum and charge a premium when they do occur.

We would anticipate that almost all of the tournament and outing rounds would be on the 18-hole course. However, price would be the incentive to use the 9-hole course. The disparity between the two courses is one of the reasons why we recommend considering upgrading the 9-hole course and making the Links a true 27-hole layout.

Weddings and Non-golf Banquets

Another major justification for the clubhouse expansion is the potential for generating non-golf banquet business, especially weddings. There is no doubt that the current clubhouse is not adequate for most weddings and larger banquets due to size and quality of amenities.

There are several sub-issues that come up with the wedding business specifically and banquet business in general. The first question is "are they profitable?" When looked at on an individual basis, the answer is usually "yes!" Weddings should be profitable, often very profitable. On any given wedding, the host should make 33-40% profit after food costs and labor, etc. According to *Knot Inc.*, which maintains two leading wedding websites, their recent survey shows the average wedding size to be 141 guests. Other industry estimates place the number as high as 165. *Knot* also estimates the average catering price to be \$60/plate, which is consistent with our findings in the Chicago area.

Thus, an average wedding should produce about \$9,000 in revenue and between \$3,000 and \$3,600 in profit. If we assume the facility could do 40 weddings or similar-sized banquets a year, this could conceivably bring \$120,000 or more profit to the bottom line, obviously a very attractive incentive. It would be even more attractive if this business can be arranged during slow periods for the golf course.

But again, there are some underlying assumptions and questions for the Village to consider. Is it realistic to expect to do 40 weddings a year at Village Links? There are a lot of variables that have to be considered to answer this question. On the positive side, the demographics appear to be favorable, as Village Links' location near a college generally means:

- Younger people of marrying age are present in the market (favorable).
- The college could be a strong target for advertising.
- Most weddings are held in late spring to early summer, so the prime time to target would be fall and winter.

Other considerations:

- **Is the facility an attractive enough amenity?** The current clubhouse would probably not qualify as a top choice for many brides, especially at the \$60/plate price point. The question then becomes would the new facility be more attractive. On the positive side, it would be new and have updated amenities and decorations. On the downside, the current location has some concerns related to parking and the lack of a "bride" room (not in the Master Plan proposal). Further, the plan shows limited size. The proposed clubhouse would have a maximum capacity of 150, but that does not include a dance floor, buffet line, etc. (these could be put in the main dining room, assuming the course is closed at the time), thus limiting the size of the weddings. As a result, it would not seem likely that the average wedding size would be 150, but would more likely be closer to 120. Further, given the limitations of the clubhouse, we suspect that the average plate price would be less as well. This reduces the average revenue to \$6,000 and the estimated profit to \$2,100, for a total of \$84,000/year.
- **Will the weddings just come?** Given the location and proximity to the college, Village Links would be a natural consideration and would likely draw interest with only a modest effort. But to get to the level of 40+ events per year will require a lot of time and/or effort. The golf facilities most successful at attracting weddings have a wedding specialist on staff who sells and coordinates the service. They also do a lot of wedding marketing – including advertising in bridal magazines, appearances at wedding shows, and working with area wedding consultants.
- **Can Village Links accommodate weddings and golf at the same time?** The likely answer is "no." Given parking limitations and clubhouse amenities, it would be problematic to try and have a wedding while the golf course is open (with the possible exception of an evening wedding, when most of the golfers are through playing). While the prospect of adding \$84,000 to the bottom line is attractive, it may not be worth the risk of losing your core business, which is golf. Golfers will tolerate an occasional inconvenience, but if it becomes a regular event, they may seek to play elsewhere. This means that the weddings (and larger non-golf banquets) need to be limited to evenings or winter months. Given that June is the most popular wedding month and the summer, in general, the most popular time, this limitation will make it very difficult to do 40 events per year. We feel a more realistic estimate would be 25. This reduces the profit potential to around \$50,000.
- **Are they worth the effort?** This is a much harder question to answer. Weddings, by their nature, bring very emotional and demanding clients. This can certainly be disruptive to staff and extremely stressful to management and those working directly with the clients. And, to the degree the wedding overlaps golf, you have to consider any inconvenience being placed on your core business.

Bottom Line: Weddings are highly profitable, but also very problematic. Even with the renovated clubhouse planned in Phase I, the facility will have a lot of limitations that will prevent it from being a prime choice. This will reduce the pricing and thus profit potential. In addition, expenses such as the cost of a dedicated sales person and other marketing expenses (assume industry standard of 5% or \$2,500 for \$50,000 in wedding business). **Our best advice would be to pursue weddings and non-golf events, but do not make them a major focus of Village Links' planning or operation.**

Non-golf Restaurant Business

One of the focuses stated in the Master Plan and in the year-end review by course management, is to bring non-golf restaurant business to Village Links. This brings up the question: How realistic is it to expect a lot of non-golf restaurant business at Village Links?

Golf operations historically have varying degrees of success in gaining non-golf market share. In most cases, it is a very difficult road to travel. A number of factors are working against Village Links in this regard, including:

- **Association with Golf:** Many people would not come to the restaurant because it is at a golf course. This is not because they necessarily have anything against golf, it is that they may feel out-of-place, or not be fully aware of the availability.
- **History:** Village Links has been open for over 40 years, so area residents know it is there. But they have not been coming to the restaurant. Habits are hard to break, even the habit of not going somewhere.
- **Access / Convenience:** This may be the biggest concern. As noted above, there simply isn't any convenient parking to the clubhouse that would make the restaurant attractive. In today's market, few people are wanting to walk several hundred yards to get to the restaurant when there are a lot more convenient choices. Adding the 40 spots will help, but realistically, those spaces will be taken by golfers. One can try to put up signs reserving some of the spots for restaurant guests, which might help, but more likely will be ignored.
- **Amenities:** While the current clubhouse is not an attractive option for lunch, the proposed renovations would be a significant improvement and should be expected to improve the attractiveness of this location.
- **Uniqueness:** Restaurants need a "catch" to grab people's attention. It may be the atmosphere, the quality of the food, the service, a unique dish, or a combination. A great view would certainly help with the aesthetics. Unfortunately, this is not the case with the current clubhouse, nor does it appear to be the case with the planned renovation. To compensate, we feel Village Links will need to come up with some unique offerings or a combination of the other factors to give people a reason to come.
- **Location:** A lot of restaurant business comes from the drive-by market. Village Links is not positioned to capture this business due to its location and the remoteness of the clubhouse from the road. (A new sign with the restaurant prominently mentioned would help).
- **Marketing:** To have a chance at success, the restaurant will need to be marketed independently and aggressively apart from the golf course. Village Links is already

doing a lot of this. A new name for the restaurant after the renovations would help, especially in overcoming the history factor mentioned above.

- **Evenings:** The question arises whether the restaurant might have success in night-time business as opposed to just lunches. Parking would obviously be less of an issue, especially in the winter and with the new parking spaces. It also tends to be more costly from the operator's standpoint, as it requires a larger inventory and a higher level of service. We view the evening meal business as being particularly risky. Our recommendation would be to test market it after the renovations, and we would not recommend on counting on this business (or including the numbers in the projections).

Bottom Line: While we would certainly encourage Village Links to try to solicit outside business, again, we recommend caution with regards to the volume that can be generated. **If the Village Links can attract an average of four couples per day, that would generate about \$120/day in revenue, or less than \$40,000 a year.** NGF empirical data suggests that very few public golf courses (fewer than 2% of all public golf courses) are able to generate greater than \$40,000 in non-golf restaurant business annually.

Adding a Bar Will Significantly Increase Revenue

This assumption is not clearly stated in the Master Plan, but we can infer it from both the cash flow projections and the planning, which includes a separate bar area. The NGF is a supporter of the concept that the presence of a bar can enhance revenue at a public golf course.

Again, there are a number of factors that come into play:

- **Competition:** Most (if not all) of the golf courses Village Links competes against do have a bar. Thus, Village Links is currently at a competitive disadvantage that the renovations would fix.
- **Golfer Preference:** If given a choice, golfers tend to prefer going to the bar after a round over going to the restaurant, unless it is at lunch or dinner time.
- **F&B Yield:** Adding a bar is likely to increase the F&B yield per round. Because it is a better environment for after-round relaxing, more golfers will choose to go there and are likely to stay longer. The NGF has conservatively estimated that the presence of a bar at a golf course will add \$1.50/round in additional F&B revenue over comparable golf courses that do not have a bar (NGF national estimate). This equates to adding about \$110,000 in revenue at Village Links.
- **Adding Rounds:** Having a bar makes the facility more attractive, both to individual golfers and to larger groups. This is harder to estimate, but a minimum estimate would be 3% (NGF Consulting estimate not supported by hard data). However, it is likely to take time to get there unless substantial marketing is done at the time of the clubhouse reopening. Three percent would translate to 2,160 more rounds. At the current yield of \$43.10/round, this would mean a \$93,095 increase in revenue.
- **Non-golf Business:** A bar will help attract non-golf business in two ways. It will make the facility more attractive for non-golf functions and it presents the possibility of getting off-the-street business. Assuming the bar has a "sports pub" theme (commonly the most successful at golf courses and recommended by NGF) and subscribes to various sports TV packages (such as NFL Sunday Ticket), this

business could be significant. With more convenient parking and suitable promotion, there would be the potential of evening business as well. However, as with the restaurant, we would test-market this assumption and would not assume that evening hour business would necessarily be profitable. To be conservative, we estimate another \$50,000 in non-golf revenue produced by the bar (NGF Consulting estimate not supported by hard data). The NGF also notes that the bar has a lower cost-of-sales than the restaurant, and thus the revenue will produce a higher level of profit.

Bottom Line: NGF is in full agreement with the assumptions of Village Links staff. **A bar will have a significant impact on the facility's overall performance, which we estimate to be at least \$200,000 in increased revenue.**

Priority of Range Concerns

NGF has observed that some driving range upgrades are not included in Phase I, but will be delayed until Phase II. Further, we note a comment in the Master Plan that states "Phase II may never happen," thus the committee is stating that the driving range is not a priority. NGF believes that upgrading the driving range should be a priority due to:

- **Safety:** The NGF believes that safety should be a primary concern. One lawsuit could more than make up for the costs being saved, not to mention the effect a serious injury could have on the course's reputation.
- **Range Revenue Can Be Significant:** The committee states that the Phase I improvements are those designed to increase revenue, while Phase II are more infrastructure concerns. However, NGF notes that the range improvements proposed will serve to increase revenue. While the impact may not be as great as with the clubhouse renovations, we do believe revenues can be substantially increased, perhaps as much as \$100,000/year in increased revenue as noted below:
 - Lighting the range should add \$50,000 per year (if permitted). The average usage reported by the five facilities with range lights was surveyed by NGF 15.7% of use coming after dark, ranging from 7% to 27%. Assuming increased night use of 15.7%, the increase in revenue would be approximately \$35,000. However, it is NGF's opinion that evenings tend to be the most popular and thus we believe that \$50,000 in new revenue is a reasonable expectation. This would be equivalent to 21% range usage under the lights. On the expense side, the NGF estimates the cost for lighting to be around \$100,000 to \$125,000. Operating expenses are likely to be around \$10,000-\$15,000 per year (depending on hours and number of staff used and electrical rates, etc.).
 - It is the NGF opinion that adding heated stalls would add at least \$20,000 per year in new revenue.
 - The NGF is also estimating a 10-15% improvement in utilization of the range based on improved conditions (\$20,000 to \$30,000/year). Further, having a better looking range should also have a positive impact on rounds, especially in recruiting tournaments and outings.
- **Aesthetics / Maintenance Costs:** Some range improvements are expected to improve conditions and reduce maintenance costs. While important, NGF agrees that these priorities should be lower than the clubhouse concerns.

Renovating is Better than Replacing

The current Master Plan calls for the renovation of the current clubhouse (over two different phases), as opposed to replacing the building. This path was chosen over building a new clubhouse due to cost considerations. Apparently a new clubhouse idea was explored and rejected due to the projected cost of \$10,000,000 (estimated at \$400 per sf). NGF observations regarding this decision include:

Size

In reading through the Master Plan and examining the alternative plans, it would appear that the assumption is that Village Links requires 22,000 sf because that is what is current at the facility. In the end, the new master plan will essentially reproduce this sizing, although in slightly different organization. The NGF believes that function is far more important than size, with efficiency being what is most needed to improve costs. The current clubhouse is a model for inefficiency and wasted space. While the renovation addresses some of these concerns, it still allows for some continuation of wasted space.

One option to consider is replacing the existing clubhouse with a newer, smaller, and more functional clubhouse of 8,000 to 10,000 sf. This program could accomplish all of the goals of the Master Plan, including seating for at least 150 people, a 1,500 sf pro shop, and a bar; plus have a smaller conference room/private dining, nice restroom facilities with day lockers and showers, and all the necessary office space. Such a clubhouse would also improve operating efficiency and decrease utility costs – probably by 70% or more, given modern energy efficiencies in equipment and construction. Assuming the implied \$400 per sf cost, an 8,000 sf clubhouse would cost \$3.2 million and a 10,000 sf would cost \$4.0 million. Given the renovation estimate for the current clubhouse is \$2.0 million, the differential of a new building might be only \$1.2 to \$2.0 million rather than \$8.0 million. The benefits of a new building include:

- **Improved Location:** A new clubhouse could be built in a location that is much closer to the existing parking. (Previous plans had called for it to be located in the short game area). This, in turn, would:
 - Increase wedding opportunities.
 - Increase non-golf restaurant business.
 - Potentially increase rounds by making the clubhouse more convenient to golfers. It certainly makes it more attractive to tournaments and outings.
- **Reduced Costs:** The new clubhouse would likely reduce clubhouse utility consumption by 70% (based on common performance with newer and more energy efficient clubhouses nationwide). This is likely a \$50,000/year savings.
- **Minimize Disruption:** What does not appear to be taken into account in the Master Plan is the reduced revenue that will occur during construction. It is hard to imagine that there would not be a reduction, especially in food and beverage sales, during this time. The expressed timetable would have construction start mid-summer 2012 and be completed by spring 2013. At best, we can expect this to affect 60% of the year's annual golf business, or about 48,000 rounds. Assuming a 50% reduction in F&B sales during this period, this results in a \$162,000 reduction in revenue. Compensating for this loss, no doubt, will be a reduction in corresponding labor and cost-of sales. Assuming a margin of 20% (other overhead costs remain), this means a reduction in profit of \$32,400 during the construction. On the other hand, the existing clubhouse can remain fully functional, with no loss of business during construction.

- **Improved Aesthetics:** We can only assume that a new building would have superior aesthetic qualities than the existing one.
- **More Attractive Setting:** The new location should provide superior views. This in turn will make the restaurant / grill area much more profitable. Again, this could stimulate a lot more non-golf business as well as help sell more tournaments and outings.
- **Phasing:** Building a new clubhouse would eliminate the need for a two-phase approach. When the new clubhouse is finished, the existing clubhouse (or some of it) can be demolished to make room for the expanded range.
- **Logistics:** The proposed clubhouse plan would require all deliveries to be made through the main entrance. Not only is this inconvenient to both staff and vendors, it is unsightly. A new clubhouse presumably can be designed with better logistics in mind.
- **Alternative Uses:** Building a new clubhouse raises intriguing possibilities of what can be done with the existing clubhouse. Certainly one solution would be to simply tear it down completely, as part of it is planned to go anyway. However, the building could provide other alternative uses including offices, additional banquet space, or lockers.
- **Marketing:** A new clubhouse has a lot more “sizzle” than simply renovating a clubhouse – especially when that renovation is only partial.

Bottom Line: We feel the Committee should consider building a new clubhouse rather than renovating the old one. An appropriately sized facility may be well worth the additional cost and could conceivably generate a better short-and long-term return to the Village. While the NGF was not tasked with doing a feasibility study for a new clubhouse, our recommendations are based only on experience, observations and the assumption of reproducing the same revenue program as proposed (thus no new revenue is assumed). We would anticipate that a new clubhouse will be attractive to golfers and should stimulate more play, although the impact will be more in tournaments and outings than with daily fee play. It is our best guess that a new clubhouse would have a better return on investment than the renovations proposed, especially if the new clubhouse can match the proposed program and revenues within a clubhouse size of 10,000 sf or less.

VILLAGE LINKS STAFF PROJECTIONS

As discussed previously, the staff projections contained in the Master Plan show an increase in revenue of \$710,000 as a result of Phase I renovations. This increase comes from:

- \$510,000 increase in Food & Beverage revenue – a 137% increase
- \$40,000 increase in Range revenue – a 20% increase
- \$160,000 increase in Golf revenues – an 8% increase

Offsetting these revenue increases are the following cost increases:

- \$430,000 in Food and Beverage expense – 84% increase
- \$8,000 in range expense – 20% increase
- \$26,000 in golf expense – 16% increase

Combined, these result in the following increases in profit:

- \$80,000 in Food & Beverage
- \$32,000 in Driving Range
- \$132,000 in Golf

This totals to a \$246,000 increase in Net Operating Income. We shall examine each area in turn.

Food and Beverage

The Food and Beverage operation is clearly the biggest beneficiary of the renovation, according to these projections. However, this is in terms of revenue but not profit. Staff had estimated the increase in Food and Beverage sales at \$510,000, based on projections broken down as follows:

Bar	\$200,000
Dining Room Remodel	\$100,000
Patio Remodel	\$20,000
Close in parking	\$120,000
Banquet (Hospitality facility)	\$70,000
TOTAL	\$510,000

Since the golf revenue is increasing by only 8%, we can assume that almost all of the projected increase in F&B revenue will come from non-golf business and increased yield with the current golf customers.

NGF Estimate

Based on our analysis as noted in the previous section, the NGF believes that these projections may be too optimistic. The NGF has provided a revision of the Village Links' staff projections based on source of income rather than by amenity, as shown below:

Weddings and non-golf banquets	\$150,000
Non-golf walk-in restaurant	\$40,000
Adding Bar	\$110,000
Increase from more rounds	\$40,000
TOTAL	\$340,000

Using the staff estimates of 84% expense ratio, the NGF estimate yields \$54,400 in net profit to the bottom line, compared to the \$68,000 estimated by Village Links staff.

Driving Range

The Master Plan calls for a 20% growth in revenue from the driving range for Phase I improvements. However, we note that Phase I improvements do not include improving the aesthetics of the current range or its condition. Village Links staff has noted that the range is

rarely at capacity now, so the additional tee space is not likely to have a dramatic impact on performance. We also do not feel the few covered stalls will provide a dramatic increase. There projections were as follows:

Covered Tee Stations	\$10,000
Improved Driving Range Tee	\$20,000
Close in Parking	\$10,000
TOTAL	\$40,000

We agree with the covered tee stations and the close in parking, but are less optimistic about the improvement from the driving range tee as projected.

Looking at source of income, we can infer from the Golf increase, that there will be an 8% increase in rounds. Thus, we should be able to expect a corresponding increase in range utilization. The other improvements, which are designed mostly to get range-only business, may net an additional 7%, for a total of 15%.

This would reduce the range revenue increase from \$40,000 to \$30,000 and the profit from \$32,000 to \$24,000.

However, the assumption in the Master Plan projections is that the range expenses would increase proportionate to the increase in use. This should not be the case. Most of the range expense is fixed, not variable. The added time to pick the range due to the higher volume should be nominal as the tractor will move at the same speed and cover the same ground. The added use may require some additional range balls, but should not be proportionate to usage.

The NGF estimates the expense to increase by only \$3,000 instead of \$8,000. So our profit projection becomes \$27,000, which is only \$5,000 less than the Committee's.

Golf

The Master Plan shows an 8% increase in revenue from golf as a result of the proposed improvements. Staff projections include:

- \$100,000 for a hospitality addition
- \$60,000 in general benefit (3% increase)

With the golf projections, NGF finds staff projections to be too conservative. We agree that rounds should increase by at least 8% with the improvements. As noted previously, we break this down as 5% from additional tournaments and outings, and 3% due to the bar.

Assuming staff projections of an 8% increase in rounds, this equates to 5,816 additional rounds of golf. Taking their \$160,000 in revenue increase and dividing by 5,816, we get an average yield of \$27.51. Yet, the current yield for cart and green fee is \$28.90.

Also, the NGF believes that the enhancements will lead to an increase in the Yield for the golf rounds. This is because the tournaments and outing rounds should produce a significantly higher yield than the equivalent daily fee play. For one thing, almost all of the tournament rounds are likely to be played on the 18-hole course, which has a much higher green fee. Plus,

we anticipate less discounting and a lower ratio of resident participation. Further, cart utilization should be much higher. As a result, we would put the yield at \$55 per round for tournament rounds, not \$27.51. **Thus the additional 3,535 tournament rounds the facility would be generating an additional \$100,000 in revenue.**

The staff estimates included a \$26,000 increase in expenses as a result of these rounds. We feel this is probably overstated. However, it would not increase because of the higher yield we are projecting. As a result, the net profit from golf will also increase by \$100,000, totaling \$234,000 instead of \$134,000.

Summary

When taken together, the NGF projection shows approximately \$68,000 stronger performance than Village Links' staff. Indeed, our projections would indicate the project will cash flow at the current projected cost, without having to make drastic cuts or use of the reserve funds. (We would still recommend using at least \$500,000 out of the reserve funds to reduce the debt load and make it easier to cash flow). A summary of comparison between NGF and Village projections is shown below:

Investment Return				
	F&B	Range	Golf	Total
Revenue				
Staff	\$510,000	\$40,000	\$160,000	\$710,000
NGF	\$340,000	\$30,000	\$260,000	\$630,000
Difference	\$170,000	\$10,000	-\$100,000	\$80,000
Expenses				
Staff	\$430,000	\$8,000	\$26,000	\$464,000
NGF	\$285,600	\$4,000	\$26,000	\$315,600
Difference	\$144,400	\$4,000	\$0	\$148,400
NOI				
Staff	\$80,000	\$32,000	\$134,000	\$246,000
NGF	\$54,400	\$26,000	\$234,000	\$314,400
Difference	\$25,600	\$6,000	-\$100,000	-\$68,400

Summary and Discussion

The NGF review and independent projections for the Village Links Master Plan fully supports the plan as reasonable and realistic to enhance revenue at the Village Links. We note that the projections made by staff are generally realistic and reflect true market realities. We also recommend the Village pay careful attention to the disruption the actual construction will cause at the facility, as NGF experience has shown that there will be a reduction in other areas of performance during the period the clubhouse renovation is ongoing. It is just unavoidable.

It is the overall NGF recommendation that the proposed Village Links Master Plan be implemented as planned, perhaps with minor adjustments as discussed by NGF in this report.

NGF CONSIDERATIONS FOR THE MASTER PLAN

In full consideration of the proposed Master Plan, the NGF team has also identified some other options and/or considerations that we feel the Village should evaluate as an addition to the proposed Master Plan. These options and considerations are intended to offer some ideas for the Village to consider to either: (1) alter the existing plan slightly to help maximize economic performance; or (2) add to the existing plan in an effort to improve overall performance.

The additional considerations reviewed by NGF include:

- Other changes to the golf course(s).
- An alternate possibility for expanding the driving range.
- Developing a new clubhouse rather than modifying the existing clubhouse.

We note that these ideas are not intended to be formal recommendations, as a thorough cost analysis of each should be completed. Rather, NGF is offering several discussion points for the Village to consider and fully examine to make certain the proposed program is truly the best fit for the Village.

Golf Course Changes

As noted several times, the NGF was not retained to complete a comprehensive review of the Village Links facility and its overall structure and operations. However, in our preliminary review, the NGF team did observe a few items regarding the golf course that we felt should be brought to the Village's attention, as there may be opportunity to enhance this aspect of the property as well as the clubhouse. These suggestions should be considered in conjunction with the proposed Master Plan, perhaps to be completed as part of a longer-term upgrade to the Village Links (Phase II). The golf course enhancements that could lead to increased revenue include altering golf course yardages, improving the greens on the 9-hole course, and creating a "true" 27-hole layout.

Course Length

While both staff and NGF estimate the impact of the proposed clubhouse renovations as increasing play by 8%, there may be another modification that could also increase rounds by the same or larger amount. The modification is to add a new forward set of tees at a much shorter

distance. This would involve adding a new forward tee and labeling it the "ladies" or "forward" tee, and re-labeling the existing forward tee as the "seniors" tee, to be predominantly used by seniors.

As we noted earlier in the report, women hit the ball about 70% as far as men. The most popular distance for male golfers is between 6,000 and 6,400 yards. This would equate to 4,200 to 4,480 yards for women. Both the USGA and PGA have begun to recognize the importance of making courses more playable for a wider audience – especially women and juniors. Both organizations recognize the importance of creating more family-friendly tees.

We recommend adding a new tee for both courses at around 2,200 to 2,500 yards per nine holes. National survey data collected by the NGF suggests that having more tee choices for golfers expands the market of potential customers and will likely lead to increased participation from women, juniors and seniors (hard data on actual number of rounds added not available). Senior males are reluctant to hit from the forward tees as they are often referred to as "ladies" tees. Thus, they end up playing from the next set of tees, which for the 18-hole course stands at 6,004 yards. This may be too long for most seniors, who generally prefer around 5,500 (approximately where the current forward tees are). Moreover, the new tees should also help improve the pace of play. This, in turn, makes the course more enjoyable for all golfers.

Greens on the 9-Hole Course

The greens on the nine-hole course are now more than 40 years old. The normal life expectancy on greens is 20-25 years. In addition, they were not built to USGA specifications at the time of construction. The bunkers are also original, but the sand was replaced in 1999.

Greens are a major repair item, and to completely rebuild will cost at least \$50,000 each (\$450,000 total), although you may be able to strip and resurface for about half that amount if the green complexes are adequate. Rebuilding bunkers can cost \$7,000 to \$10,000 depending on size. With 33 bunkers, this is an additional \$250,000 to \$300,000 expense. While the greens and traps appear to be in good condition currently, it would be prudent to be planning for their future replacement.

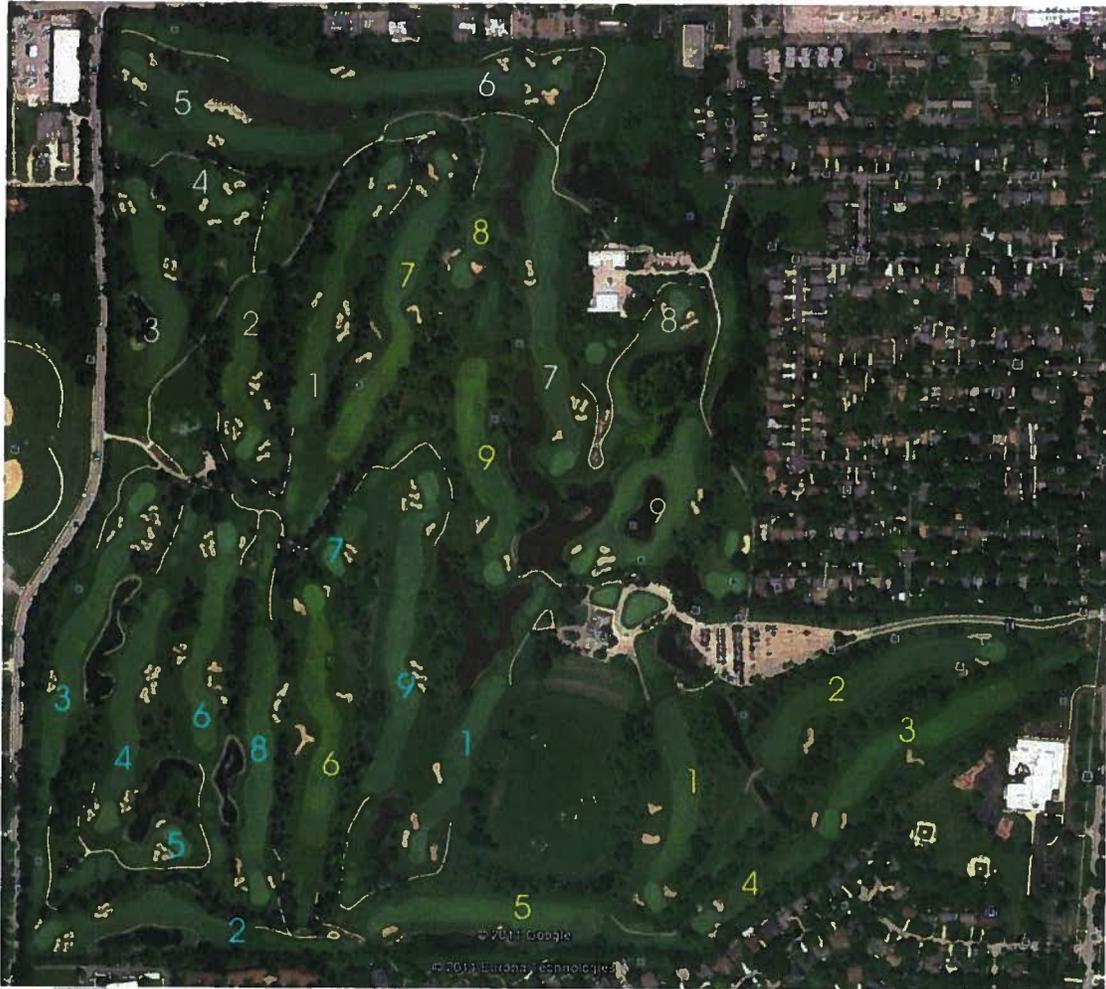
"True" 27-Hole Layout

While Village Links has 27 holes, it is not a "true" 27-hole layout. The third nine is currently considered a separate entity, with a different market and price point. As noted in our facility review, a change in the configuration to a 27-hole layout with three equal nine holes may help improve the revenue performance of the Village Links by:

- Providing 9-hole service to golfers seeking better quality.
- Having greater ability to accommodate tournaments, while still hosting regular golf play.
- Having the ability to improve maintenance quality by allowing for the closure of one nine-hole course from time to time to allow it to "rest."

However, NGF recognizes that making this upgrade may be expensive and may alienate the value-conscious customer base that is playing the nine-hole course because of the price. NGF estimates that this change should cost between \$1.8 and \$2.2 million. If it were undertaken, the revenue for Village Links could improve by as much as 10% to 15%, based on national data of 27-hole courses compared to comparable 18-hole courses. A possible schematic of the hole-sequencing under this plan is shown below. This routing would provide the most convenient

structure to closely match the desire to have each nine-hole course return closely to the clubhouse.



Proposed re-routing of Village Links in order to meet a true 27-hole layout.

Driving Range Option

As pointed out earlier, one of the key concerns with the current range is its short length and narrow width. It also creates a safety concern for golfers playing on the 5th hole of the 9-hole course.

The Master Plan proposes to fix this problem by increasing the depth of the range, requiring the demolition of part of the clubhouse. However, this does not truly fix the problem, as golfers hitting from the front of the range would still have the same distance as is currently the case. It simply decreases the frequency of the problem.

Alternative Solution

In consideration of the above-noted issue, the Village could consider an alternative solution that would permanently fix the problem and significantly improve the range, without affecting the

clubhouse. This would involve converting the 5th hole on the 9-hole course into a par three, with the tees located on the other side of the lake. This would create a dramatic and interesting hole, but the tree line separating the range from the fifth hole could be moved (or preferably moved back) to allow for the range to be expanded into what is now the 5th fairway. This will also allow the current tee to be deepened by adding to the front of the tee as opposed to the back.

To compensate for changing #5 into a par 3 (losing yardage and par), we would make these additional modifications to the nine-hole course: convert #3 to a par 3 and make #4 a par 4 to avoid having back-to-back par 3 holes.

We estimate the cost for these improvements to be around \$250,000. During construction, the nine-hole course could remain open, but would require a temporary green (on #3) and would have three par 3s in a row. So we would anticipate some loss of rounds during this period. The proposed changes are shown in the graphic below. Of course, we would recommend consulting with a golf course architect as part of the program to make this alteration.



New Clubhouse

The master plan proposes remodeling the existing clubhouse, to be completed over two phases, with the second phase stated as being “unlikely” to occur. As noted, the NGF team’s review indicates that the Village might be able to achieve its programming desires in a smaller, newly constructed clubhouse as opposed to modifying the existing clubhouse. It may be possible to achieve all of the desired programming in a new building with as little as 8,000 sf, and improve other factors such as location, utilities, and aesthetics.

A new clubhouse would have significantly greater marketing impact and would prevent the interruptions of service and loss of revenue that would accompany remodeling the existing facility. Thus, the Village may not want to reject the premise of a new building on cost alone, and see if the desired program can indeed fit within a smaller “footprint,” and allow for other objectives to be achieved more easily.

OTHER OPPORTUNITIES FOR IMPROVING PERFORMANCE

In addition to the possible alternatives noted above, NGF has offered some additional recommendations for enhancing revenue at Village Links based on our limited review of the operation. These recommendations include some items that can be included within the proposed Master Plan, or are just day-to-day changes that could be made immediately to help improve revenues. NGF suggestions include ideas about elements to include in the clubhouse (new or existing), discounts, grill hours, pro shop sales, and off-season revenue.

Private Dining / Meeting Room

Like other golf facilities in general, the Village Links could potentially benefit from including a smaller, more intimate dining area (25-30 people) that is designed for corporate meetings. NGF has seen a growing and successful trend toward the inclusion of such “corporate” meeting rooms at golf courses nationwide, as there is a large and growing market for smaller corporate functions. Recent NGF clients in Georgia, Colorado and Massachusetts have been able to add 300 to 500 rounds of golf and grow food and beverage revenue by 2% to 5% by actively seeking to cater to the smaller corporate outing business (hosting 30 + / - events with 16 persons per year).

If Village Links could provide a “board room-type” setting, complete with all the modern Audio-Visual (A/V) equipment that such meetings require (projectors, screens, computer connection ports, phones, internet connection, etc.), the facility would likely be able to attract companies to hold important meetings at Village Links – with a mix of meetings, meals, and golf. These types of golf/meal/meeting events have become more popular with sales-oriented groups and they are used for business presentations and periodic meetings. The same room can also be used for other small functions, such as private parties, etc., that do not require the larger banquet rooms. Indeed, larger rooms are uncomfortable for smaller groups.

Thus, a small private dining/board room with modern A/V can increase facility business in all areas. Further, their smaller size makes these groups easier to accommodate on the golf course without sacrificing regular daily fee play. The optimal size for such a facility would allow for seating about 25 people, or at least 400 sf. If the room is too large it will make it hard to host more intimate groups

We strongly recommend including a private function room in any remodeling or new construction plans, and possibly even making accommodation for this within the existing clubhouse if possible.

Village Links already has a perfect room for such functions – the common locker room. Given that only 58% of the lockers in the clubhouse are being used, we can eliminate the lockers from the common locker room with minimal disruption with current customers. The room can then be inexpensively remodeled and A/V equipment installed. This could easily be accomplished prior to the 2012 season. Such an investment might be worthwhile if the clubhouse renovation is delayed, or used as a bridge if a new clubhouse is being built. It could also be used as the grill area during renovation should the clubhouse be renovated as planned in the Master Plan.

Resident Discount

While we appreciate the desire to offer the residents of the Village a great deal on their golf course, providing a 40% discount may be too generous (NGF “standard” for resident discounts at community golf courses is 15% to 20%, and it is very rare to see more than 30%). We greatly

appreciate the fact that Village Links has never had to use taxpayer support. However, as pointed out by the Master Plan, declining performance does require aggressive action. By modifying the discount, cash flow would be further enhanced. This, in turn, could provide the additional cash flow needed to fund all the improvements needed to ensure Village Links' long-term success.

The NGF suggestion would be to reduce the resident discount to 30%.

Grill Hours

Currently, Village Links keeps the grill open throughout the winter. The rationale was to keep the employees happy, reduce turnover, and have staff available for functions. This appears to be a very costly consideration. Again, NGF was not retained for a full review of operations, yet given the already thin profit margin for the F&B area, we suspect it is losing money over the winter months. We feel strong consideration should be given to closing the grill, at least during the week, during the winter months. This is consistent with most of the competition in the area.

Merchandise Sales

At \$2.05/round, the Village Links is earning a level of merchandise revenue that is declining and slightly below average. The preliminary review by NGF shows the pro shop operation as more of a "convenience item," as opposed to a true profit center. The Master Plan report mentions that Village Links cannot compete with the Big Box retailers, Internet, and golf discounters. NGF does not agree with this assessment, and we have seen many golf courses operate successful and profitable golf merchandising operations. As noted earlier in this report, the "standard" public golf course earns \$2.32 per round of golf on merchandise, with premium courses earning an average of \$6.65 per round on merchandise indicating there may be greater revenue opportunities.

It is our contention that the Village Links could increase merchandise sales without significant new investment in time or staff by making the commitment to increase the sales and employing strategies such as:

- **Incentive:** Providing a commission or other financial incentive will often dramatically improve sales, if allowable within Village Links guidelines.
- **PGA Pro:** Successful merchandisers realize that the PGA pros can be most effective on the sales floor helping customers with merchandise selections, as part of their duties of managing the golf and range businesses.
- **SALES, SALES, SALES.** Most pro shops limit sales to merchandise they could not sell at full price. Successful retailers understand that the magic word in retail is "sale". There should always be a sale going on, and merchandise that is on sale should be regularly rotated and should include popular items. We encourage theme sales, such as all Nike goods, soft and hard, etc.
- **Promotion:** A promotion not promoted is not much of a promotion. You need to promote your sales events. This should be done in a number of ways:
 - **Website:** Have your sales put on the website.
 - **Email Blasts:** Do regular email blasts promoting the sales.
 - **Signs:** Not only should there be signs on the displays, but also on the carts, in the grill area, etc.

- **Personalize:** Modern POS systems allow all sorts of information to be kept on customers. Make it a point to track what kinds of balls, clubs, gloves, etc. your regular customers use and then notify them when that merchandise goes on sale.

Off-Season Revenue

We were asked to comment on potential off-season revenue sources for the club. This is certainly a concern for almost every golf course in the area. Unfortunately, there is no “magic bullet” that will generate substantial off-season revenue. Weather certainly limits what can be done. Still, NGF can offer some general advice based on what we have seen be successful at other facilities in this and other winter markets within which we have worked.

Banquets

The most common answer to increasing off-season revenue is through food and beverage operations, most notably banquets. NGF agrees that there is opportunity in this area, provided the facilities are present to provide adequate service. One of the biggest motivating factors behind the Master Plan is the desire to upgrade the clubhouse and alleviate some constraining factors. Presumably, with clubhouse renovation or replacement, the possibility to enhance off-season food, beverage, and banquet sales will be more viable and profitable.

Yet it also needs to be pointed out that F&B in general is a low-margin venture. Banquets and weddings are higher margins, but you would have to do a large volume to make a significant profit. Further, most of these events are going to be concentrated in December, leaving January-March as slow periods.

Bar / Lounge

The proposed new Bar (to be added in Phase I) should also have excellent potential to add off-season revenue, especially if it is developed and operated as a “Sports Bar.” Of course, it would need to feature the NFL ticket and other events that many viewers cannot get at home, such as out-of-town sports events. Contact with area alumni associations or out-of-state schools that have large followings, such as KU, UNC, etc. Of course, the bar would need to be promoted, including a sign at the entrance.

Other Options

Options such as creating a skating rink, either out of one of the many ponds or in the parking area, would create public interest, but are not likely to generate a lot of revenue. They would help increase F&B sales during the period, though. While an outdoor skating center may not be a strong revenue generator, it may be a good public relations move, as it would provide a community amenity.

Where we would see the best opportunity, though, is in golf. Village Links, after all, is foremost a golf course. Thus it makes sense that golf-related activities will generate the most interest and make the most sense given the facility and staff training. So what winter golf activities can be generated at the golf course in the winter? Especially when the course is covered in snow? Below are some thoughts, keeping in mind that if any of these activities are undertaken the goal will be to utilize the staff you are already retaining in the off-season, in lieu of adding any new staff. It is quite likely that during the off-season, the existing retained staff have considerable down-time that can be better utilized.

- **Golf:** Village Links is already keeping the 9-hole course open throughout the winter. We feel this is an appropriate move.

- **Snow Golf:** Yes you can golf in the snow. Several innovative facilities have come up with “snow golf” activities, some using actual golf balls, some tennis balls. There are even national and international snow golf tournaments. But the main thing is that snow golf can be a very fun activity and a way to utilize the course during the winter, although data on actual profitability of this activity is not available.
- **Driving Range:** There is potential to add revenue from this area, assuming the addition of all-weather artificial tees and heaters that are proposed in Phase I of the Master Plan. This winter use of the driving range could provide additional direct revenue and could increase merchandise and food & beverage sales comparable to per-visit income earned at present. If these revenue increases are higher than expense increases, the program would benefit the Village Links GC. The three facilities surveyed by NGF that offer winter range use did not indicate incremental revenue or expense for winter use.
- **Merchandise:** As pointed out above, it appears to NGF that Village Links could do a better job in merchandise sales. However, merchandise sales can be a good revenue source if promoted during the winter months. This is especially true during December (Christmas sales) and early spring, when golfers are starting to think about the upcoming season.
- **Golf Training:** Currently, Village Links does not have an indoor training center. We would encourage such a center to be included in the renovation plans if space can be found. (Cantigny is a great model). This can be an excellent source of revenue during the winter as well as during the regular season, but will require a dedicated professional as most of the cost for the building and maintenance of the teaching center is born by the teaching professionals (as with Cantigny).
- **Golf Simulator:** Another potential revenue stream would be to have a golf simulator. The simulator can have a double function as it could also be used for teaching if properly set up. But they can also be a good amusement tool, especially if located convenient to the bar (and having bar service). Of course, this is not possible in the current clubhouse configuration (unless installed in the Common Locker Room – but we feel that space is better used as a private dining area). But one could be included in any renovation or new clubhouse plans. Estimated cost of simulator is \$50,000.

PRIVATIZING FOOD & BEVERAGE

The NGF has also provided a general commentary on the idea of the Village possibly privatizing the food and beverage area. This would mean essentially leasing the food and beverage operation to a private operator for a share of the revenue. The typical amount is around 10% of the gross. The rationale behind leasing out the F&B area would be to control costs, reduce risk and have a guaranteed cash flow from the food and beverage area. Certainly area success stories such as Wilmette Parks and Schaumburg can be found.

There have been occasions where NGF will even recommend outsourcing food and beverage. This is particularly true in situations where there is an excessive labor cost and a history of poor management as well as poor performance. However, such recommendations are always done cautiously and with reservation. We view such action as a last resort to be taken when all other options are exhausted. Our review of Village Links suggests that this facility is not at a level typically associated with making this move. The food and beverage operation has historically run at or better than break-even basis. If you consider the Keep Pace coupons a revenue source (and we do), it has been profitable, although by a slim margin.

Advantages and Disadvantages

While the appeal of guaranteed income from an outside operator is naturally strong, there are many other factors that need to be considered. Chief among them is the effect on the primary area of business at Village Links – the golf course. Is it possible that contracting out the food and beverage could hurt golf operations? The answer, unfortunately, is very often “YES”.

Remember, with a ‘standard’ agreement of 10% of revenue, the upside potential for the Village would be relatively low, unless the new vendor could significantly grow revenue. On the other hand, the downside could be very high if the food and beverage concession does not turn out well and golfers are “chased away” by the service. This is something the NGF has seen in action many times. **In sum, if you seek to contract out your food and beverage operation, the selected vendor must be an appropriate match for the Village Links operation.**

There are a number of ways having an outside vendor for F&B can hurt your golf operation, and as a result, your overall profitability. Here are a few:

- **Tournaments / Outings Logistics:** Throughout this report and the Master Plan, it is clear that increasing tournaments and outings is a priority at Village Links. Having an outside vendor will often restrain the ability to recruit tournaments and outings. The reason is simple - it means that any customer is going to potentially have to work with two separate vendors (the course and the F&B vendor) to coordinate the event. This obviously is less convenient to the customer and decreases your opportunity to win their business. This problem can be minimized if the F&B contractor is willing to let the golf operator handle all the sales and negotiations, but this is not as simple as it sounds. The F&B vendor is also selling banquets and weddings, so there is a necessary coordination that has to occur in scheduling.
- **Tournaments / Outing Sales:** Another place where an outside vendor can hurt in tournament/outing sales is in price. The vendor is much less likely to want to make a price concession in order to sell a tournament. This can make Village Links less competitive and make it more difficult to gain market share.
- **Profit Motive:** The F&B vendor enters a contract like this with a profit motive in mind. They are going to look at any decision based on how it affects their profitability. In many cases, this will conflict with the Village's priorities. Examples include:
 - **Tournaments and Outings:** If the vendor has a choice between booking a wedding or hosting a golf tournament during the same time period, they will always choose the wedding, because it represents a far bigger profit.
 - **Beverage Cart:** The golf operator appreciates that the beverage cart is as much (if not more) a customer service as it is a profit center. That is why the prudent operator runs the beverage cart all the time, even when the volume is not there. The vendor, on the other hand, sees it only as a profit center. They are not going to want to run the cart when it is not profitable to do so.
 - **Hours:** The golf operator will see food and beverage as an amenity to the golfer. Thus they want food and beverage service at all times, even when it is slow, just to make sure the golfer has the proper service. The vendor is not going to have the same priorities. They will want much shorter hours, and will not want to keep the grill open or provide service in the off-season.
- **Impact on Golf:** If the vendor is aggressive in recruiting non-golf events, such as weddings, it can have a negative impact on golf, especially if these events occur during the day in the golf season. Obviously, if the food and beverage area is booked

by a non-golf event, the golfers are not going to get the service they desire. Further, the added volume increases the demands on an already limited parking lot, further increasing the inconvenience to the golfer.

- **Communication:** Communication between the vendor and the golf operator is crucial. Unfortunately, there is little control over this issue. If the vendor should put in a manager who chooses not to communicate with the golf operator, there is little the Village can do about it.
- **Customer Service:** The vendor will have their own customer service standards. These may or may not be consistent with the Village standards. Village Links is a higher-end facility that demands a premium on customer service. Some vendors may not feel offering a high level of service is profitable.
- **Control:** Obviously if an outside vendor is chosen, the Village loses most of the control over the operation. Their standards of food quality and customer service may not be the same as the Village's. As noted above, this can have consequences. Another area where this comes up frequently is with employees. The golf operator has no control over the vendor's employees, and this can be a problem.
- **Consistency Over Time:** Another issue that often comes up with outside vendors is consistency over time. While food quality and service may start out great, will it continue over time?
- **Marketing:** With an outside vendor, it becomes much more difficult to coordinate marketing efforts and to make sure the message is consistent between the golf and food advertising.
- **Promotions:** Creating promotions with an outside vendor is obviously much more difficult.
- **Keep Pace Program:** Having an outside vendor would likely jeopardize the current Keep Pace program. Instead of a paper transfer for recognizing revenue, the coupons become a real cost to the golf operation, which currently is estimated at \$70,000/year.

Financial Impact

The above-noted concerns are legitimate, and all of these issues have been documented by NGF at one time or another, and in some cases all together in one single operation. Still, there is another side to all this, and that is the financial benefit that can come from such an arrangement. However, review of the Village Links situation shows that the bottom-line benefit may not have been that strong if this structure had been in place last year, for example.

As noted, the typical outside vendor contract would have the Village receiving 10% of the gross revenue. Last year, this would have been \$560,000 in revenue (including the Keep Pace coupons), for a total of \$56,000 payment to the Village. This would be offset by the \$66,000 spent on the Keep Pace Program, for a net loss of \$10,000. Yet the F&B department showed a \$34,027 profit last year (including the Keep Pace income). Even without the Keep Pace income, the loss was just \$32,000. So the entire benefit would have been \$22,000.

One could argue that an outside vendor would likely have increased the F&B income by marketing the F&B area better, especially with regard to tournaments and outings. This argument does have some validity. On the other hand, the vendor would also likely have decreased services, especially hours (closing in the off-season, etc.), which could have had a negative impact on golf performance. In short, to make this option work for the Village, any new

contract food and beverage vendor would have to show an increase or there will be no real benefit to the Village of Glen Ellyn in this structure.

Recommendation

The overall NGF recommendation on this topic is to retain the Village self-operation model and resist bringing in an outside vendor for food and beverage operations. We do not believe it is a good idea at this time to contract with an outside vendor at Village Links. We do not believe the relatively small gain that the Village could potentially see from the F&B operation with an outside vendor is worth the bigger risk of a negative impact to the golf operation. However, we will have to at least consider one big qualifier – investment.

Potential Funding

One possible argument that could change the NGF recommendation would be if the vendor was willing to underwrite a substantial portion of the clubhouse improvements. This is a legitimate possibility in exchange for a long-term deal. Again, this would have significant and immediate appeal as it would reduce the amount of capital the Village would need to invest. It could conceivably allow more to be done, such as combining Phase I and Phase II renovations together into one project.

However, Village Links is not in a cash-strapped situation, and the facility is in the enviable position of having significant cash reserves. Further, our projections show the capital improvements will more than pay for themselves (especially if our recommendations are followed). So there is not a need to bring an outside vendor into the process and risk a long-term “marriage” that may not work for the long run.

Again, our recommendation would be to continue to self-manage the F&B operation, even with the prospect of outside funding. The outside funding would simply ensure that the Village would have to live with the consequences of a potentially very bad decision for a very long time.

Appendices

A – Competitive Facility Information

B – Golf Industry Averages

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APPENDIX A – COMPETITIVE GOLF FACILITY INFORMATION

	St. Andrews Golf	Prairie Landing	Klein Creek	Cantigny Golf	Arrowhead Golf	Bloomingdale	Fresh Meadows	Oak Brook	Cog Hill	Geneagles	Bollingbrook	Seven Bridges
Driving Range (Y / N)	yes	yes	No	Yes	yes	Yes	yes	yes	Yes	no	yes	no
Number of Stations	80	16		25	30	NO	100	40	50		80	
Lighted (Y / N)	yes - 40	No		yes	yes		yes	no	no		yes	
If so, % of usage under lights	25.0%			10.0%	7.5%		27.0%				9.0%	
Heated Stalls (Y / N)	no	No	No	yes	no	no	yes	no	yes		no	
No. of Heated Stalls				10			20					
% of total usage				15.0%			5.0%		50.0%			
Additional charge for heat (Y / N)				no			no		no			
Does the range close in the winter?	no	yes		No	Yes	yes	yes	yes	no		no	
If so, when?		1-Dec			25-Nov	25-Nov		15-Nov			31-Oct	
Clubhouse size (SF)	35000	7500	5000	16000	45000	16000	4800	24000	35000	13500	76000	7000
Total seating capacity	300	170	225	165	300	220	165	100	300	300	1000	220
Is there banquet space for 100+	yes	yes	Yes - bubble	yes	Yes	yes	pavilion tent	yes	yes	yes	yes	yes
Number of weddings per year	38	35	30	10	90	50			18		100	65
Does the grill close during the winter?	yes	yes	yes	yes	no	no	yes	yes	yes	no	no	yes
If so when?		1-Dec	25-Nov	1-Dec		15-Nov	15-Nov	1-Dec		25-Nov		1-Nov
Does the course close in the winter?	no	Yes	yes	Yes	yes	yes	yes	yes	no	yes	yes	yes
If so, when?		1-Dec	25-Nov	1-Dec	25-Nov	25-Nov		1-Dec		25-Nov	30-Nov	25-Nov
Winter activities at the club	golf, banquets	indoor lesson	weddings	Banquets, range	F&B, Cross country skiing	no	no		golf, banquets	no	social	banquets

APPENDIX B – GOLF INDUSTRY AVERAGES

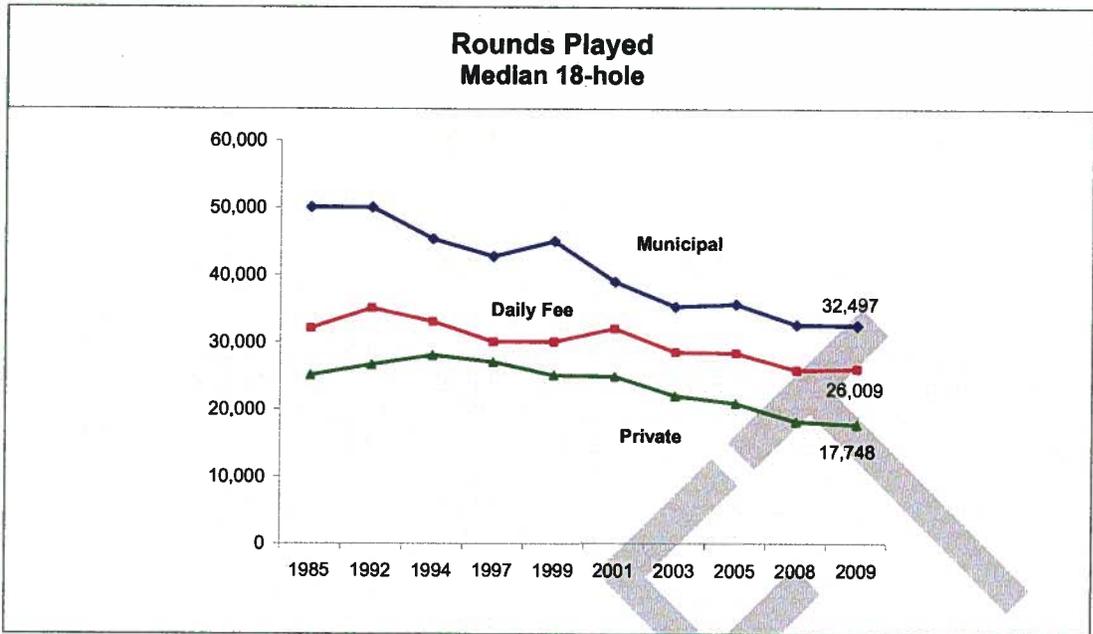
The NGF has presented a selection of basic golf industry information designed to help educate the Village of Glen Ellyn on “reasonable expectations” for public golf operations in the U.S. Information provided includes operational norms for public golf courses (rounds, revenues, expenses, staffing) as well as some other “standards” consistent with successful public golf courses. As Village of Glen Ellyn is operating a golf facility that fits into separate categories, the NGF has included benchmark data for both ‘mid-range’ and ‘premium’ public golf courses.

Public Golf Operational Norms

For comparison purposes to the Village Links of Glen Ellyn, we present a review of selected NGF data from our bi-annual surveys of golf facilities. As the 2011 edition was not yet complete at the time of this report, the NGF has used the 2009 figures for comparison to Village Links of Glen Ellyn. This include data from the aggregate of all golf courses in the U.S. (by category), as well as data from selected sub-categories of golf facilities including mid-range (middle fee) public golf facilities and premium (highest fee) golf facilities. These data are detailed in the National Golf Foundation publication, *Operating & Financial Performance Profiles of 18-hole Golf Facilities in the U.S.* These figures were included and used for this effort as they represent “reasonable estimates” for comparison to the Village of Glen Ellyn golf courses. In addition, NGF Consulting has added estimates from the “*Future of Public Golf in America*” study completed in 2010 and presented at the annual NGF Golf Business Symposium.

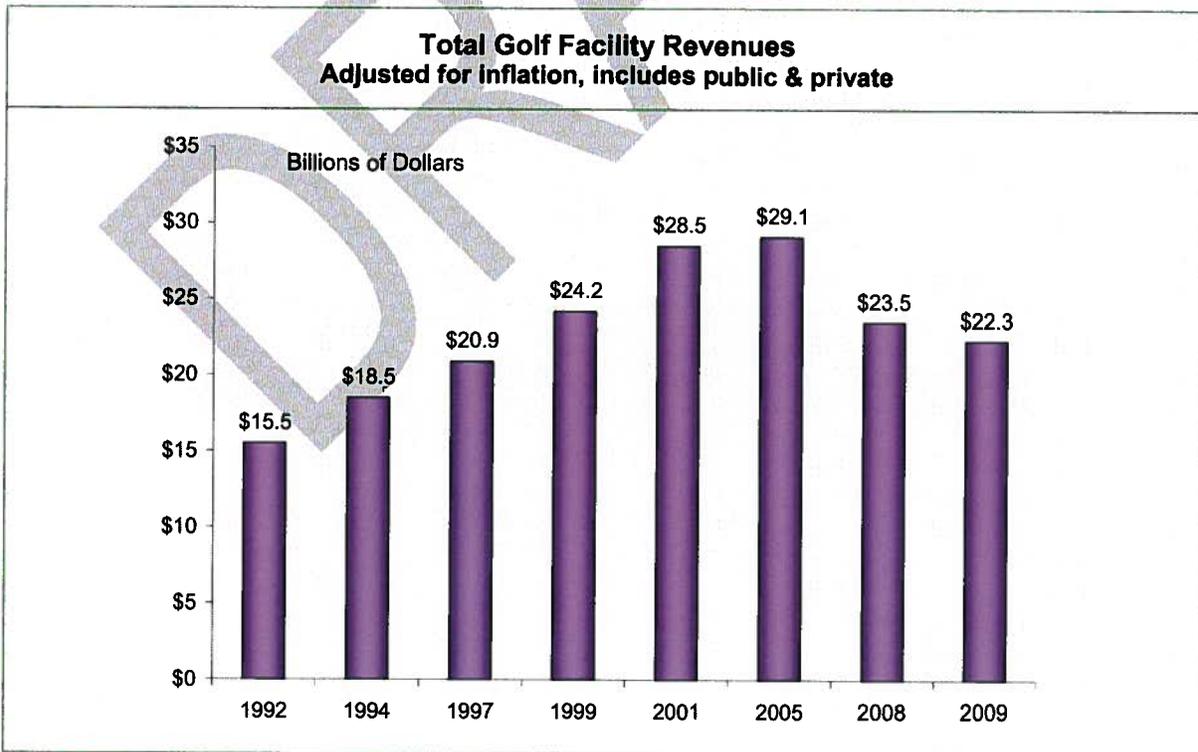
Public Golf Facility Rounds Expectations

NGF research indicates that the average number of rounds played per 18-hole golf course has been declining in the last 25 years. The totals now stand at an average of 32,497 rounds for municipal golf courses, 26,009 for all daily fee (privately-owned, open to the public), and 17,748 for private clubs. We note these figures all represent significant declines since 1985, with acceleration of decline since 2001. As a benchmark comparison, average rounds per 18-hole municipal golf course was around 36,000± in 2005 and just over 33,500± rounds in 2009.



Public Golf Facility Revenue Expectations

NGF research indicates that the total of all golf facility revenues in the U.S. represents a \$22.3 billion industry, down from a peak of \$29.1 billion in 2005. The table below shows the NGF estimate for total golf facility revenue (public and private combined) in the United States for selected years since 1992.



Average Revenue per Golf Facility

The NGF estimate for total revenue per golf facility in the U.S. now stands at \$1.5 million for daily fees, \$1.3 million for municipals, and \$3.4 million for private clubs. Again, we note that this is a full aggregate of all golf facilities in the U.S., inclusive of all climatic regions and facility types.

Facility-Level Revenues Average Total Revenues 18-hole - \$millions			
	2008	2009	% change
Daily Fee	\$1.6	\$1.5	-6.1%
Municipal	\$1.3	\$1.3	-2.1%
Private	\$3.6	\$3.4	-4.7%

Source: National Golf Foundation and Golf Datatech

Revenue Detail for 'Mid-Range' Public Golf Courses

Further detail on 'mid-range' public golf facility operations in the United States has been collected by NGF over the years, a summary of which is presented below for 2005 and 2009. 'Mid-range' public golf courses are those with green fees in the \$40 to \$70 range (excluding carts). The NGF consultants feel that this represents the best measure of comparison to performance at Village Links of Glen Ellyn, and is used for this purpose throughout the NGF engagement for the Village of Glen Ellyn.

Public Mid-range Average Revenues			
	2005	2009*	% change
Green fees, cart fees and member/passholder revenue	\$679,280	\$624,900	-8.0%
All other golf revenue	\$76,930	\$75,000	-2.5%
F&B revenue (incl. banquets)	\$214,400	\$182,200	-15.0%
Merchandise revenue	\$80,080	\$75,300	-6.0%
All other operating revenue	\$37,560	\$36,400	-3.1%
Total Revenue	\$1,088,250	\$993,800	-8.7%

Source: *Operating & Financial Performance Profiles of 18-Hole Golf Facilities in the U.S.*, 2010 edition, National Golf Foundation, and *"Future of Public Golf in America"* study – 2010.
*Estimated totals derived from sample research in 2009.

Revenue Detail for 'Premium' Public Golf Courses

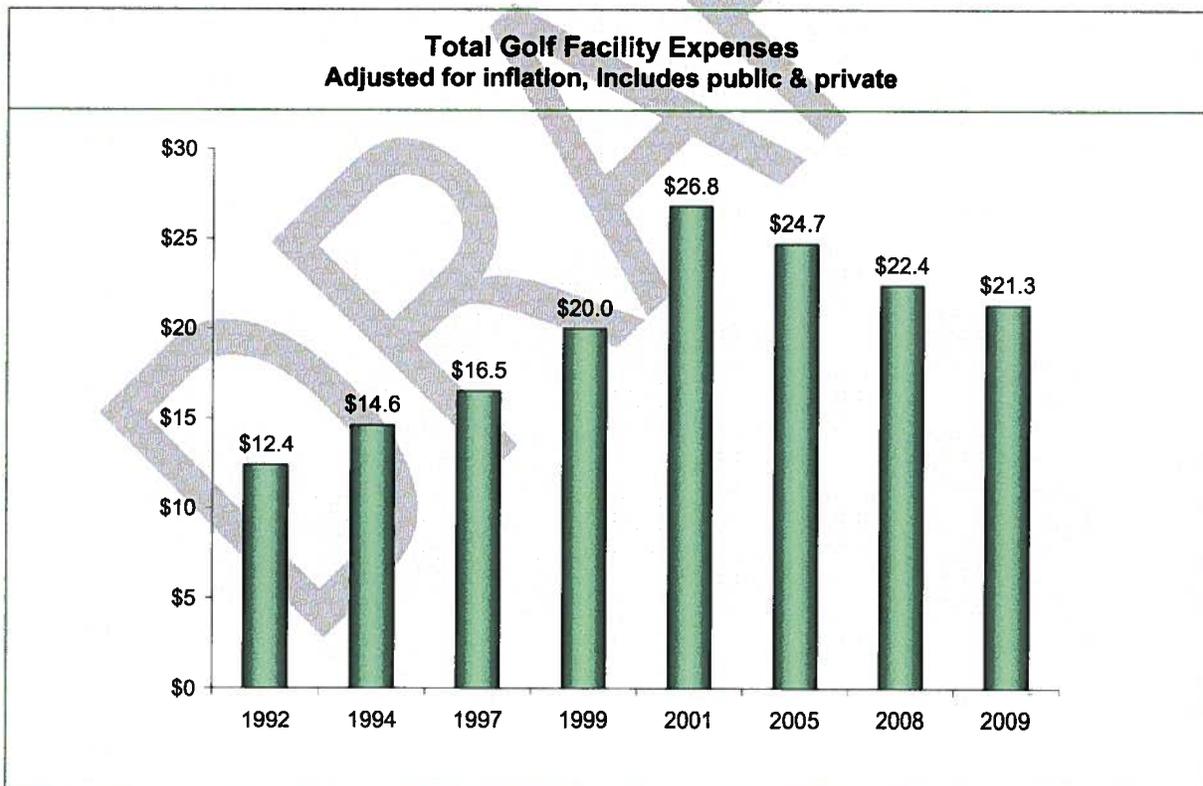
In addition, the NGF also has data on 'Premium' public golf facility operations in the United States, which is summarized in the following table for 2005 and 2009. 'Premium' public golf courses are those with green fees \$70.01 and up (including cart fee), making Village Links of Glen Ellyn close to this level. As the facility has some amenities that would be comparable to 'premium' facilities, the NGF has included this data for comparison.

Public Premium Average Revenues			
	2005	2009*	% change
Green fees, cart fees and member/passholder revenue	\$1,872,270	\$1,610,100	-14.0%
All other golf revenue	\$210,760	\$200,800	-4.7%
F&B revenue (incl. banquets)	\$620,750	\$516,200	-16.8%
Merchandise revenue	\$276,240	\$216,200	-21.7%
All other operating revenue	\$120,270	\$102,400	-14.9%
Total Revenue	\$3,100,290	\$2,645,700	-14.7%

Source: *Operating & Financial Performance Profiles of 18-Hole Golf Facilities in the U.S.*, 2010 edition, National Golf Foundation, and "Future of Public Golf in America" study – 2009. *Estimated totals derived from sample research in 2009.

Public Golf Facility Expense Expectations

NGF research indicates that all golf facilities in the U.S. had a total of \$21.3 billion in direct operating expenses, down 20.5% from a high of \$26.8 billion in 2001. The table below shows the NGF estimates for total golf facility expenses (public and private combined) in the United States for selected years since 1992.



Average Expense per Golf Facility

The NGF estimate for total expenses per golf facility in the U.S. now stands at \$1.3 million for daily fees, \$1.1 million for municipals and \$3.2 million for private clubs. Again, we note that this is a full aggregate of all golf facilities in the U.S., inclusive of all climactic regions and facility types.

Facility-Level Expenses Average Total Expenses 18-hole - \$millions			
	2008	2009	% change
Daily Fee	\$1.4	\$1.3	-5.8%
Municipal	\$1.1	\$1.1	-1.2%
Private	\$3.4	\$3.2	-5.4%
Source: National Golf Foundation and Golf Datatech			

Operating Expense Detail for 'Mid-Range' Public Golf Courses

Further detail on 'mid-range' public golf facility operational expenses in the United States from 2005 and 2009 are displayed below. The NGF consultants feel that this represents the best measure of comparison to performance at Village Links of Glen Ellyn, and is used for this purpose throughout the NGF engagement for the Village of Glen Ellyn.

Public Mid-range Average Expenses			
	2005	2009*	% change
Total maintenance costs	\$377,160	\$414,900	10.0%
Golf car fleet costs	\$31,120	\$30,500	-2.0%
COGS F&B	\$86,360	\$76,200	-11.8%
COGS merchandise	\$56,450	\$44,600	-21.0%
Other expenses	\$315,280	\$365,700	16.0%
Total Expenses	\$866,360	931,900	7.6%
Notes:			
"Total maintenance costs" includes payroll, supplies, and equipment.			
"Other expenses" is a large category because it includes all non-maintenance payroll and all other operating expenses. Source: <i>Operating & Financial Performance Profiles of 18-Hole Golf Facilities in the U.S.</i> , 2010 edition, National Golf Foundation, and "Future of Public Golf in America" study – 2010.			
*Estimated totals derived from sample research in 2009.			

Operating Expense Detail for 'Premium' Public Golf Courses

Operating expense detail for 'Premium' public golf facilities appears in the following table. As the facility has some amenities that would be comparable to 'premium' facilities, the NGF has included this data for comparison.

Public Premium in Average Expenses			
	2005	2009*	% change
Total maintenance costs	\$825,640	\$923,900	10.6%
Golf car fleet costs	\$57,040	\$55,800	-2.2%
COGS F&B	\$189,750	\$167,500	-11.7%
COGS merchandise	\$189,000	\$148,200	-21.6%
Other expenses	\$1,167,480	\$1,354,300	16.0%
Total Expenses	\$2,428,910	\$2,649,700	9.1%

Notes:
 "Total maintenance costs" includes payroll.
 "Other expenses" is a large category because it includes all non-maintenance payroll and all other operating expenses. Source: *Operating & Financial Performance Profiles of 18-Hole Golf Facilities in the U.S.*, 2010 edition, National Golf Foundation, and "Future of Public Golf in America" study – 2009. *Estimated totals derived from sample research in 2009.

Other Expense Findings

NGF Consulting has also included basic information on golf industry 'standards' for all golf courses of all types in all climates. Industry standards can vary depending upon specific courses, but as a "rule of thumb," allocated spending in key areas coincide with the following percentages:

Key Area	Allocated Spending
Labor	50%
Products, Supplies & Repair	15%
Services (Incl. Equipment)	10%
Utilities	5%
Other	20%

Source: Golf Course Superintendents Association of America (GCSAA) and NGF Consulting. Expense totals do not include non-recurring capital expenses, amortization, or depreciation.

Public Golf Facility Average Revenue and Expense per Round

The following section provides NGF estimates for revenues and expenses per round of golf played for each of 'Mid-Range' and 'Premium' golf facilities.

Public 'Mid-range' Revenue and Expense per Round - NGF research indicates that middle-fee public golf courses in the U.S. average \$30.58 in total facility revenue per round of golf in 2009. Of this figure, \$21.54 (70.4%) is derived from "golf" sources (green, cart, pass fees and driving range), with the remaining \$9.04 (29.6%) per round derived from "ancillary" (mostly merchandise, food + beverage) sources. Overall, this figure has declined by about 6.0% between 2005 and 2009, with the largest decline (12.5%) coming from food and beverage revenue.

Public Mid-range U.S. Average Revenue Per Round			
	2005	2009	% change
Total Revenue	\$32.54	\$30.58	-6.0%
Golf Revenue	\$22.61	\$21.54	-4.7%
F&B revenue (incl. banquets)	\$6.41	\$5.61	-12.5%
Merchandise revenue	\$2.39	\$2.32	-2.9%
All other operating revenue	\$1.12	\$1.12	0.0%

Source: *Operating & Financial Performance Profiles of 18-Hole Golf Facilities in the U.S.*, 2010 edition, National Golf Foundation, and "Future of Public Golf in America" study – 2010

Middle-fee public golf courses in the U.S. average \$28.68 in total facility expenses per round of golf. Of this figure, \$12.77 (44.5%) is derived from golf course maintenance, with the remaining \$15.91 (55.5%) per round derived from all other expenses. Overall, this figure increased by about 11% between 2005 and 2009.

Public Mid-range U.S. Average Expense Per Round			
	2005	2009	% change
Total maintenance costs	\$11.28	\$12.77	13.2%
Golf car fleet costs	\$0.93	\$0.94	0.9%
Total COGS	\$4.27	\$3.71	-13.1%
Other expenses	\$9.43	\$11.25	19.4%
Total Facility Expense	\$25.91	\$28.68	10.7%

Source: *Operating & Financial Performance Profiles of 18-Hole Golf Facilities in the U.S.*, 2010 edition, National Golf Foundation, and "Future of Public Golf in America" study – 2010

Public 'Premium' Revenue and Expense per Round - NGF research indicates that the highest fee public golf courses in the U.S. average \$81.41 in total facility revenue per round of golf. Of this figure, \$55.73 (68.5%) is derived from "golf" sources (green, cart, pass fees and driving range), with the remaining \$25.68 (31.5%) per round derived from "ancillary" (mostly merchandise, food + beverage) sources. Overall, this figure declined by about 12% between 2005 and 2009.

Public Mid-range U.S. Average Revenue Per Round			
	2005	2009	% change
Total Revenue	\$92.70	\$81.41	-12.2%
Golf Revenue	\$62.28	\$55.73	-10.5%
F&B revenue (incl. banquets)	\$18.56	\$15.88	-14.4%
Merchandise revenue	\$8.26	\$6.65	-19.5%
All other operating revenue	\$3.60	\$3.15	-12.4%

Source: *Operating & Financial Performance Profiles of 18-Hole Golf Facilities in the U.S.*, 2010 edition, National Golf Foundation, and "Future of Public Golf in America" study – 2010

Premium public golf courses in the U.S. average \$81.54 in total facility expenses per round of golf. Of this figure, \$28.43 (34.9%) is derived from golf course maintenance, with the remaining \$53.11 (65.1%) per round derived from all other expenses. Overall, this figure increased by about 12% between 2005 and 2009.

Public Mid-range U.S. Average Expense Per Round			
	2005	2009	% change
Total maintenance costs	\$24.69	\$28.43	15.2%
Golf car fleet costs	\$1.71	\$1.72	0.7%
Total COGS	\$11.32	\$9.71	-14.2%
Other expenses	\$34.91	\$41.67	19.4%
Total Facility Expense	\$72.63	\$81.54	12.3%

Source: *Operating & Financial Performance Profiles of 18-Hole Golf Facilities in the U.S.*, 2010 edition, National Golf Foundation, and "Future of Public Golf in America" study – 2010