

Minutes of the Special Board Meeting of the New Lenox Community Park District Board of Commissioners held on Wednesday, April 8, 2015 at 6:00 pm at the New Lenox Community Park District, New Lenox, IL.

GENERAL FUNCTIONS:

Call to order

President Fischer called the April 8, 2015 meeting to order at approximately 6:00 pm.

Attendance

The following were present: Commissioners: Larson, Jansma, Kraemer, Schulz and President Fischer, Executive Director Greg Lewis, Golf Course Superintendent Douglas Eggert, Director of Golf Bob Schulz.

Resolution #15-03 Resolution Authorizing the Execution of Lease/Purchase Agreement with U.S. Bank Equipment Finance

Executive Director Lewis noted this was in front of the board at the normal meeting and noted this needs an official vote. The resolution is for a copier, fax and shredder. Executive Director Lewis noted this was planned and budgeted for. Executive Director Lewis added it is better to do a continuous lease on products because technology is constantly changing. President Fischer requested any other questions or comments. Hearing none, President Fischer requested a motion to approve Resolution #15-03 Resolution Authorizing the Execution of Lease/Purchase Agreement with U.S. Bank Equipment Finance. Motion made by Commissioner Larson, seconded by Commissioner Jansma. Upon a roll call vote, all were in favor and the motion passed unanimously.

General Golf Industry Statistics

Director of Golf Schulz presented some statistics:

- The industry is stagnant and flat right now, the good thing is it didn't go down. Some of the golf courses have closed and helped with it and more people have actually gotten into the game. They are projecting to have an uptick. It is competitive but also stagnant.

Golf Course Clubhouse Operations

- Rates.
Director of Golf Schulz noted the following is what was approved in the workshop he sat in on. Resident rates increased \$1; increased cart fee \$1; highest rate went from \$45 to \$47; first increase in 10 years; range tokens went from \$4 to \$5. Non-Resident fees – increased cart fee \$1; highest rate went from \$59 to \$60; raised prices 5 times in last 10 years; range tokens \$4 to \$5. Director of Golf Schulz noted we are getting close. Director of Golf Schulz noted there have been no complaints and no negatives.
- Leagues.
Director of Golf Schulz noted they still run the Monday Night Men's League and Junior League. He added they thought about taking over the Couple's League but said Joanne does a good job and maybe they will take it over next year. Director of Golf Schulz noted Non Sanctuary Leagues - we have the Shooters (18 hole league went up \$1); Bunker Babes (rates did not go up because it is only 9 holes); Golfing Buddies; Mokena Lions; Every Other; Couples; Eagles. Director of Golf noted they are the same basic leagues.
- Outings.
Director of Golf Schulz reported every league is returning at an increase of \$1 for the cart fee across the board; new outings for 2015 – Sanctuary Point, St. Jude School and New Lenox Autobody. Director of Golf Schulz noted the industry is the way it is, so he noted on the sheet he is maximizing the tee sheet, said we try to do the best we can with people, noted we are going to start squeezing down the tee sheet which is ultimately his problem not the boards. Director of Golf Schulz noted this will gain some more revenue. Director of Golf Schulz noted for next year they may try double shotguns, he has a couple on weekends now. Director of Golf Schulz noted the course is closed to the public when he runs these on the weekends, but not the range. Director of Golf Schulz noted he is keeping one weekend day open to the public.
- Staffing.
Director of Golf Schulz noted in regards to the Golf Shop he is going to do more with less, with Lou leaving he is going to promote from within and not fill the bottom spot, he noted he is going to take on some volunteers and do more with them, use volunteers at times for cart attendants, tee times might not get as many golfers in that short period of time, 10 minutes for pace of play. The reason all of this was done was in case they were to get hit with the new minimum wage. Director of Golf noted as far as outside/inside staff he is not

going to hire any new people and is pretty well set and may have volunteers for this as well. Director of Golf Schulz noted they are going to do more with less, not hire anyone new and promote from within, tee times are going to spread out more to make a little bit better service, limit beverage service by cutting back on the beverage cart service on certain evenings (Tuesday nights only made \$47, they can just go in to the bar instead. Director of Golf Schulz noted the health department changed some laws, so now the golf shop employees are going to get certified (\$10.00 per person) to be able to serve food or beverages, Director of Golf Schulz noted he may limit the food service by opening later and closing earlier on nights they are not as busy. Executive Director Lewis noted this new law food servers and bartenders will need to be Basset trained and have food handler's licenses. This will be for PAD, Concession stands and will be district wide. Volunteers will need to be trained as well.

- Food and Beverage.
Director of Golf Schulz noted he is switching to CISCO this year, they are a VGM Partner, there will be an 8% savings, however the downfall is they are lacking a store and we don't have the storage. Director of Golf Schulz noted you need 15 items on the truck for it to be delivered. Director of Golf Schulz noted we will still utilize Gordon, we are still locked in and the pricing won't change. Director of Golf Schulz noted food prices have increased therefore there will be a food increase, there will be less of a menu and they will have specialty items. The specialty items are going to be the Ethan, the Andrew and the Mike's. Director of Golf Schulz noted beer and liquor prices have stayed the same. Executive Director Lewis asked the board to let him or Bob know if they feel any of this is hurting the business as there are quite a few changes taking place. The goal is not to push people away. President Fisher asked what he is doing for the ladies league. Director of Golf Schulz noted he will have standard menu, wraps, run a different special each week, salads. The things eliminated they never ate anyway. Director of Golf Schulz said he can't have everything on the menu.
- Golf Course Maintenance.
Golf Course Superintendent Eggert noted last year at this time he was doom and gloom. 2015 Course Inspections have noted the following: Poa and bent grasses survived the winter; winter diseases prevention only occurs on greens, tees, 14 fwy, and approaches with no diseases noted on these surfaces; pink snow mold has been associated on several fairways, not enough to incur a whole course expense of \$3000.
- 2015 Plans: Identify trouble areas in regarding pace of play; soften course naturalized areas near greens and teeing area transitions; experiment with chemical removal of dense grass areas near landing areas and critical play areas; expand cultural practices, i.e. aeration of putting surfaces, vertical mowing and topdressing; expand topdressing of high traffic areas, i.e. approaches, flood prone areas (14 fairway, 5 and 17); strip and level bad tee boxes, 12 blue, 9 blue/black (it keeps coming back as the No. 1 complaint); cart path repairs; #6 bridge crossing will finally be taken care of and either be paved or use concrete (leaning toward concrete) as this is a flood prone zone.
- Completed Project.
Golf Course Superintendent Eggert noted 18 trees were planted last year (#1/9, 5/7, 12/17 and 16). They were able to remove dying tree. They will be grinding stump and sod over. Haul roads had been planned to "eliminate" as much "risk" of damage to the course. Course recovery will commence as soon as weather allows. Golf Course Superintendent Eggert reported he thinks all trees survived and had no winter stress, reported at least one usually doesn't survive. Golf Course Superintendent Eggert wanted to report on the bunkers that a lot of equipment time was spent on it last year and a lot of manpower, reducing maintenance costs, less raking during week, cut labor costs by 1/3; planned removal #5 RF, pumped and plowed sand up after 8 major rain events.

- **Putting Greens.**
Planned aeration date is usually day after Labor day, with the planned busy September, it is moved to day after Memorial Day. No problems, easier to manage. Director of Golf Schulz noted we may get a little flack over this, as it is the first weekend they have the perms. Director of Golf Schulz noted he has spoken to all of them and they understand as they have an outing that Saturday, but he will run a special the following Sunday to come out and play. Executive Director Lewis added they covered the putting tee and range tee as it was very effective and will continue with it. Golf Course Superintendent Eggert reported they had to buy 2 covers this year but they will last 14-15 years. The coring will be the standard practices used in September. .500” coring tines, topdress, roll; increased small diameter tined aerations; contracted 8” + depths, now 2-3x season, in-house Procure 648, 3-4” depths 4x season; surfaces rolled after, no one will notice the difference; large diameter contract late in 2015, similar to 2014, continue with rolled and top dressed late October/November.
- **5 Year Projected Revenue Rate Increase.**
Director of Golf Shulz reported the following:
2015 an increase of \$60,632 (Agreed fee’s 2015)
2016 \$18,613 “\$80,245 “ (Senior Rate \$2 Resident Rate \$1)
2017 \$13,469 “\$93,714” (Cart Fee Only \$1)
2018 \$0 (No increase)
2019 \$72,000 “\$165,714” (Across the Board \$1)
Average \$33,142 Revenue Increase Per year, this is not including uptick in round or weather issues, however 2015 does include the rounds uptick. Director of Golf Schulz reported by raising the senior rate and resident rate we will add another \$18,613 to the already \$61,632, this is based on true data, driver range token increase in 2017. Competitors are being forced to raise rates but aren’t being honest about it. President Fischer asked Director of Golf Schulz to explain his figures for 2016. Director of Golf Schulz went over the explanation again. Executive Director Lewis reported we have the potential to gain another 1300 rounds of golf. Director of Golf Schulz reported \$29.00 is a very reasonable rate for seniors. Executive Director Lewis noted if the weather cooperates we have the potential to make more money, but that hasn’t happened in forever.
- **Utility Cost Reduction.**
Executive Director Lewis reported we have looked at trying to decrease our utility costs by doing the following: security change over; lighting LED inside; lighting LED outside; retro fit parking lot \$8,160 cut bill in half; soffit lights \$1440 cut bill in half; energy rebates possible up to \$3540; Cybeyond to ATT. Executive Director Lewis reported he gave up on the energy grant and said it wasn’t worth the time. Executive Director Lewis reported they looked at the parking lot lights and the soffit lights, in both cases doing the retro fit, it can cut the costs in half. Executive Director Lewis reported by changing to LED it will cut the wattage in ½. Executive Director Lewis reported the program is not out yet, but reported there are 12 lights at a cost of \$8100 but with the rebate get \$3000 back, therefore it’s only a \$5200 expense to get it done. Executive Director Lewis reported we spend roughly \$12,500 on the clubhouse lights, this would mean a \$4000 savings. This would be recouped in 4-5 years. President Fisher asked who will install them. Executive Director Lewis reported we would install the parking lot lights but the issue is there is no retro fit for the 32 can lights in the soffit. Executive Director Lewis reported the problem is, every year the lights have to be cleaned 1-2 times which gets labor intensive, it costs \$100 per light and they replace 8-10 a year. Executive Director Lewis reported there is no retro fit, so they need to replace the soffit. Executive Director Lewis reported this is an \$18,000 expense and thought we could maybe barter for golf time. Executive Director Lewis reported we will look at options, do more and more in house and reported the savings comes from energy savings. The initial cost is \$8,100 for the parking lot light and \$18,000 if we can’t barter, for the soffit and by doing this we will get the rebate. President Fisher

suggested a way to retro fit the holes. Commissioner Larson asked if there was better lighting than soffit lighting. Executive Director Lewis reported they have looked at other options, but nothing seals the opening. President Fisher asked if Executive Director Lewis was looking for direction. Executive Director Lewis reported \$25,000 gets us what we need done and then on average we will save \$4000 a year. Executive Director Lewis reported he hopes to get help on the soffit through bartering but still have the expense of aluminum for the soffit and fascia. Executive Director Lewis reported we would replace the gutters when we replace the room. President Fisher asked if we could take any money out of the capital money. Executive Director Lewis reported we could but that would be something to debate when we get into the budget. Executive Director Lewis asked if this makes sense to the board, we need to find the money and make it happen and starting this year we will start recouping the money. Commissioner Larson asked if the soffit lights are ever even used. Director of Golf Schulz reported they are used at night. Executive Director Lewis reported the lights are important especially with the deck. Commissioner Larson thought we could use different lights to light up the deck. Executive Director Lewis said we are talking about security too here with the lights. He reported the parking lot lights are shut off at 2 and the soffit lights are left on at night. Executive Director Lewis asked the board to think about it as this is just another approach to cut costs and by saving energy we can get it down.

- Potential Revenue Source.
 Director of Golf Schulz reported the following on potential revenue through video gaming: revenue for course between \$60,000 and \$120,000 per year; marketing cut in half (save \$15,000); ATM included 50/50 split additional \$6,000?; room in Clubhouse with adjustments; Junior League issued solved; "Free" Revenue with minimal investment; partner and state rules; if you're not first your last village changing slowly.

- Video Gaming Village Current.
 Village Stance, allowed via Ordinance 2331 at Fraternal Establishments and Veterans establishments dated March 19, 2013. Allowed via Ordinance 2443 at Truck Stops dated September 8, 2014; 2 locations currently; more to come?

- Video Gaming New Lenox Numbers.

<u>VGT Wagering Activity February</u>	<u>Profits February</u>
Amount Played \$798,515.71	State \$16,227.19
Amount won \$699,468.10	Village \$3,245.43
Net Activity \$64,908.79	Location's \$22,718.07
Pay out 82% State wide	State set splits no changing

<u>VGT Wagering Activity 2014</u>	<u>2014 Total Profits</u>
Amount played \$7,205,608	\$152,369 State
Amount won \$6,596,224	\$30,473 Village
Net Activity \$609,474	\$213,316 Locations

- Video Gaming State Wide
 Director of Golf Schulz reported park districts have added video gaming and noted the following:

<u>Park Districts</u>	<u>Golf Courses</u>
Over 20 offer	Over 40 State Wide
Hoffman Estates	Inwood (Joliet)
Joliet	Waters Edge (Village of Worth)
Elk Grove	Manteno GV (Village of Manteno)
Foss Park	More every month (Norm?)

Venues No Only Golf

President Fisher asked how we will protect the young kids that use our clubhouse. Director of Golf Schulz reported in great detail the plan for machines and the room where the machines would be placed. Director of Golf Schulz reported the machines would be put directly in line with the bar and in the view of the bartender. Executive Director Lewis

added in detail as well what changes would be made to the clubhouse to accommodate the room. Executive Director Lewis reported he wanted to go through this with Director of Golf Schulz first because you have to be approved, and wanted to make sure we had the space. Executive Director Lewis reported this needs to be approved by the village and thought we could put doors on and shut it down anytime we want. Director of Golf Schulz gave the board information about the Vendor in great detail how they operate and what they do once we are approved and how the process works once we have the machines. Commissioner Larson thought maybe this would be good for the moms when the Junior League is taking place. Director of Golf Schulz reported that we could shut the room down and regulate the hours. Executive Director Lewis reported we have the revenue from machines, revenue from ATM and the service from the ATM, and we have the opportunity to recoup 1/3 of the marketing budget. Director of Golf Schulz went into detail on how the advertising works and what needs to be approved by the video gaming board. Executive Director Lewis noted he did not want to bring this before the board unless we had the location and reported what has been proposed is relatively cheap as we can do it in house and reported this is a good fit for the golf course. Executive Director Lewis reported this will be good for the village and will offset the taxes. Director of Golf Schulz reported the state is looking to take a bigger cut (50% as opposed to 25%). Commissioner Schulz asked if there was a need for security cameras. Executive Director Lewis said he would like to put them in no matter what. Executive Director Lewis said the next step is to work with the village to get this done. President Fisher thought the village might ask what we will do with the extra money. Director of Golf Schulz noted he would think it would go back into the golf course, pay down the debt. President Fisher noted we need to right the ship and put the money back into the capital. Executive Director Lewis reported if we don't do this we will need to cut expenses. Executive Director Lewis reported the next step is to get the agreement from the board and then go to the village and propose how they are to go about this. How does this process go? Not sure how the process works.

- Equipment replacements: 7 year plans
Golf Course Superintendent Eggert reported the 7 year plan as follows: Replace 2 tee and approach mowers; replace 3 light duty vehicles and add 1; add to fleet: dedicated side by side roller. Golf Course Superintendent Eggert reported the rationale behind this was to get all the green & tees to be John Deere mowers. Director of Lewis reported the goal is to stay under \$100,000 and thought the better thing to do is to maintain instead of going to \$0. Golf Course Superintendent Eggert reported the recommended replacements as follows: Replace the oldest tee/ approach mower (2002) and replace 1996 JD Gator (rotted chassis). Executive Director Lewis detailed the report in the board packet and noted the lease would be \$84,345.

Golf Course Depreciation Fiscal Year Detail

Executive Director Lewis noted we are very frugal and went in detail the reports included in the board packet and reported we are very well off. Executive Director Lewis reported the insurance costs have actually helped us and the mix with what we do is really helping us out a lot.

Resolution #15-04 Resolution Authorizing the Execution of Lease/Purchase Agreement with John Deere Financial, Equipment Finance-2500E-Cut Hybrid Riding Greens Mower

Executive Director Lewis explained the resolutions in detail. President Fisher went over the costs of the equipment and just wanted the board to know the costs. President Fischer asked if any of this could be paid by the capital money. Executive Director Lewis reported that we are in good shape but have a few projects to take care of, but this needs to be gone over during budget time. Executive Director Lewis went into detail the projects and what needs to be discussed during budget time. Executive Director Lewis reported we are holding the line year after year. President Fischer requested any other questions or comments. Hearing none, President Fischer requested a motion to approve Resolution #15-04 Resolution Authorizing the Execution of Lease/Purchase

Agreement with John Deere Financial, Equipment Finance-2500E-Cut Hybrid Riding Greens Mower. Motion made by Commissioner Kraemer, seconded by Commissioner Shulz. Upon a roll call vote, all were in favor and the motion passed unanimously.

Resolution #15-05 Resolution Authorizing the Execution of Lease/Purchase Agreement with John Deere Financial Equipment Finance-Gator TX Turf

President Fischer requested any questions or comments. Hearing none, President Fischer requested a motion to approve Resolution #15-05 Resolution Authorizing the Execution of Lease/Purchase Agreement with John Deere Financial Equipment Finance-Gator TX Turf. Motion made by Commissioner Jansma, seconded by Commissioner Larson. Upon a roll call vote, all were in favor and the motion passed unanimously. Executive Director Lewis reported the attorney has reviewed this and everything is good to go.

Adjournment

At approximately 8:10p.m. President Fischer requested a motion to adjourn the April 8, 2015 Special Board Meeting of the New Lenox Community Park District Board of Commissioners. Motion made by Commissioner Larson, seconded by Commissioner Jansma. Upon voice vote, all were in favor and the motion passed unanimously.

Respectfully Submitted,
Rebecca Heckler
Recording Secretary