

The Workshop Meeting of the Board of Park Commissioners was called to order by President Lapin at 7:30 p.m. in the Administrative Offices of the Deerfield Park District located in the Jewett Park Community Center. Attendance was taken and the following were:

Present: Antokal, Caron, Cohen, Lapin, Patinkin (5)
Absent: None (0)

And there was a quorum in attendance. Also in attendance was Jeff Nehila, Secretary/ Executive Director; Bob Taylor, Tony Korzyniewski, Jason Mannina, Mike Bavier, Trena McDaniel, staff members.

Matters from the Public

No members of the public were present.

Golf Workshop

Director Nehila opened the Golf Workshop explaining that the purpose of the workshop is to establish a clear path of what the focus of the course should be relative to customers and range(s) of services. Packets included financial information, planning documents and golf industry statistics for the board to review. At this meeting, we can best focus on creating a framework and then visions for the course. Golf course staff is present to provide feedback on how to accomplish those visions.

Financial Summary

The first set of information is related to financials for year-to-date through September and the past 8 years. It's a little too early to know what the bottom line of this year will be until all the bills are paid. Keep in mind that the bond payments of about \$300,000 per year have been coming out of the golf course directly. The good news is that 2018 will be the last year of bond payments.

Vice-President Cohen was pleased that the course should end the year in black for the first time in a long time. Things look more promising with the end of the bond payments coming soon. Vice-President Cohen asked Director Taylor what the effect on our cash flow will be when the bonds are released. Director Taylor responded that would be \$310,000 more in 2019 than what we will have in 2018.

Vice-President Cohen asked if staff thought that we would maintain the leagues we had in 2017 for 2018 and if we would get some of the former leagues back. Jason responded that all of our existing leagues are returning and we will have Tuesday evenings available for another league. Staff also expects to have some of the Nifty Niners return.

Vice-President Cohen felt that catering operations/banquet operations shouldn't be a huge focus but a supplement to what we offer our golfers now. Even though the F&B numbers are up for the year the catering/banquet operations is a small percentage of the overall numbers.

Staff expects 2018 to be a favorable forecast and the overall trend of revenue is up. Commissioner Caron commented that she's happy to see the improved financials and see the expenses being controlled.

Competitive Market Analysis with Resident/Non-Resident Information

The Competitive Market Analysis shows percentages of residents and non-residents comparatively to other courses. You will see a variance within those as far as some are high and low and some the other way around as far as resident vs non-resident. Golf is a market that has a lot of pieces. Generally speaking once you capture an audience your task is to keep them. Although non-residents pay more, they are actually coming back and part of that is outings. Jason put 3-years of outing data together for review. Overall, it's hard to be able to predict what your percentages are going to be but once you collectively get the groups that staff has gotten, there's a realization that you might not get a high percentage of residents to golf. Then you have to look at your local population and break that down into percentages of actual people that golf. There's going to be a variance between resident and non-resident because the communities around us have larger populations.

Commissioner Patinkin commented that he didn't have a problem having more non-residents if we can be in the black because for years we supported the course and had more residents and were in the red. Treasurer Antokal commented that we probably have to maintain the same type of resident vs non-resident percentage to be profitable going forward. Vice-President Cohen commented that since non-residents pay more than residents you can have the same number of rounds but make more money. Commissioner Caron stated that a lot of the non-resident rounds are from outings and that's an issue we have to discuss. Tony commented that if you look at the total number of rounds from outings that are being absorbed we are looking at 2,300 rounds this year and 2,100 rounds last year. Some of the rounds are certainly outings but also our new group.

Commissioner Caron mentioned that the available tee times for residents is lower due to the course being filled with leagues and outings.

Vice-President Cohen mentioned that we can't track the number of golfers we lose because they go to the website and if there's no time available so they choose to go to a different course. Jason stated that GolfNow has told us that next year we would be able to track resident or non-resident.

Director Nehila stated that it's conclusive that the non-resident percentage contributes to high revenue.

Outing Info

Most of our outings are Friday, Saturday and Sunday and are for non-profit organizations. In golf, when you are looking to make money or at least cover your expenses there's a balance of leagues, outings and open tee times. That balance can be cyclical depending on the nature of the golf industry as a whole, demographically or geographically. Staff strives to have an adequate balance. It's not a science but the key used to measure is when people call if you can get them on the course or not. It's never a science, you can't create a formula.

Commissioner Caron commented that it is difficult for a sporadic golfer to play golf at our course. Jason responded that staff works hard to balance the tee sheet. A lot of the outings are partial shotguns. This year we only had 5 or 6 full closures.

Commissioner Caron mentioned that in the past we had a limit on how many outings you could have on Fridays, Saturdays and Sundays. She asked if it was possible to make the available tee times more visible. Jason would like to add the outing schedule to the online calendar so people could see when the course is not available. Jason added that staff would like to add wording regarding the league and outing schedule to the pass application.

Debt Related Memo

The golf course has three ongoing debt related expenses associated with the Golf Fund. They are the Bond Series 2012B; the Golf Cart Installment Contract – Series 2012; and the Golf Cart purchase (2017) Fund 10 payback.

Bond Series 2012B will be retired in FY2018 this will free up about \$310,000 to be used for other needs in the Golf Fund.

Installment Contract Series 2012 will be retired in FY2018 also. This will free up about \$37,000 in FY2018 and about \$49,000 for FY2019 forward to be used for other needs in the Golf Fund.

The golf cart purchase payback to Fund 10 is scheduled to begin in FY2019 for 5 years based on board discussion. Staff proposes changing the payback to begin in FY2018 for a term of 4 years.

5-year Capital Plans for Operations, Maintenance and Learning Center

There is a commitment to continue the bunker renovations for 5 more years. These renovations are being paid for out of the General Fund and have no immediate financial impact on the golf course.

In 2019, we will have a \$150,000 expense to replace the 30-year-old irrigation pump.

Cart paths will require at least a minimal amount of maintenance which would be sealcoating. The back nine cart paths will need more substantial work sooner than the front nine.

Commissioner Caron commented that this is where the resident/non-resident issue comes into play for her. We have committed to renovating the bunkers but she would like to see the golf course pay for what the golf course needs and has a problem using tax dollars if we have mostly non-residents using the course. Going forward in these plans the idea should be that the money comes from golf course revenue. Director Nehila stated that he didn't disagree and that after 2018 we don't have to spend the \$300,000 in savings a year but we have room within the golf course budget as long as revenues stay consistent.

Commissioner Caron suggested the golf course have an ongoing maintenance schedule and a designated amount every year for capital projects. Director Nehila stated that we are working towards that.

Learning Center Capsule

Vice-President Cohen suggested offering a lower cost adult instructional class and provide clubs to encourage new people to try the sport. Commissioner Caron suggested offering a summer class during the day so moms could attend when the children are at camp. Trena responded that we offer free clinics for women and will be offering free clinics for men. We will also be offering a new program, LPGA 101, welcoming women into golf and we are trying to offer a similar type program for juniors and men.

Treasurer Antokal asked about the number of participants in the free clinics. Trena responded that the numbers vary but we have had up to 30 and at least half were new golfers. We also are running a successful parent/child program with the Start Smart Golf.

Vice-President Cohen asked if we cross market between SRC and the golf course. Staff responded that we do have sandwich boards advertising at each facility.

District Organizational Chart

The plan for 2018 is for Jason to run golf operations and the F&B; Mike to run golf maintenance; and Trena to continue to run the driving range and learning center.

Industry Information and Statistics

Clearly the golf industry is fluid and will probably always have peaks and valleys. There are still a lot of courses and a finite number of golfers.

Outside Consultant Services

It was determined that no outside consultant services were needed at this time.

SWOT Analysis

Strengths

- Well maintained course
- Interesting layout

- Location is easily accessible
- Seasoned awesome staff
- Learning Center/Range
- Price?
- Can survive rain

Weaknesses

- Pace of Play Reputation
- Rangers (not highly visibly/vocal)
- Short season
- Beverage service on the course (lacking)
- Perception of pricing
- Tee time availability

Opportunities

- Cross marketing with park district
- Bring new people to golf
- Huge corporate presence in area to recruit golfers
- Service/training of staff
- Can survive rain allowing for capturing business from other courses
- Target marketing i.e. apartment complexes
- FORE with golf
- Target hotels nearby

Threats

- Weather
- Finances
- Competition including nearby private clubs
- Change in customers

Board Visioning

Priorities

- Self-sustaining
- Better balance between outings, leagues and open golf
- Keep constituents happy
- More focus on residents
- Maintain and enhance facilities and service

Non-priorities

- Expansion of clubhouse
- Indoor/4 seasons learning center

- Expand use of facility throughout the year
- New maintenance building

Visioning

1-Year

- Keep constituents happy
- Balance of tee times, outings and leagues
- No outside consultant study

2-4 Year

- Organizational structure

5-Year

- Become self-sustaining
- Begin building reserves
- Continue internal loan for carts

6-9-Year

- Redo parking lot

10-Year

- New cart paths
- Indoor learning center
- Expand clubhouse
- Electric golf carts/cart barn

20-Year

- New maintenance building

Staff Feedback

Staff thanked the board for their input.

Other

Proposed Property Tax Freeze

Director Nehila reported that he is contacting Senator Morrison regarding the proposed property tax freeze. He will continue to update Commissioners.

Workshop Meeting
November 2, 2017
Page 7

Motion made by Commissioner Patinkin, seconded by Treasurer Antokal, to adjourn the Workshop Meeting at 9:54 p.m. Voice vote as follows:

AYES: Patinkin, Antokal, Caron, Cohen, Lapin (5)

NAYS: None (0)

Motion passed in a voice vote.

Respectfully submitted,



Jeff Nehila, Secretary