

MINUTES OF A MEETING OF THE GOLF ADVISORY AD HOC COMMITTEE HELD AT 12:00 P.M., MONDAY, SEPTEMBER 12, 2022 AT MADISON GOLF COURSE, 2735 W. MARTIN LUTHER KING JUNIOR DR, PEORIA, ILLINOIS.

MEMBERS PRESENT: Vice President and Chair Jackie Petty, Trustee and Vice Chair Timothy Bertschy, Mike Blanco, Bill Dunton, Shelley Epstein, Carol Ferino, Clara Hooks, and Phil Jordan (in at 12:10 pm)

MEMBERS ABSENT: None

STAFF PRESENT: Executive Director Emily Cahill, Brent Wheeler, Matt Freeman, Jill Coats, Jeff Heiden, David McCool, Barry Reed, Chuck Simms, Earl Swanson, Jenny Swanson, Greg Walker, and Alicia Woodworth

OTHERS PRESENT: None

1) CALL TO ORDER:

Vice President Petty called the meeting to order at 12:05 p.m.

2) MINUTES:

2.A. Approval of August 8, 2022 Meeting Minutes

Vice President Petty noted that the minutes of August 8, 2022 stated she was present however, she was not. In addition, the minutes showed Emily Cahill as absent when she was in fact present for that meeting. Trustee Bertschy moved to approve the Committee minutes of August 8, 2022, on condition they be modified to note Vice President Petty as absent and Executive Director Cahill as present. Motion seconded by Carol Ferino. Motion passed on a unanimous voice vote.

3) NEW BUSINESS:

3.A. Revenue Report – Greg Walker, Director of Golf Operations

Greg Walker stated August was another great month for golf. As compared to August 2021, we are up 1,519 rounds, representing an increase of \$32,000 in green fees. Carts were up 1,142, representing an increase of \$24,000 extra revenue. Cart revenue year to date is increased by approximately 4,000, representing \$100,000 extra revenue. There was an increase of 470 range baskets in August compared to August 2021, representing \$3,000 in revenue. YTD merchandise sales increased by \$7,000 as compared to YTD 2021. September looks great so far in all areas.

Trustee Bertschy requested clarification, if the total GLC sales do not include membership, where are the numbers for the other courses? Greg Walker stated that that information is included in the membership report which has not been distributed in the last two months. He does have that report today however - \$570,000 in membership sales this year as compared to budgeted of \$575,000. He pointed out the added junior memberships have increased as well. The \$570,000 represents memberships only. Green fees are separate. It is pure coincidence that August 2021 YTD green fees totaled \$552,480.36 and 2021, similar to membership fees totaling \$552,000.

Shelley Epstein asked Emily Cahill if the extra revenue funds over budget go directly into golf operations. Emily stated that yes it does, and that the budget as a whole, needs to be considered, which includes both operating and supplies expenses. Revenues are higher than budgeted; however, expenses are anticipated to be higher than budgeted as well.

Greg Walker stated that staff is currently working on developing the 2023 operational budget with revised and projected budgets having been drafted. He shared proposed fees and charges for 2023 before it goes to the Board. Operational costs have increased significantly. In order to offset some of those expenses, it is necessary to increase green fees by \$3 for all courses. As is historically the case, this still keeps the Park District golf costs below the market average in the area. Staff also recommends increases of \$1 per cart and \$1 for range balls fees at each level. Three years ago, range balls averaged \$3.50 - \$4.50 per dozen. This year they are ranging from \$8 - \$10 per dozen which represents a \$40,000 increase just for range balls. Tournament fees will increase by \$10 as there has not been an increase in several years. For all courses, memberships will increase by \$15, making an adult membership \$900. Individual classes will increase by \$5.00. The increase in green fees by \$3 represents an increase of approximately \$120,000 in revenue. The \$1 increase in cart fees represents an increase of approximately \$40,000. All of these increases are to offset only some of the anticipated expenses in both operations and maintenance. Mr. Walker stated that he is confident these increases will not affect the District's inventory of golfers as these increases are not just unique to the Peoria Park District, but all golf facilities.

Trustee Bertschy pointed out that at Kellogg, the combined increase in green and cart fees of \$4 is an increase of 10% however, inflation is not at 10%. At Newman and Madison, the combined increase of \$4 is an increase of approximately 12%. Greg stated he believes these increases are necessary to offset the significant increase in operating and maintenance expenses. This is also necessary in order to be good financial stewards of the tax subsidy the golf division receives.

Phil Jordan asked if there is a plan to sell advertising on the cards, is there a marketing plan, and when will the committee see those plans. Greg Walker stated yes, there is a plan to sell advertising on the cards, it is currently being finalized and will be presented at the next committee meeting. Jenny Swanson stated that the 2023 budget, including the marketing budget, is not yet approved. A plan and general outline will be presented to the committee at the next meeting. It will not be a revenue report so there won't be a listing of expenses or exact financial information. It will contain analytics and what has been done this past year. In addition, it will have the plan for next year.

3.B. Maintenance Report – Jeff Heiden, Director of Golf Maintenance

Jeff Heiden stated that this has been a fantastic year for golf. He stated that this year gasoline costs have increased by 60%. This is significant due to the carts being gasoline-powered. Diesel gas has increased by 40%. Most of the mowers are diesel-powered. Natural gas increased 25% from last year to this year. The forecasted increases are:
Fertilizers – 21%
Fungicides – 8% – 10%
Insecticides – 15%

Other turf treatments – 10%

Natural gas – 20% - 28%

Diesel gas – 45%

Water – next year budgeting at an increase of 35%. The revised water budget for Kellogg is \$155,000. Considering a 35% increase, that totals to \$209,000 for Kellogg alone.

Illinois minimum wage increases \$1.00 to \$13.00 per hour in 2023.

Shelley Epstein stated that the Peoria Park District (golf) is one of the largest consumers of water from Illinois American Water Co. If/when the issue of municipalizing water arises, he strongly urges staff and Trustees to support it so water is not controlled by a private entity. This will significantly lower the cost of water. Matt Freeman stated that many years ago, staff investigated the possibility of using gray water as the source of watering for Kellogg. He doesn't believe an alternate source was found or it could be there was no cost benefit for doing so. He believes it would be worth investigating again, to determine if there is a viable, sustainable source of water that could be used.

Trustee Bertschy stated that as Chair of the Finance Committee, he is very concerned about these increased costs. The increase in fees that Greg Walker just proposed would equal to approximately \$180,000 additional revenue. However, the anticipated increase in costs for 2023 totals much more than \$180,000. As such, how high could we possibly go? Greg Walker stated that at this time he cannot provide a number without researching and discussing with senior staff. However, if we were to increase fees to equal the increased costs, he believes we would definitely lose golfers. Currently, each round of golf is subsidized by approximately \$6.00. Emily Cahill stated that staff is projecting that equalized assessed value (EAV) and overall property tax revenue as a result, will increase and would help offset the increases. What is being discussed today is staff's best estimate as it applies to golf.

The committee discussed the feasibility of the proposed new rates with staff explaining how much effort and expertise went into determining the proposed budget increases. Phil Jordan stated that research would help determine exactly what the market would bear. He suggested the formation of a focus group to carry out this task. Emily Cahill pointed out that this committee is the focus group he suggests. Trustee Bertschy requested the total numbers with the total offset be presented at the next Finance Committee meeting to be discussed. Phil Jordan asked for job descriptions for the staff members that are associated with the golf division. Matt Freeman stated he can provide all that has been requested at the next meeting.

Jeff Heiden stated that aerification is on schedule for Madison with it scheduled for Kellogg next week and Newman the first week in October.

4) PENDING BUSINESS:

None at this time.

5) OTHER BUSINESS:

Clara Hooks stated that at Newman, the steps are slippery at the front and back entrances. At Kellogg, there is no water at the clubhouse. In addition, at Kellogg, the greenery is overgrown

and overbearing and needs to be trimmed. She is also still getting complaints about how far the grass is cut out from the tee box. As such, why are the ladies tee boxes being moved at Madison toward the green? Jeff Heiden stated that every course where the Park District has added tees, the only thing ever added is forward. In addition, the portable toilets at Madison were out of toilet paper and when reported, staff stated that the company didn't supply it. Staff should have taken care of it on their own but they didn't. Greg Walker stated he will speak with staff to rectify the situation.

Vice President Petty stated that the entrance into Madison needs to be addressed as it is dangerous and is easy to fall/drive into the close deep ditch. This needs to be rectified as soon as possible. Staff will contact Peoria County to get it taken care of. At Newman, the stairs are crumbling and need fixed. Matt Freeman stated that this is on the schedule to be repaired this fall.

Vice President Petty stated that the handicap flags for carts at all courses need to be replaced. Greg Walker stated he will order new ones immediately.

Shelley Epstein stated that he contacted Illinois State University's Weibring Golf Club about the sandwiches they offer for sale to patrons. They sell Avanti's half gondolas for \$6.00 each and Avanti's delivers them every day. Based on the number of golfers registered to play on any given day, Weibring uses their judgment to determine how many gondolas to order. There have been times they've ordered as many as 50 sandwiches for a day. Greg Walker stated that starting last week, Cyd's is delivering sandwiches once a week on Thursdays, where previously, Cyd's delivered on Tuesdays and Fridays. Last month (August), a total of 87 sandwiches were sold, with most sales occurring on weekends (Friday, Saturday and Sunday). Carol Ferino recommends having Avanti's deliver to the golf courses half gondolas daily, like Weibring does. Previously, there were concerns that Avanti's bread would be stale however, that is not the case with daily deliveries. Phil Jordan stated he spoke with Stefan Zeller of Avanti's and Mr. Zeller indicated he was interested in delivering gondolas to PPD golf courses. This will be discussed at the next meeting in October.

Greg Walker stated that he and Jenny Swanson developed a survey that will go out next week with 15 questions focusing on demographics, where they play, preferred starting time, condition of the course, how they book tee times, etc.

Shelley Epstein expressed his displeasure in the lack of communication to the committee concerning the high-tech golf facility at GLC. Emily Cahill stated that the committee was notified that the District had a grant coming from the state in order to improve the Golf Learning Center. Mr. Epstein stated that the issue is not about the details of the new facility/upgrades, it is the fact that this committee was not notified before the press conference and news media reported about it. Emily Cahill apologized and stated that going forward, she will be sure to notify the committee prior to golf associated information being presented to the public.

6) NEXT MEETING:
Monday, October 10, 2022 at 12:00 noon (last meeting of the year)

7) ADJOURNMENT:

At 1:30 p.m. Trustee Bertschy moved to adjourn. Motion seconded by Vice President Petty and carried on a unanimous voice vote.

Respectfully Submitted by Alicia Woodworth
Executive Assistant and Secretary to the Board