

1. Call the Meeting to Order

President Stout called the meeting to order at 6:15 pm.

2. Roll Call

At 6:15 pm roll call was taken:

Present: Commissioners Lange, Pulice, Sbertoli, Schroeder, Stout
Absent: none

Also Present: Matt Ellmann, Executive Director; Rhonda Brewer, Business Manager, Ray Chaussey, Superintendent of Parks; Tony Perry, General Manager; Carolyn Mondlock, Recording Secretary.

Members of the Public: Joe Julius, Auditor, Joseph R. Julius, Ltd; Brett Hintz, National Director of Operations, TopGolf; and Mike Bersani, Attorney for Wood Dale Park District.

Pledge of Allegiance

The Board and Members of the Public stood for the Pledge of Allegiance.

Before proceeding with Agenda Item 3, Director Ellmann briefed the Board as follows:

- He gave the Board a copy of a letter from Itasca Bank thanking the park district for its participation at the Shape of Wood Dale. On the back of the letter, park district related questions were listed, along with a brief summary of responses.
- Director Ellmann said that he had just received a letter from the Mayor of Wood Dale requesting the park district's consideration of having Prairie Fest on park district property. He suggested that this be an agenda item for discussion at the December 10 regular meeting.

3. Staff Recommendation to Rescind Tennis Court Resurfacing Bids and Direct Staff to Re-bid Project in 2014

Director Ellmann recapped this project to the Board, reminding them the park district went out to bid twice on this project. The first time the bids were rejected was based on the small number of bidders, with only two submitting. The second time the park district received one additional bid, and after discussion with the Board, accepted a bid from the lowest responsible bidder. After consulting with the park district attorney, Director Ellmann is asking that the Board rescind the bid based on the fact that a change in the scope of work was suggested that could potentially pose a challenge to the other bidders who might have put in a more competitive bid with this additional information.

In addition, Director Ellmann and staff consulted with a professional landscape architect about the methods and costs associated with completing the project, and it's their opinion that with some specification modification, the price will come down in line with what is budgeted.

Commissioner Lange and Schroeder expressed concerns about retaining an architect to review bids for the park district and to do what staff has done in the past. Director Ellmann explained that the technicalities of this bid are not simple, and the bid is something requiring outside assistance in order to produce clear specifications for work to obtain a quality end product. He explained how the grade and pitch on a tennis court needs to be just right or it can affect play and longevity of the product.

It was moved by Commissioner Pulice, seconded by Commissioner Schroeder, to rescind the October 22, 2013 award of the Tennis Court Resurfacing Project Bid Award to Professional Paving.

Ayes: Commissioners Lange, Pulice, Sbertoli, Schroeder, Stout
Nays: None

MOTION CARRIED

It was moved by Commissioner Pulice, seconded by Commissioner Sbertoli, to rebid the project after modifying the scope of work as a means of reducing cost and improving the repair method with the help of a landscape architect for a consulting fee not to exceed \$1,150.

Ayes: Commissioners Pulice, Sbertoli, Stout
Nays: Commissioners Lange, Schroeder

MOTION CARRIED

4. Presentation of TopGolf Request for Third Floor Deck Covering and Parking Expansion

Director Ellmann gave a brief summary of the lease agreement with TopGolf and their request to cover the third floor deck and expand parking.

Commissioner Schroeder excused herself from the meeting at 6:30 pm before further discussion of Agenda Item 4 due to possible conflict of interest with the City of Wood Dale.

Brett Hintz from TopGolf was introduced, along with Attorney Mike Bersani, by Director Ellmann. Brett referred the Board to the handout of the TopGolf presentation. He summarized the agenda as follows:

- Review current situation
- Review third floor availability data
- TopGolf's understanding of Wood Dale Park District's concerns
- How wait time is tracked
- TopGolf's commitment to additional parking
- Estimated change to lease calculation
- Timeline if approved
- General questions and answers

Brett explained that TopGolf has 76 total bays, 26 of which are on the third floor, all of which are currently uncovered. Floor availability is dependent on weather, and based on a chart indicating weather restrictions for this year, the third floor was unusable for 74% of the year. The use of more bays would generate more revenue for both TopGolf and the Wood Dale Park District.

Covering the third floor, Brett explained, would increase capacity of the facility during October through May when Salt Creek is in its off season. When TopGolf is unable to use the third floor, wait times increase for alternate bays, adding to the amount of cars in the parking lot. Covering third floor bays would not increase the capacity during the peak spring and summer months as they already exist and are utilized during those months.

Each agenda item had a page in the handout that Brett explained. He said TopGolf will remove the mini golf course, committing to 67 to 80 additional parking spots. He estimated future potential revenue for the

park district based on what the enclosed third floor bays would generate. A page of proposed drawings of the facility and time line for the project was also presented by Brett.

Brett answered questions from the Board, and much discussion ensued amongst the Board and staff. President Stout expressed his appreciation on how TopGolf has been working to accommodate parking concerns. On another topic, however, he asked when the Board could expect the TopGolf financial report. Brett said that he expects to have the report very soon but did not give a definite date. Director Ellmann expressed to Brett that it would be helpful for the Board to have this financial information before the next regular Board Meeting in December so that decisions may be discussed.

Director Ellmann asked Attorney Mike Bersani to comment on the process to move forward or pose any questions to Brett that would be relevant to rendering a board decision on the proposal. Mike confirmed with Brett that TopGolf is committing to pay for whichever parking scenario is chosen. He confirmed with Brett that the decision that TopGolf wants the park district Board to make at the next meeting is to move forward with these plans. Mike said that if the Board is in favor of TopGolf's moving forward they would then need to contact the City of Wood Dale to start plans. However, TopGolf would still need to provide an amendment to the lease agreement. Director Ellmann confirmed that at the December Regular Meeting, the Board will be discussing conceptually supporting TopGolf's moving forward. Mike said that a letter of understanding as to what TopGolf is promising would be helpful – information that will end up on the lease amendment which the Board could consider in January or after.

A five-minute recess was taken at 7:21 pm.

Brett Hintz, TopGolf, departed the meeting at 7:21 pm.

Commissioner Schroeder returned to the meeting at 7:23 pm.

Attorney Mike Bersani departed the meeting at 7:27 pm.

Ray Chaussey departed the meeting at 7:28 pm.

5. Update and Discussion of Salt Creek Golf Club Financial and Operational Performance

Director Ellmann reminded the Board that they have expressed concern with Salt Creek Golf Club's (SCGC) financial performance in recent years. Presentations have been made by the business office, Salt Creek, and the park district auditor, Joe Julius, indicating declining trends on both the clubhouse and golf course side of operations. He went on to summarize the write-up included in the Board packet about the history of golf and clubhouse service.

Director Ellmann introduced Joe Julius, park district auditor, who gave a brief history of the last 25 years of Salt Creek golf operations and general trends in the golf industry. Economically, he says the golf industry has been hit negatively and economic formulas have changed. He feels SCGC has done well because the course makes money when including the rent received by TopGolf. However, finances are negatively affected if you take away rent from TopGolf. Joe reminded the Board that he is only talking financially and that there are many other benefits of the golf course to the community.

Joe passed out a financial analysis to the Board. He pointed out the number of golf rounds over the past 13 years and how they have dropped. He explained the Combined Statement of Revenues and Expenditures. SCGC, including the food and beverage operation, is losing approximately \$200K a year. Adding TopGolf income, SCGC is profiting \$122K. Additional financial statements were reviewed and explained by Joe and Business Manager Rhonda Brewer, who answered various questions from the Board about where funds are allocated. Statements for both the clubhouse and golf operations illustrated trends from 2002 through present.

Director Ellmann asked the Board to think broadly to understand the actions that have been put into place to improve financial conditions. The point of the presentation tonight is to give the Board a general overview of where SCGC is at, at the present time. He is concerned that some things are difficult to adjust, such as fixed costs, without making a radical change. He also reminded the Board that there are many codependents that impact the bottom line and would also impact the service to the customers. The Board discussed the financial statements in great detail.

Tony Perry, General Manager of SCGC, presented his report, listing 15 initiatives that he has instituted over the past few years, along with planned changes that will take effect through the 2014/2015 budget period – all in an effort to reduce expenses. In addition, Tony presented initiatives instituted to increase revenues. He discussed with the Board the events SCGC underwrites for the community that impacts staff’s time.

Tony’s report also included a list of adjustments made and adjustments proposed to reduce expenses. He highlighted plans to increase revenues by increasing alcohol prices in the evening and by increasing greens fees by one dollar. Fees for carts will be increased, in addition to fees for GolfNow and Groupon purchases.

The Board expressed their awareness of the conscientious changes being made. They asked Director Ellmann to assemble three options for the board to consider (breaking even, being underwritten by \$100k and by 150K assuming Top Golf revenues are not included). They asked that the three options provide information on the impact they would have on customers, staff and overall operations. Director Ellmann thought this could be ready in approximately three months with the help of staff. Commissioner Lange asked for the subject to be placed on the December agenda, with the Board providing consensus that staff should work to bring the three options forth to the board in February.

Joe Julius left the meeting at 9:01 pm.

6. Discussion of Draft Mission and Vision Statements

The Board decided to postpone this agenda item to the December Regular Meeting.

7. Adjournment

It was moved by Commissioner Lange, seconded by Commissioner Pulice, to adjourn this Special Meeting at 9:05 p.m.

After a voice vote, President Stout declared the MOTION CARRIED.

The next General Meeting of the Wood Dale Park District Board of Commissioners shall be held on Tuesday, December 10, 2013, at 6:00 p.m.
