

1. Call the Meeting to Order

President Stout called the meeting to order at 6:02 pm.

2. Roll Call

At 6:02 pm roll call was taken:

Present: Commissioners Pulice, Lange, Schroeder, Stout

Absent: Commissioner Sbertoli

Also Present: Greg Kuhs, Executive Director; Michele Silver, Superintendent of Recreation; Raymond Chaussey, Superintendent of Parks; Tony Perry, General Manager; Rhonda Brewer, Business Manager; Carolyn Mondlock, Recording Secretary.

Members of the Public: Adam Vasquez, WDPD staff; Mike Bersani, attorney; Brian Burton, Fairway Suites.

3. Additions to Agenda

None.

4. Approval of Minutes

A. Approval of Minutes of the Special Meeting of April 24, 2012.

It was moved by Commissioner Schroeder, seconded by Commissioner Pulice to approve the Special Meeting Minutes of April 24, 2012. Copy attached to Official Minutes.

Ayes: Commissioners Pulice, Schroeder, Stout

Abstain: Commissioner Lange

Nays: None

MOTION CARRIED

B. Approval of Minutes of the Regular Meeting of April 24, 2012.

Tony Perry had corrections to the Minutes of the Regular Meeting of April 24, 2012. He noted in the second paragraph of the Salt Creek Golf Club Report that it states two weddings are booked so far for this year. He said that seven weddings are booked so far for the year, and three weddings are booked for next year.

Tony corrected the third paragraph about TopGolf anticipating revenues of \$25M the week of the Ryder Cup. The number is actually \$250K for the week. TopGolf already has \$80K on the books for the week of the Ryder Cup.

It was moved by Commissioner Pulice, seconded by Commissioner Schroeder to approve the Regular Meeting Minutes of April 24, 2012 as corrected. Copy attached to Official Minutes.

Ayes: Commissioners Pulice, Schroeder, Stout

Abstain: Commissioner Lange

Nays: None

MOTION CARRIED

C. Approval of Minutes of the Special Meeting of May 15, 2012.

Rhonda Brewer pointed out that the date in the header on the Minutes of the Special Meeting states "May 12", however, the date of the actual meeting was May 15, 2012.

It was moved by Commissioner Lange, seconded by Commissioner Schroeder to approve the Special Meeting Minutes of May 15, 2012 as corrected. Copy attached to Official Minutes.

Ayes: Commissioners Pulice, Lange, Schroeder, Stout
Nays: None MOTION CARRIED

5. Approval of the monthly expenditures: Totaling \$355,390.79 covered by check nos. 72151 thru 72313 (\$198,534.42); and payrolls for 4/27/12 (\$77,593.59) and 5/11/12 (\$79,262.78).

President Stout asked about the charge for mulch, and Ray Chaussey responded that the charge was for certified playground mulch.

It was moved by Commissioner Lange, seconded by Commissioner Pulice to approve the monthly expenditures totaling \$355,390.79.

Ayes: Commissioners Pulice, Lange, Schroeder, Stout
Nays: None MOTION CARRIED

6. Written and Public Communication

A. Public Communication – Introduction of Adam Vasquez, Recreation Supervisor – Michele Silver introduced Adam Vasquez, who started as Recreation Supervisor on May 7. He was welcomed by the Board.

B. Written Communication - Letter from Wood Dale Baseball, Picnic Request – The Board reviewed the letter by the Wood Dale Baseball Association requesting permission to have alcohol at their annual picnic on July 14 at Franzen Grove. The Board approved this request based on the provision that the Association only serve beer and wine and that they purchase the necessary dram shop insurance for the picnic.

It was moved by Commissioner Pulice, seconded by Commissioner Lange to give permission to the Wood Dale Baseball Association to only serve beer and wine and to provide the necessary dram shop insurance for their annual picnic.

Ayes: Commissioners Pulice, Lange, Schroeder, Stout
Nays: None MOTION CARRIED

7. Public Hearing

Ordinance O-13-01 – Combined Annual Budget & Appropriation Ordinance –FY 12-13 –

President Stout read the script for the public hearing:

The next agenda item for the Board of Park Commissioners is a public hearing to receive public comments on Wood Dale Park District's Combined Annual Budget & Appropriation Ordinance for Fiscal Year 2012-13.

I would like to request a motion and a second to open the Public Hearing for the Combined Annual Budget & Appropriation Ordinance for Fiscal Year 2012-13.

It was moved by Commissioner Schroeder, seconded by Commissioner Lange to open the Public Hearing for the Combined Annual Budget & Appropriation Ordinance for Fiscal Year 2012-13.

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

MOTION CARRIED

President Stout continued:

A copy of the Combined Annual Budget & Appropriation Ordinance for Fiscal Year 2012-13 was first presented to the Board at last month's meeting and has since been available for public inspection for at least 30 days prior to tonight's meeting. The required notice for this Public Hearing was also published in the Daily Herald newspaper on May 11, 2012.

At this time I would like to ask if any of the public in attendance at this Public Hearing would like to present written or oral testimony regarding the Budget & Appropriation Ordinance.

[There was no public comment.]

Do any of the Commissioners have any comments?

[The Commissioners had no comments.] President Stout continued:

All persons desiring to be heard have been given an opportunity to present oral and written testimony with respect to the proposed Combined Annual Budget & Appropriation Ordinance for Fiscal Year 2012-13. I would like to ask for a motion that this Hearing be adjourned.

It was moved by Commissioner Lange, seconded by Commissioner Schroeder to close the Public Hearing for the Combined Annual Budget & Appropriation Ordinance for Fiscal Year 2012-13.

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

MOTION CARRIED

8. Director's Report

Director Kuhs submitted a Director's Report for the month of May 2012. Copy attached to Official Minutes. He reported and reviewed the following:

The Wood Dale Memorial Day Parade is on Monday, May 29. Director Kuhs reminded the Board that lineup is at 10:00 am across from Community Park on Wood Dale Road. Commissioner Lange will be driving her convertible. There will be park district signage on the sides of the car, and the Commissioners will be passing out candy. The parade starts at 11:00 am.

Director Kuhs reminded the Board that he sent them instructions for accessing park district policies and procedures online. He asked if anyone has tried it and whether or not there are any issues. The Board responded that the instructions are fine. Director Kuhs said that this is still a work-in-progress as files are updated and uploaded.

Director Kuhs asked for volunteers for the June 2 5K Race at Your Pace. He asked that any Board members let him know if they would like to volunteer to assist as course marshals.

He reminded the Board of upcoming events: the Wood Dale Chamber Golf Outing on June 19 and the IAPD Legislative Golf Outing on July 19 at White Pines Golf Course in Bensenville.

9. NEDSRA Report

Director Kuhs handed out the monthly NEDSRA Newsflash for the month of May 2012 this evening, stating the file sent to him was too large to include in the Board packet email.

He reminded the Board that the Reach for the Stars event is on June 6. Commissioners Lange and Schroeder confirmed attendance.

10. Recreation Report

Michele Silver, Supt. of Recreation, submitted a Recreation Report for the month of May 2012. Copy attached to Official Minutes. Michele reported and reviewed the following:

Michele said she has staff shirts for the Board.

Michele updated the Board on the 3 on 3 Soccer Tournament. There were no registrations, so the event was cancelled. This week and next week, staff training will be held at the pool, which will open at 10:30 am on June 2. Michele listed all events for summer at the end of her report for the Board's information.

11. Parks Report

Ray Chaussey, Supt. of Parks, submitted a Parks Report for the month of May 2012. Copy attached to Official Minutes. Ray reported and reviewed the following:

Ray said the HVAC at Salt Creek Golf Course is complete and working, except for the one in the kitchen, which the contractor will re-work. Ray explained there are two units – one on the roof and one in the basement. The basement unit was installed three years ago and has never worked properly, so the contractor will re-work it at no charge.

Addressing the replacement of the leaking water heater at the Recreation Complex, President Stout asked about the recovery time of the heater. Ray explained the old unit was oversized for its purpose and was an “as needed” unit, meaning that every time a shower turned on, the heater would have to kick in. The new water heater has a larger capacity, so it does not need to kick in as often. The recovery time is sufficient, and the unit will save the park district money on gas. The cost of the new water heater was \$7,000 less than the replacement cost of the older water heater.

Ray said that parks staff have been very busy preparing the pool for opening, cutting grass, lining the soccer fields and dragging the baseball fields. Commissioner Schroeder asked about the removal of the scoreboards at Community Park. Ray said that the ones on the building roof (concession stand) have not been working for ten years, and there are no plans to replace them at this time. They are coming down so a new roof can be installed.

Commissioner Schroeder asked for clarification on who owns and maintains the concession stand. Ray explained that the school district owns the building and pays the insurance and utilities, but the park district is responsible for the water and maintenance. The school district just painted the building, and there was discussion about replacing dugout covers, which would be the responsibility of the school district.

Director Kuhs added that the parking lot next to the tennis courts at Community Park is being seal coated and restriped May 24 and 25, so the lot will be closed during that time. The cost is being covered by a corporate leasing company in agreement with the park district and the apartment complex next door to the lot.

Commissioner Lange asked how the tennis courts have been holding up. Ray said that they were painted five years ago. Rhonda added that the nets are too low because the posts are leaning. Ray said that five years ago the park district had the posts pulled and reset. However, the ground is too moist underneath, so when the cables are pulled tight, the posts bevel under the tension. So the posts need to be pulled and re-poured again. The Board estimated the age of the current tennis courts to be 23 or 24 years old.

General discussion took place about the repair of the ceramic tiles at the pool. Ray has asked a contractor to look into different materials as broken tiles have become a recurring issue.

12. Salt Creek Golf Club Report

Tony Perry, General Manager, submitted a report for the month of May 2012. Copy attached to Official Minutes. Tony reported and reviewed the following:

He said business is good with the nice weather, and everyone is coming out to play golf.

The Board discussed the damage to two golf carts that Tony described in his Board Report. Salt Creek Golf Course was able to recover the damages from the individuals who rented the carts.

Commissioner Schroeder commended Tony on the deal with Pepsi. Tony described negotiations for the next five-year beverage contract in his report. A five-year contract with Coke expired in April, 2012. Salt Creek went out to bid and Pepsi offered the better package. Tony was also able to piggyback on pricing for the pool.

13. Unfinished Business

- A. Board Manual – Director Kuhs reminded the Board that the Board Manual is in their packets. He said that he made some minor changes and will provide the Board with a new copy once approved. The manual will also be accessible to the Board through email.

It was moved by Commissioner Lange, seconded by Commissioner Schroeder to approve the revisions to the Board Manual as presented.

Ayes: Commissioners Pulice, Lange, Schroeder, Stout
Nays: None MOTION CARRIED

- B. Fairway Suites Update – Director Kuhs introduced Brian Burton from Fairway Suites who was present at the meeting to provide the latest update on efforts to secure a hotel franchise for the Salt Creek site. Drawings and information were provided to the Board for review.

Brian said plans are moving along very well, and he is 99% sure the property will be a Hyatt House at Salt Creek. He said Hyatt has given the Fairway Suites' development company, Beacon Development, a letter of intent and key money close to half a million dollars for the project. Key money is the last money that comes into a project, and it's basically the Hyatt saying that they are on board. The only caveat to that is we have to have everything in place from an agreement standpoint and our capital and partners approved prior to October 1 of this year. We also have to have the hotel open prior to October 1 of 2014. Brian said we are on a much faster track than that.

Backtracking a bit, Brian filled the Board in on some history. The hotel was originally configured to have 108 units. The Hyatt House is a new product. It is an extended stay hotel, designed to have guests for longer periods of time. The hotel's design and rooms have a comfortable environment with many sofas. The design is more modern than other competing hotels with very clean lines and conservative colors typical of Hyatt fashion.

Hyatt negotiated with Fairway Suites to have 126 units versus the 108. They intend to showcase the new Hyatt House product, the first one constructed from the ground up. This is very fortunate for the park district. The Hyatt's warehouse facility is two miles away from the park district. They fly people in to tour this warehouse facility, which houses the interior room designs of all their hotels. They have a situation where they can bring visitors in and house them at the new proposed Hyatt House and also the Hyatt Place, another Hyatt product a quarter of a mile away.

Brian said Fairway Suites have had a few different hotel operators here to view the site. They have selected Ron McCauley of Park Place Hospitality Group to operate the hotel. Ron has over 35 years experience and is a hands-on operator. They are primarily a Hilton and Marriott group, but they are looking at purchasing some of the Hyatt Places from Hyatt, so they are going to be a Hyatt group also. The company has a very solid reputation, and Brian feels Ron McCauley's hands-on style will fit really well with the proposed hotel deal here at Salt Creek.

Brian continued. He said Fairway Suites has a letter of intent from Park Place Hospitality, a letter of intent from the Hyatt, and a soft letter from Woodman Life out of California for the debt financing. He said he also had a representative from Capital Realty of Chicago out here today, and Brian said he had other capital people in when he visited on May 4. He says this project is coming together very quickly. As a result, Brian said that Hyatt is asking them, if at all possible, to get this project approved for their July 23 franchisee board meeting. This means that Fairway Suites has to submit all of the plans and agreements to Hyatt by July 1, which puts them in a tight spot with the park district because there is not a lease in place yet.

Brian said that the lease would need to be approved at the June 26 Wood Dale Park District Board Meeting. He suggested incorporating the memorandum of understanding into the lease document and to put in a "kick out" clause that states if the project doesn't come together by a certain date, it will become null and void.

The topic changed to parking. Fairway Suites architects designed the site to have 117 parking spaces away from the Salt Creek and TopGolf parking lot. Although the hotel is designed to have 126 rooms, Brian anticipates that since the airport is so close, many people will be coming in using taxi cabs. He has seen this at other hotels. He said he can't imagine 117 spaces will ever be filled. He spoke about a code with the City of Wood Dale requiring that there be 126 parking stalls, but he is going to ask for a variance on the code.

The Board asked Brian various questions when reviewing the handouts. Commissioner Pulice asked if the building would affect sunlight to the golf course, and Tony confirmed that the sun is well set by the time the building would shadow the course. Commissioner Pulice also asked if hotel parking would be affected by Salt Creek and TopGolf parking. Brian said that from a hotel perspective, many guests are not there during the day. Evening hotel employees would only require 2 or 3 stalls. On the flipside, parkers for the other facilities would not be allowed into the hotel parking lot, and visible signage will discourage them.

Rhonda asked about room rates. Brian said that historically, the Hyatt Place is somewhat comparable and rooms run around \$119 to \$129 a night. He explained that all Fairway Suites models, from a finance

perspective, average from \$90 to \$112, with \$112 being the rate incremented over five years. He said that Hyatt has been a price leader in the hotel market and prices will be conservative.

Commissioner Lange asked about the kitchenettes in the suites. Brian said they will have a cook top, a microwave, and a pull-out drawer refrigerator. The suites are designed for extended stay visitors, such as business people on longer assignments. He said that families that need extended stay rooms also select this product over others because of the size of rooms and the kitchenette.

Brian continued to discuss the drawings with the Park District Board and staff and answered general questions about the drawings to include questions about the pool, bar buffet and continental breakfast area. He said an option to help obtain purchases from Salt Creek would be to give guests the ability to put purchased items on their room tab and then settle electronically with Salt Creek.

Commissioner Schroeder asked how much equipment would be in the hotel work-out room, and would guests possibly consider coming to the Recreation Complex Fitness Studio. Brian said that it can be offered, but because the location is away from the hotel, guests may not use it. Discussion touched upon offering an opportunity for extended stay guests to come to the Recreation Complex for fitness classes.

Commissioner Pulice asked Brian to explain historical and current finance terms again. She is concerned about what would happen to the building if the hotel failed. Brian explained that during the last recession, the banks took back properties from people that were overleveraged and overfinanced. The banks would bring in an operator until they sold the properties, so the business would continue. It would be the same thing here, except that we are looking at a 60% debt instead of what it used to be at 80, 90 or 100% debt. He explained that the equity people will be bringing \$6 million to the table, and the insurance company they anticipate getting financing from is looking at loaning \$9 million. Based on these types of numbers, the hotel would have to run below 50% occupancy and at a lower rate than what has happened since 2006 for the hotel to go under a negative cash flow situation. Brian said the demand for occupancy in this area near O'Hare was at a six-year high in the month of February, which is a good indication of the market today.

In answer to a question from President Stout about hotel franchises, Brian stressed that standards are very high for Hyatt, Hilton and Marriott products and that they are likely to only accept franchisees with strong reputations and experience. Brian said that it is the job of Fairway Suites to bring together all the partners. Beacon Development Company is the development group, and they will form an entity to develop the hotel with Ron McCauley, President and CEO of Park Place Hospitality Group.

Ray asked if the park district would have input as far as color is concerned on the building. Brian said that the only thing Hyatt's signature branding requires is the metal and the hat on the building. Colors can change. The Board agreed that architecturally it appears to be a very aesthetically pleasing building.

Driving conversation back to the timeline, Brian said that at this point of actual lease preparation, the rest of the work is done by attorneys. Director Kuhs agreed that the Board needs to get comfortable with the lease agreement, which still needs to be drafted. Once Hyatt approves the agreement at their July 23 franchisee board meeting, then the deal is assigned to the developing entity of Beacon Development and Park Place Hospitality. The contractor has not been chosen yet.

Rhonda asked about anticipated occupancy rate average spanning the course of a year in the area. Brian said it is around 70%.

Director Kuhs is concerned with the timeframe starting with the lease agreement being approved and getting permits and rezoning. Brian said for them their biggest concern is the storm water management permit, and Fairway Suites has already engaged the same company that worked with Hoffman Estates, in addition to engaging civil engineers for this project.

The topic of signage was addressed. Director Kuhs said that with the Elgin-O'Hare expansion, what is put in now may not work then. Brian said that Hyatt has strong branding and is very successful at displaying their products.

Commissioner Pulice brought the conversation back to the integrity of Salt Creek Golf Course, and Tony said that the changes will fix a huge water problem. In addition, although one hole will be shortened, another hole will be lengthened. The course will become more interesting. Furthermore, having a banquet hall, restaurant, TopGolf and a hotel on one property will be unique. He referred to the success of Belvidere. Attorney Bersani said that from our perspective, the one thing that we would want to convey to people is that our belief of having a hotel on the property makes the viability and financial success of the golf course that much more a reality.

Brian said that Fairway Suites will come in and do a neighborhood meeting at the golf course to hear what residents may have to say. It is mainly an open forum where questions can be addressed and where information is given to the resident for better understanding of the project.

General discussion took place about Itasca supplying sewer/water services to the hotel like they do for Salt Creek and TopGolf. Attorney Bersani will follow up on any issues. Bersani's concern is over the length of time to process zoning permits. A worse-case scenario would be 120 days. In addition, the golf course improvements must create a surplus piece of property to be declared unusable for park and recreation services, and this needs to be specifically stated in the standard lease agreement. Then the park district is legally able to lease the property.

The Board agreed to a Special Meeting on June 20 at 6:00 pm.

14. New Business

A. Ordinance O-13-01 – Combined Annual Budget & Appropriation Ordinance – FY 12-13 – The Public Hearing for this Ordinance was held earlier during tonight's meeting. Director Kuhs recommends that the Board approve the Combined Annual Budget & Appropriation Ordinance – FY O-13-01 with the following corrections. He said there are two corrected pages in front of the Board and explained that a number was missing from the total on page 9 and the summary sheet.

It was moved by Commissioner Lange, seconded by Commissioner Pulice to approve Ordinance O-13-01 – Combined Annual Budget & Appropriation Ordinance – FY 12-13 with corrections as presented.

Ayes: Commissioners Pulice, Lange, Schroeder, Stout

Nayes: None

MOTION CARRIED

B. Use of Consent Agenda – Future Meetings – Director Kuhs said this discussion came up at a recent meeting, and a sample agenda is included in the Board packets that illustrates what the Consent Agenda looks like compared to the Board's current agenda. He explained that Item 4 on

the draft Consent Agenda includes approval of minutes, monthly expenditures and written correspondence to the Board.

The Board deferred this topic to the next meeting so that Commissioner Sbertoli can be present for discussion.

15. Public Communication

There was no further public communication.

16. Executive Session *(if needed)*

- A. For the purpose of discussing issues related to the hiring, firing, disciplining or compensation of personnel or status of an employee. 5 ILCS 120/2(c)(1).
- B. For the purpose of discussing the setting of a price for the sale of or lease of property owned by the park district. 5 ILCS 120/2(c)(6).

17. Take Action, if any, on Items Discussed in Executive Session

Executive Session was not needed.

18. Adjournment

It was moved by Commissioner Lange, seconded by Commissioner Schroeder to adjourn this General Meeting at 7:40 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, June 26, 2012, at 6:00 p.m.
