

CITY OF COUNTRYSIDE

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Meeting Minutes Regular Meeting of the FLAGG CREEK GOLF COURSE ADMINISTRATIVE BOARD MEETING

Wednesday, June 17, 2020

7:00 PM

Countryside City Hall

Committee Members

Chairman – Michael Natale

Board Members – John Von Drasek, Jerry Welch, David Gallagher, Pat Gierut, and Michael Natale

I. CALL TO ORDER.

The Flagg Creek Administrative Board Meeting was called to order at 7:00 p.m.

II. ROLL CALL.**Present:**

Michael Natale, Chairman
Pat Gierut, Board Member
John Von Drasek, Board Member
Jerry Welch, Board Member
David Gallagher, Board Member

Also present:

Billy Rosinia, Golf Course General Manager
Dave Schutter, Finance Director

III. ADDITIONS/CORRECTIONS TO THE AGENDA.

None.

IV. COMMENTS FROM THE PUBLIC.

Mr. Fox had an issue with the pro shop. He originally was going to be charged \$20 for the green fee. He thought he would be charged \$13 or \$15 because he's a senior citizen and a resident of the park district. The pro shop did charge him the lessor fee.

The Golf Course General Manager Rosinia, explained that during the Covid19, we accepted online pre-paid bookings only and were unable to identify if a person was a resident or not.

V. CONSENT AGENDA.

A. Approval of the Regular Meeting Minutes from February 19, 2020.

B. Review of the Paid Bills Report for the Period of May 1 – May 31, 2020.

Member Gallagher made a motion, seconded by Member Gierut to approve the Regular Meeting minutes from February 19, 2020, and the Paid Bills Report for the period of May 1 – May 31, 2020 under the consent agenda. The motion carried by the following vote:

Aye: 5 - Chairman Natale, Member Gierut, Member Von Drasek, Member Welch, and Member Gallagher.

Nay: 0

VI. NEW BUSINESS.**A. Presentation of Financial Report for the period ending May 31, 2020.**

Finance Director Schutter stated that the golf course was allowed to open with restrictions during the month of May. Twosomes were permitted in 15 minute intervals with a maximum of 8 golfers per hour. The golf course set all rounds at the non-resident rate and employee comp rounds were suspended. Green fee revenues exceeded the prior year and May budget by \$9.2K and \$3.5K respectively.

Based on the prior year and budget, the golf course lost approximately \$10K-\$14K from cart restrictions, \$3.7K in foregone video gaming and hole in one revenue, \$22K-\$23K from the closed practice range, \$3K from the closed pro shop, and \$19K-\$20K from concession restraints. Total revenues were down \$52K from the prior year and \$62.5K from the budget.

On the expense side, the golf course department expended \$1.5K and \$15.6K less in personnel costs vs the prior year and budget. In total, the golf course department came in at \$3.5K below the prior year and \$19K below the budget on leaner operations given the restrictions. Pro shop expenses were down \$1.4K and \$1.7K to the prior year and budget. Concession expenses were down \$7.8K and \$10.4K to the prior year and budget. In the maintenance department, personnel costs were up \$3K to the prior year and \$2K under the budget. Total maintenance costs were up \$7K to the prior year and \$3.8K the budget largely due to overages in infrastructure maintenance costs. Total expenses were down \$5.7K and \$27.5K to the prior year and budget respectively.

Based on the revenue and expense analysis the golf course is showing a one month surplus of \$31.3K versus a surplus of \$77.5K achieved in the prior year and YTD budgeted surplus of \$66.4K.

B. Rounds Report for May.

The Golf Course General Manager Rosinia, stated they had a total of 2,784 rounds of golf played in the month of May. Of the total rounds 2,648 were booked as non-resident, 97 league, and 23 other. The other rate of \$10 was a ride along/walk along fee, 1 employee rate, and 15 comps. The comp rounds consisted of rain checks and distressed phone and on-line disputes. The employee rate of \$10 was extended to employees working during the restrictions.

C. Consideration to adjust Golf Pro Contract for Current Golf Course Operating Restrictions.

Finance Director Schutter stated that in March of 2017, the golf course and Ken Malnar Golf Instruction entered into a license agreement covering the 2017-2021 golf seasons. Under the agreement, the instructor is permitted use of the range facility, quasi exclusive use to instruct juniors at the course, and use of the storage facility at the range. In exchange for those rights, Ken Malnar Instruction must pay an annual fee of \$17,000 and generate at least an additional \$3K in green fees and riding cart fees from the Junior Golf Tour. The April and October payments are \$1,000, while the May-September payments are \$3,000.

The golf course was closed by the Emergency Declaration for the month of April. Ken Malnar Instruction remitted his \$1,000 license fee. The Finance office returned his check as he was unable to use the facility. Mr. Malnar is not required to make the payments when the golf course is closed. Mr. Malnar remitted a \$3,000 payment for May and that check was also returned by the Finance office. We agreed that if he was going to do a one on one instruction with a student that he should just pay for two greens fees.

In June the practice range was allowed to open back up at a 50% capacity. Ken Malnar Instruction put together a detailed memorandum highlighting his safety procedures and his recommended operating capacity guidelines. We discussed a partial abatement or reduction in required license fees given the reduced operating capacity. In addition his Junior League Tour cannot operate at capacity given the green fee inventory access and limitations.

We recommend reducing his monthly license fees by 50% and the required revenue production from the Junior League Tour by 50% as well for as long as his operating capacity is limited by the current regulations.

Chairman Natale suggested a month by month basis at 50% until we get to a point where Mr. Malnar and the golf course are comfortable. A motion for this was made by Member Von Drasek, seconded by Member Gierut.

Aye: 5 - Chairman Natale, Member Gierut, Member Von Drasek, Member Welch, and Member Gallagher

Nay: 0

D. Staff Reports.

The Golf Course General Manager Rosinia, said that it is a very stressful time with all the turnover. We have had staff members get sick and the rest of the staff feels like they shouldn't come to work. Several cashiers have not come back to work.

They are maintaining the carts and sanitizing all the equipment. We use iPads by the starter shed to check people in and it has been very successful. The beverage cart girl and the bartenders also use iPads.

Finance Director Schutter updated everyone on the software conversion by saying it was a complete nightmare in the beginning. The new software, Golf Now, is processing all the credit cards and gift cards.

Member Welch asked if there was any problems on the driving range. He also asked about the process for clearing the range grounds.

The Golf Course General Manager Rosinia, stated that the process starts at the end of the night. The ranger and/or starter get all the balls off the upper tier and onto the main portion of the driving range. The picker machine then picks up all the balls. The only problem is that the picker machine has some worn out parts and is five or six years old. Mr. Rosinia said he has a meeting with The Wittek Golf Company and they are going to tell him exactly what he has to buy for the machine.

Finance Director Schutter talked about the kitchen. One issue is, will we have enough employees to work the concession and do we have enough demand for it to reopen. We are losing about \$20K a month in gross revenue and \$10K to \$13K in labor. Another idea would be to have a limited menu.

The Golf Course General Manager Rosinia, stated that if he had enough staff he would open the concession from 11:00 am to 5:00 pm and just serve hot dog and chips. Once we are open more we can serve hamburgers and pizza. The only problem again is staffing.

E. Next meeting date is Wednesday, July 15, 2020 at Countryside City Hall.

VII. **ADDITIONAL ITEMS.**

None.

VIII. **ADJOURNMENT.**

A motion was made to adjourn by Member Von Drasek, and seconded by Member Gierut that this meeting be adjourned. The motion carried by the following vote:

Aye: 5 - Chairman Natale, Member Gierut, Member Von Drasek, Member Welch, and Member Gallagher

Nay: 0

Chairman Natale declared the meeting adjourned at 7:42 p.m.

Approved:

Michael Natale, Chairman

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