

CITY OF COUNTRYSIDE

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

Wednesday, January 19, 2022

7:00 PM

Council Chambers

Committee Members

Chairman – Michael Natale

Board Members – Alderman Finn, Alderman Tom Frohlich,
Garry Reichert, and Frank Urban

I. CALL TO ORDER.

The Flagg Creek Administrative Board Meeting was called to order at 7:02 p.m.

II. ROLL CALL.**Present:**

Michael Natale, Board Member
John Finn, Board Member
Tom Frohlich, Board Member
Reichert, Board Member
Urban, Board Member

Also Present:

Dave Schutter, Finance Director
Patrick Jeter, Golf Course General Manager

III. APPOINTMENT OF CHAIRMAN TO THE BOARD.

Member Finn made a motion to nominate Michael Natale as the new chairman, seconded by Member Frohlich. The motion was carried by the following vote:

Aye: 5 Member Natale, Member Finn, Member Frohlich, Member Reichert, and Member Urban.

Nay: 0

IV. ADDITIONS/CORRECTIONS TO THE AGENDA.

None.

V. COMMENTS FROM THE PUBLIC.

None.

VI. CONSENT AGENDA.

- A. Approval of the Regular Meeting Minutes from December 15, 2021.
- B. Review of the Paid Bills Report for the Period of December 1 – 31, 2021.
- C. Ratify Donation Requests for January of 2022.

Member Finn made a motion to approve the Regular Meeting minutes from December 15, 2021, the Paid Bills Report for the period of December 1 – 31, 2021 and to ratify donation requests for January, 2022, under the consent agenda. Motion was seconded by Member Frohlich. The motion carried by the following vote:

Aye: 5 Chairman Natale, Member Frohlich, Member Natale, Member Finn, Member Reichert, and Member Urban.

Nay: 0

VII. NEW BUSINESS**A. Rounds Report for December, 2021.**

General Manager Jeter stated that there was 1,371 rounds played in the month of December. The rounds played this year exceeded the four year average by just over 135 rounds. Total year to date rounds now trail the prior year by just over 1,100 rounds.

B. Presentation of Financial Report for the Period Ended December 31, 2021.

Finance Director Schutter stated that YTD green/league fees exceeded the prior year and budget by \$7.3K and \$66.2K respectively. Video gaming and Hole in One revenues exceeded the prior year and budget by \$22K and \$13K respectively. We recently received a notice from the Hole in One vendor that the program maybe discontinued indefinitely as of the close of this calendar year. Year to date concessions exceeded the prior year and budget by \$63K and \$52K respectively. Total revenues for the course now exceed the prior year and budget by \$154K and \$168K respectively.

On the expense side the golf course department expended just \$4.6K more in personnel costs as compared to the prior year. We are now providing a wider range of services and the club house is now open. Total personnel costs in the golf course department are just over \$15K under budget while exceeding the budgeted charges for service revenue by \$113K. Credit card processing expenses continue to increase as we drive more activity online which helps reduce the labor burden. Net profits from concessions exceed the prior year and budget by just under \$24K/\$30K while running a net margin of about 47% of sales. Total personnel costs are running at about 35% of total revenue and are just under \$11K above the prior YTD total on \$154K in additional total course revenues.

Budgeted capital costs of just under \$103K have been expended on the irrigation pump deposit (\$54K) the walking greens mower (\$10K) and mechanical bunker rake (\$15K) in the maintenance department and \$18.7K for four new golf cart s net of the trade in allowance.

The golf course is showing a surplus of \$452K versus a surplus of \$450K achieved in the prior year and a YTD budgeted surplus of \$278K. This yields a positive surplus variance of \$2.2K and \$175K to the prior year and budget respectively. When adjusting for capital outlays (i.e. net income before capital) there is a positive surplus variance of \$98K and \$174K to the prior year and budget respectively.

C. Consideration to increase fee rates for calendar year 2022.

Finance Director Schutter stated that prior to 2020 rates and fees at the course had not been increased since 2014. A rate increase of a \$1 was implemented in 2020 for non-residential green fees and cart fees. The Board raised rates again in 2021 by a \$1 for non-resident green fees, cart fees, and bucket rates (excluding Jumbos).

Based on heavy demand, inflationary pressures, and the golf course's pricing relative to comparable properties, it is recommended that additional increases be implemented for calendar year 2022.

On weekdays and weekends we are proposing a \$2 increase for non-residents. For the residents on the weekend we are proposing a \$1 increase. The senior rate for residents would be \$1 more and for senior non-residents they would pay \$2 more. The junior rate would increase \$2 for weekdays and \$3 for the weekend. The replay rate would increase \$2 on weekdays and \$3 on the weekend.

We are trying drive more traffic online which would help lower labor costs and there would be less congestion in the club house. All they would have to do is come into the club house check in and go right on the golf course. To help the online bookings we have started with twilight where it is \$15 if you walk in and \$12 if you book online. We also tell people that it is cheaper if you do your bookings online. The only problem is you can't get resident or senior rates online. My proposal for the non-resident rate would be to keep it at \$21 during the week and \$23 on the weekends online only. If you show up in the club house to book your round it will be \$2 more than the online prepaid price.

Finance Director Schutter stated that the potential incremental revenues from the range price adjustments would be \$40K alone, and if we implement the green fee increases, total potential incremental revenue of \$75K could be achieved assuming quantities purchased stays level.

Chairman Natale suggested that we move the junior rates back to where they were.

A motion was made by Member Finn to approve the increase in rates for calendar year 2022 and move the rates for the juniors back and was seconded by Member Frohlich. The motion carried by the following vote:

Aye: 5 Chairman Natale, Member Frohlich, Member Natale, Member Finn, Member Reichert, and Member Urban.

Nay: 0

B. Staff Reports.

General Manager Jeter stated that they have painted the interior of the club house and we are looking to replace the floor and update the bar. In early Spring we will be testing the new irrigation pump system to make sure that it works right.

C. Next Meeting Date: Wednesday, February 16, 2022 at City Hall.

VIII. ADDITIONAL ITEMS.

None.

IX. ADJOURNMENT.

A motion was made to adjourn by Member Frohlich and seconded by Member Reichert that this meeting be adjourned. The motion carried by the following vote:

Aye: 5 Chairman Natale, Member Frohlich, Member Natale, Member Finn, Member Reichert, and Member Urban.

Nay: 0

Chairman Natale declared the meeting adjourned at 7:32 PM.

Approved:

Michael Natale, Chairman

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