Agenda
Village of Glen Ellyn
Recreation Commission
Regular Meeting
Friday, October 26, 2018
7:00 AM
Village Links

Individuals with disabilities who plan to attend the hearing and who require certain accommodations in order to allow them to observe and participate, or who have questions regarding the accessibility of the meeting or facilities, are requested to contact the Village Links at least 24 hours before the meeting.

I. Call To Order

II. Public Comments

III. Minutes Approval - October 5, 2018

Village Links/Reserve 22 - Minutes - October 5, 2018

IV. Standing Reports

A. Manager's Report - Jeff Vesevick

Village Links/Reserve 22 - Manager's Report - September 2018

B. Financial Report - Jeff Vesevick

Village Links/Reserve 22 - Financial Statements - September 2018

C. Trustee Liaison Report - John Kenwood

V. Discussion - 2019 User Fees

Village Links - 2019 User Fees

VI. Other Business

VII. Next Meeting - November 30, 2018

VIII. Adjournment

Recreation Commission
Village Links/Reserve 22
Glen Ellyn, IL 60137

Meeting: 10/26/18 07:00 AM
Department: Recreation Commission
Department Head: Jeff Vesevick
Category: Minutes
Prepared By: Ann Pedersen

SCHEDULED

AGENDA ITEM (ID # 3634) DOC ID: 3634

Village Links/Reserve 22 - Minutes - October 5, 2018

ATTACHMENTS:

- MN100518 (PDF)

RECREATION COMMISSION
MINUTES
OCTOBER 5, 2018

Board or Commission:	Recreation	**Called to Order:**	7:00A.M.
Meeting:	Special	**Adjourned:**	8:16A.M.
Quorum:	Yes		

MEMBER ATTENDANCE:

Tim O'Shea	Chairman	Present
Tim Casper	Commissioner	Excused Absence
Brian Diver	Commissioner	Present
Glen G. Graham	Commissioner	Present
Kevin S. Kennebeck	Commissioner	Present
Alison Park	Commissioner	Present
Mark W. Reinke	Commissioner	Present
Also Present:		
Jeff Vesevick	General Manager / Staff Liaison	Present
John Kenwood	Liaison Trustee	Present
Mark Franz	Village Manager	Excused Absence
Brad Chapple	Food and Beverage Director	Present
Tom Fota	Executive Chef	Excused Absence
Mike Campbell	Golf Professional	Present
Noel Allen	Director of Golf	Present
Chris Pekarek	Golf Course Superintendent	Present

1. **CALL TO ORDER**
   The October 5, 2018 special meeting of the Recreation Commission was called to order at 7:00A.M. at the Village Links of Glen Ellyn; 485 Winchell Way; Glen Ellyn, Illinois by Chairman O'Shea. Chairman O'Shea welcomed Alison Park to the Recreation Commission.

2. **PUBLIC COMMENTS**
   None.

3. **APPROVAL OF MINUTES FROM AUGUST 24, 2018 MEETING.**

MOVE TO APPROVE MINUTES OF REGULAR MEETINGS FROM 8/24/2018 AS PRESENTED.

RESULT: **Motion Unanimously Carried**
MOVER: **Commissioner Reinke**
SECONDER: **Commissioner Diver**
AYES: **Diver, Graham, Kennebeck, Park, Reinke, and O'Shea**
NAYES: **None**
ABSENT: **Caspar**

4. **STANDING REPORTS**

Attachment: MN100518 (3634 : Village Links/Reserve 22 - Minutes - October 5, 2018)

A. **Manager's Report – General Manager Jeff Vesevick**

1. **Village Links/Reserve 22 – Manager's Report – August 2018**

General Manager Vesevick indicated August experienced a lot of rain, which was not favorable for golf. Despite the weather August 2018 was the fourth best in revenues over the last 10 years. Driving range revenues exceeded expectations. Rounds played were down about 10% from last year. The Glen Ellyn Open was held on Sunday, August 19, with 126 players, which was slightly above last year's 116. Outings for the month of August were down compared to prior years. The fall golf membership special is not getting a lot traction like the spring special.

Chairman O'Shea asked if staff would consider permanent tee times for the fall because golfers with permanent tee make more of an effort to golf. Director of Golf Allen responded this could potentially impact revenues received from non-residents because more small group outings are booked. Commissioner Reinke said without the permanent tee times, golfers are given the option to play other courses, which is not what the Village Links wants to hear. Chairman O'Shea suggested offering a two-hour window for permanent fall tee times. Commissioner Graham suggested possibly doing a fall reset so golfers that did not get a good permanent tee time could sign-up for a better tee time for the fall, which would reward the core customers. Chairman O'Shea said he is not looking at this as a revenue generator but rather give golfers a chance to golf in the fall. Chairman O'Shea said this could be further discussed at the next meeting.

General Manager Vesevick said the fall PGA junior league attracted 40 golfers. General Manager Vesevick said the rain does not promote healthy root growth, but overall the grounds are in good shape.

B. **Reserve 22 –Brad Chapple**

General Manager Vesevick noted Reserve 22 revenues were up 10% for the month of August. Food and Beverage Director Chapple said the restaurant revenues for the month of August were flat, but banquets continue to grow. This past August the menu was revamped in preparation for the relaunch of the new dining room. The dining room renovation is on target and ready for the relaunch. Commissioner Reinke asked if the project was on budget. General Manager Vesevick said the project is on-schedule and on-budget.

C. **Financial Report – Jeff Vesevick**

1. Village Links/Reserve 22 – Financial Statements - August 2018

General Manager Vesevick indicated operationally the Links and Reserve 22 is still profitable, still producing cash. General Manager Vesevick said they will probably have to dip into cash reserves because they do not have enough to cover all the debt service payments and capital project projects. General

Attachment: MN100518 (3634 : Village Links/Reserve 22 - Minutes - October 5, 2018)

Manager Vesevick said staff is doing their best to control costs and sending staff home during the downtimes.

D. **Trustee Liaison Report – John Kenwood**

Trustee Kenwood updated the Commission on the activities of the Village Board. Trustee Kenwood said the Village Board recently approved the 1.5% Food and Beverage Tax, which will become effective March 1, 2019. The new Food and Beverage Tax will finance future capital projects. The Giesche redevelopment project is moving forward.

5. **DISCUSSION – FY 2019 DRAFT BUDGET**
6.

1. Village Links/Reserve 22 – FY 2019 Draft Budget

General Manager Vesevick said the FY 2019 budget will be higher due to the bigger commitment to Reserve 22 included in the current year budget. In 2018 there was a concerted effort to get a management team in place to improve Reserve 22's overall service and quality. General Manager Vesevick said the projected change in net position for the 2019 budget is $32,528, which will go back towards cash reserves. This amount is typically higher, but the 2019 budget includes $274,000 for the replacement of several aging capital items, which experience constant breakdowns. The golf course debt service payment of about $340,000 will fall off in 2022, which will improve the future cash position.

Commissioner Reinke asked what is the national trend for golf. Director of Golf Allen replied that the golf business has stabilized and most of the courses in our area are down, which could be weather related. Commissioner Kennebeck stated there is a fine line when managing staffing needs based upon actual business activity, because if you keep sending home servers due to reduced business, this server may go look for a new job. Commissioner Kennebeck said you have to take care of your employees because it is tough to find laborers.

7. **DISCUSSION – GOLF OUTINGS**

General Manager Vesevick provided some background information on golf outings. Up until 2008, the Village Links did not accept golf outings. However, as golf rounds substantially decreased, other ways to supplement income were considered with outings being a good option. Staff books some golf outings during the week, but some outings are held on the weekend. Golf outings are not pleasant to play behind because they take about five (5) hours. General Manager Vesevick said Commissioner Graham wanted to bring up a discussion about golf outings due to an issue this past Sunday when he was behind an outing that was very slow.

Director of Golf Allen noted that Commissioner Graham was not behind an actual golf outing, but rather a customer who booked several tee times. Director of Golf Allen said there are two (2) types of outings: shotgun and tee-time. Commissioner Graham said on this day there were three (3) foursomes on the second tee box.

Attachment: MN100518 (3634 : Village Links/Reserve 22 - Minutes - October 5, 2018)

Commissioner Graham added on another Saturday, the 18-hole golf course was closed in the afternoon for two (2) shotgun outings. Commissioner Graham said this is not good for the facility and we need to talk about who we want to be and who the core customers are. Chairman O'Shea suggested at the next meeting a comparison report be presented detailing how much the Village Links makes on a Saturday with outings versus a Saturday with just regular tee times. Director of Golf Allen said typically the Village Links makes more on a Saturday with outings.

Director of Golf Allen said there are advantages to golf outings including: guaranteed revenues regardless of weather, and higher green fees because of cart rentals. The major disadvantage is slow play. Director of Golf Allen said one of the options is to have weekend shotgun outings as the last groups on the course. For example, in June the shotgun would start at 4pm. Director of Golf Allen also said his staff could pro-actively ranger. Commissioner Graham also suggested displaying a course map in the pro shop so that golfers would be reminded to keep pace.

General Manager Vesevick said the Recreation Commission needs to make a recommendation for a golf outing policy. Commissioner Reinke asked if this was going to be discussed further at an upcoming meeting. General Manager Vesevick said rates and outings will be discussed at the October 26, 2018 meeting.

8. **OTHER BUSINESS**

9. **NEXT REGULAR MEETING FRIDAY, OCTOBER 26, 2018**

10. **ADJOURN**

Commissioner Graham moved and Commissioner Diver seconded, to adjourn the meeting. The meeting was adjourned at 8:16a.m.

Submitted by Aileen Haslett, Recording Secretary
Reviewed by General Manager Jeff Vesevick

Attachment: MN100518 (3634 : Village Links/Reserve 22 - Minutes - October 5, 2018)

Recreation Commission
Village Links/Reserve 22
Glen Ellyn, IL 60137

Meeting: 10/26/18 07:00 AM
Department: Recreation Commission
Department Head: Jeff Vesevick
Category: Report
Prepared By: Ann Pedersen

SCHEDULED

AGENDA ITEM (ID # 3635) DOC ID: 3635

Village Links/Reserve 22 - Manager's Report - September 2018

ATTACHMENTS:

- Managers Report 1026182 (PDF)

VILLAGE LINKS
GLEN ELLYN

RESERVE
22
TWENTY-TWO

"Committed to Excellence since 1967"

Manager's Report for SEPTEMBER 2018

Submitted by Jeff Vesevick, General Manager

September 2018 began the month very wet. The first week saw 2.4" of rain, consistent with the wet weather for most of the year. The rest of the month recovered, and actually was drier than normal, and produced only another 0.36".

High Temperatures in September																				
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
100° days																				
90° days	3	7	1	1		2	1	2			2	3		4			3	1	2	4
80° days	11	5	12	11	6	7	6	3	8	7	7	14	4	14	15	12	13	7	9	8
70° days	6	12	12	13	14	12	14	7	15	17	13	9	14	8	12	10	11	10	9	14
60° days	7	6	4	5	5	8	6	13	5	5	7	4	10	4	3	6	3	10	8	4
50° days	3		1		5	1	3	5	2	1	1		2			2		2	2	
40° days																				
Rain	2.8"	0.5"	1.9"	3.8"	2.4"	1.8"	1.8"	3.4"	2.1"	3.4"	10.9"	0.9"	5.5"	1.7"	0.3"	2.2"	2.0"	5.8"	5.1"	3.0"

GOLF

Rounds played were down 8% for the month, and are down 10% for the year
Green Fee revenue was down 2% for the month, and is down 2% for the year
Driving Range revenue was down 1% for the month, and is up 3% for the year
Motor Car revenue was up 1% for the month, and is down 6% for the year
Pro Shop sales were down 27% for the month, and are down 7% for the year
Overall Golf Revenues were down 3% for the month, and are down 5% for the year

Although the month of September was drier overall, rounds played were down significantly, following the pattern we have seen for most of 2018. The rain which fell this year, often occurred on weekends, affecting the most popular time for golf.

Attachment: Managers Report 1026182 (3635 : Village Links/Reserve 22 - Manager's Report - September 2018)

Golf Revenue September										
	2009	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**
Rounds	11,006	10,022	8,865	9,747	9,576	9,612	10,189	9,216	9,620	8,849
Green Fees	264,164	226,227	216,810	241,225	234,590	231,421	254,798	245,672	254,974	249,558
Driving Range	28,292	20,929	19,938	23,341	27,614	33,388	30,545	29,124	30,957	30,528
Pro Shop	21,250	19,090	19,003	18,903	22,319	24,039	26,308	23,782	28,518	20,830
Carts	62,961	61,112	59,976	69,048	72,224	72,374	81,706	76,637	80,935	81,638
Resident Cards	542	323	362	260	610	380	220	300	300	150
Miscellaneous	6,202	13,716	3,134	12,059	3,040	5,159	4,007	5,686	6,782	5,741
Total Revenue	**383,452**	**341,325**	**319,227**	**364,829**	**360,243**	**366,760**	**397,583**	**381,201**	**402,465**	**388,444**
Rounds played were the least in the last 10 years										

Our 21st Annual FALL FEST promotions began after Labor Day, September 3. FALL FEST attracts golfers to continue to come to the facility, when many golfers decide to quit playing for the season, with green fee and driving range promotions.

There were 28 outside events in September, 7 more than 2017. The outings were of various sizes, hosting 1,228 players, generating $91,852 in golf revenue, and $54,450 in Banquet Revenues, a total increase of almost $40,000 over a year ago. One particular event utilized all 27 holes to host its 220 golfers. This event alone generated $25,000 in revenue. September golf outing revenues accounted for roughly 25% of all golf revenues for the month.

GROUNDS

It was very challenging keeping the playing surfaces in good condition the past 2 months. Our irrigation system is very good but it does not water as evenly as a natural rainfall. Over time, the irrigation system creates uneven moisture conditions requiring a lot of staff time to try to even out moisture by hand watering. It was also a challenge to keep tee and fairway turf alive while we aerated during the record heat. Greens, tees and fairways received extra treatments for disease due to unseasonably hot weather.

Grounds

September weather started out wet. There was 2.4" of rain in the first 6 days of the month. The rest of the month was drier than average. There was 2.76" of rain for the entire month which fell over 7 days. The average rainfall for September is 3.38". The golf course continued to be in very good shape. Carts were grounded 2 days during the month. There was a wide-spread light frost the morning of September 29th. This was the earliest frost we experienced in our 51 year history.

Attachment: Managers Report 1026182 (3635 : Village Links/Reserve 22 - Manager's Report - September 2018)

Grounds

1. Four staff members received CPR/AED training.
2. The bunkers were rehabbed 2 times after rains washed them out.
3. Litter was removed from the parkways twice.
4. Greens, tees and fairways were treated twice for disease.
5. The 18 hole greens and putting greens were top dressed 2 times.
6. Fairways were spiked.
7. Tees were core aerated.

Mechanical and Building Maintenance

1. Natural gas heaters were installed on the main patio.
2. Fifteen cutting units were sharpened.
3. Six pieces of equipment were serviced.
4. A damaged stone pillar along the circle drive was repaired.
5. A light fixture at the west end of the median strip was damaged by a car.
6. Dining room furniture was removed for the restaurant remodel project.

Horticulture

1. Flower beds were weeded twice.
2. Landscape bed mulching began.
3. Landscape shrub trimming continued.

RESERVE 22

Restaurant sales got off to a slow start in September, as persistent rain the first 6 days were well above normal, and sales for the month were down 22%. The Dining Room was closed for 3 weeks near the end of the month, creating an uninviting atmosphere, despite staff's efforts to assure Guests we were open and ready for business. The diners that did come sat in the bar, and staff set up tables in the Blue Heron Room to accommodate any overflow.

Banquet sales enjoyed an excellent month, aided by the increase in golf outings, and ended up 43% over September a year ago. Steady growth continues to be the norm, as sales are up 21% year to date.

Attachment: Managers Report 1026182 (3635 : Village Links/Reserve 22 - Manager's Report - September 2018)

Reserve 22 - September				Year To Date		
Restaurant	**2017**	**2018**	**+/-**	**2017**	**2018**	**+/-**
Beverages	6,841	5,425	*-20.7%*	49,191	42,951	*-12.7%*
Beer	39,366	32,354	*-17.8%*	274,917	255,168	*-7.2%*
Wine	18,109	9,492	*-47.6%*	122,983	131,804	*7.2%*
Spirits	20,377	16,522	*-18.9%*	142,876	141,734	*-0.8%*
Food	89,720	71,853	*-19.9%*	724,602	712,919	*-1.6%*
Total Restaurant	**174,414**	**135,646**	*-22.2%*	**1,314,569**	**1,284,577**	*-2.3%*
Banquets	**2017**	**2018**	**+/-**	**2017**	**2018**	**+/-**
Beverages	581	1,532	*163.9%*	12,111	10,670	*-11.9%*
Beer	5,573	10,558	*89.5%*	44,482	48,651	*9.4%*
Wine	3,783	8,653	*128.7%*	28,066	28,739	*2.4%*
Spirits	5,420	11,093	*104.7%*	40,663	52,703	*29.6%*
Food	46,983	55,615	*18.4%*	295,222	362,169	*22.7%*
Misc.	1,315	3,790	*188.2%*	12,929	21,988	*70.1%*
Total Banquets	**63,654**	**91,241**	*43.3%*	**433,472**	**525,131**	*21.1%*
	2017	**2018**	**+/-**	**2017**	**2018**	**+/-**
Other	**35,195**	**30,526**		**165,220**	**155,343**	
Total Reserve 22	**273,263**	**257,413**	*-5.8%*	**1,913,261**	**1,965,051**	*2.7%*

Staff is planning a number of events aimed at drawing attention to the Dining Room renovation, including an appearance by PGA Tour legend Chip Beck, who will be available for pictures and autographs. Chip will bring one of his 3 Ryder Cup trophies. We will also host a special VIP showing, which will include appetizer portions of the items on the new fall menu. The Dining Room renovation is scheduled for completion on October 8, one week earlier than expected.

Reserve 22 is also scheduled to appear at the popular Glen Ellyn Flotilla event, on Sunday, October 21. ***Marketing Strategist Julie Rusin*** will represent the facility, handing out promotional materials and raising awareness.

Julie is also negotiating with ABC Channel 7 to have ***Executive Chef Tom Fota*** and ***Food & Beverage Director Brad Chapple*** appear on its popular food segment on a morning in November.
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Staff is preparing for upcoming Holiday events, including:

- Black Wednesday featuring live Jazz music
- Thanksgiving Day Buffet
- Thanksgiving Day takeout menu

Attachment: Managers Report 1026182 (3635 : Village Links/Reserve 22 - Manager's Report - September 2018)

Recreation Commission
Village Links/Reserve 22
Glen Ellyn, IL 60137

Meeting: 10/26/18 07:00 AM
Department: Recreation Commission
Department Head: Jeff Vesevick
Category: Report
Prepared By: Ann Pedersen

SCHEDULED

AGENDA ITEM (ID # 3636) DOC ID: 3636

Village Links/Reserve 22 - Financial Statements - September 2018

ATTACHMENTS:

- Village Links - Financial Statements - September 2018 (PDF)

VILLAGE LINKS GLEN ELLYN | RESERVE 22 TWENTY-TWO

VILLAGE LINKS / RESERVE 22
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
As of September 30, 2018

ORG	DESCRIPTION	2018 BUDGET	MONTH 2018	MONTH 2017	MONTH DIFF	MONTH % DIFF	YEAR-TO-DATE 2018	YEAR-TO-DATE 2017	YEAR-TO-DATE DIFF	YEAR-TO-DATE % DIFF
	REVENUES:									
5500	Village Links Revenues	$ 3,001,000	$ 390,093	$ 404,491	$ (14,398)	-4%	$ 2,391,681	$ 2,536,433	$ (144,752)	-6%
5520	Reserve 22 Revenues	2,495,100	272,125	283,460	(11,335)	-4%	2,056,558	1,983,717	72,841	4%
	Total Revenues	**$ 5,496,100**	**$ 662,218**	**$ 687,951**	**$ (25,733)**	**-4%**	**$ 4,448,240**	**$ 4,520,151**	**$ (71,911)**	**-2%**
	EXPENDITURES:									
55700	Administration	$ 388,853	$ 32,472	$ 36,568	$ (4,097)	-11%	$ 295,570	$ 272,546	$ 23,025	8%
55710	Golf Course Maintenance	854,925	59,162	87,854	(28,692)	-33%	595,881	564,973	30,908	5%
55720	Golf Services	722,646	73,336	99,742	(26,406)	-26%	591,963	566,142	25,821	5%
55730	Reserve 22	2,243,966	224,303	311,369	(87,065)	-28%	1,960,923	1,801,869	159,054	9%
55740	Stormwater Management	38,415	2,449	3,947	(1,499)	-38%	18,448	39,217	(20,769)	-53%
55750	Pro Shop Merchandise	176,845	19,662	26,394	(6,732)	-26%	134,863	143,384	(8,521)	-6%
55780	Motorized Carts	48,620	7,473	9,933	(2,460)	-25%	37,461	36,958	503	1%
557X5	Mechanical Maintenance	164,290	14,211	21,227	(7,016)	-33%	179,068	134,701	44,366	33%
	Total Operating Expenses	$ 4,638,560	$ 433,068	$ 597,034	$ (163,967)	-27%	$ 3,814,178	$ 3,559,790	$ 254,388	7%
	Operating Income	**$ 857,540**	**$ 229,151**	**$ 90,917**	**$ 138,234**	**152%**	**$ 634,062**	**$ 960,361**	**$ (326,299)**	**-34%**
	Debt Service	652,096	-	-	-	0%	66,048	72,573	(6,525)	-9%
	Capital Expenditures	268,542	40,966	-	40,966	0%	109,313	398,868	(289,555)	-73%
	CHANGE IN NET POSITION	**$ (63,098)**	**$ 188,185**	**$ 90,917**	**$ 97,268**	**107%**	**$ 458,702**	**$ 488,920**	**$ (30,219)**	**-6%**

KEY METRICS

	Goal							
Personnel Expenses as % of Sales	*46%*	*36%*	*53%*	*-17%*	*46%*	*43%*	*2%*	
Cash Balance (End of Month, in $000's)	$ *1,438*	$ *1,835*	$ *2,197*	$ *(361)*				

Attachment: Village Links - Financial Statements - September 2018 (3636 : Village Links/Reserve 22 -

VILLAGE LINKS
GLEN ELLYN

RESERVE
22
TWENTY-TWO

VILLAGE LINKS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
GOLF
(Including Administration, Grounds, & Mechanical Maintenance)
As of September 30, 2018

ORG/ OBJECT	DESCRIPTION	2018 BUDGET	MONTH 2018	MONTH 2017	MONTH DIFF	MONTH % DIFF	YEAR-TO-DATE 2018	YEAR-TO-DATE 2017	YEAR-TO-DATE DIFF	YEAR-TO-DATE % DIFF
5500	**VILLAGE LINKS REVENUES:**									
440550	Green Fees	$ 1,850,000	$ 249,558	$ 254,974	$ (5,416)	-2%	$ 1,447,960	$ 1,544,368	$ (96,408)	-6%
440554	Pro Shop - Sales	195,000	20,830	28,518	(7,688)	-27%	148,398	158,974	(10,576)	-7%
440555	Motor Carts	560,000	81,710	80,935	775	1%	430,413	455,947	(25,534)	-6%
440556	Driving Range	260,000	30,528	30,957	(428)	-1%	241,367	234,602	6,765	3%
440557	Resident Cards	32,000	150	300	(150)	-50%	31,340	32,355	(1,015)	-3%
460100	Investment Income	9,000	1,279	1,541	(262)	-17%	12,151	6,268	5,883	94%
489000	Miscellaneous Revenue	95,000	6,220	7,215	(994)	-14%	80,060	104,403	(24,343)	-23%
489100	Miscellaneous - Over/Short	-	(182)	53	(234)	-445%	(8)	(485)	477	-98%
	Total Revenues	**$ 3,001,000**	**$ 390,093**	**$ 404,491**	**$ (14,398)**	**-4%**	**$ 2,391,681**	**$ 2,536,433**	**$ (144,752)**	**-6%**
	COST OF GOODS SOLD:									
520945	Cost of Goods Sold - Pro Shop	$ 147,225	$ 17,019	$ 23,030	$ (6,011)	-26%	$ 111,976	$ 120,897	$ (8,921)	-7%
	Total Cost of Goods Sold	**$ 147,225**	**$ 17,019**	**$ 23,030**	**$ (6,011)**	**-26%**	**$ 111,976**	**$ 120,897**	**$ (8,921)**	**-7%**
	Gross Profit	**$ 2,853,775**	**$ 373,074**	**$ 381,461**	**$ (8,387)**	**-2%**	**$ 2,279,706**	**$ 2,415,537**	**$ (135,831)**	**-6%**
	OTHER OPERATING EXPENSES:									
510100	Salaries - Pensionable	$ 865,895	$ 70,790	$ 118,025	$ (47,235)	-40%	$ 611,030	$ 649,689	$ (38,660)	-6%
510120	Salaries - Non-Pensionable	219,275	22,762	32,445	(9,682)	-30%	155,367	142,296	13,071	9%
510200	Salaries - Overtime	4,500	479	1,532	(1,053)	-69%	5,152	4,600	552	12%
510400	FICA	83,425	7,059	11,434	(4,375)	-38%	57,934	59,830	(1,896)	-3%
510500	IMRF	85,710	6,849	12,075	(5,226)	-43%	59,164	65,883	(6,719)	-10%
590600	Health Insurance	109,400	8,156	12,325	(4,168)	-34%	80,372	79,486	886	1%
52XXXX	Contractual Services	535,664	51,566	53,912	(2,346)	-4%	520,218	390,092	130,126	33%
53XXXX	Commodities	343,500	24,084	20,888	3,195	15%	252,043	245,148	6,895	3%
	Total Operating Expenses	**$ 2,247,369**	**$ 191,745**	**$ 262,636**	**$ (70,891)**	**-27%**	**$ 1,741,280**	**$ 1,637,024**	**$ 104,255**	**6%**
	Operating Income	**$ 606,406**	**$ 181,329**	**$ 118,826**	**$ 62,503**	**53%**	**$ 538,426**	**$ 778,513**	**$ (240,086)**	**-31%**
	Operating Income Percentage	**20%**	**46%**	**29%**			**23%**	**31%**		

KEY METRICS

	Goal							
Rounds Played	*72,000*	*8,849*	*9,620*	*(771)*	*55,783*	*62,119*	*(6,336)*	
Revenue Per Round	*$ 41.68*	*$ 44.08*	*$ 42.05*	*$ 2.04*	*$ 42.87*	*$ 40.83*	*$ 2.04*	
Resident Cards Sold	*N/A*	*9*	*17*	*(8)*	*2,570*	*2,614*	*(44)*	
Cost of Goods Sold % - Pro Shop	*76%*	*82%*	*81%*	*1%*	*75%*	*76%*	*-1%*	
Personnel Expenses as % of Sales	*46%*	*30%*	*46%*	*-17%*	*41%*	*39%*	*1%*	

Attachment: Village Links - Financial Statements - September 2018 (3636 : Village Links/Reserve 22 -

VILLAGE LINKS
GLEN ELLYN

RESERVE
22
TWENTY-TWO

VILLAGE LINKS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
GOLF
(Including Administration, Grounds, & Mechanical Maintenance)
As of September 30, 2018

ORG/ OBJECT	DESCRIPTION	2018 BUDGET	MONTH 2018	MONTH 2017	MONTH DIFF	MONTH % DIFF	YEAR-TO-DATE 2018	YEAR-TO-DATE 2017	YEAR-TO-DATE DIFF	YEAR-TO-DATE % DIFF
	MISCELLANEOUS REVENUE									
	Miscellaneous Revenue includes the following items, which don't fit into any of the major revenue categories:									
	Handicap Service		$ 155	$ 2,200	$ (2,045)		$ 25,370	$ 24,925	$ 445	
	Police Station Landscaping Credit		-	-	-		-	22,391	(22,391)	
	Hand Cart Rentals		2,038	2,498	(460)		17,392	20,082	(2,690)	
	Adult & Junior Golf Lessons		546	-	546		13,228	13,064	163	
	Club Repair		336	325	11		4,660	5,971	(1,311)	
	Golf Club Rentals		1,220	1,000	220		5,580	5,300	280	
	Locker Rentals		-	-	-		3,360	3,600	(240)	
	Memorial Tree Donation		250	-	250		500	500	-	
	Sales Tax (1.75%)		480	433	47		2,493	2,505	(12)	
	Caddie Equipment		-	-	-		150	120	30	
	Foot Golf Ball Rentals		50	70	(20)		285	465	(180)	
	ATM Machine Commissions		55	51	4		190	186	4	
	Misc. Tournament Prize		-	-	-		-	2,376	(2,376)	
	Misc. Outing		-	-	-		395	536	(141)	
	Misc./Misc.		1,091	638	453		6,458	2,383	4,075	
	Total	$ 95,000	$ 6,220	$ 7,215	$ (994)		$ 80,060	$ 104,403	$ (24,343)	

Attachment: Village Links - Financial Statements - September 2018 (3636 : Village Links/Reserve 22 -

VILLAGE LINKS GLEN ELLYN | RESERVE 22 TWENTY-TWO

RESERVE 22
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
As of September 30, 2018

ORG/ OBJECT	DESCRIPTION	2018 BUDGET	MONTH 2018	MONTH 2017	MONTH DIFF	MONTH % DIFF	YEAR-TO-DATE 2018	YEAR-TO-DATE 2017	YEAR-TO-DATE DIFF	YEAR-TO-DATE % DIFF
5520	**RESERVE 22 REVENUES:**									
441100	Food	$ 1,350,000	$ 134,019	$ 143,897	$ (9,878)	-7%	$ 1,113,527	$ 1,055,590	$ 57,937	5%
441101	Liquor	250,000	34,474	31,545	2,928	9%	217,590	203,785	13,805	7%
441102	Beer	475,000	56,744	62,011	(5,267)	-8%	378,154	402,026	(23,872)	-6%
441103	Wine	200,000	18,145	21,892	(3,747)	-17%	159,918	151,048	8,870	6%
441104	NA Beverages	100,000	10,332	11,600	(1,268)	-11%	76,521	86,385	(9,865)	-11%
441106	Room Charges	-	500	1,000	(500)	-50%	3,600	2,830	770	27%
441107	Service Charges	120,000	17,911	11,512	6,399	56%	107,203	82,051	25,151	31%
489000	Miscellaneous Revenue	100	-	3	(3)	-100%	45	3	43	1718%
	Total Revenues	**$ 2,495,100**	**$ 272,125**	**$ 283,460**	**$ (11,335)**	**-4%**	**$ 2,056,558**	**$ 1,983,717**	**$ 72,841**	**4%**
	COST OF GOODS SOLD:									
530400	Cost of Goods Sold - Beer	$ 131,600	$ 15,501	$ 20,920	$ (5,419)	-26%	$ 98,359	$ 98,952	$ (592)	-1%
530401	Cost of Goods Sold - Wine	78,000	3,546	8,275	(4,729)	-57%	48,310	41,000	7,309	18%
530402	Cost of Goods Sold - Liquor	45,000	5,796	7,640	(1,844)	-24%	49,193	33,777	15,416	46%
530405	Cost of Goods Sold - NA Beverages	35,000	3,362	3,471	(109)	-3%	29,323	29,445	(122)	0%
530420	Cost of Goods Sold - Food	445,500	42,273	56,634	(14,361)	-25%	409,582	364,684	44,898	12%
	Total Cost of Goods Sold	**$ 735,100**	**$ 70,479**	**$ 96,940**	**$ (26,461)**	**-27%**	**$ 634,767**	**$ 567,858**	**$ 66,909**	**12%**
	Gross Profit	**$ 1,760,000**	**$ 201,646**	**$ 186,520**	**$ 15,126**	**8%**	**$ 1,421,791**	**$ 1,415,859**	**$ 5,932**	**0%**
	Gross Profit Percentage	**71%**	**74%**	**66%**			**69%**	**71%**		
	OTHER OPERATING EXPENSES:									
510100	Salaries - Pensionable	$ 570,000	$ 56,792	$ 84,875	$ (28,084)	-33%	$ 491,456	$ 466,876	$ 24,580	5%
510120	Salaries - Non-Pensionable	358,500	39,180	58,379	(19,199)	-33%	368,042	291,689	76,354	26%
510200	Salaries - Overtime	22,000	1,235	4,438	(3,204)	-72%	8,174	30,500	(22,325)	-73%
510399	Tips Paid Through Payroll	-	246	1,844	(1,598)	-87%	2,193	4,815	(2,622)	-54%
510400	FICA	101,146	9,266	14,669	(5,404)	-37%	82,565	77,342	5,223	7%
510500	IMRF	56,380	6,214	10,158	(3,944)	-39%	53,036	57,354	(4,318)	-8%
590600	Health Insurance	70,000	7,480	5,457	2,024	37%	59,951	35,038	24,913	71%
52XXXX	Contractual Services	197,840	17,549	23,382	(5,833)	-25%	145,096	169,959	(24,863)	-15%
53XXXX	Commodities	133,000	15,864	11,227	4,637	41%	115,642	100,439	15,203	15%
	Total Operating Expenses	**$ 1,508,866**	**$ 153,824**	**$ 214,429**	**$ (60,604)**	**-28%**	**$ 1,326,156**	**$ 1,234,011**	**$ 92,145**	**7%**
	Operating Income (Loss)	**$ 251,134**	**$ 47,822**	**$ (27,909)**	**$ 75,730**	**-271%**	**$ 95,635**	**$ 181,848**	**$ (86,213)**	**-47%**
	Operating Income (Loss) Percentage	**10%**	**18%**	**-10%**			**5%**	**9%**		

Attachment: Village Links - Financial Statements - September 2018 (3636 : Village Links/Reserve 22 -

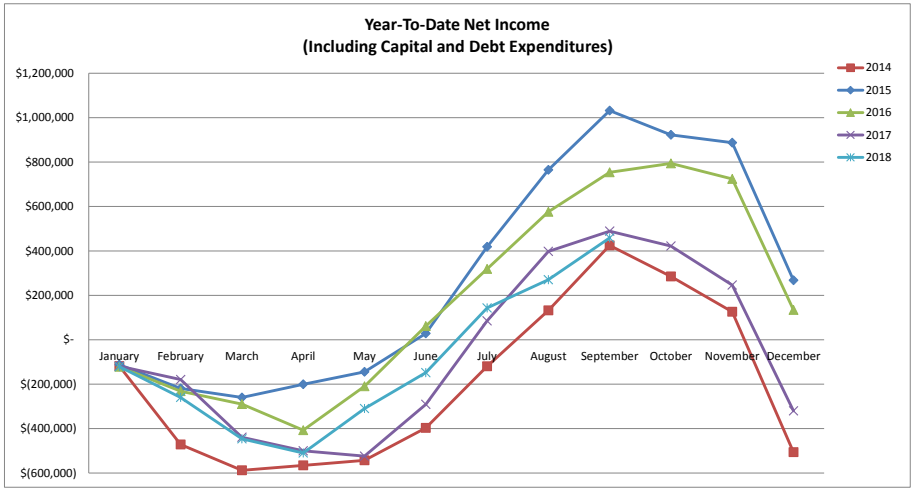
VILLAGE LINKS GLEN ELLYN | RESERVE 22 TWENTY-TWO

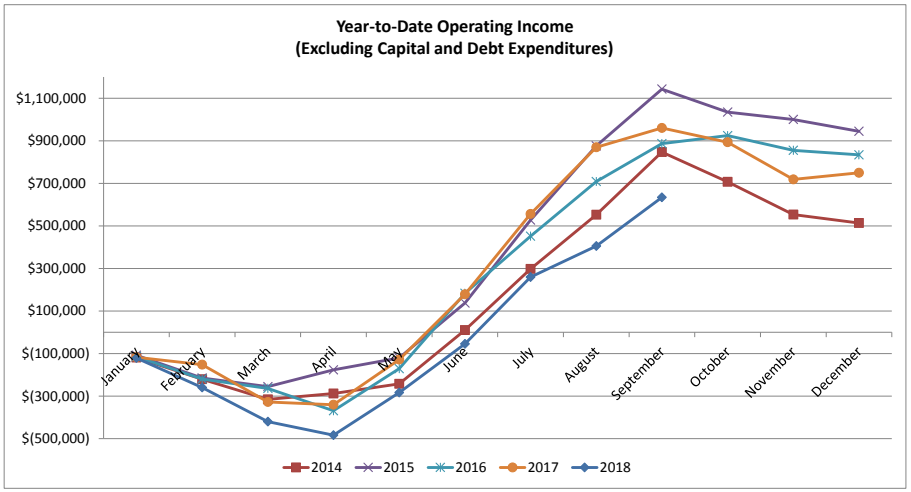
RESERVE 22
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
As of September 30, 2018

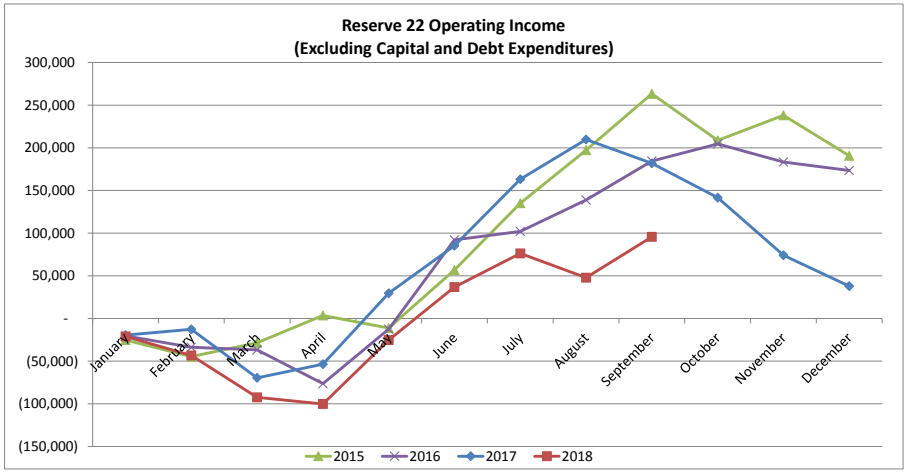
ORG/ OBJECT	DESCRIPTION	2018 BUDGET	MONTH 2018	MONTH 2017	MONTH DIFF	MONTH % DIFF	YEAR-TO-DATE 2018	YEAR-TO-DATE 2017	YEAR-TO-DATE DIFF	YEAR-TO-DATE % DIFF
	KEY METRICS									
		Goal								
	Revenue Source:									
	Restaurant/Bar	*N/A*	$ 135,646	$ 174,677	$ (39,031)	-22%	$ 1,284,898	$ 1,315,119	$ (30,221)	-2%
	Banquets	*N/A*	106,007	74,854	31,154	42%	616,511	505,670	110,841	22%
	Other	*N/A*	30,472	33,930	(3,457)	-10%	155,149	162,928	(7,779)	-5%
	Total	$ 2,495,100	$ 272,125	$ 283,460	$ (11,335)	-4%	$ 2,056,558	$ 1,983,717	$ 72,841	4%
	Reserve 22 Revenues (Last 12 Months)	$ 2,495,100					$ 2,456,792	$ 2,401,077	$ 55,716	2%
	Reserve 22 Expenses (Last 12 Months)	$ 2,243,966					$ 2,505,120	$ 2,231,906	$ 273,214	12%
	# Guest Checks (Restaurant/Bar)	*N/A*	5,413	6,563	(1,150)		44,572	46,146	(1,574)	
	Revenue Per Guest Check	*N/A*	$ 25.06	$ 26.62	$ (1.56)		$ 28.83	$ 28.50	$ 0.33	
	# Guests (Restaurant/Bar)	*N/A*	7,835	11,177	(3,342)		75,136	81,211	(6,075)	
	Average Guest Spend	*N/A*	$ 17.31	$ 15.63	$ 1.68		$ 17.10	$ 16.19	$ 0.91	
	# Banquets & Events Held	*N/A*	41	32	9		287	285	2	
	Cost of Goods Sold %	*29%*	*26%*	*34%*	*-8%*		*31%*	*29%*	*2%*	
	Cost of Goods Sold % (By Category):									
	Cost of Goods Sold - Beer	*28%*	*27%*	*34%*	*-6%*		*26%*	*25%*	*1%*	
	Cost of Goods Sold - Wine	*39%*	*20%*	*38%*	*-18%*		*30%*	*27%*	*3%*	
	Cost of Goods Sold - Liquor	*18%*	*17%*	*24%*	*-7%*		*23%*	*17%*	*6%*	
	Cost of Goods Sold - NA Beverages	*35%*	*33%*	*30%*	*3%*		*38%*	*34%*	*4%*	
	Cost of Goods Sold - Food	*33%*	*32%*	*39%*	*-8%*		*37%*	*35%*	*2%*	
	Personnel Expenses as % of Sales	*47%*	*44%*	*63%*	*-19%*		*51%*	*48%*	*3%*	
	Prime Cost (Cost of Goods Sold + Personnel Expenses) as % of Sales	*77%*	*70%*	*97%*	*-27%*		*83%*	*77%*	*6%*	

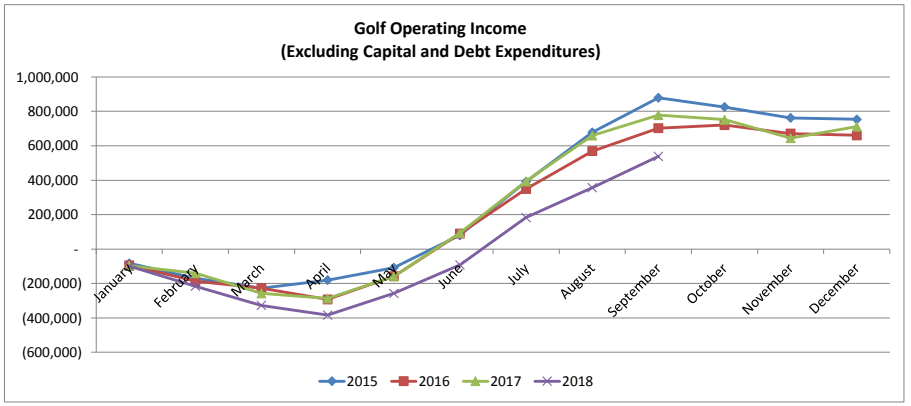
Attachment: Village Links - Financial Statements - September 2018 (3636 : Village Links/Reserve 22 -

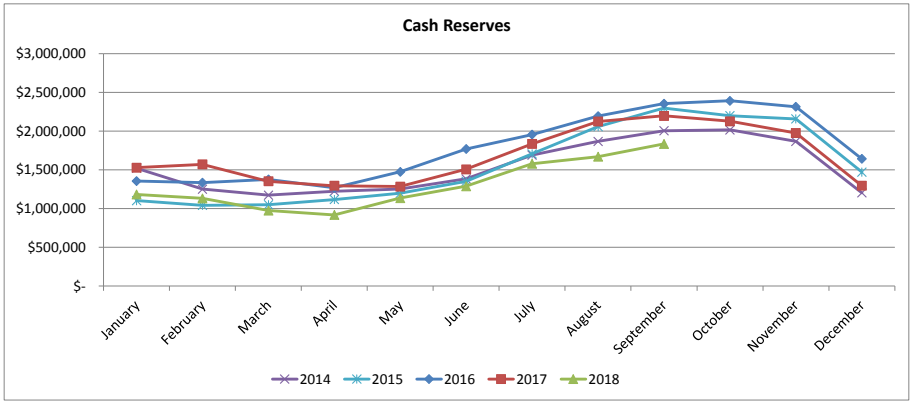
Village Links / Reserve 22
Dashboard Financial Report
As of September 30, 2018











Attachment: Village Links - Financial Statements - September 2018 (3636 : Village Links/Reserve 22 -

Recreation Commission
Village Links/Reserve 22
Glen Ellyn, IL 60137

Meeting: 10/26/18 07:00 AM
Department: Recreation Commission
Department Head: Jeff Vesevick
Category: Report
Prepared By: Ann Pedersen

SCHEDULED

AGENDA ITEM (ID # 3637) DOC ID: 3637

Village Links 2019 User Fees

Please see the two attached reports.

ATTACHMENTS:

- RateChart19 (PDF)
- RatePackage (PDF)

Village Links of Glen Ellyn

2019 User Fee Proposal

		current	Proposed 2019	% incr.
NON-RESIDENT GREEN FEES				
WEEKENDS				
	18 Holes	$62.00	**$65.00**	4.8%
	V.I.P. 18 Holes	$49.60	**52.00**	4.8%
	VIP 18 Holes Perm Time	$49.60	**52.00**	4.8%
	VIP 18 Holes Combo	$44.00	**47.60**	8.2%
	18-Holes After 2 PM	$36.75	**39.75**	8.2%
	VIP 18 Holes after 2pm	$29.40	**31.80**	8.2%
	Under 21 Special 18 (3pm)	$16.00	**16.00**	0.0%
	9 Holes	$25.00	**27.00**	8.0%
	V.I.P. 9 Holes	$20.00	**21.60**	8.0%
WEEKDAYS				
	18 Holes	$57.00	**57.00**	0.0%
	V.I.P. 18 Holes	$45.60	**45.60**	0.0%
	18 Hole Weekday VIP Multi	$45.60	**45.60**	0.0%
	N.R. Guest - 18 Holes	$36.00	**36.00**	0.0%
	18-Holes After 4 PM	$26.00	**26.00**	0.0%
	Over 60/Under 21	$36.00	**36.00**	0.0%
	Under 21	$36.00	**36.00**	0.0%
	VIP Over 60/Under 21	$28.80	**28.80**	0.0%
	9 Holes	$20.00	**20.00**	0.0%
	V.I.P. 9 Holes	$16.00	**16.00**	0.0%
MISCELLANEOUS				
	After 4 PM	$26.00	**26.00**	0.0%
	V.I.P. After 4 PM	$20.80	**20.80**	0.0%
	V.I.P. Under 21 (3pm)	$12.60	**12.60**	0.0%
	6:30 PM Special 9	$8.00	**8.00**	0.0%
	V.I.P. 6:30 PM 9	$6.40	**6.40**	0.0%
RESIDENT GREEN FEES				
WEEKENDS				
	18 Holes	$45.00	**48.00**	6.7%
	18 Holes Perm Time	$45.00	**48.00**	6.7%
	18 Holes Combo Res	$40.00	**44.00**	10.0%
	18 Hole Multi Play	$41.00	**44.00**	7.3%
	18-Holes After 2 PM	$34.00	**37.00**	8.8%
	18 Holes After 4 PM	$20.00	**20.00**	0.0%
	9 Holes	$18.00	**20.00**	11.1%
WEEKDAYS				
	18 Holes	$38.00	**38.00**	0.0%
	18 Hole Multi Play	$34.00	**34.00**	0.0%
	Over 60/Under 21	$28.00	**28.00**	0.0%
	18 Holes After 4 PM	$20.00	**20.00**	0.0%
	9 Holes	$15.50	**15.50**	0.0%
MISCELLANEOUS				
	Junior - 18 Hole	$21.00	**24.00**	14.3%
	Junior - 18 Hole 3pm	$16.00	**16.00**	0.0%
	Junior - 9 Hole	$10.00	**11.50**	15.0%
	Junior - Early Bird 9	$3.00	**3.00**	0.0%
	Senior - 18 Hole	$24.00	**27.00**	12.5%
	Senior - 9 Hole	$10.50	**12.50**	19.0%
	Senior - Early Bird 9	$4.75	**4.75**	0.0%
	Senior - Multi Play 18	$23.00	**25.00**	8.7%
	6:30 PM Special 9	$5.25	**5.25**	0.0%
	School Team 18	$21.00	**24.00**	14.3%
	School Team 9	$10.00	**11.50**	15.0%
	Foot Golf	$12.00	**12.00**	0.0%
	Expected Generated Revenue			
	Same Volume 2018 (least likely)		**$24,289**	
	3 year average volume (most likely)		**$125,579**	
	Normal year @ 71,000 rounds		**$231,294**	

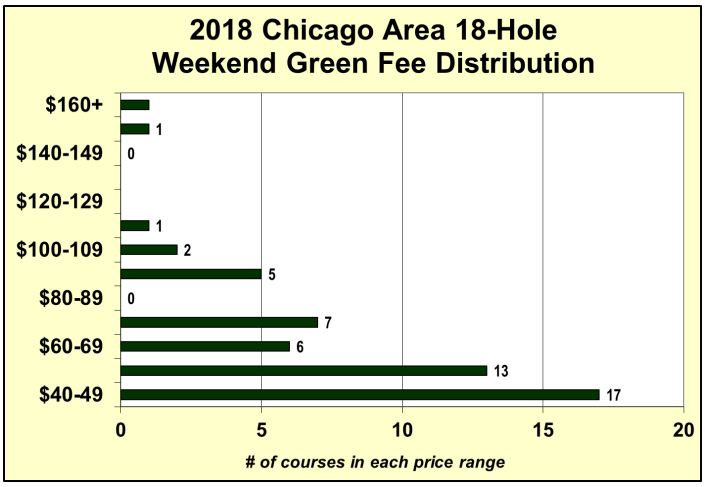
Attachment: RateChart19 (3637 : Village Links - 2019 User Fees)

The 2018 Area 18-Hole Golf Market

We have conducted our annual survey of base green fees at public golf courses in our area. For this study, we selected courses within 30 miles of Glen Ellyn.

The 2018 Area 18-Hole Golf Market	
Number of Courses for study	55
Weekends	
Median Green Fee	$57
Village Links	$62
Village Links Rank – 22nd most expensive	
Weekdays	
Median Green Fee	$46
Village Links	$57
Village Links Rank - 17th most expensive	

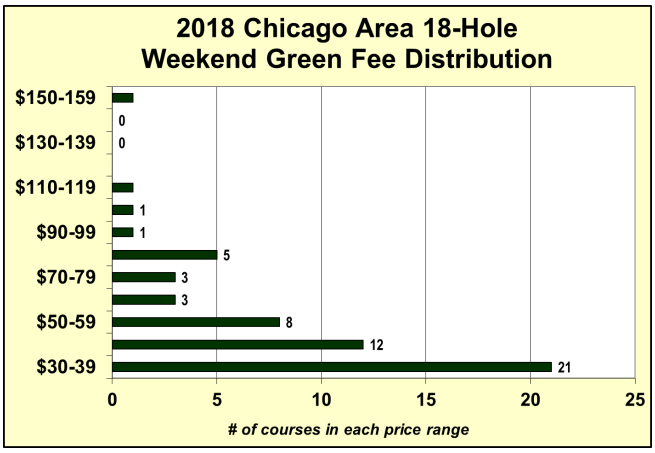
Our $62 weekend green fee cannot be directly compared with the top fee at other courses. Our Permanent Tee Time policy gives priority to Glen Ellyn residents, blocking non-residents from playing in prime time on weekends. Non-residents are essentially limited to spring and fall months, and after 10:00am during summer.



At $62 the Village Links has the 22nd highest weekend green fee of the 55 area courses surveyed. The most popular price range is $40-$49, with 17 courses in that range.

At $57 weekdays, $62 weekends, we compete very well with other courses in the upper tier of our market. We play more rounds than almost all top courses.

Weekday 18-hole demand continues to be down, following a sharp decline in 2009.



At $57, the Village Links is the 17th highest weekday green fee in our area. The most popular price range is $30-$39, with 21 courses in that range.

Pricing Trends

1. The gap between weekend and weekday prices continues to widen. Early weekend mornings are the only time slot throughout the market where demand outpaces supply. Many courses are slashing prices, or offering discounts after 10am.

2. Many course have drastically cut prices in slow times. While maintaining high published rates for prime time and outings, discounting is rampant at all other times. Tiered pricing throughout the day is common, and price changes in spring and fall help lure golfers who are price conscious.

3. Many courses are turning to third party vendors to sell their tee times. Third party vendors promise the power of advertising to lure golfers to clients' courses, while sharply discounting green fees. The concept of 'dynamic pricing' is being experimented with causing confusion and distrust among golfers. The overall effect is lowering the average price of each green fee, and dollars per round. Most courses using this model actually devalue their product, and do not experience significant increase in revenue.

4. Many courses require the rental of a riding cart. Many courses require the additional rental of a riding cart, especially on weekends, which further widens the gap between prime time and non-prime time pricing.

5. Some courses consider Friday a weekend day. Friday remains the most popular weekday for golfers, and many courses have decided to charge weekend pricing.

Attachment: RatePackage (3637 : Village Links - 2019 User Fees)

The 2018 Area 9-Hole Golf Market

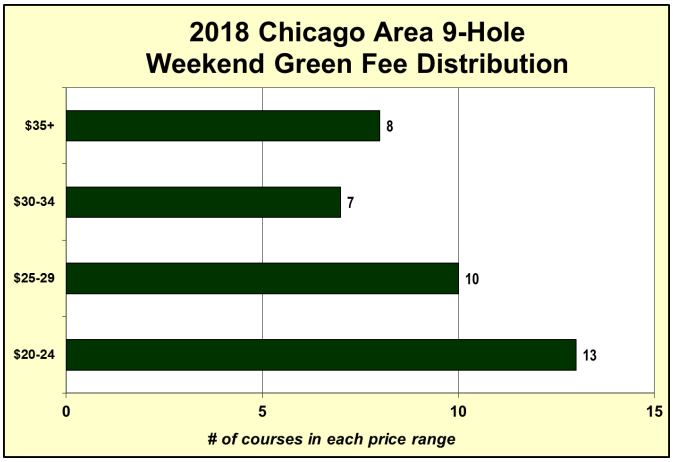
The 9-hole market is significantly smaller than the 18-hole market, with less than half the number of courses in the Chicago area. Local markets are geographically smaller than the metropolitan area, usually limited to a 25 minute drive from work or home.

While pricing and service innovations are common in the 18-hole market, the 9-hole market is slow to change, and generally non-competitive when it comes to product or service levels. Price competition is generally more prevalent.

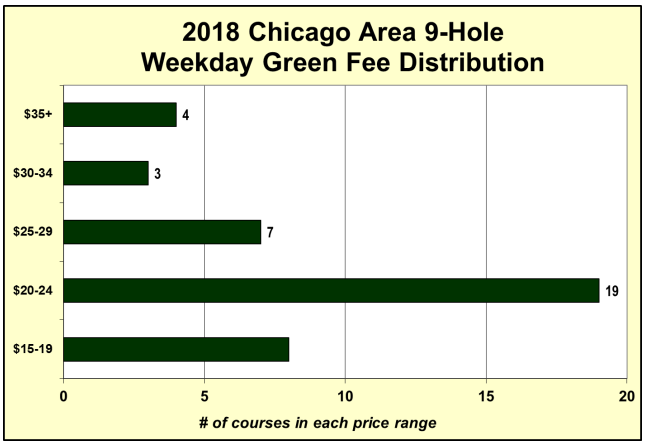
The 2018 Area 9-Hole Golf Market	
Number of Courses	40
Weekends	
Median Green Fee	$25
Village Links	$24
Village Links Rank - 18th most expensive	
Weekdays	
Median Green Fee	$22
Village Links	$20
Village Links Rank – 22nd most expensive	

40 courses in our area offer 9-holes as an option on weekdays, and 36 on weekends. Many are highly priced, discouraging 9-hole players from taking up more profitable 18-hole rounds.

Most 9-hole players gravitate toward the stand-alone 9-hole operations, or courses who have 27 holes, and designate one of the 3 nines exclusively for 9-hole play during select times. These courses are generally more affordable than the 18-hole counterparts, who more aggressively market 18-hole play. Of the 40 courses in this survey, 5 do not even offer 9-hole rates on the weekends, shrinking the availability to 9-hole golfers.



At $25 Village Links is the 18th highest in the area The most prevalent price range is $20-$24, with 13 courses priced in that range.



The Village Links is one of 19 courses in the most prevalent rate of $20-$24 on weekdays, 22nd most expensive among all courses.

Most 9-hole customers are less avid than their 18-hole counterparts. If the weather or the weather forecast is unfavorable, play typically declines. They often prefer scaled down facilities and service levels, and the lower green fees that coincide. 9-hole courses are less affected by supply and demand. They rely more on leagues, not corporate outings. The "upscale" 9-hole market does not exist. The 9-hole market competes mostly on price, whereas the 18-hole market competes more on quality.

9 holes course do not really have a focused "prime time". For the 18-hole course, prime time is from mid-morning to mid-afternoon during the week, and early mornings on the weekends. 9-hole courses are as busy early and late in the day, as they are in the entire middle of the day, indicating that many 9-hole players are students, retired, or squeezing in 9 holes before or after their work day.

Attachment: RatePackage (3637 : Village Links - 2019 User Fees)

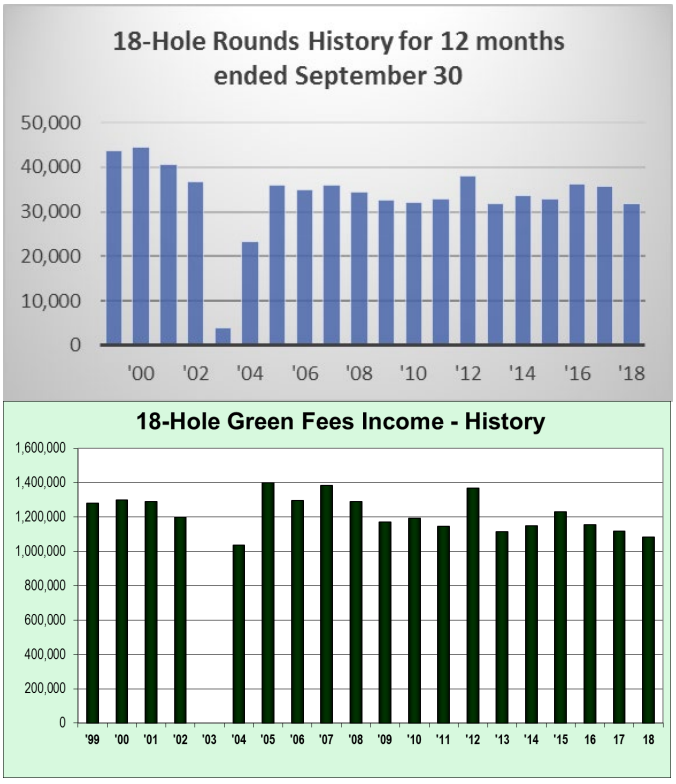
2018 Green Fees Sales Analysis

Rounds played are down 9% over the last 12 months.

The decrease in rounds played can be attributed to a few factors, most notably the cool, wet weather the Midwest has endured since the beginning of the 2018 season. Nationally, our region is down 7- 11% in rounds played.

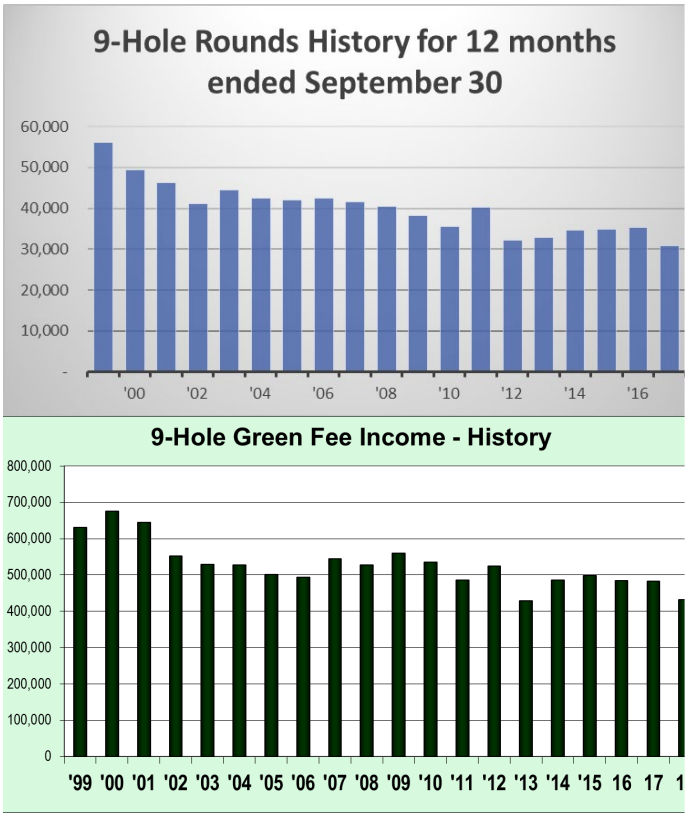
While the soft economy has continued to impact our industry since the sharp decline in 2001, and again in 2009, recent optimism had likely contributed to the modest growth for 2014-2017, as rounds began to level off...

Green fee discounting is getting more and more muddled, with the recent popularity of third party online vendors like Golf Now. Many courses have given in to the promise of increased rounds through mass marketing, only to find less than significant increases in revenue, and lower dollars per round played. The Village Links has resisted turning over its tee sheet and green fee pricing strategy, and instead crafted carefully placed discount periods in our slower times. Golfer Happy Hours, Spring Special, Fall Fest, and twilight specials, have allowed us to attract more play, without falling prey to the heavy discounting, which will become difficult to reverse.



18-hole green fee revenue has kept pace with play, by maintaining our basic fee structure

Play on the 18-hole course is relatively steady, and has increased by 5% each of the past 2 seasons. A spike in outing play, and relatively favorable weather conditions has helped, along with increased marketing efforts. By carefully selecting discount periods, we have been able to maintain a revenue stream consistent with the rise in rounds played.



9-hole play is beginning to level off from a sharp decline beginning in 2001.

Play on the 9-hole course suffered equally with overall rounds due to the wet weather, and unplayable days in 2018. Staff will continue to seek new revenues, such as 9-hole outings and Foot Golf, to maintain its productivity.

Innovations in golf ball and equipment technology have forced us to spread out tee time intervals in prime times, reducing the number of players we can tee off in an average hour. Like many other courses, the Village Links is relying more heavily on weekday outings to fill vacant space left by a stagnant golfer base.

Understanding where our green fee revenue is coming from helps us to determine where the opportunities lie. The Village Links has a complicated fee structure, aimed at appealing to not only our resident golfer, but also the out of town visitors, junior golfers, senior golfers, league

Attachment: RatePackage (3637 : Village Links - 2019 User Fees)

golfers, outings, and daily fee foursomes. The following charts depict the green fee and rounds played distribution, and how it has changed since 2007.

There has been a decide shift in play, as resident rounds have decreased at a more rapid rate than non- residents, in each of the four categories. With more room for non-resident guests, we would expect revenue per round to increase. However, we must offer discounted periods to lure golfers form other courses, diminishing the overall effect. With more room on the golf course on both weekdays and weekends, we have aggressively sought to fill those vacancies with leagues, outings, and on the 9-hole course, Foot Golf.

Rounds Distribution by Course

	WEEKEND 18			WEEKDAY 18	
	Resident	Non Resident		Resident	Non Resident
'07	52%	48%	'07	32%	65%
'08	52%	48%	'08	32%	67%
'09	55%	45%	'09	34%	64%
'10	51%	49%	'10	31%	69%
'11	47%	53%	'11	30%	69%
'12	46%	54%	'12	27%	72%
'13	46%	54%	'13	30%	69%
'14	46%	54%	'14	26%	74%
'15	46%	54%	'15	28%	72%
'16	47%	53%	'16	39%	61%
'17	49%	51%	'17	38%	62%
'18	49%	51%	'18	38%	62%

	WEEKEND 9			WEEKDAY 9	
	Resident	Non Resident		Resident	Non Resident
'07	29%	63%	'07	40%	55%
'08	30%	62%	'08	38%	56%
'09	30%	63%	'09	36%	58%
'10	29%	68%	'10	35%	61%
'11	27%	70%	'11	33%	63%
'12	27%	69%	'12	32%	64%
'13	29%	71%	'13	33%	63%
'14	25%	75%	'14	33%	63%
'15	25%	75%	'15	32%	63%
'16	25%	75%	'16	35%	65%
'17	20%	80%	'17	34%	66%
'18	20%	80%	'18	34%	66%

Rounds played are increasingly being influenced more by non-residents, outings, and leagues.

Green Fee Revenue Distribution by Course

	WEEKEND 18			WEEKDAY 18	
	Resident	Non Resident		Resident	Non Resident
'07	44%	56%	'07	23%	76%
'08	44%	56%	'08	23%	77%
'09	46%	54%	'09	25%	74%
'10	45%	55%	'10	25%	74%
'11	42%	58%	'11	26%	74%
'12	40%	60%	'12	23%	76%
'13	40%	60%	'13	27%	73%
'14	43%	57%	'14	18%	82%
'15	44%	56%	'15	19%	81%
'16	45%	55%	'16	31%	69%
'17	45%	55%	'17	29%	71%
'18	45%	55%	'18	29%	71%

	WEEKEND 9			WEEKDAY 9	
	Resident	Non Resident		Resident	Non Resident
'07	25%	75%	'07	33%	67%
'08	26%	74%	'08	31%	69%
'09	25%	75%	'09	30%	70%
'10	24%	76%	'10	28%	72%
'11	22%	78%	'11	26%	74%
'12	23%	77%	'12	25%	75%
'13	23%	77%	'13	26%	74%
'14	21%	79%	'14	25%	75%
'15	21%	79%	'15	24%	76%
'16	21%	79%	'16	25%	75%
'17	16%	84%	'17	26%	74%
'18	17%	83%	'18	26%	74%

2018
Promotion and Discount Programs

Spring Special

In the ninth year of this promotion, which encourages golfers to play in the marginal months of March, April, and May, 114 golfers purchased the $199 membership. The Fall Special, which offers similar benefits, was in its second year, and produced only 35 members.

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Special Weekday 18 – Monday – Thursday before 10:00am
Non-resident golfers under age 21 and over age 60 are eligible to play at a special rate on weekday mornings. A one-time registration is required. This promotion helps to fill less popular times of the day, and also serves to build our data-base. This fee is largely used by seniors. We also offered this rate to resident golfers, who had not yet reached their 65th birthday, at a nominal discount.

Under 21 18-Hole Green Fee after 3:00 pm on weekends
Introduced primarily to promote junior golf, this category is sparsely used. This $15 rate is used mostly by non-resident juniors, accounting for 71% of the rounds in this category.

Golfer Happy Hours
This program has become popular, and is one of our ways to discount the course in non-prime times. One hour per day is selected for each course throughout the season, and changes monthly. The greatest savings are realized by golfers who bring full foursomes, which helps to increase overall traffic and exposure, in low volume times.

V.I.P. Program
The V.I.P. program remains one of our top marketing efforts, accounting for 19% of all rounds played, and 15% of green fee revenue. For a $50 fee, ($30 for 9 hole course only) a non-resident golfer receives a 20% discount off all green fees, and 10% off Golf Shop purchases. It is quite popular on the 9-hole course among our many out of town league members. V.I.P. members average over 15 rounds per year.

Golf Outings
As play has decreased by up to 35% in the past 15 years, the Village Links was prompted to host golf outings, beginning in 2008. The various size groups help us to fill the tee sheet during the week, and on weekend afternoons, when play is generally weaker.
Golf outings are generally perceived as negative by our residents and guests, as they generally play at a slower rate, and take up space on the golf course. We have developed into a popular location for outing organizers. As we progress, close consideration will be paid to how many to schedule, and when, to maintain a favorable mix of open play and outing play.

The Golf Market

Every public golf course is scrambling to improve its bottom line. Courses continue to offer wide ranging discounts, and turning to third party vendors to sell their tee times for a fee, in hopes of increasing their bottom lines. Most are finding little, if any, success at raising revenue with this strategy.

Unprofitable golf courses continue to operate. Municipalities value golf properties for open space as much as for the golf and other amenities, and continue to subsidize operational losses with tax dollars. Private sector courses are often purchased by municipalities seeking to maintain open space. 55% of the public golf courses in the Chicago area are municipally owned. Many courses are part of a planned unit development occupying wetlands or other storm water storage. It is not feasible to convert these golf courses to other uses.

Golf is in an era of discounting. Published rates are mostly used for show, but often only apply to prime time, or group outings in prime time. While discounting can attract volume, so many courses are doing it, that the price of golf is effectively being lowered.

Many courses are cutting back service levels. In an attempt to improve the bottom line, the discounting wars have caused many courses to cut back on, or completely eliminate some golfer services. Many have reduced maintenance practices, resulting in poorer playing conditions. Courses now rely on lower prices to attract play, not higher quality. The best operators will find ways to cut costs without the golfer noticing.

Golf course capacity continues to shrink. As golf manufacturers race to produce the next "longest" ball, or golf club, the ability to tee golfers off at once normal intervals has shrunk. Forcing courses to space out their tee times more leaves less inventory at the most popular times.

More publicly owned courses will change management practices. Governments are taking an increasingly active role in buying and developing public golf courses, and are investing large sums of money in clubhouses and course upgrades, without the expectation that these upgrades will ever pay for themselves. This is raising the expectations that golfers have of public courses, and many privately owned courses will struggle to keep pace, with the inflow of tax subsidies to help government owned facilities.

Attachment: RatePackage (3637 : Village Links - 2019 User Fees)

2019 User Fee Proposal

Our preference and normal practice had been to adjust 18-hole green fees every year, and adjust 9-hole, junior, and senior green fees every other year – an approach that allows us to increase fees in whole dollar amounts at roughly the rate of inflation. Regular, moderate fee increases also allows us to avoid the negative reaction often resulting from larger, less frequent price increases.

We have not had a Green Fee increase since 2016, the first in 7 seasons. A cart increase was implemented in 2017, and a range ball increase in 2018. We held off our normal practice due to the decline in golf popularity, a soft economy, and to avoid the negative reaction that a rate increase might have on the public perception that it would be used to fund the Clubhouse expansion in 2013.

Since 2009, the cost of doing business has continued to increase. The cost of supplies, such as pencils, scorecards, fertilizer, fungicide, and cleaning supplies have all increased. Natural gas, water, electricity, diesel fuel, and gasoline have all been increasing steadily. The Village Links relies solely on user fees to cover all operating expenses, including labor, capital replacement and improvement projects, and the retirement of debt. It also maintains 3 passive use parks, and maintains an intricate storm water detention system, at no burden to the taxpayer.

60% of Village Links/Reserve 22 labor consists of minimum wage workers. Since 2009, the minimum wage has increased 6.5%, with the possibility of much larger increases on the horizon.

Since the terrorist attacks in 2001, the start of the decline in golf popularity around the world, the Village Links has taken numerous steps to control costs, and remain profitable in a declining golf market. We regularly seek ways to operate more efficiently in each department, resulting in a cut of more than 20,000 man-hours in the golf course maintenance alone. We have deferred the replacement of equipment, most of which has exceeded its expected useful life. However, the costs to continue to repair our aging equipment will increase annually. Overall, our cost-saving measures have allowed us to manage expenses to maintain profitability. Future uncertainty in the business of golf will present ongoing challenges to maintain positive cash flow.

Proposed rate increases (attached) shows the volume of rounds and expected revenue to realize in 2019, given a normal weather year. There are three scenarios, any of which could happen. The first, which we consider least likely, is that we will have a repeat of volume we experienced in 2018, a poor golfing weather year. We expect, more likely, to return to somewhat normal volume of rounds, near 70,000. The third scenario is somewhere in between. Each scenario gives a likely projection of increased revenue from the proposed increases in user fees.

For 2019, we have focused on the more popular weekend play, proposing modest increases that we are confident the golfing public would easily tolerate. We are proposing to leave the green fees on the weekdays alone, which has proven to be a much softer market in the past several years. We feel that golfers playing during the week are more conscious of price, especially since that is the time when most golf courses are discounting their fees most heavily.

Motorized Cart, Driving Range, and other fees are proposed to remain unchanged.

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