Agenda
Village of Glen Ellyn
Special Meeting
Tuesday, November 28, 2017
7:00 PM
Village Links/Reserve 22

Village Board Meeting Procedures Statement

Visitors are most welcome to attend all meetings of the Village Board and can find copies of the Agenda on their chairs or online at www.glenellyn.org prior to the meeting. Meetings are taped and also televised on WideOpenWest Channel 6, AT&T Channel 99, and Comcast Cable Services Channel 10. Any individual with a disability requiring a reasonable accommodation in order to participate in a meeting should contact The Village of Glen Ellyn ADA Coordinator, 630-469-5000, at least five (5) business days in advance of the next scheduled meeting. All matters on the Agenda may be discussed, amended, and acted upon.

A. Call to Order

B. Roll Call

C. Pledge of Allegiance

D. Audience Participation

1. Open:

   Members of the public are welcome to speak to any item *not* specifically listed on tonight's agenda for up to three minutes. For those items which are on tonight's agenda, the public will have the opportunity to comment at the time the item is discussed. In either case, please complete the Audience Participation form and turn it in to the Village Clerk. It is requested that, if possible, one spokesman for a group be appointed to present the views of the entire group. Speakers who are recognized are requested to step to a microphone and state their name, address and the group they are representing prior to addressing the Village Board.

E. Consent Agenda - The following items are considered routine business by the Village Board and will be approved in a single vote in the form listed below:

1. Resolution No. 17-15. A Resolution Authorizing Application to Illinois Transportation Enhancement Program Grant for Roosevelt Road Corridor Beautification and Pedestrian Accessibility Improvements.

2. Motion to authorize the Village Manager or his designee to take any and all actions to secure the ITEP Grant requested by this resolution.

F. Village Links/Reserve 22 Strategic Plan (Village Links/Reserve 22 General Manager Vesevick) (Discussion Only)

1. Discussion on Village Links/Reserve 22 Strategic Plan.

G. Discussion

H. Reminders

1. A Village Board Meeting is scheduled for Monday, December 11, 2017 at 7:00PM in the Galligan Board Room of the Glen Ellyn Civic Center.

2. A Village Board Special Workshop is scheduled for Monday, December 18, 2017 at 7:00PM in Room 301 of the Glen Ellyn Civic Center.

I. Other Business

J. Adjournment

Glen Ellyn Village Board
535 Duane Street
Glen Ellyn, IL 60137

Meeting: 11/28/17 07:00 PM
Department: Public Works
Department Head: Julius Hansen
Category: Resolution
Prepared By: Thomas Topor

SCHEDULED

RESOLUTION 17-15 DOC ID: 2979

Resolution No. 17-15. A Resolution Authorizing Application to Illinois Transportation Enhancement Program Grant for Roosevelt Road Corridor Beautification and Pedestrian Accessibility Improvements Motion to authorize the Village Manager or his designee to take any and all actions to secure the ITEP Grant requested by this resolution.

INTRODUCTION

The Illinois Department of Transportation (IDOT) has issued a notification of available grant funding through the Illinois Transportation Enhancement Program (ITEP). This grant provides funding to enhance the transportation experience by improving the cultural, historic, aesthetic and environmental aspects of our transportation infrastructure. Typical projects include bicycle/pedestrian trails, sidewalks and streetscape projects.

BACKGROUND

Village staff was approached by DuPage County Department of Transportation staff to join together on an ITEP grant application driven by the County's desire to provide enhancements to the Jerome F. "JR" McBride JR. Memorial Bridge at Roosevelt Road and Illinois Route 53 (IL53). This bridge was dedicated in 2015 to honor JR McBride, a former DuPage County Board Member and a Glen Ellyn resident; who passed away in 2014. In unison with the County's desired bridge improvements, the County suggested that the Village consider beautification of the Roosevelt Road median between the Village's easterly limit and IL53. A project location map and exhibits depicting the proposed improvements are included for reference.

With the assistance of Planning Resource, DuPage County prepared conceptual plans for the bridge enhancements, beautification of the existing Roosevelt Road median between the east Village limit and IL53, and sidewalk improvements along Roosevelt Road and IL53. The proposed improvements appeared to be beneficial to the Village and staff continued to explore this grant opportunity.

The current medians on Roosevelt Road between east of I-355 and IL53 consist of either concrete or grassy zones. Proposed plans would consist of a mixture of native plants, trees, grasses and brick paver elements. Additionally, a Glen Ellyn gateway sign would be located along the wide median area just west of I-355. Other improvements include sidewalk ramp improvements at the intersection of Roosevelt and Baker Hill, sidewalk repairs and replacement along Roosevelt Road, and construction of a new sidewalk segment along the east side of IL53, between Pershing Avenue and Roosevelt Road. Staff notes this segment would connect to recently constructed sidewalk pedestrian crossing improvements at IL53/Pershing, as well as new sidewalk constructed on the north side of Pershing west of IL53, constructed as part of the new Panera/CVS Development.

The bridge improvements would include cleaning of the existing concrete structure, ornamental rail affixments, and signage enhancements. In addition, a significant portion of the aforementioned sidewalk repairs and improvements would tie into the bridge improvements.

The culmination of the median and bridge improvements would provide a more inviting entrance to the Village along the Roosevelt Road Corridor, provide wayfinding opportunity, and create additional pedestrian connectivity from the south to the Baker Hill Shopping Plaza. The improvements would be carefully planned to not interfere with the Village's proposed access improvements to the shopping plaza. Unfortunately, ITEP funding does not cover such roadway improvements.

ITEP Funding is Federal in nature and will require the project to be processed through IDOT and meet all federal funding requirements. The grant generally covers up to 80% of project costs, with a maximum award of $2M per project; the grant recipient is responsible for all remaining project costs. The grant also allows for all phases of engineering and construction to be included.

DuPage County would be financially responsible for providing local funds for all bridge enhancements. The Village would be financially responsible for providing local funds for the median beautification and sidewalk improvements. The Village was chosen to be the lead agency in the grant pursuing efforts, as the median and sidewalk improvements include a significantly greater portion of the grant amount. Upon award of the grant, an IGA between the Village and the DuPage County would drafted and presented to the Village Board for consideration of approval.

The estimated project costs are still being refined at the time of the writing of this memo. However, the estimated cost information will be available and presented to the Village Board at the November 28, 2017 Village Board Meeting.

Staff is seeking direction from the Board whether to include the cost of Phase I and Phase II engineering in the grant application. The engineering costs will add approximately 12.5% to the cost of the project. These costs can be included in the grant application for an 80/20 federal/local agency share or alternately Phase I and Phase II engineering could be funded entirely by local agency. Each approach has it benefits and drawbacks. By including the engineering fees in the grant application the project overall cost would be minimized; however, not including engineering fees allows for a slightly better chance of securing the grant and reduces the time in bringing the project to construction.

As part of the application submittal to IDOT, approval of the attached resolution is recommended to support the Village's application for the grant and to allow staff to execute all documents upon receipt of grant funding. If the Village is awarded the grant, the Village's portion of the project cost would need to be included in future budgets. The proposed resolution reserves the Village's right to refuse the grants in the event funds are not available to pay the local agency's portion of costs.

STRATEGIC INITIATIVES

The project assists in fulfilling the following Village of Glen Ellyn Strategic Initiatives and Goals:

Strategic Issue I: DEVELOPMENT. Goal 4. Complete a Village wayfinding plan and consider implementing by July 1, 2017

Strategic Issue II: BUSINESS. Goal 2. Promote the CBD and Roosevelt Rd. TIF Districts.

Strategic Issue VI: FINANCIAL SUSTAINABILITY. Goal 1. Identify new revenue sources and grant opportunities as part of budget process by January 1, 2017.

RECOMMENDATION AND ACTION REQUESTED

Engineering staff recommends the Village Board of Trustees make the following motions at the November 28, 2017 Village Board Meeting:

1. Motion to approve a Resolution Authorizing Application to Illinois Transportation Enhancement Program Grant for Roosevelt Road Corridor Beautification and Pedestrian Accessibility Improvements

2. Motion to authorize the Village Manager or his designee to take any and all actions to secure and administer the ITEP Grant requested by this resolution.

ATTACHMENTS

Project Location Map
Exhibit A - "Gateway To Glen Ellyn" exhibit
Exhibit B - IL 38 over IL 53 Enhancements Proposed Sidewalk and Path Improvements
Exhibit C - Glen Ellyn Gateway sign

Resolution No. 17-15
A Resolution in Support of the Application for Illinois Transportation Enhancement Program for Roosevelt Road Corridor Beautification and Pedestrian Accessibility Improvements

Whereas, the Village desires to continue to support bike and pedestrian modes of transportation, promote the Roosevelt Road commercial corridor, provide wayfinding opportunities for the community, and strives to build infrastructure to support the aforementioned goals; and,

Whereas improving pedestrian conditions on Roosevelt Road and Illinois Route 53 will create a safer environment and encourage more people to walk as an alternative to driving; and,

Whereas, improvements to the Roosevelt Road median in the form of landscaping, hardscaping, and a Village gateway sign will create a positive image and inviting entrance to the Village of Glen Ellyn; and,

Whereas, the enhancements to the Roosevelt Road bridge over Illinois Route 53, named Jerome F. "JR" McBride JR. Memorial Bridge will honor the former DuPage County Board member and Glen Ellyn resident; and,

Whereas, the improvements will be a cooperative effort between the Village of Glen Ellyn and DuPage County, as each agency is a stakeholder in the project; and,

Now, therefore be it resolved by the President and Board of Trustees of the Village of Glen Ellyn, DuPage County, Illinois, in the exercise of its home rule powers, as follows:

Section One: The above recitals are incorporated in this resolution as if fully set forth.

Section Two: The Village of Glen Ellyn hereby requests financial support through the Illinois Transportation Enhancement Program to help fund the Roosevelt Road Corridor Beautification and

Pedestrian Accessibility Improvements.

Section Three: The Village certifies it is willing and able to manage, maintain and operate the project; it possesses legal authority to nominate this project; and will commence within the appropriate timelines, reserving the right to refuse the grant in the event funds are not available to pay the local agency's portion of costs under applicable grant assurance agreement(s).

Section Four: The Village Manager or his designee is authorized to take any and all actions to secure and administer the Illinois Transportation Enhancement Program Grant requested by this resolution.

Section Five: This Resolution shall take effect immediately upon its passage.

Passed by the President and Board of Trustees of the Village of Glen Ellyn, Illinois, this day of ______________________, 2017.

Ayes:

Nays:

Absent:

Approved by the President and Board of Trustees of the Village of Glen Ellyn, Illinois, this day of ______________________, 2017.

____
Village President of the Village
of Glen Ellyn, Illinois

Attest:

____

Village Clerk of the Village
of Glen Ellyn, Illinois

ATTACHMENTS:

- Ex.A.Gateway to Glen Ellyn (PDF)
- Ex.B.Sidewalk enhancements (PDF)
- Ex.C.Glen Ellyn gateway sign (PDF)
- location map (PDF)

"Gateway To Glen Ellyn"

Date : 11.13.17

IL -38 / Roosevelt Road, Glen Ellyn, IL

GATEWAY TO GLEN ELLYN - HEADING WEST ON ROOSEVELT ROAD

GATEWAY TO GLEN ELLYN - WELCOME SIGNAGE

PURPLELEAF WINTERCREEPER

HONEYLOCUST

STONE OUTCROPPING

LITTLE BLUE STEM

NORDIC SPIRE ARBORVITAE

ARKANSAS BLUE STAR

ARKANSAS BLUE STAR - FALL COLOR

KARL FOERSTER REED GRASS

PURPLE CONEFLOWER

TALL SWITCHGRASS

CATALPA

CHINKAPIN OAK

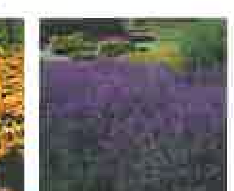
GINKGO

SWEETGUM

HAWTHORN

SERVICEBERRY

BLACK-EYED SUSAN



LOW CATMINT

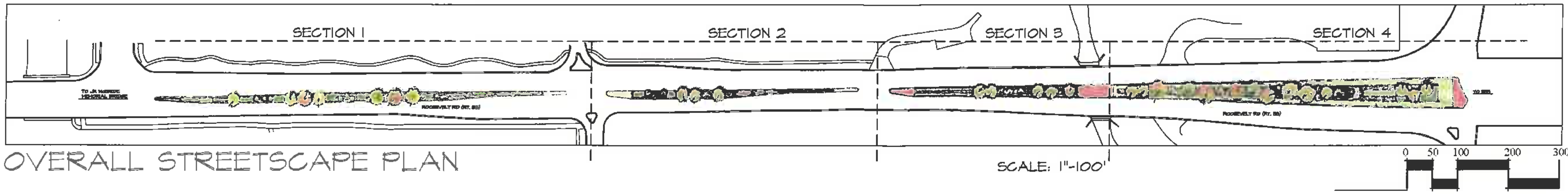
PLANNING RESOURCES INC.
PLANNERS LANDSCAPE ARCHITECTS ECOLOGISTS

Exhibit A

"Gateway To Glen Ellyn"

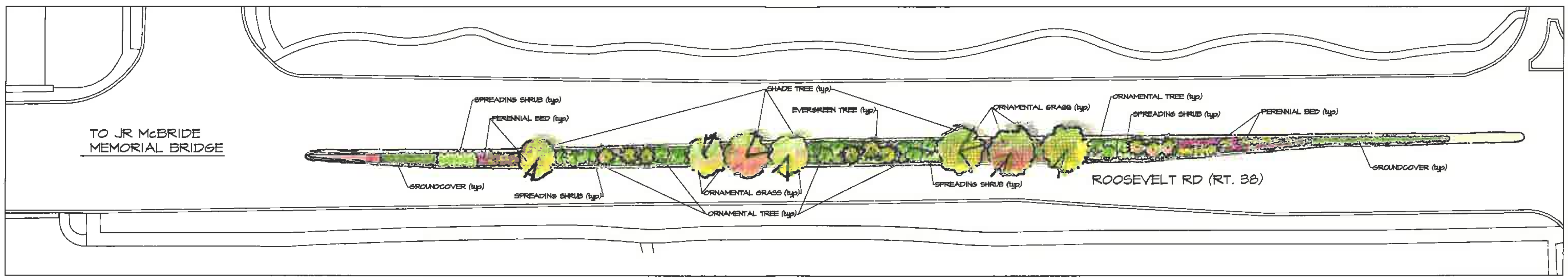
Date : 11.13.17

IL-38 / Roosevelt Road, Glen Ellyn, IL



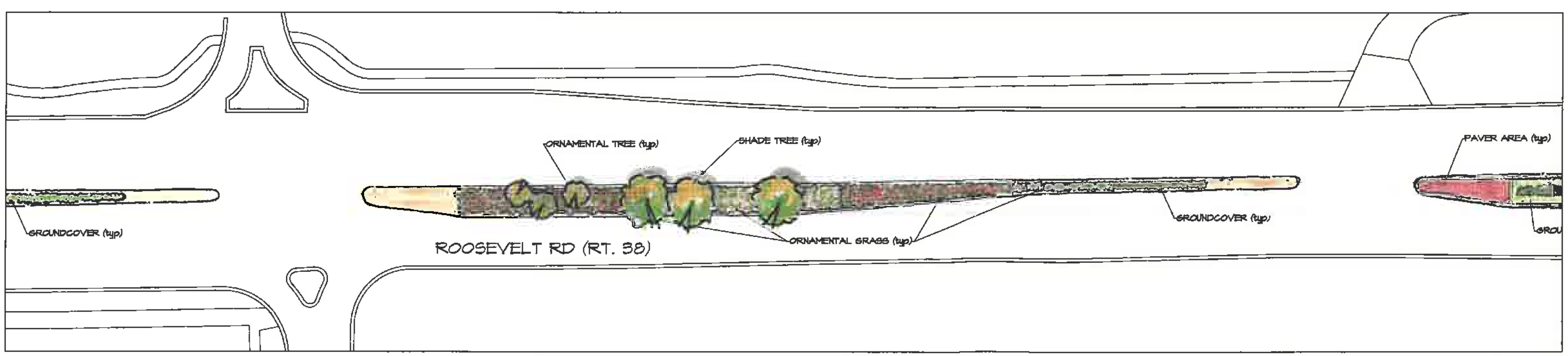
OVERALL STREETSCAPE PLAN

SCALE: 1"-100'



SECTION 1

SCALE: 1"-30'



SECTION 2

SCALE: 1"-30'

PLANNING RESOURCES INC.
PLANNERS LANDSCAPE ARCHITECTS ECOLOGISTS

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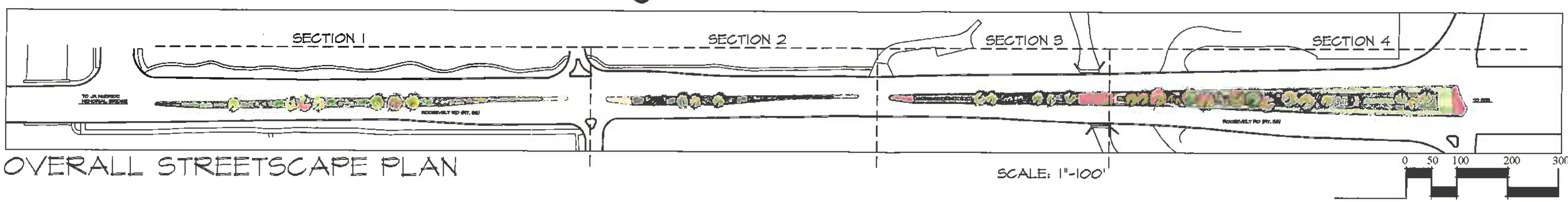
"Gateway To Glen Ellyn"

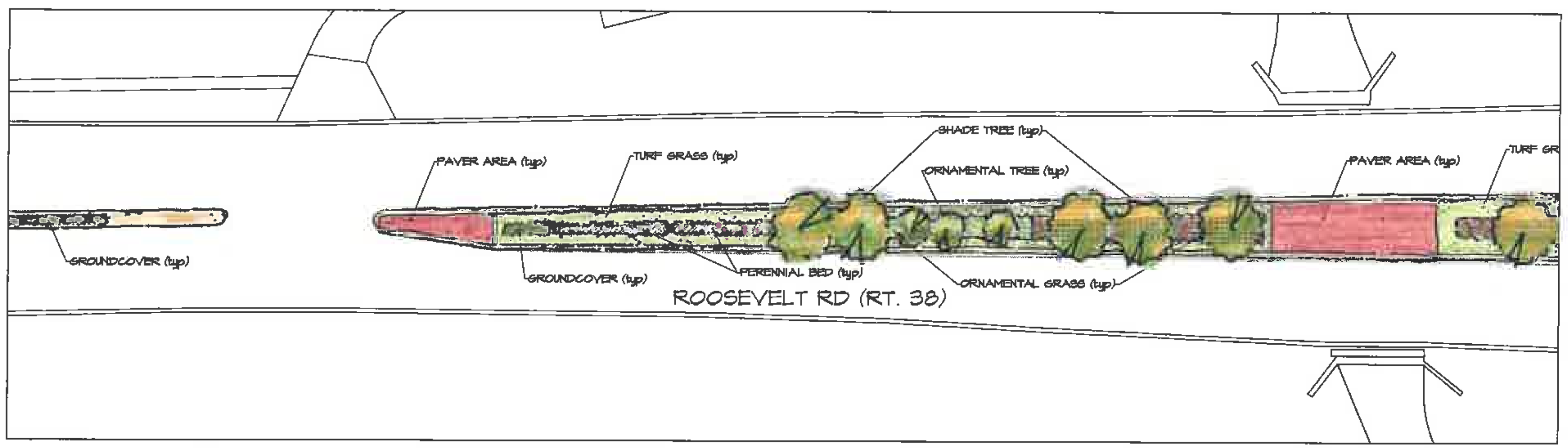
Date . 11.13.17

IL -38 / Roosevelt Road, Glen Ellyn, IL



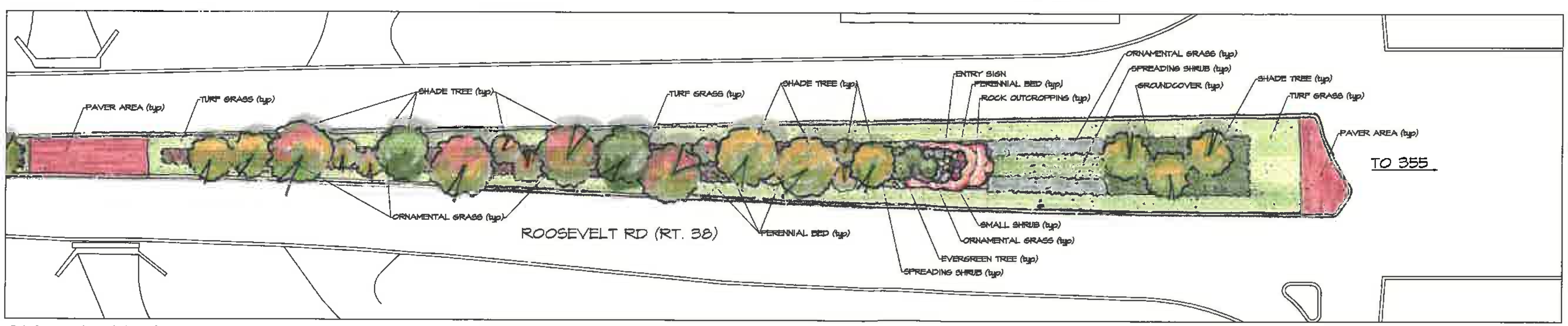
OVERALL STREETSCAPE PLAN

SCALE: 1"-100'



SECTION 3

SCALE: 1"-30'



SECTION 4

SCALE: 1"-30'

PLANNING RESOURCES INC.
PLANNERS LANDSCAPE ARCHITECTS ECOLOGISTS

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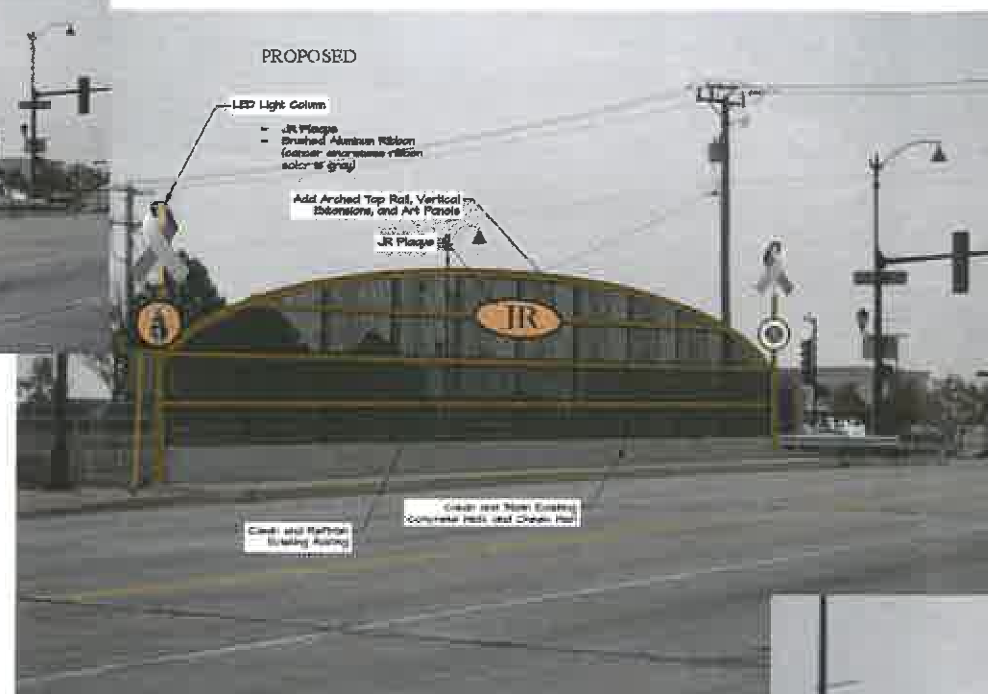
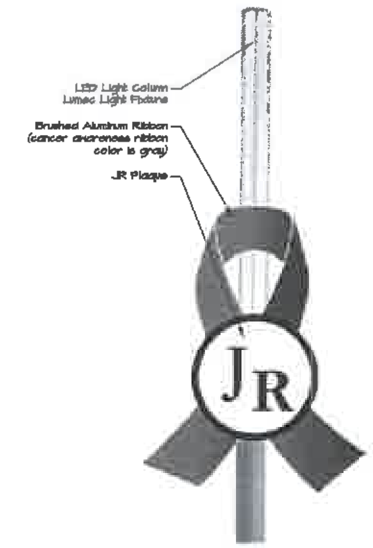
"Gateway To Glen Ellyn"

Date : 11.13.17

Jerome F. "JR" McBride Bridge Enhancements, Glen Ellyn, IL

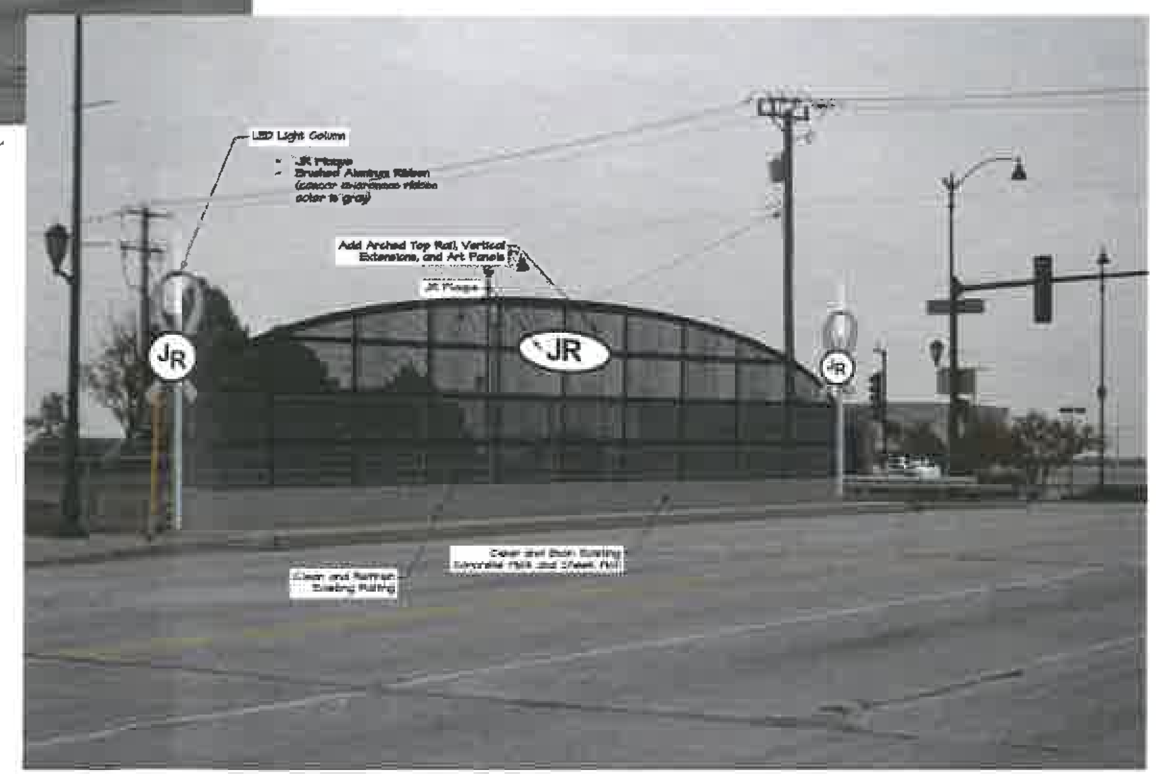


JEROME F. "JR" MCBRIDE BRIDGE - EXPLORATION OF COLOR OPTIONS FOR METAL



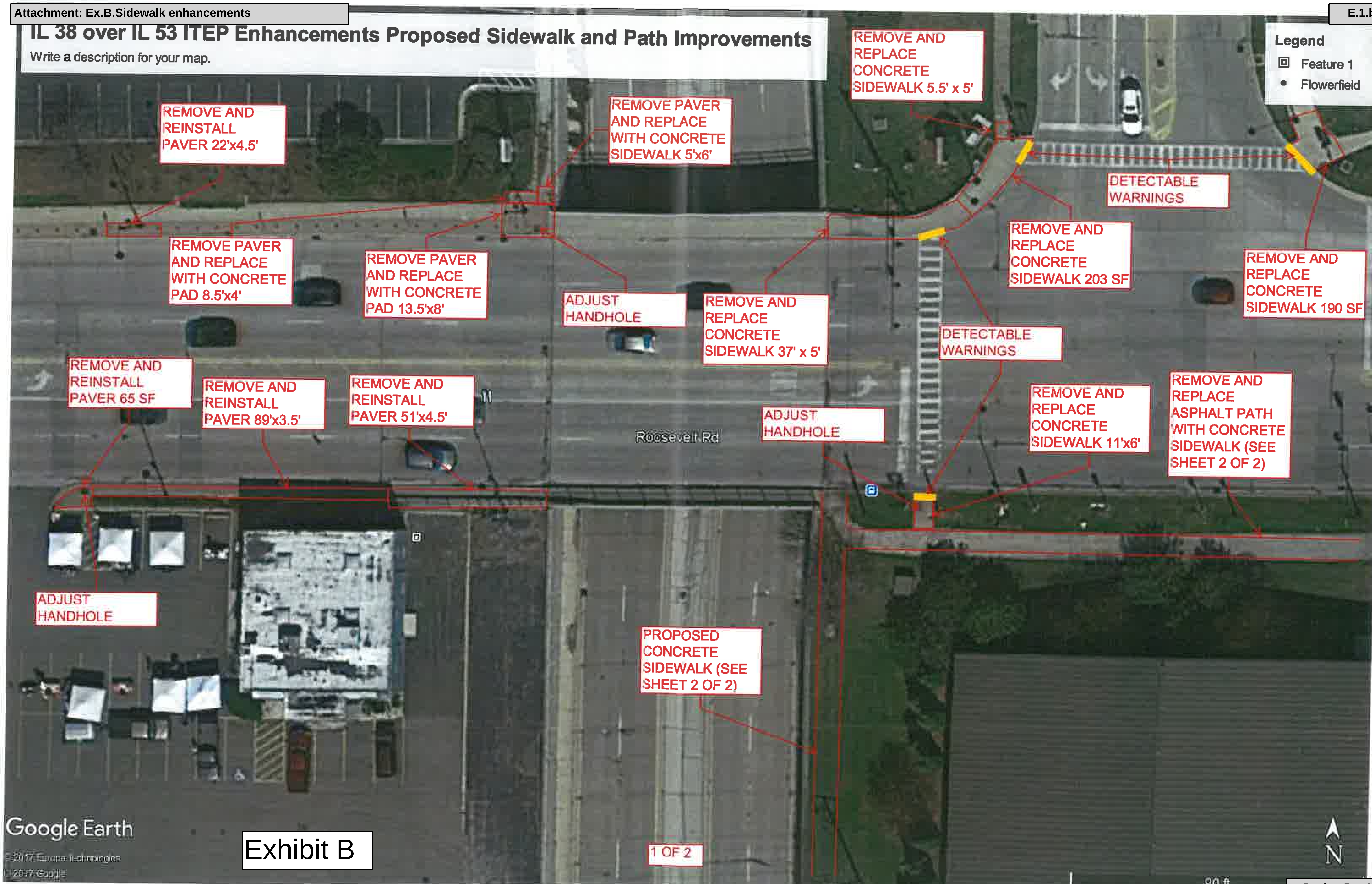
LIGHT BOLLARD

CROSSWALK TREATMENTS



JEROME F. "JR" MCBRIDE BRIDGE - METAL PAINTED BLACK

PLANNING RESOURCES INC.
PLANNERS LANDSCAPE ARCHITECTS ECOLOGISTS


IL 38 over IL 53 ITEP Enhancements Proposed Sidewalk and Path Improvements
Write a description for your map.
Legend
Feature 1
Flowerfield
REMOVE AND REINSTALL PAVER 22'x4.5'
REMOVE PAVER AND REPLACE WITH CONCRETE SIDEWALK 5'x6'
REMOVE AND REPLACE CONCRETE SIDEWALK 5.5' x 5'
DETECTABLE WARNINGS
REMOVE PAVER AND REPLACE WITH CONCRETE PAD 8.5'x4'
REMOVE PAVER AND REPLACE WITH CONCRETE PAD 13.5'x8'
ADJUST HANDHOLE
REMOVE AND REPLACE CONCRETE SIDEWALK 37' x 5'
REMOVE AND REPLACE CONCRETE SIDEWALK 203 SF
REMOVE AND REPLACE CONCRETE SIDEWALK 190 SF
DETECTABLE WARNINGS
REMOVE AND REINSTALL PAVER 65 SF
REMOVE AND REINSTALL PAVER 89'x3.5'
REMOVE AND REINSTALL PAVER 51'x4.5'
ADJUST HANDHOLE
REMOVE AND REPLACE CONCRETE SIDEWALK 11'x6'
REMOVE AND REPLACE ASPHALT PATH WITH CONCRETE SIDEWALK (SEE SHEET 2 OF 2)
Roosevelt Rd
ADJUST HANDHOLE
PROPOSED CONCRETE SIDEWALK (SEE SHEET 2 OF 2)
Google Earth
© 2017 Europa Technologies
© 2017 Google
Exhibit B
1 OF 2
N
90 ft

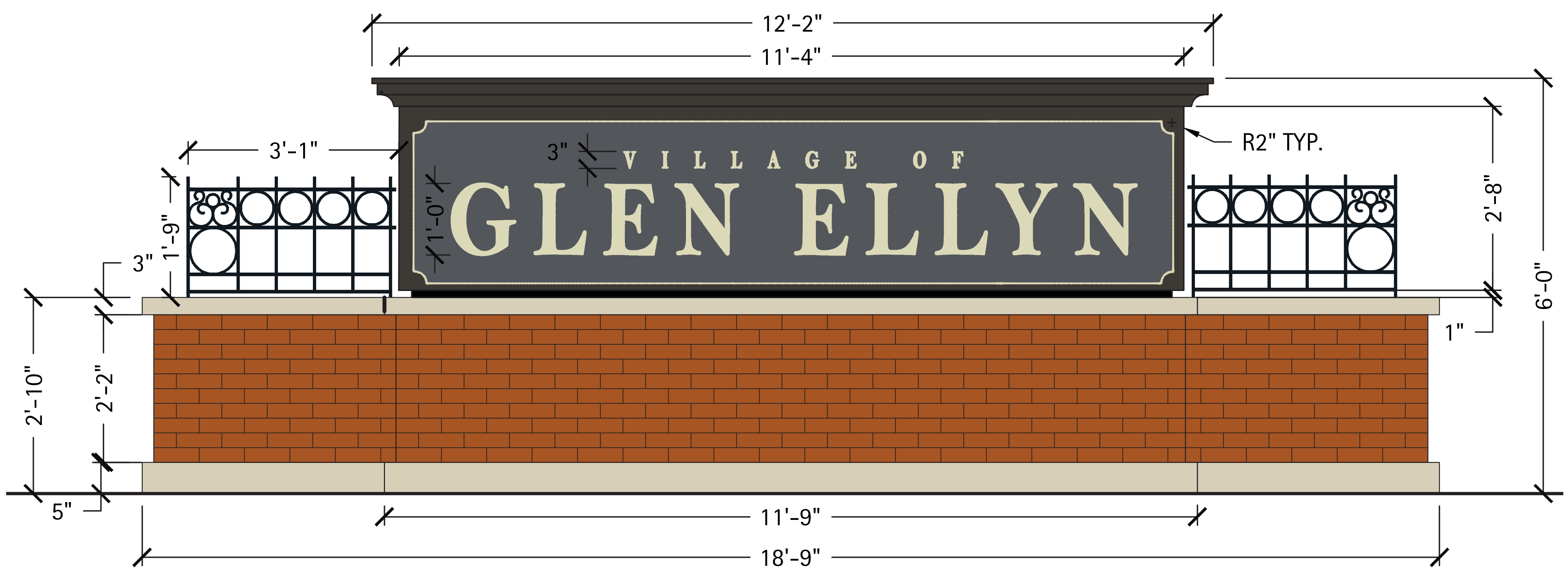

IL 38 over IL 53 ITEP Enhancements Proposed Sidewalk and Path Improvements
Write a description for your map.
Legend
Feature 1
Flowerfield
REMOVE AND REPLACE ASPHALT PATH WITH CONCRETE SIDEWALK (998')
PROPOSED CONCRETE SIDEWALK (608')
N Taylor Ave
38
Roosevelt Rd
53
Pershing Ave
Waters Edge Ct
Nicoll Way
Abbey Dr
N Driveway
Seminary Cir
Google Earth
© 2017 Europa Technologies
© 2017 Google
2 OF 2
400 ft
N

SECTION 4: DESIGN DEVELOPMENT DRAWINGS

VG.xx

SIGN SPECIFICATIONS:

Font Style	Colors		
Bell MT Bold	C1	C: 3, M: 5, Y: 26, K: 2	
	C2	C: 100, M: 79, Y: 44, K: 93	



FABRICATION RECOMMENDATIONS:

FOUNDATIONS: See foundation design for Horizontal Monument.

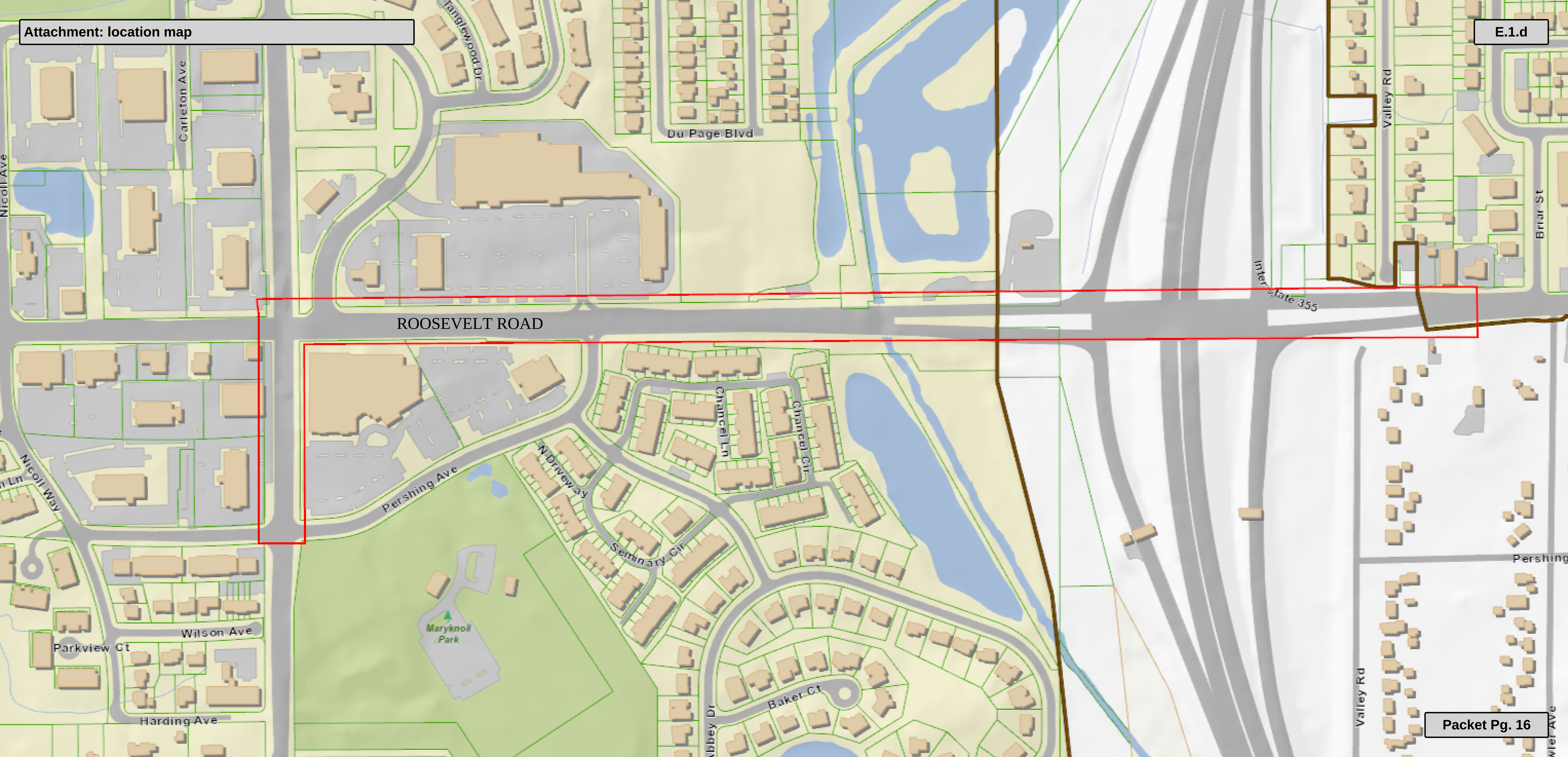
MASONRY: Brick base with 16" CMU back up wall filled solid. Choice of brick by owners rep. Limestone pier cap. All Masonry mechanically fastened to concrete foundation and adjacent masonry.

DISPLAY MONUMENT: 12" deep. Fabrication using 0.125" aluminum cladding over Aluminum tube skeletal frame, internally illuminated. Raised deco border with push through acrylic text for "Halo Lighting Effect" from internal lighting source.

DECO FENCE: To be modified version of Master Halco Echelon Plus Architectural Fence or equal.

FINISH: All structural, decorative, mounting hardware surfaces to be finished in colors chosen by owner's rep using epoxy primer and 2 part Matthews Acrylic Polyurethane Top Coat, or, powder coat.

0' 1' 2'


ROOSEVELT ROAD
Du Page Blvd
Tanglewood Dr
Carleton Ave
Nicoll Ave
Nicoll Way
Valley Rd
Briar St
Interstate 355
Chancel Ln
Chancel Cir
N Driveway
Pershing Ave
Seminary Cir
Maryknoll Park
Wilson Ave
Parkview Ct
Harding Ave
Baker Ct
Abbey Dr
Pershing

Glen Ellyn Village Board
535 Duane Street
Glen Ellyn, IL 60137

Meeting: 11/28/17 07:00 PM
Department: Glen Ellyn Village Board
Department Head: Lindsey Kaminsky
Category: Discussion Item
Prepared By: Lindsey Kaminsky

SCHEDULED

AGENDA ITEM (ID # 2980) DOC ID: 2980

Discussion on Village Links/Reserve 22 Strategic Plan.

As the Village Links celebrates its 50th year in business in 2017 and as Reserve 22 completes its fifth year of operating the new restaurant/clubhouse facility (fourth full year of operation), President McGinley and the Village Board have requested a joint meeting with the Recreation Commission to discuss the expectations and goals for the next 3 to 5 years. This strategic planning session, scheduled for Tuesday, November 28 at 7pm, will focus on developing Recreation Commission and Village Board alignment on priorities to create a business plan for the next five years.

In preparation for this meeting, Village Links/Reserve staff participated in a strategic planning session facilitated by John Fontana, a leadership/management trainer in the area, who led a team building and business assessment exercise on November 1. As part of that process, Mr. Fontana spoke to key stakeholders, Recreation Commission Chair Brad Browder, Former Trustee Tim O'Shea, and Village President Diane McGinley. With this feedback, he conducted a SWOT analysis (Strengthens/Weaknesses/Opportunities/Threats) and learned that there was some general agreement between staff and these stakeholders regarding all categories. The summary of the internal strategic planning session is attached.

In addition, the Recreation Commission and staff have recently completed and received the results from a customer survey. Staff will provide a summary of this survey as part of the presentation next week. Furthermore, included is some further background information to assist in preparing for this strategic planning session. Incorporated in this packet is some general Village Links operating information, financial information, a capital planning summary and other planning documents. The full list includes:

- Village Links/Reserve 22 Operating Plan 2018
- Validation Study for Proposed Alternations to Village Links-Prepared by the National Golf Foundation December 2011
- Future Planning Session Summary-Prepared by John Fontana dated November 8, 2017
- Reserve 22 10-Year Projections vs Actual Summary
- Cash History Summary
- 10 Year Capital Plan Summary
- Customer Survey Synopsis

Staff looks forward to developing a strategic plan for the Village Links/Reserve 22 for the next three to five years and is excited to get more feedback and direction from our most critical stakeholders.

ATTACHMENTS:

- Village Links Reserve 22 Operating Plan 2018 (PDF)

- Village Links Validation Study (PDF)
- Future Planning Session PowerPoint (PDF)
- Recreation Department Capital Replacement (PDF)
- Cash History (PDF)
- Charts all respondents (2) (PDF)
- Reserve 22 - 10 Year Projections (PDF)

VILLAGE LINKS
GLEN ELLYN

RESERVE
22
TWENTY-TWO

"Committed to Excellence since 1967"

Mission Statement: To enhance Glen Ellyn community living by offering outstanding recreational and dining opportunities, while providing stormwater protection, at no cost to the taxpayer.

485 Winchell Way Glen Ellyn, Illinois 60137 630-469-8180 www.villagelinksgolf.com

Historical Information

In 1963, The Village of Glen Ellyn originally sought to purchase land where the current golf course is located to build a public golf course. At that time, it was illegal for a municipality to purchase land for that purpose. While sitting outside W.D. Galligan's office, engineer Ron Hoefle saw a picture of the land, in which someone had colored a large area blue, to indicate where flooding had occurred. This gave Mr. Hoefle the idea that the land could be purchased to build a storm water detention system. Once the land was purchased, it could be used for recreation, and if it could be used for recreation, they could build a golf course. The Village Links was opened for play on July 15, 1967, and received national acclaim for being one of the first municipal combination surface water management and golf course projects in the country.

Since opening, in addition to all operating expenses, the following major projects have all been paid for, or are being paid for, out of golf course and food and beverage revenues:

- Clubhouse expansion/renovation – 3 times
- Golf Course Maintenance facility – 2 times
- Golf Course renovation
- Driving range expansion

VILLAGE LINKS / RESERVE 22 – BUDGET

Facilities

The Village Links / RESERVE 22 operates 4 facilities on 280 acres. These facilities are incorporated into a sophisticated storm water detention system that detains 30% of Glen Ellyn's storm water and is a primary reason that the Village developed and operates these properties.

27-Hole Golf Course	
Village Links of Glen Ellyn	240 acres
Passive Use Parks	
Panfish Park	18 acres
Lambert Lake Nature Preserve	22 acres
Co-Op Park	1 acre

Village Green park (35 acres of athletic fields) is owned by the Village. Since 2003, it is operated by the Glen Ellyn Park District under a rolling 25 year lease. The Village Green does not impact this budget.

Budget Organization

The Village Links / RESERVE 22 has 3 operating divisions: Grounds, Golf, and RESERVE 22. The budget is divided into 7 accounting sections. Segregating expenditures by revenue center and by managerial responsibility allows us to monitor the financial performance of each revenue center and maintain managerial accountability for each line item.

Grounds Division
Division Head: Golf Course Superintendent

Responsible for Budget Sections:
- 55 710 - Golf Course Grounds
- 55 740 - Stormwater Management
- 55 7x5 - Mechanical Maintenance for equipment and buildings in all Divisions

Golf Division
Division Head: Director of Golf

Responsible for Budget Sections:
- 55 720 - Golf Services
- 55 750 - Pro Shop Merchandise
- 55 780 - Motorized Carts

RESERVE 22 Division
Division Head: Executive Chef / Food & Beverage Director

Responsible for Budget Sections:
- 55 730 – RESERVE 22

Administration, 55700, includes line items not specific to an individual operating division, along with all capital expenditures and debt service.

Financial Overview

No tax dollars are used to maintain or operate Village Links/RESERVE 22, Lambert Lake, or Panfish Park. The Village Links / RESERVE 22 and Stormwater management operate solely from facility fees. Residents pay golf green fees at roughly a 40% discount off market prices.

Golf Course/Restaurant profits are used to subsidize resident use of the golf course, park maintenance and the maintenance and operation of the storm water detention system.

Financial Goals - Our financial goal is to be as profitable as possible. More specifically, our short-term goal is to generate enough revenue to cover operating expenses, $650,000 per year in debt service, $175,000 per year in capital replacement, and maintain adequate cash reserves to buffer against the whims of a weather dependent seasonal business.

Another major goal is to provide significant resident green fee discounts. In 2017, residents will receive roughly $300,000 in discounts.

Debt Service - The fund is scheduled to make a $340,000 annual debt service payment to retire bonds issued to fund the 2004 golf course renovation. The final debt service payment for that bond issue is due in 2023.

The fund is also scheduled to make a $310,000 annual debt service payment to retire bonds issued to fund the 2013 expansion of the driving range, parking lot, and clubhouse. The final debt service payment for that bond issue is due in 2033.

The golf course has generated sufficient profits during every fiscal year of operation to fully cover all debt service. 2014 was the first full year of operation with the expanded clubhouse. Cash reserves of more than $1,470,000 are available to cover any short falls, and to fund future capital projects. The cash reserves were accumulated from prior year profits.

Profit - $5,850,000 in profits have been earned in the 12 years since the 2004 golf course renovation. Those profits were used to make $4,645,000 in debt service payments, reinvest $1,280,000 in routine capital equipment replacement, and boost cash reserves for future capital replacement needs.

Revenue - Nationwide demand for golf weakened after September 11, 2001, and fell even more sharply following the 2008 recession. Rounds played and golf revenues are relatively flat for 2017, as the decline seems to be leveling off.

The number of golf rounds played at the Village Links and resulting revenues have varied widely in recent years, with weather being the main variable.

Future golf revenues are uncertain. Golf demand is stagnant. Revenues are held down by significant price competition stemming from an excessive number of golf courses operating in the market. Most public courses in the market are not-for-profit, and are subsidized by tax dollars.

The expanded food and beverage business has generated additional revenue, but much of this new revenue is offset by increased expenses. The track record of golf course food service operations in DuPage County is uneven, with virtually every golf course clubhouse requiring tax dollars to cover debt service.

Expenses - Cost containment efforts started in 2002 have allowed us to remain virtually flat in golf operations expenses from year to year. This containment of operating expense has kept the golf course profitable in spite of declining revenues.

2017 has been a good fourth full year of operations. Despite some unusual challenges, facility revenues have increased 2%. While golf has been relatively flat for the period, food and beverage operations have shown a moderate increase, most notable in the banquet business. We continue to refine cost efficiency in RESERVE 22, which will lead to maximization of profitability. We expect to be able to cover all expenses, including the restaurant portion of the debt service.

Summary - The Village Links/RESERVE 22 is well positioned. The course is popular and has an active clientele. The physical plant and equipment are in generally solid condition, and the facility improvements added in 2013 have been well received by our guests.

Storm Water Detention System

The Village Links is a golf course and a storm water detention system. Built in 1966 and expanded in 1973, the storm water detention system consists of twenty-four interconnected ponds: one pond at Lambert Lake, two at Panfish Park and twenty-one on the golf course.

Rain water entering the system at the northwest portion of the system flows from pond to pond via a series of underground storm drain pipes for more than a mile before leaving the golf course for the DuPage River.

The storm water is slowed as it moves from pond to pond. Silt debris washed from streets and sidewalks settles in the ponds before it can pollute downstream rivers. The water stored in the detention ponds is used to irrigate the golf course. The golf course turf filters the mildly polluted storm run-off water, cleaning it before it replenishes the aquifers below.

Since 1966, Village Links' revenues have paid for the maintenance and operation of the storm water detention system. During the 2004 golf course renovation, $350,000 was spent on the main system, including pond expansion, silt removal, pipe replacement, and shoreline stabilization. In 2013, the capacity of the storm water detention system was increased to accommodate the expanded clubhouse. A pond was expanded, several acres of property were lowered, and new lake connector pipes were added at a cost of $200,000.

Shoreline Stabilization - The storm water detention system has 6.4 miles of shoreline. Wave erosion causes the lake banks to fall into the water, increasing the water surface and reducing the water depth. Shoreline stabilization efforts initiated in the 1970's and 2000's have been effective.

Shoreline - Village Links Ponds -	4.9 miles
Shoreline - Panfish Park Ponds -	1.0 mile
Shoreline - Lambert Lake -	.5 mile
Total Shoreline	6.4 miles

Silt Removal - Silt removal is a potentially significant expense over the next 20 years. Disposal of detention pond silt is expensive because concentrations of metals and fuels dropped onto roads by vehicles require that it be treated as a hazardous material.

Drain Pipe Replacement - Many of the original corrugated metal pipes that connect the golf course ponds were replaced in 2003. The new drain pipes (concrete or composite plastic) should last indefinitely.

Control Structure Replacement - Three concrete control structures are in fair condition for their age and will not be prohibitively expensive to replace in another 25-35 years.

2017 REVIEW

2014 was the first full season of operations in the new facility. We were able to cover our debt, execute some capital needs, and make a small contribution to our cash reserves. This was particularly challenging due to significant changes in key management positions. By contrast, 2017 will be a profitable year for both golf and food services. Revenues are up, slightly in golf, and more significantly in food and beverage services. The community seems to have warmed to the facility, as community groups are increasingly booking events at RESERVE 22. Most of the earlier service challenges have been met, and the facility is well on its way to another profitable season.

Grounds (Golf Course Maintenance)

Following a wet and cool spring, in which we aerated greens for the first time in many years, we began to see warming and drying out in July and August. Still, greens took longer to recover from the aeration process than expected Along with the sub-par weather, this hampered already unreliable spring revenues. However, aggressive top-dressing and fungicide applications returned the golf course conditions to the fast, firm, and lush conditions our customers have come to expect.

Golf

Rounds of golf have remained relatively flat for the past three years. Extensive golf programming, in the form of nightly golf leagues, junior and adult lesson programs, and a variety of public events, keeps the Village Links as one of the busiest in the area. The recently expanded driving range has accommodated more patrons, as they appreciate the improved turf conditions.

Since we began accepting golf outings in 2008, our business and reputation have grown at a steady rate. In 2017, we hosted 99 golf outings. Many of our outings are less than 50 players, as groups struggled to fill their events. Still, golf outings improve our dollars per round, and offer advantageous exposure to many who are visiting for the first time. The Blue Heron Room has proven to be a good selling point, as many events take full advantage of the banquet facilities, and adjoining patio. The US Soccer Federation conducted a Foot Golf outing for the second consecutive year, and the American Foot Golf League hosted two qualifying events for its inaugural National Championship. Foot Golf generates about $10,000 annually, with minimal associated costs.

Golf staff introduced PGA Jr. League golf in 2014. The initial summer league attracted 60 participants, and provided over $10,000 in additional revenue, notably in green fees and driving range. In the past three seasons, the summer league filled with 72 participants, while the added fall league attracts around 40 juniors.

Pro Shop

Revenues from Pro Shop sales have little impact on the bottom line, as there is a high variable cost associated with the sale of merchandise. It is very difficult to compete with the big box stores, who can offer a wider variety at more attractive prices. We are continuing with an inventory reduction plan, which will focus on carrying mostly products with a higher turn rate, such as gloves, balls, and apparel, and reduce products with a long shelf presence, like golf clubs and other equipment.

Food and Beverage

Revenues

The popularity of RESERVE 22 continues to increase among Glen Ellyn residents, as well as nearby communities. The business has increased consistently, month to month, in each of the four main profit centers over calendar year 2014. Restaurant revenues took a hit in 2017, with the poor weather conditions of April, May, and June, hampering the attractiveness of outdoor dining, showing a relatively flat 2% decrease. The banquet business, however, continues at a steady, but slowing, growth rate of 15%

Expenses

The most challenging expenses to cover in the Food and Beverage operation is the business' prime cost, consisting of product costs plus payroll. With ever rising food costs, menu construction and pricing will continue to be a main focus. While all businesses struggle to comply with Affordable Care Act regulations, municipally owned facilities have the added challenge of managing pension regulations for its core staff. Limited available hours contribute to higher turnover, inconsistency in service levels, and training expenses. In addition, the Department of Labor is likely to impose an overtime expansion rule which will affect the way we compensate our management team. Exploring staffing alternatives, such as outsourcing labor, proved undesirable, as these types of arrangements carry high service costs, which negate the offset of pension, or overtime costs. Controlling prime costs will be a major component to continued profitability.

Debt Service

In 2002, the Village Links/RESERVE 22 Fund borrowed $4,500,000 through a 20-year general obligation bond issue to help finance the golf course renovation. In November 2010, a bond refinancing was conducted to restructure this debt and take advantage of lower interest rates. Interest rates for this bond issue are 2% initially and top out at 3.9%. Annual principal and interest payments remain unchanged at about $340,000. The bulk of the savings, about $225,000, will be realized at the end of the issue, with a reduced final payment on January 1, 2023.

In October 2012, the Village Links/RESERVE 22 Fund borrowed an additional $5,000,000 through a second 20-year general obligation bond issue, to help finance the new restaurant, bar, banquet room, and driving range. Interest rates for this bond issue are 2% initially and top out at 2.5%. Annual principal and interest payments are about $310,000. The final payment on this bond issue will be made on January 1, 2033.

PREVIEW 2018

It will be a challenge to cover the debt service that funded these improvements with revenues generated from the facility. Every publicly owned golf course clubhouse built in the last 25 years in DuPage County has been supported with tax dollars. We are committed to retiring all of the related debt service with Village Links / RESERVE 22 operating profits. It is expected that it could take a few years for the business to mature so we can take full advantage of all of the opportunities of the newly configured Village Links. In the meantime, golf course cash reserves will ensure that debt payments are made without the use of tax monies.

Golf profitability will continue to be the key factor in the financial success of the Village Links. Green fees, cart fees, and driving range revenues will generate the bulk of the gross profits necessary to cover the outstanding debt service.

Food service is playing a much larger role than in the past. Food service revenues will continue to grow, as banquet sales and catering will contribute. Food Service will generate a significant amount of the gross profits required to cover the debt service.

The Village Links faces diverse competition from area golf courses. Many courses, desperate to generate cash flow, are offering green fees below their break-even point. Less drastic changes are expected from courses owned by local governments, many of whom subsidize golf like they do swimming pools and skating rinks. Some governments are getting out of the golf business, bringing in management companies that lower costs and/or services to the commodity level. At the other end of the spectrum, private clubs are dropping guest fees, member dues, and outing fees to compete with high end public courses.

The Village Links remains an excellent golf value due to superior course conditions and layout. Successful programming strategies and green fee specials outside of prime time help keep the course busier than most others in the area.

Primary Initiatives for 2018

Grounds

We must continue to be a great value in golf, by offering consistently superior playing conditions, as demanded by the golfing public. This must continue to be done efficiently, as revenues will dictate the amount of resources available to maintain the optimal conditions. Our full-time staff members are trained in all areas of golf course and grounds maintenance, and having five full-time members will ensure continuity and consistency.

Golf

Programmed Golf - We will continue to offer an exceptional amount of programmed golf at the Village Links in 2018, including leagues, tournaments, and instructional schools and classes. The upkeep of these events is crucial in guaranteeing a consistent revenue flow. We will also look for new revenue streams, such as Foot Golf, introduced at the end of 2014, to increase profitability.

Course Maximization - We will continue to try to maximize golf course utilization. The Golf Division has the job of scheduling the proper number of tee times, filling the tee times, getting the customers in those tee times started on time, and helping them move around the course in a reasonable amount of time. This is particularly crucial when we book smaller outing groups, who choose a shotgun start. The challenge is that over the years, with the increased distance golf balls are travelling, golf course capacity has been reduced. While we have historically teed off eight groups per hour, it is difficult now to tee off seven groups per hour.

Online Tee Times - Providing our guests 24/7 access to online tee times has been a popular addition. The use of this system is growing at a slow, but steady, rate. Our goal is to maximize the ease in which golfers can book our course. The electronic tee time system will help us automate communication with guests who have made tee time reservations.

Golf Outings - We must continue to increase the size and number of golf outings held in 2018. Marketing efforts conducted in 2014 and over the winter months has built a strong base of returning outside events. We will continue to look for ways to raise the revenues, by looking to offer more value added services. We will continue to build a reputation in the area as conducting professional, well run events. We must be conscious of the number of outings we book each year, so as not to alienate our regular customers and resident golfers, while maximizing profits.

Food & Beverage - RESERVE 22

Our new facility offers a variety of products to maximize revenues. We will continue to market and build RESERVE 22 as a destination restaurant that does not rely primarily on golfer traffic for its profits.

Staffing - We look to fine tune staffing levels to match seasonal sales volume and lower our labor cost as a percentage of revenue. Hiring the right people in key positions will assure us of providing outstanding service levels. We will be challenged by the prohibitive costs and restrictions of the IMRF pension program, and ACA.

Bar & Restaurant - We will continue to operate RESERVE 22 as a major bar and restaurant destination for lunch and dinner. We offer popular TV sports packages in the bar and live entertainment on weekends.

Banquet Room - The 150 guest Blue Heron Room is available for golf outing banquets and non-golf private parties. This room is also used for overflow dining when available. Special brunches are planned for
Easter, Mother's Day and Father's Day. One key factor in our success will be to make good use of our banquet and meeting rooms. Keeping those spaces productive will increase our profit percentages, as parties and meetings generally carry a lower overall variable cost as a percentage.

Board Room - The Board Room is available for groups of 8-20 that combine meetings with golf and a meal or for stand-alone meetings.

Stormwater Management

This budget provides $38,500 to maintain three Village parks: Lambert Lake Nature Preserve, Co-Op Park and Panfish Park. These parks are part of the Village Links storm water detention system. Included in the maintenance of Panfish Park is maintenance of walkways that run through the Waters Edge Condominium Association and connect to the park. Also included are new maintenance requirements with the addition of the new police station at Panfish Park.

Throughout the years, Village Links revenues have paid for over $1,000,000 in park maintenance. Staff will continue to collaborate with the Public Works Department to maintain these parks, and make improvements as necessary.

Capital Projects

Our goal is to earmark $175,000 annually for routine capital projects and equipment replacement. In 2018, $169,000 is budgeted in capital expenditures.

While we have extended some equipment beyond their useful lives, our equipment and physical plant are in acceptable condition. If revenues permit, it will take most of the coming decade to get our equipment replacement program back on schedule.

IMRF - Retirement Fund Contributions

The employer portion of retirement fund contributions budgeted for 2018 is $146,151, 10.34% of total regular wages. We have added a significant number of employees to IMRF in Food Services, in order to increase service consistency and minimize training costs and turnover.

Personnel Costs

The Department of Labor expanded the overtime regulations, which will re-define exempt status. This will have a significant impact on how we compensate our restaurant managers.

We will continue to attempt to minimize our exposure to state unemployment benefit claims. We cannot control those costs, but we can influence them through a variety of means including helping seasonal staff find other employment in the off season.

Proposed increases to the minimum wage will impact our cost for hourly employees. This will have a significant impact on Food and Beverage, and Golf. It will have a lesser impact in Grounds.

2018 GOALS

We have six major goals for 2018:

1 - Pace of Play - Have play move at a faster pace at the Village Links than at any comparable public golf course in the Chicago market. Improve customer awareness of their pace of play and our efforts to assist them on both the 18-hole and 9-hole courses.

2 - Course Conditions - Maintain the 18-hole course in superior condition. Maintain greens that are smoother and faster than those at most public golf courses.

3 - Revenue Growth - Rebuild golf revenues.

4 - **Continue to Build the Food Service Business** Increase restaurant, bar and banquet business that generates $2,500,000 in annual revenue.

5 - **Constrain Expenditures** - Constrain expenditures to match revenues, without customers noticing the cutbacks.

6 - **Generate Profit** - Generate a gross profit to cover $650,000 in debt service and $169,000 in capital replacement.

Key Performance Indicators - We track the following Key Performance Indicators. Target performance levels are identified.

Total Revenue - $5,500,000

Rounds Played - 72,000

Golf Revenue (Green Fees, Motor Carts, & Driving Range, & Pro Shop) - $3,000,000

Food Service - $2,500,000

Controllable Food Service Expenses - Wages for seasonal / part time employees is 28-29% of revenue. The cost of products for resale, including beer / wine, food, and beverages, is a combined 33% of revenue. Prime Costs total 68-72% of revenues.

Keep Pace - 80% of golfers Keep Pace

On Time - Be on time (within seven minutes) for 90% of all rounds.

Stimpmeter (weekly) - Average 10.0, minimum 9.0 feet April 15 - November (9-hole course 1.0 foot slower).

Validation Study for Proposed Alterations to the Village Links of Glen Ellyn

Prepared For:

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Glen Ellyn, IL 60137-6326

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Validation Study for Proposed Alterations to the Village Links of Glen Ellyn

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Overview

The National Golf Foundation ("NGF") was retained by the Village of Glen Ellyn to review a Village plan to renovate the current clubhouse and driving range facility for the Village Links of Glen Ellyn ("Village Links"). NGF Director of Consulting Richard Singer and Senior Associate Consultant John Wait visited the facility on October 31, 2011, with Mr. Wait remaining until November 3. During this time, they toured the facility, interviewed senior staff and management, and met with Village leaders as well as representatives of citizen golf groups. They also surveyed area competing facilities.

This project had its beginning in 2002 when the 18-hole course was undergoing renovation. At that time, a study of 25 competing facilities was made, with the result being recommendations for a new clubhouse and improvements to the range. Original plans called for $15 million investment in a new clubhouse and renovations to the range to begin in 2005. But the downturn in the golf industry caused reconsideration and the project was shelved. However, a continued decline in performance has caused reconsideration of the project, especially in light of the need to increase tournament revenue. In July 2011, a Master Plan was prepared by the General Manager of Village Links, and submitted to the Village for consideration. The new master plan downscaled the original proposal to renovating the existing clubhouse instead of replacing it. NGF was hired to review this proposal and do its own independent analysis with resulting recommendations.

In the interests of brevity, it will be assumed that the reader of this NGF report is familiar with the original master plan proposal so that its contents will not be repeated here. However, a brief summary is given below. The NGF has also presented a number of other improvement possibilities for the Village to consider. However, we note that no formal economic "return on investment" analysis has been performed and thus the Village should complete these before proceeding with any NGF considerations.

MASTER PLAN PROPOSAL

The Master Plan proposed by the Village Links GM was the work of staff and the Steering Committee, beginning in October 2010. The plan represents a compromise resulting from the need to reduce costs from the original concept. The result was to divide the project into phases. The plan's basic premise was to remedy facility deficiencies and to create a more competitive facility allowing the facility to increase revenue through more tournament and outing play and increased banquet sales.

Noted Deficiencies

The plan noted the following facility deficiencies:

- **Driving Range** – The driving range at Village Links is outdated, and the tee should be rebuilt and expanded. The upgrades proposed would include an artificial turf tee line, covered/heated tee stations, lights for night use, and better fairway targets. Further, the driving range needs to be lengthened to ensure future usability and improve customer safety.

- **Motorized Cart Storage** – Indoor cart storage would keep the carts cleaner, would reduce wear from the elements, and would allow electric carts that are preferred by golfers and better for the environment.
- **Restaurant Improvements –** The restaurant is outdated, lacks a bar, and the decor is inferior; the patio needs to be upgraded as well. At present, the Village Links is not capable of accommodating large groups (either golf outings or non-golf functions).
- **Restrooms** – The restrooms are outdated, with worn fixtures and a stark decor. They are too small and are not compliant with ADA handicap accessibility requirements.
- **Fire Sprinklers –** A modest clubhouse addition or remodeling would require that fire sprinklers be added.
- **Utility Lines** – Water, electric, and natural gas lines need to be replaced to avoid service disruptions. Capacities need to be increased to modernize and/or expand the clubhouse.
- **Parking Lot** – The main parking lot needs to be renovated. Lights should be added for evening business.
- **Stormwater Management –** Most of the area surrounding the clubhouse is in the flood plain. Any construction below the flood elevation requires that 150% of additional flood water storage be built. Compared to a series of smaller projects, a single comprehensive plan will require less land and less engineering expense.

Phasing Plan

The proposed Master Plan consists of two Phases:

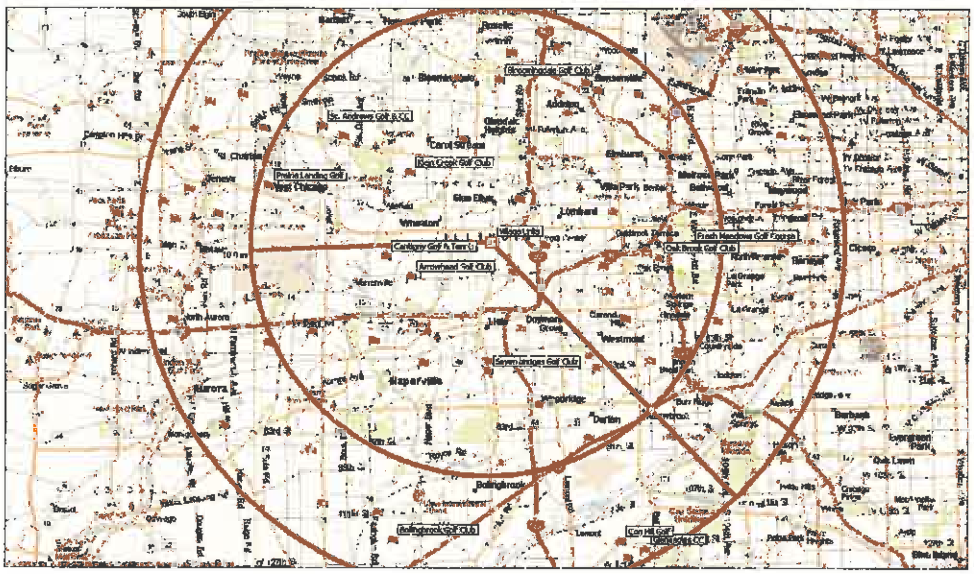
- **Phase I:** A 4,400 square foot (sf) addition to the clubhouse plus renovation consisting of adding a new bar, a new dining room, a larger banquet area, and new ADA compliant restrooms. The banquet room would consist of two rooms, one with a capacity of 100 and the other 50, which can be combined for larger functions. Additional parking would be created near the clubhouse. The parking lot would be renovated and parking lot lighting would be improved. Driving range improvements would include a new tee addition to the west side of the driving range and building a 10-15 space artificial tee with protective cover and heated stalls. Utility lines would be replaced and expanded.
- **Phase II:** This phase would demolish much of the current clubhouse (everything south of the current main entrance), allowing for the expansion of the driving range tee, including an artificial turf tee line extending across the back. Plans also include lighting the range for nighttime usage. A new station for the 9-hole starter would be built. The first tee for the nine-hole course would be moved. Cart storage building would be added and would allow for use of electric carts. A new pro shop and storage areas would be built. The reconfigured clubhouse would no longer have lockers or shower facilities.

The estimated cost for Phase 1 was $3,874,274 and for Phase 2 was $2,869,222. Construction for Phase I is planned for late summer 2012, with the opening in 2013. Phase 2 implementation would be based on cash flow with no set target date.

Market Analysis

As part of consulting effort to assist the Village of Glen Ellyn, the NGF team visited and reviewed 12 facilities within 15 miles of the Village Links that were identified as potential "competitors" to the Village's golf facility. These included golf courses that were identified by Village Links staff as being the most comparable facilities, or those with amenities similar to those being proposed for Village Links.

The twelve facilities studied were: St. Andrews, Prairie Landing, Klein Creek, Cantigny, Arrowhead, Bloomingdale, Fresh Meadows, Oak Brook, Cog Hill, Gleneagles, Bollingbrook, and Seven Bridges. A summary of key findings appears in ***Appendix A*** to this report.



As we were concerned mostly with issues related to the clubhouse and driving range, our review and information gathering focused on these issues. Key details of operation obtained from these comparable facilities included:

- **Driving Range** information such as:
  - Number of tee stations
  - Is the range lighted for night use, and if so, what percentage of stations have lighting
  - Establishing if some or all of the range is heated, noting:
    - How many heated stalls
    - Percent of use coming from heated stalls
    - Noting any additional charge to customers for using heated stalls

    - Establishing if the driving range is open during the winter, and if so what timeframe and winter hours.
- **Clubhouse** information such as:
    - Overall size of the clubhouse and amenities offered
    - Capacities for day-to-day food/beverage service and banquets
    - Operational performance information, including how many large events are hosted each year (weddings, large banquets, etc.)
    - Documenting operating practices such as when each segment of the facility is open (open in winter?)
- **Golf Course** information such as:
    - Is the golf course closed for the entire winter
    - What winter activities are hosted on the golf course

DRIVING RANGE FINDINGS

Our review showed that nine of the 12 (75%) facilities reviewed have driving ranges, with only Gleneagles, Seven Bridges and Klein Creek not offering a range. Some findings from the facilities that include ranges were:

Lighted Range

Four of the facilities have lighted ranges (Bollingbrook, Fresh Meadows, Arrowhead, and Cantigny). These courses reported that on average, 15.7% of their range usage occurs under lights. Of course, most of this usage is during the peak playing season.

If Village Links achieved the same average, based on its current volume of about $240,000/year in range revenue, this could yield increased revenue of about $45,000/year. Of course, this would depend significantly on the hours open and how well it is marketed. Actual return could be much higher.

Heated Range

Only two of the facilities, Cantigny and Cog Hill, offer heated stalls, with an average of 10 heated stalls per location. Neither charged more for the use of the heated stalls. The data provided to NGF showed overall usage of the heated stalls was about 24%, with only around one-third of that use with the heat systems actually turned on. Utilizing this assumption of 1/3rd using heaters, we can estimate a 8% of overall utilization of the driving range with heated stalls that are in use. For Village Links, this would equate to about $20,000/year in additional income.

Closing

Five of the nine courses with ranges close them during the winter, with the average date being around November 10. One facility closes at the end of October, one around the first of December, one mid-November, and the others around Thanksgiving.

CLUBHOUSE

All 12 facilities reviewed had some form of clubhouse operation. Findings regarding clubhouse operations at these facilities included:

Clubhouse Size

The average size of the clubhouses was 23,733 sf, ranging from 4,800 sf at Fresh Meadows to 75,000 sf at Bollingbrook (Village Links is presently about 20,000 sf in size). Four of the clubhouses were smaller than 10,000 sf, while four were 30,000 sf or more.

Banquet Room

All 12 of the facilities have the capacity to host a banquet of more than 100 people. Fresh Meadows, however, uses a pavilion tent, while Klein Creek uses a "bubble" building that adjoins the regular clubhouse.

- **Capacity.** The average seating capacity was 288. Eight of the facilities could host parties of more than 200, while only one (Oak Brook) could host fewer than 160. Currently, Village Links has a capacity of about 102, using a combination of both the main dining room and grill room.
- **Weddings.** Three of the facilities (25%) did not do weddings. Notably, two of those with the smaller clubhouses did do weddings. The average for the nine that did weddings was 48.4 weddings per year, essentially one per week. In season, the weddings are predominantly held in the evenings so as to not conflict with golf. However, those with larger facilities, such as Bloomingdale, will hold them anytime.
- **Grill Closing.** Four of the facilities (33%) kept the grill open all winter (Bollingbrook, Gleneagles, Bloomingdale, and Arrowhead). Most of these clubs have a substantial membership that helps justify keeping it open. Notably, all four do close their course in the winter. All the other facilities close their grills in the winter. On average, they close down around Thanksgiving.

Course Closing

Only two of the facilities, Cog Hill and St. Andrews, keep their courses open during the winter, while the rest close (usually around Thanksgiving). One facility reported waiting until the first snow, which could occur in early November.

Winter Activities

When asked what activities are hosted at the golf courses in the winter months, most answered only banquets and parties. Prairie Landing included indoor lessons. Only one course, Arrowhead, offered an activity not seen the rest of the year – cross-country skiing.

Subject Facility Review

In this section, NGF will provide a summary review of the subject Village Links facility. This summary review is not designed to be a full review of the physical condition or program of the Village Links facility, but rather a general overview noting the most significant deficiencies observed in our study effort.

GOLF COURSE

Village Links has a total of 27 holes that are divided into an 18-hole course with non-returning nines and an additional and separate 9-hole course. The course was originally just 18 holes, designed by David Gill, and opened in 1967. The third nine holes (also designed by Gill) were added in 1975, but it was a separate facility with its own pro shop. In 1977, the newer nine-hole course was combined with the back nine of the original golf course to form a non-returning 18-hole course. The original front nine became a stand-alone nine-hole course.

The facility was renovated in 2004 using Garrett Gill, son of David, as the architect. New irrigation was installed for all 27 holes as well as $500,000 spent on replacing stormwater drains. The total renovation cost $5.2 million, and included renovation of only the18-hole course. The nine-hole course was untouched except for the new irrigation.

The two courses serve very different markets, according to staff interviews. The 18-hole course is aimed at the upper-end daily fee market and attracts players who appreciate higher quality, more difficult courses. These tend to be the better players who "take golf more seriously," according to staff. The nine-hole course is more value-oriented and attracts players who tend to prefer playing only nine holes of golf. In fact, an 18-hole rate is not even offered on the nine-hole course.

Design Features

The Village Links facility has won numerous awards over the years. Notably, it was the first public golf course to receive certification as a Wildlife Sanctuary course by the Audubon Society. It has also served as a qualifying course for 35 USGA and PGA Tour events.

The 18-hole course has 117 traps (an average of nearly 60 per nine), while the nine-hole course has 34. The 18-hole course does have five sets of tees, ranging from 5,436 yards to 7,208. The 9-hole course only has three sets, ranging from 5,488 (18 hole equivalent) to 6,606. There are 22 lakes spread across the layout, reflecting one of the original purposes of the facility, which was a drainage water project for the Village. The course is in a flood plain, and major flooding has occurred seven times since 1967. However, the course does drain well and will usually be open within two days.

A strategically located "half-way" house provides a small food and beverage operation that services both the 18-hole course and the nine-hole course. This helps make up for the lack of a returning nine.

NGF Comments and Observations

- We found the layout for the 18-hole course to be excellent, and the course is in superb condition.
- The current set-up with non-returning nines is not the ideal, and poses both marketing and operational challenges.
  - **Nine-hole play:** The non-returning nine on the 18-hole course virtually eliminates the possibility of 9-hole play on this course. This has implications for league play and golfers wanting to play only nine holes, significant markets in this area. Of course, the desire is to put both of these groups on the separate 9-hole course. However, this course is not of the same quality as the 18-hole course, and by the operator's own admission, services a different market. Those wanting a high-quality 9-hole experience are not served at Village Links.
  - **Popularity:** Most golfers prefer having a returning nine. Having a half-way house certainly reduces the issues, but some segment of the market may be lost with this set-up.
- **Nine-Hole Course:** The stated goal of the 9-hole course is to attract value-oriented golfers and those desiring to play only nine holes of golf. These are usually the occasional and/or less-skilled golfers. NGF notes that this is a generally harder-than-standard 9-hole golf course with 34 sand traps. A couple of issues to consider regarding the bunkers on the 9-hole course:
  - **Difficulty:** The number of traps greatly increases the difficulty level of the course, which is contrary to the stated target market.
  - **Pace of Play:** Having so many traps greatly increases the amount of time required to play the course, and pace is one of the biggest issues with golf today.
  - **Maintenance:** The number of traps increases maintenance costs.
- **Cart Paths:** A unique feature at Village Links is the fact that cart paths are limited to the tee and green area. According to the superintendent, the lack of tee to green paths has not adversely affected the course condition. Further, carts are allowed on the course, even after a rain. Wet areas are simply roped off to prevent damage. This may increase maintenance costs slightly, but not nearly as much as cart paths would cost, or the loss of revenue and rounds if carts were banned when it is wet.
- **Length:** Both courses would be considered "not friendly" to women and seniors. Women hit the ball about 70% as far as men, thus the desire is to have a forward tee that plays under 5,000 yards (Village Links is 5,439. This can have several negative consequences:
  - **Market share:** Obviously, it makes the course a lot less popular for women as they will find it very difficult to score well here.
  - **Pace of Play:** Simply put, the longer the course, the more strokes taken, and the longer it takes to play.
  - **Return Play:** Playability is very important in golf – if a golf course is too difficult, earning repeat play may be difficult.

PRACTICE FACILITY

The driving range is one of the focal points of the proposed Master Plan for Village Links. Driving ranges at golf courses are a major source of additional revenue and typically have a high margin associated with them; hence, they can be the most profitable part of the golf course operation. The range at Village Links is on older design, with little upgrade made to it over the last 40 years. The three most important observations noted by NGF about the driving range at Village Links include:

- **Overall Length:** The range measures only 210 yards from the front of the practice tee to the tree line at the back of the range. This is too short when you consider that many golfers hit golf balls over 250 yards or even longer with today's modern technology. As a result, there is some concern about the safety of golfers on the 5th hole of the 9-hole course, which is adjacent to the range on the other side of the trees. Range balls are routinely finding their way over the trees and into this fairway without warning to golfers. So far, no injuries were reported to NGF, but the potential is there and could be a liability situation for the Village.
- **Tee width:** The practice area has a depth of 150 feet, which is not deep enough to allow a 25 day rotation for the grass to properly recover. As a result, the tee will appear "beat up" and be less appealing to golfers.

Satellite photo showing typical wear pattern on the range. The lack of depth does not allow grass areas to recover before having to be re-used in a standard driving range tee rotation.

- **Tee Width:** There is also concern about tee width and the number of hitting stations that can be accommodated. Although the tee is frequently not at capacity, golfers are squeezed in at a less-than-desirable 11-foot spacing, making it feel tight when the golfer next to you is swinging. Adding width would also improve tee condition, as it gives more space that can be used. The increase in capacity will also be appreciated, especially when the course is hosting larger tournaments and there is a large demand for the range.

CLUBHOUSE

The clubhouse was built in 1968, making it 43 years old; it definitely appeared to NGF to be showing its age. The clubhouse was remodeled in 1977 and later expanded in 1984. There have been no significant improvements to the clubhouse in the past 27 years. The clubhouse has two levels, with offices and storage in the upper level. Overall, the clubhouse is about 20,000 sf in size.

There are two levels of food and beverage service in the Village Links clubhouse: (1) a snack window located near the front door, designed for golfers wanting quick service; and (2) a grill service with several components. The grill has two adjoining dining areas. The front room has seating for 24 people, while the larger main room has room for about 80. The main dining room also has two small flat screen TVs mounted on the wall.

There are only two restrooms – men's and women's. Both also serve as locker rooms. In addition, there is a separate locker room on the opposite side of the clubhouse. This one is for club storage only as there is no dressing area or privacy.

The pro shop includes about 2,200 sf of space, which is adequate to host a strong volume of sales. It is located on the opposite end of the clubhouse from the grill.

Comments and Issues

- **Wasted Space:** The clubhouse, as is often typical of older clubhouses with additions, has a lot of wasted space. The upstairs area, for example, is underutilized and mostly wasted area. (ADA requirements make it difficult to use this area for the public without adding an elevator).
- **Hall:** The main hall leading to the pro shop is very wide (about 10'). Currently, there are merchandise sales racks located in this hallway, giving it a cluttered and "cheap" look.
- **Dated:** The entire clubhouse has a very "dated" appearance and lacks any aesthetic appeal.
- **Kitchen:** The kitchen area is small for a clubhouse of this size, although adequate for the current volume.
- **Grill Capacity:** With a seating capacity of just 102 in the combined areas, there is not enough seating to host larger tournaments and outings. Further, any function over 80 would require using both grill rooms, thus displacing golfers (from the nine-hole course or golfers playing before or after the event).
- **Bar:** There is no bar, which is a significant disadvantage. A bar area provides an adult area where golfers can comfortably relax after a round. Having a bar has become a key element in successful golf operations and not having one will tend to reduce overall facility income.
- **Golfer "Express" snack stand:** This is a great idea, but not well-located. This would be much better if it had an outside window that golfers can use without having to come inside the clubhouse. Moreover, its location requires a dedicated attendant rather than sharing labor with the grill or bar (if there was one).

- **Lockers:** There are 119 lockers spread throughout the clubhouse, although located in three areas: men's locker room, women's locker room, and the common locker room. About 70 (59%) of these lockers are rented. The rental fee is $80/year for total annual revenue of just $5,600. They are primarily used for bag storage, although some use them for dressing as well. The lockers are old, battered and ugly. While they do provide a convenience for Village Links customers, they also detract from the facility's appearance and take up an amount of space not in proportion to revenue generated or service provided. In particular, the common locker room would make an outstanding private dining area that could host small parties and corporate functions, functions where it is likely to generate substantially more revenue than the locker rental fee. Notably, the lockers are to be phased out in the proposed Master Plan.

OTHER

- **Cart Barn:** The facility lacks a storage unit for carts, with several consequences:
  - **Gas Carts:** It forces the facility to use gas carts, which are not only more expensive to operate, but far less popular with golfers.
  - **Cleanliness:** With the carts stored outside and subject to weather, it is much more difficult to keep them clean. The choices are increased labor ($$) or lower standards on the carts (inconsistent with the target market and price points).
  - **Vandalism:** Being stored outside makes the carts more susceptible to vandalism.
- **Parking:** There are several concerns noted about parking:
  - **Convenience:** The parking lot is not very convenient to the clubhouse. The closest parking space is 400 feet away and most of the spaces more than 500 feet, with some as far as 800 feet. Although there is some irony in making people walk to a sports venue, nonetheless, it is less convenient to the golfer. It also makes it much more difficult to attract non-golf business, such as restaurant business, banquets, and weddings.
  - **Condition:** There are some worn areas in the parking lot that will need attention.
  - **Size:** The number of spaces may not be adequate, especially if volume increases. While the parking lot has not created issues in the recent past, with higher volume the lot would frequently overflow. This issue becomes more critical if Village Links decides to aggressively pursue non-golf business that would increase the demand on existing spaces.

FACILITY PERFORMAMCE AND DATA REVIEW

This NGF report is not meant to serve as a comprehensive review of operations. However, some general understanding of the Village Links operation is both necessary and helpful to appropriately recommend a change to the overall Village Links physical program offering. As a result, NGF will provide a cursory look at facility performance, specifically focusing on issues related directly to the Master Plan proposal. The data in ***Appendix B*** to this report contains basic golf industry "averages" based on NGF research.

We note that facility performance has been declining steadily since 2007. Last year saw a slight increase in rounds, but a decline in revenue. This decline has been the motivating factor in creating the Master Plan.

Rounds

Last year Village Links produced 72,699 rounds, which is a slight increase (1.1%) over the previous year. While this was a positive sign, the overall trend is an 8.5% decline since 2007 (79,461). Performance peaked in 1998, with 103,172 rounds.

The table below shows the rounds counts through October and through December for both the 18-hole course and 9-hole course since 1998. We used October because those were the latest available to us for this study that included 2011. It is important to keep in mind that the 18-hole course closes around Thanksgiving, while the 9-hole course remains open throughout the year.

Rounds Played 1998-2011

Year	Through October			Through December		
	18-hole	9 Hole	Total	18-hole	9 Hole	Total
1998	44,966	54,415	99,381	45,534	57,638	103,172
1999	43,649	51,259	94,908	44,691	54,570	99,261
2000	43,245	52,670	95,915	43,897	53,853	97,750
2001	38,552	47,195	85,747	39,437	50,424	89,861
2002	36,307	42,688	78,995	37,002	43,605	80,607
2003	-	40,882	40,882		42,474	42,474
2004	26,991	42,640	69,631	27,818	44,186	72,004
2005	35,219	40,993	76,212	36,404	42,409	78,813
2006	32,726	39,646	72,372	33,395	41,620	75,015
2007	35,915	41,809	77,724	36,727	42,734	79,461
2008	33,379	40,109	73,488	34,059	41,141	75,200
2009	30,639	38,679	69,318	31,218	40,651	71,869
2010	32,831	37,363	70,194	34,038	38,661	72,699
2011	31,756	34,242	65,998	31,756	34,242	65,998
Avg.	**33,298**	**43,185**	**76,483**	**36,614**	**44,872**	**78,870**

Comments

Nine-hole play: The nine-hole course consistently has produced more rounds than the 18-hole course, averaging just under 30% more for the year. However, this difference has diminished over the past two years. The reason for the shrinkage in the gap is due to a faster decline in 9-hole play than in 18-hole play. Since 2007, the nine-hole course has lost nearly 20% of its play, compared to 13.5% for the 18-hole course. Since 1998, the 18-hole course has decreased by 40.5%, while the 9-hole course has dropped 56.9% of its volume.

There are a few potential explanations for this accelerated decline for the 9-hole course:

- **Course Conditions:** The 9-hole course was not renovated when the 18-hole course was. Thus, it is showing its age more, which could contribute to its decline in popularity.
- **Economy:** This is likely the bigger reason. Because of its price point, the 9-hole course is going to be more popular with blue-collar and lower-income golfers than the 18-hole course. These golfers are more likely affected by the economic downturn and thus are cutting back on golf (which reflects the national trend).
- **Increased Competition:** While there hasn't been any new course added in this market recently, what is happening more and more during this slow period in golf is that we are seeing higher-fee courses dropping their prices, which makes them more competitive with value courses like Village Links. Thus, the higher-end courses may actually face less competition than in 2007 while the value courses face more, even though the total number of courses remains the same.

Revenue

Total revenue last year was $3,133,200, which was down $67,032 or 2.1% from 2009 and down $521,333 (14.3%) from 2007.

- **Driving Range:** The biggest decline in revenue last year was in the driving range, which was down 11.6%, or $26,624.
- **Merchandise:** The next biggest drop was merchandise, going down 11% or $18,462.
- **Green Fees:** Green fees were down $41,537 or 2.4%. Since 2007, green fees have declined by $222,153 (11.5%), by far the largest decline.
- **Carts:** Golf cart revenue went up $22,254 (6.2%), the largest increase. But cart revenue is down 8.3% ($34,484) since 2007.
- **Food & Beverage:** F&B revenue has remained stable. It was down slightly last year ($2,649); and down $39.707 (7.5%) since 2007.

Revenue per Round

While the number of rounds declined by 1.1%, revenue per round declined by 3.2%, going from $44.52 in 2009 to $43.10 last year. Revenue per round peaked in 2008 at $46.07. So Village Links is not just losing market share, it is also losing yield on each round. This is despite the fact that a greater percentage of the play is from 18-hole rounds, which are a higher revenue item. Other average revenue observations:

- **Green Fee/Round:** In 2010, green fee revenue per round was $23.82, accounting for 54.8% of the revenue. The revenue per round was down $0.84 (3.4%) from 2009 and $.79 from 2007.
- **Cart Fee/Round:** Cart fee revenue accounted for 12.2% of the total last year. Cart revenue per round actually increased by 5% ($.25) last year, going from $5.02 to $5.27. This suggests a higher cart utilization. Cart revenue per round last year was essentially the same as in 2007.
- **Range/Round:** Range revenue per round last year was $2.79, or representing a 12.6% decline from the previous year ($.40). Range revenue was $3.02 in 2007 and peaked in 2009 at $3.19 before falling last year.
- **Merchandise/Round:** Merchandise revenue also declined sharply last year, going from $2.33/round to $2.05, a drop of 12%. At $2.05 per round Village Links is now performing at a level below the 'standard' of $2.32 per round for merchandise at a municipal golf course and well below the $6.65 per round for higher fee (premium) golf courses. In 2007, merchandise sales were $3.02/round and the average has fallen steadily since. As a side note, we see that the cost-of-sales for merchandise in FY09-10 was just under 60%, which is very good and may be too good, suggesting prices are too high.
- **F&B/Round:** Food and beverage sales averaged $6.74/round or 15.6% of the total revenue in 2010. The revenue per round represents a 1.6% ($.11) drop from the previous year. It is comparable to 2007's $6.67. F&B peaked in 2008 at $7.10/round. The 'standard' F & B revenue for golf courses is $5.61 for municipal golf courses and $15.88 at premium courses (including banquets).

Expenses

Village Links generally has done a good job of controlling its expenses during this period of declining revenue. Expenses in 2010 were essentially the same as in 2009, and they have declined by 1.9% ($54,546) since 2007 and by 9.6% ($294,438) since 1998, despite the impact of inflation during this period. Of course, some of the expenses are directly tied to volume, but in golf, most expenses are fixed to a large degree. Nationally we see a lot of courses that are experiencing the "double whammy" of increasing expenses and declining revenues.

- **Administrative:** Administrative expenses have remained consistent over the past five years (when sales tax and debt service are not included). Last year saw a modest 1.4% ($4,501) decline.
- **Course Maintenance:** Course maintenance expenses, which have risen nationally, have declined at Village Links, reducing by $22,226 or 2.6%. Maintenance expenses are still $16,454 less than in 2007.
- **Golf Operations:** Golf operations had the biggest drop, in terms of dollars last year, decreasing by $45,370 or 6.8%. Current expenses are $30,937 less than in 2007.
- **Food Services:** Food services expenses increased last year by 4.1% ($21,794), despite a decline in revenue. Since 2007, expenses have increased by 0.9%, while revenue has dropped 7.5%.
- **Fields and Parks:** This is an area that has nothing to do with the golf course, but for which the course maintenance department is responsible. Last year's responsibilities increased, causing the expenses to jump 220% or $13,916 to $20,318.

Net Operating Income

The table below shows the Net Operating Income (NOI) for the past four years. NOI is the difference between revenue and operating expenses and does not take into consideration non-operating expenses such as debt service and depreciation. Nor does it consider capital investments.

Village Links of Glen Ellyn
Net Operating Income

	2007	2008	2009	2010	Average
Total Rounds	79,461	75,200	71,889	72,699	**74,812**
Revenue					
Interest Investments	$104,503	$47,643	$9,084	$7,336	$42,142
Green Fees	$1,939,536	$1,858,538	$1,758,920	$1,717,383	$1,818,594
Driving Range	$239,949	$226,102	$229,118	$202,494	$224,416
Pro shop merchandise	$240,038	$209,970	$167,530	$149,068	$191,652
Resident Cards	$30,221	$30,087	$29,014	$27,408	$29,183
Carts	$417,928	$399,744	$361,190	$383,444	$390,577
over/short	($1,615)	$468	$604	$216	($82)
Miscl	$101,424	$103,685	$99,584	$101,972	$101,666
Food Services	$529,961	$533,810	$492,903	$490,254	$511,732
TOTAL	**$3,601,945**	**$3,410,047**	**$3,147,947**	**$3,079,575**	**$3,309,879**
Expenses					
Administration	$331,027	$329,203	$333,390	$328,889	$330,627
Course Maintenance	$842,880	$819,628	$848,652	$826,426	$834,397
Golf Operations	$657,630	$646,137	$672,063	$626,693	$650,631
Food Services	$544,853	$630,830	$527,952	$549,746	$563,345
Fields and Parks	$7,065	$14,142	$6,322	$20,238	$11,942
Pro shop	$249,530	$258,588	$184,771	$155,117	$212,002
Carts	$36,901	$42,427	$33,727	$36,349	$37,351
Maint- Admin			$599		$599
Maint- Grounds	$96,651	$77,441	$84,735	$91,673	$87,625
Maint - Golf	$7,346	$9,766	$9,016	$5,607	$7,934
Maint - F&B	$7,873	$17,468	$16,042	$12,816	$13,550
Maint- Pro shop	$225	$225	$225		$225
Maint - Carts	$7,600	$2,095	$3,376	$6,463	$4,884
TOTAL	**$2,789,581**	**$2,847,950**	**$2,720,870**	**$2,660,017**	**$2,754,605**
Net Operating Income	**$812,364**	**$562,097**	**$427,077**	**$419,558**	**$555,274**

As can be seen in the above table, Village Links has been operating very profitably the past four years. This does not include Debt service, which is about $340,000/year. The NOI has declined over the past several years, and is now just about half (48.4%) of what it was in 2007. Last year's 1.8% decline was much less than in the previous two years, though.

Village Links' cash flow goal is to be able to service its $340,000 debt and be able to support $250,000 annually in capital improvements. To meet this ambitious goal requires an NOI of at least $590,000. Thus the declining NOI hurts Village Links' ability to fund capital improvements, which could prove costly down the road.

Cash Position

Fortunately, Village Links has a very strong cash position. According to the reports given NGF, Village Links had $2,216,000 cash on hand at the end of 2010. This is actually $14,000 more than it had at the end of 2009. However, it does represent a decline of nearly $200,000 since the end of 2008.

Food & Beverage Operation

The table on the following page shows a breakdown on the NOI for the Food and Beverage operation at Village Links. One of the complicating issues with the F&B department is the "Keep Pace" program, which gives away $1 coupons for beverages. This does not produce "real" revenue for the F&B department but adds to the costs. In order to compensate, Village Links administration allocates the estimated revenue for those coupons and "charges" it to the golf department. In FY09-10, this amount was $66,000.

Comments

Some observations regarding the Village Links food and beverage performance include:

- The fact that the food and beverage department has a positive NOI is certainly a good sign for Village Links as many operations struggle with profitability in this area. However, a positive NOI of 6% of the gross revenue is still low.
- The overall cost of sales is 34.5%, better than the NGF 'standard' of 40%.
- Payroll is the area where Village Links is exceeding industry guidelines, which is around 33% of gross sales. At Village Links, payroll is running at 50%, or about $90,000 higher in expenses. We suspect that part of the issue is keeping the restaurant open through the winter months when the sales volume does not justify it. However, NGF is not certain of this and further study is recommended.

Village Links of Glen Ellyn Food and Beverage Operation	
Revenue	
Sales	$498,179
Keep Pace allocation	$66,000
Total	**$564,179**
Cost of sales	
Beer & wine	$36,694
Spirits	$2,018
Food	$116,492
Beverages	$39,706
TOTAL	**$194,910**
GROSS PROFIT	**$369,269**
Payroll	
Salaries	$63,504
Overtime	$920
Temporary	$190,259
FICA/taxes	$20,942
IMRF	$7,664
TOTAL	**$283,289**
Expenses	
Credit Card	$3,036
Dues	$4,075
Employee education	$453
Phone	$1,368
Utilities	$7,396
Insurance	$1,312
Operating supplies	$12,422
Uniforms	$690
Mechanical Maintenance	$14,588
Dry goods	$6,613
TOTAL	**$51,953**
Total Expenses	**$335,242**
Net Operating Income	**$34,027**

FACILITY REVIEW SUMMARY

The NGF summary review of the Village Links facility leads to the following key points regarding the operation, specifically as it relates to the proposed Master Plan of improvements:

- The Village Links golf course(s) are of good quality and there is nothing inherent in the design or features that should serve to reduce rounds of golf or revenues. NGF did observe a few minor issues such as cart paths and length that may impact some segments, but should not impact Village Links' ability to effectively market and increase its volume of tournament / outing business.
- The driving range at Village Links is not adequate or up to date, and real growth in range revenue is unlikely with the present set-up. The range is too short for the modern game, not wide enough to handle large volume, not lighted for night use, and not covered or heated for winter use.
- The clubhouse has clear deficiencies in both its program and condition. It is the opinion of NGF that the Village Links operation would benefit from upgrades to this facility, both directly by increasing F&B and merchandise revenue, and indirectly by enhancing the overall appeal of the facility, leading to more rounds of golf.
- The performance review shows declining rounds activity at Village Links, and the facility now has a need to establish new sources of rounds activity to replace the declines. One key area that other successful public golf courses have used to offset declines in rounds activity has been to increase tournament and outing rounds through direct marketing and targeting of groups, charities, and businesses. To be successful in this venture, the facility must have facilities appropriate for these types of events, including both a high quality golf course (present at Village Links) and high quality clubhouse amenities capable of hosting up to 144 golfers (not present).
- Total revenue at Village Links has been declining along with rounds volume, and additional revenue sources are needed to regain lost income. The two key areas that show the greatest potential to increase Village Links revenue are the driving range and the food and beverage operation. However, as noted, these areas are deficient at present. The range is not long or wide enough, and the food and beverage operation lacks a large gathering space and is especially deficient by not having a bar.
- The cursory review by NGF shows good efficiency in the Village Links operation. It appears that senior staff is making every effort to adjust the operation to reflect changes in market conditions and appear to be managing expenses and margins well. However, this is based on a limited review and a more in-depth review is recommended.

Current Proposal Review

PLAN SUMMARY

There are two primary rationales behind the Master Plan and the need for renovations at Village Links. They are:

- **Infrastructure Needs**
- **Revenue Enhancement**

Infrastructure

As a 44-year-old facility, there are bound to be areas where the original infrastructure has reached or exceeded its normal life expectancy, or whose age has become a deterrent. Infrastructure repairs are ones that are needed in order to maintain market position and/or contain maintenance costs. They generally will not significantly impact market share or revenue performance.

The Master Plan identified four such areas of clear infrastructure needs, with each area of need supported by NGF review and observation:

- **Clubhouse:** The clubhouse has not been renovated since 1977, with virtually no change since 1984. As such:
  - **Restaurant:** Needs updating.
  - **Patio:** Needs upgrading.
  - **Restrooms:** The restrooms not only are substandard in appearance, they are not compliant with today's ADA guidelines. Further, the fixtures are worn.
  - **Fire Sprinklers:** Any improvements to the clubhouse will require the addition of sprinklers
- **Utilities:** The utilities to the clubhouse area are not adequate to meet needs for today or the future.
- **Parking Lot:** There are areas in the parking lot in need of repair.
- **Driving Range:** The driving range is deficient in two key areas as noted – size and operating efficiency:
  - **Size:** Technology has made the current driving range inadequate. The tee is not wide enough to allow sufficient recovery of the grass.
  - **Operating Efficiency / Safety:** Balls hit into the trees require manual labor to retrieve, which takes time, adds expense, and results in more lost balls. Big hitters are able to clear the trees and hit into the fairway of #5 on the nine-hole course, affecting safety.

Other issues in need of infrastructure improvement that are mostly addressed in Phase II of the Master Plan and not Phase I.

- **Cart Storage:** Currently carts are being stored outside. This is adding to the expense, reduces cleanliness of the carts, and is less popular with golfers.

Comments

NGF agrees with the above assessment and agrees that the proposed Master Plan provides relief and improvement in these areas. However, some key deficiencies may not be addressed in Phase I and will have to wait for Phase II.

Revenue Enhancement

Reversing the slide in revenues appears to be the primary motivating force behind the Master Plan. The Master Plan is anticipating improvement in the following areas as a result of the renovations:

- **Tournament / Outing business:** With increased seating capacity and nicer amenities, Village Links will be more competitive in the profitable tournament and outing business. Tournaments and outings not only can add rounds to the facility, but they typically generate a higher yield than daily fee play.
- **Food & Beverage:** F&B should benefit significantly from the renovations. This will come from three primary sources:
  - **Tournaments / Outings** as mentioned above.
  - **Weddings / Non-golf Banquets:** The larger and more attractive amenities should help the facility attract non-golf business. This can be particularly beneficial during the off-season.
  - **Increased Yield:** Adding a bar should enable Village Links to significantly increase the yield seen from its daily fee play.
  - **Non golf Business:** In addition to non-golf outings, the Master Plan seeks to generate more non-golf restaurant business.
- **Driving Range:** The Master Plan has two ways in which the driving range can enhance its revenue:
  - **Increased Capacity:** The range tee will be widened with additional depth. This will increase the capacity of the range, providing for more revenue opportunity at peak demand times. This will also help with range maintenance.
  - **Increased Opportunity:** Adding lights and heated stalls will allow the range to capture business where it is not competitive currently. Nighttime usage can have a dramatic impact on revenue performance. However, only a few heated stalls are planned for Phase I, with the lights and rest of the heated stalls put off until Phase II.

Comments

Again, we agree with the Master Plan as to the potential for all these areas to be enhanced by the present plan. However, we have some concerns about some of the underlying assumptions that appear to be in place in the Master Plan. These assumptions affect the *degree* that these renovations will have on performance. They also affect the priorities and recommendations with regard to these improvements. We will discuss this in greater detail below.

Proposed Improvements

To accomplish the revenue enhancements, the following capital improvements are planned:

Phase I

- **Clubhouse:** A 4,400 sf addition to the current clubhouse, including:
  - **Banquet Area:** Two banquet rooms will be added with 100- and 50-person capacities, or combined for 150-seat banquets.
  - **Bar:** A new bar would be added.
  - **Dining Room:** A new main dining area will be created and food service décor upgraded.
  - **Restrooms:** Two new ADA compliant restrooms will be added.
  - **Updating:** A general updating of the clubhouse will be accomplished.
  - **Patio:** A new patio would be added on two sides for up to 90 people.
  - **Utilities:** would be upgraded
- **Parking:**
  - 40 new parking spots would be created near the clubhouse.
  - Lights would be added to serve evening banquets and improve safety.
  - Renovate rest of parking lot and fix problem areas.
- **Range:**
  - **Tee Addition:** A small tee addition will be built on the west side of the range. This will require moving the tee for the nine-hole course #1 hole.
  - **10- to 15-space Artificial Tee** would be built, with a protective cover for inclement weather.

Phase II

In phase II, additional changes are being planned:

- **Clubhouse**
  - Demolishing everything south of current main entrance, including the existing restrooms, all lockers and the current pro shop. The renovated clubhouse will NOT have any lockers or shower facilities.
  - Pro shop: Building a new 1,500 sf pro shop.
- **Range**
  - Deepen existing tee into area where the clubhouse was.
  - Artificial Tees: Add a line of artificial tee stations across the back. These would be covered and some heated.
  - Range ball cleaning: A new room would be built for washing and storing range balls
  - Lights: The range would be lit for nighttime usage.
- **Other**
  - Starter Shed: A starter shed would be built for the nine-hole course
  - Cart storage buildings: Would be added, allowing for use of electrical carts.

Comments

- **Building Efficiency:** While we understand the fiscal realities that tend to drive key decisions like this, NGF recommends against dividing the clubhouse renovation into two phases. This seems unnecessarily inefficient and will cause longer disruptions, extending the time the building is under construction, inconveniencing customers for a longer period of time and will likely create more operational inefficiencies due to the construction.
- **Range Lights:** The Master Plan states that it is the desire to put those items that will have the greatest impact to revenue enhancement in Phase I, and those with minimal impact in Phase II. Our analysis suggests that lighting the range should increase range revenue by at least 20%, with the heated stalls adding another 10%.

Costs and Funding

A detailed breakdown of the anticipated construction costs for the two phases is provided in Appendix A. The total cost of Phase I is given at just under $3.9 million and for Phase II at $2.9 million (today's dollars), for a total project cost of $6,743,497.

The proposal is to fund Phase I with General Obligation bonds, which are projected to have an annual payment of $300,000. None of the facility's $2.2 million in cash reserves are planned to be used.

Revenue Projections

Village Links staff prepared the following financial projections for the Master Plan:

New Revenue/Profit - Estimated by Staff	Projected Annual Sales Increase	Annual Operating Expense Increase	Expense % (of Sales)	Net Profit
Bar	200,000	170,000	85%	30,000
Dining Room Remodeling - Food & Beverage	100,000	85,000	85%	15,000
Patio Remodeling - Food & Beverage	20,000	17,000	85%	3,000
Close In Parking Addition - Food & Beverage	120,000	102,000	85%	18,000
Hospitality Facility - Food & Beverage	70,000	56,000	80%	14,000
Driving Range Covered Tee Stations	10,000	5,000	50%	5,000
Improved Driving Range Tee	20,000	2,000	10%	18,000
Close In Parking Addition - Driving Range	10,000	1,000	10%	9,000
Hospitality Facility - Green Fees & Carts	100,000	20,000	20%	80,000
General Benefit - 3% Green Fees & Carts	60,000	6,000	10%	54,000
Total	$ 710,000	$ 464,000	65%	$ 246,000

Subtotal - Food & Beverage	510,000	430,000	84%	80,000
Subtotal - Driving Range	40,000	8,000	20%	32,000
Subtotal - Green Fees & Carts	160,000	26,000	16%	134,000

2010 Food & Beverage Sales (Clubhouse & GEX)	373,000
2010 Driving Range Sales	202,000
2010 Green Fees & Cart Sales	2,100,000

Food & Beverage Sales - Projected Increase	137%
Driving Range Sales - Projected Increase	20%
Green Fees & Cart Sales - Projected Increase	8%

These projections show a total revenue increase of $710,000 with an increase in expenses of $464,000. This results in a net gain in profit of $246,000, which is $54,000 short of what is needed to pay the proposed bonds. The Master Plan suggests that this can be corrected by reducing the construction costs by $800,000 (20.5%), but fails to mention how this reduction will be accomplished.

Comment

The 20% reduction is large, and it is hard to imagine that changes resulting from this construction cost reduction could be accomplished without adversely affecting revenue projections.

If the Master Plan goes forward as proposed, it would be our recommendation to fund $800,000 of the construction costs out of the reserve. This would reduce the debt payment by 20%, making it a more manageable $240,000, while still leaving $1.4 million in reserves, which we feel is more than adequate. Keep in mind, the cash reserve was $1.7 million as recently as 2005.

ASSUMPTIONS

In any plan, there are many necessary assumptions made. To best evaluate the Master Plan, it is important to examine and understand the assumptions that are part of the plan. Every plan has assumptions.

“Assumptions” in this case are concepts, ideas, or statements given as fact that underlie the concept of the Master Plan, the recommendations, and the projections. In many cases, these assumptions are not stated, but can be derived based on how the plan is formulated.

Many of these “assumptions” may, in fact, be a result of careful study and years of experience, which are impractical to document in any concise form. We will focus on those “assumptions’ that we see that may, for one reason or another, be challenged. However, while some of these assumptions may be challengeable, we found that as a whole, the Master Plan was very well thought out and presented.

Premise

The main assumption we get from reading the Master Plan is that its execution will solve the main problems currently plaguing the facility, with a corollary assumption being “this is the best way to improve revenue performance and increase profitability long-term.”

It is hard for NGF to argue either premise, as we were not tasked with performing a general operations review. However, we can say that based on our preliminary observation, the facility is being well run.

But we can also state that there may be other capital improvements that can be made to Village Links that would require a smaller investment and also have a positive impact on revenues, both on a short- and long-term basis. We will discuss this further under the “Alternatives” section. This does not mean that the proposed plan is in any way “invalid,” as NGF does agree strongly with the general concept and rationale.

Tournaments / Outings

One of the key reasons for the clubhouse expansion is to make the facility more competitive to host tournaments and outings, particularly large ones that cannot be handled currently. In previous years, Village Links tended to avoid hosting large events and tournaments for fear it would "upset" the regular-play golfer, driving them to other facilities. Thus, not only were tournaments and outings not a priority, they were actively discouraged.

With the recent decline in regular-play golfers, the need to enhance tournaments is now a higher priority, and thus physical improvements are required. There are several reasons to support this assumption:

- **Rounds:** Tournaments and outings can be a great source of rounds, especially if done at otherwise slower periods.
- **Yield:** Tournaments and outings will often yield a greater revenue per round than daily fee play over the same time period. Tournaments almost always include a large amount of ancillary income – range, merchandise and especially food and beverage, that far surpasses the average daily fee round. Green and cart fee yields are also often higher do to the amount of discounting often present with daily fee play. This is especially true at Village Links where a high percentage of the play is from residents who get a 40% discount.
- **Marketing:** Tournaments and outings represent an excellent marketing opportunity because they typically will bring in golfers who otherwise would never have played the course. This provides the opportunity to capture future business from this customer, an opportunity that can be maximized with creative marketing strategies.

Comment

NGF is in full agreement with the assumption that tournaments and outings represent a great way to increase revenue quickly. We also understand that it comes with the risk of losing daily fee play, especially in a highly competitive market such as Chicago.

NGF recognizes that tournaments and outings represent a very different kind of business than daily fee play, and will require operational changes in addition to the physical changes being proposed. For example, if Village Links wants to significantly grow its tournament and outing business, it will need to have a dedicated salesperson to solicit the tournament business as opposed to waiting for them to call. It is our experience that in almost every case, the facilities that are most successful in the tournament and outing business have dedicated sales professionals tasked with soliciting and coordinating the events. There are several reasons why this is the case, including:

- **Sales Skills:** Sales success often requires a particular personality, motivation and skills. Simply assigning this duty to a staff person is not likely to yield great results unless that person happens to have the right combination of the above requirements.
- **Time:** Successful sales of tournaments and outings will often require a time commitment for telephone, meetings and follow-up. It is the experience of NGF that when these duties are assigned to staff as a "part-time" responsibility, they become a lower priority.
- **Compensation:** Successful sales people are always highly motivated—which is usually best accomplished with commissions. When the sales are part of other

responsibilities, incorporating a commission for the sales becomes problematic. If commission potential is high, then other responsibilities my not be completed. If the compensation is too low, there will be little motivation, leading to poor performance.

It is our experience, that it is easier to take a proven sales person and teach them the golf business than the other way around. This person should have a compensation package that is mostly commission-based, with a small base and/or a guaranteed "draw".

Estimated Impact

Conservatively, we would estimate an additional 3,500 rounds, or 5% increase, with the upgraded facilities and a more aggressive approach. NGF expects that these rounds will produce a higher yield per round than the historical at Village Links to a level as high as $55 per round (more later in this section). National NGF research shows that golf facilities that are aggressive in attracting golf tournaments and have the facilities to accommodate these events can have upwards of 10% of total activity from tournaments. This equates to around 3,200 rounds per year on the "average" golf course, all sold at the highest average rate per round.

Village Links has lost over 23,000 rounds since 1998, indicating that there is capacity that is not being currently utilized. The actual number of tournament rounds is likely to be much higher than 3,500, as this figure represents the additional rounds, taking into consideration the rounds being "displaced." Obviously, the Village Links will not want to displace league play, so tournaments and outings would need to be scheduled around those activities. This does not include, though, informal leagues such as Men's and Women's golf association play, although Village Links should keep disruptions to a minimum and charge a premium when they do occur.

We would anticipate that almost all of the tournament and outing rounds would be on the 18-hole course. However, price would be the incentive to use the 9-hole course. The disparity between the two courses is one of the reasons why we recommend considering upgrading the 9-hole course and making the Links a true 27-hole layout.

Weddings and Non-golf Banquets

Another major justification for the clubhouse expansion is the potential for generating non-golf banquet business, especially weddings. There is no doubt that the current clubhouse is not adequate for most weddings and larger banquets due to size and quality of amenities.

There are several sub-issues that come up with the wedding business specifically and banquet business in general. The first question is "are they profitable?" When looked at on an individual basis, the answer is usually "yes." Weddings should be profitable, often very profitable. On any given wedding, the host should make 33-40% profit after food costs and labor, etc. According to *Knot Inc.*, which maintains two leading wedding websites, their recent survey shows the average wedding size to be 141 guests. Other industry estimates place the number as high as 165. *Knot* also estimates the average catering price to be $60/plate, which is consistent with our findings in the Chicago area.

Thus, an average wedding should produce about $9,000 in revenue and between $3,000 and $3,600 in profit. If we assume the facility could do 40 weddings or similar-sized banquets a year, this could conceivably bring $120,000 or more profit to the bottom line, obviously a very attractive incentive. It would be even more attractive if this business can be arranged during slow periods for the golf course.

But again, there are some underlying assumptions and questions for the Village to consider. Is it realistic to expect to do 40 weddings a year at Village Links? There are a lot of variables that have to be considered to answer this question. On the positive side, the demographics appear to be favorable, as Village Links' location near a college generally means:

- Younger people of marrying age are present in the market (favorable).
- The college could be a strong target for advertising.
- Most weddings are held in late spring to early summer, so the prime time to target would be fall and winter.

Other considerations:

- **Is the facility an attractive enough amenity?** The current clubhouse would probably not qualify as a top choice for many brides, especially at the $60/plate price point. The question then becomes would the new facility be more attractive. On the positive side, it would be new and have updated amenities and decorations. On the downside, the current location has some concerns related to parking and the lack of a "bride" room (not in the Master Plan proposal). Further, the plan shows limited size. The proposed clubhouse would have a maximum capacity of 150, but that does not include a dance floor, buffet line, etc. (these could be put in the main dining room, assuming the course is closed at the time), thus limiting the size of the weddings. As a result, it would not seem likely that the average wedding size would be 150, but would more likely be closer to 120. Further, given the limitations of the clubhouse, we suspect that the average plate price would be less as well. This reduces the average revenue to $6,000 and the estimated profit to $2,100, for a total of $84,000/year.
- **Will the weddings just come?** Given the location and proximity to the college, Village Links would be a natural consideration and would likely draw interest with only a modest effort. But to get to the level of 40+ events per year will require a lot of time and/or effort. The golf facilities most successful at attracting weddings have a wedding specialist on staff who sells and coordinates the service. They also do a lot of wedding marketing – including advertising in bridal magazines, appearances at wedding shows, and working with area wedding consultants.
- **Can Village Links accommodate weddings and golf at the same time?** The likely answer is "no." Given parking limitations and clubhouse amenities, it would be problematic to try and have a wedding while the golf course is open (with the possible exception of an evening wedding, when most of the golfers are through playing). While the prospect of adding $84,000 to the bottom line is attractive, it may not be worth the risk of losing your core business, which is golf. Golfers will tolerate an occasional inconvenience, but if it becomes a regular event, they may seek to play elsewhere. This means that the weddings (and larger non-golf banquets) need to be limited to evenings or winter months. Given that June is the most popular wedding month and the summer, in general, the most popular time, this limitation will make it very difficult to do 40 events per year. We feel a more realistic estimate would be 25. This reduces the profit potential to around $50,000.
- **Are they worth the effort?** This is a much harder question to answer. Weddings, by their nature, bring very emotional and demanding clients. This can certainly be disruptive to staff and extremely stressful to management and those working directly with the clients. And, to the degree the wedding overlaps golf, you have to consider any inconvenience being placed on your core business.

Bottom Line: Weddings are highly profitable, but also very problematic. Even with the renovated clubhouse planned in Phase I, the facility will have a lot of limitations that will prevent it from being a prime choice. This will reduce the pricing and thus profit potential. In addition, expenses such as the cost of a dedicated sales person and other marketing expenses (assume industry standard of 5% or $2,500 for $50,000 in wedding business). **Our best advice would be to pursue weddings and non-golf events, but do not make them a major focus of Village Links' planning or operation.**

Non-golf Restaurant Business

One of the focuses stated in the Master Plan and in the year-end review by course management, is to bring non-golf restaurant business to Village Links. This brings up the question: How realistic is it to expect a lot of non-golf restaurant business at Village Links?

Golf operations historically have varying degrees of success in gaining non-golf market share. In most cases, it is a very difficult road to travel. A number of factors are working against Village Links in this regard, including:

- **Association with Golf:** Many people would not come to the restaurant because it is at a golf course. This is not because they necessarily have anything against golf, it is that they may feel out-of-place, or not be fully aware of the availability.
- **History:** Village Links has been open for over 40 years, so area residents know it is there. But they have not been coming to the restaurant. Habits are hard to break, even the habit of not going somewhere.
- **Access / Convenience:** This may be the biggest concern. As noted above, there simply isn't any convenient parking to the clubhouse that would make the restaurant attractive. In today's market, few people are wanting to walk several hundred yards to get to the restaurant when there are a lot more convenient choices. Adding the 40 spots will help, but realistically, those spaces will be taken by golfers. One can try to put up signs reserving some of the spots for restaurant guests, which might help, but more likely will be ignored.
- **Amenities:** While the current clubhouse is not an attractive option for lunch, the proposed renovations would be a significant improvement and should be expected to improve the attractiveness of this location.
- **Uniqueness:** Restaurants need a "catch" to grab people's attention. It may be the atmosphere, the quality of the food, the service, a unique dish, or a combination. A great view would certainly help with the aesthetics. Unfortunately, this is not the case with the current clubhouse, nor does it appear to be the case with the planned renovation. To compensate, we feel Village Links will need to come up with some unique offerings or a combination of the other factors to give people a reason to come.
- **Location:** A lot of restaurant business comes from the drive-by market. Village Links is not positioned to capture this business due to its location and the remoteness of the clubhouse from the road. (A new sign with the restaurant prominently mentioned would help).
- **Marketing:** To have a chance at success, the restaurant will need to be marketed independently and aggressively apart from the golf course. Village Links is already

doing a lot of this. A new name for the restaurant after the renovations would help, especially in overcoming the history factor mentioned above.

- **Evenings:** The question arises whether the restaurant might have success in night-time business as opposed to just lunches. Parking would obviously be less of an issue, especially in the winter and with the new parking spaces. It also tends to be more costly from the operator's standpoint, as it requires a larger inventory and a higher level of service. We view the evening meal business as being particularly risky. Our recommendation would be to test market it after the renovations, and we would not recommend on counting on this business (or including the numbers in the projections).

Bottom Line: While we would certainly encourage Village Links to try to solicit outside business, again, we recommend caution with regards to the volume that can generated. **If the Village Links can attract an average of four couples per day, that would generate about $120/day in revenue, or less than $40,000 a year.** NGF empirical data suggests that very few public golf courses (fewer than 2% of all public golf courses) are able to generate greater than $40,000 in non-golf restaurant business annually.

Adding a Bar Will Significantly Increase Revenue

This assumption is not clearly stated in the Master Plan, but we can infer it from both the cash flow projections and the planning, which includes a separate bar area. The NGF is a supporter of the concept that the presence of a bar can enhance revenue at a public golf course.

Again, there are a number of factors that come into play:

- **Competition:** Most (if not all) of the golf courses Village Links competes against do have a bar. Thus, Village Links is currently at a competitive disadvantage that the renovations would fix.
- **Golfer Preference:** If given a choice, golfers tend to prefer going to the bar after a round over going to the restaurant, unless it is at lunch or dinner time.
- **F&B Yield:** Adding a bar is likely to increase the F&B yield per round. Because it is a better environment for after-round relaxing, more golfers will choose to go there and are likely to stay longer. The NGF has conservatively estimated that the presence of a bar at a golf course will add $1.50/round in additional F&B revenue over comparable golf courses that do not have a bar (NGF national estimate). This equates to adding about $110,000 in revenue at Village Links.
- **Adding Rounds:** Having a bar makes the facility more attractive, both to individual golfers and to larger groups. This is harder to estimate, but a minimum estimate would be 3% (NGF Consulting estimate not supported by hard data). However, it is likely to take time to get there unless substantial marketing is done at the time of the clubhouse reopening. Three percent would translate to 2,160 more rounds. At the current yield of $43.10/round, this would mean a $93,095 increase in revenue.
- **Non-golf Business:** A bar will help attract non-golf business in two ways. It will make the facility more attractive for non-golf functions and it presents the possibility of getting off-the-street business. Assuming the bar has a "sports pub" theme (commonly the most successful at golf courses and recommended by NGF) and subscribes to various sports TV packages (such as NFL Sunday Ticket), this

business could be significant. With more convenient parking and suitable promotion, there would be the potential of evening business as well. However, as with the restaurant, we would test-market this assumption and would not assume that evening hour business would necessarily be profitable. To be conservative, we estimate another $50,000 in non-golf revenue produced by the bar (NGF Consulting estimate not supported by hard data). The NGF also notes that the bar has a lower cost-of-sales than the restaurant, and thus the revenue will produce a higher level of profit.

Bottom Line: NGF is in full agreement with the assumptions of Village Links staff. **A bar will have a significant impact on the facility's overall performance, which we estimate to be at least $200,000 in increased revenue.**

Priority of Range Concerns

NGF has observed that some driving range upgrades are not included in Phase I, but will be delayed until Phase II. Further, we note a comment in the Master Plan that states "Phase II may never happen," thus the committee is stating that the driving range is not a priority. NGF believes that upgrading the driving range should be a priority due to:

- **Safety:** The NGF believes that safety should be a primary concern. One lawsuit could more than make up for the costs being saved, not to mention the effect a serious injury could have on the course's reputation.
- **Range Revenue Can Be Significant:** The committee states that the Phase I improvements are those designed to increase revenue, while Phase II are more infrastructure concerns. However, NGF notes that the range improvements proposed will serve to increase revenue. While the impact may not be as great as with the clubhouse renovations, we do believe revenues can be substantially increased, perhaps as much as $100,000/year in increased revenue as noted below:
  - Lighting the range should add $50,000 per year (if permitted). The average usage reported by the five facilities with range lights was surveyed by NGF 15.7% of use coming after dark, ranging from 7% to 27%. Assuming increased night use of 15.7%, the increase in revenue would be approximately $35,000. However, it is NGF's opinion that evenings tend to be the most popular and thus we believe that $50,000 in new revenue is a reasonable expectation. This would be equivalent to 21% range usage under the lights. On the expense side, the NGF estimates the cost for lighting to be around $100,000 to $125,000. Operating expenses are likely to be around $10,000-$15,000 per year (depending on hours and number of staff used and electrical rates, etc.).
  - It is the NGF opinion that adding heated stalls would add at least $20,000 per year in new revenue.
  - The NGF is also estimating a 10-15% improvement in utilization of the range based on improved conditions ($20,000 to $30,000/year). Further, having a better looking range should also have a positive impact on rounds, especially in recruiting tournaments and outings.
- **Aesthetics / Maintenance Costs:** Some range improvements are expected to improve conditions and reduce maintenance costs. While important, NGF agrees that these priorities should be lower than the clubhouse concerns.

Renovating is Better than Replacing

The current Master Plan calls for the renovation of the current clubhouse (over two different phases), as opposed to replacing the building. This path was chosen over building a new clubhouse due to cost considerations. Apparently a new clubhouse idea was explored and rejected due to the projected cost of $10,000,000 (estimated at $400 per sf). NGF observations regarding this decision include:

Size

In reading through the Master Plan and examining the alternative plans, it would appear that the assumption is that Village Links requires 22,000 sf because that is what is current at the facility. In the end, the new master plan will essentially reproduce this sizing, although in slightly different organization. The NGF believes that function is far more important than size, with efficiency being what is most needed to improve costs. The current clubhouse is a model for inefficiency and wasted space. While the renovation addresses some of these concerns, it still allows for some continuation of wasted space.

One option to consider is replacing the existing clubhouse with a newer, smaller, and more functional clubhouse of 8,000 to 10,000 sf. This program could accomplish all of the goals of the Master Plan, including seating for at least 150 people, a 1,500 sf pro shop, and a bar; plus have a smaller conference room/private dining, nice restroom facilities with day lockers and showers, and all the necessary office space. Such a clubhouse would also improve operating efficiency and decrease utility costs – probably by 70% or more, given modern energy efficiencies in equipment and construction. Assuming the implied $400 per sf cost, an 8,000 sf clubhouse would cost $3.2 million and a 10,000 sf would cost $4.0 million. Given the renovation estimate for the current clubhouse is $2.0 million, the differential of a new building might be only $1.2 to $2.0 million rather than $8.0 million. The benefits of a new building include:

- **Improved Location:** A new clubhouse could be built in a location that is much closer to the existing parking. (Previous plans had called for it to be located in the short game area). This, in turn, would:
    - Increase wedding opportunities.
    - Increase non-golf restaurant business.
    - Potentially increase rounds by making the clubhouse more convenient to golfers. It certainly makes it more attractive to tournaments and outings.
- **Reduced Costs:** The new clubhouse could likely reduce clubhouse utility consumption by 70% (based on common performance with newer and more energy efficient clubhouses nationwide). This could result in a $25,000/year savings.
- **Minimize Disruption:** What does not appear to be taken into account in the Master Plan is the reduced revenue that will occur during construction. It is hard to imagine that there would not be a reduction, especially in food and beverage sales, during this time. The expressed timetable would have construction start mid-summer 2012 and be completed by spring 2013. At best, we can expect this to affect 60% of the year's annual golf business, or about 48,000 rounds. Assuming a 50% reduction in F&B sales during this period, this results in a $162,000 reduction in revenue. Compensating for this loss, no doubt, will be a reduction in corresponding labor and cost-of sales. Assuming a margin of 20% (other overhead costs remain), this means a reduction in profit of $32,400 during the construction. On the other hand, the existing clubhouse can remain fully functional, with no loss of business during construction.

- **Improved Aesthetics:** We can only assume that a new building would have superior aesthetic qualities than the existing one.
- **More Attractive Setting:** The new location should provide superior views. This in turn will make the restaurant / grill area much more profitable. Again, this could stimulate a lot more non-golf business as well as help sell more tournaments and outings.
- **Phasing:** Building a new clubhouse would eliminate the need for a two-phase approach. When the new clubhouse is finished, the existing clubhouse (or some of it) can be demolished to make room for the expanded range.
- **Logistics:** The proposed clubhouse plan would require all deliveries to be made through the main entrance. Not only is this inconvenient to both staff and vendors, it is unsightly. A new clubhouse presumably can be designed with better logistics in mind.
- **Alternative Uses:** Building a new clubhouse raises intriguing possibilities of what can be done with the existing clubhouse. Certainly one solution would be to simply tear it down completely, as part of it is planned to go anyway. However, the building could provide other alternative uses including offices, additional banquet space, or lockers.
- **Marketing:** A new clubhouse has a lot more "sizzle" than simply renovating a clubhouse – especially when that renovation is only partial.

Bottom Line: We feel the Committee should consider building a new clubhouse rather than renovating the old one. An appropriately sized facility may be well worth the additional cost and could conceivably generate a better short-and long-term return to the Village. While the NGF was not tasked with doing a feasibility study for a new clubhouse, our recommendations are based only on experience, observations and the assumption of reproducing the same revenue program as proposed (thus no new revenue is assumed). We would anticipate that a new clubhouse will be attractive to golfers and should stimulate more play, although the impact will be more in tournaments and outings than with daily fee play. It is our best guess that a new clubhouse would have a better return on investment than the renovations proposed, especially if the new clubhouse can match the proposed program and revenues within a clubhouse size of 10,000 sf or less.

VILLAGE LINKS STAFF PROJECTIONS

As discussed previously, the staff projections contained in the Master Plan show an increase in revenue of $710,000 as a result of Phase I renovations. This increase comes from:

- $510,000 increase in Food & Beverage revenue – a 137% increase
- $40,000 increase in Range revenue – a 20% increase
- $160,000 increase in Golf revenues – an 8% increase

Offsetting these revenue increases are the following cost increases:

- $430,000 in Food and Beverage expense – 84% increase
- $8,000 in range expense – 20% increase
- $26,000 in golf expense – 16% increase

Combined, these result in the following increases in profit:

- $80,000 in Food & Beverage
- $32,000 in Driving Range
- $132,000 in Golf

This totals to a $246,000 increase in Net Operating Income. We shall examine each area in turn.

Food and Beverage

The Food and Beverage operation is clearly the biggest beneficiary of the renovation, according to these projections. However, this is in terms of revenue but not profit. Staff had estimated the increase in Food and Beverage sales at $510,000, based on projections broken down as follows:

Bar	$200,000
Dining Room Remodel	$100,000
Patio Remodel	$20,000
Close in parking	$120,000
Banquet (Hospitality facility)	$70,000
TOTAL	**$510,000**

Since the golf revenue is increasing by only 8%, we can assume that almost all of the projected increase in F&B revenue will come from non-golf business and increased yield with the current golf customers.

NGF Estimate

Based on our analysis as noted in the previous section, the NGF believes that these projections may be too optimistic. The NGF has provided a revision of the Village Links' staff projections based on source of income rather than by amenity, as shown below:

Weddings and non-golf banquets	$150,000
Non-golf walk-in restaurant	$40,000
Adding Bar	$110,000
Increase from more rounds	$40,000
TOTAL	**$340,000**

Using the staff estimates of 84% expense ratio, the NGF estimate yields $54,400 in net profit to the bottom line, compared to the $68,000 estimated by Village Links staff.

Driving Range

The Master Plan calls for a 20% growth in revenue from the driving range for Phase I improvements. However, we note that Phase I improvements do not include improving the aesthetics of the current range or its condition. Village Links staff has noted that the range is rarely at capacity now, so the additional tee space is not likely to have a dramatic impact on performance. We also do not feel the few covered stalls will provide a dramatic increase. There projections were as follows:

Covered Tee Stations	$10,000
Improved Driving Range Tee	$20,000
Close in Parking	$10,000
TOTAL	**$40,000**

We agree with the covered tee stations and the close in parking, but are less optimistic about the improvement from the driving range tee as projected.

Looking at source of income, we can infer from the Golf increase, that there will be an 8% increase in rounds. Thus, we should be able to expect a corresponding increase in range utilization. The other improvements, which are designed mostly to get range-only business, may net an additional 7%, for a total of 15%.

This would reduce the range revenue increase from $40,000 to $30,000 and the profit from $32,000 to $24,000.

However, the assumption in the Master Plan projections is that the range expenses would increase proportionate to the increase in use. This should not be the case. Most of the range expense is fixed, not variable. The added time to pick the range due to the higher volume should be nominal as the tractor will move at the same speed and cover the same ground. The added use may require some additional range balls, but should not be proportionate to usage.

The NGF estimates the expense to increase by only $3,000 instead of $8,000. So our profit projection becomes $27,000, which is only $5,000 less than the Committee's.

Golf

The Master Plan shows an 8% increase in revenue from golf as a result of the proposed improvements. Staff projections include:

- $100,000 for a hospitality addition
- $60,000 in general benefit (3% increase)

With the golf projections, NGF finds staff projections to be too conservative. We agree that rounds should increase by at least 8% with the improvements. As noted previously, we break this down as 5% from additional tournaments and outings, and 3% due to the bar.

Assuming staff projections of an 8% increase in rounds, this equates to 5,816 additional rounds of golf. Taking their $160,000 in revenue increase and dividing by 5,816, we get an average yield of $27.51. Yet, the current yield for cart and green fee is $28.90.

Also, the NGF believes that the enhancements will lead to an increase in the Yield for the golf rounds. This is because the tournaments and outing rounds should produce a significantly higher yield than the equivalent daily fee play. For one thing, almost all of the tournament rounds are likely to be played on the 18-hole course, which has a much higher green fee. Plus, we anticipate less discounting and a lower ratio of resident participation. Further, cart utilization should be much higher. As a result, we would put the yield at $55 per round for tournament rounds, not $27.51. **Thus the additional 3,535 tournament rounds the facility would be generating an additional $100,000 in revenue.**

The staff estimates included a $26,000 increase in expenses as a result of these rounds. We feel this is probably overstated. However, it would not increase because of the higher yield we are projecting. As a result, the net profit from golf will also increase by $100,000, totaling $234,000 instead of $134,000.

Summary

When taken together, the NGF projection shows approximately $68,000 stronger performance than Village Links' staff. Indeed, our projections would indicate the project will cash flow at the current projected cost, without having to make drastic cuts or use of the reserve funds. (We would still recommend using at least $500,000 out of the reserve funds to reduce the debt load and make it easier to cash flow). A summary of comparison between NGF and Village projections is shown below:

Investment Return				
	F&B	**Range**	**Golf**	**Total**
Revenue				
Staff	$510,000	$40,000	$160,000	$710,000
NGF	$340,000	$30,000	$260,000	$630,000
Difference	$170,000	$10,000	-$100,000	**$80,000**
Expenses				
Staff	$430,000	$8,000	$26,000	$464,000
NGF	$285,600	$4,000	$26,000	$315,600
Difference	$144,400	$4,000	$0	**$148,400**
NOI				
Staff	$80,000	$32,000	$134,000	$246,000
NGF	$54,400	$26,000	$234,000	$314,400
Difference	$25,600	$6,000	-$100,000	**-$68,400**

Summary and Discussion

The NGF review and independent projections for the Village Links Master Plan fully supports the plan as reasonable and realistic to enhance revenue at the Village Links. We note that the projections made by staff are generally realistic and reflect true market realities. We also recommend the Village pay careful attention to the disruption the actual construction will cause at the facility, as NGF experience has shown that there will be a reduction in other areas of performance during the period the clubhouse renovation is ongoing. It is just unavoidable.

It is the overall NGF recommendation that the proposed Village Links Master Plan be implemented as planned, perhaps with minor adjustments as discussed by NGF in this report.

NGF CONSIDERATIONS FOR THE MASTER PLAN

In full consideration of the proposed Master Plan, the NGF team has also identified some other options and/or considerations that we feel the Village should evaluate as an addition to the proposed Master Plan. These options and considerations are intended to offer some ideas for the Village to consider to either: (1) alter the existing plan slightly to help maximize economic performance; or (2) add to the existing plan in an effort to improve overall performance.

The additional considerations reviewed by NGF include:

- Other changes to the golf course(s).
- An alternate possibility for expanding the driving range.
- Developing a new clubhouse rather than modifying the existing clubhouse.

We note that these ideas are not intended to be formal recommendations, as a thorough cost analysis of each should be completed. Rather, NGF is offering several discussion points for the Village to consider and fully examine to make certain the proposed program is truly the best fit for the Village.

Golf Course Changes

As noted several times, the NGF was not retained to complete a comprehensive review of the Village Links facility and its overall structure and operations. However, in our preliminary review, the NGF team did observe a few items regarding the golf course that we felt should be brought to the Village's attention, as there may be opportunity to enhance this aspect of the property as well as the clubhouse. These suggestions should be considered in conjunction with the proposed Master Plan, perhaps to be completed as part of a longer-term upgrade to the Village Links (Phase II). The golf course enhancements that could lead to increased revenue include altering golf course yardages, improving the greens on the 9-hole course, and creating a "true" 27-hole layout.

Course Length

While both staff and NGF estimate the impact of the proposed clubhouse renovations as increasing play by 8%, there may be another modification that could also increase rounds by the same or larger amount. The modification is to add a new forward set of tees at a much shorter distance. This would involve adding a new forward tee and labeling it the “ladies” or “forward” tee, and re-labeling the existing forward tee as the “seniors” tee, to be predominantly used by seniors.

As we noted earlier in the report, women hit the ball about 70% as far as men. The most popular distance for male golfers is between 6,000 and 6,400 yards. This would equate to 4,200 to 4,480 yards for women. Both the USGA and PGA have begun to recognize the importance of making courses more playable for a wider audience – especially women and juniors. Both organizations recognize the importance of creating more family-friendly tees.

We recommend adding a new tee for both courses at around 2,200 to 2,500 yards per nine holes. National survey data collected by the NGF suggests that having more tee choices for golfers expands the market of potential customers and will likely lead to increased participation from women, juniors and seniors (hard data on actual number of rounds added not available). Senior males are reluctant to hit from the forward tees as they are often referred to as “ladies” tees. Thus, they end up playing from the next set of tees, which for the 18-hole course stands at 6,004 yards. This may be too long for most seniors, who generally prefer around 5,500 (approximately where the current forward tees are). Moreover, the new tees should also help improve the pace of play. This, in turn, makes the course more enjoyable for all golfers.

Greens on the 9-Hole Course

The greens on the nine-hole course are now more than 40 years old. The normal life expectancy on greens is 20-25 years. In addition, they were not built to USGA specifications at the time of construction. The bunkers are also original, but the sand was replaced in 1999.

Greens are a major repair item, and to completely rebuild will cost at least $50,000 each ($450,000 total), although you may be able to strip and resurface for about half that amount if the green complexes are adequate. Rebuilding bunkers can cost $7,000 to $10,000 depending on size. With 33 bunkers, this is an additional $250,000 to $300,000 expense. While the greens and traps appear to be in good condition currently, it would be prudent to be planning for their future replacement.

“True” 27-Hole Layout

While Village Links has 27 holes, it is not a “true” 27-hole layout. The third nine is currently considered a separate entity, with a different market and price point. As noted in our facility review, a change in the configuration to a 27-hole layout with three equal nine holes may help improve the revenue performance of the Village Links by:

- Providing 9-hole service to golfers seeking better quality.
- Having greater ability to accommodate tournaments, while still hosting regular golf play.
- Having the ability to improve maintenance quality by allowing for the closure of one nine-hole course from time to time to allow it to “rest.”

However, NGF recognizes that making this upgrade may be expensive and may alienate the value-conscious customer base that is playing the nine-hole course because of the price. NGF estimates that this change should cost between $1.8 and $2.2 million. If it were undertaken, the revenue for Village Links could improve by as much as 10% to 15%, based on national data of 27-hole courses compared to comparable 18-hole courses. A possible schematic of the hole-sequencing under this plan is shown below. This routing would provide the most convenient structure to closely match the desire to have each nine-hole course return closely to the clubhouse.

Proposed re-routing of Village Links in order to meet a true 27-hole layout.

Driving Range Option

As pointed out earlier, one of the key concerns with the current range is its short length and narrow width. It also creates a safety concern for golfers playing on the 5th hole of the 9-hole course.

The Master Plan proposes to fix this problem by increasing the depth of the range, requiring the demolition of part of the clubhouse. However, this does not truly fix the problem, as golfers hitting from the front of the range would still have the same distance as is currently the case. It simply decreases the frequency of the problem.

Alternative Solution

In consideration of the above-noted issue, the Village could consider an alternative solution that would permanently fix the problem and significantly improve the range, without affecting the clubhouse. This would involve converting the 5th hole on the 9-hole course into a par three, with the tees located on the other side of the lake. This would create a dramatic and interesting hole, but the tree line separating the range from the fifth hole could be moved (or preferably moved back) to allow for the range to be expanded into what is now the 5th fairway. This will also allow the current tee to be deepened by adding to the front of the tee as opposed to the back.

To compensate for changing #5 into a par 3 (losing yardage and par), we would make these additional modifications to the nine-hole course: convert #3 to a par 3 and make #4 a par 4 to avoid having back-to-back par 3 holes.

We estimate the cost for these improvements to be around $250,000. During construction, the nine-hole course could remain open, but would require a temporary green (on #3) and would have three par 3s in a row. So we would anticipate some loss of rounds during this period. The proposed changes are shown in the graphic below. Of course, we would recommend consulting with a golf course architect as part of the program to make this alteration.

New Clubhouse

The master plan proposes remodeling the existing clubhouse, to be completed over two phases, with the second phase stated as being "unlikely" to occur. As noted, the NGF team's review indicates that the Village might be able to achieve its programming desires in a smaller, newly constructed clubhouse as opposed to modifying the existing clubhouse. It may be possible to achieve all of the desired programming in a new building with as little as 8,000 sf, and improve other factors such as location, utilities, and aesthetics.

A new clubhouse would have significantly greater marketing impact and would prevent the interruptions of service and loss of revenue that would accompany remodeling the existing facility. Thus, the Village may not want to reject the premise of a new building on cost alone, and see if the desired program can indeed fit within a smaller "footprint," and allow for other objectives to be achieved more easily.

OTHER OPPORTUNITIES FOR IMPROVING PERFORMANCE

In addition to the possible alternatives noted above, NGF has offered some additional recommendations for enhancing revenue at Village Links based on our limited review of the operation. These recommendations include some items that can be included within the proposed Master Plan, or are just day-to-day changes that could be made immediately to help improve revenues. NGF suggestions include ideas about elements to include in the clubhouse (new or existing), discounts, grill hours, pro shop sales, and off-season revenue.

Private Dining / Meeting Room

Like other golf facilities in general, the Village Links could potentially benefit from including a smaller, more intimate dining area (25-30 people) that is designed for corporate meetings. NGF has seen a growing and successful trend toward the inclusion of such "corporate" meeting rooms at golf courses nationwide, as there is a large and growing market for smaller corporate functions. Recent NGF clients in Georgia, Colorado and Massachusetts have been able to add 300 to 500 rounds of golf and grow food and beverage revenue by 2% to 5% by actively seeking to cater to the smaller corporate outing business (hosting 30 + / - events with 16 persons per year).

If Village Links could provide a "board room-type" setting, complete with all the modern Audio-Visual (A/V) equipment that such meetings require (projectors, screens, computer connection ports, phones, internet connection, etc.), the facility would likely be able to attract companies to hold important meetings at Village Links – with a mix of meetings, meals, and golf. These types of golf/meal/meeting events have become more popular with sales-oriented groups and they are used for business presentations and periodic meetings. The same room can also be used for other small functions, such as private parties, etc., that do not require the larger banquet rooms. Indeed, larger rooms are uncomfortable for smaller groups.

Thus, a small private dining/board room with modern A/V can increase facility business in all areas. Further, their smaller size makes these groups easier to accommodate on the golf course without sacrificing regular daily fee play. The optimal size for such a facility would allow for seating about 25 people, or at least 400 sf. If the room is too large it will make it hard to host more intimate groups

We strongly recommend including a private function room in any remodeling or new construction plans, and possibly even making accommodation for this within the existing clubhouse if possible.

Village Links already has a perfect room for such functions – the common locker room. Given that only 58% of the lockers in the clubhouse are being used, we can eliminate the lockers from the common locker room with minimal disruption with current customers. The room can then be inexpensively remodeled and A/V equipment installed. This could easily be accomplished prior to the 2012 season. Such an investment might be worthwhile if the clubhouse renovation is delayed, or used as a bridge if a new clubhouse is being built. It could also be used as the grill area during renovation should the clubhouse be renovated as planned in the Master Plan.

Resident Discount

While we appreciate the desire to offer the residents of the Village a great deal on their golf course, providing a 40% discount may be too generous (NGF "standard" for resident discounts at community golf courses is 15% to 20%, and it is very rare to see more than 30%). We greatly appreciate the fact that Village Links has never had to use taxpayer support. However, as pointed out by the Master Plan, declining performance does require aggressive action. By modifying the discount, cash flow would be further enhanced. This, in turn, could provide the additional cash flow needed to fund all the improvements needed to ensure Village Links' long-term success.

The NGF suggestion would be to reduce the resident discount to 30%.

Grill Hours

Currently, Village Links keeps the grill open throughout the winter. The rationale was to keep the employees happy, reduce turnover, and have staff available for functions. This appears to be a very costly consideration. Again, NGF was not retained for a full review of operations, yet given the already thin profit margin for the F&B area, we suspect it is losing money over the winter months. We feel strong consideration should be given to closing the grill, at least during the week, during the winter months. This is consistent with most of the competition in the area.

Merchandise Sales

At $2.05/round, the Village Links is earning a level of merchandise revenue that is declining and slightly below average. The preliminary review by NGF shows the pro shop operation as more of a "convenience item," as opposed to a true profit center. The Master Plan report mentions that Village Links cannot compete with the Big Box retailers, Internet, and golf discounters. NGF does not agree with this assessment, and we have seen many golf courses operate successful and profitable golf merchandising operations. As noted earlier in this report, the "standard" public golf course earns $2.32 per round of golf on merchandise, with premium courses earning an average of $6.65 per round on merchandise indicating there may be greater revenue opportunities.

It is our contention that the Village Links could increase merchandise sales without significant new investment in time or staff by making the commitment to increase the sales and employing strategies such as:

- **Incentive:** Providing a commission or other financial incentive will often dramatically improve sales, if allowable within Village Links guidelines.
- **PGA Pro:** Successful merchandisers realize that the PGA pros can be most effective on the sales floor helping customers with merchandise selections, as part of their duties of managing the golf and range businesses.
- **SALES, SALES, SALES.** Most pro shops limit sales to merchandise they could not sell at full price. Successful retailers understand that the magic word in retail is "sale". There should always be a sale going on, and merchandise that is on sale should be regularly rotated and should include popular items. We encourage theme sales, such as all Nike goods, soft and hard, etc.
- **Promotion:** A promotion not promoted is not much of a promotion. You need to promote your sales events. This should be done in a number of ways:
  - **Website:** Have your sales put on the website.
  - **Email Blasts:** Do regular email blasts promoting the sales.
  - **Signs:** Not only should there be signs on the displays, but also on the carts, in the grill area, etc.

- **Personalize:** Modern POS systems allow all sorts of information to be kept on customers. Make it a point to track what kinds of balls, clubs, gloves, etc. your regular customers use and then notify them when that merchandise goes on sale.

Off-Season Revenue

We were asked to comment on potential off-season revenue sources for the club. This is certainly a concern for almost every golf course in the area. Unfortunately, there is no "magic bullet" that will generate substantial off-season revenue. Weather certainly limits what can be done. Still, NGF can offer some general advice based on what we have seen be successful at other facilities in this and other winter markets within which we have worked.

Banquets

The most common answer to increasing off-season revenue is through food and beverage operations, most notably banquets. NGF agrees that there is opportunity in this area, provided the facilities are present to provide adequate service. One of the biggest motivating factors behind the Master Plan is the desire to upgrade the clubhouse and alleviate some constraining factors. Presumably, with clubhouse renovation or replacement, the possibility to enhance off-season food, beverage, and banquet sales will be more viable and profitable.

Yet it also needs to be pointed out that F&B in general is a low-margin venture. Banquets and weddings are higher margins, but you would have to do a large volume to make a significant profit. Further, most of these events are going to be concentrated in December, leaving January-March as slow periods.

Bar / Lounge

The proposed new Bar (to be added in Phase I) should also have excellent potential to add off-season revenue, especially if it is developed and operated as a "Sports Bar." Of course, it would need to feature the NFL ticket and other events that many viewers cannot get at home, such as out-of-town sports events. Contact with area alumni associations or out-of-state schools that have large followings, such as KU, UNC, etc. Of course, the bar would need to be promoted, including a sign at the entrance.

Other Options

Options such as creating a skating rink, either out of one of the many ponds or in the parking area, would create public interest, but are not likely to generate a lot of revenue. They would help increase F&B sales during the period, though. While an outdoor skating center may not be a strong revenue generator, it may be a good public relations move, as it would provide a community amenity.

Where we would see the best opportunity, though, is in golf. Village Links, after all, is foremost a golf course. Thus it makes sense that golf-related activities will generate the most interest and make the most sense given the facility and staff training. So what winter golf activities can be generated at the golf course in the winter? Especially when the course is covered in snow? Below are some thoughts, keeping in mind that if any of these activities are undertaken the goal will be to utilize the staff you are already retaining in the off-season, in lieu of adding any new staff. It is quite likely that during the off-season, the existing retained staff have considerable down-time that can be better utilized.

- **Golf:** Village Links is already keeping the 9-hole course open throughout the winter. We feel this is an appropriate move.

- **Snow Golf:** Yes you can golf in the snow. Several innovative facilities have come up with "snow golf" activities, some using actual golf balls, some tennis balls. There are even national and international snow golf tournaments. But the main thing is that snow golf can be a very fun activity and a way to utilize the course during the winter, although data on actual profitability of this activity is not available.
- **Driving Range:** There is potential to add revenue from this area, assuming the addition of all-weather artificial tees and heaters that are proposed in Phase I of the Master Plan. This winter use of the driving range could provide additional direct revenue and could increase merchandise and food & beverage sales comparable to per-visit income earned at present. If these revenue increases are higher than expense increases, the program would benefit the Village Links GC. The three facilities surveyed by NGF that offer winter range use did not indicate incremental revenue or expense for winter use.
- **Merchandise:** As pointed out above, it appears to NGF that Village Links could do a better job in merchandise sales. However, merchandise sales can be a good revenue source if promoted during the winter months. This is especially true during December (Christmas sales) and early spring, when golfers are starting to think about the upcoming season.
- **Golf Training:** Currently, Village Links does not have an indoor training center. We would encourage such a center to be included in the renovation plans if space can be found. (Cantigny is a great model). This can be an excellent source of revenue during the winter as well as during the regular season, but will require a dedicated professional as most of the cost for the building and maintenance of the teaching center is born by the teaching professionals (as with Cantigny).
- **Golf Simulator:** Another potential revenue stream would be to have a golf simulator. The simulator can have a double function as it could also be used for teaching if properly set up. But they can also be a good amusement tool, especially if located convenient to the bar (and having bar service). Of course, this is not possible in the current clubhouse configuration (unless installed in the Common Locker Room – but we feel that space is better used as a private dining area). But one could be included in any renovation or new clubhouse plans. Estimated cost of simulator is $50,000.

PRIVATIZING FOOD & BEVERAGE

The NGF has also provided a general commentary on the idea of the Village possibly privatizing the food and beverage area. This would mean essentially leasing the food and beverage operation to a private operator for a share of the revenue. The typical amount is around 10% of the gross. The rationale behind leasing out the F&B area would be to control costs, reduce risk and have a guaranteed cash flow from the food and beverage area. Certainly area success stories such as Wilmette Parks and Schaumburg can be found.

There have been occasions where NGF will even recommend outsourcing food and beverage. This is particularly true in situations where there is an excessive labor cost and a history of poor management as well as poor performance. However, such recommendations are always done cautiously and with reservation. We view such action as a last resort to be taken when all other options are exhausted. Our review of Village Links suggests that this facility is not at a level typically associated with making this move. The food and beverage operation has historically run at or better than break-even basis. If you consider the Keep Pace coupons a revenue source (and we do), it has been profitable, although by a slim margin.

Advantages and Disadvantages

While the appeal of guaranteed income from an outside operator is naturally strong, there are many other factors that need to be considered. Chief among them is the effect on the primary area of business at Village Links – the golf course. Is it possible that contracting out the food and beverage could hurt golf operations? The answer, unfortunately, is very often "YES".

Remember, with a 'standard' agreement of 10% of revenue, the upside potential for the Village would be relatively low, unless the new vendor could significantly grow revenue. On the other hand, the downside could be very high if the food and beverage concession does not turn out well and golfers are "chased away" by the service. This is something the NGF has seen in action many times. **In sum, if you seek to contract out your food and beverage operation, the selected vendor must be an appropriate match for the Village Links operation.**

There are a number of ways having an outside vendor for F&B can hurt your golf operation, and as a result, your overall profitability. Here are a few:

- **Tournaments / Outings Logistics:** Throughout this report and the Master Plan, it is clear that increasing tournaments and outings is a priority at Village Links. Having an outside vendor will often restrain the ability to recruit tournaments and outings. The reason is simple - it means that any customer is going to potentially have to work with two separate vendors (the course and the F&B vendor) to coordinate the event. This obviously is less convenient to the customer and decreases your opportunity to win their business. This problem can be minimized if the F&B contractor is willing to let the golf operator handle all the sales and negotiations, but this is not as simple as it sounds. The F&B vendor is also selling banquets and weddings, so there is a necessary coordination that has to occur in scheduling.
- **Tournaments / Outing Sales:** Another place where an outside vendor can hurt in tournament/outing sales is in price. The vendor is much less likely to want to make a price concession in order to sell a tournament. This can make Village Links less competitive and make it more difficult to gain market share.
- **Profit Motive:** The F&B vendor enters a contract like this with a profit motive in mind. They are going to look at any decision based on how it affects their profitability. In many cases, this will conflict with the Village's priorities. Examples include:
    - **Tournaments and Outings**: If the vendor has a choice between booking a wedding or hosting a golf tournament during the same time period, they will always choose the wedding, because it represents a far bigger profit.
    - **Beverage Cart**: The golf operator appreciates that the beverage cart is as much (if not more) a customer service as it is a profit center. That is why the prudent operator runs the beverage cart all the time, even when the volume is not there. The vendor, on the other hand, sees it only as a profit center. They are not going to want to run the cart when it is not profitable to do so.
    - **Hours**: The golf operator will see food and beverage as an amenity to the golfer. Thus they want food and beverage service at all times, even when it is slow, just to make sure the golfer has the proper service. The vendor is not going to have the same priorities. They will want much shorter hours, and will not want to keep the grill open or provide service in the off-season.
- **Impact on Golf:** If the vendor is aggressive in recruiting non-golf events, such as weddings, it can have a negative impact on golf, especially if these events occur during the day in the golf season. Obviously, if the food and beverage area is booked

by a non-golf event, the golfers are not going to get the service they desire. Further, the added volume increases the demands on an already limited parking lot, further increasing the inconvenience to the golfer.

- **Communication:** Communication between the vendor and the golf operator is crucial. Unfortunately, there is little control over this issue. If the vendor should put in a manager who chooses not to communicate with the golf operator, there is little the Village can do about it.
- **Customer Service:** The vendor will have their own customer service standards. These may or may not be consistent with the Village standards. Village Links is a higher-end facility that demands a premium on customer service. Some vendors may not feel offering a high level of service is profitable.
- **Control:** Obviously if an outside vendor is chosen, the Village loses most of the control over the operation. Their standards of food quality and customer service may not be the same as the Village's. As noted above, this can have consequences. Another area where this comes up frequently is with employees. The golf operator has no control over the vendor's employees, and this can be a problem.
- **Consistency Over Time:** Another issue that often comes up with outside vendors is consistency over time. While food quality and service may start out great, will it continue over time?
- **Marketing:** With an outside vendor, it becomes much more difficult to coordinate marketing efforts and to make sure the message is consistent between the golf and food advertising.
- **Promotions:** Creating promotions with an outside vendor is obviously much more difficult.
- **Keep Pace Program:** Having an outside vendor would likely jeopardize the current Keep Pace program. Instead of a paper transfer for recognizing revenue, the coupons become a real cost to the golf operation, which currently is estimated at $70,000/year.

Financial Impact

The above-noted concerns are legitimate, and all of these issues have been documented by NGF at one time or another, and in some cases all together in one single operation. Still, there is another side to all this, and that is the financial benefit that can come from such an arrangement. However, review of the Village Links situation shows that the bottom-line benefit may not have been that strong if this structure had been in place last year, for example.

As noted, the typical outside vendor contract would have the Village receiving 10% of the gross revenue. Last year, this would have been $560,000 in revenue (including the Keep Pace coupons), for a total of $56,000 payment to the Village. This would be offset by the $66,000 spent on the Keep Pace Program, for a net loss of $10,000. Yet the F&B department showed a $34,027 profit last year (including the Keep Pace income). Even without the Keep Pace income, the loss was just $32,000. So the entire benefit would have been $22,000.

One could argue that an outside vendor would likely have increased the F&B income by marketing the F&B area better, especially with regard to tournaments and outings. This argument does have some validity. On the other hand, the vendor would also likely have decreased services, especially hours (closing in the off-season, etc.), which could have had a negative impact on golf performance. In short, to make this option work for the Village, any new contract food and beverage vendor would have to show an increase or there will be no real benefit to the Village of Glen Ellyn in this structure.

Recommendation

The overall NGF recommendation on this topic is to retain the Village self-operation model and resist bringing in an outside vendor for food and beverage operations. We do not believe it is a good idea at this time to contract with an outside vendor at Village Links. We do not believe the relatively small gain that the Village could potentially see from the F&B operation with an outside vendor is worth the bigger risk of a negative impact to the golf operation. However, we will have to at least consider one big qualifier – investment.

Potential Funding

One possible argument that could change the NGF recommendation would be if the vendor was willing to underwrite a substantial portion of the clubhouse improvements. This is a legitimate possibility in exchange for a long-term deal. Again, this would have significant and immediate appeal as it would reduce the amount of capital the Village would need to invest. It could conceivably allow more to be done, such as combining Phase I and Phase II renovations together into one project.

However, Village Links is not in a cash-strapped situation, and the facility is in the enviable position of having significant cash reserves. Further, our projections show the capital improvements will more than pay for themselves (especially if our recommendations are followed). So there is not a need to bring an outside vendor into the process and risk a long-term "marriage" that may not work for the long run.

Again, our recommendation would be to continue to self-manage the F&B operation, even with the prospect of outside funding. The outside funding would simply ensure that the Village would have to live with the consequences of a potentially very bad decision for a very long time.

Appendices

A – Competitive Facility Information

B – Golf Industry Averages

APPENDIX A – COMPETITIVE GOLF FACILITY INFORMATION

	St. Andrews Golf	Prairie Landing	Klein Creek	Cantigny Golf	Arrowhead Golf	Bloomingdale	Fresh Meadows	Oak Brook	Cog Hill	Gleneagles	Bollingbrook	Seven Bridges
Driving Range (Y / N)	yes	yes	No	Yes	yes	Yes	yes	yes	Yes	no	yes	no
Number of Stations	80	16		25	30	NO	100	40	50		80	
Lighted (Y / N)	yes - 40	No		yes	yes		yes	no	no		yes	
If so, % of usage under lights	25.0%			10.0%	7.5%		27.0%				9.0%	
Heated Stals (Y / N)	no	No	No	yes	no	no	yes	no	yes		no	
No. of Heated Stalls				10			20					
% of total usage				15.0%			5.0%		50.0%			
Additional charge for heat (Y / N)				no			no		no			
Does the range close in the winter?	no	yes		No	Yes	yes	yes	yes	no		no	
If so, when?		1-Dec			25-Nov	25-Nov		15-Nov			31-Oct	
Clubhouse size (SF)	35000	7500	5000	16000	45000	16000	4800	24000	35000	13500	76000	7000
Total seating capacity	300	170	225	165	300	220	165	100	300	300	1000	220
Is there banquet space for 100+	yes	yes	Yes - bubble	yes	Yes	yes	pavilion tent	yes	yes	yes	yes	yes
Number of weddings per year	38	35	30	10	90	50			18		100	65
Does the grill close during the winter?	yes	yes	yes	yes	no	no	yes	yes	yes	no	no	yes
If so when?		1-Dec	25-Nov	1-Dec		15-Nov	15-Nov	1-Dec		25-Nov		1-Nov
Does the course close in the winter?	no	Yes	yes	Yes	yes	yes	yes	yes	no	yes	yes	yes
If so, when?		1-Dec	25-Nov	1-Dec	25-Nov	25-Nov		1-Dec		25-Nov	30-Nov	25-Nov
Winter activities at the club	golf, banquets	indoor lesson	weddings	Banquets, range	F&B, Cross country skiing	no	no		golf, banquets	no	social	banquets

APPENDIX B – GOLF INDUSTRY AVERAGES

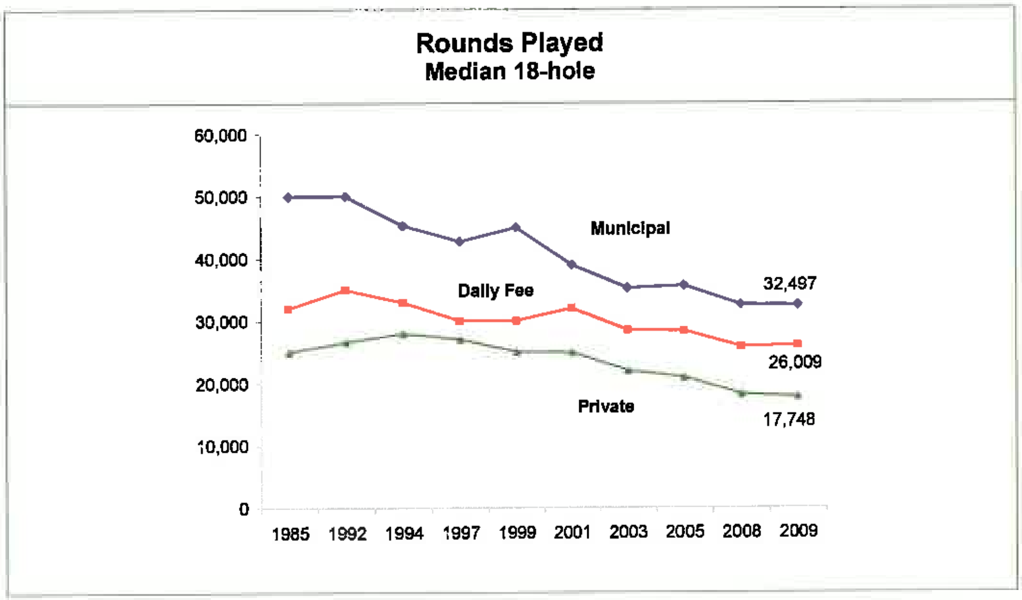
The NGF has presented a selection of basic golf industry information designed to help educate the Village of Glen Ellyn on "reasonable expectations" for public golf operations in the U.S. Information provided includes operational norms for public golf courses (rounds, revenues, expenses, staffing) as well as some other "standards" consistent with successful public golf courses. As Village of Glen Ellyn is operating a golf facility that fits into separate categories, the NGF has included benchmark data for both 'mid-range' and 'premium' public golf courses.

Public Golf Operational Norms

For comparison purposes to the Village Links of Glen Ellyn, we present a review of selected NGF data from our bi-annual surveys of golf facilities. As the 2011 edition was not yet complete at the time of this report, the NGF has used the 2009 figures for comparison to Village Links of Glen Ellyn. This include data from the aggregate of all golf courses in the U.S. (by category), as well as data from selected sub-categories of golf facilities including mid-range (middle fee) public golf facilities and premium (highest fee) golf facilities. These data are detailed in the National Golf Foundation publication, *Operating & Financial Performance Profiles of 18-hole Golf Facilities in the U.S.* These figures were included and used for this effort as they represent "reasonable estimates" for comparison to the Village of Glen Ellyn golf courses. In addition, NGF Consulting has added estimates from the *"Future of Public Golf in America"* study completed in 2010 and presented at the annual NGF Golf Business Symposium.

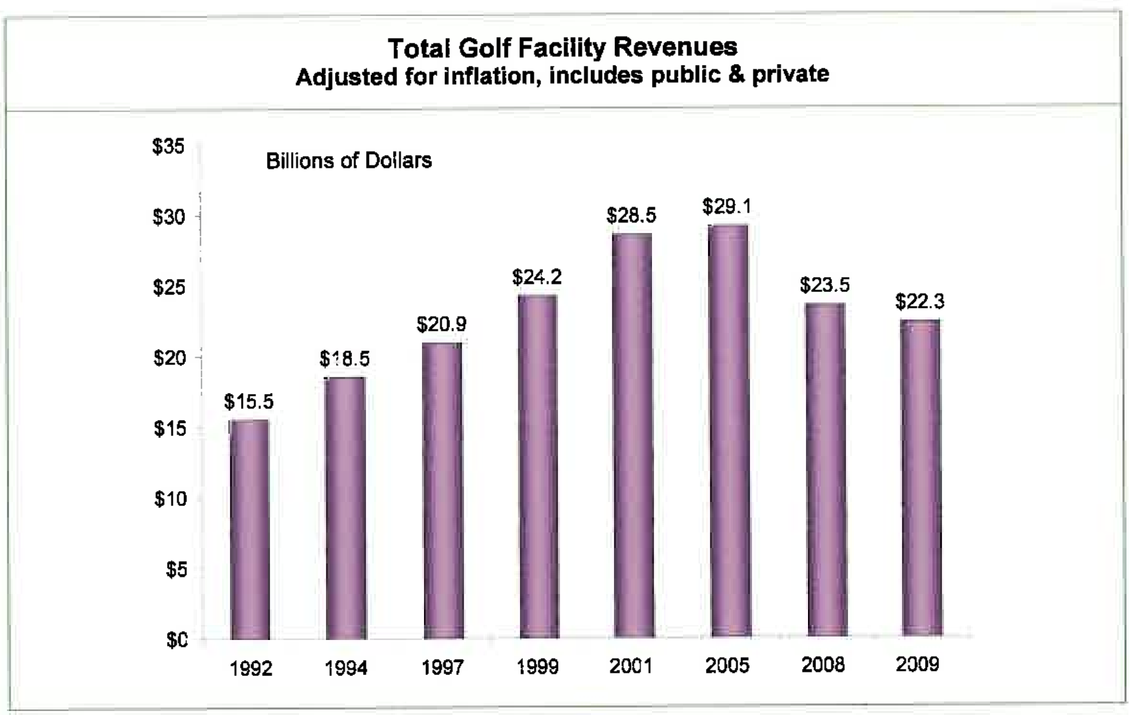
Public Golf Facility Rounds Expectations

NGF research indicates that the average number of rounds played per 18-hole golf course has been declining in the last 25 years. The totals now stand at an average of 32,497 rounds for municipal golf courses, 26,009 for all daily fee (privately-owned, open to the public), and 17,748 for private clubs. We note these figures all represent significant declines since 1985, with acceleration of decline since 2001. As a benchmark comparison, average rounds per 18-hole municipal golf course was around 36,000± in 2005 and just over 33,500± rounds in 2009.



Public Golf Facility Revenue Expectations

NGF research indicates that the total of all golf facility revenues in the U.S. represents a $22.3 billion industry, down from a peak of $29.1 billion in 2005. The table below shows the NGF estimate for total golf facility revenue (public and private combined) in the United States for selected years since 1992.



Average Revenue per Golf Facility

The NGF estimate for total revenue per golf facility in the U.S. now stands at $1.5 million for daily fees, $1.3 million for municipals, and $3.4 million for private clubs. Again, we note that this is a full aggregate of all golf facilities in the U.S., inclusive of all climatic regions and facility types.

Facility-Level Revenues
Average Total Revenues
18-hole - $millions

	2008	2009	% change
Daily Fee	$1.6	$1.5	-6.1%
Municipal	$1.3	$1.3	-2.1%
Private	$3.6	$3.4	-4.7%

Source: National Golf Foundation and Golf Datatech

Revenue Detail for 'Mid-Range' Public Golf Courses

Further detail on 'mid-range' public golf facility operations in the United States has been collected by NGF over the years, a summary of which is presented below for 2005 and 2009. 'Mid-range' public golf courses are those with green fees in the $40 to $70 range (excluding carts). The NGF consultants feel that this represents the best measure of comparison to performance at Village Links of Glen Ellyn, and is used for this purpose throughout the NGF engagement for the Village of Glen Ellyn.

Public Mid-range Average Revenues

	2005	*2009**	% change
Green fees, cart fees and member/passholder revenue	$679,280	*$624,900*	-8.0%
All other golf revenue	$76,930	*$75,000*	-2.5%
F&B revenue (incl. banquets)	$214,400	*$182,200*	-15.0%
Merchandise revenue	$80,080	*$75,300*	-6.0%
All other operating revenue	$37,560	*$36,400*	-3.1%
Total Revenue	**$1,088,250**	***$993,800***	**-8.7%**

Source: *Operating & Financial Performance Profiles of 18-Hole Golf Facilities in the U.S.*, 2010 edition, National Golf Foundation, and *"Future of Public Golf in America"* study – 2010.
**Estimated totals derived from sample research in 2009.*

Revenue Detail for 'Premium' Public Golf Courses

In addition, the NGF also has data on 'Premium' public golf facility operations in the United States, which is summarized in the following table for 2005 and 2009. 'Premium' public golf courses are those with green fees $70.01 and up (including cart fee), making Village Links of Glen Ellyn close to this level. As the facility has some amenities that would be comparable to 'premium' facilities, the NGF has included this data for comparison.

Public Premium Average Revenues			
	2005	***2009****	**% change**
Green fees, cart fees and member/passholder revenue	$1,872,270	*$1,610,100*	-14.0%
All other golf revenue	$210,760	*$200,800*	-4.7%
F&B revenue (incl. banquets)	$620,750	*$516,200*	-16.8%
Merchandise revenue	$276,240	*$216,200*	-21.7%
All other operating revenue	$120,270	*$102,400*	-14.9%
Total Revenue	**$3,100,290**	***$2,645,700***	**-14.7%**

Source: *Operating & Financial Performance Profiles of 18-Hole Golf Facilities in the U.S.*, 2010 edition, National Golf Foundation, and *"Future of Public Golf in America"* study – 2009. *Estimated totals derived from sample research in 2009.

Public Golf Facility Expense Expectations

NGF research indicates that all golf facilities in the U.S. had a total of $21.3 billion in direct operating expenses, down 20.5% from a high of $26.8 billion in 2001. The table below shows the NGF estimates for total golf facility expenses (public and private combined) in the United States for selected years since 1992.

Total Golf Facility Expenses
Adjusted for inflation, includes public & private

Average Expense per Golf Facility

The NGF estimate for total expenses per golf facility in the U.S. now stands at $1.3 million for daily fees, $1.1 million for municipals and $3.2 million for private clubs. Again, we note that this is a full aggregate of all golf facilities in the U.S., inclusive of all climactic regions and facility types.

Facility-Level Expenses Average Total Expenses 18-hole - $millions			
	2008	**2009**	**% change**
Daily Fee	$1.4	$1.3	-5.8%
Municipal	$1.1	$1.1	-1.2%
Private	$3.4	$3.2	-5.4%
Source: National Golf Foundation and Golf Datatech			

Operating Expense Detail for 'Mid-Range' Public Golf Courses

Further detail on 'mid-range' public golf facility operational expenses in the United States from 2005 and 2009 are displayed below. The NGF consultants feel that this represents the best measure of comparison to performance at Village Links of Glen Ellyn, and is used for this purpose throughout the NGF engagement for the Village of Glen Ellyn.

Public Mid-range Average Expenses			
	2005	***2009****	**% change**
Total maintenance costs	$377,160	*$414,900*	10.0%
Golf car fleet costs	$31,120	*$30,500*	-2.0%
COGS F&B	$86,360	*$76,200*	-11.8%
COGS merchandise	$56,450	*$44,600*	-21.0%
Other expenses	$315,280	*$365,700*	16.0%
Total Expenses	**$866,360**	***931,900***	**7.6%**

Notes:
"Total maintenance costs" includes payroll, supplies, and equipment.
"Other expenses" is a large category because it includes all non-maintenance payroll and all other operating expenses. Source: *Operating & Financial Performance Profiles of 18-Hole Golf Facilities in the U.S.*, 2010 edition, National Golf Foundation, and *"Future of Public Golf in America"* study – 2010.
*Estimated totals derived from sample research in 2009.

Operating Expense Detail for 'Premium' Public Golf Courses

Operating expense detail for 'Premium' public golf facilities appears in the following table. As the facility has some amenities that would be comparable to 'premium' facilities, the NGF has included this data for comparison.

Public Premium in Average Expenses			
	2005	***2009****	**% change**
Total maintenance costs	$825,640	*$923,900*	10.6%
Golf car fleet costs	$57,040	*$55,800*	-2.2%
COGS F&B	$189,750	*$167,500*	-11.7%
COGS merchandise	$189,000	*$148,200*	-21.6%
Other expenses	$1,167,480	*$1,354,300*	16.0%
Total Expenses	**$2,428,910**	***$2,649,700***	**9.1%**

Notes:
"Total maintenance costs" includes payroll.
"Other expenses" is a large category because it includes all non-maintenance payroll and all other operating expenses. Source: *Operating & Financial Performance Profiles of 18-Hole Golf Facilities in the U.S.*, 2010 edition, National Golf Foundation, and *"Future of Public Golf in America"* study – 2009. *Estimated totals derived from sample research in 2009.

Other Expense Findings

NGF Consulting has also included basic information on golf industry 'standards' for all golf courses of all types in all climates. Industry standards can vary depending upon specific courses, but as a "rule of thumb," allocated spending in key areas coincide with the following percentages:

Key Area	Allocated Spending
Labor	50%
Products, Supplies & Repair	15%
Services (Incl. Equipment)	10%
Utilities	5%
Other	20%

Source: Golf Course Superintendents Association of America (GCSAA) and NGF Consulting. Expense totals do not include non-recurring capital expenses, amortization, or depreciation.

Public Golf Facility Average Revenue and Expense per Round

The following section provides NGF estimates for revenues and expenses per round of golf played for each of 'Mid-Range' and 'Premium' golf facilities.

Public 'Mid-range' Revenue and Expense per Round - NGF research indicates that middle-fee public golf courses in the U.S. average $30.58 in total facility revenue per round of golf in 2009. Of this figure, $21.54 (70.4%) is derived from "golf" sources (green, cart, pass fees and driving range), with the remaining $9.04 (29.6%) per round derived from "ancillary" (mostly merchandise, food + beverage) sources. Overall, this figure has declined by about 6.0% between 2005 and 2009, with the largest decline (12.5%) coming from food and beverage revenue.

Public Mid-range U.S. Average Revenue Per Round			
	2005	**2009**	**% change**
Total Revenue	$32.54	$30.58	-6.0%
Golf Revenue	$22.61	$21.54	-4.7%
F&B revenue (incl. banquets)	$6.41	$5.61	-12.5%
Merchandise revenue	$2.39	$2.32	-2.9%
All other operating revenue	$1.12	$1.12	0.0%

Source: *Operating & Financial Performance Profiles of 18-Hole Golf Facilities in the U.S.*, 2010 edition, National Golf Foundation, and *"Future of Public Golf in America"* study – 2010

Middle-fee public golf courses in the U.S. average $28.68 in total facility expenses per round of golf. Of this figure, $12.77 (44.5%) is derived from golf course maintenance, with the remaining $15.91 (55.5%) per round derived from all other expenses. Overall, this figure increased by about 11% between 2005 and 2009.

Public Mid-range U.S. Average Expense Per Round			
	2005	**2009**	**% change**
Total maintenance costs	$11.28	$12.77	13.2%
Golf car fleet costs	$0.93	$0.94	0.9%
Total COGS	$4.27	$3.71	-13.1%
Other expenses	$9.43	$11.25	19.4%
Total Facility Expense	**$25.91**	**$28.68**	**10.7%**

Source: *Operating & Financial Performance Profiles of 18-Hole Golf Facilities in the U.S.*, 2010 edition, National Golf Foundation, and *"Future of Public Golf in America"* study – 2010

Public 'Premium' Revenue and Expense per Round - NGF research indicates that the highest fee public golf courses in the U.S. average $81.41 in total facility revenue per round of golf. Of this figure, $55.73 (68.5%) is derived from "golf" sources (green, cart, pass fees and driving range), with the remaining $25.68 (31.5%) per round derived from "ancillary" (mostly merchandise, food + beverage) sources. Overall, this figure declined by about 12% between 2005 and 2009.

Public Mid-range U.S.
Average Revenue Per Round

	2005	2009	% change
Total Revenue	$92.70	$81.41	-12.2%
Golf Revenue	$62.28	$55.73	-10.5%
F&B revenue (incl. banquets)	$18.56	$15.88	-14.4%
Merchandise revenue	$8.26	$6.65	-19.5%
All other operating revenue	$3.60	$3.15	-12.4%

Source: *Operating & Financial Performance Profiles of 18-Hole Golf Facilities in the U.S.*, 2010 edition, National Golf Foundation, and *"Future of Public Golf in America"* study – 2010

Premium public golf courses in the U.S. average $81.54 in total facility expenses per round of golf. Of this figure, $28.43 (34.9%) is derived from golf course maintenance, with the remaining $53.11 (65.1%) per round derived from all other expenses. Overall, this figure increased by about 12% between 2005 and 2009.

Public Mid-range U.S.
Average Expense Per Round

	2005	2009	% change
Total maintenance costs	$24.69	$28.43	15.2%
Golf car fleet costs	$1.71	$1.72	0.7%
Total COGS	$11.32	$9.71	-14.2%
Other expenses	$34.91	$41.67	19.4%
Total Facility Expense	**$72.63**	**$81.54**	**12.3%**

Source: *Operating & Financial Performance Profiles of 18-Hole Golf Facilities in the U.S.*, 2010 edition, National Golf Foundation, and *"Future of Public Golf in America"* study – 2010

Glen Ellyn Village Future Planning Session

Fontana Leadership Development, Inc.

John J. Fontana

November 1, 2017

Purpose: A Leadership Exercise & Process

- Leadership Goals: Heifetz
  - To get on the leadership balcony to see the big picture
  - To identify and understand adaptive challenges—name tensions—anticipate problems
  - To give work back to appropriate people while protecting voices from below
  - Good judgment is the goal of good governance!!

Things to Remember & Key Concepts

- 3 Key Leadership Skills for Governance:
  - **Seeing:** picking up patterns, seeing relationships & tasks, anticipating the future
  - **Listening:** hearing facts, ideas & emotions
  - **Judgment Triangle:**
    - Base: Collect data—perceptual ability
    - Middle: Boil down or analyze: cognitive ability
    - Top: Act---careful of impulsivity and procrastination
    - Stress & these issues can derail judgment
      - Hyper competitiveness, high standards, issues of nurturance, trust, & shame

The Debate, Discussion, Dialogue Continuum

- Today focus on dialogue
- Discussion/debate get to one point of view or decision
- Dialogue—purpose is understanding all points of view
- Goal being a conflict positive group
  - Cooperation—assume positive intent
  - Communication
  - Tolerance & respect
  - Positive emotional expression
  - Conflict resolution-"Get things done"
  - Keep thoughts concise

11/21/2017

Goals

- Task: Develop a two to three year plan effectively & efficiently
  - Clarify priorities
  - Plan with action steps
- Continue the orientation and education of new staff
- Support Village Board, Village Management, & Recreation Commission collaboration

Facilitator Role

- Resource & provide feedback
- Facilitate (activist)
- Provide a safe enough environment for dialogue
- Support the group as it leans into tension & conflicts
- Move the group toward goals
- Foster team dialogue

Stakeholder Feedback: Strengths

- Golf
  - Challenging course
  - Modest prices
  - Resident rates
  - Country club feel
  - Great golf staff & grounds crew
  - Management very good, work hard
- Restaurant & Banquet
  - Outside Patio
  - New building
  - Great view
  - Food getting better

Weakness General

- Facility runs like a government not innovative, quick or reponsive
- Break even mentality rather than revenue driven
- Cautious & reserved & hard to change

Weaknesses

- Golf
  - In down market
  - Not innovative or open to suggestions, feel dismissive
  - Not benchmarking
  - Caddie program
  - Closed minds
  - Up keep of course
- Res & Banquet
  - Poor service
  - Turnover staff
  - Small kitchen/ food delivery
  - Banquet RM & Patio to small
  - Pavilon needed & tents
  - Limited menu
  - Warmer environment

Desires /Aspirations

- Better communication among Board, Commission, Village & Links
- Plan for capital improvements
- Best practices implemented
- Restaurant & bar become destination

Critical issues:

From all the data & Interviews

1. List Critical Issues on newsprint
   1. Board
   2. Staff
2. Prioritize
   1. Dot designation
3. Discussion

Process Options

- Group Break Out
  - Prioritize Within your area
  - Write Goals: SMART
    - Primary responsibility
    - Action steps
    - Timeline
    - Obstacles to anticipate
- SMART
  - Specific
  - Measurable
  - Action-oriented
  - Realistic
  - Time-bound
- Report Back to Large Grou

11/15/2017

Recreation Department

Capital Replacement - For Assets With Replacement Cost Over $40,000

Asset	Acquired	Life/Yrs	Year 1 2018	year 2 2019	Year 3 2020	Year 4 2021	Year 5 2022	Year 6 2023	Year 7 2024	Year 8 2025	Year 9 2026	Year 10 2027	10 Year Total
Annual Capital Equipment Replacement			150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	$ 1,500,000
Golf Cart Fleet (95) Replacement w/trade-in	2013	4				240,000				240,000			$ 480,000
Irrigation System	2003	25											$ -
Maintenance Building	1995	40											$ -
Equipment Storage Building	1995	40											$ -
Pesticide Storage/Rinsate Building	1995	40											$ -
Clubhouse	2013	35											$ -
Street Lights - Winchell Way & Parking Lot	2013	35											$ -
Cart Path System - concrete	2003	30											$ -
Clubhouse Parking Lot - asphalt resurface	2013	10						180,000					$ 180,000
Halfway House Renovation(New)	future							400,000					$ 400,000
Rest Room w/Storm Shelter #4 Tee 9-Hole Course	future					400,000							$ 400,000
Lake (22) Dredging - Village Links	1966										250,000		$ 250,000
Lakes (2) Dredging - Panfish Park	1968								180,000				$ 180,000
Lakes (1) Dredging - Lambert Lake	1977												$ -
Pro Shop/Restrooms/Locker Room/Offices – Clubhouse Phase 2								2,500,000					$ 2,500,000

Kitchen Expansion								350,000					$ 350,000
Cart Storage Building w/Driving Range Tee Overhang (Pavillion)	future							850,000					$ 850,000
Patio Expansion	future											250,000	$ 250,000
Patio Furniture	2013					40,000							$ 40,000
Restaurant Furniture	2013						150,000						$ 150,000
Banquet Room Furniture	2013							75,000					$ 75,000
Chain Link Fence (May Phase)	1969	50							250,000				$ 250,000
Bunker Renovation	2003	20						450,000					$ 450,000
Front-end Loader	1991	25			48,000								$ 48,000
Maintenance Paving Harding/Main	1995	30								100,000			$ 100,000
Asphalt Cart Paths on 9 Hole Course and Maintenance Road						80,000							$ 80,000
Panfish Storm Water Detention Maintenance - Replace connector pipes					50,000								$ 50,000
Total			$ 150,000	$ 150,000	$ 248,000	$ 910,000	$ 300,000	$ 4,955,000	$ 580,000	$ 490,000	$ 400,000	$ 400,000	$ 8,583,000

H:\11\05-70\PCTOOLS\C(**CASH HISTORY** ######## Month-End Cash on Hand ($1,000's)

	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
JAN	333	547	750	757	953	1073	1210	1457	944	1029	1498	2098	2653	2977	3111	6970	2173	1616	1622	1719	2282	2302	2129	2126	2181	6269	1521	1104	1356	1529
FEB	346	496	704	725	1034	1065	1205	1448	919	1090	1608	2122	2710	3031	3170	6830	2210	1603	1646	1743	2294	2318	2096	2126	2182	6233	1251	1041	1336	1571
MAR	369	448	728	650	979	1076	1263	1361	817	1094	1574	2097	2740	3049	3146	6772	2112	1591	1612	1741	2234	2268	2108	2086	2203	5306	1174	1050	1377	1353
APR	416	490	776	664	930	918	1203	1311	739	965	1549	2000	2761	2890	3108	6489	1928	1504	1623	1786	2271	2228	2168	1989	2273	4828	1224	1117	1268	1295
MAY	522	536	867	723	1053	1015	1342	1270	981	1075	1672	2255	2737	3075	3103	5773	1874	1644	1733	1955	2374	2365	2305	2094	2383	4653	1354	1197	1474	1284
JUNE	564	595	817	853	1110	1154	1463	1007	1204	1300	1945	2348	2754	3054	3213	5510	1819	1828	1863	2156	2478	2352	2419	2271	2595	3405	1384	1351	1770	1507
JULY	722	789	951	1035	1276	1318	1702	1423	1299	1581	2158	2604	3055	3322	3433	4820	2079	2001	2109	2456	2771	2383	2523	2412	2803	3347	1690	1706	1957	1834
AUG	790	905	1054	1224	1479	1507	1869	1549	1446	1763	2345	2798	3238	3462	3553	4019	2270	2154	2308	2541	2962	2586	2744	2627	2969	2589	1867	2059	2194	2125
SEPT	886	1041	1189	1322	1638	1647	1915	1503	1438	1886	2436	2971	3369	3573	3663	3895	2386	2185	2345	2759	3096	2771	2896	2740	3035	2801	2005	2297	2354	2197
OCT	805	974	1070	1210	1544	1437	1941	1427	1265	1904	2488	3025	3390	3532	3553	2845	2274	2222	2321	2809	3038	2681	2864	2760	3004	2456	2015	2200	2390	2127
NOV	688	875	930	1128	1212	1330	1872	1300	1142	1760	2354	2897	3247	3330	3347	2580	2102	2110	2207	2720	2928	2601	2593	2686	7865	2259	1867	2158	2314	
DEC	630	803	870	1071	1132	1274	1668	999	1092	1644	2205	2751	3058	3226	2874	2333	1713	1716	1832	2360	2413	2202	2216	2284	6768	1633	1204	1470	1643	
AVG	589	708	892	947	1171	1234	1554	1338	1107	1424	1986	2497	2976	3210	3273	4903	2078	1848	1935	2229	2595	2421	2422	2350	3355	3815	1546	1563	1786	1682
Low Point	333	448	704	650	930	918	1203	999	739	965	1498	2000	2653	2890	2874	2333	1713	1504	1612	1719	2234	2202	2096	1989	2181	1633	1174	1041	1268	1284
																				1944	1576	1741	1597	1783	1638					

MONTH +/- is the monthly increase/decrease to cash

MONTH +/-	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
JAN	-77	-83	-53	-113	-118	-59	-64	-211	-55	-63	-146	-106	-98	-81	-115	4096	-159	-98	-94	-113	-78	-111	-73	-76	-103	-499	-112	-100	-114	-114
FEB	13	-51	-46	-32	81	-8	-5	-9	-25	61	110	24	58	55	59	-140	36	-13	23	24	12	16	-34	0	1	-35	-270	-63	-20	42
MAR	23	-48	24	-75	-55	11	58	-87	-102	5	-33	-25	30	17	-24	-58	-98	-11	-34	-3	-60	-50	13	-40	21	-927	-77	9	41	-218
APR	47	42	48	14	-49	-157	-60	-50	-78	-129	-26	-97	21	-159	-38	-282	-183	-88	11	45	37	-40	60	-97	70	-478	50	67	-109	-57
MAY	106	46	91	59	123	96	139	-41	242	110	123	255	-24	185	-5	-717	-54	140	110	169	103	137	137	105	110	-175	130	80	206	-11
JUNE	42	59	-50	130	58	139	121	-263	223	225	273	93	17	-21	110	-263	-56	185	130	201	104	-13	114	177	212	-1248	30	153	296	223
JULY	158	194	134	182	166	164	238	416	95	281	213	256	301	268	220	-690	261	173	246	300	293	31	104	141	208	-58	306	356	186	328
AUG	68	116	103	189	202	189	167	126	147	182	187	194	183	140	120	-801	191	153	199	85	191	203	221	214	166	-758	177	352	237	291
SEPT	96	136	135	98	159	140	46	-46	-8	123	91	174	131	111	110	-124	116	30	37	218	134	185	152	113	66	212	138	239	160	72
OCT	-81	-67	-119	-112	-94	-210	26	-76	-173	18	52	53	21	-42	-110	-1050	-113	37	-24	49	-58	-90	-32	20	-30	-345	10	-97	36	-69
NOV	-117	-99	-140	-82	-332	-107	-69	-127	-123	-144	-135	-127	-143	-201	-207	-265	-172	-113	-114	-88	-111	-80	-272	-73	4861	-198	-148	-42	-76	
DEC	-58	-72	-60	-57	-80	-56	-204	-301	-50	-116	-149	-147	-189	-104	-473	-247	-389	-393	-375	-360	-514	-399	-377	-402	-1098	-626	-663	-689	-671	

WINTER=Dec-Jan-Feb SPRING=Mar-Apr-May SUMMER=Jun-Jul-Aug FALL=Sep-Oct-Nov

	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
																		-438	-476	-181	-549	-384	-528	-342	3799	-956	-663	-589	-551	
WINTER	-122	-206	-159	-202	-117	-123	-274	-521	-130	-118	-156	-229	-230	-131	-528	3709	-512	-504	-445	-449	-580	-494	-483	-477	-1200	-1160	-1044	-851	-805	-72
SPRING	176	40	163	-2	19	-50	137	-178	62	-15	64	133	27	44	-67	-1057	-335	41	87	212	80	47	210	-33	201	-1580	103	156	138	-287
SUMMER	268	369	187	501	426	492	527	279	465	688	673	542	501	387	450	-1754	396	511	575	586	588	221	439	533	586	-2064	513	861	720	841
FALL	-102	-30	-124	-96	-267	-177	4	-249	-304	-3	9	100	9	-132	-206	-1440	-168	-45	-101	179	35	15	-151	60	4896	-330	0	100	120	2

YTD +/- is theYTD increase/decrease to cash

YTD +/-	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
JAN	-77	-83	-53	-113	-118	-59	-64	-211	-55	-63	-146	-106	-98	-81	-115	4096	-159	-98	-94	-113	-78	-111	-73	-76	-103	-499	-112	-100	-114	-114
FEB	-64	-134	-99	-145	-37	-67	-69	-220	-80	-2	-37	-83	-41	-27	-56	3956	-123	-111	-70	-89	-66	-95	-106	-75	-102	-535	-382	-163	-134	-72
MAR	-41	-182	-75	-220	-92	-56	-11	-308	-182	2	-70	-108	-11	-9	-80	3898	-221	-122	-104	-91	-126	-145	-93	-116	-81	-1462	-459	-154	-93	-290
APR	6	-140	-27	-206	-141	-214	-71	-357	-260	-127	-96	-205	10	-168	-118	3616	-404	-210	-93	-46	-89	-185	-34	-213	-11	-1939	-409	-87	-202	-348
MAY	112	-94	64	-147	-18	-118	68	-398	-18	-17	28	51	-14	17	-123	2899	-458	-70	17	123	14	-48	103	-108	98	-2115	-279	-7	4	-359
JUNE	154	-35	14	-17	39	22	189	-661	205	208	301	143	3	-4	-14	2636	-514	115	147	324	118	-61	217	69	311	-3362	-249	147	301	-136
JULY	312	159	148	165	205	186	428	-245	300	489	513	399	304	264	207	1946	-253	288	393	624	411	-30	321	211	518	-3420	57	502	487	191
AUG	380	275	251	354	408	375	595	-119	447	671	700	593	487	404	327	1145	-62	441	592	709	602	173	542	425	684	-4179	234	854	724	482
SEPT	476	411	386	452	567	515	641	-165	439	794	792	767	618	516	437	1021	54	472	629	927	736	358	695	538	750	-3966	372	1093	884	554
OCT	395	344	267	340	473	305	667	-241	266	812	844	820	639	474	327	-29	-59	509	605	977	678	268	663	558	720	-4311	382	996	921	484
NOV	278	245	127	258	141	198	598	-368	143	668	709	693	496	272	121	-294	-231	396	491	888	567	188	391	484	5581	-4509	234	954	844	
DEC	220	173	67	201	61	142	394	-669	93	552	560	546	307	168	-352	-541	-619	3	116	528	53	-212	14	83	4483	-5135	-429	266	173	

RESERVE 22

RESTAURANT BAR EVENTS

Wednesday, October 25, 2017

1,895

Total Responses

Reserve 22 Email List – 789 Respondents

Links Email List – 749 Respondents

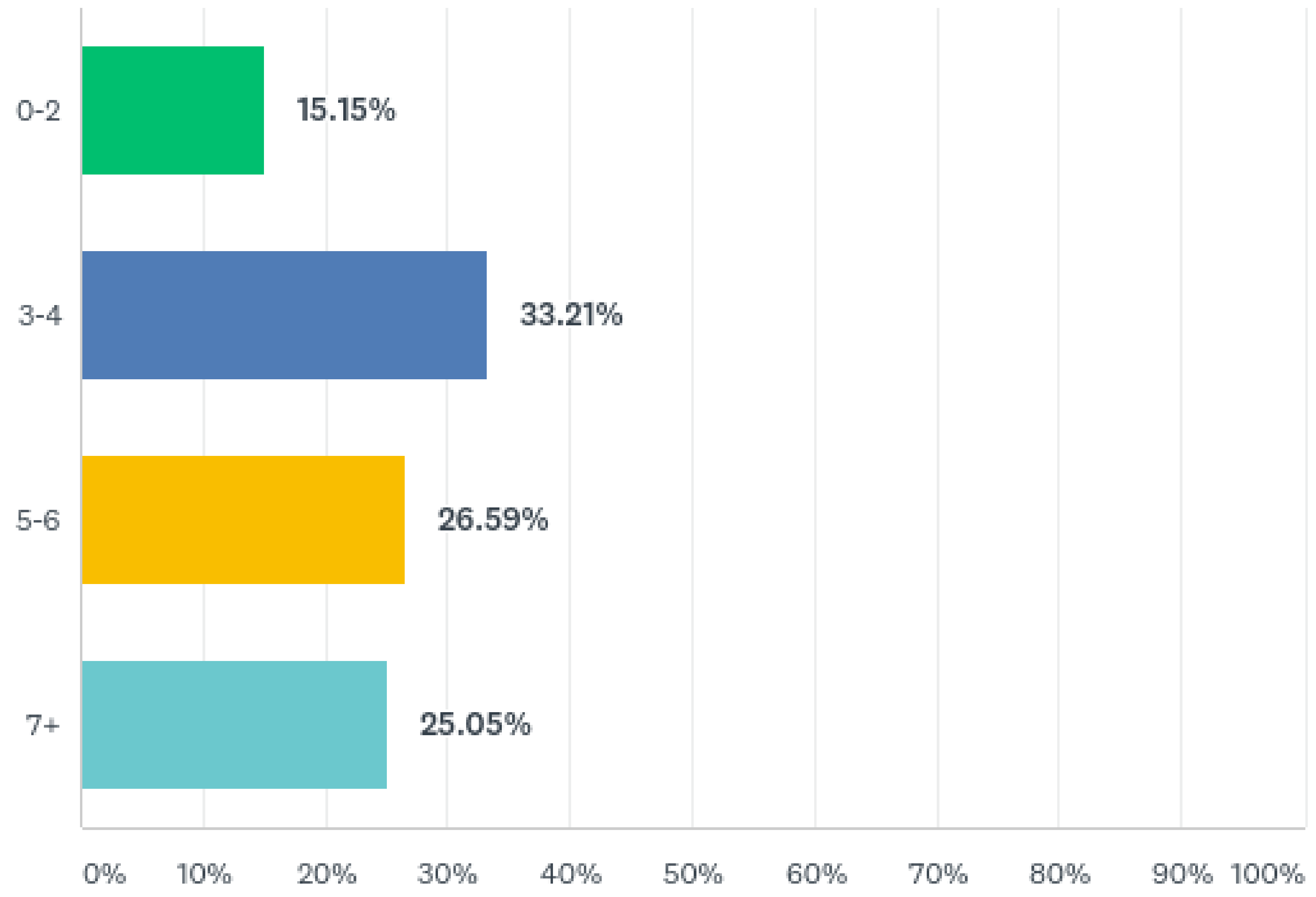
Village Email Link – 296 Respondents

Social Media Links – 68 respondents

Survey was open October 3rd – 23rd

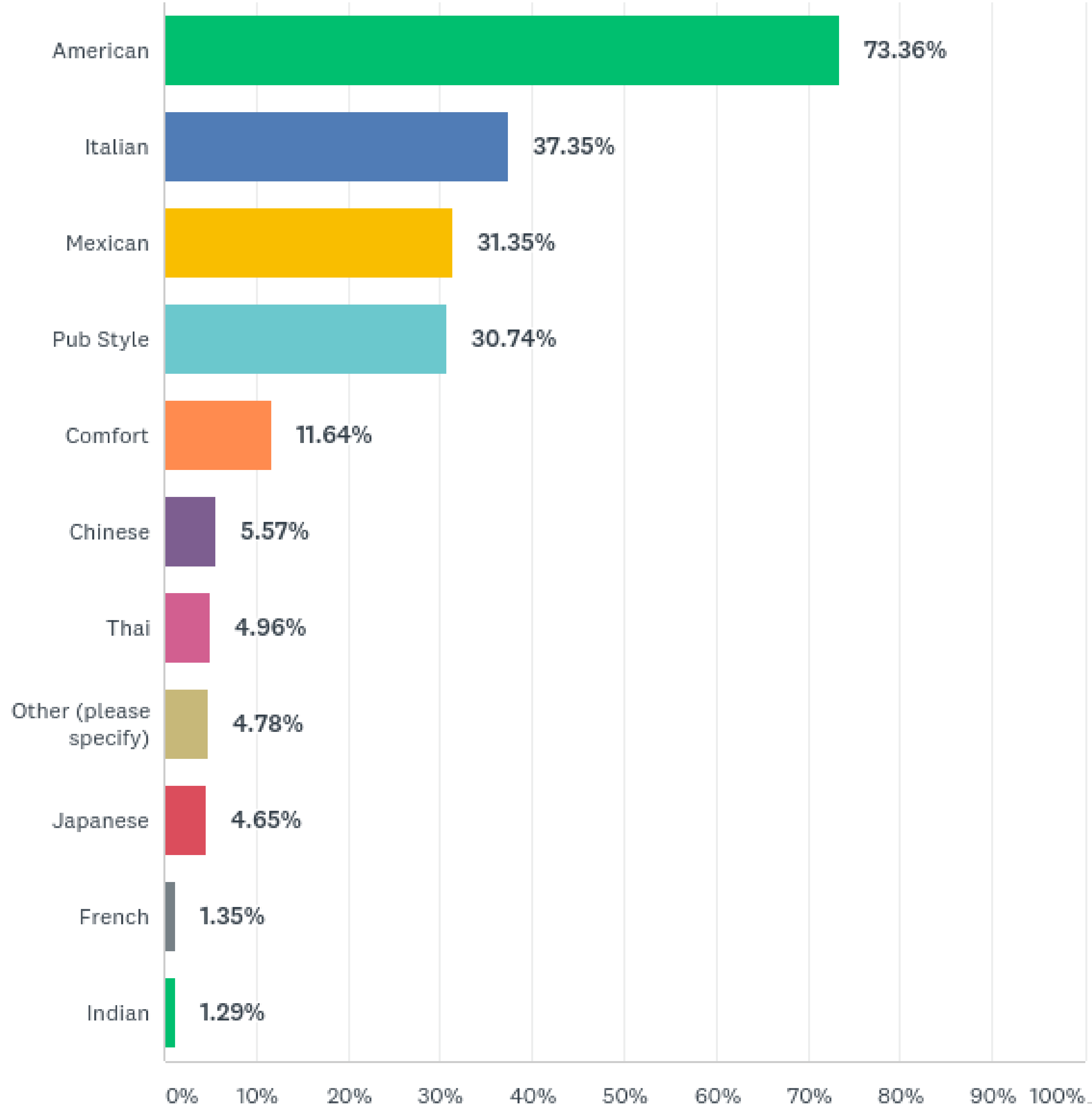
Q1: How many times per month do you typically eat out for dinner?

Answered: 1,888   Skipped: 7



Q2: What type of food do you eat out most often? Select top 2

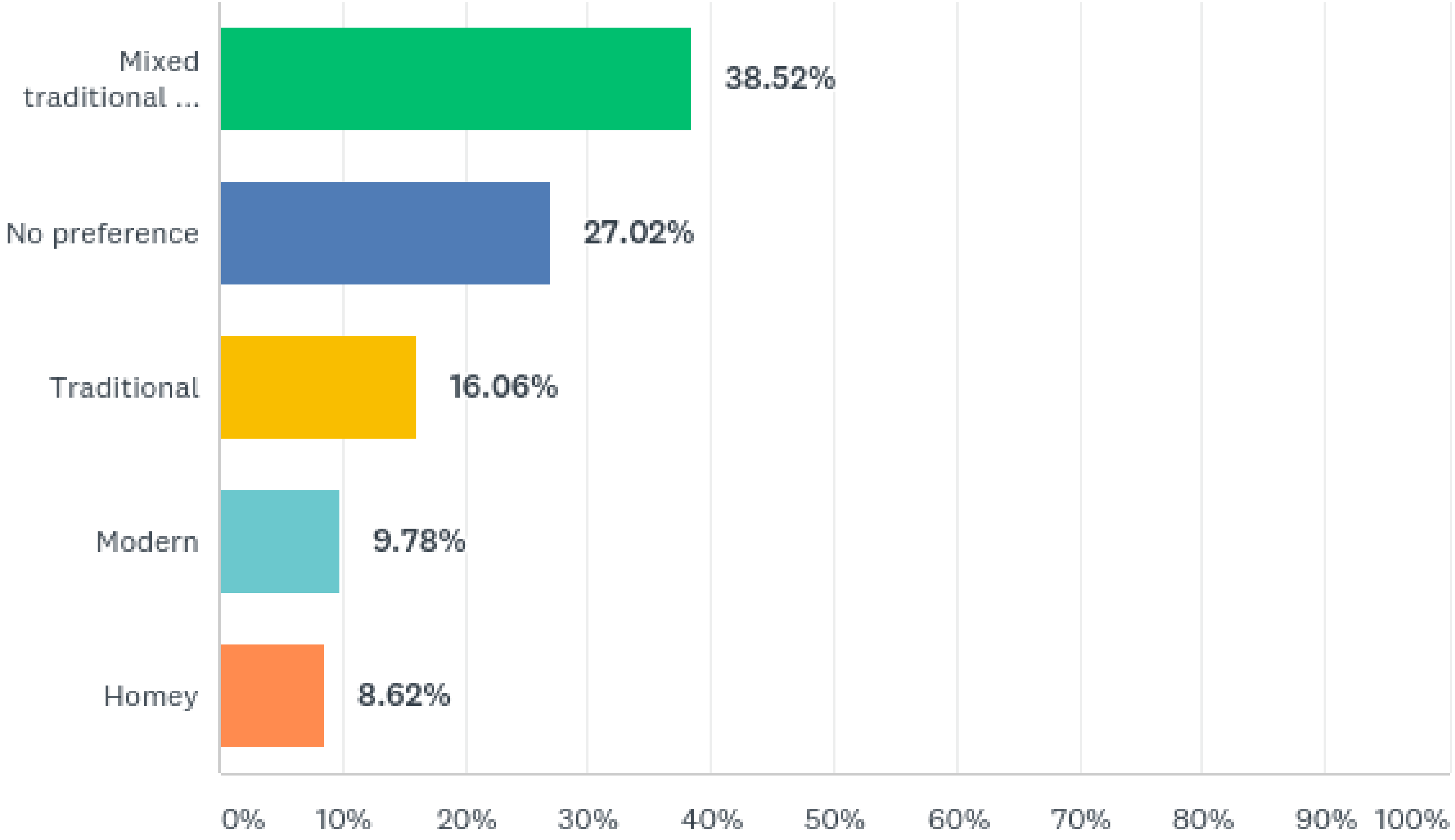
Answered: 1,633   Skipped: 262



Powered by SurveyMonkey

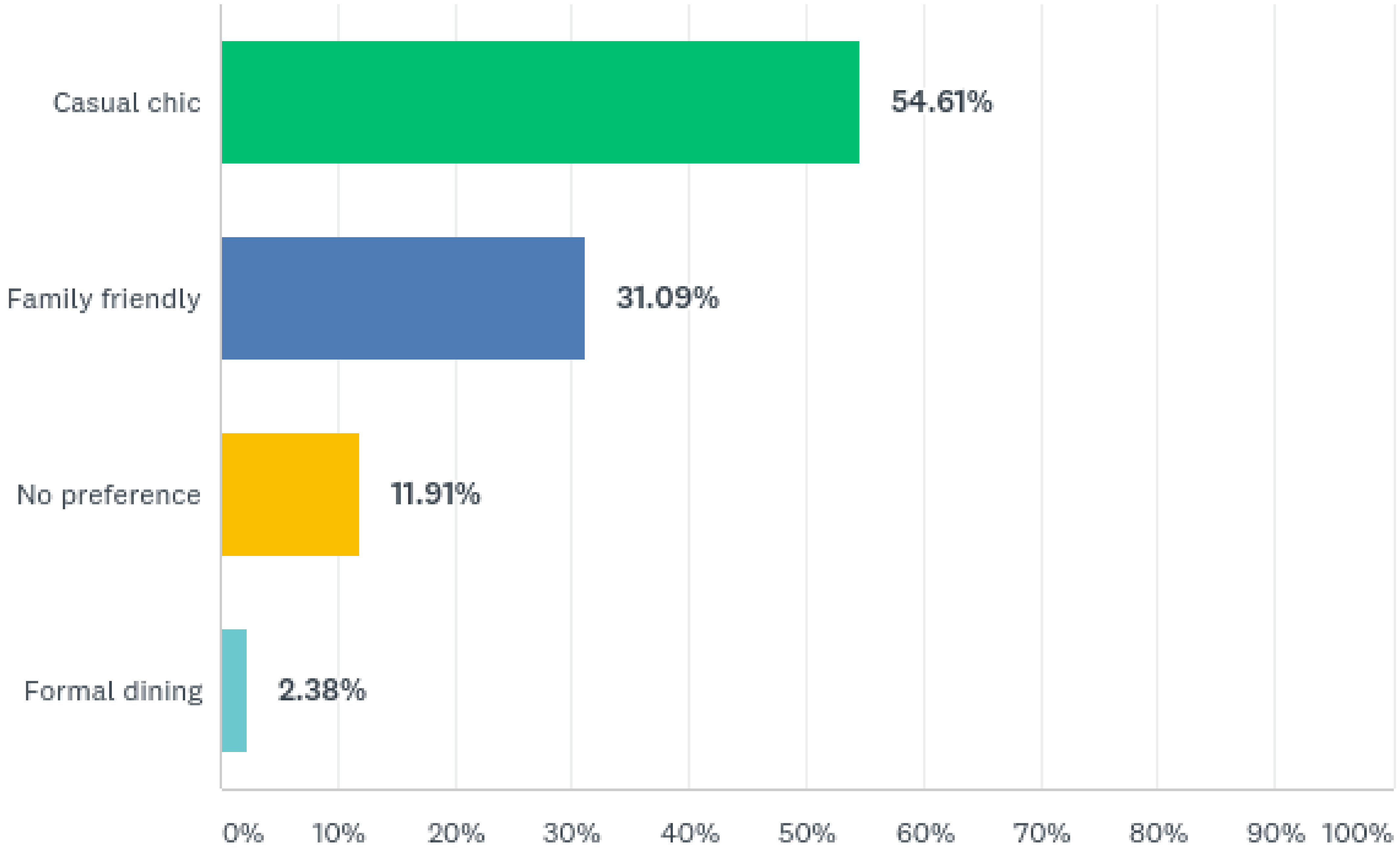
Q3: What aesthetic do you prefer for a restaurant?

Answered: 1,625   Skipped: 270



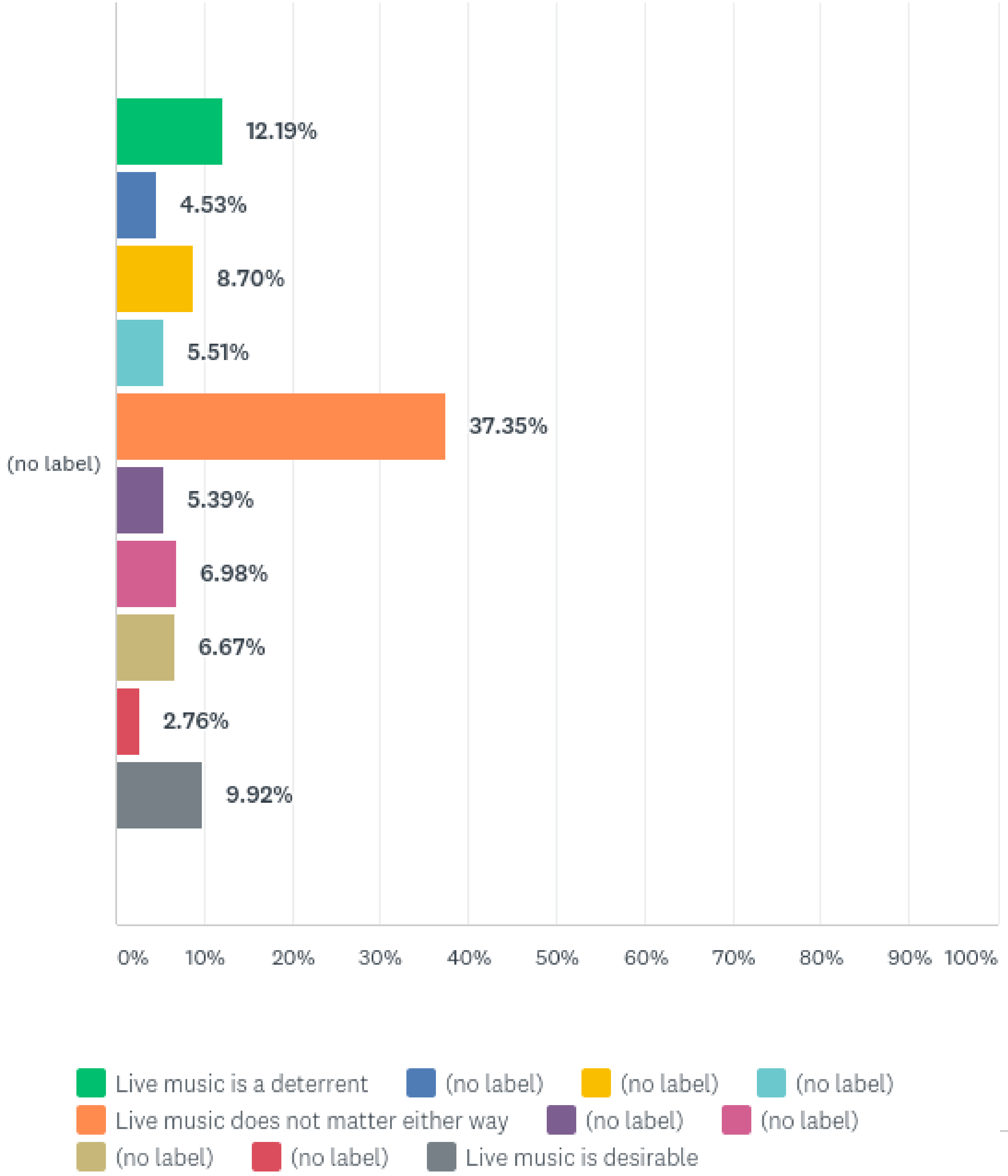
Q4: What type of dining room do you prefer in a restaurant?

Answered: 1,637   Skipped: 258



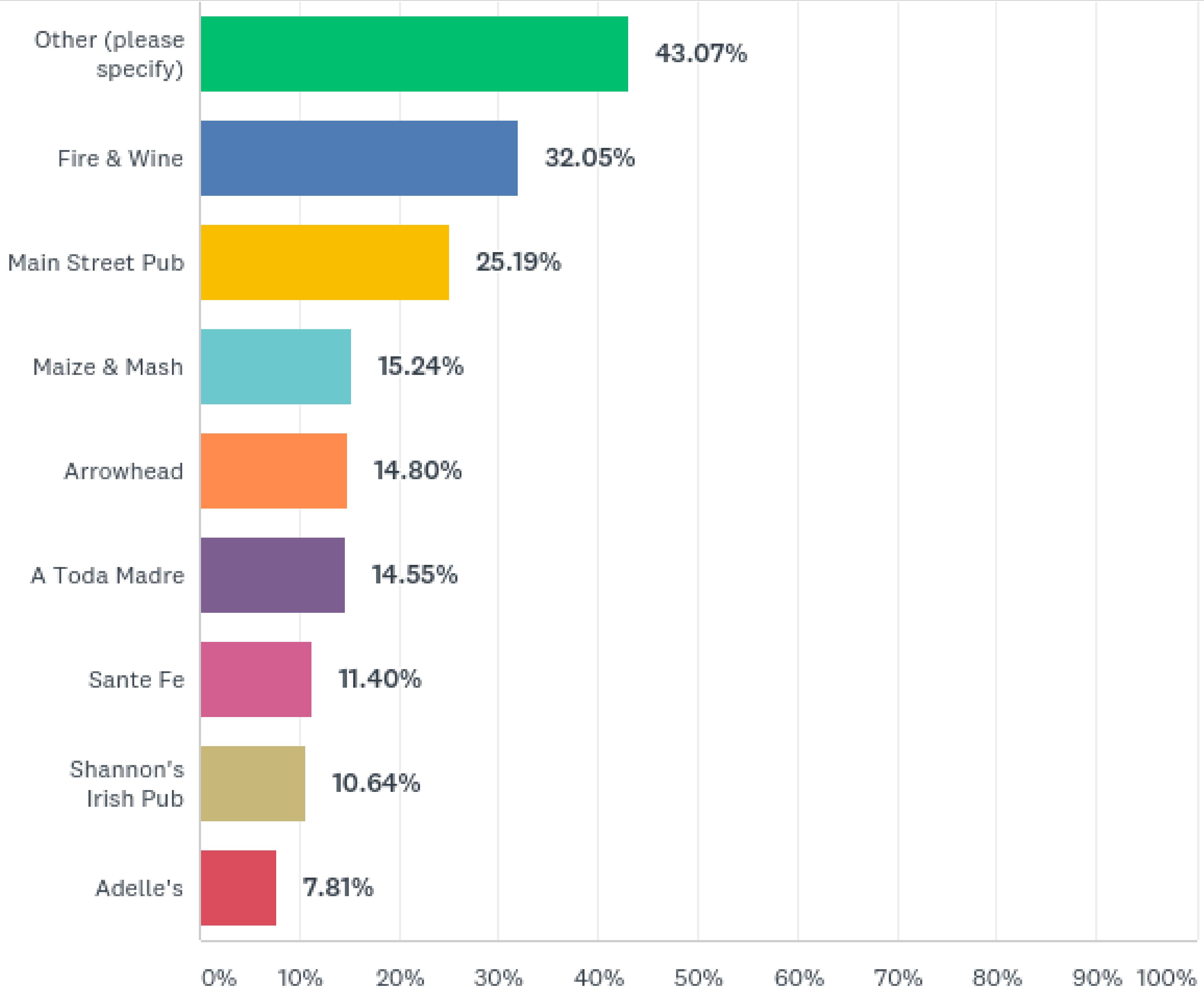
Q5: Does live music during dinner influence your restaurant choice?

Answered: 1,633 Skipped: 262



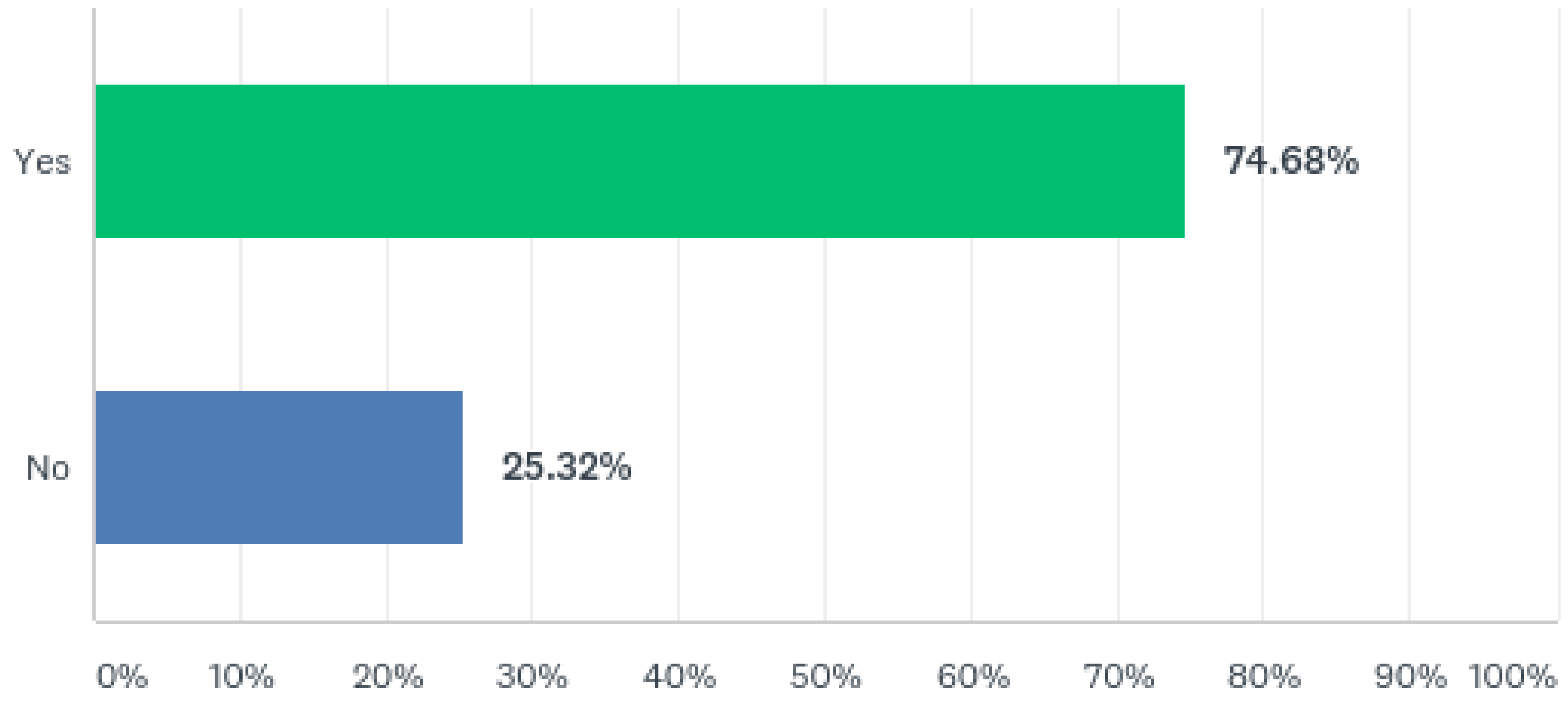
Q6: Which of these restaurants did you frequent the most for dinner in the last 30 days? Select top 2

Answered: 1,588   Skipped: 307



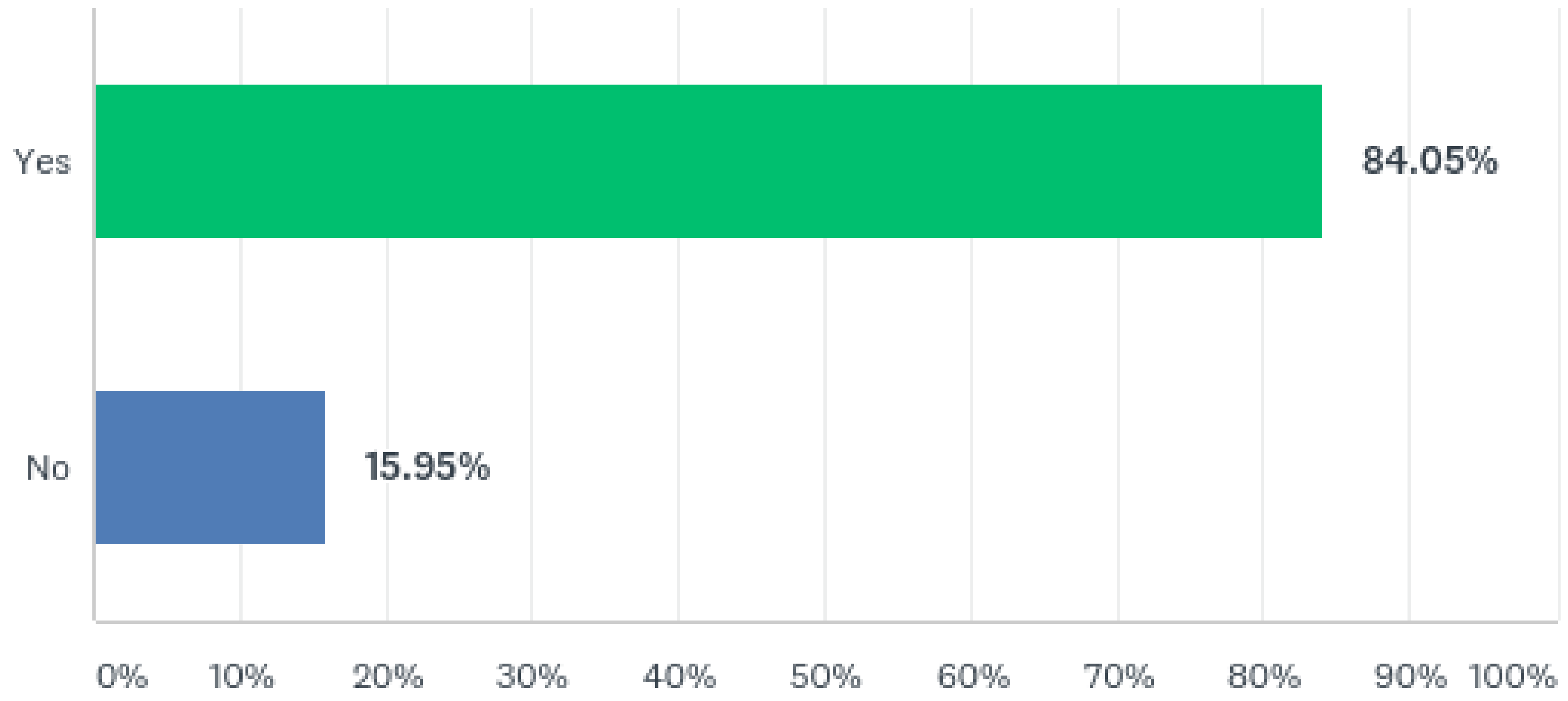
Q7: Do you play golf more than 2 times per season?

Answered: 1,627 Skipped: 268



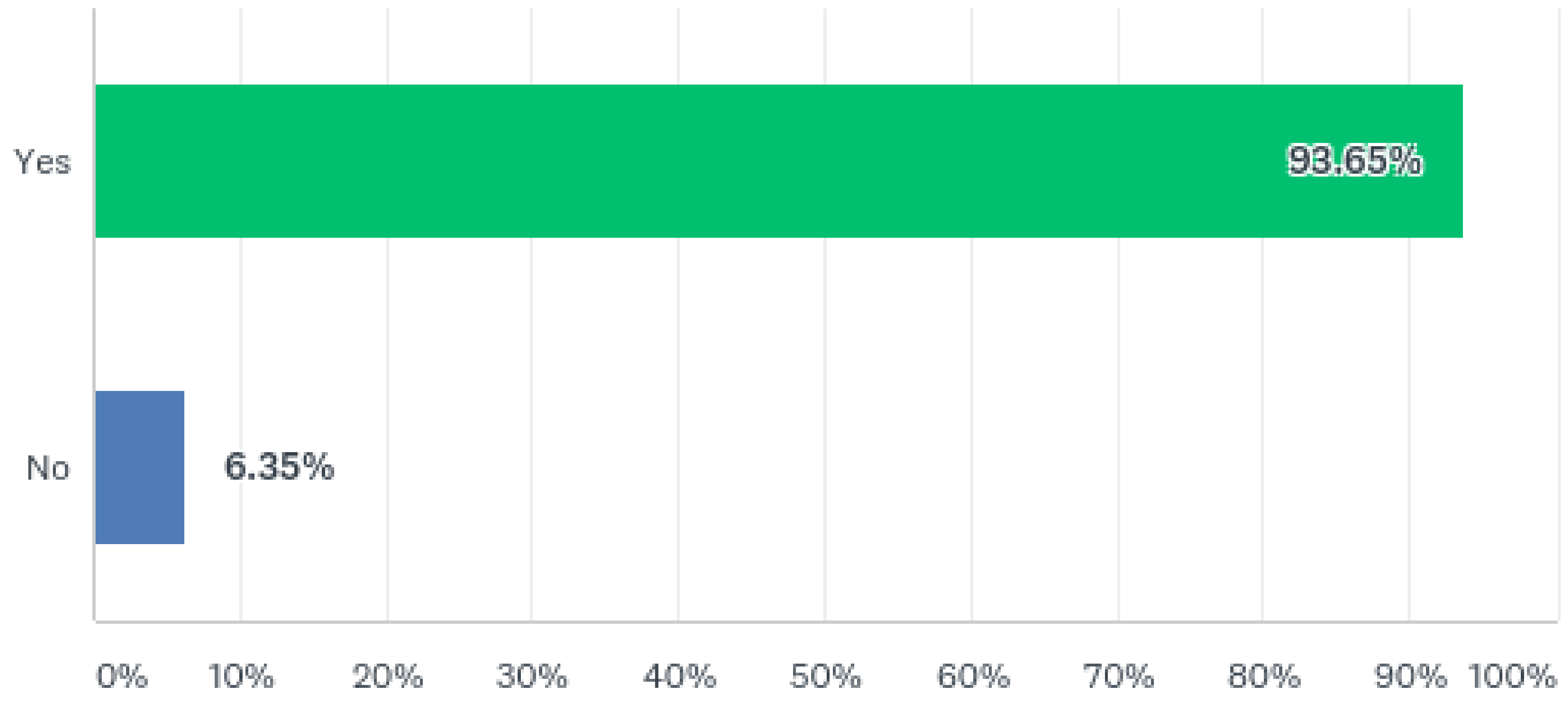
Q8: Have you ever played golf at The Village Links of Glen Ellyn?

Answered: 1,636   Skipped: 259



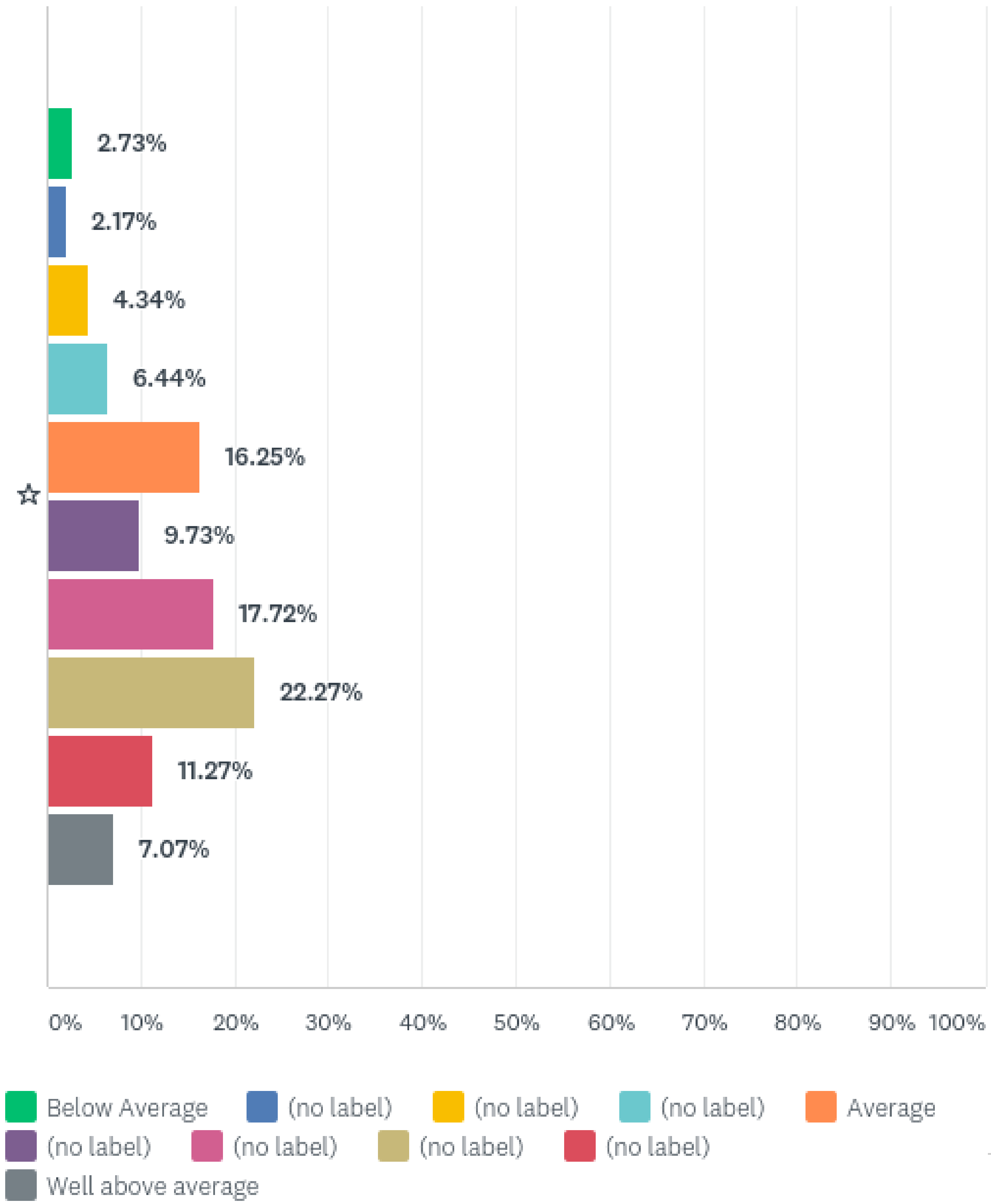
Q9: Have you ever eaten at Reserve 22 Restaurant?

Answered: 1,639   Skipped: 256



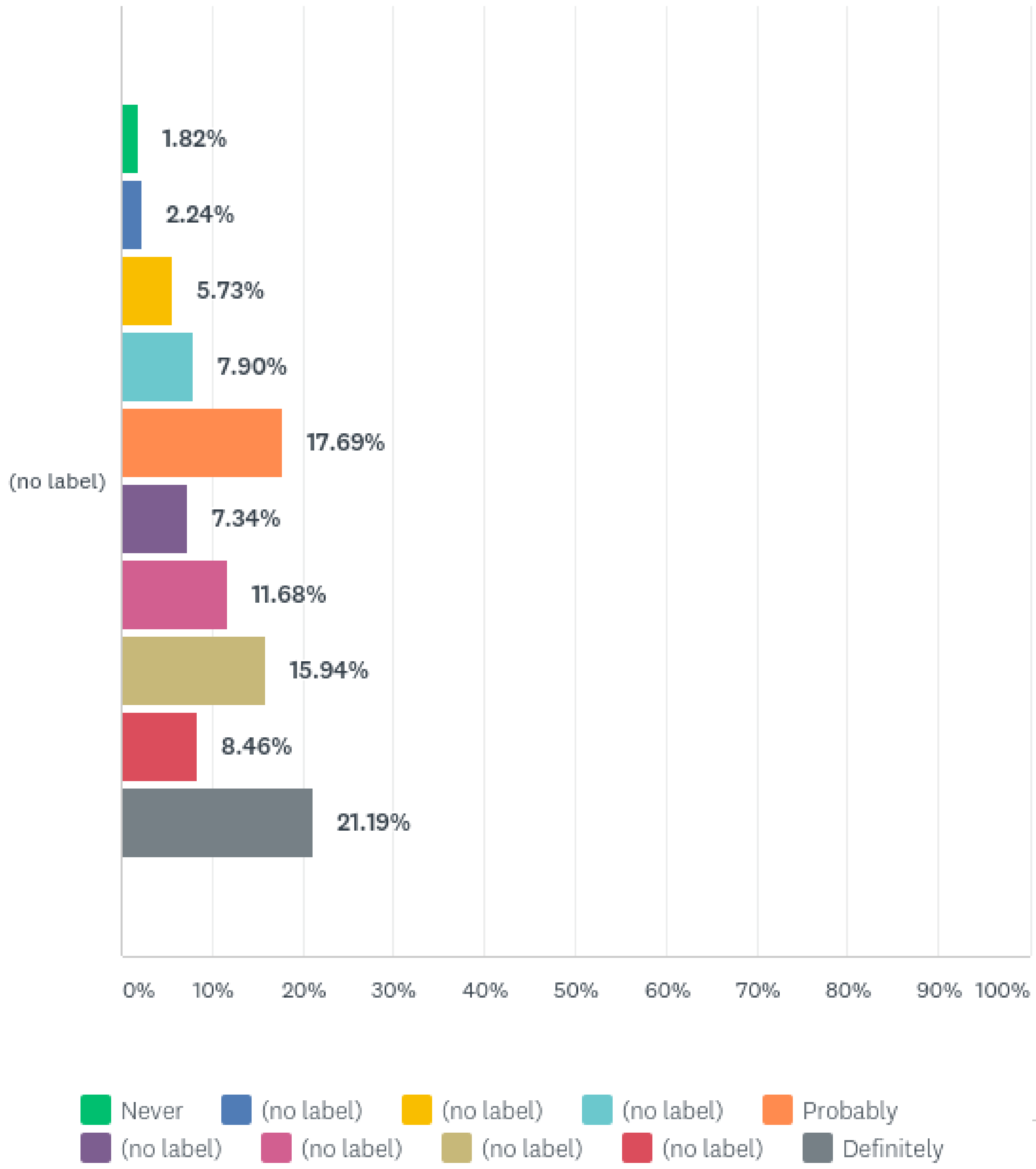
Q10: How do you rate your overall experiences at Reserve 22 Restaurant?

Answered: 1,428   Skipped: 467



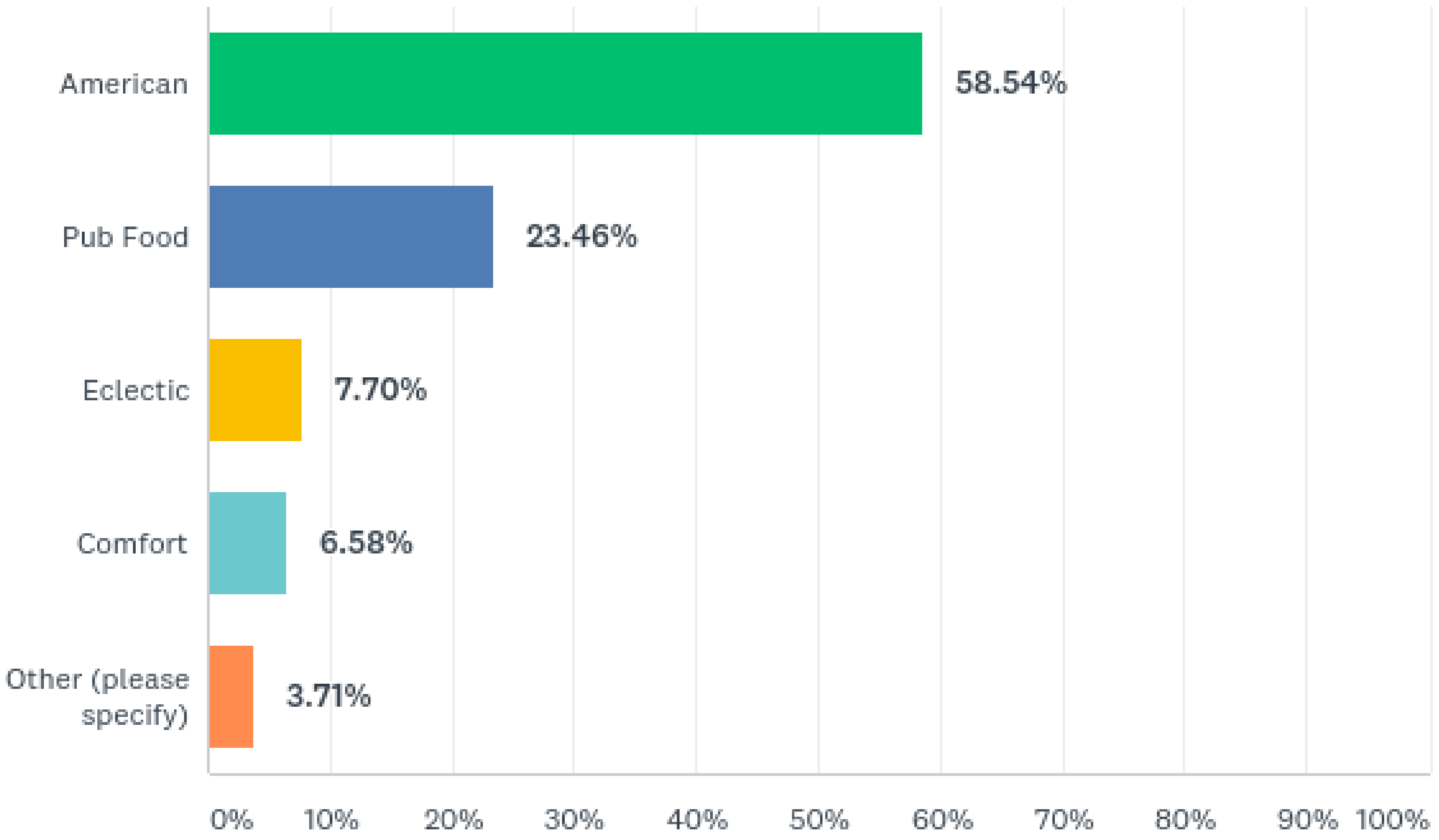
Q11: What is the likelihood you would recommend Reserve 22 Restaurant to a friend?

Answered: 1,430   Skipped: 465



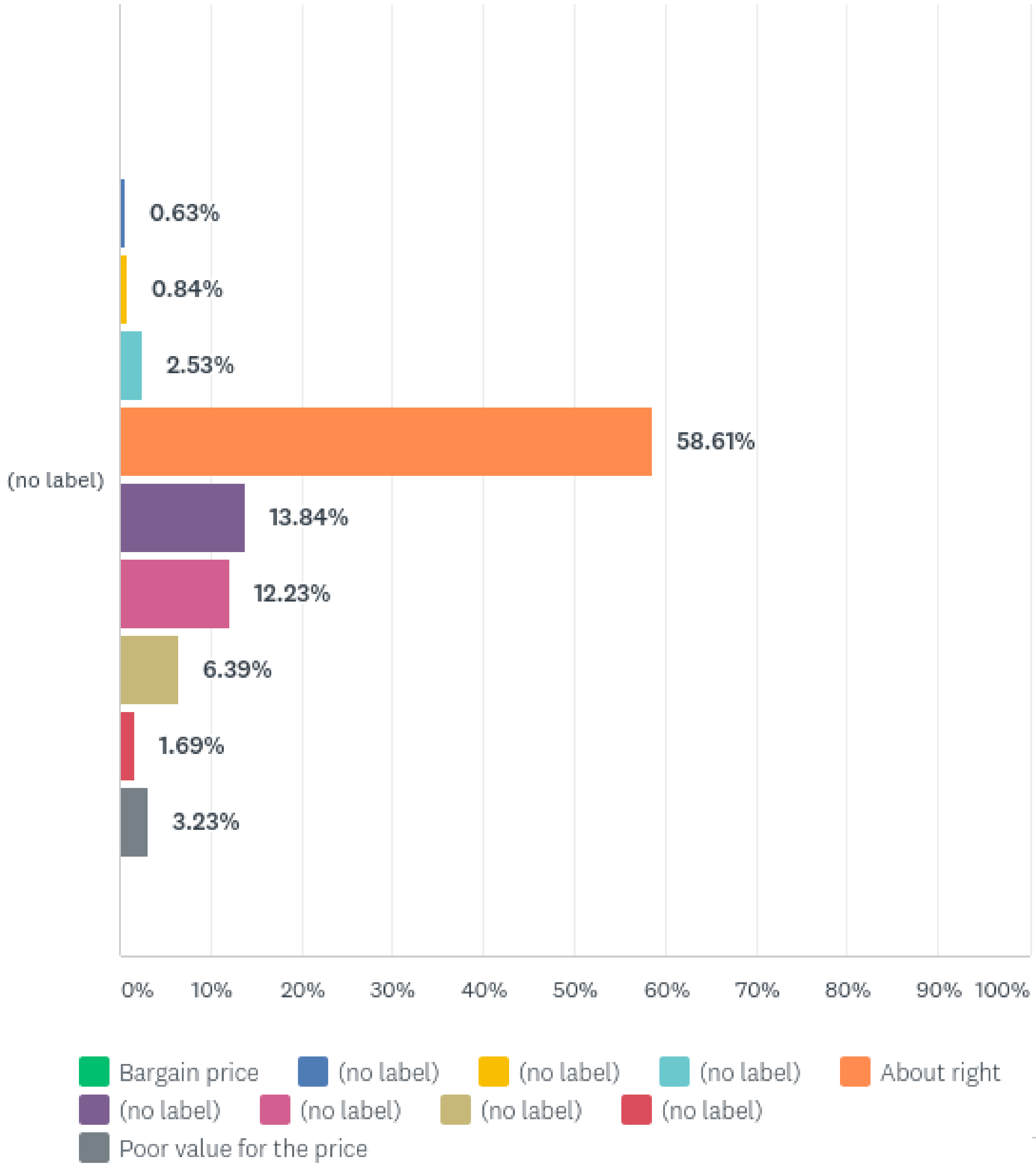
Q12: How would you describe the food at Reserve 22?

Answered: 1,428   Skipped: 467



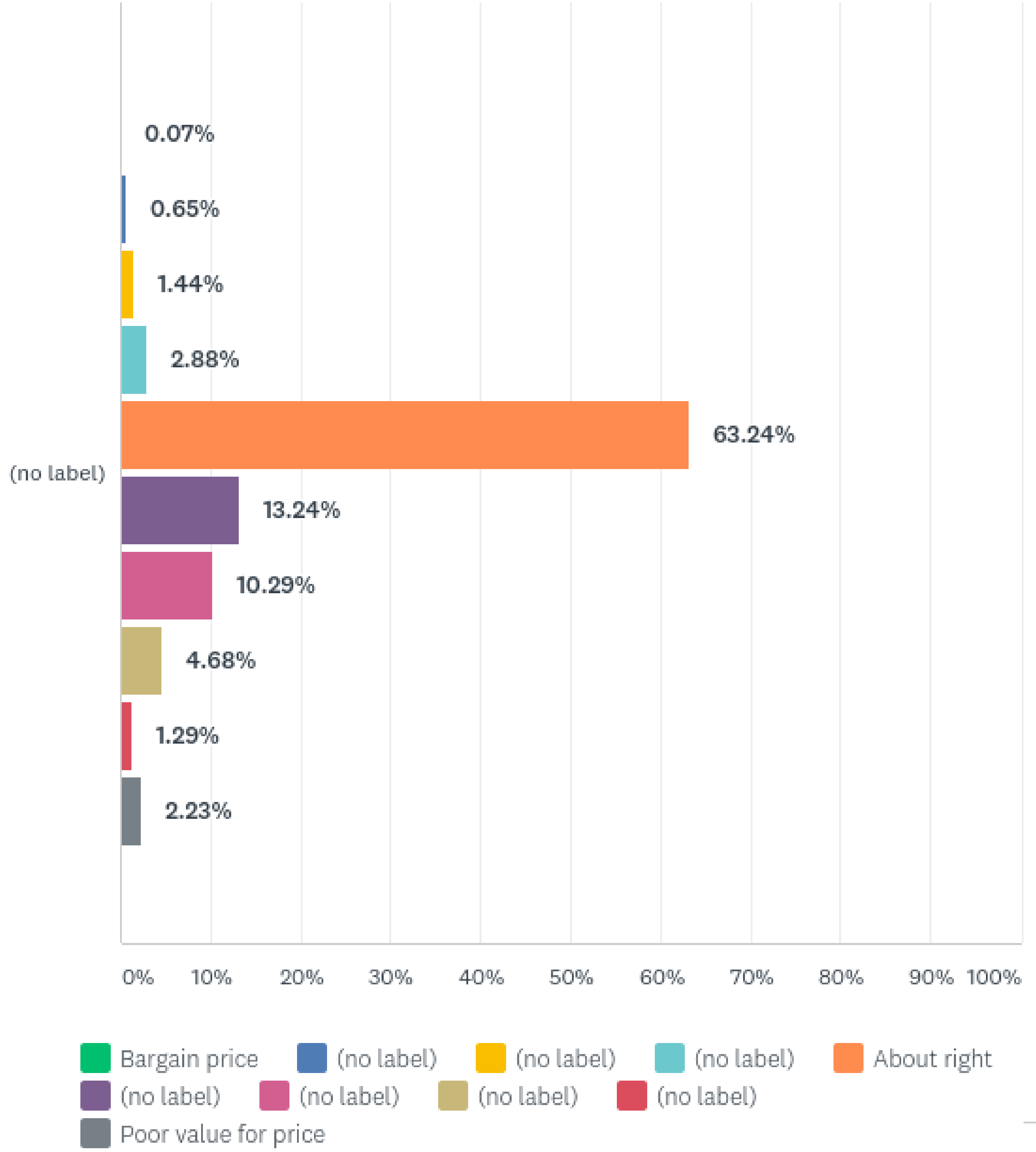
Q13: Do you consider the entree prices at Reserve 22 to be:

Answered: 1,423 Skipped: 472



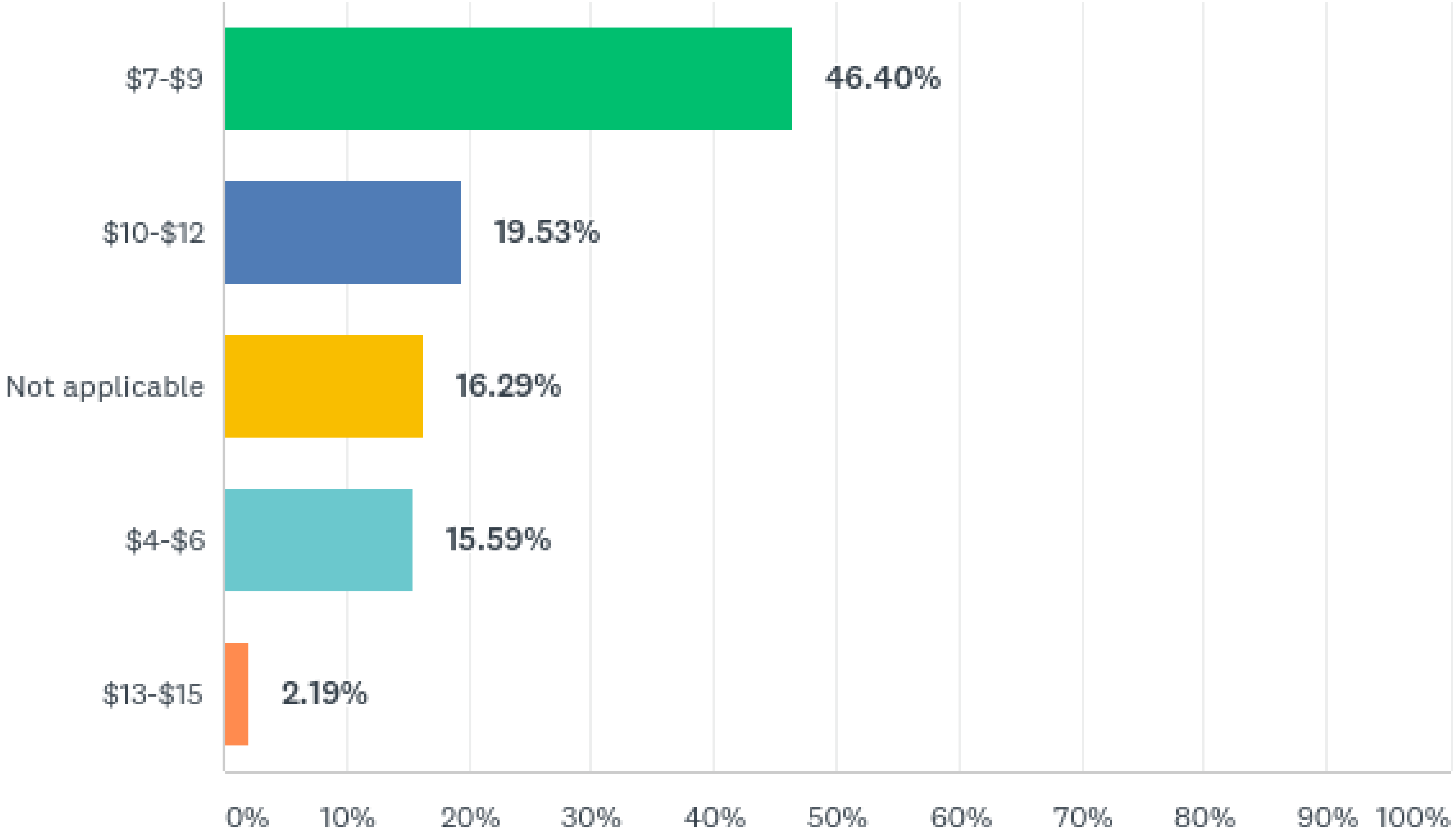
Q14: Do you consider the appetizer/small plate prices at Reserve 22 to be:

Answered: 1,390 Skipped: 505



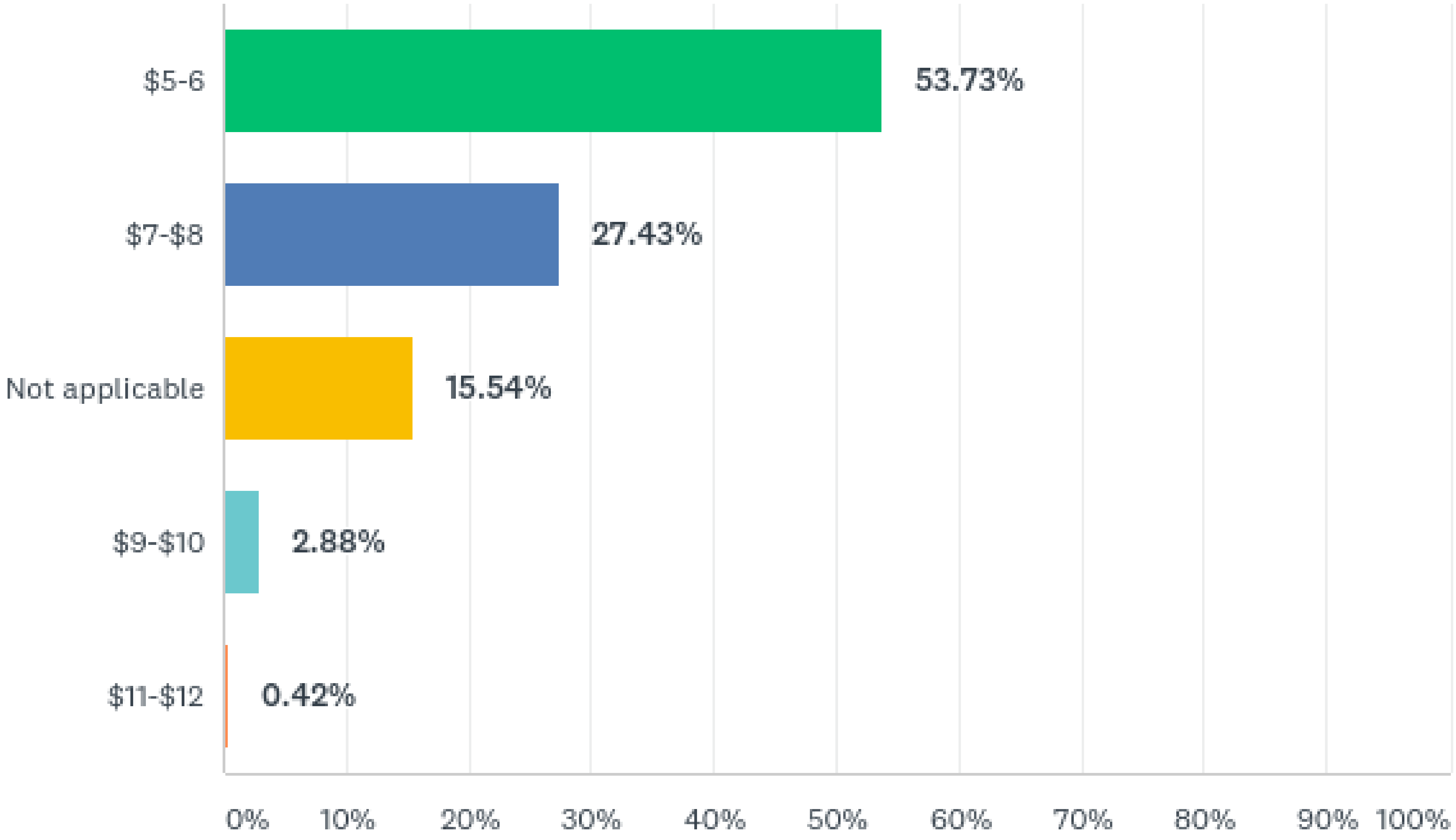
Q15: What wine by the glass price are you willing to pay at this restaurant?

Answered: 1,418   Skipped: 477



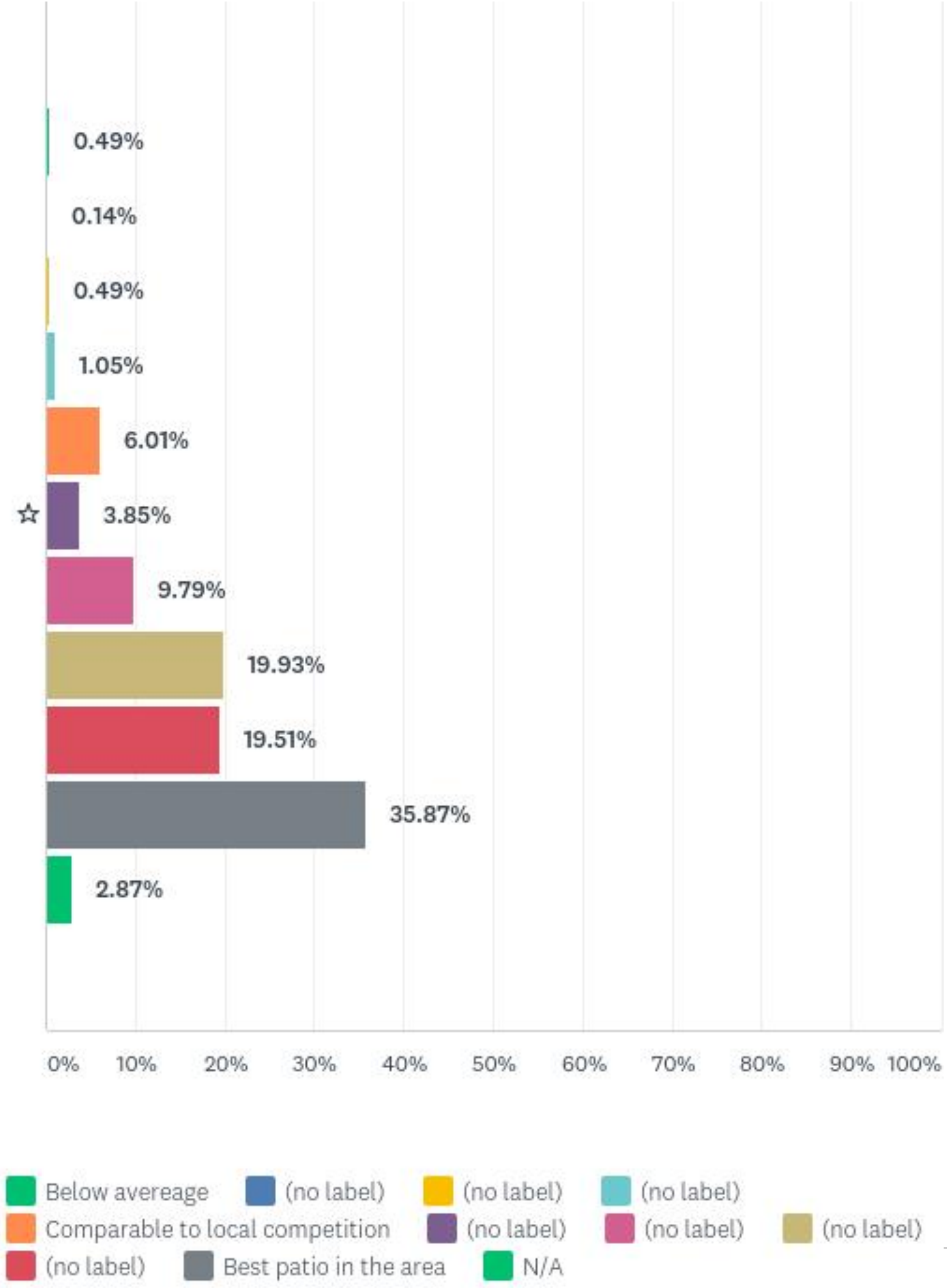
Q16: What beer price by the pint are you willing to pay at this restaurant?

Answered: 1,422 Skipped: 473



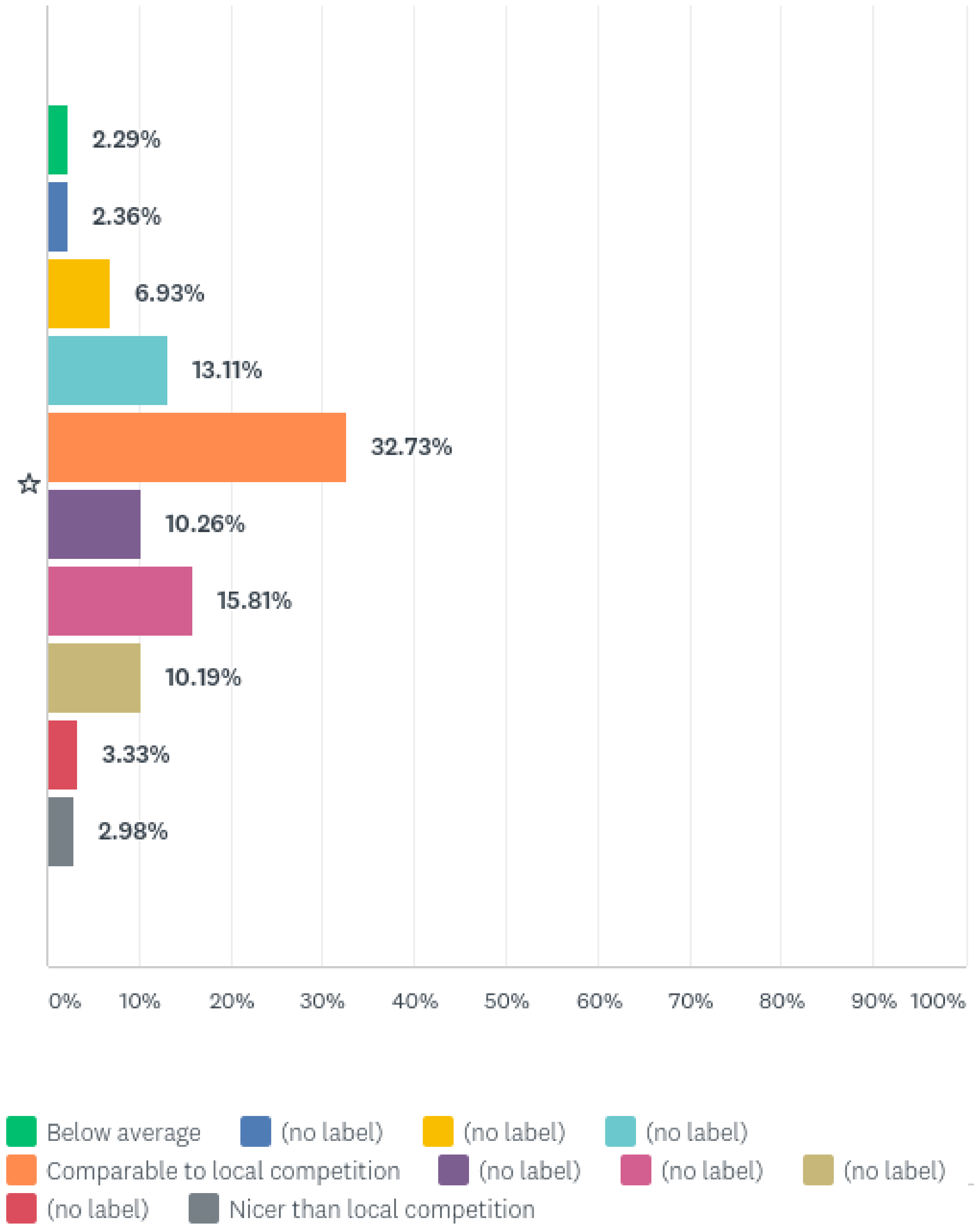
Q17: How do you rate the ambiance of the patio at this restaurant?

Answered: 1,430 Skipped: 465



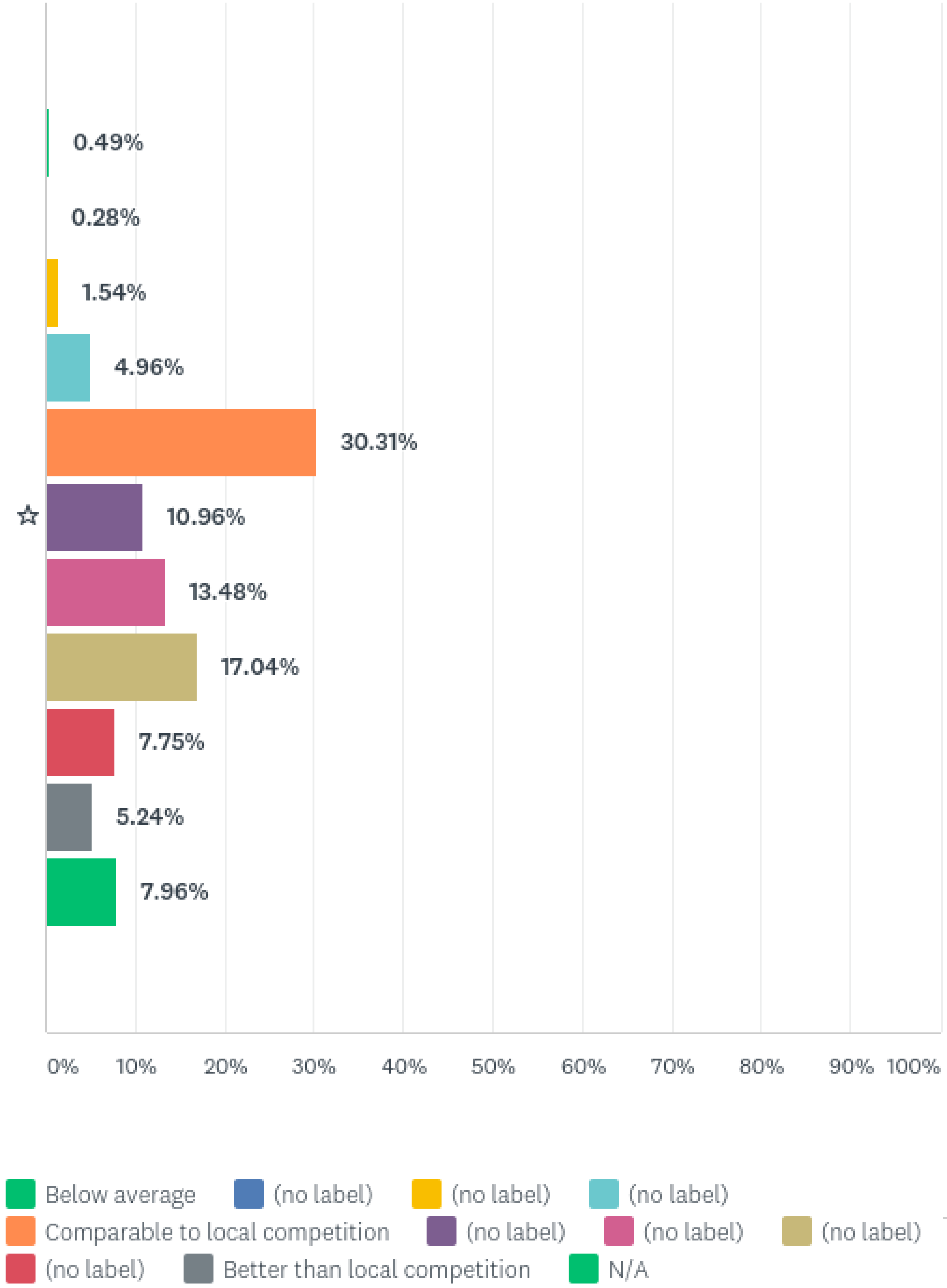
Q18: How do you rate the ambiance of the dining room?

Answered: 1,442 Skipped: 453



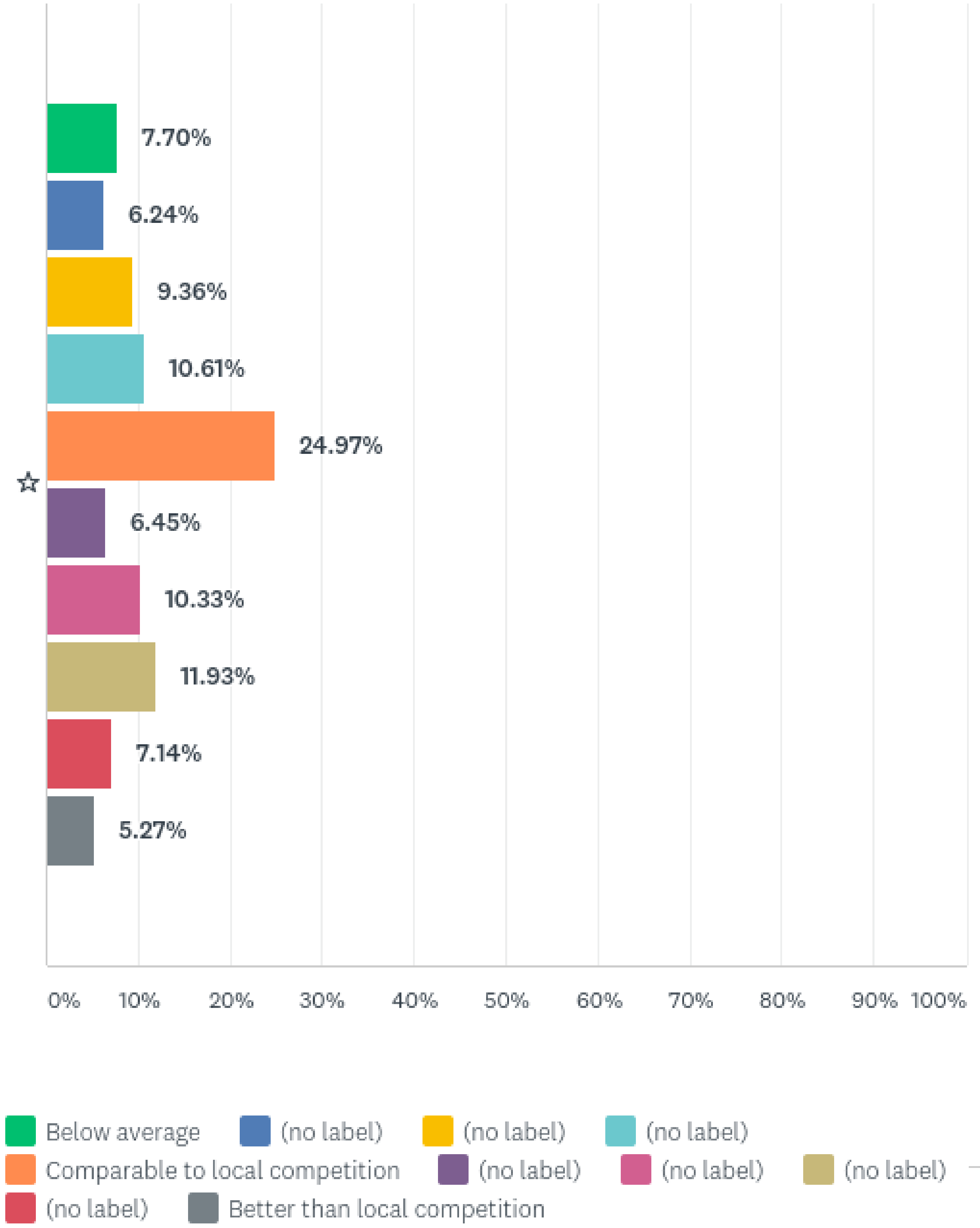
Q19: How do you rate the ambiance of the bar area?

Answered: 1,432 Skipped: 463



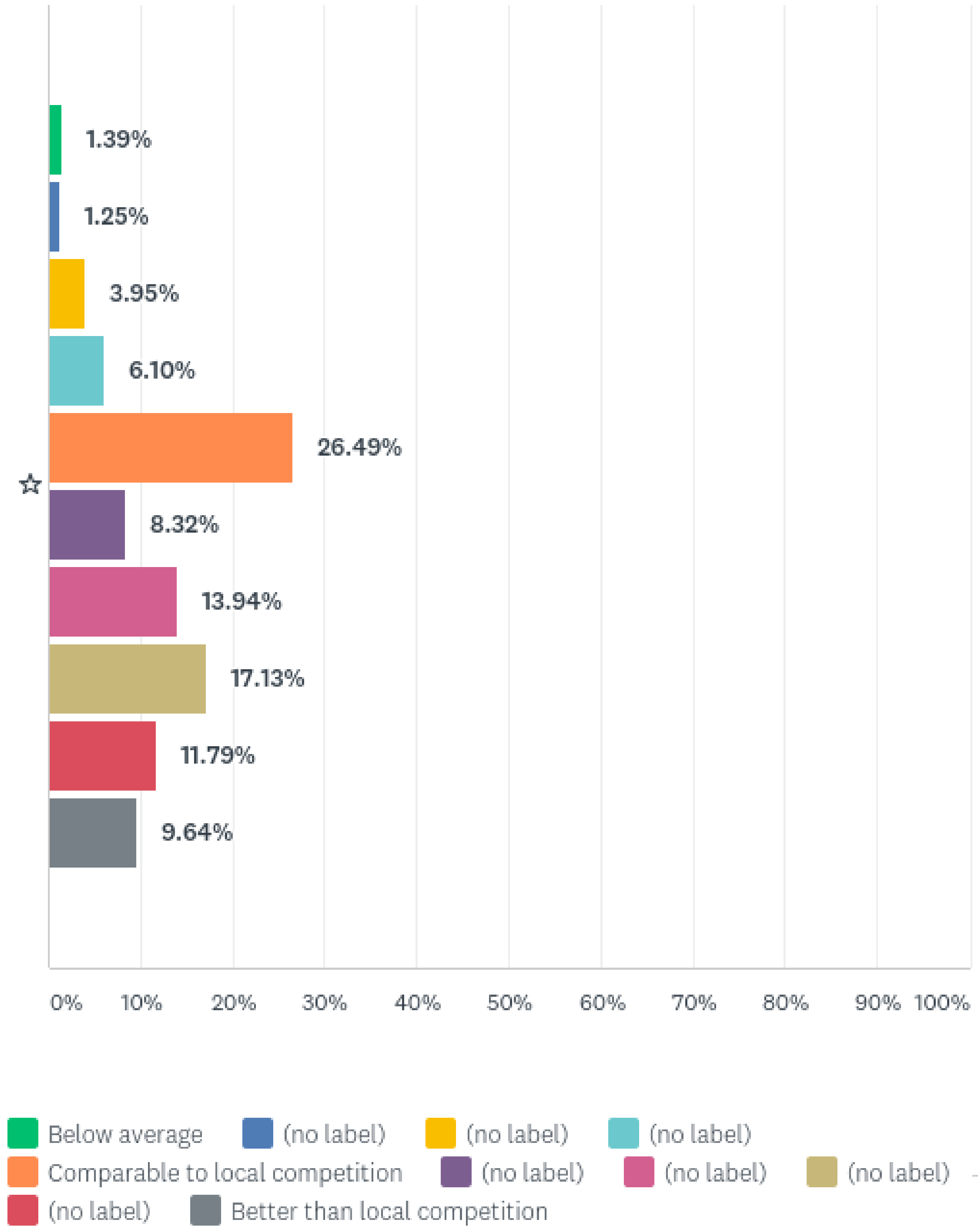
Q20: How do you rate the service?

Answered: 1,442 Skipped: 453



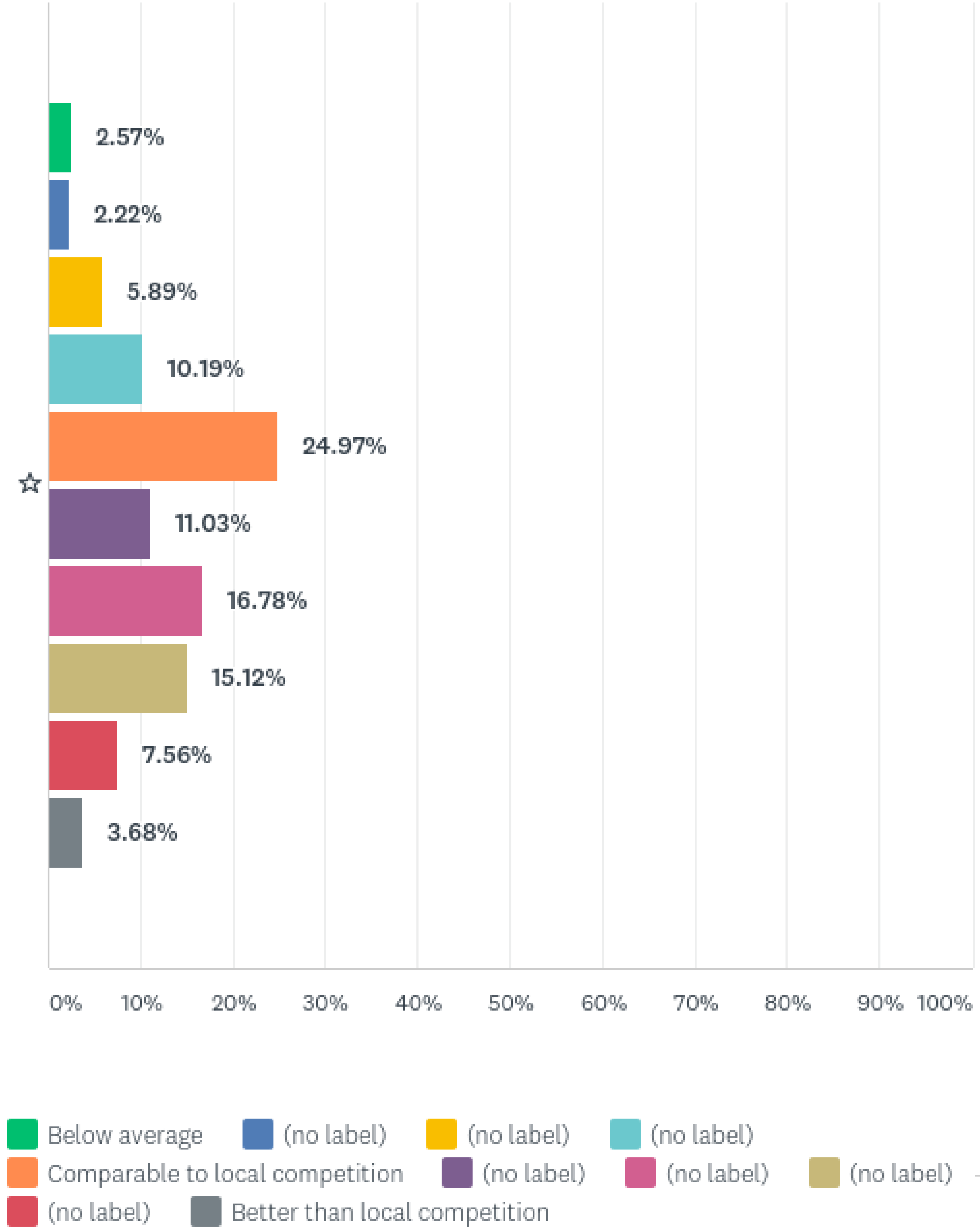
Q21: How do you rate the friendliness of the staff?

Answered: 1,442 Skipped: 453



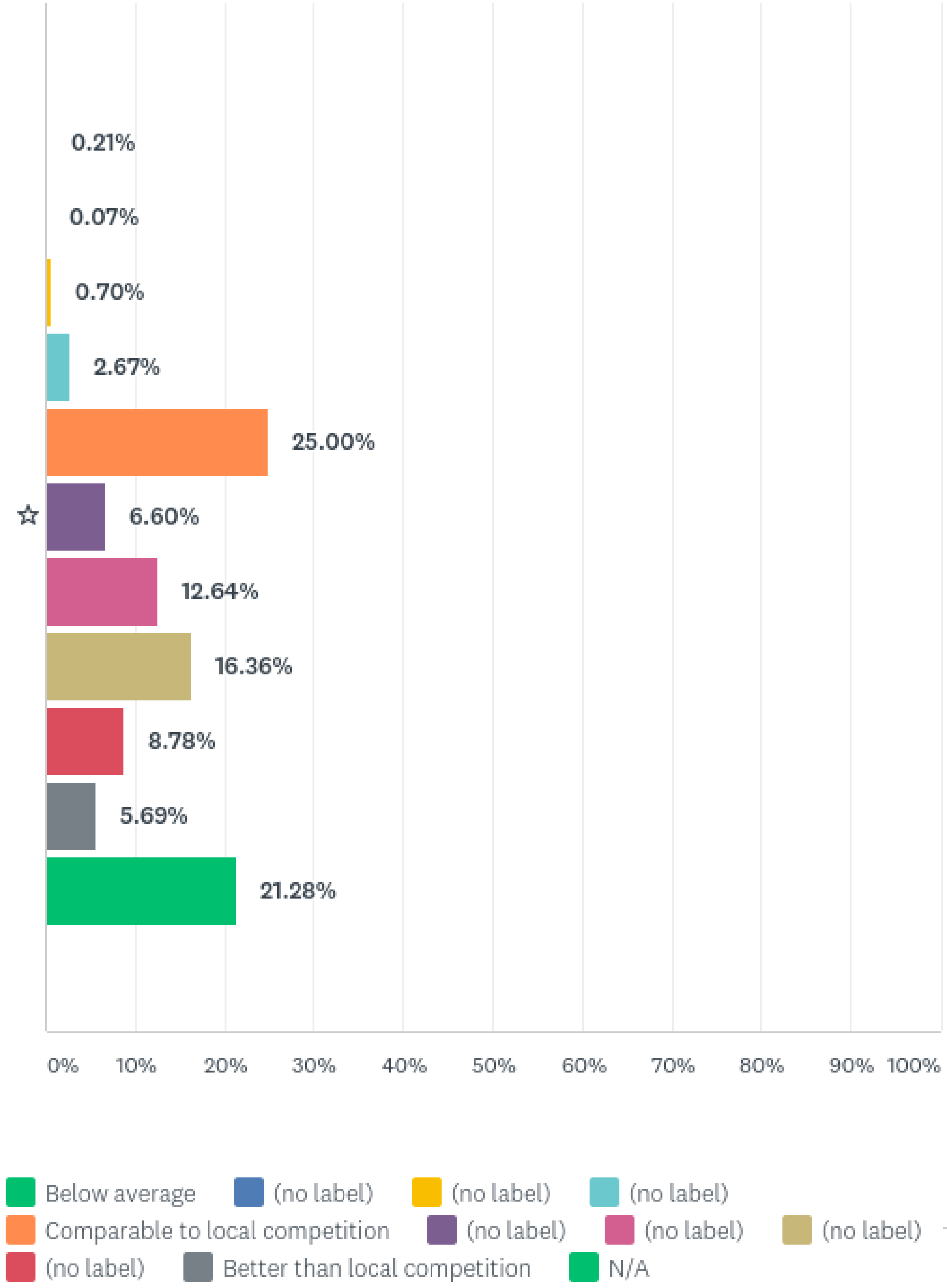
Q22: How do you rate the quality of the food served at this restaurant?

Answered: 1,442   Skipped: 453



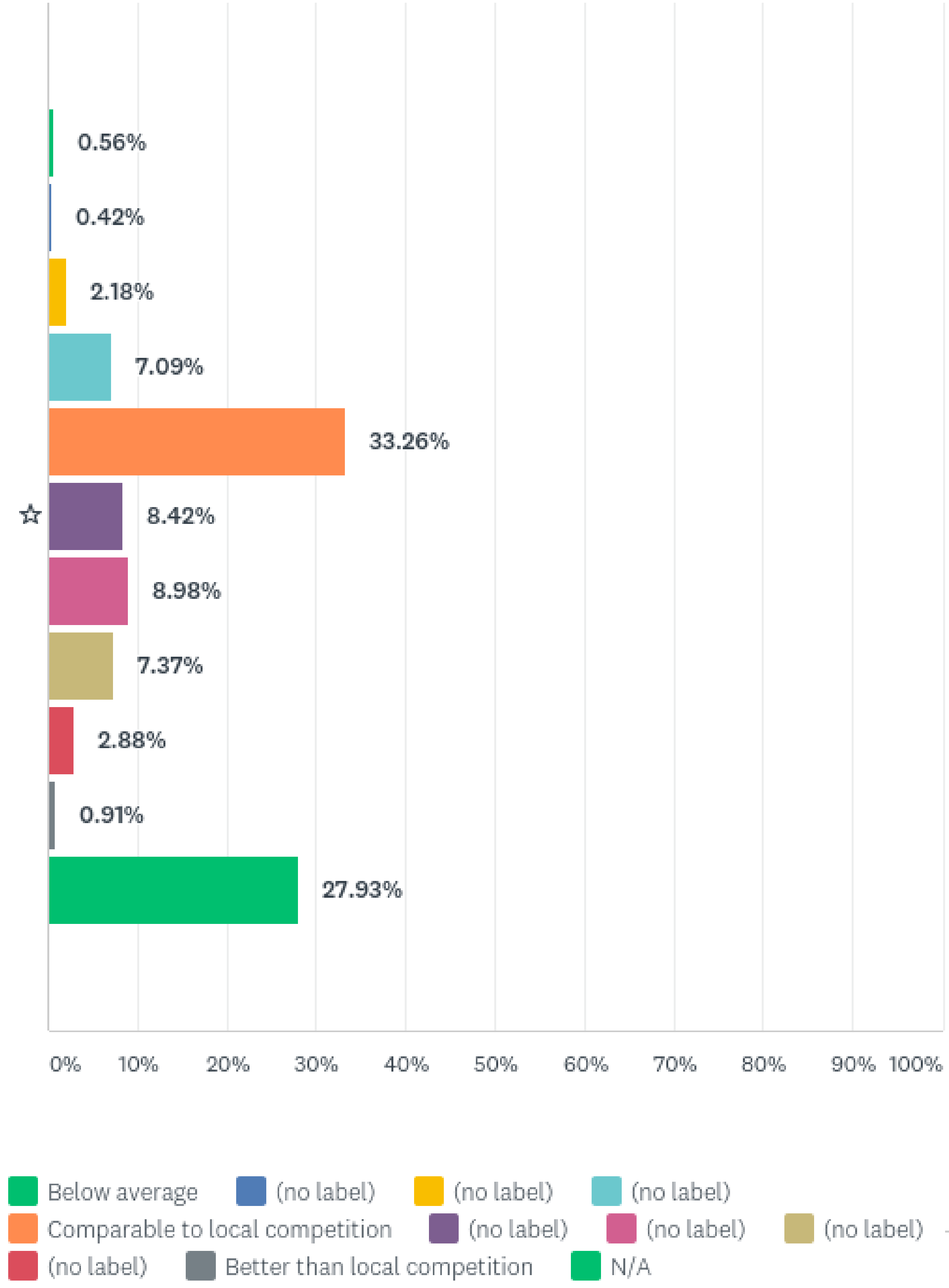
Q23: How do you rate the beer selection?

Answered: 1,424   Skipped: 471



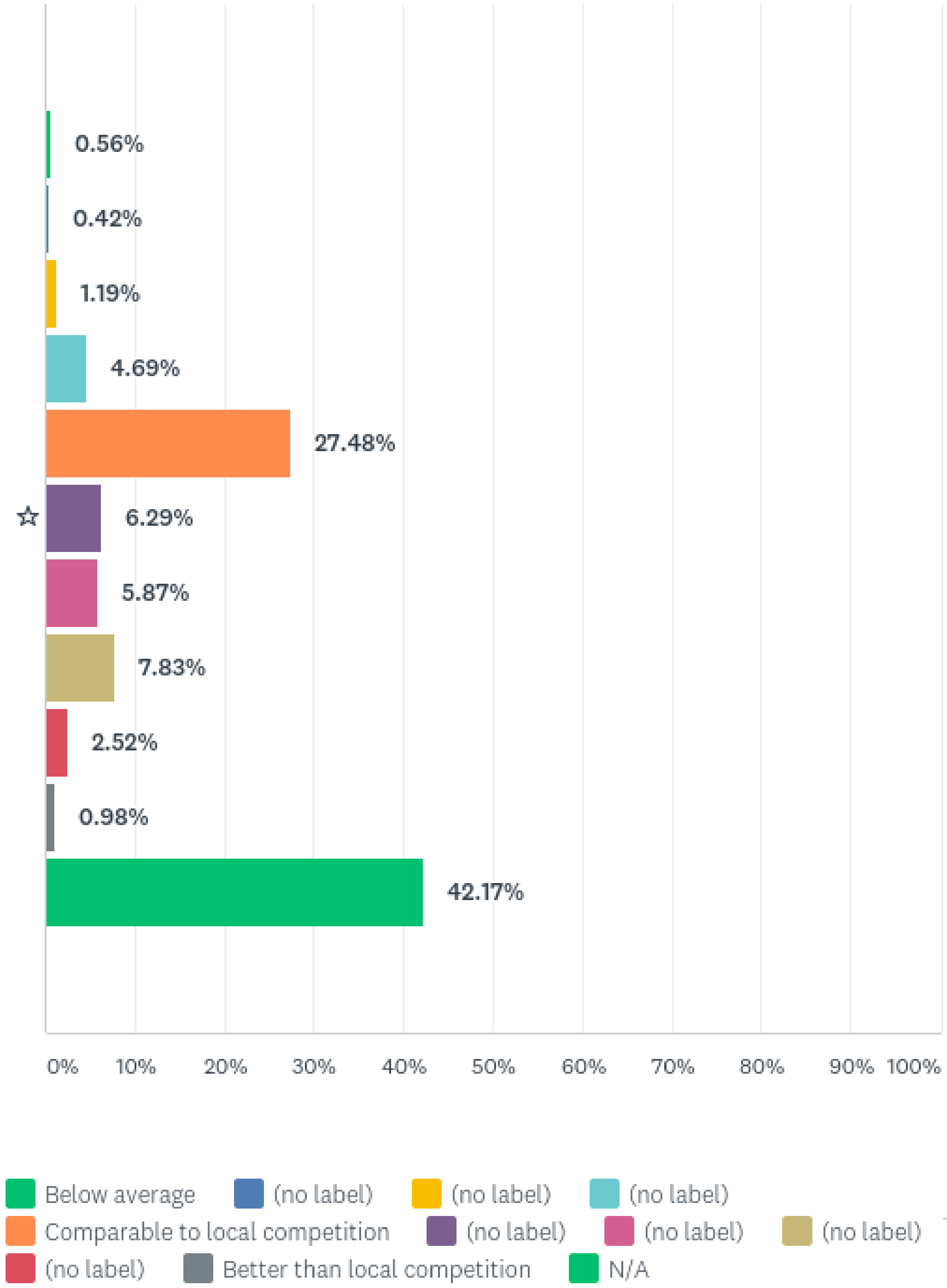
Q24: How do you rate the wine selection?

Answered: 1,425 Skipped: 470



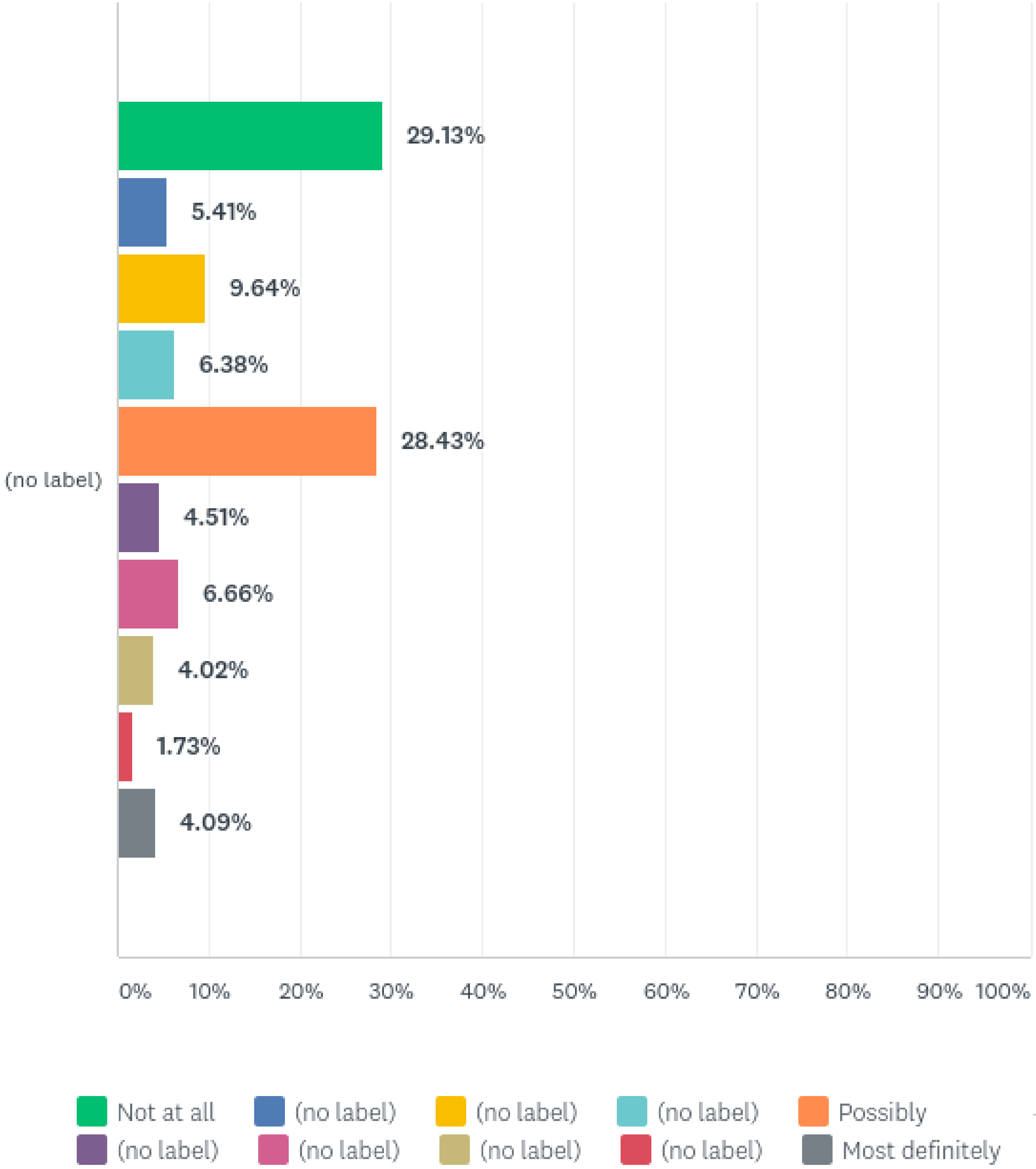
Q25: How do you rate the quality of the cocktails?

Answered: 1,430 Skipped: 465



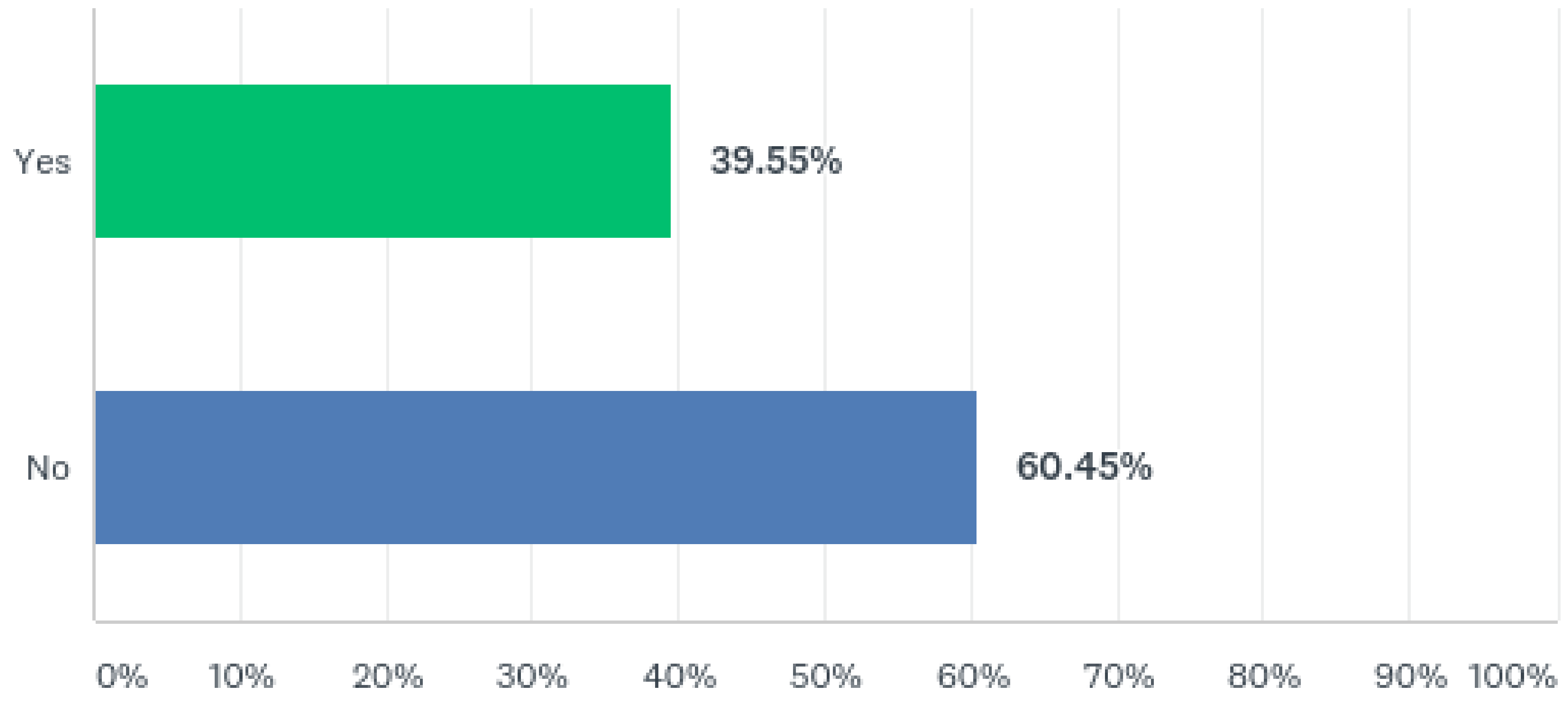
Q26: Rate the likelihood that improving the interior decor of the dining room would bring you to Reserve 22 more frequently.

Answered: 1,442   Skipped: 453



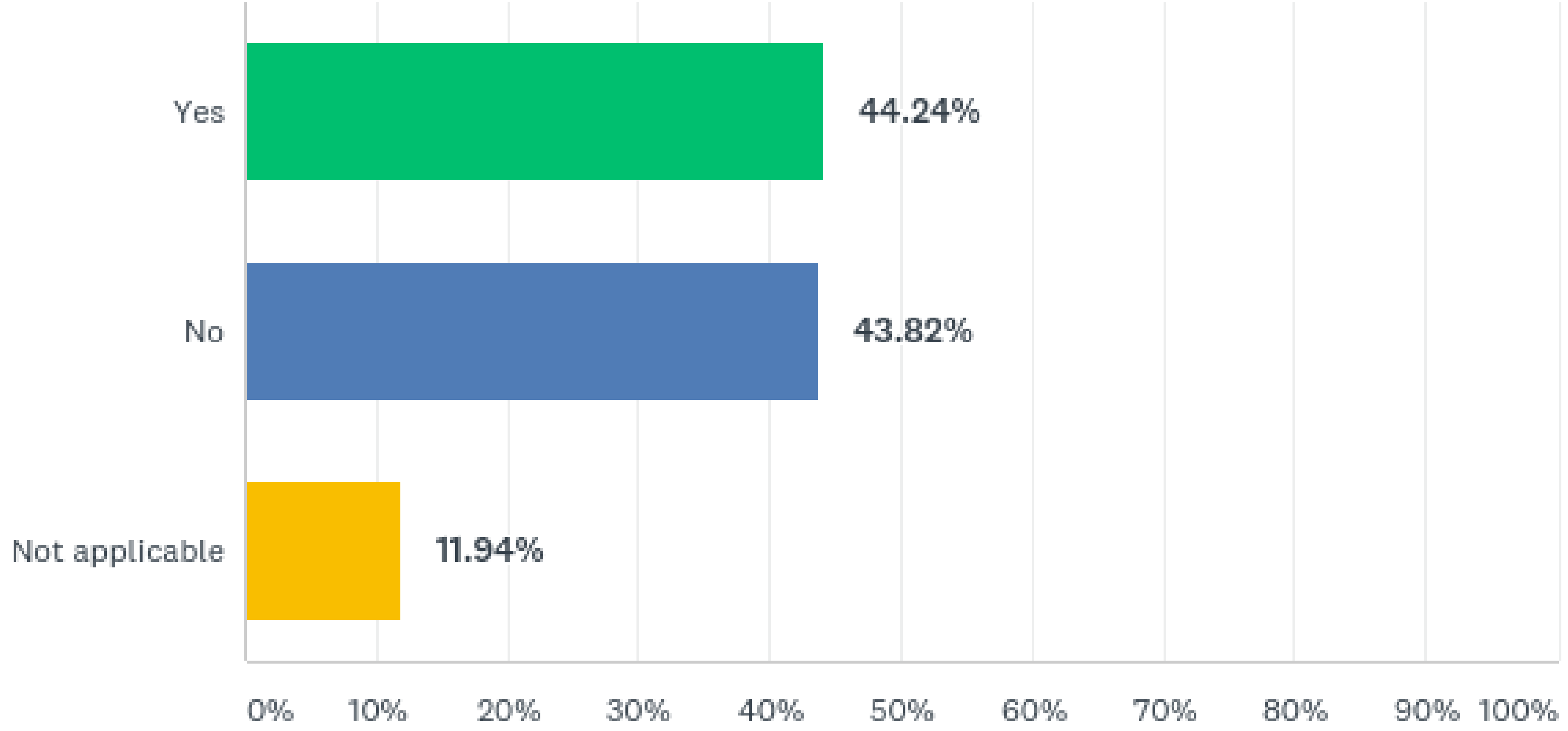
Q27: Have you ever come to Reserve 22 just to mingle in the bar area?

Answered: 1,431 Skipped: 464



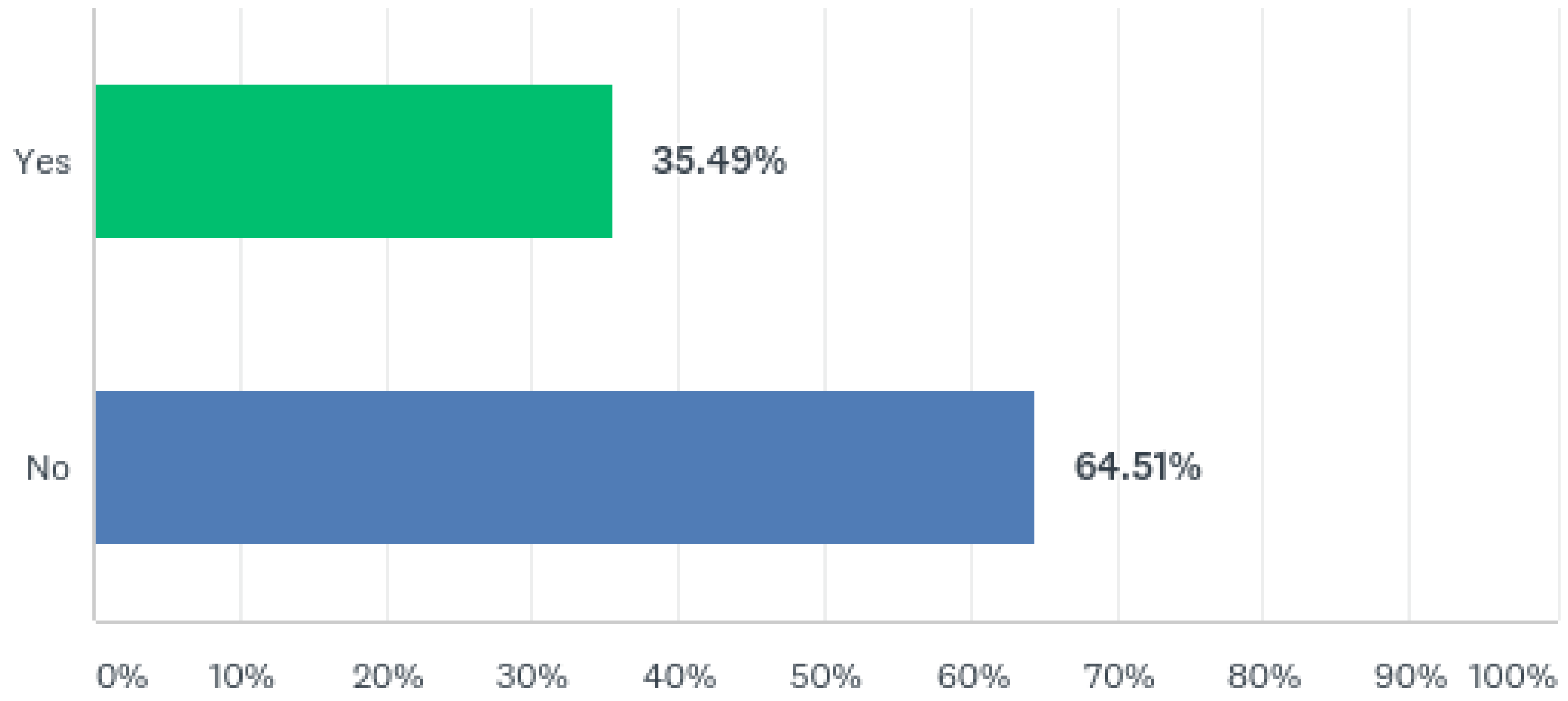
Q28: Do you think of Reserve 22 as a destination to watch sporting events?

Answered: 1,440 Skipped: 455



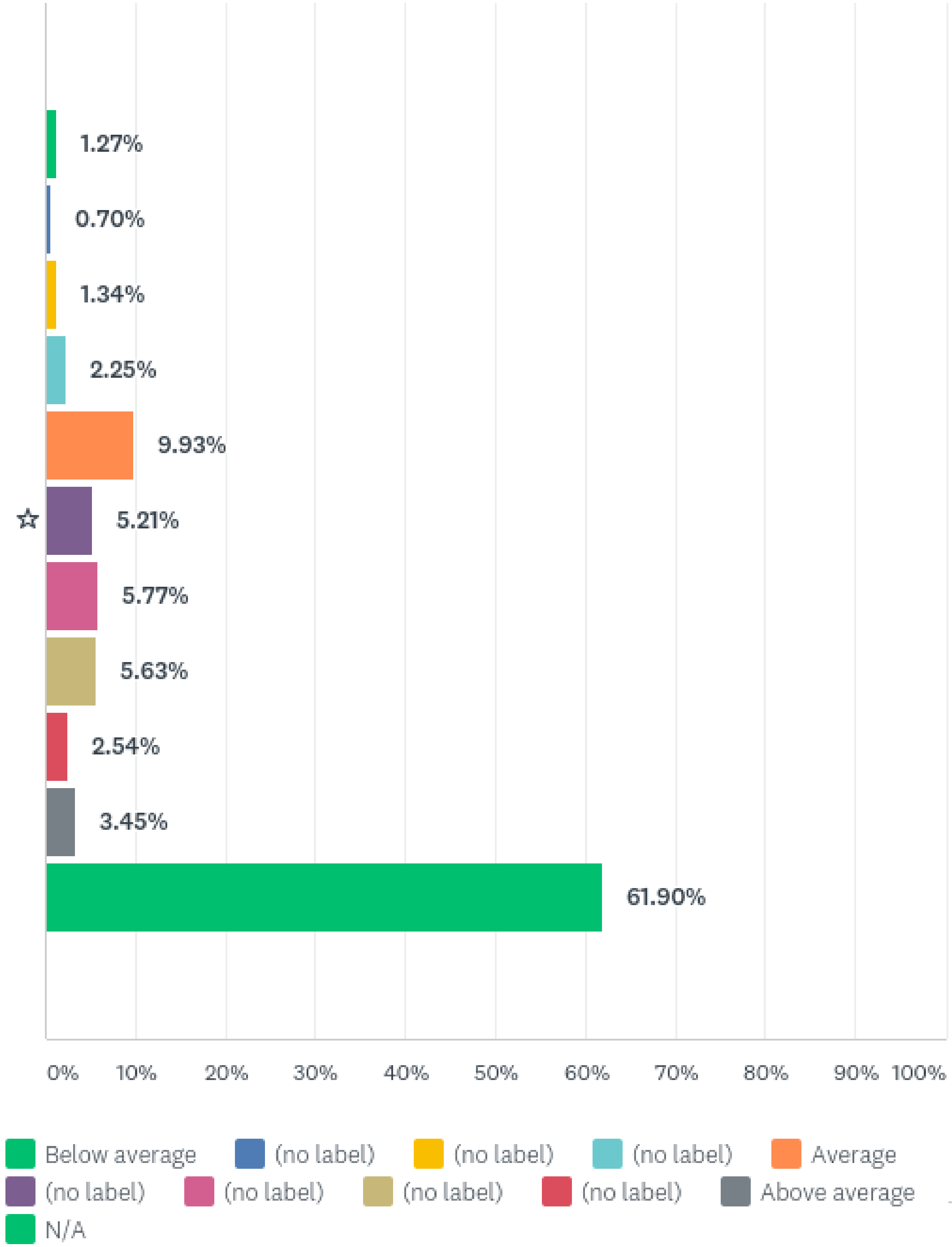
Q29: Have you ever attended a buffet in this restaurant?

Answered: 1,437   Skipped: 458



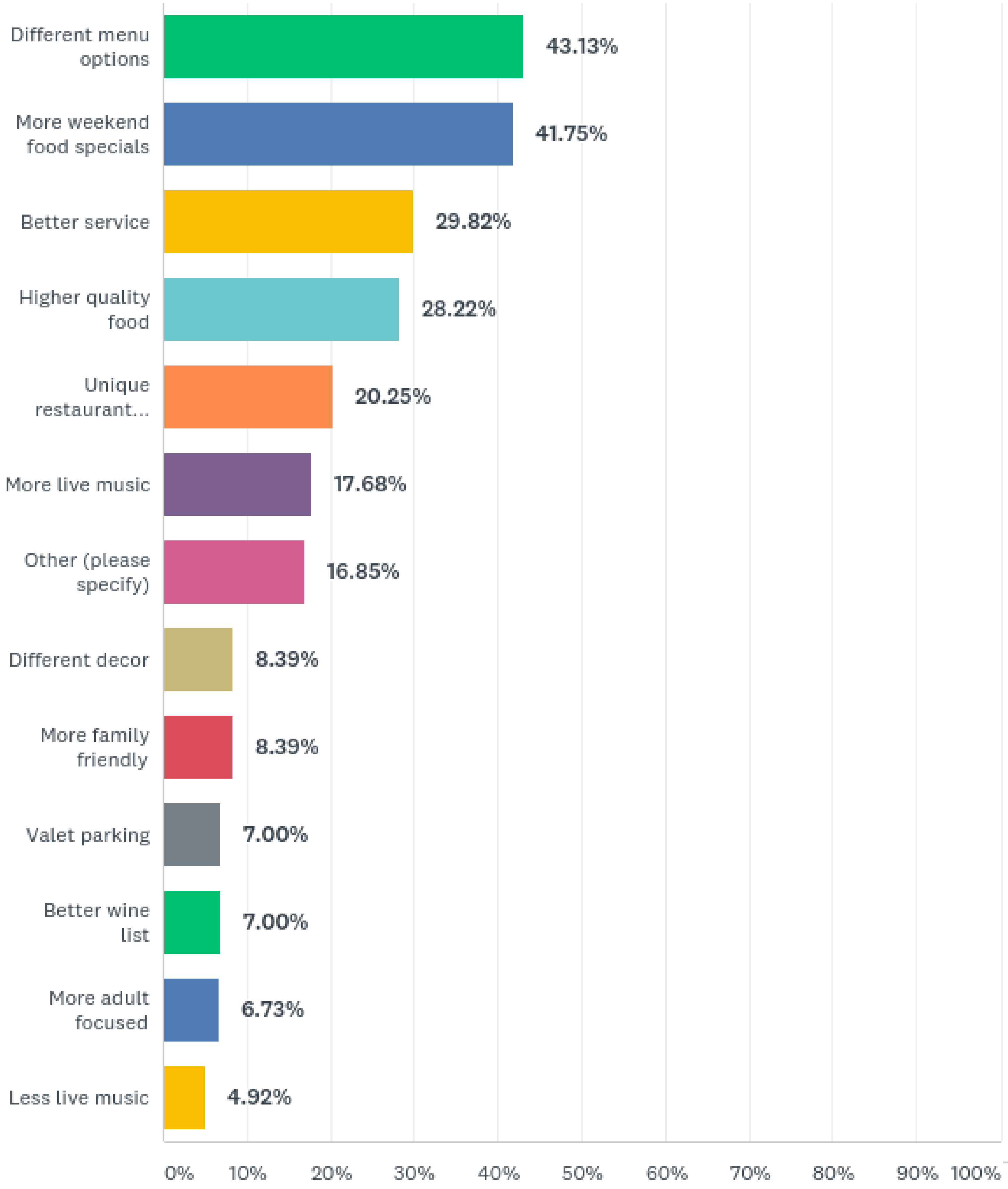
Q30: How would you rate the food at the buffet?

Answered: 1,420 Skipped: 475



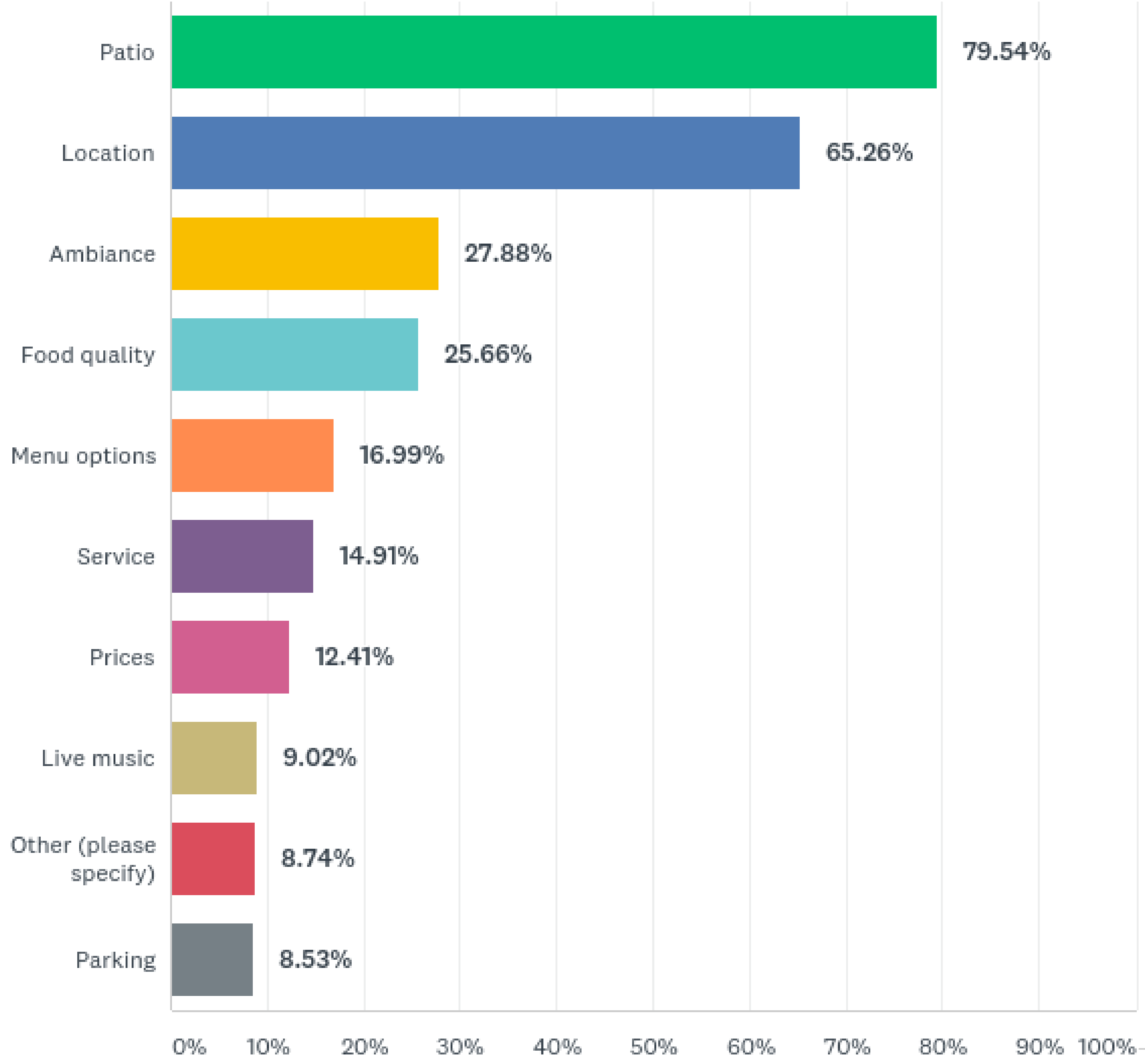
Q31: What would make you visit Reserve 22 more often in the winter? Select top 3

Answered: 1,442   Skipped: 453



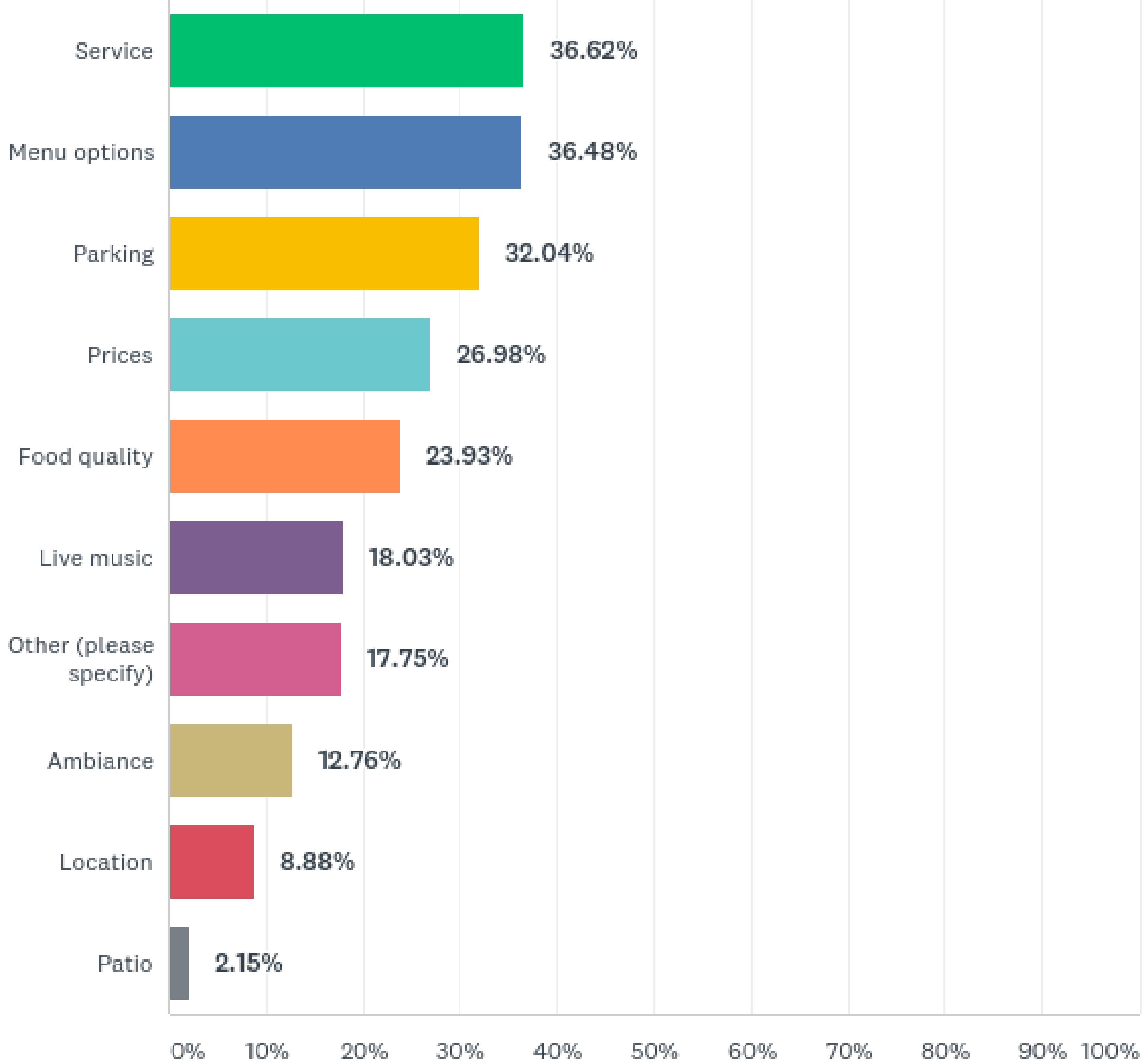
Q32: What do you like most about Reserve 22 Restaurant? Select top 3

Answered: 1,442   Skipped: 45[illegible]



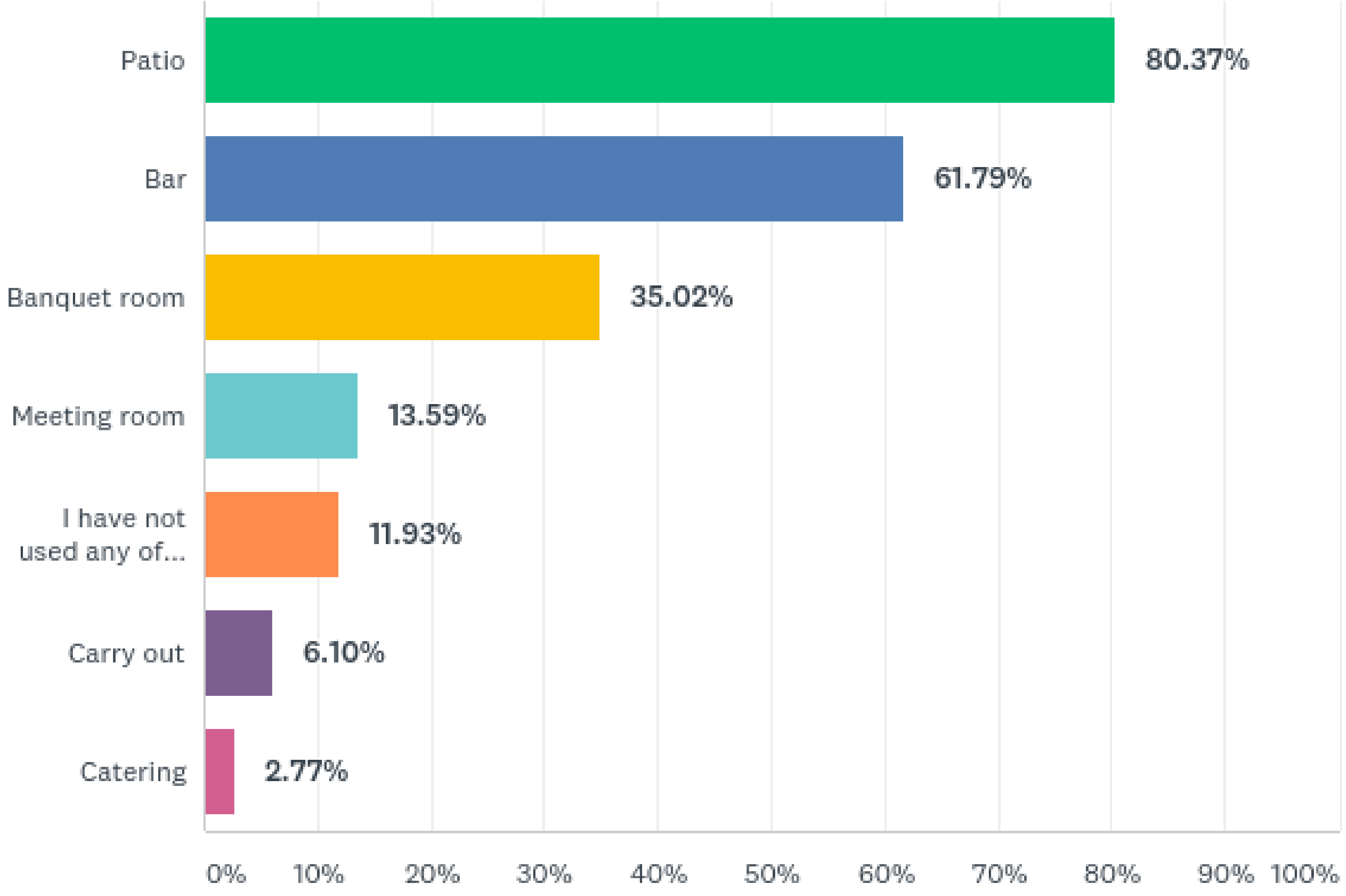
Q33: What do you like least about Reserve 22 Restaurant? Select top 3

Answered: 1,442   Skipped: 453



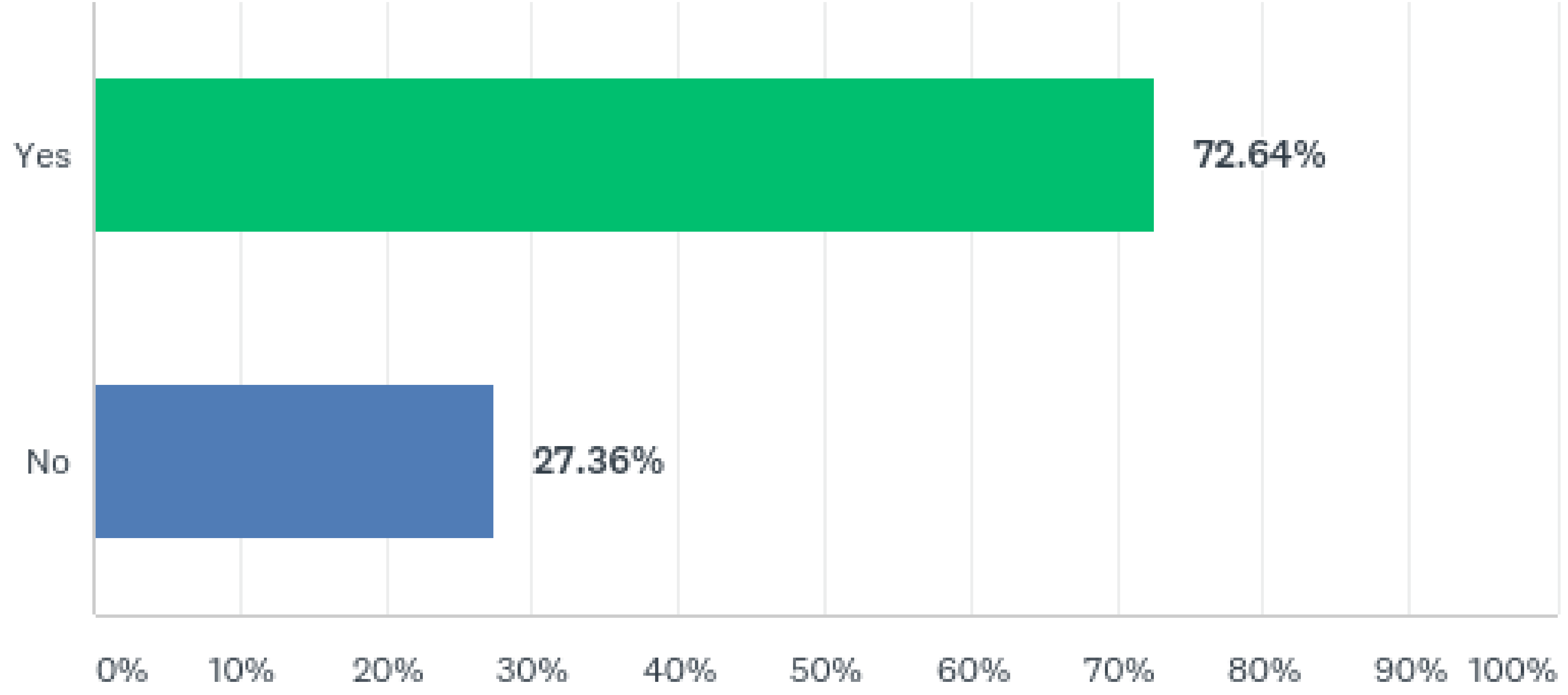
Q34: Have you used the following services of Reserve 22? Select all that apply

Answered: 1,442 Skipped: 453



Q35: Had you heard of Reserve 22 Restaurant prior to this survey?

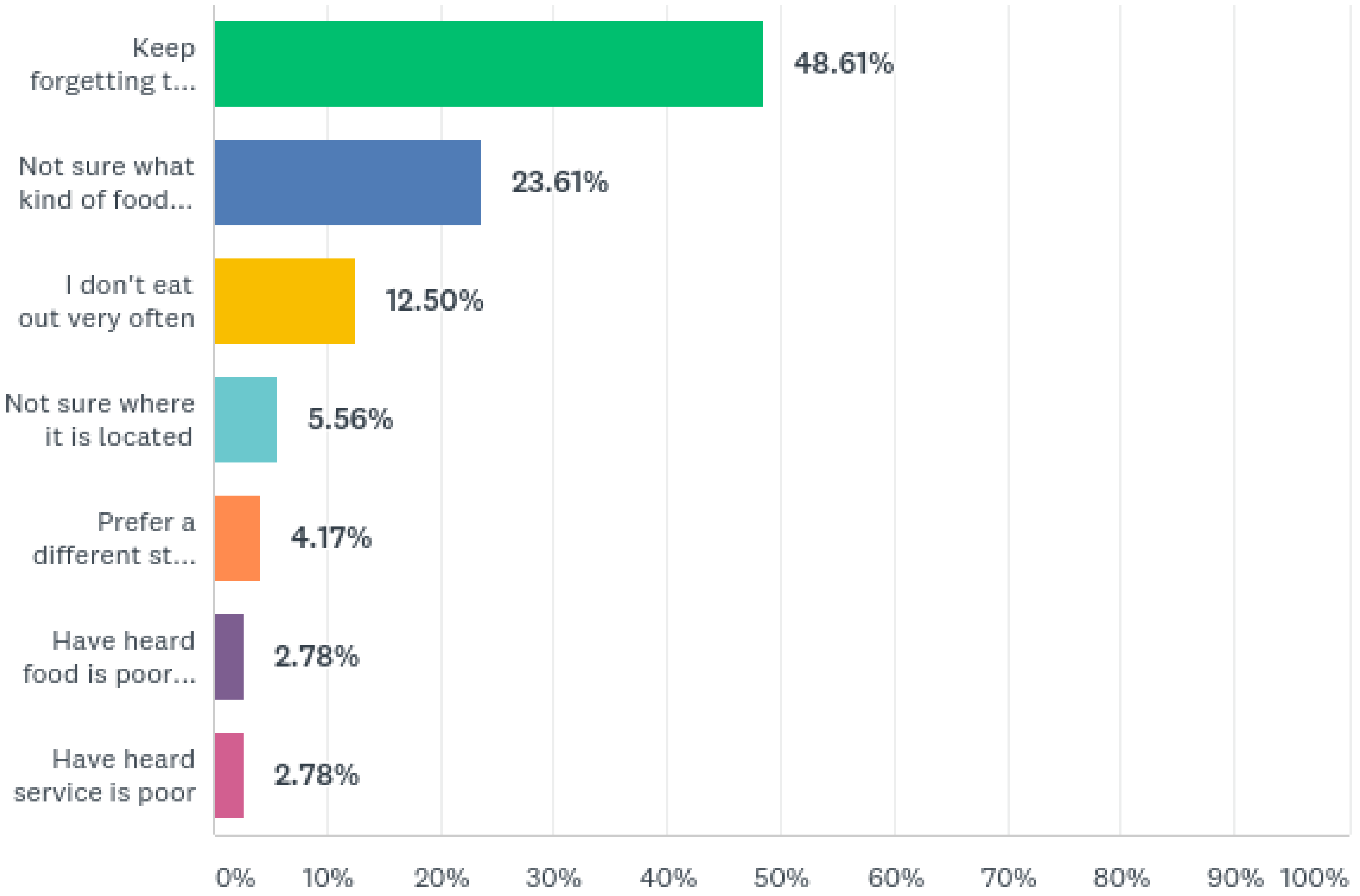
Answered: 106   Skipped: 1,789



Questions 35 & 36 were only answered by people who have never eaten at Reserve 22

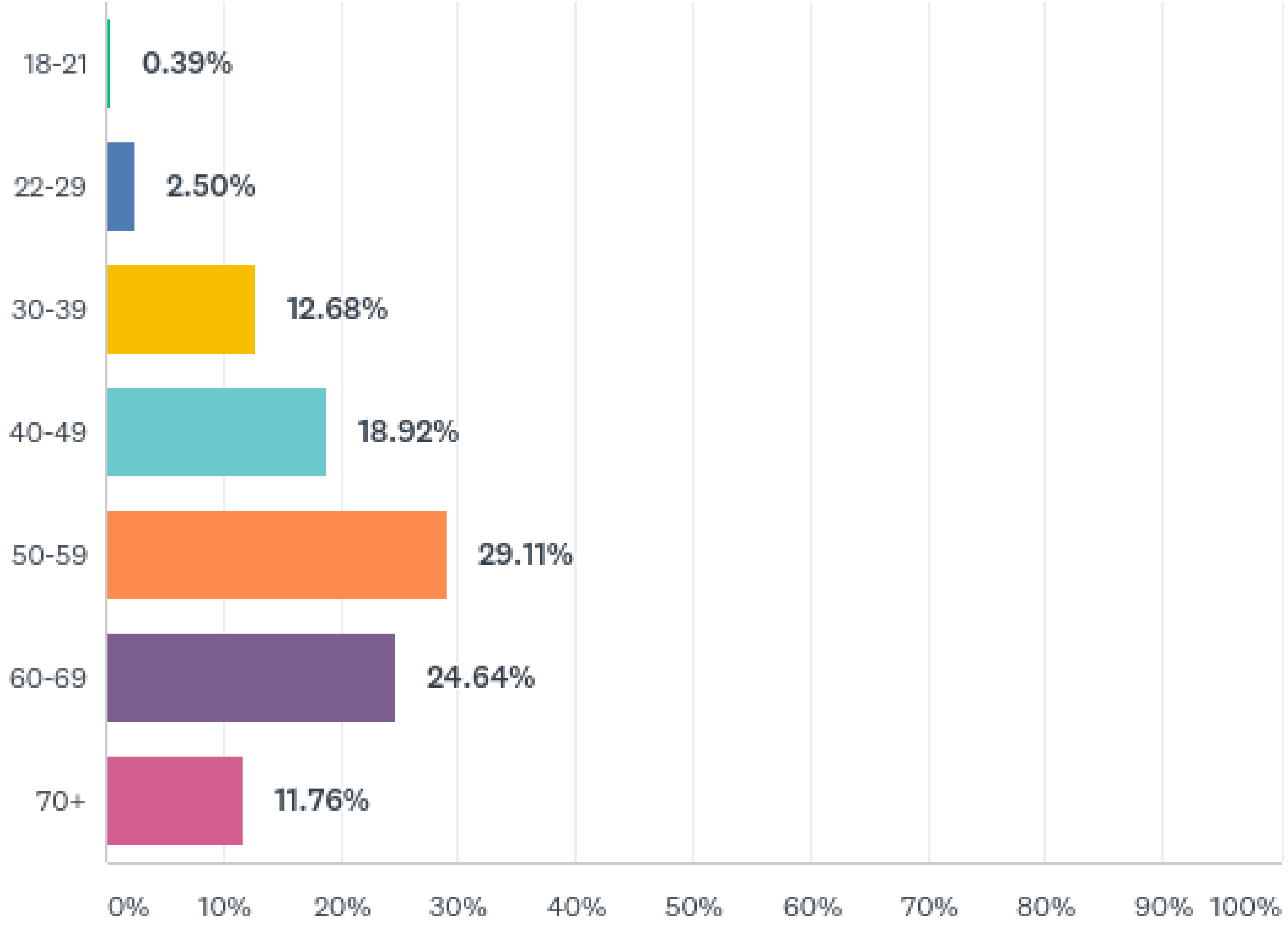
Q36: Why have you not chosen to eat at Reserve 22 yet?

Answered: 72   Skipped: 1,823



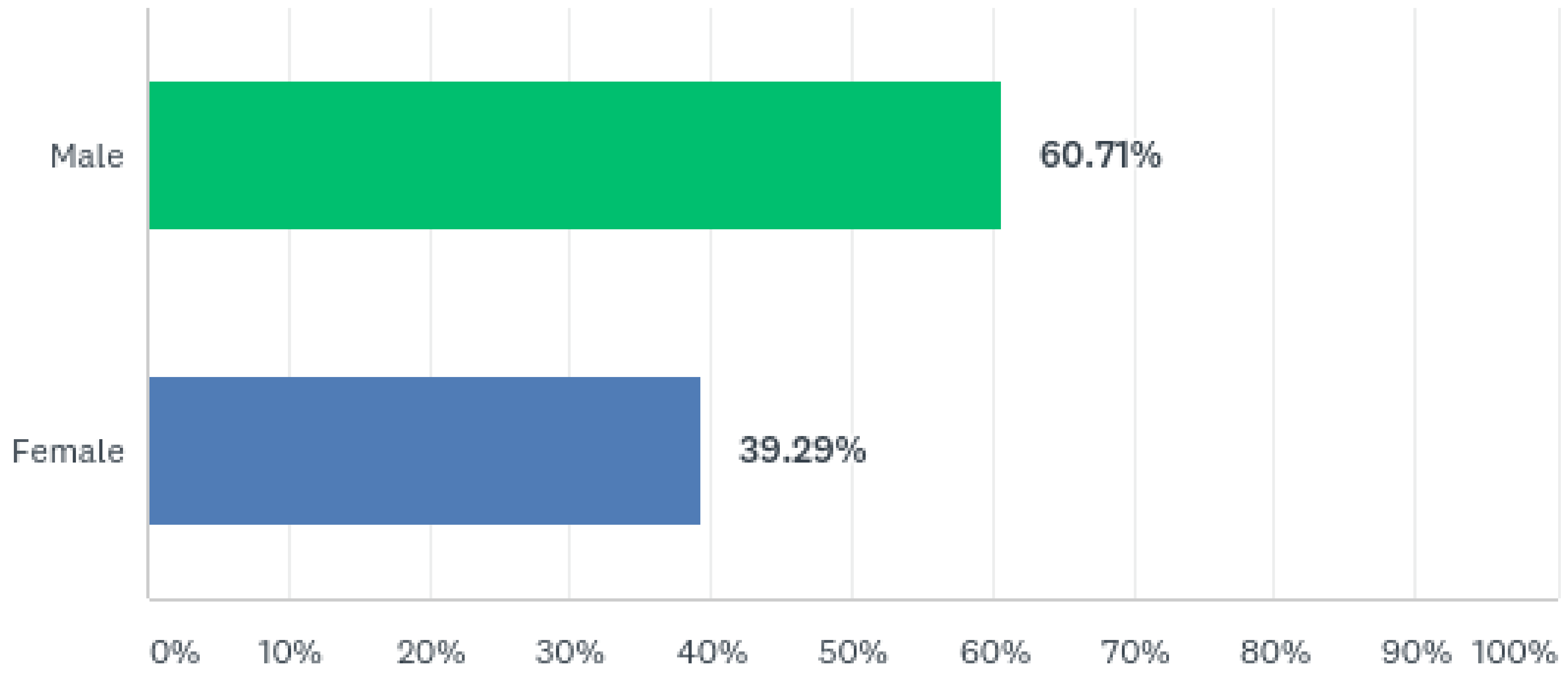
Q37: What is your age range?

Answered: 1,522   Skipped: 373



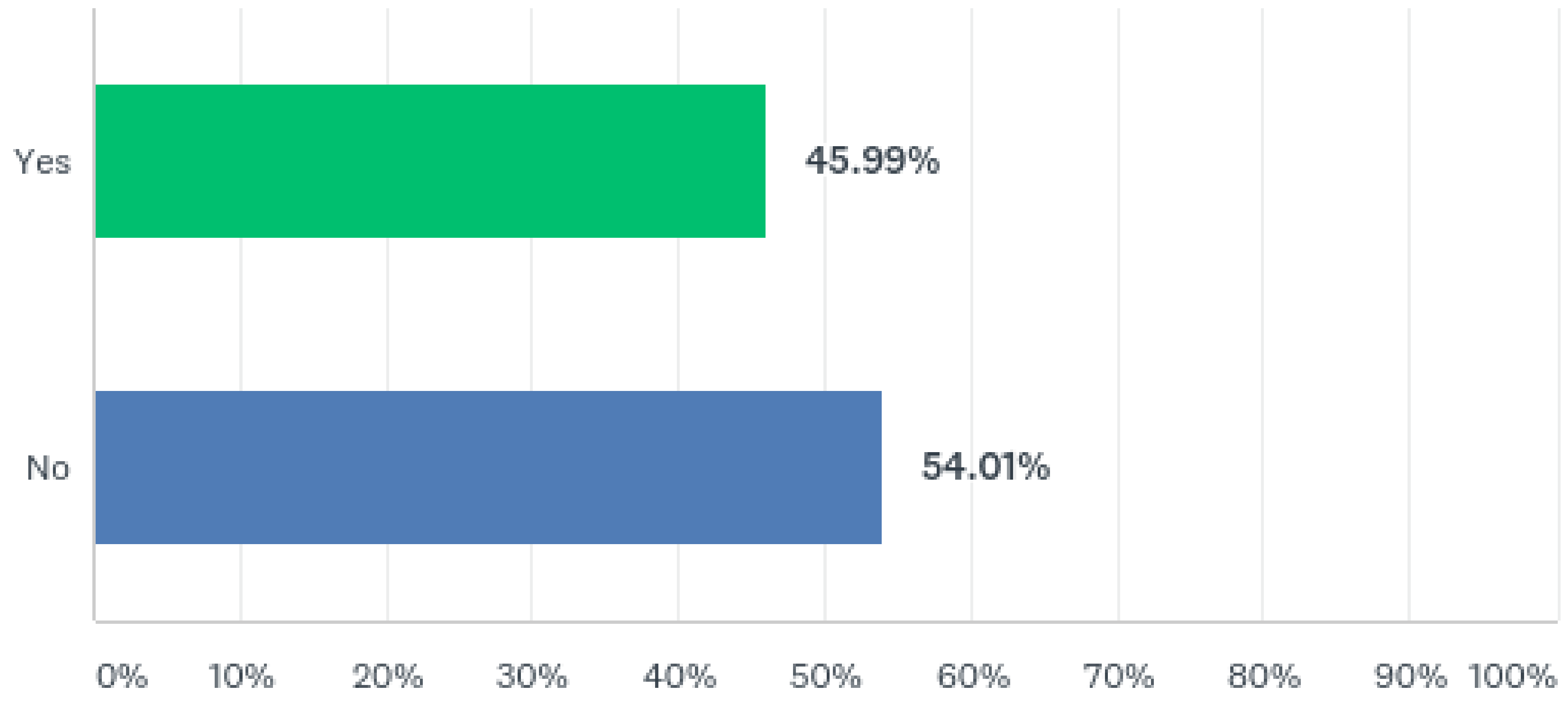
Q38: Are you male or female?

Answered: 1,522 Skipped: 373



Q39: Do you have children living in your home?

Answered: 1,522   Skipped: 373



Reserve 22: 10-Year Projections vs Actual Comparison

10 YEAR FORECAST

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
RESERVE 22 REVENUES	$1,031,000	$1,064,630	$1,100,679	$1,139,342	$1,180,833	$1,225,383	$1,273,244	$1,324,691	$1,380,024	$1,439,571
RESERVE 22 EXPENSES	$973,100	$1,002,000	$1,032,900	$1,066,000	$1,101,400	$1,139,300	$1,180,000	$1,223,600	$1,270,400	$1,320,700
RESERVE 22 NET INCOME (LOSS)	$57,900	$62,630	$67,779	$73,342	$79,433	$86,083	$93,244	$101,091	$109,624	$118,871

ACTUALS

	2013	2014	2015	2016
RESERVE 22 REVENUES	$828,903	$1,779,922	$2,218,967	$2,319,158
RESERVE 22 EXPENSES	$833,302	$1,600,503	$2,030,485	$2,145,660
RESERVE 22 NET INCOME (LOSS)	($4,399)	$179,419	$188,482	$173,498