

**Minutes of the Waukegan Park District
Special Meeting of the Board of Commissioners
Golf Advisory Meeting
September 18, 2012**

The Board of Commissioners of the Waukegan Park District met in a special meeting on September 18, 2012 at 7 pm at the Belvidere Recreation Center, 412 N. Lewis Avenue, Waukegan, Illinois.

I. Call to Order

The meeting was called to order by President Sarocka at 7:00 pm who directed a call of the roll.

II. Roll Call

Present: Commissioners Duffy, Foley, Motley, Kilkelly and Sarocka. Absent: None. Also present were Greg Petry, Executive Director, Superintendent of Finance and Administration Jim Glogovsky and Richard Singer of the National Golf Foundation.

III. Review, Discuss, Decide

A. Review and Discuss Golf Operations Management Company Selection Process and Agreement

Mr. Petry opened the meeting with an introduction and overview of the steps in the process of selecting a golf management company. He noted that this change is in the best long term interest of the park district and that the management company will need to deliver customer service at no less than the current standard, with better service expected.

The recommendation for use of a golf management company was originally approved by the board of commissioners on August 14, 2012. Following that, a request for proposals was prepared, to which three companies responded.

At this time, Mr. Petry introduced Richard Singer of the National Golf Foundation. Mr. Singer will work with Mr. Petry and Mr. Glogovsky and using his experience and knowledge of golf management and trends. He will help facilitate the process for selection of a management company, but will not be making the recommendation. Greg and Jim will seek a contract from the three firms and negotiate the terms based on information in the request for proposals. The contract will be presented to the board for approval.

Mr. Singer began by noting that he provides information and consulting services to the golf industry. He noted the controversy that often surrounds a change by a municipal course to a management contract model. Options for operation of a course were reviewed, with the benefits and risks of each choice highlighted.

Discussion of the various operating structures followed, along with the various factors that impact golf revenues (weather, course condition, etc.) some of which can and some of which cannot be controlled by the owner/manager.

Discussion then turned to the golf industry overall. Declining participation was noted to be a nationwide factor affecting courses. He noted that municipalities are rarely equipped to handle this decline and noted that one in three cannot currently cover their costs. In addition, there are no savings for future replacement costs, and all of these serve as an incentive to improve economics. He presented models based on risk to the management company and management fee, also a hybrid model combining some of each type. He stated that management companies are well aware of the need to make golfers happy in order to increase their profits.

Other items discussed included an "out clause" whereby the contract could be terminated and maintenance standards, which are verified through an inspection process.

At this time, Mr. Singer turned the meeting over to Mr. Petry, who spoke about the next steps in the process. They are to e-mail the three companies (Golf Visions, Kemper Sports and Bill Casper) a request for a contract, and then schedule contractor interviews, which Mr. Singer will be a part of. Once the contract has been completed and reviewed by the attorneys, plans are to present it at the November 13th Board meeting for approval by the commissioners.

Concerns from the audience including having a general manager that meets the needs of Bonnie Brook and the need to operate more effectively and efficiently. Staff noted that it is critical with the market changes to be able to have the capacity to market the course and do player development. The golf management companies have resources for this purpose.

It was noted that while this will be a challenge to keep everyone happy with the diverse wants and needs, it will be an opportunity to do things differently and could result in improvement in many areas. An expectation is set for good customer service. Mr. Singer also cautioned that when visiting other courses to determine how well they are being managed, it is important to know the terms of the contract.

IV. Questions and Comments

Mr. Petry and Mr. Singer responded to questions from the public as they arose during the presentation.

Following the presentation, there were comments from the commissioners and more questions from the golfers. Extensive discussion followed.

V. Next Meeting

- A. Time and date of the next meeting will be determined at a later date.

VI. Adjournment

Motion by Commissioner Duffy, seconded by Commissioner Sarocka, to adjourn. Motion carried. Meeting adjourned at 8:40 p.m.

Respectfully submitted,

Greg Petry
Deputy Secretary