


PEORIA PARK DISTRICT

2nd PUBLIC MEETING
re: MANAGEMENT AND OPERATION OF PEORIA
PARK DISTRICT GOLF SYSTEM

Wednesday, AUGUST 30, 2017
6:00PM
NOBLE CENTER FOR PARK ADMINISTRATION



Peoria Park District | 309.682.1200 | PeoriaParks.org

OPERATIONAL DEFICITS

- *2012: **-\$969,000 deficit**
- *2013: **-\$1,347,000 deficit**
- *2014: **-\$941,000 deficit**
- *2015: **-\$157,000 deficit**
- *2016: **\$23,000**

=Accumulated deficit of **\$3.39 million**; today, there are no available operating reserves.

Peoria Park District | 309.682.1200 | PeoriaParks.org

OPERATIONAL DEFICITS

Operating Funds Financial Projections:

- *2018 - **\$700,000 deficit**
- *2019 - **\$1.28 million deficit**
- *2020 - **\$2.01 million deficit**
- *2021 - **\$2.76 million deficit**
- *2022 - **\$3.54 million deficit**

=Increases deficit by up to \$10 million.

Peoria Park District | 309.682.1200 | PeoriaParks.org

PEORIA PARK DISTRICT GOLF

OPERATING YEAR	TOTAL NUMBER OF ROUNDS PLAYED	OPERATING LOSS	OPERATING TAX SUBSIDY PER ROUND PLAYED
2000	225,262	\$0.00	\$0.00
2010	150,772	\$441,583	\$2.93
2012	132,288	\$962,761	\$7.28
2013	111,788	\$1,027,667	\$9.19
2014	107,338	\$974,296	\$9.08
2015	97,765	\$863,985	\$8.84
2016	95,634	\$1,033,475	\$10.86
2017 (EST.)	97,000	\$1,058,710	\$10.91

Peoria Park District | 309.682.1200 | PeoriaParks.org

PEORIA PARK DISTRICT

- Consultation
- *
- Information Gathering from other Park Districts
- *
- Board Consensus
- *
- Appointment of RFP Evaluation Committee
- *
- Development of RFP

Peoria Park District | 309.682.1200 | PeoriaParks.org

PEORIA PARK DISTRICT

REQUEST FOR PROPOSALS

- 21 Unique Requests
- *
- Mandatory Pre-Proposal Meeting
- *
- Two addenda
- *
- 4 Responses
- *
- 2 Interviews

Peoria Park District | 309.682.1200 | PeoriaParks.org

PEORIA PARK DISTRICT

QUESTION #1:

How does a management contract work?



Peoria Park District | 309.682.1200

PeoriaParks.org

PEORIA PARK DISTRICT RESPONSE:

In a management agreement, the owner (here, the Peoria Park District) is responsible for funding any shortfall and/or receiving any surpluses.

In this sort of arrangement, GolfVisions essentially becomes the supervisor of the Peoria Park District's "golf department" and operates the golf system within the budget and fee structure approved by the Park Board.

Under a management agreement with GolfVisions, the projected budget for all operational costs of the system is \$2.7 million.



Peoria Park District | 309.682.1200

PeoriaParks.org

PEORIA PARK DISTRICT

QUESTION #2:

How does GolfVisions get paid?



Peoria Park District | 309.682.1200

PeoriaParks.org

PEORIA PARK DISTRICT RESPONSE:

In 2018, GolfVisions proposes to receive payment for services as follows:

*\$10,000 mobilization fee

*\$90,000 management fee

*Incentive equal to 20% of any savings realized by the Park District as a result of GolfVisions management/expertise.



Peoria Park District | 309.682.1200

PeoriaParks.org

PEORIA PARK DISTRICT

EXAMPLE:

3 year average net loss: \$1,000,000

For every \$100,000 saved,
GolfVisions will receive \$20,000...
(20%)



Peoria Park District | 309.682.1200

PeoriaParks.org

PEORIA PARK DISTRICT

QUESTION #3:

What are the potential savings to the District?
Where do they come from?



Peoria Park District | 309.682.1200

PeoriaParks.org

PEORIA PARK DISTRICT

RESPONSE:

A management arrangement brings expertise and experience that will help to:

- modestly increase revenues (primarily rounds played)
- AND
- reduce overall expenses.
(primarily employee benefits and maintenance supplies)



Peoria Park District | 309.682.1200

PeoriaParks.org

PEORIA PARK DISTRICT

PROJECTED SAVINGS:

- Year One: Up to \$250,000
- Year Two: Improvement to the bottom line of an additional \$50,000-125,000
- Year Three: An additional improvement of \$60,000-150,000



Peoria Park District | 309.682.1200

PeoriaParks.org

PEORIA PARK DISTRICT

QUESTION #4:

How will GolfVisions staff the system?



Peoria Park District | 309.682.1200

PeoriaParks.org

PEORIA PARK DISTRICT

RESPONSE:

Current full-time positions in the PPD system:

- *2 full-time admin staff (one vacant position)
- *2 mechanic positions
- *6 full-time maintenance positions (one vacant position)
- *3 contractual golf professionals (no full-time)



Peoria Park District | 309.682.1200

PeoriaParks.org

PEORIA PARK DISTRICT

Proposed GolfVisions Structure--
full-time:

- *1 mechanic position
- *4 maintenance positions
- *3 golf professionals/administrators



Peoria Park District | 309.682.1200

PeoriaParks.org

PEORIA PARK DISTRICT

QUESTION #5:

Will I pay more if a management company runs Peoria Park District golf?



Peoria Park District | 309.682.1200

PeoriaParks.org

PEORIA PARK DISTRICT

RESPONSE:

No (almost always).



Peoria Park District | 309.682.1200

PeoriaParks.org

PEORIA PARK DISTRICT

QUESTION #6:

Will the outings policy change?



Peoria Park District | 309.682.1200

PeoriaParks.org

PEORIA PARK DISTRICT

RESPONSE:

Only with a change in District policy.



Peoria Park District | 309.682.1200

PeoriaParks.org

PEORIA PARK DISTRICT

QUESTION #7:

What impact does this arrangement have on Park District tournaments?



Peoria Park District | 309.682.1200

PeoriaParks.org

PEORIA PARK DISTRICT

RESPONSE:

No anticipated impact.



Peoria Park District | 309.682.1200

PeoriaParks.org

PEORIA PARK DISTRICT

QUESTION #8:


What impact does this arrangement have on Park District golf collaborations?



Peoria Park District | 309.682.1200


PeoriaParks.org

PEORIA PARK DISTRICT
RESPONSE:
No anticipated
impact.




Peoria Park District | 309.682.1200 | PeoriaParks.org

PEORIA PARK DISTRICT
QUESTION #9:
Why golf? Why now?





Peoria Park District | 309.682.1200 | PeoriaParks.org

PEORIA PARK DISTRICT
RESPONSE:
The Peoria Park District has identified a unique opportunity to engage experts that can make our product better, maintain current service levels, and save dollars.
This is a part of a larger effort across the District to stabilize our financial position and remain a valued part of our community. In order to do that, more cuts are anticipated, most with a reduction in service levels .



Peoria Park District | 309.682.1200 | PeoriaParks.org

PEORIA PARK DISTRICT
PUBLIC COMMENTS



Peoria Park District | 309.682.1200 | PeoriaParks.org