

MINUTES
COMMITTEE OF THE WHOLE MEETING
VILLAGE OF VERNON HILLS
AUGUST 17, 2010

IN ATTENDANCE: Village President Byrne called the meeting to order at 8:55p.m. The following Trustees were present: Trustees Hebda, Koch, Marquardt, Schultz, Schwartz, and Williams.

Also present were: Village Manager Allison, Assistant Village Manager Kalmar, Finance Director Nakrin, Chief Fleischhauer, Building Commissioner Atkinson, Village Attorney Wolfberg, and Recording Secretary DeAnda.

1. Approval of August 3, 2010 Committee of the Whole Minutes

Motion by Trustee Williams, second by Trustee Koch to approve the August 3, 2010 Committee of the Whole Minutes. Roll call vote:

AYES: 6 – Schwartz, Williams, Hebda, Koch, Marquardt, Schultz

NAYS: 0 – None

ABSTAIN: 0 - None

ABSENT AND NOT VOTING: 0 – None

Motion carried.

2. Vernon Hills Golf Course – KemperSports Management Contract Extension

Village Manager Allison noted about two months ago he and Trustee Koch met with representatives from KemperSports Management to discuss the contract extension. Finance Director Nakrin explained the current agreement, which is in effect from January 1, 2007 through December 31, 2010, allocates operating profits (operating profits are defined in the existing contract). The contract has the following provisions:

1. The first \$70,000 of operating profits goes to the Village as a guaranteed fee.
2. After the first \$70,000 of operating profits is reached, the next \$37,500 goes to Kemper as a base management fee.
3. After the \$107,500 of operating profits is reached (the sum of the \$70,000 and the \$37,500), the next \$40,000 goes to the Village as a second tier fixed fee.
4. After the \$147,500 of operating profits is reached, additional profits are split between Kemper and the Village with 25% of the excess going to Kemper and 75% going to the Village.

Finance Director Nakrin recommended the following proposal for the new ten year contract extension:

1. Kemper's base management fee would be the first priority. It would be \$37,500 the first two years, \$40,000 the next four years and \$45,000 the last four years.

2. The Village's first tier would be the second priority, after Kemper's base management fee is realized. It would remain at \$115,000 the first two years, go to \$120,000 the next four years and end up at \$125,000 the last four years.
3. The Village's second tier would be eliminated.
4. After Kemper's base management fee and the Village's first tier fee are met, Kemper would receive 25% of excess operating profits and the Village would receive 75%.

The Village Board concurred with Finance Director Nakrin's recommendation. President Byrne stated a previous discussion took place at the golf course regarding specific responsibilities at the course.

3. Adjournment of the Committee of the Whole meeting

Motion by Trustee Williams, second by Trustee Schultz to adjourn the Committee of the Whole meeting to go to Closed Session with no intent to return. Roll call vote:

AYES: 6 – Williams, Hebda, Koch, Marquardt, Schultz, Schwartz

NAYS: 0 – None


ABSTAIN: 0 – None

ABSENT AND NOT VOTING: 0 – None

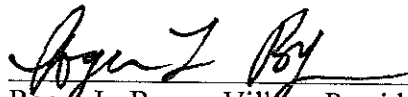
Motion carried.

Meeting adjourned at 9:05p.m.

Approved this *8th* day of *September*, 2010.



Michael S. Allison, Village Manager/Clerk



Roger L. Byrne, Village President

MSA/ld