

Minutes

Audio Tape No. 673

The City Council of the City of Leawood, Kansas, met for a Special Call Meeting at City Hall, 4800 Town Center Drive, at 6:30 P.M., on Tuesday, January 16, 2007. Mayor Peggy Dunn presided.

Councilmembers present: Jim Rawlings, Lou Rasmussen, Gary Bussing, Scott Gulledge, Gregory Peppes, Debra Filla, and James Azeltine.

Councilmembers absent: Mike Gill.

Staff present: Scott Lambers, City Administrator
Patty Bennett, City Attorney
Chris Claxton, Parks & Recreation Director
Deb Harper, City Clerk
Christy Wise, Deputy City Clerk

Others present: Shane Gardner, Orion Management Solutions
Matt Roberts, Orion Management Solutions
Dick Fuller, IRONHORSE Advisory Board Chair
Sherri Rickman, *Johnson County Sun* reporter

1. Opening Remarks

Mayor Dunn called the Work Session to order at 6:35 P.M. Introductions were made by those present. She stated that the Work Session is being held at the request of Councilmember Bussing with full City Council approval.

Councilmember Bussing reviewed that he was met with a prompt response from Orion Management Solutions, Inc., following the submission of questions and comments related to the proposed Marketing Plan. However, he felt it prudent to hold a Work Session in order to further explore concerns prior to approving the plan.

In his opinion, Councilmember Bussing stated the marketing activity is back-end loaded from a calendar perspective and focuses on a core group of golfers including Triple Crown Club members and frequent course users. It may be more effective to implement a balanced marketing approach throughout the entire year. Secondly, he is not convinced that the significant budget expenditure allocated for the fairly small group of golfers will generate the desired effect or that it is cost effective in terms of a return. He felt other Councilmembers should be given the chance to express their viewpoints and ideas about additional marketing activities as it has been agreed upon that promoting the course during closure is crucial.

2. Discuss the 2007 Orion Management Solutions, Inc., Marketing Plan for IRONHORSE Golf Course

Referring to page 2 of the Marketing Plan, Mayor Dunn clarified with Shane Gardner, Managing Officer of Orion, that the statement, "An Orion staff member will be working from the Clubhouse in the fall of 2008, answering phone calls that come from billboards, mailings, etc.," contains a typographical error and should read "fall of 2007." He elaborated they felt it was important for someone with knowledge of the facility and a history with the golf course to answer questions regarding events, memberships, etc.

Mr. Gardner also explained that the statement, "She is going to be put in charge of contacting these events in an effort to reschedule them for 2008," found in the third paragraph of his e-mail response to Councilmember Bussing, refers to a database of event coordinators and corporations who have done business with IRONHORSE in the past. Charities, corporations, and other organizations that have golf tournaments will normally start scheduling events in the fall for the upcoming year in order to ensure desirable dates. Typically, the most sought after dates are the months of May, June, and September.

Councilmember Bussing noted the document in the packet information containing comments to the Marketing Plan highlighted in red are the original concerns he submitted to Orion.

Councilmember Filla stated she appreciates Councilmember Bussing's request to discuss the Marketing Plan in a Work Session format. She asked who would be in charge of mailing lists and electronic mailings. Postcard mailings, e-mails, and the website should be a coordinated effort in order to utilize the same image in multiple facets. She suggested providing updates of project milestones to the public and using a consistent formatted wording such as, "We're going to be great in 2008." Another marketing avenue could be to target high school-age children by promoting the junior course.

Councilmember Filla also inquired about the cost of a billboard; requested a breakdown of the mailings in terms of quantity, cost, and scheduling; and asked the anticipated costs for the summer events. She agreed with Councilmember Bussing's statement that costs targeted at current IRONHORSE golfers may not be justifiable as they will most likely return upon reopening. The proposed plan is very loose and needs tightening with cost proposals, timetables, and delegated responsibilities.

Mayor Dunn noted that Parks & Recreation Director Chris Claxton submitted a cover memo in accompaniment to the Marketing Plan when on the last Governing Body meeting agenda, which delineated the summer event costs, etc.

Mr. Gardner stated there are eight events scheduled throughout the season with an estimated average cost of \$1,000 each [\$8,000 total]. The thought process behind holding these events is to retain the current members. He stated the worst thing that could happen to the golf course would be for the regular customers to obtain memberships elsewhere. Of the \$45,000 budgeted to market IRONHORSE, only a small percentage will be spent on efforts to retain memberships.

City Administrator Scott Lambers confirmed with Mr. Gardner that taxpayer dollars will be spent on some non-Leawood residents to play at a non-Leawood golf course, which could be of issue to some citizens. Mr. Gardner stated a fair amount of people who play at IRONHORSE are non-Leawood residents. The golf course would not be successful if Leawood resident memberships were solely relied upon as patronage is also needed from places such as Overland Park, Olathe, and Stanley. Mr. Lambers further questioned the appropriateness of the expenditure.

Councilmember Bussing commented that marketing of any kind contains a level of guesswork. He understood Mr. Gardner's intent of focusing on the core group of golfers, however he disagreed. In the broad scheme of things, 2007 will provide opportunity to attract more golfers overall to IRONHORSE as there are not enough golfers in Leawood to sustain the course. The general citizenry of Leawood, who are supplying 100% of the tax dollars spent to market the course, are owed the best efforts possible for this endeavor.

Councilmember Bussing further stated that he would feel more comfortable with a broader campaign focused on a larger segment of the golfing community. As golfers tend to be creatures of habit, the majority of core golfers will return. They should be kept in the loop in terms of project updates to generate excitement about the course. He stated he is not convinced that special events are needed for this group.

Councilmember Azeltine stated agreement with Councilmember Bussing's comments from the standpoint that the core golfers were already sold on the course prior to closure. Communication should be maintained with this group as opposed to significant marketing expenditures. He suggested an analysis be performed of revenue percentages prior to closure in terms of memberships and geographic locations including the abutting neighborhoods of the golf course. Although the core golfers should not be taken for granted, he agreed with a broader marketing approach. Based upon the analysis results, it would be a good investment to perform some sort of specialized marketing to individuals who bring in a high percentage of revenue.

Mayor Dunn recalled reading such analysis information in the IRONHORSE Golf Course Business Plan. Mr. Gardner confirmed that information is available and agreed to supply a current report.

Regarding geographic locations, Mr. Gardner stated past marketing efforts have been focused from south of College Boulevard, west of State Line Road, east of Quivira, and north of 160th Street. He stated as the game takes 4-5 hours to play, most people out of this range would not be interested in driving the longer distance to reach IRONHORSE. He confirmed for Mr. Lambers that addresses can easily be obtained from a database of members to the Triple Crown Club, the Conductors Club, and the IRONHORSE Competitive Golf Association [ICGA].

Councilmember Gulledge stated he would like to see some of the marketing dollars spent on current members. He suggested sending gifts such as mugs or pens on an every 3-4 month basis in order to maintain interest.

Mr. Gardner verified for Councilmember Filla that the summer golfing events will entail members paying their own golfing fees at another club. The proposal is to provide a social event in order to initiate conversations with and answer questions for participants. Funds will be needed to pay for food/drink, small give-a-way prizes, and wages for a staff member to attend the event. Similar past events have turned out 40-60 individuals; however, if the first two upcoming events do not produce good results, they will be discontinued with redirection of the allocated funding.

Councilmember Rasmussen asked if the issue is an inadequate marketing budget.

Mayor Dunn summarized that the summer events will utilize close to 20% of the marketing budget with an evaluation to take place following each event. The \$15,000 expenditure listed for billboard costs is approximately one-third of the budget. Mr. Gardner informed the cost will cover three months of advertising with this medium.

In response to Councilmember Rasmussen's question regarding the budget, Councilmember Bussing stated his preference would have been to first and foremost identify goals, have Orion devise a plan to accomplish the objectives, and then decide upon the budget amount. He stated concern that funds allocated for the proposed plan will not achieve the desired results.

Councilmember Rasmussen suggested the goal of achieving 33,000 paid rounds of golf in 2008. The question is to how to address the customers that will play the 33,000 rounds.

Mr. Gardner explained the rationale behind the proposed plan is to not spend much of the funding during months when it isn't necessary, such as January, February, and March, and using a greater portion of the budget during October through December in order to gather momentum for reopening the next year.

Councilmember Gulledge remarked that the process of closing and reopening the golf course is a new experience and a work in progress. He views the process as a two-tiered approach of marketing to current customers and targeting a potential new market. He also stated agreement with Mr. Gardner's comment of waiting until later in the year to utilize the marketing budget as focus should be put upon the time period of April 2007 through March 2008.

Councilmember Rawlings stated the marketing effort should last 18 months rather than just 12 months in order to reenergize interest following reopening. There may be a hidden market that has never played at IRONHORSE. He disagreed with Mr. Gardner's remark regarding advertising only within a certain driving distant and stated the marketing ideas should be expanded "outside of the box." Mr. Gardner replied his comment was directed towards the majority of regulars who play 3-4 times per week.

Councilmember Rawlings also suggested using the "Taste of Leawood" event in June, sponsored by the Chamber of Commerce, as a marketing vehicle as many nonresidents attend this function. Mr. Gardner stated they have been involved with the "Taste of Leawood" for the last 3-4 years and agreed that it is a good opportunity to promote IRONHORSE. Mayor Dunn noted the event usually draws 600 people.

Councilmember Filla listed events such as the open concerts, art shows, and Ballet in the Park as other possibilities to publicize the reopening by handing out postcards when appropriate. She suggested calling customers in the early spring to let them know they will be missed, inform of the first summer event, verify e-mail addresses, and ask how often they would like to receive an electronic update. Another idea is to create traveling boards illustrating IRONHORSE following the renovations that could be displayed in places such as the Chamber of Commerce, the Lions Club, the lobby of City Hall, schools, and wherever there are large gatherings of people.

Mr. Gardner stated there are currently 2,000 e-mail addresses.

Councilmember Gulledge stated he likes all of the ideas shared this evening but does not want to lose sight of the current loyal members. Mr. Gardner agreed there should be some sort of focus towards these patrons. Prior to course closure, every member was mailed a hand-written note thanking them for their business with a card containing his cell number and e-mail address enclosed. Several calls and e-mails have been received stating eagerness to receive updates this spring.

From a business standpoint, Councilmember Peppes stated understanding to spending money on the current customers as they have made the golf course what it is up to this point. He stated whatever approach is decided upon, it is important to track results and set parameters. A decision should also be reached regarding the 2008 fee schedule as this could be used in the broad marketing approach.

Councilmember Rasmussen noted the difference between marketing the golf course when it first opened ten years ago and today is that there is now a known group interested in IRONHORSE. If the budget is limited, the heaviest amount of funding should be allocated to the current market. If the budget is expanded, a review of marketing efforts performed ten years ago should take place in order to assess whether they should be repeated.

Although not immaterial, Councilmember Bussing recalled that prior statistics revealed the margins of revenue generated by the core group to be the lowest of all the activities at IRONHORSE. He requested that the next Marketing Plan contain a specific webpage strategy, inform who will be responsible for the strategy, and explain how the impact of the strategy will be measured. He would also like to know the same details surrounding the message portrayed by the golf course for the next year. Specifics should also be given regarding each planned event. The rates for 2008 should be set with perhaps discounts offered in lieu of gifts.

Councilmember Bussing also asked that details be given regarding plans for the Clubhouse including whom customers will speak to if they call during closure and what they will be told.

Councilmember Azeltine stated the plan should also include a major reopening event. He shared the slogan idea of, "IRONHORSE, Welcome Home."

Mr. Gardner stated a reopening event was not included in the Marketing Plan as it will occur during the 2008 budget.

Councilmember Filla suggested introducing a promotional package during the summer events of using last year's rates as an incentive to sign-up early for 2008. It was verified that it will not be possible to play disc golf during reconstruction.

Mayor Dunn stated she hopes an updated Marketing Plan will be submitted and placed on an agenda in February or March.

There being no further business, Mayor Dunn adjourned the Work Session at 7:25 P.M.

Christy Wise, Recording Deputy City Clerk