



Boulevard Project to be done in 2013 with \$80,000 programmed to remove the buildings and re-grade and seed the lot. This is anticipated to occur in 2014 due to the delay of the Justice Center opening.

#### **Ironwoods Rest Station Project – City Administrator Scott Lambers**

There is \$296,000 remaining from the bond fund for the restrooms at Ironwoods Park. This has gone through the planning and bid process. The City Engineer estimated this project well over the \$296,000, which was anticipated. They intended on using the City's reserves to make up the balance. According to the bids, the engineers estimate was extremely conservative and was off by \$100,000. This project is anticipated to cost \$600,000. He recommended they use the remaining \$296,000 with an additional \$300,000 from cash reserves to bring this project to closure this spring. Parks and Recreation Director Chris Claxton is currently working on a grant for an additional \$40,000 for this project; however, they are not counting on this additional money.

#### **Ironhorse Golf Clubhouse Expansion Project – City Administrator Scott Lambers**

The Council had set a parameter for the scope of this project; however the Ironhorse Advisory Board had met wanting to expand the scope. This expansion may need to be delayed until they can accumulate funds for the project. All of these projects will cost more than they had envisioned.

The ending cash balances in the City's revenues were overstated last year due to a business that assumed they were located in Leawood; however, it is located in Overland Park. This business had been remitting sales tax revenues that should have gone to Overland Park. The State did not realize this for over a year. The State began to claim back the \$400,000-\$500,000 to give to Overland Park. The receipts from the previous year showed this as Leawood's revenue, which affected the ending cash balances.

#### **Council Discussion**

Councilmember Rezac asked the projected final cost of the 123<sup>rd</sup> and Mission Trail Project. Mr. Lambers replied without further destabilization of the bank, the final cost is projected to be \$1.4 Million. To date, approximately \$700,000 has been spent on this trail failure. Public Works Director Joe Johnson confirmed the engineering company modified the plans after the bid last year because another section of the trail began deteriorating due to the heavy rains in May. The improvements done approximately 10 years ago have remained stable with no issues.

Mr. Lambers stated the Trail Improvement Project north of College Boulevard is currently scheduled for 2015 for \$350,000 from the Special Parks and Recreation fund. The creek is approaching but is not imminent. This can be delayed; however, if there is a series of rains that change the contour of the creek and becomes unsafe it will need to be repaired. He proposed this project be moved to 2017 and suggested this \$350,000 be used in 2015 for one-fourth of the Ironhorse Clubhouse Expansion Project and another one-fourth with cash and do the same for 2016. This would be funded over two years, completed in 2016. Adjustments to any of the projects can be made during the CIP meeting scheduled for next month. The City tries to maintain \$30 Million in cash reserves over a 12-month period in order to keep its AAA bond rating.

Mayor Dunn noted the clubhouse expansion was originally recommended for 2014 and 2015. The Governing Body had decided to accelerate it one year. This was not anticipated or requested by the Ironhorse Advisory Board or the Troon Golf staff.

Councilmember Rezac asked if they could scale down the restroom or clubhouse expansion project. Mr. Lambers replied the restrooms could not be scaled back because of their basic size. The City Council had authorized a certain scope for the clubhouse and the Advisory Board recommended expanding that scope by several hundred thousand dollars. This project alone is not causing the shortfall; however, it adds to the accumulative totality of all the projects. He suggested this be delayed in order to be done the way the Advisory Board recommended.

Councilmember Rasmussen suggested they remove the additional expansion of the clubhouse, keep it at 4,500 square feet, and accelerate the project to increase revenues. The City Council had hoped to get this under construction in 2014 and be completed for the 2015 season.

Jamie West, GM Troon Golf, stated based upon the additional square footage, the increase in revenues are conservatively projected to be in excess of \$100,000 profit per year. This number was based upon the number of people coming in at an average rate per person and includes golf, food and beverage, weddings, and other events. They can attract several groups with this additional space. Projections show the cost vs. revenue should break even within 4-5 years.

Brett Haugland, Continental Engineers, stated during the design process for the 4,500 square feet, they felt some additional amenities would make this building more usable, which increased it to 5,300 square feet and \$1.2 Million. This amount was based on a very preliminary concept plan estimated by the contractor. They have asked the contractor to provide a 50% complete set of documents showing the expanded 5,300 square feet and the alternative to scaling back and removing the lounge area of 550 square feet. They should receive this information within the next couple of weeks.

Tim Homburg, NSPJ Architects, stated once they have the final drawings they can begin working with subcontractors to pinpoint actual numbers. Their objective is to come as close as possible to the \$900,000 budget. By delaying the project further, subcontractor fees and material costs will increase.

Mr. Lambers stated if they decide to move forward with the clubhouse expansion, this would require additional withdraws from the reserves to complete the project. They should determine whether to move forward with the recommendation from the Ironhorse Advisory Board for the 5,300 square feet or scale it back. He recommended they proceed with the Advisory Board's recommendation. Mr. Lambers confirmed there is a maximum of a 5% differential in size before they are required to go through the planning process again.

He recommended they incorporate the following projects into the CIP meeting on February 3rd:

- Delay the \$350,000 to 2017 for the Ironhorse Clubhouse Expansion Project (this can be further discussed during the CIP meeting with the documents provided by the contractor).

- Complete the 123<sup>rd</sup> and Mission Trail Project from the Special Parks and Recreation fund for 2014
- Use the \$296,000 remaining from the bond with \$300,000 from cash reserves to construct the Ironwoods Rest Station Project

Dick Fuller, Chair of the Ironhorse Golf Advisory Board, stated this facility opened in 1995. They had always anticipated the clubhouse would be too small and hoped to expand it within a few years. Due to several repairs to the course, the expansion had to be pushed back. The clubhouse has never been large enough to accommodate their needs. During the last few years several courses have expanded their clubhouses or have opened private ones, in which they cannot compete due to its current size. If this project is pushed to 2015 or 2016, it would be 2017 or 2018 before they could begin booking. The Advisory Board feels this expansion is a necessity and will generate additional revenue. He felt they should build the clubhouse to accommodate their needs and include the lounge area, if the budget allows.

Mayor Dunn noted the City has maintained a flat mill levy for several years and depend on their professionals to determine what and when projects can be done in order to ensure the mill levy remains flat.

Mr. Lambers stated the agenda for the Governing Body meeting this evening would be amended to authorize staff to initiate the necessary procedures to establish a capital fund for the Ironwoods Rest Station Project to incorporate the remaining bond money and cash reserves to \$600,000.

There being no further business, the work session was adjourned at 7:10 P.M.

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Pam Gregory, Recording Assistant City Clerk