

IRONHORSE

Golf Club



GOLF COURSE COMMITTEE MINUTES

Meeting minutes from September 30, 1999

5:30 p.m.

Board Members in attendance were Dick Fuller (chairman), Bobby Davidson, Jim Dickson, Mike O'Connell, Dave Fearis, Charles Lewis, Bob Reid, John Campbell, and Lou Rasmussen. EAGL staff member Shane Gardner was in attendance. Parks and Recreation staff included Chris Claxton, Jennifer Molton, and Pete Spratlin, and Matt Roberts of Ironhorse. The meeting was called to order at 6:00 p.m.

A motion was suggested by Dick Fuller to approve the minutes from the August 26, 1999 meeting. The motion was first made by Lou Rasmussen and seconded by Bobby Davidson.

I. GENERAL OPERATIONS REPORT

Matt reported that September was very strong. There were 23 scheduled events, the last one for September taking place that day. The Rotary Club event on September 23rd was hugely successful. Dick Fuller said he heard excellent comments on the course conditions, and outside where the dinner/auction went very well. Matt also reported that Heather has been able to book seven to eight outside parties for September, which provide food and beverage only – heavy hors d'oeuvres or buffet. They have ranged in size from twenty to one hundred people.

Matt distributed a current cash flow report. He stated that Ironhorse is currently \$100,000 under budget, due to a loss of early Spring revenue caused by the closing of six greens, but hopes to make up half of that by the end of the year. Matt said that since there are several tournaments booked in October, he has hopes for the weather to stay nice. Rounds are currently 96% of budget, YTD.

Jim Dickson asked, "since the City fronts funds to Ironhorse during the winter months, how much money was going to be needed to get through April of 2000?" Chris stated that the 1999 carry-over would be approximately \$79,000. There was concern raised that Ironhorse does not raise enough revenue to be a "stand-alone enterprise". Jim Dickinson said this was true at present, but that soon Ironhorse will be self-sustaining and be able to build a surplus. He also stated that management must take every opportunity to make money. He feels that a market study should be conducted to see if a more substantial fee increase could be considered. Bob Reid suggested that a survey be conducted on other area courses' rates. It was noted that Ironhorse is currently operating by budgeting 40,000 rounds maximum, and members were not sure that quantity of rounds was not already too high. Jim Dickson said that he was not comfortable with borrowing money from the City to get through the first three months of the year when previous loans were still being paid off.

Lou Rasmussen stated that the City has approved \$69,000 in capitol for Ironhorse next year. He feels this needs to be prioritized.

Bobby Davidson commented that his neighbors, who live close to the course, already feel that it's too expensive to golf at Ironhorse. Dave Fearis said that Kansas City has a lot of options available to golfers at all rates. Bobby feels it's important to preserve Ironhorse's playability for the citizens of Leawood.

Matt stated that 89% of the revenue earned this year came from non-resident players.

Dave Fearis feels that management needs to find out the going rate in the area for outside events, that this is where some additional money-making potential lies. Dick Fuller stated that he had not heard of any golfers not being able to play due to scheduled events. Matt stated that Falcon Ridge charges \$14,000 for a shotgun start, which includes food. Ironhorse charges \$9,000.

Matt stated that part of the income problem was that Ironhorse had not been completely operational to date. He feels that in one year's time revenue will be looking great.

Bob Reid asked are we going to operate as a private, profit-minded venture or a city-owned/public/citizen's golf course? Dave Fearis commented that Ironhorse still needs to be self-sustaining if city-owned.

Dick stated that the committee needed to establish a budget subcommittee to address these issues in more detail.

II. Course Update

Jim Dickson brought up the items listed on #5 of the agenda – remodel of bunker on #4, removal of tree behind #5 green, and construction of a bent grass nursery – The USGA has given recommendations. It would cost \$8,000 for the nursery. This is currently not feasible since it would be considered a Capital expense. It would cost \$1,000 to remove the tree behind #5 green, and Pete will get a price on the remodel of the bunker on #4. Pete has prepared a list of projects that need to be prioritized in terms of appropriating the \$69,000 from the City.

Lou Rasmussen asked about the process of filling in/remodeling of the bunkers. It was stated that an architect provides these plans, and that some are designed just for their visual impact.

Pete's prepared list of projects and estimated costs totaled \$73,000. This figure does not cover equipment, which comes under the Capital improvement umbrella. Shane related that he is in the process of going through the business plan and making recommendations.

A discussion about the current benefits awarded the Conductor's club ensued. Matt explained that the Conductor's Club members receive a \$5.00 discount on green fees, have access to seven-day T-times, and qualify for discounts on merchandise. It costs \$400.00 to join the club, and there are 84 members, 30 of whom use the club weekly. Dick asked how many of these were group Conductors? Matt stated that 10 – 12 members were group Conductors. Bob suggested that we should address additional benefits when the budget is set. Dick felt that there should be other benefits provided besides those already in place.

A motion was made to establish an ad-hoc budget subcommittee. Dick Fuller nominated Jim Dickson, Bob Reid nominated Bobby Davidson, Jim Dickson nominated Dave Fearis, with Lou Rasmussen and Mike Gill to also be included. The motion was unanimously approved. Matt and Chris will also be on the committee. The committee will focus on gathering information and making recommendations.

II. Hole Sponsorships

Chris Claxton advised that the current hole sponsorships were due to expire at the end of the year, and that \$8,500 was the asking price for a five year sponsorship. Matt proposed a hole sponsorship program that includes a "name the hole" contest. The winner would win a free round of golf and be eligible for a larger prize. Coke, Pepsi, Miller Lite, Epic, Continental, and Don Bell had been sponsors in the past. Hole sponsorships are considered a hard sell. Matt felt it might be a good idea to focus on getting more corporate memberships instead. However, promoter Dave Garcia reported to Matt that he could sell a sponsorship for all #18 holes for "as much as we wanted."

It was decided that the budget committee would further discuss Ironhorses' approach to sponsorships.

II. Easement on #6

Chris reported that Jeff Cantrell said the papers were at Dick Wetzler's office where they were drawing up the final documents, and that this item may be on the October 18th City Council agenda. A road will also be constructed by Mark Simpson on the property. Chris read an excerpt from Mr. Simpson's letter indicating "he is willing and ready to build the road."

VII. Board Recommendations

Lou Rasmussen said that he would follow up on the transformer situation at the pump house.

Dick Fuller said he will copy all members on the USGA report.

Lou asked to be briefed on the progress of Phil Gibb's creek bed stabilization project. Chris reported that there was \$25,000 budgeted for a study to be done next year. Lou also asked for an update on funds earned from the sale of golf course property. Chris said that money was currently in the account, which will show up as a debt reduction. Lou asked about silt dumping. Jim Dickson reported that Phil Acuff of Acuff and Rhodes had agreed to allow Ironhorse to run a line under the road and deposit silt in a catchpool by 2001. Lou also asked the status of Overland Park developers and fences. Dick reported that no fences were planned by the developers.

Chris stated that Pete and Matt will address erosion issues at Ironhorse with Planning.

Bob Reid moved to adjourn the meeting, which was seconded by Dave Fearis. The meeting adjourned at 7:20 p.m.

Respectfully submitted,

Chris Claxton, Director
Leawood Parks and Recreation