Committee members in attendance were Dick Fuller, John Campbell, Mike Gill, Bob Reid, Charles Lewis, Jim Dickson, and Dave Fearis. Chris Claxton, Parks and Recreation Director, Julia Brickman, Community Information Coordinator, as well as Matt Roberts and Pete Spratlin of IRONHORSE.

The meeting was called to order at 6:03 p.m.

A motion was made by Jim Dickson to approve the minutes from the August 24th meeting. Dave Fearis seconded the motion. Minutes were approved unanimously.

I. Discussion of Management Agreement
Mike Gill made a motion to move the discussion of management agreement to the front of the agenda.

The committee has received a proposal from Orion Management Solutions, Inc. Mike has discussed this with Patty Bennett, the City Attorney, Chris, and Kathy Rogers, the Finance Director for the City of Leawood. The contract has been reviewed by both parties and has been approved by the committee but has not been formerly accepted by Orion. This contract is for the management of IRONHORSE.

Jim Dickson said it is a three-year contract with a one-year renewal option in 2004. John asked if it was the city’s option for renewal? Mike said it is a similar agreement as with Evergreen. The original agreement was a two-year contract with a one-year renewal option. John asked if it is the same terms? Yes, it is. Mike stated that the agreement with Orion parallels the agreement with Evergreen, covering the same general areas.

Chris met with Patty Bennett and Kathy Rogers for policy and legal issues and the contract is in final form, based on the committee reviewing it, this form should be acceptable.

John asked about retention of key personnel. Mike stated the contract is similar to EAGL, and there are three changes made that effect us. Number one, it is made clear that the removal of key personnel could not be made without the committee’s approval. Number two, cash control is stricter based on past experience with EAGL, there will be a segregated account with visibility from the city, and Kathy will be able to access and
view the account. The third issue is increased liability insurance requirements and expanded coverage.

Mike asked about the GASB and auditing standards, he said it is fine but expensive. John asked if we need that because it is expensive. It could be a difference of $1,000 to $2,000 or $20,000 - $30,000. John suggested that it could be included in the year-end audit the city already does.

Dick asked if it was an audit of the golf course. Mike said it is in accordance with GASB, a full audit, and it can get expensive. The city has their own audits they already pay for. It was suggested as an option for the city to request an audit when needed.

Dick said that this is not a reflection on Orion’s ability but after 5 years of reports from EAGL, this is an opportunity to go back to the city to ask for what they want to change and an opportunity to make improvements from the past.

Jim stated to Matt, we appreciate Evergreen services and they have done a great job. This is a historic moment in our golf course and your company has helped develop it and have worked so hard.

Mike said he is reading the contract and has a question of necessity and concern with the three-year deal. It is okay, provided that things are not working out, we are able to get out of the relationship and/or replace certain positions. For example, Evergreen used leverage of their contract in the past to get Pete. The clause that says, “Orion agrees to maintain the course in the same or better condition as this year”, is benchmarking a satisfactory result to compare against, he does not feel a need for a clause like that now.

John agreed, there are so many factors you cannot measure against, for instance the weather.

Mike asked a question if this contract is the same as the Eagle contract. Is it different in revenues? Are golf lessons with a pro provided by the city? Should the pros retain lesson fees as a separate income? Does the city have golf lessons and the revenue goes to city? Matt said the only time the city has revenue is when certain golf schools come out to IRONHORSE, such as Parks and Recreation or the Flick School.

Mike asked about the additional language on the bank accounts. Patty and Kathy had discussed the design of the account so it could have two signatures. He asked what the purpose of that was. Was it so both people have to sign or can one or the other?

Chris responded by saying the main purpose for both signatures is so both people are able to have access to the account (i.e., Kathy).

A discussion was held concerning the audit and financial statements. Mike talked about the contingent management fee and that it is not due until the audit is received. He asked Chris about cost. If cost is not a big deal, than maybe we could do it. It is a timing issue.
John said it is usually due after thirty days. Dick suggested giving them until March. Mike suggested reducing the fee by doing the audit in nonprime time.

John asked if Orion is based in Kansas City? Jim said yes, that Shane will be moving here from Atlanta. His experience and his services have built this company from day one and we have every confidence with who he puts in place.

John commented that EAGL said they were big, managed a lot of properties and therefore pay less for supplies because of a higher volume of buying. Are we going to lose that?

Jim said yes, but there will be less of a bureaucracy. Mike said he is not comfortable with EAGL. He asked them several times to show him how they saved money. However, EAGL never showed it to him. He is still not convinced that they lost greens because they did not use what our course needed. Jim responded by saying he has never seen evidence that would be the case.

John said he would not hesitate to say we are not at a disadvantage but could not make a guarantee. With Shane, there is not a bureaucracy and Shane will be here in the city. He will be here to fulfill his obligation to the city and bondholders.

EAGL has been through several management changes. We want continuity and now have an opportunity to deal with someone local and new people. Mike said the person that is currently in charge at EAGL as C.O.O. is Guy Oxler, who was virtually “banned” from our golf course. That is not a good relationship.

Jim Dickson made a motion that the committee recommends to the City Council the contract from Orion be considered if acceptable to city council and be approved. Hire Orion to begin management January 1, 2001 for three years, or earlier should Evergreen abandon their contract. John Campbell seconded the motion. Motion was approved unanimously.

II. General Operations Report
Matt shared that the weather has been in our favor lately. We are starting to come out of the drought. September has been what we have hoped it to be. The course revenue is 106% of budget MTD plus the end of the week with three tournaments. September and October have been primetime for corporations. Golf shop sales are at 135% MTD plus this week. We have several new lines that have been doing well. We have sold lots of gift certificates. Food and beverage sales are at 121% MTD. The banquets, parties, receptions, etc. are above last year. With the rain the courses look much better and are green. We finished sodding the sixth green, and it looks great and puttable. The area may be able to open up soon. Irrigation for Bell Drive and the practice range has been approved and the bids are in. Dick asked how much? Pete said the bid is $13,900 and it will be for three rows.

John asked Matt if the budget is right on the nose? Matt said, yes. The gap should be closed.
Dick asked why the variance is so high? Matt said he budgeted light in the beginning of the year and heavy in end, because of season and rounds able to be played. He padded the other months to level out the budget.

Matt said they are doing concrete work north of the clubhouse around the grill area. This will allow the grill to be removed off of the cart path. He is using the money that is left over when he bought the grill.

Matt showed the board members the plaque that was given to IRONHORSE from Ingrahms for the gold award. It is currently being hung in the golf shop.

Back to the contract issue.....
Jim Dickson would like to have an income analysis. Mike said he wanted a balance sheet every month. Jim suggested that all appropriate parties should all sit down with the CPA so they are all on same page.

III. Course Update
Pete shared about the water supply and the water bill. The first week of August the Blue River ran dry and they had to tap into the fire hydrant for water. They still do not know what the company is going to charge. Last month the Water Company charged about a $1000 per day. Now they are saying it should have been higher. The next bill may be $42,000. Dick suggested that someone from City Hall should call. Chris was concerned because it sounds like they do not know how to charge and are not being consistent.

Pete said we currently need less water, and the river is still not flowing. Last Thursday he was able to turn off the hydrant. He is still keeping the hoses on hand just in case he still may need them.

IV. Discussion of Use of Effluent for Water Source
Pete shared that golf courses all over the United States use effluent water for water sources. Our golf course backs up to a water treatment plant. Plus, the water is of better quality than in the Blue River. It is almost drinkable.

Jim shared that he went to Phil Gibbs’ office along with Pete. He stated that it was an original consideration and the water treatment plant did not want us to put in a sump pump. In ten to twenty years water will be even more valuable than today, now is the best time to get access to the water. They asked Phil the cost, and he said about $100,000 to drop the pump and in addition about $20,000 for engineering fees. The water district has other issues with the city and it is hard to negotiate with them at this time. Mr. Garofano said, and Lou agreed, that Pete and Jim should back off and let higher ups in the city finalize a strategy and go upstream to the county commissioner. Dick suggested running a line downstream across the creek and down the road and put a pump in somebody’s property. He also said the water treatment plant has to release the water somehow.

Mike said we would always have that option, however it would be great to cut out the middle and go straight to the top. Rather have its mouth of feed and a long-term commitment because water is becoming more and more precious. He also suggested
that we pay x percent of commodity as we use it, get first dibs on it, and get a long-term agreement.

Phil said that originally they wanted us to tap in at a price that was more than drinking water. Then they dropped out. Pete talked to state officials, and we do not need new permits. A suggestion by Kansas Department of Resources is that once they dump water from the pipe they cannot charge for it. It is surface water. If we are close to the outlet pipe no one else could tap into it. The only way would be to tap into the plant.

Jim asked if we needed to go into the property to drop the pump? Pete said yes. He brought a map to show the committee. The plant outlet is forty feet from the plant. A fifty-foot easement, is more than enough property wise, we do not need a bigger easement. All we do is tap into the water from the plant when the Blue River goes down.

Dick asked about an alternative pump. Pete said the only drawback from effluent water requirements is they have to disinfect the water. Every bacteria has to be killed and they usually use chlorine. However, this plant is brand new and they use ultraviolet light to kill the bacteria, so they do not use chlorine.

Dick asked how do we get to the sight? Pete said we need to get an access. The only drawback is this is on the water sewer treatment property.

Mike asked if the water district is under the county commission? Another option is a 151st street hose easement.

John asked Pete if the plant has to be flood proof. Pete said, yes. John asked if the cost assumed no piping. Pete responded, yes. John asked why do you need engineering fees? Jim stated that they got the engineering fees from Phil.

Dick suggested maybe paying for instance, $10,000 per year whether or not we use their water, so when we need it, we can use it.

Pete shared about the Zoysia. It went into shock, but is now okay and may come up later than normal next spring. The rough has burned up. In order to save as much green as possible, they channeled carts to certain areas. The zoysia is now sprouting, so they did not lose much grass overall.

John Campbell made a motion that the golf committee recommends that the council authorize expenditures for another source of water via the out take from the water treatment center for the appropriate money for engineering and design services from Continental Engineering. Mike Gill seconded the motion. The motion passed unanimously.

Fans
Pete discussed the fan on the thirteenth green. They already have the fans, but need money for installation and is questioning were to put it in the budget? He asked if he should wait until next year. The water problem put him over his budget. John suggested putting it in next spring.
IV. Discussion of Creek Bank Study

Pete discussed the Negro Creek. We need to plan together for expenses. We need a five-year plan and how much we need to spend yearly. This is a study designed to foresee erosion, and where the creek is going in the future.

Mike Gill made a motion to look into relocating the money for erosion control instead of doing the studied as budgeted. John Campbell seconded the motion and it was approved unanimously.

V. Other Business

Fourteen Project Nall Road
Pete discussed the finished wall. They did not build the wall the way they were supposed to. It was supposed to be a keystone faced wall. Instead, it is a concrete wall. It is not going to look horrible, but they did not do what they were supposed to. Chris asked if we should call them. Whose oversees them? She could call the main contact guy. Are we happy with wall? Pete said, it is fine. It needs to match the other wall.

Mark Simpson Development
Pete shared about the Mark Simpson Development. The public works department is watching them closely. There are two houses finished next to the 17\textsuperscript{th} tee box, the yards were regraded and water, mud and silt shedded onto the 17\textsuperscript{th} tee box. Pete called public works. It later rained, and then they used tractors to move all the silt off cart path. Pete showed pictures after the cleanup.

Jim asked if they received a city fine. Pete said they did, and stop work orders have been placed on them. The developer on the property and the builder will reestablish the swell and put new silt fences along the cart path. Plus, they may have to pay for IRONHORSE’s time and labor for the clean up.

Wastewater Easement
Chris sent a letter to the wastewater to show them where the fence would be located on the property and the specifications of the fabric. We would like to get the fence and the road in prior to Winter. This was indicated in the letter.

Dick asked if the type of road has been resolved. Chris said that Overland Park might comply with a gravel road. Pete said he is okay with a gravel road, but Overland Park wants a concrete road along 151\textsuperscript{st} Street. Chris said after we get an easement secure, then we can send a letter to Mr. Simpson with our specifications..

Jim asked about the 13\textsuperscript{th} tee. Chris said we would be moving the cart path. That will take away his leverage, however, he still has issues about the lot and will have to readdress the retaining wall.

Appreciation to Chris, Jim, Dave, Mike, Kathy Rogers, Patty Bennett, and Dick Fuller was noted for their effort on getting the contract resolved on the Management.
Dick Fuller made a motion to adjourn at 8:24 p.m. Jim Dickson seconded the motion. Motion approved.

Respectfully Submitted,

Chris Claxton
Director, Parks and Recreation