

IRONHORSE

Golf Club



GOLF COURSE COMMITTEE

February 15, 2001 Meeting – 5:30 p.m.

Committee members in attendance were Dick Fuller, Bobby Davidson, Bob Reid, Mike O'Connell, and Jim Dickson. Chris Claxton, Parks and Recreation Director, Julia Brickman, as well as Shane Gardner, Matt Roberts, and Pete Spratin of IRONHORSE.

The meeting was called to order at 6:21 p.m.

A motion was made by Mike O'Connell to approve the minutes from the January 4, 2001 meeting. Bob Reid seconded the motion. The minutes were approved unanimously.

I. Course Update

Pete Spratlin reported that he has been working on projects inside because of the weather. Projects include purchasing new cooler stands for the golf course, building new cart directional signs that look nicer and are easier to see, painting, and pricing trees.

Pete stated that he hopes to double the number of trees on the golf course this year. He plans to plant two very large trees on number three and next to the bridge. Eventually he will remove the Cottonwood. His goal is to still have the same play without the Cottonwood but with the new trees. The Cottonwood will cost \$3,000 to remove, at this time they do not have a plan to remove the tree. One concern is if the tree falls the wrong direction, it could cause severe damage to the bridge.

Dick asked if Mr. Riffe has put up the fence? Pete said, no not yet, but we made him put up a silt fence because they had problems with his silt. They also agreed with Mr. Riffe to raise the storm grade, there is a catch basin and it is 20 inches.

Bobby asked if we have received a title report on the property? He stated on that side of the subdivision we did not allow fences because we wanted a continuous fence. Dick said there is a contingency and there is a continuous fence there. Bobby said there is supposed to be an easement in place and a twenty-five foot no build zone.

Jim commented that they have no back yard and he doesn't see how they can have an approved plat and a twenty-five foot no build zone. Bobby stated there is a problem with the developer if he put in a fence within the no build zone; those issues need to come through the golf subcommittee.

Pete said the developer put up a continuous fence but our cart path was in the way. Pete drew a sketch of the property line on the board. The house is within the no build zone. Dick said the BZA gave him a variance.

Chris said he wants to make his backyard look bigger. Pete said his neighbors, the Taylor's are upset and they do not want to move their fence. Their fence was inline with Mr. Riffe until he moved his fence.

Jim asked what we could do about the situation? Chris said the BZA ruling identified stipulations on the backyard no build zone, he understood he could not build within the set back especially a retaining wall.

Chris indicated that she wants to recognize the Taylor's concerns. They said they would complain to the City if he builds a wall since they were denied building their patio out farther.

Dick asked about the requirements for the fence. Chris said it should be straight and along the property line. Dick asked if we have any means of forcing him to put the fence in line with the others.

Jim said we need to get together with the BZA to straighten out this matter. Bobby stated that he wants to get a title report on both lots to see if they are recorded with the Plat. Chris said she did not think it was recorded with the Plat, but she would get with Diane Binckley to review the matter. Dick said that fence is probably not on any property line because of the rocks (all of the property lines could be wrong).

Jim said we need other people from the city to lead this discussion, we are just an advisory group. Chris asked whom Jim is looking towards for help in this situation? She stated that she was not able to get the continuous fence resolved on eighteen.

Bobby stated the role of the advisory board is to review and recommend to the Planning Commission. Jim suggested delegating someone from the golf committee to sit in with the Planning Commission. Chris said copies are sent to her when a case involves the Golf Committee is to be heard.

Dick said the only recourse we have is the CofO. Bobby suggested writing a memo to the City Inspection Office regarding the concerns we have. Dick asked, what are we asking him to do? Do we want him to straighten his fence?

Bobby stated that we have a concern with the lot in the subdivision, there is a violation of the covenants or the deed restrictions and we want an investigation.

Chris reported when Pete got the deed restrictions, they were not clear and did not match. Bobby asked if we have a special file for the golf course with as built drawings and minutes? Chris commented the records might be in planning.

Dick asked if the deed restrictions said the fence should be continuous. Jim told Bobby when we first started our meetings, our job was to meet in order to help the Planning Commission. As each developer came to the golf course and approached the city with their plans, we would look it over, advise the golf committee, and then make our recommendation to the Planning Commission. Next, planning would have a hearing and then make a final agreement with the builder on how they would develop the property. The problem occurred when we made the recommendations to the Planning Commission and they would override our recommendations. It is the Planning Commission's job to make agreements for the city.

Bobby said they came to us and we negotiated with Don Bell, Jr. Jim stated the city needs to have a continuous file and the records should be kept with the Planning Department. Bobby said we looked at the Plat and they informed him of the no build-property because of the rocks.

Chris said she does not disagree about the memo, however her concern is it may open other issues with Mr. Riffe and may cause more problems. She does think that the memo might help locate information that she needs. Bobby stated even if it went through the BZA, it should still be recorded.

Dick said the way Mr. Riffe built the fence is on the property line, as he knew it and he has conformed.

A discussion was held regarding Mr. Riffe building his fence with a five-foot "jog" out.

Pete stated that Mr. Riffe's goal is to make his backyard as big as possible for sale of the house.

Mike Gill suggested starting with the recorded Plat then asking Mr. Simpson to show us the permission he was granted. The golf course minutes should have this information from the review committee.

Bobby Davidson made a motion to present a memo to the Planning Commission asking them to investigate lot sixteen, Mr. Riffe's lot, and investigate deed restrictions, covenants, and changes to the covenants. The review should be done immediately so we can determine prior to the actual deed being passed again, that we know the issue is resolved. Jim Dickson seconded the motion. The motion carried unanimously.

II. General Operations Update

Matt passed out the monthly facility report for the month of January and did an overview of the report. The report will be produced each month for the meeting.

Revenues finished 52% of budget. Memberships fees 99% of budget. Green fees and golf course fees were down. Bobby asked about the trend, are we budgeting wrong or is this normal? Matt said it is not normal, the weather has affected us. Expenses are 15% under budget. He said they are trying hard to keep expenditures down, they trimmed back supplies, and there were less food costs because of the lack of golfers.

Mike O'Connell asked if we get 250 requests for the Triple Crown memberships will we cap it? Dick suggested reevaluating the situation after we reach 100 members. Matt said the benefits of Triple Crown start March 1st and that is a good time to evaluate the situation.

Mike Gill's concern is they are using their seven-day advance tee time to lock up all the time slots and will not allow non-members to pay for those slots. Shane said that was a good point and that is why they limited the memberships to 100 members and we will also evaluate when they play.

Mike Gill suggested having other slots reserved for people that are non-members.

Jim said we need to double-check the bottom line throughout the year. He also stated that he would like to see the full financial report each month.

Mike Gill asked if they could track the number of rounds the Triple Crown members play and how many Triple Crown members play together.

Bobby stated he would like to see another column in the report, the number of rounds played with total revenue. Shane said that is the revenue per round on the report that was given. The number is skewed because of the memberships being sold.

Matt addressed Bobby's question and said the green's figures are figured at \$99 per round.

Pete suggested doing a line item for revenue of memberships.

Dick asked how they separate the memberships fees from the current revenue rounds. Shane reported they set a separate category for memberships so they can track that year after year. They will track that separate from the greens fees. They will also be able to evaluate the price of memberships to see if the customer is beating us at \$25 or if they average \$75

Bobby asked if we are budgeting on a flat line. Shane replied, no it will increase throughout the year. Matt said with tournaments and more people playing that will increase the budget.

Jim asked if David Garcia is still working with us. Shane said he is and he is still booking tournaments. Our alliance with him has helped us, as his business has grown, so has IRONHORSE.

Dick asked if there are any types of tourist groups that come to Kansas City? Shane indicated they have thought about going to the golf show in Minnesota to hand out information about IRONHORSE. There are a large number of people that come down from the North to play courses in Kansas City. Mike O'Connell suggested going to hotels in other states and giving them information on IRONHORSE.

Jim asked about finishing the year with EAGL. Matt said the end of the year revenue is growing in our favor every day. Jim asked what is the estimated date for our final transactions with EAGL? Chris said we are trying to tie up the details and we are still questioning some items, at this time, it is not final.

One of Lou's questions in the previous meeting was if we would be able to pay our debts and still have money to carry forward. They were concerned, because when Matt and Pete sent their bills to EAGL they would not show as expenditures until EAGL posted them.

Chris stated the bottom line is everyone has made a great effort to find the small details. They paid all their bills and were able to carry \$34,718 forward which included debt service and lease payments, however they did not pay the city as budgeted.

Jim stated that the total outstanding debt is near \$1,000,000 and we made no payments to the city this year. Now we've missed the payments twice. Bobby said we need to be aware where we are throughout this year.

Chris stated that Kathy does not make the payment to the city until she is sure that IRONHORSE can make all of their debt payments. She does not pay the \$60,000 or \$120,000 until the end of the year.

Mike O'Connell suggested adding an additional line item each month to set aside money for the debt payment to the city.

Chris said her understanding is that the operation of the fund does not function that way. Mike asked if we could set up a money market account to set aside money. Dick said he does not think Kathy would allow that. Mike Gill said as long as we watch the accumulated surplus and no one touches the money, we should be fine.

Jim stated that our goal is to have \$160,000 by the end of the year. He suggested taking out \$12,000 each month in May, June, July, August, and September. He also stated that he wants a cash flow report in order to know where we are at all times throughout the year.

Chris replied that is where it gets complicated, we need to prioritize the capital expenses and do not spend until accumulated revenues versus fixed costs are identified. Bobby said he looks at this as a business and we need the updated reports each month. He questioned the line item working, what if there is a disaster and we need the surplus money? Mike Gill said, at least we would know throughout the year where we stand financially.

Jim said we need to build a budget that includes our revenue as average.

The business plan is done in November and the budget in March. Mike Gill asked if it would make sense to include a segment for the golf course as part of the presentation of the budgeting process. Each department presents a budget to the council and part of the budget could include IRONHORSE. If we want capital expenditures, that is when you ask for the money.

Chris said the 2001 budget is completed, now we are validating the capital plans and prioritizing expenditures. Mike Gill suggested prioritizing our needs for 2002. Jim suggested having a meeting exclusively for budget issues.

Chris said it needs to be done before April. She would like preparation time. The council will want to be sure that we can make enough money to cover the expenditures.

Mike Gill said for example make a plan that says, with the creek stabilization we need \$100,000 for 2002 and here is how we plan to pay you back for this, we will be able to pay you back in three years. Then when we make a budget, plan to pay it back over three years.

Dick said there could be a separate budgeting meeting and there would not be a need for a quorum. Jim said as a group, we would have to look hard at our possibilities for revenues (fee increases), speak in terms of general expenses, and the capital list. Jim said it is not clear to him where we need to be in a year regarding the revenue.

Bobby said we need to back into the budget starting with the revenue. Jim said the problem is in March we will not have enough data to do a budget.

Shane asked about the capital improvements, it would be in our best interest to schedule them towards the fall, and then we would have a better idea of where we are financially. He believes that is were they might have gotten ahead of themselves last year.

Jim stated that he disagrees with Shane. When you have a budget it should tell you at the end of the year where you stand whether you spend it in April or December. It was troubling that throughout the entire year of business we did not come out where we thought we were.

Jim asked if leasing has had a big impact. Shane said we were running on budget or ahead of budget until November. Mike said we were \$750,000 – \$900,000 ahead and the numbers were misleading. In November and December the variance to budget was

big but the bottom line stayed high. First EAGL did not book all of their expenses and when we made capital expenditures it would show as a \$5,000 expense, even if they wrote a \$100,000 check it only showed as a \$5,000 check. Bobby indicated that Matt did warn the committee last year.

Bobby reported we are seeing erosion on thirteen, three and eight. Pete said nothing is heading towards the playing areas.

V. Prioritize Capital Expenses

Chris passed out an addendum to the business plan for the five-year capital improvement and equipment replacement schedule. She indicated that the expenses have been modified since this budget was completed.

Matt said they tried to keep the equipment on schedule but pushed other items into the year 2002 or later.

Bobby asked about the pump station. Chris stated that she has the initial plans from Continental. She will use the plans to write a letter to John Metzler.

We are planning to pump the water out of the creek, when it hits the creek we will not be charged for the water. Plus, there are more advantages to getting the water from the creek.

Mike Gill, warned to be careful and not to have deferred maintenance. Chris suggested making a choice between new equipment and making improvements.

Bobby asked if there is a way for Mike Gill to talk to Kathy Rogers about leasing the equipment. The lease payments would be less, which would allow us to have more money.

Jim sees the problem as the city came to the Golf Committee and said we could no longer lease the equipment. He thought it would be better to gradually buy items so it was not such a big shock from leasing to buying.

Mike Gill suggested reflecting on the budget as an accrual. He told Pete to ask for items if he needs them, like a new mower.

Mike Gill asked if \$50,000 is the correct price for the pump station. Jim said yes, we saved money because we are using a portable pump.

The pump was \$17,000 plus, \$8,000 to \$9,000 for engineering fees. Mike Gill stated that Lou inquired about the possibility to take the money out of the general fund from the city. However, Mike Gill believes it would be better for IRONHORSE to purchase the pump instead.

Bobby indicated if we could reduce our base through leasing that would allow us to add some items that we took out. The fairway mower is probably the most important item. He suggested for Pete to continue with his mowers and when they break down, then buy a new one and we would have the resources available if we need it.

Chris said we also cut our contingencies back to \$50,000, which is not where we want to be. We do not feel comfortable with that amount. Originally, our budget for contingencies was \$200,000. For the year 2001, the expenditures are budgeted at \$2.6 million.

Mike Gill thinks it is a good budget and hopes it is realistic.

Jim said we are increasing our green fees by \$2.00. He suggested trying to find another way to increase our revenue. Bobby asked if Matt could give the actual green fees paid per round from last year. Shane said they could attach another sheet with comparison from last year. He wants to see the exact green fee from the year 2000 and to look at the variances and examine where we are from there.

Dick said he has not heard any complaints and they should increase the number of corporate events / tournaments.

Jim asked why the expense was so high for golf carts. Shane reported last year, they had computer problems with the golf carts. They did not budget for the problems this year because they feel the problems have been fixed.

Jim asked why the pro-shop expenses were over budget. Matt reported the expenditures were for advertising and promotions, invoices that were lagging from the year before and building and maintenance repairs. The building and maintenance expenditures come out of the pro-shops line item.

Chris said she has a bill for \$5,000 that needs to be paid to Continental. Bobby stated that it is Continentals fault for the problems with Mr. Riffe and the cart path.

The Meeting for the budget will be held on March 7th at 6:00 p.m. Dick asked for the budget preliminary numbers in advance.

Jim said the second level Fairway Mowers are a high priority and the second are the bunkers.

Jim made a motion for the prioritization of the capital improvements. Mike Gill seconded the motion. The motion passed unanimously.

Mike Gill made a motion to approve the 2001 business plan. Mike O'Connell seconded the motion. The motion passed unanimously.

Chris presented information on Don Bell's lot number 16, along number ten fairway.

His lot is located in the 100-year flood plain. In order for him to build, he would have to fill the area to be above the flood plain and he could not have a basement. Diane Binckley and Joe Johnson met with Don Bell, he is proposing to negotiate with his neighbor on lot fifteen. He would like to sell a portion of the land so they could extend their side yard. There is also a piece of land north of his property. He would like to get \$80,000 for the property. He is trying to work with the Villas, perhaps they could build on it.

If we could get Joel Shafton to work with Mr. Bell then possibly we work out some sort of deeding to the City on number sixteen. We've been coming across his property on the North side to access the golf course. He wants to know if we are interested in it? Dick said if the city wants to buy it that is fine, but the golf course does not want to buy the property. Dick asked why we would be obligated to him or owe him anything? The council granted him the easement.

Bobby suggested giving Mr. Shafton a hole sponsorship for five years and letting him sublease the land.

The watershed at Wal-Mart on 159th and Metcalf will drain into Nigro creek. Mike O'Connell said something would be built there so it is taken care of. Mike Gill stated in Leawood the water standard states that builders need to build enough onsite water retention so the water run off is the same before and after the site has been built. Overland Park does not require the same water standards. Mike Gill stated that he would say something about the issue to the City Council on Monday.

There may be some options for the SMAC funds to widen out that channel along thirteen. More to follow with the pros and cons at a later date.

A discussion was held regarding the wall along Nall Avenue that was nonconforming to the original specifications. Bobby's concern is for other items in the area that may also be nonconforming.

Chris stated that Brett always said to look at the water shed. Bobby said we would have to put somebody on notice if it floods. Mike O'Connell asked who built the road. Bobby suggested putting a case together and then informing the contractor that it is nonconforming. The impact of taking out those two holes would be equivalent to taking out several greens.

Chris suggested bringing Joe Johnson to the next meeting to discuss SMAC funds, watershed and Nall improvements.

Respectfully Submitted,

Chris Claxton, Director
Parks and Recreation