

IRONHORSE

Golf Club



GOLF COURSE COMMITTEE

August 23, 2001 Meeting – 5:30 p.m.

Committee members in attendance were Dick Fuller (chairman), Mike O'Connell, Bob Reid, John Campbell, Dave Fearis, Bobby Davidson, Charles Lewis and Jim Dickson. Chris Claxton, Parks and Recreation Director, Julia Brickman, as well as Shane Gardner, and Pete Spratlin of IRONHORSE.

The meeting was called to order at 5:58 p.m.

A motion was made by Jim Dickson to approve the minutes from the July 26, 2001 meeting. John Campbell seconded the motion. The minutes were approved unanimously.

The agenda was approved with the addition of item number six, a discussion of Handicap Policies.

I. General Operations

Shane gave a report on the general operations due to Matt Roberts being out of town. He passed out a cash flow report that was produced several weeks ago. He stated with the slow start of the beginning of the year, competition and bad weather, it appears that we will not meet budget projections. We will likely break even or will be at a deficit if we pay back the City's annual \$60,000. He said they are adding some new tournaments because organizations are looking for other places to play since other courses greens and tees are not doing as well.

IRONHORSE is currently working on two major issues. One issue regards the golf carts that have been breaking down. A year ago they were malfunctioning after we were told they were hit by lightning. Club Car came and said the problem was that there was no surge protection. Last year we fixed that problem and are still having problems. We are trying to get information from Club Car – they will provide us with ten to sixteen extra cars to keep. They will keep the lease information we sent them and are trying to fix the situation by the end of the year. They replaced batteries, computers, etc. They are only three years old and we should not have these types of problems.

The second issue is the range ball situation. We have patrons who are hitting half a bag of balls and taking the remaining balls home to use another day. We will probably take that out of the Triple Crown program, or limit the amount they can take. Currently it is “unlimited” range balls. We might also consider putting a range ball dispensing system on the range or using baskets. Bags are easier for them to take with them.

John suggested posting a sign asking players to leave all unused balls at IRONHORSE. Jim said 99% of the people are not doing anything wrong. He has watched lots of people do it. Shane said the machine would cost \$3-4,000 and they could set baskets next to that. Jim suggested having a ranger up there that gives a bucket of balls. Shane said they have about four people on the range in the evenings, but they usually leave around 8:00 p.m. Most of the balls are taken between 8:30 p.m. and 9:30 p.m.

Dick said we would need to keep track of the Triple Crown Membership to see if we are making money on the membership.

Bobby asked how much does it cost to buy more balls? He also asked what the cost would be for electricity and to build a little “hut”. Shane said it would cost \$5,000 to \$6,000. Bobby likes going to the pro shop because it is better customer service and a friendlier approach. Shane said this year they purchased \$9,000 in balls and normally purchase \$6,000. They spent close to \$4,500 more this year for bags and balls. They lose about 10% of the balls per year to attrition. Revenues for the driving range are down.

Food and beverage sales have increased per person, but are down because the rounds are down.

Bobby asked when Lions Gate opens. Shane said they might open late this fall or next spring and he does not expect them to effect us this fall.

Shane said compared our situation to the other courses in the area, we are having higher revenue. Mike asked if we should raise the fees. Shane said Orion recommends that we raise Residents rates more then Non-residents rates or “narrow the spread” between residents and non. We have higher numbers of residents playing. Residents used to be 10%, now it is probably 20% of play. Jim said it has been our plan to raise it by \$2.00.

Overland Park’s rounds are also down. The difference between residents and non-residents is \$3.00, but they also have other incentives.

Mondays are our slowest days, if we do not have scheduled events. Mike asked if they could create special packages for play on Mondays and Tuesdays.

Mike asked about the Internet. Shane said they are looking into it and will pursue it more fully at the Golf Show in January.

Jim Dickson recommended doing a direct mailing to everyone that has played on the course. We need to go after Johnson County residents to help support the course. There are not enough residents in Leawood to support the golf course. He suggested sending out a special offer. Bobby said he agrees with the direct mail program. His observation from a marketing standpoint is that we have a great course but the competition is there so we need to be better than everyone else and differentiate ourselves. We've increased our fees but have not increased our play.

Bobby asked how many people are being turned down because they are not able to get their desired tee time due to Triple Crown members?

Mike asked how many rounds they want to have per year. Shane said between 38,000 to 40,000. They are also looking into sending direct emails to those they have email addresses for. It was suggested to give patrons an incentive to give us their email, like a sleeve of golf balls or a free coke. Shane said they are working with Mark Andrasik on the State and Federal laws regarding bulk e-mails.

Bobby asked Shane to get the e-mail addresses next month and Bobby will do some e-mail blasts for special offers as a test to see how well it works before we spend a lot of money on a program.

They currently have 200 email addresses but are looking for 1000+ addresses. We are in the process of working on it but it is in the infant stages.

II. Course Update

Pete reported course update is good. He printed some pictures of sod on number one. The greens are in great shape, we do have a few spots on four, six and fourteen. Dick said there is a hole right in front of the green on number one where grass does not grow. Pete said he needs to put in a drain and build up the area. The bunker on the left of number one is holding water. Pete said sand fills it up, the drain is fine it is just full.

The rough did burn up in the heat. The last two days really hurt the rough, but he thinks it will recover very quickly. We will not be able to do any more reseeding this year, he will hold off until next spring. We do need the rain. Blue River dried up yesterday. He is wondering why you drive down the road and see numerous different pumps in the river. He is wondering if they all have permits for those pumps. Pete said it is more of an allotment of how much you can pull out, per the permit, versus the number of pumps. This is the second time it has dried up and we rely on this water source.

Bobby asked if we have investigated the wells. Pete said there is not enough water down underground to drill, plus it is salt water.

The creeks will need some work. He showed a picture of number nine. The cart path is sliding into the creek along this area. We did work along the tee box. We already almost lost the cart path but we put some rock down there. Chris said we need to take a hard

look at this and other areas along the creek. The creek bank stabilization money was left in the CIP. Pete said this is a big deal and we cannot just rip-wrap it. All the drains from the greens and bunkers have disturbed the area (along nine). It will require some serious stabilization.

Bobby suggested rerouting the cart path. Pete said there is not enough room. He said for the amount to reroute the cart path they could add a good rock wall. Bobby suggested a gabion pin wire mesh, but they are expensive.

Dick asked if we decided on the tree issue. Pete said it would cost \$3,000 to down the big, rotten, Cottonwood Tree. If it floods it could dam the tunnel back onto the golf course and could cause a lot of damage. If it falls into the creek it would cost more to get it out of the creek than to cut it down. Shane said he is thinking of doing it this fall. Mike O'Connell said if it is a safety issue then we need to do it. Pete said they would have to take the tree down piece by piece. There is another dead tree along number four.

Chris said a contingency plan was to set up several years ago to take care of some of these issues. Unfortunately, there have not been enough reserves to put any money into the fund. The cost of the pump is with the golf course. We would have to pay for the pump, pad, and engineering fees. Councilman Gary Bussing asked us to prioritize items earlier in the year and we did so. The pump was number one on the list but we still need to find funds to pay for it.

Jim said the City is going to have to look at whether or not they can provide some assistance. If there is an opportunity for a window of approval then we need to go for the pump. He said he feels that the course has to pay it's own way, but the City may need to come in and help us pay for something like this that is so desperately needed.

John agreed about the pump and the tree. Jim suggested setting up a meeting with the City Council. He asked if the City is better off if we ignore these issues or take care of these issues. John said they will need to understand this is a global problem economically, not just an IRONHORSE problem. He suggested showing them statistics from other courses around town and how they are doing. They need to understand that we are not coming to them because we are doing a bad job but because of economics.

Chris said she attached a Wall Street Journal article and the Business Times articles along with the cash flow sheet to help them understand the surrounding issues. Last year there was an element of surprise of the status of the course and it came as a surprise to some. Staff wants to be sure to keep the lines of communication open by keeping the governing body updated on any issues pending.

Mike recommended for Orion to prioritize the most important capital line items; tree, pump, and what ever the number is to go to the City Council. He has Chris if we could set up a work session to discuss ways to protect their investment.

Bobby said history is proving that every year we are running in a deficit. Jim said we have never had the course run as well as it is being run today. He thinks we can make money on the course. John said every year we are getting closer to getting our bonds paid off. Bobby said they need to understand that we may run into a deficit and need to budget for that every year.

Chris told John that there are different people on the City Council than when it was first presented. It is hard to know what the background on the entire project was.

Jim suggested a work session with the council to educate them. Bobby asked if we could refinance the course? Chris said that Kathy has looked into this “on the surface” and it does not appear likely that this would be an option.

A discussion was held regarding finances at the course.

Dick said, “These are general obligation bonds. Everyone wanted the course to be an enterprise fund. The obligation is to the City to maintain the course. We all hope, and feel that the course can maintain itself.

Bobby asked if we have a figure on how much we have lost? Jim said not too much because we carried over \$120,000 last year, and we paid back \$60,000 in 1999.

Pete said the engineering of the pump has to be done in the winter. But the pump is now an expense for next year; it is no longer for this year.

The \$60,000 twice a year for seventeen years is the payment to the City. Technically speaking we are not obligated to pay that back but it is our goal to.

The bonds are twenty-year bonds and the debt payment is a little over \$600,000, annually.

III. Insurance Coverage (Orion Contract)

When they were getting low on cash flow and looking at options to save dollars, Kathy Rogers suggested dropping the additional \$10 million liability requirement in the contract. The City already has coverage. Patty Bennett says it does leave us open a little bit. It would save \$1,500 to \$1,700 dollars and is redundant. It would require an amendment to the contract. So we would keep it through the end of the year and not renew it next year? Asked Jim. Shane said yes. Patty is comfortable with it as long as we change the contract.

Orion has their own insurance they pay to protect their company.

Chris handed out an updated status report on outstanding issues, effluent pump, and meter connection, etc.

Chris reported a new City Administrator has been hired. He is Scott Lambers. He starts on September 24th. She will offer for him to sit in on one of the golf committee meetings when he has time.

The next meeting will be held on September 27th.

Handicap Policy

We need to address the need for a handicap policy at IRONHORSE. At public courses if a person is handicapped they usually have policies. Dick mentioned that he had a phone call on this at IRONHORSE. The problem is that we sometimes keep the public away from the greens with carts but by the time he plays the holes and has to walk the holes he is exhausted. He wanted to know if they could drive the golf cart with certain limitations, for those that are handicapped to get closer to the green. Shane said they currently do not have a policy, it is a difficult course and most handicapped people do not play and if it is too difficult then they will refund the money.

Bobby asked for someone else's policy. Dick said Overland Park has one. Chris said Longview Golf Course has one also. Dick suggested if you can't get onto the green because the carts are on the paths, then they won't; but if it is accessible then to allow them to get as close to the green as possible. Pete said it would be hard to regulate it. Dick said they could have a flag on the cart for the marshals to follow. There also could be a handout that shows exactly which holes are accessible. Shane said it hasn't come up much, maybe five or six times a year. Shane has been investigating what other courses do and asked Patty. She said they need a handout to give to someone; they need a license or sign in a car to show they are handicapped. And then a sheet to show them what path they can follow for safety issues. John said for instance on number four you have to very specific instructions for each hole. Chris suggested we take this seriously and be proactive rather than waiting until an issue comes up.

Bobby made a motion that the policy from Overland Park and any other courses be brought before for the next agenda and for Pete and Shane to look into safety issues and how to layout carts. John Campbell seconded the motion. The motion passed unanimously.

Shane said he would try and get the information out to committee before the next meeting for their review.

The meeting concluded at 8:09 p.m.

Charles made a motion to adjourn. Jim seconded. Motion carried.

Respectfully submitted,

Chris Claxton, Direction of Parks and Recreation

