

IRONHORSE

Golf Club



GOLF COURSE COMMITTEE

September 25, 2001 Meeting – 5:30 p.m.

Committee members in attendance were Dick Fuller (chairman); Councilman, Lou Rasmussen, Bob Reid, Bobby Davidson, Mike O'Connell, John Campbell, Dave Fearis, and Jim Dickson. Also present was city administrator, Scott Lambers, and city finance director Kathy Rogers.

Chris Claxton, parks and recreation director and Bernie Webster, Julie Brickman's replacement, represented the department. Shane Gardner, Matt Roberts, and Pete Spratlin of IRONHORSE also attended the meeting.

The meeting was called to order at 5:50 p.m. Dick Fuller mentioned Bobbie Davidson had to leave by 7 p.m., so the agenda might be rearranged as the meeting progressed.

A motion was made by Lou Rasmussen to approve the minutes from the August 23rd meeting. John Campbell seconded the motion. The minutes were approved unanimously.

Chris Claxton explained that Kathy Rogers is here to answer any financial questions on bonds, etc. Kathy can be asked any questions directly and can stay with us until 8 p.m.

I. General Operations Report

Matt Roberts reported on the activity level recently at the course. There was tournament play Thursday, Friday and Saturday.

Thursday's modified shotgun for Sprint had the course closed to the public all day unless you were off the front 9 by 1 p.m. Mike O'Connell, Miego alumni, added IRONHORSE does a great job on their tournament for Miego.

The use of a wave on 1-10 booked 135 rounds where 70-80 would be the usual. The course was then closed for 70 tournament rounds and regular play after that.

The staff is keeping an eye on events and trying to play tight as the daylight shrinks to capture evening rounds. The goal is to maximize open non-tournament time as much as possible.

Matt Roberts reported the Sunday Chiefs Home Game Football Shotgun for the public went very well with two times as many as usual (22 groups) players. The promotion offered a round before the Chief's game with an 8 a.m. shotgun start and noon finish that included lunch and a beverage. This will be replicated on other home Chiefs games.

September 11th was devastating on IRONHORSE revenue. Four tournaments that were scheduled were lost when the executives from across American couldn't get to Kansas City to play.

Overall September weather was good for golf and the course looks good. The public playing the course notices and comments on tree removal, course and bunker improvements.

Matt says IRONHORSE salaried staff is conscious of the bottom line and doing what they can to reduce the need for hourly employees. Each Staff member spends 30 hours each week behind the desk at the Golf Shop. Getting back behind the counter with the members is a good way to check customer satisfaction and hear feedback. Shane Gardner feels the same way.

IRONHORSE will capture emails and begin blast promotions in October. The promotions will targets men's cubs and leagues. Employees are posted at the 18th green and at the counter to capture email address to begin marketing this fall.

There are four Shotgun events this week. Dave Garcia, Chiefs player's event, Sprint, and one of the freight companies in town.

Jim Dickson asked Matt if he estimates revenue in October would be close to budget based on the September impact. Shane Gardner answered that the last half of September will depend on weather and that the 4 events mentioned will provide momentum.

John Campbell asked Shane about lightening reschedule policy for tournaments? Tomorrow is one of those rescheduled games said Matt. IRONHORSE bills the full amount and if we can reschedule we do. In September and October rainouts become a weather issue and often don't get rescheduled. August rainouts can be rescheduled. A refund would be the deposit check to hold date (\$300 for a one time and \$1000 for a shotgun).

John Campbell said he played at Lakewood, got in 8 holes and no one offered him a rain check. Matt said 9 holes is the goal to bill the full amount. However, whatever it takes to satisfy the golfer is what IRONHORSE does. If the golfer wants to come back for 9 holes they are allowed to do so. Golfers rarely play 9 holes when they come back. They typically spend money on other stuff related to playing 18 holes. The event is already expensed and this policy brings out other clients.

II Course Update

Pete Spratlin stated that the course has been thinned out (aerated) on purpose. The dirt you see through the grass is not a product of the weather. This aeration process give the grass a chance to grow vertically which is a good way to thicken up the grass for next season.

We certainly don't want to replace sod often but Zoysia grass sod is great because it has a deep root system to survive winter. Tee boxes are exceptional with grass roots as deep as you can get. The course also gets compliments on the putting green.

The committee talked about the GSA report that recommends returning (when renovating) rough back into native grass areas. Paul suggested neighboring residents are selective about plant materials. True native grass can be 4 feet tall, which might disturb residents. Burn off is the best way to control weeds but neither that method nor chemicals can be used near residential areas.

The way to renovate is systematically one area at a time with constant descriptors to neighborhood residents. Chris Claxton was misquoted in the Kansas City Star. A letter will be sent to residents summarizing the plan; not the entire long-term plan that Pete is talking about.

Pete told the story of the "unlucky" tree next to the putting green at the clubhouse with root problems that Bobby said has been struck by lightening and is scheduled to be removed. Another unstable tree on the right of the 13 green will be partially saved (left side) to frame the green and the tree to the right of number 4 tee will be removed as soon as a contractor can be located. Dick says the top of the Oak tree twists in a 10-15 mile-an-hour wind and there is a split down the middle of the entire tree.

Pete has called off other small project like replacing bushes and smaller trees.

Landscaping on Nall Street behind 14 green will occur tomorrow. Repairs will be made to the 14th green where the creek protects the walnut tree next to the wall. One drain is out of the creek bank and the catch basin is 6 inches next to the bridge. Bobbie said the grass is wet on the north side but that the water goes down over time. Mike said that this problem is not as bad as 11.

There are ongoing problems with the bridge clean out box. Pete said it is filling up again because Lion's Gate overflow water is carrying muck. John said Overland Park does not have silting requirements. No stilt fences mean that roadwork gravel is settling out in the slow side of the tunnel. It has risen 4-6 inches since it was cleaned 3-4 weeks ago.

Other areas that need improvement are the right bunker on hole No 2 and Jim Dickson asked about the bunker on hole 17. Pete said that is first on any list.

There was a committee discussion of bunkers that could be taken out or modified by reshaping or elevating. Pete said an annual money drain can be stopped by reducing some of the labor and sand it takes to redo badly designed bunkers. This budget year's investment will be made in shaping the bunker left of 14 green and hiring a professional shaper to fix the back bunker on 17. A new bunker in front of 4 will not be addressed this winter. Jim said the quality of play is important in marketing the course and we can't have drains that overflow or green that look like mud. A walk through is recommended to decide where capital will be invested.

III Handicap

There was discussion on establishing a policy for course use by handicap individuals. A directive from the last board meeting asked Shane to prepare a report about what other area courses are doing and to look into safety issues.

Shane Gardner contacted 6 area courses and assembled a report of their responses. (EXHIBIT A)

Adams Point in Blue Springs has a special golf car that can go anywhere on the course. The course was designed so their cart paths are on the same level as the playing surface. Players need a letter from their medical doctor to reserve the cart at Adams Point.

Deer Creek (closest competitor) requires a handicapped auto hangtag or a handicapped license plate on the individual's car. Players are limited to some holes that are circled on the scorecard and if weather is a factor players are instructed not to get off the path.

Falcon Ridge decides on a case-by-case basis. A doctor's note is required.

Heritage Park has minimum proof requirement but currently allow no carts on the course until repairs are completed.

Prairie Highland is case by case.

St Andrews has a policy and requires no proof.

Sycamore based on neither weather nor policy.

Dave Fearis said the American Disabilities Act would be where the challenge comes from and that is the US Department of Justice. There are carts (single person access carts) that can drive on the green said Mike. Dave said we don't have to renovate because this applies to new courses. Still, we are up in the air and should have something in writing.

Dick Fuller recommended a cart flag and marking of those fairways accessible (as long as Marshall knows) with some type of map. There would be limited driving possible on

11 and 13, as you can't get on most of the fairway because of the creek. John suggested skipping the holes and Dick said to drop balls. On most holes a handicapped golfer would be authorized to go closer to the green and then come back and go back to the path.

Chris Claxton recommended and John Campbell moved that there be a policy in writing. Lou Rasmussen seconded the policy in writing motion. The motion passed unanimously.

Shane is to have the guidelines back to the board in two weeks and let Patty Bennett take a look at it too.

The discussion continued about how this city policy information would be distributed to the general public. Would it be handed out if requested? Lou and Pete indicated the PGA might be able to help with the policy language and Patty Bennett will look at that. Matt said currently, on the phone or in person, we let the public know that weather may be a factor and that there is limited access on certain days. John asked if all the staff would be able to communicate the policy. Shane said that seasonal staff and part time people would go to the manual to get the policy when the issue comes up.

III. Hole Thirteen-Storm Water Project

Lou Rasmussen thanked Chris, Jo, Patty and our own engineer, Phil Gibbs, for their assistance in preparing his report. Lou stressed the dates are crucial and asked the board to pay close attention as he read the report and showed exhibits regarding the 100year-flood line. (EXHIBIT B)

Lou provided the facts because the committee asked what the record showed. Lou's concern is how it may impact the city. The City of Leawood has no responsibility to check benchmarks but relies on the engineers.

Bobby discussed the issues involving the engineers for the developer as well as the engineer representing the golf course. Bobby and Mike questioned why the golf course committee had interest in this at this time. Mike felt these were accusation made against the city. If the golf course is brought into the issue that's another thing and we should discuss it at that time. We are not part of it for now.

IV 2002 FEES DISCUSSION

Until this year the board has had limited information and has been operating on a month-to-month basis. The board has not had the opportunity to input relevant and current data into the budget due to the early requirement of the budget.

Jim asked why the board was not able to present a budget that is conservative on revenue and realistic on expenses to Kathy. Jim looked back at last year's budget and noted the general mix of revenue is lower than projected in budget.

Kathy explained Evergreen had halted reporting. When Dallas was running the budget, they delivered aged expenses at the last minute and that destroys a budget. When she asked Evergreen for an audit they came up with \$9,000.00 they had not billed for their services. We are out of that relationship and have confidence in the information provided by Orion Management Company. Orion provides quick accurate financial information said Kathy.

Jim said this down economy is affecting his own business. A budget that is so far in advance of the coming year is city policy. It is not good government if we don't meet or exceed budgeted revenue but it is difficult to project without current numbers.

Shane stated that with the slow start at the beginning of the year, competition, bad weather, and the events on September 11, it appears that we will not meet budget projections. New August projections are not what we are seeing in our financial position today. We will likely be at a deficit if we pay back the City's annual \$60,000.

IRONHORSE is to make \$60,000 payments each year for seventeen years to the City. Technically speaking the golf course is not obligated to pay that back but it is the committee's goal to meet this obligation. Last year IRONHORSE carried over \$120,000.00 and in 1999 paid back \$60,000.00.

Struggling through what are appropriate fees may seem optimistic but who could have predicted the crisis in New Year City and aberrations like lost greens. These items can't be put into a budget.

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

Shane said we've increased our fees in the past but have not increased our play. Comparing our situation to the other courses in the area, we are having higher revenue. Orion recommends that we raise residents rates more than non-residents rates or "narrow the spread" between residents and non. IRONHORSE needs that averages dollar per round higher.

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. The difference between residents and non-residents is \$3.00, but they also have other incentives.

Residents play IRONHORSE at a lower rate. Non-residents can only book 3 days in advance for play and residents 5-7 days in advance. For Friday, Sat, Sun; (higher fee category) non-residents don't have a chance to pay the higher fees as most of these times are taken by residents who can reserve earlier and we need these higher average rounds to meet revenue goals. Chris asked Shane to take a hard look at the fees other courses are getting if we want to close the gap between residents and non-residents.

Mike asked how many rounds to they want to have per year. Shane said between 38,000 to 40,000. Bobby's observation, from a marketing standpoint, is that we have a great course but the competition is there so we need to differentiate ourselves.

Shane said we are adding some new tournaments because organizations are looking for other places to play since other course greens and tees are not doing as well. We have the advantage of a great location for corporate events.

Matt said tournament rounds are not as much as they used to be at IRONHORSE. Rack rates are published for non-tournament times. Matt and Shane agree we need a better sales job for events and should consider charging more at different time of the year. As special events are sold, we should look at stacking rates with one or more in between. Promotions that let the public know you can save money when you book your event if you schedule non-prime event days are also worth considering. (EXHIBIT C)

V. Operating and Capital Prioritization

Lou asked the board to review the original 5-year capital improvement program. (out of 2nd revision in 2001 capital improvement program.-business plan) to see what to cut back and where we are now. (EXHIBIT D)

Initial cash going into residual was projected to be \$38,000 at year's end in 2001. The first three months have been a disaster and now we are looking at a negative.

Lou said we were authorized to spend \$50,000 on a pump but we could now delay this expenditure until 2002. We can't postpone mowers.

Dave said it is a disadvantage to compete with new golf courses. If we don't raise fees now how will we improve things (bunkers) players complain of? We need to respond to golfers needs and communicate with customers. Capital needs to be invested for marketing to improve revenue coming in. We must make a huge effort to communicate with golfers in the 2002 budget. At a country club level, golfers will not see a new pump but improved bunkers can be seen.

Lou said, this is the only operation in City where users are paying the bills. Before we change the fee schedule that will affect the golfers we relied on for votes (70% residents voted in favor of the course) we need our ducks in order.

Kathy said that moving up the chain you are reliant on policy. Mayor might view it as significant that IRONHORSE can't come up with \$6,000 to buy a mower. Kathy recommends an attack from a different direction.

Kathy suggests the ORION prepare two budgets, because thing happen in between city budget meetings, and back in expenses. The city budget will review the fees and approval is in November by the governing body.

The board and ORION should continue to work on the new projections, giving Scott information as soon as it is available, and any new costs that can be reviewed. Kathy said information is needed tomorrow or the next day about the insurance question, leases, fees.

The board and ORION need to review every alternative and the board discussed leasing versus purchasing equipment like and trade ins. Lou recommended leasing. Should we lease or purchase from the same vendor? Can we trade for golf time? Mike asked if Toro has a cash back purchase plan or you can get an extended warranty.

Kathy said I know it seems like so much to do in a short time. But keep Scott in the loop and we will be right in there with you.

Lou recommended:

- 1) a new budget in 2002 for cash flow purposes
- 2) a review of fixed charges at Ironhorse

Kathy says there is no option to refinance the \$6,000,000 debt that is not callable until 3006.

- 3) taking a look at capital improvements.

Could some of these things be done by the taxpayers?

Lou's example was the fence the City Council requires on property lines that will run \$20,000.00 (\$30 dollars a foot). This is an issue Lou doesn't think golfers should pay for.

Chris presented the priority list of repairs developed by the budget sub-committee. The most critical issues are the pump station and two mowers. Jim said, if we put these thing off it will cost the city even more. (EXHIBIT E)

Jim and Chris explained the narrow window of opportunity for a pump back up system for wastewater from the creek. Jim pointed out that at certain points in the summer the Blue River gets low, the lake gets drawn down, and a \$10,000.00 bill for purchased water appears.

Lou pointed out that politically the council is on the holiday road in November. He suggested the operating maintenance and capital expenses need to be redone and on the city managers agenda. Matt, Shane and Kathy entered the discussion. It was decided October 25 is a better time to present so that the council can reach an agreement at the November 5 meeting.

Lou moved that the Golf Course Committee recommend to the City Manager a revisited 2002 operation and maintenance budget, capital program. 2001, and revisions to the 2002 expenditures the last meeting in October for presentation to the council in November.

The work is to be completed by the same committee. Jim seconded the motion. Motion carried.

Scott responded and asked the committee to make a formal presentation to him prior to the council presentation in October. That way the committee would have time to address any concerns he had before the council presentation.

Lou commented that Scott is the first City Administrator to attend a Golf Course Committee meeting in 10 years and that Kathy's presence was also appreciated.

Mike Gill made a motion to adjourn. Bob Reid seconded. The motion carried. Meeting adjourned at 8:10P.M.

Exhibits A-E are available upon request at the Parks and Recreation office in the lower level of Leawood City Hall.

Respectfully Submitted,

Chris Claxton, Director of Parks and Recreation