

# IRONHORSE

## Golf Club



### **GOLF COURSE COMMITTEE**

**June 27, 2002 – 5:30 p.m.**

Committee members in attendance were Dick Fuller (Chairman), Councilman Scott Gullledge, Councilman Lou Rasmussen, Dave Fearis, Bob Reid, Jim Dickson, and Bobby Davidson. Chris Claxton, Parks and Recreation Director, Julia Brickman, as well as Shane Gardner, Pete Spratlin and Matt Roberts of IRONHORSE. Mr. Charles Lusk and Mr. Dan Broyles, Leawood Citizens, also attended the meeting.

The meeting was called to order at 5:55 p.m.

Jim Dickson made a motion to approve the May 30, 2002 minutes. Bob Reid seconded the motion. The minutes were approved as written with the attachment of comments made by Mr. Herman.

#### **Operations Report**

Matt passed out the June MTD report. We are doing very well and we fully anticipate making the budgeted revenue for the year, or exceeding it anywhere from \$5,000 - \$10,000. We've been very busy this month - today we had 266 rounds. We are also looking forward to the Fourth of July, four day weekend. June is our biggest revenue month and we have a good feeling for the rest of the year since we are making budget or going to exceed it. If we have normal weather trends then we will be in good shape for the remainder of the year. Right now we estimate being in a cash flow range of \$19,000 behind or \$10,000 above budget.

We have a new a Food and Beverage Manager, Christine Sawyer. She starts on June 2<sup>nd</sup> and will spend a few weeks with Jeff in training. She worked for three years at the Tiffany Greens Golf Course. She is a golfer and has played Ironhorse several times. She also understands the upscale market of golf courses and what the public expects.

Dick said on the report the actual YTD paid rounds are 14,406, with the budgeted rounds being 32,500. How do we look at achieving this goal? Matt said we are a little behind the 32,500. Right now we are 700 to 800 rounds behind YTD but have caught up substantially from where we were in April/May. Shane stated since we hit the budget in June that has helped us tremendously. We are also looking at the months ahead with lots of tournament events to help us hit that budgeted amount.

Dick said his concern is the 32,500 is a minimum to meet budget and we hope that we can exceed that by a few thousand rounds. Matt commented right now we are hopeful to make the 32,500 rounds.

Jim asked about Deer Creek, he has heard them advertising. Matt said he's heard they are struggling for more rounds and are lowering their prices for tournaments.

Shane reported he is going to work with Christine on some ideas on different special offers for lunch in order to get our food and beverage sales up. He believes people are spending less at this time.

He also reported the cart batteries are holding up marginally. We've replaced over fifty batteries this year and will probably have to replace fifty more toward the end of this year. The batteries cost \$75 a piece and there are six batteries in each golf cart. We test each individual battery and then replace the bad battery.

Scott asked how we record the expenses of the batteries? Shane replied the batteries are under warranty for about three years or 900 rounds. The batteries and carts ran out of warranty this year. We also have other components in the carts that will need to be replaced as well. This also doesn't include the cost of relays, wiring, and computers. At the beginning of the year we went through every golf cart and replaced all of the bad parts. Unfortunately, some times we do not know a part is bad until it goes bad on the golf course.

Dick wanted to clarify that the management company recommended replacing the carts instead of keeping them. The management company recognized that we would have to replace a lot of parts throughout the year. Scott asked what is the traditional time span to replace golf carts. Shane stated typically they are turned over every three to five years. Chris mentioned that our carts tend to remain under warranty for just under three years because almost all rounds are "riders". A lot of companies will give you a five-year lease but will trade out the carts after four years. It is more or less an operating lease where you spend \$6,000 - \$8,000 a year for leasing the carts and at the end of the three or four years, when your carts are worn out, you can trade them in for new carts that are under warranty. Jim commented another system is to trade out the carts on a rotational basis, like twenty-percent of the carts per year. Chris said we could also do 50% each time.

Scott suggested looking at it differently because if we had traded out the carts then we wouldn't have had to spend the extra \$3600 on batteries. Dick stated last year we started having problems with the carts; it was obvious the problem was going to continue - that is why we recommended to get rid of these carts and to get a new lease. Scott asked what the trade in value for the carts would be. Shane commented that Club Car said they would give us the price we paid for the carts because of all the problems we had with them. Dick stated these repairs are an extra expense that will be difficult for us this year.

Scott asked Chris if this is an accurate statement. She reported that Shane gave us all the information regarding the carts. Chris said that she took the information presented by

Orion and reviewed it with Scott Lambers, along with Kathy. After review, it was decided that the City would keep the fleet another year. Chris said that the City Administrator has to look at the big picture citywide and the additional obligation on a new lease. We were originally told that a five-year lease would work best. The recommendation was to hold onto these carts and make the repairs and then start doing a shorter lease to keep us within the warranty. Chris said she could give Scott Gullledge a copy of the recommendation written by Orion (Shane) and the response from the City. Dick added we have such a poor fleet that we had to lease an additional eight carts in case any of the current ones had to go out of service for repairs. Chris mentioned that they would also be used for tournaments.

Shane said typically if we have a good fleet of carts and they were paid off then it makes sense to keep the carts. If we add the expense of adding new tires and batteries and fixing the brakes and we won't recoup those costs when we sell them then, we should keep them an extra year. Jim asked if we could go to them now to see if they would cut us a deal. Shane said they would because both EZ Go and Club Car are looking for business.

Scott recommended that we should look into that option and Lou agreed. We should approach these companies and put together a proposal for them to help us recover some of our costs of the new batteries. Bobby seconded the motion to negotiate the proposal.

Scott asked if this is a zero expense item to the city? Bobby added the only thing is that it will increase our debt. The terms may not change but the debt will increase. Dick said on top of the expenses of those carts, they are not good carts and continue to be a problem, when the carts break down it reflects poorly on the course.

### **Course Project Update**

Pete's new son, Ryan William Spratlin, was born last month. Shane presented Pete with a gift on behalf of the Golf Course Committee.

Pete reported everything on the course is in great condition. The soil is dust right now because of the heat and the rough is struggling with the high amount of golf rounds and the carts. The one short rain really helped the course. The marshals have helped keep people off of the roughs. We shouldn't lose any grass but it doesn't look great. Dave suggested a seeder. Pete said we contract someone to seed the rough every spring and all the seeds are coming up.

### **Project List**

Pete reported that we've had trouble with the water pump on the blue river (the original one). We had a company come in and pull out the pump. It is in great shape, but it is sucking debris from the river like catfish, so something might be wrong with the intake. We are trying to fix the problem. He thinks the screen may have come off of the pump and is allowing debris to enter the pump. The pump has been cleaned out and is in great shape. Chris recommended calling the company who installed it to see if they could

come out and help or; make other suggestions on how to fix the problem as it has been out for 2-3 weeks.

Pete said that in using a similar diesel operated pump; we are pumping 500 gallons of water at night out of the lake, trying to keep the rough alive. We've had several complaints about the low lake. Pete has discussed these issues and his plan with the homeowners. The intake is currently twelve feet deep.

Dick asked if the temporary pump is sufficient. Pete replied that even with taking out so much water the lake is still rising and the water out of the creek has been very helpful. Also, the Little Blue River is going down so fast that we might not be able to pump water out of it when the pump is fixed.

Pete contacted wastewater about the access road behind the golf course, to let them know we will soon be ready to construct it. They have agreed but want us to follow the guidelines of the easement. When the road is in Public Works will lay down the asphalt, from the start of the Large property out to 151<sup>st</sup> street. This is something that Overland Park is requiring.

Dick mentioned there are cracks in the parking lots and one is very wide. Chris said she had talked to public works about it and would mention it to Joe Johnson.

### **USGA Report**

Pete gave a brief background of the USGA report and May visit. He stated Paul Vermillion is the regional Agronomist for the USGA. The Golf Course Committee requested him to review the course and to give suggestions starting in 1998. He specializes in playability and safety concerns of the course.

This current report states there are three areas on the course that are bare. In 1998 we had twelve greens that were completely bare. These three areas have basically been sterilized and he doesn't know why. We have replaced all three of these areas and are still having problems growing grass. Our next plan for the fourth and sixth green is to take out the knolls, level them, and reshape the area. We are going to wait until late summer or fall because it is not a good time to work on the areas with the hot weather. Our nursery reserves may not cover all of these areas.

Jim said that Paul Vermillion said this is the best shape the course has ever been. The tees, fairways, and greens are doing great. The change the City Council has allowed us to make made a tremendous difference and is working.

Pete reported we need to treat the practice range with Pro-star, due to some zoysia creep. It could cost approximately \$1,100. We feel it would be cost effective because the practice range is very profitable. He also has some suggestions on how to recover those costs.

Jim stated he is thankful for the pump; it is money well spent and will save the City a lot of money.

Paul Vermillion also suggested in the late fall to do an application of nitrogen. Pete told him that we didn't do it last year because of budget restraints.

Dick recommended placing a sign under number six that says, "Grounds are under repair" and to mark off the area as non-playable. People playing #six do not know it is under repair. Chris asked if this is the last USGA visit for the year. Pete said Paul would be coming another half- day in late summer, early fall.

Pete said he hears a lot of comments about weeds. Having a wet month like May caused us to have a lot of thistles because the applications got washed off the plants. Lou said the Johnson County Extension office would give us chemicals at no cost to kill the weeds. Pete replied that we are killing them and have been working on spraying all of them. Chris also mentioned that we are working on a vegetation plan that needs to be presented to the City by Orion. She would like to use this as a tool in talking with residents when they call in with complaints.

#### **Analysis of Golf Shop and Food & Beverage Operations:**

Shane gave a brief summary of the golf shop and food and beverage operations report. Orion supplied Chris with support data for the report.

Shane said these two areas did not perform as well as we wanted them to last year. Jim asked Chris if she had items of concern. Chris said that she would like to sit back down with Orion to discuss some of her concerns. This report will also be beneficial for the new food and beverage manager to get an understanding about what the City's concerns are. It points out where some of the challenges have been in the past with food and beverage operations, which have been in a steady decline.

Shane stated he had Forbes Cross of Michael Forbes come in and give us a written report on what we do well and what we could change or do better. For us the cost of this report was money and time well spent to help us analyze our golf shop and food and beverage operations.

Scott recommended for the Golf Course Committee to digest the information and then for Orion to sit down and work on these issues.

Shane commented we started to slide financially when Orion took over from Evergreen because they left year-old, overdue invoices in which we had to pay.

Lou stated when we cleaned up the books with Evergreen we had to pay for back dated invoices and so the year after sales are misconstrued. We should look at what we want to sell and the price we want to sell it at. Lou stated that he objects to the report and that it is a waste of the management company and staff's time.

Scott asked Shane what he thought about this report and about the questions that were asked. Shane stated he thinks the questions are fair and warranted from last year. He said when people look at the books they do not see the past invoices and it skews Orion's actual performance.

Dick said we have a new City Administrator. He came in and looked at the books and saw some problems that were not there a year ago. So then he asked the staff to look into some of these issues. Chris said she compiled questions that she felt were in the area of most severe decline which were the golf shop and food and beverage operations.

### **City Storm Water Drainage**

Dick stated what brought up his concern was the drainage issues on number thirteen. In the CIP there is money in the budget for a PES for suggestions on how to fix the problem. He understands there is a problem on thirteen, but he is worried this project will snowball into something bigger and the Golf Course Committee will not be involved. He has heard there is a proposal to redesign the golf course in this area.

The City in the CIP approved 1.9 million dollars and is doing a PES to see what type of impact the project could have, as part of the scope. Is the study to find out the impact on the course or on the other side of the creek? Pete said we own the entire creek on both sides. Any improvement would be entirely on the golf course.

Dick suggested rather than taking out the entire number thirteen, we could put in some type of berm. Bobby said he hopes that is what this PES is for. They should come in with some suggestions on how to approve it and the estimated cost. The amount that is in the budget is around \$400,000. Scott said we are still in the planning stages.

Lou stated right now this \$1.8 million is a guesstimate. The \$1.8 is the construction cost, and twenty-five percent of that is a SMAC project, which the taxpayers will pay. The problem is even with this guesstimate it is wrong. Also involved in this is if we have to shut down this golf course then we have no revenue (almost two million dollars a year is lost). We want to be sure the Golf Course Committee says to the City Council that we are an enterprise fund and the management company's contract is based on revenue and if there is no revenue then there is no contract. We want the public to understand that some of these numbers are fluid.

We need a classic civil engineer and someone that knows how this will affect the golf course design and the consequences to the operation.

Jim said if it were not for the golf course, the flooding situation would be worse. The construction of the golf course has actually improved the flooding in this area.

Bobby said the situation in that area has reached a critical area because of the flooding and the bust in the FEMA maps. The last meeting the Golf Course Subcommittee reported on the 151<sup>st</sup> street development plan. Bobby, Dick and Jim met with Hofer Wysocki and looked at their proposal for Ironhorse Centre.

Bobby said if we as a committee recommend this project to move forward then we are taking a risk because of the increase of water volume where we could lose the greens on fourteen and twelve, plus several footbridges. Dick stated they are redoing their plans for drainage and will bring it back to us.

Lou said the City Council makes sure there is a storm water management plan for all developments. In Phil's opinion their storm water management plan needs to be changed. The developers said they will make changes, but we have not seen the revised plans yet.

Bobby stated we do not have the study done, so we need to make a recommendation that states we would only approve the development if the increase in water volume will not increase the risk of losing the fourteenth green, cart bridges, and the footbridge between fourteen and fifteen and if it does not add water volume into Negro Creek, or affect the twelfth green and the homeowners.

A homeowner stated that he lives by the fifteenth tee. A one-inch rain will fill the Negro Creek. A two-inch rain causes number fifteen fairway to become a pond. His concern is with Don Bell's project and with White Horse Villas; the water run off already affects us.

Lou said that is a good observation. The City Council is entitled to seeing a storm water management plan. Dick said it is currently being changed and was supposed to be delivered to him this week with the changes. Bobby said even with a storm water plan, it has to determine the effect on the full channel.

Bobby recommends none of this be approved until we get the completed PES study. How can they do a storm water plan if they don't have all the pieces of the puzzle? Lou said you are right and have a good point. He told Bobby that he should call the Mayor and have her bring the City Administrator in tow so they can discuss it.

Lou said the staff is aware that before they take any action we need to make sure the whole fixture is looked at.

**Misc.**

Chris reported the First Tee agreement is on the City Council agenda for Monday night.

Lou Rasmussen made a motion to adjourn the meeting. Dave Fearis seconded the motion. The meeting ended at 8:00 p.m. The next meeting will be held on July 25, 2002.

Respectfully submitted,

Chris Claxton,  
Director, Parks and Recreation