

IRONHORSE

Golf Club



GOLF COURSE COMMITTEE

April 3, 2003 – 5:30 p.m.

Committee members in attendance were Dick Fuller (chairman), Jim Dickson, Bob Reid, Dave Fearis, Charles Lewis, III, Councilman Lou Rasmussen, Councilman Scott Gullede and Mike O'Connell. Chris Claxton, Parks and Recreation Director, Laurie McCauley, as well as Matt Roberts, Pete Spratlin, and Shane Gardner of IRONHORSE.

The meeting was called to order at 5:57 p.m.

A motion was made by Lou Rasmussen to approve the minutes from the February 27, 2003 minutes. Jim Dickson seconded the motion. The minutes were approved unanimously.

Lou Rasmussen pointed out that the City Council would be deciding on assumptions to be made as we move through the budget process. One of the current assumptions is that Ironhorse not only provide for its operating and maintenance expenses, but also its interest and debt principle charges plus capital improvements.

The City Administrator and Lou Rasmussen agree that with the current economic climate it can't be both. The City Council and the City Administrator will make a decision, as to what are reasonable assumptions for IRONHORSE. Lou Rasmussen felt that the capital improvement requests that came out of this committee, somehow fell through the cracks. He has asked the City Administrator to look into making sure that the capital improvement request for 2004 be presented to the City Council. He also stated that our vehicle requests be distinguished from the capital improvements. He suggested that at the next meeting, a recommendation be made so that we will be prepared to go to the City Council and that in planning our fee structure our goals will be to cover our interest payments or; interest and debt or; interest and capital improvements. Lou said that he is now focusing on getting the perimeter irrigation into the 2004 budget.

Chris will have met with the City Administrator on the 2004 budget by May 1st, and will know what is being recommended.

Scott Gullede asked what the committee is going to recommend. Scott said that the golf course is somewhat unique in that they are trying to cover everything without the resources to fund them.

Chris reminded the committee that the revenue projections for 2004 do not include any fee increases.

Charles Lewis moved to approve the 2004 operating and capital budget. Mike O'Connell seconded the motion. The budget was approved unanimously.

Chris discussed the sales tax issue and the fact that we do know if we will be collecting sales tax on cart rentals. Orion recommended that we charge \$16.00 for the golf carts and \$9.00 for range balls. Mike O'Connell made a motion to recommend that the committee approve a fee change of \$1.00 for golf carts and \$.50 for range balls. Jim Dickson seconded the motion. The motion carried.

The following excerpt is from the March 12, 2003 Work Session regarding the discussion of the Budget Assumptions that Mr. Rasmussen requested be put in the minutes.

“Councilmember Rasmussen stated that he believed a reasonable assumption was that Ironhorse could meet its debt service obligations and operations, but it could not meet the capital improvement costs. He asked that that assumption be changed. If the Governing Body accepted this assumption, it would mean Ironhorse would need to have a CIP program. Since 2003, none of the items on Ironhorse's Capital Improvement Schedule have been in the Budget and that the money would have to come from the Contingency Fund.

Councilmember Bussing stated he remembered that the Council accepted the Business Plan but the approval of the Ironhorse Business Plan had been deferred pending CIP and Budget discussions. Councilmember Rasmussen replied that the City Council approved the Business Plan, with the Capital Improvement section being deferred. Councilmember Bussing asked why Ironhorse could not pay for its operating costs and CIP, and pull the debt service, which was a predictable amount. Councilman Rasmussen replied that either way was acceptable in terms of developing the fee structure, and it was a reasonable assumption for the fee structure to cover the debt service. Mayor Dunn added that as this was an Enterprise Fund and without the debt, it would no longer be such but would go back into the General Fund.”

Mayor Dunn stated CIP items are typically \$100,000 or more, and the Ironhorse CIP items did not come close to this amount. Ms. Rogers stated some of the Ironhorse items could be bundled into a package.

Mr. Lambers said the issue of capital equipment would also not be subject to an assumption because we have circumstances where the General Fund Budget would provide for capital equipment expenditures. An Enterprise Fund needed to have a positive balance at yearend; without that occurring, another transfer would be necessary in the year. If this assumption (Ironhorse) were to be changed, the other parts of the Budget would need expenditure assumptions for capital equipment, capital improvement, and a yearend transfer. It would have opportunity costs for other parts of the budget competing with those aspects of the Budget as well. This would be a significant policy change from the current assumption.

Mayor Dunn asked the Councilmembers present how they felt about the changing of the assumption. Councilmember's Bussing and Rawlings both indicated they would like more information before being totally sold on the idea. Mayor Dunn asked that Staff provide a report on the full range of alternatives. Chris Claxton stated it was her opinion that Ironhorse could not support any of their significant CIP's or equipment. Mr. Lambers concurred."

General Operations Report

Matt reported that in March they finished up at 85% of revenues, which is \$30,000 under budget. There were nine days with no play. Membership revenues are slightly below budget. Matt said they are about 92% of rounds for tournaments. Expenses are 10-15% under budget. Outings will start at the end of the month.

Shane passed around the new brochure for Ironhorse. Shane said they were working with Information Services to put the new website up. The new website will have PDF files in which you will be able to download contracts, prices, etc. The site will also have a built in corporate events calculator where they can go to the date they are interested in and can pick day, food, number of players and merchandise. Matt will be able to talk with people over the phone while they are looking at the site and go through process with them. The billboard is up and they are getting a good response from that. Shane talked about the new VIP cards that has tear off tickets or coupons. They go door to door to businesses. They use these to give rewards to their employees. They also cannot sell them in the City of Leawood. These cards sell for \$60.

Course and Project Update

Pete said that the course looks great. The roughs have been seeded and fertilized. The irrigation system was slow coming up, but was up and running in 4 days. Public Works came out on Monday and tried to asphalt the access road by number 6, but didn't because they were building the fence. Pete said that he has received no feedback on the Nall project. Chris said they are supposed to return it as it was. Dick asked where the water is coming from on #13. Pete said that it is runoff from the neighbors.

Misc.

Mike O'Connell made a motion to adjourn the meeting. Charles Lewis seconded the motion. The meeting adjourned at 7:12 p.m. The next meeting will be on Thursday, May 29, 2003.

Respectfully Submitted,

Chris Claxton, Director
Parks & Recreation