

# IRONHORSE Golf Club



## **GOLF COURSE COMMITTEE June 16, 2003 – 5:30 p.m.**

Committee members in attendance were Dick Fuller (chairman), Jim Dickson, Councilman Scott Gullledge, Mike O'Connell, Councilman Lou Rasmussen, Bob Reid, and John Campbell. Chris Claxton, Parks and Recreation Director, Pete Spratlin, Matt Roberts, and Shane Gardner of IRONHORSE.

The meeting was called to order at 6:08 p.m.

A motion was made by John Campbell to approve the minutes from the May 29, 2003 meeting. Jim Dickson seconded the motion. The minutes were approved unanimously.

### **General Operations Report**

Matt reported that through Friday, June 13, 2003, they had done 12,378 paid rounds and were budgeted at 12,500. We are within \$10,000 of budget for revenues. Expenses are about at budget. All the financials for May were mailed out. May was a good tournament month and June looks to also be good. Dick Fuller asked what we ended up with for Jr. Triple Crown memberships. Matt Roberts said that they were at 18 memberships and the goal was 20. Juniors started on the 9<sup>th</sup>. Lots of kids are using the course. The 1<sup>st</sup> Tee Program format does an excellent job of introducing the game from etiquette to rules.

Matt said that Tuesday, Wednesday and Fridays are the busiest days of the week. They had 542 rounds on the weekend. Mike O'Connell asked if they were on target for the year. Matt Roberts said that they were above budget for the year.

### **Course and Project Update**

Pete Spratlin said the golf course is in the best shape it has ever been since he has been here. They are using a lot of water due to the temperatures. The Mission Reserve project is finally progressing adjacent to #9. The trees have been removed. They left the big trees next to the cart path.

### **Discuss Fee Strategies for Debt/Operations/Capital**

Dick Fuller stated that the general consensus from the members at the last meeting was to take the risk of the golf course handling the operating expenses and capital improvements, and let the

City handle the debt service. Dick said that they would then be able to start allocating funds for reserves.

Lou Rasmussen said that the whole purpose of this discussion was to give direction to the staff in regards to fee levels. Lou Rasmussen thought that what was said to the citizens, was that the course would be responsible for the operating expenses and debt service. He felt that if he were to give direction to Orion for fees, that the known number would be the debt service.

Dick Fuller said that it is a very competitive market for fees. Fees have a bearing on revenue intake but they are not as important as weather and competition. In paying the debt service, we will never get caught up on the reserve fund we need until the bonds are paid off. Dick Fuller said why wouldn't it be to our advantage to take on the revenue and allocate some towards capital improvements and the other to a reserve fund for emergencies or other things we need to get done.

Lou Rasmussen said the way to set up your fee structure would be to base it on the marketplace versus debt and operation.

Scott Gullledge said his recommendation is to take on the capital improvements and operating expenses and request that the City take on the debt service, knowing that the funds would be there to meet the needs of the capital requirements of the golf course.

Mike O'Connell felt that it would be better if we were in the position to make decisions about the capital expenditures.

Lou Rasmussen said that he thought that they might need to get out from under the Enterprise Fund.

Scott Gullledge felt that we have to stay competitive with the market.

Mike O'Connell said that the maintenance of the golf course is very important.

Pete Spratlin asked if we took the debt and interest out of the budget, will there be pressure in the future to lower fees to balance things out.

Lou Rasmussen read the bond ballot language. Nowhere in any of the documentations at that time was there anything said about the necessity to replace capital. He said that they should base their golf course fees on what the market will bare, and what is left over can go to capital improvements or capital maintenance.

Mike O'Connell feels that the golf course is a marketable asset. Scott Gullledge said that the asset should be maintained and preserved.

Mike O'Connell made a motion that the golf committee recommends to the City Council that the operating expenses and capital improvements will be a golf course responsibility. That an operating reserve fund be established for future major capital repairs, emergency repairs, and

principal reduction. The debt service will be the responsibility of the City. Jim Dickson seconded the motion. The motion passed unanimously. The reason for this discussion of the fee strategy was at the request of a councilman at a council work session. The golf course committee did not initiate this fee strategy.

**Orion Contract Extension**

Dick Fuller acknowledged that the City is preparing a proposed amendment to the management contract to cover sales tax. The discussion from last meeting centered around the City Administrator proposing the acceptance of the one year option at the end of 2003. Dick Fuller made a recommendation that while amending the contract, the contract be extended for 3 years.

John Campbell moved to open renegotiations with Orion for an extension of the contract for three years effective January 1, 2004. Mike O'Connell seconded the motion. The motion passed unanimously.

**Misc.**

Matt said that Hallbrook is talking about an option to pre-pay for a block of tee times at resident rates. They are waiting for Hallbrook to get back to them. Chris will keep the City Administrator informed and will inquire as to the status of fees.

Mike O'Connell made a motion to adjourn the meeting. Jim Dickson seconded the motion. The meeting adjourned at 7:22 p.m.

Respectfully Submitted,

Chris Claxton, Director  
Parks & Recreation