

IRONHORSE
Golf Club



GOLF COURSE COMMITTEE
Minutes of July 27, 2006
5:30 – Leawood City Hall

Members in attendance were Dick Fuller (Chair), Councilman Gary Bussing, Bob Reid, Chuck Sipple, Carl Howell, Tom Davidson and Bobby Davidson. Shane Gardner, Matt Roberts, and Pete Spratlin of Orion and Parks and Recreation Director, Chris Claxton and Sara Dinkel were also in attendance.

Dick Fuller called the meeting to order at 5:50 p.m. Bobby Davidson moved to approve the minutes of the June 22, 2006 meeting and Chuck Sipple seconded the motion. Minutes were approved unanimously based on noted changes. Dick Fuller then proceeded to introduce a resident who wanted to speak at some time during the meeting, Skip Tally.

I. Closure of the Course

Dick said he wanted to move agenda item #4 to the beginning of the meeting if no one had any problems with that.

Dick said one of the items of concern is the decision as to when the golf course will close. He went on to say that the group has been working on this for more than a year and the decision as to the golf course closure has not yet been made. The other concern he would like to address is the status of the negotiations with Orion Golf Management Services. Dick went on to explain that in November 2005 the City Administrator was directed to negotiate a contract with Orion. On June 5, 2006 we had a work session with the Council. At the work session there was specific discussion as to the status of the negotiation with Orion and going forward with those negotiations. It was obvious that up to that time there had been little discussion with Orion. Dick said at the June 5 meeting the group was advised that the City Administrator would be proceeding with negotiations with Orion and that there would be a work session in July to cover the closure of the golf course. Dick said he is concerned with the position we are now in because of timing, since it's now the end of July. Dick said the committee had made our recommendation as to closure of the golf course some time ago being that a two-year contract be negotiated with Orion, one that would take it beyond the construction period and that portions of the golf course, the clubhouse, driving range, etc., be left open for business while construction is on-going. At this time Dick opened the subject up for discussion and asked if Orion or Chris could bring us up to date on the status of these issues.

Dick also added that at the last meeting it had been made known that to that point there had not be any discussion or negotiations and we would like an update as to what has transpired with the City Administrator and whether or not we have reached any kind of conclusion.

Matt Roberts with Orion answered to the group that at this point nothing has happened. Matt said that Orion has had very limited communication via the City Attorney, via e-mail. Orion

said they communicated back to the City Administrator pertaining to his proposal. Matt went on to say that the proposal Orion submitted to the Committee has not been addressed. Matt said Orion asked about the future of the contract that the City Administrator is proposing. Matt said that the contract presented by the City is extremely vague and includes a full shut down of the course in 2007. Matt said the contract offers to retain Orion in 2008 and 2009 but we have had no more direction as to the arrangement for 2008 and 2009. Matt said there is nothing concrete so Orion is unable to say yes or no to the agreement. Matt said that Orion was to have had a meeting Monday here at City Hall with Chris and Patty Bennett. Matt said he was just informed that they were not meeting because Scott Lambers said there is no need for a meeting because he is close to getting the arrangement finalized.

Chris then told the group that Scott informed her that he was working on another proposal and that he felt he would be close to getting something else out there. Chris said she was not sure when it would be presented to Orion.

Matt said that at this point nothing has changed and more than anything there have been no reasons given as to why things aren't moving ahead.

Matt then said there seems to be shift in the philosophy as to how the golf course would be operated starting last fall. The direction has appeared to be that more and more of the key management activities of the golf course are coming to City Hall including all financial reporting, the basics of running the business. Matt said what has been labeled "A Negotiation" is not what Orion perceives a negotiation should be. No communication, changes being made with no consultation with Orion, is this the path we will continue down?

Matt said we are stringing everyone along including our employees and they are going to need to start looking for jobs. Matt said we saw this being handled like this last fall and started to address it back then and now here we are. Matt said that Pete, Shane and he meet bi-weekly now just trying to anticipate what's going to happen. Matt said it affecting us, our employees and the membership. Matt said the reality is Orion made a recommendation back that we felt was fair and best met the golf course's needs and looked ahead to 2008 and 2009. Matt expressed his concerns that in 2008 when the doors re-open the course will have lost a lot of customers. Matt also raised his concern as to whether Orion would be willing to just come back in 2008 and deal with that loss. Matt said he doesn't feel it's a smart business move for Orion and that's why Orion presented the proposal they did. Matt said Orion does not feel it's the right thing to close the whole course down for 2007.

Pete said that they were looking forward to Monday's meeting to discuss this some more and now it's been cancelled. Pete said this meeting would have been the first opportunity Orion would have had to discuss this with the City. Matt said "a candid conversation with the City on this matter has yet to happen." Matt said there is no negotiating going on and it is really affecting the business at hand at the golf course, including all the rumors.

Dick said that we have been aware of this for some time and have continued to make recommendations to the council. Dick said whenever he discusses it with someone on the Council they seem to think everything is fine and moving forward and Dick said it is not moving forward. They reality is that the City Administrator was directed by the Council and the Mayor to negotiate this contract and there hasn't been any negotiations.

Dick also added that Orion developed that core group of golfers and they stay and that core will disappear if we do not communicate with them. Keeping tabs on the Men's Club and the

Triple Crown Members is key in maintaining our core group of customer during construction.' Orion has been put in the difficult situation of not being able to respond to the members ever since this talk began last summer as well as not know what's in store for Orion.

Chuck asked "is it Orion's position that they are opposed to the perceived plan of shutting down the entire golf course in 2007 and would Orion walk away from it if that is the decision made?"

Matt said he can't answer that because he doesn't know what 2008 and 2009 entails and Orion does think it's a mistake to close the course for a year and then come back into that situation.

Matt went on to explain that Orion presented the Committee with a proposal and the Committee agreed to go to the council with that proposal. Then in the work session the City Administrator distributed his proposal which he deemed "polar opposite of Orion's proposal."

Matt said they think it's a grave mistake to put a padlock on the golf course for 12-14 months, and then in 2008 Orion has to come back and start the business over because Ironhorse is going to be gone from the public for a year. There won't be someone there in June and July to start marketing and advertising and booking events for when it reopens. Matt said the first proposal presented to Orion was not fair to Orion and reflected a \$300,000 loss for the company and was ridiculous and the second proposal wasn't any better. Matt said he is looking for more information and Orion doesn't do business this way. Matt also said that Pete is doing all this work for these projects that Orion may not even be around for.

Bobby asked if you shut our golf course with no course superintendent in place what happens to the course and who can monitor how much damage maybe done to the course during construction?

Chris said the proposal does include maintaining the course, including the superintendent.

Dick said Pete is the one who knows the course.

Bobby asked does anyone know when the course is going to be shut down? Dick said it will probably be December 31, 2006 but that has not be voted on or finalized yet.

Gary said when the course closes is yet to be determined but we know it will be sometime around the first quarter of 2007.

Matt said we are talking about the clubhouse and driving range, those are the points in our proposal. Matt said the City Administrator has said he wants to lock the clubhouse for 2007 and Orion does not agree with that. What this is about is having the clubhouse and driving range open so we will still have a steady flow of customers during the course closure.

Dick said what we are trying to clarify tonight is Orion's contract which expires December 31, 2006. And Gary said that contract negotiations are the responsibility of professional staff. Dick said he understands that and the reason we are only hearing one side tonight is because Scott is not here, and it takes two parties to negotiate and it doesn't appear like that's happening.

Carl asked Chris “Wasn’t it fairly imminent that Scott was going to meet with Orion and the Monday meeting has been cancelled?”

Chris said “the Monday meeting was going to be with me, all three members of Orion and Patty Bennett.”

Matt said what appears to happen is that we have these conversations once a month in this room and then that’s all that happens. Matt said the goal here is to do what’s best for the golf course and the City. Matt also said that any comments/suggestions made by Orion seem to disappear off the radar.

Bobby asked about the construction schedule and maximizing the number of growing season and if there has been in further discussions about that? Chris said we met with CE and they still are on target as to what their role is at this point.

Pete said the schedule from Phil with CE is that the plans will be done by the year’s end and start construction in March which needs to be timely because you cannot grow grass in the summer.

Skip asked how did Hallbrook do their rebuild and Pete said they had twice the budget and one or maybe two years of preparation work.

Dick introduced Skip Talley of 13801 Alhambra, Leawood to the group.

Skip handed out an outline of his comments and Dick explained that this meeting is a public forum and we invite people to come and make their opinions known.

Skip said he was here to serve as the mouthpiece for the Men’s Association. Skip said Ironhorse had a very loyal and active men’s association and we are very concerned. Lots of clubs would love to take in a number of members with no initiation fees. We love Ironhorse, the staff, the management group, the course layout. We are very concerned about the future and believe there is a disconnect between the City and membership. You are not going to have that golf course out there if you don’t have members and run the risk of losing customers. Skip said that as member we don’t really understand what the board does and Dick said we make recommendations to the Council in golf course matters.

Dick said we try to be attuned to the needs of the membership and make recommendation to the Council.

Dick said it’s a city course and Skip replied “it’s still a club.”

Dick said it was built to be a “Country Club for a Day.”

Skip said “it’s NOT just for a day.” He went on to say it has the ambiance and the amenities of a club and that the management group is second to none. Skip also added that he thought the continuity in course operations was important to keep the membership together.

Skip added that the Men's Association would like to see this golf course remain successful and for Orion to have the authority to make decision at the golf course without having to go through 12 City Council meetings.

Gary asked how many members we have and Matt said at total of about 300 in all groups (TC, Jr. TC, IHGA, and Conductors).

Skip said the core group of about 50% of the members are very serious golfers.

Skip also said on behalf of the members "we appreciate what you all do."

Dick then introduced Austin Landreth, of 405 E. 176th Street, Belton, Missouri. Mr. Landreth is a patron at Ironhorse and also became a volunteer. Austin said one of the unique aspects of the Ironhorse staff is their ability to make you feel like you are a member at a Country Club and it would be a mistake to lose this management staff. Austin added that he echoes what Skip has already told the group.

Then Skip and Austin excused themselves from the group.

Matt passed out his memo and stated that with the direction things have gone in over the past six plus months Orion feels like they need to put in writing some of the changes that have been made and hoped that this document will be included with the minutes. The perception from Orion is that a lot of things have happened out at the golf course, and we are shocked that these decisions were made without any discussion with Orion. One of the items on this memo is the new software system or POS system. We spent three years researching software systems and found a comprehensive \$26,000 system with the ability to record revenues and all expenses. Once it was operational we were then directed that we would no longer be dealing with expenses, or anything else, and they would be funneled directly to the Finance Department at City Hall. In other words 60% of the software system we have is unnecessary. There was no discussion with Orion at all concerning this move.

We have been hired to be the professional management company at the golf course and the City doesn't want to run the golf course. Then Matt proceeded go over a few points out lined on the Memo. (See attached memo from Ironhorse Golf Club dated 7/22/2006).

Matt asked that the group take the memo home and read over it and contact Orion if you have any questions. Matt also noted that he understood that it was not this group's responsibility to negotiate a contract but also Matt said he feels like the Advisory Board is the only voice that Orion has.

Dick did ask Matt about the discounts as described on the second page and Matt said that the discount function on the register has been removed.

Matt also asked that we attached this memo to the meeting minutes.

II. General Operations Report

Matt gave the operation report because Shane was on vacation. Matt reported that revenues are doing very well with total revenue at \$307,000, June expenses we \$10,000 less than last

year. July is roughly \$30,000 behind in revenues which is related to prime golf Friday – Sunday and merchandise sales and the hot weather.

Event rounds are holding even to last year and we have 140 players coming out Sunday for an event.

Carl asked if food and beverage and merchandise are down for last year and Matt said yes.

Matt said we are trying not to buy as much because of obvious reasons.

Matt said we still have plenty of inventory but there is the question of when do we stop selling stuff, gift certificates, etc.

Dick asked do we have enough inventory to honor gift certificates.

Carl asked about the break-in in July and why is there no surveillance system inside and out.

Matt said they have considered a dummy camera? Matt said yes we have and that lots of courses are getting hit right now.

Carl asked can we make a recommendation to the Council and get bids on a security system.

Pete said there has been talk of security shutter, etc.

Matt said Blue River spent \$8500 on a system and the tape they recovered was dark.

Locations make it hard to deter break-ins.

III. Course Maintenance/Project Report

Pete reported that a hot spell did take its toll on the course and some grass did burn up including 6, 7, & 18 took it tough. Other than that the course is in good shape, tees in excellent shape, fairways are perfect, zoysia doing well, and greens are holding up well.

The water under the greens is heated up to a low temperature of 82 degrees, which is bad. Pete said his goal is to end the year with greens.

Removed a tree stump because a resident “up-stream” blamed the golf course for some flooding.

Members club had their members/guest outing and he received over 30 e-mails with compliments about their experience.

IV. Errant Golf Balls

Dick turned the meeting over to Carl who reported on errant golf balls on the driving range.

Carl reported that 10-20 balls a day are hitting the sidewalk on Bell Drive. He said he retrieved over 61 balls from the area this weekend and 4-5 cars are hit a year.

Carl suggested a mesh fence.

Dick asked if the walk on Bell drive is private? And Gary said “No.”

Gary said the City could tear out the walk if deemed to necessary.

Carl handed out some photos and described them to the group.

Matt said at Minor Park 3-5 windshields a week get hit and you try to match the golfer with the incident.

Carl said we might at least consider a net to prevent a line-drive from hitting a pedestrian.

Tom Davidson if you tear out the walk people will walk in the street.

Dick asked Gary “Can we at least put a sign out?”

Dick also said a net 10 or 12 feet high would block a line-drive.

Gary asked if we have considered flight-restricted balls?

V. Miscellaneous

Tom Davidson asked if the bids have gone out for the creek construction project and Chris said “no that the plans haven’t been completed yet.”

Chris said the next meeting is scheduled for Thursday August 24, 2006.

Bobby Davidson moved to adjourn the meeting and Carl Howell seconded the motion.

The meeting adjourned at 7:25 p.m.

Respectfully submitted,

Chris Claxton, Director
Parks and Recreation