

IRONHORSE
Golf Club



GOLF COURSE COMMITTEE
Minutes of June 26, 2008
5:30 P.M. – Main Conference Room

Members in attendance were Bob Reid, Leo Morton, Chuck Sipple, Tommy Davidson, and council liaisons Lou Rasmussen and James Azeltine, Shane Gardner, of Orion Management Solutions, Inc., Pete Spratlin, and Tonia Morgan.

Director Chris Claxton and Chair Dick Fuller were absent.

Dale Dillon and George Myers were also in attendance. They are interested residents of Leewood.

In the absence of Dick Fuller, Councilman Lou Rasmussen called the meeting to order at 6:05 p.m. Chuck Sipple moved to approve the minutes of the April 24, 2008 meeting and Leo Morton seconded the motion.

Pete Spratlin made one change to the minutes on page 2 in the eighth paragraph regarding that we are a certified Audubon golf course. We are not certified, we are an Audubon International golf course. The reason is in the next paragraph, we don't do egg counting so we are not certified. Leo Morton questioned egg counting, and Pete clarified that we don't do nest egg counting. The minutes were approved unanimously with this change.

I. Course Update

Pete Spratlin reported that we've been dry for a week, and are getting a lot done. The flood repairs from the June 3rd flood are complete. The sod work is done and the trees have been replaced.

Pete reported that three trees weren't replaced. They will give them through September or October to see if they make it. They were able to salvage these three trees. They set them back up, restaked and fertilized them in hopes they will make it. Chuck Sipple asked the location of the trees. Pete reported that they are on #12. Two are by the cart path turnaround and one sycamore is in front of the greens.

Pete also reported that some trees were completely stripped, and there are also some that haven't been found and had to be totally replaced.

Pete reported that all repairs are finished. The bunkers were done in house and are currently being worked on.

Councilman Rasmussen asked if the sand arrived. Pete reported that he received the sand and it is being hauled to every bunker on the golf course. Everything should be finished by the

July 10 public grand opening date. Pete reported that they will still be working on a few projects at that time, but it won't be anything more than a normal working year and he expects to be complete with all the bunkers by opening day.

Pete reported that he will be working with the area in front of nine fairway where it was re-graded after the flood down by the creek and the bridge. The nose on #8 fairway will be stripped to keep the zoysia healthier.

Leo Morton asked if it will be rough in this area. Pete reported that it will be drained and the sod will be replaced. It is a low shade area for zoysia and is constantly full of weeds.

Pete reported that once it gets dry, the entire golf course will be mowed like it's in play. He also reported that the heat is allowing the zoysia to do what it needs to do and the greens are doing fantastic.

Chuck Sipple asked the cutting height of the greens. Pete reported that they are being cut 1/15th of an inch. Chuck Sipple also asked how #13 tee is doing that was re-constructed. Pete reported that the blue tee is completely rebuilt and has new sod. The white tee (up high) is fine and he thinks it will be in playing condition.

Pete also reported that the #10 rough, and part of the fairway by the bend along with #3 fairway, will probably have areas roped off for a "free drop" when we open for play, depending on the weather.

Leo Morton reported that when you are near the green it still appears to be muddy. Pete reported that the golf course is still muddy in some spots.

Chuck Sipple asked Pete if he has considered building up the upstream side of the blue tees on the back side of 13 with big rocks for protection.

Pete reported that once it is all tied in and mature the roots will hold like it's suppose to. The damage from the floods is due to the fact that we aren't put together yet. When the sod is tied in, and normally functioning, he thinks we'll be fine.

If we start doing something like this, there are some good ideas to completely re-design the tee box that would be outstanding but this is on another project level.

Pete also reported that they will build steps to 13 near the ladies tee and the senior tee. Water flows off of the hillside. A lot of new springs have sprung, more than usual, and will need to be drained. They will be putting new drainage in all year.

Pete reported that they currently have been concentrating on mowing and getting sand out preparing for the grand opening.

Leo Morton reported that at the last meeting, Dick raised a question about the area behind 2 green. Pete reported that they have been able to gain some ground and it has always been a swamp over the back right and back left. The center of the hillside is finally drying out. Again, without heavy construction in the area, specifically for that drainage, there are limits to what can be done. There is a lot of water coming out of the hill.

Chuck Sipple asked if any of the work in the last thirty days was guaranteed work by contractors where they had to replace or re-do any work; or is it free because of the guarantee; or was it all on the meter.

Pete reported that all sod and trees from the June 3rd flood was at the cost of the contractor.

Chuck asked if the City had a double expense. Pete reported that the City has worked well with the contractor. There have been three floods that caused damage, this year and the City paid for the first two floods to a considerable degree. As of the June 3rd flood, enough was enough and it was turned over to the contractor.

Leo Morton reported that they (the contractor) probably had insurance to help them out. Pete reported that they had something to lean back on to keep them from going under.

Leo Morton asked if his development come through with the retention work behind number 5 green. Pete reported that nothing has been done at this current time.

Councilman Rasmussen reported that per the last meeting, he thought the City staff would discuss this with the homes association and get some work done. Since that time, there has been another flood. Councilman Rasmussen asked if we received anymore damage.

Pete reported that we did not. The sod is holding, although the water was 2ft deep during the last storm and the mulch was washed away due to the water being so high, but other than this, there hasn't been any additional damage.

Chuck Sipple reported that at the last meeting, Chris was going to check to see if this was a citable offense. Pete reported that she did check into this, but he is uncertain of the results.

Councilman Rasmussen asked if the channel has been cleaned. Pete reported that there hasn't been any work done behind there yet.

Leo Morton reported that he hasn't had time to contact them, but plans to do so soon.

Pete reported that Chris contacted Wade, the Codes Enforcement Officer who was in touch with the homes association and the homeowner involved. The last he knew was that they had plans approved of what could be done and they were planning on taking care of this, but they haven't followed through with this.

Councilman Rasmussen asked if anyone has calculated the repair cost that the city has incurred that we may or may not go back to the Homes Association for reimbursement.

Pete reported that this hasn't been done specifically but would be easy to do as far as the repair cost the city incurred.

Chuck Sipple asked if this was the fifth time this happened. Pete reported that before the sod was put down, the front approach was re-graded five times. They were finally able to get the sod tied down enough before the next rain event occurs. Pete reported that it really doesn't have to be a flood where the overflow from the lake occurs.

Chuck Sipple thinks the City needs to put them on notice that the next time this happens, they will be responsible. Councilman Rasmussen reported that there isn't a question as to whether

they are responsible now because they are. He will follow up with Chris to see what is going on with this.

Chuck Sipple reported that in the minutes from the last meeting, Pete was going to check in to whether or not he would get a sign from the Audubon Society for the tail end of 15 in the wet area or at the clubhouse.

Pete reported that he got in touch with them and they do have signs but don't provide them. They have to be purchased. They are expensive but are nice signs and describe what we are doing. This would be a good project to move forward with and would be nice have signs up by mid summer.

Shane Gardner reported that in the past it was discussed to try to renovate the secondary rough. Shane asked if this can be done piece by piece or has to be a C.I.P. situation. Pete reported that it is not necessarily a C.I.P. issue and is something that he could have done out of operating budgets. Pete reported that they did renovate quite a few areas. The native area takes three years for the grass to establish.

Pete reported that he is also frustrated with these areas and was excited about how the area between four and eight is improving, but is battling weeds. Pete reported that the architect Todd Clark rode around with him last week and reiterated that it will take three years to get these areas re-established.

Leo Morton asked if this is the area where the sand trap was removed. Pete reported that it is, and four – five areas were renovated where the rough was awful. The bunker was taken out, and shaved down which is where all the spoils from the old greens went. It is actually eight feet taller than what it used to be, and the new native grasses were put in.

Pete would like to get the council to approve a burn permit, and take care of it quickly. Councilman Azeltine asked if he'd approached Gene with this idea. Pete reported that he has offered it as a training issue for the fire department to come out and train putting fires out.

Shane Gardner asked Pete to explain the benefit of burning it. There are a lot of people who may not understand the benefit of doing this.

Pete reported that it is prairie grass, and this is the very best way to control all the weeds that inundate us constantly. Weeds will not tolerate it and the grass thrives on it. The reason our deep rough is especially very clumpy in areas is because it lays down and dies and stays there. In nature or forcibly so, it will burn off and this is where all the material goes. Pete reported that there will be a time when we will have to plow under all the deep rough and start completely over because we are building up a thatch layer that grass simply won't grow in.

Councilman Rasmussen reported that in summary, the only thing that is a constant concern that he needs to follow up on is number five. Pete reported that this is correct.

Chuck Sipple asked Pete how he is doing with staff and how much overtime Pete's had to work and the overall moral of the staff working long days and everyone working overtime. Chuck asked if everything is going o.k.

Pete reported that they work ten hour days, six days a week during the months of March - June. Pete also reported that he is sitting at 215% of his overtime budget for the year. The staff is worn out and after the major flood on June 3rd they had to resume their normal schedule.

Councilman Rasmussen reported that he appreciates the question because he had the same question during the budget session that recently took place. When he looked at the number for F.T.E. which is the full time equivalent, he brought it up during the budget meeting and Pete had more than 10.5 F.T.E.'s and was told at the budget session that Pete has the same staff bodies that he had when it was Orion.

Councilman Rasmussen asked Pete if this is true. Pete reported that it is.

Leo Morton asked what this number is. Pete reported fifteen staff members.

Pete reported that when he started, they were re-building the golf course in 1998, and there were 26 people on staff, not F.T.E.'s. At that time, EAGLE and the city gave him whatever he needed to get it done. The greens had to be put back together before winter. They were doing everything it took to get the job done, which is where the "26" number came from.

Shane Gardner reported that he thought Pete had more than fifteen in 2006.

Councilman Rasmussen asked Pete to clarify that he is fully staffed for the 2009 budget regardless of the F.T.E.

Pete reported that he can always use more people, and he gave the committee a few body count issues. Pete also reported that they do not walk-mow greens because they do not have the staff to do it. Pete reported that the course has grown and more areas are being maintained, which takes away from what his staff handles. Pete also reported that he has the same number of staff but they are doing different things. They are maintaining more of the natural rough trying to make people happier.

Pete reported that the parking lot has never had landscaping before because they don't have the people to take care of it. Pete reported that he met with Chris the other day and informed her that he does not have staff to take care of this correctly.

Councilman Rasmussen reported that he thought the landscaping was part of Brian Anderson's group. Pete reported that Brian's group did put it in.

Chuck Sipple asked Pete if his staff is responsible for maintaining the landscaping in regards to watering, pulling the weeds, etc.

Pete reported that it is currently weedy because they have been busy hauling sand but hopes to catch back up as quickly as they can. Pete reported that Chris offered to contract this out.

Councilman Rasmussen asked Pete to notify him and Councilman Azeltine during the next season of any staffing issues. Councilman Rasmussen reported that as a whole, they are trying to measure what is the proper body count of staff members. Councilman Rasmussen reported, and Councilman Azeltine agreed, that the numbers have fluctuated from time to time.

Councilman Rasmussen reported that in his opinion, the F.T.E.'s do not give you an accurate clue. They have half a body in one month and a quarter of a body in another month. Councilman Rasmussen reported that he would like to see how it works in 2009.

Councilman Azeltine asked Pete to let him know if there is anything he needs on a short term regarding the opening.

Pete reported that Chris, Scott and the city in general have provided everything needed for the opening.

Pete reported that he lost two employees yesterday, but will replace them on Monday until he can hire someone.

Chuck Sipple asked Pete, with the enhancements that have been made to the golf course, with the new traps, new greens, drainage, and t-boxes. It should take the same number of people to maintain the course as it did two years ago. We are not making it more complicated, therefore another half F.T.E. is needed. Is it the same number of bodies.

Pete reported that this is correct, and a lot of the golf course should be healthier because of what was done but it does require the exact same amount of labor.

Pete reported that the opening date to the public is July 10. There will be an event for special guests Wednesday, July 9.

Councilman Rasmussen asked if this date has been approved by the City Administrator. Pete reported that it has been approved.

Guest Don Dillon asked Pete a question in regards to the five floods that he mentioned we've had recently. With all the reconstruction and renovation to the creeks what rain level constitutes a flood- is it 1 inch, 2 inch, or 3 inches.

Pete reported that it varies. He reported that before the creek project if it rained one inch in southeast Overland Park, he knew exactly what would flood on the golf course; but with the creek project, it differs completely. It also depends on how fast it comes down.

Pete reported that there have been some major rain events and the golf course did not flood. It depends on the level of Blue River that it's flowing into, and where the rain falls. Pete also reported that everything lined up perfectly during the June 3rd flood to harm us. Blue River backed up further than ever on record and didn't have anywhere to go and we received 3.5 inches on site and southeast Overland Park received 6.5 inches and it all comes to us.

Pete reported that earlier this year we've had 3 inch rains and it didn't come out of the bank. If this happened before the creek project we would have eight fairways underwater, but it is a total different characteristics than it used to be.

Pete also reported that an accomplishment from the project and benefit is ground is not lost when a rain event occurs. Before, you could go to number 8 tee and see where three feet was lost because of a flood.

Pete also reported that there are a couple of places they've noticed that should have had rock but you can't rock the entire course but they protected the golf course project and didn't go

under water. Pete reported that it drains better and faster now. Pete feels this is what was behind some of the rain events where we did not get out of bank. The creek is clean and is a hard surface rather than a soft rooted surface which allows the water to run out quickly. The culvert on 3 has been cleaned out and the water drains a lot faster than before.

Councilman Azeltine asked if 16 of the 18 holes are in the flood plain. Pete reported that they are.

Don Dillon reported that it was an unusual event to have so many heavy rains back to back. Pete provided the committee with a storm watch graph report that show the flood events since June.

II. Membership Update

Shane reported that he met with Chris and Pete yesterday and are preparing for the July 10th public opening date. The grand opening event will be held July 9th. The city asked Shane to combine both grand opening events into one. Initially there were two events, one for the city and one for triple-crown, Ironhorse golf association, people who have booked large tournaments members and hole sponsorships will be combined.

Shane reported that the city didn't receive many responses for their event so rather than having a small event and a larger event, they will both be held on Wednesday, July 9th. Lunch will be served with a 12:30 shotgun. Dinner will also be provided.

Shane reported that he is in the process of staffing up. Many people that were hired for food and beverage or some of the occasional positions have moved on. They were college age students looking for employment and we couldn't guarantee this.

Shane reported that they have started hiring new people and will begin training over the next week to ten days.

Shane reported that there will be a demo day scheduled Friday June 27, from 3-7. All the major manufacturers of equipment are attending and will be on the range. Shane reported that they will give away hot dogs, lemonade and cookies to help the turnout for this event. This is not only done from an equipment standpoint but a public relations standpoint as well. This will be a good opportunity to get them excited about the opening and to mark their calendars.

Shane reported that they received 70-80 calls per day about the course. This is good that there is a lot of interest, but frustrating to some extent when you don't an opening date for them, or when it will stop raining.

Shane reported that he will ask Chris to put a press release in the newspaper as this will be free advertising. There is some marketing money left but the majority was spent leading up to the June 7th date. They will spend what they can to advertise the July 10 opening, but will try to advertise in-house with electronic mail, sending out notices to members and asking them to spread the word.

Shane reported that they have a radio remote that was paid for and scheduled on June 7, and he will reschedule this for the opening on July 10.

Shane reported that a lot of events in the month of June had to be canceled and were referred to different golf courses. This was also done from PR standpoint instead of just canceling their event because we are closed. They assisted them with calling other golf courses and assisted them in scheduling with hopes that if we make it easy for them, they will consider us next year. Shane reported that having some experience in this in 95 and 97, you get good at what you need to do in order to make people happy and not throw them a curve.

Shane reported that most of the tournaments are booked by secretaries in the office, so if you call them and notify them that we can't hold their event, they panic and don't know what to do.

Shane reported two major events they were able to salvage and move to later in the year are the Ali Kemp event and the Overland Park Chamber of Commerce.

Chuck Sipple asked Shane, in terms of the events that canceled in June and early July, how much revenue the course forewent as a result of events that could not be moved to a later date. Shane reported that the loss was nearly \$100,000 which is close to 1200 rounds. Shane also reported that at the last meeting, he reported that we started out with 2100 tournament rounds booked. He thought we would be at 2500, but we lost 1200 and currently have 1800 booked because we picked up a couple. We mitigated the loss, which is good.

Shane reported that from a membership standpoint, we will lose some members with the delay of the opening. Some have decided to move to other golf courses.

Shane also reported that he would like to recommend prorating memberships as a result of the delay. (Please see attached report).

Councilman Azeltine asked how many people has the course lost. Shane reported that he is uncertain of the total number but they will contact the triple crown members tomorrow to inform them of the opening date and inform them of the anticipated rates. He anticipates a 25 percent fall.

Councilman Rasmussen asked if the anticipated prorated amount should be approved by city council.

Shane reported that he doesn't know if this is has to be done.

Pete reported that he is speaking in Chris's absence, but she thought they should be approved by the council.

Councilman Rasmussen agreed because they are fee schedules. He also reported that a motion should be made in terms of Shane's recommendation to move forward to the council.

Pete reported that Chris felt confident to get it on the agenda by the next meeting.

Shane reported that his plans are to inform them of the anticipated rate when they are contacted.

Councilman Azeltine questioned Councilman Rasmussen if he is sure if this has to go before council if it is a prorated rate and the fees aren't necessarily being changed.

Councilman Rasmussen reported that he would think since the fee schedules are set by the city council, any and all adjustments should be approved by the council.

Chuck Sipple asked if refund checks will be mailed.

Shane reported that there are only a few checks. Most were put on a credit card with their application and they haven't been processed. It will be easy to notify them of the anticipated price and the opening date. And, they can inform us if they are in or out. Shane reported that there are only a few that will need a prorated refund.

Councilman Azeltine reported that it would be interesting to know the success rate of returning golfers, in particular the Triple Crown that will not return. He asked Shane to e-mail the committee an update since we will not meet prior to the opening.

Tommy Davidson asked if last years Triple Crown will be invited for the 9th event or is it the people who have answered that they will return. Shane reported that it is only the people who have signed up.

Shane reported that this was done as an incentive to get them to sign up. They were told they would have a special day for them.

Leo Morton made a motion for the approval of the report and the recommendation of the prorated fee schedule.

Chuck Sipple seconded the motion. The motion was carried unanimously.

Guest George Myers asked what the perks are for seniors. He has lived in Leawood for four years. A patron card in Overland Park cost \$35.00 and you can play for 8 months, and play 18 holes at \$12.00 per cart which is a resident perk for seniors. If there is a perk for a resident in Leawood, it would be great, but if there aren't any perks (and he questions the viability of the course) and it is not a revenue producing entity. Mr. Myers reported that he read the budget on the internet and the golf course budget is 2.6 million, and the pie graph showing the 45 million estimated revenue showed sales tax at 28% and property tax at 39% and there wasn't another category over 4%, which would result in 1.83 million. He questioned if we are running at a profit or not.

Councilman Rasmussen reported that historically the golf course has more than made up for the operating expenses. The debt associated with the course was not paid for essentially in the last ten years. He reported that this is not unusual at all for any of our other facilities. For example, the aquatic center, there are times when the fees make up the operating expenses but they have never covered the debt.

Councilman Rasmussen reported that his point is the golf course was unique amongst the parks and recreational activities and it more than paid for its operation expenses. There was a perk before we shut down for a discounted operational use.

Shane reported that when you look at courses such as Overland Park as an example, they offer a patron pass and a senior discount. He reported that when he checked the Overland Park rates, the seniors can play for \$30.00 versus the normal \$45.00 rate, but the normal rates at Ironhorse are \$60.00 and \$70.00, and there isn't a discount on the weekend for seniors. But, of the \$60.00 the senior rate is \$40.00, which is a \$20.00 discount. Ironhorse also offers

the ten play card which allows someone to buy ten rounds in advance for \$35.00. You can play as a senior for \$35.00 with a golf cart. It is \$5.00 more than Overland Park. The other opportunity provided to seniors is the Tuesday – Thursday league. You can sign up for 24 weeks of golf and only pay for 18 which nets it down. A perk on Tuesday morning is after the senior tees off; we offer different games and also offer a guest day at no charge.

Shane reported that it is probably impossible for Ironhorse to compete with Overland Park on prices and it won't happen because Overland Park can run and maintain their course for a much lower level than Ironhorse. But, programs are offered that are comparable from a discount perspective. They may not ever match exactly but we try to do this. He is always open for comments and different ideas.

Shane reported that he received an e-mail comment the other day, and he told him about the senior deal and the person came in and signed up the next day.

Guest Mr. Myers thanked Shane for making him aware the discounts offered to seniors.

III. Tournament Update

The report was covered in Shane's previous report.

IV. Marketing Update

The report was covered in Shane's previous report.

V. Operations Revenues/Expenses to Date (Shane)

Shane reported that from a cost stand point it was around \$100,000; from a membership fallout, he will e-mail this information as soon as it is available. He is anticipating a 25% reduction.

Shane reported that he estimates this will total approximately \$150,000 from the set programs the golf course offers. The months of May and June were in the past typically around \$250,000 - \$300,000 revenue producing months.

Shane reported that when you look at these months, July and August begin to drop off because the weather gets hot and people take vacations and school begins.

Councilman Rasmussen asked him to clarify that because members of Shane's staff left, and he should have been able to reduce expenses. Shane reported that they did not hire anyone that wasn't needed. They kept on the four-five salaried employees with the uncertain nature of when we would open.

Guest Dale Dillon, a resident of Leawood, shared his concerns and opinions regarding the golf course and understands the city is in charge of maintenance, but questioned when, how and whose decision this was. He also questioned what type of knowledge the city has in maintaining a golf course.

Councilman Rasmussen reported that it was by the city council. The city administrator discussed with the golf committee the transition from being operated by Orion to city personnel. Pete came on board January 1 of 2007.

Councilman Rasmussen reported that during this time we were in construction. This will be the first year the maintenance of the golf course will be city paid employees.

Pete reported that in regards to staffing, nothing has changed. The staff is the same. The only difference is where his paycheck comes from.

Dale Dillon asked who is accountable for the end result of the 2008/09 fiscal year for the maintenance of the course.

Councilman Azeltine reported that ultimately the governing body is responsible.

Dale Dillon asked if there is a cushion or variable for determining which is better usage of the tax payer's money- the city maintaining the course or the management of the course taking care of it.

Councilman Rasmussen reported that this was analyzed, which is one of the reasons why and the city council insisted, that the management of the course be transferred over, but to the same people, which is Pete and his staff.

Councilman Azeltine reported that to say that nothing has changed is not entirely accurate because before it was basically completely farmed out and Pete worked for Shane, and now Pete works for the city. This is the only difference. The accountability is the same.

Don Dillon asked if there was a tax levy a year or two ago that was introduced specifically for additional funds for the course.

Chuck Sipple reported that this was for the greens project.

Councilman Rasmussen questioned Don Dillon about what exactly he is referring to when he says a levy. Councilman Rasmussen reported that what we had out there was two really large construction projects. One was a flood control project (SMAC) that had to do with flooding of neighbor's property. This had to do with channelization of the river going through there.

Councilman Rasmussen reported that he hasn't seen the final figures yet, but the SMAC project cost roughly \$1.5 million and roughly twenty-five percent of this was paid for by the taxpayers of the City of Leawood and the other three quarters were basically county tax payers who charged us again.

Councilman Rasmussen also reported that the other major project was the greens. This was roughly \$1 million dollars to have greens replaced and was paid for entirely by the City of Leawood.

Don Dillon reported that his major concern is based on his work experience for the government and his knowledge from the underside of what the government is about. He also served in the military and has worked construction for most of his life and understands how projects go from A-Z.

Don Dillon reported that this is his third year as a Triple Crown member and he loves the course. He reported that he has several concerns about the course and its condition and what appears to be the lack of work being done to aggressively get the course open.

Pete reported that he and his crew have worked exceptionally hard at getting the course back where it needs to be. He reported that there are only certain projects you can work on until the weather cooperates.

Don Dillon asked if there was a project manager. Councilman Rasmussen reported that there was. Pete reported that his role was to oversee projects in relation to making sure quantities were correct and watching them along with the engineers.

Pete appreciated his feedback and explained that they are working extremely hard to get things up and running and look forward to opening day.

A motion was made by Leo Morton to adjourn the meeting at 7:44 p.m. Chuck Sipple seconded the motion. The meeting was adjourned by a unanimous vote.

Respectfully submitted,

Chris Claxton, Director
Parks and Recreation