

IRONHORSE  
Golf Club



**GOLF COURSE COMMITTEE**

**Minutes of January 15, 2009**

**5:30 P.M. – Leawood City Hall, Main Conference Room**

Members in attendance were Dick Fuller (Chair), Bob Reid, Chuck Sipple, Leo Morton, and Tommy Davidson (via telephone from Arizona). Council liaisons Lou Rasmussen and James Azeltine. Also present were Shane Gardner of Orion Management Solutions, Inc., and staff members Pete Spratlin, Chris Claxton, and Tonia Morgan.

Dick Fuller called the meeting to order at 5:50 p.m. Bob Reid moved to approve the minutes of the January 15, 2009 meeting and Chuck Sipple seconded the motion. The minutes were approved unanimously.

**I. Discuss Ironhorse Estates – Fountain, Hole #11**

Councilman Rasmussen reported that the City Council approved splitting the cost up to \$4,750.00 for the installation and purchase of a replacement fountain. He also reported that it was discussed at the meeting that if a cheaper fountain is found, this would be deducted from the cities contribution, not to exceed \$4,750.00.

Councilman Rasmussen reported that the City Council also approved covering the maintenance, and operational cost of the fountain. They will also cover the replacement cost if ever needed. He also reported that after the Council meeting, he contacted Jim Rochel to inform him that the council was unanimously ready to move forward as soon as the homeowners were able to provide their half of the cost.

Councilman Azeltine reported that he was contacted by Jim Rochel who informed him that he met with approximately 10 homeowners in the area and they were not receptive to the resolution that the council passed that would result in a cost of approximately \$500 per resident.

Councilman Azeltine reported that the council was unanimous and did not sunset this. There are a lot of other issues at the golf course above this. The City has been extremely generous and the offer has been made. The next move is up to the homeowners.

Chuck Sipple asked Dick Fuller if it's important for the Golf Committee to get something in writing from the homeowners stating that they won't have enough participation in 2009.

Chuck also asked if it should be tabled until 2010. Or, is lack of a response on their part is good enough for the committee.

Dick Fuller reported that unless we want to sunset this, the offer is there. If and when they are prepared to accept the offer, the city is prepared to move forward.

Dick raised the question if the city would be willing to pay for the repairs of the existing fountain on Hole #6, if it can be repaired for a minimal cost. If so, and it's comparable to the

initial fountain they were planning on installing, can it be moved to Hole #11 and charge the homeowners half the cost of the repairs.

Chuck asked what repairs are needed. He suggested putting an extremely modest fountain in as an incentive for them to step up to the very generous deal that the council made.

Pete reported that it is budgeted to replace the fountain on #6. He is uncertain if it can be repaired. They are searching for a replica of the existing fountain to be able to use the parts.

Pete also reported that it should be noted that the lack of maintenance of the pump did not contribute to it malfunctioning. They took the best care they could by keeping it flushed out on a routine basis.

Pete reported that the homeowners purchased an undersized fountain from the beginning. His crew spent a lot of time trying to keep the fountain functional.

Councilman Azeltine reported that any alternative plans should be referred to the City Administrator and not the City Council. If a decision is made to take an alternative course of action relative to the resolution that was passed by Council, staff should be notified and the offers needs to be resent.

#### **IV. II. Discuss Maintenance Plan Progress**

Councilman Azeltine reported that in reference to Hole #5, the neighbors should be approached in earnest with a specific date to get this issue resolved. If not, legal action will be taken.

Pete reported that he has a meeting scheduled for February 9, with the Board of the Homeowners Association and all interested parties.

Councilman Rasmussen reported that he agrees that a specific date and time should be placed on Patty Bennett to respond if there are issues that the City can proceed on.

Councilman Rasmussen reported that the original memo from Patty Bennett was factually in error, in his judgment. As a consequence of that memo, he, along with Pete, the City Administrator, and the Mayor went to the area in question, and it was very clear the parties responsible with maintaining what Patty erroneously called a "swale" which is actually a channel. When the water overflowed the retention pond, it came over the side rather than going down the outlet channel.

Councilman Rasmussen also reported that the City spent \$20k putting in a 36 inch pipe. He recommends the committee should finalize this before the spring rains arrive.

Pete reported that if the total amount is divided equally, each party would be responsible for \$1,833.00.

Dick Fuller made a motion that the Ironhorse Advisory committee would like a response by March 1, 2009 or further legal action should be taken. Chuck Sipple seconded the motion. The motion was carried unanimously.

Pete reported that the maintenance report format has been changed for a better understanding. The corresponding numbers in the first column reflect the items completed to date.

Pete also reported, in reference to the actual report, there are notes to reflect the action taken on anything awaiting completion.

Pete reported that from November 11, 2008 to January 15, 2009, the weather played a huge factor in only being able to complete a limited amount of projects, but allowed them time to get materials on hand. They now have all of the materials needed for the drainage projects. Pete reported that as soon as weather allows, they will complete all of the drainage issues. The written version of the maintenance plan received more updates than the actual course.

Councilman Rasmussen asked Chris Claxton to keep him informed on the court proceedings for Hole #10, on the 28<sup>th</sup> of January. He would like to attend. Pete reported that he will also attend.

Pete reported that the fencing issue on #9 is complete, and was done very well.

Dick Fuller asked when the items, i.e. trash, rocks, etc. will be moved from the driving range. Pete reported that he has been working with the Public Works Department to schedule this.

Dick reported that this has been on the maintenance plan since day one and there are still no plans. This needs to get taken care of soon.

Councilman Azeltine asked Pete when he will move forward with the outstanding items on the maintenance plan. Pete reported that he hopes to have all items completed before June.

*Chairman Dick Fuller reported that Councilman Rasmussen will interject at this point with his comment about the participant survey.*

Councilman Rasmussen reported that when the customer survey was completed in the summer of 2008, the results came in which consequently resulted in an edict from the council for Pete to create an aggressive maintenance plan.

It was discussed at that time, how the results would be measured. It was thought that another customer survey would be scheduled in 2009.

Councilman Rasmussen asked the committee when they propose to have this completed. He also commented that we need a method to make sure to get a fair representative sampling and provide new customer survey results to council.

Councilman Rasmussen suggests staff come up with a timeframe and move forward. He went on to report that \$35k was spent in response to the negative comments and the City Council deserves a response.

Shane reported that the surveys are typically offered Friday through Sunday and respondents are given a free soft drink as an incentive for completing it. They are strictly confidential unless the person includes their name to be contacted.

### **III. Discuss YTD Expenses (December) / IV. 2009 Business Plan**

Shane passed out a two page report that reflects the year-end numbers he received from Finance. Shane gave an overview of the report. (Please see attached.)

Shane reported that there are a few invoices not reflected on the report, but all of the revenues are accounted for. All invoices are due to the Finance Department by January 20. Once they are all accounted for; the expenses may increase slightly, but not much.

Shane reported that the total revenue reported for 2008 (\$841,914) was for July 11 through December 31, which basically reflects a seven month period.

Shane also reported that he has spoken with other golf course operators and learned that they are projecting a 10 – 15% reduction in revenues for 2009.

Shane reported that he recently met with Pete and Chris and suggested a budget of \$1.8 million revenue. Typically \$2 million is the target budget so this would be a 10% reduction and falls in line with what other operators are thinking.

Shane reported that it would be nice to have one full year of being open and the golf course conditions, service, food and beverage, and everything related to the course are consistent. Shane reported that in 2006 we were going to close down. In 2007 we were closed and 2008 was a partial season.

If we are able to be consistent in 2009, we can retain the current golfers, and hopefully get new people as well. He reported that his goal is 4,000 tournament rounds of golf. People may leave private clubs from an economic standpoint and seek a public course. This will be a great opportunity to make them aware of our packages.

Tommy Davidson reported that he is currently in Phoenix and golf is down 15-18% there as well.

Shane reported that unfortunately, we don't have the flexibility of other facilities because we are city owned.

Dick Fuller asked Chris Claxton if recognizing that the city sets fees in advance, if it is found out that our business plan and/or budget is out of line, can this be addressed. If other courses lower their rates this could potentially cause Ironhorse to lose players. The way we are structured can create limitations compared to some other courses.

Chris reported that if we already know the trend, prices should be gauged towards the market instead of trying to negotiate on an individual basis. Chris reported that it's a given that the economy is bad, and golf is possibly going to be down but it is hard to predict how many people will leave the private clubs and come to Ironhorse.

Chris also reported that there is a ripple effect and we need to find a way to adjust our fees and expenses to meet the economy and the market.

Tommy Davidson suggested that there should be an incentive to signing up at the \$3k fee before April 1.

Chris reported that in referencing to the discussion about addressing the projected deficit in the golf budget; Scott took the greens fee and cart fee revenues off budget for Orion and combined them to go against maintenance expenses.

Chris reported that the focus for Orion is to find revenue opportunities to offset its projected deficit for the other profit centers, especially the golf shop.

Councilman Rasmussen reported that historically since the beginning, we've operated with a positive operating income. He questioned what this does in regards to getting the projected negative operating income for 2009 reduced.

Chris reported that it's taking the cost centers and identifying where the revenues cover the expense and give the others to Orion to offset the deficits.

Dick reported that his concern is the \$200k+ could get worse if Shane doesn't have some form of flexibility.

A motion was made by Leo Morton for Orion to meet with the City Administrator and present the analysis in relation to the economy and conditions that are impacting this and request what type of flexibility, if any, in regards to the fee schedule he can receive. Tommy Davidson seconded the motion. The motion was carried unanimously.

#### **IV. Misc.**

Dick Fuller reported that he received a letter that was originally sent to Mayor Dunn from a resident of Overland Park who played in the senior league at Leawood with a complaint that in the past he was charged \$800.00 up front for the season but many seniors are retired and travel and aren't able to play much and as a result, lose out.

Dick reported that the citizen recommended being put on a play-by-play basis.

Dick asked if this has been implemented.

Shane reported that it has.

Chris reported that she will follow up with the concerned citizen and complete a letter informing him that this has been implemented. She said she had not received the letter but Bob Reid brought his copy. Chris will use this to address the concern.

The next meeting is scheduled for Thursday, February 26.

Dick Fuller reported that the meeting schedule changed quite a bit, which makes it very difficult for members to maintain a regular meeting schedule. Moving forward in 2009 he would like to meet the fourth Thursday of each month, which is the original schedule, as much as possible.

A motion was made by Bob Reid to adjourn the meeting at 7:26 pm. The motion was seconded by Tommy Davidson. The meeting was adjourned by a unanimous vote.

Respectfully submitted,

Chris Claxton, Director

Parks and Recreation