

IRONHORSE
Golf Club



GOLF COURSE COMMITTEE

Minutes of March 28, 2013

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

Members attending: Dick Fuller (Chair), George Waterman, Bob Reid, and Chuck Sipple, Steve McCartan.

Members absent: Leo Morton.

Council Liaison attending: Jim Rawlings, James Azeltine and Lou Rasmussen.

Staff attending: Chris Claxton.

Chair Fuller called the meeting to order at 5:56 p.m.

Guest Attending: Paul Maurin (KCPL Real Estate Department) and Debbie Carter (Engineering Team). Ed Butler and son Cameron Butler, residents of Reserves at Ironhorse.

George Waterman made a motion to approve the minutes of the October, 25, 2012 meeting. Steve McCartan seconded the motion. The minutes were approved unanimously.

I. Discuss Relocation of KCPL Lines (Re: Butler Pool)

Mr. Maurin reported that when described, the easement began at a point, 292 feet south of the existing right away line of 151st Street. The strict reading is a rendition of the southern set of dash lines, which puts us in the pond. An easement wouldn't go into a pond because there isn't a way to construct any facilities. He asked the surveyor to ship it north; if so, the underground is in the easement. Technically speaking it puts us out of easement.

Mr. Maurin provided drawings of the original plan that feeds the pump house. It shows a legal description as written with the power line going north of the pond. He can't explain why but there is a sewer line on the southeast corner of Mr. Butler's property.

Mr. Maurin stated that KCPL is requesting permission from the Committee to relocate the underground power line via an easement between the Butler fence line and the city's pond by using an open trench that would require a 12-15,000 pound backhoe. The impact will be fairly invasive. They expect to run into rock and if so, a portion of the easement will need to be dug by hand. He would like to completely redescribe the easement from the pump house to the area where the wire intercepts, in hopes to be on the same page moving forward. The playing area of the course will not be disturbed.

Council Liaison Azeltine asked the distance between the two.

Mr. Maurin replied that the average distance is ten feet but narrows down toward the eastern side of the Butler property. This is a tight area that will be accomplished through hand digging.

Chris reported that Council approved installation of the pool prior to knowing this was there. Her initial concern is the narrow area and what this will do to the integrity of the bank of the lake; we can't afford for the lake to fracture or lose water as it is the main source of irrigation to the entire course.

James Kennedy agreed that this is a narrow area. This is also his concern.

Council Liaison Rasmussen asked if they are currently off the easement.

Mr. Maurin reported that this is correct.

Council Liaison Rasmussen reported that that the terms and conditions of the normal KCPL easement are that you have total unrestricted access to the easement; all expenses associated with digging it up falls on the customer.

Debbie Carter reported that it usually is the customers responsibility.

Council Liaison Rasmussen reported that he is against approving the easement unless the terms and conditions are changed. We are operating a golf course and would be put in an unfortunate situation if anything happens on the easement in the current terms.

Mr. Maurin asked how it should be changed.

Council Liaison Rasmussen replied that it should clearly state that KCPL is totally responsible for returning the land to its present condition and accept responsibility for power failures in the future and if so, they will be brought back to the present condition. We are on the very narrow stretch between the fence and lake. It is a very difficult area to bring heavy equipment in. His concern is how the equipment will adversely affect the storm water outlet. All should be understood before an easement is granted.

Mr. Maurin reported that the current easement form states that KCPL is liable for all damages and will restore the property to its condition prior to taking construction.

Council Liaison Rasmussen asked if they are abandoning the existing easement.

Mr. Maurin reported that they will abandon the existing easement after they are completely done.

Council Liaison Rasmussen asked how many days they estimate the work will require. Is there is a construction time limit.

Mr. Maurin replied that this will be placed on the top of the construction list to avoid working in the hot summer months and possibly requiring the pumps being down once the Committee and City approval is received.

Debbie Carter reported that construction will take four to five days; the outage time when the actual cut-over is done will take approximately eight to twelve hours.

Council Liaison Rasmussen reported that the cut-over time should be very limited. The pumps should remain operational. It is very important that the wording regarding the cut-over time is added before the easement is granted.

Mr. Maurin asked if a letter would suffice.

Council Liaison Rasmussen reported that he would rather it's included in the terms as a condition before an easement is granted instead of a separate letter.

Mr. Maurin will add this to the original terms and conditions.

George Waterman asked what happens months from now if we experience heavy rains and the dirt washes back to the pond and we may be stuck with silt where the power lines are relocated.

Mr. Maurin reported that they will be responsible to restore it to the same condition; even if it requires matting it with straw until the grass takes root.

George asked the possibility of adding rock instead of dirt to make it more permanent. This is a high retention lake, which is the concern. Water flows in and out rapidly during a heavy rainfall. Using dirt could pose a problem if we experience a heavy rain causing the dirt to wash back into the lake.

Mr. Maurin reported that he doesn't have a problem doing this but it may pose issues as far as operation and maintenance of the line.

Council Liaison Rasmussen asked if the line will be PVC conduit.

Ms. Carter reported that it is four inch conduit; she agrees rock is doable but could cause problems making repairs and locating repairs needed. They will maintain it and assume responsibility if this is what the City decides.

Council Liaison Rasmussen asked when the easement terms and conditions will be available for review.

Mr. Maurin reported that they will be available by the middle of next week.

Jeff Thomasson reported that he is concerned about the limit of the construction area and the depth of the trench as it impacts the integrity of the water supply. This is the only water source for the entire course and interruption of service while the work is being done is a critical issue. He is uncertain the timeline scope but the longer we go from today the more critical the window becomes. He would like documentation from KCPL reflecting that they will provide a generator close to the sight that if problems arise we have the ability to power the pump station back up and maintain power for the length of time deemed necessary. It is not an option to be without power. His final concern is the depth limit is four feet and we don't know where the water table lies definitively. A determination is needed regarding the impact of the construction integrity of the lake near and long term. What recourse do we have if seepage is determined after the work is complete. Has a settlement formula been determined. It needs to be revegetated at once to eliminate what George discussed regarding the run off etc. He doesn't anticipate any issues as long as the above conditions can be met. Most importantly, it needs to be determined if the limits of construction will have any type of long term impact on the integrity of the lake construction.

Council Liaison Rasmussen asked where Mr. Butler receives his service. It is adversely affected.

Ms. Carter reported that power to Mr. Butler's home comes from a transformer in the front of his property, not on his property, but in the easement within the cul-de-sac. It is not adversely affected.

Council Liaison Rasmussen asked Ms. Carter to clarify that the only thing adversely affected by moving the line is the potential danger to the City that can be solved by terms and conditions of the easement received next week.

Mr. Maurin reported that this is correct.

James Azeltine asked Mr. Maurin if he has any problems regarding any restrictions regarding the easement.

Mr. Maurin reported that he doesn't so far.

James Azeltine asked if City Attorney, Patty Bennett has been informed.

Chris reported that she met with the City Administrator to discuss the requested action and that Patty Bennett will be informed when KCPL sends the documents to her.

Council Liaison Rasmussen asked Mr. Butler if he has any concerns with moving the switch and the fence in that area.

Mr. Butler reported that his only concern is the pedestal in his yard; he was informed it will remain.

Ms. Carter reported that the pedestal is the only way to feed the service to the north of the Butler property. It was designed to remain there permanently.

Council Liaison Rasmussen asked if a solid contact can be made and remove the pedestal afterwards.

Ms. Carter reported that anything is possible but is very expensive.

Mr. Butler replied that he has three concerns; the easement does not show on his property county records or title, with no indication that the line was there until a deck was built close to it potentially causing significant damage to his home, family and workers. According to Mr. Maurin, if restricted adherence to the language of the easement says it's out of the easement but if the reading of the language put it in the easement, he wouldn't have a say and it would remain in the middle of his yard with no option around it. It feeds the golf course and doesn't serve his sub-division, property or benefit his land. It shouldn't be there because it is outside of the easement. He is hopeful something can be resolved to grant the easement move on the golf course property where it belongs and serves the needs of the Ironhorse property. It has to be removed if there is language in the easement that states it is outside of the easement or pay rent for the services being there. He was unaware it was on his property and is impeding his ability to install a pool.

Council Liaison Rasmussen reported that Council will consider the effects of relocating the easement on the golf course property. He wanted to make sure Mr. Butler was allowed to express his concerns to make sure he understands what the Council will consider. He wants to make sure Mr. Butler negotiates his concerns with KCPL.

Mr. Butler reported he brought this to the attention of KCPL six months ago. He originally met with the Golf Course Committee nearly a year ago in July 2012 and his permit was finally issued in December. This has been a nine month project for a six week pool construction. He appreciates the work Ms. Carter, Mr. Maurin, and the Committee have done to try to bring this to fruition. He is motivated and would like to be as accommodating as he can.

Council Liaison Rasmussen thanked Mr. Butler for his comments.

Chuck asked the completion date if everything goes according to the original plan.

Mr. Maurin replied that they will begin work the day after the easement is granted. He is uncertain the length of the City's approval process. The work should be completed in seven to nine business days. He proposed in an earlier meeting with the City to do an amendment agreement to speed up the process.

Ms. Carter added that she spoke with the construction crew to inform them that it should be done quickly. The only problem would be unforeseen inclement weather.

Chris reported that the City Administrator was comfortable with the approach being proposed.

Council Liaison Rasmussen asked if it is wise to have an amendment agreement to an easement we don't have.

Mr. Maurin reported that the agreement would state that the City granted KCPL an easement on the date it is granted and it has come to the parties' attention that an ambiguity exists on the easement and essentially correct the easement given. He was trying to work around the process of obtaining Council approval to gain access earlier and complete construction before experiencing hot weather.

Council Liaison Rasmussen asked if we are assured that there are adequate easements in the source once moved from Mr. Butler's property.

Mr. Maurin reported that there is adequate easement existing on that source; there is a twenty foot utility easement on the Butler property and KCPL is in that easement.

Chuck asked if the conduit and wire will physically be removed from Mr. Butler's property and new wire spliced leaving the conduit and wire on his property.

Ms. Carter replied that this is a construction issue; sometimes it is abandoned and left on the property. She assumes they will want to remove it although it is cut.

Chuck Sipple made a motion recommending City Council grant an easement subject to terms and conditions such that the City is protected. Council members can review it and discuss the terms and conditions with the City Attorney. Steve McCartan seconded the motion. The motion was carried unanimously.

Chair Dick Fuller thanked KCPL representatives as well as Mr. Butler for attending and providing clear explanations of the materials presented.

II. Discuss Fountain on #11 (Continued from October 2012 meeting)

Chair Dick Fuller reported that this is a continuation from the October 2012 meeting.

Jim Rochel provided notes of a short recap of the history of the fountain and historical events.

Mr. Rochel reported that the fountain needs yearly maintenance; but was advised by Jeff Thomasson that maintenance of the fountain isn't the responsibility of the golf course. It was removed a year and a half ago. He is requesting the Golf Committee clarify if this is accurate information.

George asked if the fountain can be repaired.

Jeff reported that it can always be fixed. The golf course has always removed the fountain and restored it in the spring. The motor was replaced in 2011. The fountain is undersized for the body of water in the lake. It will always have issues. It doesn't move the proper amount of water. There is another fountain owned by the city on #6.

George asked if an agreement was established between the Homeowners Association for #6 and #11 that Ironhorse will help with the fountains that beautify their view of the lake. He was under the impression that the fountain helped manage the water of algae. The homeowners have a beautiful fountain and we have fewer algae in the water. The fountains benefit the homeowners and the golfers.

Chair Fuller reported that the question is perpetual maintenance of the fountain. We've had this discussion before. Was there a commitment on behalf of the City to maintain the fountain in perpetuity. Neither Golf Committee, nor Jeff can commit the City to this. Mr. Rochel and the homeowners are under the impression that an agreement was established.

Jeff added that he wasn't privy to these conversations but has explained to Mr. Rochel that he is willing to do whatever directed to do by the owner. He will honor the agreement if an agreement was made. To his knowledge, he has been unable to locate any of this history. He is looking for direction.

Chris reported that Jim has accurate points; the August 7, 2006 Council minutes reflect that Jim requested the City provide assistance with the fountain due to neighborhood concerns. The October 2008, Golf Advisory minutes reflect that residents collected money and the fountain was installed and the City agreed to pay the electricity cost and monthly operating cost. It was discussed that a new fountain would cost \$12,000.00. Don Helstrum recommended replacing the existing fountain, which produces forty gallons per minute, with a larger one that produces one hundred forty gallons. This would have a substantial impact on the algae growth. Several questions were raised at the October '08 meeting by Committee members and a unanimous decision was reached that Mr. Rochel and Mr. Sanders would poll the homeowners to determine how much money they are willing to incur for the cost of a new fountain. It was stated that the City may be willing to meet the homeowners half way and pay a portion but it was not in the best interest of the City to pay the entire cost of a new fountain as it has no added benefit to the golf course. It is a benefit of the homeowners residing on hole 11.

Chuck Sipple asked if the original forty gallon per minute fountain is the fountain in the pond.

Chris reported that this is correct, although we have a contract with Blue Valley Labs to treat the algae it puts too much on the motor and we anticipate it will need to be replaced every year as opposed to purchasing a new fountain. Council approved paying for half of the cost but it is her understanding that the homeowners were unwilling to provide additional funds to do so.

Chair Fuller reported that the concern is if the City is being bound in perpetuity to maintain it. The neighbors purchased the original fountain for the pond.

Chris reported that there isn't any documentation on file stating this. When the Stage Company gave us the lights, it was documented. A definition of maintaining the fountain needs to be established.

Council Liaison Azeltine reported that any agreements moving forward should be documented in writing. Otherwise we will revisit this again in years to come.

Chuck asked if the motor will continue to struggle and burn out if it isn't the right size to do the job. Is it common sense to throw undersize motors on a pump that will predictably burn out every season.

Jim reported that it is his understanding that the pump works. It wasn't properly maintained for the first couple of years and wasn't removed as it should have been. As a result, it burned out due to improper winterization. A bigger pump would move more water and remove more algae. The motor was repaired when Pete was in charge of the course, but hasn't been since.

Council Liaison Rasmussen asked if there are any records supporting the fact that the City accepted the fountain as a gift of City property. The City indicates all property received should be on the books. We need to check to see if this was done.

Chris reported that there aren't any records to her knowledge indicating the acceptance of the fountain.

Steve McCartan reported that there should be more formalities in the records if the City assumes responsibility to maintain it. This is extremely important.

Council Liaison Rasmussen asked if there is any knowledge of Pete Spratlin accepting the fountain on behalf of the City. Were Pete or Orion in charge when this took place. How can an employee of another firm accept something on behalf of the City. This can't be done.

Chris agreed. Technically he/they can't do this.

Chair Fuller also agreed that he can't accept the City in perpetuity to maintain it.

Council Liaison Rasmussen asked the specific issue moving forward.

Jeff reported that he and the golf course operators will do as directed based on the agreement. The Committee needs to provide direction moving forward.

Council Liaison Rasmussen reported that there isn't an agreement. What is best for the golf course.

Chris asked if the fountain has been removed.

Jeff reported that it has been pulled.

Chris added that documentation states that it is undersized for the job that it needs to do; will the same results happen if reinstalled.

James reported that the lake is shallow. The depth of the pond is also an issue; the wires move during a heavy storm. The surface area is 1/3 of an acre.

Council Liaison Rasmussen reported that with respect of the Committee it needs more clarification prior to presenting it to Council, i.e. documentation other than what has been reported in prior meetings. It has already been removed. It is not City property, if it belonged to the City, it would be on the books. The question becomes if it should be reinstalled. If so, a recommendation is needed by the Committee.

Chris reported that the last record on file was discussed January 5, 2009 to accept the recommendation of the Committee for a cost not to exceed \$4750.00 to purchase a new fountain. This never came to fruition due to lack of interest from the homeowners providing half of the funds.

Steve reported that the City isn't under any legal obligation. Does it add enough aesthetically to the course to be worth the maintenance cost of upkeeping it every year.

James added the fountain needs to be replaced or upgraded if anything is going to be done at all. He will check to see if it is a commercial grade fountain. The fountain on number 6 is commercial grade and powerful. It is a deeper pond and doesn't have the issues with storms that the fountain on #11 experiences. The current fountain has no impact on the golf course aesthetically.

Jeff added that it doesn't provide any aesthetic value. We contract with Blue Valley to maintain the quality of the lake exclusive of any mechanical systems that exist. If it were their choice they would put more aerators in the lake. If they are going back to the original fountain the size of the pump needs to be refocused and most importantly the quality of the pump and its aesthetic value. Currently it is a single stream of water unpleasing to the eye. He's had this discussion with Mr. Rochel before.

Jim reported that it looks pretty when operating properly. It should have been installed properly with screens to protect the motor from the beginning. It starts off great but ends with a single stream.

Jeff added that a new motor was installed at Ironhorse's expense in 2010-2011 and it ran fine in 2012 and needs more mechanical work in 2013. He didn't think as a steward for the City that they would make an agreement in perpetuity to spend money yearly to maintain the fountain. We currently fund the power each month as well as the yearly meter cost. They (Troon) came in two years after the fact and if it sat in the lake unattended for eighteen, nineteen months and froze that is unfortunate. He doesn't think the City would make an agreement in perpetuity to spend \$500 yearly to maintain it in exchange for a gift of \$2500.00.

George asked Jim if the homeowners association will incur half the maintenance cost moving forward. What are they willing to do at this point.

Mr. Rochel remembers when this first began the homeowners discussed their interest in having a fountain to alleviate the problem with black flies and mosquitos and once installed, it helped greatly. He heard positive comments from the neighbors and golfers. When a new fountain was discussed they were reluctant to write another check due to problems the fountain experienced. He was approached by Jeff last year suggesting there was a pump he liked better that would cost \$3,000.00. The homeowners were concerned that if purchased, who would receive the money and who will maintain it. They thought they had a standing agreement. If there is a formal proposal it will be considered.

George asked how we should move forward until the homeowners come to the Committee with a plan for the future. The fountain doesn't benefit the golf course, it benefits the homeowners. He agrees with Jim that this is open without any language stating otherwise. A proposal is needed stating exactly what the homeowners association is willing to do and the expectations of the golf course.

Mr. Rochel asked how the golf course handles the pond on hole 6. Why are the homeowners surrounding it receiving preferential treatment. He's asked several people, several times, including Jeff and hasn't received an answer.

Chris reported that this was here when she began working for the City so she is uncertain.

Council Liaison Azeltine reported that the City designed and built the golf course and a fountain was added regardless of who bordered that particular portion of the golf course.

Chair Fuller reported that he too is uncertain how that fountain came about.

Council Liaison Azeltine asked if that fountain is a benefit from an algae production standpoint.

Jeff reported that it does. That lake as a whole, as it pertains to the golf course, is much more visible. From a golfers perspective it lends more to the golf course than the existing one on hole 11. From an operators perspective he asks himself is he able to charge more per round of golf by having this amenity or feature on hole 11, and the answer is no. We have been good neighbors. We aren't opposed to continuing this if it were the right feature. As it stands today it makes no sense to continually make repairs to the fountain with no regard to who is incurring the cost.

Jeff reported that the irrigation lake is different than any body of water on the entire course; the golf course is built around the irrigation system. The fountain was installed for the purpose of circulating water and

maintaining better quality for the irrigation system. The water source has to be first and foremost and the quality of the source is paramount to the overall condition of the golf course long term. To compare the lake to a practice lake that's flood control is non-comparison. This isn't a valid argument.

George ask if a fountain repair company can be contacted to evaluate it and determine the cost to operate it correctly with the understanding that it was gifted to the City and our job to maintain it moving forward.

Mr. Rochel reported that they didn't sign on for this. They shouldn't incur this cost. He is willing to speak with the homeowners regarding what the City thinks is the right thing but he is at a loss of what this is.

Chair Fuller asked the Council Liaisons if the cost approved in 2008 regarding the City incurring half the cost for a new fountain is applicable today.

Council Liaison Azeltine reported that we can only deal with what they have record of. It sounds like Pete made an agreement in perpetuity. The City doesn't operate that way.

Mr. Rochel reported that he agrees a formal agreement is needed. They were under the assumption their handshake deal was valid.

Council Liaison Rasmussen reported that an offer was made, accepted but never completed. It should no longer be on the table. There wasn't an agreement; we are starting from the beginning.

Steve reported that the proposal is based upon if the homeowners are willing to meet the City half way as they were years ago. This should be tabled until a decision is determined by the homeowners. It is a huge effort for the City to commit.

Chris added that that the ponds differ in size; one is 1/3 of an acre and the other 4 1/2 acres. She is concerned if the fountain was specked correctly. The \$4750.00 originally discussed was a sealing point.

Council Liaison Azeltine added that the total \$9500.00 amount is from five years ago. He agrees with Council Liaison Rasmussen that we need to start from scratch.

Council Liaison Rawlings suggested bringing someone in to determine if a fountain will work successfully considering the size of the body of water. The intentions years ago was to install a beautiful fountain but it isn't working and we need to move forward.

Chair Fuller agrees that a determination needs to be made by a pump contractor. A determination is needed in writing regarding who owns the fountain, and who's responsible for maintaining it, etc. He suggests Mr. Rochel meet with his Homeowners Association and provide a new proposal to the Committee for consideration. It will be reviewed and modifications made if needed. There are many unresolved questions.

Mr. Rochel reported that he is happy to do this if Troon is willing to make a recommendation; he is reluctant to hire people to evaluate the area expecting homeowners to incur the cost twice to find it is the wrong solution again years down the road.

Council Liaison Azeltine asked Jeff if he would install a fountain there if money wasn't an object.

Jeff replied that he would install a water feature on the entire hole pecculating water from the stream at the top of the hill to the lake returning the water and then install a fountain, which as a result would recycle the water several times per day. This would be more expensive upfront but would benefit the golf course and the homeowners surrounding it.

Chris asked if it the company it was purchased from would know if it can be retrofitted with a different pump to make it more viable without increasing the size.

Jeff reported that doing this would still have old issues; there are newer alternatives for less money with a warranty and retrofitting wouldn't accompany this. He is willing to assist the homeowners to research a newer design without guarantee as we are not the owners. It is not wise for the City to make this expenditure. A contractor he's worked with for numerous years purchased a pump for a development and

subsequently was unable to use it and offered to sell the entire device to the homeowners for half price totaling \$3500 and Mr. Rochel denied it.

Mr. Rochel asked for contact information to inquire about assistance to obtain a better quality pump to present to the homeowners. A more formal approach will be good for everyone.

Jeff reported that a vendor is needed to provide a proposal for that body of water based on the design features they see necessary with expected cost.

Chris reported that a bathometric survey was completed ten years ago that can be used as a tool. This could be a starting point. She is happy to share it.

Chair Fuller reported that the City didn't formally accept the fountain and doesn't own it unless minutes can be located that state otherwise. Subsequently the City doesn't have any obligations to do anything at this time or maintain it. It isn't in the best interest of the City to incur additional expenses to purchase a new motor, or reinstall it when we've had this problem before. He agrees this should be tabled until Mr. Rochel has the opportunity to discuss this with the Homes Association.

Chair Fuller thanked Jim for attending.

III. 2013 Business Plan

Jeff passed out a handout for review. He asked Committee members to contact him with questions. He is happy to meet with anyone to discuss prior to presenting to City Council.

Chris reported that it is an easy read. She will send an e-mail with a *vote* tally attached for Committee members to vote.

Chuck requested everyone read it and vote within a week to avoid dragging it out.

Steve McCartan made a motion to approve the Ironhorse Golf Course 2013 Business Plan contingent upon a unanimous vote within ten days. George Waterman seconded the motion. The motion was carried unanimously.

IV. 2014 Budget

Jeff reported that they are showing continued growth in rounds year- over- year. They have accomplished double digit growth. They continue to get closer to zero as a net operating income line. The expenses are in line. The 2014 Affordable Healthcare Act will have an impact to the operating expense line; but are uncertain of the final impact until September or October.

Jeff added that the rounds goals are contingent upon the winter and the season we experience. The first three and a half months of the year can determine round totals for the entire year for budgeting purpose. We can project in March of the preceding year what the next quarter will look like but can't guarantee. He has been directed to show all membership income in the first quarter. Normally it would be spread out over a twelve month period.

George asked why the City wants it reflected in March and not throughout the year. What happens if a player doesn't fulfill their second payment.

Jeff replied that it props up the balance sheet on the receivable portion. We've always shown it in March and June but will show all the revenues utilized in March and the receivables will be out there until June. A reverse accrual will be done if a second payment isn't made.

Jeff reported that we are showing positive reasonable growth overall. Revenue is 50% ahead 2010 to 2013. We are not where we want to be profit wise but are making great inroads.

Chuck asked the expected total rounds in 2014. The report reflects 26,340.

Jeff reported that they anticipate 26,251; a 500 round increase. He will make the necessary changes.

Steve McCartan made a motion to approve the 2014 Budget as reported. Bob Reid seconded the motion. The motion was carried unanimously.

V. Operations Report

Jeff reported that the 2012 year-end revenues were \$1.58 million compared to \$1.32 million prior year. The year operating income finished \$176,456 compared to \$188,411 loss- an improvement of \$11,955 for the year. This included an unusual unexpected expense of nearly \$27,000 for repairs to the *oncourse* comfort stations. This was funded from the operating budget.

Jeff added that the event rounds were up 30% versus prior year- an overall 20% revenue increase over 2011. Total paid rounds for 2012 were 25,945 versus 22,113 rounds in 2011 representing an 18% increase. The annual pass revenue increased to \$140,000- an improvement of \$36,000 versus 2011. We are currently 45% of our goal in 2013. He anticipates a serious increase in membership sales the first two weeks of April. Merchandise sales were up 50% year-over-year in 2012 versus 2011. Food and beverage revenues increased 9% over 2011. The revenues per round finished at \$61.02 in 2012 versus \$59.77 in 2011. The operating year expenses were under budget \$290,000. Year-end capitalized with an operating cost recovery of 90% compared to 88% in 2011. The 2013 budget reflects a 93% cost recovery with a 94-95% budgeted recovery in 2014.

Jeff reported that 2013 hasn't started out as hoped- revenue rounds are down 60% versus prior year. The entire country is down at least 35% versus prior year with the exception of a small portion of Florida.

Jeff added that we are behind approximately \$62,000 in revenue through March 26. Last year through March 28, we experienced 2,035 rounds; this year, we've experienced 1,025.

Jeff also reported that they reached out to 3500 local businesses/charities to inquire and book group business. They are at \$86,000 group business sales for 2013; this is slightly below target. They contacted every group they've hosted since 2005 with good response. He is confident nearly 1500 event rounds of golf will be added for an additional \$100,000 in revenue.

Jeff added that they hosted the Leawood Chamber after Hours Event in February; it was well attended. They reached out to the group of ninety participants who attended. A league and an outing were booked. He is confident they will get close but may not pass their targeted capital of 100 annual pass.

Jeff reported that the website has been updated. He encouraged all Committee members to provide feedback.

Jeff added that they are advertising heavily on Time Warner Cable, Surewest, Via Media, ESPN Radio and Sports Talk 810, which resulted in great feedback. They exhibited at the Kansas City Golf Show with their sister courses. They sold approximately \$3500 worth of presale rounds in years past, but this year sold over \$10,000 presale rounds. They obtained the database of every consumer who attended. This is an indication people have more confidence in the golf course.

Jeff added that Leawood South was recently sold by the group that owns Brookridge Country Club. The new owners intent is to remain fully private, and not to sell a lot of corporate outings which is favorable for Ironhorse. They have no intent to jeopardize the fee intent of the market. They will convert a great portion of their dining facility into fitness area and will retool the clubhouse and make changes to the golf course, as well as redo the pool. This is positive for the south Leawood market and should be beneficial to everyone.

Jeff added that Brett Myers was recently added to the Ironhorse staff. He comes from Western Kansas. Jeff reported that tile work is complete in the clubhouse and new carpet will be added next week. They hope to replace the vanity tops in the men's and women's restroom and add a mechanical dispensing ice and water unit. The entire clubhouse was also painted.

VI. Course Maintenance/Projects Report

James reported that four new sprinkler heads were added November 2012. He continues to work on wood plank replacement. He received a new stack of boards this week. In December they pulled and installed new irrigation pumps as per the 2012 Capital Improvement Plan. They painted framework, removed trees and brush from 18 tee.

George asked what is being done on the wet area on hole 14. He noticed the French drains were removed. What is the solution moving forward. It has been drained several times in the past and plastic pipe was installed. He's played golf at Ironhorse since the beginning and it has been done three times to his knowledge. There is obviously a huge natural spring there.

James reported that they are in a waiting period to repair it. There were several layers of drainage. They will work aggressively to determine what is in there. A lot of the drain is silted in.

Jeff replied that it might be necessary to dig a 20 foot deep sump 20 feet deep full of gravel to move the water away from the surface. This can't be done until the area is totally dry.

George added that this may be a while, once the snow melts the rain season will come; it feasibly may not be dry until July. This is an open work area that needs options discussed soon.

Jeff reported that he and James will figure out a short term solution from a playability and safety perspective. It is a high traffic area.

George recommends moving the blue tees to the black on a regular basis; this is the direct landing zone. If moved you will keep some of this from happening to avoid players from cutting the corner.

James reported that they completed a lot of tree clean up lately. They also replaced broken valves and serviced needed equipment. The new capital equipment has been received.

James reported that the brush pile at the shop has been cleaned up.

Jeff reported that the concrete work on the driving range will begin the week of April 2. This was funded and can be done at one time.

Jeff reported that he's been instructed by staff to submit a memo and a proforma for an expansion of the clubhouse to be presented to Council in June. Depending on present funding it could be started in 2014 with the remainder done in 2015.

Jeff added that the Ironhorse Committee will meet in May to discuss this prior to Council.

Jeff reported that a preliminary drawing is complete provided by Continental Engineers to show a rendering of the clubhouse. (Jeff provided copies for review.) It is 3500 to 4000 sq. ft. in dimension similar to a smaller lodge, with seating area, fireplace with panoramic views with a wrap-around porch and be able to accommodate multi-use groups which we are unable to do now. More importantly, incremental revenue groups such as receptions, bridal showers, etc. would be new clients who we currently don't have private space for now. We could potentially have two groups utilizing the facility at the same time.

Council Liaison Rasmussen asked if Troon agreed to make the feasibility study at no cost to the City. This is important. At the discussion for the Capital Improvements Program at the last Council meeting when it was decided that a feasibility study was needed, Jeff volunteered to do so at no cost even though he couldn't find anything in the contract with Troon that authorized him doing so, he asked the City Council if there were any objections and there were none. They agreed to allow Troon do so.

Jeff reported that they are working on a study free of charge. The study required by the Council to make the funding decision will be made by Troon at no cost to the City.

Council Liaison Rasmussen reported this is a significant amount of money. The current guesstimate of the expansion is \$700,000 and he expects it may not be easy, so he wants to be sure that as we go through the process that we will receive a guesstimate of the revenues, incremental revenues, and incremental expenses.

VII. Discuss Course Evaluation (December 2012)

Chair Fuller reported that the evaluation will be continued until the May 2013 meeting.

The next meeting is scheduled for May 30, but Chris will have Tonia poll the Committee to possibly move it up several weeks due to agenda items and the clubhouse expansion that will be presented at the June Council meeting. Mitch from Troon Corporate office will attend the May meeting.

A motion was made by George Waterman to adjourn the meeting. The motion was seconded by Chuck Sipple. The meeting was adjourned at 8:47 p.m.

Respectfully submitted,

Chris Claxton, Director
Leawood Parks and Recreation Department