

IRONHORSE  
Golf Club



**GOLF COURSE COMMITTEE**

**Minutes of February 19, 2015**

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

Members attending: Dick Fuller (Chair), Mark Bodine, and Dr. Greg Peppes.

Members absent: Bob Reid, Leo Morton, Alec Weinberg and Tommy Davidson.

Troon Management Staff: Jamie West, and James Kennedy

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

Staff attending: Chris Claxton and Tonia Morgan.

Chair Fuller called the meeting to order at 5:50 p.m.

Dr. Peppes made a motion to approve the October 23, 2014 meeting minutes. Mark Bodine seconded the motion. The minutes were approved unanimously.

**I. General Operations Report**

Jamie reported the work that had to be done after last season on the collars and that weather this year has been more favorable than last year, when rain came in June and July on the weekends. The course went from being up \$55,000 to being down \$22,000. The course lost 1500+ rounds due to weather. For 2014 we had \$25,000 less in revenue than 2013, while expenses increased due to replacing the collars and nearly \$20,000 in golf cart repairs. In 2013 there was no Assistant Golf Superintendent or GM for a while which resulted in some payroll savings.

Jamie reported that the range ball program, through Troon, moved to Callaway from Titleist. Yes this cost some money to transition over but the up-front expense will result in savings over next two years.

Dick said that he doesn't seem them along the road anymore. Are people taking them?

Jamie stated yes, people taking them and the remainder receive a lot of wear and tear due to excessive range activity.

Jamie stated that not many are lost to the road anymore due to the screen.

Dick asked what the lives of the range balls are.

Jamie reported that we leave them in play and introduce new balls as needed.

Jamie reported that at year-end 2014, operating cost recovery was 77% vs. 84% to prior year. On a positive note, January and February of this year have been very good. The course is up

509 rounds through January; an increase of 151% in revenue. Through February we are sitting at a 160% increase to prior year or \$15,000 ahead.

Marketing in December was through 810 WHB and has worked out well. We sold \$5,000 in gift cards for the holidays through this.

The KC golf show was also a good event with more people attending than last year. We made \$5,000 at the show and paid for our booth. We were able to raffle off a putter and promoted Troon rewards collecting over 300 emails sign-ups.

Tournaments are actually increasing. Over 30 events have already booked. Last year we did 50 and our goal this year is 60. In September alone there are 20 events. Morning shotguns open up daily play in the afternoon, after 3:00 pm for good revenues.

Mark asked now that course has been open 20 years, do we have financial information to make comparisons.

Jamie has information from 2011 but will go back and look.

Chris said that we have historical financial data since we opened.

Dick stated that due to such fluctuation in course operations, due to closures and improvements, he doesn't know if we can get a good five years of data.

Jamie reported that from his experience, we went through the same issues he did at other courses. The years 2008 and 2009 were brutal for golf everywhere. NGF is showing improvements now. With good weather, we should see continued improvement this year.

Dick stated that rounds are hard to get back to where we were in the late 90's and early 2000's. Back in 1995 we expected \$85.00 per round in five years and we have never been able to charge this. OP is sending out a huge mailer with new range programs, scheduling times, etc. They are fighting like everyone else. Can't get anything over \$65.00 per round but rounds are likely to increase.

## **II. Course Maintenance Report**

James reported that in November we finished mowing natural areas. The purchase of a new slope mower has been a huge help and has cut down man hours. They have sprayed all of our sod with wetting agents to keep moisture in ground. Also working on trimming and tree removal at other areas of the course. Took out some dead trees on hole #8 and took care of pre-emergent in native areas trying to get ahead.

In December the crew took care of 100 plus stumps with grinder due to possible trip hazards  
They also cleaned up the irrigation boxes.

The Maintenance facility had the floor replaced and interior painted after 19+ years. A huge improvement that is greatly appreciated by staff.

During the warm spell in January crews turned on irrigation and got greens and collars watered and found some leaks. The rough was aerified as this is the best time of year to do so.

In February crews built enter/exit stakes making them more visible at the tees and greens. This was started 4 years ago to show golfers where we want carts to enter and exit the fairway. They are moved each day during set-up work, which adjusts cart traffic keeping rough in much better shape. Many courses around the metro are doing this.

All landscape beds are cleaned up around parking lot and clubhouse.

The entire perimeter of the golf course has been limbed up to provide access for equipment and a contractor removed 15 dead trees around the property.

Working on getting all fences cleared prepping for painting of wrought iron fence.

Dick asked if the perimeter fence is the responsibility of the homeowner.

James said, yes some of them are.

Dick asked what, if anything has happened on hole# 4 in regards to the playground. Was that sent to planning? Wasn't there supposed to be a letter out to the homeowner about removal? Has the fence been repaired?

Chris stated that our mowers did the damage to that area of the fence and will fix it.

Dick asked if we are done fencing.

James stated that we are, except for closing in along the south of the fairway on hole #15.

Chris reported that it is very rocky there and fencing is difficult. We have looked at it in the past though.

James stated that there is a natural fence there with all the trees, rocks and undergrowth.

Chris stated that we should consider closing up the open area and take it down to the tree line. I assume we are no longer having problems with the homeowner's dogs using the bathroom on the golf course.

James hasn't seen her out but found the sign out on the roadway and paw marks on the greens. He asked Chris if the ROW on Nall is on the city's Maintenance bid.

Chris said she will check with Brian.

James reported the following upcoming projects:

- Finalizing bridge plank purchase, this will be on the March 2 agenda. Work will be done in house.
- Concrete bids included all ADA projects and 18<sup>th</sup> spillway, as well as other damaged sections of cart paths
- Working through options on CIP list: Stairways on 3, 11, and 13.
- Cart bridge on 11. Working with Ron at Troon on best option to access left side of fairway.

Dick asked if there is ever anyone trying to access that side of the fairway

James stated not to his knowledge. There is a bridge there but carts get stuck on it if they try to cross. They can access the area if they double back.

*Projects continued:*

- Snowmelt will initiate pre-emergent programs on zoysia.
- March 23 is date for greens aerification.

Dick asked James if he is ahead of schedule for maintenance.

James reported that he is in some areas but it has been hard to get momentum with weather fluctuation.

Dick asked James if he has staff he can call in.

James reported that he has 4-5 that he can call in to work when needed, such as Monday when we had the snow. He is keeping staff busy with some inside projects when weather is bad.

### **III. 2016 Budget**

Jamie reported that the proposed budget is in the business plan. He noticed that in 2016 there are some discrepancies with finance on some of the projected numbers. He will get with them for corrections and discuss this further at the May meeting prior to the council discussing budget in June.

### **IV. Discuss Proposed 2015 Business Plan**

Chris asked the committee if they would like to discuss some of the highlights where changes have been made or if there is a new strategy being presented by Troon.

Dick asked about the 2015 - budget percentage of change vs forecast.

Jamie said it should be actual for 2014. This is done in September for Troon. Jamie asked if there are any questions on the budget portion of the plan. If you would like to see the budget in detail he can provide it but this is a summary.

Chris stated one example of a change is memberships; trying to increase them from 80-100.

Jamie stated that other course closures are helping to increase our Triple Crown memberships. The amount of outside rounds and time you have, it is good to hold members at 100 or a few more. Beyond this is good business chasing bad business.

The golf course is in superior shape and the price we are at is a very good value. The new goal for this year is 90 Triple Crown memberships.

Councilmember Azeltine asked about getting to 100. Would we turn prospects away?

Jamie reported some of Troons' courses have 100. In order to get in, someone has to drop out and they keep a waiting list and then raise annual passes. This is not in our plan right now.

Councilmember Azeltine asked what percent of 80 current memberships are Leawood residents.

Jamie reported is hard to say without looking but it is probable that 60 are Leawood residents.

Councilmember Azeltine stated that when we get to 100 he would like to see something happen to be sure that Leawood residents will get the first opportunity.

Jamie stated that Leawood citizens will come first.

Dick said the committee had agreed earlier to 100 but not turn away Leawood residents.

Jamie reported that he found a newspaper clipping from 1995 showing the course opening on July 1.

Jamie asked if there were any more questions about annual passes.

Hearing none, Dick stated that marketing-wise, he gets a lot of things from other clubs and notices a lot of others doing monthly fees instead of an annual fee. He doesn't know if that is an option.

Jamie stated that he has been contacted about monthly fees. He has reservations on that as they may cut out on you half way thru the year.

Dick said that they are marketing this way breaking into month with the commitment the same.

Jamie reported that they will continue to utilize the Troon network and Golf Now who has taken over the golf world. They are buying up everything, especially in Europe. They want to be the number 1 booking site for golf. NBC now owns the golf channel. They will continue using this to promote the golf course. They just started using a centralized website for all courses in the Midwest with golf magazines for booking.

Councilmember Azeltine asked if there is a reciprocal membership.

Jamie reported that the annual pass does not make it reciprocal but the GM's communicate and get groups special rates at the other courses.

Councilmember Azeltine asked Jamie if he sells this information with memberships.

Jamie reported that they do. Many golfers from this area go to Arizona each year. In Arizona they have the twosome and foursome cards, which are a great value.

He is not sure if everyone is aware but Troon has taken over the Salina Golf and Country Club in this region.

Dr. Peppes said he encountered two golfers using these while he was out there recently and said it really saves the golfers money.

Jamie reported in regards to rounds – he will meet with the finance department to get rounds counted the way the golf world counts them instead of the way they are being counted. We did 26,000 rounds in 2012. The 26,000 rounds budgeted for 2015 can be hit but he is not quite sure why the report said 17,000 for 2014 because we did almost 24,000.

Jamie stated that a big portion of Troon's marketing program is based on Troon Rewards. When you spend \$400-\$500 you will get a certificate for free round. The more we sign up for rewards, the more emails that are collected and more specials and contacts can be made.

Also, there are now three levels of Troon Courses: Troon Privet, Troon Golf and Honors Golf. Honors golf is the high-end. Think of Donald Trump. Privet are our private courses. We now have over 230 courses world-wide.

Of course we will continue doing marketing that has worked and weed out that which is not working. Digital marketing is much more effective. A test program with Time Warner for email logins for a day had Troon info next to the login. This was tracked and was successful.

Ladies play is about 1% at Ironhorse. It is a very difficult course for women but he is working with the Executive Women's Golf Association to set up the course differently for women on certain days or tournaments to get women back playing at Ironhorse. This will be one an area of focus in 2016.

Dick asked if there are any women's tournaments they are promoting.

Jamie said they do and they used to be here and now they will be coming back.

We will also continue with junior programs. Skip Maiwald is doing a fantastic job. We have over 300 kids on the golf course over the summer.

Jamie reported that the course will be hosting the Chamber after hours event in April. There are 72 golfers for a nine hole tourney. They are very excited to have them come to Ironhorse with a social hour after that. All are invited.

Chris asked about the confirmed date.

Jamie said it is Wednesday, April 22.

Councilmember Azeltine said that Chamber CEO, Kevin Jeffries had a hard time in the past getting this going at Ironhorse so something must have happened.

Chris said she did not recall this ever being discussed with the Troon staff, but the Chamber hasn't been doing the after-hours events that long. Also coming up is the 20<sup>th</sup> anniversary event in July.

Jamie said July 1 was the day we opened and it was a Saturday. It will be a Wednesday this year. We will charge \$20 to come in and play. There is also apparel with the anniversary logo.

Dick asked Jamie if there will be a sign up period.

Chris said there will be a timeframe for Leawood residents to sign up first.

Jamie reported that there will be a reception for those involved with getting the course designed and built the night before, Tuesday, June 30 at the golf course.

Jamie reported that tournaments continue to increase as a result of the economy.

Councilmember Azeltine asked Jamie how many calls he gets a month that inquire about IH but then realize you aren't large enough in clubhouse to host them.

Jamie said he gets at least 5 per week. He just had a woman inquire about a party. She came by to look and she said the space was way too small.

Jamie reported that another area they will focus hard on over the next year will be their social media: FB, Instagram, etc. and now we will do some YouTube with Skip.

Councilmember Azeltine asked if IH has a Twitter account.

Jamie reported yes they do have Twitter as well as Google+, Facebook and Instagram, and now YouTube

Chris asked about Trade Shows/Conferences coming into the area. Do we have connections to get those out-of-towners out to Ironhorse?

Jamie said yes, they are making contacts and they are also working with Top Golf, who will open this summer on some reciprocal programs.

Councilmember Rasmussen asked what Top Golf is.

Dick said it is basically a Dave and Busters type of driving range.

Jamie said taxes will be beneficial to OP. The ones in Dallas do \$24,000,000 each in annual revenue.

Councilmember Rasmussen inquired about page 3 of 14. At 30,000 rounds per year, if we got that, I could multiply that by \$48 per round, and that would basically wipe out the deficit. Is 30,000 rounds still a realistic maximum for our course?

Jamie said that at the course in Florida we maxed out at 37,000; but due to weather fluctuations here, 26,000-27,000 is a more realistic number. We could lower the rate and get more rounds but then it's more wear and tear on the course, which increases expenses.

Councilmember Rasmussen asked how many rounds a course can take.

James said what we are doing is manageable, but we can take some more; but realize that this number is in a 6month time period.

Councilmember Rasmussen stated the point he was getting at is to the questions he might get. Let us assume that we might get those 5 additional tournaments; we could still handle it right? If we get the clubhouse expansion, a reasonable question that someone might ask me is can the golf course handle it and that's why I asked the question.

Dick said that almost all tournaments are during the week.

## **V. Discuss 2015-2016 ADA/CIP Project List**

Chris reported that what is currently planned is included in the Parks & Recreation Master Plan that the council reviewed.

Dick asked if the committee had seen it before.

Chris reported that the committee has seen it but it was standing alone in the golf CIP. You haven't seen it merged in with the other projects for Parks & Recreation as a whole.

Dick said we have had discussions about the CIP in previous meetings.

Chris reported that everything is on here but not everything has been approved by the Council  
The golf course includes

- 2016 perimeter irrigation on 7 greens (\$31,500).
- Replacing conduit and straps on bridges (9500)
- Bunkers in 2017 – (\$140,000)
- Adding irrigation – (\$24,000)
- New category – to be considered. Leveling and expanding of tees – (\$237,000)
- Replace all sprinkler heads – (\$250,000)

These have not yet been funded, even in an out year.  
So there is some money looking down the road

Councilmember Rawlings asked how much is it to replace sprinkler heads?

Chris stated that it is \$250,000 all the heads

Councilmember Rawlings asked if they would need to be done all in one year; do they all shoot craps at one time.

James explained that as the course ages, we need to forecast replacements. They are 20 years old. Some repairs have been made but sometimes it is better to replace the whole head as parts add up.

James stated that the bunkers need to come first.

Councilmember Rawlings asked about the price of one head.

James stated that they are \$50 each and we have about 900 heads

Councilmember Azeltine asked if it is possible to replace a few every year. You are not going to get \$250,000 in one year.

James said there is some money each year to repair and replace and yes, we can spread this out over a few years. They are checked monthly and we keep track of what was replaced where and when.

Chris said this is a snap shot of the big picture of what is included in the CIP for the golf course. Recall that we focused on the greens during the renovation but nothing was done to the tee boxes at that time.

## **VI. Update – Clubhouse Expansion**

Dick reported that there was a work session last Monday with the Council and Lou led the conversation to reopen the discussion of expanding the clubhouse. He wanted to put the

expansion in the 2016 and 2017 CIP and that Troon would put together a proposal showing the forecast with and without the expansion.

Councilmember Azeltine reported that he thought we already did this.

Chris said that he did a revised pro-forma, which she gave to Scott Lambers and he is reviewing this to get it out to the council. But after looking it over later, she wondered if it would make more sense to use this to say that this is a year period and here is what it would look like financially if we did expand and here is what it would be. We paid the Lodge back in 5 years and it was about \$1.1 million to build it.

Some of the projections (doing an extra 100,000 – 150,000 for the golf course) seem like a lot more than the Lodge but they have golf and food and beverage and alcohol, which we don't have.

Dick said we will have a full presentation for the next work session for council to consider. We need to get this to a point where the plans are finalized so it can potentially go back out to bid. The council was very gracious in considering this again and has allowed the potential in the budget for \$2,000,000, with \$1 million in 2016 and 17 (each) but this is subject to approval.

Councilmember Rawlings said that he believes that 90% of the council would like to see this happen. It is just a matter of money and timing and we don't want to bond it.

Councilmember Azeltine stated that we have an architect who is holding the plans hostage.

Chris said that Scott Lambers directed her to send them a letter, which she did on Tuesday. This issue was a lengthy discussion at the council meeting the night before. They want to know, from the architect, what is holding up getting the plans completed.

Jamie said he had received a phone call from the person doing the Lionsgate construction and he wants to know what our plans are. They are doing an expansion.

Dick said that Troon was brought in here during a difficult situation as in condition of the course. What we have now, course are closing and business is going other places. We can do 90-100 for a tournament/event but we need to do 120-200 and we are losing this business because we can't accommodate them, as well as other types of parties.

Councilmember Azeltine agrees with Councilmember Rawlings in that he believes the council is for it but there are a lot of competing projects.

Dick said in the P&R CIP here's 5 things and here's 5 things and which do we do first. He has talked to several member of the P&R Advisory Board and they are very supportive of doing the clubhouse. The question that may be asked is, if we do it, what will we have to give up.

Councilmember Rasmussen asked, in reference to the presentation to be made at our second meeting of pro-forma - that includes nothing except golf course revenues. It does not include guesses as to parties or wedding receptions, is that correct?

Chris said no, it does include that.

Dick said that the five year forecast will be what they project as though we don't do anything. The next 5-6 years will be a stagger in there with a projection of how many tournaments and events they can do over five year. It's an overlay so you can look at one or the other.

Councilmember Rasmussen stated that he tries to think like my opposition. Where does Troon get their expertise, when in reality Chris and her team have a better grip since managing the Lodge, with all due respect to Troon, so I would rely on them for the golf course projections.

Dick stated that this is correct but Jamie is working with Troon management as they are more familiar with the ancillary events outside of golf.

Jamie stated that part of coming up with the pro-forma has a lot to do with the business that is being done here locally.

Chris reported that one big advantage is the proximity of the Lodge to the Golf Course. We have visitors on Wednesday evenings and we keep track of those we have to turn away. Just since November, fifty-six (56 events) have been turned away at the Lodge. Of those events, 24 were of the size we could accommodate with the expansion (I.e. less than 300 but more than 100). There is probably a slight margin of error in assuming that just because the Lodge was booked they would want to book the golf course.

Councilmember Rasmussen asked for clarification about the pro-forma. Are they are separated out?

Chris stated that they are separate.

Councilmember Rawlings asked a historical question - Was the architect, the contractors, vetted to determine if they could do the project for \$800,000. How did we get into this situation?

Chris reported that when the DB team came back with their bid. It was a very elementary projection, based on square footage addition with some specific information included in the bid package to be includes. There had been no programming meetings taking place yet. The review sub-committee added the hallway and the additional entrance and it went from \$860,000 to \$1.2 million. The big issue came when they were given permission to go ahead with the plans, and with nothing changing, the cost estimate went to \$1.7 million. During the work session, they could not justify the increase.

Dick said that they were five groups that bid. It was a design/build. We interviewed four. They came with their architects, engineers, etc. to the interviews and they knew where it would be as far as the basic size. The bid packet included a lot of detail. They were all vetted and the Fritzel group was the lowest. We asked questions and we said it is going to be this size and you can go out and meet with the Troon staff to look at the building to see how you might present your proposal. There were some things we liked in all and some things we did not like and then we added another 800+ square feet or so and defined the needs a little further.

\$800,000 at a couple hundred dollars plus per foot , which seemed doable. That's when they came back with \$1.2 million.

Councilmember Rawlings asked if we discussed more piers needing to be drilled or more concrete needing to be added?

Dick said it was more like the type of flooring (concrete), the roof line, and the amount of concrete. We weren't happy with this new cost projection and they did a poor job of explaining it.

They said if we can complete the plans, we can go out to our contractors and subs and really get a solid bid and that took what, four or five months; and they came back with a \$1,700,000 and we said wait a minute, we thought it would come in under a \$1,200,000.

When they said they could get it lower and it came back in at \$1.7 million we were completely surprised by that number.

Councilmember Azeltine said he heard the explanation and I still don't understand how the cost doubled.

Chris said the sub-committee was unable to get a solid answer either and; they could not effectively explain it to you, the council, during the work session. We don't know why it doubled but we do know why it went up from \$860,000, due to some programming (storage, separation, etc.)

Dick stated that the Council had every reason to question it. They did not respond well to the Councils' questions.

Most of the other bids that came in were \$1,000,000 plus so they (Fritzel) were the lowest. But when you go from \$1.2 million to \$1.7 million there should be some questions.

Chris reported that the letter she sent made it clear that the City needs the plans by February 26 for them to be included in the council packets for the March 2 work session.

Councilmember Azeltine asked if Planning did something that added to the costs.

Chris said there were some things that came up during the code review that had to be addressed.

Councilmember Azeltine stated that he hopes when the dust settles on this project, there will be a staff review to determine how to approach this differently for future projects.

Chris said there will be a work session on March 2<sup>nd</sup> for further discussion of the expansion.

A motion was made by Mark Bodine to adjourn the meeting.

Dr. Peppes seconded the motion.

The meeting was adjourned at 7:49 p.m.

Respectfully submitted,

Chris Claxton, Director  
Leawood Parks and Recreation Department