

IRONHORSE
Golf Club



GOLF COURSE COMMITTEE

**Minutes of February 23, 2017
5:30 P.M. – Ironhorse Golf Course**

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

Member absent: Tommy Davidson

Guest attending: Bobby Davidson

Troon Management Staff: Troy Newport and James Kennedy

Council Liaisons attending: Jim Rawlings and Chuck Sipple

Council Liaison absent: Dr. Steven Kaster

Staff attending: Chris Claxton and Dalnita Holland

Chair Fuller called the meeting to order at 6:07 p.m. and introduced former committee member Bobby Davidson

Leo Morton made a motion to approve the October 27, 2016 meeting minutes. Alec Weinberg seconded the motion. The minutes were approved unanimously.

I. General Operations Report

Troy reported year-end revenue was lower than 2015, primarily due to having only nine holes open from October 1 to November 19. The contractor had asked to close eleven to twelve holes and Troy responded that closing nine was the best answer for operation of the golf course. Prior to the nine holes closing, greens fees and outing activities were actually ahead of the prior year. The weather really did cooperate for the project.

Triple Crown pass sales were up 5.3% over prior year due to increase of advertising via email and Facebook. Shop revenues were down significantly due to aggressive inventory reduction during the year. The year ending value was \$63,000 vs. \$84,000 the prior year. Lessons and golf school revenues were down due to having two fewer instructors. Driving range revenue remained even despite the partial course closing. Food and beverage revenues were down nearly 10% vs. prior years. Three significant October events didn't occur due to the bunker restoration project.

Operating expenses were \$75,000 higher than prior year. The course maintenance expense increased with the bunker restoration project. The hot humid summer increased labor and irrigation related expenses. Some large repair expenses were paid in 2016 including the walk in freezer, a/c system, golf carts, irrigation pump and system repairs.

The overall revenue impact of the course closing was greater than originally estimated. October 2016 revenue was \$50,000 less than prior year.

Council Liaison Sipple asked James if you were going to do the sand trap project again would you bring in more people to get it done quicker.

James reported his staff was on hand to help with bunker project throughout the project. They did a great job of getting us up and running.

Chair Fuller asked if most people played nine just once or twice.

Troy responded many times golfers played twice. Interest is high and golfers are interested in moving to Ironhorse from other facilities. Great Life Fitness has now taken over Deer Creek. Some are coming from Brookridge and Lion's Gate.

Council Liaison Sipple asked why Lions Gates members are coming to Ironhorse; aren't they a private club.

Troy responded yes, Lion's Gate is a private club but it lacks golf availability on Saturday. Too many members can make it difficult to get a desirable tee time. Those looking for just golf, and do not use the pool find our facility very appealing.

May 19 is the first scheduled golf event that will use the new space. Two others are booked on a Tuesday and Wednesday in June. None of the three events would have happened or been able to be accommodated without the expansion. September is the first tentative wedding reception date.

Bunker projects are complete. The driving range now takes credit cards at point of sale. Golfers can buy a discounted key without coming into the shop. The golf shop is the only area that takes cash.

Vista 154 is the name of the event place at Ironhorse. The Facebook page will be up dated soon.

Alec asked if the pricing of the new event space would be similar to the Lodge.

Troy responded the pricing is slightly higher and Vista 154 will be a little more full service.

Council Liaison Rawlings asked if caterers would be used for the food.

Troy stated that for larger groups they would have the contract with the caterer. There isn't the prep space to do everything in house.

Bobby asked if they are still operating golf camps and the First Tee program.

Troy responded yes to both. The City runs the First Tee program. It works really well and it is only four weeks, and the camps are only Monday thru Thursday.

II. Course Maintenance / Projects Report

James reported that since the last meeting they have completed the following projects:

- Landscapes Unlimited completed bunker project on schedule
- Used in-house staff to help remove excess bunker sand from project
- Watered new sod areas daily to establish prior to cold weather
- Old bunker sand top dressed onto fairway and rough areas
- Bladed sand storage locations were smoothed and re-seeded
- Fall cleanup of leafs and debris were vacuumed and mulched
- Greens aerated during closure times. Three aerifications were completed on back 9

and one completed on the front nine. Moved September aerification to October to limit disruption to play prior to project.

- Winterized irrigation systems at the end of the month
- Mowed natural areas
- Cleaned creek crossings
- Began cleaning underbrush around course that cause blind spots on path
- Trimmed trees that disrupt mowing equipment
- Installed new drains on 12 and 13
- Removed storm damage on 12 berm area
- Installed new digital job board in breakroom.
- Tree contractor removed trees on 3,8,9,10 & 16
- Installed 5 irrigation heads around 14 fairway bunker to maintain better quality rough
- Completed pre-emergent application on all Zoysia grass areas
- Began rough pre-emergent application
- Upcoming drain and irrigation projects
 - Install irrigation heads at 9 fairway bunker
 - Install new green surround heads left of 4 green
 - Install drain in 8 rough area
 - Greens aerification

Chris asked James to share what equipment has, and will be, purchased in 2017

James reported the purchasing of a mobile fan unit. The location that needed the fan was too expensive to run power to rather than a buying a mobile unit. The cost is cheaper not to run power to it and in addition can move it around as needed. Sometimes a fan is only needed a day or two.

Council Liaison Sipple asked are there new drains left of 12 by the creek. Is drain on 13 by the fairway or the green?

James responded drains are between the creek. It was swampy and they were filling up with silt. They cleared out the area putting in drains and capping one.

Chair Fuller commented 13 is completely changed. It looks great and the flooding has been alleviated.

Council Liaison Rawlings asked what the decibel level of the new fan is.

Mark commented the fan is louder than the generator that powers it.

Leo added he has noticed how the bridges seems much quieter compared to before.

James commented replacing the planks and bolts on the bridge has helped the sound. This year he plans to replace the tractor, and accessories that go with it. The sand pro addition, vacuum replacement and new Tri-plex with transitioning of accessories from the old to the new.

Council Liaison Rawlings asked if the equipment was purchased through the City for a better price or discounts.

James responded that it depends on the company. Toro gives a better discount going through Troon. The backhoe and tractor were cheaper through the City discounts.

Leo commented he has had problems reaching the ball off the green on 4 & 14. Is it ok to drive down there and come back?

Chair Fuller added many in his group that he plays with have commented on the distance.

James stated #4 will change because the bunker is gone so it will have exit point. They can move the traffic back and forth using it exclusively. Perhaps take the path back there another 100 yards.

Alec asked when will being able to play off the cart path occur. Will it depend on the Zoysia?

Troy commented they have had some conversations about the cart path on 13 and 15. When it is dry enough they will look into changing this and making some kind of access point. Need to get some pricing. James needs to put in concrete where it is hidden. Two out of three holes are hard to get to, which slows down play. It will be an expensive project.

James mentioned removing the bunker will help.

Chair Fuller added he plays with the seniors and cart paths hills can be a challenge.

Council Liaison Sipple asked about the last payment of the carts lease. How many carts do we currently have?

Troy answered 74 carts. The last payment was in January. Processing the new carts through Troon saved \$20,000 on the order.

Troy stated \$103,000 a year previously and now \$86,000 for this year with the same set up.

Chair Fuller asked why a better price.

Troy responded not sure why but the trade in of the old carts totaled \$300,000. He know it has gotten very competitive.

Council Liaison Sipple questioned if the carts had the same charging equipment downstairs.

Mark asked where will the carts be housed.

Troy answered the carts are in the rain shelter underneath. Yes, the same charging system will be used.

III. 2017 Business Plan

Chris explained that the reason she put this item on the agenda again is that is traditionally been sent to council for acceptance. Since this board only meets two to three times a year we are just now getting to it. What information do you want in relationship to the business plan?

Leo ask will the plan be the same format as the last 20 years.

Troy asked the board what part of the business plan they would like to go over. Maybe go over upcoming projects, revenue production, and marketing plan.

Chris stated some of the information has been redundant and contains a lot of minutia that may not be relevant, or desired by the committee or council.

Troy shared who the competition is for Ironhorse and most everyone in the room understands that.

Leo added maybe put a link to be able to go over electronically.

Chris commented it would be good to have something to take to Council first part of April but we will not be meeting again until May.

Council Liaison Sipple asked when the last time the course made budget was. Do what you need to do to make the plan work.

Alec added why don't you revise the budget.

Chris commented she thinks the clubhouse will make a difference but specifics revenues are unknown. Capturing the wedding business being turned away at the Lodge will make a difference.

Chair Fuller stated receptions are booked out 16 to 18 months in advance at the Lodge. It will take some time to build the business. The Lodge is giving referrals when they can. It is best not to get the expectations too high.

Troy added we are going to be in the game.

Council Liaison Sipple added letting the Council know about the positive thing is always helpful.

Troy stated that they are advertising on websites, Wedding Wire and *The Knot*. It makes some brides nervous when they are told we are not open yet. He thinks this will increase after March when the space is further along in completion.

Council Liaison Rawlings asked how about trade shows and using local magazines, and other media to get the word out.

Alec asked Troy if he is the sales force.

Troy answer yes for right now he is doing it this year. The goal is to bring someone on when the space is up and running but probably not until 2018.

Alec asked if the person will be from Troon. Will they be like a banquet manager?

Troy stated that they will work for Troon and it may be a part-time position.

Alec commented he wanted to echo what Council Liaison Sipple had said. It is best to under commit and over perform. The business plan needs to reflect closer to the bottom line. People want to see hope.

Council Liaison Sipple asked how far we missed budget wise in 2016. Wasn't it close to \$390,000?

Troy stated that he is building the 2018 budget and plans to take their advice.

Council Liaison Rawlings suggested have a grand opening and invite the Leawood Chamber.

Council Liaison Sipple asked if the Chamber has a golf outing coming up soon.

Chris answered it is in April and the clubhouse will not be ready. The after hour event is August.

Troy added he doesn't know when this major wall will be gone. It will be much easier to see.

IV. 2018 Budgets/ Capital Equipment

Chris commented adding these items to the agenda since it is something that is being worked on right now. It is good to talk about expectations and the bottom line.

James stated many irrigation items will need to be included.

Mark commented he would like to have a line item for fence maintenance. The perimeter fence by 151 street and Nall is leaning. It is mostly behind the tee box on 15 and is visible when you drive by.

Council Liaison Sipple asked is this a result of a car crash or settling.

Mark answered it is more settling with a lot of brush. It is a key point for the golf course looking from the road. The finials are plastic and need to be replaced.

James responded finials are now in the budget every year instead of every other. That particular section of fence doesn't have finials. Some of the fence belongs to the home association.

Leo stated just thinking about the budget and looking back in the past the challenge seems to be on the revenue side. Not sure how that can be improved. Wondering when they will break even or complete the debt reduction.

Council Liaison Sipple responded the debt was retired from other City revenues in 2015.

Chair Fuller stated James can only do so much in keeping expenses down. Troy can only do so much to improve the revenue at this time with what he has inherited.

Troy added his guess is that the next step is hearing from our pass holders about concerns of too many outings. We should now be a serious contender for large outings. Before we couldn't seat the a large number in the clubhouse

Alec commented the budget is \$300,000 off on the revenue side do a more realistic budget. An actual better forecast is needed so the variance isn't so bad. It is too hard to improve that. Fixed expenses do not move that much.

Mark commented the course is an amenity like any other public park. It seems like it is at the maximum level. We can't raise prices unless another golf course goes out of business.

Leo asked what percent of capacity is being strived for.

Troy answered the prime time rental is around 65%. It balances out including Monday-Wednesday.

Council Liaison Sipple added that hotels only run at 65%

Troy added if you look at those days individually. It is not out of the question to see revenues improve.

Leo asked would it ever get to 80%.

Troy responded not in this industry or this market.

Council Liaison Sipple asked how many rounds is the 2017 budget based on. Is it about 24,000? How much does the average golfer spend?

Troy reported it is based the average amount; around the \$40 to \$46 range.

Council Liaison Sipple stated so 1000 rounds is \$40,000. You need to make up 9000 rounds to push revenues to break even.

Troy stated that larger events produce more revenue than individual rounds. If it works out, as the Lodge doesn't have a lot of overhead and there is a rental fee that is a substantial amount of money. He doesn't think it is out of the question for a substantial increase. The clubhouse expansion should help make this a \$2 million facility.

Chair Fuller added an average reception is about \$4000. It has worked out well. There is a potential revenue increase. The Deer Creek clubhouse was making much more than the golf course was making.

Alec asked do you contract with the caterers and do you mark that contract up.

Troy responded yes about 10%.

Chair Fuller stated if there are not any other questions let's look at the clubhouse expansions.

V. Clubhouse Expansion Update

Chris reported Brett told her that the framing will begin on Saturday and the sheet rock will start next week. Still waiting on the windows; the storefronts are scheduled the big ones that are schedule to come tomorrow and the remaining windows on Thursday. They are coming from different manufacturers. One change order went through this week. On March 6 another change order will go to Council. KCPL will pay for upgrade to the transformer. We will absorb the meter can installation of \$2000. The changing out of the stair treads is another \$3000. The stairs were ok for golfers but a safety factor for ladies in heels during a reception.

The golf pro shop modifications will be starting soon. They will working on the soffits. The double doors will match and allow the ability to close off rooms. People can also come in through the front door. The area will still be secure.

Alec asked if a golfer could still come into the snack bar.

Troy responded the snack bar would be open during normal hours. The hallway to the pro shop can be closed when we have an event.

Chris stated it would have been more efficient to have gas heat. The original building was constructed with electric. It would be too expensive to change the facility over to gas.

Council Liaison Sipple asked if the project will come in under \$1.9 million.

Chris stated she certainly wants it to come in under \$ 2 million. The change order will make it \$1,947,300. She said it is likely there will be an additional change order or two but this is unknown at this time. There is a leak somewhere on the northwest roof that is affecting the siding that needs to be investigated. The sprinkler system needs to be brought up to code because some of it is out dated. This could be \$15,000 expense that is not a part of the remodel. This is a safety condition that needs to be addressed.

The security and audiovisual systems have already been approved and it will be an improvement overall.

Alec asked if Wi-Fi will be available.

Chris answered yes the whole package is an overall better experience.

Chair Fuller asked will be doing the landscaping as a part of our contract.

Chris stated that it will be done in house. The exterior of the building will also receive a fresh coat of paint with a color change. The trees will remain and the beds will be refreshed in the front.

Council Liaison Sipple asked if there was anything about the roof joist.

Chris answered some of the corners look as if they are sagging. Joe Johnson from Public Works came out to look. He has directed his staff to consult with a structural engineer to look into it and provide a report. The roof tile is very heavy and it goes out 10 to 12 feet. She doesn't have any numbers yet and will know more after the inspection.

A motion was made by Alec Weinberg to adjourn the meeting.

Mark Bodine seconded the motion.

The meeting was adjourned at 7:53 p.m.

Respectfully submitted,

Chris Claxton
Director of Parks and Recreation