

IRONHORSE  
Golf Club



**GOLF COURSE COMMITTEE**  
**Minutes of May 31, 2018**  
**5:30 P.M. – Ironhorse Golf Club –Vista 154**

Members attending: Chair Dick Fuller, Adam Abrahams, Tommy Davidson, Leo Morton, Dr. Greg Peppes, and Scott Picker

Member absent: Mark Bodine

Troon Management Staff: Troy Newport and James Kennedy

Council Liaisons attending: Mary Larson and Chuck Sipple

Staff attending: Chris Claxton and Camille Sumrall

Chair Fuller called the meeting to order at 5:45 p.m.

Chair Fuller made a motion to approve the February 15, 2018 meeting minutes. Dr. Peppes moved the motion. Leo Morton seconded the motion. The minutes were approved unanimously.

**I. Operations/Financial Report**

Troy reported that overall rounds were down compared to April 2017 due to inclement weather. The Triple Crown Pass Holder program has been a success, especially in the under 40-age bracket, which was capped at 15 members and sold out quickly. The total number of Triple Crown Pass Holders is up from 81 members to 97 members over last year. All pass members have been prorated so they will all renew at the same time of the year, which streamlines the renewal process.

Golf shop merchandise inventory value is down 10% and we are keeping a close eye on cost of goods sold, inventory quality, inventory quantity, and inventory turnover. Golf Shop inventory value is down compared to past years when they have carried high-end merchandise. We are now requiring a fee of three dollars per person be purchased in gift cards for anyone participating in a tournament. These gift cards can be used as tournament prizes and will hopefully result in more golf shop sales. Golf shop expense is down by about 5% from January to April 2018 due to eliminating a full time position. We are also having a tough time hiring seasonal and full time employees due to lower pay rates compared to other industries and lower unemployment rates than usual.

Facility revenue is up compared to last year because Vista 154 was not open until June of 2017. Weekend events for 2018 are booked out about 6 months in advance, weekday events are slowly picking up, once June starts, we will have about three golf events a week. Wedding rentals start at about \$3,800 with a \$500 deposit and typically have food and beverage service added to package. Hourly venue rentals require a \$250 deposit and neither deposit policies have been met with any resistance. We have hired an event coordinator, Lisa

Hyatt, to take care of venue showings, client meetings, and on-site venue management on the day of the event. Troy is still taking deposits and running financials for the venue space.

Financial goals for 2018 include keeping payroll and operating expenses consistent with previous years, and increasing revenue. Dynamic pricing has been built in to this year's fees and have resulted in several instances of \$80 greens fees.

Leo asked if Troy had seen this year's golf course rankings in The Kansas City Business Journal. The courses were rated on slope and price. Ironhorse was ranked #3 on slope and #2 on price. Overall rankings were great for Ironhorse, even when public and private courses were listed together.

Council Liaison Sipple asked if there were any amenities that potential Vista 154 renters thought the space lacked.

Troy responded that the one amenity wedding renters thought the space lacked was bridal suites where bride and groom can congregate with wedding party pre-wedding. He did not think it ever stopped any potential renter from renting. There is a room for the bridal party to get ready, but it is smaller than most other venues bridal suites. On the internal side, the space lacks storage for chairs and tables.

Marketing and Operations: low cost marketing plan includes advertising in Wedding Wire and The Knot. Wedding Wire is a Troon national vendor, and has been more successful than The Knot. We also utilize paid advertising through Facebook, which results in high engagement but not necessarily sales, which is typical. We send out email blasts through their website software. Participation is high in organized competitive golf events, particularly women's events, Junior League events, and senior events.

Troy noted June is National Ladies Golf Month. The ladies leagues have grown, especially the Wednesday night nine hole league.

Dr. Peppes asked if they had considered including a gift card fee for First Tee and USGA programs.

Troy responded that he thought that was a good idea and would like to discuss it more in the near future.

## **II. Golf Shop Merchandise Operations and Status**

Troy informed the committee that the City's general financial reporting for the golf course does not show revenue broken down by department, which can be misleading particularly regarding the golf shop. The City's departmentalized report on golf shop expenses, which includes golf shop merchandise sales minus cost of goods plus \$200,000 of payroll, does not include any golf revenue (greens fees, lessons, cart rentals, and driving range). Troon's financials are broken into four departments: Golf, Course Maintenance, Food and Beverage, and General Administration. Several departments, Course Maintenance and General Administration will never be profitable because they are purely expenses. The golf shop is profitable, thus far in 2018 at \$169,000 NOI.

Chris added the City Administrator had questions on the Golf Course profitability in December and they discussed making the shop more profitable. Strategies include short-term sales in the Golf Shop, sales incentives for employees, and e-blasts to all contacts in their list.

Troy responded that there were several problem areas including categories of merchandise that were priced too high, which led to little turnover. They are focusing on purchasing high quality but lower priced items that will turnover quicker. Inventory value is 20 percent lower than the previous year, which is good for the cost of goods sold rate.

Council Liaison Sipple asked for Troy to comment on pro shop employees being incentivized on sales.

Troy responded they had several contests for employees who had the most sales monthly, and the winner would receive a gift card. This can be detrimental to cost of sales, which is important. Upselling is also a key strategy including asking customers if they need to add golf balls or tees to their purchases. Troy also noted a large amount of our sales come from a small customer base who are happy to pay full retail price.

Council Liaison Sipple asked if there was a discount offered for people who take lessons at Ironhorse, particularly a coupon valid only the day of your lessons.

Troy noted that Troon has a rewards program that offers rewards for money spent on greens fees, merchandise, and lessons.

Council Liaison Larson noted that the high standard of course maintenance has a direct effect on the golf shop sales. People will be happy to purchase a shirt from the course after they have a great experience playing it.

### **III. Course Maintenance / Projects Report**

James informed the committee that during March and April the course maintenance staff prepared the course for late spring and summer play. Preparation included repairing leaks, filling sand in bunkers, repairing irrigation as needed, and general landscaping. Capital equipment was ordered April 3<sup>rd</sup> including three carts, a greens mower, and skid steer, all of which have arrived on property. During May, sod was placed on trenches after removing a large amount of rock. The last week of May a contractor was on sight to help locate a leak on the mainline of irrigation. The irrigation system is about 20 years old, and every year the ground settles and shifts causing necessary maintenance on the pipes. Temperature swings have pushed back the greening of the zoysia grass. Zoysia has been harder to grow due to less snow coverage and flood damage in the past year.

Troy stated the synthetic tee material has been installed on the range. The synthetic material is a much better option for extended playing during the off-season and golf events.

Staffing: four of the six open positions have been filled, but several full time staff have moved on. Craig Chatfield is the new full time second assistant. All full time positions, except the irrigation technician position, have been filled. Jeff was the mechanic for 18 years who unfortunately left to live in Florida.

Council Liaison Sipple asked if Great Life Golf Course has poached any staff.

Troy responded that he did not think so and the biggest threat was Top Golf poaching servers. Landscaping companies are a poaching threat for course maintenance as they typically have higher pay rates and better hours.

#### **IV. Miscellaneous**

James informed the committee that a crushed drain tile coming from 153<sup>rd</sup> street runs underneath the fourth tee and back out to the creek. The hole has sunk three times and been refilled. The contractor estimate last year was approximately \$34,000 for the repair. Leawood Public Works inspected the drain line connected to the tile and there is approximately 80-100 feet of damaged or crushed pipe.

James informed the committee the creek is undermining the soil towards the cart path on number 9 as it approaches the green and soil is pulling away from right side of path. Continental Engineers is on the final stage of planning to move the cart path away from the creek. The plan will be better for golfers as well because it lessens walking times. Carts may potentially be allowed to drive up to the front of the number nine green once the path is moved.

Chris informed the committee that this is the most economical plan.

Council Liaison Sipple asked if the ninth hole cart path project would take place in 2019.

Chris responded that is was hopefully a 2018 project depending on what bids are received.

Council Liaison Larson asked what the useful life of an irrigation system is. When will Ironhorse need to replace their irrigation system and when or if is it in the capital improvement budget.

Troy responded that irrigation systems usually last from 25-35 years depending on how the ground moves and quality of the system. The pump station also will last approximately the same amount of time. The sprinkler heads will also need to be replaced; there are approximately 950 sprinkler heads in use.

Chris responded that there are several other important unfunded projects in play. It is important for the committee to prioritize which projects happen first.

James informed the committee that tree maintenance has been taking a large amount of attention. Homeowners have been commenting more frequently about trees on the course disrupting views and asking for help maintaining trees.

Chris informed the group that there have been several complaints about the new Fairways of Ironhorse building. She is working with neighboring residents to address their concerns.

Leo made a motion to adjourn the meeting.

Dr. Peppes seconded the motion. Motion Approved. The meeting adjourned at 7:00 pm.

Respectfully submitted,

Chris Claxton, Director  
Parks and Recreation Department