

IRONHORSE
Golf Club



Ironhorse Advisory Board
Minutes of October 25, 2018
5:30 P.M. – Ironhorse Golf Club –Vista 154

Members attending: Chair Dick Fuller, Tommy Davidson, Leo Morton, Mark Bodine

Member absent: Adam Abrahams, Dr. Peppes, Scott Picker

Troon Management/Staff: Troy Newport, James Kennedy, Jeff Thomasson, Mitch Harrell

Council Liaisons attending: Mary Larson and Jim Rawlings

Council Liaisons absent: 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 May 31, 2018 meeting minutes. Leo Morton moved the motion. Mary Larson seconded the motion. The minutes were approved unanimously.

I. Discuss Fee Recommendations for 2019

Troy informed the group that the pass holder fees were not changed at all last year. He suggested increasing the non- resident Triple Crown Pass renewal by \$80.00, which brings the total to \$2,949.00. He suggested increasing the Triple Crown Pass for Leawood residents by \$100.00, which brings the total to \$2,799.00. The senior rate for Leawood resident Triple Crown Pass Holders will increase by \$100.00, which brings the total to \$1,750.00. The senior rate for non- residents will increase by \$50.00, which brings the total to \$2,049.00. The rates for Intermediate Pass holders, who are pass holders under 39 years of age, will increase by \$150.00, which will bring the total to \$2,149.00. The previous year's Intermediate Pass Holder program sold out at fifteen passes. For the 2019 season, there will be twenty Intermediate Passes available. We would like to stay right around 100 pass holders total for the season. If there is a large number of pass holders, their play erodes public play and outing play. Part of this year's financial success is due to outing play and we want to stay cognitive of that fact.

Vista 154 rental fees have changed to an all-day access pass. The all access non-resident rate for any date, including weekends is \$3,800.00. The resident rate for the all-day access rental is \$3,500.00. This package includes linen rental, use of the A/V system and event planning. There will still be an option to rent the facility at an hourly rate with the additional services such as linen rental added on separately to the hourly rate.

The public daily golf fee or "rack rate" has moved up to \$74.00 and \$59.00 for non-residents. The resident public rate has moved to from \$48.00 to \$49.00 and \$58.00 to \$59.00

Chair Fuller asked what the current senior rate is.

Troy responded it would be staying at \$38.00. He added that he only mentioned the rates that will be changing.

Mitch added that with a large number of pass players you erode your fees and take up top tee times.

Jeff asked what the full day rental rate is for Lodge at Ironwoods.

Chair Fuller responded the resident rate is \$3,355.00 for 12 hours and \$2,800.00 for 10 hours.

Jeff added that the Triple Crown Pass rates are very attractive and priced correctly for the amenities provided.

Jeff asked when the fee recommendations would go to City Council.

Mitch suggested that Troy send out a rate sheet that illustrates the rates recommended to be changed.

Chair Fuller asked if we need to make a motion this evening to approve the proposed 2019 rate changes.

Chris responded that if the board would like to look at a rate sheet then vote electronically that would be fine. It will be helpful for everyone to see it on paper instead of just verbally.

Chair Fuller asked what percentage of pass holders are Leawood residents versus non-residents.

Troy responded that about 35 percent of pass holders are residents.

Chris stated they are in the process of also recommending a new corporate pass holder.

Troy explained that the Fairways of Ironhorse has expressed an interest in this type of pass.

Jeff asked why the early, similar corporate program went away in the first place.

Chair Fuller stated that the program never fully got off the ground. There was not enough interest in the program for it to sustain.

Troy stated the catalyst for bringing back the corporate program is the captive audience such as the Fairways of Ironhorse. The corporate pass would be open to all Leawood businesses and LLC's. The guidelines for obtaining the corporate pass will be strict. There payment must be in full at the onset and there will be a maximum number of passes sold per business. The business must be in the city of Leawood with an official corporate seal. The program requires the corporation to purchase five passes together at one time, which are nontransferable.

Mitch asked what the difference on the passes would be.

Troy responded the cost would be \$300.00 less.

Jeff stated that the corporate purchase would also require the business to spend a set dollar amount at the facility on events and lessons.

Jeff asked where the Fairways of Ironhorse management believes the customers will come from. Do they believe they come from the local market or from out of town.

Troy responded the management at Fairways of Ironhorse believe the new residents would come from the surrounding area and not from out of town. They hosted a renter prospect night here at Vista 154 that had a great turnout of about seventy people.

Jeff asked if there is a way to customize the program into a point-based system. The Villas of Ironhorse may potentially purchase points for the golf course and lets the residents use a set amount of points on food, lessons, or golf rounds.

Troy responded yes, that is a possibility, but it needs further discussion.

ii. **Operations/Financial**

The group received two financial statements, one standard financial statement with overall operating income and a second statement that attributes revenue by department.

Troy informed the committee that it is atypical in Troon finance reporting to attribute revenue to course maintenance.

Jeff asked what the benefit was of attributing revenue to golf course maintenance.

Troy stated that it was a way to determine if the golf shop was profitable without attributing greens fee revenue to the golf shop.

Chris added that they were having trouble communicating that the golf shop expenses were more than just cost of goods sold. The golf shop financials included other expenses and salaries that were not limited entirely to golf shop sales.

Troy informed the group that September has become the number one month for golf outing event revenue. They had approximately fourteen outings in September, sometimes several a day. June and September have become the most popular outing months.

Chair Fuller asked what the maximum number of golf outings a month they can host is.

Troy responded that about fourteen is the max; after that, the outings start cutting into regular players' course time too much.

Troy stated that there is slightly less overall revenue in September this year but there is approximately \$10,000.00 more in net operating income. Expenses, including payroll have been lower this year which has contributed to a more profitable year.

Chair Fuller stated maintenance expenses should not be lowered to the detriment of the course.

Troy stated that in 2018, payroll expenses were lower due to vacancies in course maintenance positions. These vacancies can only be sustainable for a short period of time, not long term.

Chris stated that this year had a large amount of precipitation and the investment they made in new bunkers has proven to be very beneficial.

Jeff asked how many bunkers we lose now versus previously; before the new bunker investment.

James replied that the rebuilding of the bunkers takes about a quarter of the time it used to take. It is much more efficient than before and people can get back to playing the course much faster.

Troy stated event income is up this year because it is the first time we have had a full year of event income for Vista 154.

Jeff asked if we attribute any golf revenue from tournaments to event revenue.

Troy responded they do not attribute any golf revenue to events revenue. They would like to have more non-golf-based events a year and are working on a promotional strategy.

Chair Fuller asked why food and beverage revenue has only gone up approximately \$10,000.00. He stated he thought it would be more with Vista 154 being open a full year.

Troy responded that most weddings or larger events will use an outside caterer. The kitchen here is small and cannot produce a large amount of food. We should keep that in mind making improvements to the clubhouse in the future.

Chair Fuller added that sometimes it is an added benefit to let clients bring in their own caterer.

Jeff added that there is a market for turn-key events as well.

Chris added that clients cannot bring in their own alcohol for events at Vista 154 and that Troon will be paying us \$25,000.00 more dollars for the liquor sales fees.

Mitch added we are approximately \$75,000.00 up in revenue for the year, including the additional \$25,000.00 Troon is adding to the liquor sales fees.

Jeff added that rental business will continue to grow as word of mouth grows. Most clients book a rental space about eighteen months in advance so they will start booking more events soon.

Chris added that the alcohol prices at Vista 154 are very reasonable.

Troy added that we do not want to lose business based on alcohol prices, which is why we are so reasonable. We allow clients to buy beer by the keg which is not typical for event spaces.

Troy continued that in addition to being up in rental revenue we are also up in total number of rounds for the year and it is only October.

Chair Fuller stated that he can speak for the committee and he is very pleased to see that we have 101 percent in cost recovery year to date.

Leo asked if the council was given projection on the financial recovery time of the new Vista 154 space.

Chair Fuller responded that the council was given a five-year estimate but it will like be more like seven years.

Council Member Rawlings asked what the reaction from rental groups to the new space.

Troy responded that one thing the space lacks is bridal and groom rooms.

Chair Fuller stated that it is also a problem at the Lodge at Ironwoods. We knew that would be a problem when we built the space, unfortunately we were already at the budget limit.

Chris stated she has had great feedback from renters on the customer service in addition to the space itself.

Council Liaison Larson asked if they had given any thought to utilizing any open space in the off season for indoor golf hitting bays. It would utilize instructors and provide an added benefit for pass members. She stated that Hallbrook County Club has transformed their cart barn during the off season to indoor hitting bays, they store their carts off site. She added that the indoor space at Hallbrook is frequently busy and members seem to really enjoy the added playing time during the year.

Troy responded there may be space below the club building to utilize. The space would need to be heated, but it may be an option.

Mitch added that if they bought the equipment, they would need to find a way to monetize it to pay for it.

Chris responded that they will brainstorm about the idea and revisit at an upcoming meeting.

III. Course Maintenance / Projects Report

James informed the committee month-by-month of course maintenance and projects:

June

They completed their regular landscaping for the summer months. They also sodded half of the tee at the driving range; they moved the cool season portion back to the new synthetic area. The back fifty feet of the tee is newly sodded, twenty feet of blue grass and thirty feet of zoysia grass. They also finished sod work around greens and flood damage around cart paths. They also completed fence repair around the course.

July

They re-grassed some areas that had chronic growth problems due to shade and traffic. The areas with chronic growth problems have replaced zoysia grass with fescue grass.

August

They removed all old ball washers and upgraded them. Previously they have had ball washer at every hole; now they have new ball washers at every other hole. They have also upgraded all trashcans on the course. They have completed all fence repair on the course due to flood damage from the previous year.

September

During September, there was a water leak on hole fourteen. Tree roots crushed a restroom pipe coming from below the creek. They spent several days in the woods trying to locate the leak. It was difficult to find where the leak was going since it was running below the creek. Public works Director David Ley worked very hard to find the source of the leak. They also worked hard on fall planting and course upkeep for several large events. They completed the re-sodding of the rough and high traffic areas with reseeding and fertilizer. They are also getting the fall application on zoysia patches.

October:

The month started with flooding so they are working on cleaning and adding sand to bunkers.

James added that expenses have been down due to several full-time positions being vacant. The positions, including a full-time mechanic and irrigation specialist have been hard to back fill.

Upcoming projects:

1. Kissick Construction will begin working on a drainage issue near hole four; that project will begin early November.
2. Number two landscaping is being completed.
3. Will replace bunker liners on approximately four bunkers, they are all under warranty.
4. The number nine cart path relocation project is in the works; they are working on project details and cost.
5. During the winter they will be working on debris and tree removal.

Troy reminded the committee that the number nine cart path needs to move closer to the hole and further away from the creek bank that is eroding.

Chris added that we are anticipating there will be FEMA money to help move the cart path since erosion is due to flooding.

Leo added that Congressman Yoder is Chairman of Homeland Security which oversees FEMA. We may want to reach out to him if we have any issues.

Chair Fuller asked when they will need to address the larger issue: creek erosion.

Jeff thought that the cart path relocation would buy them about 15 more years.

IV. Miscellaneous

Mitch thanked the City of Leawood in the trust that they have shown him and Troon Management. He announced Jeff Thompson will be moving into the Troon Scottsdale office as a Vice President of Operations. Mitch will be turning over immediate oversight and the Corporate Liaison role at Ironhorse to Jeff Thompson.

Chair Fuller stated that he was very proud and happy to have Jeff come back as Corporate Liaison, but we will miss Mitch greatly. Mitch has always been a great advocate of Ironhorse and the committee and City of Leawood and we thank him for that.

Chris thanked Mitch for all of his hard work on making the golf course live up to its potential.

Chair Fuller stated that the Mayor is especially happy with Troon's management.

Chair Fuller made a motion to adjourn the meeting.

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

Respectfully submitted,

Chris Claxton, Director
Parks and Recreation Department