



Hidden Creek Golf Course Golf Cart Purchase

City Council Presentation, March 4 ,2024

Staff Presenter: Jen Basham, Director-Parks and Recreation

Background

- The current fleet of 80 golf carts was purchased in February of 2019 along with 2 beverage cart units.
- These carts were funded via a loan from the proprietary equipment replacement fund and golf repaid the loan in full as of November 2023
- The typical life cycle of a flooded lead acid fleet is 42-48 months, putting our fleet up for replacement in FY 23
- During evaluation of replacement in 2023 it was determined that new batteries (\$98,107) could allow for additional years of life and allow for additional funding to establish sufficient reserves to fully fund cart replacement
- The fleet is now experiencing additional mechanical challenges requiring that we evaluate the replacement options prior to FY25



Current Cart Issues

- The golf cart batteries are operating well, but we are currently experiencing an excessive amount of other mechanical issues.
- Issues include brakes, micro switches controlling the pedal box, ball joints, and tire issues.
- The current daily average number of carts down is 10 to 15. Staff continues to make repairs, but new issues arise daily.
- To ensure that there are carts for every group staff is blocking tee times to account for the number of golf carts down.



Current Impacts

- During peak months (April – October), 10 to 15 tee times each day will need to be blocked to ensure there are enough carts for play
- Assuming 80% of those tee times are to be filled the number of rounds lost would be between 960 and 1,420 rounds
- The average rate per round for Hidden Creek is \$49.97 per round
- The average revenue loss per month during April through July would be \$48,000 to \$71,000



Proposed Solution: Club Car Golf Cart Replacement Fleet

Cart Acquisition via Cooperative Agreement

- 75 Lithium-Ion battery fleet carts
- 3 gas powered carts for staff
- 2 café beverage cart units
- 1 range picker cart

- Temporary gap fleet of 10 to 20 carts can be leased from Club Car to ensure guest needs until delivery of new fleet. Once agreement is signed, temporary carts will be available in 2-3 weeks. This agreement would be approved administratively.

- Current fleet of 80 EZGO and 2 beverage carts to be traded in
- Current range cart will be retained and used as a backup



Additional Service Recommendation: GPS Tracking

Cart tracking and Control

- Control over golf cart fleet with geo-fencing
 - Protect sensitive areas of the course (greens, tees, newly sodded areas)
 - Ability to keep the fleet on the cart path on wet days
 - Lock down the cart fleet at night
 - Speed control in designated areas
- Pace of Play Management and reporting
- Two-way messaging with golf carts

Golfer Experience

- 10-inch touch screen with hole views and yardages
- Approach views and detailed greens maps
- Food and Beverage ordering and reports
- Targeted advertisements throughout round



GPS Lease Cost and Funding

- Cost to per cart per month - \$50
- Total Annual Cost- \$45,000
- Lease includes hardware and service
- Operational expense outside of cart costs
- Estimated Revenue Increase- \$73,000
- Funding Source: Golf Operational Fund



Potential Revenue Impact of new carts and GPS

The current cart rental rates are significantly lower than local competitors. With the addition of GPS to the new cart fleet, a rate increase of \$2 on 9-hole rates and an increase of \$3 on 18-hole rates would be recommended. This would result in a revenue increase of approximately \$73,000 annually. If approved, a fee adjustment would be recommended once new carts are received.

FY 23 golf cart revenues	\$258,342
FY 23 golf cart rounds	36,578

<u>Current Golf Cart Rental Rates</u>		<u>Proposed Rental Rates:</u>	
9 holes - \$7	18 holes - \$14	9 holes - \$9	18 holes - \$17

<u>Competitor rates</u>		
Southern Oaks	City of Ft. Worth	City of Arlington
9 holes - \$9	9 holes - \$8.50	18 holes - \$18.00
18 holes - \$18	18 holes - \$17	

Purchase/ Lease Options

- Cost to purchase fleet - \$544,800
 - Inclusive of trade-in of \$1,700 per cart
- Estimated trade in value at end of life (4 Years)- \$283,500
- Cost of 15 Gap Fleet units - \$1,650/Month
- Funding Source: Proprietary ERF (Loan)
- Future Budget Amendment

- Cost to lease fleet- \$87,061.32/Year
- Total Lease Cost - \$391,775.94 for 54 months
- Cost of 15 Gap Fleet units - \$1,650/Month
- Funding Source: Golf Operational Fund
- Lease does not include maintenance. \$15,000 annual contract for inspections services/minor repairs available.
- Possible additional expenses for damaged carts

Financial Analysis and Funding Mechanism

Amortization Schedule

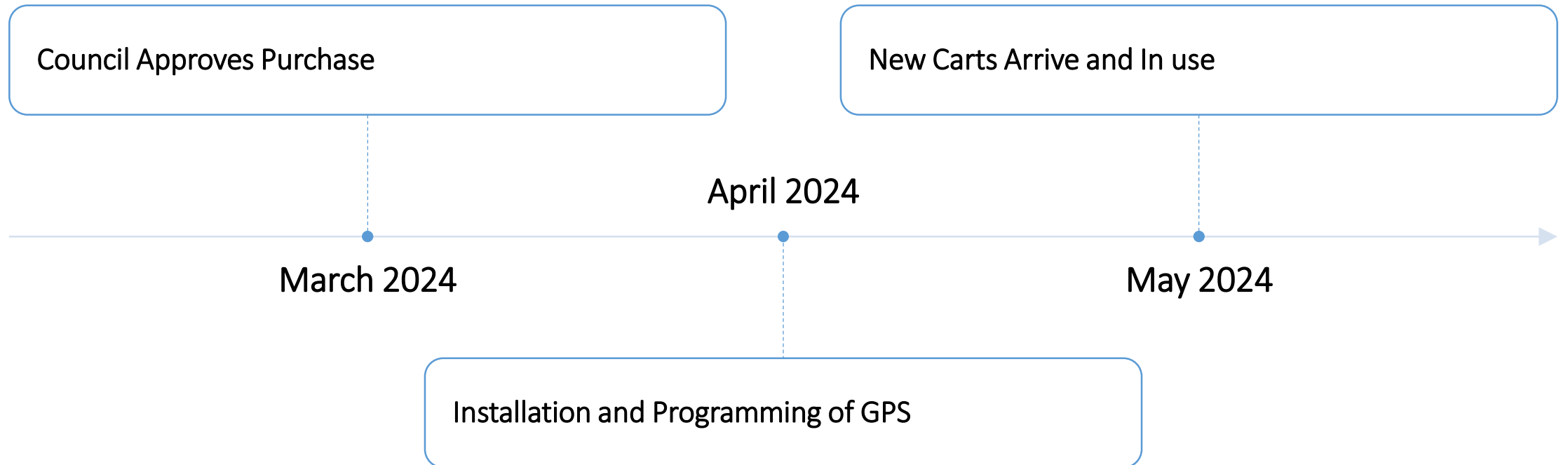
Year	Interest	Prinicipal	Ending Balance
1	\$25,865.57	\$60,520.03	\$484,279.97
2	\$22,769.25	\$63,616.35	\$420,663.62
3	\$19,514.53	\$66,871.07	\$353,792.55
4	\$16,093.28	\$70,292.55	\$283,500.00
5*	\$0.00	\$283,500.00	\$0.00

*Year 5 Payment is the anticipated Auction/Trade-in Value

Financial Analysis and Funding Mechanism

- Cost to purchase fleet \$544,800
- Estimated trade in value at end of life \$283,500
- Net amount to be financed with inter fund loan (5% interest) \$544,800
- Total interest amount \$84,242.63
- Total repayment amount \$629,042.63

Next Steps

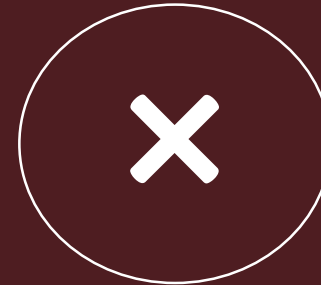


Options

Staff Recommendation



Approve Cooperative Contract for golf carts with Club Car in the amount of \$544,800.



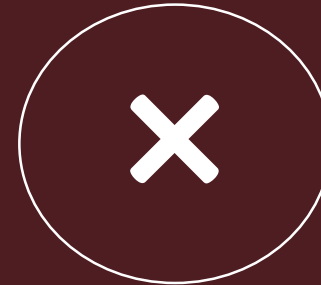
Deny Contract.

Options

Staff Recommendation



Approve Cooperative Contract for Golf Cart GPS with Club Car for 4 years in the amount of \$180,000.



Deny Contract.