

November 28, 2022

RCA Club Cart Purchase

Background Information

Tom Pagel, Barb Baird, Laura Pfeifer, and Bob Cahill met November 14, 2022 to discuss the purchase of the 50 Club Car Carts.

The golf course has historically had a Golf Cart Fleet of 50 Carts. Our current fleet consists of:

2011 Club Car Electric Cars quantity of 25

2016 Club Car Electric Cars quantity of 25

We plan to add 5 carts to our fleet by keeping 5 of the 2016 model carts.

Our five year CIP plan included the purchase of 25 new carts in 2023. However, with the value of used carts at an all time high it has been discussed and approved by our golf board, Tom Pagel, and Barb Baird to purchase 50 carts at this time and to sell the current fleet at a price that is significantly greater than the trade-in value offered by Club Car.

Our due diligence on the value of our golf carts leads us to believe we can expect to realize an additional \$ 40,000 above the trade-in value by selling our fleet to a golf cart broker.

Additionally, it was recommended by Barb Baird and Tom Pagel, at our meeting that we (the golf course) consider maintaining a consistently newer fleet of carts that will realize a greater resale value when purchasing new carts.

The plan we would like the council to consider:

The City purchases 50 carts in the amount of \$298,150 upon receipt of the carts approximately April 1 2024.

The golf course will sell all 25 of the 2011 carts and 20 of the 2016 carts to a broker for approximately \$110,000. This will go back to the city and leave a balance due to the city of approximately \$190,000

The golf course will pay the city back as follows:

2024 \$38,000 at the time of purchase

2025 \$38,000 at 2.5 % interest

2026 \$38,000 at 2.5 % interest

2027 \$38,000 at 2.5% interest

2028 \$38,000 at 2.5 % interest