



AGENDA ACTION FORM

Consideration of a Resolution to Purchase Golf Equipment for Cattails from STI

To: Board of Mayor and Aldermen

From: Chris McCartt, City Manager *CM*

Action Form No.: AF-100-2025
Work Session: May 19, 2025
First Reading: N/A

Final Adoption: May 20, 2025
Staff Work By: Committee
Presentation By: Michael T. Borders

Recommendation:

Approval of the Resolution.

Executive Summary:

If approved, the City will purchase eleven pieces of Toro Golf Equipment from Smith Turf and Irrigation in the amount of \$461,338.82.

Historically, Marriott Golf has leased golf equipment for use at Cattails, which is then expensed through the profit and loss statement and paid by the City. Due to the Management Agreement for Marriott Golf expiring December of 2027, Marriott Golf cannot hold a lease.

In February, the City issued a Request for Proposals (RFP) for golf equipment, including lease options. Following a financial analysis—which considered the use of short-term debt to replenish cash flow—it was determined that purchasing the equipment using the Fund Balance of the Regional Sales Tax Fund is more financially advantageous than leasing. As a result, the Board of Mayor and Aldermen rejected the lease proposals at its May 6 meeting and the RFP was reissued with a purchase option. The financial analysis is provided as supplemental information.

Equipment is expected to arrive between summer 2025 and winter 2026 equipment dependent.

The current monthly lease cost is \$7,763 through Smith Turf and Irrigation on a month-to-month basis. A new lease agreement would increase the monthly cost to \$8,126.69. Alternatively, purchasing the equipment with a 4.69% interest rate at 60 months would result in monthly payments of \$8,641. Over a 60-month period, purchasing would be approximately \$30,000 more expensive than leasing. However, beyond month 63, purchasing becomes the more cost-effective option, excluding any consideration of residual value. These pieces of equipment are not fleet assets and are maintained by golf staff.

A proposal for short-term debt for the Regional Sales Tax Fund will be presented in the near future. Funding is available through Cattails Golf Budget

Attachments:

1. Proposal
2. Supplemental Information

	<u>Y</u>	<u>N</u>	<u>O</u>
Baker	—	—	—
Cooper	—	—	—
Duncan	—	—	—
George	—	—	—
Mayes	—	—	—
Phillips	—	—	—
Montgomery	—	—	—