

EXECUTIVE BRIEF REGULAR MEETING

AGENDA DATE: December 7, 2021

DEPARTMENT: Leisure Services

TITLE:

Resolution No. 88-2021 approving the purchase agreement and the lease financing agreement for the new fleet of golf carts

SUMMARY:

Resolution 88-2021 authorizes a purchase agreement with Club Car, LLC, to provide 70 Electric Tempo Lithium Ion Golf Carts to the Lake Worth Beach Municipal Golf Course and the lease financing agreement with De Lage Landen Public Finance, LLC, to finance the purchase.

BACKGROUND AND JUSTIFICATION:

In August, 2018, the City entered into a four-year delivery and purchase agreement with E-Z-Go Division of Textron, Inc., and master lease agreement with PNC Equipment Finance for the lease of 70 golf carts for the Lake Worth Municipal Golf Course. Due to the COVID-19 restrictions on Golf cart usage the current golf cart batteries could not keep up with the usage demand and have become faulty. With the battery shortage, the cost increase to fix the current fleet, and the fleet at the end of its useful life, the City investigated alternative options to replace its current fleet and keep up with the demand for golf carts.

Based on an investigation of options, the best option appears to be entering into a new purchase agreement with Club Car, LLC, and 60-month lease financing agreement with De Lage Landen Public Finance LLC, for 70 replacement golf carts. The purchase agreement with Club Car, LLC, is under the Omnia cooperative purchase agreement (which is available for review in the Purchasing Division). The lease financing agreement provides the financing in support of the purchase agreement. The City's Procurement Code Section 2-112(e)(2) and City's Procurement policy allow for the City to purchase goods and services using cooperative purchase agreements. Club Car, LLC has agreed to satisfy the remaining payments and residual payment on the City's existing master lease with PNC. The Schedule of Payments under the new lease financing agreement provides for 60 monthly payments of \$5,530.00 by the City to De Lage Landen and a final lump sum purchase payment of \$213,500. The City's obligations under the lease financing agreement are subject to the annual appropriation by the City, and, therefore, do not constitute a general obligation or indebtedness of the City which exceeds more than one fiscal year.

MOTION:

Move to approve/disapprove Resolution No. 88-2021 approving the purchase agreement and the lease financing agreement for the new fleet of golf carts.

ATTACHMENT(S):

Fiscal Impact Analysis
Resolution No. 88-2021
Club Car letter to pay outstanding balance of PNC lease
Lease financing agreement with Florida Addendum

FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	2022	2023	2024	2025	2026
Capital Expenditures	0	0	0	0	0
Operating Expenditures	66,360	66,360	66,360	66,360	279,860
External Revenues	0	0	0	0	0
Program Income	0	0	0	0	0
In-kind Match	0	0	0	0	0
 Net Fiscal Impact	 0	 0	 0	 0	 0
 No. of Addn'l Full-Time Employee Positions	 0	 0	 0	 0	 0

B. Recommended Sources of Funds/Summary of Fiscal Impact:

Account Number	Account Description	Project Number	FY22 Budget	Current Balance	Budget Transfer	Agenda Expenditure	Balance
404-8030-575.44-20	Operating/ Capital Leasing		\$66,300.00	\$58,800.00		\$38,710.00	\$3,090.00

****SPECIAL NOTE****

Golf will expend approximately \$17,000 on its current lease which runs until February 2022. The new lease detailed above, begins March 2022. The reflected balance in the Fiscal Impact table takes into consideration the remaining \$17,000 to be expended.