

Memorandum



To: Mike Barton, City of Meridian, Parks Superintendent
From: Matt Allen, Vice President of Operations
Date: February 8, 2021
RE: **Lakeview Operations Assessment**

Since taking over the operation of Lakeview Golf Course on November 6, 2020, we have been evaluating the operations and condition of the course assets. Specifically, the condition of the golf carts and course maintenance equipment have been a recent focus.

First, the current Lakeview golf cart fleet includes equipment from 1994 and 2012. Ten of those carts are not running and will require about \$7,000 in repairs to get them operational. Because of the age of these carts, we cannot rely on them to make two rounds in a day, thus seriously limiting our ability to generate cart and green fee revenues.

We are proposing to purchase 54 new golf carts from the existing operating account at Lakeview Golf Course. The cost of this new fleet of golf carts is \$272,840.18 offset by a trade in amount of \$41,100 for a total cost to the city of \$231,740.18.

Secondly, nearly all the course maintenance equipment is also at the end of its life cycle. I attached a schedule of maintenance equipment which details that much of the current equipment is from a fleet purchase in 2004. In some cases, as that equipment became inoperable, more recent purchases of used equipment were made. In other cases, necessary equipment (i.e., grinders and aerifier) was liquidated to cover operating expenses.

Consequently, most of the equipment needs to be replaced and we categorized the timing of that replacement as either ASAP or in the FY 2021-22 Budget. Included in the ASAP category are the rough mower and one utility vehicle, (both currently inoperable) and the two greens mowers. While the greens mowers are operable, they are in poor conditions and would likely have increased breakdowns in the coming season. The immediate replacement of these machines stands to have a great effect on the condition of the putting greens, which is the number one factor in customer satisfaction. We inquired with the local TORO dealer and learned of the availability of a used mower sufficient to replace one of these mowers. As such, we are proposing to purchase a new rough mower, greens mower, utility vehicle, and a used greens mower. The total cost of this equipment is \$134,418.60.

The combination of proposed purchases for immediate golf cart and maintenance equipment needs is \$366,158.78.

Precisely because the start-up costs were unknown, City staff were wise to seek council approval for a \$700,000 budget for the operating and payroll accounts of the course. This has created a budgeted funding source for the immediate equipment needs, while still preserving sufficient spending authority to address future cash flow shortfalls of the business.

Finally, to provide context for this request, the attached maintenance equipment spreadsheet also details the replacements we intend to request as part of the FY 2021-22 budget. The listed prices are for new equipment, though like in the example above, if used inventory is available, there are instances where that could be an acceptable, if not prudent approach. Based on current Sourcewell Contract pricing for new equipment, those proposed purchases total an additional \$461k.