



Mayor Robert E. Simison

**City Council Members:**

Treg Bernt  
Joe Borton  
Luke Cavener

Brad Hoaglund  
Jessica Perreault  
Liz Strader

## MEMORANDUM

TO: Mayor Simison and City Council Members

FROM: Mike Barton, MPR Parks Superintendent

DATE: March 22, 2021

RE: Lakeview Golf Cart and Equipment Replacement

Since taking over the operation of Lakeview Golf Course on November 6, 2020, we have begun the process of evaluating the operations and condition of the assets at Lakeview Golf Course. This evaluation is ongoing and is a collaborative effort between City staff, course staff, the National Golf Foundation, and Kemper Sports Management. The assets that have risen to the top of everyone's list is the condition of the existing fleet of golf carts and certain pieces maintenance equipment.

The current Lakeview golf cart fleet includes equipment from 2012 and 1994 that needs to be replaced as soon as possible. Ten carts in the current fleet 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 limiting our ability to generate cart and green fee revenues. Additionally, the staff member that has been keeping the current fleet running by making constant repairs has decided to leave the operation.

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.

The License and Management Agreement between the City and WARD specifically defines responsibility maintenance and replacement of golf carts. Section E.5. states:

*City, at its sole expense, shall be responsible for replacing any depleted equipment and City shall be responsible for procuring any additional equipment that City deems necessary to meet its maintenance and operations requirements under the Agreement.*

As you are aware, a budget amendment of \$700,000 was approved by Council to fund the operating and payroll accounts of the course. The 700,000 is being deducted from the 2,800,000 that has been in the CFP since early 2020. Staff presented this level of funding in the form of an advancement, not because we thought the operation would lose that amount, but because we didn't know the level of deferred investment.

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 offset by a trade in amount of \$41,000 for a total cost to the city of \$231,740. We did investigate the possibility of leasing a fleet of carts and because a non-appropriation clause would need to be in the contract, it became apparent this is not an option.

We are also proposing to purchase a new rough mower, greens mower, utility vehicle, and a used greens mower from the existing operating account. The total cost of this equipment is \$134,418. The combination of proposed purchases for immediate golf cart and maintenance equipment needs is \$366,158.

We have been in contact with WARD about using the current fleet of carts (that they own) to defer some of the cost of a new fleet via trade in, and they have indicated a willingness to participate. When we move forward with this purchase, WARD will place asset disposal on a future agenda for discussion and approval.

Also attached for reference is a memorandum from Kemper Sports Management and a letter from the National Golf Foundation.

We respectfully ask for your authorization to purchase 54 new golf carts and the aforementioned equipment from the existing operating account at Lakeview Golf Course for a total of 366,158.00

