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MEMORANDUM

TO: HONORABLE MAYOR AND CITY COUNCIL
FROM: JOSHUA TETZLAFF, CITY ADMINISTRATOR
SUBJECT: GOLF CARTS AND UTILITY VEHICLES
DATE: DECEMBER 14, 2023

On November 20th, when the Enterprise Funds discussed their budgets with the Council, the Golf Club presented that it was interested in pursuing purchasing Golf Carts in 2024 to replace the 2017 fleet. The Golf Club collected bids from three different companies for four different products.

- Club Car: \$184,400 (\$359,400 price with \$175,000 trade-in)
- E-Z Go: \$212,000 (\$387,000 price with \$175,000 trade-in)
- Yamaha EFI-Q: \$275,040 (\$402,540 price with \$127,500 trade-in)
- Yamaha EFI: \$247,020 (\$374,520 price with \$127,500 trade-in)

Speaking with Kurt Ruehling, he recommends going with Club Car both for the price and for staff's experience with the vehicles.

The Golf Club is also asking for authorization to purchase two Utility Vehicles in 2024 for a total of \$28,500. These vehicles are used in a variety of tasks around the Golf Course. Attached is a quote from Cushman for the two vehicles.

For both of these purchases, the Golf Club is looking to use an equipment certificate, payable over five years. Under their current debt schedule, the Golf Club owes \$74,399 in 2024, \$66,902 in 2025, \$48,375 in 2026, and \$46,125 in 2027. A 2024 Golf Certificate would likely not see payments until at least 2025 and I estimate the payments would be between \$45,000 and \$50,000 for five years. I believe the Golf Club has the current fund balance to fund these purchases, but allowing them to bond does limit the spending in any single year should they need the cash due to a down year.

Recommendation

Staff recommends allowing the Golf Club to proceed with the golf cart and utility cart purchases in 2024, and issuing an equipment certificate along with the City's 2024 GO bond to cover the cost.