

INTEROFFICE MEMORANDUM

TO: City Council
FROM: Steven Schmidt, Finance Director
DATE: January 6, 2020



SUBJECT: Raintree Golf Cart lease – first reading passage

Raintree has requested to replace the existing Clubcar golf cart lease, set to expire at the end of 2020, with a new Clubcar golf cart lease. Below are the main takeaways for this opportunity:

- Currently, Raintree pays \$10,239/month (6 pmts/yr) for:
 - 70 golf carts
 - 2 utility carts (used by maintenance team)
 - \$61,434 annual cost
- This proposal would lower the cost to \$7,927.42/month (6 pmts/yr) for:
 - 74 golf carts (adding 4 carts based on rising demand at Raintree)
 - 1 range picker
 - They would get to keep the 2 existing utility carts (which are in good condition)
 - \$47,565 annual cost, savings of \$13,869 per year plus maintenance costs

The new agreement is based upon a 5-year lease, which is a typical term for golf cart fleets. I have included a copy of the quote for reference, as well as two competing quotes from Yamaha and EZ-GO. Obviously, there are multiple benefits to Raintree if they are able to take advantage – significant cost savings (\$13,869 per year plus maintenance), new fleet, new range picker, enhanced guest perception. They understand the potential concern over the multi-year lease and the vendor is allowing assignment of the lease to another entity should the City desire to exit the golf business. Given the budgeting timeline and advance time needed for potential production of the vehicles, they need to make a decision soon either way since the current offer only remains open until January 31, 2020.

We are requesting first reading passage because of the impending deadline and the fact that Council only meets one time during the month of January.

Please let me know if you have any questions.



2020 Clubcar Fleet and Range Picker QucRaintree Golf & Event



Yamaha Proposal



EZGO quote.pdf