

**CITY OF CHARLOTTESVILLE, VIRGINIA
CITY COUNCIL AGENDA**



Agenda Date:	October 21, 2024
Action Required:	Approve Resolution
Presenter:	William Bassett, Business and Golf Manager, Krisy Hammill, Director of Budget
Staff Contacts:	William Bassett, Business and Golf Manager Krisy Hammill, Director of Budget
Title:	Resolution for Golf Maintenance Equipment Replacement - \$350,000 (2nd reading)

Background

The agronomic maintenance equipment at Meadowcreek Golf Course is due for its life-cycle replacement. This specialized golf equipment is used to maintain the golf course and keep playing conditions in optimal condition. The current equipment, purchased in 2019, has an average lifespan of 5 years. Since the golf course is an enterprise fund, proper maintenance of the course is critical attracting new customers, driving rounds and revenues.

Discussion

The City explored leasing the equipment through the vendor using third-party financing. However, the interest rates for a lease of the equipment were not as favorable as the rates the City could obtain if it were to buy the equipment directly from the vendor and finance the purchase through bonds as part of the City's next bond sale. The City will save approximately \$60,000 (or \$12,000 per year) over the next 5 years by financing the purchase of equipment through the use of bonds instead of entering into a lease agreement. The City will also own the equipment outright and can sell it at a later date to offset purchase costs in the next cycle of equipment purchases.

Revenues generated from the Golf course will be used to pay for the annual debt service on the equipment which will be paid back over a period not to exceed five years.

Alignment with City Council's Vision and Strategic Plan

This resolution aligns with the Strategic Outcome Areas of Parks and Recreation and Organizational Excellence.

Community Engagement

N/A

Budgetary Impact

This action will be added to the City's Capital Improvement Plan and will be financed using bonds. The debt service for the bonds will be paid using revenues generated from the Golf Course.

Recommendation

Staff recommends approval of this resolution.

Alternatives

Council could choose not to approve the resolution and seek another means to purchase or finance the equipment.

Attachments

1. Golf Course Maintenance Equipment