

MEMORANDUM

TO: Park Advisory Commission

FROM: Colin Smith, Parks & Recreation Services Manager

DATE: December 20, 2016

SUBJECT: Resolution to Recommend Amending the Parks Maintenance and Capital Improvements Millage FY 2017 Budget by Appropriating Funds from the Fund Balance to Purchase Golf Course Maintenance Equipment from Spartan Distributors (MiDeal - \$354,770.92)

The attached resolution recommends the purchase of twelve pieces of maintenance equipment for the two City golf courses from Spartan Distributors, Sparta, MI, under the State of Michigan MiDeal cooperative purchasing contract #071B0200329. This includes two Toro Greenmaster 3150-Q, two Toro Reelmaster 5410-D, two Toro Groundmaster 3500-D, one Toro Groundmaster 4500-D, one Toro Groundmaster 7200, one Toro Workman HDX 2WD, two Toro Workman GTX, and one Toro Sand Pro 3040.

The twelve pieces of equipment will replace twelve pieces of existing golf course maintenance equipment. This includes a 1999 Toro GR3100 with 7,208 hours of use, a 1998 Toro GR3100 with 6,437 hours of use, a 2008 Toro GM3280-D with 2,357 hours of use, a 2008 Toro GM3500-D with 2,855 hours of use, a 2008 Toro GM3500-D with 1,547 hours of use, a 2008 Toro GM4500-D with 3,979 hours of use, a 1999 Toro RM6700-D with 4,575 hours of use, a 2008 Toro RM6700-D with 2,562 hours of use, a 2008 Toro Workman HD with 2,215 hours of use, a 1999 Toro Sand Pro 3000 with 3,592 hours of use, a 2008 Club Car Carryall II with 5,170 hours of use, and a 1999 Club Car Carryall with unknown hours. This class of equipment is usually replaced after seven years of service and all of these pieces have exceeded this standard.

Budget/Fiscal Impact

None of the equipment used in the City's golf course operations is in the Fleet Fund for replacement purposes. It is staff's recommendation that as new golf course assets are purchased, starting with this proposed purchase, that these assets will be included in the replacement funding process. This allows the replacement costs to be spread over the lifetime of the asset so funds are then available in the Fleet Fund when it is time to replace this equipment in the future. The future impact of the Fleet Replacement charges will be an annual amount of \$55,192.39 in the Parks & Recreation Services, Golf Courses General Fund operating budget beginning in FY 2018.

Golf maintenance equipment was last purchased for the golf courses in 2008. At that time the golf courses were in an Enterprise Fund and were not generating sufficient

revenue to cover expenses. As such, when the equipment was purchased the decision was made not to enter the Fleet Fund as this would have further increased annual operating costs. In 2013 the Golf Course Enterprise Fund was closed and golf course operations are now part of the Parks & Recreation Services General Fund operating budget. The aging maintenance equipment is in need of replacement again and staff recommends entering the Fleet Fund at this time so that in future year's new equipment is budgeted for and large one-time expenses are not necessary. A plan to replace all the golf course equipment has been developed and this is the first group of equipment to be replaced. Additional equipment will need to be replaced in the following two years following the same process outlined in this resolution.

Staff recommends that initial funding for the replacement equipment come from the Parks Capital Improvements Millage fund balance with ongoing Fleet Replacement charges coming from the golf courses General Fund operating budget.

Spartan Distributors complies with the requirements of the City's non-discrimination ordinances.

RESOLUTION TO RECOMMEND AMENDING THE PARKS MAINTENANCE AND CAPITAL IMPROVEMENTS MILLAGE FY 2017 BUDGET BY APPROPRIATING FUNDS

FROM THE FUND BALANCE TO PURCHASE GOLF COURSE MAINTENANCE EQUIPMENT FROM SPARTAN DISTRIBUTORS (MIDEAL - \$354,770.92)

Whereas, The Fleet & Facilities Unit needs to purchase replacement golf course maintenance equipment for the City's fleet;

Whereas, Spartan Distributors, Sparta, MI, was the lowest responsive bidder to the State of Michigan MiDeal Cooperative Purchasing Program (#071B0200329);

Whereas, Spartan Distributors complies with the requirements of the City's non-discrimination ordinances;

RESOLVED, That the Park Advisory Commission recommends approval of an amendment to the FY 2017 Parks Maintenance and Capital Improvements budget for \$354,770.92;

RESOLVED, That the Park Advisory Commission recommend approval of the issuance of a purchase order to Spartan Distributors for the purchase of twelve pieces of golf course maintenance equipment for a total amount of \$354,770.92 and the future budgeting of annual replacement costs of approximately \$55,192 in the Parks & Recreation General Fund operating budget to fund future replacements.