



MEMORANDUM

To: Mayor and Members of the City Council
From: Reginald Goodson, City Manager
Stacy Williams, Interim Director Parks and Recreation
Date: February 24, 2025
Subject: Urgent Decision on 5-Year Grounds Maintenance Equipment Lease Agreement

BACKGROUND:

The Elizabeth City-Pasquotank County Parks and Recreation Department (ECPC) is responsible for providing recreational programs, maintaining parks and facilities, and enhancing the quality of life for citizens through various leisure activities. ECPC currently oversees the maintenance of all parks, athletic fields, green spaces, golf areas, boat launches, and substations across forty-six (46) different locations, spanning from Weeksville to the Perquimans/Pasquotank County Line. As part of ongoing equipment management efforts, the department is in the process of sending two pieces of equipment, previously owned by the County before the departmental merger, through the County surplus process. These items include a 2005 John Deere mower and a 2004 Kubota mower. Due to the age of these mowers and the obsolescence of their parts, they are no longer viable for continued use and maintenance within the department's operations. The purpose of this memorandum is to bring to your attention the existing 5-year Grounds Maintenance Equipment Lease Agreement between the City and Smith Turf & Irrigation and to request an expedited decision regarding its continuation or cancellation.

ANALYSIS

On July 17, 2024, a lease agreement for grounds maintenance equipment was executed by the former City Manager and signed by Jeffrey Simpson, Golf Course/Athletic Complex Superintendent. The agreement includes the lease of 14 pieces of equipment at a total cost of \$500,097.79 for a 60-month term. The agreement details are as follows:

Term: 5 years

Total Cost: \$500,097.79

Monthly Payment (Original APR): \$9,216.44

Revised Monthly Payment (Current APR): \$8,332.22

Annual Payment: \$99,986.68

Equipment Included:

- 4 Groundsmaster 3200 2WD
- 1 Groundsmaster 4500

- 1 Greensmaster Flex 1021
- 1 Field Pro 6040
- 2 Sand Pro 5040
- 1 Workman HDX-2WD
- 2 Workman MDX
- 1 Multi Pro 5800-G Sprayer
- 1 GreensPro 1260 Roller

The equipment is scheduled to be delivered on August 1, 2025, and the official contract is expected to be signed upon delivery.

CURRENT CONCERNS

It has come to our attention that members of the City Council and the City's Finance Department were unaware of this lease agreement. Given this, the City must decide promptly whether to proceed with the lease or to cancel the agreement. However, cancelling the lease at this stage may have potential consequences, including:

- **Strained Vendor Relations-** Cancelling the agreement could negatively impact on the City's relationship with Smith Turf & Irrigation, a State Contract Vendor, potentially affecting future leasing agreements.
- **Operational Impact-** The equipment included in the lease is essential for maintaining the City's parks, athletic fields, and golf course at optimal standards. If the lease is terminated, an alternative plan must be identified and implemented swiftly to prevent disruptions to maintenance operations.
- **Final Considerations:** The revised APR has lowered the monthly payment to \$8,332.22, which could be a cost-saving opportunity over the lease term.

STAFF RECOMMENDATION:

The Elizabeth City-Pasquotank County Parks and Recreation would like to move forward with the lease agreement due to the department needing updated equipment to maintain its grounds. Given the time-sensitive nature of this matter, we request that the City Council review this agreement and provide directions on whether to proceed with the lease or take alternative action. If the City chooses not to proceed, immediate steps must be taken to communicate with Smith Turf & Irrigation to discuss potential implications and possible resolutions. We appreciate your prompt attention to this matter and are available to provide any additional information or clarification needed to facilitate an informed decision.