Aim to Please

LEASE OR BUY

By Anthony Pioppi, Contributing Editor



The choice is one made with a thorough understanding of a course's financial situation **ONE OF THE MOST** important decisions a golf course can make when looking to save money is deciding whether it's more advantageous to lease or buy equipment.

The choice is one that golf course superintendents and their superiors must make with a thorough understanding of their clubs' financial situations.

Manufacturers of turf equipment offer three options facilities can take in order to obtain new equipment – they can purchase, lease or lease to own. For some courses, a combination is the best way to go.

Manufacturers and their distributors stay out of the decision-making process, leaving that up to the clubs.

Buddy Hooper, national distribution manager for Hustler Turf's Golf Division, said his experience is that more often it is a general manager, owner or green committee making the decision whether to lease or buy.

"In most cases the superintendent doesn't really care as long as he gets new equipment," Hooper said.



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Paul Danielson, manager of financial marketing for The Toro Co., said it's not uncommon for courses to lease mowers, which they can turn over every four or five years, depending on the terms of the contract; or to purchase aerifiers and tractors, which are used less frequently and have a long life.

Rhonda Flannery, John Deere Credit's manager of product marketing development for golf and utility vehicles, said the one question superintendents need to ask to assess their existing equipment approach is whether they're meeting their replacement strategies.

For instance, if their plan is to have new fairway mowers every four years but they're not being turned over for five or six years, a change needs to be made. Instead of purchasing outright or a lease-to-own program,

There has been an increased interest in leasing, says John Deere Credit's Rhonda Flannery.

it it might be better to lease the piece of equipment for the useful life defined by the golf course, and replace it every four years.

According to Flannery, the economy has produced a shift in the strategy some courses are following.

"We're seeing increased interest in leasing, and the primary reason for that is cashflow driven," she said.

Troy Murray, vice president of sales and business development for golf equipment in Textron Financial's Captive Finance Group, said once the trend among courses was that most wanted to purchase equipment.

"In 2000, it moved toward leasing," Murray said. "It reached a plateau two or three years ago."

The split of leasing versus leasing to buy is about a 50-50 divide across the United States, with the average length of a lease at about 48 months. ■

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Incidentally, the mowing method hasn't slowed down greens at Traverse City, where they still run at 10 to 10.4 feet, thanks in part to daily rolling.

Like many private clubs, Locust Hill has lost members, and Slattery has had his maintenance budget cut as a result. In 2009, the budget was whacked 11 percent — from \$875,000 to \$760,000. But it was reduced only 4 percent this year. With an aim to keep golfers' expectations satisfied, Slattery says the key is to cut maintenance tasks that most golfers won't notice.

For instance, bunker maintenance has been reduced at Locust Hill but not to the point where golfers will complain about it. The maintenance crew no longer rakes bunkers fully, only where golfers have been. And if a golfer hasn't been in a bunker, it doesn't get raked.

"We haven't seen quality drop a lot," Slattery says.

Slattery has also coached his staff to

work as efficiently as possible. "If we can make it in-house, we'll make it," he says. "If we can fix it in-house, we'll fix it in-house."

Another key to appeasing golfers' expectations is to educate them about what's going on at the golf course, especially if it involves the maintenance budget. Hammon is doing that at Traverse City. When the club's finance committee and board of directors approved Hammon's 2010 budget in March, Hammon made a list of everything that would be affected by the cuts and communicated them to the course's green committee.

"My green committee appreciated knowing what to expect going into the season with our golf course conditions," Hammon says, noting that he also attended the April board of directors meeting and reported to them the same information so they were educated and prepared to answer members' questions if needed.

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