

Court Resurfacing Finance Update

January 13, 2019

Updated Costs Per Court



Per Court	10/2017 Bid	1/2019 Bid	% Change
Slipsheet	\$26,250	\$27,300	3.8%
Plexicushion	\$22,333	\$23,227	3.8%
Plexipave	\$7,563	\$7,563	0.0%
Slipsheet + Plexicushion	\$48,583	\$50,527	3.8%
Slipsheet + Plexipave	\$33,813	\$34,863	3.0%

Per court costs based on Vintage Contractors bid for all courts divided by 6

Updated Costs for 6 Courts



Choice	6 Courts	10/2017 Bid	1/2019 Bid	% Change
A	6 Plexipave	\$202,880	\$209,180	3.0%
B	6 Plexicushion	\$291,500	\$303,160	3.8%
*C	1 Plexicushion + 5 Plexipave	\$217,650	\$224,843	3.2%
*D	3 Plexicushion + 3 Plexipave	\$247,190	\$256,170	3.5%

*** Need to verify with Vintage Contractors whether there is added cost for installing mixed surfaces**

Financial Position



- ◆ **Projected cash reserves of \$252,100 at the end of 2018/2019 fiscal year**
- ◆ **Chabot is eligible for a 10-year loan at 6% with a dues increase for repayment**
- ◆ **If dues increase is needed, the Board has chosen a \$4 per month increase every year for the life of the loan**
- ◆ **The increase will be assessed each year until the loan is paid or if cash reserves get too high**

Consultant's Calculations



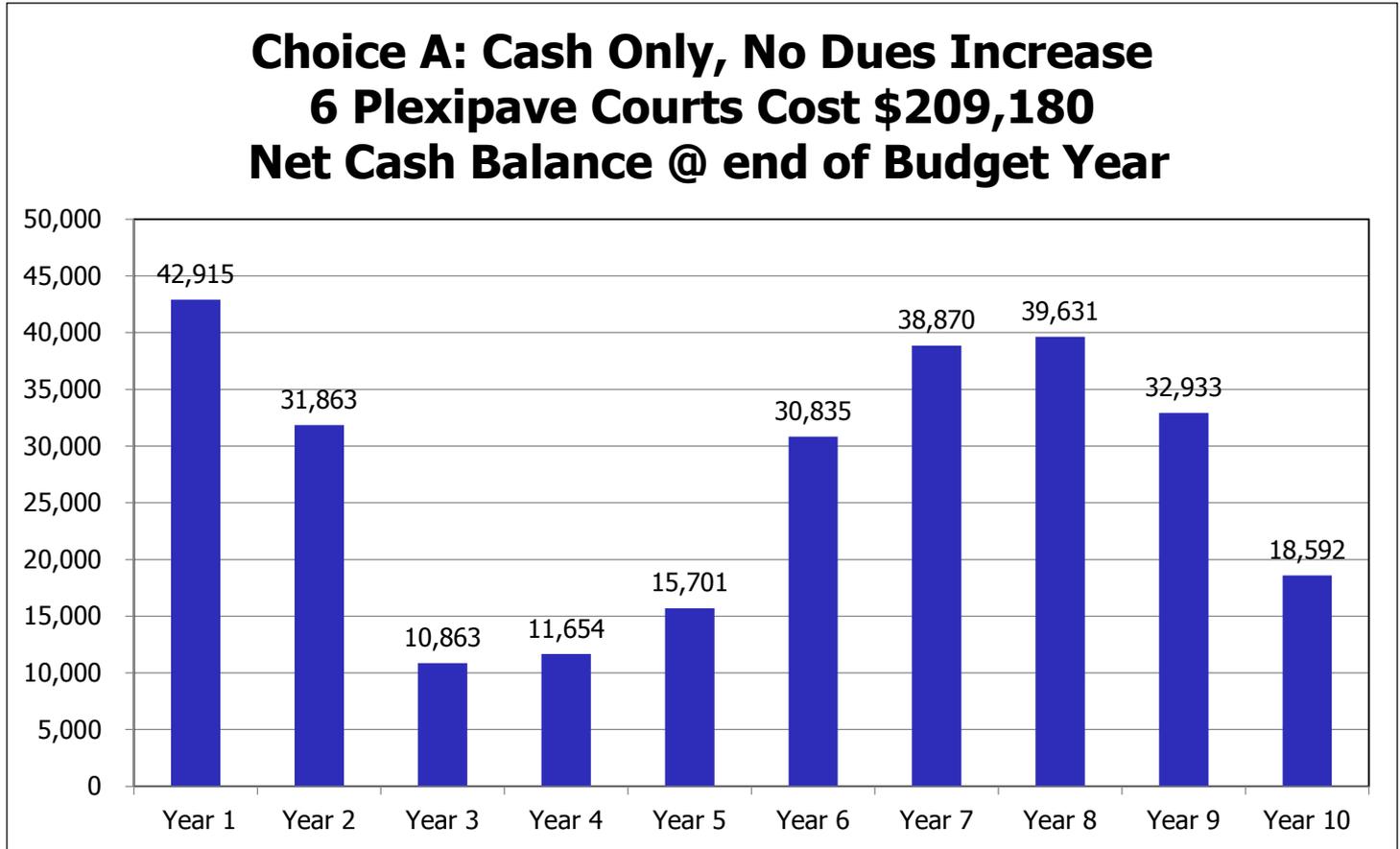
- ◆ **Board hired Joan Martin in 2018 to develop financial options for the court resurfacing project**
- ◆ **Calculations are based on maintaining a target of \$50K in cash reserves for all resurfacing choices**
- ◆ **For financing options that require a loan, assume a \$4 per month dues increase every year for the life of the loan**

Choice A – 6 Plexipave Courts



Cash	Loan	Interest	Current Cash Reserves
\$209,000	\$0	\$0	\$42,915

**Choice A: Cash Only, No Dues Increase
6 Plexipave Courts Cost \$209,180
Net Cash Balance @ end of Budget Year**

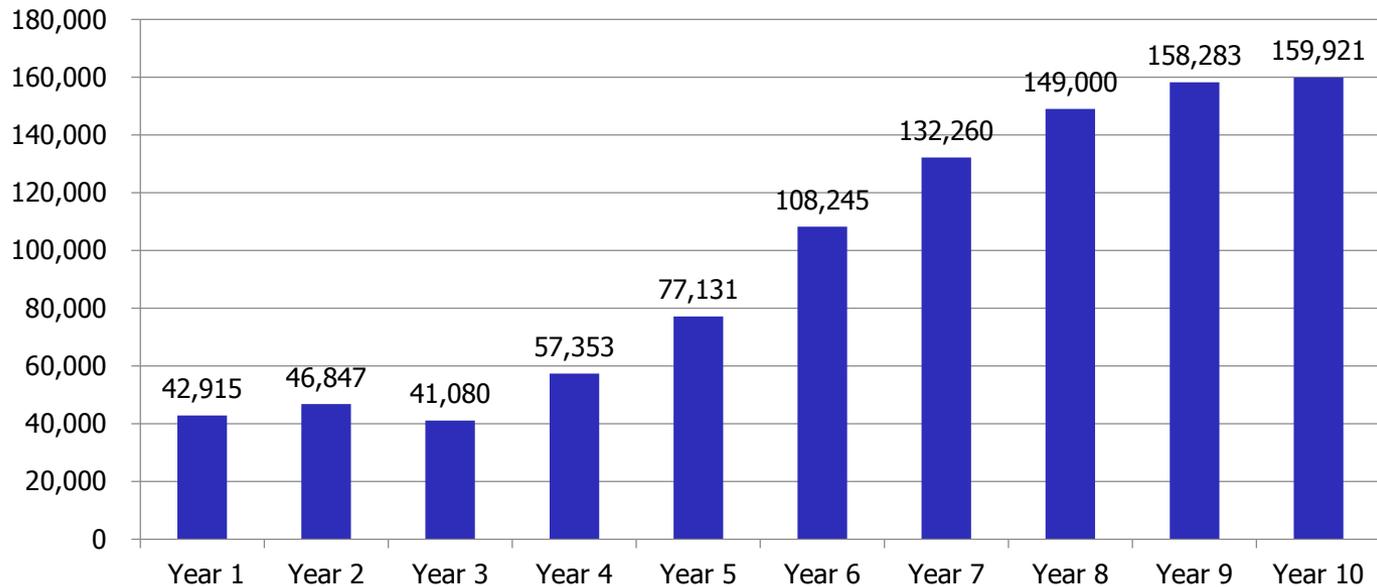


Choice A – 6 Plexipave Courts



Cash reserves with one-time dues increase of \$5 per month

**Choice A: Cash Only, One-Time Dues Increase
6 Plexipave Courts Cost \$209,180
Net Cash Balance @ end of Budget Year**

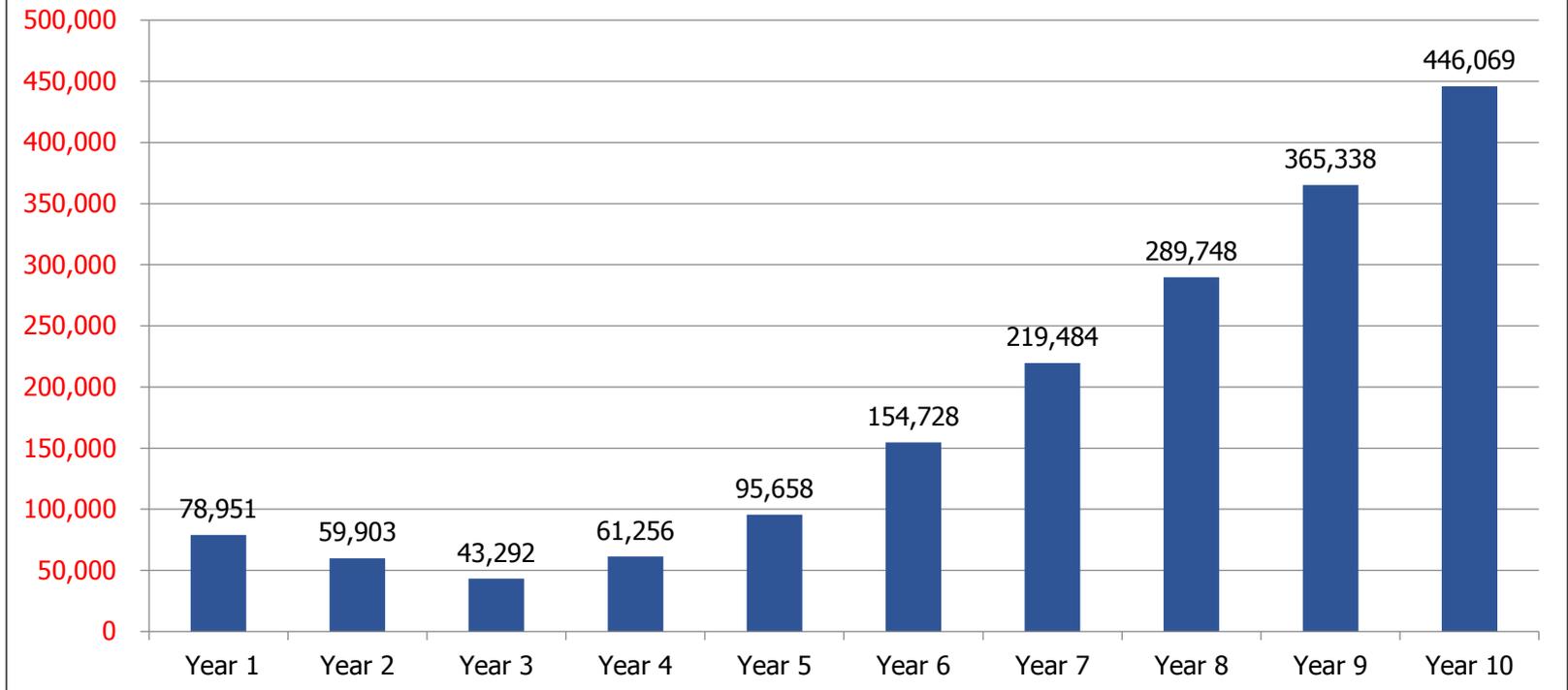


Choice B – 6 Plexicushion Courts



Cash	Loan	Interest	Current Cash Reserves
\$153,160	\$150,000	\$49,837	\$78,951

**Choice B: Cash+\$150k Loan, 6 Plexicushion Courts
Cost \$303,160
Net Cash Balance @ end of Budget Year**



Choice C – 1 Plexicushion + 5 Plexipave



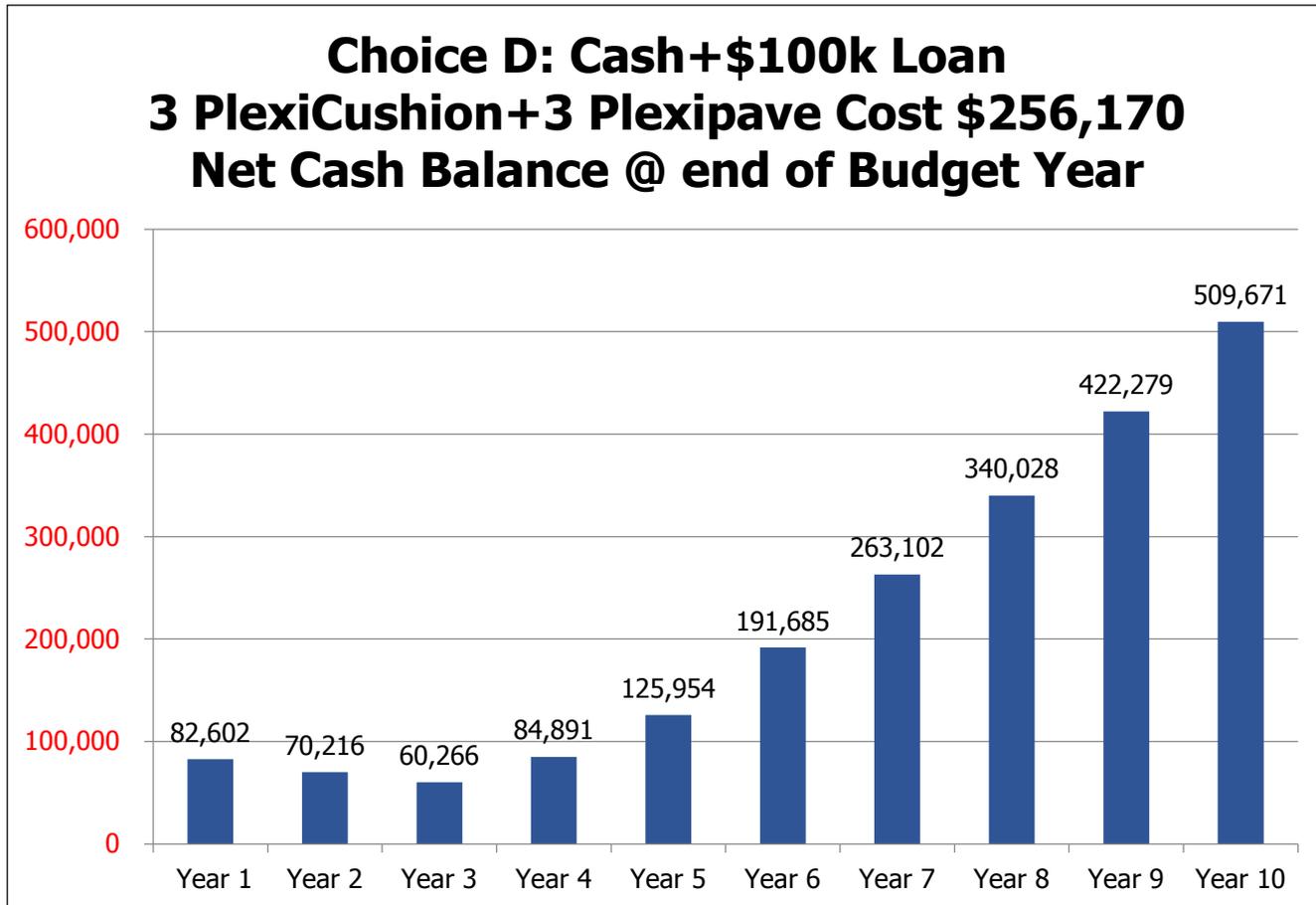
Cash	Loan	Interest	Current Cash Reserves
\$217,650	?	?	\$27,252

- ◆ **Joan Martin was not asked to analyze this choice in the original engagement**
- ◆ **She has concerns over validity of cost estimates being extrapolated from bid for installing 6 courts with the same surface**

Choice D – 3 Plexicushion + 3 Plexipave



Cash	Loan	Interest	Current Cash Reserves
\$156,170	\$100,000	\$33,225	\$82,602



Summary of Project Financing

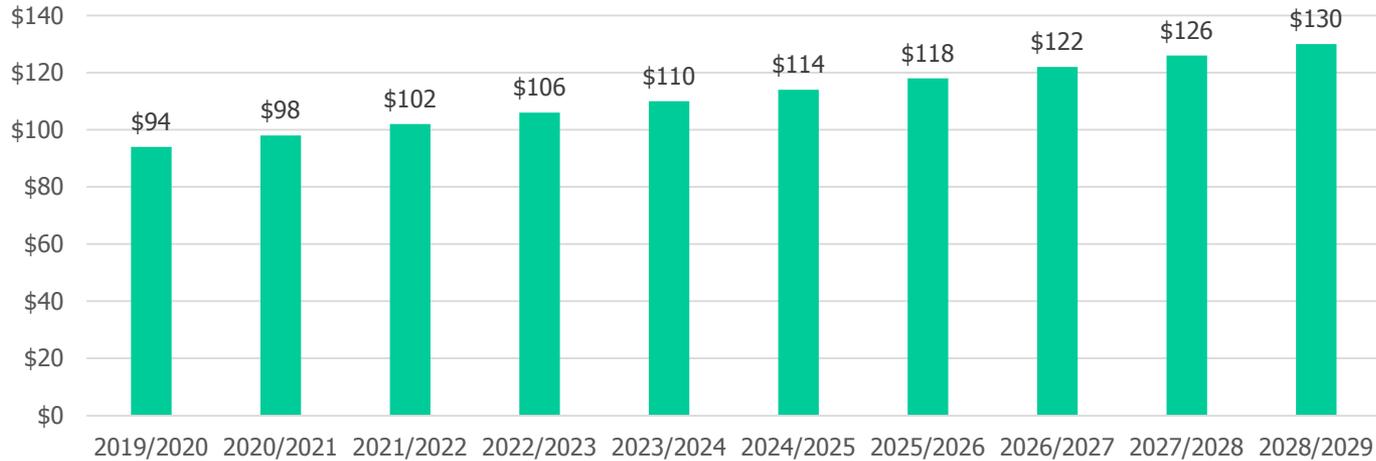


Choice	6 Courts	Cost	Loan	Interest	Cash Reserves
A	6 Plexipave	\$209,180	\$0	\$0	\$42,915
B	6 Plexicushion	\$303,160	\$150K	\$50K	\$78,951
C	1 Plexicushion + 5 Plexipave	\$224,843	?	?	\$27,252
D	3 Plexicushion + 3 Plexipave	\$247,190	\$100K	\$33K	\$82,602

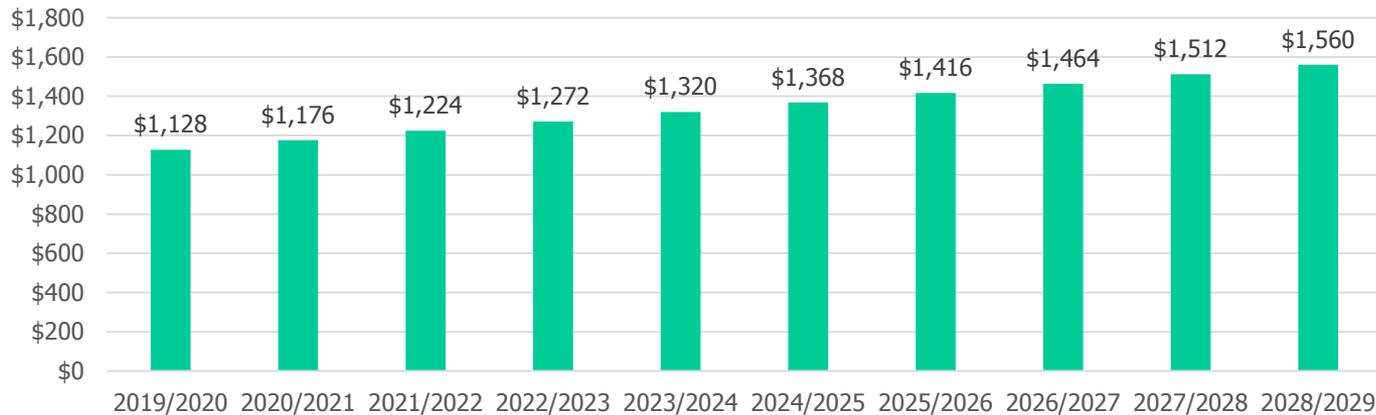
Impact of Dues Increases



Monthly Dues Increases for Equity Members



Yearly Dues Increases for Equity Members



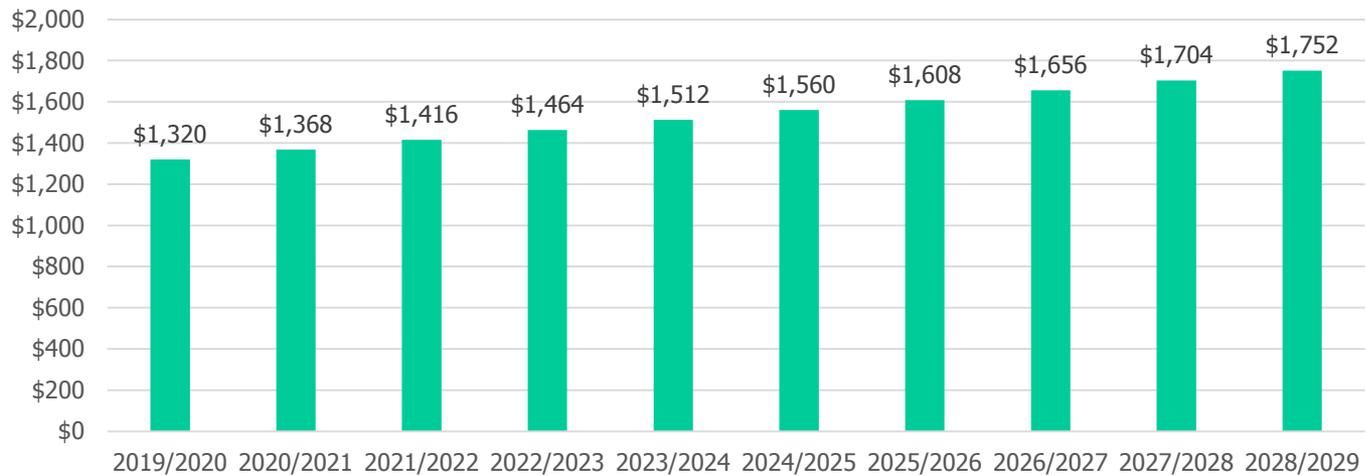
Impact of Dues Increases



Monthly Dues Increases for Non-Equity Members



Yearly Dues Increases for Non-Equity Members



Summary of Dues Increases



Equity Memberships – 22% Year 5, 44% Year 10

Totals	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028	2028/2029
Monthly	\$94	\$98	\$102	\$106	\$110	\$114	\$118	\$122	\$126	\$130
Yearly	\$1,128	\$1,176	\$1,224	\$1,272	\$1,320	\$1,368	\$1,416	\$1,464	\$1,512	\$1,560

Non-Equity Memberships – 19% Year 5, 38% Year 10

Totals	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028	2028/2029
Monthly	\$110	\$114	\$118	\$122	\$126	\$130	\$134	\$138	\$142	\$146
Yearly	\$1,320	\$1,368	\$1,416	\$1,464	\$1,512	\$1,560	\$1,608	\$1,656	\$1,704	\$1,752

- ◆ **Increases are solely for loan payments**
- ◆ **Board can choose to discontinue increases when loan is paid off or if cash reserves become too high**