



# Chabot Canyon Racquet Club Court & Financing Options

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Deal Matters

12/1/18



# Basic Court Options

- ~~Do Nothing~~ re Courts - *No*
- All six (6) courts (now):
  - ~~Patch & Paint~~ \$30-50k (again every 3-5 yrs) - *No*
  - (A) Slipsheet plus a Plexipave surface is \$203,000
  - (B) Slipsheet plus a Plexicushion surface is \$300,000
- 6 Now Plexipave, 6 Later converted Plexicushion:
  - (C) Phase the Slipsheet/Plexipave surface then in Yr6 add Plexicushion. \$353,000
- 3 Plexipave, 3 Plexicushion (now):
  - (D) 3 courts Slipsheet/Plexipave, 3 courts Slipsheet/Plexicushion Now. \$255,000



# Financial Options & Timing

## Financial Options:

- Use only Cash Reserves
- Use some Cash Reserves + borrow balance needed/Loans
- Borrow funds only – Loans
- Raise Dues (Scenarios I, II, III)

## Timing Options:

- Do it all Now. (All 6 or 3 & 3)
- Phase the work. Some Now. More @ BOY6 (Beg of Yr 6).



# Facts

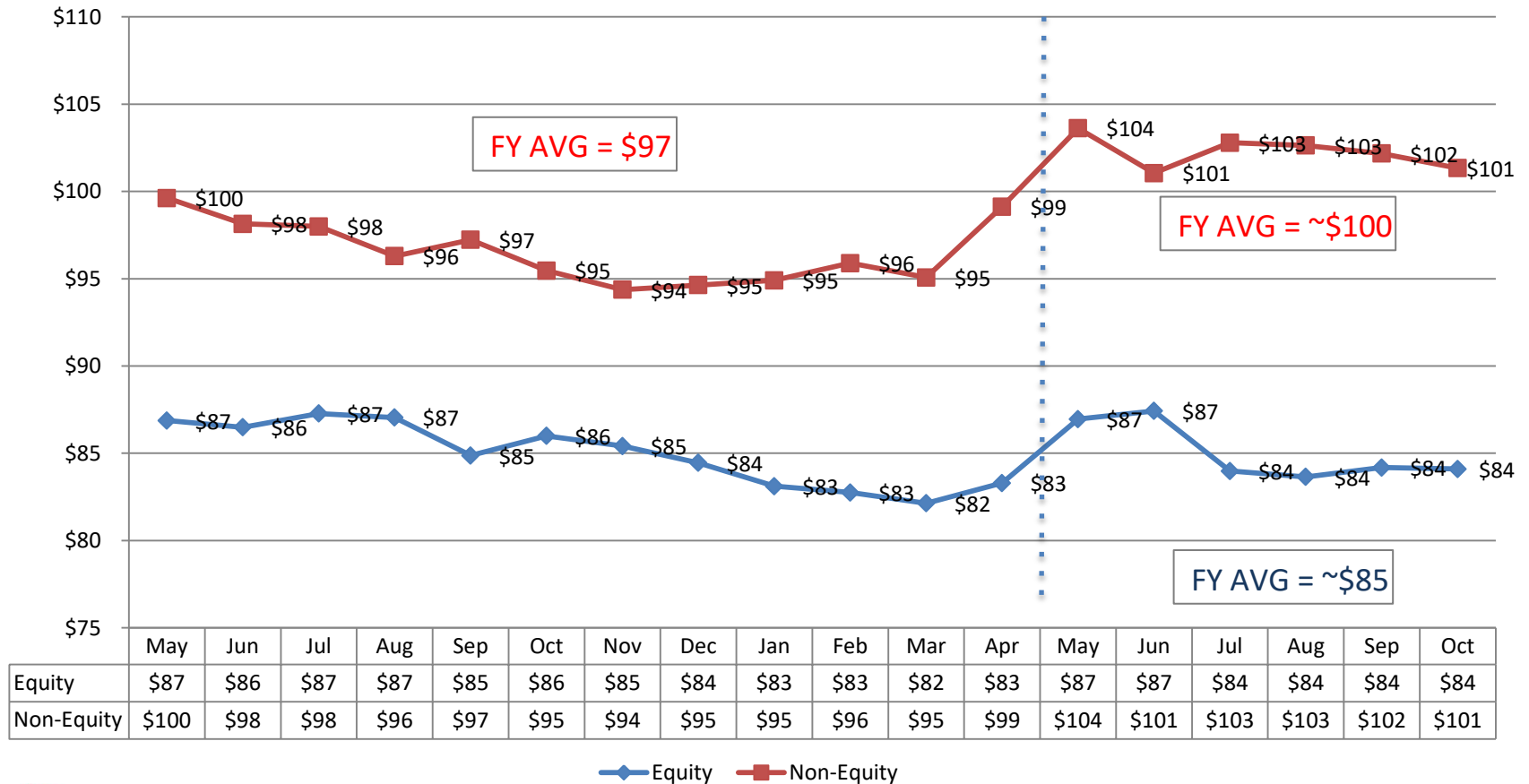
- Cash Reserve est @ BOY 2018/19: \$252,095
  - Keep Minimum Cash Reserve @ \$25k, \$50k, more?
- Cash Flow Projections
  - There is a “Nut” to meet each Year (*Operating Exps, if no Dues are collected, Club Closed for calamity*)

	Estimate 2018/2019	2019/ 2020	2020/ 2021	2021/ 2022	2022/ 2023	2023/ 2024
Operating Exps	40,987	42,010	43,060	44,136	45,240	46,371
Capital Expenditures (CapEx)	-	10,000	16,000	16,000	17,000	10,000
Debt Service PG&E	11,660	11,660	11,660	11,660	5,830	-
Eq Member Pay-outs	33,200	20,500	23,200	-	-	-
Total Expected Nut	<b>85,847</b>	<b>84,170</b>	<b>93,920</b>	<b>71,797</b>	<b>68,070</b>	<b>56,371</b>



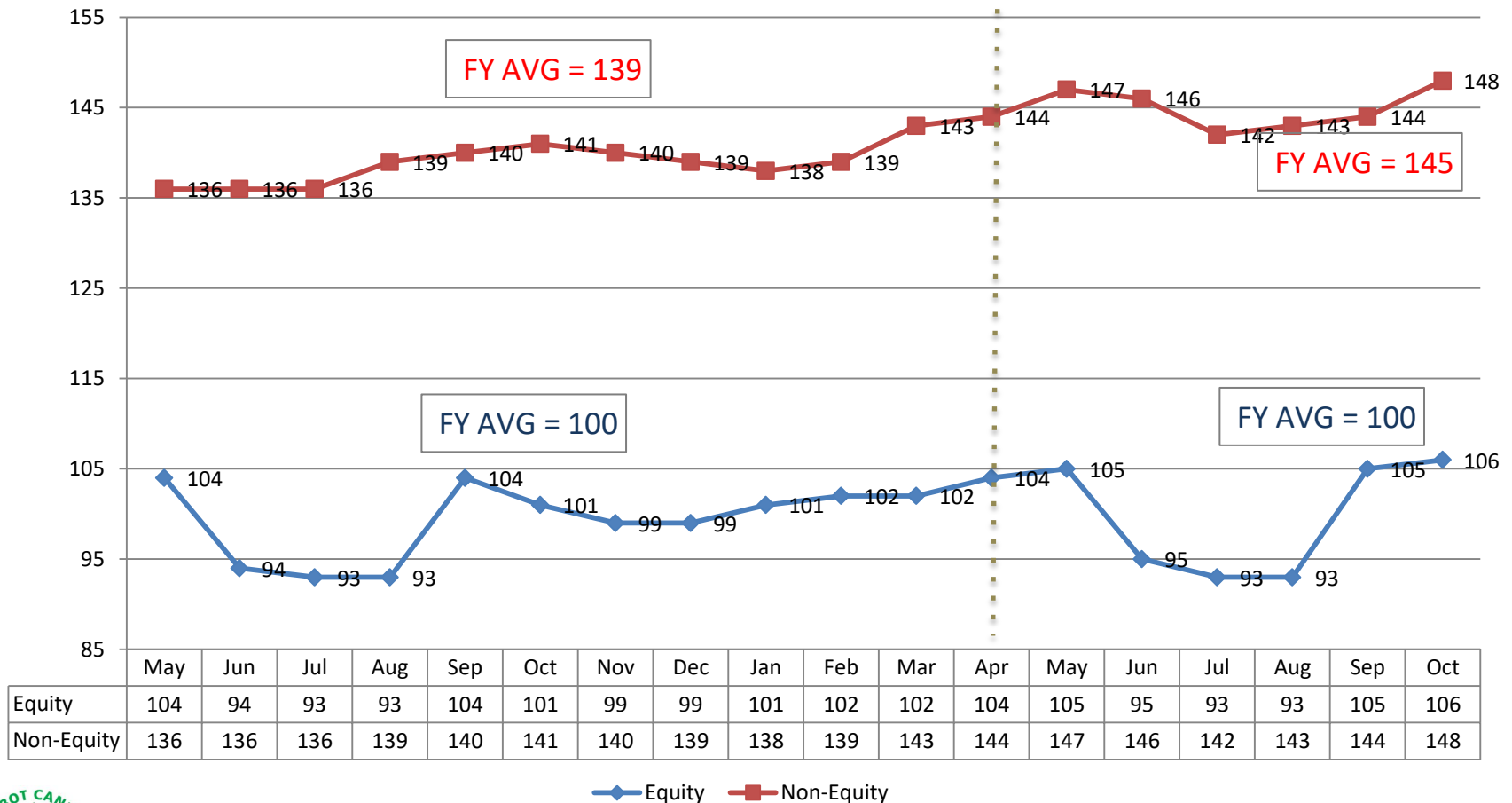
# Current Situation – Avg Dues/mo

## Member Invoice Dues - Avg/mo FYs: 2017/18 & 2018/18



# Current Situation – Avg Invoices/mo

# of Member Invoices by Type/mo  
FYs 2017/18 & 2018/19



# Scenarios (Dues)

- Scenario 0:
  - No Dues increase
- Scenario I:
  - Increase Member Dues \$7.00 per month in FY 2019/20.
  - 3 years later, (FY 2022/23) increase Dues \$5.00/mo.
  - Every year thereafter, increase Dues \$5.00/mo.
- Scenario II:
  - Increase Member Dues \$10.00 per month in FY 2019/20.
  - 3 years later, (FY 2022/23) increase Dues \$4.00/mo.
  - Every year thereafter, increase Dues \$4.00/mo.
- Scenario III:
  - Increase Member Dues \$4.00 per month in FY 2019/20.
  - Every year thereafter, increase Dues \$4.00/mo.



# Scenario 0

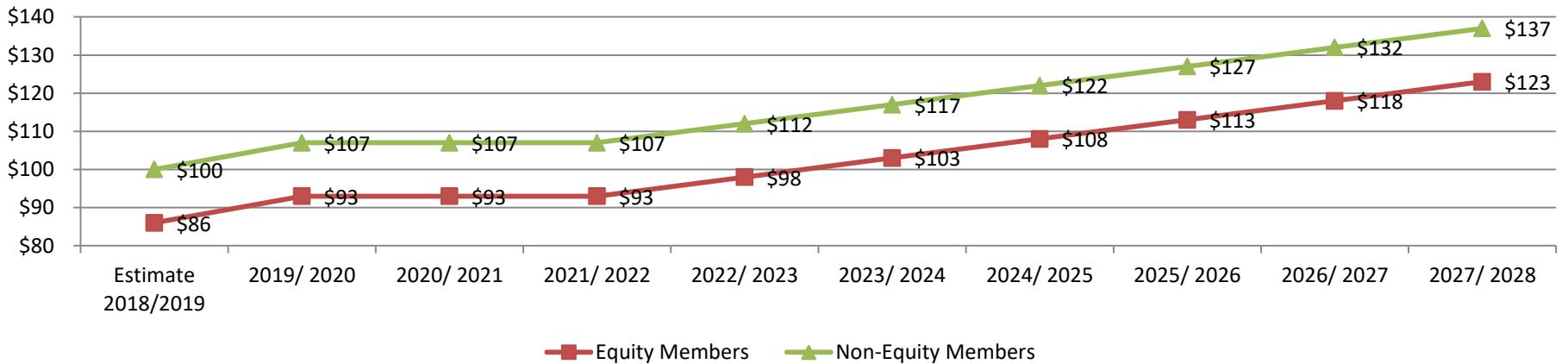
- No Dues Increase (for Courts)





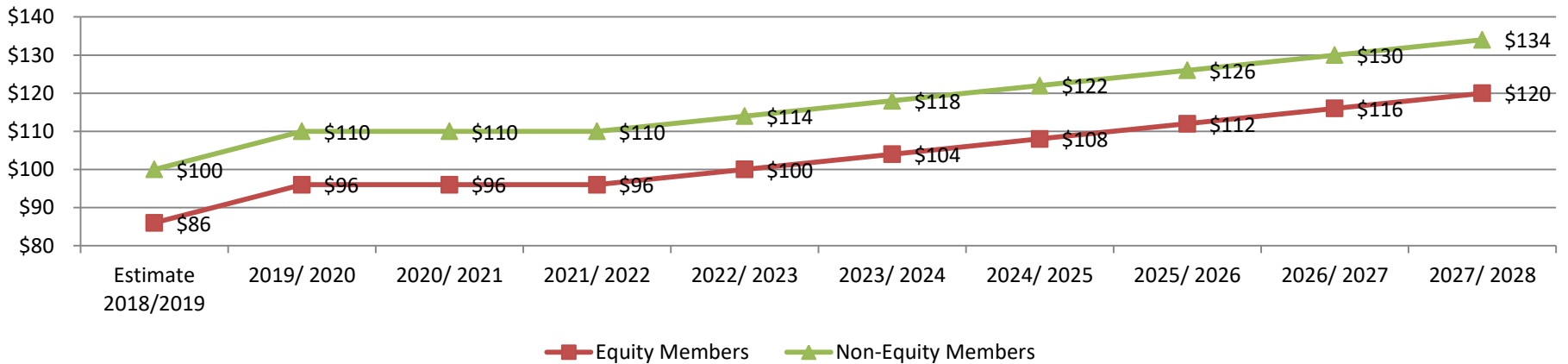
# Scenario I

**Per Mo Estimated Dues  
Now - 2027/28**



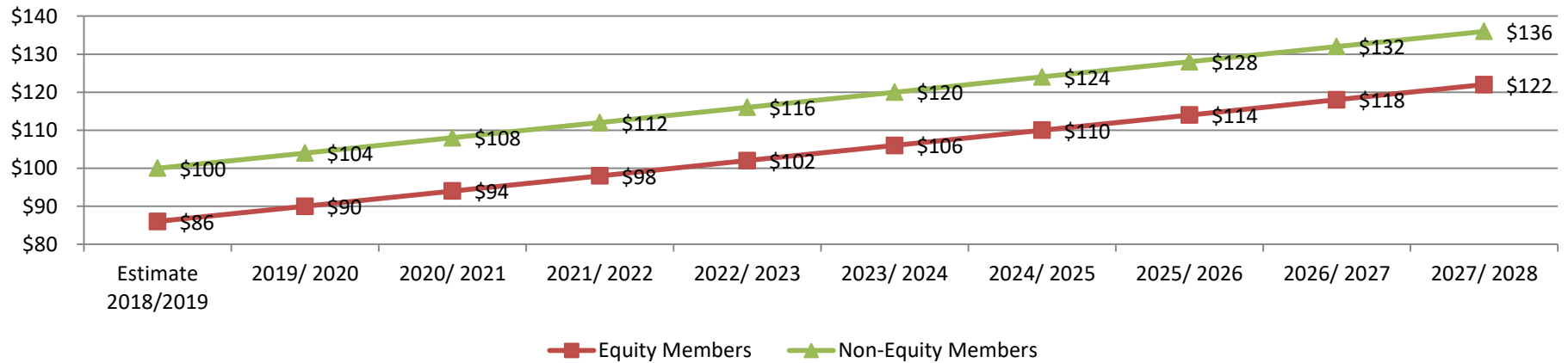
# Scenario II

**Per Mo Estimated Dues  
Now - 2027/28**



# Scenario III

## Per Mo Estimated Dues Now - 2027/28



# Scenario 0 – No Dues Increase

- (A) Slipsheet plus a Plexipave surface  
\$203,000 works. 6 courts now, Paid w/Cash.
- No other option works.
  - Cash Reserves fall too low
  - Not enough Cash
  - Loans get too big to be supported by avail Cash.



# Scenario I

- Increase Member Dues \$7.00 per month in FY 2019/20.
- 3 years later, (FY 2022/23) increase Dues \$5.00/mo.
- Every year thereafter, increase Dues \$5.00/mo.

**(B) Slipsheet plus a Plexicushion** surface is \$300,000

With \$150k Down now, Loan \$150k now (10yr, 6%). Payoff Loan Yr8.

Interest exp = \$50k *less if Loan pd early*, Min Cash Reserve \$52k, Max Cash \$411k Yr10

**(C) Phase the Slipsheet/Plexipave surface then in Yr6 add Plexicushion.** \$353,000

With \$203k Down now, Loan \$150k in Yr6 (5yr, 6%). Have Loan 2 yrs then pay off.

Interest exp = \$24k (prob less w/early pay-off), Min Cash Reserve \$49k, Max Cash \$384k Yr10

**(D) 3 courts Slipsheet/Plexipave, 3 courts Slipsheet/Plexicushion** Now. \$255,000

With \$155k Down now, Loan \$100k now (10yr, 6%). Pay off Loan in Yr6. No further Dues increases needed.

Interest exp = \$24k (prob less w/early pay-off), Min Cash Reserve \$67k, Max Cash \$472k Yr10



# Scenario II

- Increase Member Dues \$10.00 per month in FY 2019/20.
- 3 years later, (FY 2022/23) increase Dues \$4.00/mo.
- Every year thereafter, increase Dues \$4.00/mo.

## (B) Slipsheet plus a Plexicushion surface is \$300,000

With \$150k Down now, Loan \$150k now (10yr, 6%). Payoff Loan Yr7.

Interest exp = \$50k *less if Loan pd early.*

Min Cash Reserve \$70k, Max Cash \$428k Yr10, , (no Dues increases > Yr7)

## (C) Phase the Slipsheet/Plexipave surface then in Yr6 add Plexicushion. \$353,000

With \$203k Down now, Loan \$150k in Yr6 (5yr, 6%). Have Loan 7 yrs then pay off.

Interest exp = \$24k (prob less w/early pay-off. Maybe don't need Loan.)

Min Cash Reserve \$49k, Max Cash \$402k Yr10, (no Dues increases > Yr7)



# Scenario III

- Increase Member Dues \$4.00 per month in FY 2019/20.
- Every year thereafter, increase Dues \$4.00/mo.

## (B) Slipsheet plus a Plexicushion surface is \$300,000

With \$150k Down now, Loan \$150k now (10yr, 6%). Payoff Loan Yr6.

Interest exp = \$50k *less if Loan pd early.*

Min Cash Reserve \$46k *in Yr3.*

Max Cash Reserves High \$449k in Yr10 *(less Loan). May not need increased Dues in Yr6+*

## (C) Phase the Slipsheet/Plexipave surface then in Yr6 add Plexicushion. \$353,000

With \$203k Down now, Loan \$150k in Yr6 (5yr, 6%). Have Loan 7 yrs then pay off.

Interest exp = \$24k *(prob less w/early pay-off. Maybe don't need Loan.)*

Min Cash Reserve \$49k

Max Cash Reserves High \$422k in Yr10 *(less Loan). May not need increased Dues in Yr7+*

## (D) 3 courts Slipsheet/Plexipave, 3 courts Slipsheet/Plexicushion Now. \$255,000

With \$155k Down now, Loan \$100k now (10yr, 6%). Pay off Loan in Yr6. No further Dues increases needed.

Min Cash Reserve \$61k

Max Cash Reserves High \$511k in Yr10 *(less Loan). May not need increased Dues in Yr6+*

Interest exp = \$33k *(prob less w/early pay-off)*



Thank you!  
Questions?

