Attachment - A

September 21, 2015

To:
Commissioner, Community and Fire Services
City of Markham

This letter is regarding the shed structure at the Markham Tennis Club located in Reesor Park at 69 Wootten Way North in Markham.

The existing wood structure was built with no foundation back in 1968 at the direction of the Town of Markham and has served the members of the Markham Tennis Club and the surrounding community and schools very well for almost 50 years.

It is evident at this time that the structure has degraded and thus the club executives decided to advise the City Asset department of the condition of the shed to determine if there were any potential safety concerns. Subsequently a structural assessment was completed in July. The result of the structural assessment was that the shed is "unsafe". The assessment also concluded that given the condition of the structure it would not be financially viable to repair the shed and thus the recommendation is to demolish and replace the structure.

The specifications for the replacement structure should be similar to the current structure with respect to size and amenities which would be a 500 sq ft metal pre-fabricated building with a washroom, a sink area (kitchenette), a storage room (10' x 10') and a meeting area. The current estimated cost of this project, from demolition to replacement with a prefabricated building is $150,000. The Club is aware of City's budget request for $200,000 for this project and agrees to equally share the actual project cost at completion, whether it is more or less than the estimated cost, in accordance with the Tennis Clubs Policy

The Club proposes to pay its equal share (50% of the total cost) at a rate of $3,750 per year. With reference to the estimated cost of $150,000, the Club will pay its share over a period of 20 years. This payback/amortization period could be more or less depending on the actual project cost at completion.

Attached is a Cash Flow Forecast for 2015 to 2023 (Appendix A) in support of Club's 20 year payback plan. We believe that this 20 year payback time frame represents a financially viable and realistic payback period for a building that will likely continue to serve the community for decades to come.

It is our hope that you will approve our request as indicated in this letter. We thank you for your consideration of this request and we look forward to your response.

Tim Reynolds
Markham Tennis Club, President
president@markhamtennisclub.ca

# APPENDIX A

**Markham Tennis Club**
**Cash Flow Forecast Summary**
**For the years 2015 through 2027**

| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Starting Cash Position | 41,203 | 38,551 | 36,209 | 39,961 | 26,287 | 13,067 | 14,580 | 16,639 | 25,924 | 35,805 | 38,865 | 27,574 | 16,249 |
| Revenues | 38,110 | 35,260 | 38,082 | 38,611 | 39,122 | 39,714 | 40,318 | 41,005 | 41,664 | 42,305 | 42,929 | 42,894 | 42,859 |
| Expenses | (28,062) | (27,902) | (28,179) | (28,235) | (28,292) | (28,350) | (28,410) | (28,470) | (28,532) | (28,595) | (28,659) | (28,659) | (28,659) |
| Cash from Operations | 10,048 | 7,358 | 9,902 | 10,376 | 10,830 | 11,364 | 11,909 | 12,535 | 13,131 | 13,710 | 14,270 | 14,235 | 14,200 |
| Fundraising | 1,500 | 4,500 | 2,000 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 |
| Available Cash | 52,751 | 50,409 | 48,111 | 50,837 | 37,617 | 24,930 | 26,989 | 29,674 | 39,555 | 50,015 | 53,634 | 42,309 | 30,948 |
| Capital Costs | (14,200) | (14,200) | (34,550) | (24,550) | (24,550) | (10,350) | (10,350) | (3,750) | (3,750) | (11,150) | (26,060) | (26,060) | (26,060) |
| Trillium Funding | - | - | 26,400 | - | - | - | - | - | - | - | - | - | - |
| Ending Cash Position | 38,551 | 36,209 | 39,961 | 26,287 | 13,067 | 14,580 | 16,639 | 25,924 | 35,805 | 38,865 | 27,574 | 16,249 | 4,888 |

Indicates a year in which the ending cash balance is less than 1 year of operating expenses

We would be seeking funding from Trillium for the court resurfacing work to be done in 2024 and 2025

**APPENDIX A continued**

**Markham Tennis Club**
**Cash Flow Forecast Detailed**
**For the years 2015 through 2027**

| | | 2015 | 2016<br>Yr 1 | 2017<br>Yr 2 | 2018<br>Yr 3 | 2019<br>Yr 4 | 2020<br>Yr 5 | 2021<br>Yr 6 | 2022<br>Yr 7 | 2023<br>Yr 8 | 2024<br>Yr 9 | 2025<br>Yr 10 | 2026<br>Yr 11 | 2027<br>Yr 12 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Revenues** | Membership | 28,500 | 25,650 | 28,472 | 29,041 | 29,622 | 30,214 | 30,818 | 31,435 | 32,064 | 32,705 | 33,359 | 33,359 | 33,359 |
| | Socials / Tournaments | 9,500 | 9,500 | 9,500 | 9,500 | 9,500 | 9,500 | 9,500 | 9,500 | 9,500 | 9,500 | 9,500 | 9,500 | 9,500 |
| | Interest | 110 | 110 | 110 | 70 | - | - | - | 70 | 100 | 100 | 70 | 35 | - |
| | Total Revenues | 38,110 | 35,260 | 38,082 | 38,611 | 39,122 | 39,714 | 40,318 | 41,005 | 41,664 | 42,305 | 42,929 | 42,894 | 42,859 |
| **Expenses** | Payroll | 8,000 | 8,000 | 8,000 | 8,000 | 8,000 | 8,000 | 8,000 | 8,000 | 8,000 | 8,000 | 8,000 | 8,000 | 8,000 |
| | Insurance | 2,250 | 2,250 | 2,250 | 2,250 | 2,250 | 2,250 | 2,250 | 2,250 | 2,250 | 2,250 | 2,250 | 2,250 | 2,250 |
| | Hydro | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 |
| | Balls | 2,140 | 2,140 | 2,140 | 2,140 | 2,140 | 2,140 | 2,140 | 2,140 | 2,140 | 2,140 | 2,140 | 2,140 | 2,140 |
| | Club Pro | 3,500 | 3,500 | 3,500 | 3,500 | 3,500 | 3,500 | 3,500 | 3,500 | 3,500 | 3,500 | 3,500 | 3,500 | 3,500 |
| | OTA Fees | 2,800 | 2,520 | 2,797 | 2,853 | 2,910 | 2,968 | 3,028 | 3,088 | 3,150 | 3,213 | 3,277 | 3,277 | 3,277 |
| | Maintenance | 880 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 |
| | Other | 6,492 | 6,492 | 6,492 | 6,492 | 6,492 | 6,492 | 6,492 | 6,492 | 6,492 | 6,492 | 6,492 | 6,492 | 6,492 |
| | Total Expenses | 28,062 | 27,902 | 28,179 | 28,235 | 28,292 | 28,350 | 28,410 | 28,470 | 28,532 | 28,595 | 28,659 | 28,659 | 28,659 |
| | Cash from Operations | 10,048 | 7,358 | 9,902 | 10,376 | 10,830 | 11,364 | 11,909 | 12,535 | 13,131 | 13,710 | 14,270 | 14,235 | 14,200 |
| **Fundraising** | Rogers Cup Tickets | 1,500 | 1,500 | 1,500 | | | | | | | | | | |
| | Other Fundraising | | | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 |
| | Hydro Credit | | 3,000 | | | | | | | | | | | |
| | Estimated Cash Flow (Excl Capital) | 11,548 | 8,858 | 38,302 | 10,876 | 11,330 | 11,864 | 12,409 | 13,035 | 13,631 | 14,210 | 14,770 | 14,735 | 14,700 |
| **Trillium** | 80% of Courts 1-3 | | | 26,400 | | | | | | | | | | |
| **Capital** | Courts 4-6 (2015) | (14,200) | (14,200) | (14,200) | (14,200) | (14,200) | - | - | - | - | - | - | - | - |
| | Courts 1-3 (2017) | - | - | (6,600) | (6,600) | (6,600) | (6,600) | (6,600) | - | - | - | - | - | - |
| | Clubhouse | - | - | (3,750) | (3,750) | (3,750) | (3,750) | (3,750) | (3,750) | (3,750) | (3,750) | (3,750) | (3,750) | (3,750) |
| | Deck | - | - | (10,000) | - | - | - | - | - | - | - | - | - | - |
| | Courts 4-6 (2024) | - | - | - | - | - | - | - | - | - | (7,400) | (7,400) | (7,400) | (7,400) |
| | Courts 1-3 (2025) | - | - | - | - | - | - | - | - | - | - | (14,910) | (14,910) | (14,910) |
| | | (14,200) | (14,200) | (34,550) | (24,550) | (24,550) | (10,350) | (10,350) | (3,750) | (3,750) | (11,150) | (26,060) | (26,060) | (26,060) |

**Capital Cost Estimates**

| Capital Item | Estimated Cost | Term | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Courts 4-6 (2015) | 71,000 | 5 | 14200 | 14200 | 14200 | 14200 | 14200 | | | | | | | | |
| Courts 1-3 (2017) | 33,000 | 5 | | | 6600 | 6600 | 6600 | 6600 | 6600 | | | | | | |
| Clubhouse | 75,000 | 20 | | | 3750 | 3750 | 3750 | 3750 | 3750 | 3750 | 3750 | 3750 | 3750 | 3750 | 3750 |
| Deck | 10,000 | 1 | | | 10000 | | | | | | | | | | |
| Courts 4-6 (2024) | 37,000 | 5 | | | | | | | | | | 7400 | 7400 | 7400 | 7400 |
| Courts 1-3 (2025) | 74,550 | 5 | | | | | | | | | | | 14910 | 14910 | 14910 |

**Membership Assumptions**

| | |
|---|---|
| 2016 | down by 10% from 2015 |
| 2017 | return to 2015 numbers |
| 2018-2025 | an annual increase of 2% starting in 2018 |

| 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| -10% | 11% | 2% | 2% | 2% | 2% | 2% | 2% | 2% | 2% | 0% | 0% |

**Other Assumptions**

1. Our Hydro bill has included city lighting for many years and are in the process of trying to recoup the overage

| | $ / mth | yrs | |
|---|---|---|---|
| Hydro Credit | 50.00 | 5 | 3,000 |

2. It is assumed that Trillium will fund 80% of the $33K estimated cost for the resurfacing of courts 1 - 3 in 2017

3. That the deck is built entirely with volunteer labour

4. Markham Tennis Club is repaying the City of Markham over a 20 year period for the clubhouse project