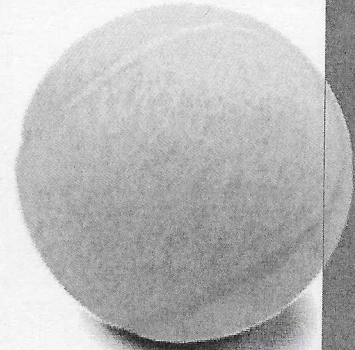


## Jeff Tateosian

**From:** Jeff Tateosian-Editor [lonameans=comcast.net@mail53.suw11.mcdlv.net] on behalf of Jeff Tateosian-Editor [lonameans@comcast.net]  
**Sent:** Wednesday, December 14, 2016 2:52 PM  
**To:** Jeff  
**Subject:** Peninsula Tennis Club Monthly News Update~December 2016

Official Monthly Update of the Peninsula Tennis Club- Jeff Tateosian, editor  
650.347-1439 jeffat@pacbell.net

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## PTC News Update December 2016

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### Peninsula Tennis Club Upcoming Events & Activities

- Thursday, Dec 15th @ 6:30 pm      Special Membership Meeting
  - Tuesday, Jan 17th @ 6:30 pm      Membership Meeting
  - Sunday, Feb 5th @ 2:30 pm      Super Bowl Party
-

**President: *Duncan Grenier***

The Board of Directors is urging you to cast your vote for the Clubhouse Update and Repair project either in person at a December 15th special meeting of the members or by submitting your proxy ballot to **Lona** prior to the meeting. Details of the project were provided at two informational meetings and in emails sent out over the past weekend. Please review this information to inform your vote.

**Clubroom Project - Vote Yes!**

The Board is recommending a 'Yes' vote on the project. Our club is in dire need of infrastructure updates and a Clubroom face lift.

Sewer backups into the Men's locker room are only mitigated by monthly cleaning of the sewer outlets. Electrical systems in the kitchen are at capacity and unable to support additional uses. Showers are leaking into the foundation of the Men's locker room. These items have the potential to result in significant emergency repair bills which would not add to the value or experience of the club.

Our Clubroom and Bar facilities are long overdue for an update. The existing facilities were built in the 1960's and have remained largely unchanged since construction. Our plan will provide an aesthetic update that will not only fit in with the existing architecture of the room, but also provide a more enjoyable, efficient, and functional space that will invite a more varied use of the room.

Past Boards of Directors put in place a financial structure for the Club which provides specific funding for repair and upgrade projects. Funds

for this project will not affect our loan repayment fund or operating funds. They will come solely from the reserve fund, which each member specifically contributes to as part of monthly Club fees, and is set aside for projects of this nature.

The PTC is in extremely good financial shape, and we as members deserve facilities that are pleasant to use and in excellent repair.

Sincerely,

Duncan Grenier

President, Board of Directors

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**Other Perspectives:**

Dear Fellow Tennis Members,

My concerns with the planned remodel of the men's locker room and related projects are:

1. Bottom line, we have over 1 million dollars of debt, and almost 1 million dollars in cash. We have been paying around \$60,000/year interest for 10 years on that debt. In my view, we should pay off all or most of that debt (saving \$60,000/year of your money) before undertaking any more large projects. If we use our cash to pay off the debt, and we postpone the remodel for, say, 2 years, we will save \$120,000 in interest during those two years, which we can add to two years of income from dues and membership fees. The result could be we will have our remodel paid out of our (then) current assets, AND be debt free.
2. My understanding is that there is a waiting list for men's lockers.

If I am correct, it seems to me that any remodel of the men's locker room should include an INCREASE in the number of lockers, not a decrease. I hope it's not too late to tweak the plans for the locker room to accommodate those members still waiting to get a locker.

Respectfully,  
Rob Delantoni

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**Treasurer: Jeff Eliason**

Members are being asked to vote on the Club Improvement Project by December 15th. As the Board Finance chair, I'd like to evaluate the necessity of the project and the financial impact to the Club. As Duncan outlined in his message to members titled "Clubroom Project Information" on Friday, this proposed update to the main building/clubhouse facilities is a major step forward for the PTC, as it will bring the facility up to City code, and provide modern and functional improvements that will carry us forward for years to come.

The Club Improvement Committee (CIC) has worked for a couple years to put together the plan and the budget. The bid from the most reliable contractor offer, along with the portion that the Club will fund directly totals \$511,400. Along with a \$30,000 contingency, representing a healthy 5.9% of total costs, the total for which we are asking approval is \$541,400.

I presented to members at Membership Meetings on November 15th and 28th the financial impact to the Club and I will outline it again here

with the updated numbers. The important thing to note is that, based upon frugal savings over the last decade, we have enough to do this vital project without asking members for more money and without putting the Club in financial peril.

Building Reserve Account (earmarked for capital projects)	
Projected Year End Balance	\$620,000
Less Cost of Planned Improvements	<u>(\$541,400)</u>
Building Reserve Account After Improvements	
	\$78,600
Replenishment Per Year (\$15/Member/Month + Net Initiation Fees *)	
	\$65,000
Replenished Reserve Balance After 1 year	\$143,600
Replenished Reserve Balance After 3 Years	\$273,600
Replenished Reserve Balance After 5 Years	\$403,600

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Reserve Fees \$15/Member/Month x 240 Members x 12 Months  
 \$43,200  
 + Net Initiation Fees \$6,125/New Member x 4 Members  
\$24,500  
 Total Replenishment Per Year  
 \$67,700~ Rounded \$65,000

Projects that we anticipate over the next 3-5 years include Court Lighting (\$150,000 +/-), Resurfacing the Courts (\$50,000 +/-), Updating the BBQ Area (\$50,000 +/-), 2 New Water Heaters (\$6,500 +/-), and various other projects like Pool Heaters & Pumps, Windscreens, Replacing the Flat Roof that may run approximately \$100,000. This totals about \$360,000, within our expected replenished

## Reserve Account.

Our current loan has a balance of about \$1,230,000 and is due December, 2018. In 2008, the rate was fixed at 5.99%. It carries a monthly debt service payment of about \$8,600 and is amortizing down at about \$2,200 per month so by the time it matures, the loan balance will be about \$1,175,000. Since it is a fixed rate, it carries a prepayment penalty that totals about \$77,500 if the loan were paid off today.

Our Loan Servicing Reserve Account, used to service debt and accumulate a loan pay down amount, equals \$480,000 today. It grows by about \$4,600 per month, from the \$55/member/month reserve dues we pay, less the monthly debt service. Therefore it is projected to grow to about \$590,000 by the time the loan is due. These funds will be used to pay down the loan balance in December, 2018 to about \$600,000. Under a refinancing, by my estimates, we will have a new loan that saves \$2,100 to \$3,700 per month in debt service, depending on how fast the loan is amortized, with it fully paid off by 2028 or 2033.

**The Bottom Line:** This is a necessary and desirable project for our Club that will perform critical repairs, bring our property into compliance with the municipal codes, improve the functionality of our facilities, and provide years of enjoyment. We can afford it. And with the debt remaining, it does not imperil our future in any way.

The Board of Directors urges a "Yes" vote on the project.

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**Manager: *Lona Means***

Please stop by the Match Point Cafe and taste **Tony's** PHO or PAD THAI food. It is absolutely delicious. He is very creative and loves suggestions.

Play begins for the USTA 40 & Over season the week of January 2nd. Please contact the PTC captain or me if you have any questions or are interested in playing on a team this upcoming season.

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**Club News: *Jeff Tateosian***

Congratulations to two of our member's daughter's for excelling in their perspective sports recently. **Halle Martinucci** had a terrific season and won the PAL League Singles Tournament. She has played #1 for Burlingame High School since she was a freshman. That year, she came in 3rd in the PAL Tournament, as a sophomore, she came in 2nd, and this year as a junior, she came in 1st. She also advanced to play in the CCS. Great year Halle.

Congratulations also goes to **Cate Dresler** for a great year at Sacred Heart Prep. She is their big outside hitter in Volleyball. Cate ranks in the top 10 among Central Coast kill leaders. Standing at 6'1", she dominates the net. Her team barely lost in the CCS finals. Outstanding season, Cate.

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**Membership Committee: *Mindy Wong***

**Whitney Simonds** (Senior member), and **Bob Cody** (Emeritus member), have both submitted their resignations. **David Hyman** is

now an active (Senior) member again.

New applicants for November

**Mike Schaffer** (Heffernan/Coskey sponsors)

**Luke Winter** (Shen/Dillon sponsors)

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**Social Committee: Kim Cresci**

It was a ROCKIN' NIGHT with a record number of members in attendance at this Saturday's holiday party. With the Clubroom dressed in black tie and candlelight, the members enjoyed seeing each other polished brightly. We really are a beautiful bunch! All Star Jukebox (with **Brian Wachhorst** at the mic) was again a hit and the dance floor made the night real! The abundance of food was the work of Esposto's catering. They fed a very big group with a lovely holiday meal to remember. Thank you to each and every member of the social team who made every detail sparkle: **Jane Percy, Nancy Batchelor, Marisa Wachhorst, Marissa Hauselt, Maggie Blumberg, Nancy Chew, Linda Nagare** and **Denee Berliner**. PTC staff **Daisy** and **Loel** went above and beyond to make sure we all arrived Sunday to a tidy club. Cheers to you all during this holiday season!

It has been a wonderful year of social events and I could not thank this team enough. Cheers to: **Marisa Wachhorst, Nancy Batchelor, Victoria Culas, Jane Percy, Maggie Blumberg, Christina Ching, Erica Reilly, Marissa Hauselt, Scott With, Peter Stevenson, Nancy Chew, Linda Nagare, Denee Berliner, and Teresa Piazza**. I love you all and thank you from the bottom of my heart!