



NOTICE OF MEETING

The regular meeting of the Incline Village General Improvement District Board of Trustees will be held starting at 6:00 PM on May 8, 2023 in the Chateau, 955 Fairway Boulevard, Incline Village, Nevada.

Public comment is allowed and the public is welcome to make their public comment via telephone (the telephone number will be posted to our website on the day of the meeting). The meeting will be available for viewing at <https://livestream.com/accounts/3411104>.

- A. PLEDGE OF ALLEGIANCE*
- B. ROLL CALL OF TRUSTEES*
- C. INITIAL PUBLIC COMMENTS - *Unless otherwise determined, the time limit shall be three (3) minutes for each person wishing to make a public comment. Unless otherwise permitted by the Chair, no person shall be allowed to speak more than once on any single agenda item. Not to include comments on General Business items with scheduled public comment. The Board of Trustees may address matters brought up during public comment at the conclusion of the comment period but may not deliberate on any non-agendized item.*
- D. APPROVAL OF AGENDA (*for possible action*) -*The Board of Trustees may make a motion for a flexible agenda which is defined as taking items on the agenda out of order; combining agenda items with other agenda items; removing items from the agenda; moving agenda items to an agenda of another meeting, or voting on items in a block -OR- The Board of Trustees may make a motion to accept and follow the agenda as submitted/posted.*
- E. GENERAL BUSINESS (for possible action)
 - 1. **SUBJECT:** Golf Course Financials and Proposed Rates for 2023 Golf Season. Review and discuss historical financial results of District-owned golf courses and consider options and recommendations for updating rates, rate structure and course operations for the 2023 golf season. (Requesting Staff Member Director of Golf and Community Services Darren Howard, Director of Finance Paul Navazio, Trustee Sara Schmitz) - *Pages 4 - 63*

Recommendation for Action: It is recommended that the Board of Trustees review, discuss and possibly take action on a series of options and recommendations related to operations of the District's two golf courses, with the goal of improving alignment of operating revenues and expenditures with overall financial objectives, Board-approved pricing policy and cost-recovery targets, as well as providing equitable access to golf courses by District pass-holders and their guests.

Staff Recommendations (**Board may increase, reduce, or otherwise modify any recommendation or the proposed amount**):

- 1. Championship Course (Appendix A):
 - a. Increase Non-Picture Pass Holder Rates at Championship Course by 8%
 - b. Picture Pass Holder Rates to be set at 50% of the Non-Picture Pass Holder Rates for the 2023 season
 - c. Guest Rates will be set at the mid-point of Non-Picture Pass Holder and Picture Pass Holder Rates, consistent with industry standards

Incline Village General Improvement District

Incline Village General Improvement District is a fiscally responsible community partner which provides superior utility services and community oriented recreation programs and facilities with passion for the quality of life and our environment while investing in the Tahoe basin.

893 Southwood Boulevard, Incline Village, Nevada 89451 • (775) 832-1100 • EMAIL: info@ivgid.org • www.yourtahoeplace.com

NOTICE OF MEETING

Agenda for the Board Meeting of May 8, 2023 - Page 2

2. Mountain Course (Appendix B):
 - a. Increase Non-Picture Pass Daily Rates (Peak Season) at the Mountain Course by 12+% based on market rates for comparable courses
 - b. Increase Picture Pass Holder and Guest Daily Rates (Peak Season) at the Mountain Course by 8%
 - c. Eliminate Shoulder Season Rates (September 15 – Closing) and replace with Peak Season Rates
3. Play-Passes - Revise Play-Pass Rates and Offerings (Appendix C)
 - a. Eliminate All-You-Can-Play Passes for 2023 season
 - b. Offer 10-Play, 20-Play, 30-Play, 40-Play, and 40+-Play Pass products
 - c. Adjust Play Pass pricing per Attachment C
4. Pre-Book Fees:
 - a. Eliminate Pre-Book Fees for All Picture Pass Holders at Both Golf Courses
 - b. Retain Pre-Book Fee for Non-Picture Pass Holders
5. No Show/Cancellation Fee policies – No Change
6. Golf Club Reservations:
 - a. Restrict Golf Club reservations during peak-season Fridays through Sunday to Tee Times starting at 11:00 a.m.
 - b. Clubs will retain one weekend member-guest event for the 2023 season
7. Non-Profit Organization Rates
 - a. Maintain Non-Profit Organization rates as approved by the Board of Trustees for the 2022 golf season
8. Increase Range Fee rates by \$1.00 per product.
9. Consider setting for future discussion Additional Decision Points outlined in this report, including:
 - a. Additional Blackout Dates
 - b. Limiting the percentage of tee times reserved by clubs
 - c. Charging Golf Clubs an annual administrative fee
10. Consider creating a Board Advisory Committee to evaluate and discuss additional topics and potential changes to the golf courses operations as well as identify opportunities to create board policies and practices related to district golf courses

F. FINAL PUBLIC COMMENTS - Limited to a maximum of three (3) minutes in duration.

G. ADJOURNMENT (for possible action)

CERTIFICATION OF POSTING OF THIS AGENDA

I hereby certify that on or before Wednesday, May 3, 2023, a copy of this agenda (IVGID Board of Trustees Session of May 8, 2023) was delivered to the post office addressed to the people who have requested to receive copies of IVGID's agendas; copies were e-mailed to those people who have requested; and a copy was posted, physically or electronically, at the following locations in accordance with Assembly Bill 253:

1. IVGID Anne Vorderbruggen Building (893 Southwood Boulevard, Incline Village, Nevada; Administrative Offices)
2. IVGID's website (www.yourtahoepace.com/ivgid/board-of-trustees/meetings-and-agendas)
3. State of Nevada public noticing website (<https://notice.nv.gov/>)

/s/ Susan A. Herron

Susan A. Herron

Acting District Clerk (e-mail: mnr@ivgid.org/phone # 775-832-1268)

Board of Trustees: Matthew Dent - Chairman, Sara Schmitz, Michaela Tonking, Raymond Tulloch and David Noble

Notes: Items on the agenda may be taken out of order; combined with other items; removed from the agenda; moved to the agenda of another meeting; moved to or from the Consent Calendar section; or may be voted on in a block. Items with a specific time designation will not be heard prior to the stated time, but may be heard later. Those items followed by an asterisk (*) are items on the agenda upon which the Board of Trustees will take no action. Members of the public who are disabled and require special accommodations or assistance at the meeting are requested to call IVGID at 832-1100 at least 24 hours prior to the meeting. **IVGID'S agenda packets are available at IVGID's website, www.yourtahoepace.com; go to "Board Meetings and Agendas".**

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MEMORANDUM

TO: Board of Trustees

THROUGH: Indra Winquest, District General Manager

FROM: Darren Howard, Director of Community Services
Paul Navazio, Director of Finance
Sara Schmitz, Trustee

SUBJECT: Golf Course Financials and Proposed Rates for 2023 Golf Season. Review and discuss historical financial results of District-owned golf courses and consider options and recommendations for updating rates, rate structure and course operations for the 2023 golf season.

RELATED STRATEGIC PLAN INITIATIVE(S):

SERVICE Long Term Initiative

3. Work with the parcel owners and customers to establish a sustainable long term financial and service model for all the District's venues, facilities and services starting with golf (2021-22).

4. Analyze the net effect of documented customer service levels on the District services and operations and apply changes as needed.

BUDGETED INITIATIVE FOR 2021-23

E. Seek service specific community feedback to determine parcel owner and customer satisfaction and implement into overall business models.

FINANCE Long Term Initiative

Prepare Annual Budgets that demonstrate the balance of allocated resources, with service expectations, and the capability to deliver.

Budgeted Initiative for 2021-23

B. Work with Board of Trustees to implement District-wide pricing policy, to ensure desired cost recovery and policy-driven differential pricing for parcel owners and customers.

G. Actively manage financial planning and reporting to inform decision making to sustain a strong financial base for operations, while maintaining care and condition of capital assets and existing infrastructure.

RELATED DISTRICT POLICY, PRACTICES, RESOLUTIONS or ORDINANCES: Practice 6.2, Pricing of Products and Services, and Resolution 1895, Complimentary and Discounted Use of District Facilities and Programs

DATE: May 8, 2023

I. RECOMMENDATION

It is recommended that the Board of Trustees review, discuss and possibly take action on a series of options and recommendations related to operations of the District’s two golf courses, with the goal of improving alignment of operating revenues and expenditures with overall financial objectives, Board-approved pricing policy and cost-recovery targets, as well as providing equitable access to golf courses by District Picture Pass Holders and their guests.

Staff Recommendations (**Board may increase, reduce, or otherwise modify any recommendation or the proposed amount**):

- 1) Championship Course (Appendix A):
 - a. Increase Non-Picture Pass Holder Rates at Championship Course by 8%.
 - b. Picture Pass Holder Rates to be set at 50% of the Non-Picture Pass Holder Rates for the 2023 season.
 - c. Guest Rates will be set at the mid-point of Non-Picture Pass Holder and Picture Pass Holder Rates, consistent with industry standards.
- 2) Mountain Course (Appendix B):
 - a. Increase Non-Picture Pass Daily Rates (Peak Season) at the Mountain Course by 12+% based on market rates for comparable courses.
 - b. Increase Picture Pass Holder and Guest Play Daily Rates (Peak Season) at the Mountain Course by 8%.
 - c. Eliminate Shoulder-Season rates (Sept 15 – Closing) and replace with peak season rates
- 3) Play-Passes - Revise Play-Pass Rates and Offerings (Appendix C)
 - a. Eliminate All-You-Can-Play Passes for 2023 season
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- 5) No Show/Cancellation Fee policies – No Change
- 6) Golf Club Reservations:
 - a. Restrict Golf Club reservations during peak-season Fridays through Sunday to Tee Times starting at 11:00 am.
 - b. Clubs will retain one weekend member-guest event for the 2023 season
- 7) Non-Profit Organization Rates

- a. Maintain Non-Profit Organization rates as approved by the Board of Trustees for the 2022 golf season.
- 8) Increase Range Fee rates by \$1.00 per product.
- 9) Consider setting for future discussion Additional Decision Points outlined in this report, including:
 - a. Additional Blackout Dates
 - b. Limiting the percentage of tee times reserved by clubs
 - c. Charging Golf Clubs an annual administrative fee.
- 10) Consider creating a Board advisory committee to evaluate and discuss topics and potential changes to golf course operations as well as identify opportunities to create Board policies and practices related to the operations of the District golf courses.

II. BACKGROUND

To assist the Board in its review of golf operations and guide discussion of options and recommendations, this memo provides information related to the historical financial performance of the District-owned golf courses, highlighting relationship between revenues collected and operating expenses, the play mix impacting revenue, as well as the impact of Food and Beverage services and Golf Shop on the overall financial performance.

This report provides the Board with staff’s recommendations for modifications to golf rates and rate structure for the 2023 golf season, as well as a series of additional decision points for the board’s consideration. The objective is to address the gap between operational expenses and revenues generated by the District-owned golf courses. This entails potential refinement of the budgets (to more closely track recent actual results), as well as opportunities to increase revenues (through pricing and play mix).

The District operates the Championship and Mountain golf courses for the benefit of Picture Pass Holders, their guests, and members of the public. Annual operating expenses for the Championship Course are in the range of \$4.5 - \$5.0 million per year, while operating expenses at the Mountain Course are in the range of \$1.0 - \$1.5 million per year. In addition, the District’s Capital Improvement Plan includes several projects to replace and improve facilities, as well as periodic replacement of golf cart fleet and capital equipment that supports golf course operations.

Historically, the golf courses have been funded through a combination of Charges for Services (revenues generated by golf activities), Community Services operational profits from Diamond Peak, the Recreation Facility Fee, and the Community Services Fund balance.

The net income generated by Diamond Peak has historically covered the operating expenses of the Community Services venues and programs, including the golf courses. A combination of excess fund balance and the Recreation Facility Fee have been utilized to cover capital and debt expenditures at the golf courses and other Community Services venues. Excess Community Services Fund balance has been accumulating for years due to the over collection of the Recreation Facility Fees and delayed delivery of capital improvement projects.

Over the past two fiscal years, no Recreation Facility Fees have been allocated to the golf courses to support operating expenses. In fact, the FY2021/22 budget did not include ANY Recreation Facility Fee allocation, as the planned capital project expenditures were intended to be funded entirely from excess Community Services Fund balance. In the current fiscal year, Recreation Facility Fees were allocated to the two golf courses solely to fund planned capital projects.

The Board's adoption of a new pricing policy for Programs and Services, specifically Practice 6.2, was designed to ensure that Non-Picture Pass Holder rates charged at the District's Community Services venues are set to recover, at a minimum, the full-cost of services. The policy sets the Picture Pass Holder pricing target to cover operational cost recovery (less depreciation) for District venues and programs. When considering the Picture Pass Holder cost recovery, depreciation is excluded because the Picture Pass Holder has paid a Recreation Facility Fee that covered the cash expenditure for capital improvement projects. The policy also includes a cost recovery pyramid for activities with broad community benefit.

An analysis of golf rates charged at the District's two golf courses show that, for the Championship Course, rates charged to Non-Picture Pass Holders as well as Guests generally meet or exceed the cost-recovery targets established in Practice 6.2. However, discounted rates charged to Picture Pass Holders have fallen short of meeting cost-recovery targets established by the Board. At the Mountain Course rates charged to Non-Picture Pass Holders, Picture Pass Holders and their guests, have historically fallen well-below the cost recovery targets established by Practice 6.2. Of greatest concern is the Non-Picture Pass rates, since the Recreation Facility Fee wasn't intended to subsidize Non-Picture Pass Holders.

As a result, pricing for Picture Pass Holders has been under review over the past several years. In addition to rate increases, the District has identified expense reductions, reviewed rate structures, including Play Passes, as well as ways to allocate tee-times and club member access so as to increase average revenue-per round metrics. The golf committee, in October of 2021 recommended "we set

pricing policies such that total golf operations (Champ and Mountain combined) breakeven to cover operating costs and overhead. (i.e. at a minimum resident rates cover operating and overhead; non-resident rates cover operating, overhead, capital, and debt; and guest rates are in the middle between resident and non-resident rates.”

The golf community has requested on multiple occasions that Facilities, the cost center where weddings and events held at the Chateau are budgeted and reported, be included as part of the golf cost center. While net revenues generated by these activities could be considered, over the past few years, these activities have not generated a profit.

The recommendations included in this report are intended to further improve the overall cost-recovery at the District’s two golf courses through both rate adjustments, modifications to the rate structure, and refinement of Play Passes available to Picture Pass Holders. Concurrently, expenditure levels at both golf courses are being reviewed and adjusted as part of the annual budget process which, together with the rate recommendations, are expected to yield a higher level of overall cost-recovery for golf Charges for Services. In reviewing the historical graphs, it is apparent that, over the last 2-3 years, operational budgets have significantly exceeded actual expenditures. The Board has provided direction to reduce areas of potential over-budgeting because it impacts the costs that are included in the rate discussion.

Policy Highlights Pertaining to This Agenda Item

Pricing Policy/Practice 6.2 (See Appendix D)

Informing the analysis and recommendations contained in this report is the Board-approved Practice 6.2, Pricing of Products and Services, which states, in part:

1.0 This Practice shall be used to ensure consistent application of pricing policy across the District’s Community Services and Beach venues in order to meet venue specific revenue and cost-recovery targets established through the annual budget process.

The objective of the District’s pricing policy is to:

- *Ensure that revenues, including Charges for Services and applicable Recreation or Beach Facility Fees are sufficient to cover the full cost of providing services to IVGID Picture Pass holders, guests of IVGID Picture Pass holders and others.*

- *Utilize sound financial planning principles to avoid volatility in charges and fees from year-to-year.*
- *Promote consistent framework for pricing across all venues and programs, while providing for venue-specific pricing considerations.*
- *Establish conditions for management to modify pricing during the fiscal year based on market conditions, and for the determination of pricing new programs.*

3.0 – Community Services Pricing

3.1.2. Pricing for services and merchandise sold at District profit centers (ex. Golf Shop, Food and Beverage, Ski Rentals) shall incorporate mark-up over costs based on market-driven targeted profit margins established as part of the budget process.

3.3.1 Rates charged to IVGID Picture-Pass Holders shall be discounted from the Full-Cost of services, in recognition of the Recreation Facility Fee assessed.

Rates charged to IVGID Picture-Pass Holders shall be discounted from the Full-Cost of services, in recognition of the Recreation Facility Fee assessed. Rates established for IVGID Picture-Pass holders shall generally be set at no greater than the rate required to cover the Operating Costs of programs and services. In some cases, rates charged may exceed Operating Costs (to the extent that the Facility Fee approved through the budget process is insufficient to cover the cost of annual Capital Costs and Debt Costs).

3.4.3 The annual budget could provide a funding allocation from the District’s General Fund to be used to offset discounts anticipated to be provided to community focused non-profit organizations. This funding is to be allocated to venues, programs or services based on utilization by community focused non-profits in to order mitigate the impact on overall financial performance of the venue, program or service.

The cost recovery pyramid, Appendix A of Practice 6.2, illustrates the target cost recovery for highly individual benefit with a cost recovery target of 100%. When benefits are less individual, and more for the broader community, 33%, 66% and 0% cost recovery targets are used.

When discussing things such as golf, tennis/pickleball, and programs as examples, the board must determine how these products are aligned with the pricing practice and the cost recovery pyramid.

Resolution 1895 - Complementary and Discounted Use of District Facilities and Programs (Appendix D).

Resolution 1895 informs aspects of rates and accommodations at District-owned golf courses, as follows:

2. Blackout Dates. IVGID prioritizes the use of IVGID facilities for resident or revenue generating use. As such, IVGID staff shall, on an annual basis, identify dates in which complimentary or discounted use of District facilities are unavailable. Moreover, resident or revenue-generating use shall take priority over complimentary or discounted use.

4. Reporting to the Board of Trustees. On an annual basis, the General Manager or designee shall provide a report to the Board of Trustees listing any use of District facilities and recreational programs pursuant to this Resolution.

The pricing practice and related resolution are cited to guide the Board with their decision making.

III. FINANCIAL REPORTING HISTORY

Over the past decade, the District has evolved its financial reporting related to its Community Services (and Beach) Funds. For fiscal year 2015/16 the District transitioned its accounting and financial reporting from an Enterprise (Proprietary) fund basis to a Governmental (Special Revenue) Fund basis. However, for fiscal year 2021/22, the District reverted back to Enterprise fund accounting for its Community Services (and Beach) Funds.

Among the primary differences in the two methods of accounting and financial reporting is that for Enterprise funds, all activities are reported within a single fund (or sub-fund), and financial statements are presented in the form of Statement of Income, Expense and Change in Net Position while Governmental Funds are reported in the form of Sources and Uses (revenues and expenses). In the Statements of Income, Expense and Change in Net Position, revenues and expenses are delineated between “operating” and “non-operating,” with depreciation reported as a component of operating expenses. Only interest on debt payments are reported (as non-operating expenses).

Conversely, in Governmental Fund accounting, activities for each Community Services Venue were segregated into separate Operating, Capital and Debt Funds. Accounting and financial reporting more closely reflect a “cash flow” with presented as Sources (revenues) and Uses (Expenses). Expenses include all capital outlay (instead of depreciation), and debt service includes both principal and interest payments.

For the analysis presented in this report, financial data is generally presented on the basis of Enterprise Fund accounting (which includes depreciation as a component of operating expenses). As such, financial results for FY2017-18 though FY2020-21 have been “adjusted” for consistency and comparison to results for FY2021-22 and projections through FY2023-24.

It should also noted that, under Enterprise fund reporting prior to FY2015/16, and since FY2021/22, the District’s Recreation Facility Fees have consistently been reflected as “operating revenues” in both the District’s approved budget and audited financial statements. For purposes of the analysis of the financial results for the District’s golf course operations, Recreation Facility fees have been excluded from operating revenues so as to provide a comparison between revenues generated by golf course activities and operating expenditures.

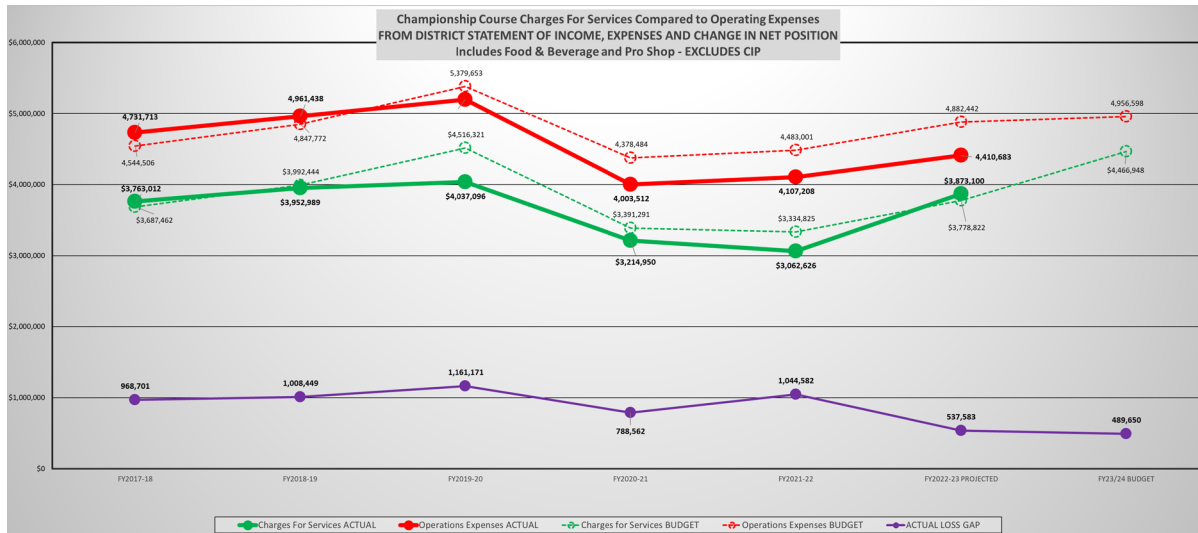
IV. FINANCIAL RESULTS FOR DISTRICT-OWNED GOLF COURSES

The Board requested historical analysis of the golf course performance. The Director of Golf, Director of Finance and Trustee Schmitz worked to provide the historical data and graphs depicting the operational performance of both the Championship and Mountain golf courses along with the performance of the food and beverage operations and the Pro Shops. All numbers EXCLUDE any Recreation Facility Fee to show a clear depiction of the relationship between annual revenues generated by the golf courses and the annual operating costs and due to the fact the Recreation Facility Fee has not been needed to fund operations. The financial data was taken from the District’s financial statements with the fiscal years 2017-18 through 2020-21 being adjusted for financial analysis consistency.

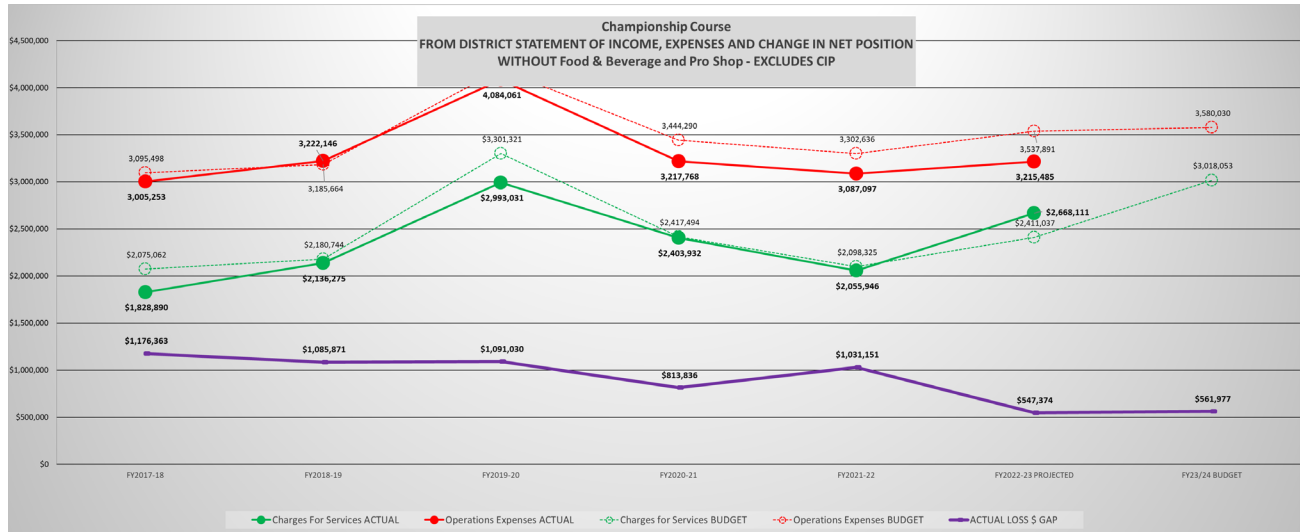
Championship Course

The chart below compares the Charges for Services to Operating Expenses, both budgeted and actual, for a 5-year period. For the current fiscal year, staff provided year-end projections for Charges for Services and Operating Expenses. The financial information contained in the chart includes the revenues and costs for food & beverage and the Pro Shop.

- The graph contains a “shortfall” line labeled “ACTUAL LOSS GAP” at an average of \$1.04M of operational losses for the 5 years of actual data provided. Since FY 2019/20, the actual charges for services and expenses have been declining, however the budget (and projections for the current fiscal year) reflect the start of a return to pre-pandemic results.
- The “gap” between Operating Expenditures and Operating Revenues is projected to shrink to \$537,583 in the current fiscal year, and – assuming the rate recommendations included in this report – to \$489,650 for FY2023/24.
- The FY23/24 Tentative Budget reflects operating expenditures increasing at 1.5% over the amended FY22/23 budget, with revenues from Charges for Services increasing by 18.2%.
- Worth noting is how budgets have exceeded actuals in most years with the projected revenue this fiscal year slightly exceeding budget and the trend toward closing the “gap”.

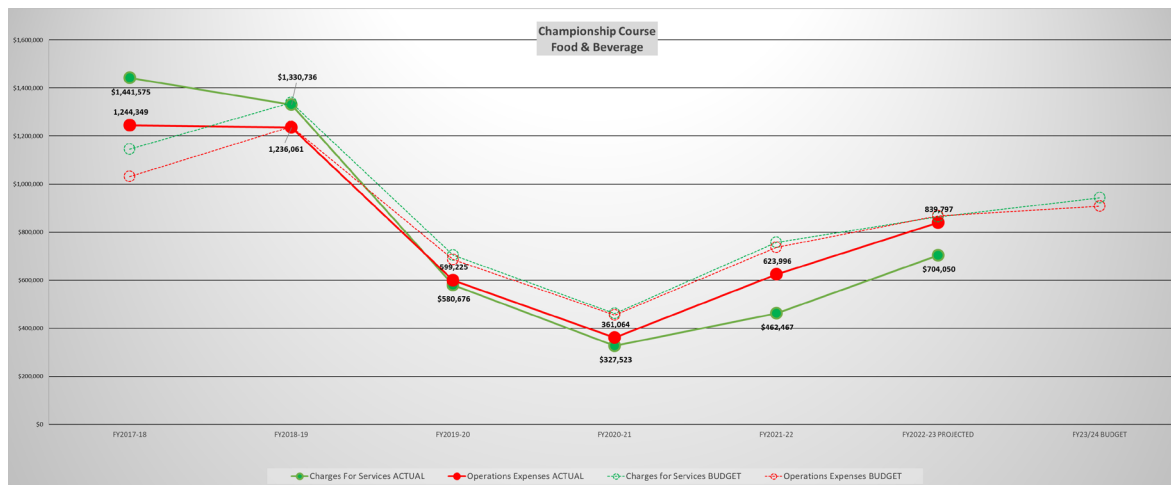


The chart below EXCLUDES food & beverage and the pro shop, but includes range fees, club rentals, lessons and green fees.



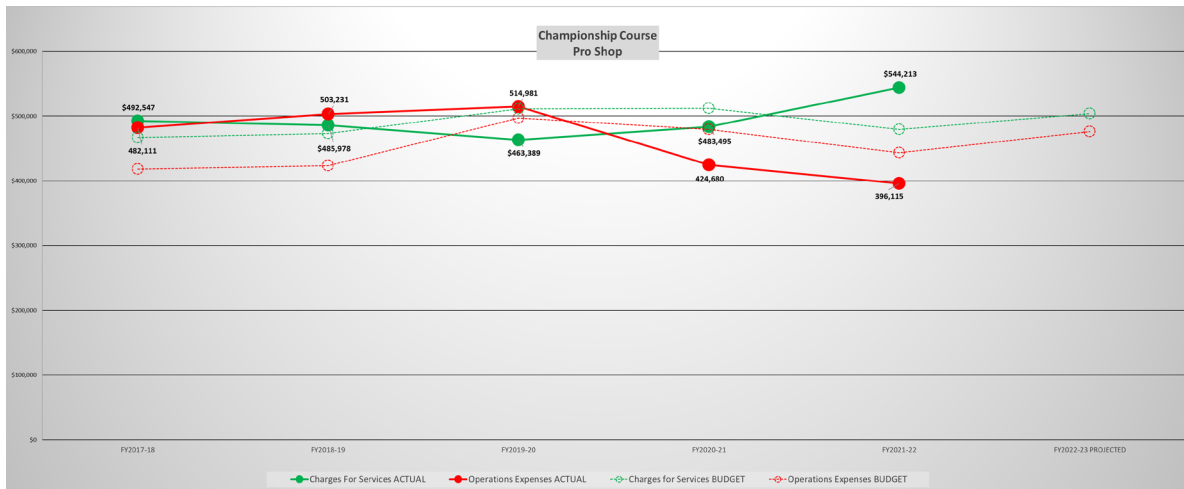
The chart below is specific to food & beverage.

- Noteworthy is how actuals for both revenue and expenses have been less than budget since FY 2018-19.
- The loss in FY 2021-22 was \$161,529 for the 5 months of operation, averaging about \$1,000/day.
- The loss projected in this fiscal year is \$135,747 for the 5 months of operation, averaging about \$900/day.
- The losses are being researched by staff.



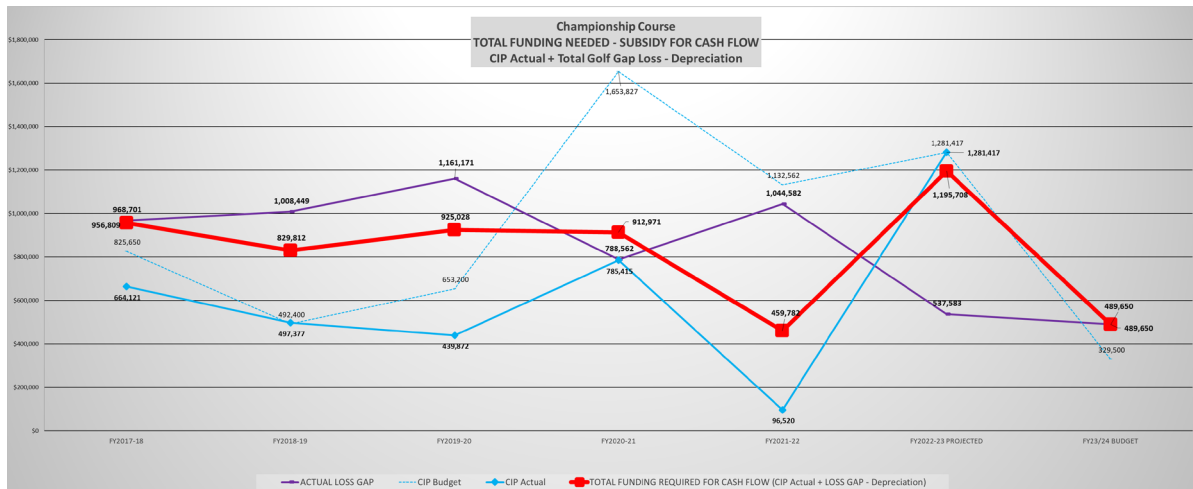
The chart below is specific to the Pro Shop.

- Noteworthy is the increasing profit margin. This may be due in part to the movement of sale merchandise to the Mountain Course Pro Shop.
- The Pro Shop has been showing improvement in its profitability with about a 37% profit margin in FY 2021/22.



The final chart for the Championship Course shows both the CIP budget and CIP actuals in addition to the “LOSS GAP” number. The bold red line shows the total funding required to cover the “LOSS GAP” (excluding depreciation) and actual capital improvement expenditures. This red line, indicating the funding requirement, is the combined use of excess fund balance, revenues from Diamond Peak and the Recreation Facility fee.

- What is noteworthy on this chart is the over budgeting of CIP on an annual basis since FY 2018/19.

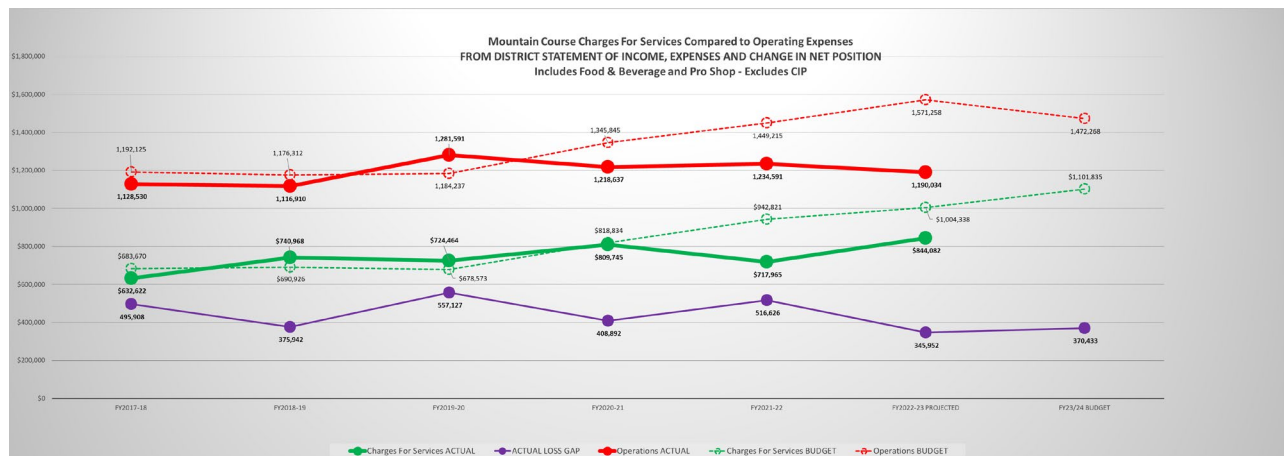


Mountain Course

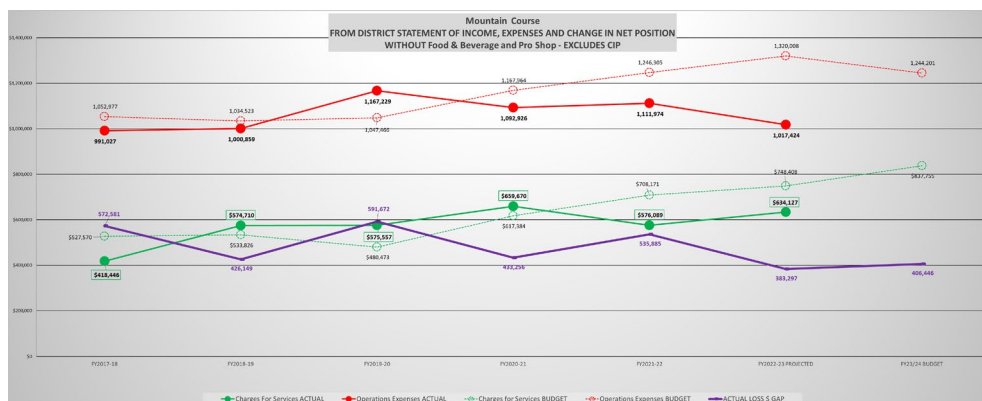
The chart below compares the Charges for Services to Operating Expenses, both budgeted and actual, for a 5-year period. For the current fiscal year, staff provided year-end projections for Charges for Services and Operating Expenses.

The financial information contained in the chart includes the revenues and costs for food & beverage and the pro shop.

- Notice the budgets for revenue and expenses have been significantly higher than the actuals.
- The operational expense budget trend is not consistent with the actual operation costs for the past 2 years but is being reduced in the 2023-24 budget.
- The budgeted revenues have not been realized since the pandemic.
- The Mountain Course, with food and beverage and Pro Shop sales included, has experienced operational losses ranging from \$375K to \$557K a year.
- The “gap” between Operating Expenditures and Operating Revenues is projected to shrink to \$345,952 in the current fiscal year, and – assuming the rate recommendations included in this report – projected to be to \$370,433 for FY2023/24, in increase in the “gap”, compared to this fiscal year’s projection.

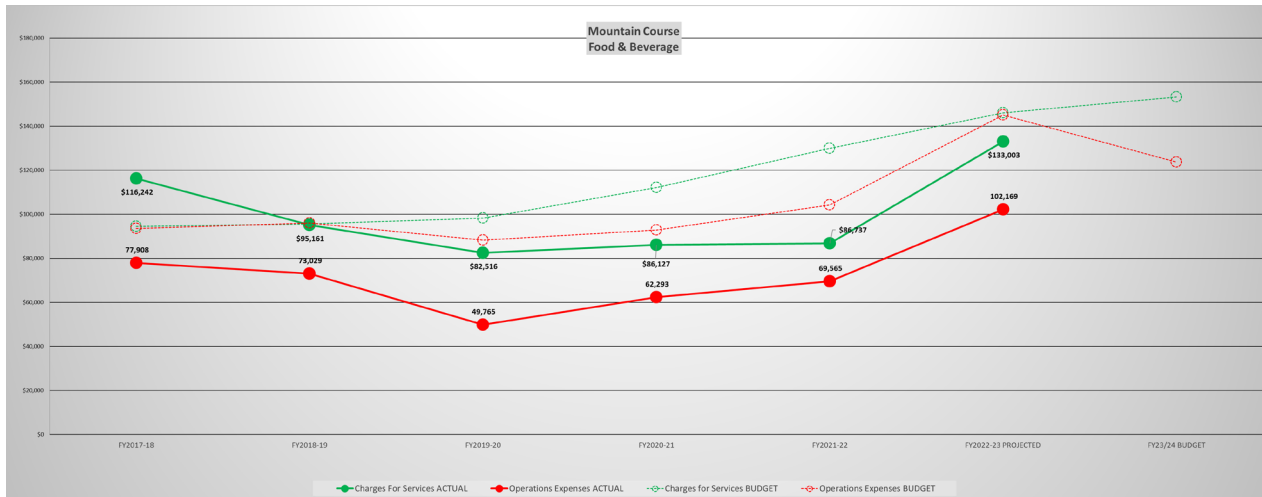


The chart below EXCLUDES food & beverage and the Pro Shop, but includes range fees, club rentals, lessons and green fees.



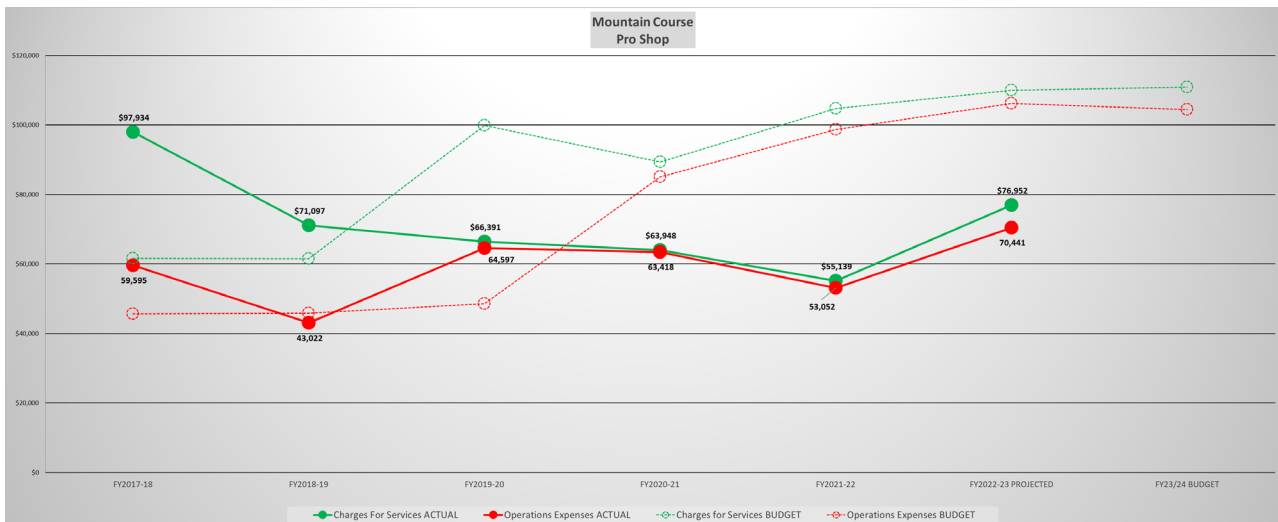
The chart below is for Food & Beverage.

- The Mountain Course, while actuals are below revenue and expense budgets, it's making a profit. This is considerably different than the F&B financial performance at the Championship Course.

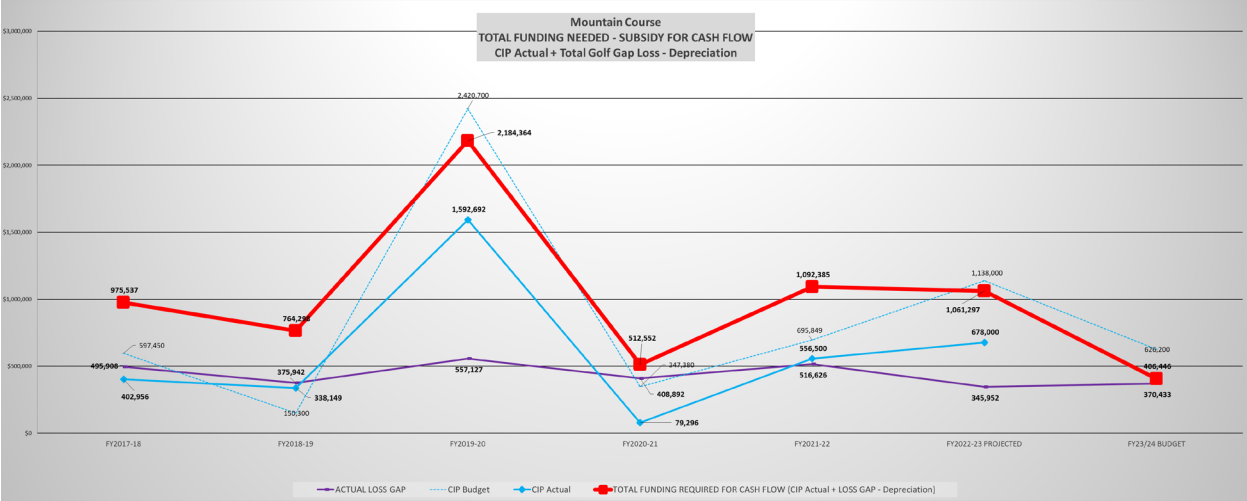


The chart below is specific to the Pro Shop.

- The Mountain Course Pro Shop made money, until FY 2019-20 when the profit margin diminished to near breakeven.



The final chart for the Mountain Course shows a similar situation as compared to the Championship Course, CIP budgets being significantly higher than the actual CIP expenditures. There appears to be an over budgeting of CIP which in turn impacts the rates needed to cover the cash flow.



V. GOLF CLUBS AND NON-PROFIT EVENTS AND SERVICES PROVIDED

Members of the community have organized and formed golf clubs in part to create a feeling of belonging to the sport and for socialization. They have been in existence, in at least one case, since the District purchased the golf courses. After considerable research, it appears clubs have never been defined nor discussed by the Board of Trustees, with the exception of November of 1989 when the Board discussed the allocation of total passholder tee times to be 40% (see attached meeting minutes). The results of the research and the information provided in this memo is intended to inform the board and the community related to their iteration with the golf operations and their benefits.

The clubs are, at present, allowed to reserve tee-times, in bulk, for the entire season as early as February without any reservation fee, while non-club member PPH golfers have been required to pay \$10 per person per tee time at Championship and \$5 per person per tee time reservation at Mountain for any reservations made more than 2 weeks in advance. In addition, selected Non-Profit organizations hold events at the District-owned golf courses, reserving dates well in advance of the start of each golf season.

Golf Genius. The District pays \$3,500 for an annual subscription to a tournament management software (Golf Genius). This system is used by club members to make their reservations from the bulk allocation of tee times awarded to the club. Then, District staff transfers the individual tee time reservation into the District’s Point of Sale system. While the clubs use this system for their method of making reservations, the system is a requirement for running any golf tournament or event.

Additional Services. As it relates to the fees charged to the clubs and non-profit for tournaments, there are no additional fees, except a \$2 per name should

calligraphy be requested. Clubs, PPHs, and non-profits are not paying a green fee that covers the additional services.

Below is a grid of service level comparisons:

Service Levels - Reservation Set-Up		Championship		Mountain	
		Golf Club Members	PPH Non-Club Members	Golf Club Members	PPH Non-Club Members
1	Pre-Season Bulk Reservations incl. Coordination Effort	YES - No Fee	Not Available	Yes - No Fee	Not Available
2	Reservation Fee - More than 2 weeks in advance	\$0	\$10/per person	\$0	\$5/per person
3	Set-up of Tournament formats	YES - No Fee*	YES - No Fee	YES - No Fee	YES - No Fee
4	Pairings for Tournaments based on handicaps; score card creation; board scoring; entry of results into GHIN system	YES - No Fee*	YES - No Fee	YES - No Fee	YES - No Fee
5	Set-ups of Shot Gun events	YES - No Fee	Not Available	YES - No Fee	Not Available
6	Day of Tournament Management	YES - No Fee*	YES - No Fee	YES - No Fee	YES - No Fee
7	Block District POS System for Pre-Season Reservations	YES - No Fee	Not Available	YES - No Fee	Not Available
8	Transfer Individual Reservation from Club system to District POS	YES - No Fee	Not Available	Yes - No Fee	Not Available
9	Create Tee Sheets	YES - No Fee	YES - No Fee	Yes - No Fee	YES - No Fee
* indicates this is provided to Non-Profits and outside events paying higher fees					
Service Levels - On Course		Championship		Mountain	
		Golf Club Members	PPH Non-Club Members	Golf Club Members	PPH Non-Club Members
1	Bag handling - drop off	YES	YES	NO	NO
2	Golf Ranger/Starter Service	YES	YES	YES	YES
3	Heated and Cooled Towel Service	NO	NO	NO	NO
4	Club Cleaning	YES	YES	NO	NO
5	Vehicle Escort and Bag Delivery	YES	YES	NO	NO
Service provided in prior years (per SOPs reviewed) but removed from the budget - SOP to be updated					

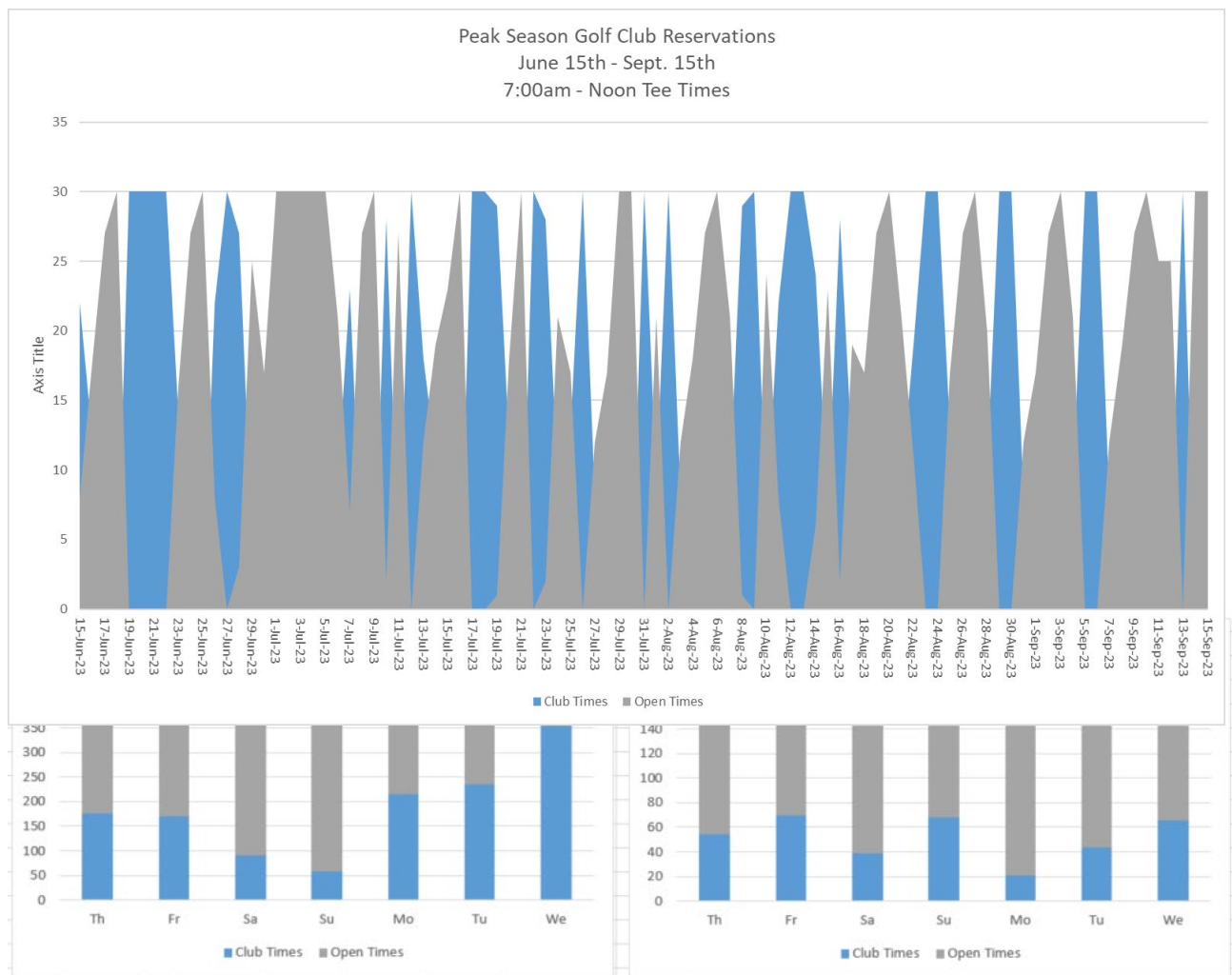
Service	Additional Cost	Savings if eliminated
Printing scorecards	\$250 (card stock) \$ insignificant	\$ 250
Printing cart signs	\$250 (cost of paper)	\$250
Staging carts for shotgun starts	Staff time only	None
Entering results into Golf Genius to determine winners. <i>If our staff post scores to handicap system it is one key stroke, but most of the time the individuals post their own scores</i>	30 min. / tournament Less than 40 hours	Staff would be performing other tasks and duties.
Scoreboards are only done for each clubs major events, about 3-4 per season for each club	12 scoreboards per year 12 hours	Minimal

GOLF CLUB ADVANCE RESERVATIONS

As noted, golf clubs affiliated with the District-owned golf courses are afforded the ability to reserve blocks of time for club play well in advance of the start of each golf season (typically in February). In addition, each club traditionally holds one invitational event (tournament) that is also scheduled in advance.

For the upcoming 2023 season at the Championship Course, club reservations account for 43% of the peak season tee times (June 15 – September 15), during the prime (opening to 2:00pm) time slots.

The following chart shows the proportionate tee times available at the Championship Course for club reservations in comparison to “open” reservations, for the peak period of June 15 through September 15, for tee times between opening (7:00am) and noon.



The following “calendars” depict the availability of tee times for each day, from June 15 through September 15, for the prime times of opening to noon and noon to 2:00pm. Red blocks indicate day/times where golf club advance reservations exceed 50% of all available tee times, yellow blocks indicate slots where club advance reservations are between 40% and 50%, and green blocks indicate times where club reservations are less than 40% of available tee times.

JUNE 15th - JUNE 30						
Tee Time Availability After Club Reservations						
AM (7am - Noon) & PM (Noon - 2pm)						
Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
				15	16	17
				AM 27%	AM 60%	AM 90%
				PM 82%	PM 64%	PM 100%
18	19	20	21	22	23	24
AM 100%	AM 0%	AM 0%	AM 0%	AM 0%	AM 53%	AM 90%
PM 100%	PM 27%	PM 27%	PM 27%	PM 9%	PM 45%	PM 100%
25	26	27	28	29	30	
AM 100%	AM 27%	AM 0%	AM 10%	AM 83%	AM 57%	
PM 100%	PM 100%	PM 82%	PM 73%	PM 82%	PM 55%	
<p>RED is less than 50% avail. YELLOW is 50-60% avail. GREEN is over 60% avail.</p> <p>June Stats: RED 41% YELLOW 9% GREEN 50%</p>						

JULY						
Tee Time Availability After Club Reservations						
AM (7am - Noon) & PM (Noon - 2pm)						
Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
						1 AM 100% PM 100%
2 AM 100% PM 100%	3 AM 100% PM 100%	4 AM 100% PM 100%	5 AM 100% PM 100%	6 AM 70% PM 100%	7 AM 23% PM 100%	8 AM 90% PM 100%
9 AM 100% PM 0%	10 AM 7% PM 100%	11 AM 90% PM 100%	12 AM 0% PM 0%	13 AM 40% PM 82%	14 AM 63% PM 55%	15 AM 77% PM 45%
16 AM 100% PM 100%	17 AM 0% PM 0%	18 AM 0% PM 27%	19 AM 3% PM 91%	20 AM 60% PM 36%	21 AM 100% PM 0%	22 AM 0% PM 0%
23 AM 7% PM 100%	24 AM 70% PM 100%	25 AM 57% PM 0%	26 AM 0% PM 55%	27 AM 70% PM 82%	28 AM 57% PM 55%	29 AM 100% PM 100%
30 AM 100% PM 0%	31 AM 0% PM 82%					
<p>July Stats: RED is less than 50% avail. YELLOW is 50-60% avail. GREEN is over 60% avail.</p> <p>RED 34% YELLOW 8% GREEN 58%</p>						

AUGUST
Tee Time Availability After Club Reservations
AM (7am - Noon) & PM (Noon - 2pm)

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
		1 AM 70% PM 0%	2 AM 0% PM 100%	3 AM 73% PM 82%	4 AM 60% PM 55%	5 AM 90% PM 100%
6 AM 100% PM 0%	7 AM 70% PM 100%	8 AM 3% PM 100%	9 AM 0% PM 0%	10 AM 80% PM 36%	11 AM 27% PM 73%	12 AM 0% PM 0%
13 AM 0% PM 0%	14 AM 20% PM 100%	15 AM 77% PM 100%	16 AM 7% PM 64%	17 AM 63% PM 45%	18 AM 57% PM 0%	19 AM 90% PM 0%
20 AM 100% PM 0%	21 AM 70% PM 100%	22 AM 37% PM 100%	23 AM 0% PM 55%	24 AM 0% PM 0%	25 AM 57% PM 55%	26 AM 90% PM 100%
27 AM 100% PM 0%	28 AM 67% PM 100%	29 AM 0% PM 91%	30 AM 0% PM 91%	31 AM 73% PM 82%		

August Stats: RED is less than 50% avail. 40% YELLOW is 50-60% avail. 7% GREEN is over 60% avail. 53%

SEPTEMBER 1 - 15th
Tee Time Availability After Club Reservations
AM (7am - Noon) & PM (Noon - 2pm)

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
					1 AM 57% PM 55%	2 AM 90% PM 100%
3 AM 100% PM 82%	4 AM 70% PM 100%	5 AM 0% PM 73%	6 AM 0% PM 0%	7 AM 73% PM 91%	8 AM 63% PM 55%	9 AM 90% PM 100%
10 AM 100% PM 100%	11 AM 83% PM 100%	12 AM 83% PM 100%	13 AM 0% PM 45%	14 AM 100% PM 100%	15 AM 100% PM 100%	

September Stats: RED is less than 50% avail. 17% YELLOW is 50-60% avail. 10% GREEN is over 60% avail. 73%

VI. FACTORS AFFECTING GOLF COURSE FINANCIALS

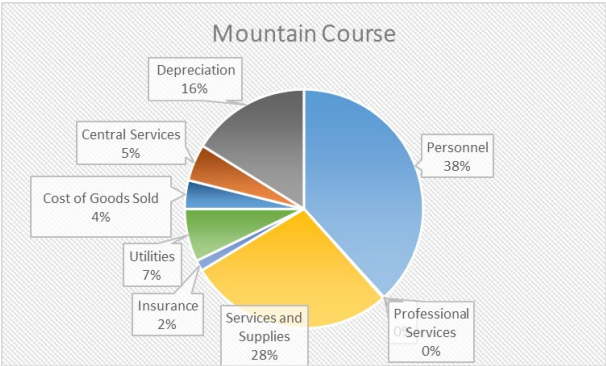
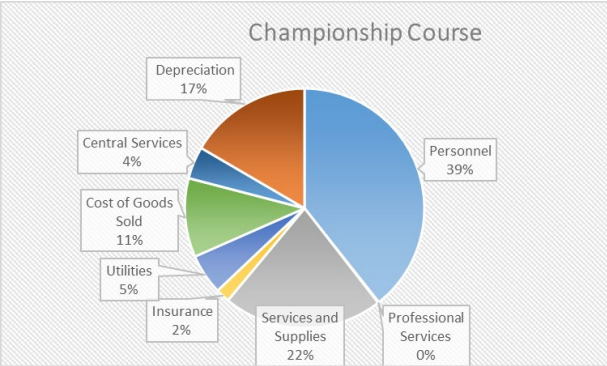
The financial performance of the District’s golf courses is directly a function of the level of expenditure required to operate and maintain the golf courses (including maintenance and replacement of capital assets) at the desired “service levels”, and the revenues venues generated by, or allocated to, the golf courses.

Costs Related to Golf Course Operations

The costs in support of the District’s two golf courses include expenses incurred in operations and maintenance. Operating cost include personnel costs (salary and benefits), non-personnel costs (supplies, equipment, utilities, etc.). Non-personnel cost also include internal services charges as well as overhead costs allocated to golf operations. Depreciation and debt service are also components of operating costs of the golf courses.

Below is a breakdown of both courses operational results. These results and the graphs that follow include food & beverage and the Pro Shops at both courses.

	FY2021/22 Actual Results	
	Championship	Mountain
Salaries and Wages	\$ 1,256,237	\$ 356,823
Employee Fringe	360,061	115,737
Personnel	\$ 1,616,298	\$ 472,560
Professional Services	5,234	1,759
Services and Supplies	885,825	345,354
Insurance	77,941	17,932
Utilities	223,990	88,192
Cost of Goods Sold	437,588	47,980
Central Services	179,012	61,381
Depreciation	681,320	199,433
TOTAL OPERATING EXPENSE	\$ 4,107,208	\$ 1,234,591



Cost per Round

In 2021, the Board approved a pricing policy for Community Services venues (Practice 6.2). Implementation of this policy necessitated a cost accounting to establish “cost per round” for operating costs (excluding depreciation), depreciation and debt. Since residents are paying the Recreation Facility Fee which is being used to cover the cash outlay for the capital improvement expenditures, depreciation and debt service have been excluded from the cost recovery analysis.

While useful for setting of golf rates at the two courses, based on cost-recovery targets for non-residents, Picture-Pass Holders and guests, this metric can also serve as a tool to evaluate effectiveness of cost-management for golf course operations, over time and may be used to compare with other golf courses. The numbers below excludes food & beverage, the Pro Shop, driving range and their related overhead thereby reducing the total operational expenses as compared with the numbers contained in the charts showing the historical, projected and budgeted expenses (\$282,191).

PRICING ANALYSIS
(Based on FY2023-24 Tentative Budget)

Championship Course		Mountain Course	
Budget Summary		Budget Summary	
Personnel	\$ 1,333,059	Personnel	\$ 545,061
Professional Services	1,700	Professional Services	1,400
Services & Supplies	729,631	Services & Supplies	293,840
Insurance	-	Insurance	-
Utilities	225,000	Utilities	93,600
COGS	-	COGS	-
Overhead	456,449	Overhead	206,443
Operating Costs	2,745,839	Operating Costs	1,140,344
Capital (Depreciation)	552,000	Capital (Depreciation)	157,100
	\$ 3,297,839		\$ 1,297,444
Debt	-	Debt	-
Total Expenses	\$ 3,297,839	Total Expenses	\$ 1,297,444

Championship Course		Mountain Course	
Rounds of Golf	26,146	Rounds of Golf	17,800
Cost Per Round		Cost Per Round	
Operating Costs + OVHD	\$ 105.02	Operating Costs + OVHD	\$ 64.06
Oper. Costs, OVHD, Capital (Depreciation)	\$ 126.13	Oper. Costs, OVHD, Capital	\$ 72.89
Oper. Costs, OVHD, Capital, Debt	\$ 126.13	Oper. Costs, OVHD, Capital, Deb	\$ 72.89

Note: Cost-per-round EXCLUDES Food and Beverage, Merchandising and Driving Range.

Revenues Related to Golf Course Operations

Revenues to support golf course operations come primarily from three sources. These include Charges for Services generated from green fees (daily and passes), net revenues generated from ancillary activities (Driving Range, club

rentals, food and beverage and merchandising/Pro Shop), as well as net revenues provided from other Community Services fund venues (i.e. Diamond Peak), and if required, the Recreation Facility Fee. The Mountain Course also receives (non-operating) lease revenue from paid by telecommunications providers with cell tower installations located on the property.

Products and Pricing

Picture Pass-Holders, their guests and non-residents can access the District’s two golf courses through an array of daily green fees and play passes. Daily access (green fees) is priced based on the course (Championship, Mountain), season (shoulder season vs. high season), day of the week (mid-week, week-end) and time of day. The Mountain Course also offers discounted rates for 9-hole play.

Daily golf access for Picture-Pass Holders, Guests and Non-Residents are provided a differential rates, consistent with the provisions of the District’s pricing policy for Community Services Products and Services.

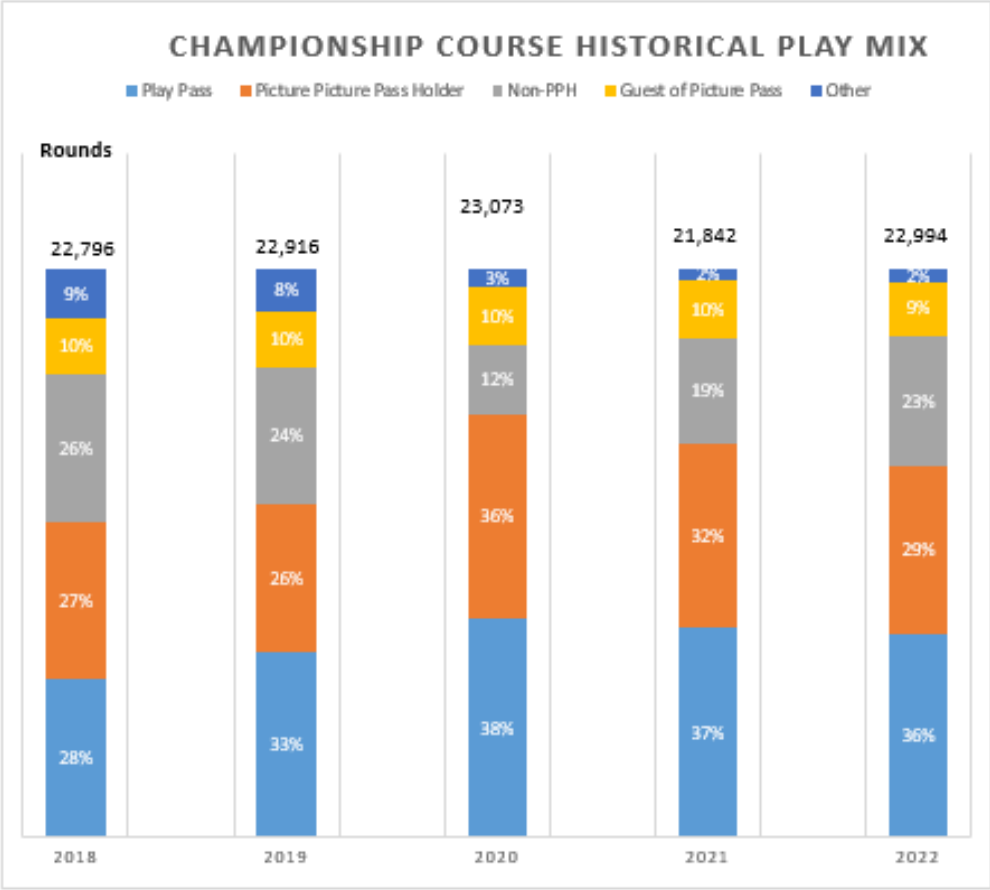
In addition, Picture-Pass Holders could also purchase Play Passes that provide discounted rates for 10-Play, 20-Play, and All-You-Can Play products. Discounted Play Passes included Couples, Juniors, and College passes. (NOTE: For the 2023 golf season, staff is recommending eliminating the All-You-Can-Play Pass and adding a 30-Play, 40-Play, and 40+ Play Pass product).

Play Mix

Ultimately, the revenues generated by each of the two District-owned golf courses is a function of not only the available products and established rates, but also the “play mix” for the estimate of (budget) and actual rounds of golf sold over the course of the season.

Simply stated, given the pricing differential established for Non-Picture Pass Holders, Guests and Picture-Pass Holders, as well as the discounted rates established for the various category of Play Passes, the revenues generated by the golf courses depends on not only the number of rounds played, but – significantly – the distribution of rounds played across Non-Picture Pass Holders, Guests and Picture Pass Holders. For the Picture-Pass Holders, there is a further distribution of rounds played purchased through daily greens fees versus the various Play Pass products offered.

The following charts show the “play mix” or distribution of rounds played over the past five golf seasons, broken-down by daily passes (PPH, NPPH, Guests, Play Passes, and Other).

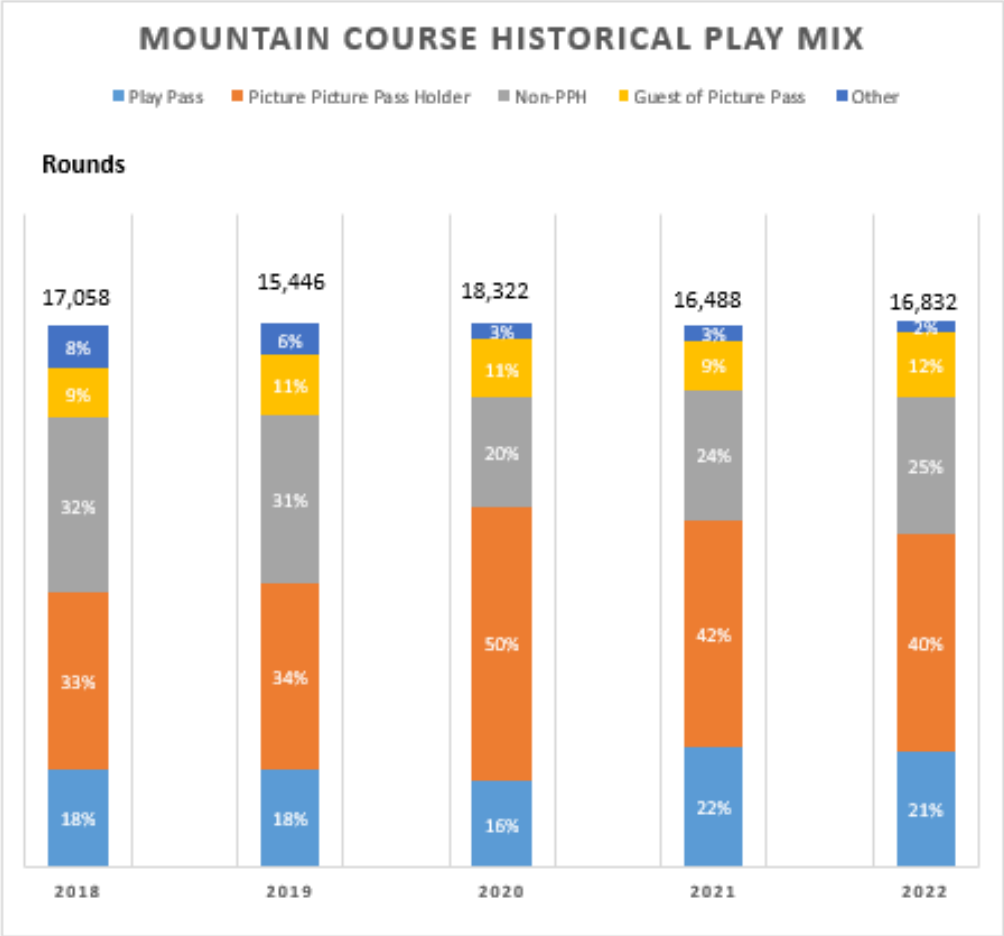


	2018	2019	2020	2021	2022
Picture Picture Pass Ho	23%	22%	34%	25%	21%
Play Pass	23%	25%	28%	27%	26%
Non-PPH	42%	40%	24%	33%	39%
Guest of Picture Pass	12%	13%	14%	15%	13%
Other	0%	0%	0%	0%	1%

Championship Course:

- Picture Pass Holder rounds of have increased from 55% in 2018 to 65% in 2022, and peaked at 74% in 2020 (during pandemic).
 - Play Pass rounds have increased from 28% in 2018 to 36% in 2022, and peaked at 38% in 2020 (during pandemic)

- Non Picture-Pass holder rounds averaged 25% from 2018-2019, and fell to 12% (2020) and 19% (2021), during the pandemic. Non Picture Pass rounds grew to 23% for the 2022 season.



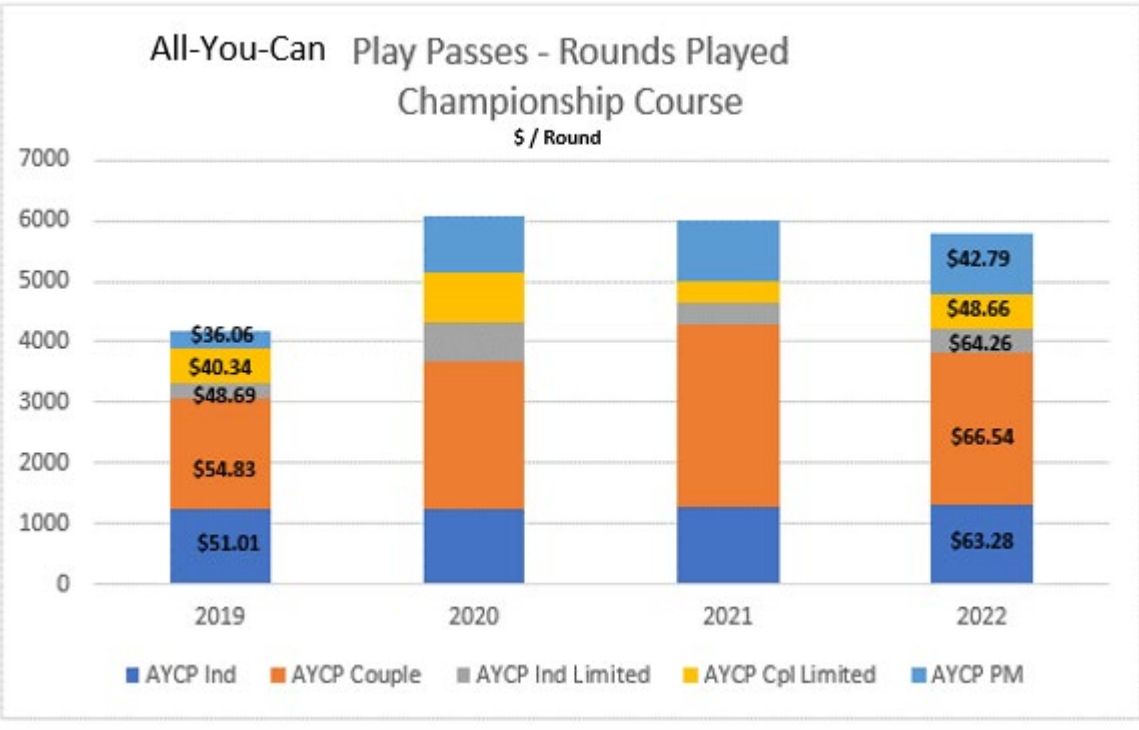
	2018	2019	2020	2021	2022
Picture Picture Pass Holder	28%	28%	47%	36%	34%
Play Pass	14%	17%	9%	13%	13%
Non-PPH	47%	43%	31%	39%	38%
Guest of Picture Pass	11%	12%	13%	12%	15%
Other	0%	0%	0%	0%	0%

Mountain Course:

- Picture Pass Holder rounds of have increased from 51% in 2018 to 61% in 2022, and peaked at 66% in 2020 (during pandemic).
 - Play Pass rounds have increased from 18% in 2018 to 21% in 2022, and peaked at 22% in 2021.

- Non Picture-Pass holder rounds averaged 31.5% from 2018-2019, and fell to 20% in 2020. Non- Picture Pass rounds grew to 25% for the 2022 season.

The following chart further breaks-down the Play Pass rounds played (at the Championship course) by type of Play Pass (2019-2022).



Note: For comparison, cost per round at the Championship Course (2022) is estimated at \$98.58 (Operating Costs plus Overhead) and \$132.82 (incl. Depreciation and Debt).

Revenue Per Round

Revenue per round of golf played is an industry-standard metric to assess financial performance of a course. The following tables reflect annual “revenue per round”, by product type, for the past four years at both District-owned courses.

Championship Course:

Total Average Dollar Per Round				
	2019	2020	2021	2022
Picture Pass Holder	\$60.38	\$64.89	\$64.22	\$70.89
Play Pass	\$53.40	\$49.92	\$62.19	\$66.57
Guest of Picture Pass Holder	\$93.26	\$98.86	\$118.19	\$127.28
Non-Picture Pass	\$117.01	\$141.05	\$148.18	\$152.69
Other	\$2.49	\$3.42	\$19.16	\$28.76

All Play Combined

	2019	2020	2021	2022
Revenue Per Round	\$70.54	\$69.82	\$83.45	\$90.63
Cost Per Round – Oper/Ovhd	N/A	N/A	\$95.26	\$98.58
Oper/Ovhd/Capital/Debt	N/A	N/A	\$120.53	\$132.82

Mountain Course:

Total Average Dollar Per Round				
	2019	2020	2021	2022
Picture Pass Holder	\$32.32	\$30.23	\$29.80	\$34.13
Play Pass	\$36.21	\$17.83	\$19.27	\$25.18
Guest of Picture Pass Holder	\$41.83	\$39.79	\$47.07	\$52.06
Non-Picture Pass	\$53.39	\$50.65	\$54.43	\$62.91

All Play Combined

	2019	2020	2021	2022
Revenue Per Round	\$39.11	\$32.40	\$33.99	\$40.77
Cost Per Round – Oper/Ovhd	N/A	N/A	\$50.49	\$53.57
Oper/Ovhd/Capital/Debt	N/A	N/A	\$62.23	\$64.07

Ancillary Activities Generating Golf Course Revenues

Additional revenue-generating activities at the golf courses include the Driving Range (Championship Course), golf club rentals, food and beverage service and merchandising. At the Championship Course, the Driving range and club rentals generate an estimated \$215,000 in net revenues (or \$8.28 per round). At the Mountain Course, club rental generates an estimated \$30,000 in net revenues (or \$2.10 per round). These revenues are not reflected in the “revenue per round” figures shown in the above charts.

VII. PLANS FOR A MORE SUSTAINABLE BUSINESS MODEL

The primary objective of the information provided in this report is to inform Board-level discussion leading to a long-term, sustainable model for operation of the two District-owned golf courses.

Over the years, the golf courses have been successfully operated as a component of the overall Community Services recreational venues and amenities provided by the District. Picture Pass Holders have been the primary beneficiaries.

In evaluating options to improve the financial performance of the golf courses, it is important to affirm, or re-assess, the goals and objectives for operating the District-owned golf courses.

The following provides a (partial) list of these objectives. It should be noted that some are complimentary, while others are mutually exclusive:

Goals/Objectives

- Prioritize Resident Benefits (Availability/Pricing)
- Maximize User Benefits vs Community Benefits
 - Consider appropriateness of Pricing Pyramid to support activities that provide community benefit
- Role of Recreation Facility Fee(s)
 - Capital Outlay
 - Depreciation
 - Subsidize operations
- Level of Cost-Recovery (Operating Revenues vs Operating Expenditures)
- Level of “subsidy” – Who pays?
 - Non-Picture Pass Holders (net revenues from Charges for Services)
 - Resident Non-Golfers (Recreation Facility Fees)

Cost-Management

Staff has worked diligently to find more savings within the Championship Course and the Mountain Course. The majority of these savings come from reduction in staff, less paid marketing dollars, supplies and fleet costs. Below are some of the decreases:

Expense item	Baseline Budget	Revised Budget 4/26/23	Savings
Championship Course			
Golf Shop Staff Wages(410-5010)	\$222,238	\$208,172	\$14,066
R&M General (410-7510)	\$26,000	\$1,800	\$24,200
Contractual Services (430-7330)	\$800	\$0	\$800
Outside Services Wages (440-5010)	\$130,693	\$118,801	\$11,892
Operating (440-7415)	\$6,600	\$6,068	\$532
Fleet Maint Service (440-7540)	\$72,200	\$19,994	\$52,205
Bldgs. Maint. (440-7550)	\$18,700	\$17,260	\$1,440
Merchandise Wages (460-5010)	\$73,340	\$52,920	\$20,420
Small Equipment (430-7435)	\$2,200	\$2,000	\$200
Computer & IT (460-7300)	\$400	\$0	\$400
Operating (460-7415)	\$3,000	\$2,030	\$970
Contractual Services (460-7330)	\$300	\$0	\$300
Office Supplies (530-7405)	\$500	\$0	\$500
Operating (530-7415)	\$32,500	\$27,200	\$5,300
Paid Advertising (980-7010)	\$22,700	\$8,000	\$14,700
Contractual Services (990-7330)	\$10,700	\$8,323	\$2,377
Operating (990-7415)	\$5,100	\$4,310	\$790
Bldgs Maint (990-7550)	\$21,400	\$19,700	\$1,700
Operating (420-7415)	\$145,500	\$132,440	\$13,060
Bldgs. Maint (420-7550)	\$38,400	\$35,385	\$3,015
Employee Allowances (430-4280)	\$900	\$0	\$900
Promotional Discounts (430-4285)	\$1,700	\$0	\$1,700
Salary savings (vacancy factor)	\$21,700	\$66,500	\$44,800
Champ Course Total savings			\$216,267
Mountain Course			
Golf Shop Wages (410-5010)	\$91,492	\$82,854	\$8,638
Dues & Subscriptions (410-7340)	\$2,000	\$1,230	\$770
Outside Services (440-5010)	\$96,237	\$92,515	\$3,722
Merchandise Wages (460-5010)	\$22,713	\$6,614	\$16,099
F&B Wages (530-5010)	\$67,808	\$39,072	\$28,736
Bldgs Maint (530-7550)	\$9,300	\$8,550	\$750
Advertising Paid (980-7010)	\$15,100	\$5,200	\$9,900
Salary Savings (vacancy factor)	\$7,200	\$21,000	\$13,800
Mountain Course Total savings			\$82,415

Note: (410) - Golf Shop (420) – Golf Course Maintenance (430) – Range (530) – Food and Beverage (460) – Merchandise; Four-digit number is the Object number within the budget

Savings are still being evaluated and where it makes sense and operations are not affected, staff will continue to reduce. Factored in is an additional \$113,000 in savings, beyond the savings shown here. History also shows that staff manages to the revenues, if revenues and play are not where it should be, cost savings will be put in place as the season progresses to manage to the bottom-line.

Capital Improvement Plan Revisions:

Championship Course:

- The FY23/24 CIP plan for the Championship Course has been reduced from \$449,900 to \$299,500.
- Staff will also be recommending deletion of the Putting Green Expansion Project (\$230,000), currently planned for FY23/24 and FY24/25

Mountain Course:

- The FY23/24 CIP Plan for the Mountain Course has been reduced from \$723,200 to 135,000
- Staff evaluating options for replacement of the Mountain Course Golf Cart Fleet, with \$491,200 previously planned for FY23/24. Staff is planning to recommend extension of the current lease resulting in significant short-term savings.

Revenue Management

Championship Course

- Increase Non-Picture Pass Holder Rates at Championship Course by 8%.
 - Basing pricing on like area golf courses, staff feels it would not be advisable to go over \$250 for the peak season rate for the following reasons:
 - Grays Crossing and Old Greenwood, (two most comparable courses) have an average high season rate of \$267.50 and they offer better overall facilities, include non-restricting range balls and hitting off real grass in their green fee pricing and have more service staff.
 - Edgewood is not as comparable as they do not have residents, work with several hotels to generate rounds, host a celebrity golf tournament annually that allows for yearlong advertising (TV coverage of event, Golf Channel coverage, several other golf media outlets, etc.), and there overall facilities and service levels are better.
- Picture Pass Holder Rates will be set at 50% of the Non-Picture Pass Holder Rates
 - Industry-standard practice
- Guest Rates will be set at the mid-point of Non-Picture Pass Holder and Picture Pass Holder Rates

- These recommendations combined to increase the average revenue per round and contribute to reducing the gap between revenues and operating expenditures.
- The resultant rate structure also fit within industry standards of pricing PPH, Guest, and Non-PPH.

Mountain Course

- Increase Non-Picture Pass Daily Rates (Peak Season) at the Mountain Course by 12+% based on market;
- Eliminate Shoulder-Season rates at end of Season (Sept 15 – closing).
 - The closest course data we can find is Old Brockway (9 hole course) and Tahoe City Course.
 - Old Brockway is \$100 for 18 holes plus \$35 cart fee and Tahoe City is \$90 for 18 holes plus \$25 cart fee.
 - This still keeps the Mountain course below those fees as they are regulation courses and Mountain course is an Executive course (14 Par 3's and 4 Par 4's)
- Increase Mountain Course PPH rates and Guest rates 8%

Revise Play Pass Structure – (See Appendix C)

- Eliminate All You Can Play Pass
- Offer 10-, 20-, 30-, 40-Play, and 40+-Play Passes
 - The 40+ Play Pass allows for additional rounds – Stand-by ONLY
 - At the Championship Course, by moving to this Play Pass structure, the average dollar per round increases (from \$66.57 per round to \$78.67).
 - At Mountain Course, Play Pass \$ per round would move from \$25.18 to \$33.04.
 - This gets the total \$/per round closer cost-recovery for Operating plus Overhead.

Play Mix –

- Black out Days. Staff is proposing implementing blackout dates for club reservations during the peak season. In addition Non-Profit events are restricted during peak season (June 15 – September 15). The Board may choose explore expanding the blackout periods for clubs and Non-Profits.

- Restrict Golf Club reservations (after 11:00am Fri – Sun).
 - By removing these dates for the prime season, additional tee times become available for non-club members
 - There could be a potential increase in revenue, depending on the play mix sold for these tee times.

Pre-Book Fees:

- Eliminate Pre-Book Fees for All Picture Pass Holders at Both Golf Courses.
 - i. Potential loss of \$11,000 in revenue
 - ii. To help eliminate anyone monopolizing the tee sheet, consider revising policy to reflect only one time per household per day and if someone cancels more than 2 times, all of their remaining times for the year will be cancelled.
- Retain Pre-Book Fee for Non-Picture Pass Holders.
 - i. This fee yielded \$59,000 in 2022 and could go higher in 2023

VIII. FISCAL ANALYSIS OF OPTIONS AND RECOMMENDATIONS

This report provides the Board with a series of recommendations, including golf rates for the 2023 season, updated 2023 season Play Pass pricing and offerings, as well as recommendations expected to impact the play mix of 2023 golf rounds, and therefore is related to golf rates.

Championship Course

Fiscal Impact of Rate Recommendations

- Increase Non-Picture Pass Holder Rates at Championship Course by 8%
 - Picture Pass Holder Rates will be set at 50% of the Non-Picture Pass Holder Rates
 - Guest Rates will be set at the mid-point of Non-Picture Pass Holder and Picture Pass Holder Rates
- Revise Golf Play-Pass Structure

Projected total Green Fee revenue with the following recommendations –

Rate Adjustment	Projected Revenues	Increase Over Prior Year
○ 5%	\$2,744,239	\$469,794 (Tentative Budget)
○ 8% (recommended)	\$2,826,672	\$552,227 (\$82,433 above Tentative)
○ 11%	\$2,896,137	\$622,227
2023 (season)	\$2,274,445	

Revise Play Pass Structure

- Eliminate All You Can Play Pass
- Retain 10-, 20- Play Passes; add, 30-, 40-Play, and 40+-Play Passes

Estimated revenue increase = \$94,870+ over existing play pass structure; estimate assumes same number of Play Pass rounds for the 2023 season.

Pricing Policy Analysis – Practice 6.2

Estimated Revenue per Round	5%	8%	11%
Picture Pass	\$ 87.15	\$ 91.24	\$93.53
Guests	\$137.65	\$142.65	\$148.34
Non-Picture Pass	\$160.32	\$164.90	\$169.48
Play Pass	\$ 78.67	\$ 78.67	\$78.67
Total \$.round from green fees	\$105.36	\$108.35	\$110.77
Total \$/round from green fees, range fees and club rentals	\$113.64	\$116.63	\$119.05

Cost Per round – Based on 26,146 projected rounds:

Operating Costs + Overhead.....	\$105.02
Operating, OVHD, Depreciation.....	\$126.13
Operating, OVHD, Depreciation, Debt.....	\$126.13

Mountain Course

Fiscal Impact of Rate Recommendations

- Increase Non-Picture Pass Holder Rates at Mountain Course by 12+%
- Increase PPH and Guest Rates at Mountain Course by 8%
- Eliminate Shoulder Season rates at end of season (Sept. 15 – Closing).
- Increases for moving to 12 minute intervals at the Mountain course is embedded within the play mix and Green Fees projections

Projected Green Fee revenue with recommendations –

Rate Adjustment	Projected Revenues	Increase Over Prior Year
○ 5%	\$780,410	\$ 94,248
○ 8% (PPH. Guest)	\$799,323	\$113,158 (Tentative Budget)
○ 12+% (NPPH)	\$848,540	\$162,375
○ 2023 (season)	\$686,165	

Pricing Policy Analysis – Practice 6.2

Estimated Revenue per Round	5%	8%	12+%
Picture Pass	\$ 35.84	\$ 36.86	\$ 37.88
Guests	\$54.66	\$56.22	\$ 57.78
Non-Picture Pass	\$66.06	\$67.94	\$ 79.00
Play Pass	\$ 33.04	\$ 33.04	\$ 33.04
Total \$.round from green fees	\$43.84	\$44.91	\$ 47.67
Total \$/round from green fees, range fees and club rentals	\$45.94	\$47.00	\$49.77

Cost per round - Based on 17,800 projected rounds:

Operating + Overhead.....\$64.06
 Operating, OVHD, Depreciation\$72.89
 Operating, OVHD, Depreciation, Debt\$72.89

Proposed revenue increases:

- o Increases for moving to 12 minute intervals at the Mountain course is embedded within the play mix and Green Fees projections.

Throughout this year, Staff has analyzed cost associated with operating the District’s two golf courses to determine the extent to which existing rates charged to golfers covers the fully-loaded cost per round, based on historical budget and usage information.

Discounted Picture Pass Holder Rates and Play Passes

The preliminary cost-recovery analysis also demonstrated that the current rates charged for Picture Pass Holders and Golf Play Passes, in relation to the average rounds of golf played by those who purchase this product, fall well below the suggested cost-recovery target for playing at both golf courses.

With the recommended increases for Golf Play Passes and Daily Resident Rates, the proposed rates, while generating a slightly higher level of cost-recovery in comparison to current rates, will remain at a level below the cost per round.

Lastly, the recommendations set forth in this memo are what staff believes can be accomplished, while meeting financial goals.

IX. ADDITIONAL DECISION POINTS

The recommendations and additional decision points outlined in this report are aimed at improving the financial performance of District-owned golf courses. By reducing the gap between revenues generated by golf operations (Charges for Services) and golf operating expenditures, the District is able to reduce the subsidy required to support the golf courses. As Diamond Peak is planning for significant capital improvements in the next few years, having this plan will prepare the District for the future.

Additional Decision Points are presented below for Board consideration:

1. Play Passes
 - a. Should District explore eliminating Play Passes?
 - Results in all Picture Pass Holders purchasing daily rounds at PPH rates
 - Fiscal Impact depends on number of Play Pass Rounds replaced by daily PPH rounds
 - Current differential = \$9 - \$10 per round x 7844 rounds = \$75,000
 - b. Should there be Blackout dates for Play Passes?
 - Results in increased revenues, depending on ability to fill tee times as well as play-mix
 - Fiscal Impact:
 - Replaced with PPH's only = \$850-\$900 per black out hour
 - Replaced with overall play-mix = \$1,600 per black-out hour
 - c. Should "additional" Play Passes be charged at published rate or effective purchased rate?
 - Slight increase in revenue, depending on use of Play Passes under new structure and pricing.
2. Golf Clubs/Non-Profits:
 - a. Blackout dates for club and non-profit tournaments. Should weekends in July be identified as blackout dates to allow for higher revenue generating weekend rounds of golf?
 - Fiscal Impact (see above)
 - b. Should golf clubs be required to be open to the public with contact information on the District's website?
 - c. Requirements of the club members may be a requirement to be a current PPH and to require the clubs to be open to anyone with their club contact information on the District website.

- d. Review and discuss the services provided and fees charged or not charged to the golf clubs, Non-Profits and PPHs along with any other requirements of the clubs.
 - Fiscal Impact: Nominal increased cost of services provided

- 3. Golf Committee Recommendations (2021)
 - a. Should the golf committee’s recommendation for reservations allowed no more than 4 weeks in advance be implemented?
 - b. Would this make the \$10 reservation fee less burdensome for the golf clubs while being fair and consistent for all PPHs?

X. SUPPLEMENTAL INFORMATION

Food and Beverage

- Expect return to Pre-COVID operations
 - Full-service – indoors / outdoors
 - Full staffing (kitchen and servers)
 - Reviewing vendor pricing and cost
 - Selective increase in pricing.

Merchandising

- The goal for merchandising is to maintain a Cost of Goods Sold (COGS) to price ration of around 65% (i.e. Profit margin of 35%) for both courses, combined.
- Last season, we have seen sales of merchandising beginning to approach pre-COVID levels. We anticipate this trend continuing, including increased sales to outside tournament players.
- The Mountain Course Golf Shop will continue to transition to focus on sale of discount merchandising, and therefore a higher cost-of-goods.

XI. ATTACHMENTS

- Appendix A – Championship Course – 2023 Season
- Appendix B – Mountain 2023 – Golf Course Rates
- Appendix C – Play Pass Rates – 2023 Season
- Appendix D – Supplemental Information
 - Golf Committee Recommendations
 - Comparative Golf Course Rates
- Appendix E – Policies and Resolutions

Practice 6.2 – Pricing of Products and Services
Resolution 1895 - Complementary and Discounted Use of District Facilities
and Programs
Appendix F – Excerpt of Meeting Minutes November 30, 1989

Appendix A Championship Course Rates - 2023 Season

Championship Course Rates 8% increases					2022 Rates								
2023					2022 Rates								
Time of Day													
Fee Type	Open-4pm	2pm-4pm	After 4pm	After 5:30pm	Fee Type	Open-2pm	2pm-4pm	After 4pm	After 5:30pm				
Shoulder Season (Open - June 11)										Percentage increase from 2022			
Monday-Thursday					Monday-Thursday								
Picture Pass Holder	\$ 73.00	\$ 55.00	\$ 34.00	\$ 26.00	Picture Pass Holder	\$ 69.00	\$ 43.00	\$ 32.00	\$ 24.00	6%	28%	6%	8%
Guest of Picture Pass Holder	\$ 110.00	\$ 83.00	\$ 51.00	\$ 39.00	Guest of Picture Pass Holder	\$ 104.00	\$ 75.00	\$ 48.00	\$ 36.00	6%	11%	6%	8%
Non- Picture Pass Holder	\$ 146.00	\$ 110.00	\$ 68.00	\$ 51.00	Non- Picture Pass Holder	\$ 135.00	\$ 85.00	\$ 63.00	\$ 47.00	8%	29%	8%	9%
Friday-Sunday (Holidays)					Friday-Sunday (Holidays)								
Picture Pass Holder	\$ 85.00	\$ 64.00	\$ 38.00	\$ 29.00	Picture Pass Holder	\$ 80.00	\$ 54.00	\$ 37.00	\$ 27.00	6%	19%	3%	7%
Guest of Picture Pass Holder	\$ 128.00	\$ 96.00	\$ 57.00	\$ 43.00	Guest of Picture Pass Holder	\$ 122.00	\$ 90.00	\$ 53.00	\$ 47.00	5%	7%	8%	-9%
Non- Picture Pass Holder	\$ 170.00	\$ 128.00	\$ 75.00	\$ 57.00	Non- Picture Pass Holder	\$ 157.00	\$ 100.00	\$ 69.00	\$ 53.00	8%	28%	9%	8%
High Season (June 12 - September 24)													
Monday-Thursday					Monday-Thursday								
Picture Pass Holder	\$ 113.00	\$ 85.00	\$ 54.00	\$ 34.00	Picture Pass Holder	\$ 96.00	\$ 70.00	\$ 48.00	\$ 32.00	18%	21%	13%	6%
Guest of Picture Pass Holder	\$ 170.00	\$ 128.00	\$ 81.00	\$ 51.00	Guest of Picture Pass Holder	\$ 154.00	\$ 110.00	\$ 75.00	\$ 48.00	10%	16%	8%	6%
Non- Picture Pass Holder	\$ 226.00	\$ 170.00	\$ 107.00	\$ 68.00	Non- Picture Pass Holder	\$ 209.00	\$ 147.00	\$ 99.00	\$ 63.00	8%	16%	8%	8%
Friday-Sunday (Holidays)					Friday-Sunday (Holidays)								
Picture Pass Holder	\$ 124.00	\$ 93.00	\$ 60.00	\$ 37.00	Picture Pass Holder	\$ 101.00	\$ 80.00	\$ 59.00	\$ 40.00	23%	16%	2%	-8%
Guest of Picture Pass Holder	\$ 186.00	\$ 139.00	\$ 90.00	\$ 55.00	Guest of Picture Pass Holder	\$ 168.00	\$ 120.00	\$ 86.00	\$ 60.00	11%	16%	5%	-8% Corrected f
Non- Picture Pass Holder	\$ 247.00	\$ 185.00	\$ 119.00	\$ 73.00	Non- Picture Pass Holder	\$ 229.00	\$ 158.00	\$ 110.00	\$ 49.00	8%	17%	8%	49%
Shoulder Season (September 25-Closing)													
Monday-Thursday					Monday-Thursday								
Picture Pass Holder	\$ 82.00	\$ 62.00	\$ 34.00	\$ 26.00	Picture Pass Holder	\$ 69.00	\$ 48.00	\$ 27.00	\$ 24.00	19%	29%	26%	8%
Guest of Picture Pass Holder	\$ 123.00	\$ 93.00	\$ 51.00	\$ 39.00	Guest of Picture Pass Holder	\$ 112.00	\$ 78.00	\$ 46.00	\$ 36.00	10%	19%	11%	8%
Non- Picture Pass Holder	\$ 164.00	\$ 123.00	\$ 68.00	\$ 51.00	Non- Picture Pass Holder	\$ 152.00	\$ 105.00	\$ 63.00	\$ 47.00	8%	17%	8%	9%
Friday-Sunday (Holidays)					Friday-Sunday (Holidays)								
Picture Pass Holder	\$ 94.00	\$ 71.00	\$ 37.00	\$ 29.00	Picture Pass Holder	\$ 80.00	\$ 59.00	\$ 32.00	\$ 27.00	18%	20%	16%	7%
Guest of Picture Pass Holder	\$ 141.00	\$ 106.00	\$ 55.00	\$ 43.00	Guest of Picture Pass Holder	\$ 128.00	\$ 94.00	\$ 51.00	\$ 41.00	10%	13%	8%	5%
Non- Picture Pass Holder	\$ 187.00	\$ 140.00	\$ 74.00	\$ 57.00	Non- Picture Pass Holder	\$ 173.00	\$ 126.00	\$ 68.00	\$ 53.00	8%	11%	9%	8%

Appendix B Mountain Course Rates 2023 Season

Mountain Course Rates 12+% Increases												
2023					2022 Rates							
Time of Day												
Fee Type	Open-2pm	2pm-4pm	After 4pm	After 5:30pm	Fee Type	Open-2pm	2pm-4pm	After 4pm	After 5:30pm			
Shoulder Season (Open-June 15)					Shoulder Season (Open-June 13)							
Monday-Thursday					Monday-Thursday							
Picture Pass Holder	\$ 44.00	\$ 39.00	\$ 25.00		Picture Pass Holder	\$ 39.00	\$ 35.00	\$ 22.00		13%	11%	14%
Guest of Picture Pass Holder	\$ 52.00	\$ 44.00	\$ 37.00		Guest of Picture Pass Holder	\$ 47.00	\$ 39.00	\$ 33.00		11%	13%	12%
Non-Picture Pass Holder	\$ 61.00	\$ 50.00	\$ 48.00		Non-Picture Pass Holder	\$ 54.00	\$ 43.00	\$ 43.00		13%	16%	12%
Friday-Sunday (Holidays)					Friday-Sunday (Holidays)							
Picture Pass Holder	\$ 49.00	\$ 45.00	\$ 29.00		Picture Pass Holder	\$ 44.00	\$ 40.00	\$ 26.00		11%	13%	12%
Guest of Picture Pass Holder	\$ 59.00	\$ 55.00	\$ 41.00		Guest of Picture Pass Holder	\$ 53.00	\$ 49.00	\$ 37.00		11%	12%	11%
Non-Picture Pass Holder	\$ 66.00	\$ 66.00	\$ 54.00		Non-Picture Pass Holder	\$ 59.00	\$ 59.00	\$ 48.00		12%	12%	13%
High Season (June 16 to Close)					High Season (June 14 to Close)							
Monday-Thursday					Monday-Thursday							
Picture Pass Holder	\$ 52.00	\$ 52.00	\$ 31.00		Picture Pass Holder	\$ 47.00	\$ 47.00	\$ 28.00		11%	11%	11%
Guest of Picture Pass Holder	\$ 68.00	\$ 65.00	\$ 42.00		Guest of Picture Pass Holder	\$ 61.00	\$ 58.00	\$ 38.00		11%	12%	11%
Non-Picture Pass Holder	\$ 85.00	\$ 85.00	\$ 54.00		Non-Picture Pass Holder	\$ 75.00	\$ 69.00	\$ 48.00		13%	23%	13%
Friday-Sunday (Holidays)					Friday-Sunday (Holidays)							
Picture Pass Holder	\$ 57.00	\$ 57.00	\$ 35.00		Picture Pass Holder	\$ 51.00	\$ 51.00	\$ 31.00		12%	12%	13%
Guest of Picture Pass Holder	\$ 73.00	\$ 70.00	\$ 48.00		Guest of Picture Pass Holder	\$ 66.00	\$ 63.00	\$ 43.00		11%	11%	12%
Non-Picture Pass Holder	\$ 90.00	\$ 90.00	\$ 60.00		Non-Picture Pass Holder	\$ 80.00	\$ 75.00	\$ 54.00		13%	20%	11%
Nine Hole Rates (Mountain Course)												
Shoulder Season (Open-June 15)					Shoulder Season (Open-June 13)							
Monday-Thursday					Monday-Thursday							
Picture Pass Holder	\$ 29.00	\$ 24.00	\$ 16.00		Picture Pass Holder	\$ 26.00	\$ 21.00	\$ 14.00		12%	14%	14%
Guest of Picture Pass Holder	\$ 35.00	\$ 29.00	\$ 20.00		Guest of Picture Pass Holder	\$ 31.00	\$ 26.00	\$ 18.00		13%	12%	11%
Non-Picture Pass Holder	\$ 40.00	\$ 35.00	\$ 25.00		Non-Picture Pass Holder	\$ 36.00	\$ 31.00	\$ 22.00		11%	13%	14%
Friday-Sunday (Holidays)					Friday-Sunday (Holidays)							
Picture Pass Holder	\$ 31.00	\$ 29.00	\$ 19.00		Picture Pass Holder	\$ 28.00	\$ 26.00	\$ 17.00		11%	12%	12%
Guest of Picture Pass Holder	\$ 38.00	\$ 35.00	\$ 26.00		Guest of Picture Pass Holder	\$ 34.00	\$ 31.00	\$ 23.00		12%	13%	13%
Non-Picture Pass Holder	\$ 45.00	\$ 40.00	\$ 33.00		Non-Picture Pass Holder	\$ 40.00	\$ 36.00	\$ 29.00		13%	11%	14%
High Season (June 16 to Close)					High Season (June 14 to Close)							
Monday-Thursday					Monday-Thursday							
Picture Pass Holder	\$ 36.00	\$ 36.00	\$ 19.00		Picture Pass Holder	\$ 32.00	\$ 27.00	\$ 17.00		13%	33%	12%
Guest of Picture Pass Holder	\$ 44.00	\$ 38.00	\$ 26.00		Guest of Picture Pass Holder	\$ 39.00	\$ 34.00	\$ 23.00		13%	12%	13%
Non-Picture Pass Holder	\$ 50.00	\$ 50.00	\$ 31.00		Non-Picture Pass Holder	\$ 45.00	\$ 40.00	\$ 28.00		11%	25%	11%
Friday-Sunday (Holidays)					Friday-Sunday (Holidays)							
Picture Pass Holder	\$ 39.00	\$ 36.00	\$ 23.00		Picture Pass Holder	\$ 35.00	\$ 32.00	\$ 20.00		11%	13%	15%
Guest of Picture Pass Holder	\$ 47.00	\$ 44.00	\$ 30.00		Guest of Picture Pass Holder	\$ 42.00	\$ 39.00	\$ 27.00		12%	13%	11%
Non-Picture Pass Holder	\$ 55.00	\$ 55.00	\$ 38.00		Non-Picture Pass Holder	\$ 49.00	\$ 45.00	\$ 34.00		12%	22%	12%

Appendix C

Play Pass Structure for both Championship and Mountain Courses

Proposed for 2023/2024 (Recommended)

Championship Course	Current	Proposed Price	Average	Current Average Daily Rate (Prime Time)	Percentage Savings
10 Play	\$831	\$890	\$89.00	\$98.50	10%
20 Play	\$1,500	\$1,680	\$84.00	\$98.50	15%
30 Play	N/A	\$2,370	\$79.00	\$98.50	20%
40 Play	N/A	\$2,960	\$74.00	\$98.50	25%
40+ Play (plus stand by)	N/A	\$3,404	N/A		
Junior Pass	\$300	\$315			
College Pass	\$475	\$499			

**Note – All passes will be Individual passes. Junior Pass is ages up to 17, walking and stand by only. College pass is up to age 26 and must be enrolled in college, walking and stand by only. 40+ pass is stand by only plus 40 rounds anytime.*

Championship Course PM Passes (After 2PM)	Current	Proposed Price	Average	Current Average Daily Rate (Season)	Percentage Savings
10 Play	N/A	\$643	\$54.16	\$64.25	15%
20 Play	N/A	\$964	\$51.40	\$64.25	20%
30 Play	N/A	\$1,446	\$48.19	\$64.25	25%
40 Play	N/A	\$1,798	\$44.98	\$64.25	30%
40+ Play (plus stand by)	N/A	\$2,068	N/A		

Mountain Course Proposal

Mountain Course	Current	Proposed Price	Average	Current Average Daily Rate (Prime Time)	Percentage Savings
10 Play	\$405	\$414	\$41.14	\$48.71	15%
20 Play	N/A	\$780	\$39.00	\$48.71	20%
30 Play	N/A	\$1096	\$36.53	\$48.71	25%
40 Play	N/A	\$1364	\$34.10	\$48.71	30%
40+ Play (plus stand by)	N/A	\$1,569			
Junior Unlimited	\$180	\$190			

** Junior Pass is ages up to 17, walking and stand by only*

***Note – All passes will be valid at any time, except for PM Passes and 40+ passes.*

****Same rules apply as mentioned above for Championship Play Passes.*

Mountain Course 9-Hole Passes

Mountain Course 9-Hole Pass Rates	Current	Proposed Price	Average	Current Average Daily Rate (Prime Time)	Percentage Savings
10 Play	N/A	\$283	\$28.28	\$33.28	15%
20 Play	N/A	\$532	\$26.62	\$33.28	20%
30 Play	N/A	\$749	\$24.96	\$33.28	25%
40 Play	N/A	\$932	\$23.29	\$33.28	30%
40+ Play (plus stand by)	N/A	\$1,072	N/A		

Overview of the Rules for Play Passes

- All Passes will be good any day and anytime of the day, except for PM Passes and 40+ Play (stand by only).
 - A 15% premium is added (equal to 4 ½ rounds of the average price/round for each of the 40 Play Passes) to each of the 40 Play Pass options to come up with prices for the additional All You Can Play (“AYCP”) standby only options.
 - Each AYCP stand-by only option is tied to the individual 40 Play Pass. So, Championship 40+ can only be used at the Championship course; 40+ PM can only be used at the Championship Course after 2pm; Mountain 40+ can only be used at the Mountain Course; Mountain 40+ 9 Hole can only be used at the Mountain Course for 9 holes.
 - The AYCP stand-by only add-on will not interfere with reserved tee times, fills tee times that would otherwise go unused, and provides flexibility in the number of holes played for the individual who does not want to reserve a tee time to play an entire round (or 9 holes under Mountain 9 Hole Passes).
- Rollovers would still be on a case-by-case basis like currently – injury, family death, etc. There will be no rollovers if you do not use all of them.
- No-Shows and No-Calls would have 1 round deducted from their pass for each round they booked that did not show. *Example –Player with pass, books a tee time for 4 and only 2 show to play, they would have 2 rounds deducted.*
- One name only per pass. (All passes are individual passes, except couples living under the same household and non-transferable)

Appendix C Range Fees and Non-Profit Tournaments

<u>2023</u>				<u>2022</u>		
Range Fees	Small	Medium	Large	Small	Medium	Large
Picture Pass Holder	\$ 6.00	\$ 11.00	\$ 16.00	\$ 5.00	\$ 10.00	\$ 15.00
Non-Picture Pass Holder	\$ 8.00	\$ 13.00	\$ 18.00	\$ 7.00	\$ 12.00	\$ 17.00
Championship Course						
	<u>2023</u>		<u>2022</u>			
Golf Club Rentals	\$ 95.00		\$ 85.00			
Rider Fees (per person)	\$ 35.00		\$ 35.00			
Mountain Course						
	<u>2023</u>		<u>2022</u>			
Golf Club Rentals	\$50 - 18 Holes		\$ 50.00			
	\$25 - 9 Holes		\$ 25.00			
Rider Fees (per person)	\$15 - 18 Holes		\$15 - 18 Holes			
	\$10 - 9 Holes		\$10 - 9 Holes			
				<u>Non-Profit Tournaments</u>		
					<u>2023</u>	<u>20212</u>
				Non-Profit Rates for Championship Course -		\$4,290
				Non-Profit Rates for Mountain Course -		\$2,310
					\$2,000	\$1,000
*Based on Operating costs for length of time for event, plus 10%						

APPENDIX D

Additional Information

Golf Committee Recommendations (2021)

In 2021, at the direction of the Board of Trustees, a golf advisory committee was established to work with staff to develop recommendations related to 2022 season golf rates and pricing structure, with the goal of improving the overall level of cost-recovery to support golf operations. The committee discussions informed staff recommendations presented to the Board as well as highlighting issues that had not previously been brought to the Board's attention, and warrant further consideration

Golf Advisory Committee Recommendations (October 2021)

- *The focus should be on maximizing value to residents, regardless of whether or not the resident is in a golf group.*

Note: In process, for 2023, recommending no pre-book fee for any Picture Pass Holder

- *Recommend opening tee times for residents 4 weeks ahead and to the general public 2 weeks ahead to alleviate complaints that tee times are not available. If tee times fill during the timeframe residents only can reserve, we know we are serving the right population and then we can get more granular as to which residents are filling the tee times (golf group members vs. non golf group members).*

Note: Picture Pass Holders could pre-book for the entire season starting in June.

- *The Global Golf Advisors study is almost 10 years old and the macroeconomic factors and community profile are now vastly different. In terms of golf operations, a lot of what was recommended was implemented in terms of course operations: dynamic pricing, rounds, deferred maintenance. However, many of the recommendations focus on bringing in more non-residents, which does not support first point above.*
- *The Global Golf Advisors study marketing recommendations are not consistent with the current board's direction o There is agreement with the F&B recommendations in the Global Golf Advisors study. Unfortunately, some of this has been accomplished via labor shortages. The expense benchmarks may not be relevant anymore as cost of food has skyrocketed during COVID.*

- *The methodology of determining future capital funding is correct; however, we do not agree with allocating operating profits (if any) to a capital maintenance program, see last point. (Board decision) ○ If we focus on resident play, we don't think we'll ever get to the net rate per round comparison benchmarks, we just need to accept that and move on.*
- *The focus should be on service levels, which means the golf operations and greens maintenance expense benchmarks may not be relevant. We think we need to determine our service levels, budget accordingly, and (again) move on.*
- *We recommend we set pricing policies such that total golf operations (Champ and Mountain combined) breakeven to cover operating costs and overhead. (i.e. at a minimum resident rates cover operating and overhead; non-resident rates cover operating, overhead, capital, and debt; and guest rates are in the middle between resident and non-resident rates).*
Note: recommended golf rates and rate structure advance this overall goal.
- *We should re-visit the sliding scale for play passes – ie. 10 Play @10% off daily resident rates, 20 Play @20% off daily rates, etc. Director of Golf Darren Howard can present and up-dated plan for the committee to review. (In recommendations for rates)*
Note: This is incorporated in staff recommendations for 2023 season.
- *There may be some room to move Guest of a Resident rate to ½ way between Daily Resident rates and Non-Resident rates ie. – Resident rate is currently \$90 weekday in season and Non-Resident rate weekday in season is \$199, so Guest of Resident rates could move to \$145.*
Note: This is incorporated in staff recommendations for 2023 season.

Comparable to Championship Course

Published Rates

	May	May twilight (3pm)	June	June (4pm)	July	July (4pm)	August	August (3:30pm)	September	Sep (3pm)	Oct	Oct (2pm)
Edgewood	\$250.00	\$175.00	\$300.00	\$225.00	\$350.00	\$275.00	\$350.00	\$275.00	\$300.00	\$225.00	\$250.00	\$175.00

	Open-June 15th	June 16th-October 1st	October 2nd to Close
Old Greenwood	8am-1:50pm \$180, 2pm-4:20pm \$135, After 4:30pm -\$95	7am-1:50pm \$275, 2pm-4:20pm \$180, After 4:30pm \$125	8am-1:50pm \$180, After 2pm-3:50pm \$125

	Open to June 9th	Peak Season	Sep 26th-end of season
Coyote Moon	Open-1pm \$135.00 1pm-Close \$100	7am-12:50pm \$190.00, 1pm-2:50pm \$160, 3pm-Close \$130	Open-1pm \$135.00 1pm-Close \$100

	Open-June 15th	June 16th-October 1st	October 2nd to Close
Grays Crossing	8am-1:50pm \$160, 2pm-4:20pm \$125, After 4:30pm- \$95	7am-1:50pm \$260, 2pm-4:20pm \$175, After 4:30pm-\$125	8am-1:50pm \$175, After 2pm- \$110

Comparable to Mountain Course

Old Brokway	\$100 for 18 hole and \$55 for 9 holes Cart fee \$35	(All sesaon)
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Tahoe City	\$90 (All sesaon) Cart fee \$25
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Bijou Municipal	\$29 for 18 holes	\$18 for 9 holes
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Paradise Golf	18 Holes	\$45 - open-8am	\$60 - 8am-2pm	\$45 - 2pm-4pm	5 - 4pm-close
	9 Holes	\$35- open - 8am	\$45 - 8am-2pm		
	Cart Fee	\$20 until 2pm \$15 after 2pm \$15	18 Holes		9 Holes

APPENDIX E – Board Policies and Resolutions

**Budgeting and Fiscal Management
Community Services and Beach
Pricing for Products and Services
Practice 6.2.0**

RELEVANT POLICIES: 6.1.0 Adoption of Financial Policies

PRACTICE. It is the practice of the District to establish the manner in which fees and charges for services are set and the extent to which they cover the cost of services provided (per Policy 6.1.2.2)

1.0 Scope

This Practice shall be used to ensure consistent application of pricing policy across the District's Community Services and Beach venues in order to meet venue-specific revenue and cost-recovery targets established through the annual budget process.

The objective of the District's pricing policy is to:

- Ensure that revenues, including Charges for Services and applicable Recreation or Beach Facility Fees are sufficient to cover the full cost of providing services to IVGID Picture Pass holders, guests of IVGID Picture Pass holders and others.
- Utilize sound financial planning principles to avoid volatility in charges and fees from year-to-year.
- Promote consistent framework for pricing across all venues and programs, while providing for venue-specific pricing considerations.
- Establish conditions for management to modify pricing during the fiscal year based on market conditions, and for the determination of pricing new programs.

2.0 Definitions – for purposes of this practice, the following definitions shall be applied:

- Full-Cost is intended to represent the per-unit cost of providing access to, or use of, District venues, services and programs, and shall include operating costs (including overhead), capital depreciation and debt, as reflected in the annual budget.
- Operating Costs are defined to include direct personnel costs, non-personnel costs and overhead costs. For purposes of this definition, overhead applied to programs and services shall include appropriate allocation of Central Services Overhead as well as Department-specific administrative overhead.

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- Direct Costs are defined as the incremental cost of providing for access or services for a specific event or purpose. Examples would include incremental cost (staffing, supplies, etc.) of providing access to a venue during normal business hours versus outside of normal operations.
- Capital Costs for programs and services provided through the District's Community Services and Beach Enterprise Funds shall be defined as the annual depreciation budgeted and allocated to each fund and cost center.
- Debt Costs for purposes of establishing full-cost recovery shall include principal and interest on outstanding debt allocated to each fund as included in the annual budget.

3.0 Community Services Pricing

The District operates recreational facilities, venues, services and programs. To support the Community Services facilities, venues, services, and programs, the District establishes, through the annual budget process, a Recreation Facility Fee assessed on parcels and/or dwelling units within the District.

Pricing for IVGID Picture Pass holders and others is defined as follows:

3.1 Others (Non IVGID Picture Pass holders):

- 3.1.1 Rates charged for use of venues, services, and programs shall be set to cover no less than 100% of the Full-Cost of the venue rental, venue access, service provided and programs made available.
- 3.1.2 Pricing for services and merchandise sold at District profit centers (ex. Golf Shop, Food and Beverage, Ski Rentals) shall incorporate mark-up over costs based on market-driven targeted profit margins established as part of the budget process.
- 3.1.3 As it applies to daily rates charged for venue rental, venue access, programs, and services, management is authorized to

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utilize dynamic pricing, based on changing market conditions, provided that doing so contributes positively to the net operating income of the venue. (The Board may establish a “floor” such as no lower than the IVGID Picture Pass-holder rate).

3.2 Guests:

3.2.1 Guest rates may be set at a discount, provided that the guest rates shall, at a minimum, cover the Operating Costs of access to venues, or program.

3.2.2 Where Guest Rates are established, the Guest must be accompanied by an IVGID Picture-Pass holder.

3.3 IVGID Picture Pass holders:

3.3.1 Rates charged to IVGID Picture-Pass Holders shall be discounted from the Full-Cost of services, in recognition of the Recreation Facility Fee assessed.

Rates established for IVGID Picture-Pass holders shall generally be set at no greater than the rate required to cover the Operating Costs of programs and services. In some cases, rates charged may exceed Operating Costs (to the extent that the Facility Fee approved through the budget process is insufficient to cover the cost of annual Capital Costs and Debt Costs).

3.4 Discounts

3.4.1 Group Rates – Access to and/or rental of venues for qualifying groups can be provided at a discount, provided that the discounted pricing is set so as to cover the Direct Costs of venue access. Discounts may vary based on venue availability (example: peak versus off-peak, mid-week versus weekend).

3.4.2 Community Focused Non-Profits – Access to and/or rental of District facilities and venues, and participation in programs and/or services by community-focused non-profits, as defined (Policy & Procedure 141, Resolution 1895) may be provided at a discount at

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no less than the Direct Costs of providing venue access/ rental, program or service.

- 3.4.3 The annual budget could provide a funding allocation from the District's General Fund to be used to offset discounts anticipated to be provided to community focused non-profit organizations. This funding is to be allocated to venues, programs or services based on utilization by community focused non-profits in order mitigate the impact on overall financial performance of the venue, program or service.
- 3.4.4 A quarterly report will be provided to the Board of Trustees detailing the financial impact of the discount extended to the various groups and/or non-profits.

3.5 Venue-Specific Pricing

While applying the Community Services pricing guidelines as set forth in this practice, each venue, as a unique business enterprise, may incorporate modifications to its pricing for access/rentals, programs, and services, provided the venue is able to achieve overall financial results consistent with the net income targets established through the annual budget process. Such modifications may include, but are not limited to:

3.5.1 Golf Course Fees

- 3.5.1.1 Fees charged to IVGID Picture-pass holders their guests and others may vary based on season, day of the week, time-of-day, and partial (9-hole) use of the golf courses.
- 3.5.1.2 Play-Passes offered to IVGID Picture Pass holders may be priced at a discount from daily fees.
- 3.5.1.3 Management shall track and report average revenue-per-round, in relation to the defined cost-recovery targets.

3.5.2 Chateau & Aspen Grove Rentals / Special Events

- 3.5.2.1 Fees set for Facility rentals and Special Events will be based on cost-recovery targets for the Facilities

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Enterprise Fund established through the budget process.

- 3.5.2.2 Rental fees for use of facilities by non-IVGID Picture Pass holders will take into account the historical utilization rates and incorporate a mark-up required to achieve overall cost-recovery targets.
- 3.5.2.3 Rentals provided to IVGID Picture-Pass holders will incorporate discounts, as appropriate.
- 3.5.2.4 Fees charged for catered (Food and Beverage service) events will be set to cover the Full-Cost of staff, operations and food and beverage, plus mark-up based on market conditions.
- 3.5.2.5 Consideration shall be given to maintain Facility rental and Special Events services competitive within the regional marketplace.

3.5.3 Ski

- 3.5.3.1 Rates charged to non-IVGID Picture Pass holders for daily tickets and season passes will be set so as to remain competitive within the market.
- 3.5.3.2 Rates charged to non-IVGID Picture Pass holders for daily tickets shall be no less than the Full-Cost of access to the ski venue.
- 3.5.3.3 Rates charged to IVGID Picture Pass holders for daily tickets and season passes shall be set at a discount – to the extent that revenues from tickets and passes are sufficient to meet overall net revenue targets for the season.
- 3.5.3.4 Rates charged may vary based on peak periods, day of the week, and full-day versus half-day passes.
- 3.5.3.5 The Ski Rental Shop and Ski Lessons operate as Profit-Centers, with rates being largely market-driven, to include appropriate profit margins. Rates are charged uniformly, with no discounts.

3.5.4 Parks, Recreation, and Tennis Center

- 3.5.4.1 The District's Parks, Recreation Center, Tennis Center and recreation programming are community amenities open to residents, guests and visitors.

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Program pricing is based on industry-standard “Cost-Recovery Pyramid” which provides for increasing levels of cost-recovery based on whether programs provide community benefit versus individual benefit. (See Appendix A)

- 3.5.4.2 Programs and memberships are provided to IVGID Picture-Pass holders at a discount.
- 3.5.4.3 Recreation Center and Tennis Center membership pricing is adjusted based on age, season, time-of-day and day of the week (peak and non-peak hours).
- 3.5.4.4 Management shall review memberships and program fees annually, and may adjust rates based on industry and regional rates.

4.0 Beach Pricing

District-owned beaches are restricted to deeded parcel owners within the District and their guests. To support the Beaches, services, and programs, the District establishes, through the annual budget process, a Beach Facility Fee assessed on eligible parcels and/or dwelling units within the District.

- 4.1.1 Beach access is restricted for use by IVGID Picture Pass holders with beach access and their guests.
- 4.1.2 Funding to support the District beaches comes directly from the annual Beach Facility Fee assessed on parcels and/or dwelling units within the District and, as such, beach access to IVGID Picture-pass holders with beach access is made available at no additional charge.
- 4.1.3 The daily Guest beach access fee is to be set annually in relation to Operating Costs (per beach visit) as established through the annual budget process.
- 4.1.4 The daily Beach access fee may vary based on time of year, and peak periods. Management shall report on the average daily rates for the season to ensure that pricing policy and beach revenue targets are met.

5.0 Administration of Community Services and Beach Pricing Policy

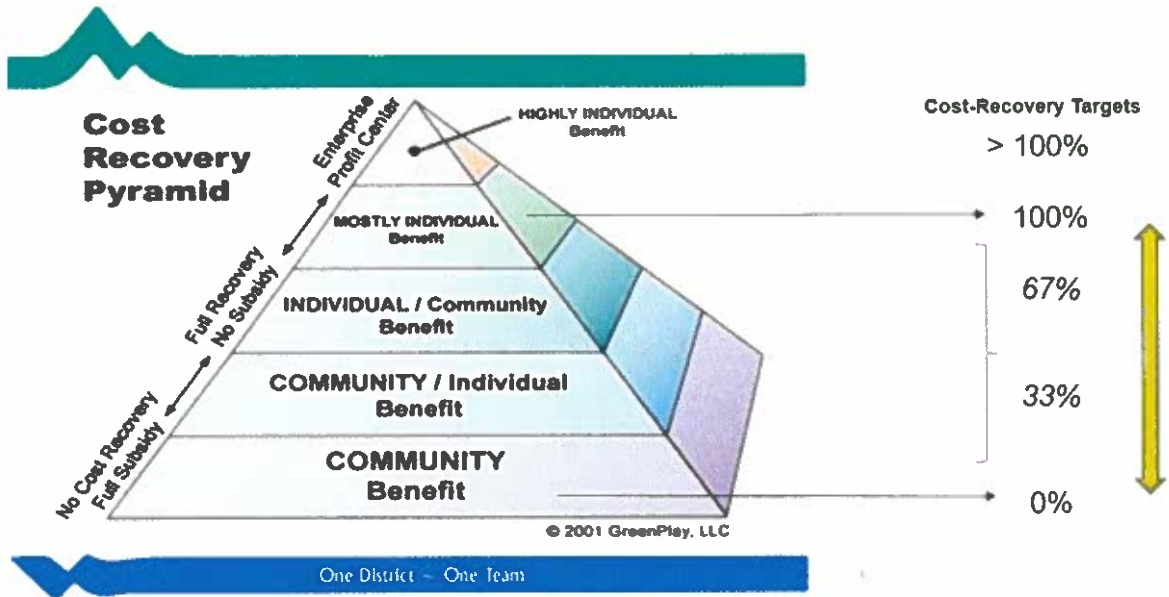
- 5.1 The Board of Trustees will establish overall financial performance targets for each venue through the annual budget process.

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- 5.2 The Board of Trustees will approve, through the budget process or when appropriate during the fiscal year Key Rates to include:
 - 5.2.1 Golf Rates for IVGID Picture Pass Holders, Play Passes, Guests and others.
 - 5.2.2 IVGID Picture-Pass holder and others, Season Pass Rates and Picture-Pass holder Daily Pass Rates for Diamond Peak.
 - 5.2.3 IVGID Picture-Pass holder Recreation Center and Tennis Membership Rates
 - 5.2.4 IVGID Picture-Pass holder rental rates for District Facilities / Special Events.
- 5.3 The General Manager is authorized to approve daily and group rates for all other programs, based on the recommendations of venue managers, consistent with the parameters of the District's Pricing Policy.
- 5.4 The District's Director of Golf/Community Services is authorized to approve pricing for Food and Beverage and retail merchandise.
- 5.5 Fee Schedules shall be placed on the District's website, and shall be updated, as needed, to reflect current pricing, to the extent practical.

Budgeting and Fiscal Management Community Services and Beach Pricing for Products and Services Practice 6.2.0

Appendix A Cost-Recovery Pyramid Recreation and Community Programs





POLICY AND PROCEDURE RESOLUTION NO. 141

RESOLUTION 1895

A RESOLUTION REGARDING THE COMPLIMENTARY AND DISCOUNTED USE OF DISTRICT FACILITIES AND PROGRAMS

WHEREAS, the Incline Village General Improvement District (IVGID) operates a number of facilities and recreational programs;

WHEREAS, IVGID currently has four separate policies regarding the complimentary and discounted use of District facilities and recreational programs;

WHEREAS, IVGID's Board of Trustees wishes to adopt this Resolution to replace those existing policies and comprehensively address the complimentary and discounted use of District facilities and recreational programs; and

THEREFORE, BE IT RESOLVED, as follows:

1. Community Focused Non-Profits. Community Focused Non-Profits shall be eligible for complimentary or discounted use of District facilities and recreational programs as set forth in applicable Board of Trustees Policies and Practices. Eligible non-profits shall be a local non-profit, a national non-profit with a local chapter, or local government agency or school district providing services to the local community. Local shall be defined as the Incline Village/Crystal Bay community. Organizations shall provide supporting documentation of their non-profit status prior to receiving complimentary or discounted use of District facilities or recreational programs. Non-government agencies shall be an IRS 501(c)(3) non-profit corporation or similar organization. All entities shall otherwise comply with all applicable terms and conditions for use of the facility or participating in the program, including insurance, indemnity, damage deposits, and similar requirements.
2. Blackout Dates. IVGID prioritizes the use of IVGID facilities for resident or revenue-generating use. As such, IVGID staff shall, on an annual basis, identify dates in which complimentary or discounted use of District facilities are unavailable. Moreover, resident or revenue-generating use shall take priority over complimentary or discounted use.
3. Pricing and Promotional Programs. IVGID may provide other special pricing, discount, or promotional programs to the general public or to a category of the general public. Examples may include complimentary lift tickets to Diamond Peak for local students or a round of golf at the Mountain Golf Course. Categories of the general public shall not include IVGID employees, retirees, or similar group provided benefits under personnel or similar policies. Special pricing, discount, or promotional programs shall be identified, budgeted, and approved through the annual budget.



POLICY AND PROCEDURE RESOLUTION NO. 141

RESOLUTION 1895

A RESOLUTION REGARDING THE COMPLIMENTARY AND DISCOUNTED USE OF DISTRICT FACILITIES AND PROGRAMS

- 4. Reporting to the Board of Trustees. On an annual basis, the General Manager or designee shall provide a report to the Board of Trustees listing any use of District facilities and recreational programs pursuant to this Resolution.
- 5. Fee Waivers or Contributions. The Board of Trustees may authorize additional complimentary or discounted use of District facilities and recreational programs in its discretion. In addition, the Board of Trustees may authorize monetary contributions to Community Focused Non-Profits or other entities to the extent permitted by NRS 318 and other applicable law. This Resolution does not affect or invalidate any existing joint use or similar agreement with a Community Focused Non-Profit, which be deemed an additional use subject to this Section.
- 6. Deed Restricted Beaches. This Resolution shall not apply to the use of any deed-restricted beach owned by IVGID.
- 7. Prior Resolutions Superseded. This Resolution supersedes Resolution Nos. 1493 (Policy and Procedure Resolution No. 110), 1527 (Policy and Procedure Resolution No. 115), 1619 (Policy and Procedure Resolution No. 127) and 1701 (Policy and Procedure Resolution No. 132) (collectively, the "Prior Resolutions"). The Prior Resolutions are hereby repealed and of no further force or effect.

* * * * *

I hereby certify that the foregoing is a full, true and correct copy of a resolution duly passed and adopted at a regularly held meeting of the Board of Trustees of the Incline Village General Improvement District on the 27th day of July, 2022, by the following vote:

AYES, and in favor thereof, Trustees Callicrate, Dent, Schmitz, Tonking and Wong
NOES, None
ABSENT, None


Susan A. Herron
District Clerk

11-30-1989

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Ashley, John Bevel, William Cherry, Bobbie Gang, David Mussatti, Bob Olsen, Margaret Solomon, Fred Stugard, and Peter Worden. Chairman Wolf presented certificates to John Bevel, Bobbie Gang, David Mussatti, Bob Olsen, and Fred Stugard, who were in attendance.

H. PUBLIC HEARING - GOLF PASSHOLDER POLICIES

General Manager Hunt stated that a public hearing has been scheduled to receive comments on the staff recommendations regarding 1990 golf passholder access, which have been made as a result of the October 26 public hearing and a work session on November 9.

→ Golf Resort Manager Mike Hair summarized the recommendation, which was that the passholder allocation of times remain at 40%; the season pass be replaced by a punch card system based upon a "play more/pay more" philosophy, and that it be available to property owners and residents only; and that local golf groups receive tee times for competitive play, with all other open times retained in the passholder pool.

Chairman Wolf announced that notice of the public hearing was published in the North Lake Tahoe Bonanza, and it was also noticed in the golf newsletter which is sent to all golf passholders.

Chairman Wolf opened the public hearing. Chairman Wolf summarized the contents of the letters that were received by the Board regarding the public hearing. Letters were received from Malcolm and Evelyn Rountree, Judy Thut, Donald Ennis, George Gallagher, Garrett and Jean Taylor, Jerry Stewart, James Price, Rodney Albertson, Howard Hendricks, George Suzuki, Evelyn Hotchkiss, D. C. Caldwell, and Kei Inouye.

Chairman Wolf then called on those in the audience in the order they had signed up to speak, allowing each person three minutes.

Elliott Sattler questioned why IVGID has to increase the cost of golf to residents, since it was his understanding that the golf lease was bought out because the Board felt the lessee was making too much money and IVGID was not getting a fair return.

General Manager Hunt stated that the proposal is revenue neutral, since the golfers who play the most will pay more, but the casual golfer will pay less.

Ray Tappero stated the golf lease buy-out was a mistake, and spoke against the proposal.

Charlie Bock stated he is an Incline Village Golf Club member, and asked why any changes had to be made. Mr. Bock asked that the gold card be continued.

Sid Rice, President of the Tahoe Incline Golf Club, stated he was speaking for the 163 members of the club. Mr. Rice said the present system works and it should not be changed.

Candy Duncan, Executive Director of the Visitor and Convention Bureau, stated they have no objection to the current proposal, but they see an alarming trend of the nonresident rounds decreasing. Ms. Duncan noted that Incline Village has a tourism based economy and it would be a shame if the visitors could not get on the golf course.

Ann Johnson, Executive Director of the Chamber of Commerce, urged that an allocation of golf times be retained for visitors, since this is a resort community and the economy is dependent upon the visitors.

Ken Cooper said the "play more/pay more" proposal is fair.

Bill Biehler stated he supports the staff proposal.

Mitch Ostrow, representing the Hyatt Regency Lake Tahoe, noted they rely on tourists and asked that visitor access to the courses be considered.

After everyone on the sign-up sheet had spoken, Chairman Wolf allowed additional comments from the audience. Additional comments were made by Ray Tappero, Sid Rice, Sid Warren, Bert Davidson, Joe Sullivan, Elliott Sattler, and Larry Hunt.

Chairman Wolf closed the public hearing.

General Manager Hunt noted that the number of passholders is increasing at 10% a year, and the reason passholders are having more difficulty getting on the course is that there are a lot of other passholders on the course. Mr. Hunt stated the long-term issue is how to deal with the competition among residents for time.

After discussion, Trustee Bevel moved that an unlimited combination pass be offered for \$550 and an unlimited Executive Course pass for \$362.50; also as an option that there be a combination pass for \$375 for 25 rounds on the Championship Course or 50 rounds on the Executive Course, and a Executive Course pass for 25 rounds for \$187.50; after these second types of passes are used up, there would be a per-round charge of \$5.00 on the Championship Course and \$2.50 on the Executive Course; and that the passholder allocation remain at 40%. The motion was seconded by Trustee Wight, and carried by a vote of four to one, with Chairman Wolf opposed.

→ Trustee Gang moved that staff's recommendation that local golf groups be given tee times for competitive play, with all other

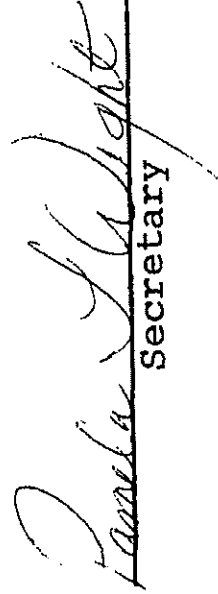
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open times to be retained in the passholder pool, be approved. The motion was seconded by Trustee Wight and carried by a vote of four, with Trustee Bevel abstaining.

The Board directed their general counsel to research the issue of whether season passes can be sold to residents and property owners only.

H. ADJOURNMENT

The meeting was adjourned at 11:05 P.M.


Secretary