

My name is Jay Simon, my wife and I live on Golfers Pass Road and have been residents of Incline for 12 years. I currently serve on the Golf Committee. My background is Public Accounting and I retired as a Managing Partner at Baker Tilly. When I applied for the position on the Golf Committee I said golf course operations were not broken, and after 6 months on the Golf Committee I still feel strongly they are not.

What is needed now is to evaluate both the impact of pricing and policy decisions made last year and current market conditions. It is clear the golf market has about had it with price increases and the data from last season shows that there are limits on what non-picture pass holders will pay. Non-resident rounds played at the Championship Course were down 400 or 7% from 2022 and down 12% from 2019, the last full pre-covid year.

In addition, Play Pass rounds were down 22% from 2022. In 2023, Incline lost some of its most prolific golfers to not only other golf courses, but to the pricing and play pass policies that were instituted in 2022. In addition, in spite of adding 20% more tee times at the Championship Course as a result of changing tee time intervals from 12 minutes to 10, total rounds played were slightly down from 2022.

To me, the recommendations are clear. Keep picture pass, guest and non-resident rates at or near 2023 levels which is exactly what the competition is doing. Simplify and condense the massive menu of play passes down to 10 and 20 play passes which should also be priced at or near 2023 levels. Bring back resident play that was lost

from eliminating all you can play passes by reinstating both individual and couples unlimited passes, pricing the individual pass at approximately \$3,850 based off 2023 pricing with a \$100 monthly premium for being unlimited during peak months. Couples passes would then be priced at approximately \$6,350 applying a factor of 1.65 consistent with pricing at the Recreation Center. The Incline Championship course has at least 3,000 more rounds it could sell this coming season over last season. The overwhelming majority of rounds are not going to come from outside Incline, so they have to come from within. Boosting resident play also flows through the system to the restaurant, catering, pro shop and range which were all negatively impacted last season.

I realize this is a business with bills to pay, and that unlimited all you can play passes may be perceived as limiting higher rate outside play—even though that was not the case last season as play passes were limited and outside play actually went down, not up. However, I believe there needs to be a reasonable tradeoff between resident golfers and the need to generate higher outside revenue. I propose that the Championship course block a limited number of tee times on weekends during peak season for outside play. The mechanics of this would be up to the Director of Golf to work out. Tee times not reserved would be released back in to the resident pool, and targeting an estimated 400 more rounds of outside play over an entire golf season just to get back to 2022 levels would not materially impact residents.

I want to address what I do see as broken and that is the financial reporting of golf operations and the restaurant at the Chateau. Our Committee was extremely frustrated by the lack of financial information and the quality of the information we did receive. At a minimum, the reporting of the Championship golf course needs to break out restaurant revenue and expenses as well as the pro shop. Currently, the financial reports are at best misleading and at worst materially incorrect. I personally believe they are both. The golf courses are being allocated costs that are both excessive and I believe materially incorrect. These costs and the allocation methodology will be further analyzed by the Golf Committee once we get past pricing issues. Somebody needs to own these issues and

take the time and effort to clean things up. Currently, I don't see the will to get this done and to me that is unacceptable.

As to the restaurant at the Chateau I want to be clear. I have never thought this should be included in golf course operations. It has been a poorly managed asset for a long time and puts a material financial burden on the golf course. It needs a complete managerial and financial overhaul that is long past due and is addressed further in a separate memorandum prepared by the Golf Committee. I would be happy to discuss any of this in further detail. Jay Simon