

**MEMORANDUM**

**TO:** GOLF ADVISORY COMMITTEE

**THROUGH:** Michaela Tonking, Board of Trustees

**FROM:** Mike Bandelin, Interim General Manager

**SUBJECT:** Receive, review, and discuss the report and presentation materials provided to the Board of Trustees at their May 8, 2023 meeting including historical financial results, rate structure, service levels and course operations for the District-owned Golf Courses (Requesting Staff Member: Interim General Manager Mike Bandelin)

**DATE:** December 8, 2023

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**I. RECOMMENDATION**

It is recommended that the Incline Village General Improvement District Golf Advisory Committee receive, review, and discuss the report and presentation materials provided to the District Board of Trustees at their May 8, 2023 meeting including historical financial results, rate structure, service levels, course operations, and also provide possible recommendations for consideration to the Districts Board of Trustees. (Requesting Staff Member: Interim General Manager Mike Bandelin)

**II. BACKGROUND**

The background to this agenda item is the discussion as it relates to the report and presentation materials provided to the Board of Trustees at their May 8, 2023 meeting including historical financial results, rate structure, service levels and course operations for the District-owned Golf Courses. The Board of Trustees has discussed the importance of service levels at each venue across the district. The Board has directed the Golf Advisory Committee to discuss the service levels needed at both golf courses. This will also involve an in-depth look at operations and maintenance that currently occur at both golf courses.

**III. DISCUSSION**

The following material will lead this discussion and the narrative provided by Interim GM Mike Bandelin.

1. Minutes from the May 8, 2023, IVGID Board meeting discussing the pricing for both the Mountain and Champion Golf Courses – This discussion shows board recommendations, financial reports, and service levels laid out by the Former Director of Golf and Community Services, Darren Howard.

2. Service Levels described in the past budget by the Former Director of Golf and Community Services
3. The district approved Pricing Practice 6.2.0 with "Appendix A", Cost Recovery Pyramid for possible discussion

**IV. ATTACHMENTS**

1. May 2023 Staff Report
2. May 8, 2023 Meeting Minutes - Consent Calendar pages79-149
3. Practice 6.2.0 - Pricing for Products and Services

**M E M O R A N D U M**

**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
  - b. Offer 10-Play, 20-Play, 30-Play, 40-Play, and 40+-Play Pass products
  - c. Adjust Play Pass pricing per Appendix 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 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.

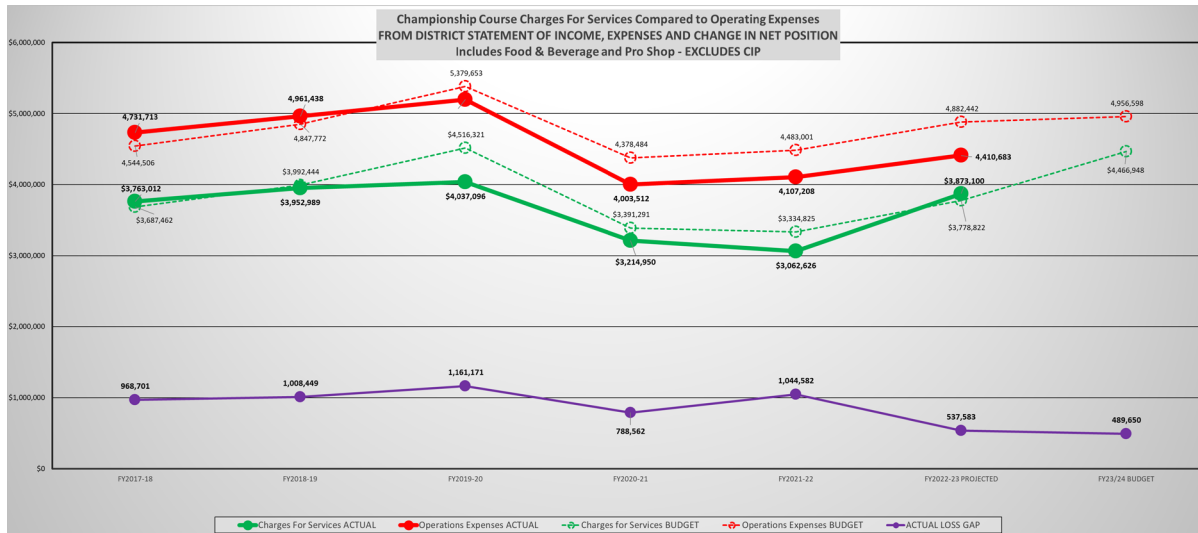
**IV. FINANCIAL RESULTS FOR DISTRICT-OWNED GOLF COURSES**

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.

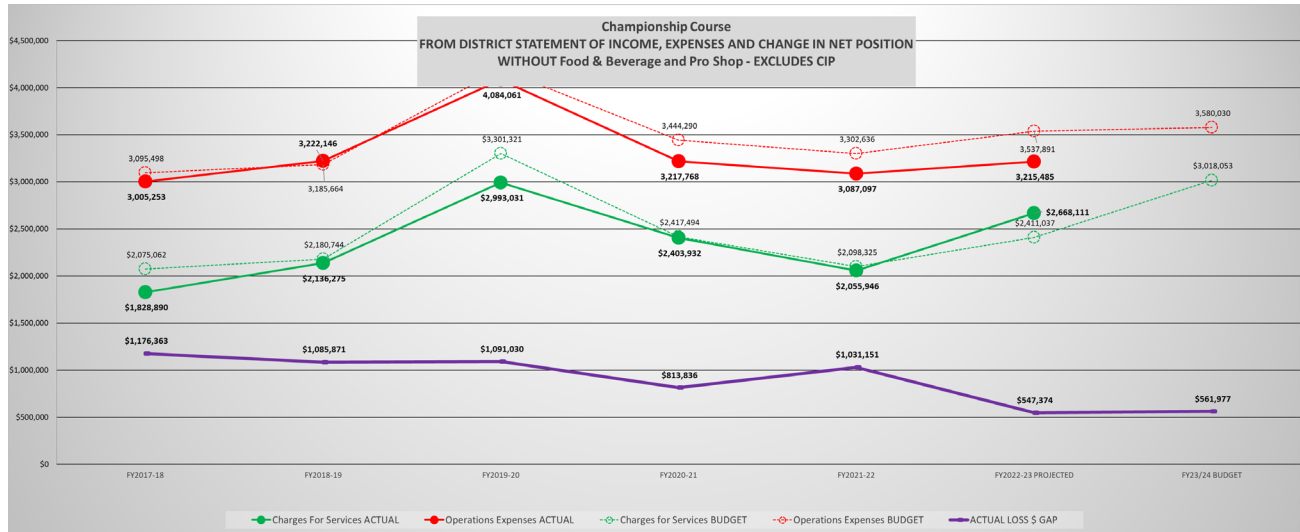
**Championship Course**

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”.

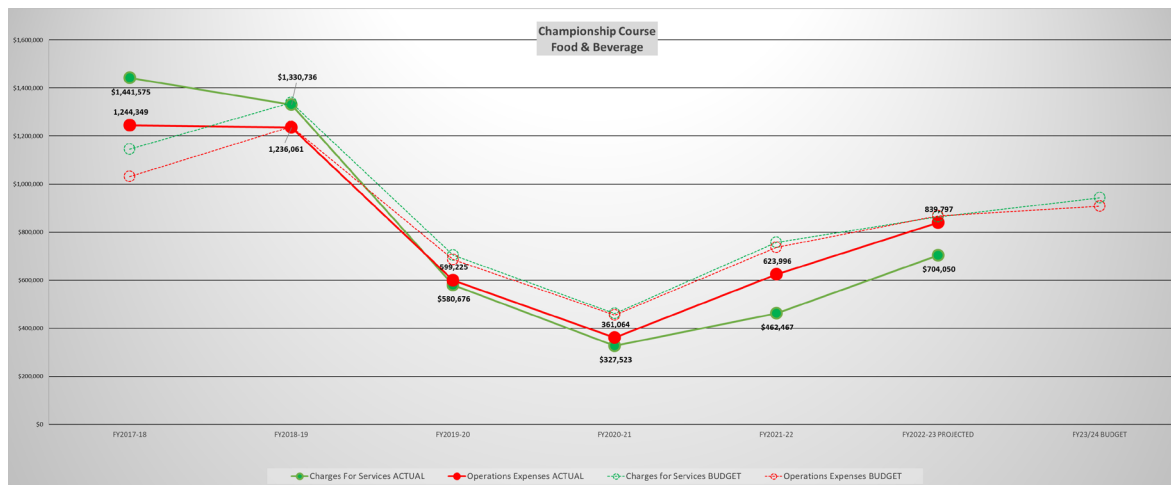


The chart below EXCLUDES food & beverage and the pro shop, but includes range fees, club rentals, lessons and green fees.



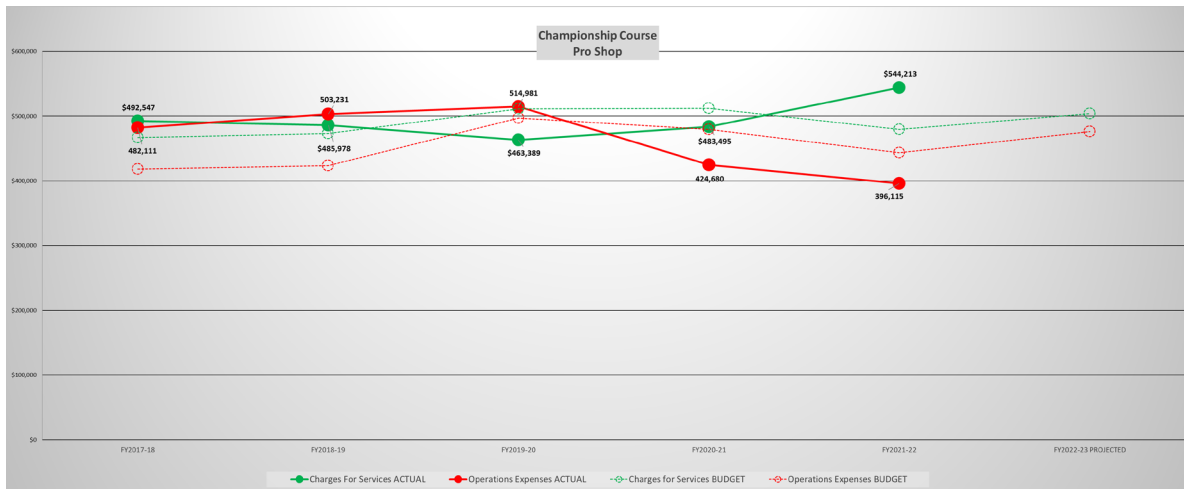
The chart below is specific to food & beverage.

- 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.



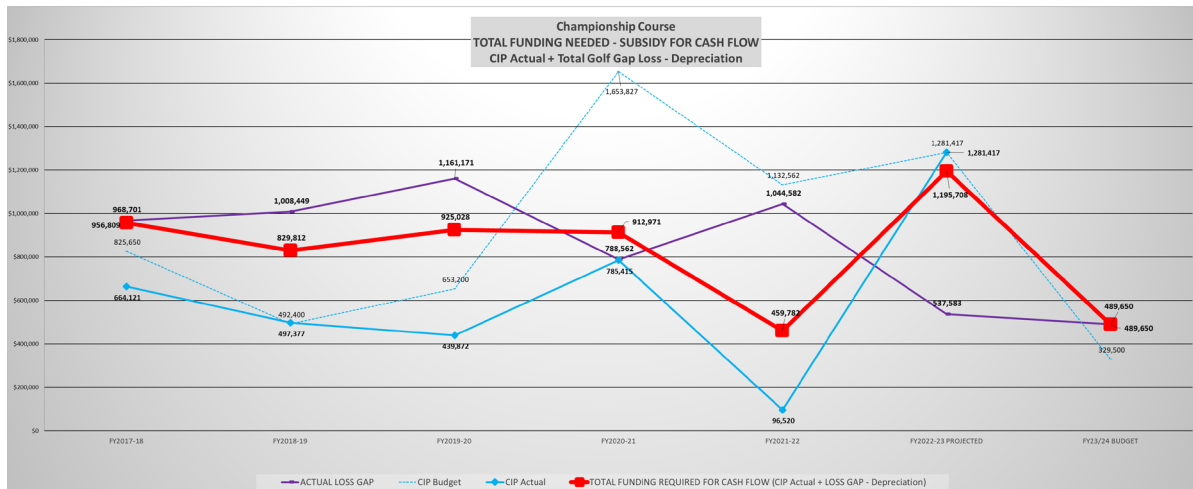
The chart below is specific to the Pro Shop.

- 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.

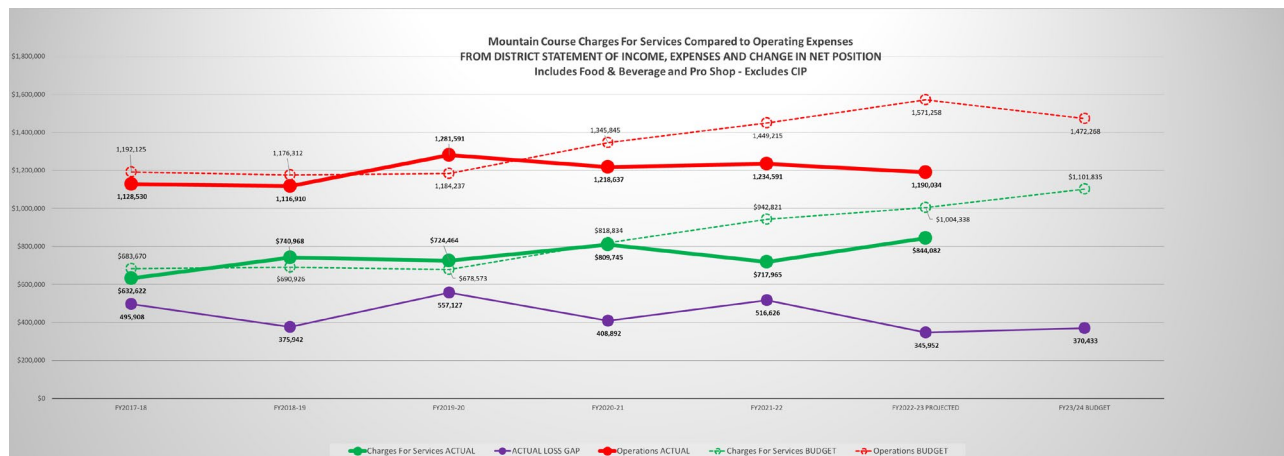


## Mountain Course

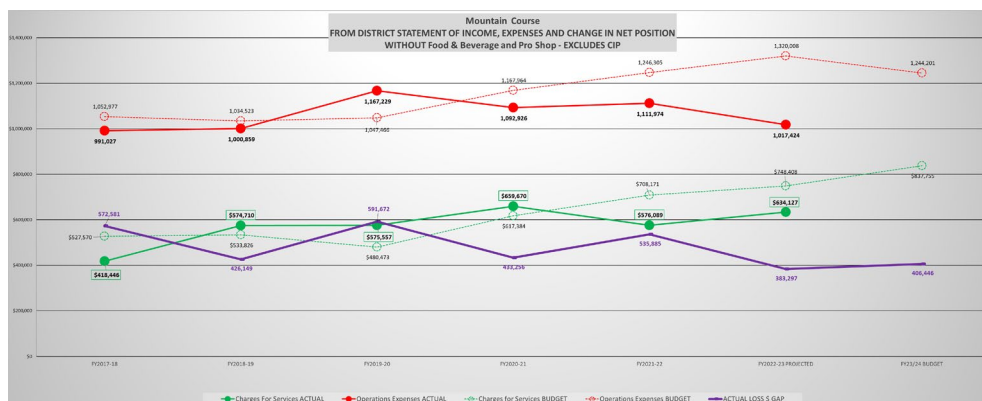
The chart below compares the Charges for Services to Operating Expenses, both budgeted and actual, for a 5-year period. For the current fiscal year, staff provided year-end projections for Charges for Services and Operating Expenses.

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.

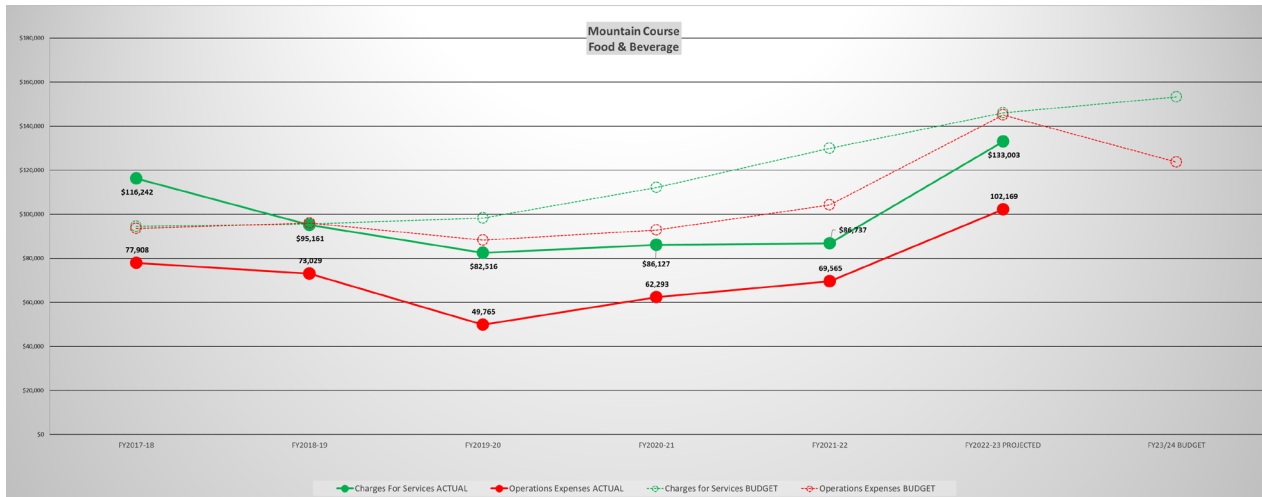


The chart below EXCLUDES food & beverage and the Pro Shop, but includes range fees, club rentals, lessons and green fees.



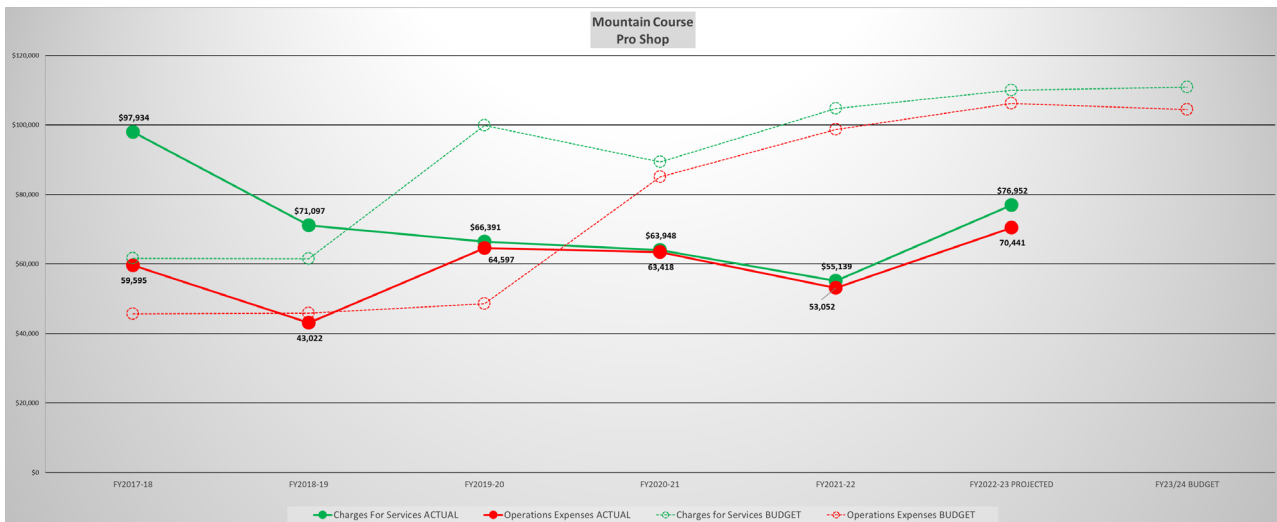
The chart below is for Food & Beverage.

- 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.

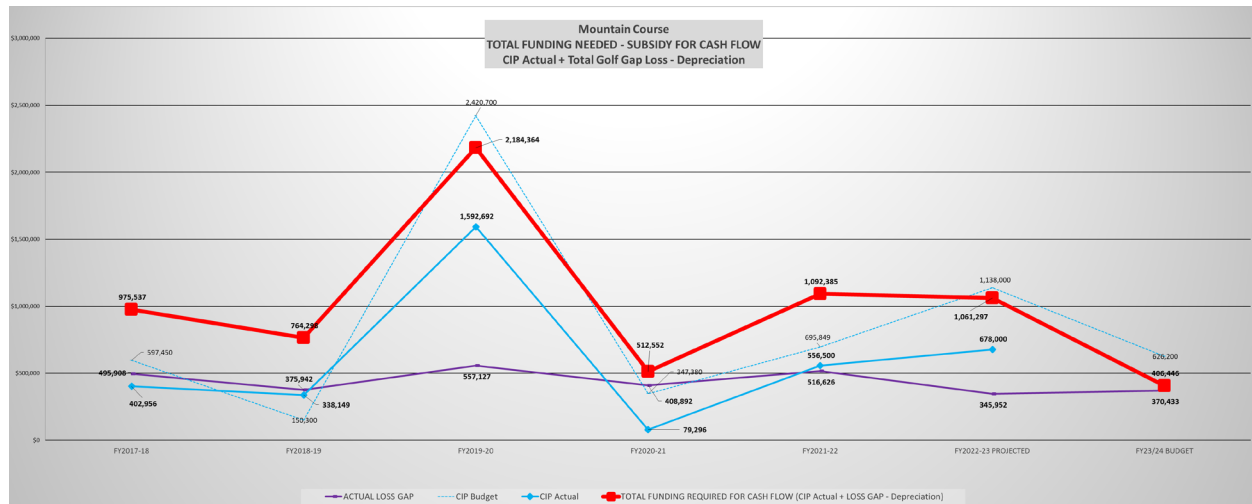


The chart below is specific to the Pro Shop.

- 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					

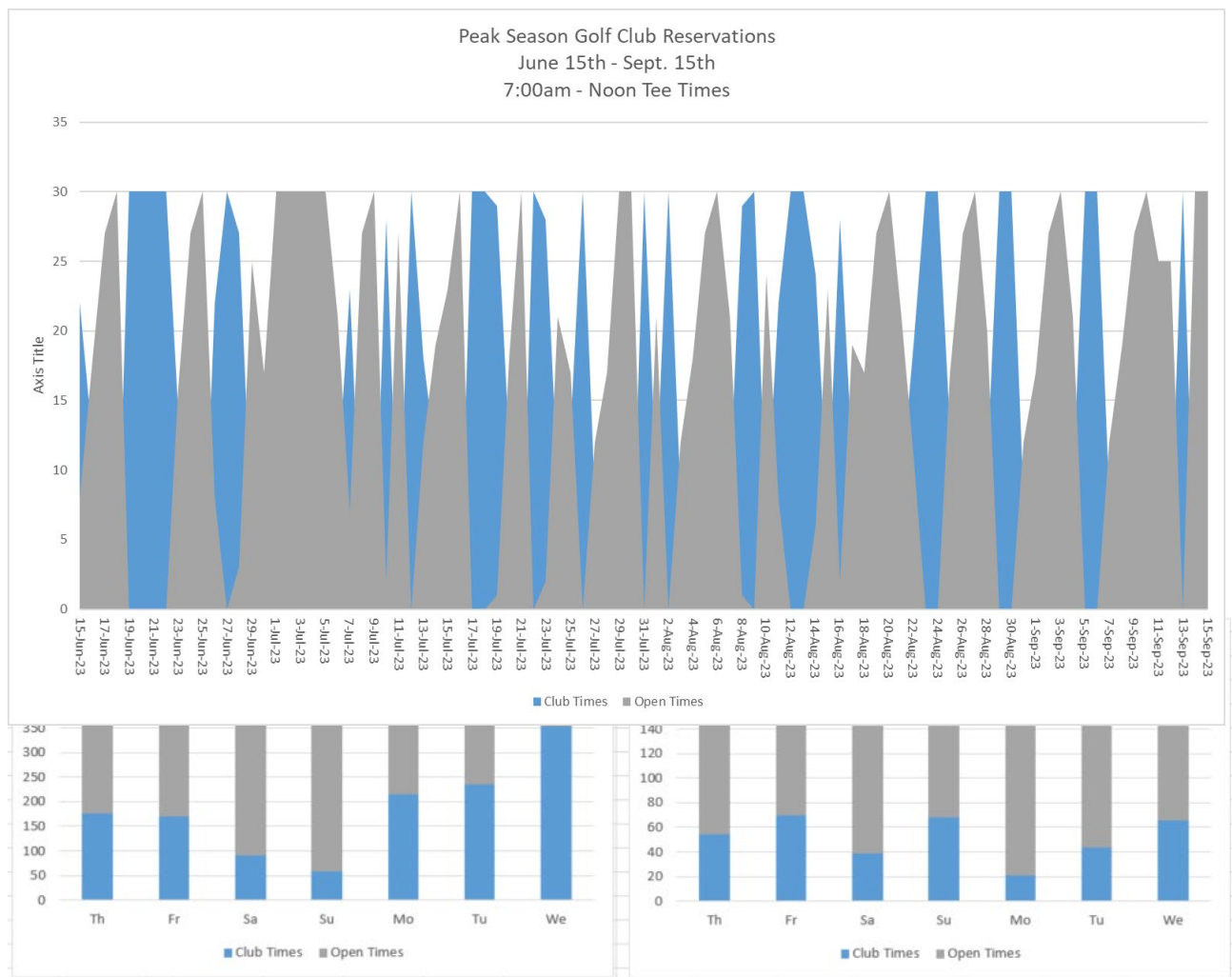
Service	Additional Cost	Savings if eliminated
Printing scorecards	\$250 (card stock) \$ insignificant	\$ 250
Printing cart signs	\$250 (cost of paper)	\$250
Staging carts for shotgun starts	Staff time only	None
Entering results into Golf Genius to determine winners. <i>If our staff post scores to handicap 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: <span style="color:red">RED</span> is less than 50% avail. <span style="color:yellow">YELLOW</span> is 50-60% avail. <span style="color:green">GREEN</span> is over 60% avail.</p> <p><span style="color:red">RED</span> 34% <span style="color:yellow">YELLOW</span> 8% <span style="color:green">GREEN</span> 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**

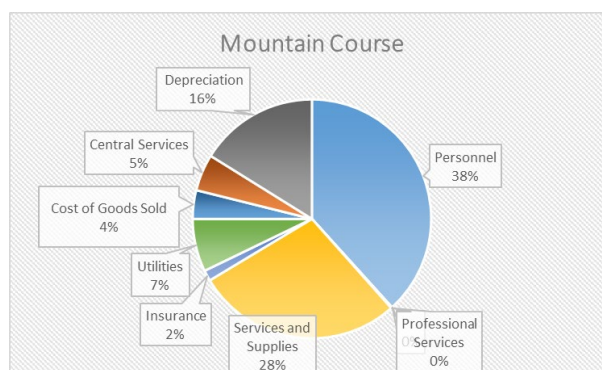
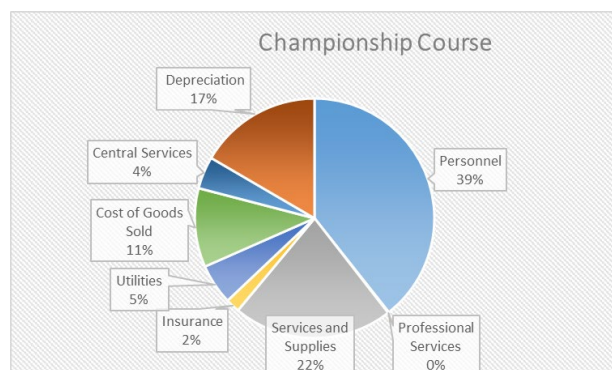
The financial performance of the District’s golf courses is directly a function of the level of expenditure required to operate and maintain the golf courses (including maintenance and replacement of capital assets) at the desired “service levels”, and the revenues venues generated by, or allocated to, 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
<b>TOTAL OPERATING EXPENSE</b>	<b>\$ 4,107,208</b>	<b>\$ 1,234,591</b>



*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

Rounds of Golf	26,146
Cost Per Round	
Operating Costs + OVHD	\$ 105.02
Oper. Costs, OVHD, Capital (Depreciation)	\$ 126.13
Oper. Costs, OVHD, Capital, Debt	\$ 126.13

Rounds of Golf	17,800
Cost Per Round	
Operating Costs + OVHD	\$ 64.06
Oper. Costs, OVHD, Capital	\$ 72.89
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, weekend) 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).

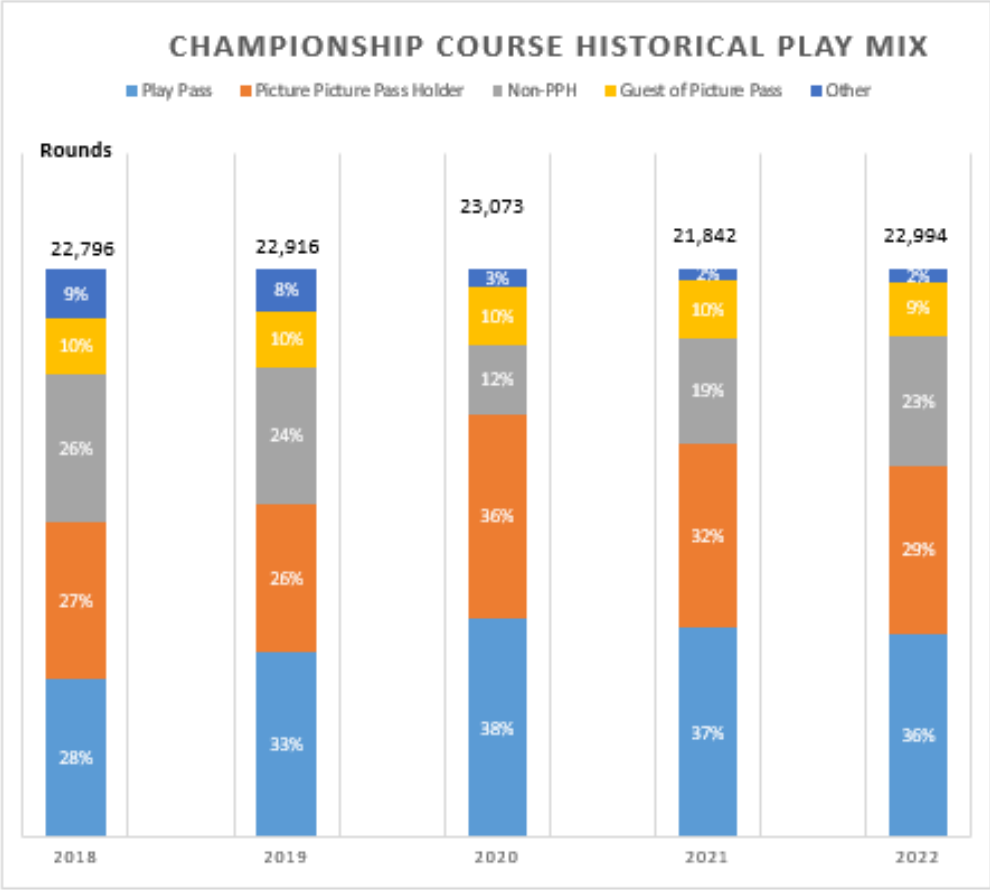
*Play Mix*

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).

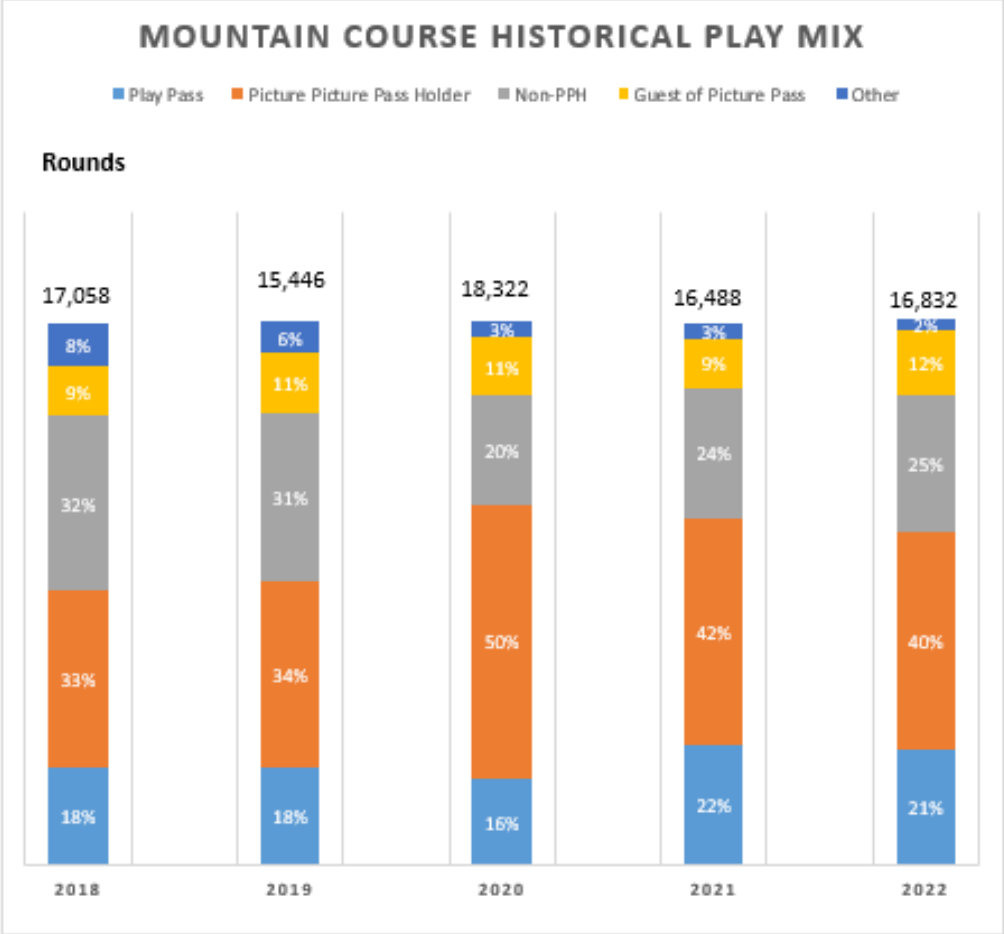


	2018	2019	2020	2021	2022
<b>Picture Picture Pass Ho</b>	23%	22%	34%	25%	21%
<b>Play Pass</b>	23%	25%	28%	27%	26%
<b>Non-PPH</b>	42%	40%	24%	33%	39%
<b>Guest of Picture Pass</b>	12%	13%	14%	15%	13%
<b>Other</b>	0%	0%	0%	0%	1%

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:

<b>Total Average Dollar Per Round</b>				
	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:

<b>Total Average Dollar Per Round</b>				
	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
<b>Championship Course</b>			
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
<b>Champ Course Total savings</b>			<b>\$216,267</b>
<b>Mountain Course</b>			
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
<b>Mountain Course Total savings</b>			<b>\$82,415</b>

**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 –*

<u>Rate Adjustment</u>	<u>Projected Revenues</u>	<u>Increase Over Prior Year</u>
○ 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 <span style="float: right; color: red;">8% increases</span>					2022 Rates								
2023													
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				
<b>Shoulder Season (Open - June 11)</b>										<b>Percentage increase from 2022</b>			
<b>Monday-Thursday</b>					<b>Monday-Thursday</b>								
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%
<b>Friday-Sunday (Holidays)</b>					<b>Friday-Sunday (Holidays)</b>								
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%
<b>High Season (June 12 - September 24 )</b>													
<b>Monday-Thursday</b>					<b>Monday-Thursday</b>								
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%
<b>Friday-Sunday (Holidays)</b>					<b>Friday-Sunday (Holidays)</b>								
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%
<b>Shoulder Season (September 25-Closing )</b>													
<b>Monday-Thursday</b>					<b>Monday-Thursday</b>								
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%
<b>Friday-Sunday (Holidays)</b>					<b>Friday-Sunday (Holidays)</b>								
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					
<b>Shoulder Season (Open-June 15)</b>					<b>Shoulder Season (Open-June 13)</b>									
<b>Monday-Thursday</b>					<b>Monday-Thursday</b>									
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%		
<b>Friday-Sunday (Holidays)</b>					<b>Friday-Sunday (Holidays)</b>									
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%		
<b>High Season (June 16 to Close)</b>					<b>High Season (June 14 to Close )</b>									
<b>Monday-Thursday</b>					<b>Monday-Thursday</b>									
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%		
<b>Friday-Sunday (Holidays)</b>					<b>Friday-Sunday (Holidays)</b>									
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%		
<b>Nine Hole Rates (Mountain Course)</b>														
<b>Shoulder Season (Open-June 15)</b>					<b>Shoulder Season (Open-June 13)</b>									
<b>Monday-Thursday</b>					<b>Monday-Thursday</b>									
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%		
<b>Friday-Sunday (Holidays)</b>					<b>Friday-Sunday (Holidays)</b>									
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%		
<b>High Season (June 16 to Close)</b>					<b>High Season (June 14 to Close)</b>									
<b>Monday-Thursday</b>					<b>Monday-Thursday</b>									
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%		
<b>Friday-Sunday (Holidays)</b>					<b>Friday-Sunday (Holidays)</b>									
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>		
<b>Range Fees</b>	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			
<b>Non-Profit Tournaments</b>						
				<u>2023</u>	<u>20212</u>	
Non-Profit Rates for Championship Course -				\$4,290	\$2,000	
Non-Profit Rates for Mountain Course -				\$2,310	\$1,000	
*Based on Operating costs for length of time for event, plus 10%						

**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)
<b>Edgewood</b>	\$250.00	\$175.00	\$300.00	\$225.00	\$350.00	\$275.00	\$350.00	\$275.00	\$300.00	\$225.00	\$250.00	\$175.00

	<b>Open-June 15th</b>	<b>June 16th-October 1st</b>	<b>October 2nd to Close</b>
<b>Old Greenwood</b>	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

	<b>Open to June 9th</b>	<b>Peak Season</b>	<b>Sep 26th-end of season</b>
<b>Coyote Moon</b>	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

	<b>Open-June 15th</b>	<b>June 16th-October 1st</b>	<b>October 2nd to Close</b>
<b>Grays Crossing</b>	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**

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

**APPENDIX E – Board Policies and Resolutions**



## 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

3 025

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

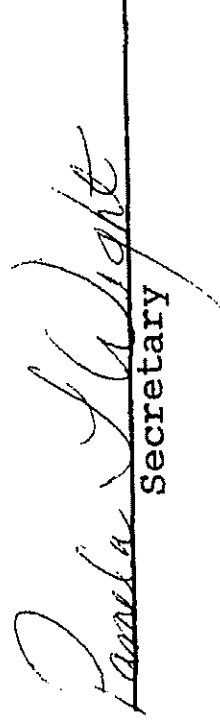
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open times to be retained in the passholder pool, be approved. The motion was seconded by Trustee Wight and carried by a vote of four, with Trustee Bevel abstaining.

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

1 power point, and we'll get started.

2 Thank you.

3 CHAIR DENT: Reminder to the board,  
4 because we do have a court reporter, please wait to  
5 be called on so they know who is talking.

6 Trustee Schmitz, the floor's yours.

7 TRUSTEE SCHMITZ: Thank you.

8 We put together just a few slides  
9 summarizing all of the work that we did throughout  
10 this process. And it was a very collaborative  
11 process.

12 We first started off with talking about  
13 what's our goal and what are we trying to get to.  
14 And the board as really been focused on building  
15 sustainable approaches to how we're making our  
16 financial decisions.

17 We wanted specifically for the  
18 Championship Course, the goal was to address the gap  
19 between operational expenses and revenue, reducing  
20 the budget, because what we had looked at and what's  
21 in the board packet shows that we have pretty  
22 consistently over-budgeted expenses.

23 So, the goal was to look at how do we  
24 bring those budgets for expenses down to help reduce  
25 the gap? Look at different ways to increase the

1 revenue, and recommendations from Darren Howard have  
2 been to decrease the tee times intervals to -- first  
3 of all, look at how do we evaluate Non-Picture Pass  
4 Card Holder rates, and evaluate Picture Pass Card  
5 Holder rates, and then monitor our results.

6           So this particular chart is from our --  
7 it's a subset of what's in our packet, and it is  
8 golf excluding food and the pro shop -- food and  
9 beverage and the pro shop.

10           So, total golf operations does incorporate  
11 The Grill and the carts and what have you.

12           So, when we did our analysis, we  
13 discovered that food and beverage in the last couple  
14 years has had some pretty significant loses.

15           So, we didn't want those losses to skew  
16 the numbers as it relates to our discussion on golf  
17 rates.

18           So, Mr. Navazio, Director of Finance,  
19 provided a breakdown. So, this particular chart  
20 shows the actual revenue versus expenses,  
21 specifically from our financial statements, but  
22 excluded food and beverage, and this board had  
23 requested that we also exclude the facility fees so  
24 that we can truly see the operational effectiveness  
25 of golf operations.

1 Understand, these numbers are from our  
2 financial statements. The data came directly from  
3 the financial statements. So, depreciation is a net  
4 expense for enterprise accounting.

5 So, the solid green line is actual revenue  
6 specific for golf operations, and the solid red line  
7 is actual expenses.

8 And so this does not include any  
9 investment and capital. So, it is directly tied to  
10 our financial statements.

11 And the line at the bottom, the purple  
12 line, which is actually decreasing. It goes from,  
13 for those of you in the back, the left-hand side  
14 starts out in 2017/2018, through the final number is  
15 what our proposed budget is.

16 The purple line at the bottom shows the  
17 gap between the expenses and the revenue. That  
18 particular gap does not include capital. This is  
19 including depreciation. This is directly from our  
20 financial statement.

21 The dashed lines are the budget. So, as I  
22 mentioned, the budget has always been running up  
23 above what the actuals were. So, we've asked staff  
24 to address that particular issue.

25 So, with that, the one thing I want to

1 point to everyone, including my fellow trustees, is  
2 that purple line, you'll notice, that is in our  
3 proposed budget, it's actually slightly higher.

4           So, our gap between revenue and expenses  
5 grew a little bit. It's not a significant amount,  
6 and in comparison to where we've been the past  
7 years, we've made some significant improvements over  
8 the past couple of years.

9           So, what did we look at? So what staff  
10 did in the their recommendations was they adjusted  
11 service levels.

12           So, there's a grid on page 19 of the  
13 packet that shows some of the service levels that  
14 had been provided in the past and what had been a  
15 business decision to discontinue. So, to those  
16 adjusted service levels brought some cost savings  
17 into our budget.

18           Staff also looked at reducing staffing  
19 budgets because of the reality of labor shortages,  
20 and then they looked at how to review -- they  
21 reviewed and decreased expense budgets.

22           And some of the details that they've  
23 already done are on pages 32 or 33 in the packet,  
24 but it is something that is still ongoing. And  
25 we'll talk more about this when we talk about the

1 Mountain Course as compared to Champ.

2           So, the increase in revenue, the tee  
3 times -- the tee time increase in revenue was  
4 already incorporated into the projections. Staff  
5 did a competitive market analysis of other courses,  
6 and determined that they felt comfortable that an  
7 eight-percent increase for Non-Picture Pass Card  
8 Holders still allowed a competitive, good-priced  
9 product.

10           What we had talked about was the board  
11 gave direction to have the price of Picture Pass  
12 Card Holders at 50 percent of the Non-Picture Pass  
13 Card Holder. However, when we look at the numbers,  
14 staff's recommendation was to leave that at eight  
15 percent also.

16           But what we did -- what we wanted to do  
17 was first look at what increase in revenue, given  
18 the play mix, would the increase in the Non-Picture  
19 Pass Card Holder rates, how would that impact. And  
20 then what's left, what needs to be done for our  
21 Picture Pass Card Holders.

22           Staff recommended getting rid of the  
23 All-You-Can-Play passes. Staff went and put  
24 together this grid to show, in 2022, what the  
25 revenue -- the total combined revenue per round and

1 the cost per round -- I'm sorry. This is the play  
2 mix, compared to the revenue per round.

3           The highest revenue per round in 2022,  
4 which is the bar chart furthest to the right, that  
5 large, orange box, is \$66.54. And you'll note at  
6 the bottom, in 2022 the cost per round, excluded  
7 depreciation, capital, and debt, was \$98.58 per  
8 round.

9           The reason why we're talking about  
10 removing depreciation here and why we had it in the  
11 other charts, the other charts were our financial  
12 reports. Now we're talking about what needs to  
13 cover for Picture Pass Holders.

14           Since the facility fee pays the cash  
15 outlay for our capital, we don't believe it's right  
16 to then, in turn, have our Picture Pass Holders  
17 having to cover depreciation.

18           So, when we're looking at rates and price  
19 per rounds, and what's the rate we're looking at for  
20 Picture Pass Holders, we're intentionally removing  
21 depreciation because those Picture Pass Holders  
22 expended money through the recreation fee to outlay  
23 capital for the capital investment. Does that make  
24 sense? Okay.

25           So, then the last chart is from a Picture



1 Pass Holder perspective. So, this is using the same  
2 numbers as before, the only difference is  
3 depreciation was removed so that we can look at it  
4 from a Picture Pass Holder cost/revenue perspective.

5 And you can see that the amounts of  
6 difference between the revenue and expenses are  
7 considerably close; they're within \$30,000.

8 So, then the chart at the bottom, which,  
9 again, was the difference, what this now includes is  
10 now capital is brought into the equation.

11 So, the purple line at the bottom is  
12 including -- it's the total funding needed to  
13 operate the golf courses. So, the total funding is  
14 related to cash flow.

15 So that includes capital improvements,  
16 actual, it includes the gap between revenues and  
17 expenses, but then it removes depreciation.

18 So, as you can see here for the Champ  
19 Course, the gap is virtual closed.

20 What I also wanted to point out is when  
21 the numbers were put together -- staff's been really  
22 working hard to tweak the revenue numbers and the  
23 expense numbers for this budgeted year. It just so  
24 happened that \$30,000 of capital reduction that  
25 staff did is not reflected in these numbers.

1           So, that number at the bottom in the  
2 purple line would be reduced by \$30,000. I just  
3 didn't want to change the numbers because they all  
4 align with the other charts.

5           So, then it relates to the Mountain  
6 Course, we took the same approach. It was adjusting  
7 service levels, adjusting staffing levels, and  
8 reviewing how we might decrease some expenses.

9           When we looked in more detail at the  
10 revenue aspects of it, staff evaluated market  
11 competitiveness of the Mountain Course and  
12 determined that a 12-percent increase was reasonable  
13 for Non-Picture Pass Holders.

14           Then staff looked at the gap, and then  
15 staff brought forward their recommendation, and that  
16 was to encourage or recommend an eight-percent  
17 increase for the Mountain Course.

18           The thing that is really important for all  
19 of the Trustees to recognize on this golf -- this,  
20 again, in the net income. It does not include the  
21 facility fee, it does not include capital  
22 improvement, is, again, the red line has been  
23 decreasing. That's the actual expenses.

24           That actual expenses have been decreasing;  
25 however, the dashed red line has been increasing.

1           So, staff is still in the process of  
2 evaluating and determining where we go and do some  
3 additional reductions in expenses.

4           The other thing worth noting is, while the  
5 green line has been relatively stable and the  
6 projected year end is a bit of an uptick, you can  
7 see it's below what our budgeted revenue numbers  
8 were expected to be.

9           So, again, the purple line at the bottom  
10 is nothing more than what is the gap between actual  
11 revenue and actual expenses, with the exception of  
12 the budgeted, which is the difference in the budget.

13           But staff is still in the process, because  
14 it's about a \$400,000 differential between the  
15 budgeted expenses and what it appears our actual  
16 expenses have been.

17           So, that's an opportunity for improvement  
18 there that hasn't yet been identified by staff.

19           Then, this is the analysis for Picture  
20 Pass rates. So, the spikes that you can see right  
21 in the middle, that is a significant capital outlay.

22           So, capital outlay does cause our numbers  
23 to fluctuate considerably from year to year, but if  
24 you look at it, our revenues numbers are still  
25 consistently below with this current projected year,

1 the gap is expected to be the smallest it's been in  
2 a number of years, but it does still include an  
3 increase in the gap in the budget; however, in the  
4 budget, this number does not include another  
5 \$481,000 of capital improvement reduction that staff  
6 had proposed, but I didn't want to go and change the  
7 number because I was trying to leave these charts to  
8 all be consistent and tied together.

9           So, you can see where we are with the  
10 Mountain Course, and as we've talked in the past and  
11 prior boards have talked, you know, perhaps, the  
12 Mountain Course is one of the courses that we do  
13 talk about that pyramid.

14           And I actually asked staff to do a  
15 calculation of difference, and it was within that 33  
16 percent, which is the top portion of the pyramid.

17           So, next steps would be to -- we need to  
18 thoroughly understand why, over the past two years,  
19 we've lost a significant amount. It's almost  
20 \$300,000 in two seasons on food the beverage.

21           We need to monitor golf utilization, the  
22 play mix, and we need to have more timely financial  
23 reports so that if adjustments need to be made,  
24 we're doing it sooner rather than looking in the  
25 rearview mirror and realizing that we've been losing

1 money on food and beverage for two years.

2 So, a takeaway -- so, that's a next step.

3 Another thing that would be a next step,  
4 this was part of all of our discussion, was to,  
5 perhaps, request that board look at forming a group  
6 to have a collaborative effort to analyze the golf  
7 club situation, and to come up with some compromises  
8 and be creative.

9 So, those were some things that are  
10 identified in the board packet, and I just put them  
11 up here as a closing comment on next steps.

12 So, this is, in a nutshell, what we've  
13 been working on. And I have to give thanks to  
14 staff. They've worked very, very hard, and this  
15 would not have been accomplished if they wouldn't  
16 have had all of this information.

17 But everything that's in the board packet  
18 was worked on collaboratively, and the data either  
19 came from our audited financial statements or it  
20 came from Mr. Howard on the play mixes and the  
21 reservations for tee times.

22 So, with that, I'm going to let the board  
23 discuss, and I'm going to turn this back over to  
24 Mr. Dent.

25 CHAIR DENT: Thank you, Trustee Schmitz.

1 I will take that laptop too to communicate with  
2 anyone on Zoom.

3 Any questions? Trustee Tonking?

4 TRUSTEE TONKING: I just have a quick  
5 question how we're going to approach this.

6 Are we going to go through each of those  
7 numbered items, and then, like, make motions off  
8 that? I was wondering what our approach was so that  
9 I could make sure I was directed the right manner.

10 CHAIR DENT: The easiest way to tackle  
11 this would be go through the numbered items, and if  
12 we can make a motion to go through 1 through 5, or 1  
13 through 9 all at the same time and approve that, and  
14 then we know which ones we have an issue with and  
15 need to discuss a little bit further.

16 If there is a need to dive in, I mean, we  
17 could just start with number 1, and see if anybody  
18 has questions or wants further clarification and go  
19 from there.

20 TRUSTEE SCHMITZ: I was going through the  
21 presentation, and I had a note written down that I  
22 wanted my fellow Trustees to be aware of.

23 So, the charts and the data that was put  
24 together by Mr. Navazio, the Championship Course, it  
25 was using the five-percent increase.

1           So, the number that I was displaying,  
2 where it had them virtual touching, that was not at  
3 the eight-percent increase; that was at the  
4 five-percent increase.

5           Then, as it relates to the Mountain  
6 Course, they did actually update it to be the  
7 eight-percent.

8           TRUSTEE TULLOCK: So, this chart that  
9 showed the \$10,000 difference between, that's the  
10 one you're talking about that was only at five  
11 percent?

12          TRUSTEE SCHMITZ: Yes. At the five  
13 percent, yes.

14          TRUSTEE TULLOCK: Okay. Great.

15          TRUSTEE TONKING: Thank you, Chair.

16          Are you suggesting that 1 A would be five  
17 percent, is that what you're saying?

18          TRUSTEE SCHMITZ: I'm not suggesting it.  
19 I just want to be clear that the charts that had the  
20 points within \$10,000 of each other, the data behind  
21 this is the five percent, not the eight percent.

22          CHAIR DENT: Any other questions for  
23 number 1?

24          TRUSTEE TONKING: Okay. So first off, I  
25 want to thank Trustee Schmitz, staff, and everybody

1 for being here. It's been a long process.

2           So, I think my mindset on this with my  
3 accounting background and looking at budgets all the  
4 time, I have been -- the areas that I was, my  
5 mindset is, A, making sure that we are making  
6 financial sound decisions and we are following our  
7 pricing policy, making sure that we are not setting  
8 rates that are greater than the operational costs, I  
9 appreciate the taking out of depreciation, because  
10 that's that double charge. Really helpful.

11           Also, understanding that each of these  
12 decisions will have an impact on if people play on  
13 the course or not. So, that is the key that the  
14 play mix is something we always need to consider as  
15 we're having this.

16           And then, can we as a board, if we change  
17 so much, measure successes and failures.

18           On this first one, I was good with the  
19 Non-Picture Pass increase that was represented.

20           So, if it's five-percent, I think we  
21 should stay at the five versus the eight.

22           I agree that the Picture Pass Holder rates  
23 to be set at the 50 percent. That's what we talked  
24 about with Diamond Peak, similar idea.

25           And that the guest rates be set at the



1 midpoint.

2 I'm good with all of those with that  
3 mindset for 1.

4 CHAIR DENT: Trustee Tulloch?

5 TRUSTEE TULLOCK: Thank you, Chair Dent.

6 Actually, before we dive into each of them, I have a  
7 couple questions. One is concerning depreciation.

8 If I go to page 50 of the packet, our  
9 financial policies, pages 50 of 62, objective of  
10 District's pricing policies to ensure that revenues  
11 including charges for services and applicable rate  
12 fees are sufficient to cover the full cost to  
13 providing services to IVGID Picture Pass Holders,  
14 guests of IVGID Picture Pass Holders, and others.

15 If then go down to definitions, full cost  
16 is intended to represent the per unit cost of  
17 providing access, and shall include operating costs  
18 including overhead, capital depreciation and debt,  
19 as reflected in the budget.

20 So while we're stripping our depreciation  
21 there, I think that's incorrect to stop out the full  
22 amount.

23 If I look at the play pass mix, on page  
24 27, 46 percent of our revenues come from guests and  
25 Non-Picture Pass Holders.

1 According to our pricing policy, we should  
2 be recovering depreciation and capital costs from  
3 that group as well.

4 So, if I take 40 percent of (inaudible) we  
5 should not be writing off the full 700k of  
6 depreciation calculating these rates. It should be  
7 46 -- should be having 54 percent of the  
8 depreciation costs.

9 Sorry. 46 percent of the depreciation  
10 costs, so it should be \$320,000, approximately.

11 Is that correct?

12 MR. WINQUEST: Your math sounds correct.

13 Yeah.

14 TRUSTEE TULLOCH: Yes, these -- we're  
15 not -- at the accounting basis, we would be  
16 subsidizing Non-Picture Pass Holders and outsiders  
17 from our facility fee, which I believe would be  
18 incorrect.

19 CHAIR DENT: What are your thoughts on item  
20 1?

21 TRUSTEE TULLOCH: I'd assume that the  
22 Non-Picture Pass Holder was the eight percent, given  
23 what I've just stated in terms of depreciation, I  
24 would prefer to see it at eight percent, as per the  
25 proposal.

1 I think I'm okay with the other ones  
2 there.

3 CHAIR DENT: Okay. Trustee Noble?

4 TRUSTEE NOBLE: I was going between the  
5 five and eight percent for 1 a. I'm fine with the  
6 eight percent on this one, and I'm fine in the  
7 proposals in b and c, and number 1 as well.

8 CHAIR DENT: Okay. Trustee Schmitz?

9 TRUSTEE SCHMITZ: Are we weighing in on  
10 each one of those individually?

11 I'm fine with increasing the Championship  
12 Course, but only the five percent. Anything more  
13 would be in violation of policies. We'd be  
14 over-collecting from the Picture Pass Holders.

15 CHAIR DENT: Are you saying that for  
16 Picture Pass Holders and non, do you say stay at  
17 eight percent?

18 TRUSTEE SCHMITZ: Yes.

19 CHAIR DENT: So 1 b would be five percent,  
20 1 a would be eight percent?

21 TRUSTEE SCHMITZ: Yes.

22 CHAIR DENT: Are you okay with the eight  
23 percent for Non-Picture Pass Holders and five  
24 percent for Picture Pass Holders?

25 TRUSTEE TONKING: I agree with that.

1 TRUSTEE TULLOCK: I'm okay eight percent.  
2 Does that make much difference in the 50 percent?  
3 I'm assuming we're using an approximate 50 percent  
4 here.

5 CHAIR DENT: Yes. It's close enough.

6 TRUSTEE TULLOCH: I'm okay with that.

7 CHAIR DENT: We're not passing it along.  
8 It would be a five percent.

9 TRUSTEE TULLOCH: Yep.

10 TRUSTEE TONKING: Quick question: Do you  
11 think it's easier if we make motions to keep track  
12 of it all or each one?

13 CHAIR DENT: Let's get through this one,  
14 and then look at the other items.

15 Let's just say, like, increase their range  
16 fees at \$1 per product, item 8, if no one has an  
17 issue with that, we can look around the table really  
18 quickly and we can bundle 1 and 8, because it sounds  
19 like we're pretty much in agreement on 1 right now.

20 TRUSTEE TONKING: Okay. Great.

21 CHAIR DENT: Trustee Noble?

22 TRUSTEE NOBLE: One point of  
23 clarification. I'm looking at page 41 of 62, and  
24 the percentage increase from 2022, and when I look  
25 at the Picture Pass Holders, there's various

1 percentages.

2           So, is the proposal not to have a  
3 50-percent reduction from the Non-Picture Pass  
4 Holder rate, but just simply increase the rates by  
5 five percent from 2021 for Picture Pass Holders?

6           And the reason why I asked is a few of  
7 those rates seem to be out of whack, for lack of a  
8 better term.

9           We have, like, there's some corrections.  
10 One is 49 percent. Obviously, that's the  
11 Non-Picture Pass Holder rate, but then there are, if  
12 I look at -- there's an 18, 19, 23, 18 percent  
13 various ones.

14           We're going to -- if we just do the five  
15 percent, those deltas are going to get magnified.  
16 I'm wondering if it would be more appropriate to do  
17 the eight percent for Non-Picture Pass Holders, and  
18 just do a 50-percent reduction, and then it's clean  
19 for all time going forward.

20           Then when there are -- it'll be much  
21 easier to make changes based on that based on a  
22 percentage standpoint going forward, versus having  
23 these -- if you do percentage increases going  
24 forward without doing this correction, those deltas  
25 will magnify over time?

1 CHAIR DENT: Thank you.

2 Trustee Schmitz?

3 TRUSTEE SCHMITZ: We don't have an  
4 official policy that sets this rule. And if we're  
5 able to capture enough revenues so that we can lower  
6 our Picture Pass Holder rate, we need to do that.  
7 That is the right thing to do. It's according to  
8 our policy.

9 So, I don't think we should be bound by  
10 something that actually isn't even a policy. It  
11 might be that standard, but these are internal rates  
12 for our internal customers.

13 As a board, we can look at the numbers and  
14 make the decisions, but do so after we know what the  
15 revenue, given the play mix and given the rates  
16 increases are for the Non-Picture Pass Holders.

17 TRUSTEE TULLOCK: I agree with Trustee  
18 Noble. We need to be consistent. We put this into  
19 practice in ski, and we had the same impact there.  
20 We did talk at the time saying we should be  
21 consistent about it.

22 I think it would be difficult after all  
23 these larger percent increase than in ski when it's  
24 actually still making money, and then start using  
25 mixing and matching principles.

1 We're either consistent or not consistent.  
2 TRUSTEE TONKING: Correct me if I'm wrong,  
3 but I actually think if we did the eight and then we  
4 did the five, we'd actually see these percents get  
5 magnified more, and would be outside of our pricing  
6 policy.

7 So I think we're better off doing the 50  
8 percent and staying at rate. Otherwise, it gets too  
9 big with the way that these percentages are  
10 operating.

11 TRUSTEE SCHMITZ: All I'm saying is that  
12 we don't have a policy to tie anything to a  
13 percentage, and we should just do what is right by  
14 our Picture Pass Holders.

15 TRUSTEE TONKING: Our Picture Pass Holders  
16 would face higher charges if we did it the five  
17 percent way, I think, based off these percentages.

18 TRUSTEE SCHMITZ: I'm just talking about  
19 the big picture.

20 MR. HOWARD: To clear some of this up,  
21 when we went through and we were determining the  
22 Picture Pass Holder rates going at the 50 percent of  
23 whatever the Non-Picture Pass Holder rate was, that  
24 did to go up considerably.

25 So, if you do it at the percent, it's

1 going to raise it a lot higher than we think it  
2 should be.

3           So, my opinion would be if you do the  
4 Non-Picture Pass Holder rate at eight percent, you  
5 may want to go back to the chart that I had produced  
6 before of what the five percent of that looked like.

7           CHAIR DENT: I think that is what we're  
8 saying. We're just trying to work through the  
9 language for when we do make a motion.

10           For item 1, it would be an eight-percent  
11 increase for Non-Picture Pass Holders.

12           For item 1 b, it would 50 percent of a  
13 five-percent increase for Non-Picture Pass Holders.  
14 We're all on the same page? All right.

15           I think we're good on that one.

16           Item 2. Do we have questions on item 2?

17           So item 1 says -- item 1 a: Increase  
18 Non-Picture Pass Holders rates, Championship golf  
19 Course by eight percent, right? We're all in  
20 alignment on that.

21           However, we don't believe that we should  
22 be increasing Picture Pass Holders' rates by 50  
23 percent of that eight-percent increase; we believe  
24 we should be doing it by 5 percent or 50 percent of  
25 the five percent increase.



1 TRUSTEE NOBLE: Instead of the 50-percent  
2 discount, it would be closer to a 53-percent  
3 discount.

4 CHAIR DENT: Whatever that equals out to.  
5 All right. Are we done with item 1?

6 Okay item 2, Mountain Course. Increase  
7 Non-Picture Pass daily lay rates by 12 percent.  
8 Anyone have an issue with that? 2 a. No.

9 2 b. Increase Picture Pass Holders's  
10 guest daily rates at Mountain Course by eight  
11 percent. Everyone okay with that? Okay.

12 Item 2 c. Eliminate shoulder season rates  
13 and replace with peak season rates from September  
14 15th to closing. Does anyone have an issue with 2  
15 c?

16 TRUSTEE TONKING: My concern is we might  
17 run into this issue because we know that it's  
18 usually fire season, there's other things going on,  
19 there's not that many people in the basin during  
20 that time that we might be able to fill tee times at  
21 that higher rate. Some revenue is better than none.

22 TRUSTEE TULLOCK: Question for Mr. Howard.  
23 Are we reducing play at Mountain Course to nine  
24 holes only from September 15th any?

25 MR. HOWARD: Yes, sir. We are.

1 TRUSTEE TULLOCK: So, we're going to nine  
2 holes only, then we can to keep peak season rates.  
3 I agree with Trustee Tonking.

4 I think the increment revenue in fact  
5 would be minimal. I think it would be minimal. I  
6 think given inconvenience of us going down to nine  
7 two for two weeks, it typically ends in the first  
8 week of October. It doesn't make a lot of sense.

9 CHAIR DENT: You're saying keep those  
10 shoulder season rates -- okay.

11 TRUSTEE SCHMITZ: This was staff's  
12 recommendation based on doing their competitive  
13 analysis, and the others in the area didn't have the  
14 fall season rate. So, the thought process was is  
15 for Non-Picture Pass Holders that we should maintain  
16 that.

17 So, I'm going to supportive of staff's  
18 recommendations.

19 MR. WINQUEST: I was actually going to  
20 recommend -- Trustee Tulloch's point is a good  
21 point. We will be doing the Mountain Course pathway  
22 project.

23 Another reason why high staff recommended  
24 this is the golf course is in phenomenal condition  
25 at that point in the season. I can see in the early

1 shoulder season where we're just trying to get the  
2 courses up and going, you know, you're not going to  
3 see it in that great of shape.

4 I would recommend -- completely fine with  
5 that recommendation. I would recommend that we  
6 revisit removing the shoulder season rates in the  
7 fall after this coming season, and after we have a  
8 chance to monitor the financial performance based on  
9 this.

10 CHAIR DENT: Understood. Thank you.

11 TRUSTEE NOBLE: I would like to eliminate  
12 the shoulder season rates just to see the impact on  
13 it. It's going to be small this time, just sort of  
14 a good test, even with just nine holes. It would be  
15 worth it.

16 There isn't a lot of downside risk with  
17 regards to trying it out this season, given what's  
18 going to be going on.

19 CHAIR DENT: Understood. I agree with you  
20 on that, Trustee Noble.

21 TRUSTEE TONKING: Trustee Schmitz has said  
22 it was just for Non-Picture Pass Holders; is that  
23 correct. I didn't quite get that from the packet.

24 MR. WINQUEST: That would be for all.

25 TRUSTEE TONKING: Perfect thank you.

1 TRUSTEE TULLOCK: That was my question as  
2 well. I thought we were discussing purely for  
3 Picture Pass Holders there. I concur with Trustee  
4 Noble. In that case, let's move forward and see the  
5 impact of it.

6 CHAIR DENT: Any further discussion on  
7 item 2? No. Okay.

8 Do you guys want to discuss item 3? Item  
9 4, do we need to have discussion? Okay.

10 TRUSTEE SCHMITZ: Did you say we were  
11 coming back to 3?

12 CHAIR DENT: Yeah. I just want to figure  
13 out which ones we don't need to talk about. We can  
14 make a motion, get those off, and then we can talk  
15 about the ones we need to talk about.

16 Item 5?

17 TRUSTEE TULLOCK: Just for the record, on  
18 prebook fees, my concern about that is how we  
19 prevent abuse of it, particularly the 72-hour  
20 cancellation window is pretty short for refilling  
21 rounds. I mean, it would be very easy to gain a  
22 scenario where somebody could make a boat load of  
23 bookings up front and keep consistently canceling  
24 them.

25 I want to make sure we have some

1 consistent practices in place to avoid that.

2 I would also like to see it moved to  
3 five-days' cancellation rather than three days to  
4 give more chance of people actually seeing the  
5 vacant tee times.

6 CHAIR DENT: Trustee Tonking?

7 TRUSTEE TONKING: I concur with the  
8 concern. I almost wondered if you do five days at a  
9 50 percent cancellation, and then three at a hundred  
10 percent, something like that, where that fee  
11 motivates you to cancel or also not book every time.  
12 Some motivation.

13 Or we monitor it for a year and see what  
14 happens, but I would be okay doing, like, 50 percent  
15 at five days and a hundred percent at three days.

16 CHAIR DENT: Thank you.

17 Trustee Schmitz?

18 TRUSTEE SCHMITZ: I have the same concern.  
19 And I think the suggestion is manageable and doable.  
20 And I think, perhaps, we should ask staff to closely  
21 monitor that.

22 And someone in public comment made a  
23 statement about standby alerts. Is that something  
24 we have the ability to do and we send out emails  
25 blasts to our Picture Pass Holders when we have

1 cancellations?

2 MR. HOWARD: At this point, we do not send  
3 out an email blast, but we have people calling in  
4 almost on a daily bases that get put in the log.  
5 Then we just go off the log.

6 TRUSTEE SCHMITZ: Is to difficult or  
7 burdensome to, within five days of a tee time,  
8 actually send emails out to our golf community  
9 letting them know tee time availability to try to  
10 make sure we've got maximum utilization?

11 MR. HOWARD: I'm sure I can get with our  
12 IT department and revenue office to see how that  
13 could be implemented.

14 TRUSTEE SCHMITZ: If we have higher  
15 utilization, that, ultimately, helps our financial  
16 situation.

17 And I like the idea of having a stepping  
18 system in to the cancellation because I am also  
19 concerned about people canceling bookings, and then  
20 us ending up with time that are not filled.

21 CHAIR DENT: Mr. Howard, how hard is it to  
22 implement something like that where at five days,  
23 there's a 50-percent charge, and so on?

24 MR. HOWARD: That's the easier part,  
25 change the rule within the system. The harder part,

1 which we'll look at, would be how to get the email

2 blast out for the time. We'll work on that.

3 CHAIR DENT: Number 5. No

4 show/cancellation fee policy. No change. Are we

5 good with number 5?

6 All right. Number 6. Golf club

7 reservations. Do you want to talk about that one?

8 Deep dive? Any discussion? Okay. We'll come back

9 to it.

10 Number 7. Non-profit organization rates.

11 Is there a discussion there?

12 TRUSTEE TULLOCK: I think we should be

13 consistent. We should have a percentage increase on

14 these the same as everywhere else in the system.

15 We also need to look at -- I've expressed

16 my concerns before -- just because it's a

17 not-for-profit doesn't necessarily mean it's a

18 charitable organization. I think that's -- I'm sure

19 that's something we monitor.

20 It's not like our costs have been down

21 over the five-percent increase and that would be

22 acceptable.

23 TRUSTEE NOBLE: I'm fine with keeping it

24 as is this year. However, I'd like to see a

25 proposal next year where it said at least at the

1 Picture Pass Holder rates so they're not paying less  
2 than what the Picture Pass Holders pay.

3 CHAIR DENT: Understood.

4 TRUSTEE TONKING: This comes up a lot, all  
5 across the District. I wonder if we have an agenda  
6 item that is solely about how we deal with  
7 non-profit organizations, and we just create some  
8 formal mechanism on it.

9 I think we keep the same this year for all  
10 the venues, and then we deep dive into. I think  
11 that would be helpful.

12 CHAIR DENT: Good suggestion.

13 TRUSTEE SCHMITZ: I asked staff to get  
14 some statistics for pages 19, where we have the grid  
15 about service levels and reservations.

16 And staff provided me with a number that,  
17 Championship Course, there are four non-profit  
18 tournaments, and they are shotgun events, I believe  
19 is what Mr. Howard had given me.

20 And I believe that there are two at  
21 Mountain Course and those are not shotgun format,  
22 they are regular set-up tournaments.

23 Those are some shotguns also? Okay.

24 So, there's two at Mountain and four -- at  
25 least you know the numbers we're talking about.



1 CHAIR DENT: Okay. Thank you for that.

2 Moving on to item 8, any discussion on  
3 item 8? Okay.

4 Then there will definitely be discussion  
5 on 9 and 10.

6 Item 1, 2, 4, 5, 7, 8 are all items we  
7 don't -- necessarily need much more discussion on.  
8 If someone wants to make a motion, I'll entertain  
9 one. Or we can have that discussion and try to  
10 incorporate it all into one motion.

11 TRUSTEE TULLOCK: Just point on process,  
12 when it's been presented to you as a single item,  
13 can we make separate motions?

14 CHAIR DENT: Melissa, do you want to  
15 weight in on that?

16 MELISSA: Yeah. You can. We broke it up  
17 that way to make it a little bit easier. There's A  
18 lot of different information here.

19 If you would like to make separate  
20 motions, that's appropriate.

21 CHAIR DENT: You're talking about ten  
22 motions or a couple?

23 TRUSTEE TULLOCK: I wasn't sure when it  
24 was presented as a single item that we could  
25 actually change it.

1 CHAIR DENT: Yep. Cool. Thank you

2 Melissa.

3 I'll entertain a motion.

4 TRUSTEE TONKING: I'll read each of these  
5 to do a motion.

6 I move that the board increase Non-Picture  
7 Pass Holder rates at the Championship Course by  
8 eight percent, and increase the Picture Pass Holder  
9 rates to be set at 50 percent of a five percent  
10 increase on Non-Picture Pass Holder rates for the  
11 2023 season. That guest rates will be set at a  
12 midpoint of Non-Picture Pass Holder and Picture Pass  
13 Holder Rates consistent with industry standards.

14 Mountain Course, we increase Non-Picture  
15 Pass daily rates by 12 percent based on market rates  
16 for comparable courses, increase Picture Pass Holder  
17 and guest daily rates by eight percent and eliminate  
18 shoulder season rates and replace those with the  
19 peak season rates.

20 I move that we eliminate prebook fees for  
21 all Picture Pass Holders at both golf courses, and  
22 retain prebook fees for Non-Picture Pass Holders,  
23 and amend the no-show cancelation fee policy for a  
24 50-percent cancellation fee within five days of tee  
25 time and 100 percent within three days of tee time.

1 I move that we restrict golf club  
2 reservations during peak season Friday through  
3 Sundays to tee times starting at 11:00 A.M., and  
4 club will retain one weekend member guest event for  
5 the 2023 season.

6 I will strike out that number 6.

7 I move that we maintain non-profit  
8 organization rates as approved by the Board of  
9 Trustees for the 2022 golf season, and that we  
10 increase range fee rates by \$1 per product.

11 CHAIR DENT: Motion's been made. Is there  
12 a second?

13 TRUSTEE NOBLE: Second.

14 MR. HOWARD: Okay. Just a point of  
15 clarification, the Mountain Course was 12-plus  
16 because there was some on one side of it and one on  
17 the other. I wanted to make sure we clarified that.

18 TRUSTEE TONKING: I'm fine with it being  
19 12-plus.

20 TRUSTEE NOBLE: And I am as well.

21 TRUSTEE SCHMITZ: I have a question: Is  
22 it important to be 72 hours versus three days?

23 MR. HOWARD: I think yes.

24 TRUSTEE SCHMITZ: May we amend that?

25 TRUSTEE TONKING: We can amend three days

1 to be 72 hours. And five be 120 hours.

2 CHAIR DENT: Motion's been amended.

3 TRUSTEE NOBLE: I second that.

4 CHAIR DENT: Okay. All right. Any

5 further discussion by the board on these items?

6 Seeing none, call for the question, all those in

7 favor, state aye.

8 TRUSTEE NOBLE: Aye.

9 TRUSTEE TONKING: Aye.

10 TRUSTEE TULLOCH: Aye.

11 TRUSTEE SCHMITZ: Aye.

12 CHAIR DENT: Aye.

13 Opposed? Motion passes 5/0.

14 All right let's move on to item 3 first.

15 TRUSTEE TONKING: Thanks, Chair.

16 I'm going to present something as

17 exciting. I think that we shouldn't element the

18 All-You-Can-Play Passes, and here is my thought on

19 it.

20 I think if we did our increase -- looking

21 at the average expenditure, there's a \$40 difference

22 on average. I was thinking we would do is have your

23 five-percent increase -- 50 percent on five percent.

24 Take that increase and then had additional five

25 percent to get us to almost be that same price per

1 round with a sight discount.

2           It keeps us having our players who play  
3 all the time and we get that revenue early on and it  
4 helps eliminate that gap.

5           So, I would say keep it with a five  
6 percent, like, additional fee on top of the one  
7 already increase.

8           CHAIR DENT: Thank you, Trustee Tonking.

9           TRUSTEE TULLOCK: I would actually ask  
10 Mr. Howard his views on that. Staff brought the  
11 proposal to eliminate the All-You-Can-Play Pass.

12           I think we also -- my nervousness is this  
13 with removal of prebooks fees and things as well.  
14 It needs to be looked at in conjunction with that as  
15 well to make sure there's no games being played on  
16 it.

17           MR. HOWARD: Can you ask that one more  
18 time, please?

19           TRUSTEE TULLOCK: Mr. Howard, do you  
20 recommend the elimination of the All-You-Can-Play  
21 Pass? I see the rationale behind and the reasoning  
22 for it. Perhaps, you would like to give the Board  
23 your thoughts on keeping it.

24           MR. HOWARD: On keeping it or not keeping  
25 it?

1 TRUSTEE TULLOCH: Keeping it or not  
2 keeping it.

3 MR. HOWARD: This goes back to a couple of  
4 years ago to try to make sure what we knew what that  
5 bottom line was going to be so it's a lot easier to  
6 project.

7 We don't necessarily know that with  
8 All-You-Can-Play Passes, so that was the rationale  
9 behind that, and it would increase revenue.

10 TRUSTEE TULLOCK: Would it increase  
11 revenue or decrease revenue?

12 MR. HOWARD: By not having the  
13 All-You-Can-Play or having it?

14 TRUSTEE TULLOCH: Not having it.

15 MR. HOWARD: Potentially it could because  
16 you would have to buy some other if they wanted to  
17 play as many rounds, or they might play somewhere  
18 else. I don't know.

19 TRUSTEE TULLOCK: I like Mr. Noble 's  
20 suggestion, 40-Plus. I can fully understand,  
21 All-You-Can-Play, you can jump out for a few holes,  
22 but I think it's just, the recommendation is brought  
23 forward. I'm just trying to understand the  
24 rationale behind it as Trustee Noble had 40-Plus  
25 suggestion in play as well.

1 MR. HOWARD: I think the 40-Plus is a good  
2 compromise between the two, because we do have a  
3 number of individuals that love to play a lot of  
4 golf and would love some type of pass like that.

5 That is a good compromise with some good  
6 parameters in there. If we can take care of some  
7 them to some degree, I think that would be fine.

8 CHAIR DENT: Trustee Noble?

9 TRUSTEE NOBLE: I had a conversation with  
10 you just before this is meeting with regards to  
11 implementation of the 40-Plus Play and how that  
12 would work.

13 And if the board moved forward with that  
14 proposal, is that something that you can make work  
15 in the system, or are you unsure at this point?

16 If you're unsure, there's the another  
17 proposal I was going to put out there if you can't  
18 do that.

19 MR. WINQUEST: After speaking to staff  
20 today, there would definitely be challenges to  
21 administering that type of product. It doesn't mean  
22 we can't do it, but we would need a little bit more  
23 time to evaluate whether or not the system can  
24 accommodate, because it's -- another question that  
25 has been asked is do you have use up your 40 before

1 you could then be on standby, I would say, yeah,  
2 should have to.

3           That's one thing that's come up. We would  
4 have to discuss some parameters.

5           If I may, I want to go back to the prior  
6 question about elimination of play passes.

7           So, you know, for three or four years now,  
8 there's been a lot of discussion about bringing up  
9 that revenue around closing the gap and the cost per  
10 round.

11           And so, if you remember, there was  
12 initially a proposal on the table from Mr. Howard a  
13 few years ago to raise the prices on play pass to  
14 get them to that point where we're starting to close  
15 that gap.

16           So the reason why we've been recommending  
17 this is that expectation to close that gap, as well  
18 as to be in compliance with the pricing policy.  
19 That's why staff is making this recommendation.

20           So, if we're looking at raising prices at  
21 All-You-Can-Play prices to shrink that the gap, then  
22 we're completely comfortable with looking at how  
23 that works for a season and whether or not it closes  
24 the gap.

25           We do believe that it can eliminating the



1 All-You-Can-Play Passes, it could, potentially,  
2 bring up that total review per round.

3 But we can't be a hundred percent sure  
4 because it could potentially go the other direction  
5 where we lose some of golfers, our core business,  
6 which is what we don't want.

7 This is a very challenging discussion to  
8 be had. I don't really know if there's a right or  
9 wrong answer.

10 So, I just wanted to point that out  
11 history, some of the history on that.

12 TRUSTEE NOBLE: Question for Trustee  
13 Tonking. I want to explore a little bit more of the  
14 five percent and then an additional five percent for  
15 the season passes.

16 When I'm looking at those prices for last  
17 year, we had, basically, boosted them ten percent.  
18 They don't cover -- they don't hit, at least on some  
19 of them, the cost for the 40-Play Pass, so that's a  
20 concern for me there.

21 So, like, for example, the Mountain  
22 Course, the rate for 2022, is 865. But the 40-Plays  
23 is proposed at 1364. And so, even at ten percent,  
24 you wouldn't get close to that 40-Play.

25 Before you made that proposal, I thought

1 about it, after talking with Mr. Howard,  
2 implementing the 40-Plus Play Pass may be an issue.

3 I will throw this out there for  
4 consideration: What if you bring back the  
5 All-You-Can-Play Pass, but base it off of a 50 --  
6 you would take the -- I'll take an example.

7 Let's do the Championship Course P.M., 40  
8 plays at 1,798, based on average round of 4498. If  
9 you do ten more rounds, you're at, essentially,  
10 \$450, so it brings it up to 2248.

11 So, you have an All-You-Can-Play Pass that  
12 is based off of a 50-round calculation, and maybe do  
13 that for the Championship Course after 2:00 P.M.,  
14 Mountain Course, and then the Mountain Course nine  
15 hole.

16 With regarding to the Championship Course,  
17 everything that I keep hearing from everybody is --  
18 listening to other board member and staff is that  
19 the Championship Course prime time is what  
20 everybody's going on after.

21 And so I would not propose an unlimited  
22 All-You-Can-Play Champ Course; I would propose, in  
23 place of that, the limited Champ Course, like we had  
24 last year, that is anytime during the shoulder  
25 seasons and during the high season, Monday through

1 Thursday, anytime and after 12:00 P.M. Friday  
2 through Sunday.

3           And trying to price that, you know, that  
4 was 2596 last year. So, there isn't a really --  
5 because there would be the 40-Play Pass at 2960, I  
6 would I think an All-You-Can-Play limited pass at  
7 3,200 would be in there.

8           And then you have -- there was a couples  
9 discount last year; there was about a 35-percent  
10 discount. I'd rather see more of a 15- to  
11 20-percent discount for couple.

12           That's another proposal out there for  
13 consideration.

14           Yes, the 40-Plus Play, I proposed that. I  
15 still support that. I would also support coming  
16 with an All-You-Can-Play Pass in lieu of that, based  
17 on those numbers and that reasoning.

18           CHAIR DENT: Thank you.

19           TRUSTEE SCHMITZ: In working with Director  
20 of Golf, he has been advocating to dissolve the  
21 All-You-Can-Play Passes for a number of years due to  
22 what it does to the delusion of the revenue per  
23 round.

24           If we're going to have a discussion, I  
25 personally don't want to sit here on the fly and try

1 to do reanalysis of what Mr. Howard has brought  
2 forward as his recommendation.

3           If the board wants to have additional  
4 analysis and what not done, then I think we need to  
5 let staff go and do the financial analysis and come  
6 up with something that is before us to make a  
7 decision on.

8           But staff has put a lot of time and effort  
9 into formulating a recommendation for our  
10 consideration. They've put together the information  
11 on page 29 to show how the All-You-Can-Play for the  
12 Championship Course has diluted the revenue per  
13 round that we're receiving. And 80 of these passes  
14 do go to club members who are using them at the  
15 prime times when they have the prebooking capability  
16 that other people don't have.

17           I just feel that, as one board member, I'm  
18 not going to sit here and start  
19 on-the-back-of-napkin calculating and figuring.

20           I'm willing to either accept staff's  
21 recommendation or ask staff to come back with an  
22 alternative recommendation.

23           CHAIR DENT: Thank you.

24           TRUSTEE TONKING: Mr. Howard, are you  
25 completely -- do you feel confident that we need to

1 dissolve All-You-Can-Play Passes?

2 MR. HOWARD: Unless we can come up with a  
3 better rate to get that average up, that would be my  
4 recommendation. And what that rate is, 10, 15  
5 percent above, to get the rates up, or the average  
6 dollar up, and to maybe use the 50 round, kind of,  
7 average in there for an All-You-Can-Play to figure  
8 that out. Which is, I think, what two years ago,  
9 that's basically where we were on the  
10 All-You-Can-Play.

11 So that's my thoughts.

12 TRUSTEE TULLOCH: I pulled up your  
13 recommendations from two years ago when we first did  
14 this, and that's exactly what you had said, you'd  
15 put them off to 50 play.

16 I like this idea. I like this idea  
17 because I don't feel confident that we should be  
18 getting rid of All-You-Can-Play right away.

19 Let's try what Mr. Howard had originally  
20 recommended us to do as a board, and we failed to do  
21 two years ago.

22 I also think that we've pushed this so  
23 much, I'm not really down to push it again.

24 I also think that I like the idea of an  
25 All-You-Can-Play Pass, especially in the afternoons

1 at the Mountain Course. I feel like those are areas  
2 that we see a lot more free tee times. Afternoon  
3 Champ and at the Mountain.

4 And then I like the idea of eliminating  
5 it, so we've kind of fixed some of that issue where  
6 it's only a certain group of people who get all of  
7 the times, and we try to see.

8 With that limited, we explicitly monitor  
9 who purchases it and how often its used, and, maybe,  
10 that goes away next year altogether, and we can go  
11 from there.

12 That's my thoughts.

13 CHAIR DENT: Thank you.

14 TRUSTEE TULLOCK: Thank you.

15 Yeah, I think -- I understand Trustee  
16 Schmitz' position. We've spent a lot of effort into  
17 this. We've done some calculations. Everyone's --  
18 we're hearing, oh, congratulations, we're actually  
19 making money, even though if we disregard some of  
20 the depreciation, it should be coming in. We're  
21 breaking even.

22 Now, we suddenly start making some changes  
23 on the fly, we don't know what that does to the  
24 overall numbers.

25 It's putting Mr. Howard in a position,

1 perhaps, he shouldn't be. We're setting him targets  
2 based on different calculations and then a change  
3 there.

4 To clarify, if it's based on the 40 Pass,  
5 the 50 Pass, or the All-You-Can-Play, we get 25  
6 increase over the 40 Pass. So, basically, the  
7 All-You-Can-Play Pass would be the 40-Play Pass  
8 pricing here, with another 25 percent added to it.

9 MR. HOWARD: Fifteen percent added to it,  
10 I think is what it was.

11 TRUSTEE TULLOCK: I'm calculating it  
12 assuming it's based off the 40. We're already  
13 giving pretty substantial per round discounts on the  
14 40 Pass. I'm not comfortable -- just, you know,  
15 opening it up completely and then giving even  
16 further discounts.

17 That's why -- my rough calculation would  
18 be 25 percent of the 40 Pass.

19 CHAIR DENT: Mr. Howard, so you brought us  
20 the 40-Plus on standby rate that was discussed a  
21 couple meetings back, but you said we can't  
22 implement that in the system?

23 MR. HOWARD: It will be tough to totally  
24 calculate that.

25 One way we had looked at it is to use the

1 40 plays during the months -- or June 15th through  
2 September 15th, that's the prime season, which is 90  
3 days. And then you could use the standby during the  
4 two shoulder seasons.

5           It would be a little hard to administer  
6 because, after talking with the revenue office, we,  
7 basically, for that one play pass, would have to  
8 build three different products. It's doable, but  
9 it's . . .

10           CHAIR DENT: Okay.

11           TRUSTEE TONKING: Mr. Howard, so then we  
12 can't do that, these people would just have a 40 --  
13 we would just cap it at 40? Okay. Okay.

14           MR. HOWARD: And then they would just have  
15 to -- if they played more than 40, come back and  
16 either pay the daily rate or buy 10 or 20 or 33  
17 more.

18           CHAIR DENT: Understood.

19           TRUSTEE TULLOCK: Okay. So, I mean, I  
20 understand the rationale people wanting  
21 All-You-Can-Play. I also understand the work that's  
22 gone into this.

23           I agree, it's difficult to calculate  
24 numbers on the fly. I think the only easy way is to  
25 make sure it's set at such a level that people think



1 (inaudible) in terms of that.

2 If we do feel it's necessary to go a  
3 slight further discount over the 40 Pass rate, that  
4 would save 20 percent, and I think that should be  
5 sufficient to bring it up.

6 But I'm very sensitive to the concerns  
7 that we've worked out. We've worked out all the  
8 numbers.

9 I'm also aware, we're now -- it's the  
10 night before Christmas, people are waiting to buy  
11 their passes, and it's difficult to carry over.

12 I'm on the fence about it in terms of  
13 that, but if there is a suggestion, my threshold  
14 would be 20 percent on top of the 40-Play Pass.

15 MR. WINQUEST: So to be clear on that, we  
16 have 2960 proposed price, so you're saying 20  
17 percent on top of that 2960, which would be about  
18 another \$600. It would be about 3,500?

19 TRUSTEE NOBLE: 3552.

20 MR. WINQUEST: Is that correct? Is that  
21 what you're saying?

22 TRUSTEE TULLOCK: Yeah. I think that's  
23 the range.

24 I think there's also -- Trustee Noble  
25 mentioned a couples' pass. I thought we eliminated

1 the couples' pass. I think we need to . . .

2 MR. HOWARD: If I could clear that up,  
3 just to try to make sure we take care of as people  
4 as possible.

5 I think what you're referring to is if you  
6 have a husband and wife, and they bought a 40 Play,  
7 they could share that.

8 I was just giving the option that they  
9 could -- couples residing in the same household  
10 could use that pass, together. If they use 40, they  
11 would have to come back and buy more, if they go  
12 through that.

13 That was just trying to meet in the middle  
14 somewhere.

15 TRUSTEE SCHMITZ: Does that share  
16 capability exist for all of the play passes, not  
17 just the 40 or is it just the 40?

18 MR. HOWARD: No. That would be for the  
19 10, 20, 30, and 40.

20 TRUSTEE TULLOCK: Yeah, I had read that,  
21 seen that in the proposal, so that's why I had  
22 underlined the small print. I thought that was  
23 something left over from a previous one.

24 I didn't see anywhere in the proposals  
25 that we're going to allow people to share play

1 passes.

2 TRUSTEE NOBLE: With the 20 percent  
3 increase over the 40-Play for an All-You-Can-Play  
4 Pass, with regards to the Championship Course, would  
5 you have that as a limited play with the shoulder  
6 season, and then Monday through Thursday with the  
7 high season, and then only after 12:00 P.M. on  
8 Friday, Saturday, Sunday?

9 And the reason why is -- that's why I was  
10 trying to come up with -- one of the issues with --  
11 I think we're trying to resolve -- is keep those  
12 Friday, Saturday, Sunday, prime time, high season  
13 open for others besides -- make them available for  
14 more people.

15 That's why I'm questioning whether or not  
16 you wanted to just -- unlimited All-You-Can-Play  
17 Championship Course or just unlimited?

18 TRUSTEE TULLOCK: Great point, Trustee  
19 Noble.

20 I think I would actually defer to  
21 Mr. Howard there. My suspicion is, given we would  
22 run into the same difficulties administering it as  
23 we do with administering the 40-Play Pass, I think  
24 might be the issue.

25 MR. HOWARD: Yeah, I think it's going to

1 be a learning process for our entire staff on this,  
2 and it would take some education.

3 But, you know, that's our job. We would  
4 figure out a way to get it done.

5 TRUSTEE TONKING: Is that easier to do  
6 than the standby, like, to implement?

7 MR. HOWARD: The quick answer is yes.

8 TRUSTEE TONKING: Okay. I'm okay with  
9 the 20 percent. I'm fine with the limited. But I'm  
10 not making a motion about the limited, just FYI.

11 I was also thinking if we do the  
12 All-You-Can-Play, I think you have to kind of get  
13 rid of the couples, because I think, A, just the  
14 equity issue that with couples and being a  
15 government organization is something we need to  
16 think about, and I just feel we're going to enter a  
17 landmine that we don't need to be entering.

18 But if we stay with this play, like, I'm  
19 fine keeping the couple, but the pass, that goes.

20 TRUSTEE TULLOCK: Thank you, Mr. Howard,  
21 for the clarification. If it can be done on that  
22 basis, I'm okay with that.

23 And I agree with Trustee Tonking.

24 CHAIR DENT: Any further discussion on  
25 this item?

1 TRUSTEE SCHMITZ: One question: Where  
2 you're going, if this is an All-You-Can-Play, this  
3 is not something, back to the extent of the couples  
4 point, it is not something that is shareable?

5 MR. WINQUEST: I just want to clarify  
6 based on the couples discussion.

7 So, did I just hear that we weren't going  
8 to allow folks to share a 40-Play? I wanted to  
9 verify.

10 TRUSTEE TONKING: I think what I had said  
11 is if it's an All-You-Can-Play Passes, if we get rid  
12 -- if we don't do this 40-Play situation, then it  
13 would not be -- if it's a pass, it's not a shareable  
14 pass.

15 MR. WINQUEST: So if we continue forward  
16 with an All-You-Can-Play Pass, the 10, 20, 30, 40  
17 passes would not be able to be shareable by a couple  
18 if living in the same household?

19 TRUSTEE TONKING: I don't know how I feel  
20 about that.

21 MR. WINQUEST: For the record, that is on  
22 page 44 of the packet. It's the last bullet at the  
23 end of page where that's referenced.

24 CHAIR DENT: One name only per pass.  
25 Yeah. All passes are individual, except couples

1 living in the same household, and nontransferable.

2 TRUSTEE TULLOCK: Yeah, I understood they  
3 were nontransferable. My previous discussion with  
4 Mr. Howard, he said it might be okay to use it  
5 toward the end of the season if one of the couple  
6 has some passes -- things left there, come  
7 September.

8 I think I'm not -- I agree with Trustee  
9 Tonking that there becomes an equity issue, then, in  
10 terms of if you start couples can share the pass but  
11 others can't. It's -- you've got to be very careful  
12 in that.

13 To me, there's no sharing. I can  
14 understand -- I think it may be possible to use up  
15 some passes at the end of the shoulder season, but I  
16 don't think it should be a general, transferable  
17 pass.

18 TRUSTEE SCHMITZ: Just back to the  
19 fairness perspective, it sort of creates a situation  
20 of unfairness, because what if someone doesn't have  
21 a couple, then why can't they give their pass to  
22 somebody else, what have you.

23 So, I think from a being-fair-to-everyone  
24 perspective, I don't think that they should be  
25 shared.

1 TRUSTEE TONKING: I agree. I think that's  
2 fine if it's something at the end of the shoulder  
3 season if, you know, you have a few left over.

4 We can figure that out. I don't know how  
5 we implement that.

6 MR. WINQUEST: It would be staff  
7 discretion.

8 TRUSTEE TONKING: Like, at the end, you  
9 know, if you have three left over, and your  
10 significant other, whoever you live with, I guess,  
11 can, maybe, use it.

12 I don't know. I don't know how you'd  
13 operationally do it.

14 TRUSTEE SCHMITZ: I guess, to me, a rule  
15 is a rule, and it is a rule or it is guideline?

16 So, I guess, my feeling is let's just be  
17 clear, and let's just stay with it. And we can  
18 adjust as we need to.

19 Hopefully this -- what you're talking  
20 about adding is an All-You-Can-Play Pass that has  
21 some limitations.

22 But I think that when you get into  
23 situations where some are shared, some can't be  
24 shared, it makes it hard on staff. It really does.

25 TRUSTEE TULLOCK: Yes, I would agree.

1 Otherwise, we run into situations we've seen with  
2 cancellations where there's all sorts of different  
3 claims made. I think let's make it very simple. I  
4 think it's a rule and that's straightforward, and  
5 lets people decide.

6 But, yes, it does become an equity issue  
7 because does it mean a couple can play ten times  
8 each at 20-percent discount, but an individual can  
9 only play ten times at ten-percent discount?

10 TRUSTEE TONKING: I'm fine with that.

11 I wanted to clarify, we would have a  
12 limited All-You-Can-Play, and then we'd also have  
13 the Mountain Course All-You-Can-Play, and then an  
14 afternoon All-You-Can-Play as well at 20 percent.

15 But, yes, I think that makes sense.

16 TRUSTEE TULLOCK: Did I hear somebody say  
17 there's an unlimited nine course? That would --

18 (Inaudible cross talk.)

19 TRUSTEE TULLOCH: Okay. So could I use my  
20 unlimited pass to play nine holes in the morning and  
21 then the other nine holes in the afternoon?

22 (Inaudible cross talk.)

23 CHAIR DENT: Any other discussion on this  
24 item? Do we want to entertain a motion on this item  
25 or do we want to -- go ahead, Trustee Noble.



1 TRUSTEE NOBLE: I would move that we adopt  
2 the 10-, 20-, and 30-Play proposals in appendix C,  
3 on pages 43 through 44, for the Championship Course,  
4 Championship Course after 2:00 P.M., Mountain Course  
5 and Mountain Course nine-hole pass rates, as well as  
6 All-You-Can-Play Passes, based on the 40-Play rate  
7 plus 20 percent, and those would apply to the  
8 Championship Course, which would be a limited  
9 All-You-Can-Play Pass open from open to June 11th  
10 and September 25th through closing; that would be  
11 unlimited play, any day, any time. And June 12th  
12 through September 24th, Monday through Thursday, any  
13 day, any time, and Friday through Sunday after 12:00  
14 P.M. only.

15 And then the other All-You-Can-Play Passes  
16 would be Championship Course P.M., after 2:00 P.M.,  
17 Mountain Course and Mountain Course nine hold.

18 CHAIR DENT: A motion's been made. Is  
19 there a second?

20 TRUSTEE TONKING: I second.

21 CHAIR DENT: Discussion by the board?

22 TRUSTEE TULLOCK: 10-, 20-, and 30-Plus  
23 Play Pass. You missed the 40-Play Pass.

24 TRUSTEE NOBLE: I would amend my motion to  
25 add the 40-Play Pass.

1 TRUSTEE TULLOCK: Thank you.

2 CHAIR DENT: Motion's been amended.

3 TRUSTEE SCHMITZ: I have a question: I  
4 thought when we were discussing these  
5 All-You-Can-Play Passes would be limited and not be  
6 allowed on Friday -- on the weekends at all.

7 TRUSTEE NOBLE: That is for the  
8 Championship Course.

9 TRUSTEE SCHMITZ: (Inaudible).

10 CHAIR DENT: Yep.

11 Any first discussion?

12 All right. Seeing none, I'll call for the  
13 question. All those in favor, state aye.

14 Hold on. Additional comments?

15 TRUSTEE TULLOCK: Yeah. I thought the  
16 motion said after 12:00 on Friday through Sunday at  
17 the Championship Course.

18 (Inaudible cross talk.)

19 CHAIR DENT: Do you want to read that  
20 motion again?

21 TRUSTEE NOBLE: During the shoulder  
22 season -- just for clarification, though.

23 During the high season, the restriction is  
24 Friday through Sunday after 12:00 P.M. only.

25 And I'm taking this language from the

1 limited All-You-Can-Play season pass that was in  
2 effect at the Championship Course for 2022.

3 CHAIR DENT: Any further discussion? No.

4 All right. I'll call for the question.

5 All those in favor, please state aye.

6 TRUSTEE NOBLE: Aye.

7 TRUSTEE TONKING: Aye.

8 TRUSTEE TULLOCH: Aye.

9 TRUSTEE SCHMITZ: Aye.

10 CHAIR DENT: Aye.

11 Opposed? None. Motion passes 5/0. All  
12 right.

13 The last item, item 6, golf club  
14 reservations. Who wants to tip that one off?

15 TRUSTEE NOBLE: I'm going to try and find  
16 the pages that had -- pages 21 through 23 of the  
17 board packet that show tee time availability after  
18 club reservations.

19 So, looking at the proposal in 6 a,  
20 restricting golf club reservations during peak  
21 season, Fridays to Sunday to tee times starting at  
22 11:00 A.M.

23 I just did a rough count, of the 40  
24 possible days during the high season, in the  
25 morning, only nine are either -- nine out of 40 are

1 in red or yellow. And so that's less than 25  
2 percent, currently, are being taken up by the golf  
3 clubs.

4           And so, at least at this point, I don't  
5 know if that restriction is necessary, given that  
6 what the number of golfers and the percentage of  
7 Picture Pass Holders that are golfers who are  
8 represented by the clubs, it doesn't seem to be a  
9 problem, at least from my observation.

10           And with regards to the member events and  
11 stuff, I think this is good conversation to have,  
12 but this -- what I'd like to do, though, is do this  
13 in late fall or early winter.

14           Given that all these have already been  
15 reserved at this point, I think the disruption that  
16 it would cause would -- I don't know if it's worth  
17 it, and -- but I do think it's worth having that  
18 conversation.

19           Mr. Briggs did bring up moving all Friday  
20 tee times to 11 A.M. or later. I think that's a  
21 good proposal, but I don't think that's necessary at  
22 this point, given that less than 25 percent of those  
23 morning tee times during the high season are  
24 currently being occupied by the golf clubs.

25           TRUSTEE SCHMITZ: I agree. When I look at

1 the charts, I couldn't come up with a reason why  
2 that was significant to make that change.

3 TRUSTEE TONKING: Do you think this is  
4 something we can have, maybe, go into that committee  
5 discussion that's later on and be something that's  
6 addressed at a later time and get everyone's input?

7 CHAIR DENT: That's fine.

8 TRUSTEE TULLOCK: Okay. I think -- we've  
9 talked about equity in other areas, and I hear both  
10 sides. I hear the golf clubs, they've had this --  
11 traditionally had this. And I also hear the general  
12 public that want to play.

13 Sometimes I also hear the comments that,  
14 well, of course you can get tee times.

15 There's a difference between getting tee  
16 times and getting tee times that actually work for  
17 you.

18 I know, myself, one of the reasons I  
19 stopped playing golf, and somebody in the public  
20 comment made -- brought up the same issue, it takes  
21 five-plus hours for a round, it's kind of hard, when  
22 I'm when used to playing three hours, three-and- a  
23 half hours range. Which is the reason I play now, I  
24 only play if I can get a first-in-the-morning tee  
25 time.

1           There is obviously issues about equity  
2 there.

3           We've heard both sides from the public  
4 comment saying, we don't want government interfering  
5 in our golf clubs. Fair enough. But then the same  
6 golf clubs want to almost dictate the terms of when  
7 they get tee times, which is it? I mean, it's  
8 hypocritical to want it both ways. And I'll put my  
9 neck on the line in terms of that. I'm happy to  
10 back up my comments.

11           If we're going to pass it off, I think  
12 Mr. Briggs made a very good offer, and I think it  
13 would be very sensible to take up that offer of the  
14 eleven o'clock -- restricting it to after eleven  
15 o'clock on Fridays.

16           I think that would give us some data as  
17 well going forward for the committee discussion. I  
18 think that would be a sensible compromise.

19           I think we've compromised in a lot of  
20 other areas to try and see that we can address some  
21 of concerns raised by the community. And the golf  
22 community is not just club members, it's also the  
23 non-club members.

24           I'm very conscious and I'm trying to cater  
25 for the whole community here. So I would like -- I

1 suggest we take Mr. Briggs' suggestion, and we use  
2 that to start that as a pilot.

3 TRUSTEE SCHMITZ: I think it's great that  
4 Mr. Briggs brought forward an idea for compromise  
5 and appreciate that.

6 My concern is that if you look at an  
7 example, July 28th, if you go and make that rule,  
8 you suddenly will have to no tee times available  
9 because everyone in the morning gets shifted to the  
10 afternoon. And Friday afternoons are part of a  
11 weekend for people who are coming up just on the  
12 weekend.

13 So, my concern about doing that is that  
14 could potentially make the afternoons completely  
15 unavailable. And we do need the revenue for people  
16 who are coming up on the weekends.

17 So, I really -- I think it's a great offer  
18 and appreciate the willingness to compromise, but  
19 I'm concerned about Friday afternoons then suddenly  
20 not, you know, being completely booked. And if you  
21 start looking at some of the numbers, that's a  
22 potential risk.

23 And I think this is a great hopping off  
24 point for some discussion on compromise, with a  
25 subcommittee to look at big picture and potentially

1 identify additional ideas.

2 TRUSTEE NOBLE: I was first going to  
3 support Trustee Tulloch, because he made very good  
4 points, then I heard Trustee Schmitz' points, and I  
5 think those are also very good.

6 So, I think, between the two, I would  
7 support Trustee Schmitz on that.

8 I think it's -- I understand the proposal  
9 by Mr. Briggs, and I think it's great that he  
10 offered it; however, I think that it would be best  
11 to table this to the fall, and we can look at it  
12 holistically.

13 TRUSTEE TONKING: I think it'll also be  
14 interesting to see what happens since we waived the  
15 prebook fee for residents. So, to see if that has  
16 incentivized people to be more willing to try to  
17 book earlier, and maybe they are able to get the  
18 times that they want or they're less likely to wait  
19 for that two-week window.

20 We might see changes. Or what we could  
21 hear from them is, I went to go book, and I can't  
22 get any tee time.

23 And then I think, okay, we've completely  
24 opened for you, and it's still an issue, so we need  
25 to address it.



1 CHAIR DENT: Understood.

2 MR. HOWARD: I would just like to make a  
3 clarification that it was Mr. Briggs who called in,  
4 but I just wanted the board and the public to know  
5 that was all the clubs that got together to make  
6 that recommendation to show that they were willing  
7 to work with us and compromise and try to find  
8 solutions.

9 I did want to make that clarification.

10 CHAIR DENT: Thank you for clarifying  
11 that. We welcome that, just like we've brought up  
12 several times about having an actual committee, and  
13 all the clubs, a couple members of the public,  
14 couple trustees so we're not in this situation in  
15 the eleventh hour.

16 TRUSTEE TULLOCK: Thank you, trustees, for  
17 the good input in terms of that. I understand the  
18 point Trustee Schmitz is making.

19 I think my concern is the genie is out of  
20 bottle here. There's no pont in removing booking  
21 fees if we've got a significant portion of the  
22 preferred tee times for golfers that prefer to play  
23 in the mornings so it does destroy their whole day.

24 I think there will be blowback in terms of  
25 that because we'll still run into exactly the same

1 problems.

2 I think my other concern is that it's  
3 convenient to park it and we'll just ignore it again  
4 for another year and hope it disappears. I think  
5 the genie's out of the bottle here. I think we need  
6 to make sure that we are committed to addressing  
7 this. There is huge issues around it. I understand  
8 both sides of argument. But it doesn't mean we can  
9 just ignore it.

10 It's nice and convenient just duck under  
11 the table, it's all right, we'll get away with it  
12 for another year.

13 I want to make sure it's on the agenda.

14 CHAIR DENT: Understood.

15 So I think that closes out item 6 for  
16 right now.

17 And then item 9 and 10. Item 10 is a  
18 board advisory committee. We as a board have said  
19 we want to have a board advisory committee.

20 In my opinion, we should have an item in  
21 June, as soon as we're done with the budget, to  
22 start this process. And I don't want to be having  
23 the recommendations brought to us next March. I'd  
24 like to have them in the fall.

25 That way, we can go into budget season and

1 look at these numbers, because I think it would  
2 important for us to take a deep dive into another  
3 venue next year, and not golf.

4           We've spent a significant amount of time,  
5 take this model that we've built, and roll over it  
6 over into another venue.

7           As far as item 9, do we need to have  
8 discussion as it relates to item 9 tonight, or we  
9 want to push all of these off to our June meeting  
10 and dive in a little bit deeper?

11           TRUSTEE TONKING: I'm fine pushing item 9  
12 off.

13           I like the way that we've organized it  
14 here versus the bullet points I saw on the slide.  
15 So I feel these are better -- it felt like we were  
16 trying to take over the clubs, and I like these one  
17 better.

18           So, I think these are great bullets for us  
19 to look at and put on the agenda.

20           TRUSTEE TULLOCK: Question for Mr. Howard.  
21 I mean, it's a slightly unfair question, but how is  
22 it we've devolved -- we've got all these different  
23 clubs. I'm familiar with the golf model, whether  
24 it's a private club or even a municipal course with  
25 a club, it's a single club associated with it.

1           We've heard all these golfers talking  
2 sense of community, sure it would be much better  
3 community if it would be one large club with  
4 different sections.

5           MR. HOWARD: So, I really don't want to  
6 touch that one because these clubs were started  
7 50-plus years ago, and I think we would need a  
8 better understanding of how they are all created to  
9 go down that path.

10           You're right, in a private club, it's one  
11 club, and then you have some spinoff groups of that.

12           But I don't know, in a community like  
13 this, I would want to go that direction.

14           That's just my thoughts.

15           TRUSTEE TULLOCK: Thank you, Mr. Howard.  
16 I'm just explaining the community. I'm not throwing  
17 surprises. We did have this prior.

18           I think it does -- I don't think it's  
19 something that should be completely off the table.  
20 I think if we've -- at the end of the day, it's a  
21 community course, and we should be looking of how it  
22 can be best used by the community, rather than by  
23 non-governmental organizations that don't want  
24 government interference and things and still want  
25 privileges. I think it's something that should be

1 on the agenda, maybe, an item for the committee, in  
2 terms of that.

3 I think I'm rasing it now so it's -- we  
4 need to throw out ideas and see how we can best use  
5 it.

6 THE CLERK: Mr. Howard, we heard in public  
7 comment that the golf members pay dues and IVGID  
8 receives substantial revenue from the dues they pay  
9 to their clubs.

10 Do we receive any revenues from the golf  
11 clubs in the form of any dues, other than the tee  
12 times?

13 MR. HOWARD: Other than tee times, no.  
14 And lunches and events, yes.

15 But, no, we do not.

16 CHAIR DENT: Okay. Thank you.

17 TRUSTEE SCHMITZ: Well, I think one of the  
18 things that came in public comment that was  
19 concerning to me is the word "discrimination," and I  
20 think that we need to spend some time with legal  
21 counsel and review some of those concerns, because,  
22 to be honest, staff did some research for me, and  
23 there are no policies, there's never been board  
24 discussion about the rules of administering a golf  
25 club, and we are a government.

1           And I think that part of what we need to  
2 do is to understand, sort of, where we are, but also  
3 understand and make sure that we are within the law  
4 as it relates to governmental activities for these  
5 types of clubs.

6           I found it really interesting that there's  
7 no board policy, there's no requirements, there's  
8 really nothing in writing that says this is what you  
9 have to do or not do to be a club.

10           And I think that that is something, as a  
11 board, we should work with the various clubs, and we  
12 should put forward something so that we do have it,  
13 and we've got some parameters for which everyone is  
14 aware of and everyone is playing by the same rules  
15 because we don't have any rules.

16           It's been interesting to see how this has  
17 just evolved over time, and suddenly this is all  
18 what it is and understand that what we did was just  
19 try to share openly and transparently the  
20 information so that everyone is aware.

21           Because there's been too much divide on  
22 the community about, well, the clubs can do this or  
23 they can do that.

24           And it's been more of a rumor mill and  
25 more of hearsay.

1 So, it was valuable to actually spend the  
2 time and to document where we are today so that we  
3 can make wise decisions on what we want to do going  
4 forward.

5 CHAIR DENT: I agree with you on that, and  
6 I think there are some areas that we need to address  
7 when it comes to liability and legality as it  
8 relates to our practice, and we do need the wrap  
9 some of this stuff into a policy.

10 I had some discussions with legal counsel  
11 on that, and we can dive into it a little bit deeper  
12 at a future meeting, but I definitely think there's  
13 an area of concern there when it comes to legal  
14 counsel's weigh-in on this.

15 Any further discussion?

16 TRUSTEE TULLOCK: Again, a question for  
17 Mr. Howard: For the open play midweeks and things  
18 for the club's non-tournaments, I noticed there that  
19 staff transferred the names from Golf Genius then  
20 into the tee sheet.

21 Is there some validation that all the  
22 bookings are for members?

23 MR. HOWARD: Yes, they are.

24 Occasionally, just once in a blue moon,  
25 there might be a guest in there. But, for the most

1 part, all resident.

2 I assume the times you're talking about  
3 are the actual tee times for each club, the play  
4 days not the tournament days?

5 TRUSTEE TULLOCK: Correct. Yeah.

6 MR. HOWARD: So, those are all Picture  
7 Pass Holders. There may be, slightly, somebody that  
8 will bring a guest, especially if they have a spot  
9 open, but it's not that often.

10 CHAIR DENT: Mr. Howard, did we verify  
11 that they're all Picture Pass Holders? Every single  
12 person that plays in the club, they come to the  
13 counter, they check-in, they show their card?

14 MR. HOWARD: When -- as far as when  
15 they're checked in, yes.

16 There could actually be a Non-Picture Pass  
17 Holder that is a member of a club that I may not  
18 know about, but, for the most part, yeah, they're  
19 all Picture Pass Holders. But I can't guarantee a  
20 hundred percent.

21 TRUSTEE SCHMITZ: I'm going to back a  
22 public comment that someone made a few weeks ago.

23 And since these tee times are being  
24 reserved as being a community activity, that sort of  
25 thing, I think we should have a requirement that



1 they are only Picture Pass Card Holders that are  
2 actually utilizing these reserved tee times, because  
3 in the essence of the clubs being community oriented  
4 and what have you, I think that's important, and in  
5 an element of fairness, I think it's important as  
6 well.

7           So, my feeling is, unless it's a guest  
8 invitational, all of the tee times and all the of --  
9 even for shotguns, that those are being -- it's  
10 being used solely by Picture Pass Card Holders.

11           TRUSTEE TULLOCK: I agree.

12           I think one of the public comments claimed  
13 that all the golf club members were Picture Pass  
14 Holders, so, I mean, if that's the case, there's  
15 nothing there, but we have no way of validating  
16 that.

17           Just another follow-up. Since this  
18 community resource -- and this is really for General  
19 Manager Winquest.

20           I'm familiar with your community  
21 appreciation week or weekends for the Mountain  
22 Course, for the Rec Center, for tennis, for pickle  
23 ball.

24           In my 16 years, I can't ever remember a  
25 community event for the Championship Course, but we

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**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.



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## Appendix A Cost-Recovery Pyramid Recreation and Community Programs

