

MEMORANDUM

TO: Board of Trustees

THROUGH: Mike Bandelin, Interim General Manager

FROM: Mike Bandelin, Diamond Peak Ski Resort General Manager

SUBJECT: Review, discuss and possibly approve Diamond Peak Ski Resort’s 2024/25 Recreation Pass Holder daily lift ticket rates and Recreation Pass Holder season pass rates proposal. (Requesting Staff Members: General Manager of Diamond Peak Ski Resort, Mike Bandelin)

RELATED STRATEGIC PLAN INITIATIVE(S): **LONG RANGE PRINCIPLE #3 - FINANCE**
The District will ensure fiscal responsibility and sustainability of service capacities through prudent fiscal management and maintaining effective financial policies for internal controls, operating budgets, fund balances, capital improvement and debt management.

RELATED DISTRICT POLICIES, PRACTICES, RESOLUTIONS OR ORDINANCES District Board of Trustees Practice 6.2.0 - Pricing

DATE: February 28, 2024

I. RECOMMENDATION

That the Board of Trustees makes a motion to:

1. Approve an increase to all Recreation Pass Holder daily ticket products as shown in (Table 1) for FY 2024/25; and,
2. Approve an increase to all Public (i.e. Non-Recreation Pass Holder) season pass products as shown in (Table 3 - Exhibit A) for FY 2024/25; and,
3. Approve a \$0 increase to Recreation Pass Holder season pass prices (Table 3 - Option A) for FY 2024/25; and
4. Direct District Staff to include an additional pricing tier (Tier 4) for Public season pass products at rates to be determined by market conditions.

II. BACKGROUND

The District-operated ski venue provides the sale of season pass products to Non-Recreation Pass Holders (Public) as well as discounted season pass products to Recreation Pass Holders (RPH) in a variety of age groups. (Recreation Pass Holders are also known as "Picture Pass Holders")

Historically, Staff will initiate the sale of season passes to RPH and Public beginning on or around March 15, and continue with the 3-tiered pricing structure for RPH and a 4-tiered pricing structure for Public, with (Tier 1) rates available through April 30; (Tier 2) rates available from May 1 – October 31; (Tier 3) rates from November 1 through the end of the season for RPH, or November 1 - December 20 for Public; and (Tier 4) rates for Public available from December 21 through the end of the season.

The Tier 4 pricing for public pass rates, plus the recommended 10% rate increases for public pass products* as shown in the supporting tables, allow staff to practice yield management on purchased pass revenue, as preliminary FY 2024/25 draft operating and capital project/expense budgets reflect an increase in the operational cost of the District's ski venue.

* Staff is recommending a 10% increase to all public pass rates, with the exception of the Super Senior rate, which is proposed as a 35% - 38% increase to bring Super Senior pricing in line with the child rates, per industry standards (see Table 3 - Exhibit A).

The recommended 10% increase will allow the resort to remain competitive in the Lake Tahoe Basin ski season pass marketplace, while driving additional season pass revenue to help offset increased operational costs. For public pass pricing, the District generally tries to keep the season pass "pay off" ratio (i.e. the number of visits it takes to "pay off" one's season pass, based on the equivalent daily lift ticket costs) just below 5:1 - i.e. it will take slightly less than five visits to "pay off" one's season pass. (See Chart 4 for the proposed 2025 pass-to-visit "pay off" ratios, and Chart 1 for 2023/24 ski season pass holder utilization rates as of February 18, 2024.)

The ski venue also provides discounted daily lift tickets for RPH throughout the season, as well as offering free daily lift tickets to RPH during IVGID Appreciation week at the ski resort. At the Board of Trustees meeting on March 22, 2023 (Item G6), the Board approved a \$10 increase to all RPH daily lift tickets for the 2023/24 ski season (compared to the 2022/23 season prices).

Staff is recommending that a \$5 increase be applied to RPH daily lift tickets in all categories (except the Beginner tickets, which would have a \$2 increase) to support an estimated increase in annual operating costs in the FY 2024/25 draft operating budget. The rate structure for the RPH daily tickets, including a chart showing current fiscal year quantities as of February 18, 2024, revenue associated with the sale of tickets and the proposed price increases to the

product are included in (Table 2) of the staff report.

III. BID RESULTS

N/A

IV. FINANCIAL IMPACT AND BUDGET

The FY2023/24 approved budget includes \$2,460,000 in revenue allocated to season passes purchased. With rate adjustments recommended in this report, season pass revenues may include approximately \$123,000 - \$246,000 in additional revenue for FY2024/25.

Recommended increases to Recreation Pass Holder daily tickets may include an estimated additional \$50,000 - \$75,000 in daily ticket revenue.

Provided the recommendation for pricing of passes and RPH daily lift tickets is approved by the Board of Trustees, staff shall reflect an increase in revenue allocations within the ski fund (340) FY2024/25 operating budget. .

V. ALTERNATIVES

N/A

VI. COMMENTS

Provided the recommendation is approved, staff will initiate a FY2024/25 Diamond Peak season pass sale for Recreation Pass Holders and the Public (Non-Recreation Pass Holders) on March 15, 2024, and continue with the 4-tiered pricing structure, with (Tier 1) rates available through April 30, 2024; (Tier 2) rates available from May 1 – October 31, 2024; and (Tier 3) rates from November 1 – December 20, 2024. Beginning on December 21, 2024, staff will initiate the sale of passes to the public within a (Tier 4) including a to-be-determined rate structure.

VII. BUSINESS IMPACT/BENEFIT

This item is not a “rule” within the meaning of NRS, Chapter 237, and does not require a Business Impact Statement.

VIII. ATTACHMENTS

1. Pass and Ticket Pricing Tables for 2024 BOT Memo - Tables 1-5
2. 2023-24 Pass & Visit Analysis Charts for 2024 BOT Memo - Charts 1 - 5

IX. DECISION POINTS NEEDED FROM THE BOARD OF TRUSTEES

N/A

TABLE 1

Recommended \$5 increase to Recreation Pass Holder Daily Ticket prices

<u>Age Group</u>	<u>Non-Peak Dates</u>		<u>Peak (holiday) Dates</u>	
	FY2024	FY2025	FY2024	FY2025
Adult	\$35	\$40	\$45	\$50
Youth/Senior	\$30	\$35	\$40	\$45
Child	\$25	\$30	\$30	\$35
Beginner	\$28	\$30	\$38	\$40
6 & under / 80+	Free	Free	Free	Free

TABLE 2

Recommended (\$5) and alternate (\$10) Recreation Pass Holder Daily Ticket pricing proposals

FY 2024 Recreation Pass Holder Daily Lift Tickets								
	2023-24 Actuals (through 2/19/2024)				\$5 Increase Proposal		\$10 Increase Option	
	Price	Quantity	Revenue	Average Price	Price	Revenue	Price	Revenue
<u>Peak Dates</u>								
Adult 1-Day Ticket	\$45.00	2,035	\$90,999	\$44.72	\$50.00	\$101,750.00	\$55.00	\$111,925.00
Beginner 1-Day Ticket	\$38.00	28	\$1,064	\$38.00	\$40.00	\$1,120.00	\$40.00	\$1,120.00
Child 1-Day Ticket	\$30.00	200	\$5,805	\$29.03	\$35.00	\$7,000.00	\$40.00	\$8,000.00
Senior 1-Day Ticket	\$40.00	106	\$4,240	\$40.00	\$45.00	\$4,770.00	\$50.00	\$5,300.00
Youth 1-Day Ticket	\$40.00	512	\$20,280	\$39.61	\$45.00	\$23,040.00	\$50.00	\$25,600.00
PEAK TOTAL		2,881	\$122,388	\$42.48		\$137,680.00		\$151,945.00
<u>Value-Weekend Dates</u>								
Adult 1-Day Ticket	\$35.00	2,551	\$54,441	\$21.34	\$40.00	\$102,040.00	\$45.00	\$114,795.00
Beginner 1-Day Ticket	\$28.00	11	\$294	\$26.73	\$30.00	\$330.00	\$35.00	\$385.00
Child 1-Day Ticket	\$25.00	102	\$1,724	\$16.90	\$30.00	\$3,060.00	\$35.00	\$3,570.00
Senior 1-Day Ticket	\$30.00	229	\$3,960	\$17.29	\$35.00	\$8,015.00	\$40.00	\$9,160.00
Youth 1-Day Ticket	\$30.00	278	\$6,225	\$22.39	\$35.00	\$9,730.00	\$40.00	\$11,120.00
VALUE-WEEKEND TOTAL		3,171	\$66,644	\$21.02		\$123,175.00		\$139,030.00
ALL DATES TOTAL		6,052	\$189,032.00	\$31.23		\$239,720.00		\$290,975.00

TABLE 3

Recommended 10% increase to Public Season Pass rates, with options A & B for Resident Pass rates

Exhibit A: Raise Public 2025 rates by factor of: 10% (Exception: raise Super Senior to match Child rates)

Fiscal Year	2021	2022	2023	2024	2025	2021	2022	2023	2024	2025	2021	2022	2023	2024	2025	2024	2025
Public Full Pass	Tier 1					Tier 2					Tier 3					Tier 4	
Adult (24-64)	\$419	\$439	\$444	\$454	\$499	\$474	\$494	\$499	\$509	\$560	\$509	\$620	\$625	\$635	\$699	\$799	TBD
Youth (13-23)	\$249	\$339	\$344	\$354	\$389	\$274	\$414	\$419	\$429	\$472	\$289	\$520	\$525	\$535	\$589	\$699	TBD
Senior (65-69)	\$179	\$409	\$415	\$425	\$468	\$204	\$434	\$439	\$449	\$494	\$229	\$520	\$525	\$535	\$589	\$699	TBD
Child (7-12)	\$179	\$199	\$204	\$214	\$235	\$204	\$229	\$234	\$244	\$268	\$229	\$280	\$285	\$295	\$325	\$349	TBD
Super Senior (70-79)	\$159	\$159	\$164	\$174	\$235	\$174	\$174	\$179	\$189	\$268	\$199	\$220	\$225	\$235	\$325	\$349	TBD
6 & under / 80+	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Transferable	N/A	N/A	N/A	N/A	N/A	\$799	\$1,099	\$1,099	\$1,099	\$1,209	\$799	\$1,099	\$1,099	\$1,099	\$1,209	\$1,099	\$1,209

Option A: Keep Resident rates the same as 2024 (Staff recommendation)

Fiscal Year	2021	2022	2023	2024	2025	2021	2022	2023	2024	2025	2021	2022	2023	2024	2025	2024	2025
RPH Full Pass	Tier 1					Tier 2					Tier 3					Tier 4	
Adult (24-64)	\$289	\$289	\$289	\$319	\$319	\$319	\$319	\$319	\$358	\$358	\$349	\$349	\$349	\$447	\$447	\$447	\$447
Youth (13-23)	\$139	\$139	\$139	\$177	\$177	\$159	\$159	\$159	\$215	\$215	\$189	\$189	\$189	\$268	\$268	\$268	\$268
Senior (65-69)	\$109	\$109	\$109	\$213	\$213	\$129	\$119	\$119	\$225	\$225	\$149	\$149	\$149	\$268	\$268	\$268	\$268
Child (7-12)	\$109	\$109	\$109	\$107	\$107	\$129	\$129	\$129	\$122	\$122	\$149	\$149	\$149	\$148	\$148	\$148	\$148
Super Senior (70-79)	\$29	\$29	\$29	\$87	\$87	\$39	\$39	\$39	\$95	\$95	\$49	\$49	\$49	\$118	\$118	\$118	\$118
6 & under / 80+	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Option B: Raise Resident rates by the same percentage as Public rates: 10%

Fiscal Year	2021	2022	2023	2024	2025	2021	2022	2023	2024	2025	2021	2022	2023	2024	2025	2024	2025
RPH Full Pass	Tier 1					Tier 2					Tier 3					Tier 4	
Adult (24-64)	\$289	\$289	\$289	\$319	\$351	\$319	\$319	\$319	\$358	\$394	\$349	\$349	\$349	\$447	\$492	\$447	\$492
Youth (13-23)	\$139	\$139	\$139	\$177	\$195	\$159	\$159	\$159	\$215	\$237	\$189	\$189	\$189	\$268	\$295	\$268	\$295
Senior (65-69)	\$109	\$109	\$109	\$213	\$234	\$129	\$119	\$119	\$225	\$248	\$149	\$149	\$149	\$268	\$295	\$268	\$295
Child (7-12)	\$109	\$109	\$109	\$107	\$118	\$129	\$129	\$129	\$122	\$134	\$149	\$149	\$149	\$148	\$163	\$148	\$163
Super Senior (70-79)	\$29	\$29	\$29	\$87	\$96	\$39	\$39	\$39	\$95	\$105	\$49	\$49	\$49	\$118	\$130	\$118	\$130
6 & under / 80+	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

TABLE 4

Comparison of Public vs. Recreation Pass Holder rates by %

2025 Public Rates Recommendation

Public Full Pass	Tier 1	Tier 2	Tier 3	Tier 4
Adult (24-64)	\$499	\$560	\$699	TBD
Youth (13-23)	\$389	\$472	\$589	TBD
Senior (65-69)	\$468	\$494	\$589	TBD
Child (7-12)	\$235	\$268	\$325	TBD
Super Senior (70-79)	\$235	\$268	\$325	TBD
6 & under / 80+	\$0	\$0	\$0	\$0
Transferable	N/A	\$1,209	\$1,209	\$1,209

2025 Resident (Option A)

RPH Full Pass	Tier 1	Tier 2	Tier 3	Tier 4
Adult (24-64)	\$319	\$358	\$447	\$447
Youth (13-23)	\$177	\$215	\$268	\$268
Senior (65-69)	\$213	\$225	\$268	\$268
Child (7-12)	\$107	\$122	\$148	\$148
Super Senior (70-79)	\$87	\$95	\$118	\$118
6 & under / 80+	\$0	\$0	\$0	\$0

2025 Resident (Option A)

Tier 1	Tier 2	Tier 3	Tier 4
64%	64%	64%	N/A
45%	46%	46%	N/A
46%	46%	46%	N/A
45%	45%	46%	N/A
37%	35%	36%	N/A
N/A	N/A	N/A	N/A

** percentage of Public price*

2025 Resident (Option B)

RPH Full Pass	Tier 1	Tier 2	Tier 3	Tier 4
Adult (24-64)	\$351	\$394	\$492	\$492
Youth (13-23)	\$195	\$237	\$295	\$295
Senior (65-69)	\$234	\$248	\$295	\$295
Child (7-12)	\$118	\$134	\$163	\$163
Super Senior (70-79)	\$96	\$105	\$130	\$130
6 & under / 80+	\$0	\$0	\$0	\$0

2025 Resident (Option B)

Tier 1	Tier 2	Tier 3	Tier 4
70%	70%	70%	N/A
50%	50%	50%	N/A
50%	50%	50%	N/A
50%	50%	50%	N/A
41%	39%	40%	N/A
N/A	N/A	N/A	N/A

** percentage of Public price*

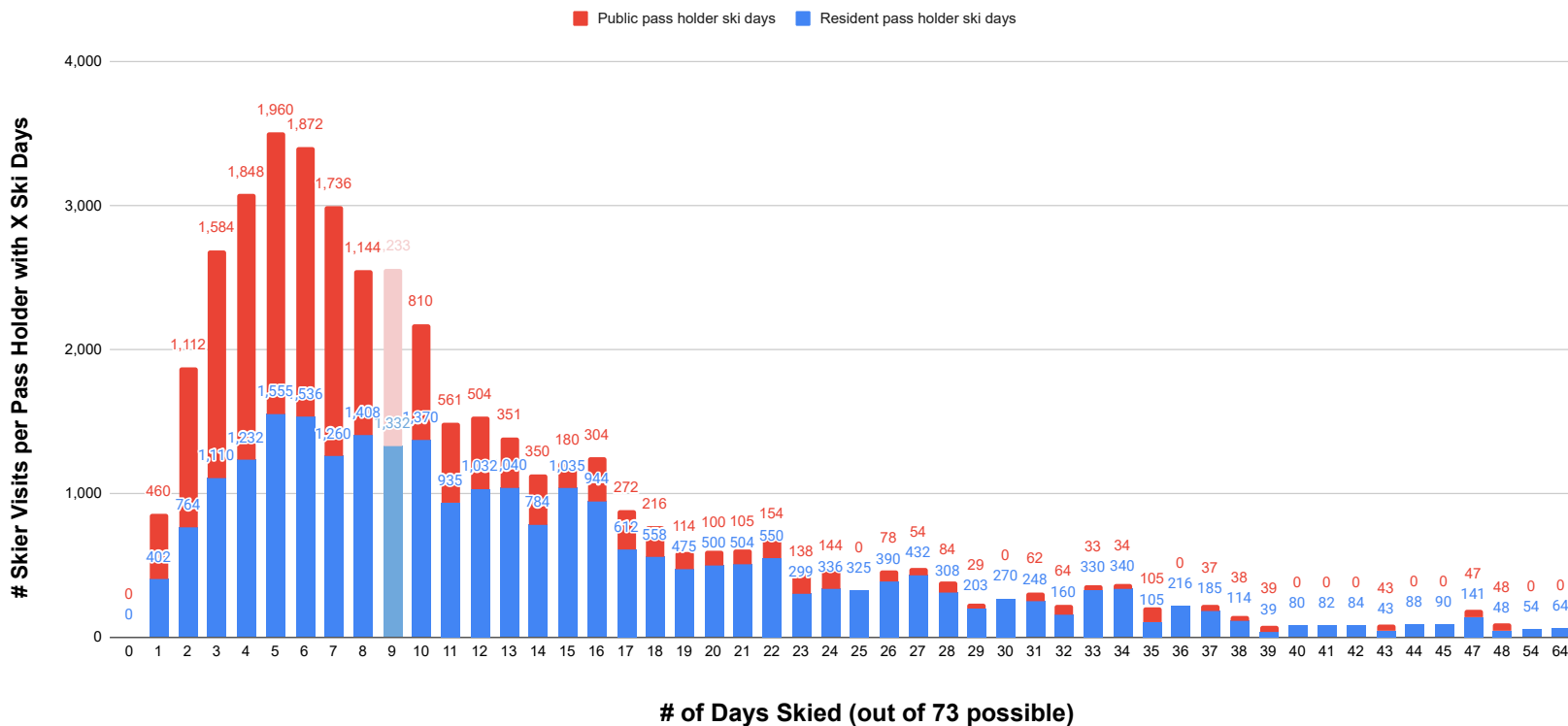
TABLE 5

Recreation Pass holder vs. Public (non-RPH) final (Tier 3) season pass pricing over the past 20 years

	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	Option A 2024/25	Option B 2024/25	
Recreation Pass Holders																								
Adult (24-64)	\$435	\$435	\$435	\$435	\$461	\$461	\$461	\$461	\$461	\$349	\$349	\$349	\$349	\$349	\$349	\$349	\$349	\$349	\$349	\$349	\$349	\$447	\$447	\$492
Youth (13-23)	\$180	\$180	\$180	\$180	\$191	\$191	\$191	\$191	\$191	\$189	\$189	\$189	\$189	\$189	\$189	\$189	\$189	\$189	\$189	\$189	\$189	\$268	\$268	\$295
Child (7-12)	\$150	\$150	\$150	\$150	\$159	\$159	\$159	\$159	\$159	\$149	\$149	\$149	\$149	\$149	\$149	\$149	\$149	\$149	\$149	\$149	\$149	\$148	\$148	\$163
Senior (65-69)	\$180	\$180	\$180	\$180	\$191	\$191	\$191	\$191	\$191	\$149	\$149	\$149	\$149	\$149	\$149	\$149	\$149	\$149	\$149	\$149	\$149	\$268	\$268	\$295
Super Senior (70-79)	\$50	\$50	\$50	\$50	\$53	\$53	\$53	\$53	\$53	\$49	\$49	\$49	\$49	\$49	\$49	\$49	\$49	\$49	\$49	\$49	\$49	\$118	\$118	\$130
6 & under / 80+	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Public																								
Adult (24-64)	\$535	\$535	\$535	\$535	\$567	\$567	\$567	\$567	\$567	\$449	\$449	\$449	\$449	\$469	\$479	\$479	\$489	\$509	\$620	\$625	\$635	\$699	\$699	\$699
Youth (13-23)	\$221	\$221	\$221	\$221	\$235	\$235	\$235	\$235	\$235	\$239	\$239	\$239	\$239	\$249	\$259	\$259	\$269	\$289	\$520	\$525	\$535	\$589	\$589	\$589
Child (7-12)	\$185	\$185	\$185	\$185	\$196	\$196	\$196	\$196	\$196	\$169	\$169	\$169	\$169	\$179	\$189	\$199	\$209	\$229	\$280	\$285	\$295	\$325	\$325	\$325
Senior (65-69)	\$221	\$221	\$221	\$221	\$235	\$235	\$235	\$235	\$235	\$169	\$169	\$169	\$169	\$179	\$189	\$199	\$209	\$229	\$520	\$525	\$535	\$589	\$589	\$589
Super Senior (70-79)	\$62	\$62	\$62	\$62	\$65	\$65	\$65	\$65	\$65	\$69	\$69	\$69	\$69	\$89	\$169	\$169	\$179	\$199	\$220	\$225	\$235	\$325	\$325	\$325
6 & under / 80+	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

CHART 1

DP Pass Holder pass utilization (Resident + Public passes) as of 2/18/24



Total passes used to date: 7,019
 Total passes sold to date: 8,731
 Total pass holder skier visits to date: 44,059
 Total skier visits to date: 86,655

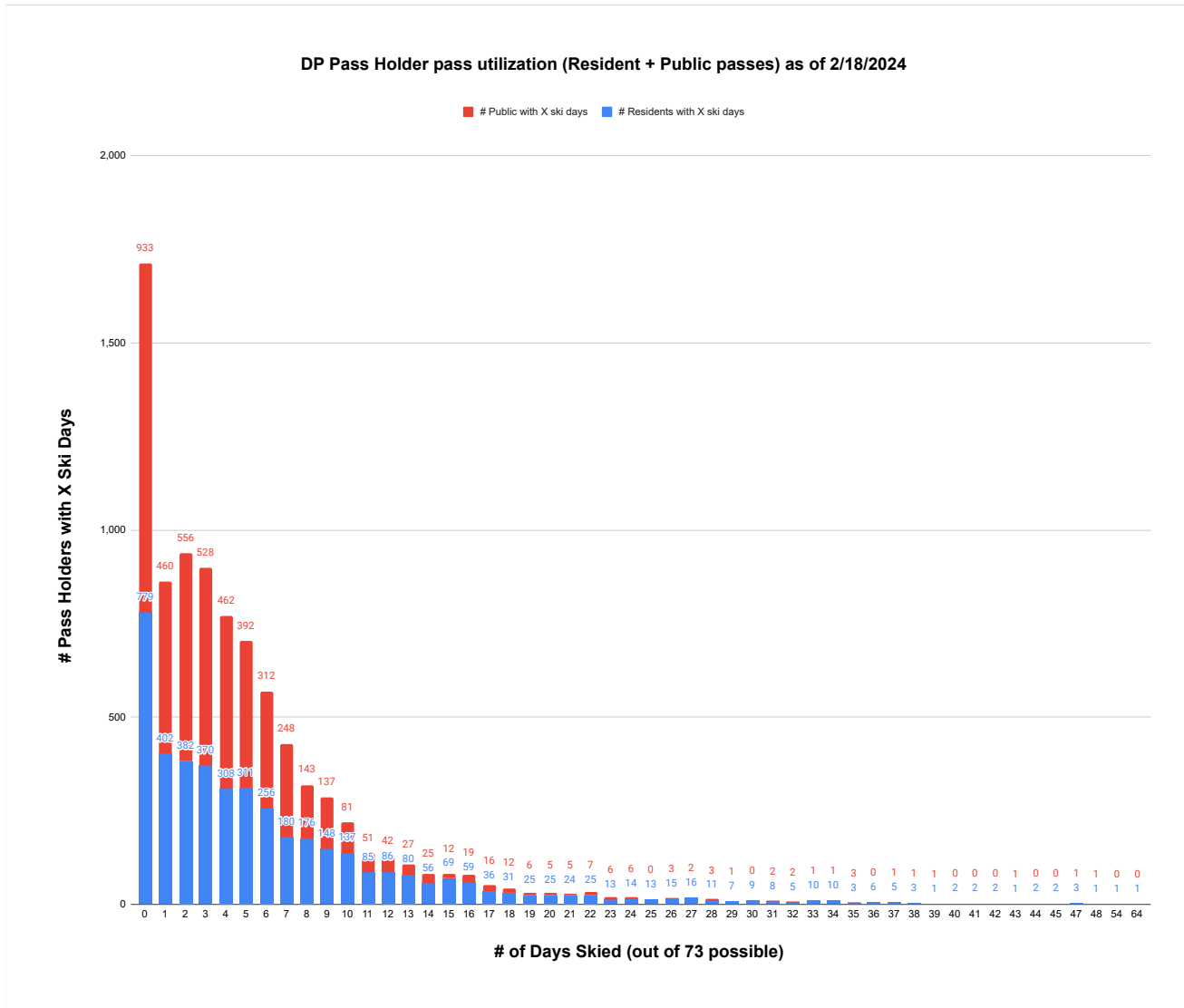
* Excludes DP & IVGID Employee passes & Transferable passes

51% <- Percentage of Total Skier Visits

Median of Total Skier Visits falls between 8 & 9 days

Pass holders with <= 8 days: 20,983 skier visits
 Pass holders with 9 days: 2,565 skier visits
 Pass holders with <= 10 days: 20,511 skier visits

CHART 2



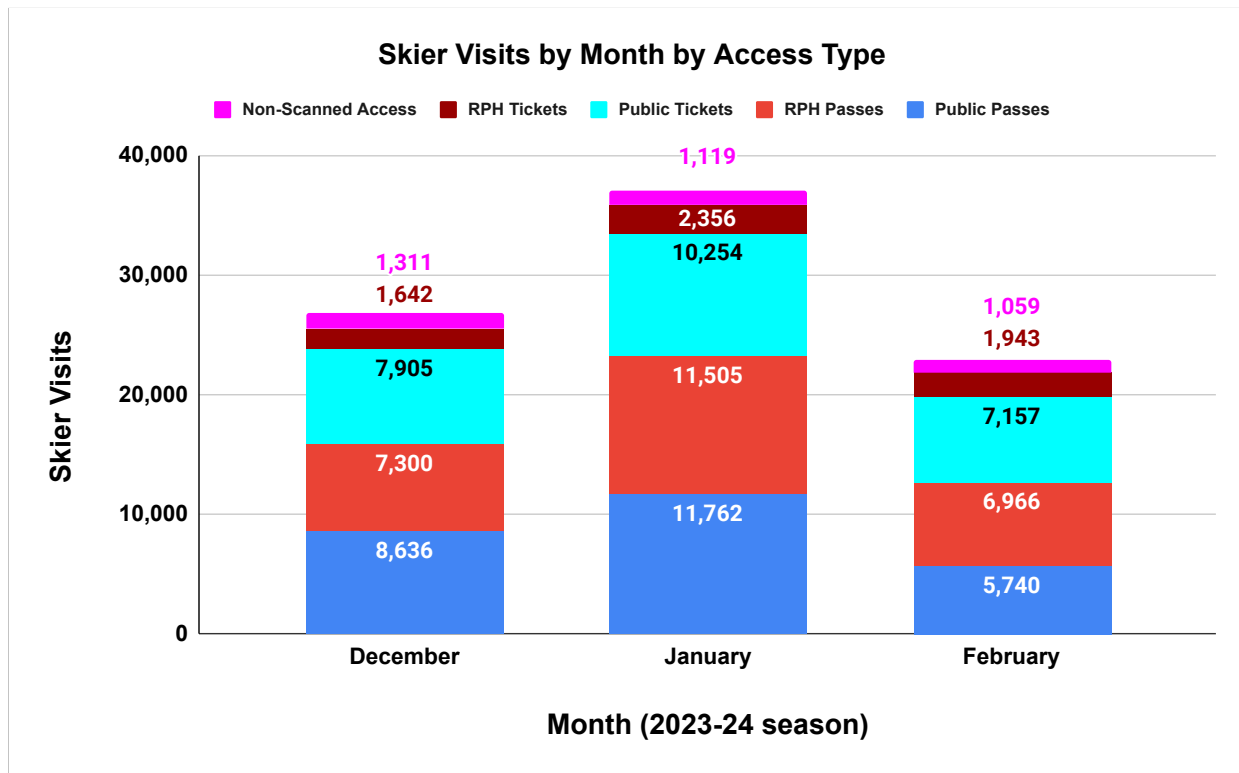
Total passes used to date: 7,019
Total passes sold to date: 8,731
 Pass holders with 0 days: 1,712
 Pass holders with <= 3 days: 4,410
 Pass holders with >= 4 days: 4,321

** Excludes DP & IVGID Employee passes & Transferable passes*

** Median of pass holder usage falls right around 3 days (i.e. half of pass holders have used pass 3 or less days & vice versa)*

MONTH	TOTAL VISITS	Public Passes	RPH Passes	TOTAL PASSES	Public Tickets	RPH Tickets	TOTAL TICKETS	Non-Scanned Access
December	26,794	8,636	7,300	15,936	7,905	1,642	9,547	1,311
January	36,996	11,762	11,505	23,267	10,254	2,356	12,610	1,119
February	22,865	5,740	6,966	12,706	7,157	1,943	9,100	1,059
March								
April								

CHART 3

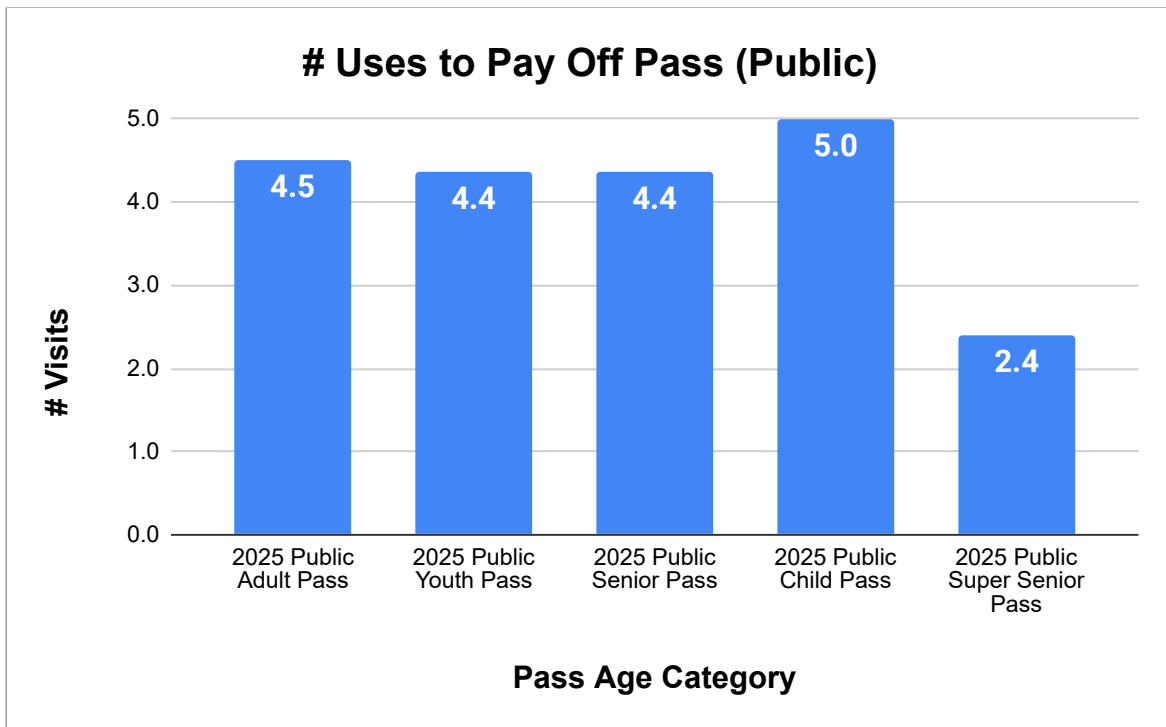


* Note: "Non-Scanned Access" consists of customers who purchased an access product but never got scanned at any of the gates. For example, many beginner skiers purchase lift tickets but never advance past the "bump" learning area to a chairlift where they would get scanned. The vast majority of these (90+%) are Public Tickets (none are passes).

CHART 4

2025 Season Pass Recommendation vs. Daily Lift Ticket Cost Ratios

Product	Price	# Uses to Pay Off Pass
Public (Non-RPH) Products		
2025 Public Adult Pass	\$699	4.5
2025 Public Youth Pass	\$589	4.4
2025 Public Senior Pass	\$589	4.4
2025 Public Child Pass	\$325	5.0
2025 Public Super Senior Pass	\$325	2.4



Notes:

Pass prices are Tier 3 prices

RPH pass prices include Option A (no increase) and Option B (10% increase)

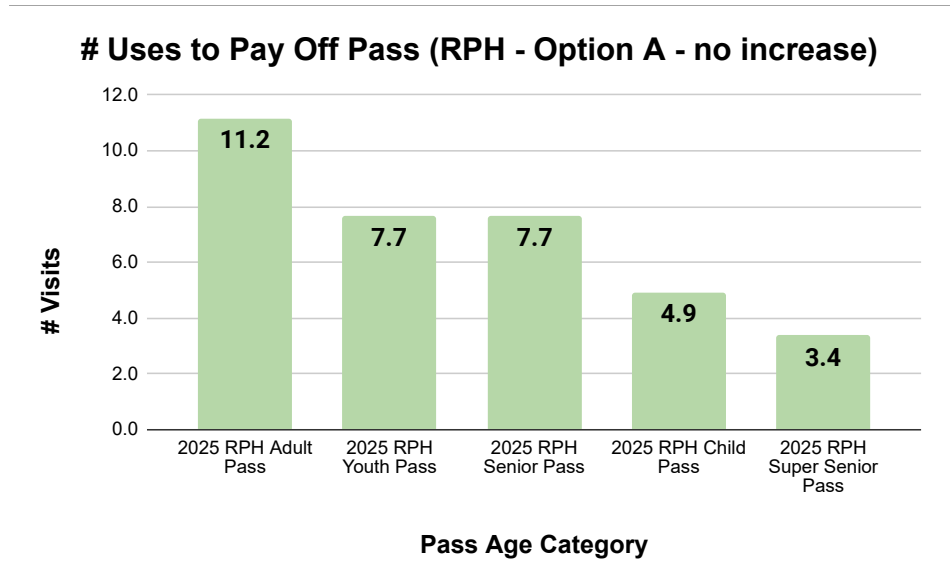
Ticket prices are Weekend (non-peak) Online prices

Public ticket prices are 2023-24 prices

RPH ticket prices are 2025 proposed rates (\$5 increase to 2023-24 rates)

Recreation Pass Holder (RPH) Products - OPTION A

2025 RPH Adult Pass	\$447	11.2
2025 RPH Youth Pass	\$268	7.7
2025 RPH Senior Pass	\$268	7.7
2025 RPH Child Pass	\$148	4.9
2025 RPH Super Senior Pass	\$118	3.4



Recreation Pass Holder (RPH) Products - OPTION B

2025 RPH Adult Pass	\$492	12.3
2025 RPH Youth Pass	\$295	8.4
2025 RPH Senior Pass	\$295	8.4
2025 RPH Child Pass	\$163	5.4
2025 RPH Super Senior Pass	\$130	3.7

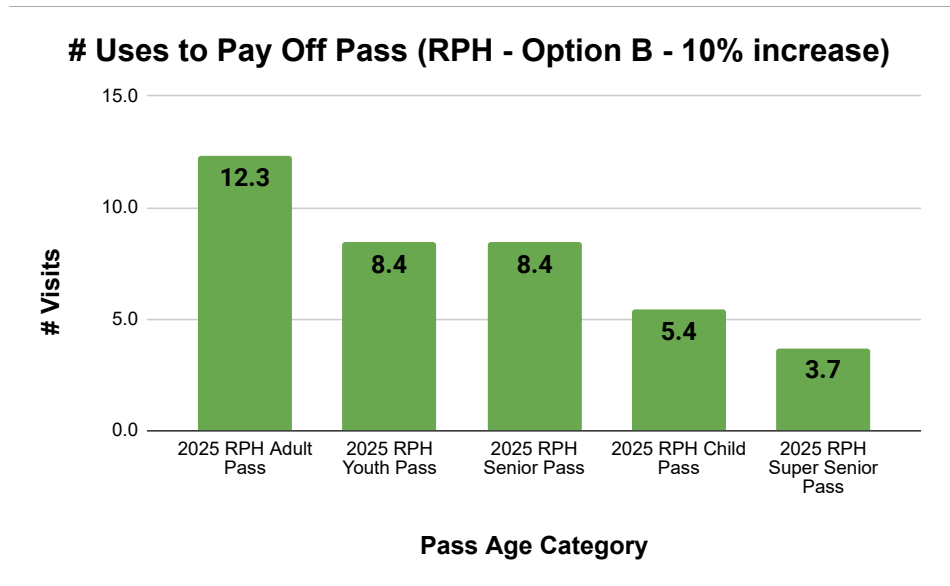


CHART 5

