

MEMORANDUM

TO: Board of Trustees

THROUGH: Indra Winqest
Interim General Manager

FROM: Mike Bandelin
Diamond Peak Ski Resort General Manager

SUBJECT: Review, Discuss and Possibly Approve implementation of a three-tiered Season Pass sales initiative and rate structure for Diamond Peak Ski Resort's 2020-2021 ski season pass program

STRATEGIC PLAN: Long Range Principle #2 - Finance

DATE: February 21, 2020

I. RECOMMENDATION

Staff recommends that the Board of Trustees makes a motion to:

1. Approve a three-tiered season pass pricing structure, effective March 14, 2020 for Diamond Peak Ski Resort's 2020/2021 season passes including an Early Bird (Tier 1) through April 30, 2020, a Preseason (Tier 2) May 1 – October 31, 2020, and a Regular Season (Tier 3) rate, beginning November 1, 2020 through the end of the ski season in 2021.
2. Approve a Non Resident ski season pass rate increase of \$10.00 to all pass products included in the Early Bird (Tier 1), Preseason (Tier 2), and Regular Season (Tier 3) categories excluding the 6 & Under and the 80+ products from the increase within all 3 tiers.
3. Approve a zero dollar increase to Resident ski season pass products included in the Early Bird (Tier 1), Preseason (Tier 2), Regular Season (Tier 3) categories as well a zero dollar increase to all Resident daily lift ticket products.

II. DISTRICT STRATEGIC PLAN

The Season Pass Sale Program supports the Long Range Principle #2 Finance; The District will ensure fiscal responsibility and sustainability of service capacities by maintaining effective financial policies for operating budgets, fund balances, capital improvements, and debt management.

III. BACKGROUND

The District operated ski area provides a sale of a season ski passes to the residents as well as to non-resident customers. For the past four years, the District has initiated an approved Season Pass sale in mid-March. This was in response to other resorts offering Season Pass sales early and the focus on capturing sales while people are still excited about the current season and looking forward to next year. Since the 2016/2017 season, the District has offered three date-based pricing tiers.

- Early-Bird (Mid-March – April 30) = lowest pass price available
- Pre-Season (May 1 – Oct. 31) = mid-point between lowest and full price
- Regular Season (Nov. 1 – Mid March) = full price

This strategy proved successful as shown in the table below listing total passes issued by resident and nonresident.

Season Passes	2015/16 7/1 – 2/28	2016/17 3/19 - 2/28	2017/18 3/21 – 2/28	2018-19 3/11 - 2/28	2019-20 3/16 – 2/28
Total	3,219	3,997	4,099	5,135	6,602
Resident	2,043	2,229	2,241	2,479	2,936
Non Resident	1,176	1,698	1,858	2,535	3,657
Pass Revenue	715,000	825,000	851,000	1,188,000	1,600,000

The recommendation proposed is to approve Staff to initiate a Fiscal Year 2020/2021 Diamond Peak season pass sales on or around March 14, 2020, and continue with the 3-tiered pricing structure for season passes adopted last season, with Early Bird (Tier 1) rates available through April 30, 2020; Preseason (Tier 2) rates available from May 1 – October 31, 2020; and Regular Season (Tier 3) rates available from November 1, 2020 through the end of the ski season 2021.

For Non Resident pass products, Full and Midweek, Staff is proposing a \$10.00 increase to the season pass products within the Early Bird (Tier 1), Preseason (Tier 2) and Regular Season (Tier 3). The Non-Resident pass products including 6 & under and 80+ will remain unchanged and consistent with the 2019/2020 pass rates.

The recommendation is also proposing IVGID Picture Pass Holder season pass rate structure remain consistent with no change from the approved 2019-2020 pass rates for the 2020-2021 season pass program.

To remain consistent with providing value to our Picture Pass Holders, there are no proposed changes to the current Resident daily lift ticket prices for the 2020/2021 season which have not been changed since 2012/2013.

DAILY TICKETS	Resident Value/Weekend	Resident Peak Period	Non-Resident Value/Weekend	Non-Resident Peak Period
Adult (24-64)	\$25	\$35	\$94 / \$104	\$114
Youth (13-23)	\$20	\$30	\$74 / \$84	\$94
Senior (64-79)	\$20	\$30	\$74 / \$84	\$94
Child (7-12)	\$15	\$20	\$39 / \$44	\$49
Beginner	\$18	\$28	\$49 / \$59	\$69
6 & under / 80+	Free	Free	Free	Free

IV. FINANCIAL IMPACT AND BUDGET

If the provided recommendation is approved, the rate adjustment for Non Resident pass products may provide \$20,000 - \$30,000 in additional season pass revenue within the 2020-2021 fiscal year.

V. COMMENTS

Policy 3.1.0, - Conduct Meetings of the Board of Trustees section 0.15 - Consent Calendar - states the consent calendar may not include changes to user rates or taxes, adoption or amendment of ordinances, or any other action which is subject to public hearing.

Although to remain consistent with previous Community Services Memorandum's of Recommendations to Key Rates - **The IVGID Board of Trustees allows management to adjust prices to accomplish yield management provided the rate offered to the public is above the IVGID Picture Pass Holder rate.*

VI. BUSINESS IMPACT

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

VII. ALTERNATIVES

Alternatives include a direction to make no changes to the Non Resident season pass product pricing for the 2020-2021 pass program and not approve a three-tiered season pass pricing structure beginning on or about March 14, 2020.

VIII. COMPARISON TABLES

The tables below provide a comparison of the approved 2018-2019 and 2019-2020 Season Pass pricing tiers as well as the proposed 2020-2021 Season Pass pricing tiers. Also included is an additional table that provides the current number of passes issued by pass type.

2018-19 Diamond Peak Season Pass Rates	March 15 - April 30, 2018 Tier 1	May 1 - October 31, 2018 Tier 2	November 1 - March 16, 2019 Tier 3
Picture Pass Holder Full Pass			
Adult (24-64)	\$289	\$319	\$349
Youth (13-23)	\$139	\$159	\$189
Child (7-12)	\$109	\$129	\$149
Senior (65-69)	\$109	\$119	\$149
Super Senior (70-79)	\$29	\$39	\$49
6 & under / 80+	Free	Free	Free
Picture Pass Holder Midweek Pass			
Adult (24-64)	\$219	\$249	\$299
Youth (13-23)	\$109	\$129	\$149
Senior (65-69)	\$89	\$99	\$119
Super Senior (70-79)	\$20	\$30	\$40
Non-Resident Full Pass			
Adult (24-64)	\$399	\$449	\$479
Youth (13-23)	\$229	\$249	\$259
Child (7-12)	\$159	\$179	\$199
Senior (65-69)	\$159	\$179	\$199
Super Senior (70-79)	\$139	\$149	\$169
6 & under / 80+	Free	Free	Free
Non-Resident Midweek Pass			
Adult (24-64)	\$299	\$319	\$339
Youth (13-23)	\$199	\$209	\$219
Senior (65-69)	\$139	\$149	\$169
Super Senior (70-79)	\$119	\$129	\$149

The table below indicates the approved \$5.00 increase to the Non-Resident season pass products within the Preseason (Tier 2) and a \$10 increase to products within Regular Season (Tier 3) category at the February 27, 2019 IVGID Board of Trustees meeting.

2019-20 Approved Diamond Peak Season Pass Rates	March 16 - April 30, 2019 Tier 1	May 1 - October 31, 2019 Tier 2	November 1, 2019 to end of ski season 2020 Tier 3
Picture Pass Holder Full Pass			
Adult (24-64)	\$289	\$319	\$349
Youth (13-23)	\$139	\$159	\$189
Child (7-12)	\$109	\$129	\$149
Senior (65-69)	\$109	\$119	\$149
Super Senior (70-79)	\$29	\$39	\$49
6 & under / 80+	Free	Free	Free
Picture Pass Holder Midweek Pass			
Adult (24-64)	\$219	\$249	\$299
Youth (13-23)	\$109	\$129	\$149
Senior (65-69)	\$89	\$99	\$119
Super Senior (70-79)	\$20	\$30	\$40
Non-Resident Full Pass			
Adult (24-64)	\$399	\$454	\$489
Youth (13-23)	\$229	\$254	\$269
Child (7-12)	\$159	\$184	\$209
Senior (65-69)	\$159	\$184	\$209
Super Senior (70-79)	\$139	\$154	\$179
6 & under / 80+	Free	Free	Free
Non-Resident Midweek Pass			
Adult (24-64)	\$299	\$324	\$349
Youth (13-23)	\$199	\$214	\$229
Senior (65-69)	\$139	\$154	\$179
Super Senior (70-79)	\$119	\$134	\$159

The table below indicates the proposed increase of \$10 to Non-Resident pass products within Tier 1, Tier 2 and Tier 3.

2020-2021 Proposed Diamond Peak Season Pass Rates	March 14 - April 30, 2020 Tier 1	May 1 - October 31, 2020 Tier 2	November 1, 2020 to end of ski season 2021 Tier 3
Picture Pass Holder Full Pass			
Adult (24-64)	\$289	\$319	\$349
Youth (13-23)	\$139	\$159	\$189
Child (7-12)	\$109	\$129	\$149
Senior (65-69)	\$109	\$119	\$149
Super Senior (70-79)	\$29	\$39	\$49
6 & under / 80+	Free	Free	Free
Picture Pass Holder Midweek Pass			
Adult (24-64)	\$219	\$249	\$299
Youth (13-23)	\$109	\$129	\$149
Senior (65-69)	\$89	\$99	\$119
Super Senior (70-79)	\$20	\$30	\$40
Non-Resident Full Pass			
Adult (24-64)	\$409	\$464	\$499
Youth (13-23)	\$239	\$264	\$279
Child (7-12)	\$169	\$194	\$219
Senior (65-69)	\$169	\$194	\$219
Super Senior (70-79)	\$149	\$164	\$189
6 & under / 80+	Free	Free	Free
Non-Resident Midweek Pass			
Adult (24-64)	\$309	\$334	\$359
Youth (13-23)	\$209	\$224	\$239
Senior (65-69)	\$149	\$164	\$189
Super Senior (70-79)	\$129	\$144	\$169

The table below provides the current number of passes issued by type.

Season 2019/20	Quantity	Percentage of Passes
Picture Pass Holder Full Pass	2,848	
Adult (24-64)	1,223	43%
Youth (13-23)	373	13%
Child (7-12)	333	12%
Senior (65-69)	234	8%
Super Senior (70-79)	428	15%
6 & under	200	7%
80+	57	2%
Picture Pass Holder Midweek Pass	88	
Adult (24-64)	59	67%
Youth (13-23)	0	0%
Senior (65-69)	18	20%
Super Senior (70-79)	11	13%
Non-Resident Full Pass	3,436	
Adult (24-64)	1,229	36%
Youth (13-23)	583	17%
Child (7-12)	776	23%
Senior (65-69)	146	4%
Super Senior (70-79)	193	6%
6 & under / 80+	480	14%
Non-Resident Midweek Pass	221	
Adult (24-64)	126	57%
Youth (13-23)	19	9%
Senior (65-69)	29	13%
Super Senior (70-79)	49	22%