



**INCLINE  
VILLAGE**

GENERAL IMPROVEMENT DISTRICT  
ONE DISTRICT ~ ONE TEAM

# Framework for District Pricing Policy

Board of Trustees November 10, 2021

**Objectives of Pricing Policy**  
**Considerations in Pricing**  
**Setting and Administering Pricing**

**SAMPLE Cost-Recovery Analysis**



## Overview of Pricing Policy Presentation

- Board Policy 6.1 (current)
- Developing a Formal District Pricing Policy
  - Objectives of Pricing Policy
  - Considerations in Pricing
- Setting and Administering Pricing

### NEXT STEPS:

- Cost-of-Service Analysis – Foundation for Applying Pricing Policy



# Board Policies & Practices

## Budget and Fiscal Management

### Financial Practices – Policy 6.1.0

- **2.0 Revenues**

- *2.1 Revenue Diversification*

- *2.2 Fees and Charges. The District shall adopt process that identifies the manner in which fees and charges for services are set and the extent to which they cover the cost of the service provided.*

# Objectives of District Pricing Policy

## GLOBAL OBJECTIVES

District Pricing Structure should ensure that revenues are sufficient to cover full cost of providing services to its residents, guests and visitors.

Pricing should be based on sound financial planning principles to avoid volatility from year-to-year

To the extent possible, pricing principles should be applied consistently across all venues and programs

	Picture-Pass Holders	Guest	Non-Resident
<b>Charges for Service:</b>			
	Provide maximum discount in relation to annual Facility Fees assessed on parcels within the District.	Guest rates should be established to recover direct cost of services (less capital and debt)	Rates for Non-resident use of facilities and programs should be set to cover (no less than) 100% of full cost of services.
	Where Charges for Services are paid by Picture Pass Holders: <ul style="list-style-type: none"> <li>Rates should be set to cover 100% of Operating Costs</li> </ul>	Guest rates may provide for discounts over Non-Resident Rates (Discounted to Resident Rate): <ul style="list-style-type: none"> <li>With Punch Cards</li> <li>When accompanied by Picture-Pass Holders</li> </ul>	Pricing for Profit Centers should include specified minimum margin over cost.  Management should retain flexibility to utilize DYNAMIC pricing in response to market conditions (within parameters)
<b>Facility Fees:</b>	Community Services – covers cost of Capital Outlay and Debt Service Payments  Beach – covers cost of Capital Outlay, Debt Service AND Operating Costs (No cost for PPH Beach access)		
	Resident Pricing ( <b>Charges and Facility Fees</b> ) should be established so as to ensure that revenue from residents does not subsidize Non-Resident use of facilities or programs.		



## Consideration in District Pricing Policy

- Need for consistent Cost-of-Service Analysis for District venues and programs
  - Operating Costs (Programs and Services)
  - Capital Outlay / Depreciation / Replacement Costs
  - Non-capital costs associated with Upkeep of District FACILITIES
  - Overhead cost burdens allocated to District Community Services and Beach venues
  
- Role of Facility Fees in Resident Pricing (Discounted Charges for Services)
  - Consider STANDARD Picture-Pass Holder Discount (as % of Non-Resident Rate)
  - Consider VARIABLE Picture-Pass Holder Discount, by venue, based on annual on level of Facility Fee
  
- How SURPLUS funds from profit-generating activities are applied to support other venues
  - Diamond Peak
  - Food & Beverage / Retail
  
- Dynamic Pricing for Non-Resident Rates
  
- Recreation and Community Programming
  - Cost-Recovery Pyramid -> Differing levels of Cost Recovery
  - Role of Facility Fees in covering “subsidies”
  - Role of General Fund in covering “subsidies”

# Framework for Pricing Policy – GOLF

	Picture-Pass Holder	GUEST	NON-RESIDENT
<b>Charges for Services</b>	100% of Variable Operating Costs	100% of Variable Operating Costs	100% of Variable Operating Costs
	100% of Fixed Operating Costs	100% of Fixed Operating Costs	100% of Fixed Operating Costs
	100% of Total Operating Costs / Round	100% of Total Operating Costs / Round	100% of Total Operating Costs
	0% of Capital Costs (Depreciation)	% of Capital Costs (Depreciation)	100% of Capital Costs (Depreciation)
	0% of Debt Service Costs	% of Debt Service Costs	100% of Debt Service Costs
	% of Total Costs (Oper., Capital, Debt)	% of Total Costs (Oper., Capital, Debt)	100% of Total Costs / Round
<b>Facility Fee</b>			
Operating Costs	0.0% of Operating Costs		
Capital Improvements	100% of Capital Costs (Depreciation)		
Debt	100% of Debt Service Costs		

## Framework for Pricing Policy - BEACH

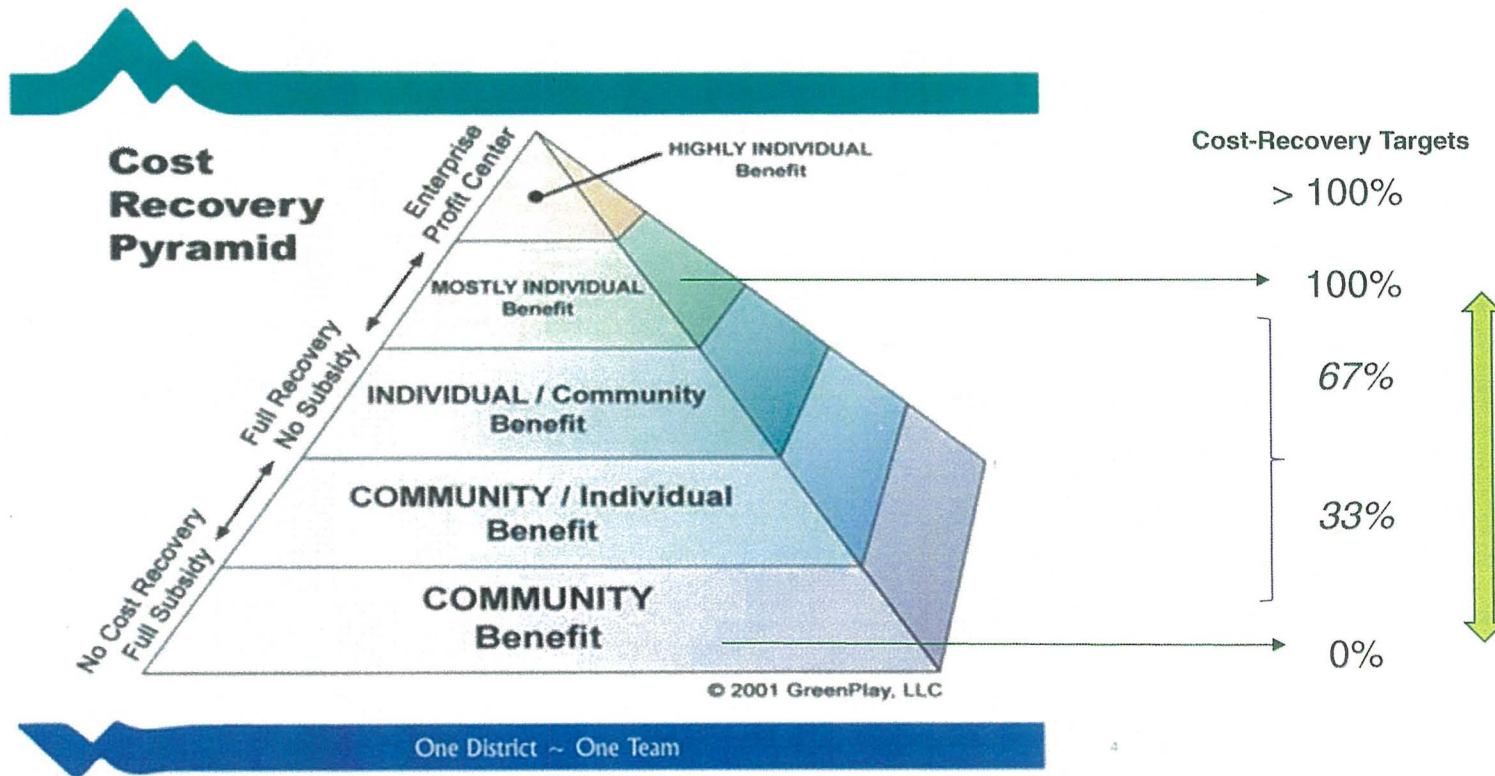
	Picture-Pass Holder	GUEST	NON-RESIDENT
<b>Charges for Services</b>	0% of Variable Operating Costs	X % of Variable Operating Costs	
	0% of Fixed Operating Costs	X % of Fixed Operating Costs	
	0% of Total Operating Costs / Round	X % of Total Operating Costs / Round	
	0% of Capital Costs (Depreciation)	% of Capital Costs (Depreciation)	
	0% of Debt Service Costs	% of Debt Service Costs	
	% of Total Costs (Oper., Capital, Debt)	% of Total Costs (Oper., Capital, Debt)	
<b>Facility Fee</b>			
Operating Costs	100% of Operating Costs		
Capital Improvements	100% of Capital Costs (Depreciation)		
Debt	100% of Debt Service Costs		

## Framework for Pricing Policy - SKI

	Picture-Pass Holder	GUEST	NON-RESIDENT
<b>Charges for Services</b>	100% of Variable Operating Costs		100% of Variable Operating Costs
	100% of Fixed Operating Costs		100% of Fixed Operating Costs
	100% of Total Operating Costs / Round		100% of Total Operating Costs
	0% of Capital Costs (Depreciation)		100% of Capital Costs (Depreciation)
	0% of Debt Service Costs		100% of Debt Service Costs
	% of Total Costs (Oper., Capital, Debt)		\$\$\$ Dynamic Pricing - Market <b>Market-driven Pricing (2x-3x Cost)</b>
<b>Facility Fee</b>			
Operating Costs	0% of Operating Costs		
Capital Improvements	0% of Capital Costs (Depreciation)		
Debt	0% of Debt Service Costs		



# Framework for Pricing Policy - RECREATION





## Setting and Administering Pricing

- District Pricing Policy should set clear roles / expectations
  
- Board:
  - Set Pricing Policy and Parameters
  - Approval of KEY Rates (to be defined)
    - Resident Rates
  
- Staff:
  - Propose KEY Rates for Board-approval – through Budget Process
  - Set and COMMUNICATE Rates to Board and Public
  - Manage DYNAMIC Pricing – (market-driven rates); as defined in Board Policy



## District-Wide Pricing Policy - Outline

- Objective
- District-wide Pricing Guidelines
- Venue Pricing Guidelines
  - Golf
  - Facilities
  - Ski
  - Recreation / Tennis
  - Beaches
- Dynamic Pricing
- Discounts
  - Marketing / Promotions
  - Non-Profits
  - Employees
- Administration of Pricing Policy – Roles



Background Information

# **COST-OF-SERVICE ANALYSIS**

# Framework for Pricing Policy – CHAMP GOLF

	Picture-Pass Holder	GUEST	NON-RESIDENT
<b>Charges for Services</b>	100% of Variable Operating Costs	100% of Variable Operating Costs	100% of Variable Operating Costs
	100% of Fixed Operating Costs	100% of Fixed Operating Costs	100% of Fixed Operating Costs
	100% of Total Operating Costs / Round	100% of Total Operating Costs / Round	100% of Total Operating Costs
	0% of Capital Costs (Depreciation)	% of Capital Costs (Depreciation)	100% of Capital Costs (Depreciation)
	0% of Debt Service Costs	% of Debt Service Costs	100% of Debt Service Costs
	% of Total Costs (Oper., Capital, Debt)	% of Total Costs (Oper., Capital, Debt)	100% of Total Costs / Round
<b>Facility Fee</b>			
Operating Costs	0.0% of Operating Costs		
Capital Improvements	100% of Capital Costs (Depreciation)		
Debt	100% of Debt Service Costs		

Cost Per Round	Residents		
	Mon-Thurs	Avg.	
Operating Costs	\$ 78.09		
Operating Costs + OVHD	\$ 94.90		
Oper. Costs, OVHD, Capital	\$ 125.60		
Oper. Costs, OVHD, Capital, Debt	\$ 133.25		
	7am - 2pm \$ 90.00		
	2pm - 4pm \$ 65.00		
	After 4pm \$ 45.00		
	After 5:30pm (9 holes) \$ 30.00		
		\$ 64.22	
	Fri-Sun & Holiday		
	7am - 2pm \$ 95.00		
	2pm - 4pm \$ 75.00		
	After 4pm \$ 55.00		
	After 5:30pm (9 holes) \$ 37.00		
		\$ 62.19	
	Play Pass		
		\$ 62.19	

Guests		Non-Residents	
Mon-Thurs		Mon-Thurs	
7am - 2pm	\$ 127.00	7am - 2pm	\$ 199.00
2pm - 4pm	\$ 99.00	2pm - 4pm	\$ 140.00
After 4pm	\$ 79.00	After 4pm	\$ 95.00
After 5:30pm (9 holes)	\$ 50.00	After 5:30pm (9 holes)	\$ 60.00
	\$ 118.19		\$ 148.18
Fri-Sun & Holiday		Fri-Sun & Holiday	
7am - 2pm	\$ 132.00	7am - 2pm	\$ 220.00
2pm - 4pm	\$ 110.00	2pm - 4pm	\$ 150.00
After 4pm	\$ 88.00	After 4pm	\$ 105.00
After 5:30pm (9 holes)	\$ 57.00	After 5:30pm (9 holes)	\$ 75.00

# Framework for Pricing Policy – MOUNTAIN GOLF

	Picture-Pass Holder	GUEST	NON-RESIDENT
<b>Charges for Services</b>	100% of Variable Operating Costs	100% of Variable Operating Costs	100% of Variable Operating Costs
	100% of Fixed Operating Costs	100% of Fixed Operating Costs	100% of Fixed Operating Costs
	100% of Total Operating Costs / Round	100% of Total Operating Costs / Round	100% of Total Operating Costs
	0% of Capital Costs (Depreciation)	% of Capital Costs (Depreciation)	100% of Capital Costs (Depreciation)
	0% of Debt Service Costs	% of Debt Service Costs	100% of Debt Service Costs
	% of Total Costs (Oper., Capital, Debt)	% of Total Costs (Oper., Capital, Debt)	100% of Total Costs / Round
<b>Facility Fee</b>			
Operating Costs	0.0% of Operating Costs		
Capital Improvements	100% of Capital Costs (Depreciation)		
Debt	100% of Debt Service Costs		

Rounds of Golf	18,920
Cost Per Round	
Operating Costs	\$ 41.22
Operating Costs + OVHD	\$ 50.49
Oper. Costs, OVHD, Capital	\$ 62.13
Oper. Costs, OVHD, Capital, Debt	\$ 62.23

Residents	Mon-Thurs	Avg.
7am - 12pm	\$ 44.00	\$ 29.80
12pm - 4pm	\$ 44.00	
After 4pm	\$ 26.00	
	Fri-Sun & Holiday	
7am - 12pm	\$ 48.00	
12pm - 4pm	\$ 48.00	
After 4pm	\$ 29.00	
Play Pass		\$ 19.27

Guests	Mon-Thurs	
7am - 12pm	\$ 59.00	\$ 47.07
12pm - 4pm	\$ 52.00	
After 4pm	\$ 29.00	
	Fri-Sun & Holiday	
7am - 12pm	\$ 64.00	
12pm - 4pm	\$ 58.00	
After 4pm	\$ 32.00	

Non-Residents	Mon-Thurs	
7am - 12pm	\$ 70.00	\$ 54.43
12pm - 4pm	\$ 65.00	
After 4pm	\$ 45.00	
	Fri-Sun & Holiday	
7am - 12pm	\$ 75.00	
12pm - 4pm	\$ 70.00	
After 4pm	\$ 50.00	

## Framework for Pricing Policy - BEACH

	Picture-Pass Holder	GUEST	NON-RESIDENT
<b>Charges for Services</b>	0% of Variable Operating Costs	X % of Variable Operating Costs	
	0% of Fixed Operating Costs	X % of Fixed Operating Costs	
	0% of Total Operating Costs / Round	X % of Total Operating Costs / Round	
	0% of Capital Costs (Depreciation)	% of Capital Costs (Depreciation)	
	0% of Debt Service Costs	% of Debt Service Costs	
	% of Total Costs (Oper., Capital, Debt)	% of Total Costs (Oper., Capital, Debt)	
<b>Facility Fee</b>			
Operating Costs	100% of Operating Costs		
Capital Improvements	100% of Capital Costs (Depreciation)		
Debt	100% of Debt Service Costs		

<b>Cost Per Beach Visit-</b>	Beach Visits =	<b>199,802</b>	
	Operating Costs		\$ (7.98)
	Operating with Ovhd		\$ (10.81)
	Operating, OVHD & Capital		\$ (12.03)
	Operating, OVHD Capital & Debt		\$ (12.06)

BEACH PRICING				
	Picture Pass Holder	Punch Card Holder	Daily Guest *	Peak
			\$12.00	
DAILY ADMISSION	FREE ADMISSION	PUNCH CARD DEDUCT <u>12.00</u>	\$12.00	\$15.00
		NET ADMISSION FEE → \$0.00		

\* MUST BE ACCOMPANIED BY PICTUREPASS HOLDER

# Framework for Pricing Policy - SKI

	Picture-Pass Holder	GUEST	NON-RESIDENT
<b>Charges for Services</b>	100% of Variable Operating Costs		100% of Variable Operating Costs
	100% of Fixed Operating Costs		100% of Fixed Operating Costs
	100% of Total Operating Costs / Round		100% of Total Operating Costs
	0% of Capital Costs (Depreciation)		100% of Capital Costs (Depreciation)
	0% of Debt Service Costs		100% of Debt Service Costs
	% of Total Costs (Oper., Capital, Debt)		\$\$\$ Dynamic Pricing - Market <b>Market-driven Pricing (2x-3x Cost)</b>
<b>Facility Fee</b>			
Operating Costs	0% of Operating Costs		
Capital Improvements	0% of Capital Costs (Depreciation)		
Debt	0% of Debt Service Costs		

Resident Rates

<b>Skier Visist</b>	<b>110,000</b>
<b>Cost Per Skier Visit</b>	
Operating Costs	\$ 33.03
Operating Costs + OVHD	\$ 43.89
Oper. Costs, OVHD, Capital	\$ 56.33
Oper. Costs, OVHD, Capital, Debt	\$ 56.51

	Value	Weekend	Peak
Adult	\$ 25.00	\$ 25.00	\$ 35.00
Youth	\$ 20.00	\$ 20.00	\$ 30.00
Senior	\$ 20.00	\$ 20.00	\$ 30.00
Child	\$ 15.00	\$ 15.00	\$ 25.00
Beginner	\$ 18.00	\$ 18.00	\$ 28.00
Under 6/ Over 80	Free	Free	Free

Non-Resident Rates

	Value	Weekend	Peak
Adult	\$ 109.00	\$ 124.00	\$ 134.00
Youth	\$ 89.00	\$ 104.00	\$ 129.00
Senior	\$ 89.00	\$ 104.00	\$ 129.00
Child	\$ 44.00	\$ 54.00	\$ 64.00
Beginner	\$ 59.00	\$ 59.00	\$ 89.00
Under 6/ Over 80	Free	Free	Free