

MEMORANDUM

TO: Board of Trustees

THROUGH: Bobby Magee
District General Manager

FROM: Tim Sands, General Manager of Golf Operations

SUBJECT: Incline Beach Food & Beverage Discussion

LONG RANGE PRINCIPLE #1: SERVICE the District will provide superior quality service through responsible stewardship of District resources and assets with an emphasis on the parcel owner and customer experience.

LONG RANGE PRINCIPLE #5: ASSETS AND INFRASTRUCTURE The District will practice perpetual asset renewal, replacement and improvement to provide safe and superior long term utility services and recreation venues, facilities, and services.

DATE: July 25, 2024

I. RECOMMENDATION

That the Board of Trustees discuss and provide direction to staff regarding the Incline Beach project.

II. BACKGROUND

On April 15, 2024, a Project milestone was to provide preliminary concept pricing. This milestone was established to facilitate the inclusion of the Beach Access Project budget in the Beach Capital Plan for FY 2024/25.

Staff returned to the Board on May 8, 2024 (Item G.5) for further clarification. Based on Board direction on May 8th, Staff returned to the Board on June 12, Page 740 of 7542024 (Item G.1) for the approval of the Amendments to the 30% Schematic Design Contracts for the Incline Beach House and Incline Beach Access Projects.

The Amendments were to provide an increase in scope and design team funding to facilitate one additional design option as well as to include Ski Beach in the access project. However, the Board did not approve the amendments and requested Staff provide additional food and beverage data and investigate a food truck option for the Board's review and discussion. The Food and Beverage Department will present historical data to the Board at the July 10, 2024, meeting as well as discuss food truck costs.

III. DECISION POINTS NEEDED BY THE BOARD OF TRUSTEES

IV. ATTACHMENT

**INCLINE BEACH FOOD & BEVERAGE PRESENTION
W/ TACO TRUCK BREAKDOWN**

INCLINE BEACH FOOD & BEVERAGE PRESENTION

Building Value within the Community

- Servicing the Community at a high level (peak summer and holidays)
- Cutting expenses overtime through an efficient operation
 - Labor, food cost, and operational expense (building repairs **\$29,628** over three years)
 - Storage availability in operation to cut down delivery cost of staff (current product stored off site and creates expense throughout the season)
 - New operation would create a smoother operation daily being able to service more Residents and guests throughout the day turning into stronger revenue with less cost
- Provide better process for food safety (storage)
- Creating a community benefit through updating aesthetics (current is original IVGID construction)
- Overall footprint from current design equates to just over what we currently utilize from both Beach restaurants in order to operate (storage and preparation of goods)
- Opportunities for growth by providing new services to the Residents and their guest (potential for resident events)
- Staff morale boost via safer working conditions (average temperature inside building while operating peak season is over 100* F)
- Improvement for Lightning Protocols for Beach Staff (guard shacks are not approved locations)
- Improved operations for the Community Restrooms (plumbing is an ongoing issue for food service and restrooms – backup/clogs and at time non-operational)

BY THE NUMBERS

2018:

Total Sales - \$153,500.84

Days of Operation – 84

Daily Average - \$1,827.39

2019:

Total Sales - \$150,212.60

Days of Operations - 75

Daily Average - \$2,002.83

2020:

Total Sales - \$127,602.80

Days of Operation – 71

Daily Average - \$1,797.22

2021: (poor summer conditions – fire)

Total Sales - \$127,126.70

Days of Operation – 63

Daily Average - \$2,017.88

2022: (no data available contracted services used)

2023:

Total Sales - \$106,396.80

Days of Operation – 65

Daily Average - \$1,636.87

2024: (May – July 22nd)

Total Sales - \$104,812.80

Days of Operation – 45

Daily Average - \$2,329.17

Daily Operating Cost when fully staffed F&B only:

Hourly Labor - \$575/\$650 (approx. changes through the season)

Daily Food Cost Average - \$698.75

Beer, Wine, & Liquor – (no data contracted services)

Picture Pass Holder Guest In:

June 1st through July 19th, 2024 – 29,153

Guest of PPH Check In:

June 1st through July 19th, 2024 – 12,202

Fees Collected at Guard Shack - \$359,008

2023 Picture Pass Holder & Guest Check In:

Total – 87,163

Adult Credit Card – 7,892

Adult Punch Card – 12,604

Youth Credit Card – 2,441

Youth Punch Card – 2,646

We are continuing to see an UPWARD trend of visits from all categories allowed on Incline Beach. This influx of Residents and Guest has put a severe strain on how IVGID staff can perform the highest level of customer service. For example, on the 4th of July Residents could have waited upwards of 45 minutes to an hour to place and receive an order of food. This was due to the sheer volume of Residents and guests attending the Beach that day. We have many days of operation like this throughout the season. Additionally, if the seasonal weather is of a high quality the amount of days we service the community could increase with the expectation we review and understand the expenses. In closing by creating more efficient operations through new construction we could service the community in the way IVGID would want too.

The recommendation would be to continue this project as it is slated and or receive new direction in order to complete and finish a Master Plan concept.

Taco Truck Breakdown:

Cost to Purchase - \$200,000/\$250,000 (not including equipment)

Permits to operate and Drive (nnpf.org reference guidelines):

- Hot and cold running water under pressure from an approved source
- Dedicated handwashing sink
- Potable water tank
- Waste water tank (15% larger capacity than potable tank)
- Durable and cleanable floor, walls, ceiling, and food preparation surfaces
- Mechanical ventilation where cooking is conducted

Service Area Requirements:

- Obtaining potable water
 - Disposal of waste water
 - Disposal of garbage
 - Grease interceptor (IVGID requirement)
 - Storage of food and other items
 - Backup refrigeration
 - Food preparation
 - Utensil cleaning and dishwashing
- (Most servicing area are located at existing permitted food establishments – i.e., restaurant, commercial kitchens, etc.)

Potential repairs (estimated).

Water heater failure costs up to \$5,000

Deep fryer failure costs up to \$6,000

Refrigeration and freezer unit failure costs up to \$10,000

Engine, transmission, and drivetrain failure can rack up expenses to the tune of \$25,000 and higher.

Inverted Generator cost up to \$20,000-45,000

Annual maintenance and storage (fleet at PW) - \$35,000/45,000 plus labor cost

Cost of garage storage – unknown (new construction)

Refrigeration truck for storage - \$75,000 plus annual maintenance