

MEMORANDUM

TO: Steve Pinkerton
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 2019-2020 ski season

STRATEGIC PLAN: Long Range Principle #2 - Finance

DATE: February 19, 2019

I. RECOMMENDATION

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

1. Approve a three-tiered season pass pricing structure, effective March 16, 2019 for Diamond Peak Ski Resort's 2019/2020 season passes including an Early Bird (Tier 1) through April 30, 2019, a Preseason (Tier 2) May 1 – October 31, 2019, and a Regular Season (Tier 3) rate, beginning November 1, 2019 through the end of the ski season in 2020.
2. Approve a Non Resident ski season pass price increase of \$5.00 to all pass products included in the Preseason (Tier 2) category and a \$10.00 increase to all pass products included in the Regular Season (Tier 3) category.

II. District Strategic Plan

The Ski 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

For the past three 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. This strategy proved successful as shown in the table below.

Season Passes Sold	<u>2015/2016</u> 7/1/15 - 1/31/16	<u>2016/2017</u> 3/19/16 - 1/31/17	<u>2017/2018</u> 3/21/17 - 1/31/18	<u>2018/2019</u> 3/11/18 - 1/31/19
Total	3,112	3,880	4,711	4,947
Resident	1,977	2,235	2,592	2,412
Non Resident	1,135	1,645	2,119	2,535

It is again proposed to initiate Fiscal Year 2019/2020 Diamond Peak season pass sales on or around March 16, 2019, and continue with the three-tiered pricing structure for season passes as adopted last season, with Early Bird (Tier 1) rates available through April 30, 2019; Preseason (Tier 2) rates available from May 1 – October 31, 2019; and Regular Season (Tier 3) rates available from November 1, 2019 through the end of the ski season 2020.

The recommendation is also proposing IVGID Picture Pass Holder ski season pass rate structure remain consistent with no change from the 2018-2019 pass categories.

For Non-Resident pass products, Staff is proposing a \$5.00 increase to the season pass products within the Preseason (Tier 2) and a \$10 increase to products within Regular Season (Tier 3) category.

The table below identifies a comparison of the proposed 2019-2020 Season Pass pricing tiers along with the approved 2018-2019 Season Pass pricing tiers.

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2019-20 Proposed 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 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.*

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2018-19 Diamond Peak Season Pass Rates	March 15, 2018 - April 30, 2018 Tier 1	May 1, 2018 - October 31, 2018 Tier 2	November 1, 2018 - 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 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.*

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IV. FINANCIAL IMPACT AND BUDGET

If the provided recommendation is approved, the rate adjustment for Non Resident pass products may provide \$5,000 - \$10,000 in additional season pass revenue within the 2019-2020 fiscal year.

V. COMMENTS

To remain consistent with previous Community Services Memorandums of Recommendations to Key Rates, it should be noted that 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 2019-2020 pass program and not approve a three-tiered season pass pricing structure beginning on or about March 16, 2019.