

M E M O R A N D U M

TO: Board of Trustees

THROUGH: Steven J. Pinkerton
General Manager

FROM: Kyle Thornburg
Interim Director of Golf

SUBJECT: Review, discuss and possibly approve Golf Play Pass rate structure for the Incline Village Golf Courses 2019 golf season **and** special promotions at the Mountain Golf Course and Incline Village Tennis Center

STRATEGIC PLAN: Long Range Principle #2 – Finance

DATE: April 2, 2019

I. RECOMMENDATION

Staff recommends that the Board of Trustees makes a motion to approve the provided Golf Play Pass rate structure for the Incline Village Golf Courses 2019 season **and** the special promotions at the Mountain Golf Course and Incline Village Tennis Center

II. DISTRICT STRATEGIC PLAN

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.

- Objective #3 - With allocated resources, equate service expectations and the capability to deliver.

III. BACKGROUND

The daily fee pricing model was approved by the Board at the November 13, 2018 Board of Trustees meeting. The approved 2019 daily fee rates were modestly increased in 2018 after remaining flat the previous two seasons. Typically, daily

Review, discuss and possibly -2-
approve Golf Play Pass rate structure
for the Incline Village Golf Courses
2019 golf season and special promotions
at the Mountain Golf Course and Incline Village Tennis Center

April 10, 2019

rates and play pass rates are increased in alternate years. Thus, we are proposing no changes to the cost of the Play Passes for the 2019 season.

The Golf Courses provide Season Golf Passes for Residents and Non-Residents as an industry pricing best practice to increase both rounds of golf and increase revenues. Each year the Staff use historical play records, utilization statistics, budget initiatives, and course competitor pricing as the resources to define the play pass pricing structure.

Historically, the Golf Play Passes have provided a significant revenue stream for the Golf Courses. Traditionally, the Golf Courses have provided seasonal, unlimited Play Passes and play limit amount passes such as a 10-Play Pass.

Consistent with last year, we are proposing to continue to provide these historical Play Pass options but with the flexibility of our new Golf Software system, we are continuing to offer the new Play Pass options created last year. Those options are a Limited Play Pass as well as a PM (afternoon) Pass. These new Play Pass options have been a benefit to both the Resident golfers and the Golf Course. They give the Resident golfers a different option of play, at a valued price, while allowing for the Golf Courses to increase participation on both the days of the week and the times of the day that the course has availability to utilize.

Special Promotion for Mountain Golf Course and Tennis Center

We are proposing to conduct another one-time special promotion for the Mountain Course Play Pass sales. This proposed marketing promotion permits Incline Village/Crystal Bay property owners to use their expiring Punch Cards with remaining value at a \$.35 cent per \$1 value to purchase a Mountain Course Pass only.

For example, if you have two 2018/2019 punch cards with a total of \$332 in remaining value, thirty-five percent (\$116) of that value can be used towards the purchase of a Mountain Course All You Can Play Season Pass. For Golf, this promotion is limited to the Mountain Golf Course where we are continuing to develop programs to incentivize additional play.

Based on feedback received regarding last year's Play Pass promotion, we are expanding this promotion to the Incline Village Tennis Center for the 2019 season. Similar to the Mountain Golf Course, the promotion permits Incline Village/Crystal Bay property owners to use their expiring Punch Cards with remaining value at a

Review, discuss and possibly -3-
 approve Golf Play Pass rate structure
 for the Incline Village Golf Courses
 2019 golf season and special promotions
 at the Mountain Golf Course and Incline Village Tennis Center

April 10, 2019

\$.35 cent per \$1 value to purchase Tennis Membership Passes for the 2019 season.

The \$.35 cent value is based on the percent of the Recreation Facility Fee/Beach Fee that is dedicated towards operating expenses. The balance of the Recreation Facility Fee/Beach Fee is allocated towards capital expenditures and debt service.

This proposed promotion is scheduled to expire on May 31, 2019.

Below is the list of the 2019 Golf Season Play Pass options:

IVGID RESIDENT PLAY PASSES
CHAMPIONSHIP GOLF COURSE

	2019 Proposed Rate	2018 Rate	
10 Play Pass	\$720.	\$720.	
20 Play Pass	\$1,300.	\$1,300	
LIMITED – All You Can Play Season Pass - Individual	\$1,950.	\$1,950.	>Open – June 13 & Sept. 23 – Closing = Unlimited Play Any Day/Any Time >June 14 – Sept 22 = Monday – Thursday Any Day/Any Time & Friday – Sunday After 12 p.m. only
LIMITED – All You Can Play Season Pass – Couple*	\$3,050.	\$3,050.	>Open – June 13 & Sept. 23 – Closing = Unlimited Play Any Day/Any Time >June 14 – Sept 22 = Monday – Thursday Any Day/Any Time & Friday – Sunday After 12 p.m. only

**Couple is two married people or domestic partners living together in the same household as a family unit.*

Review, discuss and possibly -4-
 approve Golf Play Pass rate structure
 for the Incline Village Golf Courses
 2019 golf season **and** special promotions
 at the Mountain Golf Course and Incline Village Tennis Center

April 10, 2019

PM – All You Can Play Season Pass – Individual	\$999.	\$999.	>Open – June 13 & Sept 23 – Close = Unlimited Play AFTER 12 p.m. >June 14 – Sept 22 = Unlimited Play AFTER 2 p.m.
--	--------	--------	---

IVGID RESIDENT PLAY PASSES

MOUNTAIN GOLF COURSE

	2019 Proposed Rate	2018 Rate
10 Play Pass	\$350.	\$350.
UNLIMITED – All You Can Play Season Pass - Individual	\$650.	\$650.
UNLIMITED – All You Can Play Season Pass – Couple*	\$999.	\$999.

**Couple is two married people or domestic partners living together in the same household as a family unit.*

PM – All You Can Play Season Pass – Individual	\$450.	\$450	Unlimited Play AFTER 2 p.m. – ALL SEASON
UNLIMITED Junior Pass	\$150.	\$150.	Walking only, up to age 17 – stand by only

IVGID RESIDENT PLAY PASSES

BOTH GOLF COURSES

	2019 Proposed Rate	2018 Rate
UNLIMITED – All You Can Play Season Pass - Individual	\$2,450.	\$2,450.
UNLIMITED – All You Can Play Season Pass – Couple*	\$3,950.	\$3,950.

**Couple is two married people or domestic partners living together in the same household as a family unit.*

Review, discuss and possibly -5-
 approve Golf Play Pass rate structure
 for the Incline Village Golf Courses
 2019 golf season and special promotions
 at the Mountain Golf Course and Incline Village Tennis Center

April 10, 2019

UNLIMITED Pass	Junior	\$250.	\$250.	Walking only, up to age 17 – stand by only
UNLIMITED Pass	College	\$400.	\$400.	Walking only, up to age 26, currently enrolled in college, stand by only

**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.*

IV. FINANCIAL IMPACT AND BUDGET

We expect the adjusted Play Passes to produce comparable revenue compared to the 2018 season actuals.

V. ALTERNATIVES

- Request Staff to seek more information.
- Do not approve Golf Play Pass Key Rates.

VI. COMMENTS

None at this time.

VII. BUSINESS IMPACT

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