MEMORANDUM

TO: Board of Trustees

THROUGH: Steven J. Pinkerton
General Manager

THROUGH: Sharon G. Heider
Director of Community Services

FROM: Cathy Becker
Events Manager

SUBJECT: Presentation: Facilities: 2016 Wrap Up **and** Review, discuss and possibly approve Facilities 2017 Key Rates

STRATEGIC PLAN: Long Range Principle 4 – Service

DATE: December 4, 2016

I. RECOMMENDATION

That the Board of Trustees makes a motion to receive the Presentation: Facilities: 2016 Wrap Up **and** approve Facilities 2017 Key Rates.

II. DISTRICT STRATEGIC PLAN

Long Range Principle 4 – Service - The District will provide superior quality service and value to its customers considering responsible use of District resources and assets.

- Utilize best practice standards for delivery of services.

III. BACKGROUND

The Facilities Division of the Community Services Department operates the Chateau and Aspen Grove venues. Its primary objective is to give community members use of these venues for their enjoyment and recreation at significantly discounted rates by filling prime high season dates with full paying clients.

The current operating strategy is yielding good results with an increase in the percentage of revenues from weddings/events to 92% of total revenues, a 5% increase over last year for the same period. The community's use of the facilities, at 82%, continues to be the majority of use of all uses although there was a 2% decrease in the number of community events for the same time period there was also an increase from 13,697 to 15,967 community members served.

After researching competing facilities, Staff is recommending increasing non-resident (those without IVGID Picture Passes) rates slightly and maintaining existing rates for Picture Pass holders. These rates would go into effect as of July 1, 2017.

IV. FINANCIAL IMPACT AND BUDGET

Additional revenues are unknown at this time.

V. ALTERNATIVES

- Request Staff seek more information
- Do not approve 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.

Facilities
2016 Wrap Up & 2017 Key Rates Approval

Board of Trustees Meeting
December 4, 2016

Prepared by Event Manager Cathy Becker

INCLINE VILLAGE
FACILITIES

Objectives of Presentation

- Customer Feedback
- Summary of 2015 & 2016
- Industry Standards
- Venue Comparisons
- Proposed Rates

WEDDINGWIRE
COUPLES' CHOICE
Awards
2015

LUX 2016
Hospitality Awards

BEST of B&B
WINNER
2016
VENDOR VOTED

"Our wedding at The Chateau was simply perfect!"

"Best wedding food we have ever had"

"It was an AMAZING day!"

"They made the entire process easy for us and we knew going into this that the event would be a success."

"It was an epic day!!"

"The team at IVGID are easy to work with and deliver more than what they promise."

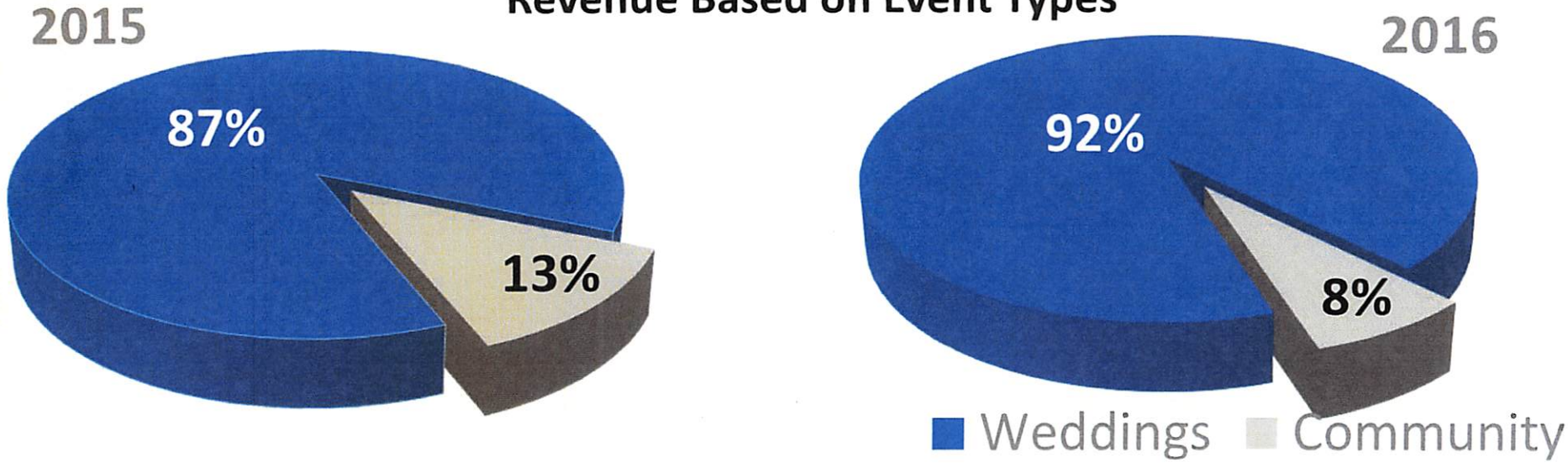
Facilities Business Model

- In order to give community members use of the venues at significantly discounted rates, our goal is to fill prime high season (June-October) dates with full paying clients.
- Tools we use:
  - **Yield Management**
  - **Food and Beverage discounts**
  - **Food and Beverage minimums**

Summary of Events and Revenue 2016

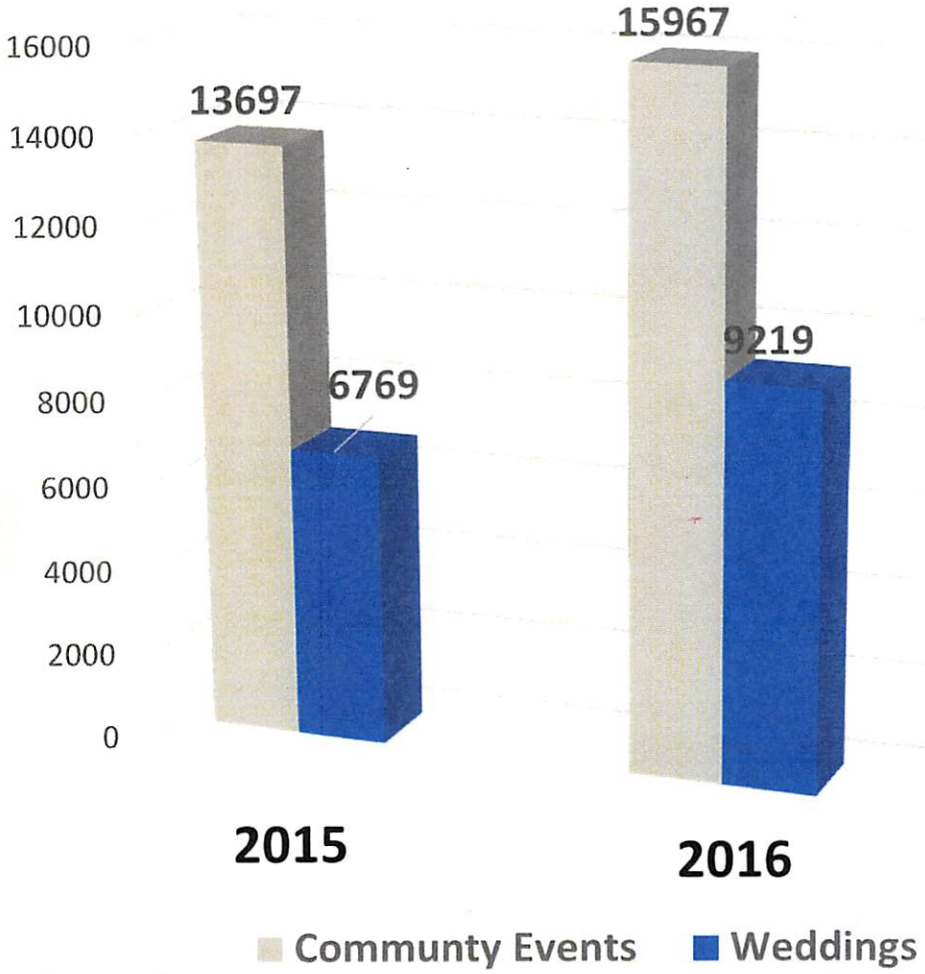
	2015	2016	% of Change
	467	531	+14%
Venue fees paid by Community Groups	$28,115	$24,367	-13%
Food & Beverage for Community Events	$299,348	$294,560	-1.6%
Number of Community Events	403	434	+8%
Number of Guests at Community Events	13,697	15,967	+17%
Total Venue Fee paid by Weddings & Special Events	$195,680	$295,207	+51%
Food & Beverage for Weddings & Special Events	$387,565	$712,876	+84%
Number of Weddings	64	97	+52%
Number of Wedding Guests	6,769	9,219	+36%

Revenue Based on Event Types



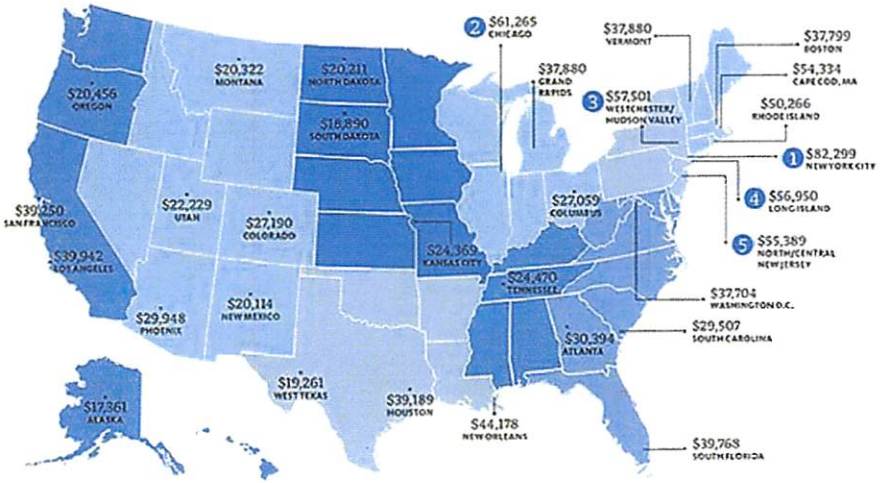
Total Number of Events

Number of Guests Served



WEDDING SPEND ACROSS AMERICA

$32,641
AVERAGE WEDDING COST

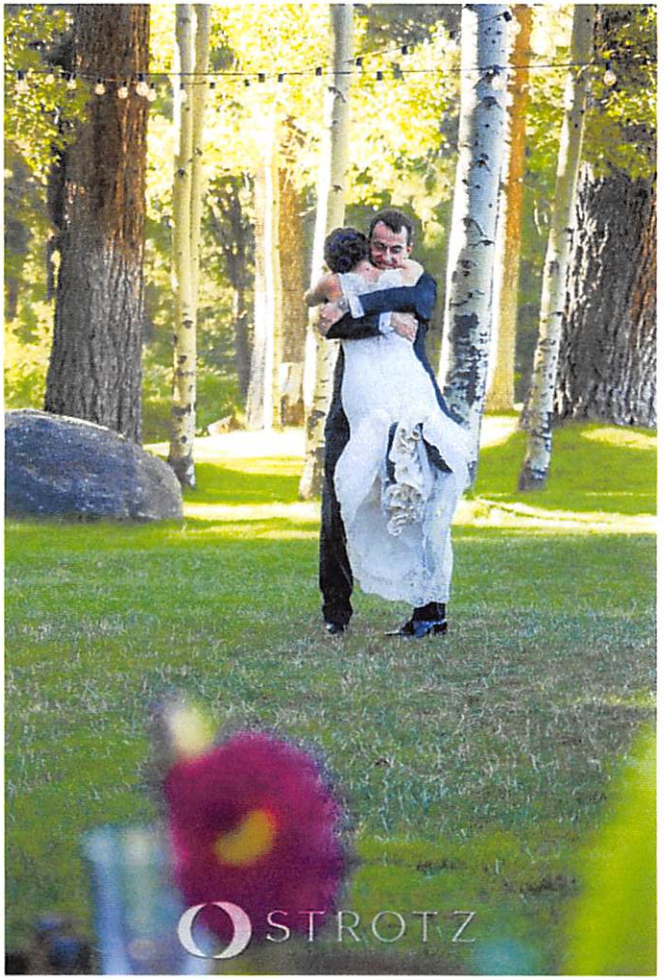


2015 NATIONAL AVERAGE SPEND

VENUE $14,788	VIDEOGRAPHER $1,824	INVITATIONS $445	CATERING (PRICE PER PERSON) $273
PHOTOGRAPHER $2,618	WEDDING DRESS $1,469	LIMOUSINE $792	WEDDING DAY HAIR STYLING $114
WEDDING/EVENT PLANNER $1,996	GROOM'S ATTIRE $269	FAVORS $267	WEDDING DAY MAKE-UP $95
RECEPTION BAND $3,833	WEDDING CAKE $575	REHEARSAL DINNER $1,296	
RECEPTION DJ $1,171	CEREMONY SITE $2,089	ENGAGEMENT RING $5,871	
FLORIST/DÉCOR $2,300	CEREMONY MUSICIANS $703	OFFICIANT $266	

the knot

The Knot 2015 Real Weddings Study © 2016 XO Group Inc.

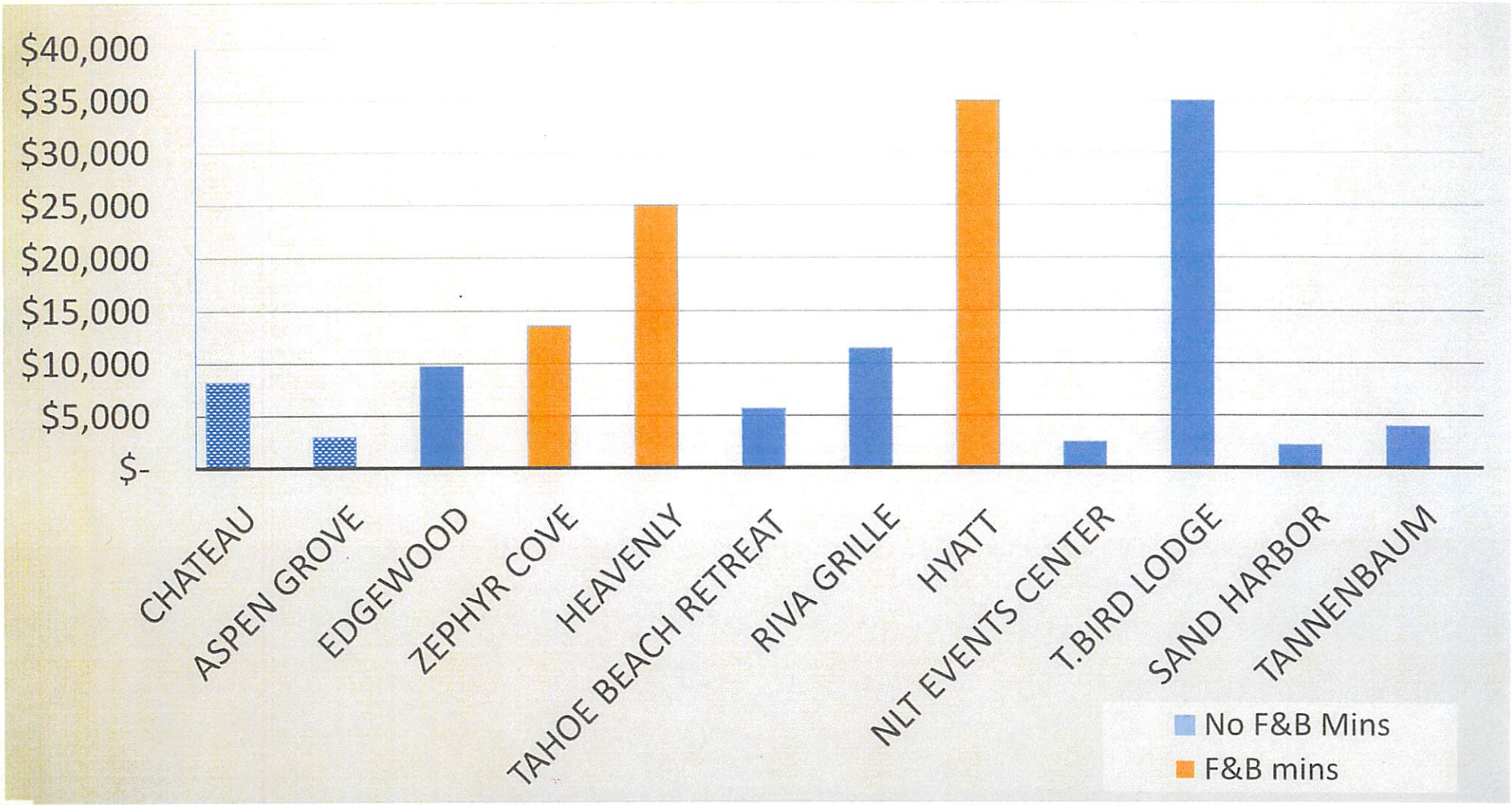


Weddings

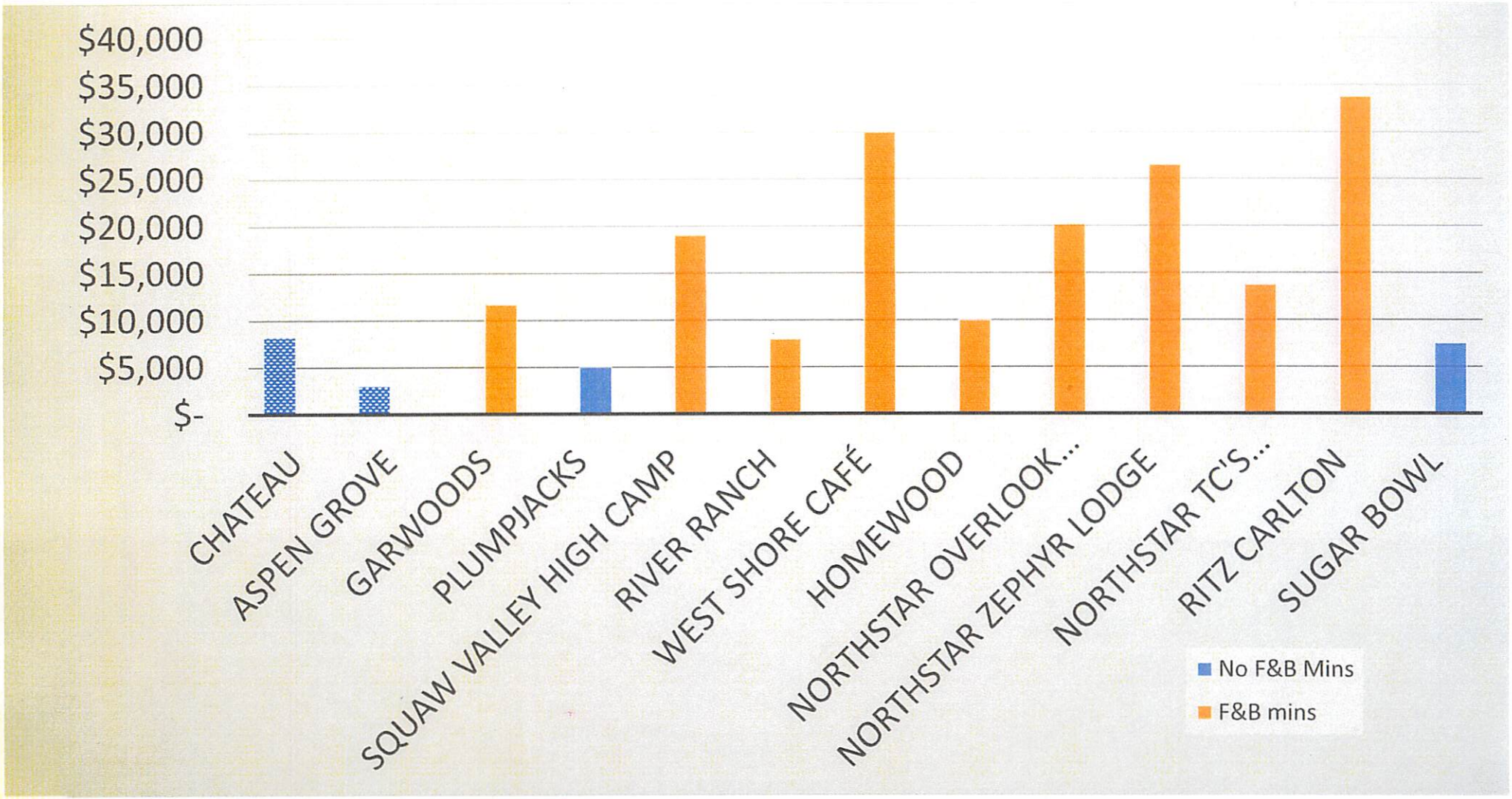
Weddings in Lake Tahoe
The average total cost of a wedding in Tahoe is $30,458
There are approximately 13,000 weddings each year in the Tahoe Basin
Wedding business represents $246 Million for the Lake Tahoe Basin annually – which includes the added revenue brought to the area restaurants, accommodations & retail

2016 IVGID Facility Facts
We held 71 weddings at The Chateau. Spending an average of $137 per guest.
26 weddings at Aspen Grove with an average per guest spending of $80
Between the two venues, we served 9,219 wedding guests
We also served an additional 13,697 meals to community events such as meetings, lunches and celebrations.

Venue Comparisons – North Lake and South Lake



Venue Comparisons – Truckee and West Shore



The Chateau

JUNE - OCTOBER	Current	Proposed	PPH
Saturday	$7,260	$7,990	$5,445 (32%)
Friday & Sunday	$4,520	$4,970	$3,360 (32%)
Monday – Thursday	$2,520	$2,770	$1,890 (32%)
NOVEMBER - APRIL			
Saturday	$4,235	$4,660	$3,345 (28%)
Friday & Sunday	$2,940	$3,230	$2,205 (32%)
Monday – Thursday	$1,680	$1,850	$1,284 (31%)
Wedding Ceremony	$1,000	$1,000	$750 (25%)
The Grille (winter)	$500	$500	$375 (25%)

The IVGID Board of Trustees allow Staff to adjust prices to accomplish dynamic pricing and yield management

Aspen Grove

JUNE - OCTOBER	Current	Proposed	PPH
Saturday	$2,500	$2,750	$1,875 (32%)
Friday & Sunday	$1,650	$1,815	$1,240 (32%)
Monday – Thursday	$825	$910	$620 (32%)
Wedding Ceremony	$500	$750	$500 (33%)
Building Only	$130 per hour	$130 per hour	$55 per hour (58%)

The IVGID Board of Trustees allow Staff to adjust prices to accomplish dynamic pricing and yield management

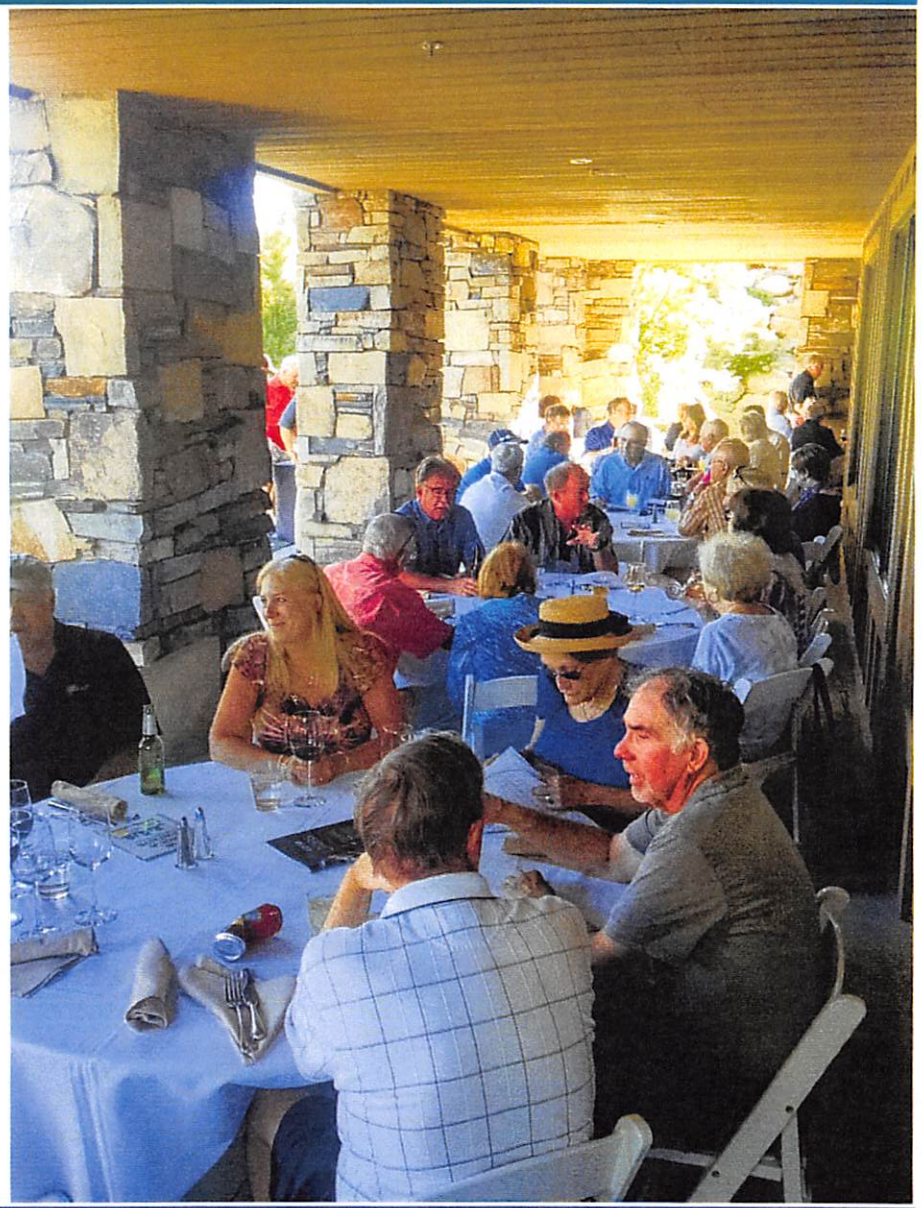
Conclusion

The management team has listened to the community and made strides in responding to those needs. We understand these facilities are community owned and will continue to make community events a top priority.

The goal is to maximize the use of our venues using revenue from weddings to defray the cost of community events.

Our business model can support a slight increase in commercial rates while we grow and sustain the community living room.

As this data shows, we successfully struck a balance.



Recommendations?