

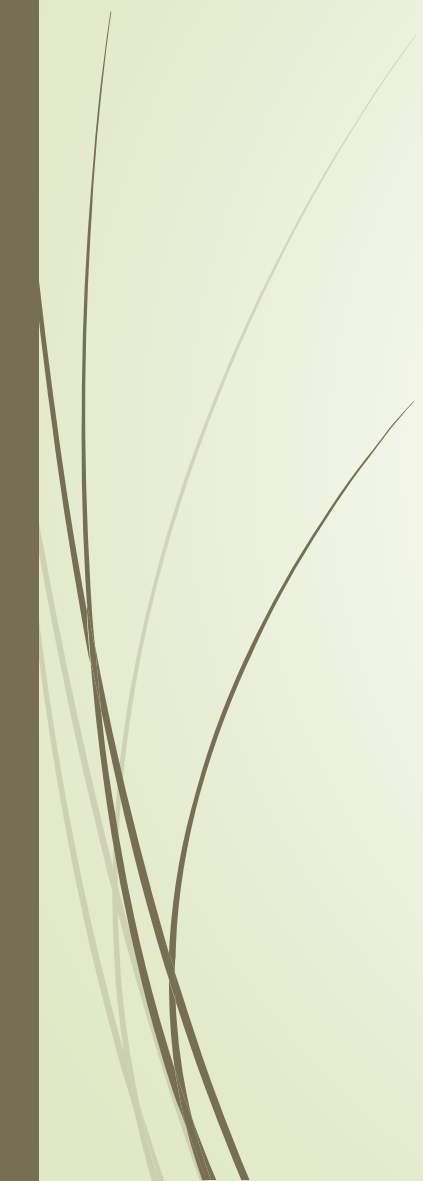


# Lodge Event Tent

Board of Directors Meeting 9/23/17

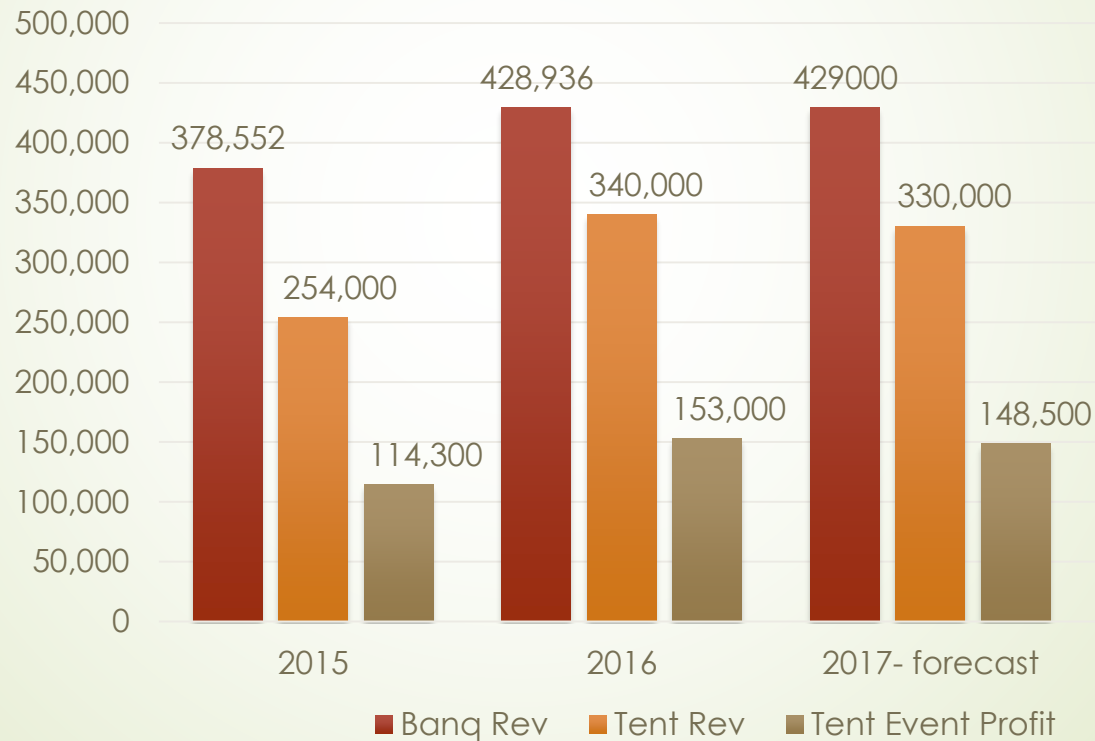


# Today

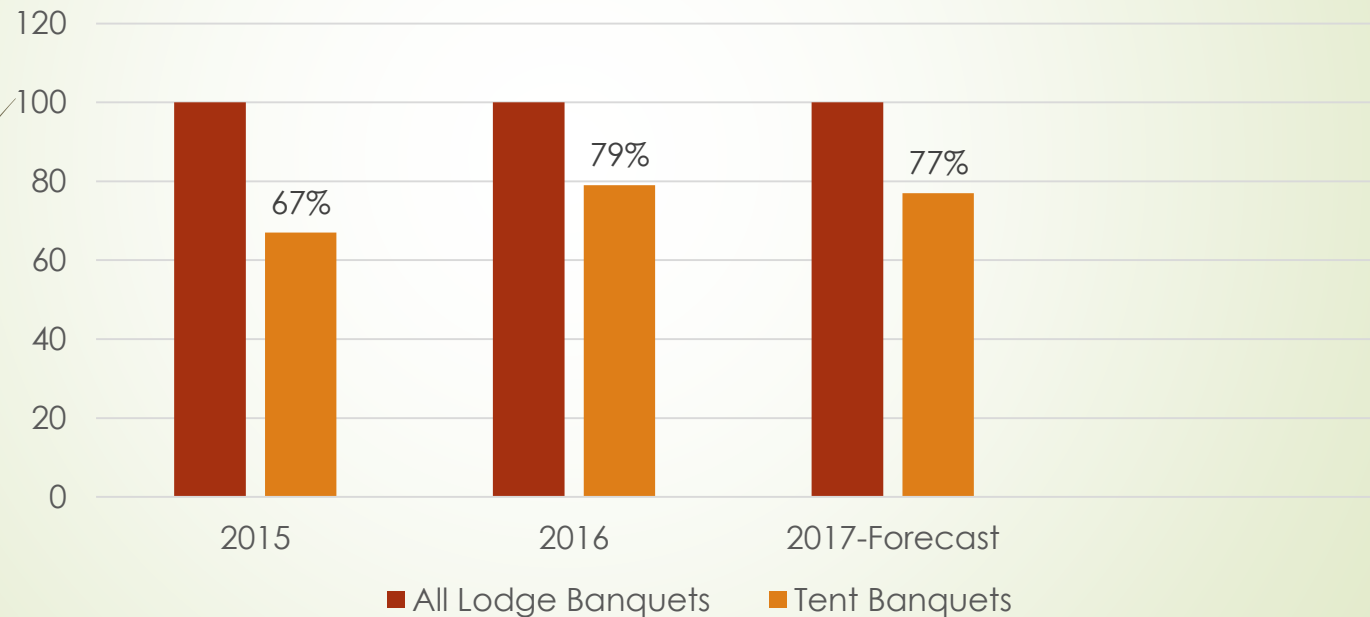
- ▶ The Board of Directors will discuss the proposed replacement special events tent for The Lodge and provide staff guidance on tent replacement and 2018 special events bookings.
  - ▶ Brief presentation with options
  - ▶ Issues which can be deferred, such as tent re-location are not being addressed today
- 

# 2015-2017 Revenue Breakdown

## Dollars & Cents



# Percentage of the Lodge Banquets Events Held in the Tent



- 2015 - **67%** of banquets at the Lodge were in the tent
- 2016 - **79%** of banquets at the Lodge were in the tent
- 2017 Forecast - **77%** of banquets at the Lodge were in the tent



# Percentage of Member Events in Dollars

- **2015** – prior to keeping demographic record
- **2016** –
  - \$149,000 – 44% were member events
  - \$190,368 – 49% public & 6% other
- **2017 Forecast** –
  - \$115,603 – 36% member
  - \$215,417 – 63% public & 1% other

**Member dollars does not include 20% discount given to members on food and beverage**

# Additional Revenue Centers

- ▶ In addition to our tent event revenue, there are a number of other areas that benefit from these events.
- ▶ Rehearsal dinners- usually smaller than weddings are held in The Lodge, the Grotto, POTH and an option at our ACAC. Guests also stay in the area prior to event and patronize Lodge, if not be part of the Rehearsal Dinner.
- ▶ Golf groups related to weddings.
- ▶ Pub business associated around weddings and events.
- ▶ So there is much more lost revenue should we decide to not host tent size events.
- ▶ At \$150,000 direct tent profit
- ▶ + \$50,000 minimum in indirect incremental profit (not gross)
- ▶ The indirect range is \$50,000 to \$100,000 in net (not gross)
  - ▶ \$150,000 direct tent profit plus \$50,000 - \$100,000 indirect profit
- ▶ Does not factor in exposure/new diners impact. Or interest in desirable place to purchase.



# Wedding Package for 9/22 & 9/23

- Tent Wedding- \$16,000 + Bar (\$2,000) = \$18,000
- Golf package for wedding party - \$3,000 (plus potential in golf shop purchases and additional alcohol)
- Rehearsal dinner at POTH- \$5,000
- Total \$26,000 – using banquet profit equation \$11,700
- Friday and Saturday of less peak season (2 days)





# Member Feedback



- ▶ Our presentation board for membership to view was placed in the lobby of the Lodge from June 4<sup>th</sup> through June 30<sup>th</sup>.
- ▶ Between June 4<sup>th</sup> and July 17<sup>th</sup> I received (15) e-mail responses (1/3 each - for/ against / alternative options)
- ▶ The proposed example tent for was up June 27<sup>th</sup> – 29<sup>th</sup> at a cost of \$3,600 and our town hall meeting was held at 11 am on Wednesday June 28<sup>th</sup>.
  - ▶ We had 4 members (not board or management) that were in attendance.
  - ▶ During our meeting, it was indicated from the members present, that none had hosted or been to an event in the tent. Suggestions were made to build a permanent structure.



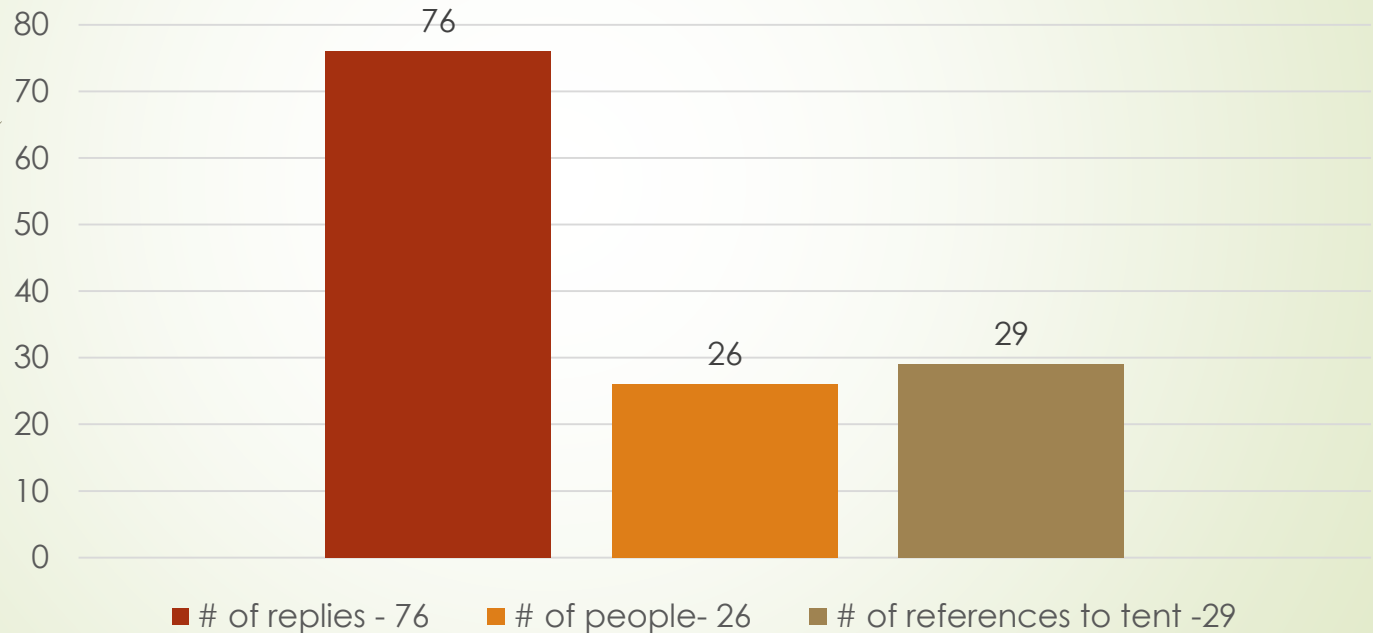


# Comment Cards

- Member interest, comments and feedback are very important to us. TD members are very forthcoming with input and it is very much appreciated by staff in guiding and improving us.
- The Lodge averages between 300 to 400 submitted comment cards per summer season. May- Sept. This period is when the tent is up in place.
- From May 1 – Sept 15<sup>th</sup> 2017 we have received 369 comment cards. Of these (2) have mentioned the tent
- Dating back to 2012 there are an additional 4, totaling 6 comment cards in 6 years.

# NextDoor Member Input

"Circus Tent" Posts on NextDoor





# Issues of the Tent Presented by Membership:

- **Glare** : we have found a toned down eggshell color in matte finish to replace our current bright white tent.
- **Noise** : we are currently addressing different options to reduce neighborhood noise.
  - Discussion of ending weddings at an earlier time
  - Restricting DJ's decibel levels with threats of not being able to be a return vendor
  - Facing speaker system away from condos
  - Purchasing sound absorption wall pieces for condo side of tent
- **Obstruction of view**: we have found a lower profile tent – reducing height from 21 feet to 18 feet (height of our deck rail).
  - Tent obstructs around 25 % of seating. Mostly main dining room. Remaining 75 % faces other directions.



# Tent Costs

- ▶ (Tent made in 2006) current tent was purchased in June 2007 for \$25,000. A cost of \$2,500 per year, (at ten year forecast).
- ▶ Current tent pricing is in the area of \$56,000. A cost of \$5,600 per year, (at ten year forecast).
- ▶ Chairs and tables required with or with out tent
- ▶ May 2014 we spent \$3,322 to update tent lighting. We will attempt to use in new tent or to light tentless pavilion.



# Shelf Life Concerns

- ▶ Our tent was up for replacement 2 years ago in 2015. We moved reserve fund to 2017.
- ▶ After consulting with the Eureka Tent Co., their shelf life recommendation is 10 years in boxed climate controlled environment.
- ▶ Given our 10 years of use at a mile high in more extreme conditions it has been recommended for replacement. In addition, the numerous up and down installations, wind, rain, snow have taken their toll on our canopy.
- ▶ It is not a fear that our tent will fail and injure guests as much as a concern that as with most items the advancement of technology and product design has improved over the last decade. The tent we are interested in, provides a much stronger, more advanced frame work system built to withstand more extreme weather conditions.



# 2018 Booking Forecast

- ▶ Over \$200,000 in booked tent events to date
- ▶ 90 % booked (20) on Saturdays June- Oct (only 3 left)
- ▶ With the amount of bookings for 2018 mgt recommends any decisions based on ending tent events should be put off until 2019
- ▶ We can use existing tent to fulfill contracts for one more season
- ▶ These are member and club event bookings as well as public
- ▶ We do not want to gain the reputation as unreliable in the HOA, Event and Local Community
- ▶ This will keep our brand and reputation in tact as well as not damaging any future non-tent business





# Options for Limiting Tent Events

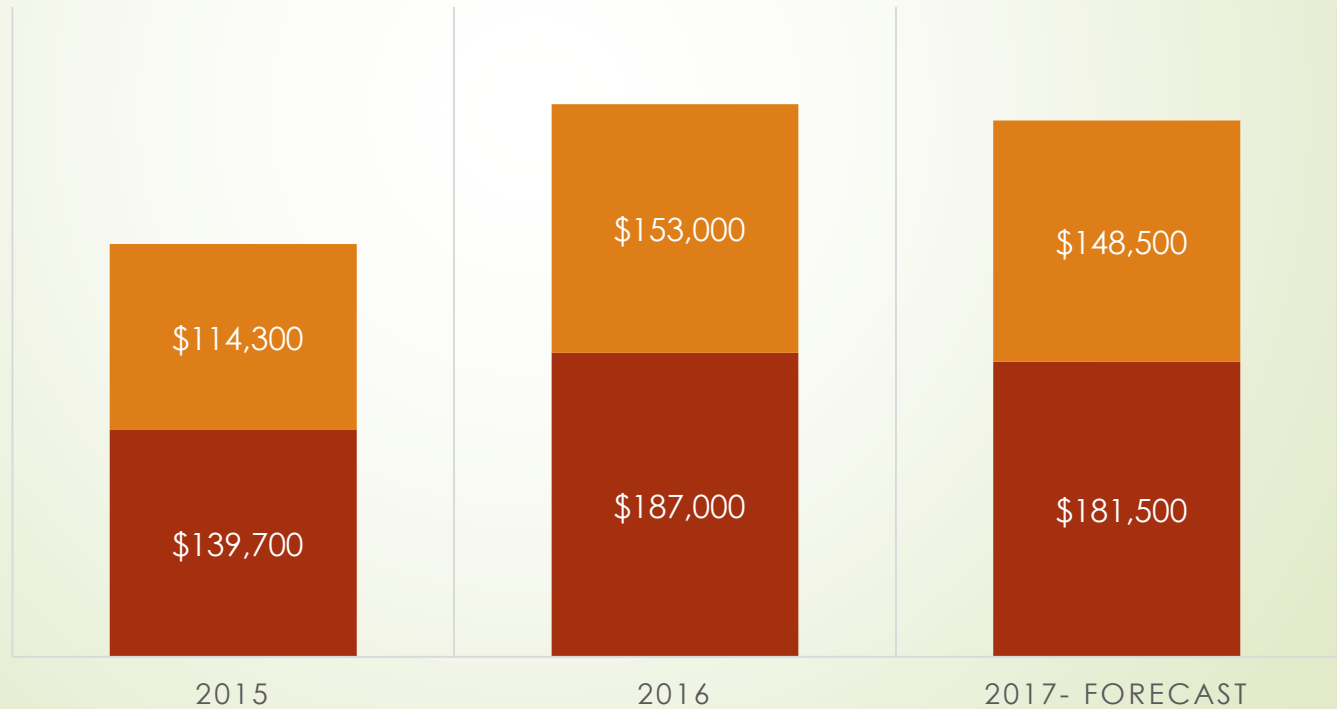
- Recommendations for 2019
  - Limit tent events to members only
  - Limit tent events to certain time periods (not around major holidays when the association is busiest)
  - Hold events every other weekend so tent can come down for extended periods
  - Have events end at 9pm instead of 10pm



# Tent Profits

## REVENUE

■ Expense incl Allocated   ■ Profit



# Tent Profits Reduce Member Cost





# Conclusion



- Our Lodge event tent offers our members and clubs a fantastic facility to host events in a mountain setting. Accompanied by great food and service. If we decide to not continue this offering we will limit our members to 100 person or less event options. Though our ACAC is a wonderful space, 2 other operations currently prevent prime summer bookings until after 5pm. This is not a desirable time frame for weddings and some club events. Banquet revenue profit is truly the “lowest hanging fruit” as an industry standard. It would make a large deficit in the Lodge budget and increase membership yearly assessment for this department.