

# 2024 OPERATING BUDGET COST RECOVERY PLAN

March 29, 2024





# OUTCOMES

The Board of Directors will be informed of the staff's 2024 Operating Budget Cost Recovery Plan to mitigate the loss of revenue due to regional low snow conditions from December 2023 through January 2024.



# LATE START TO SNOW ACCUMULATION

- December 2023 – January 2024 the Sierra Nevada experienced a period of drought-like conditions (total of 62” snowfall through Jan 14)
- Operational impacts
  - Low visitation at winter amenities and their related F&B venues
  - Great visitation at Trout Creek Recreation Center, The Lodge, and Pizza on the Hill
  - Loss of revenue
  - Reduced services
- Snowmaking was our insurance for each of the winter amenities:
  - Cross Country Ski Area – 1 to 3 km of trail through January 11
  - Downhill Ski Resort – Snowbird lift and learning center conveyor zone open through January 11
  - Snowplay – limited tubing and sledding through January 11



# OPERATIONAL AGILITY December 2023 – Jan 2024

## INNOVATION

- Snowmaking maximized
  - Continued to make snow through January 12
- Focused efforts on snow surface development for beginner/lesson experience
- Continued events to draw visitation and added Winter Music Series
- Optimized labor
  - Forestry defensible
  - Trout Creek Recreation Center additional cleaning

## COST CONTROLS

- Labor efficiencies and additional controls
- Trout Creek Recreation Center Rec. Pool
  - Reduced recreation pool winter heating
- Additional controls on expense review and approvals

# COST + REVENUE TARGETS

Cost Savings	Details	
<b>Administrative Departments</b>		
\$ 257,980	PAYROLL: Labor savings through position vacancies, minor service changes during shoulder seasons	
\$ (24,500)	MISC. EXPENSES: Targeted operating cost savings 1-3 % depending on department; no reduction to employee development and recognition	
<b>Land Management</b>		
\$ 30,000	PAYROLL: In-house project completion rather than 3rd party vendor	
<b>Food and Beverage</b>		
\$ 43,760	PAYROLL: 3% labor savings target + position(s) vacancy	
<b>Amenity/Recreation Operations</b>		
\$ 89,000	PAYROLL: Targeted labor savings across departments	
\$ 12,000	MISC. EXPENSES: Operating expense savings	
<b>\$ 408,240 TOTAL COST SAVINGS TARGET</b>		
<b>Unbudgeted Revenue Opportunities and/or Optimization</b>		
<b>Administrative Departments</b>		
\$ 22,000	Member Services retail and Communications marketing and new ad sales	
<b>Food and Beverage</b>		
\$ 20,000	TD Eats at POTH during peak period	
<b>Amenity/Recreation Operations</b>		
\$ 15,000	Various - assumption for improved golf with increased access through technology; additional Snowplay weekends; campground bookings, etc.	
<b>\$ 57,000 TOTAL INCREASED REVENUE TARGET</b>		

## Operational Agility:

- Disciplined approach to labor allocation and position vacancies
- Miscellaneous cost savings across the organization 1-3% and adjust for unbudgeted expenses (e.g., additional Board of Director election expense, GM recruitment)
- Planning for possible summer and winter season 25/26 disruption – smoke and rain impacts, temp ops at Downhill Ski
- Innovation for revenue opportunities and expanded services during the summer peak season



# RECOVERY PLAN ACCOUNTABILITY

## LEADING INDICATORS:

- Labor Savings
  - Scheduling to achieve the recovery plan
  - Proactive and real-time business adjustments based on daily business level
- Miscellaneous Expenses
  - Follow the plan
  - Purchasing minimized to necessities
  - Maximize bulk ordering and vendor discounts
- Revenue
  - Daily execution of incremental revenue opportunities
  - Delivering high-quality services

## LAGGING INDICATORS:

- DOMO Daily Flash reporting
- Weekly intradepartmental sharing of highlights of successes and misses
- Monthly PnLs review and analysis



# 2024 FORECAST WITH RECOVERY PLAN TARGETS

	2024 Forecast	Annual Budget	Var \$	Var %
<b>REVENUE</b>				
Assessment Revenue	\$ 7,676,978	\$ 7,676,978	\$ -	0.0%
Recreation Fee Revenue	\$ 1,665,702	\$ 1,660,427	\$ 5,275	0.3%
Direct Access and Use Fees	\$ 6,387,534	\$ 6,687,598	\$ (300,064)	-4.5%
Food and Beverage Revenue	\$ 4,237,053	\$ 4,348,466	\$ (111,413)	-2.6%
Retail Revenue	\$ 594,163	\$ 608,223	\$ (14,060)	-2.3%
Lessons and Rental Revenue	\$ 3,651,024	\$ 3,858,437	\$ (207,413)	-5.4%
Other Revenue	\$ 1,371,629	\$ 1,360,358	\$ 11,271	0.8%
<b>Total Revenue</b>	<b>\$ 25,641,083</b>	<b>\$ 26,200,487</b>	<b>\$ (559,404)</b>	<b>-2.1%</b>
<b>Total Cost of Goods Sold (COGS)</b>	<b>\$ 1,625,188</b>	<b>\$ 1,663,105</b>	<b>\$ (37,917)</b>	<b>-2.3%</b>
<b>EXPENSES</b>				
Payroll (incl. Burden)	\$ 16,865,049	\$ 17,350,744	\$ 485,695	2.8%
Utilities	\$ 1,518,735	\$ 1,547,787	\$ 29,052	1.9%
Supplies and Maintenance	\$ 2,249,480	\$ 2,275,465	\$ 25,985	1.1%
Administrative and Other	\$ 3,318,419	\$ 3,363,386	\$ 44,967	1.3%
<b>Total Expense</b>	<b>\$ 25,589,372</b>	<b>\$ 26,200,487</b>	<b>\$ 611,115</b>	<b>2.3%</b>
<b>NOR</b>	<b>\$ 51,711</b>	<b>\$ -</b>	<b>\$ 51,711</b>	<b>0.2%</b>

## Assumptions:

- 2024 Forecast (Jan-Feb Actual; March Forecast; April – Dec Budget)
- **No change** to 2024 Budget revenue assumptions for forecast April – December
- Forecast illustrates cost and revenue targets positive impact

**THANK YOU**

