

2024 OPERATING BUDGET RECOVERY PLAN UPDATE

May 24, 2024



TAHOE DONNER™



OUTCOMES

The Board of Directors will be updated on 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 since presenting the plan at the March 29, 2024 Regular Board Meeting.

COST + REVENUE TARGETS – PRESENTED ON 3/29/24

Cost Savings	Details
Administrative Departments	
\$ 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
Land Management	
\$ 30,000	PAYROLL: In-house project completion rather than 3rd party vendor
Food and Beverage	
\$ 43,760	PAYROLL: 3% labor savings target + position(s) vacancy
Amenity/Recreation Operations	
\$ 89,000	PAYROLL: Targeted labor savings across departments
\$ 12,000	MISC. EXPENSES: Operating expense savings
\$ 408,240	TOTAL COST SAVINGS TARGET
Unbudgeted Revenue Opportunities and/or Optimization	
Administrative Departments	
\$ 22,000	Member Services retail and Communications marketing and new ad sales
Food and Beverage	
\$ 20,000	TD Eats at POTH during peak period
Amenity/Recreation Operations	
\$ 15,000	Various - assumption for improved golf with increased access through technology; additional Snowplay weekends; campground bookings, etc.
\$ 57,000	TOTAL INCREASED REVENUE TARGET

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

2024 FORECAST WITH RECOVERY PLAN TARGETS PRESENTED ON 3/29/24

	2024 Forecast	Annual Budget	Var \$	Var %
REVENUE				
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%
Total Revenue	\$ 25,641,083	\$ 26,200,487	\$ (559,404)	-2.1%
Total Cost of Goods Sold (COGS)	\$ 1,625,188	\$ 1,663,105	\$ (37,917)	-2.3%
EXPENSES				
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%
Total Expense	\$ 25,589,372	\$ 26,200,487	\$ 611,115	2.3%
NOR	\$ 51,711	\$ -	\$ 51,711	0.2%

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

COST + REVENUE TARGETS STATUS UPDATE

Cost Savings		Details	
TARGET	YTD Performance	STATUS RATING/UPDATE	
Administrative Departments			
\$ 257,980	\$ 177,867	On Target	PAYROLL: Labor savings through position vacancies, minor service changes during shoulder seasons
\$ (24,500)	\$ (30,500)	Additional survey analysis equates to Target to YTD variance	MISC. EXPENSES: Targeted operating cost savings 1-3 % depending on department; no reduction to employee development and recognition
Land Management			
\$ 30,000	\$ 30,000	Achieved	PAYROLL: In-house project completion rather than 3rd party vendor
Food and Beverage			
\$ 43,760	\$ (5,445)	Some departments on target/others in daily review	PAYROLL: 3% labor savings target + position(s) vacancy
Amenity/Recreation Operations			
\$ 89,000	\$ 147,881	Achieved	PAYROLL: Targeted labor savings across departments
\$ 12,000	\$ 11,000	Achieved	MISC. EXPENSES: Operating expense savings
\$ 408,240	\$ 330,803	On Target	TOTAL COST SAVINGS TARGET
Unbudgeted Revenue Opportunities and/or Optimization			
TARGET	YTD Performance	STATUS RATING	
Administrative Departments			
\$ 22,000	\$ 22,000	Achieved	Member Services retail and Communications marketing and new ad sales
Food and Beverage			
\$ 20,000	\$ -	Summer Target	TD Eats at various Ops
Amenity/Recreation Operations			
\$ 15,000	\$ -	Summer Target	Various - assumption for improved golf with increased access through technology; additional Snowplay weekends (achieved) ; campground bookings, etc.
\$ 57,000	\$ 22,000	On Target	TOTAL INCREASED REVENUE TARGET

	On Target or Achieved
	In Progress and Daily Monitoring
	Not achieved or Needs Attention



2024 FORECAST WITH RECOVERY PLAN TARGETS UPDATE

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REVENUE				
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Recreation Fee Revenue	\$ 1,665,702	\$ 1,660,427	\$ 5,275	0.3%
Direct Access and Use Fees	\$ 6,417,534	\$ 6,687,598	\$ (270,064)	-4.0%
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Other Revenue	\$ 1,371,629	\$ 1,360,358	\$ 11,271	0.8%
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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%
Total Expense	\$ 25,596,309	\$ 26,200,487	\$ 604,178	2.3%
NOR	\$ 39,774	\$ -	\$ 39,774	0.2%

Assumptions:

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- **No change** to 2024 Budget revenue assumptions for forecast April – December
- Forecast illustrates cost and revenue targets positive impact

THANK YOU

