



STAFF REPORT: 2025 Replacement Reserve Fund Budget – Groomer - Pisten Bully 400 Nordic

BOARD ACTION:

By Motion:

The Board of Directors authorizes the expenditure of budgeted 2025 Replacement Reserve funds to replace: Groomer - Pisten Bully 400 Nordic - for a not to exceed amount of \$550,000.

BACKGROUND:

The Cross Country Ski Resort's groomer fleet consists of four machines: a 2022 Pisten Bully (PB) 400, a 2018 PB 100, a 2012 PB 400, and a 2010 Prinoth BR. The Reserve Study has the replacement of the oldest machine scheduled for 2025.

Following management practices over the past eight years, staff proposes rotating the 2012 PB 400 to the backup machine and trading in the 2010 Prinoth BR for credit towards this purchase. If a machine goes down, the extra fourth machine is necessary to allow staff to maintain operations at the Cross Country Ski Resort.

Properly functioning, reliable machines are critical to our XC operations – our grooming is the product that we sell. We have a reputation for high-quality trails that are open and consistently groomed to a high standard, which is why Tahoe Donner has a high number of season pass sales. With season pass holders providing 46% of our revenue expectations and over 100 km of trails to groom each day, having three functioning machines is always important.

While breakdowns are not uncommon, they are more frequent with older machines. Repair can take a machine out of service for several days or even weeks. If the grooming fleet is reduced because of mechanical breakdowns, the quality and quantity of our ski trail system will be compromised.

This staff report is prepared for board consideration because this expense is over \$50,000, and thus per Resolution 2016-9, requires Board of Directors authorization for expenditures beyond budget approval.

DISCUSSION/ANALYSIS:

Tahoe Donner purchases a new cross country groomer every seven years. Based on our current use, this relates to approximately 7,000 hours spent on the equipment. At the 7,000 hour-threshold machines require a much larger maintenance commitment. At this stage, many resorts replace their equipment or relegate to a lower hour utility role to avoid high

maintenance costs and considerable time commitment from mechanic staff. Even with all the appropriate maintenance, the machine's reliability begins to decline as it ages.

There are two main grooming machine manufacturers used in the ski industry: Prinoth and Pisten Bully. Pisten Bully provides the most reliable machine with the latest technology. The customer



support and North American hub are based in Reno, NV, which allows us to get parts quickly and to have a very limited inventory on hand.

With this purchase, the 2012 PB will become the backup machine, and the 2010 Prinoth machine will be traded. The *estimated* trade-in value for the Prinoth is \$10,000 - \$20,000, which will be deducted from the total purchase price once the value is determined.

OUTREACH:

Not Applicable

FISCAL IMPACT:

The Groomer - Pisten Bully 400 Nordic is funded in the Replacement Reserve fund. The Board of Directors approved the 2025 Replacement Reserve Fund Budget for the component for a total of \$550,000. The project expenditure is within the approved budget.

RECOMMENDATION:

By motion, the Board of Directors approves the following:

Authorize the expenditure of budgeted 2025 Replacement Reserve Funds – Groomer - Pisten Bully 400 Nordic - for a not to exceed amount of \$550,000.

Alternative(s) the Board may consider:

Postpone the replacement of the Downhill Ski Resort grooming machine for another year. Staff do not recommend this as it risks significant repair costs, labor commitment, and increased downtime.

ATTACHMENTS:

The quotation for the 2025 Pisten Bully Nordic 400 is attached.

Staff Report Prepared By: Robert McClendon, Assistant Director-Winter Operations

Reviewed By: Miguel Sloane, Director of Operations

Reviewed By: Jon Mitchell, Director of Capital Projects and Facilities

Reviewed By: Annie Rosenfeld, General Manager

Board of Directors Meeting: 1/24/2025