

Select Board Workshop April 26, 2016

1. Overview of the 2016 Snow Bowl Season

The projected loss for the season is: \$216,303

2. What were the causes of the loss?

A. Weather

➔ **Lack of snow.** We received 22 inches of natural snow all season.

Average snowfall in the past 7 years: 87 inches; during that period we had 4 years where we received more than 100 inches of snow.

Snow fall (inches):

2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2015	2016
102.5	100.0	38.0	104.5	31.3	57.8	72.6	121.5	22.0

➔ **Warm temperatures.** In order to have consistent snow cover that will last the season, we need to make snow. With insufficient natural snow, we need to make snow. In order to make snow efficiently, the temperature must be 20° or colder. Depending on the dew point, we can make snow in slightly higher temperatures when the air is dry.

In a normal year, we make snow starting the beginning of December so we can open and be open for School Vacation week (Christmas/New Year's).

Due to mild temperatures we couldn't make snow until December 16. Then the weather turned warmer. We didn't get natural snow, and we couldn't make enough snow to open.

B. Shorter season

Due to the warm temperatures (lack of snow and unable to make snow), we finally opened Jan. 1.

The Snow Bowl closed for the season March 6. Typically we are open until late March.

The Snow Bowl was open 42 days. The average season we are open 68 days

In an average year we might need to close 1 or 2 days due to rain/wind/cold. This year, we had to close 9 days due to weather.

Our operating season was 62% of our normal season.

3. What were the financial impacts/results of the weather and shorter season?

We had higher operating costs for snowmaking, electricity, and snow making and grooming personnel due to trying to overcome the lack of natural snow. The primary reason for the operating loss was on the revenue side rather than expenditures.

A. Expenditures:

To address the lack of natural snow and the milder temperatures, we made snow more hours than in an average season.

- We had to lease compressors to run the snow guns for 2.5 months. We had budgeted for 2 months
- We made snow for 549 hours. The average number of hours in the past was 400 hours. In 2015, we made snow for 329 hours (we received 121.5 inches of snow that year.)

To make snow, the temperature needs to be *consistently 25-28° or below* to make snow. Our new, more energy efficient snow guns operate within that temperature range, but use less compressed air and therefore less electricity.

Due to the trail improvements we have 50% more terrain and trails to cover. The new snow guns can cover the expanded terrain in about the same time as the old snow making guns. This is important in terms of the amount of electricity needed and the amount of time it takes to do the work since the snowmaking windows are short.

The goal is to make enough snow early in the season to make a solid base that will last through March. Usually we can start making snow by the second week in December. The ideal scenario would be to make snow 2 to 3 weeks straight through in December and create a solid base that would last the season. Conditions rarely allow us to make all the snow before Christmas week. Therefore we make enough snow to let us open for the Christmas school break, and have to add to the base in January.

B. Revenues

There is a direct relationship between the weather and revenues for a ski area. The following shows the results for each line item.

- **Season pass sales:**

Season pass revenues were 93% of the budgeted amount (budget line).

Revenues were \$225,135 versus the budgeted amount of 243,000.

Season pass sales during the “early sale period” *exceeded* budget and exceeded prior year sales.

We sold 1,267 season passes. This was 207 more passes than the *total* sold last year.

Season pass sales did not meet budget primarily due to lagging sales in December and January due to warmer temperatures and lack of snow.

Season Passes:

2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2015	2016
747	844	958	1,087	1,030	1,039	932	1,060	1,267

- **Day ticket sales:**

Day ticket revenues were 55% of the budgeted amount (line item). We sold 8,497 tickets. Historically the number of tickets we need to sell to have a successful season is 10,000 tickets.

Revenues were \$168,539 versus the budgeted amount of \$303,000

Due to the shorter season, and the weather, we had lower day ticket sales.

Christmas week accounts for approximately 15-20% of our revenues. Not being open for that vacation week was a significant loss. We also were not open the entire February vacation week due to rain, which resulted in a similar loss.

Day Tickets:

2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2015	2016
11,779	10,128	11,018	11,631	6,643	8,679	11,895	11,738	8,497

Due to the warmer temperatures and lack of snow, people weren't coming to ski. The "no snow in the back yard" phenomenon is real. If people do not see snow, they are not thinking snow sports.

To illustrate the importance of weather on our bottom line, consider these two examples: Our best weekend this year was Presidents Day weekend (the first weekend of February school vacation week). That weekend it snowed and the Monday holiday it was a bright sunny day. We had \$23,700 in ticket sales that weekend. The second best weekend was the Martin Luther King Jr. holiday. It snowed Saturday night and we had \$20,000 in ticket sales that weekend. Those two weekends accounted for about 24% of the total day ticket revenue.

Date	Day	Day Ticket Rev	Weather
16-Jan	Saturday	\$ 2,700	Snowed that night
17-Jan	Sunday	\$ 10,600	
18-Jan	Monday	\$ 7,200	
Weekend total		\$ 20,500	
President's Day Weekend			
13-Jan	Saturday	\$ 5,500	Snowed all day
14-Jan	Sunday	\$ 2,800	
15-Jan	Monday	\$ 15,400	
Weekend total		\$ 23,700	

- **Ski School/Lessons**

Ski lesson income was 57% of budget. Revenues were off due to weather-related reasons. Revenues were \$63,966 versus the budgeted amount of \$112,000.

447 4th graders from 15 schools learned to ski as part of the "4th grade Learn to ski program.

- **Races**

Income from race events was 75% of budget.

Revenues were \$35,452 versus the budgeted amount of \$47,000.

The races provided some of the biggest highlights of the season in terms of attendance and introducing to Snow Bowl to new users from around the State.

- The Middle School State Championship Alpine and Nordic races attracted 250 racers and introduced many new families from across the state to the Snow Bowl
- The Snow Bowl hosted the first High School race here in many years
- The Sally Deaver super-G race had a record number of competitors from around the state this year (116 vs 78 in 2015)

- **Toboggan Nationals**

Revenue from the Toboggan Championship was 70% of budget.

Revenues were \$73,529 versus the budgeted amount of \$90,000

The U.S. National Toboggan Championships is a major fundraiser for the Snow Bowl. Due to the warm weather, the toboggan races had to be moved to the mountain and was a 1 day event. Despite that, thanks to the energy and commitment of the Toboggan Championships committee and the racers, the Toboggan Nationals reached 70% of the budgeted revenue goal.

- **Equipment rental**

Income from equipment rental was 43% of budget.

Revenues were \$38,468 versus the budgeted amount of \$90,000

Equipment rentals largely depend on day skiers who do not have their own equipment, or skiers who want to try out new equipment. With the shortened season and the lack of natural snow, day tickets sales were down and thus equipment rental revenues were down.

The Snow Bowl contracts out the rental shop to a private operator. The rental shop operator experienced a loss this winter.

- **Sponsorships and donations**

To broaden our revenue base, we sell sponsorships. However even sponsorship revenues were down largely due to the weather. Companies felt they would not get full value since there would be fewer people skiing due to the weather. However, we exceeded the budget for donations thanks to the support of the Ragged Mountain Ski Club, which organizes the pancake breakfasts and other fundraisers to support the Snow Bowl and youth ski programs.

Revenues were \$59,398 versus the budgeted amount of \$40,000