

GUNSTOCK AREA COMMISSION MEETING

January 27, 2021

****Public Access via Zoom Conferencing****

APPROVED MINUTES

GAC: Russell Dumais, Brian Gallagher, Gary Kiedaisch, Peter Ness, Rusty McLearn

Gunstock Personnel: Tom Day, Cathy White, Becky LaPense, Kristen Lodge, Peter Weber, Jim Mamos, Robin Rowe, Patrick McGonagle

BDC: Rep. Sylvia (BCD Chair)

Chair Kiedaisch called the meeting to order at 6:01PM with a virtual pledge of allegiance. Roll call attendance was taken with all Gunstock Area Commissioners present.

Minutes

The minutes of the November 18, 2020 Gunstock Area Commission public meeting were reviewed. Commissioner Ness made a change on page 4 to clarify concerns regarding the ERISA language used in the retirement plan documents. Chair Kiedaisch made a change to page 4 noting that the master planning process also includes deciding how to fund any future development.

ACTION

Motion: Commissioner Gallagher made a motion to approve the minutes as amended.

Second: Commissioner McLearn.

Roll Call Vote: Commissioner Dumais - Yes
Commissioner Gallagher - Yes
Commissioner Ness - Yes
Commissioner McLearn - Yes
Chair Kiedaisch - Yes

Financial MD&A

Cathy White, Chief Financial Officer, gave an overview of the monthly financial reports for December and general overview of YTD performance. The overall YTD financial performance is favorable to budget, which is far from what was expected when the resort opened. Revenue for December was favorable to budget despite opening a week late. Salary and benefits were also favorable to budget. She noted that administrative costs are unfavorable to budget due to the additional expenses tied to COVID safety protocols. She reported that management has not needed to access the RAN funds at any point this year and she does anticipate needing it for operating expenses in January or February. Commissioner Dumais asked what the COVID-related expenses involved, and Cathy explained it was for purchases required to mitigate the spread of COVID, such as the Rental Shop trailer, additional disinfection and cleaning supplies, portable toilets, touchless faucets, etc. Commissioner McLearn asked what was behind the increase in season pass sales. Tom Day, President & General Manager, reported that season pass sales were lagging in the spring until the payment plan was offered and then they improved. Gunstock also took a slightly different approach from other resorts and increased pass prices significantly after November 1st. The college passes, which are new for this year, are also selling well, and night tickets have also increased with strong attendance from season passholders. He said COVID is the reason that demand for outdoor activities is very high now

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and Gunstock is benefitting from that. He has also heard a lot of positive feedback from guests that current conditions are better than at other resorts. Midweek business has been consistently strong, especially Fridays and Wednesdays. He said it should also be noted that the weather has been especially mild for an east coast winter, and all of these things are playing a factor in this winter's financial performance. Commissioner Gallagher asked if any of the capital reserve funds have been used and Cathy confirmed they have not, and she has no plans to use it. Commissioner Gallagher asked for update on the Tubing Park expansion. Robin Rowe, Resort Services Director, reported that it is going well with 9 lanes operating most days. She added that the new tubing groomer is working well, too. Most of the guest feedback has been positive because they are getting 2-3 times as many runs as they were before the expansion. Some guests are disappointed that it is a shorter ride, but park safety has improved because of the reengineering. Cathy continued with a review of the department P&L statements and other performance notes. Commissioner Gallagher asked for an update on sponsorships and partnerships. Jim Mamos, Sales Director, reported they have generated closed to \$20k in lift signage sponsorships and \$14k for race bibs. He noted that the appetite from potential sponsors and partnerships has been up and down all season, but it was understandable given the COVID situation. They have secured lodging partnerships with Mills Falls and Steele Hill Resorts and plan to keep those partnerships limited for better cross-sell opportunities. Tom added that they have approached a couple of car manufacturers for auto sponsorships, some have expressed interest but are hesitant to sign an agreement while COVID is still a factor. Chair Kiedaisch asked Tom and Cathy to prepare a high-level business operating plan for 2021/22 for the Commission to preview in their February meeting.

Management Executive Summary - Chair Kiedaisch asked to have the MD&A and Management Executive Summary topics condensed into one agenda topic since both are usually covered in the same discussion.

New Business - None.

Old Business -

- a. *Parking Lot* - Chair Kiedaisch asked for renewed discussion about the paving project for the Main Parking Lot and a new application for NRBC grant funding. Commissioner Gallagher said Gunstock should submit another application since there was a positive reception last year and persistence can pay off down the road. Tom agreed to begin the re-application process as soon as possible. Commissioner Gallagher added that if the grant money is approved, Gunstock will have 3 years to use the funds.
- b. *Master Planning Committee* - Chair Kiedaisch asked Tom and Cathy to develop a budget and funding proposal for engineering costs and present to the Gunstock Area Commission as soon as practicable.
- c. *Timber Management Plan* - Commissioner Gallagher noted that the Belknap County Delegation voted their approval on Gunstock's timber management plan in a recent meeting. He believes that Rep. Spanos, Rep. Waring, and Rep. Taylor, the three members of the Board of Commissioners, also need to sign off on the plan. Chair

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Kiedaisch asked him to coordinate with the Belknap County Delegation to have it added as an agenda item for their next meeting. Commissioner Gallagher agreed.

- d. *Investment Fiduciary Update* - Commissioner Ness asked for an update on this question. Cathy said she owes the Commissioners a recap on that issue, as well as recommendations to the Investment Committee. She will prepare that summary ahead of the February meeting for discussion.

Miscellaneous - None.

Public Comment - Jason Gebhard, Northfield, explained that he was recently denied entry to Gunstock Mountain Resort because of the mask requirements and stated he believed management was ignoring the disability exemption stated in paragraph 6 of the Governor's Emergency Order #74. He said he went to Cannon Mountain, explained his situation to their staff and was allowed lift access without an issue. Tom Day responded noting that paragraphs #3 and #4 of Emergency Order #74 give Gunstock the right to refuse entry to anyone who refuses to wear a face covering at the resort. He added there is no medical exemption under the ADA or any other state or federal regulation that requires Gunstock to change that practice. He said he explained Gunstock's stance to Mr. Gebhard previously and had no further comments about the exchange. Chair Kiedaisch commented that the resort was forced to close early last winter because of COVID and that many people in the region lost their jobs as a result. He said GMR management may be applying the guidelines more aggressively than other resorts, but they have a right to make that decision.

Frank Negus Staples, Manchester, commented on the same issue stating that paragraphs #3 and #4 are followed by #5-b, which states, "This order shall not apply to the following: any person with a medical condition or disability that prevents wearing a mask or other face covering". He asked if Gunstock has on-site medical staff who are making these determinations. He continued his comments adding that Gunstock is open to the public and violating people's rights. He said if Gunstock wants to avoid a lawsuit, then they need to change their guidelines or face a \$75k fine, which is just for a first offense.

Chair Kiedaisch ended the public comment stating that their points had been clearly stated and the Commission will take their comments under advisement. Mr. Negus Staples left the video conference and Mr. Gebhard asked for follow up from the Commission about their decision to reconsider. Chair Kiedaisch agreed.

FY20 Audit Report - Commission Gallagher asked about the calculation used for determining the annual payment to Belknap County. Cathy said the formula is defined in the new legislation and the line item for the payment is in the FY20 Audit Report that the Commissioners received. Discussion ensued on whether all Commissioners had read the FY20 Audit Report but agreed to continue with the vote to accept the findings in the report. If there is need for further discussion, they can revisit the topic in the next meeting.

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ACTION

Motion: Commissioner Gallagher made a motion to accept the audit report as presented from the last operating year for Gunstock Mountain Resort.

Second: Commissioner McLear.

Roll Call Vote: Commissioner Dumais - Yes
Commissioner Gallagher - Yes
Commissioner Ness - Yes
Commissioner McLear - Yes
Chair Kiedaisch - Yes

Adjourn

ACTION

Motion: Commissioner Dumais made a motion to adjourn the public meeting of the Gunstock Area Commission at 7:29PM.

Second: Commissioner Ness.

Roll Call Vote: Commissioner Dumais - Yes
Commissioner Gallagher - Yes
Commissioner Ness - Yes
Commissioner McLear - Yes
Chair Kiedaisch - Yes

Respectfully Submitted,

Rusty McLear, Secretary
Gunstock Area Commission