

GUNSTOCK AREA COMMISSION MEETING

Thursday, February 16, 2023

Gilford Public Library

APPROVED MINUTES

GAC: Doug Lambert, Jade Wood, Denise Conroy, Heidi Preuss, Terry Stewart

Gunstock Personnel: Tom Day, Cathy White, Becky LaPense, Robin Rowe, Patrick McGonagle, Bonnie MacPherson

Chairman Lambert called the meeting to order at 6:00PM and opened the meeting with the pledge of allegiance and read the meeting notice and posting locations into the record.

Chairman Lambert also welcomed the two new commissioners: Heidi Preuss and Terry Stewart.

Minutes

The minutes of the January 17, 2023 Gunstock Area Commission public meeting were reviewed.

ACTION

- Motion:** Commissioner Wood made a motion to approve the minutes of the January 17, 2023 meetings as presented.
Second: Chairman Lambert.
Vote: All in favor.

Election of Officers

Chairman Lambert noted that, with the addition of two new commissioners, the GAC needed to elect a new slate of officers.

ACTION

- Motion:** Commissioner Preuss made a motion to nominate Doug Lambert as Chairman.
Second: Commissioner Wood.
Vote: All in favor.

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ACTION

Motion: Commissioner Lambert made a motion to nominate Jade Wood as Vice Chairman.
Second: Commissioner Stewart.
Vote: All in favor.

ACTION

Motion: Commissioner Lambert made a motion to nominate Denise Conroy as Secretary.
Second: Commissioner Preuss.
Vote: All in favor.

Financial MD&A and Executive Summary: January

Cathy White, Chief Financial Officer, gave an overview of the financial results through January. YTD Revenue was \$10.1mm, \$272K favorable to budget and \$568K favorable to LY. YTD Operational EBITDA was \$3.6mm, \$620K favorable to budget and \$180K unfavorable to LY. YTD Total Company EBITDA was \$867K, \$702K favorable to budget and \$190K unfavorable to LY. On the balance sheet, Ms. White reported cash/cash equivalents were \$9.0mm, \$4.3mm favorable to budget and \$2.9mm favorable to LY (related to EBITDA, CAPEX and Deferred Revenue). Deferred Revenue was \$3.6mm, \$113K favorable to budget, \$440K favorable to LY. YTD Capital Expenditures were \$2.1mm, \$2.4mm favorable to budget and \$1.2mm unfavorable to LY (related to timing of projects). CIP at Month End was \$634K. YTD Long-Term Debt had a net decrease of \$262K. From the recapture plan, Ms. White reported YTD EBITDA at \$867K, representing a favorable variance of \$702K. When considering the timing of \$280K in budgeted expenses, that results in a revised YTD EBITDA of \$587K.

Check Register Review

Commissioners Lambert, Wood and Conroy indicated they had each reviewed the check register and had neither questions nor comments.

Season Review – GM Report

Tom Day, President & General Manager, discussed the recent weather challenges. Specifically, the resort had to navigate extremely cold weather. Several New Hampshire ski resorts closed due to sub-zero temperatures/wind chill. Gunstock did not. With the exception of some

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difficulties getting the ski lifts going on one of the coldest days, Gunstock withstood the challenges quite well.

The resort hosted the Methodology event, a charity fundraiser sponsored by Vans. Gunstock is one of only two locations in the US to hold this event. The event draws some well-known snowboarders which increased Gunstock's Facebook engagement rates. Mr. Day anticipates that Gunstock will host the again next year. The event drives food and beverage sales and aids Gunstock's relevance as a skiing destination.

Commissioner Wood asked where this event would be credited on the P&L. Ms. White stated the event would be credited to Tram & Tow.

Mr. Day discussed the establishment of the Trail Rangers, a green jacket-clad team meant to assist the resort's shorthanded Ski Patrol. These employees assist with closures, openings, padding plans, etc. and allow the Ski Patrol team to focus on medical work.

Mr. Day discussed upgrade plans for the Rental Shop. The Rental Shop used to be located in the basement, and all items were moved except for boots. It's a disjointed experience for guests. The plan is to have the boot building parallel to the rental shop building. Both structures are modular set-ups rather than traditional brick and mortar buildings.

The rental business has been a growing one for Gunstock, producing \$658k in FY18 versus \$1.3M in FY22 for a 98.33% increase. That equates to an EBITDA of \$1.2M in FY22.

Commissioner Conroy suggested we target international students in the Boston area with marketing messaging. Many of these guests are new to skiing and/or might need to rent equipment.

Gretchen Casey, Gunstock's Sales Manager, mentioned the resort is already attracting a fair amount of students with its outreach and marketing efforts. Last week, both Harvard and MIT groups visited the resort.

Commissioner Lambert asked for an update on the Belknap County Residents' Pass. Robin Rowe, Director of Resort Services, said 577 have been sold. The cap for the program is 1,900.

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Group Sales Review

Ms. Rowe and Ms. Casey gave some history and an update on the group sales effort. Gunstock used to book weddings but stopped because the resort didn't have the appropriate staffing or food and beverage capabilities.

Last year, the resort added air conditioning to the main lodge and made a conscious decision to resume weddings. They're offering ceremonies at the summit and pond. The team had a presence at the UNH Wedding Show and hosted a wedding show at Gunstock in November. They will attend the Portsmouth Wedding Show in March. The target audience is people who have a history with Gunstock as well as people from the seacoast and Boston. The resort is advertising Gunstock as a wedding venue via two storefronts through The Knot and Wedding Wire.

Gunstock has booked nine weddings to date and has a goal of 20. A typical wedding costs \$27k.

The resort is also marketing itself as a venue for corporate events. Some of the larger corporate events have generated as much as \$80k. Gunstock recently hosted the Huggins Hospital corporate outing for 450+ people.

Commissioner Lambert remarked that having a year-round event function drives business for the resort and employment for local residents.

Mr. Day pointed to the Ford Bronco program is an example of what we the resort can do to bridge between seasons.

Ms. White described how the resort will eventually have a set-up where weddings can exist in their own environment. For example, Gunstock currently only has one kitchen. Eventually the resort will have two kitchens with the addition of The Stockade and won't have to intermingle operations for events and regular resort guests. This should result in an improved guest experience.

Old Business

Mr. Day gave an update on the Stockade capital expenditure project. He anticipates being able to show drawings of the Stockade Project at the next GAC meeting. The goal is to start this project in April.

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Policy Planning

Commissioner Lambert circulated a draft policy document to the commissioners and called for the commission to set a date for a workshop. The intention is to get the full input of Gunstock staff. The commission agreed on March 9, 2023 at 6PM at the Gilford Public Library.

The meeting start in public. Once policy matters have been fully discussed, the commission will go into a non-public to conduct Mr. Day's annual performance review.

New Business

Commissioner Lambert discussed on-boarding for new Commissioners Preuss and Stewart. Mr. Day will take the two new commissioners on a tour of the resort and then do a financial overview for them. The tentative date is for the tour is Monday, Feb. 27th at 9AM.

Public Comment

Chairman Lambert opened the meeting for public comment and asked speakers to limit their time to 2 minutes.

ACTION

- Motion:** Commissioner Wood made a motion to adjourn the public meeting of the Gunstock Area Commission at 7:42PM.
Second: Commissioner Lambert.
Vote: All in favor.

Adjourn

Respectfully Submitted,
Denise Conroy
Secretary
Gunstock Area Commission