

GUNSTOCK AREA COMMISSION MEETING
February 24, 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, Jim Mamos, Robin Rowe, Patrick McGonagle

BDC: None

Chair Kiedaisch read the authorization to conduct the public meeting electronically, along with instructions for the public to pose questions or comments. He called the meeting to order at 6:04PM with a virtual pledge of allegiance. Roll call attendance was taken with all Gunstock Area Commissioners present.

Minutes

The minutes of the January 27, 2021 Gunstock Area Commission public meeting were reviewed.

ACTION

Motion: Commissioner Dumais made a motion to approve the minutes as presented.

Second: Commissioner McLearn.

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

The minutes of the February 19, 2021 Gunstock Area Commission non-public meeting will be viewed and voted on in the March GAC meeting. Chair Kiedaisch proposed that the GAC resume in-person meetings in March since the ski area will be closed for night operations and the Main Lodge will be available for use. He noted that physical distancing requirements will remain in place but there should be no issue given the size of the Main Hall.

Financial MD&A & Executive Summary

Cathy White, Chief Financial Officer, gave an overview of the monthly financial reports for January and summary of YTD performance. She also provided a supplement schedule that gives a clearer picture of the season over season financial performance. January revenue was \$3.5mm, \$732K favorable to budget, and \$407K favorable to last year. She reported that ticket sales are up 7% and other revenues are also very strong. Operational EBITDA was \$2.3mm, which is \$826K favorable for the month and \$626K favorable to YTD. COVID-related expenses are running approximately \$111K YTD. The YTD total company EBITDA is \$1.3mm favorable to budget for the year, and \$679K favorable to last year. Cathy explained that the financial results for the winter season have been phenomenal with almost \$3mm in cash compared to budget of \$1mm. She added that management has not utilized any of the RAN funding and they do not expect to use it for FY21 at all. Chair Kiedaisch asked how much of this season's performance can be attributed to COVID, especially considering that winter snowfall has not been impressive. He would like to understand what management has learned from this fiscal cycle and how it can be applied to the business model going forward. He congratulated the entire

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team for a job well done this year. Commissioner Gallagher asked how long they plan to remain open for ski season. President and General Manager, Tom Day, said they plan to close as scheduled on April 4th and he does not foresee extending the season beyond that date. Commissioner Gallagher asked if the current cash position will have any impact on summer operations. Tom explained that they are very close to finalizing the summer operating plan, but they believe it would still be wise to have a RAN in place for unforeseeable challenges. Chair Kiedaisch noted that Retail and F&B were underperforming this season for understandable reasons but wants management to ensure that they develop a strong sales and marketing plan to bring those results up next year. Cathy explained that there was an historical inventory problem with Gunstock's Retail operation, but they cleaned up a lot of that this year. Discussion ensued around the F&B experience and many of the positive changes that came out of this winter. Commissioner McLearn asked how the rest of the ski industry is doing and Tom reported that small, drive-to markets like Gunstock are generally performing better than larger, destination resorts.

New Business - None.

Old Business -

- a. *Parking Lot* - Facility Operations Director, Patrick McGonagle, reported that he has talked to the new state representative for the grant to notify them of Gunstock's intention to reapply. The application will be available on March 8, and he plans to have it completed by March 26th.
- b. *Master Planning Committee* - Chair Kiedaisch said he has asked Tom and Cathy to provide a cost estimate for the master plan engineering and proposed that the GAC consider giving Tom authorization to spend outside of the budget so that the planning process can move forward in a timely way.

ACTION

Motion: Chair Kiedaisch made a motion to approve spending to develop the master plan working with the SE Group on the proposal that they put forward, in an amount not to exceed \$100K for the completion of Phase 1.

Discussion: Discussion ensued around the amount needed to cover the engineering costs and the timing of the payments to avoid hitting FY21.

Motion: Chair Kiedaisch revised his motion to approve spending for master planning as presented in the SE Group proposal so they can begin the process without delay; Tom Day is authorized to spend up to \$100K for these costs to be baked into the FY22 budget.

Second: Commissioner McLearn.

Roll Call Vote: Commissioner Dumais - Yes
Commissioner Gallagher - Yes
Commissioner Ness - No
Commissioner McLearn - Yes
Chair Kiedaisch - Yes

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- c. *Investment Fiduciary Update* - Cathy reported that she has the new Investment Policy Statement that she will be emailing out to the Commissioners. The revised IPS removes the language that was not applicable to Gunstock and acknowledged that the error was an oversight on their part. Chair Kiedaisch asked Commissioner Ness if that information satisfies his concerns. Commissioner Ness said if that is their explanation and the Bank of NH representative could not connect those dots, it seems to be sloppy. Chair Kiedaisch noted mistakes do happen and he is satisfied that it has been corrected and no further action is necessary.

Miscellaneous - Chair Kiedaisch asked for an update on billboard placement. Marketing Director, Kristen Lodge, reported that she has been working on finding a suitable location and discussion ensued around several options being considered. They have not committed to any specific location yet but are planning to have a billboard in place for June, July, and August. Commissioner Gallagher asked for an update on sponsorships. Sales Director, Jim Mamos, reported that he is making progress with a national car brand, as well as a local auto/RV/boat dealer. He spoke to another prospect who may be interested in camping sponsorships. Jim noted that the appetite for sponsorships is a little tricky right now without a robust calendar of events, but the Sales team is actively building their pipeline and outreach for those summer themed sponsors.

Public Comment - None.

Adjourn

ACTION

Motion: Commissioner Dumais made a motion to adjourn the public meeting of the Gunstock Area Commission at 7:09PM.

Second: Commissioner McLearn.

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

Respectfully Submitted,

Rusty McLearn, Secretary
Gunstock Area Commission