

GUNSTOCK AREA COMMISSION MEETING
March 21, 2024 at 6PM
Powder Keg Pub, Gunstock Mountain Resort
APPROVED MINUTES

GAC: Doug Lambert (Chair), Jade Wood (Vice Chair), Terry Stewart (Secretary), Angelo Farruggia (via Zoom), Heidi Preuss (via Zoom)

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

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

Meeting Minutes

ACTION

Motion: Chair Lambert made a motion to table the vote on the draft minutes from January 25, 2024 meeting.
Second: Commissioner Wood
Vote: All in favor

The Gunstock Area Commission minutes of the February 19, 2024 public meeting were reviewed. There was a correction on page 1 to replace October 19, 2024 with January 19, 2024.

ACTION

Motion: Commissioner Stewart made a motion to approve the minutes of the February 19, 2024 meeting as amended.
Second: Commissioner
Vote: All in favor

Financial MD&A and Executive Summary

a. Confirmation of Check Register Review - No comments or questions from commissioners.

Cathy White, Chief Financial Officer, reviewed the financial results for February.

Revenue was \$5.6mm, \$361K favorable to budget and \$738K favorable to LY. YTD was \$14.9mm, \$828K unfavorable to budget and \$47K unfavorable to LY. Operational Level EBITDA was \$3.9mm, \$279K favorable to budget and \$496K favorable to LY. YTD was \$6.3mm, \$146K unfavorable to budget and \$678K unfavorable to LY. Total Company EBITDA was \$3.4mm, \$264K favorable to budget and \$505K favorable to LY. YTD was \$3.0mm, \$48K favorable to budget and \$747K unfavorable to LY. Net Income was \$3.2mm, \$313K favorable to budget and \$489K favorable to LY. YTD was \$3.2mm, \$2.0mm favorable to budget and \$708K favorable to LY. Cash and Cash Equivalents were \$9.6mm, \$2.7mm favorable to budget and \$660K unfavorable to LY (related to EBITDA, CAPEX and Deferred Revenue). YTD Capital Expenditures were \$5.6mm, \$1.5mm favorable to budget and \$3.3mm unfavorable to LY (related to timing of projects). Cathy reported that March results were not pacing favorably to budget, estimating revenue will be off by approximately \$1mm for the month. She estimates total EBITDA will end up about \$1mm short of budget, but the cash impact should only be about \$500k.

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Budget Planning Schedule

The GAC agreed to meet on May 2, 2024 at 5PM for the annual budget planning workshop. Cathy and Tom will review the FY25 operating budget proposal in detail before it comes before the GAC for final approval in the May 16th meeting.

CAPEX Preview

Cathy White reviewed the top line items for FY25's CAPEX budget, estimated at \$4.3mm. Management requested approval to begin work on the capital projects proposed. Improvements to snowmaking, the campground, trailwork, and parking were discussed.

ACTION

- Motion:** Chair Lambert made a motion to accept the FY25 CAPEX budget as presented.
- Second:** Commissioner Farruggia
- Vote:** All in favor

Summer Season Activities/Events

Robin Rowe, Resort Services Director, provided an update on the scheduled and tentative activities and events for summer 2024. There are 10 weddings confirmed, as well as several proms, fishing derbies, corporate/group outings, craft fairs and the Food Truck Festival. Tom is talking to promoters about potential concert opportunities.

Old Business

- a) Update on GM Search - Commissioner Wood reported she is very optimistic things are progressing positively.
- b) Master Development Plan - Chair Lambert read aloud a motion as follows:

ACTION

- Motion:** Chair Lambert made a motion to rescind the current Master Development Plan previously adopted in full.
- Second:** Commissioner Wood
- Discussion:** Chair Lambert explained that, given the looming change in leadership, it will be best to start with a fresh slate. He stated the GAC can further analyze the end goal of an MDP and what they want to achieve. He added they have accomplished many positive, long-reaching projects through the smart use of CAPEX planning and income reinvestment and should continue to focus on that until the new GM is in place and the leadership team settles into a good status of continuity. Commissioner Wood stated that she didn't believe there was any formal vote to proceed. Chair Lambert said he thought there was a vote to move it to the next step whatever that would be. Chair Lambert further said the current MDP should be set aside until new leadership is in place, at which time the GAC would start fresh on a new MDP. Commissioner Stewart stated he wanted to know what the financial position of the mountain would have been this winter if such a development plan had been in place given the added debt and terrible weather. Commissioner Preuss said she believed the commission should have a development plan for the future. All commissioners agreed, noting they intend to rescind the current plan and start fresh.

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Vote: All in favor

- c) Update on NH HB 1414 - Chair Lambert reported that the NH House voted to postpone any action indefinitely, noting that the bill is essentially dead.

New Business

Commissioner Lambert read a letter of complaint from the Lakes Hospitality Group LLC. The complaint requested Commissioner Farruggia clarify or rescind comments he made in the February GAC meeting related to the nature of the future developments of the Lakes Hospitality Group LLC. Chair Lambert drafted a response letter, which he read aloud into the record (see addendum).

ACTION

Motion: Commissioner Lambert made a motion to accept the letter from Lakes Hospitality Group LLC and that response he prepared should be sent.

Second: Commissioner Wood

Discussion: All commissioners agreed that we should discuss any development that could affect Gunstock operations.

Vote: Commissioner Wood abstained; all other Commissioners voted in favor

Public Comment

Lisa Graham spoke about creating the Master Development Plan and why it's important. It provides a vision and goal to strive for, even if it's a grand vision. The right process can eliminate the constant need for getting buy-in from the community. It can also help protect the ever-changing landscape of people and politics.

Tom Lopardo spoke as a skier about the positive impact of the recent CAPEX projects. Also suggest having Ramrod tied into the glades would be great. He said he was not in favor of a hotel type project and more debt, he is happy GMR is paying their own way.

John Wally commended the GMR team for the tremendous effort pulling off the Piche's race this year. Wanted to know why the price of season passes is advertised so late. Robin and Tom explained that they like to see what the other areas are doing as a strategic move.

Tom Brown commented that the MDP was way beyond what was needed. He pointed out that it was great that Gunstock was able to make up revenue under the circumstances. He wanted to publicly thank all the Managers and the GAC Chair for their individual efforts.

Adjourn

ACTION

Motion: Commissioner Wood made a motion to adjourn the public meeting of the Gunstock Area Commission at 8:07PM.

Second: Commissioner Farruggia

Vote: All in favor

Respectfully Submitted,

Terry Stewart, Secretary

Gunstock Area Commission