

GUNSTOCK AREA COMMISSION MEETING
April 28, 2021
Stockade Lodge, Gunstock Mountain Resort
APPROVED MINUTES

GAC: Brian Gallagher, Gary Kiedaisch, Peter Ness, Rusty McLear, Russell Dumais (joined at 7pm)

Gunstock Personnel: Tom Day, Cathy White, Mary MacDonald, Becky LaPense, Kristen Lodge, Jim Mamos

BDC: Rep. Sylvia, Rep. Howard

Chair Kiedaisch called the meeting to order at 6:04PM with the pledge of allegiance.

Minutes

The minutes of the March 24, 2021 Gunstock Area Commission public meeting were reviewed.

ACTION

- Motion:** Commissioner Gallagher made a motion to approve the minutes as presented.
Second: Commissioner McLear.
Vote: All in favor.

The minutes of the February 19, 2021 Gunstock Area Commission non-public meeting were not available for review. Chair Kiedaisch said they would review in the May meeting.

Financial MD&A & Executive Summary

Cathy White, Chief Financial Officer, gave an overview of the monthly financial reports for March and summary of YTD performance. Revenue was \$2.8M versus a budget of \$2.2M with \$1.6M increase in YOY revenue. Operational EBITDA finished at \$1.8M, which was \$1.4M better than March 2020. Cash flow was \$5.5M at the end of April, with no draw on reserves or RAN funds. Cash balance at the end of the winter was \$4.5M over budget. She reported that season pass sales for the 21/22 winter season are strong. Given this year's financial achievements, discussion ensued around the "lessons learned" from the COVID experience and how those changes have been incorporated into the FY22 operational plan. Chair Kiedaisch asked how Gunstock's performance fared compared to other NH resorts. Tom Day, President & General Manager, reported that the larger destination resorts did not perform nearly as well with significant hits to revenue. Smaller resorts like Gunstock performed well. Commissioner Gallagher asked about this year's revenue, RAN funding, and debt load. Cathy noted that this year's revenue was the highest ever and this was first year that RAN funding was not utilized. Under the revised legislation, management expects to issue payment to Belknap County for over \$260k, which will be paid in June/July. Commissioner McLear commented that this level of success in one year is commendable and hopes it will not compromise management's ability to renew the RAN funding for FY22. Chair Kiedaisch added that there is a lot of "catch up" work that needs to be done to keep the resort competitive and attractive to new customers.

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Action Items

- a. *FY22 Annual Operating Plan and Budget* - Cathy reviewed the proposed operating plan and budget for next fiscal year. She noted that she and Tom worked closely with Chair Kiedaisch and Commissioner Gallagher on the plan being presented. The annual revenue is projected for \$14.6M, which will break this year's revenue record if achieved. She reported that sensitivity testing shows there could be a shortage of \$500k if weather or other uncontrollable factors negatively impact projected revenue. While the operating budget does not utilize any RAN funding, management plans to request RAN funding for approximately \$500k to address any unforeseen shortfalls in revenue. Projected ticket revenue is budgeted lower than FY21 but they are increasing the revenue targets for F&B and Retail. Management is proposing \$2.4M spend for capital expenses, with \$1.4M set aside for infrastructure improvements. Chair Kiedaisch asked for a breakdown of the capex plan to summarize where the investments are being made in terms of growth, maintenance, and safety/risk which was reviewed and discussed.

ACTION

- Motion:** Commissioner Gallagher made a motion to accept the FY22 Annual Operating Plan and Budget as presented.
- Second:** Commissioner Dumais.
- Vote:** All in favor.

ACTION

- Motion:** Chair Kiedaisch made a motion to authorize a RAN request in the amount of \$500k for FY22 as presented in the operating budget.
- Second:** Commissioner Gallagher.
- Vote:** All in favor.

New Business -

- a. *Bitcoin Cryptocurrency* - Commissioner Gallagher asked for management's findings on the potential acceptance of cryptocurrencies. Cathy said she has reached out to other businesses and POS providers for their input. She suggested that the first step would be to start with PayPal before moving to cryptocurrencies. She said many people who are using cryptocurrencies use PayPal as their intermediary for commerce so it would be a way to test the waters. Chair Kiedaisch asked management to submit a formal proposal to include input from the Gunstock auditors for further consideration so they have a complete understanding of the potential opportunities and risks involved.
- b. *Stimulus Projects* - Chair Kiedaisch asked for discussion on specific requests that meet the qualifications for the federal stimulus funding being made available to the county. Commissioner Gallagher reported that the BCD will have final approval of any stimulus project requests and suggested that they be kept informed of the process. Chair Kiedaisch noted some of the potential projects include restoration of the historic Main Lodge, an auto road to the summit, snowmaking improvements, expanded night lighting, and the ski jumps restoration. He added that in each instance, Gunstock would be able to utilize local contractors which would further benefit the local economy. Commissioner Gallagher added that the stimulus funds are also intended to be used to

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offset losses due to COVID, which could be an expeditious request. He said the County Commissioners are likely to be overwhelmed by requests and would hate to see the GAC spend too much time preparing a proposal and miss out on the funding opportunities because others got to it sooner. Rep. Sylvia said that the county does not have any guidelines on how the money can be spent yet so he is not sure how much of it needs to be tied to COVID losses. The county has not developed any specific ideas yet but suggested there is time for the GAC to work through their request. Rep. Howard said he believes it is intended to help local governments who did not receive any prior stimulus money to be used to reimburse municipalities for the COVID-related costs. Rep. Sylvia said it was likely to be a couple more months before the county has more guidance on the stimulus requirements. Chair Kiedaisch said he would like to schedule some committee meetings before the May meeting so they can further vet the possible projects.

- c. *Redundant Venues* - Chair Kiedaisch asked for discussion about venues that are no longer being used or losing money, such as the Big Air Bag Jump. He wants to ensure that management has identified those venues and have a plan to replace them or make them profitable. Tom said they will be paying close attention to that over the summer.

Old Business -

- a. *Parking Lot* - Tom reported that the application has been submitted but no other updates were available. Commissioner McLear asked if the paving would be completed this summer and Tom said the timeline is not clear but expects it would be later than that.
- b. *Master Planning Committee* - Chair Kiedaisch said he believes there will be a need for a project manager to assist with the daily oversight and coordination of the master plan. Tom agreed and they will consider what is needed as they continue to work through the master planning details.

Miscellaneous - Commissioner Dumais noted that the summer camps are ramping back up and suggested that the Sales team explore the potential for group sales.

Public Comment - Rep. Howard asked for a status update on the timber management project. Cathy did not have exact numbers but reported that they were paid between \$20k-\$25. The weather forced the logger to suspend the harvest earlier than planned but Tom has been in touch with them about finishing the job. Rep. Howard asked if there had been any follow up on the Weeks Farm proposal. Chair Kiedaisch said the Weeks family wants the land to be used for conservation and recreation but there have been no recent discussions with the family since the presentation to the GAC. He has asked Tom to make sure it is included as possible terrain expansion during the master planning discussions. Commissioner Dumais said it may be worth pursuing the opportunity more aggressively before it gets used for something else. Rep. Sylvia commented that the county received their TAN for less than 1% interest. He added they do not have a BCD meeting scheduled yet but the next one would likely be to discuss the stimulus funding. Rep. Howard reported that Charlie St. Clair did not know he was on the GAC's agenda but he will plan to attend the May meeting.

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Adjourn

ACTION

Motion: Commissioner Dumais made a motion to adjourn the public meeting of the Gunstock Area Commission at 8:53PM.

Second: Commissioner McLear

Vote: All in favor.

Respectfully Submitted,

Rusty McLear, Secretary
Gunstock Area Commission