

GUNSTOCK AREA COMMISSION MEETING

May 18, 2023 at 6PM

Gunstock Mountain Resort, Historic Lodge

APPROVED MINUTES

GAC: Doug Lambert, Heidi Preuss (by phone), Terry Stewart, Denise Conroy

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

Chairman Lambert called the meeting to order at 6:03PM and read the public meeting notice locations into the record.

Minutes

The minutes of the April 18, 2023 Gunstock Area Commission public meeting and May 11, 2023 Workshop were reviewed.

ACTION

Motion: Commissioner Stewart made a motion to approve the minutes of the April 18, 2023 public meeting
Second: Commissioner Conroy
Vote: All in favor

ACTION

Motion: Commissioner Preuss made a motion to approve the minutes of the May 11, 2023 Workshop
Second: Commissioner Stewart
Vote: All in favor

Confirmation of Check Register Review

No issues noted.

Financial MD&A and Executive Summary

Cathy White, Chief Financial Officer, gave an overview of the monthly financial reports for April. Monthly revenue was \$187K, \$54K favorable to budget and \$5K favorable to last year. YTD revenue was \$20.0mm, \$1.1mm favorable to budget and \$1.8mm favorable to last year. Total company EBITDA was (796k), \$245K unfavorable to budget and \$149K unfavorable to last year. YTD Total company EBITDA was \$5.8mm, \$776K favorable to budget and \$465K favorable to last year. Cash and cash equivalents were \$10.9mm, \$3.4mm favorable to budget and \$2.7mm favorable to LY (related to EBITDA, CAPEX and Deferred Revenue). YTD Capital expenditures were \$2.6mm, \$1.9mm favorable to budget and \$1.2mm unfavorable to last year (related to timing of projects). CIP at month end was 746K. YTD long-term debt had a net decrease of \$707K.

It was also noted that early season pass sales are up 15% YOY. To date, season pass sales total of \$3.2mm. 7,800 passes have been sold. 5,800 are renewing customers; 2,000 are new, which could mean they are truly new customers or just did purchase a pass last year.

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Commissioner Conroy asked about the advertising campaign for the season passes and which platforms were driving the most conversions. Management said that they had advertised via email, Facebook, newspaper, radio, TV, robo-calls and Google Ads and did not have a way to track conversions. Commissioner Conroy suggested there should be a way to track conversions via email, Facebook and Google Ads.

Commissioner Conroy also asked if management had segmented any of the season pass customer data. Management responded that it does have customer data from guest services but no specific data regarding season pass holders aside from location/zip code. It was noted that the location data is not completely reliable, as many of the pass holders have vacation homes in the area.

2023/2024 Budget

The Commissioners met in a public workshop on May 11, 2023 to discuss the budget in-depth with management.

Management is proposing revenue of \$20.8mm in 2024. This represents a 4% increase versus LY. Total 2024 Company EBITDA is projected to be \$5.2mm, an 10% decrease versus LY. This is largely driven by increased salaries and repairs and maintenance.

Cathy White discussed the salary trends and the need to adjust employee wages to fit the market. The management team uses several salary benchmarking surveys including the NSAA. To give a sense of where labor costs are going, the following is a comparison of average wages for top roles between 2020 and today:

Lift attendants: \$10/\$17 per hour

Safety: \$12/\$19 per hour

Grounds: \$14.30/\$17.37

Cash and cash equivalents are expected to be \$9.5mm in FY24, a decrease from \$10.9mm LY.

Commissioner Lambert commended the management team for doing a stellar job increasing the county's asset from \$15.7mm in FY20 to \$28.8mm in FY24, an 801% increase. Paired with the steadily increasing payment to the Belknap County -- \$ residents are getting incredible value.

ACTION

- Motion:** Commissioner Stewart made a motion to approve the FY24 Budget as submitted by management
- Second:** Commissioner Conroy
- Discussion:** Commissioner Stewart commended the management team for working towards a debt-free business and funding companies needs exclusively through operations. He mentioned given the steady increase in ticket sales, investing in commensurate repairs and maintenance is rational. He also reminded the Commission that

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Vote:

Gunstock was created to drive the county's economy by employing people. That mission still rings true.
All in favor

CAPEX Projects Update

PARKING LOT: The drainage work on the parking lot is almost completed and that construction project is on target.

STOCKADE: Management is having regular meetings at the Stockade site, and that project is moving along as expected.

RENTAL BUILDING: Will start moving forward within the next few weeks.

MAINTENANCE SHOP: Steel has been ordered as well as concrete. Trees and the surrounding area have been cleaned up. Slated to start soon.

PANORAMA PUB: Received final septic designs. Trench installation will start in a few weeks.

WINDOWS: Installation has begun, and the new windows give the lodge a fresh look.

Other/New Business

Robin discussed the highlights of the summer schedule. Camping opens Memorial Day weekend to the seasonal campers. The resort will operate weekends only until the end of June and then, go to a 4-day operation. There are nine weddings on the schedule, and the resort's first wedding is on June 3-4th. Bronco starts its experience May 19th. Trailfest is at the end of June. Tom Day is in discussion with a concert promoter to secure a musical act in September.

Public Comment

Jim from Alton asked about the purpose of changing the name of the Stockade Lodge? Tom Day replied that we want to change the concept of what is offered. We want to make sure guests know the main draw of the building is a food court. Management and the Commission is open to suggestions on the new name and may hold a contest.

ACTION

Motion:

Commissioner Preuss made a motion to adjourn the public meeting of the Gunstock Area Commission at 7:52 PM

Second:

Commissioner Stewart

Vote:

All in favor

Adjourn

Respectfully Submitted,
Denise Conroy, Secretary
Gunstock Area Commission