

GUNSTOCK AREA COMMISSION MEETING  
June 23, 2021  
Stockade Lodge, Gunstock Mountain Resort  
**APPROVED MINUTES**

**GAC:** Russell Dumais, Brian Gallagher, Gary Kiedaisch, Rusty McLearn, Peter Ness

**Gunstock Personnel:** Tom Day, Cathy White, Becky LaPense, Kristen Lodge, Robin McGonagle, Patrick McGonagle, Peter Weber

**BDC:** Rep. Sylvia, Rep. Howard

Chair Kiedaisch called the meeting to order at 6:00PM with the pledge of allegiance.

Minutes

The minutes of the April 28, 2021 Gunstock Area Commission public meeting were reviewed.

**ACTION**

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

The minutes of the February 19, 2021 Gunstock Area Commission non-public meeting were distributed to the Commissioners for review and approval. Rep. Sylvia noted there may have been a procedural error during this non-public meeting that could be problematic for any action taken during the meeting. He asked if the non-public meeting began in a public session. Chair Kiedaisch said it was a scheduled non-public meeting with public notice, but they did not begin that meeting in a public session. After discussion, it was agreed that the GAC could schedule another non-public session to cover the same agenda topics discussed in the February 19<sup>th</sup> meeting but open it up properly before going into non-public session. Chair Kiedaisch said the events covered in that non-public session have not occurred yet so it would be beneficial for the GAC to hold that meeting again. Discussion ensued around the protocol for sealing the minutes of a non-public meeting. Chair Kiedaisch confirmed that the GAC will schedule a special non-public meeting to correct the procedural error from February 19<sup>th</sup> so they can properly carry through on the agenda discussed in that session.

Financial MD&A & Executive Summary

Chair Kiedaisch asked that Cathy White (CFO) start off with a performance summary for April and year-end since they did not have a May meeting. Cathy reported that the year-end performance was an outstanding achievement, but YOY comparisons are somewhat misleading because of the impact of COVID on resort operations, particularly F&B and Retail revenue. Despite those challenges, the resort ended the fiscal year with \$14mm in sales, Total EBTIDA of \$4.1mm against a budget of \$2mm and Cash on Hand of \$5.1mm. Net income ended at \$2.2mm vs a budget of \$316k and they paid down long-term debt by almost \$1mm. Season pass sales were strong, driven mainly by the capacity limits on day tickets, and overall visits exceeded 200,000 skiers. Discussion ensued around the revenue increases in Snowsports School, Tram & Tow, and Rentals. When normalized for the COVID impact to FY20 and FY21, these revenue lines were up 24% over the prior year. Chair Kiedaisch commended the management team on the year-end results and announced that he has authorized a press release to make the news public. He said that after years of critical press about the Gunstock operation, he is

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encouraged by these results and believes the public should be made aware of the resort's performance. He added that the net impact of COVID, with revenue losses of more than \$1M in F&B and Retail, and the fact that the resort was unable to benefit from any PPP funding, makes the overall revenue accomplishments that much more remarkable. The May financials ended with operational EBITDA \$68k better than budget and total EBITDA \$92k better than budget. Cathy reported that season pass sales for FY22 are at \$2.4M already, which was the cumulative budget goal for end of October. Tom Day (President & GM) said such strong early season pass sales may be due to guests' fears that season pass sales will be cut off in the fall, but this is an unusual shift in passholder behavior. He noted that there could be an impact to late season sales but that is yet to be seen. Commissioner Ness requested a review of the detailed CAPEX plan for FY22, which Cathy shared with the group. There was discussion on night skiing and how to maintain that market share from FY21.

New Business

- a. *Lilac and Wildflower Commission Donation* - Commissioner Gallagher presented correspondence from the NH Lilac and Wildflower Commission offering the resort a donation of lilac plants. He asked that the GAC accept the donation, all agreed that it would be a nice addition to the resort grounds. Tom agreed to work on the landscaping plan and follow up with the Lilac Commission to coordinate the donation.

Old Business

- a. *Parking Lot* - There has been no further update since the acknowledgement that the grant application was accepted.
- b. *Master Planning Committee* - Chair Kiedaisch reported that he and Tom have met several times with the SE Group on master planning priorities with a focus on the base area and skiable terrain, hospitality, and general brainstorming for future growth. As expected, there are some conservation hurdles that need to be addressed but the SE Group is very familiar with the resort property. Once a conceptual plan has been vetted, the subcommittee will prepare for a public session to share with the community, hopefully in the fall.

Miscellaneous -

- a. *Cryptocurrency* - Commissioner Gallagher asked Cathy if she had any follow up on the cryptocurrency conversation from April. Cathy said they are planning to move forward with a third-party solution that will protect Gunstock from any volatility in cryptocurrency. She is recommending PayPal but Gunstock's POS platform, InTouch, needs to be configured to accept it. That will likely impede implementation because InTouch is developing an entirely new platform for their POS software and may not be able to address it this winter. Ultimately, the timing will depend on InTouch and their ability to make the necessary changes needed to begin accepting PayPal but she will keep the GAC informed of her progress.
- b. *GAC Code of Ethics* - Chair Kiedaisch said that in February 2019, the GAC adopted a Code of Ethics Policy and all of the Gunstock Commissioners signed it at that time. Since then, there have been two new Commissioners added to the GAC who have not signed it yet (Ness and McLear). He asked Commissioners McLear and Ness to review the document

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and sign it. He asked Becky LaPense (HR Director) and Tom to make sure it is included in the onboarding for new commissioners going forward.

Public Comment - Rep. Howard asked if there were any restrictions on accepting the Lilac and Wildflower Commission's donation that could impact future development. Commissioner Gallagher said he did not believe that would be a concern if the plantings needed to be relocated in the future. Rep. Sylvia asked to confirm that Snow Engineering is the same as SE Group. Tom confirmed it is the same company, which started in NH, and they are considered the best in the business for ski area development. Rep. Sylvia asked how last winter's expansion of the tubing hill ended up and Tom reported that it was very successful. Although they opened later than planned, the overall revenue almost doubled. Robin Rowe (Resort Services Director) reported that the park was easier to maintain and the guest response was very positive. The earthwork significantly reduced snowmaking, making it possible to open faster in the early season. She said her goal for next winter is to have it opened before the rest of the mountain, possibly by Thanksgiving.

Cathy asked Rep. Sylvia about the meeting schedule for the Belknap County Delegation. He said there are no meetings on their schedule yet and asked about timing for the RAN financing. Cathy said they are in a good place for most of the summer, but she would not want to wait longer than September for the approval. She wants to ensure the funds are available when the cash balances drop in October and November. Rep. Sylvia said they would tentatively plan to convene the BCD after Labor Day and will touch base in August to confirm a date. Rep. Sylvia suggested also scheduling the new Commissioner nomination. Chair Kiedaisch said they may also be prepared to give the BCD a progress report from the Master Planning Subcommittee.

**ACTION**

- Motion:** Commissioner Dumais made a motion to enter a non-public session in accordance with RSA 91-A:3 II(a) and (b) at 7:47 pm.
- Second:** Commissioner Gallagher.
- Roll Call Vote:** Russ Dumais - Yes  
Brian Gallagher - Yes  
Gary Kiedaisch - Yes  
Peter Ness - No  
Rusty McLear - Yes

Commissioner Ness left the meeting after voting "no" on the motion. The GAC went into non-public session at 7:47 pm.

Non-Public Session

**ACTION**

- Motion:** Commissioner Kiedaisch made a motion to come out of the non-public session in accordance with RSA 91-A:3 II(a) and (b) at 8:02 pm.
- Second:** Commissioner McLear.
- Roll Call Vote:** Russ Dumais - Yes  
Brian Gallagher - Yes  
Gary Kiedaisch - Yes  
Rusty McLear - Yes

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The GAC resumed the public session at 8:02 pm.

Adjourn

**ACTION**

- Motion:** Commissioner Kiedaisch made a motion to adjourn the GAC meeting at 8:03 pm.  
**Second:** Commissioner McLear.  
**Vote:** All in favor.

Respectfully Submitted,  
Rusty McLear, Secretary  
Gunstock Area Commission