

GUNSTOCK AREA COMMISSION MEETING
August 25, 2021
Stockade Lodge, Gunstock Mountain Resort
APPROVED MINUTES

GAC: Russell Dumais, Brian Gallagher, Gary Kiedaisch, Rusty McLear

Gunstock Personnel: Tom Day, Cathy White, Kristen Lodge, Robin McGonagle, Patrick McGonagle, Peter Weber, Tami Dubois

BDC: Rep. Sylvia, Rep. Howard

Public: Alex Deluca, Jade Wood

Chair Kiedaisch called the meeting to order at 6:01PM with the Pledge of Allegiance. Chair Kiedaisch made note for the minutes that Commissioner Ness was not in attendance.

Minutes

The minutes of the July 29, 2021 Gunstock Area Commission public meeting were reviewed. CFO, Cathy White, thanked HR Director, Becky LaPense for an accurate recording of the July minutes. There was a lot of information reported and all was captured with precision. Chair Kiedaisch made a correction to the action vote on page 2 and removed the line that recorded him as voting as proxy for Commissioner McLear.

ACTION

Motion: Commissioner Dumais made a motion to approve the minutes as amended.
Second: Commissioner Gallagher.
Vote: 4 Yes - Commissioner Ness absent.

The minutes of the July 12, 2021 non-public meeting were reviewed.

ACTION

Motion: Commissioner Gallagher made a motion to approve the minutes as presented.
Second: Commissioner Dumais.
Vote: 4 Yes - Commissioner Ness absent.

Financial MD&A & Executive Summary- July

Cathy White reviewed the month end results for July. Total revenue was \$576K, \$61K favorable to budget and \$424K favorable to LY. YTD revenue was \$1.07mm, \$266K favorable to budget and \$813K favorable to LY. Operational EBITDA was \$26K, \$36K unfavorable to budget and \$87K favorable to LY. YTD Operational EBITDA was (\$237K), \$380K favorable to budget and \$18K favorable to LY. Total Company EBITDA was (\$177K), \$19K unfavorable to budget and flat to LY. YTD Total Company EBITDA was (\$900K), \$363K favorable to budget and \$232K unfavorable to LY. Net Income favorable to budget by about \$3K. YTD Net loss was (\$1.37mm), \$407K favorable to budget and \$245K unfavorable to LY. The balance sheet has cash at \$4.5mm, \$2.5mm favorable to budget and \$4.1mm favorable to LY. Cash reserves and short term investments remain the same. Long term debt had a net decrease of \$29K. Chair Kiedaisch asked about CAPEX variance and Cathy explained it is due to the timing of deferred revenue and a profitable first quarter. Cathy reviewed the recapture plan noting that, due to timing,

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there is still \$135K additional spending for R&M with WC expenses over budget of \$65K. However, YTD EBITDA is favorable \$163K to budget. Commissioner Gallagher asked what materials will be presented for the Revenue Anticipation Note (“RAN”). Cathy reported that the packet was mailed to the delegation today that included the public notice, budget, audit report and other RAN background information. Chair Kiedaisch asked for a copy to be sent to the commissioners as well.

Cathy reviewed the CAPEX spending and reallocation of funds and reported that \$2.4mm was approved in the budget but revisions happen as projects begin. Chair Kiedaisch asked for details about the revisions to the Breezy Knoll project. Facility Operations Director, Patrick McGonagle, explained that there were increases due to the cost of materials, availability of contractors, and additional drainage for stormwater management. President and GM, Tom Day, added that the project should add an additional 200 parking spots for guests.

Tom Day reported that the well top project has been rescheduled to next spring due to the summit usage for Ford Bronco events. Commissioner Gallagher for an overview of the Ford Bronco event. Tom reported that there are only 4 locations in the United States; Arizona, Utah, Texas, and Gunstock, NH. New Ford Bronco owners are given guided training on off-road courses built by Ford around the mountain, the taken to the summit for lunch at the Panorama Pub, and dinner at their Basecamp in the Gunstock Ski Club. All meals are provided by Gunstock but paid for by Ford. At maximum capacity they would be able to have 32 guests per day and a potential of 270 lunches and dinners per week, which they are anticipating next summer.

Chair Kiedaisch asked about the E-Bikes and Rental Shop projects listed on the capital improvements list. Cathy explained that the revision for E-Bikes was for the replacement and increase in the e-bike fleet but they were not able to get any new e-bikes this spring due to COVID. Commissioner Dumais asked about the demand for this attraction and Resort Services Director, Robin Rowe, reported that they have sold out on occasion but there is need for various sized bikes. Tom added that that a new building is being built for the Rental Shop and, according to the master plan, it can eventually be relocated to the Campground to be used as recreation center for summer camping guests. Cathy also added that money was allocated for rental equipment replacement and adding sizes to the rental fleet. Cathy also added that the capital improvement information page can be included each month with the meeting materials and if something changes then a discussion can be had.

ACTION

- Motion:** Commissioner Dumais made a motion to accept the changes to the capital improvements plan.
Second: Commissioner McLearn.
Vote: 4 Yes - Commissioner Ness absent.

New Business - Nothing to report.

Old Business

- a. *Ethics Policy: Review of Commissioner Ness Conduct, Proposed Vote of No Confidence and Referral to County Delegation*

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Chair Kiedaisch reported that at the last GAC meeting there was a lengthy discussion about this matter, as memorialized in the minutes, and the legal issues brought forward. A vote was taken to authorize funds to pay for legal counsel to review these legal issues and Commission hired Attorney Tom Quarles from Devine Millimet, who reviewed the claims brought forward regarding Commissioner Ness and his conduct. Chair Kiediasch asked Mr. Quarles to present his findings to the Commission and the public, noting that Mr. Quarles had already provided a written report of his review to all five commissioners.

ACTION

Motion: Commissioner McLear made a motion that the Gunstock Area Commission take a vote of No Confidence in the ability of Commissioner Peter Ness to continue to serve as a Commissioner and that the Commission ask for his resignation.

Second: Commissioner Dumais.

Roll Call Vote: Chair Gary Kiedaisch - Yes
Vice Chairman Brian Gallagher - Yes
Commissioner Russ Dumais - Yes
Commissioner Rusty McLear - Yes
Commissioner Peter Ness - Absent

Comments: Commissioner Gallagher added that is a difficult decision for the Commission and that they enjoy their relationship with the BCD and if the next motion is passed, it is not because they want to create unwarranted difficulties, but the statute moves them in that direction. Chair Kiedaisch added that if Commissioner Ness had been in attendance in tonight's meeting they could have asked for his resignation, and he hopes that Commissioner Ness will resign before putting the burden on the BCD.

ACTION

Motion: Commissioner Gallagher - Since the Commission has No Confidence in Commissioner Peter Ness, I move that the Commission vote to ask the Belknap County Legislative Delegation to hold a public hearing to remove Commissioner Peter Ness for cause as provided for in Section 399:4 of the 1959 special enabling legislation for the Belknap County Recreation Area, now known as the Gunstock Area Commission.

Second: Chair Kiedaisch.

Roll Call Vote: Chair Gary Kiedaisch - Yes
Vice Chairman Brian Gallagher - Yes
Commissioner Russ Dumais - Yes
Commissioner Rusty McLear - Yes
Commissioner Peter Ness - Absent

b. *Parking Lot* - Patrick McGonagle and Tom Day announced that the application to the Northern Border Regional Commission had been turned down and the funds were allocated to other projects. Commissioner Gallagher said he and Tom made a

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presentation to the BCD asking for funding from the American Rescue Plan. There is a BCD meeting scheduled for September 9th for public discussion about the allocation of funds. Commissioner Dumais added that he hopes Gunstock will reapply next year for grant funding and keep pushing for the parking lot project to go forward as it is important for winter planning. Chair Kiedaisch added that paving the parking lot will not be a redundant investment in master planning.

- c. *Master Planning Committee* - Chair Kiedaisch reported that he and Tom Day met with the SE Group this week and there has been great progress on master planning. He said he is personally excited about what is happening with the master plan, though information is not ready for the public yet. Before they can present to the public, they need additional cost analysis and phasing. Chair Kiedaisch added that he believes when the plan is at least $\frac{3}{4}$ complete Gunstock will be a premier resort. He has a meeting scheduled with the Gilford Conservation Committee to review the master planning concepts.

Miscellaneous - Nothing to report.

Public Comment - Chair Kiedaisch thanked Alex Deluca for his consistent attendance and interest in the resort. Rep. Howard made a 91A request for the contract for Attorney Tom Quarles noting that in the July meeting there was a motion on the floor to hire an attorney but no further discussion. Resident Jade Wood said she couldn't hear the names of Commissioners during roll call. The Commissioners apologized and all introduced themselves.

Adjourn

ACTION

- Motion:** Commissioner McLear made a motion to adjourn the GAC meeting at 7:02pm.
Second: Commissioner Dumais.
Vote: 4 Yes - Commissioner Ness Absent.

Respectfully Submitted,
Rusty McLear, Secretary
Gunstock Area Commission