

GUNSTOCK AREA COMMISSION MEETING

August 31, 2022 at 6PM

Gunstock Mountain Historic Lodge

APPROVED MINUTES

GAC: Doug Lambert (Chairman Pro-tem/Secretary), Jade Wood, Denise Conroy

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

Chairman Pro-tem Lambert called the meeting to order at 6:05PM with the Pledge of Allegiance led by Peter Weber.

Chairman Pro-tem Lambert read the notice for the August 31, 2022, Gunstock Area Commission meeting and noted that this was the first regular GAC meeting since June 22, 2022. He also welcomed fellow commissioners, Belknap County Delegation members, Gunstock Administration, and members of the public.

Election of Officers

Chairman Pro-tem Lambert stated that according to the GAC By-Laws, Article II: 2(a); A Chair, Vice-Chair, and Secretary shall be elected at the first regularly scheduled meeting following the swearing in of members duly appointed by the Belknap Delegation.

ACTION

Motion: Commissioner Conroy nominated Doug Lambert for Chair.
Second: Commissioner Wood.
Vote: Commissioner Conroy- yes
Commissioner Wood- yes
Commissioner Lambert- abstained.

ACTION

Motion: Chairman Lambert nominated Jade Wood for Vice-Chair.
Second: Commissioner Conroy.
Vote: Commissioner Conroy- yes
Chairman Lambert- yes
Commissioner Wood-abstained.

ACTION

Motion: Chairman Lambert- nominated Denise Conroy for Secretary.
Second: Vice-Chair Wood
Vote: Chairman Lambert- yes
Vice-Chair Wood- yes
Commissioner Conroy-abstained.

Officers will remain in place until two more members are appointed to the commissioner.

Consent Calendar: Minutes of Previous Meeting(s)

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Chairman Lambert stated that many of the prior GAC meeting minutes are in draft form. Chairman Lambert confirmed that all the commissioners had reviewed the minutes prior to tonight's meeting.

ACTION

- Motion:** Chairman Lambert made a motion to approve the minutes of the following dates and adopt the consent calendar.
- a. Workshop Meeting of May 16, 2022
 - b. Public Commission Meeting of May 18, 2022
 - c. Public Commissioner Meeting of June 22, 2022
 - d. Special Non-Public Meeting of July 1, 2022
 - e. Public Commission Meeting of July 20, 2022
 - f. Non-Public Commission Meeting of July 20, 2022
 - g. Public Commission Meeting of July 26, 2022
 - h. Public Commission Meeting of July 29, 2022
 - i. Public Commission Meeting of July 31, 2022
- Second:** Vice-Chair Wood.
- Vote:** All in favor. Motion passes.

Meeting Minutes

The Gunstock Area Commission public meeting minutes of the August 15th, 2022 were reviewed.

ACTION

- Motion:** Vice-Chair Wood made a motion to accept the minutes as presented.
- Second:** Secretary Conroy.
- Vote:** All in favor. Motion Passes.

Financial MD&A and Executive Summary

Cathy White, Chief Financial Officer, gave an overview of the monthly financial reports for July. Total revenue for the month was \$570K, \$123K unfavorable to budget and \$6k unfavorable to last year. Total company EBITDA was (\$239K), \$61K favorable to budget and \$62K unfavorable to last year. YTD Total Company EBITDA was (\$968K), \$375K favorable to budget and \$68K unfavorable to LY. Cash and Cash equivalents on the balance sheet were \$6.9mm, \$806K favorable to budget and \$2.4mm favorable to LY (related to EBITDA, CAPEX, and Deferred Revenue). Deferred Revenue was \$3.2mm, \$20K unfavorable to budget, \$522K favorable to LY. Cathy also reviewed the Recapture Plan and the revised EBITA YTD is (\$1.4mm) due to the timing of additional spending. She also mentioned the unbudgeted legal fees estimated at \$71K through July.

Secretary Conroy asked for an explanation for the variance in the A/R line on the balance sheet. Cathy responded that it isn't really receivables, but the season pass payment plan is included in that line. The plan runs from June through September which amounts to about \$200K. Another \$100K is for Ford Bronco billing from July that was missed but that amount will be down by the end of the September. Secretary Conroy asked what percentage of passholders are on the payment plan. Robin Rowe, Director of Resort Services, responded

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about 30%. Secretary Conroy also asked about the electric plan for the winter for budget purposes. Tom Day, President/GM, replied that he has a call in a week with the energy provider to see what the increase is going to be. Tom added that most of the electricity used is during snowmaking so they will continue to watch temperatures to keep up production levels and use less energy. Cathy White added that FY22 budget for utilities was about \$1.1mm and for FY23 it was increased about 3%. Secretary Conroy asked about budget in relation the ongoing construction projects. Cathy responded that there is \$897K in CIP, \$400K was carryover from the Stockade Lodge remodel from the prior year, the Cannonball project is a few hundred thousand, and then the smaller projects that add up to the total amount.

Old Business

- a. *Legal billing*- Chairman Lambert stated that at prior GAC meetings the Commission voted to view and approve legal bills. Chairman Lambert reviewed the July bill from Preti Flaherty for \$8485.75. Vice-Chair Wood stated that the vote to review legal bills was for transparency and due the amount of legal bills from the prior Commission and there should be a report every month, so the Commission is aware of the costs.

ACTION

- Motion:** Chairman Lambert made a motion to accept and pay the legal bill from Preti Flaherty for \$8485.75.
- Second:** Secretary Conroy.
- Vote:** All in favor. Motion passes

Chairman Lambert stated that on July 20, 2022, during the GAC public meeting the Commission voted to retain legal services specifically having to do with RSA 91: A compliance. Chairman Lambert provided the Commissioners with copies of an invoice from Foster, McLean & Middleton in the amount of \$4515.00.

ACTION

- Motion:** Chairman Lambert made a motion to accept and pay the legal bill from Foster, Mclean & Middleton in the amount of \$4515.00.
- Second:** Vice-Chair Wood.
- Discussion:** Vice-Chair Wood asked if the Commission could entertain the idea of dismissing counsel.
- Motion:** Chairman Lambert made a motion to accept and pay the invoice for the \$4515.00 and no longer consider the GAC in service with this firm and going forward if we require such services a vote by the GAC will take place.
- Second:** Vice-Chair Wood.
- Vote:** All in favor. Motion passes.

- b. *Snowsports Report*- As a member of the Snowsports Committee Vice-Chair Wood presented a report. She stated that she was appointed to the committee and accepted to add balance to that committee. She stated that she felt that many points on the reorganization plan from former GAC Chairman Ness had been satisfied and wanted to bring that to light along with all the other wonderful things that had already been accomplished. Vice-Chair Wood continued to state that she had thoroughly enjoyed her

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time working in the ski school and the number of instructors in the audience tonight speaks to the quality of leadership. She recognized all the Snowsports employees and Peter Weber and Sara Caveney for enhancing the ski school at Gunstock and looks forward to another wonderful season. Peter Weber, Snowsports Director, thanked Vice-Chair Wood for the acknowledgement. Secretary Conroy added that, given the ski school's strong margins, she'd like to hear management's ideas for proposed investments to grow revenue in the school in future meetings.

- c. *Parking lot* - Patrick McGonagle, Facilities Director, stated that on August 11, 2022, there was a meeting with Dubois & King, the selected engineering firm for the design phase of the construction. During the meeting they discussed challenges and identified where some of the utilities ran under the lot. Ease of access to the ski area and other concepts were discussed as well as how things have changed with the introduction of the RFID technology. The survey work is completed, and the design phase will begin including lighting, charging stations, parking efficiency and surface maintenance. Vice-Chair Wood asked if the current drainage issues were the source of the recent flooding of First Aid Base. Patrick replied no it was the large amount of water in short time and build up of silt. Chairman Lambert added that with a paved lot, with lined spots, there should be some changes to labor for parking attendants and easier storm clean up. Patrick also added that the Breezy Knoll parking is completed, and operations teams are working on creating more parking spots by the playground.
- d. Capital Expenditure Projects:
 - 1. Cannonball Snowmaking Refurbishment- Tom Day, President/GM, stated that the project is going well and is about 40% complete.
 - 2. Tubing Hill Building- Patrick McGonagle stated that the concrete is complete, and the panel building, a \$125000 investment, is due for arrival on 9/9/22 and will take about a week to assemble. Robin Rowe, Resort Services Director, added that the two storage containers that used to hold all the tubes will not be needed and the building will be a place for employees to take a break and warm up. There is also going to be more signage and overall, the new structure is more inviting to guests. Tom Day reminded the Commission that the Tubing Hill produces \$1 million in revenue.
 - 3. Magic Carpet Relocation to Learner's Hill- Patrick McGonagle, stated that the top concrete foundation has been poured and over the next month the carpet is scheduled to be moved and installed. The attendant building is almost complete. Chairman Lambert gave the public a brief overview of the project and how it will provide a better learning area for beginners and enhance Gunstock's reputation as a "learn to ski" area.
 - 4. Ski Patrol Equipment Storage- Patrick McGonagle stated that new storage for Ski Patrol will be near the corner of the main parking lot by VBH1 and will provide ease of access for equipment for Ski Patrol and quicker, more effective deployment.
 - 5. Summit Septic/Well Project- Patrick McGonagle stated that septic at the summit is a challenge and Dubois & King are working on this project as well and working with DES for leach field locations. The project will provide water access at the summit which will be helpful for restroom, food and bar facilities. Patrick informed the

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Commission there needs to be more permitting done before the project can progress any further.

6. Pan Pub Expansion- Patrick McGonagle stated that the septic and water go hand and hand with this project because of food services needs. Chairman Lambert confirmed that the expansion will be adding depth not height to the building. Patrick replied yes, the plan is not to raise the roof line so there will be no impact on the view.
7. Stockade Lodge- Tom Day reviewed the project and added that phases 1 and 2 will not happen this year and is likely to begin next year. Cathy White added that the project was supposed to take place last year but there were challenges that prevented start of the remodel. She added that equipment is in storage and have a year to make any changes or add ideas. Vice-Chair Wood stated that with the number of solid ongoing projects it may be helpful for newly onboarded commissioners to take a tour of the projects so they can be better ambassadors for the mountain. A discussion ensued about management's decision to bring food and beverage in-house last October. According to Cathy White, the move has allowed staff to adapt to changing market demands more quickly and has increased profitability (EBITDA) from \$450000 to \$753000. Tom Day reminded the Commission that food and beverage is the second leading revenue line behind tickets.

New Business

- a. Discussion on future GAC policy needs and By-Law updates- Chairman Lambert tasked the commissioners with thinking about new policies and efficiencies in policies and by-law updates/amendments.

Chairman Lambert stated he had a legal issue to add to new business that was not on the agenda. He briefly reviewed with the commissioners a recent lawsuit in which he was named as defendant. He added that he found out yesterday that the plaintiff is adding the Commission to the lawsuit. If the court approves naming the GAC as an additional defendant, they will need legal representation. He stated that the Commission would need a vote and discussion to obtain counsel legally and appropriately.

ACTION

Motion: Chairman Lambert made a motion to retain legal services of Brand & Tapply Law firm to represent the GAC in defense of the lawsuit filed by former Commissioner David Strang should the Court grant the motion to add the GAC as a defendant.

Second: Secretary Conroy.

Discussion: Chairman Lambert read a letter from Attorney Tapply, who had previously represented Gunstock in legal matters with Soulfest. He presented a reduced fee schedule. Secretary Conroy added that she was happy with the reduced rates and hopefully they will not need legal representation. Vice-Chair Wood stated that Attorney Tapply has worked with the GAC before, and he specializes in the ski industry. Chairman Lambert added that he has retained Attorney Tapply for his case so if the GAC is named in the lawsuit Attorney Tapply is up to date with case information.

Vote: All in favor. Motion passes.

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Public Comment

Chairman Lambert opened the floor for public comment with a 2-minute per person time allotment and one appearance at the podium. Time cannot be donated to another speaker.

Carol Wohlers (Rochester)- Stated that she has worked at Gunstock for 10 years and she came to the May 2022 meeting and there is noticeable difference between that meeting and tonight's meeting. There are smiles from all parties and an atmosphere of collaboration and as a member of the public she thanked all.

Krista Loring (Gilford)- Stated that she is a ski instructor at Gunstock, it is what brought her to NH at 17 years old from PA. She asked Peter Weber, Snowsports Director, about any plans for early season training so that they aren't rushing to train instructors at the Christmas holiday week. Peter Weber replied that he has "upped" the training again this year and hope to have early paid training dates and bring in more trainers.

Rick Zach (Gilford)- Stated that maybe more people would apply to be a commissioner if there was Directors and Officers Insurance available. Cathy White responded that yes that is available with Gunstock's current insurance policy.

Jim Bureau (Alton)- Stated that he had a few questions. First, in regard to the parking lot, he has noticed over the years large vehicles, surrounded by larger vehicles and asked if the new spaces would accommodate those larger vehicles. Patrick McGonagle responded that new spaces would be standard DOT size and striping would be consistent with all other commercial parking lots such as Lowes and Walmart. Secondly, Jim stated that he works at a local school and recently purchased a microphone system, and he can provide the information if the GAC would like to upgrade the current system. Third, he asked if there were plans for a clock façade on the Stockade Lodge, facing the slope. Tom Day responded that it can be considered. Vice-Chair Wood thanked him for his comments.

ACTION

Motion: Vice-Chair Wood made a motion to adjourn the public meeting of the Gunstock Area Commission at 8:08pm
Second: Secretary Conroy
Vote: All in favor.

Adjourn

Respectfully Submitted,

Densie Conroy, Secretary
Gunstock Area Commission