

GUNSTOCK AREA COMMISSION MEETING
October 21, 2020
Gunstock Mountain Resort, Stockade Lodge at 6PM
APPROVED MINUTES

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

Gunstock Personnel: Tom Day, Cathy White, Becky LaPense, Kristen Lodge, Peter Weber, Jim Mamos

BDC: Rep. Sylvia (BCD Chair), Rep. Howard

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

Minutes

The minutes of the September 30, 2020 Gunstock Area Commission public meeting were reviewed. Commissioner Ness noted a change to page 3 and asked to have the record corrected. The sentence should read, "Chairman Kiedaisch asked Commissioner Ness to confirm with another professional who the appropriate plan fiduciaries are."

ACTION

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

The minutes of the September 30, 2020 Gunstock Area Commission non-public meeting were reviewed.

ACTION

- Motion:** Commissioner Dumais made a motion to approve the minutes as presented.
Second: Commissioner Gallagher.
Discussion: Commissioner Ness asked for an opportunity to read the minutes before the vote. Chairman Kiedaisch advised that he could abstain from the vote and keep the minutes until the public meeting has ended.
Vote: All in favor. Abstained: Commissioner Ness

Chairman Kiedaisch noted the minutes of the non-public meeting were sealed and asked to collect them back at the end of the meeting. Chairman Sylvia asked to clarify when that vote was taken, noting that it has be done in a public meeting. Chairman Kiedaisch said it was done after they adjourned the non-public meeting and before the public meeting adjourned. It was not included on the draft minutes and Commissioner Gallagher said he will provide those details to the recording secretary to be added to the approved minutes.

Public Presentations - None.

Management Executive Summary - President and General Manager, Tom Day, provided an update on winter prep and facility improvements. He introduced Kristen Lodge, Marketing Director, and Jim Mamos, Sales Director, for an overview of pre-season sales and marketing

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efforts. They have been working on a presentation for the sales team to use when pitching to potential sponsors and they shared the draft version with the GAC for their input. Jim reported that they have already started using the presentation and is encouraged by the early responses so far. They are also pushing ahead with lodging partnerships, which many other resorts are suspending for this winter. Kristen presented some of the concepts for new tower signage, which will also include some sponsorship opportunities. Jim reported that 90% of Outreach groups have committed for this winter with a few new groups added this year. He said their main focus this year is to simply maintain past performance given the impact of COVID, however, next year, the focus will shift to growing the Outreach program at Gunstock.

Financial MD&A

Cathy White, Chief Financial Officer, gave an overview of the monthly financial reports for September. She reported that the Labor Day sale was a success and helped the overall revenue exceed budget for the month. EBIDA is \$32k favorable to budget for the month and \$409k favorable YTD. The balance sheet is strong but she noted the current cash balance does not reflect planned expenses. There is an additional \$200k in revenue that was not originally planned because of the retail sale and scenic lift rides. She reviewed the recapture plan that summarizes the budget impact of COVID with the timing of certain purchases. To date, they have not borrowed on the RAN or any reserve funds. She believes she will have to make a RAN draw in early November but does not anticipate needing the cash reserves. Chairman Kiedaisch asked that they invite Gunstock's new Ski & Sport Shop Manager, Doug Webster, to the next meeting to share his plans on partnering with the Marketing team to make the aggressive retail revenue goals this year. Commissioner Gallagher asked if there was a possibility that some of the RAN may not be needed; Cathy said it is possible, but it depends on actual revenue. Commissioner McLearn asked when the first RAN draw was last year and Cathy reported that it was in September and that by this same time last year Gunstock had already drawn \$300k on the RAN. Chairman Kiedaisch said the current financial outlook gives Gunstock a strong footing to start the winter season. He noted that if there is a somewhat "normal" winter, the business may make it through the fiscal year relatively unscathed. Chairman Kiedaisch said he has heard from a lot of community members who are expressing support for the additional food trucks and hopes it remains a permanent addition. Tom Day noted that lodge capacity is set at 50% so said that management is also excited about the food trucks but they will not replace all the lost F&B revenue. Discussion ensued around the COVID F&B protocol and how management plans to communicate and enforce those guidelines.

New Business - Chairman Kiedaisch said that the 2020 timber harvest was not in the original operating budget and, while it was the subject of many meetings, the project did not get a formal GAC vote to spend the additional funds so would like to memorialize that consensus for the record. He asked if there are any other projects that are being planned outside of the original operating budget that may require GAC approval. Discussion ensued around the balance between giving management the flexibility to act quickly when potential revenue opportunities arise and the requirement for GAC financial oversight and approval. They discussed a non-budgeted spending threshold and how to best memorialize this decision for future reference.

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ACTION

- Motion:** Commissioner Gallagher made a motion to require that management notify the GAC if an off-budget item is going to exceed \$30k.
- Second:** Chairman Kiedaisch.
- Vote:** All in favor.

Chairman Kiedaisch suggested taking a vote to formally approve the demolition of the Lift Maintenance building scheduled for October 24th. He acknowledged that the decision was previously discussed with the GAC and that they have agreed to move forward but wanted to take a formal vote for the public record.

ACTION

- Motion:** Chairman Kiedaisch made a motion to authorize the burning of the Lift Maintenance building by the Gilford Fire Department.
- Second:** Commissioner Gallagher.
- Vote:** All in favor.

Old Business -

- a. *Master Planning Committee* - Chairman Kiedaisch said there are no updates on the master planning process and believes it is best to get through the rest of the season before getting too heavily involved in planning. He said timing is extremely important, and if done too early and without thorough vetting, it could be damaging to the process. Discussion ensued around future possibilities and opportunities to explore.
- b. *Investment Fiduciary Update* - Commissioner Ness reported on his research to the question about the Commissioners fiduciary responsibility for Gunstock's retirement planning and investments. Based on his research, he suggested the first step is determine how the plan determined the fiduciaries, which should be outlined in the plan documents. Cathy reported that Bank of New Hampshire hired an ERISA attorney to draft the plan documents and that it is well-defined as to what those responsibilities are. However, the question of how those fiduciaries are determined was not part of her research. Commissioner Ness said the plan itself needs to be reviewed to determine the procedure to identify the fiduciaries. Chairman Kiedaisch noted that he is not aware of any requirement for the board to manage an organization's retirement plan and would like to see some research on best practices. Cathy agreed to follow up with the Commissioners on this issue.

Miscellaneous - Chairman Kiedaisch asked to clarify how long Commissioner McLearn's term should be considering he was brought on to replace Steve Nix. BCD Chairman Sylvia said he could serve for the full five-year term. They confirmed the next opening on the GAC is in 2021, when Commissioner Dumais' term expires.

Public Comment - BCD Chairman Sylvia commented that he does not believe the masks are helpful in fighting this virus and that the data to support it is inconclusive. He expressed his support for loosening some of the restrictions. A member of the public, Alex Deluca, commented that in his job at a local grocery store it has been a big challenge working while

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wearing a mask all day. He said he has seen other businesses who have set up a mask-free zone where folks are physically distanced and asked if Gunstock planned to make this available to their employees. Tom Day said that management is working to ensure there are sufficient employee-only areas where they can get a mask break.

Adjourn

ACTION

- Motion:** Commissioner Dumais motion to adjourn the public meeting of the Gunstock Area Commission at 8:08PM.
Second: Commissioner McLear.
Vote: All in favor.

Respectfully Submitted,

Peter Ness, Secretary
Gunstock Area Commission