

GUNSTOCK AREA COMMISSION MEETING
November 18, 2020
Gunstock Mountain Resort, Main Lodge at 6PM
APPROVED MINUTES

GAC: Brian Gallagher, Gary Kiedaisch, Peter Ness, Rusty McLear

Gunstock Personnel: Tom Day, Cathy White, Becky LaPense, Kristen Lodge, Peter Weber, Mary MacDonald

BDC: Rep. Howard

Prior to opening the meeting, Chairman Kiedaisch asked Tom Day, President and GM, to explain Gunstock's protocol for face coverings on resort property. Tom explained that the NH Universal Guidelines require face coverings in all areas where 6' physical distancing cannot be maintained. Gunstock will require all guests and employees to wear face coverings indoors and outdoors at all times, unless while eating or drinking or while skiing/snowboarding. Chairman Kiedaisch said in his other board meetings that are held in-person, members remove their masks when physically distanced. Tom agreed that would meet the minimum safety protocol and emphasized the importance in setting a positive example for guests and employees. All Commissioners agreed to wear their face covering during the meeting, but they could be removed while speaking to make it easier to hear and understand what is being said.

Chairman Kiedaisch called the meeting to order at 6:05PM with the pledge of allegiance.

Minutes

The minutes of the October 21, 2020 Gunstock Area Commission public meeting were reviewed.

ACTION

Motion: Commissioner McLear made a motion to approve the minutes as presented.
Second: Commissioner Ness.
Vote: All in favor.

Election of Officers

Chairman Kiedaisch noted that Commissioner Dumais was unable to attend the meeting but that he asked Chairman Kiedaisch to act as his proxy vote for the election of officers. He explained that GAC Officers are generally elected each November but there was some disruption to that schedule when Steve Nix resigned from the GAC. Commissioner Gallagher said that when Mr. Nix left the GAC in January, Commissioner Kiedaisch offered to step into the role of Chairman. He said he believed Chairman Kiedaisch has been effective in that role and recommended that he continue to serve as Chairman until the next officer election cycle.

ACTION

Motion: Commissioner Gallagher made a motion to elect Commissioner Kiedaisch as the Chairman of the Gunstock Area Commission.
Second: Commissioner Dumais (by proxy).
Vote: All in favor.

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Chairman Kiedaisch asked Commissioner Gallagher if he would like to continue in his role as Vice Chair and he agreed.

ACTION

Motion: Chairman Kiedaisch made a motion to elect Commissioner Gallagher as the Vice Chair of the Gunstock Area Commission.
Second: Commissioner McLearn.
Vote: All in favor.

Chairman Kiedaisch asked Commissioner Ness if wanted to remain Secretary but he declined.

ACTION

Motion: Chairman Kiedaisch made a motion to elect Commissioner McLearn as the new Secretary of the Gunstock Area Commission.
Second: Commissioner Gallagher.
Vote: All in favor.

Financial MD&A

Cathy White, Chief Financial Officer, gave an overview of the monthly financial reports for October. Cathy reported that revenue was stronger than anticipated because of the unplanned scenic lift rides in October and higher camping occupancy. She reported that the company's cash position is very strong, so they have not drawn on the RAN funds yet. The prior year RAN draw began in August and they had expected to have drawn close to \$700k by this time but revenues have been healthier than expected. Chairman Kiedaisch noted this year will be an interesting year to benchmark as operations return back to normal. He congratulated the management team on the financial results YTD, noting that no one would have expected results this strong if they had been asked back in March. There was brief discussion of the COVID impacts to the balance sheet, which are being accounted for in the recapture plan.

Management Executive Summary - President and General Manager, Tom Day, provided an update on winter operations. He introduced Doug Webster, Gunstock Ski & Sport Manager who joined the management team in September and thanked him for all his work in getting the retail shop turned over and open. He reported that the Welcome Center addition is complete. The new rental shop is in place and getting set up and the new stairs in the bowl area are being installed shortly. The Tubing Hill expansion is on pace with the lift installation scheduled to begin the end of next week. The snowmaking pipe and lights have been connected and they plan to open it as early as possible. The expansion adds 5 lanes and shortens the lane length, which should significantly increase capacity. Snowmaking is in process now but there are forecasting a warming trend after Wednesday so they will wind it down until cold temps return. The new snowcat will be delivered after Thanksgiving. He thanked Facility Operations Director, Patrick McGonagle, for his efforts in bringing the VIP parking area to fruition. Robin Row, Resort Services Director, reported that all but 2 of the spots have sold for \$1,000 each. She is holding one spot for a fundraiser to support the Children's Auction. Tom introduced Mary MacDonald, F&B Manager, who shared her background and commitment to making F&B successful this season. She said they have had to rethink the entire operation and staff training for the

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frustrations that COVID brings to the dining experience. Discussion ensued around the changes to food service coming this season. Commissioner Gallagher commented that he has seen some excellent press and online promotion recently and asked how marketing will promote the December 4th opening day. Kristen Lodge, Director of Marketing, reported that she has TV and radio buys scheduled the week before 12/4 in the Boston market and a very thorough marketing campaign through December and January to keep them coming. Peter Weber, Snowsports Director, reported that the Snowsports employee orientation this past weekend was very encouraging for him, with about 80+ instructors who are very excited to get back on snow. The new hire applications are also robust, which brings fresh perspective to the team and more instructors. The Outreach Program has been very well received; he believes the number of schools committed to participating this year is about the same as past years. He provided a summary of some of the programming changes being made this season. He has restructured group lesson times to free up more instructors for private lessons. There will also be a big focus on training, noting that as a PSIA Board Examiner training is his passion and he is very focused on that. He has also decided to rename the department to Snowsports School to keep all of the programs under one umbrella. The beginner package has been rebranded to “Intro to Ski/Ride” and the lesson time increased to give students more time to get proficient. And finally, group lessons will now start at 8 years and older. He commended Sara Caveney, Snowsports and Adventure Park Manager, for her leadership and support in making this transition smooth for him.

New Business -

- a. 2021 GAC Tentative Meeting Schedule - The Commissioners reviewed the tentative meeting dates for 2021 with discussion around the need for meetings every month. There were no scheduling conflicts noted but Chairman Kiedaisch suggested freeing up two meetings a year to repurpose that time for other planning efforts. Commissioner Gallagher confirmed the by-laws require at least 10 meetings a year.

Old Business -

- a. *Master Planning Committee* - Chairman Kiedaisch reported that he and Tom Day met with the SE Group to determine the starting point for master planning. The SE Group will be providing copies of prior project plans and when that is in hand, they will begin to develop a timeline for future planning and funding. Their first priority for future development will be the mountain, with base area enhancements to follow.
- b. *Investment Fiduciary Update* - Commissioner Gallagher asked Cathy White, CFO, to summarize what Gunstock’s legal counsel advised regarding the Commission’s fiduciary responsibility question posed by Commissioner Ness in prior GAC meetings. She reported that the legal guidance was helpful and resulted in recommended changes to some of the retirement plan documents and Investment Committee structure. The first would be to restructure the Investment Committee to be represented solely by Gunstock management. The GAC would retain oversight responsibility as they do in other matters but would not be involved in the active management or administration of the company’s retirement plans and investments. The Investment Committee will present their recommendations to the GAC for approval of any changes to the retirement plans or investment fund portfolio. The second change would be to remove the ERISA references

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found in Bank of NH's investment review materials, which are not applicable to governmental plans. Commissioner Ness agreed that ERISA does not apply to government bodies. He was concerned that a prototype plan was used to draft the plan documents by Bank of NH's third party administrator. That raises the question of why the GAC was told in no uncertain terms that the Commissioners were, in fact, ERISA 3(21) fiduciaries by a Bank of NH representative, Dirk Richardson. He said that Bank of NH represented to them, both verbally and in writing, something that was factually incorrect. Chairman Kiedaisch asked Cathy to follow up with Dirk Richardson from Bank of NH for clarification on how the error occurred and move forward with the guidance provided by Gunstock's legal counsel.

Miscellaneous - Chairman Kiedaisch reported on a development that they became aware of today that he wanted to address in the public meeting. Commissioner Gallagher recently sold his home and while he is still a resident of Belknap County, he is no longer a "property owner". The original 1959 enabling statute stated that the GAC will consist of 5 members who shall be "resident property owners" in the county of Belknap. He noted it was unusual that the GAC participation was bound by ownership, adding that State Representatives only require residency. They conferred with the county attorney and GMR attorney and felt there may be a need to change the statute but then remembered that they had already changed the residency requirements when the statute was amended this summer. As a result, they have concluded that there is no conflict and Commissioner Gallagher will be able to remain in his position as commissioner.

Public Comment - Rep. Ray Howard stated that the state legislature resumes on December 2nd and he intends to dust off the state constitution to see what can be done about the COVID restrictions because there is so much misinformation about the virus.

Adjourn

ACTION

Motion: Commissioner McLear motion to adjourn the public meeting of the Gunstock Area Commission at 7:49PM.
Second: Commissioner Gallagher.
Vote: All in favor.

Respectfully Submitted,

Rusty McLear, Secretary
Gunstock Area Commission