

GUNSTOCK AREA COMMISSION MEETING
January 29, 2020 AT 6:00 PM
Belknap County Complex, Conference Room 1
APPROVED MINUTES

Notice of the meeting was posted at the Belknap County Courthouse, Gilford Town Hall, County Commissioners Office, Gunstock Area, and at GUNSTOCK.COM.

GAC: Steve Nix, Russell Dumais, Brian Gallagher, Gary Kiedaisch, Peter Ness

Gunstock Personnel: Tom Day, Robin Rowe, Patrick McGonagle, Cathy White, Becky LaPense, Iwan Fuchs

BDC: Rep. Howard, Rep. Plummer, Rep. Sylvia

Public: There were 20+ members of the public present who were not identified.

Chairman Nix opened the public meeting at 6:00 PM with the pledge of allegiance. He introduced Tom Day, the new President and General Manager for Gunstock. Commissioner Kiedaisch shared a summary of their recruitment search and a brief review of Tom Day's prior achievements and experience. Commissioner Kiedaisch explained that when former General Manager, Greg Goddard, announced his intention to retire in the summer of 2020, the Commissioners believed it was necessary to act quickly so that the next phase of master planning can continue without delay. They agreed to elevate the position to President and General Manager and began the search in November with an external recruiter. From a pool of 60 qualified candidates, they narrowed it down to six candidates who were interviewed by the Executive Search Committee. After several great interviews, they were delighted to offer the position to Tom Day. Commissioner Kiedaisch said the expectations are that he will closely with the GAC to develop and execute the annual operating plan and strategic master plan. As the GAC's main focus shifts to master planning, they believe Tom's professional experience will position the resort well to begin the revision and implementation of the resort's master plan.

Minutes

The minutes of the November 20, 2019 Gunstock Area Commission public meeting were reviewed.

ACTION

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

Public Presentations - None

Financial MD&A - Commissioner Kiedaisch asked for a review the department P&L reports and commentary on variances. Finance Director, Cathy White, reported that the revenue for December was \$364k better than budget and \$321k better than last year. She noted that some of that increase is a result of adding F&B revenue but even with that removed, actuals are still favorable to budget by more than \$140k and \$110k more than last year. Total EBITDA ended \$180k favorable to budget for December. The YTD EBITDA is \$260k favorable to budget and \$533k less than last year, which is mainly due to deferred maintenance spend. She reported

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that the RAN draw is currently at \$800k and does not expect to draw any more for FY20. Payment in full is scheduled after February vacation. Commissioner Gallagher asked to confirm that reserves are still intact. Cathy reported that no reserve funds have been spent this fiscal year. The discussion moved to the department P&L statements and management commentary. Commissioner Kiedaisch commended the team on their handling of the F&B transition. Management is closely watching the margins on the Retail revenue and will be pushing to clear out inventory as soon as possible.

Management Reports

Resort Services - A written report was provided. Resort Services Director, Robin Rowe, added that the reload issue mentioned in her written report has been corrected. The Admissions team has been working with the Marketing team to make some changes to the website to improve the e-store instructions. There are still some outstanding issues that Intouch is working to improve but this was a major correction. Commissioner Dumais asked about the goal for e-sales and how the guests can be moved out of line to online purchases. Robin explained that guest education is critical to moving them online for purchases and reloads. They are also working with Intouch to further simplify the transactions so they can move through the lines more rapidly. President/GM, Tom Day, added that management is now able to sell the tickets in line, which they will begin to do when the lines become problematic. He believes that by February vacation week they will have it well under control. Commissioner Ness asked about the feasibility of ticket kiosks that he has seen at trade shows and other resorts. Robin answered that they had budgeted the purchase of 6 kiosks in FY20 but decided against it because they would only allow for first time fulfillment of online purchases, not reloads. She would consider making a purchase for machines that allow for both, but the cost for those machines are approximately \$60k each. Management will continue to explore alternatives but they are not convinced that kiosks are the best approach at this time. Tom Day added that he has not seen them in use at any of the mountains he has inspected in recent years but when he is at the NSAA Eastern Conference he will revisit it with Axess but he is concerned about the user experience when dealing with technology. Commissioner Kiedaisch said he has observed many guests approach the RFID gates but their passes are not properly loaded. Robin said many of those guests are loading the wrong date on their ticket or they are Flex Pass holders who purchased a second Flex Pass in error. It is an issue that management is aware of and actively working to address.

Mountain Sports - A written report was provided.

Facilities - A written report was provided.

Human Resources - A written report was provided. Commissioner Gallagher asked for an update on the US DOL Inspection. HR Director, Becky LaPense, reported that the Inspector was on site for one day but is still underway. The scope of the audit is focused on youth employment, FMLA, and classification of exempt/non-exempt employees. Becky said they are not clear on the reason for the inspection and the Inspector cannot reveal or confirm the reasons. They are currently looking at Gunstock's use of 14-15 year-olds as Ski Instructors. Becky explained that this is standard practice throughout the industry and they are working with legal counsel on a response. She has already informed NSAA of the inspection and

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questions about Ski Instructors and plans to get a letter of support from both NSAA and PSIA in defense of current practices. Commissioner Ness asked for clarification of the supposed violations. Becky explained that they were looking at a regulation in the FLSA that speaks to a youth's prohibition against "tending" motorized equipment (i.e. chairlift) and that by assisting students on the chair as they load/unload they are in effect "tending" the lift. The Inspector also questioned the practice of allowing 14-15 year-old employees to ride the lift unaccompanied, noting that by lowering the safety bar they are effectively "operating" the lift. Becky explained this is contrary to any standard applied throughout the industry and could have a widespread impact should the US DOL maintain this stance. At this point, there are no rulings, just conversations and she will keep the Commission updated on any important action.

General Manager - President/GM, Tom Day, gave a report of his first week on the job and commented that the management team has been responsive and knowledgeable about their areas. He is focused mainly on processes and systems that will improve performance or the guest experience. Commissioner Kiedaisch asked when management plans to begin working on the FY21 budget. Cathy said initial reviews have started but will begin in earnest after February vacation week. Commissioner Kiedaisch asked management to identify what, if anything, they will need to assist with the budgeting process and what they want to accomplish next year, in context with the master plan. He would also like to include a review of the department P&L statements. Chairman Nix said he would like to make this a part of the agenda for the February meeting.

Action Items

None

New Business

- a. *Outside Vendors* - Chairman Nix said there was a request to revisit the practice of inviting outside vendors to the resort during peak weekends. Commissioner Kiedaisch said he was advocating for better coordination when third party vendors come to the resort to promote their products and services. He believes this is could be an effective marketing tool and would like management to recommend some improvements.
- b. *GAC By-Laws Amendments* - Commissioner Gallagher presented recommendations for changes to the GAC By-Laws. The first change is to the Oath of Office to allow for new members to be sworn in immediately following the appointment by the BCD, instead of during the next regularly scheduled GAC meeting. He noted that according to the enabling statute, they are effectively in office at the time the BCD appoints them but the current by-laws delays their swearing in. All agreed to the proposed change. The second change replaces the General Manager title with President and General Manager, as recommended by Attorney Andrea Chatfield. The final change is with regard to the availability of the minutes, noting that the by-laws indicate that they will be available on the GAC website. The current practice requires members of the public to submit a written request for the minutes.

ACTION

Motion: Commissioner Gallagher made a motion to change the Oath of Office to read, "New member shall be sworn in consistent with NH

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Laws of 1959, Chapter 399:4 following the Member's appointment or reappointment by the Belknap Delegation", and to replace the title for the General Manager with "President and General Manager".

Second: Commissioner Kiedaisch.
Vote: All in favor.

Old Business

- a. *2020 Proposed GAC Meeting Schedule* - Chairman Nix said that coordinating the meeting schedule for 2020 has been a challenge and alternate dates are going to be needed for some months. All agreed to change the date of the February meeting to Monday, February 24th at 6pm. The Commissioners will send their availability to Becky LaPense, HR Director, who will help coordinate the dates for the remainder of 2020.
- b. *House Bills*
 - a. *Statute Amendments* - Commissioner Gallagher reported on the NH House bills that were introduced in committee. He said that no one signed in against the bill so it is likely to proceed to the NH House in March.
 - b. *Parking Lot* - Commissioner Gallagher reported that Rep. Huot introduced the bill to the House Finance Committee and that Chairman Nix and he testified on the reason for the request. The bill was referred to subcommittee hearing which Commissioners Kiedaisch and Gallagher made their presentation. He reported that the subcommittee voted against the request so the recommendation will go back to the full Finance Committee. They are working to find alternative funding sources that will keep the bill alive and believes bond availability balances is the new focus. Rep. Huot agreed to work in his capacity to help move it forward. Commissioner Dumais noted that he had some phone calls from members of the public and business owners who were dismayed that Gunstock was seeking out public funds. He explained that as a county operation the Commission is justified in their approach, especially if it allows for improvements that would otherwise remain unfunded. Chairman Nix noted that many people are not aware that Gunstock was originally funded through federal programs, and over the years has received federal and state funding for a variety of projects, many of which benefit the general public. He explained that Gunstock's main parking lot provides an access point to the public hiking trails in the Belknap range and Gunstock is required to allow access for open recreational use. Commissioner Gallagher added that the GAC believes it is important to continue researching new and innovative sources of revenue like public funding when it's appropriate. Commissioner Kiedaisch added that they will work closely with the public on these initiatives as they come up.
- c. *Master Plan Committee* - Chairman Nix tabled this agenda item for the February meeting.
- d. *Outstanding Follow-Up Items* - Commissioner Gallagher asked for consideration to invite Atty Patrick Wood to the February GAC meeting to discuss next steps for establishing an endowment fund. Chairman Ni said that he has now retired but he will contact him to find out if he is still available or has a referral who can pick up where Atty Wood left off. Commissioner Kiedaisch asked to make sure that the outstanding action items that

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are time sensitive are addressed before the next meeting. He agreed to bring those items to President/GM, Tom Day, for evaluation.

Other Business

a. *BCD Gunstock Subcommittee* -

a. *Business Model Update* - Rep. Plummer commented that having the county payment schedule incorporated directly into the enabling statute allows the Commission and resort management focus on more important things.

b. *Affiliated Agency Reports*

a. *Gunstock Ski Club* - Chairman Nix said he has received reports of technical/procedural challenges regarding hill time and he suggested that the Gunstock Ski Club work directly with Tom Day to develop solutions that are agreeable for both parties. Tom said that some of those conversations have already taken place and will continue.

b. *Gunstock Nordic Association* - John Stowe from GNA asked to schedule a meeting with Tom Day for a similar discussion.

Correspondence

A letter from a former Centerplate employee was shared with the Commissioners. They moved discussion on that correspondence to the non-public session in accordance with RSA 91-A 3 II (l) (a). A letter from Safety Services Manager, Kyle Griffin, thanking the Commissioners for their support of the purchase of a Zoll cardiac monitor back in 2017. She reported that it helped the Gunstock Patrol team identify a medical issue with a guest, respond quickly and save his life.

Miscellaneous

None.

Public Comment

Bob Durfee of Laconia made several remarks. He said that he is in support of the parking lot bill but in the articles he read about it, one of the justifications given for the project was to reduce runoff from the parking lot to Poor Farm Brook. He expressed concern that some people reading the article may be misled to believe that the current parking lot is polluting Poor Farm Brook. He cautioned the Commissioners to be careful about any statements about runoff noting that the treatment swales that are in place mitigate the runoff. The current situation is not in violation of any DES standards but the paving improvements will take the capture requirements and water quality well above the DES standards. He also commented on the business model and the statute amendment that passed committee in the NH House. He said that this was a great example of collaboration between GMR, the GAC, and the BCD and he congratulated them on how well they have been working together. He also asked about the nonpublic meeting minutes that were listed on the agenda noting that they had not been reviewed or approved during the meeting. Chairman Nix said he was moving those to the February meeting for review. He added that the GAC By-Laws required the agenda to be posted along with the meeting notices. HR Director, Becky LaPense, said that all public and non-public meetings have been properly posted but the agendas have not been included before. Linda

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Peary (Laconia) said she is delighted to see no freestyle features on the Pistol Trail. Some members of the public seconded the sentiment.

Non-Public Session

ACTION

Motion: Chairman Nix made a motion to enter a non-public session in accordance with RSA 91-A 3 II (l) (a) and (e) at 7:44 pm.

Second: Commissioner Dumais.

Roll Call Vote: Steve Nix - Yes
Russ Dumais - Yes
Brian Gallagher - Yes
Gary Kiedaisch - Yes
Peter Ness - Yes

The GAC went into non-public session at 8:00 pm.

Adjourn

Respectfully Submitted,

Gary Kiedaisch, Secretary
Gunstock Area Commission