

GUNSTOCK AREA COMMISSION MEETING
March 28, 2019 AT 6:00 PM
Lakes Region Adaptive Sports Center, Gunstock Mountain Resort
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: Russ Dumais, Bob Durfee, Gary Kiedaisch, Steve Nix

Gunstock Personnel: Greg Goddard, Mike Roth, Robin Rowe, Patrick McGonagle, Iwan Fuchs, Cathy White, Tami Dubois, Patrick O'Brien

BDC: Rep. Howard, Rep. Plummer

Public: Lorraine Sanborn

Chairman Durfee opened the public meeting at 6:00pm.

Minutes

The minutes of the February 27, 2019 Gunstock Area Commission meeting were reviewed. Chairman Durfee proposed edits to wording on page 4.

ACTION

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

Correspondence - None.

Public Presentations - None.

Action Items

Ethics Policy- Signatures: Chairman Durfee distributed the Ethics Policy for commissioner signatures. The signed Ethics Policy will be filed and posted on the GAC website.

Written Reports

Financial Report - A written report was provided. Director of Finance, Cathy White, had no additional information for February and added that revenue should be on budget for March. General Manager, Greg Goddard, added that some deferred projects from last spring will need to be completed this spring including new ATA harnesses for compliance and safety. He asked the Senior Management Team to provide him with a list of anticipated spending that was originally budgeted for but has not yet been spent. Commissioner Kiedaisch asked that the profit centers have a P & L breakdown report included in future GAC materials.

Marketing and Sales Report - A written report was provided. Commissioner Kiedaisch asked about pass sales were going in comparison with other resorts in our competitive market. Director of Marketing and Sales, Mike Roth, replied that he feels Gunstock is staying competitive.

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Resort Services Report - A written report was provided, no further updates.

Snowsports Report- A written report was provided. Snowsports Director, Iwan Fuchs, added that Gunstock ranked #1 in NASTAR in NH. Commissioner Kiedaisch asked about any plans for a new ski school meeting area and recommendations to keep racers and spectators out of Magic Carpet learning terrain. Iwan Fuchs replied that a temporary fence now surrounds the learning terrain area and it did keep the majority of racers out of that area. Commissioner Nix asked for more information about the Effective Edge report. Iwan Fuchs gave an overview of their initial evaluations, which concluded that Gunstock does not have enough small features and that a small percentage of guests have the ability to ride the park in its current design. The ultimate goal for the redesign is to increase utilization of all or most of the Terrain Park features. Commissioner Kiedaisch added that he would like to see a more physical presence of ski patrol in the park.

Human Resources Report - A written report was provided. Commissioner Nix asked if the recent 1st Reports of Injury are going to affect the workers compensation rate. GM Goddard replied that he does not believe it would be a significant change.

Operations Report - A written report was provided. Commissioner Dumais questioned the lengthy process regarding the culvert project. Mountain Operations Manager, Patrick McGonagle, replied that since it is FEMA sponsored project is has taken longer than if done in house.

General Manager's Report - A written report was provided.

New Business

FY20 Budget Update -

- a. *Revenue/Attendance Projections* - GM Goddard had previously provided each commissioner with draft copies to review. Projections were based on target and competitive market resorts, which attributes help guests select a resort and which attributes keep guests away, etc. Commissioner Kiedaisch asked Director of Marketing and Sales, Mike Roth, what the "aha" product will be to increase skier visits. Mike Roth responded that the Flex Pass product has brought significant changes since its introduction and with two years of data available, management will hone in on developing higher yielding activities and products. As an example, this year will have an expanded Youth pricing bracket which will help Gunstock grow market share among college students.

GM Goddard explained that the attendance assumptions used in the operating budget were based on a weighted average of annual visits over the last 9 years. Other changes being introduced next year is the expanded age group for Youth pricing, which will be age 6-22. Management is forecasting incremental revenue from the increase in the Buckaroo and Golden Pass prices as well. In the case of the Adventure Park, attendance assumptions and projections are based off the average of the last 2 seasons using the current pricing model. GM Goddard added

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that Value pricing for early and late season will be eliminated and there will be no Groupon offerings this summer. The Campground will have a 15% price increase along with some enhancements to the Campground.

- b. *Draft Capital Plan* - A draft copy of the Capital Plan was given to commissioners in conjunction with the previously distributed Annual Strategic Plan. Chairman Durfee asked about the Campground improvements to the lanes and RV sites. GM Goddard replied that there will be some cosmetic improvements and electrical upgrades from 30amp to 50amp sites. Brief discussion ensued regarding the use of RV sites in the winter and if there is an increasing need for more winterized sites. Director of Resort Services, Robin Rowe, replied that there is not as big a need for RV sites in the winter as there is in the summer.

GM Goddard continued with presenting an overview of the draft capital plan in subsections, the first being Profit Center Enhancements for Revenue Generation, which includes the expansion of the retail store, Campground enhancements, Adventure Park additions in the Discover Zone, and Outdoor Center Programming. The next section was Maintenance Capital/Facility Enhancements, which include base area improvements, painting/staining, deferred chimney repairs, signage and waymarking, furniture replacement, and workspace renovations in preparation for the retail expansion. The next section was a Vehicle Replacement Plan that includes a groomer, an agricultural telehandler, and a skid steer. Additional items that were included in the written materials were in Safety and Compliance, Snowmaking Improvements, Rental Equipment Replacement, and Information Technology upgrades.

Old Business

- a. *Historic Single Chair Project* - Chairman Durfee suggested that he meet with the operations team to develop next steps including a foundation plan and chair height. No further action taken.
- b. *GAC Website* - The GAC website launch date has been extended to May 1 after budget completion.
- c. *Study Committee-Gunstock Business Model* - Commissioner Nix has compiled documents and circulated to all committee members so they have more background information. The committee had their first meeting on March 26th with Commissioner Nix, Commissioner Kiedaisch, Mike Roth, Rep. Howard, and Rep. Sylvia in attendance. The next meeting will be in May.
- d. *Doug Irving Memorial* - GM Goddard suggested that this discussion be tabled for another meeting.

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Other Business

BCD Gunstock Subcommittee - Rep. Plummer commented on the parking lot funding, per the prior GAC minutes and sees it as an opportunity especially since Gunstock services disabled and Veteran guests.

Affiliated Agency Reports - Nothing to report.

GNA Ski Jumps - Commissioner Kiedaisch and Chairman Durfee met with Lisa Kling to reactivate the enthusiasm to renovate/refurbish the 10 and 20 meter jumps at Gunstock. Commissioner Kiedaisch suggested research into corporate sponsorship and what could that mean as a benefit to the resort and to the ski industry as a whole.

Miscellaneous - Nothing to report.

Public Comment

Lorraine Sanborn of Gilford asked if there was a way to recruit guests from the 60+ community, as she feels there may be a lot of people who want to learn to ski as a retired person and take advantage of breathing the fresh air and being outside. It could be a packaged lesson for just a few hours. Chairman Durfee invited Ms. Sanborn to discuss further options with Snowsports Director, Iwan Fuchs, who was present in the meeting.

Non Public Session - RSA 91-A:3II(a) and (c):

ACTION

Motion: Commissioner Durfee made a motion to enter into non-public session under RSA 91-A:3,II(a) and (c) at 2pm.
Second: Commissioner Dumais.
Vote: All in favor.

ACTION

Motion: Commissioner Dumais made a motion to come out of non-public session under RSA 91-A:3,II(a) and (c) at 2pm.
Second: Commissioner Nix.
Vote: All in favor.

Adjourn

ACTION

Motion: Commissioner Kiedaisch made a motion to adjourn the public meeting of the GAC at 9:42pm.
Second: Commissioner Dumais.
Vote: All in favor.

Respectfully Submitted,
Brian Gallagher, Secretary
Gunstock Area Commission