

GUNSTOCK AREA COMMISSION MEETING
May 22, 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: Bob Durfee, Gary Kiedaisch, Steve Nix, Brian Gallagher

Gunstock Personnel: Greg Goddard, Mike Roth, Robin Rowe, Patrick McGonagle Iwan Fuchs, Cathy White, Becky LaPense, Tami Dubois

BDC: Rep. Howard

Public: Lorraine Sanborn

Chairman Durfee opened the public meeting at 6:00pm. Chairman Durfee announced that Commissioner Dumais would not be in attendance and there is a request from Commissioner Gallagher for a non-public meeting per RSA 91-A:3 II(a).

Minutes

The minutes of the April 22, 2019 Gunstock Area Commission meeting were reviewed.

ACTION

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

Correspondence: None.

Public Presentations: None.

Action Items

- a. *FY20 RAN Authorization (revised budget based on actual FY19 results):* General Manager Goddard previously distributed a revised budget via email and all commissioners had a copy in hand. Director of Finance, Cathy White, reviewed the revisions, noting the \$51,000 variance from the original budget due to deferred capital expenses. Commissioner Gallagher asked if management felt comfortable with the final budget numbers in light of questions raised by some members of the Belknap County Delegation last year regarding Gunstock's audit schedule and procedures. Cathy responded that management is comfortable with the revisions and that the annual fiscal audit is scheduled for mid-June. As usual, the audit reports would be released after that. A brief discussion ensued regarding the audit process and information about the company that completes the yearly audit.

Commissioner Nix questioned the cash lines from operating activities as presented on the final budget sheets. GM Goddard and Cathy White reviewed each line item. GM Goddard added that there was larger commitment to R&M in May and June than prior

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Years. He noted November will also show a large change due to increased inventory and prep for winter operations. Commissioner Kiedaisch asked where the season price sale numbers are allocated and Cathy responded that it is deferred revenue. Commissioner Gallagher asked about the impact that the budget proposal has on Gunstock's capital reserve fund. Cathy stated there is no impact because those reserves stay fixed. GM Goddard added that Cathy has been making critical improvements to the resort's financial reporting and this will be his first time working with a 12-month cash flow and balance sheet. He is looking forward to the ability to proactively alert managers on expense and revenue adjustments that they may need to make.

GM Goddard asked for approval to move ahead with Gunstock's request for an annual revenue anticipation note for a line of credit not to exceed \$950,000 for FY20. Commissioner Nix asked GM Goddard what his target date was. GM Goddard replied that he will call the BCD Chair and schedule a hearing as soon as possible because the budgeted first draw on the line of credit is scheduled for July.

ACTION

Motion: Commissioner Kiedaisch made a motion to authorize the RAN proposal as presented.

Second: Commissioner Nix.

Vote: All in favor.

- b. *FY19 Profit Sharing Contribution Authorization*- GM Goddard provided a brief history of Gunstock's profit sharing plan. Management recommended a 2% contribution for 36 eligible employees for a total amount of \$35,460. Commissioner Gallagher asked if it was an even distribution amongst the 36 employees. GM Goddard replied that the formula is pro rata, an equal percentage of each employee's earnings. Commissioner Gallagher asked if it was against policy to change the distribution so the total amount is evenly divided among the participants. Discussion ensued and Becky LaPense read from the Profit Sharing Plan which currently allows for pro rata contributions only. Chairman Durfee proposed that the discussion be tabled until the June GAC meeting that management can research the matter and provide recommendations. Commissioners Nix and Gallagher also agreed to look into other practices and policies around profit sharing plan structures.

Written Reports

Financial Report - A written report was provided. GM Goddard added that new report templates will be ready for the June GAC meeting. GM Goddard noted there was an 8.4% equity increase in total Net Assets. Commissioner Gallagher commented on total revenue noting that although it is up from last year, it did not meet budget. He asked that management be mindful of actual expenses given the increase in FY20 budget revenue projections. Commissioner Kiedaisch noted he hoped the new reports will make it easier to fine tune profit center performance.

Marketing and Sales Report - A written report was provided. Commissioner Kiedaisch asked what the total pre- season pass sales were. Director of Marketing and Sales, Mike Roth,

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responded that as of May 22 sales were at \$905,000. Mike also gave an update on the highway billboard and received feedback from the commissioners for edits. A discussion ensued regarding e-bikes and the possibility of a trial program before FY21. Management agreed to conduct an exploratory analysis on its feasibility for FY20.

Resort Services Report - A written report was provided. Director of Resort Services, Robin Rowe, added that two more new attractions arrived Monday, including the X4 Bungee Jump which will be operational for the holiday weekend. Commissioner Kiedaisch asked about the retail product mix in Mountainside Outfitters compared with the Camp Store. Robin Rowe responded with a brief description of what is offered in each store, noting the Camp Store carries specialized products for campers.

Snowsports Report- A written report was provided. Commissioner Kiedaisch congratulated Director of Mountain Sports, Iwan Fuchs, in regards to the personnel changes and suggested a special focus on the recruitment of younger Ski/Snowboard Instructors for the upcoming season. Iwan responded that he and Sara Caveney plan to focus heavily on recruitment and training for the next generations with more emphasis on the fun of the sport.

Human Resources Report - A written report was provided. Commissioner Gallagher asked Director of Human Resources, Becky LaPense, about the pipeline for recruitment. Becky responded that the pipeline is active, but has noticed that candidates are not waiting long to hear back for a request for interview. Commissioner Gallagher asked about giving incentives for some positions. Becky responded that at this time she does not feel referral bonuses or incentives are necessary but it is always on the table when certain positions become difficult to fill.

Operations Report - A written report was provided. Director of Facility Operations, Patrick McGonagle, added that the Gunstock Freestyle Academy painted the Terrain Park Building and that, later this summer, some winter Ski Patrollers are volunteering to paint the First Aid building at the summit.

General Manager's Report - A written report was provided. Commissioner Gallagher asked if the BCD open house had been scheduled. GM Goddard replied that it has not yet been scheduled. Commissioner Gallagher also asked about any update with regards to contact NH Charitable Foundations as per the prior GAC meeting. GM Goddard replied that he has been on the website but has not had phone contact.

New Business

- a. **Grants and Other Funding Options** - Commissioner Gallagher proposed the concept of an endowment fund as a mechanism toward management's goal of "financial independence". Discussion ensued about the legality of an endowment fund under the Enabling Statute, who would be on the committee, and policies/charters. After some discussion, GM Goddard agreed to initiate a conversation with former Commissioner, Sean Sullivan, to see if he would be interested in assisting with the committee setup.
- b. **Profit Centers Performance Measures: IFP** - Commissioner Kiedaisch said he would like to see the new reporting provide more visibility and accountability of profit centers

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and thus give marketing a better idea of which profit centers are generating more revenue.

Old Business

- a. *Historic Single Chair Project* - GM Goddard received a proposal from Fluet engineering for the final engineering. The only item missing now are the sheave wheels. GM Goddard added that they still plan to finish the project before the start of winter season.
- b. *GAC Website* - Chairman Durfee updated a few errors and missing pieces from the demo site.

ACTION

Motion: Commissioner Nix made a motion to go live with the GAC website after the amendments have been made.
Second: Commissioner Kiedaisch.
Vote: All in favor.

Chairman Durfee suggested that Gunstock Marketing send a press release or other official communication to announce the website as live.

- c. *Study Committee Gunstock Business Model* - Commissioner Nix said the next meeting has not been set up yet.
- d. *Doug Irving Memorial* - GM Goddard reported that he has attended a few meetings with a small group of people, including Debbie Irwin and Dick Tapply, whom are dedicated to this project. Some of the ideas that are currently being discussed is naming a hiking trail in Doug's honor or putting a covered bridge over the dam on the pond.
- e. *Main Parking Lot Paving* - Commissioner Gallagher reported that he made three visits to the state house to try and talk to the Senate Budget Committee. Commissioner Gallagher met with Sen. Dave Watters about the possibility of the project and was invited to a hearing. On behalf of the GAC, Commissioner Gallagher presented a proposal for an initial \$500,000 for paving the Main Lot. Commissioner Gallagher received word back from the committee that it was too far in the budget process for this year but to go through the proper process for the next budget season. Commissioner Nix asked what that timeframe would look like. Commissioner Gallagher replied that this fall they could bring a proposal to Rep. Huot and Rep. Spanos. Discussion ensued about the process and moving forward with the proposal this fall.
- f. *Master Planning Workshop* - Commissioner Nix will schedule a workshop after the next study committee meeting has been scheduled.

Other Business

BCD Gunstock Subcommittee - Rep. Howard stated that there is no upcoming meeting set for the study committee and had nothing else to report.

Affiliated Agency Reports - None.

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GNA Ski Jumps - Commissioner Kiedaisch passed around a written proposal for completing the ski jump restoration project. Discussion ensued regarding demand for ski jump usage and someone or a small group to head the project and continue the restoration. Commissioner Kiedaisch will reach out to a few more of his contacts in the industry and report back to the commission. Chairman Durfee will try to be in touch with Lisa Kling to continue the discussion.

Miscellaneous

- a. *Meeting date change request, July 2019 meeting* - GM Goddard has a conflict with the July 24th GAC meeting so asked to reschedule the meeting. He will email the commissioners with alternative dates.

Public Comment

Lorraine Sanborn gave an obituary to GM Goddard which mentioned how much Mr. Watson loved ski jumping. Ms. Sanborn also said that she walked the area around the jumps and noted how much erosion there is and how much of the hill has been destroyed by motorcycles during the Hillclimb event. Chairman Durfee replied that resources are budgeted each year for terrain restoration post-Hillclimb.

Non-Public Session

ACTION

- Motion:** Commissioner Gallagher made a motion to go into non-public session in accordance with RSA 91-A3 II(a) for purposes of reviewing a personal matter at 8:58 PM.
- Second:** Commissioner Nix.
- Vote:** Roll call vote with all in favor. Commissioner Dumais absent.

ACTION

- Motion:** Commissioner Nix made a motion to come out of non-public session in accordance with RSA 91-A3 II (a) at 9:36 PM.
- Second:** Commissioner Gallagher
- Vote:** Roll call vote with all in favor. Commissioner Dumais absent.

Adjourn

ACTION

- Motion:** Commissioner Nix made a motion to adjourn the GAC meeting at 9:38pm.
- Second:** Commissioner Kiedaisch.
- Vote:** All in favor.

Respectfully Submitted,
Brian Gallagher, Secretary
Gunstock Area Commission