

GUNSTOCK AREA COMMISSION MEETING
June 24, 2020
Gunstock Mountain Resort, Main Hall at 6PM
APPROVED MINUTES

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

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

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

Public: None

Chairman Kiedaisch called the meeting to order at 6:00PM with the pledge of allegiance. He opened the meeting by welcoming Rusty McLear to the Gunstock Area Commission. Commissioner McLear was appointed to the GAC on June 1, 2020 by the Belknap County Delegation and sworn in by the Gunstock Area Commission on June 2, 2020.

Minutes

The minutes of the May 27, 2020 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.

The minutes of the June 1, 2020 Gunstock Area Commission public meeting were reviewed. Chairman Kiedaisch commended Rep. Sylvia on his management of the meeting despite the COVID restrictions.

ACTION

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

Public Presentations - None

Financial MD&A

Cathy White, Chief Financial Officer, gave an overview of the monthly financial reports for May. The out-of-state quarantine restrictions have adversely impacted camping revenue for May. She noted many of the expense lines are favorable to budget but that is mainly due to timing of expenses, not because of changes to planned spending. She pointed out that when management changed their fiscal month-end, it created some issues with the monthly reporting against the prior year. She said camping revenue is also being reported differently from prior years so the comparative numbers will shift noticeably. She will continue to report these details each month so that the GAC has a clear picture of the YOY numbers. The year-end financial audit has been rescheduled from June to July. The PAN bond was paid in full in May and the spring season pass sales were better than anticipated, only 10% off pace at this time. She noted

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that about 50% of the passes purchased were via the payment plan option. Tom Day, President and General Manager, added that management decided not to extend the spring sale deadline beyond the end of May as other resorts were doing. He believes that may have helped push sales closer to budget. Cathy said the RAN bids were sent out this week to eight different banks and she has already received one decline from a bank that said they were too busy fulfilling the PPP loans for other businesses. There may be others that decline but she has received word from Franklin Savings Bank that they plan to submit a bid. Management expects to award the bid in July with the first draw scheduled in September. Given current cash projections, they may not need to draw from reserve funds until August. Commissioner Gallagher commended Robin Rowe, Resort Services Director, for her work in successfully managing the season pass sales efforts for May despite the significant reduction in staff.

Management Executive Summary

Tom Day provided a summary of operations activities in May. Their focus has been on scheduled maintenance and minor facility improvements/repairs. Discussion ensued around window replacements for the Main Lodge. Facility Operations Director, Patrick McGonagle, reported that Granite State Glass developed a \$160k, 3-year replacement proposal but there are no plans to implement this year due to cash restraints. Tom said they have committed to install an air lock at the 2nd level entrance to the Main Lodge and replace the wood burning fireplace with a propane fireplace to improve energy efficiency and reduce heat loss. All lift buildings will be refurbished by the Buildings Maintenance crew over the course of the summer. Discussion moved to the Stay At Home order and its impact to the campground. Robin reported that, as expected, the quarantine requirement for out-of-state visitors is having a major impact on reservations. There seems to be a lot of interest based on phone volume, but people are mainly asking questions and not making reservations. The Craft Fair is scheduled for July 4-5, with fewer vendors than usual, but it will be a welcome offering. They will take advantage of visitor traffic to promote the e-bike and Segway tours. Commissioner Gallagher asked if there was an opportunity to invite local media to the Craft Fair to help spread the word. Robin agreed and added that they also plan to reach out to their lodging partners with information about the summer activities. She added that the e-bikes have arrived and that she and Sara Caveney, Adventure Park Manager, have been testing them out and developing the trail network for the guided tours. Chairman Kiedaisch asked if guests will be able to rent an e-bike and tour alone and Robin explained that all tours will be guided because the bikes are more technical than most people expect. She added that having a guide present will likely preserve the condition of the bikes, which they plan to sell at the end of the season. Tom reported that the scheduled capital projects for the fall will include expansion of the Tubing Park to add more lanes and replace the rope tow with a conveyor lift. They are also constructing a covered porch on the front of the Welcome Center, to provide for more comfortable line management and improve the façade of the structure. They are also considering a minor addition to the Pan Pub to expand the food service area. Commissioner Gallagher asked how they intend to manage winter rentals in a COVID environment. Tom said they have two main objectives for the planned changes in the Rental Shop. The first is to reduce the amount of time guests spend inside the basement Rental Shop. The second is to make it easier for guests to get on snow from Rentals. They plan to keep bootfitting in the Rental Shop but relocate the ski/board tech and pick up to snow level. To do this, they will reposition the yurt that is currently used for ski check and instructor lockers so that guests can enter one way to rent and exit through the other side onto

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snow level. This will reduce congestion in the Rental Shop and make the trip from Rentals to the snow surface much easier. Discussion turned to trail brushing and mowing. Chairman Kiedaisch asked that management consider mowing in July instead of later fall so the grass can reseed. Tom also reported that the new ski school meeting place has been completed and will be installed near the instructor line-up area.

Action Items None.

New Business

- a. Investment Committee - Commissioner Gallagher asked for a volunteer to join the Investment Committee to replace Steve Nix. Commissioner Ness agreed to be on the committee. The next meeting is scheduled for 5pm on July 29th.

Old Business

- a. *Timber Revenue* - Chairman Kiedaisch asked if there had been any further clarification on the question of who keeps the revenue from a timber harvest on Gunstock property. Chairman Sylvia restated that he believed the money would go to the county and it would be appropriated back to Gunstock the following year. Tom reported that tax records show all prior revenues from timber harvests were paid directly to Gunstock. He is concerned that the resort will have to cover the expense and commit their own resources in a year when they have little cash to spare and few human resources to commit to a project with a low payoff, estimated at about \$30k. Commissioner Ness said he has not been able to get clear direction from the county's attorney on this question. Rep. Howard suggested including it with the new legislation as a permanent authorization. After further discussion, all agreed that Commissioner Ness will follow up with the county's attorney and if he concurs that past practice is acceptable, then Commissioner Ness will draft a MOU between the GAC and BCD on the handling of future timber revenues.

ACTION

- Motion:** Chairman Kiedaisch made a motion to authorize Tom Day to move ahead with the timber harvest analysis and report back to the GAC on the appraised value of the timber compared with last year and, per their review at either a special meeting or at the scheduled July meeting, vote on whether to proceed when they have an understanding of what management will do with that incremental income.
- Second:** Commissioner Ness.
- Vote:** All in favor.

Tom said he will resend his message to the Commissioners with the historic market values for timber over the past five years for their review.

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b. House Bills -

- i. *Statute Amendments* - BCD Chairman Sylvia said all state legislation is at risk because of the political situation in Concord. He said the Senate has combined many bills together, some that never had a public hearing and he does not foresee much real movement on any of the legislation before the House and Senate until after the election. Discussion moved to the water permit renewal and Chairman Kiedaisch said that if the legislation was not going to go anywhere, then management needs to apply for a new permit. Tom explained that Gunstock was given legislative authorization to draw water from Winnepesaukee and that a permit was never applied for or issued. He believes the legislative authorization that expired in April 2020 would need to be extended but he will do further research on a permit given the slowdown in Concord. Rep. Howard said he understood that a permit would only be required if GMR decided to draw water from the lake which seems unlikely.
 - ii. *Parking Lot* - Commissioner Gallagher reported that the Northern Border Regional Commission (NRBC) grant application was completed and accepted, it is pending a decision later this summer. He thanked Tom and Patrick for their work in getting it submitted on time. Chairman Kiedaisch added that there may be lower cost solutions to asphalt that should be researched. Patrick agreed to research alternatives that will hold up to winter maintenance.
- c. Master Plan Committee* - Chairman Kiedaisch asked Tom to set an implementation schedule for a master planning work session to include the GAC and members of GMR management team.

Other Business

a. BCD Subcommittee -

- i. *Business Model Update* - Chairman Kiedaisch commended the subcommittee on their important work and said it would be worthwhile to reconvene once more so they can memorialize the initiatives already agreed upon.

Miscellaneous

Commissioner Gallagher asked to have the GAC website updated with the Rusty McLear's bio and photo. Commissioner McLear will send it to Tom to be posted to the GAC website.

Public Comment

Rep. Howard asked for clarification on the NRBC and where the grant funding comes from. Commissioner McLear explained that it is a coalition of the 5 northern states using federal grant money.

Non-Public Session

ACTION

- Motion:** Commissioner Ness made a motion to enter a non-public session in accordance with RSA 91-A 3 II (a) at 7:11 pm to discuss employee compensation.
- Second:** Commissioner Dumais.

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Vote: **Roll Call** Commissioner Ness - Yes
 Commissioner Gallagher - Yes
 Commissioner Dumais - Yes
 Chairman Kiedaisch - Yes
 Commissioner McLearn - Yes

The GAC went into non-public session at 8:28 pm.

ACTION

Motion: Commissioner made a motion to come out of non-public session in
 accordance with RSA 91-A II(a) at PM.
Second: Commissioner .
Vote: Roll call vote

Adjourn

ACTION

Motion: Commissioner made a motion to adjourn the GAC meeting
 at 8:31 PM.
Second: Commissioner .
Vote:

Adjourn

Respectfully Submitted,

Peter Ness, Secretary
Gunstock Area Commission