

GUNSTOCK AREA COMMISSION MEETING

August 21, 2018 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, Steve Nix, Ruth Larson, Brian Gallagher, Robert Durfee

**Gunstock Personnel:** Greg Goddard, Stephen Blakney, Mike Roth, Robin Rowe, Becky LaPense, Iwan Fuchs, Patrick McGonagle, Tami Dubois

**BDC:** Rep. Howard, Rep. Fraser

**Public:** A member of the public was present but a name was not provided.

Chairman Nix opened the public meeting at 6:00PM.

Minutes

The minutes of the June 27, 2018 Gunstock Area Commission meeting were reviewed.

**ACTION**

**Motion:** Commissioner Durfee made a motion to approve the minutes as presented.

**Second:** Commissioner Larson.

**Vote:** All in favor.

The minutes of the June 27, 2018 Gunstock Area Commission non-public meeting were reviewed.

**ACTION**

**Motion:** Commissioner Dumais made a motion to approve the minutes as presented.

**Second:** Commissioner Larson.

**Vote:** All in favor.

Correspondence

*Soulfest 2018 Guest Letter* - General Manager Greg Goddard provided a copy of a letter from a Soulfest attendee thanking Gunstock and the employees for the hard work and care provided for the mountain and for the event.

*91A Request*- A request for the FY18 audited financial statements was emailed from Rep. Norm Silber to the Gunstock Area Commission on Monday, August 20, 2018. GM Goddard explained to the Commission that he received the draft financial statements yesterday and the final statements would be ready to be presented to the GAC for review at the September meeting.

**ACTION**

**Motion:** Commissioner Dumais made a motion to discuss a response to Rep. Silber via email from Chairman Nix.

**Second:** Commissioner Durfee.

**Vote:** All in favor.

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Discussion ensued regarding fiscal year end reporting and timeframes of when statements would be available. Chairman Nix will respond to Rep. Silber that the FY18 audited financial statements will be available to the public after they are reviewed at the September meeting of the GAC.

Public Presentations

None

Action Items

a. *Winter 2018/19 Pricing Proposal*- Marketing and Sales Director, Mike Roth, presented the FY19 Winter Pricing Proposal. The proposal is for a \$4 increase in the lead rates of the All Day and Night Session lift tickets and all discounts and price tiers will still follow the formulaic guidelines established last year. Even with the price increase, the prices position our lead Adult All Day price respectfully below the 2017-18 day time prices set by perceived market leaders, such as Loon Mountain, Mount Sunapee and Bretton Woods. Director Roth believes that the corporate ownership of those areas provides ample reason to believe they will push prices higher in 2018-19. The inclusive Night Session ticket prices position Gunstock as a market leader in the state. Director Roth included that the changes made to guest age groups last year, in conjunction with the Flex Pass and RFID reload benefits and discounts, serve to make skiing and riding affordable and accessible for more people.

Discussion ensued regarding peer group resorts and where Gunstock stands among those resorts in regards to pricing, revenue, and skier visits.

**ACTION**

**Motion:** Commissioner Durfee made a motion to approve the FY19 Winter Pricing as recommended by management.

**Second:** Commissioner Larson.

**Vote:** All in favor.

b. *RAN Authorization Request* - General Manager Goddard spoke to the Commission about the current operating plan that was put in place after the original RAN request was defeated. The plan that was developed was for a reduction in expenses and use of operating reserves. Over the past 90 days expenses have been reduced by about \$372,000. The plan had also projected that revenue projections would be achieved or close to the budget plan. Since the beginning of July actual sales have been behind projections by about \$140,000. If a similar pattern continues through the remainder of August and into the fall months, GM Goddard expects to be about \$500,000 behind revenue projections. GM Goddard and the rest of the management team are asking the GAC to request another hearing with the Belknap County Delegation to request a RAN, with the same terms and conditions as set before.

Discussion ensued. Commissioner Gallagher asked GM Goddard if the RAN would be used to match loss of revenue. GM Goddard responded that management would continue through the fall months with the austerity budget that had already been set and would not be borrowing more than was needed.

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Chairman Nix included that, as a Commission, there is the need to look again at the master plan, implementation plan, etc. and how will the Commission work to make sure the organization continues to move forward. Chairman Nix restated the proposal by management to ask for a \$600,000 line of credit.

#### ACTION

- Motion:** Commissioner Durfee made a motion to move forward with a request for a hearing for a \$600,000 line of credit.
- Second:** Commissioner Larson.
- Vote:** All in favor.

#### Written Reports

**Financial Report** - A written report was provided.

**Marketing Report** - A written report was provided.

**Resort Services Report** - A written report was provided.

**Human Resources Report** - A written report was provided.

**Operations Report** - A written report was provided.

**General Manager's Report** - A written report was provided. Commissioner Durfee asked GM Goddard about the Rental Shop sump pump failure and the flooding the in the Guest Services Lodge. Discussion ensued regarding the alarm system relays and the pump usage. Commissioner Durfee also suggested that management look into upsizing the outlet pipes to increase capacity to hopefully prevent further flooding.

Commissioner Gallagher asked if any expenses were incurred with the Road Jam Festival cancellation. GM Goddard responded that Road Jam group did pay a \$7,500 contract fee and no expenses were incurred.

#### New Business

- a. **P&L Summary Report**- GM Goddard presented a financial summary report that would replace the current financial statements in the monthly GAC reports. This new report would be a roll-up total for each line item for the entire resort instead of by department. Narratives to explain variances would still be included in each department report. GM Goddard reviewed the report in more detail and a short discussion ensued.
- b. **Emergency Succession Plan**- After the previous GAC meeting, management has been working on emergency succession plans and gradual succession plans. Team Talent reviews have taken place throughout the organization and management will give recommendations for succession at a later date.
- c. **Doug Irving Memorial**- GM Goddard would like to start discussing what options there are for a memorial on property. Management has started to receive suggestions and feedback from outside the organization as well as from current employees.

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Commissioner Durfee agreed that there should be a memorial in recognition of former Operations Director, Doug Irving, but cautions management and the Commission to take their time.

- d. Chairman Nix discussed the current aggressive political atmosphere regarding the future operation and management of Gunstock, and offered the following motion:

#### ACTION

**Motion:** That the Gunstock Area Commission resolve to formally work the with the Belknap County Delegation to create an Ad Hoc Committee to study future options for the ownership and business model of Gunstock Area Resort. The study should include, but not be limited to, whether privatization of some degree is a financially viable and legally possible option for Gunstock and the County, and if so, develop potential business models for privatization. The Gunstock Area Commission recommends that the Ad Hoc Committee consists of representatives of the GAC, the County Delegation, the County Commission, municipal representatives and representatives of the surrounding private business community.

**Second:** Commissioner Gallagher.

Discussion ensued. After further discussion Chairman Nix withdrew the motion with permission of the seconder. All agreed to authorize Chairman Nix to contact the Belknap County Delegation Chairman and have a formal discussion regarding the business structure of Gunstock.

#### Old Business

- a. *Ethics Policy* - Commissioner Gallagher distributed a draft document for ethics policy/guidelines for the GAC. He asked the Commission to review the document and discussion to continue at the September GAC meeting
- b. *Historic Single Chair Project* - No further action was taken.
- c. *GAC Website Development*- A subcommittee met and decided to create a web page off of the www.gunstock.com website. The web page will contain information about the GAC. Commissioner Durfee hopes that the Belknap County website will also be able to include a link from their site to the GAC web page. The Gunstock IT and Marketing departments will help to develop an outline for a home page for the next GAC meeting in September.

#### Other Business

**BCD Gunstock Subcommittee** - Rep. Howard spoke in reference to the proposed Ad Hoc study committee. He reminded the commission that HB 1702 was proposed and could have resolved the entire issue but that it was defeated.

**Affiliated Agency Reports** - None.

Miscellaneous- None.

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Public Comment- None.

Adjourn

	<u>ACTION</u>
<b>Motion:</b>	Commissioner Larson made a motion to adjourn the GAC meeting at 7:54PM.
<b>Second:</b>	Commissioner Dumais.
<b>Vote:</b>	All in favor.

Respectfully Submitted,

Russ Dumais, Secretary  
Gunstock Area Commission