

GUNSTOCK AREA COMMISSION MEETING
August 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: Bob Durfee, Gary Kiedaisch, Brian Gallagher, Russ Dumais, Steve Nix

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

BDC: Rep. Howard, Rep. Spanos

Public: Lorraine Sanborn, Ruth Larson, Chris Roundy, Steve Weeks Sr., and other members of the public were present but names not provided.

Chairman Durfee opened the public meeting at 6:00pm. Commissioner Kiedaisch requested a non-public session according to RSA 91-A:3 II(a).

Minutes

The minutes of the July 23, 2019 Gunstock Area Commission meeting were reviewed. Chairman Durfee corrected wording on page 5 of the minutes to read as follows “.....Commissioner Nix and Commissioner Kiedaisch will present again on the subject at the next GAC meeting”.

ACTION

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

The minutes of the non-public session of the July 23, 2019 Gunstock Area Commission meeting were reviewed.

ACTION

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

The minutes of the non-public session of the May 22, 2019 Gunstock Area Commission meeting were reviewed.

ACTION

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

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Correspondence

- a. *Goddard Retirement Letter* - General Manager, Greg Goddard, previously presented Chairman Durfee with a letter announcing his intent to retire at the end of his contract in July 2020. Chairman Durfee accepted the letter on behalf of the GAC but asked for discussion with the Commissioners. Commissioner Kiedaisch proposed that the discussion take place during a non-public session for personal matter and employment. GM Goddard asked that any discussion regarding his retirement letter take place in a public meeting.

ACTION

Motion: Chairman Durfee made a motion to accept the retirement letter.

Second: Commissioner Nix.

Discussion: Vote was tabled until Commissioner Dumais arrived at 6:20pm and the vote was reopened at 6:45pm. Commissioner Kiedaisch thanked GM Goddard for the extensive notice of retirement and that the time and process to find a replacement will be taken seriously. Commissioner Kiedaisch asked if the letter should be accepted conditionally with mitigation because GM Goddard's contract calls for a 6-month severance. Discussion ensued and it was agreed that the current terms of the contract covered Commissioner Kiedaisch's request.

Motion: Commissioner Nix made a motion to accept the retirement letter with condition that the terms and conditions of the existing contract remain in place.

Second: Chairman Durfee.

Discussion: Discussion continued regarding the need to vote for acceptance of the letter as it is a notice of GM Goddard's intent to retire when his current contract ends in July 2020. As a result, Chairman Durfee removed his motion on the floor and Commissioner Nix withdrew his second.

- b. *July 29 and July 30, 2019 Laconia Daily Sun Letters to the Editor* - Chairman Durfee referenced these two opinion letters printed in the *Laconia Daily Sun* for awareness of the subject matter that was brought up in both regarding the private sales or lease of the resort. He noted that the study committee has not completed their work so the GAC will not be responding to the letters at this time. Commissioner Kiedaisch suggested that GM Goddard personally respond to Norm Silber's letter in acknowledgement of the correspondence. GM Goddard agreed to do this.

Public Presentations

- a. *Steve Weeks Sr.: Expanding Ski Terrain* - Steve Weeks, Sr. distributed printed materials to the Commissioners detailing a development opportunity that would expand ski terrain from the summit of Gunstock. Mr. Weeks reported that he has a potential buyer for the adjoining property in question who would be interested in a development partnership with Gunstock and expand ski terrain, including new ski trails, snowmaking, and a lift system. Mr. Weeks reviewed the history of the

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property. Discussion ensued regarding conservation area, neighboring properties, recreation usage, and investment/shared costs of the project. Commissioner Nix proposed that a sub-committee be created to meet with Mr. Weeks and further explore the questions that arose during discussion. Commissioner Kiedaisch proposed that he and Commissioner Dumais be a part of that committee. Chairman Durfee asked GM Goddard for his thoughts about the possibility for expansion. GM Goddard responded that it could be promising, but may have some opposition from the town and conservation groups. Commissioner Gallagher asked Mr. Weeks what timeframe the buyer is under. Mr. Weeks responded that a specific timeframe has not been set but there are other interested parties so he would like to know as soon as possible if there is serious interest among the GAC to move forward. Chairman Durfee responded that there is not yet enough information available regarding the project to make any commitments but the Commissioners are interested in further discussion. He organized a sub-committee of GM Goddard, Chairman Durfee, Commissioner Dumais, and Commissioner Kiedaisch to hike the area with Mr. Weeks to gather more information, including a rough plan with estimated costs, and bring back to the GAC for a final decision. Commissioner Nix volunteered to make some inquiries on potential property use restrictions.

Action Items - None

Written Reports

Financial Report- July - A written report was provided. Commissioner Gallagher asked if there are trends in any of the profit centers that are signaling caution areas. Director of Finance, Cathy White, responded that she has not seen any through Q1. Commissioner Nix asked how much has been drawn on the RAN to date. Cathy responded that there has been no draw yet but it is scheduled to occur within the next 7-10 days. Discussion ensued regarding income variances compared against last year. Commissioner Kiedaisch suggested that management begin to re-prioritize scheduled capital projects and postpone projects that are not related to safety/compliance, revenue generation, or cost reduction. Director of Facility Operations, Patrick McGonagle, responded that he has already reviewed and reprioritized some of the capital projects and will be watching expenses closely as they move through a busy fall maintenance schedule.

Marketing and Sales Report - A written report was provided. Commissioner Dumais asked for any available statewide or local tourism data for the summer season so far. Director of Marketing and Sales, Mike Roth, responded that he does not have any official data at this time. Commissioner Gallagher asked for an update regarding sponsorships or partnerships. Mike Roth replied that he had an initial meeting with a local vehicle dealership and has worked out a framework for a partnership but there are no cash sponsorships being proposed at this time. Commissioner Gallagher asked if the intent of the Gunstock Brew & BBQ event was to generate revenue or to raise funds for the "Friends of Gunstock". Mike Roth replied that the budget was built for both, with a portion of the proceeds going to the "Friends of Gunstock", following a marketing strategy that benefits to non-profits is attractive to attendees. Discussion ensued regarding profitability of Gunstock events and when to cancel if they are not meeting targeted margins.

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Resort Services Report - A written report was provided. Commissioner Kiedaisch asked when the tent platforms would be in place. Director of Resort Services, Robin Rowe, responded they are being used in the Pines tent camping area and the remainder will be put in place over the next week.

Mountain Sports Report- A written report was provided. Commissioner Kiedaisch spoke about the Trail Brush Project, as updated in the meeting materials, and his concern that the scope of the project has been greatly reduced from the original proposal. He asked that the plan include several other trails that he deemed a high-priority, particularly expert terrain. GM Goddard said he disagreed with Commissioner Kiedaisch's analysis and recommendations. He reported that, although the mountain maintenance crew was pulled into other projects over the past years, trail clearing and brushing along critical areas has been part of the annual maintenance plan all along. He added that Ski Patrol is equipped to cut down low hanging branches and other hazards each morning during opening sweeps. He reported that Guest Research surveys over the past 3 years have only one detractor comment complaining about the narrowness of Gunstock's trails. A robust discussion ensued and Commissioner Kiedaisch explained that he has had discussion with Mark Petrozzi about the seriousness of the risk management issues at hand. He stated that Mr. Petrozzi may have more insight relative to the condition of Gunstock's trails and he seemed to be in agreement with Commissioner Kiedaisch about the need for extensive brush cutting. GM Goddard noted that his conversations with Mr. Petrozzi did not indicate the same sense of urgency. Discussion continued regarding best practices for trail brushing, possibly reprioritizing the maintenance plan, and labor and equipment needs for expanded maintenance. Commissioner Gallagher asked if there had been any interest in using inmates from the county jail. GM Goddard responded that the program has been used in the past but would not be a perfect solution for a variety of reasons. Management would be responsible for daily transportation to and from the jail, and past experience raises concerns about reliability, daily staff changes, and training. He added that there would be additional costs for equipment rentals to outfit multiple trail crews. **GM Goddard and Director of Mountain Sports, Iwan Fuchs, agreed to do a labor analysis and cost estimate for equipment rental to see if additional work can be done before the start of snowmaking and will report back to the GAC in the September meeting.**

Human Resources Report - A written report was provided. Commissioner Gallagher asked Director of Human Resources, Becky LaPense, for an update regarding changing the allocation of profit sharing funds. Becky LaPense responded that there are a few common ways of allocating funds, the most common being pro rata, which is the current practice for Gunstock. BPAS is willing to work with Gunstock to change the formula for allocation but needs more information on what is looking to be accomplished. **Commissioner Gallagher suggested that the Investment Committee review and gather more information and report back to the Commission. Becky LaPense will ask BPAS to begin working on the demographic analysis and non-discriminatory testing for the alternative models.**

Facility Operations Report - A written report was provided. Commissioner Kiedaisch inquired about conducting a facility audit to get a complete inventory of the deferred maintenance needs of the resort's building structures. Facility Operations Director, Patrick McGonagle, reported that they started a facility audit about a year ago for all buildings and

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lifts. Dopplemeyer completed their analysis of the resort lifts and other known facility maintenance needs have been incorporated into a 10-year R&M plan. GM Goddard added that the facility audit is about 40% complete and there is a manager meeting scheduled for September to review additional facility updates. Discussion ensued regarding a 3-year plan to address some of the more immediate capital needs. Chairman Durfee asked when an updated report would be available. GM Goddard replied that he could have an update ready for the October GAC meeting.

General Manager's Report - A written report was provided. Commissioner Gallagher asked that GM Goddard send the updated parking lot project schedule to BCD Chairman Sylvia and to the Congressional Representatives. Chairman Durfee asked what the next steps were in regards to Grants and Endowments section of the GM report. GM Goddard replied that the GAC is set up to receive funds, but would need to start a new process in order to be set up to receive tax deductible contributions. Discussion ensued and Chairman Durfee responded that the GAC is still interested in setting up a charitable trust that is tax deductible. Chairman Durfee asked GM Goddard to work with Mr. Sullivan and Mr. Wood to draft a charitable trust document as well as a non-charitable trust document and report back to the GAC for approval and recommendations on where the money would be spent. Commissioner Gallagher proposed that Mr. Sullivan and Mr. Wood be invited to the next GAC meeting. Chairman Durfee asked GM Goddard to invite them to the September GAC meeting.

New Business

- a. *Foodservice Contract* - GM Goddard has received a proposal for another four year contract but has not had dialogue with Centerplate about the proposal and has nothing further to report.
- b. *General Manager Performance Review* - HR Director, Becky LaPense, handed out hard copies of the GM Performance Review template, which is scheduled annually for this time of the year. The review questionnaire is emailed via Survey Monkey and each Commissioner evaluation is compiled by the Chair, who presents the feedback in a one-on-one meeting with the GM. After the review, GM Goddard would be invited to a non-public session to review and discuss any modifications to compensation and benefits. Becky will send out the evaluation link via email on August 29th. Chairman Durfee asked that they be completed within 2 weeks so he can review the feedback with GM Goddard before the September GAC meeting.
- c. *Executive Search- General Manager* - Chairman Durfee reported that he asked HR Director, Becky LaPense, to assist with the development of an executive recruitment plan for the GAC to review. She included a sample recruitment timeline, job description, draft job posting, and information regarding recruitment sources with the meeting materials. Discussion ensued regarding the skills, responsibilities, and experience each Commissioner would like to see in a candidate. Commissioner Nix proposed that each Commissioner review the materials that were included and bring their own recommendations for the position description and recruitment sources back for discussion at the next GAC meeting. Chairman Durfee agreed with Commissioner Nix to postpone the discussion. Commissioner Kiedaisch proposed that the GAC hold a

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special, non-public meeting to discuss the details. All agreed and scheduled a special, non-public meeting on September 17th at 2pm in the LRDS building at Gunstock.

Old Business

- a. *Historic Single Chair Project* - Director of Mountain Sports, Iwan Fuchs, has been updated with the location of historical sign. Chairman Durfee added that Fluet Engineering still needs a photograph and information about the base and will submit the foundation review before they seal it.

Study Committee: Gunstock Business Model - Commissioner Nix shared the proposed revisions to the enabling statute on behalf of the study committee. Revisions include introducing term limits for Commissioners to no more than two consecutive terms, removal of the current limits on the number of Commissioners who can reside in the same town, removal of language which requires that funds be turned over to the county treasurer, removal of the provision which requires that excess funds be turned over to the county and replaced with a formula requiring annual revenue be shared with the county at a rate of 1.75% of gross operating revenue, additional reporting requirements of financial information to the county treasurer, and requirements that Revenue Anticipation Notes be paid back within 1 year. The study committee is looking for feedback on the proposed changes and a vote from the GAC to support the substance of these amendments, with the understanding that there may be additional amendments from the BCD. There was discussion regarding each revision.

ACTION

- Motion:** Commissioner Kiedaisch made a motion to approve the amendment to Commissioner term limits as presented.
Second: Commissioner Gallagher.
Vote: All in favor.

ACTION

- Motion:** Chairman Durfee made a motion to edit the revision to 399:14 (c) and add back in "if required by a vote by the county delegation".
Second: Commissioner Nix.
Vote: No: Gallagher and Kiedaisch
Yes: Dumais, Nix, Durfee

GM Goddard asked to defer the remainder of the agenda items to a later date due to the lateness of the hour. Chairman Durfee agreed with exception to the BCD Subcommittee and Public Comment.

- b. *Doug Irving Memorial* - None
c. *Main Parking Lot Paving* - None
d. *Grants and Other Funding Options* - None
a. Endowment Funding

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Other Business

BCD Gunstock Subcommittee - Rep. Spanos reported that he spoke with Rep. Huot regarding the parking lot project and Rep. Huot agreed to be the prime sponsor. He will begin preparations for the LSR and Rep. Howard asked for new estimates to be sent to the committee.

Affiliated Agency Reports - None

GNA- Ski Jumps- None

Miscellaneous - None

Public Comment - Ruth Larson (Alton) suggested the Commissioners review RSA 91-A more carefully when it comes to non-public sessions. Ms. Larson added that when looking at workforce issues and using inmates as a solution, the Commission should be aware that many local inmates have mental health and/or substance abuse issues. She said the inmate work program was recently used at the Belknap County Nursing Home and it reportedly did not work well because of these issues. Ms. Larson added that she was taken back by the discussion about GM Goddard's retirement notice, noting one of her best experiences as Commissioner was working with Gunstock's senior management team and GM Goddard. She said that if she were still a member of the Commission, she would be concerned about finding a replacement that is equally as talented within the year.

Non-public Session - The request for a non-public session was revoked.

Adjourn

ACTION

Motion: Commissioner Nix made a motion to adjourn the GAC meeting at 10:31pm.
Second: Commissioner Kiedaisch.
Vote: All in favor.

Respectfully Submitted,

Brian Gallagher, Secretary
Gunstock Area Commission