

GUNSTOCK AREA COMMISSION MEETING
September 30, 2020
Gunstock Mountain Resort, Stockade Lodge 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, Kristen Lodge, Peter Weber, Jim Mamos

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

Chairman Kiedaisch called the meeting to order at 6:00PM with the pledge of allegiance.

Minutes

The minutes of the August 26, 2020 Gunstock Area Commission public meeting were reviewed. Chairman Kiedaisch asked when the Lift Maintenance building will be taken down. Patrick McGonagle, Facility Operations Director, said it is scheduled for October 24th and Kristen Lodge, Marketing Director, reported she is working on a press release to make the news public. Chairman Kiedaisch noted that many people in the community may be very interested in viewing the controlled burn.

ACTION

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

Public Presentations - None.

Management Executive Summary - President and General Manager, Tom Day, provided an update on operations. He reported that the SkiNH COVID Reopening Task Force has continued working with state officials to finalize operating guidelines for ski areas this winter. Discussions have been favorable so far and he hopes to have the Governor's signature on their proposal by October 12th so they can begin to communicate the winter operating plans to the public. While the lodge and indoor restrictions will mirror the state's Universal Guidelines, SkiNH has proposed no restrictions on lift ticket sales. Tom noted that Gunstock is already able to monitor on-hill traffic and ticket sales through RFID and believes it will be a fairly easy task to keep skiers/riders safely distanced in the lift lines. Chairman Kiedaisch commended Tom for his work with the state and other NH ski areas. He asked Cathy White, Chief Financial Officer, for an estimate on the total costs for COVID customizations; she reported that management estimates an additional \$75k to be spent on facility changes, cleaning and sanitization, and employee screenings. She noted these costs can spiral quickly so they will be monitoring it closely. Chairman Kiedaisch asked that management present a financial report to account for how these expenses will be worked into the budget. Cathy agreed to update their spring recapture plan which accounts for the total financial impact of the pandemic to the operation. Commissioner Dumais asked Tom to review the lift capacity as it relates to their COVID planning. Tom said they are assessing that now but are not prepared to discuss the final plan at this point. He added that until they have clear guidance from Governor Sununu, he is hesitant to discuss any plans in detail since they are so prone to changes. Commissioner McLear asked if all SkiNH members are adopting the same protocols. Tom explained they all worked together on the

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proposal and all SkiNH resorts will be using the same COVID protocols. Commissioner Gallagher asked how passholder access will be affected by day trippers. Tom said they will have real-time access to daily ticket pre-sales and can adjust ticket sales if necessary. His goal is to guarantee all season passholders a spot whenever they want to ski/ride.

Tom introduced Peter “Webbie” Weber, Gunstock’s new Director of Snowsports to the team. Webbie most recently worked as the Snowsports Director for Waterville Valley and has a stellar reputation in the industry. Webbie reported that he and Sara Caveney (Snowsports Manager) have been working on programming, pricing, and COVID. He is excited to be at Gunstock and has been impressed with the team and the facility. Tom also introduced Jim Mamos, Gunstock’s new Director of Sales. He noted that this is a newly created position for the resort and that Jim brings a renewed focus to Gunstock’s sales efforts. Jim reported that his first few weeks have been spent getting to know the operation, the team, and past sales strategies. He added that the sales team is fired up and already working on group sales initiatives. Tom noted that Jim has also begun working on sponsorships, which will remain an important focus going forward.

Financial MD&A

Cathy White, Chief Financial Officer, gave an overview of the monthly financial reports for August. Overall, the financials are in good condition with revenue falling short \$60k YTD despite almost no cost centers operating. Season pass sales are up 7% over last year and Chairman Kiedaisch suggested promoting that through a press release that presents an optimistic winter outlook. Discussion ensued around the marketing and PR plan for the winter. Tom explained he has been holding back on details until the entire plan is complete and then they will go out with a big message. He commended Kristen for her enthusiasm in getting the word out and he has deliberately asked her to hold back until the SkiNH plans are approved. Commissioner Gallagher asked when they plan to begin drawing on the RAN and Cathy said she will make the first draw in mid-October. Commissioner Gallagher asked if there are any opportunities to consolidate any of Gunstock’s existing debt. Cathy explained that she looked into that possibility the last time it was brought up by the GAC and she determined that it is not an option because of how the bonds were written. She added that current interest rates are already extremely low. Commissioner Ness asked if there was any thought given to what will be served in the food trucks with consideration to the serve time. Cathy said it is a major component in determining the menu, with options that focus on “quick and hot” items. Chairman Kiedaisch asked about the inventory numbers reflected in the financials and Cathy estimated it will go down about \$150k in September as a result of the Labor Day retail sale. Resort Services Director, Robin Rowe, noted that most of the items sold that weekend were at cost, which hurt margins but helped inventory and brought in much needed cash.

Action Items - None.

New Business - Chairman Kiedaisch said he and Commissioner Dumais did a site walk of the ski jumps and were surprised by their deterioration. He would like to see this aspect of the resort included with the master plan and believes he may have a benefactor who could help fund their restoration.

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Old Business -

- a. *Investment Committee Update* - Commissioner Gallagher reported that Bank of NH provided a written summary of the fiduciary responsibilities of the Investment Committee and Gunstock Area Commission to address Commissioner Ness' concerns about the fiduciary liability for Commissioners. Chairman Kiedaisch asked Commissioner Ness to confirm with another professional who the appropriate plan fiduciaries are. Commissioner Gallagher asked to revisit the decision to not contribute to the FY20 Profit Sharing plan. He wants to ensure that if management is able to identify any available funding, he would support contributing some of that to the Profit Sharing plan. Chairman Kiedaisch noted that the recommendation should come from management for the GAC to consider. All agreed.

Other Business - Commissioner Gallagher reported that he and his family took a guided e-bike tour and commended Sara Caveney, Adventure Park Manager, on the experience. He enjoyed the tour tremendously and encouraged everyone to participate when they can. There was brief discussion about the mowing plan for this fall.

Public Comment - Rep. Sylvia asked if the ongoing drought is a concern for snowmaking operations this winter. Tom reported that it is a concern for Gunstock and that all the NH ski area operators are worried, as well. Chairman Kiedaisch asked if it was worth exploring developing the Winnepesaukee water access that is available to Gunstock. Rep. Howard said the state could suspend that access if the drought conditions worsen so it was not a guaranteed solution in the event of a severe drought. He noted the lake is about 3 feet lower than normal right now. Rep. Howard asked for clarification of the procedures for submitting a Right to Know request to the GAC. He said he asked Tom for any emails related to the timber harvest discussion but has not received it yet. Tom apologized for the miscommunication, explaining that he thought Chairman Kiedaisch had followed up with Rep. Howard. Rep. Howard also asked what the policy is for the Commission in hiring subcontractors and consultants as he believes it should be the responsibility of the Commission, not the employees to award these contracts. Tom noted that Gunstock does make it a practice to get multiple bids for any contracted worked. Chairman Kiedaisch said he believed that current practice was appropriate and noted that any expenditures that are not already approved in the budget do need to get approval from the GAC.

Non-Public Session

ACTION

- Motion:** Commissioner Gallagher made a motion to enter a non-public session in accordance with RSA 91-A 3 II (a) at 7:52 pm.
- Second:** Commissioner Dumais.
- Roll Call Vote:** Russ Dumais - Yes
Brian Gallagher - Yes
Gary Kiedaisch - Yes
Peter Ness - Yes
Rusty McLear - Yes

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The GAC went into non-public session at 8:00 pm.

ACTION

Motion: Commissioner Gallagher made a motion to come out of Non-Public session in accordance with RSA 91-A:3 II (a) at 9:03 PM.

Second: Commissioner Dumais.

Roll Call Vote: Russ Dumais - Yes
Brian Gallagher - Yes
Gary Kiedaisch - Yes
Peter Ness - Yes
Rusty McLear - Yes

ACTION

Motion: Commissioner Gallagher made a motion to seal the minutes of the September 30, 2020 Non-Public Session per RSA 91-A:3 at 9:04 PM.

Second: Commissioner McLear.

Roll Call Vote: Russ Dumais - Yes
Brian Gallagher - Yes
Gary Kiedaisch - Yes
Peter Ness - Yes
Rusty McLear - Yes

Adjourn

ACTION

Motion: Commissioner Dumais made a motion to adjourn the public meeting of the Gunstock Area Commission at 9:05 AM.

Second: Commissioner McLear.

Vote: All in favor.

Respectfully Submitted,

Peter Ness, Secretary
Gunstock Area Commission