

GUNSTOCK AREA COMMISSION MEETING  
September 25, 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

**BCD:** Rep. Howard

**Public:** Lorraine Sanborn

Chairman Durfee opened the public meeting at 6:00pm.

Minutes

The minutes of the August 28, 2019 were reviewed. Commissioner Kiedaisch asked for discussion about the order of the agenda and particularly the follow up for noted action items. He suggested that management be permitted to leave the meeting once the action items and written reports were reviewed. Commissioner Gallagher referenced the Action on page 6 and asked if that vote meant that the GAC was making a decision that the proposed Commissioner term limits be in place. He wanted clarification on what action was being taken when they approved the actions of the study committee. Commissioner Nix said that he amended the action to state that the Commission agreed to eliminate the multi-town resident requirement, along with the proposed term limits. Chairman Durfee said he assumed that the vote deemed all of the proposed amendments as acceptable and that only the two revisions that were noted in the Action was because there had been discussion among the subcommittee about those specific changes. Commissioner Gallagher acknowledged that the GAC agreed to all of the amendments and explained that it will now be referred to the Belknap County Delegation for their review and acceptance. Once accepted by the BCD, it will be returned to the study committee to codify it for a legislative bill. Commissioner Nix made an edit on page 2 to note that both motions were withdrawn. Commissioner Keidaish asked for an edit to page 4 to note that there was robust discussion around the conversations with Mark Petrozzi and the seriousness of the risk management issues at hand.

**ACTION**

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

The minutes of the non-public session of the September 17, 2019 Gunstock Area Commission meeting were reviewed. Commissioner Kiedaisch noted some ambiguity in the second motion and asked that it be clearly noted that the intent was to identify the executive search firm by September 30, not a new General Manager.

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**ACTION**

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

**Correspondence**

- a. *Centerplate Letter* - GM Goddard included a copy of a letter from Centerplate which will come up for discussion later in the agenda. Commissioner Kiedaisch requested that the discussion be moved to a non-public session under RSA 91-A:3, II(l).

**Public Presentations**

- a. *Endowments* - GM Goddard reported that Attorney Wood informed him that he would not be able to attend the meeting as requested but sent an email response that was shared with the Commissioners. Attorney Wood explained that he may not be able to take on this project as he is looking to wind down his business but suggested that the correct way to set up any endowment would be through the county since they are permitted to hold these monies. **Chairman Durfee asked GM Goddard to follow up with Attorney Wood to see if he could offer any referrals if he is unable to accept the work, which GM Goddard agreed to do.** Commissioner Kiedaisch asked to find out what the maintenance/management costs would be for this. **Chairman Durfee asked Cathy White, Finance Director, to do some research about the maintenance and management costs for endowments.** GM Goddard added that any trustee can hire a professional service to administer it for us.

**Action Items**

- a. *Bill Ray Memorial Plaque on the Mountain* - GM Goddard reported on the untimely death of Bill Ray, spouse of a long-time Gunstock employee and former director of the Gunstock Ski Club. He could often be seen hiking or skiing the mountain and was a good friend and supporter of Gunstock. The family asked if they could install a small memorial in the woods on the side of the Flintlock trail in his honor. GM Goddard shared a rendering of the memorial as proposed for Commission approval. GM Goddard endorsed the installation and asked for the GAC's approval to proceed. The family is planning a celebration of life on Oct 4<sup>th</sup> and they would like to unveil the memorial with a small family gathering Oct 5<sup>th</sup> on the mountain.

**ACTION**

- Motion:** Commissioner Dumais motion to accept and approve the memorial installation.  
**Second:** Chairman Durfee  
**Discussion:** Chairman Durfee asked GM Goddard if their application complies with the Gunstock's Naming Policy. GM Goddard said it was compliant. Chairman Durfee asked for clarification of the location to ensure that it was safely off the trail. GM Goddard reported that it is 200' downhill from the Panorama Pub and out of the path skier traffic. Chairman Durfee recalled the reason for the development of the Naming Policy which was intended to keep these proposals to a minimum. Commissioner Kiedaisch

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expressed concern about setting a precedent for future requests and suggested alternative solutions to keep the mountain from becoming noticeably populated with private memorials. GM Goddard explained that when the Naming Policy was passed, the few existing monuments were grandfathered and there has not been another request since that time. GM Goddard said he believes this is an exceptional circumstance considering the family's connection to the resort over three generations. Commissioner Kiedaisch advised to accept and approve the Ray family's request under the condition that management and the GAC identify a location where all future memorials can be built. He said there is likely an appropriate place on the mountain, easily accessible to family but out of the way of the public, where memorial could be placed in a respectful way. **GM Goddard offered to begin working on a proposal for future consideration. Discussion ensued around a timeline and existing priorities. Chairman Durfee did not set a specific deadline but said he would like to see it addressed before future requests are considered.**

**Vote:** All in favor.

#### Written Reports

**Financial Report: August** - A written report was provided. Commissioner Kiedaisch noted that YTD P&L shows that revenue is lagging behind prior year actuals by about \$200k. GM Goddard pointed out that income is currently favorable to budget by \$120k. Commissioner Kiedaisch explained he is conscious of the unplanned expenses resulting from the GM search and asked how expenses are being realigned to make way for those unbudgeted expenses. Cathy White, Finance Director, said management is mainly focused on revenue generation and that she is also concerned about the drop in income. She said management has begun working on that problem but do not have any recommendations at this point. Commissioner Kiedaisch said now is a good time to reforecast the budget so that management has an accurate projection of the scale of the shortfall and begin to develop tactical, revenue-generating initiatives that can be implemented in the current fiscal cycle to close the gap. Commissioner Nix asked how much was left on the RAN and Cathy reported \$650k is remaining but her current projections show that management will likely need to draw the remainder of the RAN before revenue increases in December. She added that management is very aware of the cash picture and that the next 13 weeks are critical.

**Marketing and Sales Report** - A written report was provided. Commissioner Gallagher asked for an update on the Bank of NH Pavilion contract renewal. Mike Roth, Marketing and Sales Director, reported he is in negotiations with them but they do not appear receptive to the sponsorship proposals at this time. Commissioner Gallagher asked if he made any progress on other sponsorship opportunities. Mike responded that Harley Davidson has stepped up their sponsorship for the 2020 Hill Climb but had no other updates on that front. Commissioner Gallagher asked if management feels confident that they can obtain sponsorships that will generate income or share in expenses. Mike said that he is in talks with an auto dealer for vehicle sponsorships but feels that the sponsorship "pitch" could be improved. He is considering hiring an ad agency to help develop a campaign for these companies when approaching them with sponsorship opportunities. Commissioner Kiedaisch asked for discussion about YTD season pass sales noting that the reporting seems to show an increase in income with less sales volume. Mike explained that was the intention behind the launch of

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the Flex Pass. Some other factors impacting the revenue boost include the reintroduction of the Flex 360 and earlier availability of the Buckaroo and Golden season passes. Commissioner Kiedaisch asked if the resort map presented in the Marketing and Sales report was going to replace the existing trail map. Mike said that was his plan because the new map will allow guests to zoom in providing better detailing of the entire resort.

**Resort Services Report** - A written report was provided at the meeting. Resort Services Director, Robin Rowe, reported that the retail store improvements are going extremely well. She said several members of the Ops team have been jumping in to help and the staff is very proud of the teamwork and their results. The camping platforms are still waiting to be relocated and they are waiting on the availability of equipment to get them in place. Commissioner Kiedaisch suggested that they be capitalized in FY21 since they aren't in use. He asked for Robin's insight about the trend on Adventure Park revenue. Robin responded that there were a few issues earlier in the season that have been mentioned before but cannot offer an explanation as to why the 2019 summer visits are down overall. Discussion ensued around the decline in revenue and statewide tourism trends. Management has not been able to provide tourism numbers but has received some unofficial reports from other seasonal operations. **Commissioner Kiedaisch suggested that Cathy White pull the management team together to do a "lessons learned" discussion about the current budgeting process while summer actuals are still fresh in everyone's mind.** Commissioner Dumais noted the importance of statewide tourism data when analyzing visitor trends and recommended that management include that with their analysis.

**Mountain Sports Report-** A written report was provided. Commissioner Kiedaisch asked for an updated Gantt chart with capital project updates. GM Goddard said it was difficult to update in September because of vacation schedules but they will have a comprehensive update in the October meeting. Commissioner Kiedaisch asked Iwan if waterbar repair was included in the project. Mountain Sports Director, Iwan Fuchs, said it was included in the erosion control repair work happening on the mountain. Commissioner Kiedaisch asked when the trails will be cut and Iwan said they are mowing everything in the original plan and he is confident that it will be completed on time. Commissioner Nix asked what was being considered for night lights. Discussion ensued about the night lighting replacement and snow mapping with LIDAR. Iwan said he was actively researching all solutions and will develop a grant proposal along with the project plan for the next fiscal cycle.

**Human Resources Report** - A written report was provided, there was no discussion.

**Facility Operations Report** - A written report was not provided but Facility Operations Director, Patrick McGonagle, gave a verbal update. He reported that all buildings, grounds, and lift maintenance projects are on target. There are varying equipment issues that are hampering schedules but the crew is working through them daily. He noted there are some repairs needed to the snow removal equipment that may be an issue. The retail shop remodel is going well and on schedule. The capital budget is on schedule except for those projects that have been delayed.

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**General Manager's Report** - A written report was provided. Commissioner Gallagher thanked GM Goddard for following up on the parking lot request. GM Goddard said he received follow up from Senator Hassan's office and they are working on it. He is meeting with Senator Shaheen next week and plans to ask her if they received the letter. Discussion ensued about the IAAPA show and GM Goddard reported only one "wow" attraction which he detailed in his written report. He came away feeling confident that Gunstock could become New England's premier summer adventure park. **Commissioner Kiedaisch suggested a site visit to Killington to look at their e-bike operation and to find out their "lessons learned"**. Commissioner Nix asked what attractions, if any, GM Goddard could envision at the summit. GM Goddard he would like to see an ADA-compliant, elevated walkway through the summit canopy with action-oriented pods that duck off the track into a 'game'. Chairman Durfee asked about the costs for the extra trail brushing work. GM Goddard said they estimate cost at about \$30k, which has been re-allocated from the monument sign project in the marketing budget. The Commissioners agreed to this reallocation of funds.

**Commissioner Kiedaisch commended Finance Director, Cathy White, on the departmental financial reports but asked if they could be reordered so that the department P&L statements are batched with their director reports.**

### New Business

- a. *Foodservice Contract* - This conversation has been moved to non-public.
- b. *Executive Search: General Manager* - Chairman Durfee announced that the Commission has decided to hire an executive recruitment firm to manage the search process. They have selected a sub-committee of Commissioner Kiedaisch and Commissioner Dumais to select the recruitment firm. Commissioner Kiedaisch clarified that the firm will help refine the job description, identify candidates who match the required KSAs, and screen those candidates for credentials, salary, and relocation needs. They will also conduct background reference checks on final candidates. Commissioner Kiedaisch asked that the October 3<sup>rd</sup> interview schedule be adjusted to allow for at least 90 minutes for each interview. This will give them some time in between interviews for notes and discussion. All agreed that they can stay later than 5PM. Chairman Durfee asked that all of the Commissioners arrive a few minutes early so they can start promptly at 1pm and they will plan to be out by 7PM. Commissioner Kiedaisch asked that someone assist with the scheduling so that the interviews go smoothly. Mike Roth suggested the executive office at the Lakes Region Chamber of Commerce and Commissioner Kiedaisch asked Mike to book that space for the interviews if was available.
- c. *Non-Public Sessions* - Chairman Durfee provided a summary of past discussions surrounding confidentiality of business tactics/strategies and their applicability under 91A. Commissioner Nix asked to have discussion about the proper use of non-public sessions. He noted that he cannot give the board legal advice but he can provide the Commissioners with a copy of the RSA and ask each Commissioner to read through it carefully. He will email it to everyone for their review. He said that if the board feels they need a legal opinion, they can pursue that.

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- d. *General Manager Newspaper Interview* - Commissioner Gallagher referenced an article in the *Laconia Daily Sun* in which GM Goddard was interviewed by Rick Green. Commissioner Gallagher said he was concerned that about the editorial comment or positions expressed by GM Goddard in that interview pertained to issues being handled by the GAC. He referenced quotes about the possible purchase on the resort by a private operator and GM Goddard's desire to see it remain community-owned and operated. Commissioner Gallagher said he wanted to caution against releasing tactical or strategic information to the public that could lead to doubt and speculation about GAC activities. He asked what GM Goddard was trying to accomplish with this interview. GM Goddard said he was expressing his personal opinion and responding to the questions asked in the interview. He noted the reporter asked him what he would like to see about the future of the resort and he did not speak on behalf of the GAC or refer to any specific plans. Commissioner Gallagher said he could understand the intent if he was speaking as a private citizen, but in the interview he was speaking as the GM. Commissioner Gallagher said he had received questions from members of the public and believed the interview created some confusion in the community about the GAC's plans. GM Goddard said it was not his intent to speak on the GAC's behalf and he would reserve his personal opinions until he is a private citizen. Commissioner Kiedaisch added that he would like further reflection on the image of the resort and when a recruiter is selected, he would like a thoughtful PR review by the GAC.
- e. *Master Planning Session* - Chairman Durfee said he was having difficulty scheduling this meeting and asked Commissioner Nix if he wanted to continue along this path. Commissioner Nix said that he believes it should be tabled until a new GM in place. Commissioner Kiedaisch suggested the same and all agreed.
- f. *Independent Auditors Report* - GM Goddard passed around a hard copy before the meeting and noted that past Commissions acknowledge the receipt and accepted it. The management letter is clean and there were no control issues identified. The GAC acknowledged that they received and accepted the auditor's report. They congratulated management on another clean audit.
- g. *Trail Closures for Race Training* - Commissioner Kiedaisch asked for policy discussion about trail closures for the ski club, particularly on busy weekends. He shared an example from last winter when a trail was closed for eight J3/J4 racers. He suggested using NASTAR courses or only closing half of the trail to accommodate race training. He asked management to take responsibility and work with the ski club to develop a plan. He also asked them to address movement through the beginner terrain before opening. By his observation, the ski club seems to operate as a separate entity and asked that management address these concerns for next winter. **GM Goddard acknowledged the direction and agreed to follow up with the ski club. Commissioner Kiedaisch invited them to speak with the commissioner directly about it as well. Iwan explained that he has begun working with the ski club about many of these issues as they are ongoing complaints. He will continue that work and come back to the GAC with a plan.**

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- h. *Procedural Change* - Commissioner Kiedaisch suggested there may be an opportunity to rearrange the agenda so that management can be dismissed from the meeting after the written reports are discussed. Chairman Durfee will work with GM Goddard to reorder the agenda to allow for this.

### Old Business

- a. *Study Committee: Gunstock Business Model* - Commissioner Nix reported that he has forwarded the proposed amendments to Rep. Howard who has submitted an LSR. Rep. Howard said he has filed the bill with two senators and nine representatives as co-sponsors. He does not know when he'll get the number of the bill but when they have a draft ready he will have to review it for edits and sign off. Once that happens, he will have copies for the GAC. Rep. Howard suggested sending out a press release about the amended legislation to inform the public. Commissioner Kiedaisch spoke in favor of that, especially in light of the GM search. Chairman Durfee said once the house bill number has been assigned and the public can read the language that may be good timing for a press release. Mike Roth said they will begin working on that and asked if they wanted it posted to the GAC website. Commissioner Nix said that would be appropriate but suggested the *Laconia Daily Sun* as the best location to get public notice.
- b. *Doug Irving Memorial* - GM Goddard reported that the committee has walked the proposed trail from Gunstock to Ellacoya and it appears that 70-75% of the route is already well-established and not much work will be needed in other areas. They have filed articles of incorporation for the Live Like Doug educational center. He said the GAC will need to decide if it will be adopted as an affiliated agency at some point. **Chairman Durfee suggested that the organization request to be put on the agenda for a formal presentation when they are ready for their proposal and the GAC will vote at that time.**
- c. *Grants and Other Funding Options* - Chairman Durfee shared a handout listing initial sources and asked if any other commissioners or managers have possible sources to add them to the list. **Chairman Durfee will email the list to GM Goddard so it can be included.** Mike Roth reported that he's already submitted a request from the Share Winter foundation and they have applied for a \$10k grant for learn-to programming for children with Boys and Girls Club.

### Other Business

**BCD Gunstock Subcommittee** - Rep. Howard cautioned the commissioners to take a closer look at the Naming Policy. He said memorials in the woods can interfere with future expansion and create additional expense for upkeep, repairs, or maintenance. He also cautioned against creating a memorial garden on public land. Commissioner Kiedaisch seconded the sentiment and agreed that finding an appropriate space similar to the one behind the Gilford Community Church would be one tasteful example to consider.

***Affiliated Agency Reports*** - None

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**GNA Ski Jumps** - Commissioner Kiedaisch referenced an email with the GAC expressing his frustration at finding financial resources. He was contacted by the US Nordic Association who expressed interest in helping raise funds. He will be here on the weekend of October 5-6<sup>th</sup> and Commissioner Kiedaisch along with representatives from GNA will be on site to discuss further.

Miscellaneous - None

Public Comment - Lorraine Sanborn asked Facility Operations Director, Patrick McGonagle, about the discarded fencing in the Boardwalk area and suggested that they would be good for someone's yard for parking, or another use. She asked if they could be repurposed into something else and he agreed to look into it.

Non-public Session

**Motion:** Commissioner Nix made a motion to enter a non-public session in accordance with RSA 91-A:3 II(c) at 9:29 pm for the purposes of discussing a personnel issue.  
**Second:** Commissioner Kiedaisch.  
**Roll Call Vote:** Bob Durfee - Yes  
Steve Nix - Yes  
Russ Dumais - Yes  
Brian Gallagher - Yes  
Gary Kiedaisch - Yes

The GAC went into non-public session at 9:29PM.

**ACTION**

**Motion:** Commissioner Dumais made a motion to end the Non-Public Session at 10:28PM.  
**Second:** Commissioner Gallagher.  
**Roll Call Vote:** Bob Durfee - Yes  
Steve Nix - Yes  
Russ Dumais - Yes  
Brian Gallagher - Yes  
Gary Kiedaisch - Yes

The GAC re-entered the public session at 10:28PM.

Adjourn

**ACTION**

**Motion:** Commissioner Nix made a motion to adjourn the meeting at 10:29PM.  
**Second:** Commissioner Dumais  
**Vote:** All in favor.

The GAC meeting adjourned at 10:29PM.

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Respectfully Submitted,

Brian Gallagher, Secretary  
Gunstock Area Commission