

## GUNSTOCK AREA COMMISSION MEETING

November 16, 2022 at 6PM

**Gunstock Mountain Historic Lodge**

### **APPROVED MINUTES**

**GAC:** Doug Lambert (Chairman), Jade Wood (Vice-Chairman), Denise Conroy (Secretary)

**Gunstock Personnel:** Tom Day, Cathy White, Peter Weber, Robin Rowe, Patrick McGonagle, Becky LaPense, Steve Newick.

Chairman Lambert called the meeting to order at 6:04 PM with the pledge of allegiance led by Becky LaPense. Chairman Lambert read the meeting notice and posting locations into the record and welcomed the Gunstock Commissioners, Gunstock Management and staff, delegation in attendance and the members of the public.

#### Meeting Minutes

The Gunstock Area Commission public meeting minutes of the October 19, 2022 were reviewed. Vice Chair Wood said she would like to have some information corrected in the minutes and would send that information to Secretary Conroy. The October 19, 2022 minutes will be reviewed again at the next meeting of the GAC.

#### Financial MD&A and Executive Summary- October

- a. Confirmation of Check Register Review- GAC (this after financials) Chairman Lambert stated that they received the check register a few weeks ago. He also noted that the check to Belknap County was included. Cathy White replied that the annual payment to the county is due 45 days after the final audit, but it was able to be sent out earlier than expected.

Cathy White, Chief Financial Officer, reviewed the financials for October. Total revenue from operations was \$409K, \$11K favorable to budget and \$46K favorable to LY. Total company EBITDA was (\$298K), \$138K favorable to budget and \$36K favorable to LY. Total revenue from operation YTD was \$2.8mm \$478K unfavorable to budget and \$26K unfavorable to LY. Total company EBITDA YTD was (\$1.5mm), \$420K favorable to budget and \$183K unfavorable to LY. Cathy reviewed the balance sheet stating that cash and cash equivalents were \$6.9mm, \$2.2mm favorable to budget and \$2.8mm favorable to LY (related to timing of projects). Deferred revenue was \$4.3mm, about \$1mm favorable to LY. Long-term debt had a net decrease of \$7k. Capital expenditures were \$576K, \$3.1mm favorable to budget. CIP at month end was \$1.1mm. Cathy also reviewed the Recapture Plan with revised EBITDA. Budget EBITDA YTD was (\$1.9mm), \$420K favorable to budget. With the timing of budgeted expenses, she anticipates spending about \$500K so the revised YTD would be about (\$79K) unfavorable to budget. Unbudgeted expenses include \$90K in legal and audit fees). There is additional revenue for YTD EBITDA of \$135K due to interest, sale of assets, and lease income. Vice Chair Wood asked what the usual audit fee was. Cathy replied that is usually under \$20K, this year it was \$25K. Chairman Lambert added that Cathy is carefully managing the budget and expenses and hopes that public can understand that things are being well run. Secretary Conroy agreed and hoped that at a planning workshop the team can further discuss long term investments and the master plan.

Cathy provided an idea on what year end would look like. She said on a budget of \$18.9mm they are about a half million light but on target. The electric bill will be about \$400K more than what they expected so ticket prices have gone up a few dollars which will result in about \$200K additional revenue. Last year season pass sales were shut down but sales are

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continuing which could result in about \$100K. There are going to be savings in labor if not all positions are filled and there will also be savings in CAPEX due to the deferral of the Stockade Lodge remodel. Cathy says she feels confident that \$5mm cash on hand at the end of the year is attainable. Secretary Conroy asked what an ideal amount would be to sit on. Cathy said \$3-5mm is comfortable. Cathy added that in this line of business we get paid before the service, about 20-30% of the revenue is “pre-paid”/deferred revenue with season pass sales. Vice Chair Wood commended Cathy for the careful calibration and is happy that carrying capacity is not compromised in order to make investments in the mountain.

#### Winter Preparation Review-

Tom Day introduced the new Marketing Director, Steve Newick, and welcomed him. Tom introduced Dan Carbonneau, Snowmaking/Grooming Manager to speak about upcoming snowmaking plans. Dan stated that the snowmaking plan is like last season with opening Gunsmoke trail from top to bottom, along with Gunpowder, Shotgun, Peepsight, and the Tubing Hill. If the temperatures hold snowmaking will be happening each night for the next week and then hopefully 24-hour operations soon after. Tom Day added that electric is being watched but also making sure the right product is put down and if the weather stays cold opening day is scheduled for December 9<sup>th</sup>, 2022. Tom added that some challenges for the start of the season are around staffing. The annual rehire orientation meeting was held on November 13<sup>th</sup> with a good turnout.

Vice Chair Wood asked if Tom anticipates any separation of tubing vs. skiing opening days. Tom replied that he would like to have the tubing hill open first, but weather doesn't usually cooperate. Chairman Lambert stated that he appreciates the new philosophy of opening the mountain from the top.

#### Old Business

##### a. Capital Expenditure Projects- status reports

- i. Cannonball- Tom Day asked Dan Carbonneau to provide and update. Dan stated that the new hydrants have been installed and the snow guns were delivered and will be installed over the next few days.
- ii. Tubing Hill building- Patrick McGonagle, Facilities Director, stated that small minor projects need to be completed but the team has started using the building.
- iii. Magic Carpet Relocation - Patrick stated that testing with engineer needs to be finished and receive state approval.
- iv. Ski Patrol Equipment Storage-Patrick stated that the roof needs to be shingled and the project will be complete. Some of the members of the Ski Patrol have made interior modifications for storage.
- v. Rental Building paving/upgrades- Patrick announced that the project is complete including drainage and grading.

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- vi. Summit Septic/Well Project- Patrick stated that the well was drilled and have static water at about 112ft. The heated water line and pump will be installed on Friday and then there will be running water in the building with final plumbing next week.
  - vii. Parking Lot Project- Patrick stated he had a meeting with Dubois & King for more design work. Some features of the new parking lot will be some re-grading of the surface to same level as Pan Lift for about 2/3 of parking, set of stairs up by First Aid, a 10% increase in parking spaces with 10ft wide and a few electric vehicle charging spaces. There will also be designated transition lanes from parking to lift for easier access. Tom stated that they should have plans to show at the January meeting with guidelines for construction and completion.
  - viii. LED Light Conversion- Patrick stated that 250 new LED lights were installed on Blundersmoke, Smith, Tiger, Ramrod, Try Me and Peepsight Trails. Lights are now more uniform and brighter. Lights are still needed at the bottom of Tubing Hill and the top of the new carpet. Patrick stated that the new bulbs were \$200 each and with a rebate they ended up being \$93 per bulb with energy savings of about \$10K per year.
- b. Policy Planning- Chairman Lambert asked for discussion to set a date for a policy planning workshop. The workshop would be noticed as a public meeting where the GAC and senior management team could meet and review GAC policies but there would be no votes taken. Discussion ensued and the workshop date was set for January 11, 2023, at 6pm in the Pistol Pub at Gunstock Mountain Resort, Historic Lodge.

#### New Business

a. Belknap County Resident Discount Ticket

Tom Day stated that after doing 2 for 1 Mondays and ½ day Sunday afternoon tickets for Belknap County residents last year, this year a Belknap County Resident ticket will be introduced in a pilot program. Robin Rowe, Director of Resort Services stated that Belknap County residents will get the privilege of a \$45 ticket, all ages, every day except Saturday. Other blackout dates include Christmas Vacation week, MLK weekend in January, and MA February Vacation week. The ticket will not be subject to sell out days. Tickets can only be purchased on site at the Ticket Office. Proof of residency will need to be provided every time to purchase a ticket. A driver's license with county address is required, a tax bill or utility bill will not be accepted as proof. Robin stated that when the budget was done, they had to look at winter ticket allotment and it was set to 3% of budgeted ticket sales, which is 1,981 tickets. Tickets are first come, first serve and are non-transferable. Vice Chair Wood thanked the team for taking the time to set up this product and hopefully encourage residents to come back to the sport. Secretary Conroy asked about the marketing and promotion of the resident ticket. Steve Newick, Marketing Director, stated that it would first start on social media. Chairman Lambert asked if

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there would be winter Belknap County days. Robin replied that there would not, this ticket would take the place of those scheduled days.

b. GAC Meeting Schedule 2023

Discussion ensued regarding the 2023 GAC meeting dates. Meeting dates were moved to the 3<sup>rd</sup> Thursday of each month starting in January. January through March meetings will be held off site and location announced later.

Chairman Lambert passed around Goals for the GAC with potential goals they would like to achieve including developing a GAC policy manual, defining a master plan, complete the Stockade project, parking lot project completion, and support other GM/President initiatives. Discussion ensued regarding the appointments of two new commissioners. Vice Chair Wood stated she would reach out to the Belknap County Delegation to get a better idea of what the process will look like for the two appointments. Secretary Conroy asked Chairman Lambert if they should look at a 3-5 year plan with the policy manual once the new commissioners are appointed in order to talk about growth expectations, succession planning, incentive compensation and talent retention. Chairman Lambert replied that those ideas can work under the GM oversight policy that will be developed.

Public Comment-

Ned Crystal (Alton)- Stated he is a seasonal employee and husband to Commissioner Conroy. He thanked the HR and management team for the rehire process this weekend. He was not able to attend but received lots of messages and updates and could feel the energy and excitement for the upcoming season.

Sheriff Bill Wright - Stated that the GAC has done a good job with recent meetings. He is in attendance because he is asked to be and has been impressed with how it has been going lately. He also asked the GAC to remember that in January a new delegation will meet, and he suggested that the GAC asked to be put on the agenda for the first meeting to talk about needs and expectations for the appointments of the new commissioners. Chairman Lambert thanked him for his efforts, assistance, and advice.

Chairman Lambert asked Vice Chair Wood to send a note to County Administrator Debra Shackett to be added to the agenda for the first County Delegation meeting.

Vice Chair Wood wished everyone a happy and safe Thanksgiving and looks forward to seeing everyone on the slopes on opening day. Secretary Conroy asked for everyone to take the time to give thanks for the community and to everyone at the table and in the room tonight. Chairman Lambert added that he has made new acquaintances over the past few months and thanked the administration and staff and excited to be part of the upcoming winter season.

**ACTION**

**Motion:** Vice Chair Wood made a motion to adjourn the public meeting of the Gunstock Area Commission at 7:45pm

**Second:** Secretary Conroy

**Vote:** All in favor.

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Adjourn—

Respectfully Submitted,

Denise Conroy, Secretary  
Gunstock Area Commission