

GUNSTOCK AREA COMMISSION MEETING
August 15, 2022 at 11:00am
Gunstock Mountain Resort: Historic Lodge
APPROVED MINUTES

GAC: Doug Lambert (Chair Pro-tem /Secretary), Jade Wood, Denise Conroy

Belknap County Delegation Chairman Mike Sylvia approached the table and stated that Vice Chairman Strang was not invited to the assembly today and he has not resigned and that all actions from August 1, 2022 forward will be challenged and anything done today and in the future will be going before the court.

Chairman Pro-tem Lambert called the meeting to order at 11:02am and read the special meeting notice and noted where the meeting was posted.

Commissioner Conroy led the Pledge of Allegiance.

Chairman Pro-tem Lambert introduced new Commissioner Denise Conroy and reintroduced Commissioner Jade Wood.

Chairman Pro-tem Lambert distributed a letter to the Commission.

ACTION

Motion: Chairman Pro-tem Lambert made a motion to release a letter from Vachon Cluckay & Company PC, dated August 11, 2022 and read it into the record.

Second: Commissioner Wood.

Roll Call Vote: Commissioner Wood - yes

Commissioner Conroy- yes

Chairman Pro-tem Lambert- yes

Motion passes.

Chairman Pro-tem Lambert stated for the record that there were several discussions had between himself and the lead auditor from Vachon Clukay and proceeded to read the letter to the public (*attached*). Chairman Pro-tem Lambert added that the audit firm was in receipt of a list of items from the audit committee and that list has been delivered to the Gunstock Area Commission (GAC) and they will all be addressed. Some items fall outside of traditional audit functions, and this may have an impact on the final cost. He also stated that the audit firm principal characterized what had been requested as “unprecedented.”

ACTION

Motion: Chairman Pro-tem Lambert made a motion to declare the Audit Subcommittee officially disbanded and to designate the Chair to engage with any future necessary communications with the independent audit firm and share with the other members of the full commission.

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Second: Commissioner Conroy.

Discussion: Commissioner Conroy spoke in support of the motion and stated that she was surprised to see all the different committees for a commission of this small size and given the size of Gunstock and there is a need to keep the commission streamlined, keep bureaucracy at a minimum and then be able to better support Gunstock.

Chairman Pro-tem Lambert read that according to the GAC By-laws, Article II,3(b) *Committees shall have no decision making authority. The findings, actions and recommendations of committees shall not circumvent or replace the authority, direction and actions of the commission.* At the June GAC meeting there was discussion about the audit committee and that the committee told the firm and Chief Financial Officer, Cathy White, to pause the audit process and according to the GAC By-laws that is not permissible. He also recounted that this action put the audit firm into a period of confusion and took them away from their action as provided in the Engagement Letter. Furthermore, the GAC By-laws, Article III, 2(a) and 3 (a) also state that all sub committees need to post meeting notices and retain meeting minutes and to his knowledge there have been no notices or minutes. This led to the Commission as it was constituted at that time to be left in the dark on the activities of the audit that the Commission engaged and authorized. Passage of the motion will allow the Commission as a whole to move forward and uphold their oaths to ensure proper guidance and oversight and provide the public with the dissemination of information.

Roll Call Vote: Commissioner Wood - yes
Commissioner Conroy- yes
Chairman Pro-tem Lambert- yes

Motion passes.

Chairman Pro-tem Lambert stated that he had correspondence with PretiFlaherty Law Firm in regard to the ongoing legal investigations. For the record Chairman Pro-tem Lambert read the recent correspondence (below).

8/2/22 3:58PM email from Attorney Callahan to Doug Lambert in response to one sent earlier:

We are just about at the end of the phase of the work that the GAC authorized a month or so ago and we were targeting an early August completion date. I am on course to complete that work this month. My expectation is that, consistent with how we have been doing things, the GAC will then have to decide whether it wants to move forward with any part of our recommendations.

8/3/22 phone discussion with Attorney Peter Callahan following up to the email:

Doug: I think the best cost of action especially with what I've learned here in our conversation would be to not change the course of action to for you to continue on to task that you that we hired you to do in finish this thing

8/11/22 7:25 AM email to Callahan from Commissioner Lambert:

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Good morning.

I am just checking in to see how you are doing as far as completing your report and when we might be receiving it. For some reason, the date of an August 10 release seems to have been widely circulated through the local chattering classes and social media circuit. The Commission will need time to review and decide the proper method of dissemination to the public.

8/11/22 2:09PM email to Commissioner Lambert,

I have a working draft and should be able to finish soon (hopefully next week but certainly this month). I thought the August 10 date was pushed off. With recent events that delayed us for a bit.

Chairman Pro-tem Lambert gave the other commissioners a copy of the July 19, 2022, invoice from PretiFlaherty for review.

ACTION

Motion: Chairman Pro-tem Lambert made a motion to reveal the legal invoice from PretiFlaherty and to accept the invoice and pay it.

Second: Commissioner Conroy.

Discussion: Commissioner Wood stated that since she was appointed to the GAC she had implored the former Chairman to put an end to the investigations and move forward. She has asked them to work with the Delegation to solve these issues in order to begin the healing process as a community. She further remarked that when looking at the legal invoices they “make her sick”.

Commissioner Conroy echoed Commissioner Woods statement and that this is a new era for the GAC and it was time to end the “witch hunt” and focus on enriching the business of Gunstock. She stated that this is a “stunning” amount of legal work.

Chairman Pro-tem Lambert reminded the commissioners that the motion was two parts. He also reported that when the Commission was previously presented with the invoice on two occasions, he and Commissioner Wood voted against payment and characterized it as a “staggering” amount of money. He further reported that he initiated contact recently with the lead attorney to discuss the bill and expressed concern about what any follow-up invoice might be in order to complete the legal investigation. Attorney Callahan informed Chairman pro-tem Lambert that “He was close to the end and gave an estimate about what the final bill might look like which should be certainly less than this.” He continued that the discussion leaves him interested in what the final report might report regarding the charge of what exposure the Commission has in the matter and what can be done to avoid such issues in the future. He stated that “sadly” he is voting to accept the invoice and pay it.

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Roll Call Vote: Commissioner Wood - yes
Commissioner Conroy- yes
Chairman Pro-tem Lambert- yes
Motion passes.

The invoice from PretiFlaherty, dated July 19,2022, totals \$44,512.75 and is included in the record (*attached*). Chairman Pro-tem Lambert stated that this goes along with two previously approved invoices totaling approximately \$19,000 (+/-). He discussed the dollar amounts spent by the previous GAC last year and by the Delegation and indicated sadness when considering what that money could have done being spent instead on the mountain itself.

ACTION

Motion: Chairman Pro-tem Lambert made a motion to declare the Legal Services Subcommittee officially disbanded and to designate the Chair to engage with any further necessary communications with the attorney currently providing legal service and share with the other members of the full commission.

Second: Commissioner Conroy.

Discussion: Commissioner Wood state that the subcommittees are created at the discretion of the chairman. Chairman Pro-tem Lambert replied that even though the Chair can add committees, going forward he would like to see the GAC in full create subcommittees. He suggested that policy could be created that would allow full discussion by the GAC and allow input from the management team. He also observed that, despite being required by the GAC By-Laws, going back through years of meeting minutes, he found none for any subcommittees.

Roll Call Vote: Commissioner Wood - yes
Commissioner Conroy- yes
Chairman Pro-tem Lambert- yes
Motion passes.

Commissioner Wood stated that in the future the GAC may want to consider amending the GAC By-Laws to address the subcommittees. Commissioner Conroy and Chairman Pro-tem Lambert concurred. Chairman Pro-tem added that the Commission has been operating for many years without set policies in place and that it would greatly benefit by adopting such in the future.

Commissioner Wood welcomed members of the Gunstock administrative team back to the table.

Public Comment: Chairman Pro-tem opened the floor for public comment, with a two minute per person time allotment.

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Rick Zach (Gilford)- Thanked everyone for attending including the BCD representatives and made a point of one person who did not stand at attention to the flag.

David Hersey (Alton)- Called attention to the lack of seating available for the meeting and suggested that meetings be held in the evening so as not a hardship for those who work. He also stated that there seemed to be a threat of judicial process at the start of the meeting and if there was contact with a law firm to ask questions regarding that threat. He added that in regards to the audit committee the members seemed to have gone beyond the scope for their authority and the GAC should transfer that bill to those individuals to pay. Chairman Pro-temp replied that the GAC has not received the additional cost from the auditors. He also replied that evening meetings are preferred but there was a need for this business to occur today. In response the legal threat, the GAC has not received any letter but an individual member of the GAC was served with a legal document at 12:03am on 8/15/22.

Sean Kavanagh (Center Harbor)- Stated that he was running for State Representative and he wants to support Gunstock. He asked about the status of the master plan and rumors about sale or lease of the mountain. Commissioner Wood replied that information about the master plan can be found in prior public meeting minutes or he can contact the commissioners via their commissioner emails. Chairman Pro-tem Lambert added that the master plan discussion in regard to the Stockade Lodge was on the July 20, 2022 GAC agenda and hopes that it will be added to the August 31, 2022 agenda. In response to the sale/lease of Gunstock the information can be found in the 1959 Enabling Statute. Commissioner Conroy added that she is excited to get back to the master plan and to be able to talk about growth versus spending.

Ruth Larson (Alton)- “I want to have an outburst of joy seeing cars in the parking lot, people ziplining, and people back at work”.

Commissioner Wood responded that she heard that the Belknap County Day on Sunday, August 14, 2022, was a success. Director of Resort Services, Robin Rowe, announced that 895 unlimited mountain coaster and scenic lift ride wristbands were given out to Belknap County residents, and many took advantage of the discounted tickets for the ATA course.

Bob Mclean (Gilford)- Asked what the process is for appointing two new commissioners.

Chairman Pro-tem Lambert replied that the Belknap County Delegation appoints all Gunstock Area Commissioners.

Lois Kessin (Laconia)- stated that she has been skiing at Gunstock since 1953 and brought a friend yesterday and felt so much joy and looks forward to having the mountain whole again.

Rep. Harry Bean (Gilford)- stated that he called the emergency delegation meeting and got the legal opinion from the county attorney to hold the meeting and it was legal.

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Gary Kiedaisch (Meredith)- Thanks everyone from the senior management team for returning and asked if the Snowsports Subcommittee would be disbanded as well. Chairman Pro-tem Lambert replied that Commissioner Wood would be making a final report at the 8/31/22 GAC meeting and most likely disbandment would occur. Gary Kiedaisch added that all the change to the GAC happened when new commissioners were appointed that were not qualified and suggested to BCD Chairman Sylvia that the delegation hire a recruiter and make sure that applicants are properly screened, referenced, and interviewed. Commissioner Conroy replied that she has been impressed with her fellow commissioners.

David Hershey (Alton)- Suggested that the GAC hire a firm to review the legal bills for accuracy.

Gary Kiedaisch (Meredith)- Added that the minutes be reviewed from 2021 when the vote was taken to hire an attorney to review the lawsuits. Chairman Pro-tem Lambert replied that he wants to keep moving forward and is excited to talk about the master plan and get past the legal problems.

President/GM, Tom Day, stated that the team also wants to look forward and not back.

ACTION

Motion: Commissioner Conroy made a motion to adjourn at 12:15pm

Second: Commissioner Wood.

Vote: All in favor.

Respectfully Submitted,

Douglas Lambert, Secretary
Gunstock Area Commission

July 19, 2022
Invoice # 2075693
Fed. I.D. #01-0502585

Gunstock Area Commission
Attn: Peter G. Ness
petergness@yahoo.com

INVOICE SUMMARY

For professional services rendered through June 30, 2022:

Client.Matter: 25641.105946

**RE: Gunstock Area Commission
REVIEW OF LITIGATION MATTERS**

Total Fees for Current Invoice	\$ 43,598.00
Total Disbursements for Current Invoice	<u>\$ 914.75</u>
CURRENT INVOICE AMOUNT	\$ 44,512.75

Invoice #: 2075693

July 19, 2022

PROFESSIONAL SERVICES RENDERED

Date	Atty	Description Of Services Rendered	Hours
6/01/22	PGC	Complete review of individual's email folder, work on timeline and plan for file review	1.50
6/01/22	MDL	Commence review and analysis of communications for preparation of chronology of events	3.70
6/01/22	AES	Reviewing Devine Millimet files.	1.90
6/02/22	PGC	Review key documents, call with counsel with status update on document review, call with Commissioner Ness	2.20
6/02/22	MDL	Continue review and analysis of communications for preparation of chronology of events	1.00
6/02/22	AES	Meeting with P. Callaghan and M. Rienzo-Labrie to discuss facts and next steps.	.90
6/03/22	PGC	Continue work on review of file materials and strategy/plan for completion, communications regarding document retention policy	.50
6/03/22	MDL	Continue review and analysis of communications for preparation of chronology of events	4.40
6/06/22	PGC	Review Commissioner Ness' emails, prepare for team meeting, attend team meeting to continue development of plan to address legal issues	2.00
6/06/22	MDL	Continue review and analysis of communications for preparation of chronology of events	3.20
6/06/22	AES	Reviewing Devine Millimet Files.	3.50
6/06/22	CIM	Strategy discussion via Zoom with Attorney Callaghan and Attorney Sedlack; review background materials	2.40
6/07/22	PGC	Review and analyze select emails, work on legal issues and analysis with Ms. Morin, provide paralegal with information for timeline from DMB invoices and review of meeting minutes	3.00
6/07/22	MDL	Continue review and analysis of communications for preparation of chronology of events	4.50
6/07/22	AES	Reviewing Devine Millimet emails.	1.40
6/07/22	CIM	Review background materials; strategy discussion call with Attorney Callaghan	.50
6/08/22	MDL	Continue review and analysis of communications for preparation of chronology of events	4.40
6/08/22	MDL	Commence preparation of list of communications missing from documents provided to Preti Flaherty and required for review of litigation matters	.20
6/08/22	CIM	Research regarding underlying legal issues; discussion call with Attorney Sedlack	2.20
6/09/22	PGC	Call with Commissioner Ness, work on legal issues	1.30
6/09/22	MDL	Continue review and analysis of communications for preparation of chronology of events	3.00

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Date	Atty	Description Of Services Rendered	Hours
6/09/22	CIM	Research underlying legal issues; strategy call with Attorney Callaghan	4.20
6/10/22	MDL	Continue review and analysis of communications for preparation of chronology of events	3.90
6/10/22	AES	Reviewing Devine Millimet emails.	3.50
6/10/22	CIM	Research underlying legal issues and take notes	.90
6/12/22	PGC	Review key emails and analyze substance	.50
6/13/22	PGC	Work on document review, call with Attorney Sedlack, review of key documents	.80
6/13/22	MDL	Continue review and analysis of communications for preparation of chronology of events	4.50
6/13/22	AES	Review Devine Millimet files.	3.30
6/13/22	CIM	Research/review underlying legal issues/concepts; begin drafting legal memorandum on underlying legal issues	5.60
6/14/22	PGC	Review key documents	.50
6/14/22	MDL	Continue review and analysis of communications for preparation of chronology of events	4.30
6/14/22	AES	Review of Devine Millimet files.	4.40
6/14/22	CIM	Research underlying legal issues; draft legal memorandum on underlying legal issues; strategy discussion meeting with Attorney Sedlack	6.30
6/15/22	PGC	Calls with Attorney Sedlack and Ms. Morin, review key documents, communication with Attorney Ness	1.20
6/15/22	AES	Review of Devine Millimet files; Call with P. Callaghan about status of the case.	.50
6/15/22	AES	Review of Devine Millimet files.	3.50
6/15/22	CIM	Draft and revise legal memorandum on underlying legal issues; research underlying legal issues; strategy phone call discussion with Attorney Callaghan	5.40
6/16/22	PGC	Review of portion of DMB files	1.30
6/16/22	MDL	Continue review and analysis of communications for preparation of chronology of events	5.10
6/16/22	AES	Review of Devine Millimet files.	2.70
6/16/22	CIM	Research underlying legal issues; draft and revise legal memorandum regarding underlying legal issues	3.40
6/17/22	PGC	Call with Asst. AG Sullivan, review closure letter, work on document review with Attorney Sedlack and paralegal	.70
6/17/22	MDL	Continue review and analysis of communications for preparation of chronology of events	3.50
6/17/22	MDL	Collaboration regarding key points for review of communications exchanged between the parties	.10
6/17/22	AES	Review of Devine Millimet files; Call with P. Callaghan about status update.	2.60

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July 19, 2022

Date	Atty	Description Of Services Rendered	Hours
6/18/22	PGC	Legal analysis of law of defamation and review of memo	.40
6/18/22	MDL	Continue review and analysis of communications for preparation of chronology of events	.50
6/20/22	PGC	Prepare for meeting with commissioners, including review of personnel matter and timelines	.80
6/20/22	MDL	Continue review and analysis of communications for preparation of chronology of events	1.50
6/20/22	AES	Review of Devine Millimet files.	2.80
6/21/22	PGC	Prepare for meeting, meet with Commissioners Ness and Strang regarding status of matters and pending issues, call with Attorney Sedlack, call with Ms. Morin regarding legal research and additional issues to address	4.00
6/21/22	MDL	Continue review and analysis of communications for preparation of chronology of events	3.30
6/21/22	AES	Call with clients to provide case update; call with P. Callaghan to provide document review status update; call with P. Ness to provide clarification about documents.	3.60
6/21/22	CIM	Strategy discussion phone call with Attorney Callaghan; review background materials	.70
6/22/22	MDL	Continue review and analysis of communications for preparation of chronology of events	4.50
6/23/22	MDL	Continue review and analysis of communications for preparation of chronology of events	4.10
6/24/22	PGC	Call with Commissioner Ness	1.70
6/24/22	MDL	Continue review and analysis of communications for preparation of chronology of events	3.60
6/25/22	PGC	Prepare for interview of Mr. Ness, begin prep of final report	1.80
6/26/22	PGC	Call with Commissioner Ness, continue work on interview prep	.80
6/27/22	PGC	Final prep for interview of Mr. Ness, attend video interview of Mr. Ness	2.50
6/27/22	MDL	Continue review and analysis of communications for preparation of chronology of events	5.70
6/27/22	AES	Reviewing Devine Millimet files.	2.00
6/28/22	PGC	Work on finalizing report, brief call with Commissioner Ness	4.00
6/28/22	MDL	Continue review and analysis of communications for preparation of chronology of events	3.80
6/28/22	AES	Reviewing Devine Millimet file.	.50
6/29/22	PGC	Work on revisions to letter, call with Attorney Sedlack to work on revisions, call with Commissioner Ness	2.50
6/29/22	MDL	Continue review and analysis of communications for preparation of chronology of events	2.50

Invoice #: 2075693

July 19, 2022

Date	Atty	Description Of Services Rendered	Hours
6/29/22	AES	Reviewing report for GAC; Conversation with P. Callaghan.	2.50
6/30/22	PGC	Review report and add section, final review and edits to reports, call with Ms. Sedlack to analyze key issues, call with Commissioner Ness, second call with Commissioner Ness, work on additional edits to reports	1.80
6/30/22	MDL	Continue review and analysis of communications for preparation of chronology of events	5.30
6/30/22	AES	Call with P. Callaghan; review of report for client.	.70

INVOICE SUMMARY OF HOURS

Name	Rate	Hours	Total
Peter G. Callaghan	410.00	35.80	14,678.00
Anne E. Sedlack	230.00	40.30	9,269.00
Marie D. Labrie	185.00	80.60	14,911.00
Cecilia I. Morin	150.00	31.60	4,740.00
TOTALS		188.30	\$ 43,598.00

TOTAL CURRENT FEES \$ 43,598.00

DISBURSEMENTS

Description	Amount
5/03/22 Westlaw Research Anne Sedlack - May 2022	551.25
6/13/22 Westlaw Research Cecilia Morin - June 2022	363.50

TOTAL DISBURSEMENTS \$ 914.75

CURRENT INVOICE TOTAL \$ 44,512.75



Gunstock Area Commission
Attn: Peter G. Ness
petergness@yahoo.com

July 19, 2022
Invoice # 2075693
Fed. I.D. #01-0502585

REMITTANCE ADVICE

Client.Matter: 25641.105946

**RE: Gunstock Area Commission
REVIEW OF LITIGATION MATTERS**

BALANCE DUE CURRENT INVOICE	\$ 44,512.75
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We accept payment via check, ACH, wire, and credit card. Fraud Prevention Alert: Any request to alter existing Preti payment instructions or methods should be directly confirmed with a known Preti contact prior to implementing any changes to your payment methodology. This will reduce the potential for financial fraud.

Please return this form with your remittance and please reference the client/matter number on all related correspondence. Payment is due within 30 days of receipt of invoice.

AMOUNT PAID \$ _____

August 11, 2022

Board of Commissioners
Gunstock Area Commission
719 Cherry Valley Road
Gilford, New Hampshire 03249

Dear Members of the Board:

We have been contracted by the Gunstock Area Commission to complete an independent audit of the financial statements for the year ended April 28, 2022 and have communicated such information in our letter to you dated May 4, 2022. Our audit fieldwork commenced on June 20, 2022. However, due to unanticipated events and circumstances beyond our control, audit fieldwork has been disrupted or delayed on multiple occasions. In addition, as part of our audit we have been requested to review additional information which was outside of the planned scope of procedures and/or year of audit. It has required additional time and resources to address such information.

As management has just recently been reinstated back into their positions, we have re-established contact with the Finance Department and provided a listing of open audit fieldwork items which still need to be addressed. We are working towards completion of the audit in as timely a manner that our current schedule permits, as well as addressing the previously referenced additional information requested that is deemed necessary by the Commission. Unless we encounter circumstances beyond our control, we estimate drafts of the audited financial statements to be available by September 30, 2022.

Very truly yours,

Vachon Clukay & Company PC