

GUNSTOCK AREA COMMISSION MEETING
February 24, 2020 AT 6:00 PM
Belknap County Complex, Conference Room 2
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: Russell Dumais, Brian Gallagher, Gary Kiedaisch, Peter Ness

Gunstock Personnel: Tom Day, Robin Rowe, Patrick McGonagle, Cathy White, Becky LaPense, Iwan Fuchs

BDC: Rep. Howard, Rep. Plummer

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

Rep Howard asked for priority time on the agenda because of the Belknap County Delegation meeting scheduled for later the same evening. He reported that HB 1442 passed through the NH House on Wednesday and should go over to the NH Senate in the middle of March.

Minutes

The minutes of the January 29, 2020 Gunstock Area Commission public meeting were reviewed. Commissioner Gallagher noted that the BCD attendance should include Chairman Michael Sylvia. Commissioner Kiedaisch requested two changes: noting that the GAC plans to work closely with the public on any public funding projects and that he requested a review of department P&L statements during the budget discussions.

ACTION

Motion: Commissioner Gallagher made a motion to approve the minutes as amended.
Second: Commissioner Ness.
Vote: All in favor.

Vice Chairman Dumais asked for a single vote to approve the minutes of the non-public meetings from 11/20/2019, 11/25/2019, 12/09/2019, 01/02/2020, 01/13/2020, 01/29/2020, and 02/01/2020.

ACTION

Motion: Commissioner Kiedaisch made a motion to approve the meetings from the non-public minutes collectively as presented.
Second: Commissioner Ness.
Vote: All in favor.

Election of Officers

Vice Chairman Dumais reported the Steve Nix resigned from the Commission. As he was the Chairman, the GAC must open elections for officers and asked for nominations.

ACTION

Motion: Commissioner Gallagher made a motion to elect Commissioner Kiedaisch as the new Chairman of the Gunstock Area Commission.
Second: Commissioner Ness.

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Vote: All in favor.

Vice Chairman Dumais turned the meeting over to Chairman Kiedaisch at 6:09PM. He thanked the Commission for their support and said he was looking forward to working with the management team and Gunstock Commissioners as Chair. Vice Chairman Dumais said that with this change, they should also appoint a new Secretary and Vice Chairman. All agreed to appoint Commissioner Gallagher as Vice Chairman and Commissioner Ness as Secretary. There was no vote taken on these changes.

Public Presentations - There were no public presentations scheduled but Chairman Kiedaisch noted they had planned to invite Atty Patrick Wood to the February meeting to present his findings for the feasibility of a Gunstock endowment fund. Chairman Kiedaisch asked Becky LaPense, HR Director, to update Tom Day, President/GM, on the topic and provide some recommendations in the March meeting.

Financial MD&A - Finance Director, Cathy White, provided an overview of the February financial reports. She noted that the change in F&B revenue due to ownership makes the reporting harder to follow and Chairman Kiedaisch said the department financial reports help clear up some of that noise. Cathy reported that total EBITDA is up \$447k compared to budget and the remainder of the RAN was paid off today. The total borrow ended up at \$800k against the \$950k available. She is going to look at their bonds to see if there is any advantage to refinancing some of that debt and will provide her recommendations to the GAC next month. She noted there was an error on the Learning Center's department P&L and handed out a corrected report. Chairman Kiedaisch asked about the revenue shortages in private and group lessons. Iwan Fuchs, Mountain Sports Director, said it was due to a shortage of Instructors so he is exploring ways to reduce the need for Outreach Instructors to free up more Instructors for private lessons. Commissioner Gallagher asked for a review of the pricing for private lessons to see what impact that may be having on revenue. Chairman Kiedaisch asked how the retail operation is doing with inventory. Directors Robin Rowe and Cathy White said they are making headway but did not have specific numbers to share. They offered to send that information via email to the Commissioners after the meeting. Commissioner Gallagher asked to confirm the balances in Gunstock's two reserve fund accounts. Cathy confirmed the combined balances are just about \$600k and those funds have not been needed this fiscal cycle. Commissioner Gallagher commended her for her efforts to research refinancing the debt as it may help to loosen up cash flow down the line.

Management Reports

Resort Services - Resort Services Director, Robin Rowe, shared samples of guest info cards that are now being used to educate guests on the RFID/reload process. She reported that during peak periods, she has been working the ticket lines to pull people out who are only need lift tickets. They are now able to make online purchases right in the ticket line which helped reduce the wait times when the lines got especially long.

Mountain Sports - A written report was provided. Chairman Kiedaisch commented that he has noticed more visibility of patrollers on the hill. Mountain Sports Director, Iwan Fuchs, said they are actively working on improving their visibility to guests. Tom Day, GM, said it will vary from

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day to day and that guests don't typically notice patrollers unless there's a medical response needed.

Facilities - A written report was provided. Facility Operations Director, Patrick McGonagle, noted that they are using drone technology for a parking study to improve capacity. Discussion ensued around recent changes management made to the employee parking plan. Employees were asked to park in Lot C for the MA vacation week and there were several days over that week when guests were able to stay in lots A/B. Chairman Kiedaisch noticed that some of the campground lanes have campers in them and asked if those spots were bringing in revenue. Director Rowe explained that they are occupied by seasonal campers who pay for the seasonal rentals. She said there are other several other lanes committed to cross-country terrain so they are using as many lanes for parking as is available. Discussion ensued about plowing the Arlberg lot but no one knew. Chairman Kiedaisch said he will follow up with the Tamposi family, who owns the lot, to find out.

Human Resources - A written report was provided. HR Director, Becky LaPense, reported that they have had some good meetings for the Marketing and Sales Director but no hiring decision has been made as of yet. She also reported that there have been several conversations with Gunstock's employment law counsel regarding the US DOL inspection. She said they have been working with NSAA and SkiNH to prepare their response, which was presented to the DOL on February 12th but they have yet to receive any written reports or citations from the inspection.

General Manager - A written report was provided. President/GM, Tom Day, gave an overview of his first month in the position. He said that a fresh set of eyes is a good thing but experienced ones are just as important and the management team has been great to work with so far. He spoke of the need for an improved rental shop experience, especially for beginners. He shared data regarding the age and condition of the current grooming fleet and will be working with Pisten Bully and/or Prinoth about leasing programs to get the grooming fleet in up to date. He reported that the challenges with the Intouch POS continue, especially with reporting, which requires a lot of manual adjustments and reconciliation. Tom reported they now have a daily sales and labor report which is going well, but there are major challenges accessing deeper data, such as utilization. They have also observed that some historic data is changing in the system, which is especially worrisome. He notified Intouch that he will seriously consider moving away from Intouch if they cannot satisfy the resort's needs. He and Cathy White are working to change the fiscal year-end in an effort to improve the budgeting and strategic planning cycle. They are preparing a transition budget through October and they have confirmed that the Belknap County Delegation and auditors have no issue with the fiscal calendar change. Chairman Kiedaisch asked for discussion about the rental shop and the potential for higher revenue. Commissioner Ness reported on his recent site visit to Wachusett and was impressed by their rental shop which was spacious and well organized for high capacity. Chairman Kiedaisch said the capital for the rental shop improvements could be signed off even before the budget is completed.

Action Items

- a. GAC By-Laws Amendments - Commissioner Gallagher presented the changes that were approved by the GAC in January and requires a second vote for ratification.

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ACTION

Motion: Commissioner Gallagher made a motion to approve the two changes to the GAC By-Laws as presented.

Second: Commissioner Ness.

Vote: All in favor.

New Business

None.

Old Business

- a. *2020 Proposed GAC Meeting Schedule* - The Commissioners reviewed and approved the tentative meeting dates for the remainder of the 2020 calendar year. All agreed to continue the meeting location at the County Complex.
- b. *House Bills*
 - i. *Statute Amendments* - This update was reported earlier by Rep. Howard.
 - ii. *Parking Lot* - Commissioner Gallagher gave an update on the parking lot funding proposal. He reported that the NH House Finance Committee did not support the proposal, but he has contacted Senator Waters about having him take a second look at the proposal through his committee to try to find funding for this in a different manner.
- c. *Master Plan Committee* - Chairman Kiedaisch noted that the Master Plan requires a refresh since the last update in 2015 and that Tom has already reached out to SE to begin working on that. He said this process will need to include the entire GMR management team and asked Tom to present a plan and schedule for the master planning process, to include resources and timelines.
- d. *Outstanding Follow-Up Items* - Chairman Kiedaisch asked to have a review of all past outstanding items ready for the March meeting. Director LaPense agreed to pull that list together.

Other Business

- a. *BCD Gunstock Subcommittee* -
 - i. *Business Model Update* - Chairman Kiedaisch asked for volunteers to serve on the BCD/Gunstock subcommittee to replace Steve Nix and Mike Roth. He said the commitment requires meetings six times a year. Commissioner Gallagher and GM Tom Day agreed to join the subcommittee, and all agreed to hold the 4th position open until a new Marketing and Sales Director was selected.
- b. *Affiliated Agency Reports*
 - a. *Gunstock Ski Club* - Tom Day reported that he had a meeting with the Gunstock Ski Club this week to discuss their ideas and they will meet again at the end of the season to keep the conversation going.
 - b. *Gunstock Nordic Association* - Nothing to report.

Correspondence

None.

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Miscellaneous

Commissioner Gallagher asked to ensure that the new Marketing Director be especially focused on sponsorships.

Chairman Kiedaisch asked when the trail map will be installed at the top of Pistol lift and Director Fuchs said he did not plan for that this year because they would have to do some blasting to install it. Discussion ensued around alternative locations and Tom and Iwan agreed to take another look at it.

Public Comment

John Whalley from Gilford said there may an opportunity to promote the RFID card reloads better on social media. He said there are usually pictures of people having fun but there may be some opportunity to promote it there. He also noted the Lift Maintenance building was in need of improvements because of its appearance. GM Tom Day said it will be demolished in short time. Commissioner Ness said the test gates may need to be moved outside. Director Rowe said that they are outside and that guests are using them regularly. She believes they are in a good location but there may be another location for a second one. Mr. Whalley said his observations have been that the RFID issues seems to happen mainly at the Panorama and Ramrod chairs and asked if they should be installed closer to the lift.

Bob Durfee of Laconia asked if the BCD subcommittee had achieved all their initial objectives. Chairman Kiedaisch said it was not memorialized but he believes it would be a good idea and that continued dialogue is especially important. Mr. Durfee said he recalled that there were three objectives for the subcommittee to explore regarding the Gunstock business model: 1) Is it worthwhile to sell, and they concluded that would not be viable; 2) Can the county lease GMR, which was determined to have more of a downside than plusses so they decided not to recommend a lease arrangement; 3) Are there other ways, means, or options to improve the GMR business model and the legislative bill came out of that. Mr. Durfee said the subcommittee has accomplished a lot and recommended that they draft a report of their findings to formally document the study. Chairman Kiedaisch agreed and committed to getting that done. Commissioner Gallagher noted that the subcommittee was a catalyst for getting the BCD and GAC working together and he wants to maintain that collaborative effort.

Non-Public Session

ACTION

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

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

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Adjourn

Respectfully Submitted,

Peter Ness, Secretary
Gunstock Area Commission