

Cannon Mountain Advisory Commission
Fall Meeting minutes from November 13, 2023 (Approved 04/26/24)

Attendance. Members present were Terry Penner (Chair), Frank MacConnell (Vice Chair), Sen Carrie Gendreau, Rich McLeod, Monica Mezzapelle, Rep. Mike Ouellet, Thad Presby, and Rep. Suzanne Vail. Also present were Dir Brian Wilson, Greg Keeler and Torene Tango-Lowy.

Call to Order. Chair Penner called the meeting to order at 10:04 a.m. with a quorum present. Attendees introduced themselves. Dir Wilson gave an update:

- Cannon Mountain / Franconia Notch State Park General Manager
 - Greg Keeler is serving as Interim General Manager.
 - There were 15-20 applications received worldwide for the General Manager position. A 2nd round of interviews was held last week. Commr Stewart will discuss the top candidate with the Governor and extend an offer. DNCR may be able to offer temporary housing.
- Cannon Capital Projects
 - \$800K for projects was approved by the CMAC at the last meeting. Upon review of the debt service and financial forecast report, we are near the \$6M cap. The business office recommends a one-year pause for new projects.
 - Dir Wilson, Greg Keeler and the new GM will review and update the Cannon capital projects list.
- CMAC statutory duties under RSA 12-A:29-b
 - 10 members: 3 G&C appointments; 3 Senate President appointments; 3 House Speaker appointments; and the state treasurer.
 - The Commission makes recommendations for capital improvements for the ski area and related state park facilities at Cannon Mountain. It reviews the servicing of debt obligations related to the Cannon capital improvement fund.
 - Typically, CMAC meets each April to review and recommend projects, and meets each November to discuss project timelines for the spring season.

Minutes. Sen Gendreau moved to approve the minutes of May 8, 2023. Mr MacConnell seconded, and the motion passed as written with three abstentions.

Staffing.

- The 10% raise and a few position upgrades helped to attract candidates. Staffing levels are better than last year, although snowmakers are still needed. Parks improved its recruitment marketing campaigns.
- The Snow Sports programs have been revamped and are popular with families.

Financials.

- FY2023 was a tough year with \$1M in the red for ski ops. The Fiscal Committee approved a draw from the Cannon balance.
- Utilities have increased 3-fold and is an ongoing concern. We are working with Dept Admin Services on the next utilities contract, but anticipate another hard year for cost controls. Along with the labor increases, we are monitoring the budget line by line. Rep Ouellet suggested that Cannon consider alternative power sources, such as solar.
- Franconia Notch has YTD revenue \$1M over last year. The Tram and Flume did well despite the rain.
- Fiscal Committee approved Cannon's rates for season passes and marquee prices. The adult ticket price was increased from \$94 to \$96 for online purchase, with a \$15 premium for purchases at the window. We want to keep Cannon accessible for residents.
- An information packet compiled by DNCR internal auditor Paul Danielson was provided. It pertains to the financial audit of Mount Sunapee Resort and includes the Epic Pass allocation details and the lease payments. The Epic Passes are scanned onsite.

Summer Operations.

- Rain caused a slow start to the summer season, but Tram visits rebounded. We increased the capacity allowed in each car since COVID. We were busy two full weeks after Columbus Day weekend and will need to consider managing the crowds on Artist's Bluff.
- The usage and cost of the hiker shuttle is the same as last year. Each van costs \$4K/mo. and rides are \$5/person. We considered charging a parking fee, but it did not receive much support. Hikers use park resources (the parking lots and shuttle), but immediately recreate off park property leaving the park with little financial support for this service. We recognize that this is a public safety matter and will continue to provide the service and collaborate with DOT.

Winter Operations.

- We are hiring and making snow at the top. The guest services ticket office is open.
- Our planned opening is the day after Thanksgiving if cold weather is consistent. A Dec 2nd opening is more likely.

Capital Projects.

- Electric upgrades for the lifts are done. Compressor upgrades are near completion. Snowmaking equipment is 35% complete. These projects were done with in-house staff.
- With a pause on capital projects, Cannon should identify potential concerns. Mr Keeler said that the main snowmaking line may be a concern. Dir Wilson said that the Parks budget could be used to fund an inspection.
- Emergency repairs could be funded using the Parks Fund rainy day balance to be reimbursed by the Cannon capital fund. Such transfers between the two funds have happened in the past.
- Federal funds are already being used for the summit septic upgrades through the ARPA program.
- Capital projects are costing more than what was estimated. Parks has had to reprioritize its projects for infrastructure needs.
- Ms Mezzapelle works closely with DNCR Administrator Chris Marino regarding the Cannon Capital Improvement Fund and the bonding of projects. The \$6M cap was established in 1998 with the Sunapee lease. Cannon's Fund is unique as a revolving fund and is outside of the capital budget.
- Members discussed whether the \$6M cap should be revised or updated for inflation. Dir Wilson and Mr Keeler said that an updated 10-year capital improvement plan would serve as a basis for capital requests. This topic will be on the spring agenda.
- Rep Ouellet asked if state parks and forests could benefit from the sale of carbon credits. He reported on the sale of carbon credits at the Connecticut Lakes Headwaters tract, with proceeds going out-of-state. Rep Ouellet is working with legislature to understand and regulate the carbon credit industry.
- Dir Wilson said that the tram appropriation for \$25M in SB55 was incorporated into HB2 for \$18M. The project is currently out to bid and closes at the end of the month. The painting of the steel infrastructure was separated out as an alternate project so as to meet the \$18M appropriation. Two bidders have shown an interest, and both have financing options. Use of LWCF will require a waiver of the Build American Buy America requirement.
- The tram project will impact summer operations and we are looking at the use of other park assets and events to offset the impact, such as running the lift chairs, holding concerts and events, and expanded food service.
- Ski ticket scanning will be the same as last year. The process should be smoother in its second year of operation.

Next Meeting. The next CMAC meeting is scheduled for Monday, April 22, 2024.

Mr Presby motioned to adjourn, seconded by Mr MacConnell. The meeting adjourned at 11:55 a.m.