

Cannon Mountain Advisory Commission **November 14, 2022 // DRAFT minutes**

Refreshments served and acquaintances made (9:30 AM)

Introductions

Chairman Penner called the meeting to order at 10:05 AM.

CMAC members in attendance were Chairman Terry Penner, Vice Chair Frank MacConnell, Representative Joyce Weston, Thad Presby, and Jon Tholl. Absent members were State Treasurer Monica Mezzapelle, Senator William Gannon, Representative Michael Gunski, and Rich McLeod. Former Senator Hennessey's seat has not yet been appointed.

Other attendees were DNCR Commissioner Sarah Stewart, newly appointed NH Parks & Recreation Director Brian Wilson, FNSP & Cannon Mountain General Manager John DeVivo (as Scribe), and a member of the public (Peter Kailey).

DeVivo was asked to reach out to Torene Tango-Lowy at DNCR about keeping close tabs on members' status / terms on the CMAC this winter to ensure that we get everyone involved together for the April meeting and vote on a capital plan.

Review / approval of April 18, 2022 minutes and...
Review / approval of June 13, 2022 (special meeting) minutes

Representative Weston moved for approval on both DRAFT sets of minutes, Vice Chair MacConnell seconded, and the motion passed unanimously.

Review of spring-summer-fall performance 2022

DeVivo gave the following bullet-pointed review:

- Aerial Tram numbers were very solid, bumped up to 50 per car (from 40) this year
- VERY robust fall season due to several fantastic weekends
- Ticket revenue was up 40% versus last year
- Retail revenue was down 3% versus last year
- Still roughly 50% advance reservations overall, but much higher during fall weekends

- Cannon Mountain maint programs and preseason prep in full swing
- SKI Magazine Readers' Poll... #2 in NH and #12 in the East
- Very challenging winter ahead regarding staffing levels // labor shortage is REAL

- Closed out FY22 at a net positive in excess of \$2.2M existing fund balance
 - This was despite taking \$660K out of the \$1M+ existing fund balance last November
 - We put that \$660K back and added another \$1.M+ in surplus
 - Had been negative \$1.5M at the close of FY07... very proud
 - We've also put some \$7M+ in surplus back into the parks fund (now sitting at \$10M+)
 - We've also spent well over \$20M+ in capital via various sources since FY08
 - With no negative impact to our operating budget or existing fund balance

- Flume Gorge ticket revenue was down 7% versus last year
- Flume Gorge retail revenue was up 3% versus last year
- Echo Lake Beach admissions revenue was up 52% versus last year
- Echo Lake Beach retail & boat rental revenue was up 52% versus last year
- LPCG admissions revenue was down 4% versus last year
- LPCG retail revenue was down 3% versus last year

- General usage of the park (non-venues) & hiker usage EXPLODED this September & October

Winter outlook for 2022/23

DeVivo gave the following bullet-pointed review:

- We WILL BE drawing \$1.125M from the existing fund balance (approved by Fiscal and G&C)
 - \$825K electric / tripled energy rates effective July 2022
 - \$250K RFID cards / Entabeni system switchover (see other notes)
 - \$50K PBQ grips / a year earlier than expected
- Entabeni System explanation / savings, revenue, reporting, efficiency, RFID
 - Tix, passes, retail, rental, repair, snowsports, RFID cards
 - Cloud-based, site-specific & built on-site, fully integrated, all connected
 - NO cost to Cannon on design, build, install, implementation, training
 - NO cost to Cannon for equipment – EVER – during a 3-3-3 contract
 - NO added fees of any kind – EVER – during a 3-3-3 contract
 - We started in May, bid it out in Aug, approved in Nov, and will be open Dec 3rd
 - We pay 2% commission + 2% CC processing + 94 cents a card
 - We save on fees & commissions and we make \$ on RFID cards
 - We also make more \$\$ due to convenience and ease of use of cards
 - Reloadable, reusable, and direct to (lift, shop, etc.)
- Slow arrival of cold air
- Grips on CBQ & PBQ – awaiting both sets
- PLANNED opening date bumped off to Dec 3rd
- Very challenging winter expected regarding staffing levels // labor shortage is REAL
- Nov 18th approval of Fee Package by Fiscal Committee expected
- We still expect to use 6M kWh (same snmk'g, same grm'g, same l-ops)
- We expect to do well on revenue
- No major COVID / Flu / RSV concerns as of yet, but we're aware!

Review of ongoing projects

DeVivo gave the following bullet-pointed review:

- Tram track cable relocation (\$400K) bumped off again by Doppelmayr (Spring '23)
- Fire suppression project completed @ summit
- Septic system upgrade discussion still ongoing, gaining ground
- CBQ grips are somewhere between Austria and Franconia
- PBQ grips are somewhere between SLC and Franconia
- 3 snowmaking pipe projects have been completed (Avalanche, Main Line, Brookside)
- Boiler replacement at Peabody Lodge nearing completion (this week)

Review of 1-3-5-10 year planning

DeVivo noted that former NH Parks & Recreation Director Bryce (retired) essentially put this review on hold in favor of concentrating on immediate infrastructure needs and the Aerial Tramway systems and (hopefully) impending replacement within the foreseeable future

Discussion of CMCIF fund balance

DeVivo gave the following bullet-pointed review:

- There's \$400K available in FY23 (on the \$6M rolling line)
- We want to always leave \$200-250K in there for emergency use
- We'll skip FY23 to allow the available balance to grow, rather than using \$150K
- We expect that \$150K number to grow to roughly \$500-600K in FY24

- WE WILL be asking for a CMAC vote in April to recommend (TBD \$\$\$) in funding for FY24
- Projects in the 3 critical areas of snowmaking (pipe), lift maint (motor / gearbox rebuilds), and building infrastructure (heat-water-elec)
- We'd then go before CBOC and G&C in May & June for approval... contingent upon funds
- We'd be doing any and all scoping / bidding / contracting between April and July and finishing said projects in late fall

NO Capital Plan to vote on at this time

- See notes above

Capital Plan forthcoming (Spring 2023) to tap FY24 CMCIF

- See notes above

Tram (replacement / overhaul) update

DeVivo gave the following bullet-pointed review:

- Gov wants it to go through Legislative action
- Gov wants it to be funded via State Capital or State Surplus
- We've engaged with a BPW project supervisor
- We've engaged with a prospective design-build engineer
- We hope to have a funding mechanism (see previous) by July
- We hope to then go into a design & bid phase
- Build-out is likely to encompass 2 summers and 1 winter
- Best case scenario would appear be a 2024/25 completion

Commissioner Stewart asked all involved to be ready to engage with their local political and business leaders when the time for support for the project comes.

New & Old Business

No new or old business identified or requested.

Set spring meeting date

Chairman Penner set the date and time for April 10th at 10 AM sharp at FNSP Headquarters.

Adjournment

Vice Chair MacConnell motioned, Jon Tholl seconded, and the motion passed unanimously. Chairman Penner adjourned the meeting at 11:35 AM.