

Cannon Mountain Advisory Commission Meeting April 10, 2015 // Meeting Minutes

In attendance:

CMAC members: Chairman Rich McLeod, Vice Chair Karen Irwin, Senator Jeff Woodburn, Representative Edmond Gionet, Representative John Mullen, State Treasurer Bill Dwyer, Kathy Taylor, Kevin Johnson

Non-members: DRED Commissioner Jeff Rose, NH Director of Parks & Rec Phil Bryce, Cannon/FNSP GM John DeVivo, media member Darrin Wipperman, Jill Mullen

Introductions / review of CMAC statute (McLeod):

10:10 AM gavel / start of meeting / introductions. Review of statute by McLeod.

Old minutes / approval from January (McLeod):

Correction to January meeting minutes; Karen Irwin is Vice Chair, and it was reported that Dennis Murphy is Vice Chair. McLeod had a question regarding whether the intended use of Cannon's FY15 surplus had been discussed / noted in the January meeting minutes. DeVivo agreed to amend the minutes; Irwin motioned approval of the January meeting minutes as amended, Taylor seconded, vote was unanimous.

Current season performance (DeVivo):

- Great start
- Tough Christmas Week after rain (down some 25%)
- Got cold in January, then started snowing
- Tough Prez Week (too much snow / cold) (down some 50%)
- Other weeks have been strong
- Ski season revenue off 2% to last year (*improved to + 1% as of Apr 12*)
- Skier visits ahead 3% to last year (*improved to + 5% as of Apr 12*)

- FYTD numbers (vary widely; one day in time)
- Revenue of \$6.454M is 10% under budget & 1.8% under last year
- Expense of \$5.811M is 14% under budget & 5% over last year
- Net total of \$643K is 38% over budget & 38% under last year
- Biggest question mark remains... what will hit for Workers' Comp (?)

Workers' Comp discussion; details by DeVivo, Rose, Bryce re: earlier discussion with State's insurance bureau last fall about whether to put WC policy / coverage out to bid; verdict was negative, costs would likely have exceeded current costs.

Safety culture discussion; job hazard analyses ongoing, injury rates down (public and team members), mandatory helmet use by Cannon team members next year and beyond.

Numbers discussion; Cannon continues to reel performance back in after suffering heavy losses during two primary vacation weeks, ski season-to-date numbers have remained strong, fiscal year to date numbers improving weekly; largest challenge is power rates, largest question mark is WC costs to hit this spring.

Ongoing capital update (14/15 projects) (DeVivo):

- Elec supply upgrade to Cannonball Quad @ \$145K completion in June
- Ernie's Haus elec switch gear / oil switch @ \$52K completion in June
- Peabody / Notchview water storage tank resurface @ \$26K completion in June

Mittersill project (FSC) update (very rough figures) (DeVivo):

- * New compressor / elec / cooling \$625K completed
- * Baron's Run / Skyline / Ridge Run clearing @ \$250K completed
- * Planning / design of dam / Echo Lake project @ \$100K // out to bid

- * Funding is available (cash) for the dam project @ \$400K
- * Funding is available (cash) for the remaining trail footprint @ \$500K
- * Funding is pending (cash) for the snowmaking on Baron's Run @ \$500K

- * Remaining snowmaking @ \$750K next year (possibly this year)
- * Surface lift @ \$750K next year (possibly this year)

Additional capital projects (funded 2010) (DeVivo):

- * \$312K Mittersill improvements // unlikely to lapse
 - \$50K toward dam project // DES recommendation re: landscaping (2015)
 - \$50K saddle improvement // winch anchor points (2015)
 - \$30K summit patrol hut (2015)
 - \$25K wayfinding signage (2015 or 2016)
 - \$125K base area restroom facility (2016)
 - \$32K parking lot improvements (2016)

Cannon Mountain Capital Improvement Fund update (Bryce):

- \$336K would zero the CMCIF out; deficiency paid off
- Should come from Cannon's net surplus
- Bryce recommends doing it NEXT year, once HB-2 language is such
- Once at zero... Bryce advocates for bonding UP TO \$1M annually
 - But only if Cannon's surplus covers the deficiency in the CMCIF
- Options:
- #1 only bond what the Sunapee \$\$ will cover annually
- #2 bond more and have Cannon surplus cover the difference

2015/16 proposed capital plan (DeVivo):

- \$150K excavator purchase / snowmaking
- \$120K AEBI slope mower / snowmaking
- \$95K Purchase cat off of lease / snowmaking
- \$110K UST revisions / electronic pumps at Maint Garage
- \$60K for 100 Polar Vortex Blizzard One's
- \$55K bullwheel bearings Zoomer / Peabody & Tram Brake cabinet overhaul
- \$35K Trooper Trax / winter snowmaking / summer slopes

- **TOTAL = \$625K**

- **Next year's plan is to request \$1 Million for booster pumphouse overhaul**

Request for recommendation to Commissioner (DeVivo):

McLeod requested a motion to recommend DeVivo's plan to DRED Commissioner Rose. Taylor motioned, Mullen seconded, vote to recommend the capital plan utilizing CMCIF funds was unanimous.

Old business (McLeod):

Johnson requested the floor to detail his analysis of whether Cannon's capital improvements since 2008 have had any impact upon the Franconia business community. His assertion is that based upon no large scale growth in Cannon mountain ticket sales amongst area lodging properties, the capital improvements made by Cannon have had very little true impact upon the local business community. Said assertion was questioned directly by both Bryce and Dwyer.

Senator Woodburn discussed the potential project at The Balsams as a true boost an economic region, but mentioned that neither the Mountain View Grand's recent capital investments, nor Bretton Woods' recent capital improvements, have been proven to have a direct net effect upon their local economies, yet both are known success stories.

New business (McLeod):

None identified.

Next meeting scheduled // Adjournment (McLeod):

The group was polled, and a meeting date of Friday, November 20th, 2015 was selected.

Vice Chair Irwin motioned to adjourn, Mullen seconded, and the vote was unanimous.

ADDENDUM: (added by vote @ 11/20/15 meeting)

"Taylor and Johnson expressed concerns regarding the environmental impact of utilizing heavy metal ions (Cu+) and the safety of high temperatures described by DeVivo in the process."