



**Delegation Meeting Minutes**  
**June 8, 2018 at 9:00 am**

Chair Vadney called the Belknap County Delegation meeting to order at 9:04 am on the above date at 34 County Drive, Laconia, NH. Representative Fields led the pledge of allegiance.

In Attendance: Representatives Abear, Comtois, Fields, Fraser, Howard, Huot, Plumer, Silber, Spagnuolo (via phone @ 10:30am), Spanos, St. Clair, Sylvia, Tilton, Vadney and Varney.

Absent: Representative Aldrich and Lang.

**Minutes:** M/Fields to approve 5/11/18 minutes, S/Spanos. Rep Silber & Howard abstained. Motion passed.

M/Fields to approve 5/25/18 minutes, S/Spanos. Rep Varney abstained. Motion passed.

**Gunstock:**

RAN-Gunstock Area Commission Chairman Nix introduced, Commissioner Ruth Larson, General Manager Greg Goddard, Commissioner Bob Durfee and Commissioner Brian Gallagher. Mr. Nix stated they were present to request a \$600,000 RAN and approval of the MOU. He stated the RAN is a line of credit to help get through the summer until the busy winter season starts. Mr. Nix stated Gunstock has requested RAN's for 30 years and always paid them back. He stated this is also a Gunstock Commission public meeting as posted.

Mr. Nix stated some Delegation members have commented on privatizing Gunstock. He stated if this is something that is going to be looked into then the Gunstock Commission is willing to talk about it, but not approving the RAN will hurt Gunstock which in turn will hurt the privatization of Gunstock.

Greg Goddard reviewed the RAN power point for the public that might not have been in attendance at the May 25<sup>th</sup> meeting as this is a public hearing for purposes of the RAN.

Rep Vadney stated Gunstock is an interesting animal if you consider the way it came about. He spoke about the recent announcement that Vail was going to be taking over Sunapee Mountain. Rep Vadney stated if we are going to entertain change in ownership it is going to take studies.

Rep Huot asked for a short recess until Rep Spagnuolo could arrive in about 15 minutes. Rep Vadney stated he would hold the vote until Rep Spagnuolo arrives.

Rep Spanos asked everyone to ponder for a moment what would happen if Gunstock was privatized and failed, think of the affect it would have on local businesses.

Rep Vadney asked for public comment.

Barbara Howard, Alton stated she didn't see any benefits as a shareholder in Gunstock. She stated Gunstock has some of the highest paid staff in the County. Ms. Howard spoke about a conference that staff went to and the cost associated with it. Rep St. Clair asked if Ms. Howard had ever attended a Gunstock Commission meeting to voice her concerns. Ms. Howard stated she had not.

Alida Millham, Laconia stated she understood the desire to privatize Gunstock but it has nothing to do with the RAN request. She stated lines of credit are common for business private and public.

Jane Hooper, Center Harbor stated she has been enjoying Gunstock since the mid 70's. She stated the RAN is really important to get them through the summer and many businesses operate in the same type of way. Ms. Hooper stated it is a golden egg in the beautiful County and if anything happened to Gunstock it would affect everybody. She urged the Delegation to approve the RAN.

Norma Sortman, Laconia stated Gunstock is an amazing jewel in Belknap County. She stated anything that can jeopardize maintenance is very short cited. Ms. Sortman strongly recommend approving the line of financing.

Sean Sullivan, Laconia stated he would like to withhold comments until Rep Spagnuolo arrives.

Anthony Ferullo, Gilford urged the Delegation to vote in favor. He stated Gunstock is a very well managed and run business. Mr. Ferullo stated the benefit of employment and money to local economy is good.

Rep Vadney inquired about the profit sharing and 11 employees attending a conference. Mr. Nix stated Gunstock is an employer and under the IRS rules they have set up a private retirement plan for the employees with a match from Gunstock. Mr. Goddard stated profit sharing is a little misnamed as they do not take profits from the resort to give to the employees. He stated they did not send 11 employees to a conference at \$1,500 a person. Mr. Goddard stated monthly reports are sent to the Gunstock Commissioners and it does contain education attendance.

Rep Huot provided some historical comments about Gunstock. He stated RAN are used in all businesses. Rep Huot stated a huge amount of money had been spent making improvements and it shows in the historical reports for revenue. He stated the only purpose of having the County approve the RAN is Gunstock does not own the land so the tax payers have to back the borrowing.

Rep Sylvia inquired about the strategic plan on page 17 and stated it was similar to the County fund balance. He asked why they need to borrow money. Mr. Nix stated if you look at the cash flow side it is not enough to cover the expenses. He stated if they do not get the RAN they will deplete the funds. Mr. Goddard stated the restricted funds are restricted by the Commission and cannot be accessed without a vote of the Commission. He gave an example of the way the weather affects the revenue and how the restricted funds help.

Rep Silber stated Gunstock does not have the power to borrow it requires the Counties full faith and credit to borrow. He stated this means if Gunstock can't repay then the County must pay with taxpayer money. Rep Silber reviewed the statute regarding Gunstock. He stated he didn't understand why the Gunstock Area Commission is paying out money to match contributions to employees when many employers don't do this. Rep Silber stated he did not know why the previous Delegations had approved the RAN and urged fellow members to vote no.

Rep Spanos asked for confirmation that 11 employees did attend the conference. Mr. Goddard stated the cost of a one day admission was \$150 per employee. He stated it was his opinion the amount of educational opportunity is very worthy. Rep Silber asserted that \$16,000 was spent for the conference and asked if that was true. Mr. Goddard stated that was not true and would be happy to provide the cost after when he returns to the office. Mr. Nix stated he did not see anything that was out of line with the quality of the educational experience. Rep Spanos stated he brought this up because it has been brought up today. Mr. Durfee stated Mr. Goddard has stated it was \$150 per employee and 11 staff members attended the conference.

Rep Fields stated he thought there was a lot of misinformation and believes the Commissioners as they are honest people. He stated he has never heard a tax payer say Gunstock is bad.

Rep Abear stated they had heard some positive and negative things in regards to Gunstock. He stated the RAN is not tax dollars it's an obligation of the County to repay if Gunstock fails to do so.

10:30am Rep Spagnuolo joined the meeting via telephone. He stated he was in a room by himself and was not able to miss work.

Sean Sullivan, Laconia stated there had been a lot of discussion in regards to profit sharing and the tax payers not benefiting. He stated every year the County receives \$175,000 from Gunstock and the RAN is always repaid as required. Mr. Sullivan stated we all know the employment in Belknap County is very tight and one of the main benefits that attracts people is retirement. He stated he would argue the interest rate to defer insurance rates verse RAN interest is significantly different. Mr. Sullivan referenced the comments that stated Gunstock should be run more like a private business and stated Gunstock is not allowed to borrow funds without the approval of the Delegation.

Rep St. Clair stated he had not be contacted by anyone asking him vote against this. He stated he would like to see the members of the public go to the Gunstock Commission meetings to voice their concerns. Rep St. Clair stated Gunstock provides a very good service to the tax payers.

Rep Vadney closed the public hearing at 10:40am.

Rep Comtois asked if it was proper for Rep Spagnuolo to join the meeting now. Rep Vadney stated he did not have a problem with it.

M/Silber to approve the RAN and urge to vote against it, S/Fields.

Discussion: Rep Huot stated there is a contingent liability of the County with the Gunstock RAN. He stated at no time has the County not been able to borrow money due to the Gunstock RAN borrowing.

Rep Vadney stated a few minutes ago we heard about the education cost and their total budget. He stated if you take the cost of the conference they spent \$1 for every \$8,000 on this conference.

Rep Abear stated he thought it was important that the public has a chance to weigh in either in support of or against Gunstock.

Rep Abear moved to question and called roll: Abear-Y, Comtois-Y, Fields-Y, Fraser-Y, Howard-N, Huot-Y, Plumer-Y, Silber-Y, Spagnuolo-Y, Spanos-Y, St. Clair-Y, Sylvia-N, Tilton-Y, Vadney-Y and Varney-Y. 13-2 Motion passed.

Rep Abear Resolved: "Pursuant to the authority of Chapter 399:15, 1959 NH Laws as amended, to authorize the Belknap County Treasurer to issue notes, on the concurrence of not less than four members of the Gunstock Area Commission, in an amount not to exceed Six Hundred Thousand Dollars (\$600,000.00) on such terms and conditions as shall be negotiated by the Gunstock Area Commission. Said notes are issued in anticipation of revenues at Gunstock Ski Area and shall have a maturity date of not later than April 1, 2019. All notes issued pursuant to this authority shall contain an express provision that all fees, fares, and tolls, as authorized by statute, shall continue to be collected until such notes have matured. The Gunstock Area Commission shall pay the principal and interest on said notes out of revenues collected by Gunstock Area."

Rep Abear called roll: Abear-Y, Comtois-N, Fields-Y, Fraser-N, Howard-N, Huot-Y, Plumer-N, Silber-N, Spagnuolo-Y, Spanos-Y, St. Clair-Y, Sylvia-N, Tilton-Y, Vadney-Y and Varney-Y. 9-6 Motion failed due to the 2/3 vote requirement.

MOU: Rep Howard stated under the MOU it faults due to the RAN failure.

Rep St. Clair encouraged the people that voted no to make sure the constituents know how they voted.

M/Comtois would like to do a forensic audit on the County, S/Silber.

Rep Vadney stated it would need to be advertised. Rep Abear stated they could not take a vote but could have a discussion.

Rep Comtois stated in lieu of the Commissioners moving money when they didn't have the authority to do so she really thinks the Delegation needs to have someone outside of the current auditing firm go through the budget. We need to be certain of what is being presented.

Rep Huot stated he didn't know what a forensic audit was, but the RSA does authorize a performance audit. He stated he had no idea what it would cost and before he would vote in favor he would want to know the cost.

Rep Plumer stated he was supportive of another audit. He spoke of the money coming in from Gunstock comes in through the County Treasurer and then moved to another account.

Rep Vadney stated the term forensic to him states a law has been broken or a crime committed and asked if that is what is being suggested.

Rep Comtois stated she was not suggesting a crime occurred.

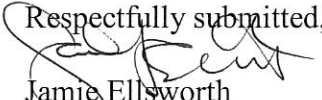
Rep Silber stated it has been brought to his attention that when the treasurer is out of state his signature appears as a facsimile signature and asked if that had been approved. He stated he agreed whether we call it a forensic audit or performance audit.

Rep Comtois stated they don't know if the numbers are factual.

Rep Spagnuolo stated he felt like they are throwing around accusations like fraud and mismanagement is not right especially when the people are not present. He stated he didn't think it was ethical and unless there is proof in front of them they should not be discussing this.

Rep Howard stated he would like to have a review of the grant application process.

**Adjourn:** M/Plumer to adjourn at 11:06 am, S/Spanos. Rep Abear called roll- Abear-Y, Comtois-Y, Fields-Y, Fraser-Y, Howard-Y, Huot-Y, Plumer-Y, Silber-Y, Spagnuolo-Y, Spanos-Y, St. Clair-Y, Sylvia-Y, Tilton-Y, Vadney-Y and Varney-Y. Unanimous. Motion passed.

Respectfully submitted,  
  
Jamie Ellsworth  
Administrative Assistant

