



**Delegation Meeting Minutes**  
**August 29, 2018 at 6:00 pm**

Delegation Chairman Vadney called the meeting to order at 18:03. The meeting was held at the Belknap County Complex meeting room at 34 County Drive, Laconia, NH. The pledge of allegiance was led by Representative Lang.

In attendance were Representatives: Abear, Comtois, Fields, Fraser, Howard, Huot, Lang, Plumer, St. Clair, Silber, Spagnuolo, Spanos, Sylvia, Tilton, Vadney, and Varney.

Absent was Representative Aldrich. The Belknap County District 5 seat previously held by former representative Maloney is vacant.

Delegation Chairman Vadney welcomed and recognized Gunstock Area Commission (GAC) Nix. The GAC Chair introduced a second request for a revenue anticipation note (RAN) in the amount of \$600,000. He noted the RAN had been requested and denied at the June delegation meeting. Since that time about \$359,000 of expenditures had been trimmed from the Gunstock budget while revenues have fallen significantly short of projections, about 35% short for an assortment of reasons, such as weather too wet, weather too hot, equipment related issues, and unplanned facility issues. He stated that Gunstock will not make it to ski season without a RAN. If that happens it will put the county on the hook for about \$3.5 million in year one and about \$1.5 million each additional year thereafter. At the GAC meeting Tuesday August 28, 2018 a resolution, a statement of support for a review of an alternatives review for the operation of Gunstock was adopted which was read into the record. (see attachment #1)

Rep. Lang inquired about the cash balance of Gunstock. General manager (GM) Goddard responded that the operating fund balance is currently about \$100,000 there is an operating reserve of about \$60,000 and there is about \$250,000 in capital reserve.

Rep. Comtois inquired about projected versus actual cash position based on the 3 page pro forma cash flow statement provided by the GAC. (see attachment #2) GM Goddard responded that the important part is the cash position. He made a brief reiteration of the why the second request for a RAN is necessary. Rep. Comtois followed up with a more direct question about the August cash flow differential shown of \$108,000. GM Goddard responded that he could not explain the difference.

Representative Spagnuolo inquired about the cash flow difficulty. GM Goddard responded that it is the first time in 30 years no RAN has been authorized.

Rep. Lang asked how much of the \$359,000 was deferred maintenance? GM Goddard responded about half is deferred maintenance and the balance is planned expenditures taken out of the budget.

Rep Fields asked: What other things do you have to have? GAC chair Nix responded that Gunstock needs to be able to deal with unanticipated equipment failures and other such related contingencies.

Rep Huot Made a statement about the GAC adopting a great operating budget April 25<sup>th</sup>. He observed there is a history of RAN authorization and successful repayment. He defined what a RAN is and that he thinks they are a good idea. He closed by asking for reiteration of the amount of the RAN request brought by the GAC. GAC chair Nix responded \$600,000.

Rep. Tilton talked about the mechanics of the RAN and the involvement in the debt instrument issuance. GAC chair Nix responded that Gunstock has handled the mechanics of the debt issuance in a self-sufficient manner once authorization is obtained in the past.

Rep Lang asked for a show of hands of the people in the audience in support of the RAN issuance. The show of hands was unanimous.

Rep Sylvia requested a Belmont resident, a former GAC member speak on the matter before the delegation. Woody Ford, a former 15 year member of the GAC rose and spoke in support of RAN issuance making the points that there has been no default on Ran borrowing, Gunstock is a seasonal business, Gunstock lacks sufficient reserves, and privatization will not work as the land cannot be sold.

Heidi Croy, a Laconia resident stated that Gunstock was the reason she had been able to participate in the Olympics which is very important to her.

Diane Hanley, no domicile identified, asked: Why would you require deferred maintenance? How are you going to sell Gunstock if it goes down the dumper?

Eliza Ledbetter, no domicile given, a former Belknap Economic Development Committee member, a county worker, stated Gunstock is an economic driver. She called the work done short sighted.

Cindy Baron, no domicile given, stated she works in the construction business. She commented they have a right to run their business as they have in the past.

Carol Taylor, no domicile given, stated she owned Colonial House of Pancakes. She continued that the business had a line of credit. It lost the line of credit when the banks tightened the lending requirements. Her business folded.

Tom Tardif, Laconia suggested use of the county fund balance to cover the RAN.

Hunter Taylor, Belknap County Commissioner, stated the fund balance is insufficient to accommodate the Tardif suggestion.

Rep. Lang interjected a motion to grant the RAN. Motion seconded by Rep. Fields.

Rep Tilton spoke of the RAN generally and was in favor.

Joe DeLuca, no domicile given, took the position that the RAN should be passed for the children.

Rep Silber took exception to the personal abuse he and his wife had received as a result of his non-support of the initial RAN request. He was interrupted repeatedly. He continued without yielding the floor noting that Gunstock is in general good. He noted the supporters he had interacted with had not grasp of the requirements of the enabling statute. He noted Gunstock can be leased to a private operator as the Sunapee area has been. He stated that Gunstock pays Gilford about \$6,500 per year in taxes. If it paid an appropriate assessment it should be paying much more something in the neighborhood of \$275,000 per year. In comparison Sunapee pays about \$126,000 per year in property taxes and it has made lease payments between \$500,000 and \$600,000 annually. He also observed that the GAC represented to the delegation in June that it could make it to ski season without a RAN. He went on to observe that the financials and audit of Gunstock are still not available despite the fiscal year ending in April. He also noted the discounts for Belknap residents previously in place seem to have gone away but that the GAC has instituted discounted tickets for itself. He questioned that Gunstock is being operated in the best interest of the tax payers of the county.

Rep. Abear asked if the GAC resolution binds the GAC to accept implementation of the recommendation of the study committee supported by attachment #1. GAC chair Nix responded that it does not.

Rep. Hout moved the question. Rep Comtois asked if we had closed public input. GAC chair Nix offered that the meeting was noticed for public input.

An unidentified member of the public inserted a comment that all banks would authorize a loan because of the prior good record of repayment of previous RAN's.

Rep. Howard explained why he is voting no. The meeting degenerated to shouting from the audience.

The Chair gaveled the meeting back to order.

A roll call vote was taken to end debate. It passed 13-3.

A reading of the Certificate of Vote Resolution for Gunstock Notes or Bonds (RAN) (attachment #3) was done by Rep Lang. The motion passed 14-2 with one member absent and one seat vacant.

The question was raised from the floor whether the delegation should address the content of attachment #1. The comment was made that a vote would be inappropriate as it was not part of the notice.

A motion to adjourn was made by Rep Lang seconded by Rep Fields and by unanimous voice vote the meeting was adjourned. (attachment #4)

Respectfully submitted,



Rep Marc Abear CLARK

Clerk

Resolved by vote of the Gunstock Area Commission:

The Gunstock Area Commission ("Commission") supports the following proposed action plan to be forwarded to the Belknap County Delegation ("Delegation"), (a/k/a the Belknap County Convention), for their review and action.

Whereas, the Commission and Delegation have worked together in the past to investigate alternative business models for Gunstock Mountain Resort and prepare summary reports; and

Whereas, the economic and political climates have changed over time;

Wherefore, the Commission supports the following:

1. The Commission and Delegation shall work together to create a Study Committee charged with studying and making recommendations regarding alternate business models for Gunstock Mountain Resort. After reviewing existing information available, the Study Committee shall present to the Delegation and Commission alternate business model plans and make recommendations regarding the alternatives. The study shall include, but not be limited to, whether privatization, including leasing of the facility, is a beneficial, financially viable and legally possible option for Gunstock and the County.
2. The Commission and Delegation shall work together in good faith to determine the make-up of the Study Committee. At a minimum the Study Committee shall consist of a reasonable number of members of the Commission and Delegation appointed by their respective chairpersons or their appointed representatives; a reasonable number of representatives from private businesses from Belknap County; and members of the public.
3. If the Commission and the Delegation determine that an outside consultant is necessary to assist the committee, the Delegation shall allocate a reasonable amount of funds for the consultant.
4. The Commission and Delegation shall jointly agree upon a reasonable time table for a final report from the Study Committee, not to exceed one year from the date the Study Committee is formally created.

Additionally, the Commission recognizes that the Delegation is the auditing authority under the enabling statute which states "[a]ll financial transactions of the Commission shall be audited annually and at such other times and in such manner as the county convention may determine." *1959 Laws of N.H. Ch 399:14(e)*, (underline added). Therefore, as required by the statute, the Commission stands ready to cooperate and participate, including reasonable administrative staff support, to assist the Belknap County Convention in any additional audits that the County Convention determines is necessary.

I certify that resolution was adopted by the Gunstock Area Commission on August 28, 2018.



Stephan T. Nix, Chairman



Gunstock Area Commission

Summary of Cash Flows - May 1, 2018 to November 30, 2018				
Original vs. Current Projections (\$000s)				
	Original Budget	Revised (no RAN) Budget	Current Projected as of 8/15	
Cash in*	\$ 4,225	\$ 4,225	\$ 3,736	\$ (489)
Cash Out	\$ 4,706	\$ 4,347	\$ 4,347	\$ (359)
	\$ (481)	\$ (122)	\$ (611)	

\*Includes beginning cash balance in operating accounts







# ESTIMATED CASH PROJECTIONS FY 2019

## Cash Flow Projections FY 2019 - Original Budget

	2018		2019												Summary						
	May	June	July	Aug	Sep	Oct	Nov	Dec	Jan-19	Feb	Mar	Apr									
Opening Operating Cash**	734,461	132,985	148,111	117,786	233,159	197,469	204,415	150,164	1,038,467	1,551,098	2,030,414	2,104,948	2,037,337								
Cash in	160,156	384,986	763,126	855,634	450,706	256,523	131,853	1,974,865	2,482,236	2,904,011	1,704,879	61,753	12,230,728								
AR	10,792						200,000			(600,000)			10,792								
RAN principal		400,000																			
Deferred Income - FY17				(100,000)									(100,000)								
Souffest			(22,000)										(44,000)								
Camping													(26,000)								
MC Week		(26,000)											(826,000)								
Seasonals	(10,400)	(21,540)	(20,800)	(20,800)	(20,800)	(10,400)															
Summer Season Pass FY19	7,500	2,500	(700)	(135,000)	(25,000)	(10,000)							20,000								
Winter Season Pass FY19	70,000	4,000	10,000	15,000	25,000	100,000		(260,000)	(260,000)	(260,000)			(10,000)								
Deferred Income - FY19																					
Outreach					50,000	200,000	130,000	100,000	(130,000)	(130,000)	(120,000)		100,000								
Souffest				4,000	15,000	20,000	10,000		5,000	5,000	20,000		20,000								
MC Week										4,000	8,000		8,000								
Camping			3,500	2,500		1,500				5,000	15,000		15,000								
Seasonals						45,000	15,000	10,000	5,000	5,000	5,000		90,000								
FY18 Preseason Pass Sale													50,000								
<b>total cash in</b>	<b>238,048</b>	<b>743,946</b>	<b>733,126</b>	<b>815,334</b>	<b>497,406</b>	<b>602,623</b>	<b>486,853</b>	<b>1,824,865</b>	<b>2,052,236</b>	<b>1,883,011</b>	<b>1,541,879</b>	<b>671,453</b>	<b>12,074,780</b>								
<b>Cash Out:</b>																					
PR & Taxes	255,000	290,800	390,000	425,000	290,000	280,000	295,000	535,000	642,000	620,000	465,000	250,000	4,737,000								
Fringe Benefits	77,508	67,700	41,800	29,200	30,800	32,800	32,800	32,800	43,000	28,000	29,600	28,000	424,008								
Worker Compensation Ins.			68,000	68,000	34,205	34,205	34,205	34,205	34,205	34,205	34,205	34,205	409,641								
Monthly R&M/Supplies	194,566	202,498	141,394	140,000	105,171	151,731	136,400	250,000	380,000	450,000	400,000	150,000	2,681,760								
P&I Insurance	50,000	3,407	16,473	16,473	16,473	16,473	16,473	16,473	16,473	16,472	16,472		201,862								
Electric	42,074	36,120	14,000	18,500	18,664	13,242	20,000	20,072	173,403	208,006	123,605	43,445	731,131								
Capital Budget FY '18								25,000		20,000		55,000	200,000								
NP - Principal	255,879	78,211	5,929	5,955	5,941	58,507	6,032	19,119	214,486	22,093	366,311	177,307	1,210,807								
NP - Interest	14,497	884	35,855	833	31,802	6,719	10,184	3,886	36,038	4,919	32,152	6,106	185,695								
<b>total cash out</b>	<b>839,524</b>	<b>728,870</b>	<b>763,451</b>	<b>703,961</b>	<b>533,096</b>	<b>595,677</b>	<b>543,104</b>	<b>936,567</b>	<b>1,539,605</b>	<b>1,403,695</b>	<b>1,467,345</b>	<b>739,064</b>	<b>10,791,904</b>								
* Does Not Include GAC Operating Reserves																					
<b>Close Cash: With RAN</b>	<b>132,985</b>	<b>148,111</b>	<b>117,786</b>	<b>233,159</b>	<b>197,469</b>	<b>204,415</b>	<b>150,164</b>	<b>1,038,467</b>	<b>1,551,098</b>	<b>2,030,414</b>	<b>2,104,948</b>	<b>2,037,337</b>									
<b>WITHOUT RAN</b>	<b>132,985</b>	<b>(251,869)</b>	<b>(282,214)</b>	<b>(166,841)</b>	<b>(202,531)</b>	<b>(195,655)</b>	<b>(440,836)</b>	<b>438,467</b>	<b>951,088</b>	<b>2,030,414</b>	<b>2,104,948</b>	<b>2,037,337</b>									
<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;">Beginning Cash 5/1/2018</td> <td style="width: 50%; text-align: right;">734,461</td> </tr> <tr> <td>Total Cash In</td> <td style="text-align: right;">12,094,780</td> </tr> <tr> <td>Total Cash Out</td> <td style="text-align: right;">(10,791,904)</td> </tr> <tr> <td>Ending cash 4/30/2019</td> <td style="text-align: right;">2,037,337</td> </tr> </table>														Beginning Cash 5/1/2018	734,461	Total Cash In	12,094,780	Total Cash Out	(10,791,904)	Ending cash 4/30/2019	2,037,337
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Total Cash In	12,094,780																				
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Ending cash 4/30/2019	2,037,337																				



PROJECTED CASH POSITION FY2018



Cash Flow Projections FY 2019 - Revised August 15, 2018

	2018	2019												Summary
	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan-19	Feb	Mar	Apr		
Opening Operating Cash:	234,461	221,962	86,541	30,455	207,922	99,143	266,572	289,733	1,335,545	1,842,778	2,995,622	2,064,169	2,057,000	
Revenue	180,156	415,132	577,000	830,000	360,565	205,218	105,482	1,974,865	2,483,216	2,904,011	1,104,879	61,753	31,781,298	
AR	30,572		200,000	50,000	150,000	75,000	275,000	100,000			(300,000)		30,572	
<b>OPERATING RESERVE</b>														
RAN														
Deferred Income - FY17														
Soufflet		(16,105)	(16,105)	(112,294)									(112,294)	
Camping		(26,209)	(26,209)	(116,105)									(48,315)	
MC Week		(10,400)	(22,985)	(22,985)	(20,800)	(10,400)							(26,209)	
Seasonals		6,087	(5,000)	(15,171)	(25,300)	(10,000)							(110,555)	
Summer Season Pass FY18		84,257	10,163	30,000	10,000	60,000		(70,000)	(250,000)	(250,000)			(23,555)	
Winter Season Pass FY15													(841,200)	
Deferred Income - FY19														
Outreach				1,000	50,000	180,000	150,000	120,000	(180,000)	(180,000)			20,000	
Soufflet				1,000	15,000	20,000	10,000		5,000	5,000			(10,000)	
MC Week				1,000	2,500					4,000			8,000	
Camping										6,500			15,000	
Seasonals							15,000	10,000	5,000	5,000			5,000	
FY18 Presentation Pass Sale													700,000	
<b>Cash Out:</b>														
PR & Taxes	236,254	238,719	395,145	321,546	260,000	750,000	285,000	525,000	637,000	615,000	460,000	245,000	4,459,664	
Fringe Benefits	27,508	71,564	46,974	27,519	25,400	23,800	25,300	25,300	38,000	23,800	25,300	23,800	386,265	
Worker Compensation Ins.			40,984	40,964	40,964	40,964	40,964	40,964	40,964	40,964	40,964	40,964	409,640	
Monthly R/R/Supplies	156,959	108,689	186,272	136,000	93,910	134,063	132,948	242,820	358,227	400,000	400,000	150,000	3,600,838	
P&L Insurance	50,000	16,895	16,895	16,895	16,895	16,895	16,895	16,895	16,895	16,895			185,080	
Electric	42,074	17,872	17,649	22,276	28,810	13,242	20,000	20,072	173,403	208,006	223,605	43,445	710,454	
Capital Budget FY 18			10,000	5,000	5,000	5,000	15,000	5,000	30,000	208,006	123,605	43,445	200,000	
AP - Principal	255,879	51,629	32,511	5,955	5,981	58,507	6,032	19,116	214,486	27,093	306,311	272,307	1,210,807	
NP - Interest	14,497	884	35,895	833	31,802	3,806	30,194	3,806	36,028	4,919	32,152	5,306	185,895	
total cash out	783,171	890,357	784,205	576,978	508,752	551,180	552,323	899,053	1,545,003	1,131,467	1,573,332	681,622	10,277,643	
<b>Change in A/P (\$181K BB)</b>	(11,100)	71,468											714,461	
<b>Close Cash: With RAN</b>	<b>221,962</b>	<b>86,541</b>	<b>39,455</b>	<b>207,922</b>	<b>291,435</b>	<b>296,573</b>	<b>289,733</b>	<b>1,335,545</b>	<b>1,842,778</b>	<b>2,995,622</b>	<b>2,064,169</b>	<b>2,057,000</b>	<b>2,057,000</b>	
<b>WITHOUT RAN</b>	<b>221,962</b>	<b>86,541</b>	<b>39,455</b>	<b>207,922</b>	<b>141,435</b>	<b>61,573</b>	<b>(210,207)</b>	<b>835,845</b>	<b>1,562,778</b>	<b>2,395,822</b>	<b>2,064,169</b>	<b>2,057,000</b>	<b>2,057,000</b>	

\* Does Not Include GAC Operating Reserves

Beginning Cash 5/1/2018	714,461
Total Cash In	11,600,382
Total Cash Out	(10,277,643)
Ending cash 4/30/2019	2,057,000



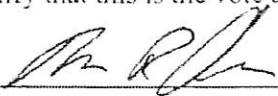
## Resolution for Gunstock Notes or Bonds (RAN)

The following motion was made at the meeting of the Belknap County Convention (Legislative Delegation) on August 29, 2018. Notice of said meeting was posted as required by law.

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."

Representative:	YES	NO
Marc Abear	X	
Glen Aldrich	ABSENT	ABSENT
Barbara Comtois	X	
Dennis Fields	X	
Valerie Fraser	X	
Raymond Howard		X
David Huot	X	
Timothy Lang	X	
John Plumer	X	
Charles St. Clair	X	
Norman Silber		X
Phillip Spagnuolo	X	
Peter Spanos	X	
Michael Sylvia	X	
Frank Tilton	X	
Herb Vadney	X	
Peter Varney	X	
<b>Total:</b>	14	2

I certify that this is the vote as included in the minutes of the aforementioned meeting.

  
 \_\_\_\_\_  
 Marc Abear, Clerk  
 Belknap County Delegation

\_\_\_\_\_  
 8/29/18  
 Date



Delegation List

- 1 Marc Abear
- 2 Glen Aldrich
- 3 Barbara Comtois
- 4 Dennis Fields
- 5 Valerie Fraser
- 6 Raymond Howard
- 7 David Huot
- 8 Timothy Lang
- X Maloney
- 9 John Plumer
- 10 Norman Silber
- 11 Philip Spagoulo
- 12 Peter Spanos
- 13 St Claire
- 14 Mike Sylvia
- 15 Frank Tilton
- 16 Herbert Vadney
- 17 Peter Varney

	ATTENDANCE	TERMINATE DEBATE	M/M HOLT	M/S FIELDS					
			M/M LANG	M/S FIELDS					
			LANG	M/S FIELDS					
1	X	N		Y					
2	ABSENT	N							
3	X	N		Y					
4	Y	Y		Y					
5	X	Y		Y					
6	X	N		N					
7	X	Y		Y					
8	X	Y		Y					
X	Resigned								
9	X	Y		Y					
10	X	Y		N					
11	X	Y		Y					
12	X	Y		Y					
13	X	Y		Y					
14	LATE	ABSENT		Y					
15	X	Y		Y					
16	X	Y		Y					
17	X	Y		Y					

15 PRESENT @ START  
 1 ABSENT  
 1 LATE  
 1 VACANT POSITION DIST 5  
 13-3 14-2

