



**SPECIAL ASSEMBLY FINANCE COMMITTEE
JOINT MEETING WITH EAGLECREST BOARD
OF DIRECTORS MINUTES**

March 4, 2026, at 5:30 PM

Assembly Chambers/Zoom Webinar

<https://juneau.zoom.us/j/93917915176> or 1-253-215-8782 Webinar ID: 939 1791 5176

A. CALL TO ORDER

The meeting was called to order at 5:33 pm by Mayor Weldon.

B. ROLL CALL

Committee Members Present: Mayor Beth Weldon (Chair); Nathaniel “Nano” Brooks; Maureen Hall; Neil Steininger; Paul Kelly; Alicia Hughes-Skandijs

Committee Members Present Virtually: Christine Woll; Greg Smith

Committee Members Absent: Ella Adkison

Staff Members Present: Katie Koester, City Manager; Robert Barr, Deputy City Manager; Angie Flick, Finance Director; Adrien Wendel, Budget Manager; Erin Lupro, Acting Eaglecrest General Manager

Eaglecrest Board Members Present: President Brandon Cullum; Vice President Kevin Krein; Secretary Wayne Stevens; Jim Calvin; Thor Lindstam; Sean O'Neil

Eaglecrest Board Members Absent: None

C. AGENDA TOPICS

1. Joint Meeting with Eaglecrest Board of Directors

a. Introductions

Introductions were made as per Roll Call above.

b. Eaglecrest Manager Budget Presentation

Eaglecrest Board President Brandon Cullum gave a brief overview of the planned presentation. Acting Eaglecrest General Manager Erin Lupro began the presentation with a summary of Eaglecrest Operations 2025-2026 (packet page 5). Eaglecrest opened for the season on December 5, 2025, and the Ptarmigan Lift opened on January 15, 2026. The snowfall total was 305” as of the date of the meeting (yearly average is 320”), and they’ve had 19 days of snowmaking this season. Eaglecrest has had 19 avalanche risk reduction missions. The West Bowl has been open 19 days, and 21 days for the East Bowl.

In terms of Community Engagement (packet page 6), last year’s Summer Camps hosted

50 kids over 4 weeks. They participated in hiking and other activities all over the mountain. The Eaglecrest Haunted house took place this past fall and supports the Eaglecrest Foundation fund and is a Books to Boards fundraiser. There was a Christmas Eve event with 60 kids and families. They have had 2 movie nights this past fall and winter and plan to hold more. Discover Eaglecrest Day is a community event that was held this fall, supported by lots of local vendors. This was also a fundraiser for the Eaglecrest Foundation and benefitted both Books to Boards and the School Group Scholarship program with a silent auction, barbecue, face painting, and other activities for families. The School Group Scholarship Program is reaching 19 classes of more than 30 kids each. Some of the classes bring 60 to 70 kids who are learning to ski through this program. The Books to Boards program supports 46 middle school students.

With thanks to the Assembly for providing funding, some major maintenance projects (packet page 7) have included the new bull wheel bearing on top of Ptarmigan, replacing the drive shaft on Ptarmigan, rebuilding sheaves on Hooter and Porcupine lifts. Eaglecrest was able to bring contractors and lift specialists to help with the big lift projects in the summer.

Major fleet maintenance and safety upgrades were done on the snowcat vehicles. Some snow guns were refurbished. Some blasting was done and the road to mid-station was hardened. The Fish Creek lodge water project and heating system repairs were completed. The mobile patrol hut was relocated. Non-destructive testing was done on Ptarmigan tower bolts and clips.

Mr. Cullum reviewed the FY24 through FY27 Budget Summary (packet page 8) and pointed out some patterns. General Fund support peaks in FY25 which helped Eaglecrest catch up with some maintenance and has since returned to a more typical contribution of \$930,000. FY27 shows a significant drop in expected Revenues, which is a function of declining pass sales and some additional factors which will be discussed.

Commodities and Services has had a jump in FY26 due to maintenance needs and central cost allocations. Eaglecrest's intent is to keep this budget flat in FY27. In Personnel Services, FY26 was originally budgeted for about \$3,800,000. This was due to bringing the Eaglecrest employees onto the CBJ pay plan. This cost ended up being about \$500,000 less than expected, and the excess authority was deappropriated. The increase in FY27 is due to standard wage growth per CBJ pay rates.

Starting in FY26, the Assembly made the decision to support Eaglecrest on its path to sustainability, and Eaglecrest was allowed to move into a negative fund balance. Some of the drivers that led to the negative balance were increased expenses for converting the Eaglecrest pay plan to CBJ's pay plan to improve retention, recruitment, and to better prepare for the gondola and year-round operations.

Mr. Cullum reviewed the Budget Summary Overview (packet page 9) which shows FY25 Actuals, FY26 Adopted and Amended Budgets, FY26 Projected Actuals, and FY27 Proposed Budget figures. On the personnel services line, Eaglecrest is projecting to come in significantly under budget in FY26 due to high turnover and vacancy rates. In FY27, Eaglecrest is applying a vacancy factor to better reflect real experienced turnover

throughout the year. Mr. Cullum stated that he believes this is the first time CBJ has applied a vacancy rate to the Eaglecrest budget, at a rate of 4.1%. However, he stated that Eaglecrest's actual vacancy rate is closer to 15%.

Revenue Trends (packet page 11) show operating revenues with snowfall. Looking at past years, there is somewhat of a correlation between the amount of snow and revenue. Winter FY25 was not a good snowfall year, and revenue dropped significantly. On the heels of that, FY26 winter started with slow sales, as people considered the prior year's snowfall and decided not to buy passes early in the season. Counterintuitively, the December "snowpocalypse" did not help sales as this was not great snow for skiing, driving was unsafe, and there were lift issues.

Eaglecrest Board Member Jim Calvin discussed Adult Pass Pricing and Sales (packet page 12). He noted a correlation between the increase in pass prices and reduced season pass sales. He stated that they have seen the same trend in teen and youth passes. Between 2022 and 2025, 250 fewer adult passes were sold, which is a 15% decrease over a 4-year period. Mr. Calvin stated that it is his belief that the best way to raise revenue is to increase the number of passes that are sold, rather than increase pass price. To accomplish this, confidence must be restored for potential pass buyers in terms of snow, lift functionality, and useability of the passes. While considering alternative revenue solutions, it is important to bear in mind the potential impact of raising season pass prices is to further alienate the community from Eaglecrest.

Ms. Lupro has noticed a trend that people are buying differently this year. They might not be buying season passes, rather they are buying 5 or 10 visit passes, flex passes, or day tickets because of uncertainty about the useability of the ski area due to weather or other issues.

Assemblymember Steininger asked how the prices at Eaglecrest compare to other, similar ski areas. Mr. Cullum answered anecdotally that other comparable ski areas in the lower 48 have higher season pass prices by \$100-\$150 for adult passes. Some of these ski areas have better infrastructure and get more winter tourism than Eaglecrest and Juneau.

Assemblymember Steininger asked if, looking at varying trends in pass purchases, Eaglecrest has considered changing the price structure of different types of passes. Mr. Calvin responded that there is a fine balance to consider between raising day passes and lowering season passes, as purchasers will consider the number of ski days they anticipate and determine if they expect to break even on the season pass purchase in comparison.

Assemblymember Hughes-Skandijs asked about installment payment plans to make season pass purchases more feasible for more people. Ms. Lupro answered that there is an existing installment plan that starts with the first payment in June, and when paid in full in November, the lift pass is activated.

Assemblymember Woll asked about the pool of potential Eaglecrest users in Juneau, and what is being done to incentivize new skiers. Mr. Calvin answered that the cost of skiing is a principal barrier, and this is why the Books to Boards and School Group Scholarship

Programs are so important, as they introduce kids to skiing at virtually no cost. Keeping them engaged is more challenging, so keeping youth pass prices low is one way to accomplish that. He added that the last time that Eaglecrest had market research done, there were 5,000 skiers in Juneau, which is a high percentage of a population of 30,000. Skiers also come to Eaglecrest from Sitka, Haines, and Skagway. Being a very small market, the community is fortunate to have had generous support from taxpayers to have a ski area here. Mr. Calvin added that they have considered charging \$800 for a season pass, for example, and a fair number of them would be sold, but then there would likely be fewer people skiing, unless the day passes were lowered to \$40. That would most likely lead to the issue of fewer season passes and more day passes purchased, which may not necessarily lead to more revenue.

Assemblymember Hall asked about the Funding Source line for Licenses, Permits, and Fees which has dropped steeply. Ms. Lupro responded that this is revenue from vendors such as zipline, iRide Alaska Segway and eBikeTours, Alaska Coach Tours' walking tours, etc. Alaska Coach Tours has stopped doing their tours, and the zipline is not operating due to the planned construction of the gondola project.

Mr. Cullum added that this situation does open other revenue opportunities on the mountain, in addition to the gondola project. Things to consider are holding events, other concessions, hiking and biking passes, etc.

The Committee and Board continued to ask questions and discuss the topic.

Ms. Lupro reviewed the Expense Trends for Commodities and Services (packet page 13), noting that additional funding from the Assembly was used to cover deferred maintenance through the summer, fall, and into the winter of FY26. As everywhere, prices have increased. Eaglecrest is working to be mindful and responsible about how they are spending money, while knowing they are spending more than the previous year in large part due to deferred repairs and maintenance work that is being done.

Eaglecrest is dealing with aging infrastructure, including lifts, buildings, fleet, the water system, and the parking lot (packet page 14). The lifts were built in the late 1960s and 1970s. Three of their lifts are Riblet lifts. Riblet has not been in business since 2003. This creates a problem when Riblet lift parts become worn and break, as manufacturing and sourcing replacement parts is challenging and expensive.

In 2024 a building lifespan assessment was commissioned to look at Fish Creek, Porcupine, and the maintenance shops. They are focusing on fleet, were able to get a new snowcat this winter, and are in process of doing repairs and maintenance to improve the remaining fleet to better and safer standards. The fleet overall is aging, and they are working on finding needed replacement equipment as appropriate.

With staff turnover, Eaglecrest loses important institutional knowledge about the mountain and the facilities. There are long-term, experienced Eaglecrest snowcat drivers who know the whole mountain and are aware of rocks, stumps, fallen trees, etc., and how to avoid these obstacles. There are also new snowcat drivers who have not yet had the time to learn all these quirks of the mountain. When a small amount of snow obscures these obstacles, this potentially leads to a situation when the fleet takes a hit

due to damage to a vehicle. This core knowledge is also crucial for maintenance of infrastructure, buildings, and machinery. This demonstrates the importance of staff retention to provide time and opportunities for this retained knowledge to be taught and carried forward over the long term.

Mr. Cullum spoke about Eaglecrest's vacancy rate gap and stated that there are currently over 7.0 vacant Full-Time Equivalent (FTE) positions, which are made up of 3 full-time plus 22 part-time positions. He added that to get to a sufficient operating level to carry the gondola, year-round operations and repairs, and stay ahead of needed maintenance, they need growth. He added that understanding the current restraints, they are not asking for more FTEs and referred to the Expense Trends chart (packet page 15), where Personnel Services expense for FY26 is projected to be over \$500,000 less than budgeted, due in part to the vacancy factor. He added that they have a plan to reassess these FTEs and the related Position Control Numbers (PCNs), with the goal of better allocating them to meet the core needs of Eaglecrest.

Mr. Cullum discussed packet page 16, noting from FY23 through FY25 that the Full Cost Allocation (FCA) stayed relatively flat, then grew slightly in FY26, and will continue to grow in FY26 and FY27. The percentage of Eaglecrest's General Fund support that is consumed by the FCA is increasing, and the amount of general funds spent on operations is decreasing. What this means is that less general funds are used for operations and discretionary expenses, because they're being used to pay for the support Eaglecrest receives from CBJ's central service departments.

Mr. Cullum addressed the Budgeted Fund Balance (packet page 17). He stated that an agreement was made with the Assembly in FY25 that CBJ would support Eaglecrest in its growth moving into the future. These numbers as presented reflect a negative fund balance at the end of FY27 of \$5,352,900. Mr. Cullum acknowledged that these numbers look intimidating and he reassured the Committee that Eaglecrest understands the commitment that will be needed to find solutions. They are putting this funding to good use, working on recruiting, maintenance, the old ski lifts, and focusing on the future regarding the gondola project, year-round operations, and overall efficiency to bridge this gap on their own at some point in the future.

Ms. Lupro stated that in FY26 Eaglecrest received total Capital Improvement Project support of \$576,000 (packet page 18). The biggest focus for FY26 so far has been on ski lifts. They have been working with contractors, lift specialists and fleet specialists with goals to diagnose and fix existing issues and predict and prevent further issues. In FY27, they have \$167,000 in total for the CIP and have decided to use \$127,000 for deferred mountain maintenance and \$40,000 toward additional capital and maintenance needs. Ms. Lupro stated that Eaglecrest also has \$61,000 in a CIP that was intended for the Eaglecrest Master Plan.

Mr. Calvin continued, explaining that Eaglecrest is in the process of designing a strategic and business planning effort, which involves securing the services of a professional mountain recreation planner to create a roadmap to get from where they are now, with a non-sustainable operating budget, to being self-sustaining.

Eaglecrest has immense recapitalization needs, including replacing Ptarmigan (\$5,000,000), Black Bear (\$3,500,000), and their 50-year-old lodge (\$13,000,000). The need to plan, prioritize, and look for resources is paramount.

c. Joint Assembly and Eaglecrest Board Discussion (Budget and Gondola)

Assemblymember Kelly asked if there is a schedule of upcoming expenditures to improve spending needs predictability. Ms. Lupro responded that some of the CIP plan involves the water system. When a pipe broke under a building recently, it was during a cold snap, and all the water in the line froze. There is a plan moving forward so this situation doesn't repeat itself, with \$40,000 of the CIP appropriated for this project. Mr. Cullum added that there are needs in terms of lifts, snow-making equipment, and infrastructure. All these projects are involved and expensive, and due to the age of some of the equipment, determining pricing in advance is challenging, and high costs are a barrier to accomplishing some of these goals.

Assemblymember Woll asked what the plan would be for the negative fund balance should the Assembly decide not to move forward with the gondola project. Mr. Cullum responded that with the maintenance budget, operating costs, and expected revenue, not being able to carry a negative fund balance will hobble Eaglecrest's ability to position themselves for summer operations and possibly hobble winter operations. They have not yet done much analysis on exactly how to reposition themselves if this comes about, however, they are aware they would need to pivot very quickly as this would create a question of whether they could continue to operate at all.

Mr. Calvin reviewed the Eaglecrest Summer Plan (packet page 22). Their goal is to achieve self-sufficiency for the ski operation, and that will require increasing summer operations revenue from \$110,000 to \$2,500,000 or more. This will be a challenge; however, it is feasible considering Juneau's annual visitor count of 2,000,000 people, which includes 1,700,000 cruisers plus another 300,000 independent visitors. To tap this visitor market and capture summer revenue, the plan is to offer scenic lift rides, mountain coasters, expanded zip lines, ropes courses, mountain biking, guided tours, a sky bridge, food and beverage services, retail sales, etc. Attaining this goal will require recapitalization to modernize or replace the old lifts and facilities and add infrastructure.

Projected Year-Round Revenue and Operating Costs for the gondola show a break-even status in FY32 or FY33 (packet page 23). This estimate uses certain Gondola Assumptions and Analysis (packet page 24), including the gondola's first customers in May 2028, first full year of service in FY29, and assumes only operating revenues (no General Fund support). They have looked carefully at these projected operating costs, including repairs, and have used proposed winter operations at FY27 levels, budgeted for inflation. The principal risk factor is market development, and they will be depending on Goldbelt as their partner to tap into the market. Other potential revenues from vendors, food, and retail sales, etc., could potentially accelerate this break-even timeframe.

Eaglecrest Summer Operations: Next Steps (packet page 25) are to prepare for this project to include planning infrastructure and amenities to have trails, viewing platforms, signage, restrooms, shelters, etc., in place. In-house business opportunities and vendor

recruitment need to happen to attract development. Detailed business and operations planning are required to ensure staffing, marketing, and budgeting are adequate, and necessary permits are secured.

All these tasks have been on hold, awaiting the construction cost estimate. About \$3,500,000 available funds for this project are unspent. After this presentation was prepared, Eaglecrest received the first estimate from Cornerstone General Contractors for a project cost of \$27,000,000. Considering that they were anticipating construction costs ranging from \$10,000,000 to \$15,000,000, this estimate is drastically higher than expected. They are awaiting a guaranteed maximum price estimate from the contractor. A meeting with the Cornerstone design team is planned for Monday, where they will discuss whether there is any room to maneuver within this estimate and if there are any possibilities of savings. However, it is unlikely that the cost could even get as low as \$20,000,000.

Prior to receipt of this estimate, Gondola Funding Scenarios (packet page 26) included CBJ funding the shortfall, Goldbelt funding the shortfall, CBJ borrowing to fund the shortfall, soliciting investors for the gondola and recapitalizing winter operations, or ending the gondola project. The amount of this estimate may require a reset of some of these options. Mr. Calvin noted that at this point, it is unlikely that CBJ will fund the shortfall. Goldbelt may be a possibility to preserve the current timeline, however, there will likely be conditions for additional investment which may include operating the mountain on a year-round basis including both the gondola and winter operations. CBJ would retain ownership, which would allow the City to implement strict operating requirements. Goldbelt is increasingly becoming the key to the gondola project, and depending on what resources they want to bring, may allow Eaglecrest to more quickly recapitalize their winter assets including lifts, lodges, etc.

Another option that was being considered was CBJ borrowing from the Alaska Industrial Development and Export Authority (AIDEA) or a different lender (packet page 29). This option may or may not still be viable, given the estimate. This would entail terminating the Revenue Sharing Agreement (RSA) with Goldbelt and seeking lender funds for working capital for winter operations. The cash flow requirements to repay Goldbelt according to the terms of the RSA and simultaneously pay debt service would likely leave so little money leftover as to provide no benefit to Eaglecrest. This would also mean that cruise marketing and transportation responsibilities would shift to Eaglecrest, would delay the construction schedule, and would probably add another year of heavily subsidized winter operations. This would entail borrowing from AIDEA (or another lender), however, AIDEA has a \$25,000,000 limit. The amount needed to pay Goldbelt back for the cost of the gondola, plus the construction costs for the lift would be \$37,000,000. They will continue to look at potential lending opportunities over the next month.

Another possibility is to search for third-party investors (packet page 30). The gondola project and Eaglecrest in general would be unattractive to investors with the RSA in place, so Goldbelt would need to be paid back to eliminate the RSA. The attraction to investment entities would be the truly strong business opportunity Juneau has with these

2,000,000 visitors annually. This option may require contracted management, it will be a complex transaction, and it is an uncertain opportunity, however, it is potentially the fastest way to recapitalize Eaglecrest. It would require a developer with a long vision, and hopefully, there will be more to report on this option at the next meeting.

Ending the gondola project (packet page 31) would entail a full payback to Goldbelt of \$11,900,000 in borrowed funds. This includes \$3,700,000 of unspent and uncommitted Goldbelt funds, considering the \$2,500,000 that was spent to purchase and ship the gondola, this leaves total sunk cost to CBJ of \$10,900,000. This scenario will also leave Eaglecrest with very little chance of becoming self-sustaining within the foreseeable future and they would not have a way to repay the fund balance. Eaglecrest would not be able to continue to add to their fund balance with no hope of repaying it, and thus would be looking for General Fund support, and then bonding to replace lifts. They would clearly focus attention on alternative summer development opportunities. However, nothing would happen at the pace the gondola would offer in terms of bringing Eaglecrest to a self-sufficient state. Nonetheless, it is urgent that they move forward aggressively seeking other summer development opportunities.

Mr. Calvin stated that if the gondola project is going to continue, for example if Goldbelt decides on further funding the project, it would lead to the question of whether Eaglecrest proceeds with phased construction (packet page 32). This would be needed to keep the project on track as it is unlikely that full permits would be in place to start construction this summer. Therefore, a phased construction effort could be started with a permit for earthwork.

Mr. Calvin added that, even if Goldbelt is willing to provide funding, it seems unlikely that all the funding will be lined up in time for this summer's construction season. If funding is found, and construction could start, it would need to be done on a phased basis to get the necessary permits in place. If, however, full funding is not lined up, any additional money that is spent on this project from the money that Goldbelt provided will increase the amount of money that will need to be paid back to Goldbelt.

Mr. Calvin stated that they are contemplating the risks of proceeding to try to stay on schedule and proceed with construction and will discuss this with the Committee during the April 1 AFC meeting. He noted that the urgent issue is Eaglecrest's operating budget, as they are going to continue needing roughly \$2,500,000 more than their General Fund support every year, unless they take draconian cost cutting measures. They have a deep sense of urgency to start generating revenue to ease this budget deficit. However, it is a complicated problem, and they need time to determine where to obtain that money.

Mr. Calvin added that they are expecting to receive the guaranteed maximum price estimate from the contractor in time for the April 1 AFC meeting. In the meantime, they would like to meet with the City Manager and with Goldbelt to understand their interest in further funding and if so, what conditions Goldbelt would want implemented. They would like to continue to look at AIDEA and other lending options. They would like to start looking nationally to "test the waters" to determine if Eaglecrest would be an attractive investment target for any big development firms.

Mr. Calvin stated that these developers are companies that look for ski areas that are in trouble, they invest in them and turn them around to profitability. He said that Eaglecrest will remain a Juneau-owned asset, but maybe Eaglecrest is an attractive target if their only desire is to operate the ski area in the winter. The lure of Eaglecrest as an investment opportunity would be the opportunities for summer and winter development. The conditions that Eaglecrest would want to make are to operate the ski area for 90 days in the winter, charge no more than \$750 for a season pass and \$75 for a lift ticket.

Mayor Weldon stated that the presentation and cost estimate were sobering and finding a good solution will be challenging. Assemblymember Woll asked how soon these decisions will need to be made. Ms. Koester responded that there are two separate questions that need to be answered. One is whether this project will move forward at all. The other is if it does proceed, what will the schedule be. Mayor Weldon added that these decisions will need to be made in the next two months.

Assemblymember Hughes-Skandijs asked if any more of the gondola money is going to be spent over the next few months while these decisions are considered. Mr. Calvin answered that the gondola cars are in Colorado, and contracted refurbishment work is beginning, so that money is committed. The design is essentially 95%, though there is still some engineering money that is being spent. The money that is being spent is on the pre-construction services contract with Cornerstone. Although they have a zero-budget contract for the pre-construction work the timing is such that they must produce their guaranteed maximum price by April 1. Hence the 3-week window to learn about all of the options, and especially about Goldbelt's position, considering the current situation.

Mr. Cullum reiterated that they just received this price estimate the previous day, and suggested it is better for everyone to take some time to digest this information than react immediately consider how big these decisions are.

Assemblymember Brooks asked if there has been any consideration of reaching out to large corporations for sponsorship opportunities. He mentioned Red Bull as an example, as they are very involved in winter sports. He wondered if advertising opportunities exist for sponsors to put up banners, logos, or provide guardrail ribbons as is seen at other ski resorts.

Mr. Calvin responded that they will be looking at every conceivable opportunity for summer revenue, including asking for letters of interest in developing summer tourism attractions at Eaglecrest. He gave an example of a business with mountain coasters who has \$3,000,000, and they negotiate an arrangement wherein Eaglecrest gets 10% of the business's gross. This could be done one at a time via ferratas, mountain coasters, ropes courses, and the like. They plan to look at all options including corporate sponsors, equity investors, debt investors, etc.

Mayor Weldon suggested that Ms. Koester and some Eaglecrest Board members could jointly reach out to Goldbelt first. Depending on Goldbelt's response, then look into AIDEA and other lenders, then last look for investors. The other Committee members agreed in this suggested order of operations.

Assemblymember Hughes-Skandijs noted that having just received the presentation slides and the cost estimate this same day, the City is dealing with deep financial restraints, and knowing that this project was started in a rush, she feels extreme trepidation. She appreciated the candid conversation with the Eaglecrest Board, and she agrees that taking time to respond is crucial.

Ms. Lupro stated that she knows this was a lot of information for everyone to take in at the last minute during this meeting. She expressed gratitude for the opportunity to meet, have a candid conversation, and thanked the Committee members for their pointed questions as she is aware of all the many concerns.

Mr. Cullum stated that with the gondola turning into a potentially \$30,000,000 project, he is not married to this idea. He added that there are other opportunities that have not yet been considered or explored. He added that he was not on the Board when the gondola project was adopted, so he was not part of that due diligence. However, clearly the value proposition of that project has changed since it began. It is now a completely different value proposition on the table, and it should be looked at through the lens of the opportunity cost that it presents currently. He added that he believes they all agree that Eaglecrest should stay in Juneau for the community, it adds value, and that it is important to work together to move Eaglecrest into the future, though that future does not necessarily need to include the gondola project.

Eaglecrest Board Vice President Kevin Krein agreed that they are all disappointed and shocked with the cost estimate. He was on the Board when the decision was made to purchase the gondola, and he feels that in hindsight, with the information they had at that time, it was a good decision. However, much time has elapsed since then, due to factors outside of the control of the Board, the City, and Eaglecrest. Construction costs and expenses overall have increased much more than anticipated when this decision was originally made. He agrees that other options need to be considered and they need to think very hard about whether it makes sense to put \$27,000,000 into this project, whether through a loan or an investor. Mr. Krein said that it is a good idea to take time and consider what alternatives there are and envision Eaglecrest if drastic spending cuts need to be made, which is a difficult prospect, but one that warrants consideration.

The Eaglecrest Board Members and the Mayor expressed their appreciation for the weight of the decisions that must be made and look forward to sharing additional information and furthering the discussion at the April 1, 2026, meeting.

D. ADJOURNMENT

The meeting was adjourned at 7:32 pm