

Manager's Report March 2021

Financial Analysis: The chart shown below is year to date calculation of total revenue and total expenses related to ski operations. This format allows trends to be tracked in real time. As you can see this season has been a terrific season for total revenues with almost all departments exceeding historical highs with the exception of the Food Service which can clearly be attributed to the Fish Creek Lodge being closed due to COVID. One of the biggest highlights is the success that Snowsports School has been having this season. We also still have \$69,000 in receivables out for some of the homeschool lessons that have already been completed and billed putting us close to \$250,000 for the year so far in Snow Sports School. Another noteworthy fact is the we are leading in total day tickets sales over last year despite selling \$315,847 more than last year in seasonal products. On the expense side of things. We as we have been discussing in previous months the large drivers of increased spending is in bank card fees and our increased interdepartmental expenses. Also hitting this month, underneath the

	FY 13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21
Sales	Actuals	Actuals	Actuals	Actuals	Actuals	Actuals	Actuals	Actuals	Actuals
Ski School Fees	\$ 109,898	\$ 123,790	\$ 72,378	\$ 115,445	\$ 110,715	\$ 74,872	\$ 133,954	\$ 111,786	\$ 171,748
Ski Lift Fees	\$ 135,973	\$ 111,475	\$ 10,832	\$ 151,125	\$ 169,961	\$ 56,883	\$ 152,649	\$ 169,214	\$ 176,771
Advance Ticket	\$ 71,405	\$ 91,630	\$ 40,456	\$ 57,112	\$ 95,076	\$ 35,299	\$ 65,558	\$ 72,356	\$ 73,467
Season Ticket	\$ 303,328	\$ 325,800	\$ 302,796	\$ 209,939	\$ 173,212	\$ 220,361	\$ 233,187	\$ 221,460	\$ 205,681
On Line Season Pass Sa	\$ 530,094	\$ 515,325	\$ 461,583	\$ 263,080	\$ 352,475	\$ 460,990	\$ 389,950	\$ 362,258	\$ 692,773
Bus Fees	\$ 8,889	\$ 8,472	\$ 2,390	\$ 3,432	\$ 3,926	\$ 1,592	\$ 1,584	\$ 3,282	\$ 468
USER FEES	\$ 1,153,588	\$ 1,176,493	\$ 890,495	\$ 800,132	\$ 905,364	\$ 849,997	\$ 976,880	\$ 940,356	\$ 1,320,908
Retail - Soft G	\$ 21,767	\$ 22,014	\$ 7,029	\$ 28,368	\$ 29,417	\$ 15,466	\$ 27,911	\$ 47,307	\$ 41,701
Food Service	\$ 91,100	\$ 92,917	\$ 32,001	\$ 74,362	\$ 100,528	\$ 56,435	\$ 92,346	\$ 102,050	\$ 69,242
Ski Repair	\$ 22,338	\$ 19,607	\$ 12,085	\$ 14,638	\$ 14,148	\$ 16,623	\$ 12,860	\$ 19,106	\$ 24,572
SALES	\$ 135,205	\$ 134,537	\$ 51,115	\$ 117,368	\$ 144,093	\$ 88,524	\$ 133,117	\$ 168,463	\$ 135,515
Locker Rental F	\$ 68,370	\$ 68,623	\$ 68,476	\$ 62,163	\$ 63,631	\$ 63,260	\$ 71,365	\$ 61,597	\$ 62,900
Ski Rental	\$ 60,670	\$ 60,051	\$ 20,633	\$ 40,776	\$ 83,979	\$ 50,166	\$ 61,448	\$ 63,088	\$ 73,512
Lodge Rental								\$ 29,515	\$ 34,926
RENTALS	\$ 129,040	\$ 128,674	\$ 89,109	\$ 102,939	\$ 147,610	\$ 113,426	\$ 132,812	\$ 154,200	\$ 171,338
Total Sales	\$ 1,423,833	\$ 1,439,704	\$ 1,030,718	\$ 1,020,438	\$ 1,197,067	\$ 1,051,947	\$ 1,242,810	\$ 1,263,019	\$ 1,627,761
Expenses									
Personnel Costs									
Ski Area Administration	\$ 240,237	\$ 335,741	\$ 333,145	\$ 358,670	\$ 372,513	\$ 380,849	\$ 349,153	\$ 343,004	\$ 312,746
Ski Rental Shop	\$ 44,800	\$ 40,802	\$ 24,817	\$ 38,325	\$ 39,870	\$ 29,454	\$ 25,653	\$ 22,739	\$ 39,487
Ski Patrol Program	\$ 100,697	\$ 93,732	\$ 61,178	\$ 87,159	\$ 84,228	\$ 109,389	\$ 60,516	\$ 73,960	\$ 116,942
Lift Operation Program	\$ 157,031	\$ 51,103	\$ 25,005	\$ 64,948	\$ 71,504	\$ 38,686	\$ 23,106	\$ 22,113	\$ 51,093
Maintenance Program	\$ 90,847	\$ 127,366	\$ 95,935	\$ 88,419	\$ 115,704	\$ 91,563	\$ 119,772	\$ 144,228	\$ 141,492
Lodge Operations Progra	\$ 63,978	\$ 50,465	\$ 34,529	\$ 49,995	\$ 41,015	\$ 46,375	\$ 71,748	\$ 56,225	\$ 54,086
Food Service	\$ 27,613	\$ 25,689	\$ 16,266	\$ 18,121	\$ 24,756	\$ 18,514	\$ 15,411	\$ 14,715	\$ 27,169
Marketing/Special Events	\$ 20,311	\$ 18,764	\$ 12,221	\$ 18,936	\$ 22,539	\$ 15,337	\$ 41,478	\$ 65,121	\$ 56,937
Ski School Program	\$ 109,200	\$ 135,217	\$ 100,355	\$ 84,303	\$ 123,293	\$ 78,715	\$ 72,133	\$ 71,310	\$ 99,894
Total Personnel Cost	\$ 854,714	\$ 878,878	\$ 703,449	\$ 808,875	\$ 895,422	\$ 808,882	\$ 778,969	\$ 813,415	\$ 899,846
Other Expenses									
Ski Area Administration	\$ 223,309	\$ 231,165	\$ 232,941	\$ 229,756	\$ 211,242	\$ 242,543	\$ 238,422	\$ 224,896	\$ 390,547
Ski Rental Shop	\$ 28,209	\$ 23,523	\$ 22,929	\$ 13,759	\$ 19,760	\$ 20,288	\$ 26,766	\$ 33,180	\$ 32,070
Ski Patrol Program	\$ 23,757	\$ 9,872	\$ 13,851	\$ 5,315	\$ 7,412	\$ 9,743	\$ 3,210	\$ 6,971	\$ 13,264
Lift Operation Program	\$ 14,188	\$ 9,513	\$ 12,567	\$ 11,258	\$ 13,793	\$ 8,758	\$ 25,404	\$ 24,702	\$ 8,347
Maintenance Program	\$ 58,509	\$ 71,627	\$ 43,196	\$ 15,365	\$ 25,068	\$ 34,805	\$ 41,951	\$ 62,161	\$ 49,444
Lodge Operations Progra	\$ 36,454	\$ 32,330	\$ 36,935	\$ 42,534	\$ 42,982	\$ 46,912	\$ 70,333	\$ 73,880	\$ 75,716
Food Service	\$ 63,679	\$ 49,313	\$ 23,697	\$ 47,153	\$ 53,685	\$ 21,027	\$ 44,263	\$ 60,653	\$ 40,395
Marketing/Special Events	\$ 32,705	\$ 32,720	\$ 26,983	\$ 23,989	\$ 25,957	\$ 29,739	\$ 24,282	\$ 26,762	\$ 9,827
Building Maint/Utilities	\$ 53,444	\$ 56,924	\$ 53,006	\$ 51,793	\$ 55,345	\$ 50,000	\$ 57,865	\$ 54,556	\$ 54,512
Ski School Program	\$ 1,782	\$ 2,468	\$ 3,542	\$ 1,402	\$ 3,055	\$ 2,909	\$ 2,334	\$ 4,720	\$ 2,323
Equipment Replacement	\$ 58,333	\$ 58,333	\$ 58,333	\$ 58,333	\$ 58,333	\$ 58,331	\$ 58,338	\$ 58,338	\$ 58,333
Vehicle Maintenance	\$ 8,581	\$ 28,258	\$ 10,893	\$ 20,187	\$ 27,040	\$ 25,617	\$ 24,632	\$ 43,295	\$ 49,632
Total Other Expense:	\$ 602,950	\$ 606,046	\$ 538,872	\$ 520,844	\$ 543,673	\$ 550,671	\$ 617,798	\$ 674,114	\$ 784,410
Total Costs	\$ 1,457,664	\$ 1,484,924	\$ 1,242,321	\$ 1,329,720	\$ 1,439,094	\$ 1,359,553	\$ 1,396,767	\$ 1,487,529	\$ 1,684,256
	\$ (33,831)	\$ (45,220)	\$ (211,603)	\$ (309,281)	\$ (242,027)	\$ (307,606)	\$ (153,958)	\$ (224,510)	\$ (56,495)

“Administrative Other Expenses” line is our COVID related equipment purchases. These costs will be offset by the additional funding allocation from the CBJ Assembly.

Mountain Operations: Near the end of our high pressure cycle on February 11th Ptarmigan experienced a very rare weather event where high winds overnight caused three chairs to become flipped over the haul rope. During the morning start up procedures these chairs caused the haul rope to levered off of Tower #8. Chair #78 was pulled out of the haul rope and chair #77 was partially dislodged. The Mountain Operations Team lead by head of Lift Maintenance Todd Brugger started a methodical process collaborating with industry experts to get the repairs completed and the lift cleared for service. Fortunately, no damage to the haul rope was sustained during the incident, which allow the lift to be repaired and reopened on Wednesday February 17th. Ski Patrol and many other staff members contributed to the repair efforts. During our debriefing of the incident, modifications to our morning start up procedures have been made to assist us in detecting any similar events prior to start up.

The Mountain Operations Team has had a busy month coming out of the high pressure cycle and back into a big snow cycle. As of Sunday 2/28/21 we received 72 inches of snow over the last twelve days. This always makes conditions spectacular but creates additional work keeping lifts, parking lots and building dug out and accessible for our guests. Staffing levels on lifts and other departments continues to be strained as the season goes on. The snow cycle is forecasted to continue. In the week ahead extensive work will be done with the snowcats to maintain chair clearance underneath Black Bear and Ptarmigan chair lifts as the snow pack continues to grow.

Ski Patrol: The Ski Patrol team continues to do a great job keeping the outer bowl areas open early and as often as conditions allow to keep our guests spread out across the mountain minimizing lift lines as much as possible.

Base Operations: The Base Operations team continues to be busy handling guests needs. The Food Service has been picking up in business over the last two months with our guests becoming more accustomed to utilizing our outdoor tents. Improvements in efficiency in the food expeditor station have also been made to allow telephone orders to be placed from the bar and other areas on the mountain.

On the Morning of Wednesday March 3rd upon arriving to the mountain we found that the tent used for food service seating had collapsed. Multiple hours, with staff working overtime, was spent on Monday digging out the Porcupine tent and the food service tent to prevent such an occurrence from happening. During Monday’s shoveling effort the uphill side of the tent did not get all of the snow removed. We believe that the subsequent snowloading on Monday night and Tuesday caused a side loading of the tent from sideways snow compression causing the tent to fail on the downhill side of the frame. Extra staff time from many departments continue to dig out the base area facilities from the large amounts of snow over the last two weeks.

The Juneau Symphony is interested in hosting a virtual event up at Eaglecrest in the weeks ahead. We are also in conversation with the Juneau School District in hosting their end of the

school year saftgrad celebration at the mountain to take advantage of our outdoor seating areas and the rest of the lodge facility to be able to have socially distanced COVID safe celebration.

Marketing: Pleased to see such great revenue numbers across the board. Obviously, the snowfall and pandemic have a lot to do with it, but we are spending advertising dollars differently and nothing is breaking, so that's a good indication. The whole staff did a great job with communicating internally and externally about the repair/reopening of Ptarmigan Chairlift. It made my job easy, and it was encouraging to see positive reception by the media and guests.

72" in 12 days also makes for easy marketing. Jonny has gotten some great video and photographers are making valuable contributions as well. Social platforms and website traffic continue to grow.

Charlie is working closely with JEDC and Travel Juneau to grow winter tourism in Juneau and at Eaglecrest, specifically mid-January through April when the snowmaking snowpack is set and the daylight hours are longer. We have an attractive and unique offering here at Eaglecrest that's starkly different from the Ikon & Epic "resort experience" in the Lower 48. Growth is a good thing for Eaglecrest's long term sustainability, and demonstrable success with winter tourism opens the door to more investment in from the community. Please watch this one minute video developed for advancing winter tourism by clicking on this link https://drive.google.com/file/d/1tGxD0OZWCFI-G5hx_t6I5v91ZFkMJELz/view?usp=sharing

We have the interest of a talented film production company to shoot a narrative feature on us. It'll be a short notice trip, but well worthwhile. Very excited to have the backing of both JEDC and Travel Juneau to help make it happen. There's also a winter tourism summit on March 4th, hosted by JEDC, and Eaglecrest will have a panelist position.

SSS & RRR:

- We are having the busiest season in recent years. The demand is so high that we have started booking lessons into April. We knew from our industry meeting through out the summer that demand was high but we never imagined exactly how busy we would be.
- The challenges we face are trying to keep up with changes in Mandates and travel restrictions. We are having a huge increase in Southeast visitors and an equally higher demand for travelers from out of state.
- We finished the first sessions of programs and are headed into the halfway point of the second session of programming. We have seen a large amount of new guests this season, many are the parents of the students who are taking lessons at the same time. We have been able to watch so many new families learn together.
- We had a local school group com up and we have some smaller community groups that we are working into the schedule.
- Spring Break Camp is full and we are currently getting many of the waitlisted people into lesson groups. We are trying to figure out if we can add extra timeslot to the camps to

meet demand. We will be open and offering lesson March 17th – 28th as it runs through Spring break for the school district.

- We have had a great Women's program this season as it has sold out twice.
- The School Group Voucher that we sent out before the Christmas break has been a huge success and we have seen many Juneau students take advantage of this. The voucher was for a lift, lesson and rental all at the school group rate.
- SSS will be able to offer an Alpine Level 1 certification for PSIA in April, We will also be offering a Snowboard Level 1 for certification with AASI in March.
- I was able to coordinate with PSIA/AASI Northwest to offer our Certified Instructor staff an opportunity to get our required Education Credits to remain certified. With 2 Clinics in March. Our clinicians will be from in state which we usually get many from the National level but this season Covid is limiting this.

RRR

- The rental shop has been overwhelmed with the amount of rental presets that they need to prepare.
- We are challenged by staffing shortages, this is because the wages are low and the workload is high. We see this as a ever growing struggle in years past but it will continue to be an issue.
- The demand on rentals is gotten to the point that we have run out of gear in multiple sizes this season, which we have never done before.
- Repair shop is having a busy year.
- All Rental orders are due for next season and I am about 80% finished. This is all skis, snowboards, ski boots, Snowboard boots, demos, poles, helmets
- All Retail orders have been placed for the next season. Goggles, Helmets, poles, Gloves, mittens, face coverings, socks.
- We ran out of multiple items in the retail space again and many were gone in January. I quickly placed an order of goggles to get us through the remainder of the season.

CBJ Budget Process: Eaglecrest is currently scheduled to present out Budget to the CBJ Assembly on April 7th.

Summer Development: We have made an effort to pick back up conversation around expansion into summer operations with the City Manager and Finance Director on the best structure will allow Eaglecrest to develop partnerships to raise capital to improve the mountain and assist with long term financial sustainability. Conversations are also continuing with our neighbors, the George Family, as a potential development partner. A meeting is also scheduled on Friday 3/5 with the National Park Service to discuss the restrictions imposed by the Land

Water Conservation Fund. We intend to learn what options may be available to have the restrictions lifted on some of the base area lands through their conversion process.

New Business:

- a. **One year permit extension for ZipLine.** Our vendor agreement with Kawanti Adventures expired at the end of February. They are requesting a one year renewal so they can see where the summer visitor industry is going to go and for Eaglecrest to determine if we will be moving forward with a larger summer development that may affect the existing ZipLine operation. Permit fees are on a 5% of gross sales basis
- b. **Five year permit renewal for Cycle Alaska.** Cycle Alaska's Permit expired in the summer of 2020. Due to there being no cruise ships last season the permit was not renewed. We are looking to now. This permit is billed monthly at a rate of \$200 for use of the parking lot and restrooms.
- c. **Five year permit for walking tours with Alaska Coach Tours.** Alaska Coach tours is interested in bring cruise boat visitors to Eaglecrest to walk the lower loop Nordic trail view fish creek and learn about the history of the mountain. Negotiations were underway prior to COVID 19 to cater to the Viking Cruise Line. The interest is still present to finalize the agreement and allow other visitors to be offered a similar experience to the Viking Cruise Line's guests. Permit fees are on a per head negotiated rate.
- d. **Five year permit for Segway Tours:** Segway Alaska is interested in providing Segway Tours on the Lower Loop Nordic Trail down to the start of the Treadwell Ditch trail. Permit fees will be on the 5% of gross sales basis.