May 2020 Manager's Report

Financial Analysis: The chart below shows our accrued revenues and expenses year to date for each year represented. As we discussed during last month's Board meeting, the early closure of the ski area likely resulted in a loss of $165,000 in potential revenues. Even with this being the case we can see from this chart how strong the revenues were compared to other revenues in previous years that suffered from lower snowfall totals. Overall personnel services costs are below previous years due to the shortened season. Other expenses are up from previous years due to snow management, mountain repairs and upgrades. Over all net revenue for the season is just slightly up from last season. The long-term financial view and budget restraints that will be coming over the next few years as a result to the Pandemic will pose a myriad of challenges and are largely still unknown.

Sales	FY 12 Actuals	FY 13 Actuals	FY14 Actuals	FY15 Actuals	FY16 Actuals	FY17 Actuals	FY18 Actuals	FY19 Actuals	FY20 Actuals
Ski School Fees	$ 139,418	$ 158,900	$ 184,852	$ 41,766	$ 117,675	$ 147,568	$ 89,395	$ 157,674	$ 131,525
Ski Lift Fees	$ 251,447	$ 221,611	$ 171,953	$ 11,223	$ 155,260	$ 260,203	$ 125,392	$ 177,500	$ 205,006
Advance Ticket	$ 107,994	$ 74,675	$ 92,831	$ 40,456	$ 57,112	$ 99,726	$ 37,984	$ 66,680	$ 76,689
Season Ticket	$ 326,217	$ 310,790	$ 340,169	$ 302,261	$ 209,964	$ 198,404	$ 215,698	$ 240,904	$ 235,581
On Line Season Pass Sales	$ 475,629	$ 531,364	$ 515,836	$ 461,583	$ 263,080	$ 357,909	$ 461,108	$ 389,950	$ 362,258
Bus Fees	$ 16,016	$ 15,893	$ 16,605	$ 2,335	$ 4,483	$ 8,710	$ 5,102	$ 2,201	$ 4,923
USER FEES	$ 1,316,721	$ 1,313,233	$ 1,322,246	$ 859,623	$ 807,573	$ 1,072,520	$ 934,679	$ 1,034,909	$ 1,015,982
Retail - Soft G	$ 36,455	$ 31,763	$ 33,158	$ 7,384	$ 31,031	$ 45,242	$ 20,133	$ 32,909	$ 50,646
Food Service	$ 177,348	$ 147,054	$ 146,621	$ 33,334	$ 81,343	$ 153,992	$ 94,203	$ 113,052	$ 123,945
Ski Repair	$ 28,833	$ 26,426	$ 26,502	$ 12,598	$ 15,353	$ 18,286	$ 20,596	$ 15,417	$ 20,968
SALES	$ 242,637	$ 205,242	$ 206,280	$ 53,316	$ 127,728	$ 217,520	$ 134,932	$ 161,378	$ 195,559
Locker Rental F	$ 68,568	$ 68,892	$ 68,912	$ 68,476	$ 62,163	$ 63,969	$ 63,260	$ 61,634	$ 61,686
Ski Rental	$ 107,270	$ 99,644	$ 99,757	$ 21,090	$ 44,153	$ 132,054	$ 77,994	$ 68,491	$ 75,665
Lodge Rentals									$ 30,642
RENTALS	$ 175,838	$ 168,536	$ 168,669	$ 89,566	$ 106,316	$ 196,023	$ 141,254	$ 130,125	$ 167,993
Total Sales	$ 1,735,196	$ 1,687,011	$ 1,697,195	$ 1,002,505	$ 1,041,617	$ 1,486,062	$ 1,210,865	$ 1,326,412	$ 1,379,534
Expenses									
Personnel Costs									
Ski Area Administration	$ 355,035	$ 304,557	$ 415,512	$ 405,554	$ 436,163	$ 455,618	$ 453,808	$ 450,482	$ 446,199
Ski Rental Shop	$ 60,323	$ 62,392	$ 58,415	$ 28,614	$ 45,925	$ 58,127	$ 45,464	$ 47,051	$ 36,642
Ski Patrol Program	$ 133,690	$ 147,094	$ 139,110	$ 68,252	$ 103,729	$ 132,842	$ 104,585	$ 107,474	$ 107,909
Lift Operation Program	$ 225,970	$ 189,350	$ 83,864	$ 34,722	$ 74,176	$ 117,172	$ 73,067	$ 53,893	$ 50,393
Maintenance Program	$ 150,099	$ 137,784	$ 159,946	$ 106,550	$ 109,069	$ 160,591	$ 125,475	$ 157,334	$ 181,104
Lodge Operations Program	$ 51,496	$ 89,692	$ 71,049	$ 37,782	$ 58,572	$ 58,322	$ 64,086	$ 105,276	$ 80,618
Food Service	$ 39,458	$ 37,119	$ 37,881	$ 18,223	$ 22,405	$ 37,284	$ 33,336	$ 30,592	$ 27,590
Marketing/Special Events	$ 31,295	$ 27,434	$ 26,273	$ 12,451	$ 21,600	$ 31,503	$ 20,050	$ 61,672	$ 84,035
Ski School Program	$ 122,878	$ 159,087	$ 186,220	$ 117,812	$ 104,981	$ 179,546	$ 120,497	$ 126,613	$ 113,867
Total Personnel Costs	$ 1,170,243	$ 1,154,511	$ 1,178,270	$ 829,960	$ 976,621	$ 1,231,005	$ 1,040,368	$ 1,140,387	$ 1,128,357
Other Expenses									
Ski Area Administration	$ 305,195	$ 296,742	$ 301,568	$ 289,371	$ 295,402	$ 284,410	$ 301,787	$ 297,794	$ 313,633
Ski Rental Shop	$ 59,096	$ 52,397	$ 36,990	$ 36,251	$ 22,538	$ 34,381	$ 25,535	$ 34,959	$ 41,803
Ski Patrol Program	$ 15,024	$ 24,522	$ 16,951	$ 13,860	$ 8,358	$ 8,067	$ 9,743	$ 4,356	$ 7,463
Lift Operation Program	$ 14,757	$ 16,626	$ 18,186	$ 13,327	$ 17,301	$ 16,632	$ 11,870	$ 31,417	$ 24,702
Maintenance Program	$ 87,740	$ 96,899	$ 92,303	$ 43,901	$ 29,744	$ 50,842	$ 45,656	$ 67,243	$ 88,280
Lodge Operations Program	$ 45,760	$ 52,161	$ 48,668	$ 47,527	$ 62,668	$ 67,805	$ 77,063	$ 94,700	$ 95,874
Food Service	$ 82,264	$ 79,037	$ 82,011	$ 24,162	$ 53,550	$ 81,996	$ 50,110	$ 68,519	$ 71,459
Marketing/Special Events	$ 40,810	$ 44,176	$ 40,993	$ 30,521	$ 32,324	$ 34,993	$ 34,939	$ 32,499	$ 34,558
Building Maint/Utilities	$ 69,356	$ 54,844	$ 58,966	$ 53,178	$ 52,643	$ 55,830	$ 59,359	$ 60,671	$ 55,582
Ski School Program	$ 4,952	$ 2,219	$ 4,248	$ 3,542	$ 2,172	$ 7,820	$ 2,916	$ 2,442	$ 5,462
Equipment Replacement	$ 75,000	$ 75,000	$ 75,000	$ 75,000	$ 75,000	$ 75,000	$ 74,997	$ 79,173	$ 79,173
Vehicle Maintenance	$ 42,264	$ 10,406	$ 33,534	$ 14,904	$ 22,208	$ 33,952	$ 29,202	$ 30,430	$ 52,533
Total Other Expenses	**$ 842,218**	**$ 805,029**	**$ 809,418**	**$ 645,545**	**$ 673,905**	**$ 751,725**	**$ 723,176**	**$ 804,203**	**$ 870,522**
Total Costs	**$ 2,012,461**	**$ 1,959,539**	**$ 1,987,688**	**$ 1,475,505**	**$ 1,650,526**	**$ 1,982,730**	**$ 1,763,544**	**$ 1,944,590**	**$ 1,998,879**
	$ (277,265)	$ (272,528)	$ (290,493)	$ (473,000)	$ (608,909)	$ (496,668)	$ (552,679)	$ (618,179)	$ (619,345)

Mountain Report:

Ski Patrol / Trail Crew: The ski patrol crew worked through early April cleaning up the mountain from winter operations. Four members of the Ski Patrol Crew stayed on for an extra two and half weeks. During this time they were able to take advantage of the deep snowpack and replaced old faded illegible boundary signs along the exit road from east chutes and various other locations where signs had become extremely faded from sun exposure. The crew then transitioned to limbing trees in the Hilda Glades down to the traverse level. Numerous lanes were also cut all the way down to the upper Nordic Loop. Additional gladding and limbing was performed in-between Tug Boat and upper Insane / Lower Spruce Chutes area. Some of this area was the first time that limbing with the pole saws has been done. This work should great increase the ski ability in these areas in all snow depths.

Mountain Operations: Some of the Mountain Operations crew have taken advantage of the transition of the season to take some leave time. The Snowcat tracks for two of the front line machines have been rebuilt and test. They are now transitioning into taking the tracks off of the three front line groomers for the summer and beginning on the summer servicing of the machines. The shop yard is being reorganized and the remaining snow piles pushed back for a clean snow melt and efficient usage of the area as the machine-servicing season gets underway. Annual parts inventory reconciliations have started with the goal of completing task early this season as to not interfere with the summer projects as we approach the end of the fiscal year.

On the ski lift side of things, the first round of sheave wheels have been rebuilt and are ready for installation. Lists of projects for line work have been compiled. Seat pads on all of the lifts are being removed this week. Annual summer servicing of the lifts will be fully underway from this point forward.

SSS & RRR: The retail end of the season inventory has been completed and readied for inspection for the CBJ Auditors. Orders for retail and rental inventory have been submitted to suppliers to be prepared for the season to come.

Detailed end of the season reporting is now underway for the Books to Boards program school program and multi-week lesson programs. Dates are being set in the calendar for next seasons Snow Sports School preseason training and season long programming. End of season debriefing with the Snow Sports Admin Coordinators is underway as they look to improve on programming for the season ahead.

Clean up in the InTouch Point of Sale for Snow Sports products and building of the next year's programs has started. Finalization of any refunds from Spring Break Camps that had to be canceled due to COVID 19 will be complete by weeks end.

Base Operations: Base Operations has been busy with end of the year account reconciliations, closing out open PO's from past CIP projects and equipment suppliers. Reconciliation of the seasonal transmittals is also underway. End of the season personnel transactions to put

employees on leave is nearing completion. In the coming weeks Base Operations will be working with Human Resources to clean up old employee records to get past employees off of our rosters and closed out. Also on the list of projects will be to update old position descriptions and to work on updated processes to onboard staff in the fall. Ongoing throughout these projects is work on cleaning up customer profiles in our point of sale system and loading next year's products into the system while looking for process improvements for next fall's season pass sales.

Marketing and Events: Worked on a lot of ending season video projects with Jonny and the Snowledge media team. Jonny's 54-Days Of Snow edit has been getting a lot of press, including local and regional news outlets, The Weather Channel https://weather.com/news/trending/video/alaska-ski-resort-gets-nearly-20-feet-of-snow, and many ski industry websites. The Snowledge short film "Passage: An Eaglecrest Experience" https://skieaglecrest.com/news/passage-an-eaglecrest-experience/ has also been getting a lot of attention. The athletes have posted trip reports on Trew Gear's and 4FRNT Skis' websites. Jonny and I are developing a generic 30 second Eaglecrest ad, something I'd surprised to say we don't have! We also just finished a great "I Buy My Pass" series that will debut this summer leading up to our Tier 1 Sale. Very excited to share this with you guys!

Organizing our photography for the season, which was extensive. We have great ammunition for years to come. Unfortunately, we will be losing all-star photographer Michael Klosterman to Hawaii next year! But newcomer Sydney Akagi was very impressive with her work this season. My own photography skills made a huge leap as well. Just need more time and excuses to get out there!

Reorganizing Board Meeting Documents feature on website for Eagle crest Board and Summer Task Force. Moving away from Google Drive and towards CBJs preferred system.

Sorting out season pass partnerships. Excited to be welcomed into the Powder Alliance. This should really help sell passes vs. Flex Pass & MVCs. The benefits are amazing. More information here: https://skieaglecrest.com/news/powder-alliance/. Having the video edits from Jonny and Snowledge will really help legitimize our ski area in the eyes of visitors. I'm very excited to see if we can grow our destination ski visits in the years to come with the increased exposure and favorable season pass agreements.

Compiled a Price Sheet & History database as well as a Revenue & Passholder History database for all InTouch years. Working through strategies with the Administrative team. Information to be discussed with Board at the upcoming Finance Committee Meeting.

C) CBJ Budget Status: The CBJ FY21 & FY22 Budgeting process this year has been a challenging one for the CBJ Assembly. With so many unknown impacts for the COVID 19 Pandemic it has slowed down the typical timeline. The Assembly is currently hoping to receive clarifying guidance on the CARES Act funding that the Governor is planning to allocate down to CBJ in the amount of $53M. Current guidance from Federal Treasury does not allow for broad usage of these funds. It is possible that the Assembly will be looking at the Eaglecrest Budget during the Wednesday 5/6/2020 Finance Committee Meeting. The Eaglecrest Budget is currently on the Pending List. The Eaglecrest CIP Funds will likely not be decided on until near the end of the month.

D) Summer Projects and Adventure Park Planning: Much of the Summer Project lists are dependent on the outcome of the CBJ CIP Budget funding as the majority of larger summer projects require funding through the CIP Fund. We are cautiously optimistic that the general CIP funding requests will be approved. We are also optimistic that our additional request for trail construction funding will also be approved to allow us to put Juneau Residents back to work improving the summer and winter use of Eaglecrest.

I will be working to reconvene the Eaglecrest Summer Operations Task Force to discuss the opportunities that may be presented that would allow Eaglecrest to move forward in a modified way as we get through the initial outbreak of COVID 19. We have been in communication with Senator Murkowski's office in regards to potential funding in a phase 4 federal stimulus package that may see significant funding coming down through the Alaska branch of the Land Water Conservation Fund. The outbreak of COVID 19 will also necessitate a fresh set of eyes looking at the proposed slate of activities to ensure that the aspects of the original plan can still be functional should the effects of COVID 19 infections linger for the coming years. It will also be necessary to look closely at the financial modeling and revise operating projections to be sustainable with far fewer annual summer visitors.

New Business

a) **Ski Patrol Range Classification:** The Manager has been working diligently with the Ski Patrol Director and the CBJ Human Resources team to make positive adjustments to the Ski Patrol Job Series. Items that are being discussed include a streamlining of the job class to allow more flexibility to move Ski Patrollers up to higher levels based on proficiency, allowance for step increases for staff that volunteer for additional accreditations, and potential to look at the PERS Retirement associated with the current Patroller III job class. Once we have gotten further along with some of these internal analyses we will be coming back to the Board HR Committee to discuss in detail.

d) Dog Policy, operating day hours of allowance. Attached below are the changes to the language of the Dog Policy that are now posted on the website as a result of Board action at the April Meeting

DOG POLICY

Dogs are *not allowed* at Eaglecrest between 8:00 AM and 5:00 PM, December through April, on operating days. If you stay overnight with a dog at the Hilda Dam Cabin, it must be off the mountain by 8:00 AM.

During non-operating hours, Eaglecrest follows the City and Borough of Juneau Dog Policy per code as listed below:

- 08.40.010 – Dogs at large.
- The keeper of any dog shall keep the dog under restraint at all times and shall not permit the dog to be at large.
- (Serial No. 2009-12(d), § 2, 10-12-2009)

Restraint means either:

- (1) Actual physical control, such as on a leash held by a person capable of physically controlling the animal, on a chain, within fenced premises, in a building, kennel, or cage; or
- (2) Under competent voice control of the keeper or other responsible person; or
- (3) On the premises of the keeper or other property with the prior permission of the owner of the property; or
- (4) Properly secured within a vehicle as provided in section 72.10.130.

Competent voice control means when all the following are met:

- (1) The person exhibiting the voice control is present with the animal and monitors all of its activities;
- (2) The person exhibiting the voice control is capable of directing all of the animal's movements and activities by voice commands; and
- (3) The animal under voice control follows all of the vocal commands quickly and accurately.

e) Field House Update: The Dimond Park Field House Board made the decision at an emergency meeting on March 23rd to close the facility until August 1st unless other wise decided upon by majority vote of the Board in the months to come. This was a two part decision. One aspect was the ongoing social distancing and hunker down mandates from the State . The second was in response to the financial impacts of loosing the entire spring revenue.

In previous discussions with the Eaglecrest Board inregards to renewal of the Management Agreement it was expressed that it was the wish of the Eaglecrest Board to start making ste ps to look at alternative management agreements that may better service the Field House Patrons and relieve the Eaglecrest Manager from the continued oversight of the facitiliy. Based on the new reality of the post COVID 19 Pandemic world it is the suggestion of the Eaglecrest Manager that the Eaglecrest Board allow negotiations with the Field House Board for a two year renewal of the previous Management Agreement that would take effect on July 1st 2020.