

# CBJ Finance Committee Meeting

## April 12<sup>th</sup> 2023

### *Eaglecrest Ski Area FY23 Review & FY24 Budget Presentation*

- FY23 (2022-2023 Season) – Overview
- FY24 (2023-2024 Season) – Budget
- Fund Balance
- Increment Request
  - Increased fixed costs
  - Inflationary pressures
  - Cost of living increase to wage scale
- Future challenges and opportunities



# 2022-2023 Season Highlights

- ❖ 94 total operating days
- ❖ 426" of snow at summit and 182" at base.
- ❖ 15.54" rainfall in January
- ❖ 27-day snowfall streak in February
- ❖ Cold early season temperatures and aggressive snowmaking provided a durable base to withstand heavy January rains and continue with unimpeded operations
- ❖ Record revenue from seasons pass products.
- ❖ 70,000 Skier Visits by year-end.



# Extremely Challenging Staffing Year

- ❖ Eaglecrest experienced the most challenging staffing shortage this year to date
- ❖ Missing key positions – rental and repair shop supervisor, rental shop techs, cashiers, lifties, and instructors. Caused a potential loss of revenue of \$50,000
- ❖ The number one restraint continues to be the availability of low cost housing coupled with the high cost of living in Juneau
- ❖ The board continues to work with the human resources department in evaluation of ski industry wages in comparison to Eaglecrest to ensure we can attract necessary talent needed to operate the mountain
- ❖ Implemented an early season sign-on and returning employee bonus of \$2 per hour for hours worked between November 21<sup>st</sup> and January 29<sup>th</sup>
- ❖ Offered one free meal per week for employees that worked at least 2 days per week, totaling 1031 employee meals given away this season
- ❖ Evaluating partnership potential with a large ski area in Australia that has 800 winter seasonal workers to build a relationship where we can share seasonal ski industry professionals
- ❖ We are researching the logistics of H2B visas to fill vacancies

# Historical Seasonal Product Sales

Season Passes	FY23	FY22	FY21	FY20	FY19	FY18	FY17	FY16	FY15
Adult	1397	1423	1152	860	832	1089	952	789	1165
Adult Weekend					13	19	16	7	15
Adult Weekday					11	7	4	6	5
Senior	126	117	111	92	55	49	41	38	27
Super Senior (75+)	50	38	41	38	43	43	36	27	28
Senior Weekday					1	1			
College	70	76	60	46	51	33	37	28	53
Teen	338	366	355	227	212	229	232	181	236
Youth	363	441	380	297	277	320	309	233	303
Child	238	244	237	195	198	204	194	169	211
<b>Grand Total</b>	<b>2582</b>	<b>2705</b>	<b>2336</b>	<b>1755</b>	<b>1693</b>	<b>1994</b>	<b>1821</b>	<b>1478</b>	<b>2043</b>
Ages 19+ Only	1643	1654	1364	1036	1006	1241	1086	895	1293

Flex Pass	FY23	FY22	FY21	FY20
Initial Purchases	188	193	226	419
Redeemed Days	697	756	1191	1903
<b>Average Days</b>	<b>3.71</b>	<b>3.92</b>	<b>5.27</b>	<b>4.54</b>

<b>Multi-Visit Cards</b>	<b>FY23</b>	<b>FY22</b>	<b>FY21</b>	<b>FY20</b>	<b>FY19</b>	<b>FY18</b>	<b>FY17</b>	<b>FY16</b>	<b>FY15</b>
Adult 5 Visit	132	184	187	66	104	57	134	85	36
Adult 10 Visit	74	99	66	29	61	33	83	79	37
Adult 15 Visit					27	19	39	9	38
Adult LM 5 Visit								36	20
Senior 10 Visit			2			1	2		1
Teen 5 Visit	40	51	62	37	32	14	33	29	11
Teen 10 Visit	17	10	19	15	10	5	19	14	14
<b>Grand Total</b>	<b>263</b>	<b>344</b>	<b>336</b>	<b>147</b>	<b>244</b>	<b>133</b>	<b>332</b>	<b>267</b>	<b>165</b>

	<b>FY23</b>	<b>FY22</b>	<b>FY21</b>	<b>FY20</b>	<b>FY19</b>	<b>FY18</b>	<b>FY17</b>	<b>FY16</b>	<b>FY15</b>
<b>Grand Totals</b>	<b>3033</b>	<b>3242</b>	<b>2898</b>	<b>2321</b>	<b>1937</b>	<b>2127</b>	<b>2153</b>	<b>1745</b>	<b>2208</b>
Ages 19+ Only	2037	2130	1845	1550	1200	1351	1345	1105	1426



# Marketing and Website Growth

**CHART 1**

Cities	New user #
Juneau	14,861
Anchorage	12,464
Seattle	7,459
Sitka	1,606
Los Angeles	1,235
Ketchikan	1,223
Denver	1,145

- ❖ CHART 1 & 2: Comparative growth data from 2021/22 website traffic. 104,235 new (unique) visitors to the website this year (up 14% from 90k last year). And 439,580 total page views.
- ❖ CHART 3: Comparative data for social channels and paid social advertising compared to 2021-2022. 1,130 new Instagram followers (total over 9,500), 20,629 Facebook page visits this year
- ❖ Paid Facebook advertising reach is at 80,652 users (the number of accounts that saw our ads at least once).
- ❖ Paid Facebook impressions is 176,190 (number of times ads were on screen)
- ❖ 19,850 impressions on New England Ski Journal Ads on website.
- ❖ 26,550 Youtube channel views this past year.

**CHART 3**



**CHART 2**



# Independent Traveler Growth

- ❖ Eaglecrest offers reciprocal pass programs with over 150 resorts nationwide to make our ski area more accessible to pass holders everywhere.
- ❖ Listed here are our redemptions from the Alaska Airlines boarding pass deal, Alaska Seaplanes and Ferry system day pass, Indy Pass user redemptions, and Independent resort stats.

Redemption Method	Number of Redemptions 21/22'	Number of Redemptions 22/23'
Ind. Season Pass Visitors	299	531
Indy Pass	61	147
Boarding Pass (AK Airlines)	539	540
(Boarding Pass) Seaplanes	9	13





RENTAL

RENTAL SHOP STATS:  
TOTAL RENTAL CONTRACTS – **9611**

Daily Ski & Snowboard Rentals – **2608**

Half-Day Ski/Snowboard Rentals – **740**

Nordic Rentals – **82**

Community/Homeschool/JSD – **1483**

Rental Redemptions – **4325**

Helmets/Poles – **219**

Boots Only – **97**

Demos – **57**



## SNOWSPORTS SCHOOL STATISTICS

Adult Daily Lessons – 619

Adult Multi-Week Lessons – 126

Child/Youth Daily Lessons – 586

Child/Youth Multi-Week – 2280

School/Homeschool Group

Lessons – 1490

Community Lessons (Including Books 2 Boards, ORCA, and  
5<sup>th</sup> Grade Passport) – 233

5 <sup>th</sup> Grade Passport	Quantity
Passports Issued	137
Lessons	16
Tickets	756
Rentals	40





## COMMUNITY GROUPS

Eaglecrest Foundation - 10 Sponsored School Groups

300+ students Grades 2-4

5<sup>th</sup> Grade Passport Program

Books 2 Boards Program

Douglas Indian Association

Hoonah City School - Lego Robotics Team

Yaakoosge - Lighthouse

Zach Gordon Youth Center

Girl Scouts of America

Tlingit/Haida - Native Youth Snowsports Series

Sitka Conservation Society

Johnson Youth Center

Southeast Independent Living SAIL/ORCA Program



# Ski Patrol Avalanche Control Statistics



- ❖ 24 out of 39 days of avalanche mitigation involved the use of explosives
- ❖ ~914 pounds of explosives used
- ❖ 426 inches of snow
- ❖ Increased use of explosives due to a complex snowpack with persistent weak layers caused by erratic weather
- ❖ Avalanche transceivers are in need of replacement for the safety of our staff
- ❖ Procurement of avalanche airbags would increase ski patroller safety
- ❖ Increased training budget for Avalanche Pro level trainings

# Continued Growth of Summer Revenue and Activities for Summer 2023

- Projecting a total increase of \$135,600 from our current concessionaire agreements with the following vendors.
  - Zipline Adventures
  - Segway Alaska
  - Coach Tours Walking Tours
  - Cycle Alaska
- New for this will be two sessions of Youth Summer Camp for Juneau Kids 9 to 11 and 12 to 14.
- Each session will be Monday through Friday. Two weeks for each age category.
- Record breaking number of weddings as well for lodge rentals full



# Trends Across the Ski Industry

- ❖ Dramatically increasing the price of single day tickets. Many mountains \$200 per day or higher. Average for small and medium ski areas is now over \$100
- ❖ High single day rates pushing people into Multi-Mountain Seasons Pass
- ❖ Frontline and entry level wages are increasing across the entire ski industry
- ❖ Eaglecrest is still priced far below average when compared to 10 similarly sized mountain across Alaska and Pacific Northwest
- ❖ Mission Ridge WA, Montana Snow Bowl, Hoo Doo OR, Mt Shasta CA, Brundage ID , Silver Mountain ID, Monarch Mountain CO, White Pass WA
- ❖ Cost of ski operations are rising due to inflation, labor market pressures, and climate change
- ❖ The trend is leading to leveraging summer revenue to support winter operations

# Comparable Pricing Chart

Average Across All 10 Comparable Resorts			*Tier 1 rates used for season pass comparison						
Category	Adult 19-64	Teen 13-18	Youth 7-12	Child 0-6	Senior 65-74	Super 75+	College	Millitary	
Season Pass	\$ 636.80	\$ 412.91	\$ 265.56	\$ 87.78	\$ 474.38	\$ 296.67	\$ 414.00	\$ 379.00	
Lift Ticket	\$ 80.75	\$ 63.09	\$ 49.45	\$ 17.25	\$ 65	\$ 52.00	\$ 63.75	\$ 63.25	
Half Day	\$ 64.10	\$ 53	\$ 34.89	\$ 17.60	\$ 51.67	\$ 41.22	\$ 54.67	\$ 52.00	
Rental Package	\$ 41.78	\$ 40.08	\$ 33.56	\$ 28.60	\$ 37.44	\$ 34.00	\$ 35.00	\$ -	
Half Day Rental Package	\$ 36	\$ 32.38	\$ 28.38	\$ 22.88	\$ 31	\$ 31.67	\$ -	\$ -	
Eaglecrest Pricing									
Category	Adult 19-64	Teen 13-18	Youth 7-12	Child 0-6	Senior 65-74	Super 75+	College	Millitary	
Season Pass	\$ 576.00	\$ 307.00	\$ 164.00	\$ 32.00	\$ 466.00	\$ -	\$ 466.00	\$ -	
Lift Ticket	\$ 68.00	\$ 50.00	\$ 33.00	\$ 12.00	\$ 57	\$ 57.00	\$ 53.00	\$ 53.00	
Half Day	\$ 54.00	\$ 37	\$ 26.00	\$ 12.00	\$ 43.00	\$ 43.00	\$ 53.00	\$ 53.00	
Rental Package	\$ 42.00	\$ 34.00	\$ 17.00	\$ 17.00	\$ 42.00	\$ 42.00	\$ -	\$ -	
Half Day Rental Package	\$ 35	\$ 26.00	\$ 17.00	\$ 17.00	\$ 35	\$ 35.00	\$ -	\$ -	
Difference			*in parantheses reflects where we are cheaper then our average competiton						
Category	Adult 19-64	Teen 13-18	Youth 7-12	Child 0-6	Senior 65-74	Super 75+	College	Millitary	
Season Pass	\$ (60.80)	\$ (105.91)	\$ (101.56)	\$ (55.78)	\$ (8.38)	\$ -	\$ 52.00	\$ -	
Lift Ticket	\$ (12.75)	\$ (13.09)	\$ (16.45)	\$ (5.25)	\$ (8.00)	\$ 5.00	\$ (10.75)	\$ (10.25)	
Half Day	\$ (10.10)	\$ (16.00)	\$ (8.89)	\$ (5.60)	\$ (8.67)	\$ 1.78	\$ (1.67)	\$ 1.00	
Rental Package	\$ 0.22	\$ (6.08)	\$ (16.56)	\$ (11.60)	\$ 4.56	\$ 8.00	\$ -	\$ -	
Half Day Rental Package	\$ (1.00)	\$ (6.38)	\$ (11.38)	\$ (5.88)	\$ 4.00	\$ 3.33	\$ -	\$ -	



# FY24 Increment Request

- ❖ Eaglecrest Board and Management would like to keep prices level and allow higher priced summer experiences subsidize the expense of winter operations
- ❖ FY24 Budget is based on revenue calculations that include a 10% across the board increase on all products
- ❖ Eaglecrest is requesting an additional \$158,800 in General Funds which will go toward funding the items listed below
  - ❖ New Dependent Care Assistance and Deferred Compensation Employer Match program expense \$16,300
  - ❖ Increase fees from DOT for winter Road Maintenance on Fish Creek Road \$25,000. This additional allocation is requested from the road service area fund
  - ❖ Workers Compensation \$21,000
  - ❖ Full Cost Allocation \$33,300
  - ❖ Specialty Liability and Property Insurance \$27,400
  - ❖ Increased Cost of medical for full time benefitted employees \$24,800
  - ❖ GCI has increased rates by \$11,000 for standard services. There are currently no other alternatives available

# Current FY23 Year End Projections

❖Projected Year End Revenue	\$3,290,400
❖Projected Year End Expenses	\$3,285,100
❖Projected Transfer to fund balance	\$5,300
❖Projected Year End FY23 Available Fund Balance	\$15,600
❖Increased Fund Balance in FY22 by	\$189,800

❖Strive to keep a net zero or positive available Fund Balance in FY24

❖Weather and operational success in the winter of 2023 - 2024 will continue to play a factor in revenue potential and ability to affect Fund Balance in future years



		FY23		FY24	
	FY22 Actuals	Amended Budget	Projected Actuals	Approved Budget	Revised Budget
<b>EXPENDITURES</b>					
Personnel Services	\$ 1,596,600	2,039,900	1,892,300	1,922,300	2,111,500
Commodities and Services	1,377,200	1,484,600	1,462,500	1,502,700	1,745,500
<b>Total Expenditures</b>	<b>2,973,800</b>	<b>3,524,500</b>	<b>3,354,800</b>	<b>3,425,000</b>	<b>3,857,000</b>
<b>FUNDING SOURCES</b>					
Charges for Services	1,712,400	1,835,000	1,751,000	1,855,000	1,895,000
Licenses, Permits, and Fees	177,000	262,400	203,000	262,400	394,000
Sales	63,900	63,000	63,000	63,000	63,000
Rentals and Leases	260,300	258,600	288,100	258,600	300,600
Donations and Contributions	75,000	100,000	125,000	100,000	100,000
Support from:					
Roaded Service Area	50,000	50,000	50,000	50,000	50,000
General Fund	825,000	880,000	880,000	880,000	880,000
<b>Total Funding Sources</b>	<b>3,163,600</b>	<b>3,449,000</b>	<b>3,360,100</b>	<b>3,469,000</b>	<b>3,682,600</b>
<b>FUND BALANCE</b>					
<b>Inventory Reserve</b>					
Beginning Reserve Balance	202,500	257,600	257,600	257,600	257,600
Increase (Decrease) in Reserve	55,100	-	-	-	-
<b>End of Period Reserve</b>	<b>257,600</b>	<b>257,600</b>	<b>257,600</b>	<b>257,600</b>	<b>257,600</b>
<b>Available Fund Balance</b>					
Beginning of Period	(179,500)	10,300	10,300	15,600	15,600
Increase (Decrease) in Fund Balance	189,800	(75,500)	5,300	44,000	(174,400)
<b>End of Period Available</b>	<b>10,300</b>	<b>(65,200)</b>	<b>15,600</b>	<b>59,600</b>	<b>(158,800)</b>
<b>Combined End of Period Fund Balance</b>	<b>\$ 267,900</b>	<b>192,400</b>	<b>273,200</b>	<b>317,200</b>	<b>98,800</b>
<b>STAFFING</b>	<b>33.40</b>	<b>33.40</b>	<b>33.40</b>	<b>33.40</b>	<b>33.99</b>

# Future Challenges and Opportunities

## Challenges

- ❖ Cost of operations continues to increase
- ❖ Recruitment of skilled ski industry staff & general work force
- ❖ Affordable Employee Housing
- ❖ Wages

## Opportunities

- ❖ Opening of the new Gondola & realizing summer revenue starting in 2025
- ❖ Updating of a long range Master Plan to formalize additional summer recreation opportunities, ski area expansion, and housing development
- ❖ Reduce the need for General Fund support
- ❖ Be the anchor for a more robust Winter Tourism Economy in Juneau





# In Conclusion

- ❖ **We are committed to providing a great product and continuing to be a strong community asset for Juneau and all of Southeast Alaska**
- ❖ **Eaglecrest is very grateful for the support of the Assembly and the Juneau Community as a whole as we strive to evolve into a sustainable year-round enterprise and destination**

**The Eaglecrest Board and Staff will continue to be:**

*A premier winter recreation area and a year-round destination for outdoor recreation and education, providing a wide range of affordable winter and summer outdoor recreational activities.*