

Managers' Report September 2023

Financial Analysis: Now that we are into our new fiscal year and accruing both expenses and revenue we will be looking at our historical tracking sheets. The revenues will not be comparable year over year until we get into November due to the changes that we have made over the last four years on when the Tier One pass sales close in relation to the September Board Meeting. Last year's September Board meeting was on September 1st before the close of tier one seasons pass sales. I have created another table which is linked below to show the number of products sold and corresponding net revenue generated during the Tier One Seasons pass sales. Tier One is our first major litmus test for the season ahead and can set the tone before we understand what the impacts of weather fluctuations will have to continued revenue generation. For example, in the last fiscal year we generated 41% of our winter revenue by the end of Tier One. In the Tier One tracking chart below you will be able to see the positive impacts that we are achieving by increasing rates to buffer the inflationary pressures on all goods and services as well as the incredible pressures that we are facing related labor market restraints. As you will see we have sold more seasons passes than last year which was a record

and are ahead on total revenue by \$128,137.

On the expense side of the financials, we will continue to see those increases in labor expenses become more pronounced as we get further through the season and hopefully fill some of our full time year around benefitted positions. Note worthy items is the fact that we have two critical vacancies open in mountain operations that have lead to labor

Tier One Sales Totals by Volume and Net Revenue Past 3 Seasons

	FY24 23/24			
	Product Amount	Difference	Revenue	Difference
Seasons Pass	2219	97	\$ 929,980.57	\$ 128,185.57
Lockers	159	5	\$ 43,958.00	\$ 4,717.00
Snowsports School	336	-110	\$ 73,781.90	\$ 3,593.90
Seasonal Gear Rentals	25	-6	\$ 5,303.00	\$ (717.00)
Facility / Cabin Rentals	156	-48	\$ 16,082.50	\$ (7,642.50)
Totals:	2895	-62	\$ 1,069,105.97	\$ 128,136.97
	FY23 22/23			
	Product Amount	Difference	Revenue	Difference
Seasons Pass	2122	2122	\$ 801,795.00	\$ 801,795.00
Lockers	154	154	\$ 39,241.00	\$ 39,241.00
Snowsports School	446	446	\$ 70,188.00	\$ 70,188.00
Seasonal Gear Rentals	31	31	\$ 6,020.00	\$ 6,020.00
Facility / Cabin Rentals	204	204	\$ 23,725.00	\$ 23,725.00
Totals:	2957	2957	\$ 940,969.00	\$ 940,969.00
	FY22 21/22			
	Product Amount	Revenue		
Seasons Pass	2020	\$ 682,477.00		
Lockers	147	\$ 36,605.00		
Snowsports School	268	\$ 52,928.00		
Seasonal Gear Rentals	47	\$ 8,813.00		
Facility / Cabin Rentals	134	\$ 16,941.00		
Totals:	2616	\$ 797,764.00		

costs being down. Administration labor costs are down due to the leave time that some of the Directors have taken over the last two months. The increase in labor costs to the Snowsports department is due to the new year around benefitted position for the Snowsports School Community Outreach Manager position that the Board Authorized last year. This position has been incredibly impactful to the efficiency in the front office. On our other expenses categories, we have been receiving our new rental ski and retail product inventory earlier than previous years and are seeing those expenses. We are also spending more in Lifts materials and commodities as we continue with our lift servicing.

	FY15	FY16	FY17	FY18	FY19	FY 20	FY 21	FY 22	FY 23	FY24
Sales	Actuals	Actuals	Actuals	Actuals	Actuals	Actuals	Actuals	Actuals	Actuals	
Ski School Fees	\$ -	\$ 946	\$ 279	\$ 110	\$ -	\$ 547	\$ 226	\$ 47,478	\$ 64,725	\$ 74,282
Ski Lift Fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 116		\$ 136	
Advance Ticket	\$ 209	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			\$ 19,840
Season Ticket	\$ 441	\$ 1,018	\$ 29	\$ 389	\$ -	\$ 4,172	\$ 4,236	\$ 51,124	\$ 28,622	\$ 69,730
On Line Season Pass Sales	\$ 13,403	\$ 10,696	\$ 1,981	\$ -	\$ 7,262	\$ -	\$ 72,087	\$ 257,281	\$ 360,435	\$ 839,660
Bus Fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			
<i>USER FEES</i>	\$ 14,053	\$ 12,660	\$ 2,289	\$ 499	\$ 7,262	\$ 4,719	\$ 76,665	\$ 355,883	\$ 453,918	\$ 1,003,512
Retail - Soft G	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 406	\$ 67	\$ 10
Food Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			
Ski Repair	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			\$ 172
<i>SALES</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 406	\$ 67	\$ 182
Locker Rental F	\$ 369	\$ 2,071	\$ 3,864	\$ 510	\$ 1,631	\$ 4,222	\$ 8,857	\$ 28,661	\$ 24,560	\$ 43,848
Cabin/Lodge Rentals	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,739	\$ 6,563	\$ 5,825	\$ 16,208
Ski Rental	\$ -	\$ 1,008	\$ 139	\$ 55	\$ -	\$ -	\$ 876	\$ 7,937	\$ 5,174	\$ 5,767
<i>RENTALS</i>	\$ 369	\$ 3,079	\$ 4,003	\$ 3,000	\$ 1,554	\$ 4,222	\$ 28,472	\$ 43,161	\$ 35,559	\$ 65,823
Total Sales	\$ 14,422	\$ 15,739	\$ 6,292	\$ 4,563	\$ 8,816	\$ 8,941	\$ 105,137	\$ 399,450	\$ 489,544	\$ 1,069,517
Difference from FY23										
Expenses										
Personnel Costs										
Ski Area Administration	\$ 70,343	\$ 79,031	\$ 77,211	\$ 75,989	\$ 57,108	\$ 42,058	\$ 50,482	\$ 47,975	\$ 64,333	\$ 47,690
Ski Rental Shop	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 581		
Ski Patrol Program	\$ (34)	\$ 137	\$ -	\$ -	\$ -	\$ -	\$ -		\$ 98	\$ 160
Lift Operation Program	\$ -	\$ -	\$ -	\$ -	\$ 5,097	\$ -	\$ -		\$ 2,715	
Maintenance Program	\$ 22,915	\$ 6,478	\$ 12,060	\$ 7,783	\$ 13,890	\$ 7,456	\$ 14,669	\$ 26,417	\$ 38,562	\$ 13,476
Lodge Operations Program	\$ 3,322	\$ 3,411	\$ 2,799	\$ 3,331	\$ 3,660	\$ 909	\$ -	\$ 8,377	\$ 9,689	\$ 10,672
Food Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			
Marketing/Special Events	\$ -	\$ -	\$ -	\$ -	\$ 273	\$ 9,015	\$ 8,195	\$ 8,254	\$ 8,946	\$ 9,723
Ski School Program	\$ 9,911	\$ (1,862)	\$ 1,490	\$ 2,229	\$ -	\$ -	\$ 302	\$ 1,536	\$ 3,061	\$ 15,314
Total Personnel Costs	\$ 106,457	\$ 87,195	\$ 93,560	\$ 89,333	\$ 80,028	\$ 59,438	\$ 73,648	\$ 93,140	\$ 127,404	\$ 97,035
Other Expenses										
Ski Area Administration	\$ 28,271	\$ 25,877	\$ 26,231	\$ 24,389	\$ 24,750	\$ 33,588	\$ 83,665	\$ 57,015	\$ 62,573	\$ 46,214
Ski Rental Shop	\$ -	\$ 30	\$ -			\$ 3,724	\$ 3,038	\$ 2,442	\$ 2,564	\$ 14,492
Ski Patrol Program	\$ 1,769	\$ -	\$ 35		\$ 41	\$ 60	\$ 244	\$ 2,353		\$ 721
Lift Operation Program	\$ 450	\$ 63	\$ 424	\$ 441	\$ 284	\$ 181	\$ -		\$ 1,232	\$ 6,596
Maintenance Program	\$ -	\$ 439	\$ 1,271	\$ 194	\$ 6,805	\$ 3,732	\$ 819	\$ 14,020	\$ 743	\$ 1,934
Lodge Operations Program	\$ 1,451	\$ 1,697	\$ 1,293	\$ 2,102	\$ 2,737	\$ 3,040	\$ 5,116	\$ 9,267	\$ 4,478	\$ 1,058
Food Service	\$ -	\$ -	\$ -		\$ (66)	\$ (33)	\$ (1,661)			\$ 536
Marketing/Special Events	\$ 610	\$ 581	\$ 93	\$ 1,584	\$ 3,373	\$ 1,490	\$ 70	\$ 91	\$ 1,376	\$ 2,405
Building Maint/Utilities	\$ 52	\$ 60	\$ 60	\$ 116	\$ 2,495	\$ 148	\$ 181	\$ 4,028	\$ 2,734	\$ 2,362
Ski School Program	\$ 684	\$ 71	\$ 233	\$ 758	\$ 197	\$ 254	\$ 183	\$ 82		\$ 637
Equipment Replacement	\$ 8,333	\$ 8,333	\$ 8,333	\$ 8,333	\$ 8,334	\$ 8,334	\$ 8,333	\$ 8,333	\$ 8,333	\$ 8,333
Vehicle Maintenance	\$ -	\$ 148	\$ 2,535	\$ 545	\$ 4,941	\$ 3,379		\$ 16,184	\$ 8,800	\$ 10,884
Total Other Expenses	\$ 41,621	\$ 37,299	\$ 40,509	\$ 38,463	\$ 53,892	\$ 57,898	\$ 99,988	\$ 113,815	\$ 92,833	\$ 96,172
Total Costs	\$ 148,078	\$ 124,494	\$ 134,069	\$ 127,795	\$ 133,920	#####	\$ 173,636	\$ 206,955	\$ 220,237	\$ 193,208

Mountain Operations: Over the last month the Vehicle mechanic has been working closely with the General Manager and the Director of Mountain Operations to ensure that the annual ski lift maintenance needs are being tended to. The tasks that have been completed are full servicing

and gearbox oil changes to Hooter, Porcupine and Black Bear Chair lifts. Servicing of Ptarmigans gear box is underway with oil changes on the gear box and planetary gear set planned for the next two weeks. The mandatory 20% chair clip swapping and NDT test has been completed on all lifts. Service work on Ptarmigan's braking system and Black Bears Tensioning system is underway. All of the bullwheel bearings have been thoroughly greased and serviced. We are working on getting a contractor onsite for two weeks in October to finalize some remaining work tasks.

Ski Patrol:

Procurement of beacons, avalanche airbags and explosives. Explosive order is out to bid and is set to close on the 12th of September. Specs for airbags are in the process of being written for bid package.

-Weather station work: Powder Patch is up and running on solar power. Hopefully the new power cable will be ordered this week, expected delivery in 2 weeks from when it is ordered. Pittman's Ridge Weather station component assembly has been on going and is progressing well. We will start assembling up on the hill this week.

-Hiring: Ski Patroller PD updated in the queue for approval. Ski Patrol Trail Crew Worker should be advertised this week, awaiting final approval.

-Started on review of 23/24 Operations Plan

-Training schedule mostly complete.

-Review of Medical Standing Orders

Base Operations:

Base Operations has been busy tracking and reconciling all of our sales over the past month. He has been able to work with our new payment processor to get our batch closing times in sync which is greatly improving the efficiency of our daily sales transmittal process. He has been leading the food prep and Lodge portion of our walking tour with Alaska Coach tours. We have one remaining tour left this season. They have been pleased with the execution and look forward to doing it again.

He has also been building detailed expense tracking sheets for all departments to keep ourselves closer to real time while reconciling against the CBJ accounting system. Work continues on with our NeoGov recruitment platform as we work to bring candidates fully through the system and are still working to get other positions listed for recruitment.

Snowsports School:

The Director and her staff have launched the seasonal lesson program and in a matter of days have sold out all multiweek programs and most open slots for the entire season. They have a

huge wait list running for every age and ability level with interest in the multiweek programs. We are restrained right now with a lack of staff to meet the present demand. The intent to return emails have gone out to past employees and responses are slowly trickling in. We are hopeful that another round of J1 visa candidates will be certified instructors to help us build capacity. They continue to build class lists to find openings and pair up students with like skill to make sure we are maximizing each class.

RRR:

We have been receiving all of our new ski rental fleet including the order that the Eaglecrest Foundation is sponsoring. We are on track to have the most robust ski rental fleet that we have ever had. Our Burton snowboard relationship has deteriorated over the past two years as they have gone through major changes within their company. The sales representatives are non-responsive and will not fill our orders. The Director is currently exploring other options for a new snowboard vendor. We are also receiving a lot of our new retail inventory including new Eaglecrest patches and magnets.

Marketing: The CBJ Assembly approved the Franchise agreement for Pittman's Pub that will be run by Evan and Katie Morgan. They are now working through the AMCO permitting process. We are optimistic to once again be able to have vendor selling Beer and Wine this winter.

New online monthly view calendar: skieaglecrest.com/calendar

Built and distributed Recruitment Flyers around local summer tour companies

Working with Travel Juneau and Keli's concierge to set up a "Ski and Stay" package with both the Baranof and 4 Points Hotels for a 3-night 2 day skiing stay in Juneau. We are finalizing rates before posting on Keli's site, and then we will begin advertising.

Moving forward with Haunted House coordinating with Quinn and getting Snovember planning started

And of course, selling season passes.

Recruitment: We have continued to struggle through challenges with the new recruitment system with back-end configuration problems that have been preventing applicants from being viewable to us at the time of submission, to candidate offers being stuck in the back end work flow so they cannot be moved through to the next stages of hiring within the portal. As of the middle of last week we had 7,036 total views on all of our job postings and only 6 adult candidates that met minimum qualifications for the positions they were applying for. We have had three 14 year old applicants for non-certified instructors that are being moved through the approval process and will be able to work weekends. Our conversion rate from job posting views to receiving viable applications is troubling.

I have continued to work with the various J1 visa programs to try and secure employees through this means. GoWex has provided us with 14 resumes from interested parties that we are now seeing arrive in our CBJ NeoGov recruitment portal. Of these candidates there are 7 lift operators, 1 cook, 2 non-certified instructors, 2 rental shop techs, and 2 Snowsports School Administrative Coordinators. Their start dates will vary from December 4th to December 20th and they will be able to work until March 10 at the earliest to March 31st at the latest. As you can see this is not the silver bullet but would certainly help us fill some needed positions. These candidates are from Peru, Costa Rica, and Brazil. Our GoWex representative anticipates having a second round of workers from Chile that will have some certified instructors included in the candidate pool.

The crux of being able to capitalize on this is being able to secure affordable housing. We have made great progress on securing all of our needed housing with the University of Alaska Southeast, utilizing vacant rooms in the Banfield Dormitory. We are still working through some resistance from certain CBJ administration that do not want Eaglecrest to be in the middle of any housing agreement. We continue to evaluate all other housing opportunities that will allow us to capitalize on this J1 visa workforce. We have once again learned from our GoWex representatives that the average pay for lift operators, instructors and other entry level ski area jobs, where they are sending candidates, is \$16 per hour.

We thankfully have received one application for our Rental, Retail and Repair Shop Supervisor. We also just received an application for the Lead Repair Shop Tech position. We could breathe a slight sigh of relief if we were able to fill both positions.

Arguably our most critical position to fill is our Lift and Vehicle Maintenance Manager Position. We have had 326 views for this position and no applications. The competition within the industry for skilled lift mechanics not to mention Lead or Management Level lift mechanics is extremely high. The Ski Area Management Classifieds <https://www.saminfo.com/classifieds> currently has 9 posted Lift Maintenance Manager or Lead positions, not including ours and another 8 Lift Maintenance Tech Positions.

The data that we are receiving from our new NeoGov platform seems to paint a pretty clear picture that it is not a lack of interest in working at Eaglecrest but is likely our low wages that are keeping us from seeing more qualifying applications. See the screen shot below from our Dashboard keeping in mind that 14 of the applicants

My Job Postings

In order to turn off this functionality, please contact your Insight System Admin

Job #	Job Title	Views	Current App.	Predicted App.
202300099	Level 1 Ski/Snowboard Instructor	815	2	5
202300098	Level 2 Ski/Snowboard Instructor	781	0	5
202300097	Level 3 Ski/Snowboard Instructor	889	0	5
202300124	Eaglecrest - Lift Operator	635	10	24
202300127	Eaglecrest - Snowsports School Administrative C...	574	3	26
202300128	Eaglecrest - Repair Technician	529	0	27
202300140	Eaglecrest - Lift & Vehicle Maintenance Manager	350	0	39
202300100	Non-Certified Ski/Snowboard Instructor	934	6	5
202300109	Eaglecrest - Rental, Retail, & Repair Supervisor	682	1	16
202300118	Eaglecrest - Snowsports School Coordinator	633	1	16

Job #	Job Title	Views	Current App.	Predicted App.
202300108	Eaglecrest - Summer Laborer	469	1	16
202300117	Eaglecrest - Lead Repair Technician	595	1	16
202300122	Eaglecrest - Bootfitter	647	2	17

The meal program last year did seem meaningful for many of our staff. Below is a snapshot of the financial cost and impact of the program last year. We would like to be able to reauthorize this program again for this year. The program would qualify each employee that is working at least 32 hours per week to receive two free meals from the cafeteria per week.

FY23 Employee Food Voucher Program			
Product	Amount Sold	Product Price	Total per Product w/ 10% Discount
Bacon Burrito	86	\$ 13.76	\$ 1,065.02
Sausage Burrito	161	\$ 13.76	\$ 1,993.82
Breakfast Plate	37	\$ 15.50	\$ 516.15
Burger	268	\$ 10.50	\$ 2,532.60
Chicken Wrap	275	\$ 15.00	\$ 3,712.50
Chicken Strips	165	\$ 7.50	\$ 1,113.75
GnG Sandwich	40	\$ 12.00	\$ 432.00
Tater Tots	5	\$ 4.25	\$ 19.13
Fries	49	\$ 4.25	\$ 187.43
Pretzel	16	\$ 6.50	\$ 93.60
Corn Dog	8	\$ 4.25	\$ 30.60
Chili/Soup	35	\$ 10.50	\$ 330.75
Hot Drink	275	\$ 2.00	\$ 495.00
Totals:	1420		\$ 12,522.35

Gondola Project Update:

We have finally received our \$10M from Goldbelt into our CBJ account. This took much longer than expected but the Goldbelt CEO and VP are both really excited about our partnership.

Now that we have funding in hand, I have been able to get our design team back to work. I have attached the construction timeline that the consultants seem comfortable with from my last meeting. We are hoping that we can complete the design and engineering work and have a contractor secured by April. We will likely be putting out a first RFP to secure a ski lift electronic control specialist so we can get long lead time electronic parts on order and the process started. That contractor will then be assigned to the General Contractor once awarded.

I have also attached our Gondola Design Phase 2 Fee Proposal so you can see what the engineering team will be working on.

We are in the process of assigning a term contract with a Traffic Engineer from Dowl Construction to produce a Trigger Point Memo that analyses our summer traffic in relation to the trigger points that force a full-blown Traffic Impact Analysis.