

Eaglecrest Mountain report

General Manager Update

January was a pivotal month for Eaglecrest. Not only did we get Ptarmigan running for three fantastic powder days, we also made very good headway on starting to put numbers to the labor and expenses the operation needs to be successful.

First, I'd like to call out the hard work of the patrol and mountain ops teams. As the snow fell, they all snapped into action to try their hardest to open the upper mountain on Saturday January 25th. Unfortunately, those plans were changed as we got a full day of rain on the 24th. But they all stayed at it and worked hard to get Ptarmigan open by the following Wednesday and Hotter on Thursday.

And on top of that, the hard work continued in order to get more terrain open each day. Those days started early with avalanche control work, marking hazards, and deicing the lifts. The guests were greatly appreciative. And the skiing and riding was phenomenal. Hats off to the whole team.

Financial update

See **CHART 1**. This chart has data from the start of the fiscal year through December 18th. I also emailed the full Excel Workbook to the board on 1/29.

1. YTD Revenue
 - a. With the tough start to the season, you can see we are down \$172,747 (7%) YOY for the same time period
 - b. However, after removing the General Fund support and the money we receive from the CBJ for plowing the road we are only down \$47,247 (3%) YTD
 - c. Additionally, we are also only \$60,938 (3%) behind of Budgeted YTD Revenue
 - i. Looking into each Revenue line item illustrates the importance having Porcupine open through December and January kept revenue coming in and kept these numbers from being much worse
 - ii. important to note: these numbers do not include the revenue made over the Holiday week
2. YTD Payroll
 - a. We are \$120,753 (14%) over last year's YTD labor
 - b. And we are \$57,196 (6%) over YTD labor budget
 - i. Three areas contributing to the increase in labor are:
 1. We have 5 more J1 employees this year vrs last year and they are all guaranteed 35 hours a week each week regardless of revenue
 2. We have filled many positions that were empty in FY24
 3. However, with so many positions still empty or unfunded many empty or unfunded our overtime hours are much higher than they would be if we were appropriately staffed.
3. YTD Expenses
 - a. We are showing a decrease in operating expenses of \$21,547 (%2) YTD YOY to Actuals and \$114,348 (9%) YTD Budget but many of our expenses have not been reconciled fully so this number is a bit misleading. As PO's and contracts get paid and reconciled these numbers will get more accurate.
4. Percentage of Adjusted Revenue (does not include GF and Road Support)
 - a. Labor as a % of Revenue
 - i. Up 1.2% YOY to Budget and 9.9% YOY to Actuals
 - b. Operating Expenses as a % of Revenue

- i. down 11.3% YOY to Budget and up 0.8% YOY to Actuals
 - 1. But again, much is not reconciled
- c. Total Labor and Expenses as a % of Revenue
 - i. down 10% YOY to Budget and up 10.8% YOY to Actuals

Revenue		Annual Budget	YTD Budget	YTD FY24	YTD FY25	Var	%		Nov 2023	Nov 2024	Var	%	Dec 2023	Dec 2024	Var	%
Annual revenue		1,339,000	669,500	1,160,325	1,058,599	(101,726)	-9%		75,259	67,027	(8,232)	-11%	64,305	29,930	(34,375)	-53%
Ski Lift fees		330,000	165,000	42,844	16,829	(26,015)	-61%	1	5,280	2,671	(2,609)	-49%	35,854	11,306	(24,547)	-68%
Ski school sales		230,000	115,000	91,929	86,512	(5,417)	-6%		2,045	2,888	843	41%	8,106	8,670	564	7%
Concession fees		210,000	105,000	18,529	11,978	(6,551)	-35%		329	-	(329)	-100%	18,200	11,936	(6,264)	-34%
Permit revenues		150,000	75,000	49,609	-	(49,609)	-100%	2	7	-	(7)	-100%	15,882	-	(15,882)	-100%
Ski rental		130,000	65,000	25,112	32,310	7,198	29%		3,158	5,172	2,014	64%	8,243	14,120	5,876	71%
Donation revenues		100,000	50,000	-	-	-	NA		-	-	-	NA	-	-	-	NA
Facility rental revenue		90,000	45,000	33,398	125,760	92,363	277%	2	3,035	4,545	1,510	50%	10,170	7,515	(2,655)	-26%
Locker rental		85,000	42,500	80,052	79,654	(398)	0%		2,798	2,117	(681)	-24%	1,260	21	(1,239)	-98%
Merchandise sales		80,000	40,000	15,572	16,574	3,003	19%		2,213	764	(1,449)	-65%	13,152	15,173	2,021	15%
Contracted revenue		52,000	26,000	-	38,044	38,044	NA	2	-	32,278	32,278	NA	-	5,766	5,766	NA
Ski repair fee		35,000	17,500	10,098	14,015	3,917	39%		2,912	3,281	370	13%	6,751	10,361	3,609	53%
Land lease revenue		10,600	5,300	5,065	-	(5,065)	-100%	3	844	-	(844)	-100%	844	-	(844)	-100%
Bus pass Sales		6,000	3,000	10	929	919	9191%		-	190	190	NA	10	644	634	6341%
Vending revenue		3,000	1,500	1	-	(1)	-100%		1	-	(1)	-100%	-	-	-	NA
Gift certificate and promotion		1,400	700	1,404	3,525	2,121	151%		150	2,079	1,929	1286%	2,061	870	(1,210)	-58%
Cash over/short		-	-	(20)	(49)	(29)	144%		-	(34)	(34)	NA	(20)	(49)	(29)	144%
Miscellaneous revenue		-	-	258	258	-	0%		-	-	-	NA	-	-	-	NA
General Fund		1,398,800	699,400	1,005,500	880,000	(125,500)	-12%		-	-	-	NA	-	-	-	NA
Roaded service area		50,000	25,000	50,000	50,000	-	0%		-	-	-	NA	-	-	-	NA
Total Revenue		4,300,800	2,150,400	2,589,685	2,416,938	(172,747)	-7%		98,031	122,978	24,947	25%	184,838	116,262	(68,575)	-37%
Payroll Expenses	Annual Budget	YTD Budget	YTD FY24	YTD FY25	Var	%			Nov 2023	Nov 2024	Var	%	Dec 2023	Dec 2024	Var	%
Total Payroll		1,825,500	912,750	849,193	969,946	120,753	14%	4	116,324	141,984	25,660	22%	302,349	326,352	24,003	8%
Expenses	Annual Budget	YTD Budget	YTD FY24	YTD FY25	Var	%			Nov 2023	Nov 2024	Var	%	Dec 2023	Dec 2024	Var	%
Other Expenses		2,484,600	1,242,300	1,149,499	1,127,952	(21,547)	-2%	5	159,814	106,693	(53,121)	-33%	89,900	31,422	(58,478)	-65%
Summary	Annual Budget	YTD Budget	YTD FY24	YTD FY25	Var	%			Nov 2023	Nov 2024	Var	%	Nov 2023	Nov 2024	Var	%
Income		4,300,800	2,150,400	2,589,685	2,416,938	(172,747)	-7%		98,031	122,978	24,947	25%	184,838	116,262	(68,575)	-37%
Less GF/Roaded Support		(1,448,800)	(724,400)	(1,055,500)	(930,000)	125,500	-12%		-	-	-	NA	-	-	-	NA
Adjusted Revenue		2,852,000	1,426,000	1,534,185	1,488,938	(47,247)	-3%		98,031	122,978	24,947	25%	184,838	116,262	(68,575)	-37%
Expenses		4,310,100	2,155,050	1,998,692	2,097,897	99,206	5%		276,138	248,677	(27,461)	-10%	382,249	357,774	(34,475)	-9%
Difference		1,458,100	729,050	464,507	610,959	146,452	32%		(178,108)	(125,699)	52,408	-29%	(207,411)	(241,512)	(34,101)	16%
Metrics		Annual Budget	YTD Budget	YTD FY24	YTD FY25	Budget Var	YOY Var		Nov 2023	Nov 2024			Nov 2023	Nov 2024		
Labor as % of Adj Revenue		64%	64%	55%	65%	1.2%	9.9%		119%	115%			164%	281%		
Operating Expenses as % of Adj Revenue		87%	87%	75%	76%	-11.3%	0.9%		163%	87%			49%	27%		
Total Expenses as % of Adj Revenue		151%	151%	130%	141%	-10.0%	10.8%		282%	202%			212%	308%		
1 Ski Lift tees down Y-o-Y as a result of Hooper, Farmigan, Blackbear																
2 Revenue is being re-classed from Facility Rental and Contracted to Permit Revenue																
Much of this revenue is related to Summer/Fall use (Alaska Coach Tours, AK Zipline, Cycle Alaska																
3 Bus was not operational in FY2024																
Salaries & Wages and related expenses are up to due an increase in filled positions																

5. Project List/Cost Estimates See **CHART 2** Below

- a. The leadership team at Eaglecrest started the project of getting every project or purchase we need to make in roughly the next 12 months and out through the Summer of 2028
 - i. This is not a complete list and is a living document that we will add and subtract items as time passes
 - ii. The total amount with all projects and purchases totals to \$1.4 million with around \$649,000 of that spending ideally happening in the remaining month of winter 24/25 and in the summer of 25.
 - iii. In no way is this what we will spend or is what we are asking for but it is a representation of what it would cost to complete these projects and purchases when we believe they are necessary
 - iv. Note: these numbers do not include the Black Bear repair or any work needed on buildings.
 1. Those are described separately further down

CHART 2

Row Labels	Sum of Cost Estimate		
Summer 2025	\$631,600.00	Summer 2028	\$65,000.00
1	\$569,000.00	5	\$65,000.00
Base	\$17,500.00	Lifts	\$30,000.00
Grooming	\$340,500.00	Mtn Ops	\$35,000.00
Lifts	\$151,600.00	Summer 2029	\$65,000.00
Mtn Ops	\$59,400.00	6	\$65,000.00
2	\$27,500.00	Lifts	\$30,000.00
Lifts	\$25,000.00	Mtn Ops	\$35,000.00
Mtn Ops	\$2,500.00	Winter 24/25	\$9,500.00
3	\$34,600.00	1	\$2,500.00
Mtn Ops	\$34,600.00	Base	\$2,500.00
4	\$500.00	3	\$7,000.00
Mtn Ops	\$500.00	F&B	\$7,000.00
6	\$0.00	(blank)	\$395,500.00
Base	\$0.00	2	\$25,000.00
Mtn Ops	\$0.00	Mtn Ops	\$10,000.00
Summer 2026	\$186,200.00	Patrol	\$15,000.00
3	\$70,000.00	4	\$5,500.00
Grooming	\$5,000.00	Lifts	\$4,500.00
Lifts	\$30,000.00	Mtn Ops	\$1,000.00
Mtn Ops	\$35,000.00	5	\$85,000.00
4	\$116,200.00	Admin	\$35,000.00
Base	\$1,200.00	Mtn Ops	\$50,000.00
Lifts	\$115,000.00	6	\$280,000.00
Summer 2027	\$85,000.00	Lifts	\$190,000.00
4	\$75,000.00	Mtn Ops	\$90,000.00
Lifts	\$30,000.00	(blank)	
Mtn Ops	\$45,000.00	(blank)	
6	\$10,000.00	Grand Total	\$1,437,800.00
Lifts	\$10,000.00		

6. Alpha Facilities Solutions Building Report
 - a. I have sent the full reports to the board separately
 - b. Synopsis by building
 - i. Brown Shop
 1. Total needs in 2025
 - a. \$43,504
 2. Total needs by 2030
 - a. \$165,470
 3. Replacement Cost
 - a. \$1,074,836
 - ii. Caretakers Cottage
 1. Total needs in 2025
 - a. \$39,033
 2. Total needs by 2030
 - a. \$39,033
 3. Replacement Cost
 - a. \$374,426
 - iii. Eagles Nest
 1. Total needs in 2025
 - a. \$401,043
 2. Total needs by 2030
 - a. \$451,065
 3. Replacement Cost
 - a. \$2,320,236
 - iv. Fish Creek Lodge
 1. Total needs in 2025
 - a. \$2,744,516
 2. Total needs by 2030
 - a. \$3,886,784
 3. Replacement Cost
 - a. \$13,537,476
 - v. Main Maintenance Shop
 1. Total needs in 2025
 - a. \$45,982
 2. Total needs by 2030
 - a. \$55,317
 3. Replacement Cost
 - a. \$1,934,703
 - vi. Porcupine Lodge
 1. Total needs in 2025
 - a. \$376,973
 2. Total needs by 2030
 - a. \$582,567
 3. Replacement Cost
 - a. \$12,377,120
 - vii. Totals
 1. Total needs in 2025
 - a. \$3,651,051
 2. Total needs by 2030
 - a. \$1,293,152

- i. I did not include the repair numbers for Fish Creek Lodge in these numbers
 - 3. Replacement Cost
 - a. \$5,704,201
 - i. I did not include replace costs for either Fish Creek or Porcupine lodge in this number
 - c. These projects and the numbers are subjective based on several variables which will make them higher or lower and the report assumes all the work is contracted out and none is done in house but it provides an overall picture of the state of the infrastructure at Eaglecrest
- 7. Black Bear Options
 - a. Repair Current Infrastructure
 - i. \$7500 Bearings
 - ii. \$83,000 Low Speed Coupling
 - iii. \$150 -\$200,000 New Shaft
 - iv. \$70,000 Shipping
 - v. \$100,000 New Haul Rope
 - vi. \$75,000 Labor/Equipment
 - vii. Rebuild current gear box at Cone Drive – Unknown Costs (The components will have to be custom made as the gear box is outdated and no longer supported)
 - 1. Estimate \$535,500
 - b. Used Bottom Terminal Upgrade
 - i. \$285,000 + Shipping (Est. \$75,000)
 - ii. \$300,000 Labor/Equipment/Materials (15-ton crane, concrete/dirt work, 3rd party engineering, rigging)
 - iii. \$300,000 Deconstruction/Removal of old terminal
 - iv. \$100,000 New Haul Rope
 - 1. Estimate \$1,060,000
 - c. New SkyTrac Lift
 - i. \$3,000,000-\$7,000,000
 - 1. Estimate \$7,000,000
 - d. No Repair
 - i. Remove Haul Rope
 - ii. \$10,000 - \$15,000 Rigging/Equipment
 - iii. \$5,000 5 Days Labor
 - 1. Estimate \$20,000
- 8. Ski Area Labor Needs
 - a. I've been working with the finance department to work out the shortages we see in our labor budget and therefore operations.
 - b. We have built a workbook to use to calculate the labor costs and I have started that process but wil need more time to fine tune it.
 - i. But a very rough first pass shows about \$900,000 annually for needed new positions (similar to the \$800,000 in Kirk Duncan's report)
 - 1. This does not include changing existing positions to year round
 - ii. Again this are all very preliminary numbers and much more work needs to be done but I am making good progress to find the actual labor amount needed for a sustainable operation
- 9. Mountain Ops Update
 - a. This has been another busy and exciting month for Mountain Ops. We have been able to resurrect a crucial position for our lift department, the Lift Operations Supervisor position. This will help give staff more direct help when it's needed and ensure a safer and smoother daily

operation. Cooper is the current “acting” Lift Operations Supervisor. We have started merit increases for staff that have risen to the challenges and truly helped Eaglecrest succeed. Our team has also been able to make snow several days this month, helping us keep Porky open and get more of the upper mountain filled in to open. Big shout out to the entire lift team, Steve, Cooper and Tony who have been crushing it this month!

b. New/Returning Staff

- i. Big shout out to Quinn! He has joined us for another season! You will find him helping us in a few areas across the mountain. He is primarily helping keep the lots plowed and the terrain park safe for our Eaglecrest skiers and boarders.
- ii. We just interviewed (1/29) a potential apprentice lift mechanic to join our lift department! We will keep you updated!

c. Equipment

- i. We have talked with Cole at Pisten Bully and are currently scheduling a trip back out to reassemble Tomahawk, and complete other needed maintenance on our other snow cats.
 1. All snowmobiles now have visible safety flags to help make them more visible to guests and staff.
- ii. We are currently looking at software to track our equipment and future maintenance.

d. Hydroelectric

- i. We have discovered a bad bearing in our hydroelectric system. We just received a quote for the needed parts and will be ordering and installing them.

e. Water Works

- i. We are currently running new power down to the well pump. After discovering we had less than ideal 12-gauge wire running over 250ft and a transformer that is rated at 208v, it was time to rectify this problem and put the proper electrical in place, so we have the appropriate voltage at the pump and avoid burning up well pumps and control boxes. To complicate things, a tree fell across the power and water lines, cutting the power line, that ran down to the pump. This was an ideal time to repair and fix the electrical issue.

f. Lifts

- i. We have two new vendors set up to help us with lifts. Jac and Lance will be another resource to help us catch up on deferred maintenance. We are just wrapping up the process with the city and will look to schedule them as soon as we can.
- ii. We have replaced the tower 12 sheave on Ptarmigan
- iii. We discovered a bad PLC board and are replacing it on Hooter
- iv. We have also started conversations with the needed vendors for scheduling purposes regarding repair/replacing Black Bear. They book up pretty far in advance, so we want to be sure we have vendors scheduled as soon as we can.
- v. We are working on obtaining a load rating on the bridge behind the shop “Catwalk Bridge”. We will need this bridge later this summer to potentially be used as a crossing for summer tours and traffic. In addition, we have asked Alan to assist us with potential permits needed for some dirt work we would like to complete this summer.

g. Snowmaking update

- i. With three lifts spinning and down to one snowcat operator we don’t have the staff to make snow, groom, plow, shovel and run the lifts currently. Without a dedicated snowmaking team we pull from other departments to make snow, and now they are all working in their positions
- ii. We were going to use the Sourdough pump station during the next round of cold temps but that coincided with the big snowfall so we were not able to make snow this round

- iii. We have not looked into fixing the Log Jam Pump Station yet because we need to move that station to build the gondola road. We will work with the gondola project to move and fix it in one project. And working out the plans for other projects takes precedence

10. Patrol Update

- a. The Ski Patrol team has worked extremely hard to open the entire mountain over the last couple of weeks. In a “normal” season the snow comes gradually allowing for staged mountain setup. Patrol dealt with several compounding factors this year that added challenges to operations. Weather was the biggest factor, while receiving the much-needed snow, we had to deal with avalanche mitigation, hazard markings and the ski area in various phases of operations all at the same time due to receiving the bulk of snow in a short time frame. Our ability to open terrain was delayed due to 8 members of the public skiing in closed areas. By our estimates this delayed the opening of the west side of the mountain by a day. Patrol staff were pulled from mountain setup and avalanche mitigation to enforce, educate and increase markings of temporally closed areas. We think the increase in skiers in closed areas is primarily due to the sacristy of powder and pent up desire to ski, we will look to see if there is any efficiencies we can implement to communicate our closure information. The ski patrol team is excited to have more terrain to work with and increased skiing opportunities for the public.
- b. The Ski Patrol team has also assisted the Snowsports school with instructor support as well as Mountain Operations with various support in their mission.

11. Marketing Update

- a. Radio recordings are still happening every Friday
- b. We made \$1,000 at The Outliers Movie premiere for terrain park updates. Hopefully we can get a new rail or two. All proceeds will go into a new Eaglecrest Foundation account created for donations. The foundation has also created an online option for additional donations so that we can grow the funds.
- c. Ptarmigan opening - sharing the news of East Side, East Bowl, West Side, West Bowl, Hooter, Steep Chutes on every platform.
- d. Sponsored school group visits started, and we have been working closely with snow sports school to capture content to share with the public about this program.
- e. James crushed it while Kristen was on vacation and managed to cover the whole department while she was away.
- f. Meta Ads have been performing very well, and we're gaining followers on social media quickly thanks to them.
- g. Been meeting folks from out of town on the chairlift, which is awesome!
- h. Considering/wondering about hosting the Friday Night Lights events in February and March

12. Snow Sports School

- a. The Snowsports school Multi week programs are heading into week 5 of 6 for programs and we will begin session 2 Feb 15/16. We are working through wait lists for our programs but also trying to be realistic in our planning as in March we begin to lose staffing numbers.
- b. Homeschool programs are busy Wed-Friday and full also.
- c. School Groups have been up on the mountain with some big days of well over 100 students.

13. Rental, Retail, Repair

- a. All of FY25 orders and resupply order have been delivered and we have everything in stock for the season.
- b. FY26 Seasonal orders are being built as our deadlines for each company have been coming in. When we order before our deadline our industry standard discounts apply, and we can acquire more goods for our customers, and early ship dates are available to us also.

14. Base Operations Update

- a. The Gates at Ptarmigan and Hooter were not functioning correctly. They required a software update as they were running on firmware that is 5 versions old. They are currently opening and closing when a pass is scanned but they are operating in “offline mode” I am working with Axess (the company that manufactured the gates) to finish the updating process to get them working correctly. This should be completed by the time of the Board Meeting.
- b. Axess also provides some other hardware that could streamline our ticking process. I am working with them to get price estimates for a pickup box or a self-serve ticket kiosk.
- c. Working with Intouch (our point-of-sale provider) to implement either tablets or a screen in the bottom shacks of the lifts that will show us pass data for each scan. Lift operators will see the picture, name, and age of the person associated with the pass. This will allow us to ensure that people are not sharing their season passes/flex passes.
- d. We are beginning to take a close look at our ticket/pass products. Will have pricing/product updates for 25/26 ready by end of season.
- e. Some summer facility rentals for this summer are beginning to come in.