

Manager's Report April 2024

Financial Analysis: The chart below shows total expenses and revenue as accrued year to date. Despite lack luster weather revenue continues to stay on a good trajectory. We still have a lot of receivables to come in for Snowsports School in relation to our high volume of homeschool program visits. Total volume of seasons pass sales dipped down a bit this year. Day tickets and multi-card visits continue to perform well. Despite a lot of staffing challenges in the kitchen, sales have paced well. Retail product sales have hit a new record this year. We are in good position finish out the season with strong sales. This summer we intend to be able to also offer logo wear for our summer visitors. We are in the process of filling up our lodge reservation schedule which is helping to bring up our Lodge Rental revenue. On the expense side of the equation we are seeing increases in some categories. On the Personnel side we are down on expenses in Mountain Operations and Administration even without us sending wages to CIP due to a couple of vacancies in year around benefited positions. This has also kept our cost down in Administration Personnel Services. I anticipate continuing to see some savings here as we come into the end of the year with two year around benefited positions currently sitting vacant in Administration. The big increases this year for the "other expenses" category for administration

FY	FY 20	FY 21	FY 22	FY 23	FY 24	FY24 to FY23	FY24 to FY22	FY24 to FY21	FY24 to FY20	FY4 to FY19
Sales	Actuals	Actuals	Actuals	Actuals	Actuals	Comparison	Comparison	Comparison	Comparison	Comparison
Ski School Fees	\$ 129,147	\$ 196,988	\$ 190,610	\$ 194,501	\$ 172,717	\$ (21,784)	\$ (17,893)	\$ (24,271)	\$ 43,570	\$ 23,721
Ski Lift Fees	\$ 202,527	\$ 253,676	\$ 242,837	\$ 313,262	\$ 325,165	\$ 11,903	\$ 82,328	\$ 71,489	\$ 122,638	\$ 155,237
Advance Ticket	\$ 76,689	\$ 82,251		\$ 109,074	\$ 106,485	\$ (2,589)	\$ 106,485	\$ 24,234	\$ 29,796	\$ 39,805
Season Ticket	\$ 235,581	\$ 164,925	\$ 226,568	\$ 206,381	\$ 148,375	\$ (58,006)	\$ (78,193)	\$ (16,550)	\$ (87,206)	\$ (84,692)
On Line Season Pass Sales	\$ 362,258	\$ 741,941	\$ 935,981	\$ 858,378	\$ 970,670	\$ 112,292	\$ 34,689	\$ 228,729	\$ 608,412	\$ 580,720
Bus Fees	\$ 4,923	\$ 530	\$ 3,940	\$ 3,203	\$ 5,165	\$ 1,962	\$ 1,225	\$ 4,635	\$ 242	\$ 3,074
USER FEES	\$ 1,011,125	\$ 1,440,311	\$ 1,599,936	\$ 1,684,799	\$ 1,728,577	\$ 43,778	\$ 128,641	\$ 288,266	\$ 717,452	\$ 717,865
Retail - Soft G	\$ 50,107	\$ 52,819	\$ 54,707	\$ 66,882	\$ 74,005	\$ 7,123	\$ 19,298	\$ 21,186	\$ 23,898	\$ 43,684
Food Service	\$ 119,198	\$ 102,526	\$ 119,366	\$ 186,260	\$ 164,044	\$ (22,216)	\$ 44,678	\$ 61,518	\$ 44,846	\$ 55,941
Ski Repair	\$ 20,812	\$ 28,145	\$ 28,147	\$ 13,020	\$ 30,737	\$ 17,717	\$ 2,590	\$ 2,592	\$ 9,925	\$ 16,331
SALES	\$ 190,117	\$ 183,490	\$ 202,220	\$ 266,162	\$ 268,786	\$ 2,624	\$ 66,566	\$ 85,296	\$ 78,669	\$ 115,955
Locker Rental F	\$ 61,686	\$ 63,249	\$ 68,758	\$ 78,561	\$ 81,933	\$ 3,372	\$ 13,175	\$ 18,684	\$ 20,247	\$ 10,500
Ski Rental	\$ 72,780	\$ 97,673	\$ 101,042	\$ 101,443	\$ 102,436	\$ 993	\$ 1,394	\$ 4,763	\$ 29,656	\$ 35,623
Cabin/Lodge Rental	\$ 30,540	\$ 35,736	\$ 47,743	\$ 55,399	\$ 49,138	\$ (6,261)	\$ 1,395	\$ 13,402	\$ 18,598	\$ 49,138
RENTALS	\$ 165,006	\$ 196,658	\$ 217,543	\$ 235,403	\$ 233,507	\$ (1,896)	\$ 15,964	\$ 36,849	\$ 68,501	\$ 95,261
Total Sales	\$ 1,366,248	\$ 1,820,459	\$ 2,019,699	\$ 2,186,364	\$ 2,230,870	\$ 44,506	\$ 211,171	\$ 410,411	\$ 864,622	\$ 929,082
Difference between FY24	\$ 864,622	\$ 410,411	\$ 211,171	\$ 44,506						
Expenses										
Personnel Costs						FY24 to FY23	FY24 to FY22	FY24 to FY21	FY24 to FY20	FY24 to FY19
Ski Area Administration	\$ 395,769	\$ 354,922	\$ 309,418	\$ 415,184	\$ 342,197	\$ (72,987)	\$ 32,779	\$ (12,725)	\$ (53,572)	\$ (59,624)
Ski Rental Shop	\$ 31,362	\$ 50,732	\$ 37,363	\$ 23,187	\$ 90,873	\$ 67,686	\$ 53,510	\$ 40,141	\$ 59,511	\$ 54,892
Ski Patrol Program	\$ 97,764	\$ 164,495	\$ 158,529	\$ 197,406	\$ 221,519	\$ 24,113	\$ 62,990	\$ 57,024	\$ 123,755	\$ 140,512
Lift Operation Program	\$ 40,765	\$ 72,964	\$ 44,386	\$ 45,379	\$ 90,867	\$ 45,488	\$ 46,481	\$ 17,903	\$ 50,102	\$ 50,945
Maintenance Program	\$ 166,232	\$ 191,330	\$ 226,367	\$ 349,760	\$ 199,508	\$ (150,252)	\$ (26,859)	\$ 8,178	\$ 33,276	\$ 59,372
Lodge Operations Program	\$ 69,483	\$ 69,654	\$ 67,934	\$ 79,051	\$ 90,555	\$ 11,504	\$ 22,621	\$ 20,901	\$ 21,072	\$ 3,210
Food Service	\$ 22,512	\$ 37,290	\$ 42,193	\$ 44,841	\$ 34,164	\$ (10,677)	\$ (8,029)	\$ (3,126)	\$ 11,652	\$ 11,676
Marketing/Special Events	\$ 74,446	\$ 68,162	\$ 48,519	\$ 73,078	\$ 72,249	\$ (829)	\$ 23,730	\$ 4,087	\$ (2,197)	\$ 21,414
Ski School Program	\$ 97,063	\$ 135,701	\$ 150,055	\$ 204,497	\$ 209,411	\$ 4,914	\$ 59,356	\$ 73,710	\$ 112,348	\$ 109,101
Total Personnel Costs	\$ 995,396	\$ 1,145,250	\$ 1,084,764	\$ 1,432,383	\$ 1,351,343	\$ (81,040)	\$ 266,579	\$ 206,093	\$ 355,947	\$ 391,499
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Other Expenses										
Ski Area Administration	\$ 271,765	\$ 364,091	\$ 426,542	\$ 351,221	\$ 562,231	\$ 211,010	\$ 135,689	\$ 198,140	\$ 290,466	\$ 300,874
Ski Rental Shop	\$ 33,423	\$ 38,554	\$ 59,434	\$ 38,233	\$ 88,283	\$ 50,050	\$ 28,849	\$ 49,729	\$ 54,860	\$ 61,517
Ski Patrol Program	\$ 7,463	\$ 13,264	\$ 17,986	\$ 12,309	\$ 28,495	\$ 16,186	\$ 10,509	\$ 15,231	\$ 21,032	\$ 25,576
Lift Operation Program	\$ 24,702	\$ 8,422	\$ 13,677	\$ 3,980	\$ 21,705	\$ 17,725	\$ 8,028	\$ 13,283	\$ (2,997)	\$ (3,699)
Maintenance Program	\$ 79,996	\$ 72,475	\$ 91,229	\$ 57,638	\$ 64,211	\$ 6,573	\$ (27,018)	\$ (8,264)	\$ (15,785)	\$ 22,260
Lodge Operations Program	\$ 94,778	\$ 99,424	\$ 89,522	\$ 73,033	\$ 89,924	\$ 16,891	\$ 402	\$ (9,500)	\$ (4,854)	\$ 19,591
Food Service	\$ 30,991	\$ 46,464	\$ 66,506	\$ 50,669	\$ 104,656	\$ 53,987	\$ 38,150	\$ 58,192	\$ 73,665	\$ 47,095
Marketing/Special Events	\$ 35,952	\$ 10,326	\$ 22,681	\$ 23,728	\$ 25,239	\$ 1,511	\$ 2,558	\$ 14,913	\$ (10,713)	\$ 957
Building Maint/Utilities	\$ 55,515	\$ 54,942	\$ 89,307	\$ 58,940	\$ 77,379	\$ 18,439	\$ (11,928)	\$ 22,437	\$ 21,864	\$ 19,514
Ski School Program	\$ 5,209	\$ 2,502	\$ 2,652	\$ 1,695	\$ 13,724	\$ 12,029	\$ 11,072	\$ 11,222	\$ 8,515	\$ 11,390
Equipment Replacement	\$ 75,006	\$ 75,006	\$ 75,006	\$ 75,006	\$ 75,006	\$ -	\$ -	\$ -	\$ -	\$ -
Vehicle Maintenance	\$ 48,933	\$ 80,196	\$ 101,001	\$ 92,739	\$ 77,673	\$ (15,066)	\$ (23,328)	\$ (2,523)	\$ 28,740	\$ 47,243
Total Other Expenses	\$ 763,733	\$ 865,666	\$ 1,055,543	\$ 839,191	\$ 1,228,526	\$ 389,335	\$ 172,983	\$ 362,860	\$ 464,793	\$ 552,318
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Total Costs	\$ 1,759,129	\$ 2,010,916	\$ 2,140,307	\$ 2,271,574	\$ 2,579,869	\$ 308,295	\$ 439,562	\$ 568,953	\$ 820,740	\$ 943,817

is the increased cost of insurance, full cost allocation, bank card fees and contractual services for our dormitory housing. Food Service contractual services is up quite a bit this year due to the increased cost of food products. We are anticipating having a lot of product that will be returned as we close the season out. Due to the fact that we only have one remaining cook we plan to run with a very small menu for the last weekend. Ski shop expenses are up due to being ahead on billings that were delayed last season and have stocked up on retail product.

Operations for the final week: Going into the final week we had to make the difficult decision to close the mountain on Wednesday and Thursday to allow us to focus resources on preparations for a big closing weekend. We only have one lift operator still on staff that was available to work on Wednesday and Thursday. Come Friday we will have two other staff members coming back on board and one of our Mountain Operations Laborers that will be assisting with Lift Operations. We also have a handful of volunteers to help us get through the final weekend. Without ski operations on Wednesday and Thursday we will be able to focus on turning the terrain park into the slush cup pond and getting the pond liner installed before all of our staff transition into lift operations on Friday, Saturday and Sunday.

Mountain Operations: The grooming team was able to add one new staff member to the roster which made it possible to get a terrain park constructed and to be able to perform other winch cat grooming on the west side of the mountain. Over the past two weeks the team has done their best to reconstitute the snow providing great springtime carving conditions with the lack of natural snowfall. We are still recruiting for a new vehicle mechanic and assistant lift mechanic.

On the ski lift side of things, our head mechanic has gone above and beyond for the entire season organizing the ski lift operators and keeping the lifts running. It has been great to have a full roster of lift operators thanks to our J1 visa workers. Our head mechanic will be attending a national Ski Lift Maintenance Conference in May. We are hopeful that he may be able to do some successful head hunting while he is there.

Base Operations: Our Director of Base Operations has left her position in the middle of March. Since then we have been dividing her work duties with much of the front office duties being taken on by the Director of Snowsports, Rental, Retail and Repair. We have hired on a new cook to be able to help us make it through the rest of the season with food options available. We hope to have recruitment open this week. In a perfect world we could have a replacement hired on and ready to start by Early June.

Ski Patrol: Rendered aid to 98 guests' year to date. Which is above average.

Decision was made to close the west/middle mountain due to "slide for life" concerns.

Checked off 2 new patrollers.

Patrolled the mountain.

We will have an incident run review on April 6 to go over some of our notable incidents with our medical director.

Marketing and Events: Marketing for March:

- Terrain Park Event - Launch, Execution. Around 20 total competitors
- Donations for Slush Cup and Terrain Park Series secured
- Radio Ads up to date
- Slush Cup event planned and launched for closing day Sunday April 7th.
- Writing daily conditions updates, snow conditions reporting, social media-ing, photography, etc.
- Spearhead spirit week for closing week.
- Hosted Tony Harrington, professional ski photographer and writer for a week at the Crest.

SSS

All 12 weeks of Multi week programming lessons have been completed, Spring Break Camp has been completed. Homeschool Programming has been completed also. Final lesson progress notes are being documented for fall program launch for suggested programs for families. We have some final community groups, SE Community groups and one school group left for this season. All final Invoices have been sent.

We have had Alpine and Snowboard Exams, and one more on the final weekend. We have had many individuals from other ski areas that have come to take exams with us this season.

Summer Camp dates have been selected but not advertised until we can secure staffing for this. As staffing is still challenging, we are limited to possible 4 camps- 2 (9-11), 2(12-14). Our camp planning session are this week.

Snowsports team put together a really fun Easter bunny afternoon.

RRR

All Prebook FY25 orders that were due have been placed.

We will be going through our fleet to prep for summer storage and removing any gear. We have a small team that will put the rental shop into summer mode so that Zipline can move into the spaces April 26th.

We are planning to send out information for guest letting them know that we will be operating the retail/repair space for services this summer.

We are also planning to find new processes and rework flows in repair spaces. Planning sessions for summer retail, services and product line up are starting also.

Other

Final planning stages for multiple lodge rentals are being organized, to support Base Operations vacancy. With a Quick turnover for our first wedding April 13th the limited staff will focus on getting Fishcreek cleaned, Organized and stored.

Dealing with season pass refunds for medical issues, Working with Rev coordinator and CBJ Finance on some transmittal issues. to support Base Operations vacancy.

Managing the office staff with schedules, updated info on Mtn, sales of event products. Working with them to shuffle around to fill gaps in departments to support Base Operations vacancy.

Organizing the Payment of Food Service orders and working with Accounts payable to support Base Operations vacancy.

Summer events that are happening at the mtn are being calendared and communicated to the staff.

Coordinating with CBJ IT for Server Replacement in Mid May. Also working with IT to navigate Computer replacements across the Mtn- Starting end of August. This will be larger effort to additionally coordinate with Intouch, Axxess & our Credit Card Company TRI/ Card Dog. to support Base Operations vacancy.

Supporting the UAS- Dorm move out with checking rooms before turning back keys. Picking up Mail from the dorms to send to our staff that have left already. Gathering borrowed linens, snow gear and laundering them and storing them.

Working with City Payroll to support our J1 staff in updating to direct deposit, as Money Network cards have been extremely challenging.

Budget Process Update: Eaglecrest is scheduled to present our FY25 and FY26 Budget on April 6th at 2:30pm. We will be speaking to our General Fund Loan request in the amount of \$884,000 to cover deficits in FY24, FY25 and FY26. The Loan will also cover a 6% increase to the entire wage scale, new staffing to fund construction of summer ancillary trails and activities to the Gondola, staff to begin our winter expansion of the ski area and staff to begin summer hiking tours in the Spring of 2025 as a lead up to Gondola Operations. I have included our Budget Presentation Slides in your meeting materials.

Gondola Project Update: I continue to work with CBJ Engineering to put together the Request For Proposal (RFP) for our Construction Manager / General Contractor. We have hired on a professional that has a lot of experience with alternative procurement to take the CBJ Engineering Departments draft and all of the comments from other reviewers into our final package. I also continue to work on options to hire this person on as our owners representative project manager.

I have been working with CBJ Legal department and Goldbelt to draft a Franchise Agreement to allow Goldbelt to become our exclusive Commercial Tourism Vendor.

Other Projects:

Cell Tower Expansion: I was contacted three weeks ago by AT&T site acquisition specialists who is interested in getting an AT&T cell phone tower at Eaglecrest. The current tower that holds the GCI gear is owned by a company Vertical Bridge. AT&T is talking with Vertical Bridge about the best solution. The likely situation is that AT&T would construct a larger tower to accommodate the GCI gear as well as AT&T and Version equipment. I have been in contact with the Land Water Conservation Fund Compliance officers and have received preliminary approval to increase the footprint of the current leased area to accommodate this upgrade.

Shared Employee Housing: Having the employee housing option at the University of Alaska this winter was the most critical component for us being able to utilize the J1 visa workers for our winter season. As we begin to think about how we will find the staff that we need to operate our summer experience, housing will be an even larger problem as the UAS Dormitory rooms that we used this winter are already under contract for other summer workers. As you know we submitted building plans and a project to construct onsite employee housing to the Assembly through their State Capital Project Requests.

New Business:

Goldbelt Franchise Agreement: I have been working with CBJ Legal department and Goldbelt to draft a Franchise Agreement to allow Goldbelt to become our exclusive Commercial Tourism Vendor. In this agreement Goldbelt would have exclusive rights to sell 75% of the total daily visitor Capacity and would be required to auction off the additional 25% of daily capacity to other tour vendors. They would handle all communications and scheduling with the cruise lines. As the Eaglecrest Experience grows Eaglecrest will share in 20% of all price increases onto the base wholesale rate that was set during our March Board meeting at \$85 per person. I hope to have a draft Agreement for review by our Thursday meeting.

Cycle Alaska Permit Renewal: Cycle Alaska has been a long-time tourism partner of Eaglecrest dating back to 2013. The Board has authorized a one year renewal on their permit over the last two years as we have been trying to gain clarity on our bigger tourism management strategy with the opening of the Gondola and active summer tourism program. Cycle Alaska has been a low impact partner. They start their bike tours in the parking lot. We allow their customers to use the bathrooms in Fish Creek Lodge. They also use the parking lot for 10 minutes to familiarize their customers with proper bike handling skills before they bike down Fish Creek Road. They pay a fixed fee of \$250 per month for this access. I would like to request another one year extension and revisit their use during our end of the season wrap up in the fall.