

Eaglecrest Ski Area Financial Status and Outlook

**Presented to:
City and Borough Of Juneau Assembly
Presented by:**

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Introduction

Objective of the Report –

Identify potential fund balance issues from the current state until the gondola comes on line as well as fund balance scenarios for combined summer and winter operations through Fiscal Year 2043

There are many assumptions made which the Eaglecrest Board will refine through the budgeting process

It is hoped that the negative fund balance impacts will be less than suggested however as with most financial projections assuming lower revenues and higher expenses has proven to be a wise practice

Operational Result and Fund Balance, FY97 to FY24

Operational Result –

Total Revenue, General Fund Support minus Expenses

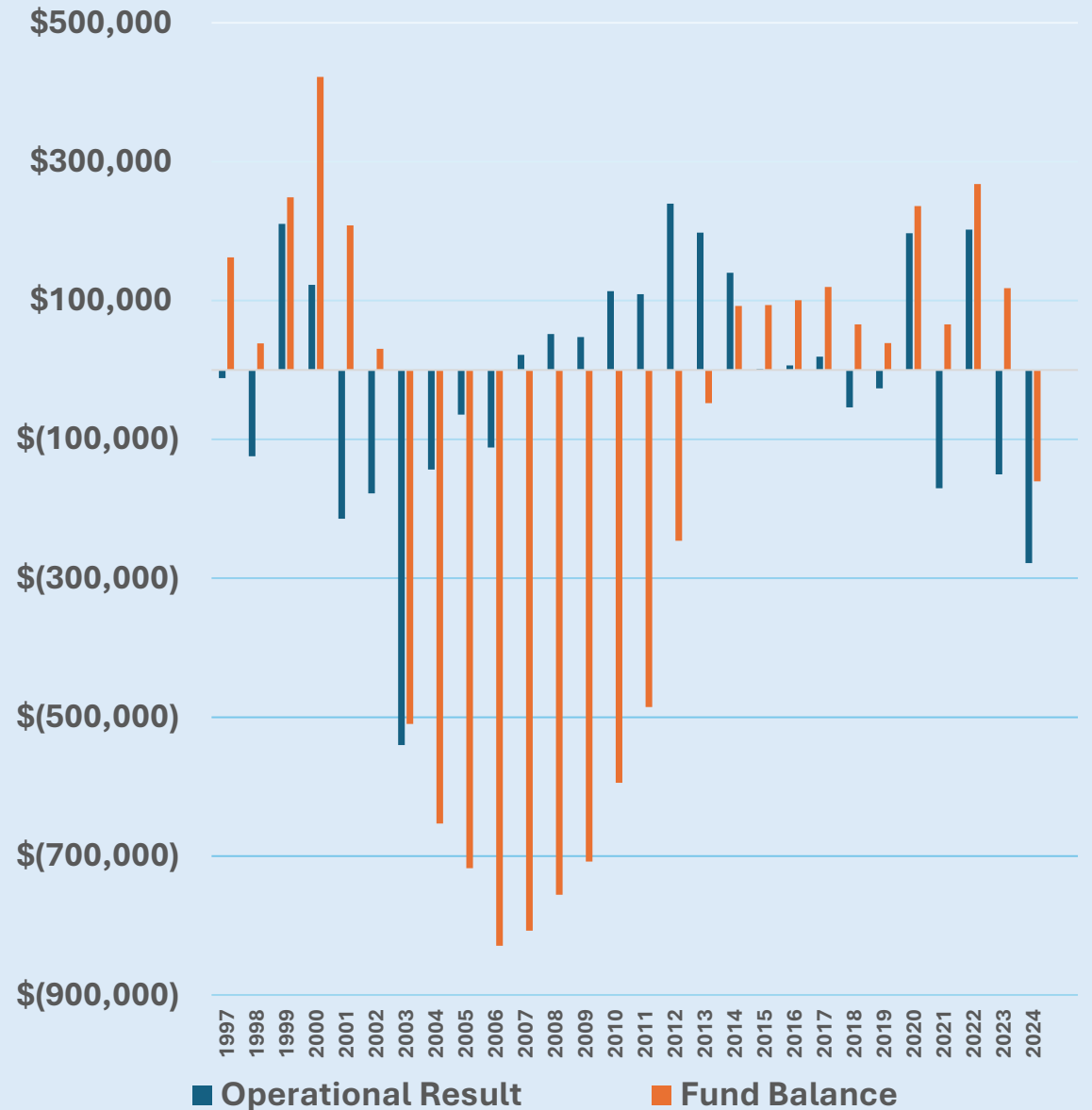
Fund Balance History

Positive fund balance in the early 2000's

Due to a very poor snow year, the Eaglecrest Board decided to give refunds or credits to passholders

Net negative fund balance increased to over \$800,000 which was eliminated by 2014

Current fund balance is approximately -\$160,000



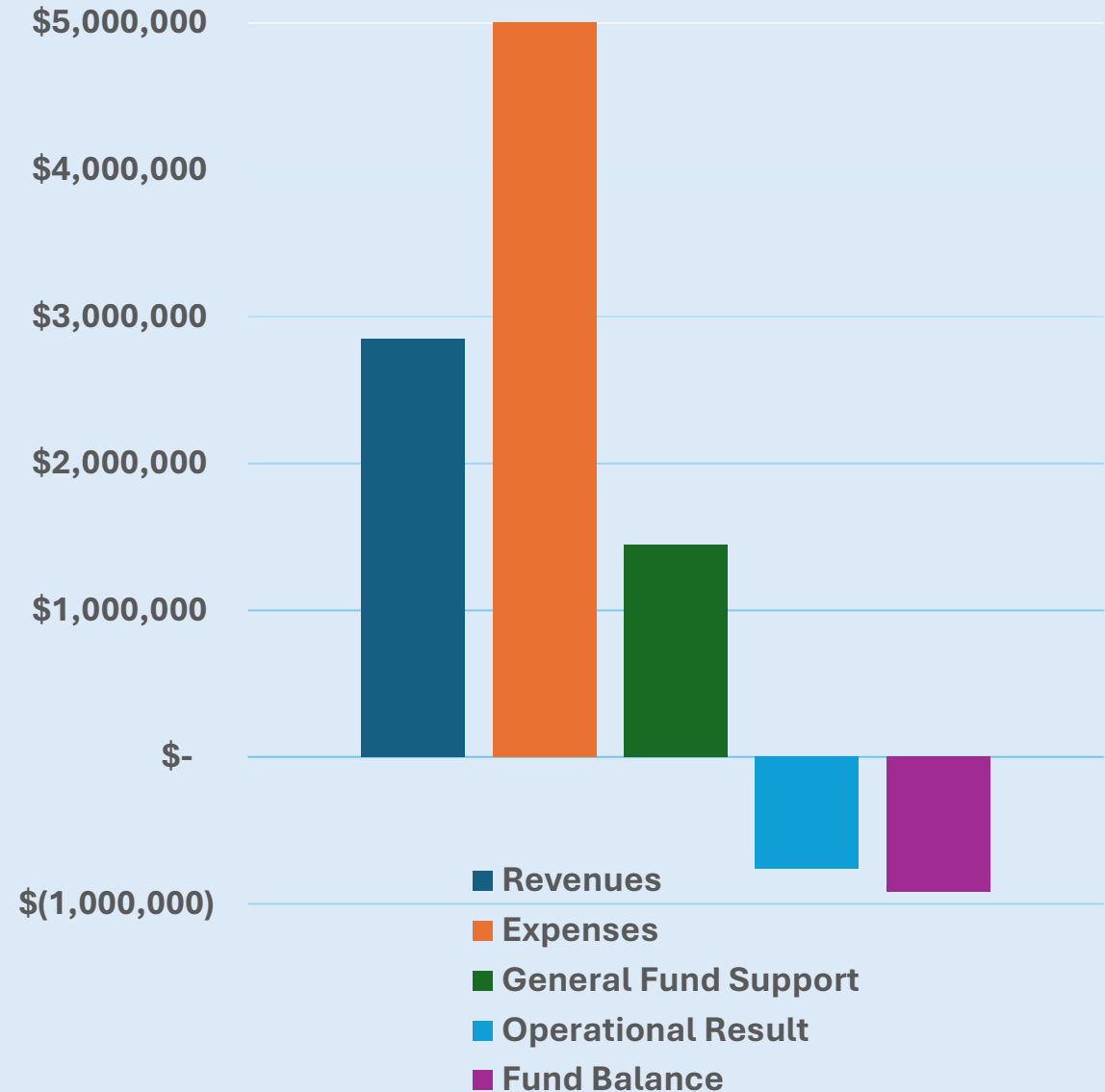
FY25 Discussion

- Potential Increased Funding Needs

- Given unbudgeted maintenance issues and the necessity to start work in April of 2025 – an additional \$750,000 may be needed in FY 2025
- Reduced revenues due to low snowfall and other issues, additional funding may be needed

- Fund Balance

- Additional maintenance needs could bring the negative fund balance to over \$900,000 in FY 2025



FY26 Discussion

• Potential Increased Funding Needs

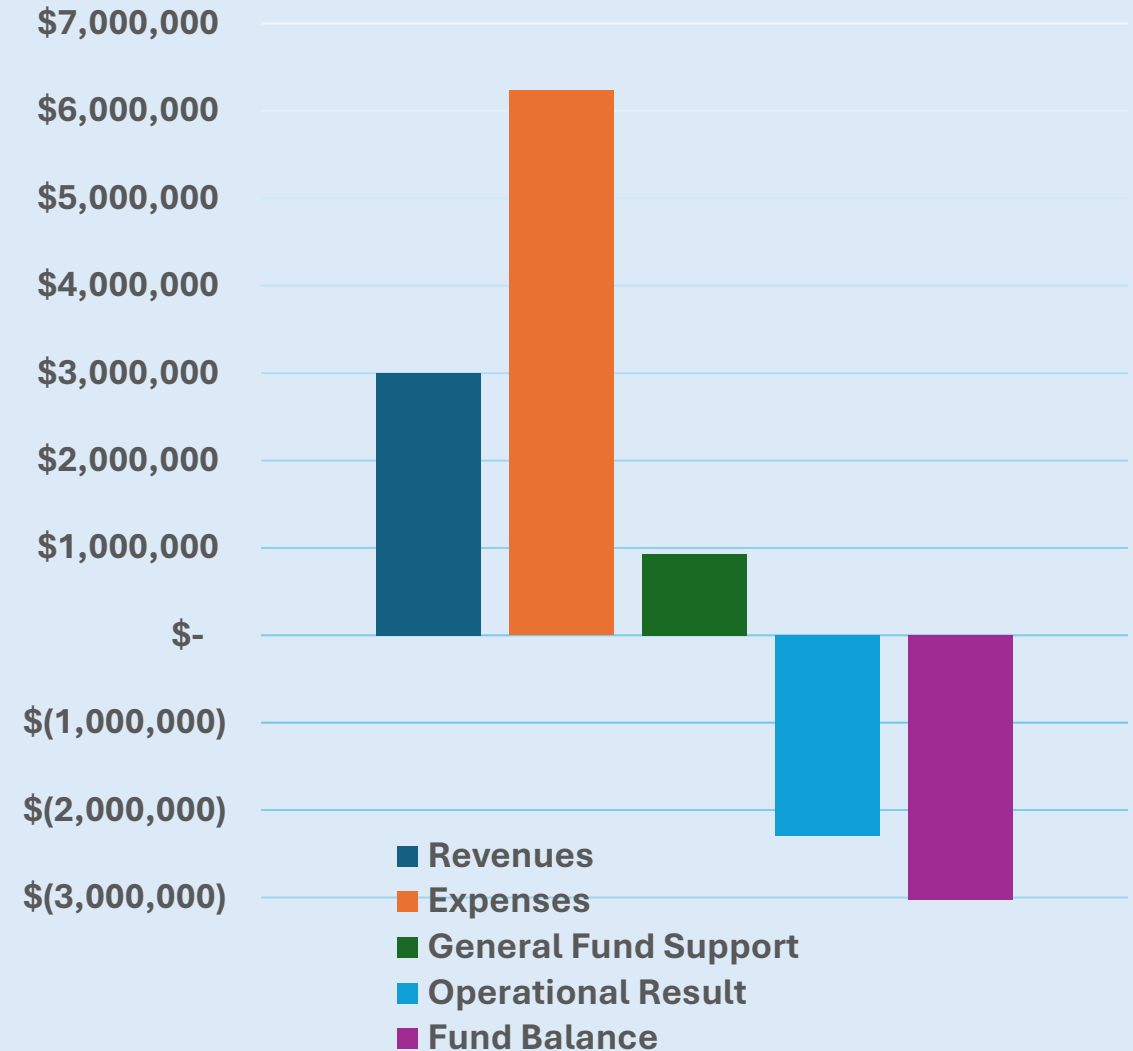
- Pay Plan Adjustments – Potentially \$800,000
- Additional Maintenance Budget – Potentially \$875,000

Potential Funding Sources

- Increased user fees – need some research to determine price resistance
- Decreased personnel costs in conjunction with increased pay plan
- Capital Improvement Funds
- Increased negative fund balance
- Grant funding possibilities
- Other sources of funding

• Fund Balance

- Could Increase to $-\$3,000,000$ (reduction in General Fund Support to 2023 level)



Adult Unlimited Passes Sold and Average Cost, FY15 to FY25 (est.)

- Adult season passes hit a high during the pandemic
- Have dropped as the price has increased
- Determining the “right” pricing for services



Current FY25 Pay Plan versus Proposed Plan

- Proposed Pay Plan Assumptions

- \$17 per hour minimum wage
- Range increase 7.5%
- Step increases 2.5%

- Impacts

- Substantial increase in the lower ranges
- Less impact on the higher ranges



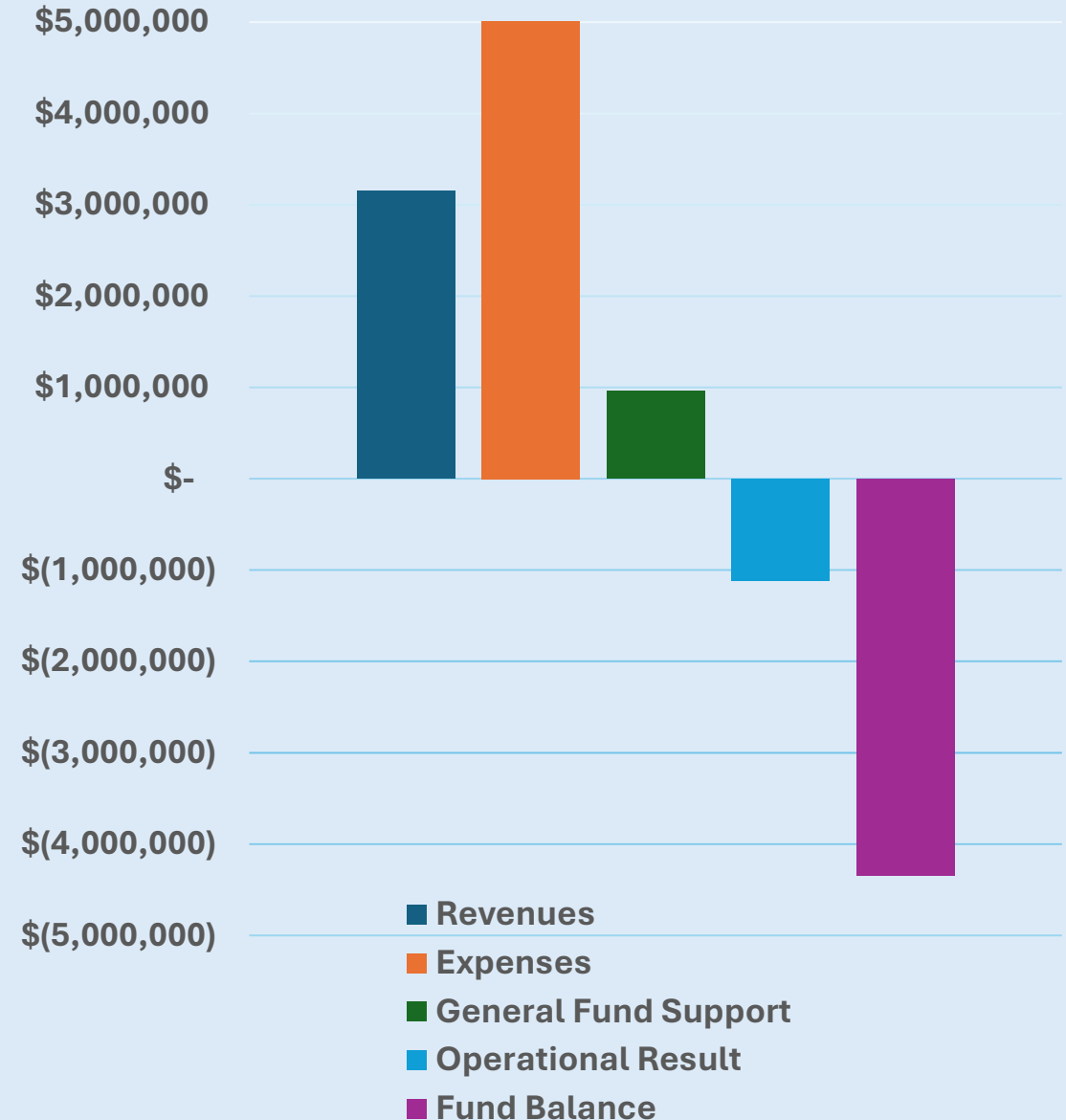
FY27 Discussion

- Assumptions

- Maintenance needs will be back to normal operations – CBJ staff will be trained with little assistance needed from external sources
- 5% increase in revenue
- 5% increase in expenses
- 3% increase in General Fund Support
- Unknown - new operational startup costs for the gondola

- Fund Balance

- Could Increase to $-\$4,000,000$

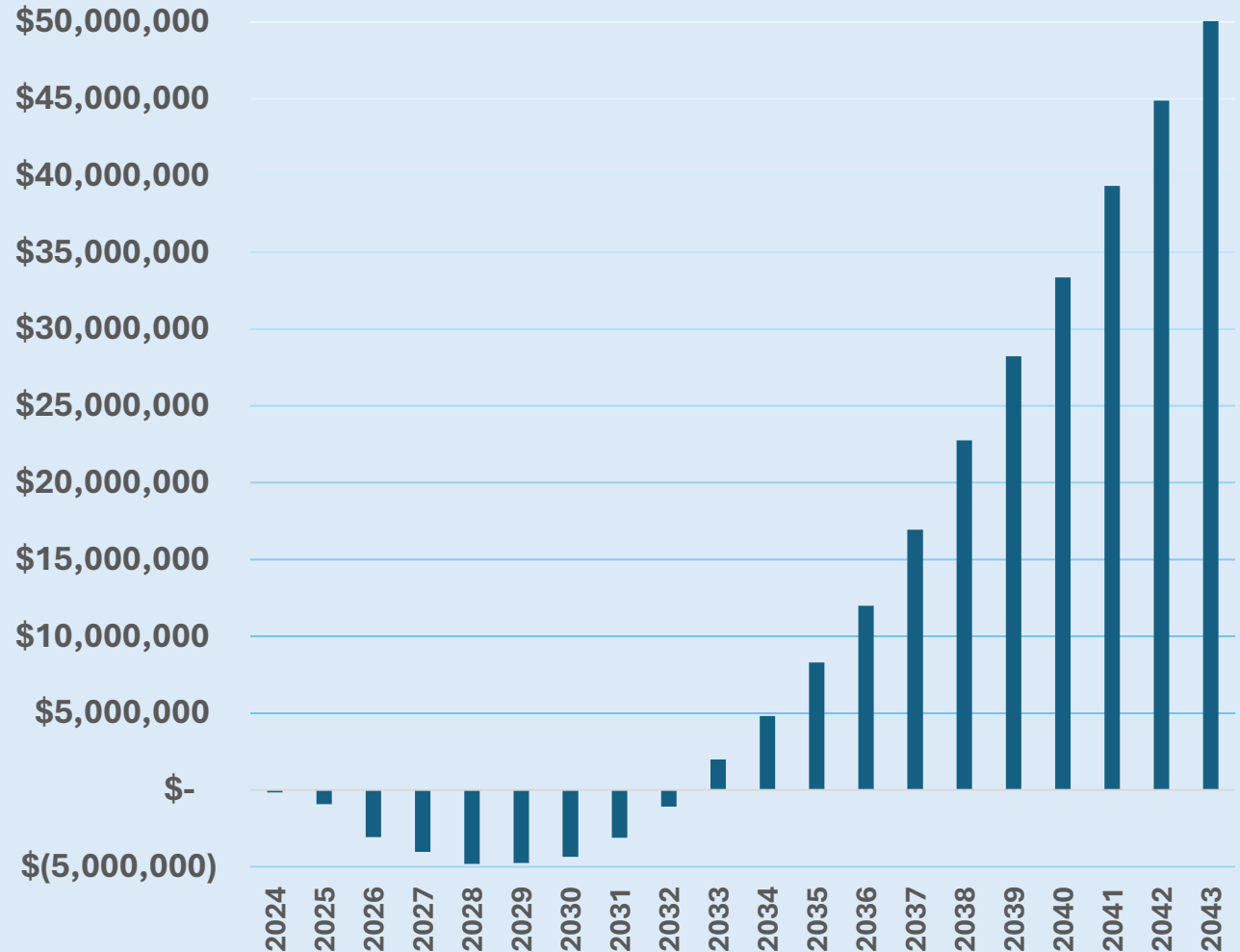


Fund Balance with Low, Moderate and Aggressive Pricing Scenarios, FY24 to FY43

- Revenue and Expense Assumptions in the Report
- Maximum Fund Balance draw ranges from \$4.1 million to \$11.8 million depending on gondola sales assumption

Price Scenario	Year of Max. Negative Fund Balance	Max. Negative Fund Balance Amount	Fund Balance in 2043 (No Reinvestment)
\$45	2035	(\$11,800,000)	\$10,200,000
\$65	2028	(\$4,800,000)	\$50,100,000
\$85	2028	(\$4,100,000)	\$61,300,000

Fund Balance in Moderate Pricing Scenario



Governance

- Past and present Eaglecrest Board members are well-intentioned, dedicated individuals volunteering their time to provide policy oversight and supervision of the manager
- Boards typically do not provide subject matter expertise
- Additional Support and Improved Protocols for Technical Issues
 - Lift Maintenance
 - Vehicle Maintenance
- Internally Generated Biweekly Financial Report
- Employee Feedback Loop Improvements

Summary & Observations

- Develop a plan for getting winter operations back on a sound preventive maintenance schedule
- Determine funding needs through FY 2027
- Explore additional/alternative funding sources
- Verify Gondola Revenue and Expense Projections
- Tackle the governance protocols to ensure continuity of operations