

Manager's Report 10-4-18

Financial Analysis:

The sales season is kicking off to a good start. In the chart below you will find the actual accrued revenue and expensed to this date in each year represented in this table. We had a very successful Discover Eaglecrest generating \$91,000 the day of the event. We are expecting big round of online sales just after PFD's get deposited. We are stepping up our equipment repairs and are up slightly on Maintenance Expenses.

	FY 11	FY 12	FY 13	FY14	FY15	FY16	FY17	FY18	FY19
Sales	Actuals	Actuals	Actuals	Actuals	Actuals	Actuals	Actuals	Actuals	Actuals
Ski School Fees	\$ -	\$ -	\$ 4,418	\$ 9,087	\$ 18,934	\$ 13,684	\$ 7,696	\$ 11,962	\$ 21,081.00
Ski Lift Fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Advance Ticket	\$ 1,584	\$ 2,032	\$ 1,185	\$ 1,405	\$ 2,982	\$ -	\$ -	\$ 2,514	\$ -
Season Ticket	\$ 26,677	\$ 47,604	\$ 49,168	\$ 59,286	\$ 87,031	\$ 43,813	\$ 32,442	\$ 55,393	\$ 67,180.02
On Line Season Pass Sales	\$ 32,382	\$ 41,276	\$ 48,454	\$ 68,391	\$ 86,032	\$ 30,905	\$ 38,939	\$ 70,138	\$ 78,773.75
Bus Fees	\$ 69	\$ 138	\$ -	\$ 306	\$ 414	\$ -	\$ -	\$ -	\$ 79.00
USER FEES	\$ 60,712	\$ 91,050	\$ 103,225	\$ 138,475	\$ 195,393	\$ 88,402	\$ 79,077	\$ 140,007	\$ 167,114
Retail - Soft G	\$ 85	\$ -	\$ 25	\$ 173	\$ -	\$ 358	\$ 33	\$ -	\$ 143
Food Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Ski Repair	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
SALES	\$ 85	\$ -	\$ 25	\$ 173	\$ -	\$ 358	\$ 33	\$ -	\$ 143
Locker Rental F	\$ 12,467	\$ 30,646	\$ 35,942	\$ 34,670	\$ 30,696	\$ 15,795	\$ 48,747	\$ 24,478	\$ 22,536.00
Ski Rental	\$ -	\$ -	\$ 2,054	\$ 3,394	\$ 2,439	\$ 2,071	\$ 3,679	\$ 3,425	\$ 7,925.00
RENTALS	\$ 12,467	\$ 30,646	\$ 37,996	\$ 38,064	\$ 33,135	\$ 17,866	\$ 52,426	\$ 27,903	\$ 30,461
Total Sales	\$ 73,264	\$ 121,696	\$ 141,246	\$ 176,712	\$ 228,528	\$ 106,626	\$ 131,536	\$ 167,910	\$ 197,718
Expenses									
Personnel Costs									
Ski Area Administration	\$ 114,549	\$ 68,364	\$ 63,807	\$ 118,721	\$ 111,564	\$ 117,998	\$ 121,963	\$ 121,892	\$ 114,787
Ski Rental Shop	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Ski Patrol Program	\$ -	\$ 36	\$ 5,408	\$ -	\$ (34)	\$ 137	\$ -	\$ 303	\$ -
Lift Operation Program	\$ 48,698	\$ 37,781	\$ 35,718	\$ -	\$ -	\$ 131	\$ -	\$ -	\$ -
Maintenance Program	\$ 20,318	\$ 25,351	\$ 14,739	\$ 37,906	\$ 35,517	\$ 12,111	\$ 20,528	\$ 16,399	\$ 33,936
Lodge Operations Program	\$ 397	\$ 2,015	\$ 9,318	\$ 5,257	\$ 5,709	\$ 6,774	\$ 4,889	\$ 5,785	\$ 6,813
Food Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Marketing/Special Events	\$ -	\$ -	\$ 1,623	\$ 1,426	\$ -	\$ 2,680	\$ 234	\$ 1,338	\$ 2,434
Ski School Program	\$ 78	\$ 66	\$ 1,572	\$ 15,506	\$ 14,913	\$ (661)	\$ 3,337	\$ 5,566	\$ 565
Total Personnel Costs	\$ 184,040	\$ 133,613	\$ 132,185	\$ 178,816	\$ 167,668	\$ 139,169	\$ 150,950	\$ 151,283	\$ 158,535
Other Expenses									
Ski Area Administration	\$ 74,969	\$ 62,591	\$ 61,568	\$ 55,940	\$ 56,332	\$ 54,754	\$ 50,335	\$ 88,214	\$ 76,113
Ski Rental Shop	\$ 1,016	\$ 5,635	\$ -	\$ 871	\$ -	\$ 1,360	\$ -	\$ -	\$ 770
Ski Patrol Program	\$ 780	\$ 250	\$ 8,115	\$ -	\$ 2,602	\$ 10	\$ -	\$ -	\$ 323
Lift Operation Program	\$ 4,383	\$ 5,651	\$ 1,703	\$ 1,809	\$ 1,907	\$ 540	\$ 1,495	\$ 1,591	\$ 495
Maintenance Program	\$ 7,921	\$ 7,359	\$ 2,969	\$ 33,777	\$ 2,110	\$ 1,908	\$ 2,468	\$ 2,016	\$ 12,182
Lodge Operations Program	\$ 3,260	\$ 5,762	\$ 6,219	\$ 9,842	\$ 2,906	\$ 3,792	\$ 2,782	\$ 5,437	\$ 7,803
Food Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 97	\$ (131)
Marketing/Special Events	\$ 7,980	\$ 2,442	\$ 2,495	\$ 1,040	\$ 719	\$ 1,638	\$ 868	\$ 4,263	\$ 4,478
Building Maint/Utilities	\$ 1,767	\$ 2,567	\$ 1,422	\$ 4,703	\$ 105	\$ 120	\$ 189	\$ 215	\$ 2,494
Ski School Program	\$ 43	\$ 550	\$ -	\$ 105	\$ 684	\$ 178	\$ 487	\$ 971	\$ 622
Equipment Replacement	\$ 25,000	\$ 16,667	\$ 16,667	\$ 16,667	\$ 16,667	\$ 16,667	\$ 16,667	\$ 25,000	\$ 16,667
Vehicle Maintenance	\$ 13,195	\$ 6,060	\$ 1,484	\$ 891	\$ 170	\$ 148	\$ 3,912	\$ 1,626	\$ 7,856
Total Other Expenses	\$ 140,313	\$ 115,533	\$ 102,641	\$ 125,644	\$ 84,201	\$ 81,115	\$ 79,203	\$ 129,430	\$ 129,672
Total Costs	\$ 324,353	\$ 249,146	\$ 234,827	\$ 304,460	\$ 251,869	\$ 220,284	\$ 230,153	\$ 280,713	\$ 288,207

Project Update:

Snowmaking: Our snowmaking expansion project is moving full steam ahead. Our 2400 feet of pipe arrived at the mountain on September 13th. The pump station equipment arrived the week after on September 20th. Harri Plumbing and Heating won the contract for the welding and fabrication of the pipeline and pump station. The welding crew began their work on Monday October 1st. Harri Plumbing is providing two welders to our job to maximize our timing an efficiency. We are optimistic that the project will move along faster than we expected. We have

hired on a couple of laborers to assist with the prep work and increase efficiency. We have currently gotten around 500 feet of pipe pulled up onto Sourdough.

Black Bear Generator and Pump Station: We were able to get the new Black Bear Generator put into position on September 26th with the help of Dave Hanna using a boom truck from Tyler Rental. We also were able to get the pump house container in position on it's new gravel pad setting on four large concrete blocks from Alaska Concrete Castings, which will allow us access to be able to shim and level the container to accommodate for any frost heaving or settling that may occur. We are going to be working with CBJ engineering on term contract to get the electrical connections for both Black Bear Generator, Pump Station along with some snowgun outlets.

Cropley Lake Intake Pipe: We have agreed to the design of an improved screen to be placed over the mouth of the snowmaking pipe with our Fish and Game Biologist Greg Albrecht. We are planning to get the new screen installed the third or fourth week of October prior to the start of the snowmaking season. Greg is going to issue us a fish passage permit that will bring us into compliance with new Fish and Game standards. We have also reached the determination that we should maintain approximately 4.5 feet of water over the top of the intake pipe which will ensure that the fish habitat and intake screen will be protected. Now that we have reached these conclusions I will also be following up with DNR to discuss modifying our water rights to allow for a faster draw down rate in the early portion of the season as long as we are maintaining the proper lake height overtop of the intake.

Bar Renovations: With a lot of hard work we were able to get the new bar up and running for Discover Eaglecrest Day to give people a taste of what it will look like for the coming year. We still have a couple weeks of finish work left to do before the final DEC inspections can be completed.

Mountain Bike Study and Continued Summer Operations Planning: The Gravity Logic Mountain Bike Consultants started their feasibility study on Monday October 1st. In preparation for their arrival we have spent time looking over the best use of the land around the base area for a cohesive summer program that will not impact current summer use. In doing this we have identified the area above the Porcupine Lift and old Tube Park as holding a lot of potential for developing number summer activities. We have previously discussed siting a potential mountain coaster in this area. We spent some time evaluating this with the Mountain Bike Consultants to be considered as an operating alternative in their final report. The bulk of this area falls on State Land that was identified in all previous Master Plans as an area suitable to active alpine development. I had a conversation with the State Land Managers prior to the start of our mountain bike study to discuss future use of this land area for our summer operations and was given some options on how to secure land use.

The Aquatic Development Group mountain coaster designers that I met while on my trip out east at Berkshire Mountain were in Seattle last week for a conference and came up for a site visit to ground truth their proposal they had previously provided for us. This trip was at no cost

to us. Brain Davies and I walked the entirety of their tentative design area with the two representatives and determined that the ground was indeed buildable. The average slope angle is at the upper end of steepness of a workable slope and in their minds would provide for a good exciting ride.

New Lower Loop Nordic Entrance: We are in the last stage of wrapping up the construction of a new entrance ramp to the Lower Loop that will start right at the parking lot level directly behind the loading and unloading zone. We were able to use some of the left over timbers that came out of the old bridge and fortified the logs with large boulders. We also used some of the fill that had been dug out of the Porcupine Lodge foundation and then capped off the ramp with crushed gravel. The ramp is currently wide enough for the snowcat to fit on it making it possible to use the entrance ramp as soon as we start grooming for the season. As Natural snow accumulates on the ramp we will be able to lessen the pitch of the ramp making it more beginner friendly as the year goes on.

Mt Operations: We had our annual preseason insurance inspection of the ski lifts on September 24th which is about a month earlier than typical. The inspection went well with the inspector commenting that “I am very pleased with your team’s knowledge and passion for ski lift maintenance and repairs. The lifts are in fine shape and your team will certainly continue to learn, grow and be successful.” The Maintenance Team has now gotten Ptarmigan back up and spinning and are fine tuning the alignment of the top bullwheel after the ramp construction and are into line work. Work has also started on Black Bear Chair to make sure it is up and ready for the season with the new generator. The crew is also just finishing resurfacing plywood on the top ramp of the Hooter Chair making sure it is ready for operation.

Trail Crew Updates: Progress continues on the preparation by mowing of the lower mountain ski trails. We are bringing on a couple more staffers next week to assist. The crew is making good progress.

Snow Sports School, Rental, Retail and Repair:

Rental/Retail/Repair

- Confirming Rental & Retail orders with all vendors
- Confirming Rental & Retail Shipping dates with vendors
- Waiting for start date on Repair shop ventilation project- Repair shop will not open until work is complete
- Hiring/ Interviews
- Updating Training information
- Update sales information
- Scheduling Wintersteiger Tech for equipment annual maintenance Oct /Nov
- Sales for Season Rentals going well
- Zipline has moved out and we are setting up the rental shop

Snowsports School

- Hilary Lindh Applications are now available, Application deadline Nov 4th

- Hilary Lindh Winners announced Nov 19th
- 5th Grade Passport applications are now available for students
- Books 2 boards coordinator has started, meetings with schools are being scheduled
- Thanks to Eaglecrest Foundation- Jim Calvin and Jeffra Clough who wrote the Holland America Community Grant and received support for the Book 2 Board program for the Purchase of gloves and goggles.
- School Group coordinator will start Mid October- Have schools reaching out already
- Contact updates for Homeschool, info and enrollment will open soon.
- Program information and Signups are in full swing.
- Pass Reciprocals continue to grow as does the Freedom Pass Group
- Pass perks are available
- Hiring/Interviews
- Training SSS Sales staff and ticketing staff
- All Lesson and Tracking information updated
- Intouch- Reports have been fixed updates made
- First Student bus Contract Finalized
- Handed over the Marketing To-do, contracts, timeline and duties
- Eaglecrest Foundation had some donations from Discover EC Day
- Sail/Orca having annual Dinner/Auction Fundraiser Oct 20th – honoring Jeffra Clough

Base Operations: We had our primary sales rep in town from Intouch, our POS Company for some focused training with the front office staff. Things have been getting busy as sales are rolling in and new staff being trained.

Marketing

- Rebuilding website from scratch (it's coming along really nicely)
- Raising awareness about all of Eaglecrest's impressive offseason accomplishments
- Increasing Eaglecrest's preseason presence
 - Collaborating more with Snovember and APD, so that our annual ski film season is programmed better
 - Working with Liz Smith for Juneau Ski Sale
 - Launching special preseason events scheduled around Tier 1 & Tier 2 deadlines, raising awareness for pass sales
- Starting campaigns to bring more independent travelers to Juneau in the winter
 - Working with Travel Juneau, JEDC, and local hoteliers and transportation services
 - Promoting Eaglecrest at 13 Warren Miller show in Washington state as national tour sponsor

- We get free sponsorship in exchange for a free lift ticket voucher to all film-goers
 - Traveling for two shows in Seattle at McCaw Hall, which will draw over 3000 people.
 - Restarting our boarding pass / lift ticket program with Alaska Airlines, Alaska Seaplanes, and AMHS
 - Preparing regional campaigns for Whitehorse, Haines, Skagway, Sitka, and Ketchikan
- Hiring a part time media coordinator, specializing in professional video production
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Events: We had a very successful Discover Eaglecrest day with great attendance. The lift rides were popular as usual. Many of the people really enjoyed seeing the new pub space that will be called the “Old Tower Bar”. People were also very excited to hear about all of the snowmaking improvements, the generator for Black Bear and the Mountain Bike Study. The Juneau Mountain Bike Alliance hosted a Mountain Bike Race on the Sourdough Bike Trail that had over 25 racers in attendance.

Community Engagement: We attended the Juneau Whitehorse Economic Development Summit to build partnerships with Mt Sima and discussed ideas for joint marketing with The Yukon. Carl Ramseth from Alaska Seaplane made the trip possible providing our round trip flight and is interested in doing some experimental flights between Juneau to help rebuild the ski business between Eaglecrest and Whitehorse. We also had a chance to have many productive conversations with the representatives from Travel Juneau and Juneau Economic Development Council around attracting more independent travelers and the ideas for Eaglecrest Summer Operations.