

Manager's Report July 2019

Financial Analysis:

The chart provided below show our unaudited yearend projections for FY 19. The City of Juneau typically finishes their yearend departmental audits in September or early October. Our yearend expenses and end of the year inventory adjustments have come in less than originally expected. We are currently projecting to end the year with a positive balance of \$101,000. During the end of the year Audit there will be smaller adjustments to our Accrued Leave

balance that may affect our overall Eaglecrest Fund Balance. We finished FY 18 with a Fund Balance of \$65,531. The Fund Balance at the end of FY 17 was \$119,495. Our current projected end of the year Eaglecrest Fund Balance for FY 19 will be \$167,481. I want to thank all of the Department Heads for the work this season on managing their expenses to the bottom line while dealing with challenging weather conditions that at times limited the potential to drive revenue.

FY19 Expense through 6/30/19					
Total Labor					\$ 1,321,101
Total Other Costs					\$ 956,755
Estimated Costs (inventory, pcard, utilities)					\$ 30,000
Combined Expenses					\$ 2,307,856
Ski School	235010101	4310	3		\$ 119,295
Food Service	235010101	4420	1		\$ 117,713
Bus Fees	235010101	4310	2		\$ 6,632
Lift Fees	235010101	4310	1		\$ 175,588
Season Passes	235010101	4330			\$ 643,202
Lockers	235010101	4560	1		\$ 58,370
Retail Sales	235010101	4510			\$ 26,553
Ski Rental	235010101	4560	2		\$ 99,880
Ski Repair	235010101	4420	5		\$ 20,594
Vending	235010101	4420	2		\$ 1,818
Contributions	235010101	4110			\$ 175,100
Contract Rev	235010101	4380			\$ 47,258
Lodge Rentals	235010101	4550			\$ 16,589
Gift Cards	235010101	4514			\$ 515
Permit Rev	235010101	4410			\$ 63,102
Cash over/short	235010101	4799			\$ 1,076
Misc Rev	235010101	4800			\$ 973
AR Interest	235010101	4800	402		\$ 1,114
					\$ 1,575,370
CBJ funding	(gen fund, road service)				\$ 725,000
DPFH booked Rev	total FY19				\$ 109,445
Combined Revenue					\$ 2,409,815.76
over/(short)					\$ 101,960

Departmental Overview:

Mountain Operations:

One of the large projects that was completed this month was the work on our Underground Fuel Storage Tanks. Due to a lot of hard work from staff the final project costs came in well below budget as all of the preparatory work on the job site from staff greatly reduced the hours that the contractors were onsite. The old fuel lines have been now properly decommissioned and new spill containment basins installed on all tanks. Soil samples revealed no contamination. Work in the shop yard is underway to provide an efficient parking area for snowcats during the winter season that will protect our underground storage tanks from any damage.

During servicing to the Porcupine Chair lift it was found that excessive wear on the gears are warranting a full rebuild of the gear box. We have put the job out to bid and have the gearbox ready for transport to the lower 48 for repairs. The job is estimated to take as long as 18 to 20 weeks for completion. All other work for Porcupine Chair Lift has been completed to allow the lift to be back up for service as soon as the rebuilt gearbox returns to the mountain.

We are also putting out for bid the resplicing to shorten the Ptarmigan Chair Lift haul rope as it has stretched beyond its proper length. Additional work on Ptarmigan replacing sheave wheels, testing electrical circuits and replacing tower derail switches as needed is ongoing.

Prep work and initial fabrication of the steel gantry assemblies for the RFID gates is underway with the targeted install for the gantry's to be in mid-August. The needed electrical and communications work for installation of the RFID gates has begun.

Seasonal repair and servicing to the snowcats is ongoing.

The back deck to the Fishcreek lodge has been completely stripped of its old membrane that has been leaking into the locker room below. The deck is being properly resurfaced to ensure that it will be watertight for the season ahead with a new epoxy coated surface.

Preparation to continue pipe welding has been completed and is ready for the welding crew to arrive onsite. Concrete blocking has been positioned at the pipe seams, which will allow very efficient work flow and provide significant cost savings.

Preparation for permanent mounting of all needed parking lot signage has been completed with installation scheduled in the next two weeks.

Trail Crew:

The crew is working hard! It is great to start back with 3 returning crew and one eager newcomer. Here is a partial list of items accomplished: improving the snow making pipe crossing for skiers and riders on Lower Insane. Building a larger log bridge crossing for easier early season access to L. Spruce Chutes from Log Jam. Alder pulling and whipping on the Lower Nordic rock trail. Brushing and thinning of the Wolverine exits onto L. Mother Load and the

bottom of Face. Evergreen thinning from the top of Face to and through Wolverine chutes 1-3. Pole sawing and some brushing in Hilda Glades. Assisting Gregg with the preparation for the underground tank inspections.

Sourdough Mountain bike trail Improvements based on rider inputs and observations. With the cooperation of volunteers and donations from SJS excavation for equipment use and hauling. We were able to make some major modifications and improvements to lower section of the trail on Ego. We reshaped seven turns and capped them with recycled asphalt. Moved and reshaped the original tabletop made it larger with two options provided for the take off. Added Whoops de dos and additional little enhancements. Modified the MTB trail exit and merge on to the summer road to provide the presence of better traffic separation and a proper deceleration zone. From the initial comments about the new improvements, folks are stoked! We think that this new flow will attract more ridership of all abilities. Really, want to thank all that helped to make these changes become a reality!

Base Operations:

It has been a very busy time for base operations finalize all contracts and purchasing documents for the point of sale upgrades with InTouch and Axxess RFID gates. This has included many conference calls to sort out proper payment processing with the new webstore and CBJ treasury with the InTouch payment processor. Migration of all data to the new platform will be starting in the next week.

Base Operations has also been working diligently with Mt Operations and the Purchasing Department on the RFP for the repair of the Porcupine Gear Box and the Haul Rope splicing and inspection work.

Fiscal Year 19 close out has been completed. New Purchase Orders with our vendors are now open for Fiscal Year 20 as we launch into the new fiscal year. Much assistance has been provided in the editing and strategizing on the Summer Development and Financial Plan.

SSS and RRR

Rental, Retail, Repair

- Starting Hiring- Rental Supervisor, Retail Sales, Rental Techs
- Shop supplies/tools orders
- Retail supplies, Shirts, Sweaters, Hats, stickers, sunglasses
- Working with Marketing on Final logo touches
- Completed CBJ inventory audit
- Collecting/ inventory of signs for Rental

Snowsports School

- CBJ Employee Clean up
- Hiring Starting
- Finalized SSS programming schedule
- Working with Marketing on SSS brochure
- Scheduling PSIA/AASI Clinics/ Certifications
- All SSS forms Updated
- Organizing SSS Coordinator jobs/duties- making staff changes
- Working with Sail/Orca on Programing and Year end wrap up
- Instructor training outlines, FY20 information packets
- Intouch Programming of Reservations
- Intouch programming of Programs/ Events
- Intouch Software updates

Marketing Department:

The Marketing Manager has been extremely busy finalizing the Eaglecrest Summer Development plan for the Public Works Committee Meeting on July 1st. The development plan was then published on the Website on July 1st. The final package went through many revisions by the administrative staff team with input from two meetings of the Board Planning Committee. The Marketing Manager has also produced a power point presentation and other materials used in previous and upcoming public meetings.

After over six months of work on redesigning the historic Eaglecrest logo and ensuring that the logo is culturally appropriate, we are ready to officially announce the return of Eagle logo. Rosita Worl and Donald Gregory from the SeaAlaska Heritage Institute reviewed the historic logo and made necessary update to ensure it's authenticity and to give us approval to bring back this logo with proper respect to the Native Alaskan Culture. Erin Lupro Director and SSS and RRR has been communicating with Rosita and collaborating with Charlie Herrington the Eaglecrest Marketing Manager along with Alaska Litho to finalize the design for use on all future on Eaglecrest retail and promotional material. Below is a copy of the thank you letter sent to Rosita and Donald. Also below is the final version of all of the different logos that will be used on future media.

Charlie has also developed a specific "Eaglecrest Font" to be used in conjunction with all Eaglecrest written material. This new font will be downloadable to everyone to use as an option with Microsoft work our Outlook.



April 19, 2019

**Rosita Worl PhD
Donald Gregory
Walter Sobeloff Building
105 S Seward St.
Suite 201
Juneau, AK
99801**

We want to thank you for answering our questions about respecting cultural property and cultural appropriation. We were very excited to learn we could use the eagle logo and to honor the traditions of formline design.

Except our old eagle design is apparently more appropriately described as a hawk. We are forever grateful to SHI and Donald Gregory's for the revised design that we can display proudly knowing we have permission to use it and that it adheres to traditional design standards.

It is our plan to roll out the new version of the original Eaglecrest design as our main logo beginning in the season of 2019/2020. It will be used in all our advertising, print marketing campaigns and retail goods moving forward. We plan on recognizing SHI, Donald Gregory and Rosita Worl for bringing new life to our original logo. We will have a page on the Eaglecrest website that shares our gratitude in making this all possible.

If you have questions or concerns please do not hesitate. I can be reached at 790-2000 ext 219 or Email Erin.Lupro@skjuneau.com

Sincerely

**Erin Lupro
Director of Snowsports School, Rental, Retail, Repair
Eaglecrest Ski Area**



Summer Operations Planning and Meetings Update

On July 1st at 12:00pm the Eaglecrest Manager brought the Eaglecrest Summer Adventure Center Concept to the Public Works Committee. The Agenda meeting was quite full with other topics that limited the presentation time to the committee. The basis for the financial analysis was discussed as well as the public meeting process and research into different financing mechanisms moving forward. This created the opportunity for initial questions from Committee Members. There seemed to be a good level of interest. The Manager will be coming back to this meeting with his findings around early September.

On July 1st at 6:00pm the Manager had a meeting with representatives from the North Douglas Neighborhood Association where he gave a full presentation of the project. After the presentation, a very engaged two-way conversation was had with open strategic thinking and collaboration on ways to mitigate potential negatives of the project. Increased buss traffic on North Douglas, preservation of quiet spaces and local use, and future overcrowding of the area were the primary concerns expressed by the group.

The next meeting is at the Chamber Luncheon on July 11th at 12:00 at the Moose Lodge. On July 16th a 6:00pm we will have our first large public meeting at Elizabeth Perotrovitch Hall. On July 18th we will have our second Public Meeting at the Valley Library at 6:00pm.

We are working with the City of Juneau Finance Director, the Manager's Office, and Purchasing Department to publish a Request for Interest document to help us gauge the level of interest from the private sector in collaborating with Eaglecrest and the City of Juneau on the Eaglecrest Summer Adventure Center. Currently in the draft solicitation, we are asking the questions below to be answered by all respondents.

Please provide the following information in response to this RFI.

1. Overview of your business and corporate structure.
2. Is your interest limited only to summer operations, a particular aspect of the proposed summer operation or in year-round operations at the Ski Area?
3. Identify which partnership aspects listed below interest you most and why.
 - a. Financial Investment Partner
 - b. Development Partner
 - c. Future Operations
 - d. Interest in purchasing the asset outright to pursue future year-around development and operations.
4. Is your company currently active in the Juneau or Alaska summer visitor industry? If yes, please describe.
5. What unique attributes does your company bring to the opportunity that may make you a uniquely qualified partner?

6. If interested in partnership opportunities will you have an interest in working with the Alaska Industry Development and Export Authority (AIDEA) to learn about potential low interest financing? Has your company worked with AIDEA on past projects?
7. Does your company have Ski Industry Experience?