



# EAGLECREST BOARD OF DIRECTORS AGENDA

January 02, 2025 at 5:30 PM

Valley Library Large Conference Room/Zoom Webinar

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Join Zoom Meeting:

<https://juneau.zoom.us/j/88259484580?pwd=Z0dyTUdKdHh4ZEY0STU0N1M0VnovZz09> or dial 1-253-215-8782  
and enter Meeting ID: 882 5948 4580

Passcode: 372236

- A. ROLL CALL**
- B. APPROVAL OF AGENDA**
- C. APPROVAL OF MINUTES**
  - [1.](#) November 7, 2024 Eaglecrest Board Meeting Minutes
  - [2.](#) December 5, 2024 Eaglecrest Board Meeting Minutes
- D. PUBLIC PARTICIPATION**
- E. MANAGERS REPORT**
  - [1.](#) Operations Update
  - [2.](#) Gondola Project Update
- F. UNFINISHED BUSINESS**
  - [1.](#) Review of Duncan Report (to be published when available)
- G. NEW BUSINESS**
- H. COMMITTEE & LIAISON REPORTS**
- I. PUBLIC PARTICIPATION**
- J. BOARD OF DIRECTORS' COMMENTS AND QUESTIONS**
- K. NEXT MEETING DATE**
  - 1. Eaglecrest Board Regular Meeting – February 6, 2025
- L. ADJOURNMENT**



# EAGLECREST BOARD OF DIRECTORS AGENDA

Nov 7, 2024 at 5:30 PM

Porcupine Board Room/Zoom Webinar

Eaglecrest Ski Area - Porcupine Lodge

3000 Fish Creek Rd or Join via Zoom

<https://juneau.zoom.us/j/88259484580?pwd=Z0dyTUdKdHh4ZEY0STU0N1M0VnovZz09>

Meeting ID: 882 5948 4580 Passcode: 372236

A. **ROLL CALL:** Meeting Called to order by Norton @ 6:03 p.m. In attendance: Norton Gregory, Hannah Shively, via Zoom, TJ Mason, Kevin Krein, Jonathan Dale

B. **APPROVAL OF AGENDA**

Motion by TJ Mason to approve the agenda. M/C

Motion by Hannah to amend the agenda to remove approval of the October meeting minutes until they are ready. A friendly amendment was proposed by Jon Dale to note that the minutes will be approved in December No objection to sub-amendment. Amendment pass unanimously.

TJ Mason moves to approve the amended agenda. Motion passed unanimously.

~~C. **APPROVAL OF MINUTES**~~

D. **PUBLIC PARTICIPATION**

Fred Hiltner: I see the opportunity to speak. Just wanted to thank Mr. Simmons and Mr. Gregory for on behalf of the Juneau Nordic Ski Club. I thank you for walking the lower loop trail with us at separate times and taking a look at a part of the trail that didn't get finished, you know, still in kind of shot rock condition. And so we took took some blocks out there, talked about a plan to join together with Eagle Crest and the Berg Ski Club board to work on that and complete that comes up as a safety issue, because sometimes the rocks are showing through and catching people stopping their skis and a nice straight away where they like to go fast and also can damage equipment. Hearing about that skis getting gouged a little bit by rock. So just appreciate you for the time that you took to walk. And I believe they were both kind of rainy days. Yeah. And look forward to continuing that conversation with me. So thanks for that. Yeah, any

questions for you?

Jim Calvin: Thank you very much. My name is Jim Calvin. I'm here representing the Eagle Crest foundation. Would just like to take this opportunity to remind the ski area board that we have a designated seat on the Foundation Board of Directors, and at the moment, it's vacant. And would like to encourage you to select someone to join our board. We have our annual meeting scheduled for December 11. It's pretty easy duty. We meet once or twice a year, but it would be a great way to facilitate communication between the Foundation Board and the ski area board. And beyond that, I'd just like to encourage anyone on the ski area board that might have any questions about the foundation, who we are, what we do, how we help, how we might help, don't hesitate to contact me. You can get my email or phone number through Craig or Erin. Like I say, don't hesitate to reach out. Thank you. Norton asked who is currently on the Eaglecrest Foundation Board. Mr. Calvin's response: George LG, Wayne Stevens, Bruce Garrison, Dave Hanna, Alex Pierce, and I know I'm gonna forget Sabrina Boone, and so we have a total of eight seats and seven people now with one one vacancy. I think Dave Hanna was our most recent Ski Area board who sat on the designated Foundation Board, and Stephanie Warpananski had been assigned to that seat. But then since she departed the board, we've been at a vacant seat available for this year. Okay, thanks. Thank you.

**E. MANAGERS REPORT**

Verbal General Managers Report provided. Please see meeting summary in AI generated summary below.

**F. UNFINISHED BUSINESS**

**1. Eaglecrest Bylaws**

The Eaglecrest Board reviewed the attached bylaws and approved each amendment individually and unanimously, and approved the attached copy as amended unanimously.

**G. NEW BUSINESS**

**H. COMMITTEE & LIAISON REPORTS**

**I. PUBLIC PARTICIPATION**

- **Casey Krieger:** Yes, sorry about that. This is Casey Krieger. I worked at Eaglecrest the last two seasons. Yes, we can hear you. Okay, my question or comments, Craig, congratulations on the new job, and I, you know, looking forward to a great season. I've heard a lot of good things about you. Thank you. Yeah. Kristen is a phenomenal employee at Eaglecrest, and as a lift up, I often would take tourists over to her office, and she'd take comments or positive information on Eaglecrest they had to share so somebody wanted to know how to get input on tourists, or, you know, maybe people that don't come to Eagle Crest often. And I'm just recommending to Craig maybe be a little more on the ground and ask the people that are seeing, you know, the tourists every day and speaking with them. And that would help in the future. Secondly, I just traveled through Juneau or through Anchorage and maybe advertising could get something going at the anchorage International Airport, the Juneau airport, and maybe around town, you know, a few banners or signs promoting Eagle Crest and how awesome it is for the community. well, I didn't see any signs or information on Eagle Crest at anchorage International. And I Yeah, and I didn't see any in Juneau. But you know, most people go through the airports, and I think if we hit it hard with some advertising, that would really help.
- **Mariah Thibideau:** Yes, let's see. I had a question a couple weeks ago. It probably was early spring, maybe late winter. I asked about the cost of the j1 program, and all of the associated costs with it, with all the j1 people coming up to work, and I still haven't gotten a response from that. And I'm also curious, because I know a lot of people who live year round in Juneau find it a hardship if they're paying like, average rent is like 1500 for a one bedroom, and they find it the cost of the hourly wage. It's hard to pay rent. And you know, of course, we have to live year round, where, when the J ones are coming up, they're offered housing that's within the price range of what they're earning, and they don't, they're not renting and looking for a place year round. So it is harder for locals to survive on that money, because I know turnover is something that you know lowers the experience at Eagle cross with the turnover of staff, and it's almost talked about at every meeting. And then the other one is how the J ones are associated with that. What making it hard on the locals is the J ones are guaranteed 40 hours a week. And the locals, I don't know of any well, except maybe the full time people that get 40 hours a week.

**J. BOARD OF DIRECTORS' COMMENTS AND QUESTIONS**

**K. NEXT MEETING DATE**

Eaglecrest Board Regular Meeting – December 5, 2024

**L. ADJOURNMENT**

Motion by Hannah to adjourn at 7:44 p.m. M/C

## AI generated meeting notes:

The board reviewed and approved the amended bylaws, addressing key changes such as the president's role as a voting member on committees and the Secretary's duties. They discussed the potential impact of a new via ferrata course on Gold Belt operations and scheduled a Finance Committee meeting for November 14th. Craig Cimmons reported on various operational updates, including trail maintenance, equipment repairs, and staffing. Kristen Strom highlighted marketing initiatives and the upcoming Black Bear and Beyond event. The board also addressed the need for a new Public Relations Committee member and the importance of maintaining flexibility in future planning. The meeting scheduled for Tuesday, December 12, at 5:30 PM will be a Zoom-only session. December meeting dates will be finalized at the next meeting. The Planning, HR, and Finance committees did not meet last month. Public feedback included suggestions for increased on-ground engagement with tourists and advertising at airports. Concerns were raised about the J1 program's impact on local housing and employment. The next board meeting is set for December 5 at the Valley Library, with a Zoom option. The board discussed the importance of addressing the 2026 budget and long-term financial projections.

### Action Items

- [ ] Schedule finance committee meetings in December.
- [ ] Invite Angie and the Assembly liaison to the finance committee meetings.
- [ ] Provide financial information to the board ahead of the finance committee meetings.
- [ ] Follow up with Mariah regarding the costs associated with the J-1 visa program.

### Outline

#### Approval of October Meeting Minutes and Agenda Amendments

- NORTON GREGORY addresses the issue with the AI-generated October meeting minutes and suggests removing approval of those minutes.
- Hannah Shively motions to remove the approval of the October minutes
- Jonathan Dale proposes approving the October meeting minutes at the December meeting
- The motion to approve the amended agenda is made by Thomas Mason TJ which is approved by the board.

#### Public Participation and Eaglecrest Foundation Vacancy

- Jim Calvin from the Eaglecrest Foundation addresses the board, highlighting a vacant seat on the Foundation Board and encourages the board to fill it.
- NORTON GREGORY asks Jim Calvin to list current Eagle Crest Foundation members, who are George LG, Wayne Stevens, Bruce Garrison, Dave Hanna, Alex Pierce, and Sabrina Boone.
- Fred Hiltner thanks the board for walking the lower limb trail and discusses plans to join forces with Eagle Crest and the Berg Ski Club to complete the trail.
- NORTON GREGORY opens the floor for any other public participation, but no one else comes forward.

#### Manager's Report and October Updates

- Craig Cimmons provides an update on the supervisor position, mentioning the potential new hire and ongoing work on one-year contracts.
- The foundation approved supporting liability insurance for the UAS contract, which is a significant opportunity for Eagle Crest.
- Craig Cimmons discusses the need for admin help and the efforts to hire and purchase necessary items, with Angie and Adrian from the finance department assisting.
- Kellen Cousins shares updates on October activities, including trail cleanup, hydroelectric room organization, and firewood container construction.

#### Patrol Updates and Marketing Coordinator Introduction

- Justin Spurrier reports on patrol updates, including training schedules, slide for life training, and the acquisition of a cosmic ray detector for the powder patch weather station.
- Kristen Strom introduces James, the new marketing coordinator, who has extensive experience in social media and will help grow Eaglecrest's online presence.
- Kristen Strom provides updates on upcoming events, including the ski sale, end of tier two pass sale, and the Warren Miller film event.
- The board discusses the importance of tracking data, such as the number of people flying in from other cities, and the need for better data collection and analysis.

#### Bylaws Review and Amendments

- The board reviews the revised bylaws, making minor amendments and discussing the role of the president

as a voting member on all committees.

- The board decides to keep the planning committee as a committee of the whole, with the president serving as a voting member when needed.
- The board approves the revised bylaws and prepares to forward them to the assembly for approval.
- The board discusses the need for a financial committee meeting to address the immediate needs of FY 25 and plan for FY 26.

#### Discussion on Potential Via Ferrata Course

- Craig Cimmons brings up the possibility of setting up a via ferrata course on the top of the mountain, which would be accessed by the gondola.
- The board discusses the potential impact on Gold Belt and the need to maintain fair competition.
- The board agrees to schedule a follow-up discussion in January to further explore the idea and its implications.
- The board schedules a finance committee meeting for November 12th to address immediate financial needs and plan for the upcoming fiscal year.

#### Scheduling and Attendance

- Norton Gregory proposes a Zoom-only meeting on Tuesday, December 12th at 5:30 PM.
- Jonathan Dale mentions he has to leave due to his horse, and Kellen Cousins reassures him they will chat next Tuesday.
- Norton Gregory and Craig Cimmons discuss scheduling December meetings.
- Norton Gregory confirms the Planning, HR, and Finance committees did not meet last month, so there is no new business to report.

#### Public Participation and Feedback

- Norton Gregory invites public participation, and Mr. Krieger Casey provides feedback on Eaglecrest.
- Casey congratulates Craig Cimmons on his new job and suggests more ground-level engagement with tourists.
- Casey recommends advertising at Anchorage and Juneau airports to promote Eaglecrest.
- Norton Gregory confirms the Black Bear meeting details and clarifies board members' attendance rules.

#### Budget and Long-Term Projections

- Kirk Duncan discusses the need to start working on the 2026 budget and long-term projections.
- Duncan mentions the importance of three meetings to discuss and decide on budget matters.
- Craig Cimmons and Kirk Duncan discuss inviting Angie, the assembly liaison, to the meetings.
- Jim Calvin mentions he will try to attend the meeting but will be on a call until 5:45 PM.

#### J1 Program and Local Impact

- Mariah Thibedeau raises concerns about the cost and impact of the J1 program on local residents.
- Norton Gregory explains that J1 workers fill unfilled positions and do not compete with locals for housing.
- Thibedeau emphasizes the difficulty locals face in affording housing and maintaining a 40-hour workweek.
- Craig Cimmons acknowledges the concerns and suggests emailing him for more detailed financial information.

#### Board of Directors Comments and Questions

- Kevin Krein expresses excitement about the approaching ski season and the new staff.
- Thomas Mason TJ appreciates the new format of the general manager's report.
- Hannah Shively enjoys the specificity of the new report and looks forward to receiving more information.
- Norton Gregory confirms the next meeting date as December 5th at the Valley Library, with an option to join via Zoom.

#### Meeting Adjournment

- Norton Gregory asks if there are any final comments or questions from the board.
- Hannah Shively moves to adjourn the meeting, and there are no objections.
- The meeting is adjourned, and everyone thanks each other for their time.

**Bylaws of the Eaglecrest  
Board of Directors  
City and Borough of Juneau**

**Article I. Name**

- A. Name. The name of this organization shall be the Eaglecrest Ski Area (Ski Area) of the City and Borough of Juneau, Alaska, (CBJ).
- B. Board of Directors. The Eaglecrest Ski Area shall be governed by a Board of Directors (Board) consisting of seven (7) directors in accordance with CBJ 67.05 and these bylaws.

**Article II. Object**

- A. ~~A.~~ Objective. Eaglecrest Ski Area is a community-owned year-round destination for outdoor recreation and education, providing a wide range of affordable winter and summer outdoor recreational activities.

**Article III. Members**

- A. ~~A.~~ Powers of the Board. The duties and powers of the Board regarding the operation of the municipality owned ski area are established by Charter 3.20 and Chapter 67.05 of the Code of the City and Borough of Juneau and the Board of Directors shall govern Eaglecrest Ski Area under ordinance of CBJ 67.05.020 General Powers:

Subject to state laws and borough ordinances, the board of directors of the Eaglecrest ski area shall be responsible for the operation of the ski area according to the best interests of the public, shall make and enforce all rules and regulations necessary for the administration of the ski area under their management, shall prescribe the terms under which persons and groups may use the ski area, and shall establish and enforce standards of operation. The board of directors of the Eaglecrest ski area shall, within the ski area appropriation, establish and may amend the pay plan for ski area employees consistent with the City and Borough Personnel Management Code, the City and Borough Personnel Rules, Personnel Classification Plan, and the City Manager's policies relating to personnel. The pay plan and amendments thereto shall be based on wages paid in similar job classifications in private ski areas in other communities, adjusted for cost-of-living differentials. The pay plan and amendments thereto shall become effective upon adoption by the board of directors of the Eaglecrest ski area.

- B. ~~B.~~ Number of Directors/Terms of Office. The Board shall consist of seven (7) members. One liaison from CBJ Assembly shall be considered an ex-officio member without the right to vote. Members of the Board shall be appointed by the CBJ Assembly for a term of (3) years, for a maximum of nine (9) years or three (3) terms.
- C. Members. Board member responsibilities include, but are not limited to, attending monthly board meetings; serving on committee(s); setting policy and providing direction for the ski area through the general manager; public relations efforts; overseeing financial accountability; hiring, evaluating and terminating the general manager.

D. Vacancies. Vacancies in the Board will be declared and filled by the CBJ Assembly as established under CBJ Code 67.05.050.

#### Article IV. Officers

- A. President. The president shall preside at all meetings of the Eaglecrest Board of Directors; shall serve as official representative of the board; make committee and Board officer appointments as specified in the bylaws; serve as a non-voting ex officio member of all committees, except the nominating committee; [serve as an alternate member of all committees as needed for quorum purposes](#); prepare the agenda for board meetings; sign documents on behalf of the board; review and sign the operational plan submitted to the Alaska Department of Natural Resources; serve for one year.
- B. Vice President. The vice president of the Board of Directors shall act as president in the absence of the president; may not make committee appointments and is not an ex officio member of all committees and does not attend those meetings for the president; serve for one year.
- C. Secretary. The secretary shall act as president in the absence of the president and vice president; shall have records kept of the proceedings of the meetings of the Board and shall have notice given as required by law and these bylaws of all such meetings; shall be responsible for ensuring all records and documents are maintained in accordance with CBJ Records Management protocols and Retention Schedule ~~have custody of all the books, records, papers, governing documents, list of current board members and committee membership except such as shall be in the charge of some other person authorized to have custody and possession thereof by direction of the secretary or resolution of the board of directors;~~ shall record minutes at board meetings; serve for one year.
- D. Election of Officers. Officers shall be elected at the annual Board meeting or at such time as offices become vacant.

#### Article V. Meetings

- A. Place of Meetings. Meetings of the Board shall be held in the City and Borough (CBJ) of Juneau, State of Alaska, at such time and place as may be specified in the notice of the meeting. Meetings may be held by remote participation in accordance with the Assembly Rules of Procedure.
- B. Regular and Annual Meetings.
1. The annual meeting of the Board shall be held in ~~September~~ August of each year unless otherwise scheduled by a majority vote of the Board.
  2. At the annual meeting of the board, a president, vice president, secretary and other officers as the Board shall decide, shall be elected. Nominations from the floor or from a nominating committee appointed by the president may be presented.
  3. The annual meeting may be postponed by the Board to a certain day.
  4. The Board shall meet at least once each month per CBJC 67.05.060. ~~September through May, and as needed during the summer.~~

- C. Notice of Meetings. The staff shall ~~mail by post or by email~~ provide written notice to each director, the Assembly liaison and the city Municipal Clerk of ~~the regular, annual and committee meetings~~ the date, time, location, and method(s) for remote participation of all meetings with a minimum of 48 hours prior to the meeting. At least twenty-four hours (24) before the meeting copies of the notice shall also be made public along with the agenda and any packet materials. The notice shall contain the time and place of such meetings at least two (2) days 24 hours prior thereto, consistent with CBJ code, the practice of the CBJ clerk, and other CBJ boards and commissions.
- D. Special Meetings. Special meetings of the Board may be called any time by the president or any ~~four (4)~~ three (3) directors. The Board shall give notice, as required by law, of such meeting and such notice shall state the time and place of such meetings and the object thereof. Any business may be transacted at a special meeting except the election of the president, vice president and secretary. No less than 24 hours' notice must be provided. No business may be transacted at any special meeting except as stated in the notice of the meeting.
- E. Quorum. A majority of the members of the Board shall constitute a quorum for the transacting of business at any regular or special meeting of the Board. A majority of the members of a committee shall constitute a quorum for the transacting of business of the committee.
- F. Attendance. Any absence of a board member from a regular or annual meeting of the Board shall be deemed to be unexcused unless the board member is absent from the meeting as a result of attending to official business on behalf of the Board, for extenuating medical reasons, or for other significant cause, in which case the absence shall be deemed to be excused. The secretary will keep an attendance record and provide it to the city clerk. For the purposes of counting attendance, a member participating remotely in accordance with the Assembly Rules of Procedure shall be counted as present.
- H. Voting. The minimum vote required to take official action shall be the same as that constituting a quorum, provided that no vote may be taken at a meeting which would lack a quorum ~~but for the presence of non-voting ex-officio members~~, and further provided that the vote requirement shall be reduced by one for each two members who are present but not voting due to a conflict of interest.
- I. Number of Votes for Each Director. Each director shall be entitled to one (1) vote, and shall vote unless excused due to a conflict of interest.
- J. Adjournment of Meetings. If a quorum shall not be present in person at any regular, annual, or special meetings, the president of the Board may adjourn such meeting to such later time and place as the President finds appropriate. No action shall be taken without a quorum, except to seek a quorum or adjourn.

## Article VI. Committees

- A. Standing Committees.
1. The president shall appoint members of the Board to serve on standing committees based on the following: ~~with further guidelines outlined in the Eaglecrest Board Administrative Procedures:~~



- a. There shall be not more than ~~four (4)~~ three (3) members appointed to each standing committee.
  - b. Appointments for standing committee assignments and for the position of chair of each such committee shall be made by the President and shall be subject to ratification by the Board. In making nominations for committee appointments, the President shall strive to ensure, to the extent reasonably possible, that there is a balance and diversity of opinion, viewpoints and perspective among the members nominated for committee membership, and that there is at least one member nominated for appointment to each committee who has expertise in the areas assigned to the committee.
  - c. Any member of the Board may sit with any committee at all times; such member shall have the right to participate in committee discussion except that members of the committee shall have priority in obtaining the floor and only committee members shall vote.
  - d. Reasonable opportunity for the public to be heard shall be allowed at committee meetings other than those designated as work sessions.
  - ~~e. Three (3) of the committee membership shall constitute a quorum for the transaction of business.~~
  - ~~f. For the Finance Committee, a~~ A majority of the committee membership shall constitute a quorum.
  - f. The minimum vote required to take official action shall be the same as that constituting a quorum.
  - g. Public notice of any meeting of ~~more than three (3) members or more~~ must be made through the City Clerk shall be made in accordance with Article V, C above.
  - h. Any action recommended by a Committee must be voted on by the full board before it becomes effective.
2. The standing committees of the Eaglecrest Board of Directors shall be:
- a. Finance Committee: issues related to the finances of Eaglecrest, including overseeing the annual budget process, presentation of the budget to the Assembly.
  - b. Policy Planning Committee: issues related to policy, including establishing and writing policies, regulations.
  - ~~c. Public Relations Committee: issues related to fund raising, marketing and other public relations issues.~~
  - ~~d. c.~~ Human Resources Committee: issues related to board development, manager evaluation and other human resources issues.
- C. Special Committees. The president may appoint two or more members of the Board to serve on a special committee or task group to facilitate Board business. The president shall appoint a member of the Board to serve as chair of each special committee. A special committee shall not be established for more than one year.

**Article VII. Rules of Procedure**

- A. Agenda. The agenda shall be prepared by the Board President and General Manager. The Board President and General Manager shall include with the agenda such supplemental material or reports as may be necessary to explain each action item on the agenda. Materials, reports and recommendations shall be submitted in writing to each member present and available for public inspection 24 hours prior to the Board meeting.

- B. Order of Business. The following order of business shall be observed at all regular, annual or special meetings of the Board insofar as practicable:
- a. Roll call
  - b. Approval of agenda
  - c. Reading, correction, and approval of minutes of previous meeting
  - d. Public participation
  - e. General Manager's Mountain report
  - f. ~~Old Unfinished~~ business.
  - g. New business
  - h. Reports of committees
  - i. Public participation (follow up)
  - j. Board of Directors comments and questions
  - k. Adjournment
- C. Motions. Discussion. Amendments. Voting. Procedures concerning motions, discussions, amendments and voting ~~will be outlined in the Eaglecrest Board of Directors Administrative Procedures document~~ and will be consistent with the City and Borough of Juneau Assembly Rules of Procedure.

### **Article VIII. General Manager**

- ~~A. Eaglecrest General Manager. The Board of Directors at any regular or special meeting is authorized to employ a General Manager of the ski area, whose duties and powers shall be specified by the Board and consistent with CBJ Code 67.05.090. The Eaglecrest General Manager is responsible for overall supervision of the affairs of the ski area. The general manager's authority and duties shall included the following:~~
- ~~1. Carry out all applicable laws and ordinances;~~
  - ~~2. Carry out policies established by the Board;~~
  - ~~3. Prepare and submit to the Board for approval a plan of organization and a job classification plan for the personnel employed at the Ski area;~~
  - ~~4. Prepare an annual budget as required by City and Borough ordinance;~~
  - ~~5. Select, employ and direct all ski area employees consistent with the CBJ Code, Personnel Rules, and other applicable law. Prepare such reports as may be required on any phase of ski area activity.~~
  - ~~6. Attend all meetings of the Board and of standing committees, except where otherwise specified; and~~
  - ~~7. To perform any other duty that may be necessary in the best interest of the recreation area.~~

### **Article IX. Indemnification**

- A. Indemnification of Directors and Officers. Each director and officer of the ski area now or hereafter serving as such acting within the course and scope of their duties, shall be, and by virtue of this bylaw provision hereby is, indemnified by the City and Borough of Juneau against any and all claims and liabilities to which they, their heirs, and personal representatives, have or shall become subject due to serving or having served as such director or officer, or neglected by them as such director or officer; and the City and Borough of Juneau shall reimburse each such person for all legal expenses (including attorney's fees) reasonably incurred by them in connection with any such claim or liability, provided, however, that no such person shall be indemnified against, or be reimbursed for any expense incurred in connection with, any claim or liability arising out of their own willful misconduct or gross negligence. The amount paid to any director

or officer by way of indemnification shall not exceed their actual, reasonable, and necessary expenses incurred concerning the matter involved. The right of indemnification, herein above provided for, shall not be exclusive of any rights to which any director or officer of the ski area may otherwise be entitled by the law.

**Article X. Amendments**

- A. ~~A. Amendments~~. Any of these bylaws may be amended by a majority vote (four (4) members) of the Board at any regular or special meeting called for that reason and forwarded to the Assembly for approval by Resolution. The bylaws amendment effective date will be the date they are adopted by the Assembly by Resolution.

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Secretary

Date



# EAGLECREST BOARD OF DIRECTORS AGENDA

December 05, 2024 at 5:30 PM

Porcupine Lodge Board Room/Zoom Webinar

Join Zoom Meeting:

<https://juneau.zoom.us/j/88259484580?pwd=Z0dyTUdKdHh4ZEY0STU0N1MOVnovZz09>

Meeting ID: 882 5948 4580

Passcode: 372236

**A. ROLL CALL – Meeting called to order at 5:30 p.m. Board members in attendance: Brandon Cullum, Kevin Krein, via Zoom, Mike Satre, Norton Gregory, Jonathan Dale. Hannah Sively joined the meeting in person at 5:32 p.m.**

**B. APPROVAL OF AGENDA**

Norton moved to amend the agenda to remove approval of the minutes. Jonathan Dale moved to amend the agenda to move committee reports before new business. Motion by Norton to approve the agenda as amended. M/C.

~~**C. APPROVAL OF MINUTES**~~

**D. PUBLIC PARTICIPATION**

- **Charlie Herrington:** Thanks, yeah, I just want to point out to whoever might be logged on as well. I think I can hear the Thursday night football game in someone's background from time to time. And then also, I was wondering if there is a PDF to the agenda packet that could be shared in the chat so those of us online can follow along the agenda packet link online was just a four page PDF, which I presume is Mr. Duncan's draft report based on what what the content was. I know no minutes or managers reports or committee reports, so it just be nice to follow on. Thanks.
- **Deb Craig:** Thanks. So I just wanted to comment on some of the upcoming agenda items, and I apologize I'm not going to be able to stay for the meeting. But my first comment is, I met with Mayor Beth Weldon a couple of weeks ago on matters completely unrelated to this, and the first thing she said to me as I walked in the room was, Deb, if you're going to ask for money, don't so I have a few comments to add, in addition to the written comments I provided to the board on November 19, and I'd like to ask the secretary to please include that letter in the minutes, also just as a point of reference before I make my comments, I formally managed a statewide grant funded program, so I'm fairly familiar with reviewing funding requests, and I have to say that I am troubled by the draft report to the CBJ, that is in the minutes that I read from mr. Duncan, as it's a foundation on which funding decisions may be made, and I hope that the board actually revises it. The document dwells on the loss of senior managers, non competitive wages, lack of maintenance, what sounds like the pipe dream of a gondola, but that gondola was deemed by gold belt to be secure enough in terms of potential revenue that they invested ten million in it. So I think reports to funding entities, even including those that have serious issues, could be solution oriented and focused on cost benefit values. This this report should reflect that Eagle Crest has generated massive community support and progressively increased revenue based on the manner in which the ski area was operated over the last several years. And I know there were issues behind the scenes, but the ski area continued over the last several years to continue to grow its fan base. I believe the report should reflect the positive benefits of maintaining Eagle Crest to the community and our 3000 Ski Area users, as well as community commenting on the financial needs of the area now and in the future, by including funding needs as well as how the area will generate funding beyond CBJ, I'm also going to reiterate that this EBD should consider a seven day ski week, as outlined in my letter, to compensate Ski Area users for the loss of the black bear, as well as engaging in community

fundraising as soon as possible. Lately, we've heard a lot about what Eaglecrest cannot do, but this is a ski area that was built with a can do attitude by a bunch of skiers with a dream. We can keep that dream alive by approaching these issues and our communications with the same can do mindset. And I thank the board again for your service to our community. Thanks for listening to my comments.

#### E. MANAGERS REPORT

Verbal General Managers Report provided. Please see meeting summary in AI generated summary below.

#### F. UNFINISHED BUSINESS

##### 1. COMMITTEE and Liaison ASSIGNMENTS

- Finance Committee: Chair, Jonathan Dale. Members Kevin Krein, and Brandon Cullum
- Planning Committee: Chair, Norton Greory. Members TJ Mason, and Brandon Cullum
- Human Resource Committee: Chair, Hanna Shivley. Members Kevin Krein, and Norton Gregory
- Nordic Club Liaison: Hannah Shivley

Motion by Hannah to approve the slate of assignments listed above, and to remove the proposed assignment of Eaglecrest Foundation Board liaison to be filled at a later date.

#### G. COMMITTEE & LIAISON REPORTS

1. FINANCE COMMITTEE MEETINGS NOV.21 and DEC. 3

#### H. NEW BUSINESS

1. EAGLECREST FOUNDATION UPDATE
2. DRAFT ASSEMBLY REPORT EXECUTIVE SUMMARY - KIRK DUNCAN
3. See summary in AI generated summary below.

#### I. PUBLIC PARTICIPATION

- **Rick Harris: Rick Harris. I've got just a couple of comments. You know, I appreciated number one, the discussion you guys raised on Kirk report, because I was very concerned that this thing was kind of like feeling like a fast train running down the tracks with no control or brakes the I you know, and I've raised this with you before, Mike is what's the role of this board? You're an enterprise board, yet the Assembly passed an ordinance that took away some potential power of the board. Now, Kirk proposal is, is, is essentially undoing the enterprise board. I mean the comments that you guys raised, so it's appropriate, and I think that you need to be stepping up strongly and clearly and making agreements with the city, whether you think the role of this board is and I'm, I'm a little flabbergasted about it. The my other comments are, you know, I think we're missing what we need to do to get skiers on the mountain now we we have issues. I mean, it's great. We got the opening day done and and it's happened before. The focus has been on getting the lower mountain and the beginner runs going. But we don't really see effort. Well, there's effort, but there seems to be a great big hole. How you get from the bottom of a black bear? How the hell you get to the bottom of ptarmigan? Because that's your only option. And, and, you know, we've talked about snow making. Charlie has raised the issue of the snow making on the upper mountain, which I I'm not a snow making expert. I know nothing about it, but, but I understand, in order to really do it, you need to run that log jam pump house. Now, nobody's saying. What does it take to get that fixed so that we can get that part of the mountain running? Because regardless of what happens in black bear, if we don't get snow between bottom of black bear down, you know, you're going to have a hard time. And I just don't see what we're going to do to get skiers on the mountain. And I've raised, I've been the make snow guy that. And again, I said, I don't know anything about it, other than I've ridden, I know what I'm skiing on, and I appreciate that. I think the idea of trying to fix black bear, it's a matter of cash flow, and it's cash flow**

\$200,000 or \$500,000 and if I was going to the assembly, I'd go, we really would like to have \$750,000 to fix black bear, but we realize that that's not a very good idea, given the cash flow situation that we have right now, we will go in and do a \$200,000 fix on black bear, and it'll get us through. I mean, it's not a one year deal. We'll get it fixed, and it'll, you know, it'll operate for 235, years. But that's what we need. That's your gap. That's your cash flow gap. Let's deal with that cash flow, and let's figure out how to really get serious, to get to your questions, which were the good questions to get by, you know, a little bit in between and the full monty? Well, I think the full Monty is probably a problem to be asking for. And, and so you guys, before you Kirk gets his report the assembly, because it's going to blow up in everybody's face. And so I'm, you know, I didn't have anything prepared, and I apologize for kind of stumbling through it, but I appreciate you know you're doing it. So the question is, is this an enterprise board? If it is, then make it an enterprise board and have the power to do what you need to do. Your question was right? The Assembly doesn't that there's no ski expertise there, either, there's probably more expertise here. And so that has to be done. I think, look at this cash flow issue, you know? I think Black Bear is just a good example of it. And and really look at, I haven't heard any talk about what it takes to get that upper pump house going. And we need to have somebody sit down and say, you know, we can, we can do it. It's going to take this, but it has to be done because I don't otherwise, I don't see how you're going to get snow on that middle part of the mountain to be able to get skewers up there. So thanks.

- David Odette: yeah, hi. This is David Odette, just to follow up on what Rick said. And in conjunction with the question of not ski industry expertise on this mountain. I've suggested before that you have a committee on operations and maintenance, and that you receive reports on those subjects, and so that the mountain staff is going to produce reports and board can be up on that. You don't have to be experts, but you can know that the inspections were done, things were found, and this is what's coming down the pike. This is what we've done. It's just something that the board could do is have another committee that focuses on operations. Thank you.
- Charlie Herrington: Okay, yeah, thanks, everyone that's sad, quick, really, like the written reports in the past. And I'm wondering if tonight's managers report and departmental reports were all verbal, if they will be sort of composed in a written format for reference later. And then, you know, regarding black bear, you know, \$200,000 fix makes a lot of sense, you know, if, if we've got issues with the motor room format, everyone knows. But if we're looking at a future of Eagle Crest, where money's coming down the road later, with the summer, you know, use the cheaper solution to get the system back up and running. And if it becomes obsolete in 2030 when the gondola is online, it's obsolete, but it's a good investment and shows faith in the pass holders that you guys are doing a lot to run the mountain give them operations. That's that would be my advice. I wondering, tooth is this meaning being recording, if we can watch it later, I was digesting Kirk's report was was challenging at times. And you know, I really appreciated Kevin's comment, which maybe was a question, but you know, we've approached the city for more money before. I know it's hard now, with all the flood, all the other requests coming into the city, but I don't think Kevin's comment was really answered or addressed. We started talking about ski patrol hours, and I couldn't really follow the logic there. So I appreciate you guys following up with Kirk. I think that report, yeah, like Rick saying it's going to make some waves. And Mike said, before the meeting, you replied to a letter I sent to the board. You guys don't have an official stance on it, Kirk support. And I think you know, if you get your hands on it Monday, you'll have some time to hopefully, you know, develop a stance and some responses and maybe engage with them and editing it. Thanks.
- Mariah Thibedeau - Yeah. Thanks, everyone. I accidentally put my hand up earlier. I was late, which I apologize. I'm a graduate student, and it's the last week, well, this week and next week, or the last week, so I wasn't able to make it, and you said you would post the

recording of the meeting. Is that correct? Correct? And where will we find that?

- Casey Kriger: not sure we'll, you know, we don't always answer them directly through through the public participation, but we may, you know, we'll, we'll see where we go. Yes, I worked at Eagle Crest the prior two seasons, and it seems like I'm on the same page with the community and a few of the other members of the meeting. There is communication gap between Eagle Crest, the community and the board, and the one gentleman did suggest the community to help with the maintenance and overall aspects of what's going on at Eagle Crest. I was going to maybe suggest a community liaison, somebody who's not affiliated with CBJ or Eagle Crest, who could be answer to the board or communicate with the board. Maybe some things that people at Eagle Crest or CBJ would not be willing to share with the board because they know they need the money to make it happen. Maybe a third party not involved with any of those entities, would help the board get straighter answers and help with maintenance issues that have failed in the past. That's my suggestion that might help the board. My other question is, is anybody on the board. I'm sorry, I don't know everyone. Have you guys ever worked at Eagle Crest? Or has anybody worked at a ski hill? Because that would really help the board if somebody had more knowledge about what was going on at Eagle Crest and what it took on a day to day to make it happen. Thank you,

**J. BOARD OF DIRECTORS' COMMENTS AND QUESTIONS**

**K. Please see AI generated summary below**

**L. NEXT MEETING DATE**

1. EAGLECREST BOARD REGULAR MEETING - JANUARY 2, 2025

**M. ADJOURNMENT – Motion by ? to adjourn. The audio cut out on the recording.**

## AI Meeting Notes

### Summary:

The Eaglecrest board meeting covered several key updates and decisions. Mike Satre confirmed the presence of board members and quorum. Norton Gregory agreed to prioritize fixing the audio issues for in-room attendees. The agenda was amended to move the finance committee report before new business. Public participation included comments on funding requests and the importance of a positive report to potential funders. Craig Cimmons and other staff members provided updates on marketing, patrol training, base operations, and mountain maintenance. The finance committee discussed the need for significant funding to address operational and maintenance gaps, with potential requests of \$1 million in FY25 and FY26. The Eaglecrest Foundation's role and recent contributions were highlighted, and a draft assembly report was reviewed, emphasizing the need for strategic financial planning. The meeting discussed the financial and operational challenges at Eaglecrest. Kirk Duncan presented options for fixing the Black Bear chair lift: a \$200,000 motor room fix or a \$700,000 gantry-style upgrade. The board debated the board's role versus city management, emphasizing the need for ski industry expertise. Financial constraints were highlighted, with a \$200,000 shortfall for staff increases. Concerns about communication gaps and public perception were raised. The board agreed to review Kirk's report and schedule follow-up meetings. Public comments stressed the need for transparency, better communication, and addressing safety and maintenance issues.

### Action Items

- Schedule regular committee meetings and ensure agendas and materials are posted in a timely manner.
- Provide written manager's reports going forward.
- Schedule a finance committee meeting on December 17th at noon to review Kirk Duncan's report.
- Attend the Eaglecrest Foundation board meeting next week to represent the Eaglecrest board.

### Outline

#### Meeting Setup and Initial Discussions



- **Mike Satre confirms audio issues and discusses potential solutions with Craig Cimmons and Norton Gregory.**
- **Mike Satre confirms the presence of board members and establishes a quorum for the meeting.**
- **Norton Gregory notes the role and moves to approve the agenda, with a minor change requested by Jonathan Dale to move the finance committee report before new business.**
- **Public participation is opened, with Charlie Herrington requesting a PDF of the agenda packet and Deborah Craig commenting on the draft report to the CBJ and suggesting improvements.**

#### **Manager's Report and Marketing Update**

- **Craig Cimmons provides updates from various departments, starting with marketing. Kristen highlights the new marketing coordinator, James, and his contributions to social media and advertising.**
- **Kristen reports on the success of the November events, including the ski swap and Black Bear and Beyond, and mentions upcoming marketing efforts for December.**
- **Justin from patrol discusses recent training activities, including EMS skills, avalanche refresher, and interagency avalanche scenarios.**
- **Craig Cimmons provides updates from base ops, including repairs to walk-in freezers, annual service on coffee machines, and new staff hires.**

#### **Mountain Operations and Snowmaking Efforts**

- **Craig Cimmons provides detailed updates from mountain ops, including new staff members, snowmaking efforts, and lift inspections.**
- **Craig highlights the importance of the Porky-only opening and the efforts of the team to prepare for the season.**
- **Craig mentions the upcoming Friday Night Lights event and the ongoing snowmaking plan.**
- **Erin from snow sports school reports on staffing, training, and equipment maintenance, including the arrival of new rental equipment and the efforts of the repair shop.**

### **Committee Assignments and Finance Committee Report**

- **Mike Satre formalizes committee assignments, including the finance committee chaired by Jonathan Dale, the planning committee chaired by Norton Gregory, and the human resources committee chaired by Hannah Shively.**
- **Jonathan Dale reports on the finance committee meetings, highlighting the comprehensive analysis by Kirk Duncan and the upcoming presentation to the assembly.**
- **Brandon and Jonathan discuss the need for a clear financial plan and the potential impact of different budget options on Eaglecrest.**
- **Neil Steininger, the assembly liaison, provides an update on the assembly's annual planning retreat and the potential budget considerations for Eaglecrest.**

### **Eaglecrest Foundation Update**

- **Jim Calvin provides an overview of the Eaglecrest Foundation, its history, and its role in supporting the ski area through fundraising and grant distribution.**
- **Jim highlights the foundation's recent activities, including the distribution of funds from the Packer estate for maintenance and the support of youth programs.**
- **Jim discusses the foundation's structure, including its board members and the importance of communication with the Eagle Crest board.**
- **Jim invites board members to attend the foundation's annual meeting and offers to provide additional information and support.**

### **Kirk Duncan's Draft Assembly Report**

- **Kirk Duncan presents the draft assembly report, outlining the financial needs for FY 25 and FY 26, including unfunded positions and materials and commodities.**
- **Kirk emphasizes the need for the board to decide whether to request additional funding from the assembly or operate with a negative fund balance.**
- **Mike Satre and other board members ask questions about the breakdown of needs, the timing of the next 5% disbursement from the Juneau Community Foundation, and the process for leaving estate gifts to Eaglecrest.**

- **The meeting concludes with a commitment to further discussions and planning to address the financial needs and future of Eaglecrest.**
- **Kirk Duncan discusses the need to fix the Black Bear chair, estimating the cost at \$200,000 for a motor room fix or \$700,000 for a gantry-style chair.**
- **Mike Satre expresses the need for detailed breakdowns of the numbers to inform budgetary decisions and potential conversations with the manager's office.**
- **Norton Gregory questions the issues facing the ski area and the lack of industry knowledge among board members.**
- **Kirk Duncan explains that departments like parks and rec could not comment on the ski area's abnormalities due to the empowered board structure.**

#### **Board's Role and City Manager's Feedback**

- **Norton Gregory asks for clarity on the board's role and the sentiment of the assembly and city manager.**
- **Kevin Krein suggests that the board's expertise in the ski industry is limited, questioning the city's ability to provide more expertise.**
- **Norton Gregory and Kevin Krein discuss the lack of ski industry expertise in the city compared to the current board.**
- **Kirk Duncan clarifies that he is not making a recommendation but pointing out issues with the board concept, leaving the decision for the next year.**

#### **Financial Constraints and Patrol Hours**

- **Kevin Krein raises concerns about past financial constraints and the lack of funding for maintenance.**
- **Kirk Duncan shares that ski patrol hours have increased significantly, from 5,800 hours in 2012 to 8,300 hours last year.**
- **Speaker 3 acknowledges communication issues between the city and the board regarding the ski area's operations.**
- **Kirk Duncan emphasizes the need for the board to see the full report before it is presented to the assembly.**

#### **Budget Planning and Public Participation**

- **Mike Satre and Kirk Duncan discuss the importance of seeing the report details and scheduling additional meetings for review.**
- **Kirk Duncan highlights the need to present the 2026 budget by January 6, with significant expenses for employee raises and lift maintenance.**
- **Mike Satre mentions the start of the city budget cycle and the need to consider the report's input in the budget process.**
- **Public participation includes comments from Rick Harris and David Odette, suggesting a committee on operations and maintenance and emphasizing the need for ski industry expertise.**

#### **Public Comments and Board Responses**

- **Charlie Herrington suggests a cheaper solution for Black Bear to show faith in pass holders and asks for written reports.**
- **Norton Gregory explains the use of AI note-taking for future meetings to provide comprehensive records.**
- **Mariah Lóol asks about the availability of meeting recordings, and Norton Gregory confirms they will be posted on the muni code.**
- **Casey Krieger suggests a community liaison and questions about OSHA and maintenance issues, emphasizing the need for transparency and involvement.**

#### **Board Member Comments and Next Steps**

- **Brandon and Kevin express appreciation for public participation and emphasize the need for a collaborative approach to budget planning.**
- **Norton Gregory suggests regular HR committee meetings and leveraging CBJ resources to support the mountain's operations.**
- **Craig Cimmons acknowledges the need for staff support and plans to hold more Black Bear and Beyond meetings for transparency.**
- **Mike Satre emphasizes the importance of standardized reporting and scheduling regular committee meetings to ensure consistent communication and planning.**



## Comments regarding Mr. Duncan's Report

From Deborah Craig <deborahlc11@gmail.com>  
 Date Mon 12/9/2024 1:33 PM  
 To Eaglecrest Board <eaglecrestboard@juneau.gov>  
 Cc Deborah Craig <deborahlc11@gmail.com>

### EXTERNAL E-MAIL: BE CAUTIOUS WHEN OPENING FILES OR FOLLOWING LINKS

Dear Eaglecrest Board of Directors (EBD),

The Juneau Empire December 6<sup>th</sup> article regarding Mr. Duncan’s Draft Report exemplifies how challenging the situation at Eaglecrest has become with the loss of our high functioning General Manager, non-competitive wages and *purported* lack of maintenance. While this portrayal brings attention to the many needs of the ski area, it also highlights functional deficits. Unfortunately, Eaglecrest’s recent on-line marketing and self-congratulation does not mitigate the obvious issues occurring on the mountain - this is a small community ski area reliant on local support that is being strained by recent events.

It’s unclear if any other local entity has either the capacity or “industry knowledge” to better manage the ski area as suggested in Mr. Duncan’s report. Many feel Eaglecrest is best managed by a team of skiers/boarders deeply committed to its success and willing to take the time/energy to mitigate the current situation. I urge the EBD to use its ‘empowered’ authority to be candid and direct with both the management team and public or be in the sad position of potentially enabling Eaglecrest’s demise.

Perhaps it would mend public perception for the EBD to acknowledge the difficulties that have resulted from 1) firing the most successful General Manager in two decades (who gleaned significant community support due to his work ethic, performance, priorities and communication skills), 2) failing to support the former GM's repeated requests for resources to maintain and improve the ski area and 3) failing to provide timely guidance to the former GM in areas viewed as under-performance.

*This would pave the way for the EBD to provide the new GM with concrete direction for action and assistance generating more resources.* I urge the EBD to consider the following:

1. Advise the GM that the EBD, due to cost and revenue considerations, plans to reevaluate the recent decision to delay the repair of Blackbear until the summer of 2025 or to implement expensive drive system changes. Loss of current/future revenue and public support, as well as the potential for future Gondola income means a shorter-term fix could be reasonable and do-able. The EBD could invite the GM and local people knowledgeable of the Black Bear operation and construction to develop an alternative plan and schedule for maintaining the vault system. The current relaxed attitude about responding to the public outcry for some type of ski area mitigation could be compromising needed public support.

With a concrete plan in hand, the EBD could do immediate fund-raising for a one-time injection from a local entity willing to help fund a **Fix the Black Bear Campaign** that would engender massive goodwill in our community for that company and the EBD’s efforts.

2. Previous GMs recognized that having snow on the lower part of the mountain made the rest of the mountain accessible. (This also speaks again to having a GM who has the capacity to perform tasks that now must be contracted out at additional expense.)

The EBD is encouraged to instruct the GM to report immediately (in writing) on the status of snow making plans and snow-making equipment on the mid-mountain, including the Log-Jam installation detailing perceived safety issues and precisely what improvements need to be made such that the full capability of the snowmaking that occurred in the 2023-24 season can operate in the 2024-25 season. The EBD could invite the local companies that

installed the systems to describe the system, safety considerations incorporated into the design and if recommend other improvements. The EBD and the GM could determine the minimum resources needed to immediately start working on snowmaking beyond Porcupine when the opportunity arises. The recent allocation of needed resources to marketing instead of mountain maintenance is quite perplexing given our current circumstances and ski area needs.

3. The EBD is encouraged to form a subcommittee to respond to the community and CBJ on each point of Mr. Duncan's distressing report. The response should also emphasize Eaglecrest's benefits to the community. Ignoring the substantive findings in the report and the article is not recommended. There are a number of Eaglecrest supporters willing to help with that effort to ensure the Assembly and community continues to view Eaglecrest as a worthwhile long-term investment.

Lastly, Juneau understands seasonal work. Tourism, construction, fishing, legislative session, ski season – all rely on seasonal employees and all-hands-on-deck. Seasonal staff work long hours, perform tasks beyond their job description and do whatever is necessary to make that seasonal effort successful. It's showtime and a short season – timely action is needed.

*Juneau wants to ski - that is the prime objective.* I am hopeful that we are going to have a successful ski season and our next frontpage article is positive. I would appreciate seeing Mr. Duncan's final Draft report as soon as it is issued. I do not envy your position and, as always, offer my thanks to the EBD for your service to our community.

Deborah Craig, longtime Passholder and Eaglecrest Supporter



# Purpose of the Foundation

***Eaglecrest Foundation is a publicly-supported non-profit corporation established in 2008 to solicit, manage, and invest donations for the exclusive benefit of Eaglecrest Ski Area.***

## ***Eaglecrest Foundation...***

- ***Serves as a conduit for private funds to support the ski area***
- ***In association with the Eaglecrest board and staff, raises funds for ski area programs and projects***
- ***Receives and distributes funds from the JCF Eaglecrest Operating Endowment Fund***





# Projects and programs facilitated by Eaglecrest Foundation

- ***Black Bear and Porcupine chairlifts***
- ***Youth programs***
  - *Books2Boards, School Group, youth rental equipment, class sponsorships*
- ***Construction projects***
  - *Nest re-roof, crushed rock purchase*
- ***Equipment/parts purchases***
  - *Snowmaking (pipeline, valves, guns)*
  - *Snocat and chairlift parts*
  - *Nordic grooming equipment*





# Eaglecrest Foundation funding

## *Revenues*

- *Restricted Revenue accounts*
  - *Eaglecrest Operating Endowment*
  - *Packer Estate*
  - *B2B and School Group Program*
- *Individual & corporate donations*
- *Other revenue*
  - *Black Bear chair sales, event revenue, investment income*

*To date, approximately \$1.7 million has passed through the foundation to Eaglecrest*





# Eaglecrest Operating Endowment Fund

- ***Created in 2014 by Bill and Katie Corbus***
- ***\$2 million initial endowment***
- ***5% of fund value distributed to EF each year***
- ***Uses...routine operations, not capital improvements***
- ***Total received to date by EF: \$1,016,334***
- ***Total distributed to the Ski Area to date: \$785,706***
- ***Balance held by EF (Nov. 2024): \$230,628***





# Packer Estate Funds

- ***In 2023, the Dwayne Packer Estate left \$431,000 to “Eaglecrest maintenance department”***
- ***Court directed the funds to EF, Eaglecrest’s 501c3***
- ***Funds distributed upon written request from the ski area manager***
- ***13 requests processed to date for funds totaling \$205,598***
- ***3 requests in process totaling about \$24,000***
- ***Approximately \$200,000 remaining***





# Foundation governance and administration

- 8 board members, including one seat designated for a ski area board member
- No paid staff
- Low overhead (Board insurance, website costs, SOA filing fees, PO box rental, misc.)
- Accounting and tax returns prepared pro bono by Elgee Rehfeld







[Books2Boards](#) [School Group Program](#) [Donors](#) [History](#)



[DONATE](#)

The story of Eaglecrest begins decades before its construction. It's a story of passionate skiers working hard over many years to make skiing an important part of life in Juneau.

Juneau's long and rich skiing history is described here with images and newspaper clippings. It is presented in four parts (links to PDF documents are provided on the right).

- [\*Part 1: The Early Days of Skiing in Juneau\*](#)
- [\*Part 2: Eaglecrest Ski Area, from Concept to Reality\*](#)
- [\*Part 3: Eaglecrest Pioneers: A Profile of the People that Led Development of Juneau's Ski Area\*](#)
- [\*Part 4: The Evolution of Eaglecrest, 1977 to Present\*](#)
- [\*Acknowledgements and Sources\*](#)





# Eaglecrest Foundation

[www.eaglecrestfoundation.org](http://www.eaglecrestfoundation.org)

[eaglecrestfoundation@gmail.com](mailto:eaglecrestfoundation@gmail.com)

PO Box 20169 Juneau AK 99802

Ph: 907-790-2000 ext 500





## Executive summary –

This report’s purpose is to provide an objective view of the current state of Eaglecrest, what will be needed in the next several years, and expectations for gondola project financial performance.

The Eaglecrest Ski Area is at a pivotal time in its history. Three of the five senior management positions are held by newly hired individuals who are qualified to do the job but face steep learning curves. Eaglecrest is a complicated ski area compared to many areas in that it has extensive avalanche mitigation which increases costs. In addition, its relatively low elevation and maritime climate make a consistent opening date and operations a challenge.

Eaglecrest has not kept up with paying competitive wages to its employees and lacks a coherent pricing structure. Eaglecrest, in anticipation of the gondola operation has increased year-round staffing, which needs to be reexamined as the gondola is not coming online until July of 2027 at the earliest.

Eaglecrest has not maintained its lifts to industry standards (which are somewhat subjective) and at present does not have adequately trained lift mechanics. While the new management intends to develop necessary training programs, until such time that staff is fully trained, additional funds over current levels will likely be required for contracted services. Insufficient maintenance and lack of ongoing training over the past several years have resulted in the Black Bear chair not operating this winter and added to the cost of maintenance on the other chairlifts in the years to come.

There is much hope that gondola summer operations will “save” Eaglecrest, supporting additional investment in the ski area and ultimately replacing city support for winter operations. However, as in any business endeavor, future financial performance is uncertain, particularly in the absence of market demand research. How many people will use the service and how much are they willing to pay for the service? These questions are critical when planning a restaurant, a gas station or any other enterprise. This important due diligence has never been done for the gondola. The expense numbers are relatively easy to develop, however, the revenue numbers are very uncertain, leaving the gondola operation business plan with a wide range of possible financial outcomes.

Many of the issues facing the ski area can be traced back to the Eaglecrest Board of Directors. While board members are very dedicated to the ski area and its success, they

lack the industry knowledge needed to provide supervisory overview of the area. As a city department, some of the past and current issues at the ski area would not have been allowed to grow to the point that the board had to take drastic action. Whether Eaglecrest remains as an empowered board or a city department with an advisory board (ala the Parks and Recreation Advisory Committee) will be a much needed conversation within the community.

In Fiscal Year 2025, there are many unfunded positions within the current budget. The need to purchase lift maintenance parts in Fiscal Year 2025 to ensure those parts are in Juneau for the summer maintenance season of 2025 (Fiscal Year 2026) as well as an apparent budgeted increase in season pass revenue that did not occur during the management transition, Eaglecrest may have an increase in the budget by as much as \$1,000,000. This amount could be offset by increasing the level of general fund support, increasing the negative fund balance, increase in fund raising, reducing costs, or some combination of these or other offsets.

In FY 2026, if the decision is made to increase Eaglecrest salaries/wages to a competitive level, the increased costs will range between \$600,000 and \$800,000. There will be one more year of increased lift maintenance costs before Eaglecrest will be back on a more routine preventive maintenance program. Lift maintenance and personnel services could increase the budget by as much as \$1,500,000. There may be some limited opportunity to offset increase costs with increased user fees, though development of a rationalized pricing model and strategy would first be required.

In FY 2027, the ski area will be back to “normal” winter operations with no need to bring in outside lift maintenance contractors as the two lift mechanics will have been fully trained. This will be the year when some up front gondola expenses occur. These would include the need to hire two additional lift mechanics to maintain the gondola, some capital equipment costs related to the gondola operation such an all-wheel drive 18 passenger van to get people off the top of the mountain if the gondola has a mechanical issue, additional evacuation equipment purchases, potential point of sale interface costs and other related items.

In FY 2028, if the gondola realizes it’s projected ridership and revenue targets (40,000 riders with revenue of \$85 per rider as specified by the Eaglecrest Board) and expected expenses are correct, the summer operation would have net income of about \$1 million. With projected ridership increasing to 125,000 and revenue per rider increasing to \$125, the gondola would generate net income of \$10 million annually by 2043. Eaglecrest would over



time be able to invest \$19 million back into the mountain, have a positive fund balance of \$43 million by 2043 and stop receiving general fund support in 2031.

It would be wise for the CBJ Finance Department to spend time verifying and/or changing these numbers as there are a lot of moving parts and many opportunities for errors. The following pages provide more detailed information.

Further information –

FY 2025 discussion

- Budget topics
  - Increased labor
- Staffing discussion
  - Training local residents to be paid lift mechanics
  - Correct people in the correct positions
- Increased material and commodities

FY 2026 discussion

- Budget topics
  - Revenue
  - Increased labor
  - New Pay Plan
  - Increased material and commodities
  - Equipment replacement fund increases – going forward
  - Trail maintenance

FY 2027 discussion

- Preparation for the gondola
- Budget topics
  - Personnel services
  - Deferred Maintenance – getting back to preventive maintenance
- Gondola mechanics training
- Gondola auxiliary expenses

FY 28 – long term planning

- Winter operations
  - Increased year-round benefits
  - Gondola operations?

Expensed terrain – more patrollers

Putting inexperienced users in difficult terrain

Summer operations

Gondola Projections

Revenue – Total visits and per visit projections

Expenses

Staffing

Material and commodities

Multi year financial planning

Winter budget

Summer budget

Capital replacement

Professional Planning

Lifts

Facilities

Infrastructure

Snowmaking

Water/wastewater

Road

Parking lot

Access road

On mountain road

Governance

Empowered Board versus CBJ Department

Financial Impact



Date: December 29, 2024

Re: Mountain Report for December’s Board Meeting

### General Manager’s Update

December has been tremendously successful, all things considered. Even with weather that lacked the charm of cold, snowy days, we were able to keep the Porcupine terrain open throughout the warm weeks, thanks to the snow we made in November. Focusing on Muskeg and Dolly Varden, rather than moving snow guns to Hooter and Ptarmigan, was a tough but ultimately rewarding decision. This approach allowed us to create wide trails for multi-use, establish a very popular and appreciated terrain park on Muskeg, and provide the Ski Club space to begin programs and even set up some brush gates. Most importantly, it gave the Snowsport School the ability to run camps and lessons as planned because we got The Beach open—a tremendous win for the Juneau community, which has shown its appreciation.

To further capitalize on Porcupine’s success, we introduced two night sessions—on Friday the 13th and the night of the Solstice. These were experimental but far exceeded expectations. Without a pass scanner at Porcupine, we don’t have exact attendance numbers, but hundreds of people showed up each night. The area buzzed with energy: the lift line stayed full, the terrain park drew consistent activity, and groups gathered at the top of trails, around the lodges, and in the cafeteria. These nights created a vibrant community scene that we underestimated but now plan to continue.

During the day, it’s been heartwarming to see school groups learning and building connections with Eaglecrest. Guests have gone out of their way to express gratitude for being open, and staff members appreciated the positive feedback. One mother shared “If they weren’t here, she would be home trying to keep her three kids off their screens.”—highlighting our role in Juneau beyond just skiing and snowboarding.

It’s true that Porcupine is currently our only open terrain, and while that is not ideal, shifting snowmaking resources to other areas during the warm spell could have left us unable to operate altogether. By focusing on one area, we ensured consistent operations that have served the community well.

Now, with the long-awaited cold weather here, we’ve fired up the snow guns again. For the next few days, our focus will remain on Porcupine to refresh thin spots and maybe widen trails. Once that’s complete, we’ll shift all snowmaking efforts to Ptarmigan, where the two fan guns and the remaining vipers are already making snow. From there, we’ll continue until the end of the cold spell, working to prepare Ptarmigan and Hooter for natural snow to complete the job.

Thanks to the dedication of our team and the support of the community, we’ve made the best of a challenging start to the season. Porcupine and therefore Eaglecrest has been a hub for locals, and we remain committed to expanding terrain as soon as conditions allow.



We are actively working to fill and/or create lead and supervisor roles in departments where they are currently missing. This lack of middle leadership positions has caused significant operational challenges, impacting both day-to-day tasks and long-term growth. Specifically, the absence of this leadership level creates three main issues:

1. **Overburdened Directors:** Without middle leaders, all daily operational tasks fall directly on department directors, pulling them away from their critical focus on large-scale strategy, operational adjustments, and potential expansions.
2. **Limited Support for Front-Line Staff:** Front-line staff lack an easily accessible leadership figure for immediate operational guidance. As a result, they either escalate issues directly to the department director—adding to their workload—or leave problems unresolved, which affects efficiency and morale.
3. **Lack of Leadership Development:** Without these roles, we are not providing the necessary opportunities to train and mentor the next generation of leaders who could step into vacant or expanded roles in the future.

Addressing this deficit is a priority, as it is key to improving operations, supporting our staff, and ensuring the long-term success of our team and organization.

### Financial Analysis

Below is a report showing our financial status Year to Date for FY24 and FY25 as well as a month the month comparison for November and December.

### FY26 Budget Status

This is the main administrative task I am working on at this time. I'm working in tangent with the Finance, Engineering, and Human Resource departments to learn this process, get the information in front of the Board and to meet the city's deadlines.

### Food & Beverage Update – Prepared by Chris Goedecker

The kitchen has had a good soft opening. We have some work to do on updating the menu. This was done on 12-27 and posted by the new year.

The walk-in freezer failed, and we had to throw out a substantial amount of meat and other ingredients (about \$2000 worth). All things considered it would have been worse if the newest Sysco delivery was a few days earlier. It is repaired but needs a longer-term solution.

Some issues were uncovered with kitchen infrastructure that we are working to rectify.

- Grease trap in the sink is full and needed to be disassembled and cleaned.
- Possible cause of failure for the walk-in freezer compressor – grease has plugged the condenser coils restricting airflow to the condenser causing it to run above rated temperatures. The grease will be removed and hopefully this is the cause of the failure. We will continue to monitor the condition of the walk in
- Sysco food allows us to keep over stock in the freezer at their facility. We will keep as much as we can there until we are confident the walk in won't fail again.



Snowsports School, Rental, Repair, Retail, - Prepared by Erin Lupro

- We have been busy coordinating this winter break camps, we have been able to finish up 2 camps so far. The past two seasons we have not been able to pull of the first two camps for lack of snow in the learning area. It has been successful for our students to get a head start on their learning. We had a third camp start On Dec 29<sup>th</sup> and all Multi Week programs begin Jan 4 & 5, we are working on alternative plans in case of the upper mtn terrain is not available.
- We have multiple school groups booked for this season and community groups already planned.
- We have some new instructors this season, but still not enough to help with the large waitlist for programs.
- Our team of staff also worked really hard to coordinate the logistics of Christmas Eve event.
- Our first student contracts have been put into place for FY25 and we are currently running the Snowbus and scheduling our school group visits.

**Rental, Retail, Repair**

- Next season’s orders are already being built and submitted for FY26.
- Retail has been moving out the door with all the new logo items and having the shop stocked. The repair shop has been busy, but the repair team has been able to keep up and get ahead of the work with a quick turnaround time.
- Rental shop staff have all been able to get fully certified in multiple binding certifications.
- The rental team have been supporting our school group efforts with pre-fit appointments at the school to prep for the January visits. They are all on board for the remaining pre-fits moving forward.

**Other**

- All of our J1 employees have arrived and the process of each step of onboarding, HR, Social Security, Bank Visits is a large effort.
- Entering all the staff documents to the city and IT departments, for computer use by staff, resetting passwords for logins. Setting up Login access for all Intouch users. Getting staff Timeclock numbers
- Fixing media card printers, ordering parts and troubleshooting.
- Computer replacement, Intouch reinstall, Credit card terminals reloading,
- Working with new EC admins to help account code the correct payments, helping with POs,
- Getting them all outfitted with the appropriate outdoor winter gear for each job and uniforms for each also.



- Coordinating the Shuttle for using both the First student during high volume staffing days and the two vans
- Arranging and coordinating airport arrivals for our J1 employees,
- Coordinating with UAS for Keys, Access and getting supplies into each room.

#### Patrol Update – Prepared by Justin Spurrier

- We got patrol open terrain.
- Requisition submitted for hiring Senior Patrollers, looking to fill 3 positions.
- Brushed, on Sneaky, Sourdough, Lower Ego, Lower Spruce Chutes and along the summer road to the base of Black Bear.
- Trained in
  - adaptive equipment lift evacuation
  - ascender
  - unseated passenger
  - Interagency Avalanche refresher
  - Snow Machine
  - self-evacuation and over the edge rope rescue.
- Cleaned and organized the crawl space under the nest.
- Hung avalanche danger signs.
- Purchased supplies for first aid and rope rescue equipment, much of the replaced rope rescue equipment was near the end of its service life.
- Revised medical standing orders with Eaglecrest's Medical Director

#### Marketing Update – Prepared by Kristen Strom

- Making lemonade out of lemons with 2-night skiing events.
- Daily reporting has started online and on socials.
- New York Times Article. Elaine's (the author) son lives here and has skied Eaglecrest multiple times. I spoke with her on the phone a couple of times last year. It is really great to see Juneau winter tourism expanding.
- Christmas Eve event success!
- Every Friday have been recording radio scripts of the daily report and allowing KINY to use for the weekend.
- Finally have a rhythm of consistent Newsletters, News Posts, & Socials.
- Been planning events for the season and compiling new ideas to keep things interesting even though it's only Porcupine right now.
- James purchased a drone and the proper licensing for capturing footage to use in social media posts

#### Mountain Ops Updates – prepared by Kellan Cousins



We are excited to finally kick off the season! We had a lot of fun bringing back night skiing for the first time in years! We were able to get around 5 days of snowmaking in December between the warm weather windows.

Here are a few other updates from December:

- All lift attendants are here and trained
- Sander was loaded into the new Dodge flatbed and has been helping keep our parking lots safer.
- New well pump has arrived and was installed on the 28th.
- Cole, a mechanic from PistenBully, flew out to assess the health of our snowcat fleet. I have attached the writeup. In short, Tomahawk is beyond its service life and will not be able to be used moving forward. We should replace it with a demo or leased snow cat until we can purchase a new one.
- The mountain ops team has refurbished our terrain park features that we will be using this season.
- We are currently working to finalize dates with our lift mechanic contractors, Lance and Jac, to be here in late January/early February to replace worn sheaves and mains.
- We have resurrected the Lift Operations Supervisor position for the first time in 7 years. HR will be posting this position soon. And we have someone in the position in an “acting” capacity
- We have also been working on making various repairs to our snowmobiles, snow guns, utvs, and 4wheelers.
- We discovered a bad PLC board at Hooter and have a new board on its way to be replaced.
- We had the Sourdough pumpstation looked at and got a simple repair plan and then clearance to operate it.

Gondola Update – Prepared by Alan Steffert and Carl Ferlauto

**Summary:** The Gondola project continues moving forward with some key accomplishments during the month of December.

- On December 17, 2024, the Army Corps of Engineers **issued a permit** to discharge fill material on wetlands for the Eaglecrest Gondola and Summer Activity Development project. ADEC Division of Water also issued their Section 401 Water Quality Certification at the same time. We submitted the ACOE permit application almost a year ago (12/28/2023). An ACOE permit is required for the major construction activities on wetlands associated with the gondola project e.g. road building, tower foundations, etc. Having the ACOE permit in-hand allows us to break ground in spring of 2025.
- Expenditures – design consultant fees, staff time. see attached JJ430 report for December 3.
- Another key regulatory milestone was completed with the issuance of the Section 401 Water Quality Certification from ADEC.
- Fee proposals were received from the Design Team for remaining design tasks. After review, we decided to hold an in-person alignment meeting with the relevant team members.



- Included an overview of the CMGC delivery process, a good Q&A session, and a thorough discussion of next steps, including coordination within the team.
- Project scope and design scope were clarified for team members and a revised fee proposal is now being developed to move forward in the correct manner.
- Our Gondola specialist firm was already cleared to proceed and continues key work which fits into the other design disciplines.
- Work is progressing on design for tower foundations, base terminal, mid station, and the upper terminal.
- Design deliverables for the 35% submittal being provided to the CM/GC was clarified and action to close the gaps is underway.
- Draft contract and RFP language for the CM/GC continues and has a target for submittal to CBJ in the first week of JAN.



Gondola Project Financials				As of 03 DEC 2024	
Budget Remaining		Actuals			
Code	Description	Commitments	Thru AUG	Total "Spent"	
120	Design	\$ 653,992	\$ 696,814	\$ 1,350,805.64	
130	Bid/Award	\$ -	\$ 9,966	\$ 9,966.02	
140	Construction	\$ -	\$ 4,448,797	\$ 4,448,797.30	
Totals		\$ 653,992	\$ 5,155,577	\$ 5,809,568.96	
				Total Budget	\$ 12,721,608
				Total Spent	\$ 5,809,569
				<b>Total Budget Remaining</b>	<b>\$ 6,912,039</b>

Project Expenditures Breakdown					As of 03 SEP 2024		
Element	Code	Description	Admin	Design	Procurement	Construction	
Admin	130	Admin OH Costs	\$ 9,966				
Design	120	Design Team		\$ 696,814			
Procurement	140	Galsterberg Procurement			\$ 1,325,398		
Procurement	140	Galsterberg Shipping & Expenses			\$ 1,205,443		
Procurement	140	Towers/Sheaves/Hangers (STR)			\$ 1,860,000		
Construction	140	Construction-Other					\$ 57,956
Totals			\$ 9,966	\$ 696,814	\$ 4,390,841	\$ 57,956	
Breakdown			0.19%	13.52%	85.17%	1.12%	
					<b>Total Expended</b>	<b>\$ 5,155,577</b>	
					Total Committed	\$ 653,992	
					Total "Spent"	\$ 5,809,569	
					<b>Total Budget Remaining</b>	<b>\$ 6,912,039</b>	

Based on Activity Status Report JJ430 dtd 03 DEC 2024

Sincerely,  
Craig

Craig Cimmons  
General Manager  
Eaglecrest Ski Area  
V: 907-790-2000 x4297





## KÄSSBOHRER ALL TERRAIN VEHICLES, INC.

Job Number: 18005904  
Customer: Eagle Crest  
Date of Repair: 12/7/2024  
Serial Number: WKU5824CQ9L010309, WKU5824CQDL011027,  
WKU5824CQHL011724  
Cat/Winch Hours:  
Technician: Cole Stiefbold  
Repair Location (city/state): Juneau, Alaska  
Total Mileage (billable jobs):

**Customer requested a visit to assist in evaluating the condition of the 3 pb400's.**

**WKU5824CQ9L010309**: 2009 PB400 Park 8485hrs

This machine has severe wear to hydraulic components and needs a major overhaul. A hydrostatic pump has failed and sent metal contaminants throughout the rest of the hydraulic system. The machine also needs repairs to the suspension, a small crack on the passenger side outer frame rail, exhaust leaks, and coolant leaks. There are electrical issues affecting the exterior lighting and hydraulic issues.

The hydraulic drive repairs on their own would take roughly 40 hours of labor and \$40,000 in parts, and it would be nearly impossible to remove all contamination from the rest of the system. The suspension overhaul would take roughly \$10,000 in parts and labor, including the weld repair to the frame rail. \$50,000 would be a conservative estimate to get the cat back to being "usable", and at a severely diminished level of dependability due to hydraulic system contamination, water-damaged electrical systems, other drivetrain components like the engine, final drives, splitter box, tracks, and tiller would all be near the end of their service life as well.

**WKU5824CQDL011027**: 2013 PB400 Park 7020hrs

This machine has drivability issues, water leaks into the cabin, mismatched/incorrect track hardware, an issue with the brake system, and hydraulic leaks in the system causing the implements to slowly fall after being raised.

Technician recommends at a minimum the water leaks into the cab get fixed soon and the brake issue is diagnosed, to prevent downtime this winter. More extensive diagnosis would be required to resolve the issues with the auxiliary hydraulics and drivability, which could require the machine to be put out of service for a couple days to a week depending on the findings. Repairs starting at roughly \$5,000 with potential to exceed \$10,000 subject to the findings of the hydraulic system diagnosis.

**WKU5824CQHL011724**: 2017 PB400 Winch 2031hrs

This machine is in good condition with fairly low hours. Water leaks are present, one at the sunroof was fixed by the technician at the time of this visit. There is at least one more leak at the broken passenger door glass that needs to be replaced. Deferred/incorrect track maintenance on this machine has caused repeated track failures that have been exacerbated by operating in low snow conditions and encountering rocks and other obstacles. The winch cable has been shortened to about half its original length and also needs replaced.

Track maintenance, winch cable replacement, new passenger door glass, are recommended on this machine. Using only factory replacement track hardware will also go a very long way to mitigating future track issues. Roughly \$5,000 in parts for the tracks and the window, and a couple days of labor are necessary to help preserve the good condition of this cat.

**Overall:**

All 3 machines in this fleet are getting old and have had years of deferred maintenance which has caused major damages in some cases, and repeated premature failures of track components. The 2009 is no longer operable without a major overhaul, and the 2013 is not far behind it in terms of hours and will start to require more costly repairs as it ages. All of these factors are going to force the winch machine to operate in unfavorable early season conditions and non winching tasks which will cause accelerated wear and tear, which we are already seeing on its tracks.



Period	Month	FY22 Actuals	FY23 Actuals	FY24 Actuals	FY25 Actuals	
01	July	591,780	684,021	788,439	992,476	*July expenses always higher because all fixed costs (full cost allocation, insurances, etc.) are expensed in Period 1
02	August	134,309	132,070	146,906	137,721	
03	September	110,250	149,783	183,119	171,224	
04	October	120,880	188,899	211,841	147,863	<b>P1-5 Total</b>
05	November	165,903	275,433	276,138	191,403	\$1,640,685.91
06	December	224,506	293,760	392,249	108,503	Reflects activity through 12/4/24
07	January	509,711	519,146	401,450		
08	February	310,669	446,775	386,039		
09	March	320,262	361,524	337,656		
10	April	264,446	239,051	331,267		
11	May	139,014	132,556	(12,731)		*FY24 negative balance due to leave accrual catch-up/correction
12	June	82,091	162,604	434,444		*FY24 high due to inventory write-off
<b>Grand Total</b>		<b>2,973,821</b>	<b>3,585,623</b>	<b>3,876,817</b>	<b>1,749,189</b>	
<b>Expenditure Budgets</b>		3,015,400	3,585,600	3,910,600	4,310,100	
<b>Budget % Expensed through P05</b>		37%	40%	41%	38%	
<b>Budget % Expensed through P06</b>		45%	48%	51%	41%	
<b>P1-5 Hist. Avg.</b>		1,698,364.24				
<b>P1-5 Est. Budget-to-Actual (Under)/Over</b>		(57,678.33)				

# Activity Status Report

JJ430 Date 12/03/24  
Time 07:02

Activity Income Statement  
Eaglecrest Gondola

Section E, Item 2.

Activity: E28-102

Inception Date: 01/01/22

Budget: 100

Currency: USD

Revenues (By Funding Source)	Budget	Actuals	Funds Available
PPP REVENUE SHARE	10,000,000.00	2,374,869.55	7,625,130.45
F602 FLEET	60,000.00	60,000.00	0.00
F215 SALES TAX GENERAL	161,608.00	161,608.00	0.00
F110 GENERAL FUND	2,500,000.00	2,500,000.00	0.00
REVENUE TOTALS:	12,721,608.00	5,096,477.55	7,625,130.45

Accruals	Budget	Commitments	Actuals	Funds Available	
PHASE: Eaglecrest Gondola TASK: Eaglecrest Gondola 3804 Revenue Clearing	Activity: E28-100-01 Activity: E28-102	0.00	0.00	7,625,130.45-	7,625,130.45
TOTAL: Grant Accrual	0.00	0.00	7,625,130.45-	7,625,130.45	
ACCRUAL TOTAL:	0.00	0.00	7,625,130.45-	7,625,130.45	

Revenues	Budget	Commitments	Actuals	Funds Available	
PHASE: Eaglecrest Gondola TASK: Revenues 4215 Sales Tax revenue	Activity: E28-102-01 Activity: 281020101	161,608.00-	0.00	0.00	161,608.00-
TOTAL: Grant Accrual	161,608.00-	0.00	0.00	161,608.00-	
4110 General Fund	2,500,000.00-	0.00	0.00	2,500,000.00-	
TOTAL: Grant Accrual	2,500,000.00-	0.00	0.00	2,500,000.00-	
4602 Central Equip Fleet Contr Cap	60,000.00-	0.00	0.00	60,000.00-	
TOTAL: Grant Accrual	60,000.00-	0.00	0.00	60,000.00-	
4837 Public Private Partnership Rev	10,000,000.00-	0.00	0.00	10,000,000.00-	
TOTAL: Grant Accrual	10,000,000.00-	0.00	0.00	10,000,000.00-	
TASK: Design 4110 General Fund	Activity: 281020120	0.00	0.00	245,275.83-	245,275.83
TOTAL: Grant Accrual	0.00	0.00	245,275.83-	245,275.83	
4602 Central Equip Fleet Contr Cap	0.00	0.00	339.07	339.07-	
TOTAL: Grant Accrual	0.00	0.00	339.07	339.07-	
4837 Public Private Partnership Rev	0.00	0.00	393,585.70-	393,585.70	

# Activity Status Report

JJ430 Date 12/03/24  
Time 07:02

Activity Income Statement  
Eaglecrest Gondola

Section E, Item 2.

Activity: E28-102

Inception Date: 01/01/22

Budget: 100

Currency: USD

Revenues		Budget	Commitments	Actuals	Funds Available
TOTAL:	Grant Accrual	0.00	0.00	393,585.70-	393,585.70
TASK: Bid/Award	Activity: 281020130				
4110	General Fund	0.00	0.00	4,547.04-	4,547.04
TOTAL:	Grant Accrual	0.00	0.00	4,547.04-	4,547.04
4602	Central Equip Fleet Contr Cap	0.00	0.00	51.21	51.21-
TOTAL:	Grant Accrual	0.00	0.00	51.21	51.21-
4837	Public Private Partnership Rev	0.00	0.00	4,661.96-	4,661.96
TOTAL:	Grant Accrual	0.00	0.00	4,661.96-	4,661.96
TASK: Construction	Activity: 281020140				
4215	Sales Tax revenue	0.00	0.00	161,608.00-	161,608.00
TOTAL:	Grant Accrual	0.00	0.00	161,608.00-	161,608.00
4110	General Fund	0.00	0.00	2,250,177.13-	2,250,177.13
TOTAL:	Grant Accrual	0.00	0.00	2,250,177.13-	2,250,177.13
4602	Central Equip Fleet Contr Cap	0.00	0.00	60,390.28-	60,390.28
TOTAL:	Grant Accrual	0.00	0.00	60,390.28-	60,390.28
4837	Public Private Partnership Rev	0.00	0.00	1,976,621.89-	1,976,621.89
TOTAL:	Grant Accrual	0.00	0.00	1,976,621.89-	1,976,621.89
REVENUE TOTAL:		12,721,608.00-	0.00	5,096,477.55-	7,625,130.45-
Expenditures		Budget	Commitments	Actuals	Funds Available
PHASE: Eaglecrest Gondola	Activity: 281020120				
5110	Salaries	0.00	0.00	59,275.39	59,275.39-
5120	Benefits	0.00	0.00	27,065.90	27,065.90-
5140	ENG OH	0.00	0.00	45,621.07	45,621.07-
5150	CBJ OH	0.00	0.00	21,103.29	21,103.29-
5202	Travel & Training	0.00	0.00	5,635.99	5,635.99-
5390	Contractual Services	0.00	653,991.98	538,112.02	1,192,104.00-
TOTAL:	Design	0.00	653,991.98	696,813.66	1,350,805.64-
PHASE: Eaglecrest Gondola	Activity: 281020130				
5110	Salaries	0.00	0.00	3,488.15	3,488.15-
5120	Benefits	0.00	0.00	2,138.00	2,138.00-

# Activity Status Report

JJ430 Date 12/03/24  
Time 07:02

Activity Income Statement  
Eaglecrest Gondola

Section E, Item 2.

Activity: E28-102

Inception Date: 01/01/22

Budget: 100

Currency: USD

Expenditures		Budget	Commitments	Actuals	Funds Available
5121	Deferred Comp	0.00	0.00	8.09	8.09-
5140	ENG OH	0.00	0.00	2,872.44	2,872.44-
5150	CBJ OH	0.00	0.00	1,459.34	1,459.34-
TOTAL: Bid/Award		0.00	0.00	9,966.02	9,966.02-
PHASE: Eaglecrest Gondola Activity: 281020140					
5200	Business Travel	0.00	0.00	0.00	0.00
5202	Travel & Training	0.00	0.00	11,831.02	11,831.02-
5363	Equipment Maintenance	0.00	0.00	679.81	679.81-
5380	Dues and subscriptions	0.00	0.00	2,400.00	2,400.00-
5322	Advertising	0.00	0.00	82.63	82.63-
5360	Equipment Rentals	0.00	0.00	3,994.00	3,994.00-
5496	Minor Equipment	0.00	0.00	3,152.92	3,152.92-
5490	Materials and Commodities	0.00	0.00	4,860.64	4,860.64-
5390	Contractual Services	0.00	0.00	1,137,726.84	1,137,726.84-
5690	Construction	12,721,608.00	0.00	3,284,069.44	9,437,538.56
TOTAL: Construction		12,721,608.00	0.00	4,448,797.30	8,272,810.70
PHASE TOTAL: Eaglecrest Gondola		12,721,608.00	653,991.98	5,155,576.98	6,912,039.04
ACTIVITY TOTAL: Eaglecrest Gondola		12,721,608.00	653,991.98	5,155,576.98	6,912,039.04

# Eaglecrest Financial Analysis



Photo courtesy of Eaglecrest website

Prepared for City and Borough of Juneau



Submitted by:

Kirk Duncan

Former Eaglecrest General Manager and  
CBJ Public Works and Parks & Recreation Director  
December 30, 2024



# Executive Summary

This report’s purpose is to provide an objective view of the current state of Eaglecrest, what will be needed in the next several years, and expectations for gondola project financial performance.

The Eaglecrest Ski Area is at a pivotal time in its history. Three of the five senior management positions are held by newly hired individuals who are qualified to do the job but face steep learning curves. Eaglecrest is a complicated ski area compared to many areas of its size in that it has extensive avalanche mitigation which increases costs. In addition, its relatively low elevation and maritime climate make a consistent opening date and operations a challenge. Compounding this issue, Eaglecrest has not kept up with paying competitive wages to its employees as indicated by the “Comparative Wage and Salary Analysis compiled by Sierra Research Associates 2022-2023” and lacks a coherent long term pricing structure and has added year-round, full-time, benefitted positions.

This report endeavors to present the range of issues affecting Eaglecrest, projections for future revenue, and options for “bridging the gap” between today and such time as winter operations at Eaglecrest are subsidized by summer revenue. This information will be presented in the form of FY25 and 26 concerns, followed by projections for revenues for future gondola operations.

As made apparent by the loss of the Black Bear Chairlift for the 2024-2025 ski season, Eaglecrest has not maintained its lifts to an acceptable standard and at present does not have adequately trained lift mechanics. While the new management intends to develop necessary training programs, until such time that staff is fully trained, additional funds over current levels will likely be required for contracted services. Insufficient maintenance and lack of ongoing training over the past several years have resulted in the Black Bear chair not operating this winter and added to the cost of maintenance on the other chairlifts in the years to come.

There is much hope that gondola summer operations will “save” Eaglecrest, supporting additional investment in the ski area and ultimately replacing city support for winter operations and the financial projections shown later in this document support that. However, as in any business endeavor, future financial performance is uncertain, particularly in the absence of market demand research. How many people will use the service and how much are they willing to pay for the service? These questions are critical when planning a restaurant, a gas station or any other enterprise. This important due diligence has never been done for the gondola. The expense numbers are relatively easy to develop, however, the revenue numbers are very uncertain, leaving the gondola operation business plan with a wide range of possible financial outcomes – three different scenarios are presented herein.

Many of the issues facing the ski area can be traced back to the Eaglecrest Board of Directors. While board members are very dedicated to the ski area and its success, the governance structure of an empowered board directing a general manager with broad authority creates a sense of separation between Eaglecrest and the rest of CBJ. This system functions well with a board made up of committed individuals with broad experience and a general manager who is proficient in both navigating municipal government and operating complex ski area infrastructure. The inherent structural challenges associated with empowered board become apparent when any of these factors is out of balance. As

such, the Assembly should take a hard look at Eaglecrest’s governance and consider where improvements in accountability and support can be made.

Due to factors including the need to purchase lift maintenance parts (i.e. gear box rebuilds) and contractual services to perform the work needed on all chairlifts in Fiscal Year 2025 to ensure those parts are in Juneau for the summer maintenance season of 2025 (Fiscal Year 2026) as well as an apparent budgeted increase in season pass and daily lift ticket revenue that did not occur during the management transition, Eaglecrest may have an increase in the budget by as much as \$750,000. . This amount could be offset by increasing the level of general fund support, increasing the negative fund balance, increase in fund raising, reducing costs, or some combination of these or other offsets.

In FY 2026, if the decision is made to increase Eaglecrest salaries/wages to a competitive level, as identified by the wage study, the increased costs will range between \$600,000 and \$800,000. This increase assumes that Eaglecrest maintains its current staffing level. There will be one more year of increased lift maintenance costs before Eaglecrest will be back on a more routine preventive maintenance program. Lift maintenance and personnel services could increase the budget by as much as \$1,500,000. There may be some limited opportunity to offset increased costs with increased user fees, though development of a rationalized pricing model and strategy would first be required.

In FY 2027, the ski area will be back to “normal” winter operations with no need to bring in outside lift maintenance contractors as the two lift mechanics will have been trained. This will be the year when some up front gondola expenses occur. These would include the need to hire two additional lift mechanics to maintain the gondola, some capital equipment costs related to the gondola operation such an all-wheel drive 18 passenger van to get people off the top of the mountain if the gondola has a mechanical issue, additional evacuation equipment purchases, potential point of sale interface costs and other related items. These FY 27 gondola expense numbers have not been factored into the operating budget as these costs may come out of the construction budget, yet to be determined.

With regard to the financial projections for the gondola, three scenarios have been developed (more details on the following pages).

In FY 2028, if the gondola realizes it’s projected ridership and revenue targets (40,000 riders with revenue of \$85 per rider as specified by the Eaglecrest Board) and expected expenses are correct, the summer operation would have net income of about \$1 million. With projected ridership increasing to 125,000 and revenue per rider increasing to \$125, the gondola would generate net income of \$10 million annually by 2043. Eaglecrest would over time be able to invest \$19 million back into the mountain, have a positive fund balance of \$42 million by 2043 and no longer need general fund support by 2031.

If revenue per rider is assumed at \$65 (rather than \$85) and ridership remains as projected, the mountain will have adequate revenue to reinvest \$19 million, have a \$31 million fund balance and not need general fund support after 2031.

In a third scenario, ridership again remains the same, revenue per rider drops to \$45. Eaglecrest has \$6 million to revest in the mountain, a positive fund balance of \$3.6 million and does not require general fund support after 2031.

This financial modeling should be updated as better ridership and revenue-per-rider estimates become available. Eaglecrest is relying on Goldbelt's expertise in estimating ridership expectations and revenue per ticket projections.

More details about the financial aspects of the gondola are provided later in this document.

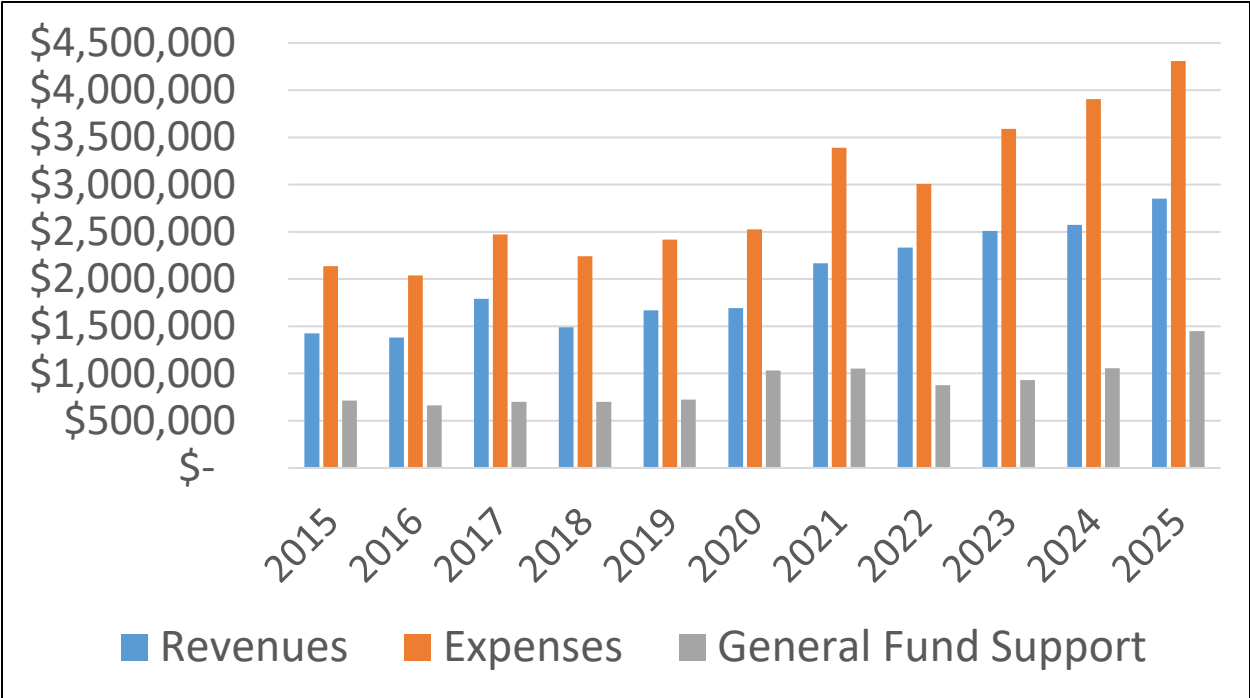
# Eaglecrest Financial Review

The CBJ Website under the Finance Department tab has Annual Financial Reports going back to 1997. During that time period, Eaglecrest averaged a 70% cost recovery (70% of expenses covered by user fees)

As demonstrated in the table below, during the years 2003 to 2012, Eaglecrest operated with a negative fund balance after a season (2003) where the Board decided to give refunds and season pass credits to make up for a low snow year. Eaglecrest paid off that negative fund balance by FY 2014 and maintained a positive fund balance until FY 2024 when an inventory write-off of obsolete parts caused Eaglecrest to create a negative fund balance of \$160,000.

Eaglecrest Financial History							
Winter Operations							
	Fiscal	Revenues	Expenses	General Fund	Operational	Fund	Cost
	Year			Support	Result	Balance	Recovery
Actual	1997	\$ 826,972	\$ 1,201,915	\$ 363,100	\$ (11,843)	\$ 162,303	69%
Actual	1998	\$ 661,252	\$ 1,148,537	\$ 363,100	\$ (124,185)	\$ 38,118	58%
Actual	1999	\$ 1,247,663	\$ 1,400,375	\$ 363,100	\$ 210,388	\$ 248,506	89%
Actual	2000	\$ 1,174,330	\$ 1,409,882	\$ 358,100	\$ 122,548	\$ 422,207	83%
Actual	2001	\$ 772,842	\$ 1,344,989	\$ 358,100	\$ (214,047)	\$ 208,160	57%
Actual	2002	\$ 1,061,114	\$ 1,596,916	\$ 358,100	\$ (177,702)	\$ 30,458	66%
Actual	2003	\$ 470,893	\$ 1,399,255	\$ 388,100	\$ (540,262)	\$ (509,804)	34%
Actual	2004	\$ 1,110,423	\$ 1,641,870	\$ 388,100	\$ (143,347)	\$ (653,151)	68%
Actual	2005	\$ 1,057,928	\$ 1,610,295	\$ 488,100	\$ (64,267)	\$ (717,418)	66%
Actual	2006	\$ 1,089,369	\$ 1,795,484	\$ 594,302	\$ (111,813)	\$ (829,231)	61%
Actual	2007	\$ 1,460,172	\$ 2,038,425	\$ 600,000	\$ 21,747	\$ (807,484)	72%
Actual	2008	\$ 1,496,611	\$ 2,094,687	\$ 650,000	\$ 51,924	\$ (755,560)	71%
Actual	2009	\$ 1,680,879	\$ 2,333,294	\$ 700,000	\$ 47,585	\$ (707,975)	72%
Actual	2010	\$ 1,661,436	\$ 2,298,074	\$ 750,000	\$ 113,362	\$ (594,613)	72%
Actual	2011	\$ 1,761,638	\$ 2,402,519	\$ 750,000	\$ 109,119	\$ (485,494)	73%
Actual	2012	\$ 1,958,429	\$ 2,468,678	\$ 750,000	\$ 239,751	\$ (245,743)	79%
Actual	2013	\$ 1,976,769	\$ 2,528,769	\$ 750,000	\$ 198,000	\$ (47,743)	78%
Actual	2014	\$ 1,987,696	\$ 2,597,762	\$ 750,000	\$ 139,934	\$ 92,191	77%
Actual	2015	\$ 1,426,177	\$ 2,137,283	\$ 712,500	\$ 1,394	\$ 93,585	67%
Actual	2016	\$ 1,381,911	\$ 2,037,598	\$ 662,500	\$ 6,813	\$ 100,398	68%
Actual	2017	\$ 1,791,461	\$ 2,472,364	\$ 700,000	\$ 19,097	\$ 119,495	72%
Actual	2018	\$ 1,488,396	\$ 2,242,360	\$ 700,000	\$ (53,964)	\$ 65,531	66%
Actual	2019	\$ 1,667,695	\$ 2,419,250	\$ 725,000	\$ (26,555)	\$ 38,976	69%
Actual	2020	\$ 1,694,161	\$ 2,527,544	\$ 1,030,399	\$ 197,016	\$ 235,992	67%
Actual	2021	\$ 2,166,455	\$ 3,390,013	\$ 1,053,252	\$ (170,306)	\$ 65,686	64%
Actual	2022	\$ 2,333,194	\$ 3,005,968	\$ 875,000	\$ 202,226	\$ 267,912	78%
Actual	2023	\$ 2,510,653	\$ 3,590,761	\$ 930,000	\$ (150,108)	\$ 117,804	70%
Actual	2024	\$ 2,572,590	\$ 3,906,047	\$ 1,055,500	\$ (277,957)	\$ (160,153)	66%
Budget	2025	\$ 2,852,000	\$ 4,310,100	\$ 1,448,800	\$ (9,300)	\$ (169,453)	
Potential Additional	2025		\$ 750,000			\$ (919,453)	56%

This information is presented graphically below for years 2015-25:



### Fiscal Year 2025 Financial Concerns

The major issue for 2025 is the need to order lift maintenance parts and services in FY 2025 to ensure those parts are ready for the summer maintenance season. Major jobs this summer will be the rebuilding of the Hooter and Ptarmigan gear boxes and Black Bear lower terminal work. In addition, Eaglecrest will need to contract for lift maintenance assistance as the lift maintenance positions are staffed and trained. Cost estimates for all this work are being developed while at the same time the limited staff is working to get the mountain open.

From a budgeting perspective, allocating an estimated \$750,000 for summer maintenance work would be prudent.

### Fiscal Year 2026 Financial Concerns

#### Pay Plan

When Eaglecrest was first conceived, the pay plan was to pay ski area employees similar wages to what they would receive working down south adjusted for cost of living in Juneau, so the concept was to have a separate pay plan from the CBJ. However, under this separate pay plan Eaglecrest has not kept up with paying its employees wages that, considering current economic conditions, enable successful recruitment and retention. In 2024, the Assembly approved a 6% wage increase across all Eaglecrest positions, which was a step in the right direction but still does not achieve parity with comparable ski areas or the CBJ wage grid. A new pay plan is suggested and attached to this document. The plan will

need to be reviewed by the CBJ Human Resources and the Eaglecrest Board. Evaluating how Eaglecrest positions would fit into the CBJ wage grid would be a significant project for CBJ staff. This project is further complicated by the prospect of summer operations and has not been directed by the Assembly.

However, the proposed pay plan comes fairly close and can certainly be modified. If the plan was to be implemented in 2026, costs would increase by \$778,000, including all funded and unfunded positions. CBJ may choose to do this incrementally while attempting to balance recruitment challenges and budget considerations.

As proposed in the attached spreadsheet, the positions on the lower end of the wage grid see bigger increases than those positions toward the top of the grid. Lift operators (range 104) go from \$13.66 per hour to \$20.17 (an increase of 47%), the lift supervisor (range 110) goes of \$22.28 to \$30.32 (an increase of 36%) while the director of mountain operations (a range 112) goes from \$37.37 to \$43.76 (an increase of 17%). This plan brings a more comparative pay scale to Eaglecrest and should fundamentality change the employee landscape at the mountain. Eaglecrest employees are excluded from PERS with the exception of year-round staff. Health and wellness would not be paid to employees until the 1560-hour threshold is met.

### Materials and Commodities

The summer of 2026 will be another year of intensive lift maintenance, though no cost numbers have yet been developed. It is envisioned that at the end of the summer maintenance season Eaglecrest should be back in a well-grounded lift maintenance program with a trained staff capable of handling the workload. This report includes a placeholder materials and commodities increase for 2026 is \$875,000. This is subject to approval by the EC board and would be part of the FY26 budget process.

### Equipment Replacement

The equipment replacement reserve was created to set aside funds each year and build up a reserve for major purchases. Eaglecrest currently has an equipment replacement schedule similar to the fleet schedules maintained by other CBJ departments, but it has been chronically underfunded for over a decade. The annual equipment replacement reserve contribution has been set at \$100,000 since 2004. This should be budgeted to increase to an amount adequate to fund snow cat purchases, replacement for snow removal equipment and utility pickup trucks. An estimate is \$200,000 per year. This is subject to approval by the EC board and would be part of the FY26 budget process. Related to this subject, Eaglecrest would likely benefit from a more robust asset management program.

### Guest Survey to Clarify Revenue Potential

In order to maintain a 70% cost recovery, Eaglecrest will need to increase prices to cover costs.

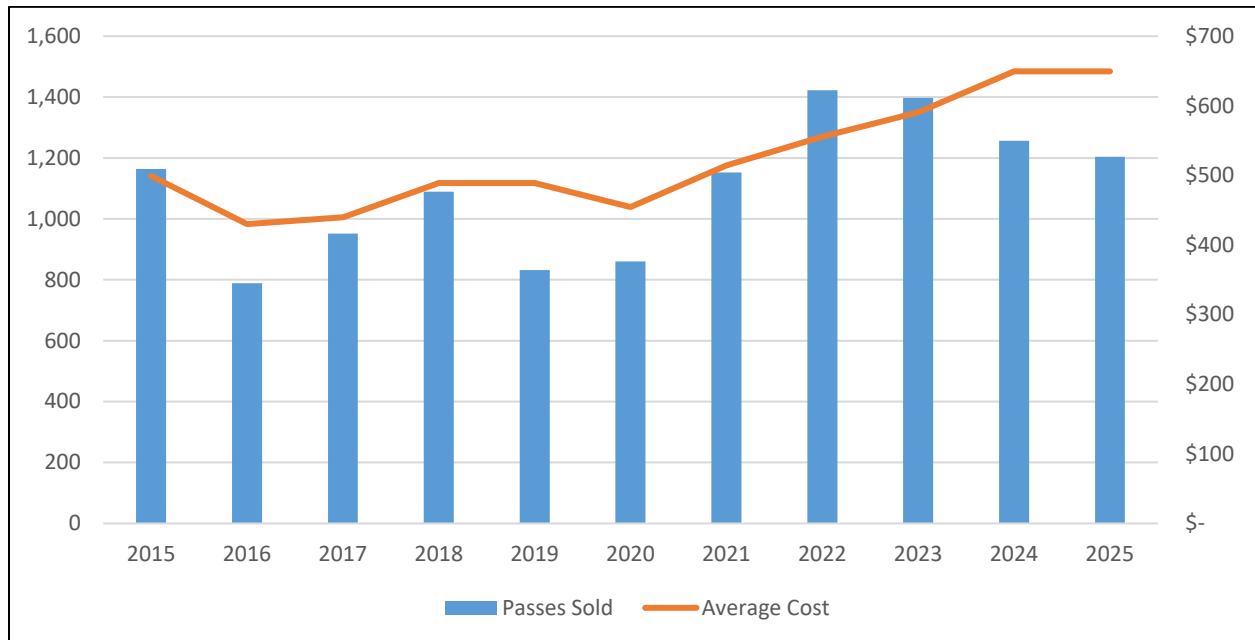
Sampling various ski areas that are located near Juneau or are similar sized operation, it will be noted that season pass and day ticket (the vast majority of total ski area revenue) pricing vary widely.

	Adult	Weekend Adult
	Season Pass	Day Ticket
Eaglecrest	\$ 630	\$ 75
Mt Baker	\$ 1,047	\$ 94
Mt Sima	\$ 579	\$ 68
Alyeska	\$ 1,549	\$ 159
Skeetawk	\$ 499	\$ 44
Mt Spokane	\$ 849	\$ 80
49 Degrees North	\$ 859	\$ 79
Red Mountain	\$ 1,299	\$ 174
Ski Bluewood	\$ 599	\$ 66
Sugar Bowl	\$ 1,399	\$ 162
Schweitzer	\$ 1,399	\$ 130

It is recommended a guest survey be conducted to ask what Juneau residents would be willing to pay to keep a high level of service at Eaglecrest and conversely what they would be willing to give up maintaining pricing at current levels. Eaglecrest did not hit its budgeted revenue for FY24. The approved budget shows a \$130,000 revenue increase for FY25 over the FY24 budget. The below table shows a budget-to-budget comparison for FY24 and 25.

	FY23 Actuals	FY24 Amended Budget	FY24 Projected Actuals	FY25 Adopted Budget	FY26 Approved Budget		
<b>EXPENDITURES</b>							
Personnel Services	\$ 1,993,700	2,111,500	2,155,400	2,382,900	2,450,400		
Commodities and Services	1,592,000	1,764,100	1,684,600	1,927,200	1,980,800		
Support to:							
Pandemic Response Fund	-	-	-	-	-		
<b>Total Expenditures</b>	<b>3,585,700</b>	<b>3,875,600</b>	<b>3,840,000</b>	<b>4,310,100</b>	<b>4,431,200</b>		
						FY 24/FY 24	FY 24/FY 25
						Projected Actuals	Budget to Budget
<b>FUNDING SOURCES</b>							
Charges for Services	1,759,000	1,895,000	1,860,000	1,957,000	2,048,000	(35,000)	(62,000)
Licenses, Permits, and Fees	276,200	394,000	329,000	398,000	448,000	(65,000)	(69,000)
Sales	73,100	63,000	76,400	81,400	81,400	(100,000)	(131,000)
Rentals and Leases	281,700	300,600	310,600	315,600	325,600		
Donations and Contributions	100,400	100,000	100,000	100,000	100,000		
Support from:							
Roaded Service Area	50,000	50,000	50,000	50,000	50,000		
General Fund	880,000	1,005,500	1,005,500	1,398,800	880,000		
<b>Total Funding Sources</b>	<b>3,420,400</b>	<b>3,808,100</b>	<b>3,731,500</b>	<b>4,300,800</b>	<b>3,933,000</b>		

The below graph shows the relationship between season pass prices and pass sales from 2015 to 2025.





## Biweekly Financial Reports

Eaglecrest is a highly weather dependent business operation with constantly changing financial landscape. As with any business, it is important to know where the business is financially every two weeks (which matches the payroll cycle). The critical components are sales and labor costs. While other operational expenses are important to manage, knowing where the sales and labor costs are will determine the success of the business.

The Eaglecrest finance committee should meet monthly to review the reports. Staff and management should agree to the format. The reports should be sent every two weeks to the board and discussed at the monthly meeting. This financial report cannot be time-consuming to put together. A suggested format is presented below.

	FY 24		FY 25	
	12/4/2023	Year to	12/2/2024	Year to
	12/17/2024	Date Sales	12/15/2024	Date Sales
Revenue				
Season Pass Sales				
Lift Ticket Sales				
Advance Ticket Sales				
Locker Rentals				
Rental				
Retail				
Repair				
Food and Beverage				
Snow Sports School				
Lodge Rentals				
Bus Fees				
Misc Revenue				
Payroll Expenses				
Administration				
Ski Patrol				
Lift Operations				
Mountain Maintenance				
Base Operations				
Snow Sports School				
Food Service				
Ski Rental Shop				
Marketing				
Total Income				

## Decreased costs – Hard Look at Staffing

Following on the conversation about looking at costs on a timely basis, it appears that personnel service has increased by 45% in 11 years. More research needs to be done to determine the actual FTEs and whether the year-round staffing increase also represents a net increase in FTEs. This is currently unclear because the Eaglecrest budget in recent years has contained budgeted positions that have been transferred to the Capital Improvement Program budget. This practice will not continue going forward.

Total Personnel Services			
FY 23	\$	1,993,700	
FY 12	\$	1,371,700	
	\$	622,000	45.3%

FY 12		FY 25
FTE		FTE
1.00	General Manager	1.00
1.00	Director of Mt Operations	1.00
1.00	Director of Base Operations	1.00
1.00	Lift Supervisor/Mechanic	1.00
1.00	Vehicle Mechanic	1.00
0.50	Director Snow Safety	1.00
0.75	Director of Snow Sports School	1.00
6.25		
	Lift Mechanic	1.00
	Custodian	1.00
	Snow Sports Outreach Manager	1.00
	Ski Shop Supervisor	1.00
	Marketing and Events Manager	1.00
		12.00

Total budgeted full-time staff has increased from 6.25 positions to 12 positions.

In addition, ski patrol wages from 2012 to 2023 have nearly doubled and the number of hours worked has increased by 63%.

Fiscal Year 2012					
Total Ski Patrol Wages	\$	108,082			
Total Ski Patrol Hours		6500	\$	16.63	Average Hourly Wage
Fiscal Year 2023					
Total Ski Patrol Wages	\$	206,523			
Total Ski Patrol Hours		10611	\$	19.46	Average Hourly Wage

Given that payroll is Eaglecrest’s biggest controllable expense, there needs to be a hard look at these positions and overall FTEs to answer the question; can the ski area afford all these services and at these levels, and are the right positions being funded?

### Donation Revenue

Each year, the Eaglecrest Foundation receives about \$100,000 from the Juneau Community Foundation’s Eaglecrest Operating Endowment. Over the past several years this money has been used largely to supplant CBJ funds for Eaglecrest, instead of being used as originally intended. This money was originally intended to assist the Eaglecrest Foundation in creating a “rainy day” fund that could be used when needed to address short-term, unbudgeted needs (that might result from a low-snow year, for example). Eaglecrest has not accounted for which specific budget items are funded by this extra revenue, however, as mentioned above, Eaglecrest has increased year-round staffing over the past several years.

## Potential Increased Funding Needs in FY 2026

The potential increase in funding in FY26 is detailed below:

FY2025/2026 Adopted Budget					
Department Budget Presentations					
Eaglecrest					
	FY25	FY 25		FY26	FY 26
	Adopted	Potential		Approved	Potential
	Budget	Change		Budget	Change
<b>EXPENDITURES</b>					
Personnel Services	\$ 2,382,900	\$ 2,382,900		\$ 2,450,400	\$ 3,250,400
Commodities and Services	\$ 1,927,200	\$ 2,677,200		\$ 1,980,800	\$ 2,855,800
	\$ -			\$ -	
<b>Total Expenditures</b>	<b>\$ 4,310,100</b>	<b>\$ 5,060,100</b>		<b>\$ 4,431,200</b>	<b>\$ 6,106,200</b>
<b>FUNDING SOURCES</b>					
Charges for Services	\$ 1,957,000	\$ 1,957,000		\$ 2,048,000	\$ 2,048,000
Licenses, Permits, and Fees	\$ 398,000	\$ 398,000		\$ 448,000	\$ 448,000
Sales	\$ 81,400	\$ 81,400		\$ 81,400	\$ 81,400
Rentals and Leases	\$ 315,600	\$ 315,600		\$ 325,600	\$ 325,600
Donations and Contributions	\$ 100,000	\$ 100,000		\$ 100,000	\$ 100,000
Support from:					
Roaded Service Area	\$ 50,000	\$ 50,000		\$ 50,000	\$ 50,000
General Fund	\$ 1,398,800	\$ 1,398,800		\$ 880,000	\$ 880,000
<b>Total Funding Sources</b>	<b>\$ 4,300,800</b>	<b>\$ 4,300,800</b>		<b>\$ 3,933,000</b>	<b>\$ 3,933,000</b>
<b>Inventory Reserve</b>					
Beginning Reserve Balance	\$ 253,900	\$ 253,900		\$ 253,900	\$ 253,900
Increase (Decrease) in Reserve					
<b>End of Period Reserve</b>	<b>\$ 253,900</b>	<b>\$ 253,900</b>		<b>\$ 253,900</b>	<b>\$ 253,900</b>
<b>Available Fund Balance</b>					
Beginning of Period	\$ (244,600)	\$ (244,600)		\$ (253,900)	\$ (750,000)
Increase (Decrease) in Fund Balance	\$ (9,300)	\$ (759,300)		\$ (498,200)	\$ (2,173,200)
<b>End of Period Available</b>	<b>\$ (253,900)</b>	<b>\$ (1,003,900)</b>		<b>\$ (752,100)</b>	<b>\$ (2,923,200)</b>
<b>Combined End of Period Fund Balance</b>	<b>\$ -</b>	<b>\$ (750,000)</b>	<b>\$ -</b>	<b>\$ (498,200)</b>	<b>\$ (2,669,300)</b>
<b>Staffing</b>	33.99			33.99	

In summary:

Personnel services	\$ 800,000
Materials and Commodities	\$ 875,000
Potential total FY 2026 need	\$1,675,000

## Fund Balance Projection

Assuming that the Assembly does not provide additional general fund support to Eaglecrest in FY26 (as presented in the current FY 2026 budget) and will increase 3% annually going forward from FY 2026, and assuming a 5% increase in both revenues and expenses annually, with general fund support ceasing in 2031, the financial situation would be as follows. This assumes that Eaglecrest runs a cumulative negative fund balance of approximately \$48 million for winter operations, this is offset by the revenue from the Gondola. How the gondola factors into this scenario is detailed in the next section.

	Winter Operations						
	Fiscal	Revenues	Expenses	General Fund	Operational	Fund	Cost
	Year			Support	Result	Balance	Recovery
Projected	2025	\$ 3,003,000	\$ 6,084,200	\$ 930,000	\$(2,151,200)	\$(3,070,653)	49%
Projected	2026	\$ 3,153,150	\$ 5,084,200	\$ 957,900	\$(973,150)	\$(4,043,803)	62%
Projected	2027	\$ 3,310,808	\$ 5,338,410	\$ 986,637	\$(1,040,966)	\$(5,084,769)	62%
Projected	2028	\$ 3,476,348	\$ 5,605,331	\$ 1,016,236	\$(1,112,747)	\$(6,197,515)	62%
Projected	2029	\$ 3,650,165	\$ 5,885,597	\$ 1,046,723	\$(1,188,709)	\$(7,386,224)	62%
Projected	2030	\$ 3,832,674	\$ 6,179,877	\$ 1,078,125	\$(1,269,078)	\$(8,655,302)	62%
Projected	2031	\$ 4,024,307	\$ 6,488,871		\$(2,464,564)	\$(11,119,866)	62%
Projected	2032	\$ 4,225,523	\$ 6,813,314		\$(2,587,792)	\$(13,707,657)	62%
Projected	2033	\$ 4,436,799	\$ 7,153,980		\$(2,717,181)	\$(16,424,839)	62%
Projected	2034	\$ 4,658,639	\$ 7,511,679		\$(2,853,040)	\$(19,277,879)	62%
Projected	2035	\$ 4,891,571	\$ 7,887,263		\$(2,995,692)	\$(22,273,571)	62%
Projected	2036	\$ 5,136,149	\$ 8,281,626		\$(3,145,477)	\$(25,419,048)	62%
Projected	2037	\$ 5,392,957	\$ 8,695,707		\$(3,302,751)	\$(28,721,799)	62%
Projected	2038	\$ 5,662,604	\$ 9,130,493		\$(3,467,888)	\$(32,189,687)	62%
Projected	2039	\$ 5,945,735	\$ 9,587,017		\$(3,641,283)	\$(35,830,970)	62%
Projected	2040	\$ 6,243,021	\$ 10,066,368		\$(3,823,347)	\$(39,654,317)	62%
Projected	2041	\$ 6,555,172	\$ 10,569,687		\$(4,014,514)	\$(43,668,831)	62%
Projected	2042	\$ 6,882,931	\$ 11,098,171		\$(4,215,240)	\$(47,884,071)	62%

In summary, potential solutions for the financial needs at Eaglecrest include:

- Increased general fund support (problematic given all the other CBJ needs)
- Increased negative fund balance, which amounts to an interest-free GF loan (to be paid down when the gondola comes online)
- Work with the Eaglecrest Foundation for fund raising
- Increased user fees
- Reducing some expenses

This report is intended to address the financial aspects of the gondola once it is up and operating. The construction budget and timeline are being developed outside of this report.

With expectations about the gondola very high, a few points should be considered before discussing its financial details.

Prior to considering summer operation of the gondola, it needs to be stated that operating the gondola in the winter is not likely to increase revenue by a significant amount as most people riding the gondola will be using a season pass, a pass they may have purchased with or without the gondola being in operation. A special gondola pass could be offered in addition to a season pass and if an adequate number of people purchase that pass, the gondola could operate on whatever schedule the board and staff determine is appropriate. By selling this gondola pass it would potentially limit the riders to those skilled enough to handle the increased and more challenging terrain (keeping inexperienced users from accessing this more difficult terrain).

Winter expenses will increase with the gondola due to increased avalanche control work, new gondola operator positions, and increased annual maintenance costs. Nordic considerations of the Cropley Flats area accessed by the gondola mid station will also need to be part of the discussion. No recommendation at this time, however consideration of this issue is suggested.

In terms of summer operations, the expenses are relatively fixed regardless of how many visitors ride the gondola on a daily basis. The suggested budget (presented below) calls for a full-time gondola manager who reports to the general manager. Too many ski operations struggle with year-round operations as they try to “fit” winter personnel into summer operating roles which often leads to neither winter nor summer operations being as successful as the operations could be due to lack of focus on both seasons. This full-time gondola manager will focus on all things gondola allowing the winter staff to focus on winter operations.

In addition, two gondola mechanics will be needed to service the lift during both winter and summer to provide necessary ongoing maintenance. Seasonally, there will be one lift operator with five lift attendants and four employees available for lift evacuation if needed (who could be used as summer guides near the top terminal). One ticket window person and one full time facility maintenance person would be needed. For context, Goldbelt has 14 full-time, year-round staff for the tram.

The proposed budget assumes that all of the summer employees will receive Health and Wellness benefits as they will probably work both summer and winter reaching the 1560-hour threshold. PERS payment is also factored in as it is more rational to plan on higher costs than assuming lower costs.

For this document’s purpose, it is assumed that the gondola will operate June 1<sup>st</sup> through September 15<sup>th</sup> with 5 days on either side of the operating season to train staff and close operations. More days can be added to the operating calendar, however, transitioning from winter to summer operations must be kept in mind. The suggestion of a winter gondola pass above is designed to facilitate revenue neutral winter operations. A list of summer gondola operating assumptions is attached to this document.



Total annual estimated costs will be \$1,181,765 for payroll and \$878,872 in other expenses for a total of \$2,060,637. The budget assumes an annual 5% increase in both payroll and fixed costs again with the assumptions that it best to potentially overestimate expenses.

There are three revenue pricing models presented

	Net to Eaglecrest	Potential Sales Price on Board the Cruise Ships
Aggressive	\$85 per visit	\$171.50
Moderate	\$65 per visit	\$145.00
Conservative	\$45 per visit	\$118.00

Please keep in mind that the per visit rates are net amounts to Eaglecrest. In order to sell on the cruise ships, the cruise lines take an average of a 30% commission, Goldbelt has stated they will charge \$35 per person for bus transportation. Goldbelt estimates that when the gondola comes online, they will be able to sell the complete mountain gondola tour with bus ride with a potential stop at the North Douglas boat launch for \$171.50 on the ships. They also project that 55,000 (~3% of cruise visitors) in the second year of operation is reasonable with total ridership growing to 125,000 visits by 2043 (~7% of cruise visitors assuming no significant increase in visitation). This information is based on projections made by our partner, Goldbelt. CBJ has not seen any business case analyses conducted to support these projections.

These estimates can be validated through a cruise ship passenger demand studies to forecast how many passengers will ride the gondola and how much they would be willing to pay. A careful market demand and revenue forecast would include the following: a passenger survey to gauge interest in a gondola excursion and willingness-to-pay; an analysis of the tour product market under the current daily limits; and interviews with on-board tour sales managers to gain their opinions about demand and pricing for a gondola excursion. Market research encompassing some or all of these tasks would reduce the uncertainty about the gondola’s summertime revenue generating potential. This information would provide some surety to all parties and should be shared by Goldbelt or commissioned by either or both parties.

To illustrate the bottom-line results of the three revenue models, the following net income (sales minus all expenses) projection for FY 25 to FY 43 is based on the assumption that the gondola attracts the anticipated ridership.

	Model		
	Aggressive: \$85 net/ticket	Moderate: \$65 net/ticket	Conservative: \$45 net/ticket
Net profit FY25-43	\$109,233,436	\$97,938,308	\$58,081,919



Year over year projections are detailed below:

<b>Aggressive Pricing - \$85 Revenue per Visit (R.P.V.)</b>																
	FY 28	FY 29	FY 30	FY 31	FY 32	FY 33	FY 34	FY 35	FY 36	FY 37	FY 38	FY 39	FY 40	FY 41	FY 42	FY 43
Ridership	39732	55250	65000	85000	95000	115000	125000	125000	125000	125000	125000	125000	125000	125000	125000	125000
R.P.V.	\$ 85.00	\$ 85.00	\$ 85.00	\$ 85.00	\$ 95.00	\$ 95.00	\$ 95.00	\$ 105.00	\$ 105.00	\$ 105.00	\$ 115.00	\$ 115.00	\$ 115.00	\$ 125.00	\$ 125.00	\$ 125.00
Total Revenue	\$ 3,377,220	\$ 4,696,250	\$ 5,525,000	\$ 7,225,000	\$ 9,025,000	\$ 10,925,000	\$ 11,875,000	\$ 13,125,000	\$ 13,125,000	\$ 13,125,000	\$ 14,375,000	\$ 14,375,000	\$ 14,375,000	\$ 15,625,000	\$ 15,625,000	\$ 15,625,000
Revenue Share	\$ 337,722	\$ 470,688	\$ 595,000	\$ 977,500	\$ 1,330,000	\$ 1,805,000	\$ 2,042,500	\$ 2,257,500	\$ 1,786,173	\$ 1,981,250	\$ 2,068,750	\$ 2,068,750	\$ 2,068,750	\$ 2,156,250	\$ 2,156,250	\$ 2,156,250
Operating Costs	\$ 2,061,323	\$ 2,061,323	\$ 2,164,389	\$ 2,272,608	\$ 2,386,238	\$ 2,505,550	\$ 2,630,828	\$ 2,762,369	\$ 2,900,488	\$ 3,045,512	\$ 3,197,788	\$ 3,357,677	\$ 3,525,561	\$ 3,701,839	\$ 3,886,931	\$ 4,081,278
Net Income	\$ 978,175	\$ 2,164,240	\$ 2,765,611	\$ 3,974,892	\$ 5,308,762	\$ 6,614,450	\$ 7,201,672	\$ 8,105,131	\$ 8,438,339	\$ 8,098,238	\$ 9,108,462	\$ 8,948,573	\$ 8,780,689	\$ 9,766,911	\$ 9,581,819	\$ 9,387,472
																\$ 109,223,436
<b>Moderate Pricing - \$65 Revenue per Visit (R.P.V)</b>																
	FY 28	FY 29	FY 30	FY 31	FY 32	FY 33	FY 34	FY 35	FY 36	FY 37	FY 38	FY 39	FY 40	FY 41	FY 42	FY 43
Ridership	39732	55250	65000	85000	95000	115000	115000	115000	121500	125000	125000	125000	125000	125000	125000	125000
R.P.V.	\$ 65.00	\$ 65.00	\$ 65.00	\$ 65.00	\$ 85.00	\$ 85.00	\$ 85.00	\$ 85.00	\$ 95.00	\$ 95.00	\$ 105.00	\$ 115.00	\$ 115.00	\$ 115.00	\$ 125.00	\$ 125.00
Total Revenue	\$ 2,582,580	\$ 3,591,250	\$ 4,225,000	\$ 5,525,000	\$ 8,075,000	\$ 9,775,000	\$ 9,775,000	\$ 10,925,000	\$ 11,542,500	\$ 13,125,000	\$ 14,375,000	\$ 14,375,000	\$ 14,375,000	\$ 15,625,000	\$ 15,625,000	\$ 15,625,000
Revenue Share	\$ 258,258	\$ 359,938	\$ 455,000	\$ 747,500	\$ 1,190,000	\$ 1,615,000	\$ 1,615,000	\$ 1,805,000	\$ 1,959,375	\$ 1,981,250	\$ 2,068,750	\$ 2,068,750	\$ 2,068,750	\$ 2,156,250	\$ 2,156,250	\$ 2,156,250
Operating Costs	\$ 2,061,323	\$ 2,061,323	\$ 2,164,389	\$ 2,272,608	\$ 2,386,238	\$ 2,505,550	\$ 2,630,828	\$ 2,762,369	\$ 2,900,488	\$ 3,045,512	\$ 3,197,788	\$ 3,357,677	\$ 3,525,561	\$ 3,701,839	\$ 3,886,931	\$ 4,081,278
Net Income	\$ 262,999	\$ 1,169,990	\$ 1,605,611	\$ 2,504,892	\$ 4,498,762	\$ 5,654,450	\$ 5,529,172	\$ 6,357,631	\$ 6,682,637	\$ 8,098,238	\$ 9,108,462	\$ 8,948,573	\$ 8,780,689	\$ 9,766,911	\$ 9,581,819	\$ 9,387,472
																\$ 97,938,308
<b>Conservative Pricing - \$45 Revenue per Visit (R.P.V.)</b>																
	FY 28	FY 29	FY 30	FY 31	FY 32	FY 33	FY 34	FY 35	FY 36	FY 37	FY 38	FY 39	FY 40	FY 41	FY 42	FY 43
Ridership	39732	55250	65000	85000	95000	115000	115000	115000	115000	115000	121650	125000	125000	125000	125000	125000
R.P.V.	\$ 45.00	\$ 45.00	\$ 45.00	\$ 45.00	\$ 45.00	\$ 45.00	\$ 45.00	\$ 45.00	\$ 45.00	\$ 65.00	\$ 75.00	\$ 85.00	\$ 95.00	\$ 115.00	\$ 115.00	\$ 125.00
Total Revenue	\$ 1,787,940	\$ 2,486,250	\$ 2,925,000	\$ 3,825,000	\$ 4,275,000	\$ 5,175,000	\$ 5,175,000	\$ 5,175,000	\$ 5,175,000	\$ 7,475,000	\$ 8,625,000	\$ 10,340,250	\$ 11,875,000	\$ 14,375,000	\$ 14,375,000	\$ 15,625,000
Revenue Share	\$ 178,794	\$ 249,188	\$ 315,000	\$ 517,500	\$ 630,000	\$ 855,000	\$ 855,000	\$ 855,000	\$ 855,000	\$ 1,235,000	\$ 1,990,000	\$ 2,322,838	\$ 2,582,500	\$ 2,902,500	\$ 3,062,500	\$ 3,062,500
Operating Costs	\$ 2,061,323	\$ 2,061,323	\$ 2,164,389	\$ 2,272,608	\$ 2,386,238	\$ 2,505,550	\$ 2,630,828	\$ 2,762,369	\$ 2,900,488	\$ 3,045,512	\$ 3,197,788	\$ 3,357,677	\$ 3,525,561	\$ 3,701,839	\$ 3,886,931	\$ 4,081,278
Net Income	\$ (452,177)	\$ 175,740	\$ 445,611	\$ 1,034,892	\$ 1,258,762	\$ 1,814,450	\$ 1,689,172	\$ 1,557,631	\$ 3,339,512	\$ 3,589,488	\$ 4,819,625	\$ 5,934,823	\$ 7,946,939	\$ 7,770,661	\$ 8,675,569	\$ 8,481,222
																\$ 58,081,919

It is important to note that these values are cumulative totals, over a 15-year period from FY2028 through FY2043, that have not been adjusted for inflation or the uncertainty of future cashflows. Discounting future cashflows at a prescribed interest rate provides such an adjustment. For example, at a 7% discount rate, the net profit/income to Eaglecrest is \$56.6 million in the \$85 per rider scenario, \$48.7 million at \$65 per rider, and \$25.8 million at \$45 per rider

In the conclusion, the combined winter costs and summer income will be discussed.

## Conclusion

it is possible to see the summer operations supporting the winter operation if cruise ship visitation stays at or above current levels and if the Assembly and ultimately the community support substantial summer cruise ship passenger visitation to the ski area.

Given that general fund support could end in 2032, based on revenue and expense figures, Eaglecrest could have somewhere between \$10 and \$61 million to reinvest in the mountain between 2026 and 2043 while keeping the ski area financially viable. The wide range in potential funds for reinvestment is based on the range of projections from the conservative to aggressive pricing models. Some of that reinvestment may be required for mountain top gondola facilities. The table below shows the total funds available for Eaglecrest to invest in infrastructure under each of the three pricing models.

Net Income Scenarios								
		Aggressive			Moderate		Conservative	
		Gondola	Fund		Gondola	Fund	Gondola	Fund
	Winter	Pricing	Balance		Pricing	Balance	Pricing	Balance
	Operating	Model	No Capital		Model	No Capital	Model	No Capital
	Deficit	Income	Investment		Income	Investment	Income	Investment
	\$ (919,453)		\$ (919,453)		\$ (919,453)			\$ (919,453)
2026	\$ (2,151,200)		\$ (3,070,653)		\$ (3,070,653)			\$ (3,070,653)
2027	\$ (973,150)		\$ (4,043,803)		\$ (4,043,803)			\$ (4,043,803)
2028	\$ (1,040,966)	\$ 978,175	\$ (4,106,593)	\$ 262,999	\$ (4,821,769)	\$ (452,177)		\$ (5,536,945)
2029	\$ (1,112,747)	\$ 2,164,240	\$ (3,055,100)	\$ 1,169,990	\$ (4,764,526)	\$ 175,740		\$ (6,473,952)
2030	\$ (1,188,709)	\$ 2,765,611	\$ (1,478,197)	\$ 1,605,611	\$ (4,347,623)	\$ 445,611		\$ (7,217,049)
2031	\$ (1,269,078)	\$ 3,974,892	\$ 1,227,617	\$ 2,504,892	\$ (3,111,809)	\$ 1,034,892		\$ (7,451,235)
2032	\$ (2,464,564)	\$ 5,308,762	\$ 4,071,815	\$ 4,498,762	\$ (1,077,611)	\$ 1,258,762		\$ (8,657,037)
2033	\$ (2,587,792)	\$ 6,614,450	\$ 8,098,473	\$ 5,654,450	\$ 1,989,047	\$ 1,814,450		\$ (9,430,379)
2034	\$ (2,717,181)	\$ 7,201,672	\$ 12,582,963	\$ 5,529,172	\$ 4,801,037	\$ 1,689,172		\$ (10,458,389)
2035	\$ (2,853,040)	\$ 8,105,131	\$ 17,835,054	\$ 6,357,631	\$ 8,305,628	\$ 1,557,631		\$ (11,753,798)
2036	\$ (2,995,692)	\$ 8,438,339	\$ 23,277,700	\$ 6,682,637	\$ 11,992,573	\$ 3,339,512		\$ (11,409,978)
2037	\$ (3,145,477)	\$ 8,098,238	\$ 28,230,461	\$ 8,098,238	\$ 16,945,333	\$ 3,589,488		\$ (10,965,968)
2038	\$ (3,302,751)	\$ 9,108,462	\$ 34,036,173	\$ 9,108,462	\$ 22,751,045	\$ 4,819,625		\$ (9,449,094)
2039	\$ (3,467,888)	\$ 8,948,573	\$ 39,516,857	\$ 8,948,573	\$ 28,231,729	\$ 5,934,823		\$ (6,982,159)
2040	\$ (3,641,283)	\$ 8,780,689	\$ 44,656,263	\$ 8,780,689	\$ 33,371,135	\$ 7,946,939		\$ (2,676,503)
2041	\$ (3,823,347)	\$ 9,766,911	\$ 50,599,827	\$ 9,766,911	\$ 39,314,699	\$ 7,770,661		\$ 1,270,811
2042	\$ (4,014,514)	\$ 9,581,819	\$ 56,167,132	\$ 9,581,819	\$ 44,882,004	\$ 8,675,569		\$ 5,931,866
2043	\$ (4,215,240)	\$ 9,387,472	\$ 61,339,364	\$ 9,387,472	\$ 50,054,237	\$ 8,481,222		\$ 10,197,848
Cumulative Total	\$ (47,884,071)	\$ 109,223,436		\$ 97,938,308		\$ 58,081,919		

The aggressive and moderate pricing models allow for major reinvestment in the mountain. A proposed schedule would have \$1M in 2032 for remodel of the Brown shop for gondola maintenance and equipment storage, \$4M in 2033 for the Ptarmigan chairlift replacement, \$5M in 2035 for lodge renovations, \$4 M in 2038 for the Hooter chairlift replacement, and \$4M in 2040 for Black Bear and Porcupine chairlift replacements. These are suggested placeholders that can be moved and adjusted as needed.

The conservative pricing model indicates \$10M available for mountain investment. A decision would need to be made on how best to spend those available funds. The table below shows how this could look under the aggressive pricing model.

Gondola Spreadsheet - Aggressive Scenario							
Combined Operations	Net Income		Net Income		Fund Balance	Capital Investment	Fund Balance After Capital Investment
	Beginning	Winter	Summer	Fund			
	Fund Balance	Total	Total	Balance			
	\$ (919,453)						
2026	\$ (2,151,200)			\$ (3,070,653)		\$ (3,070,653)	
2027	\$ (973,150)			\$ (4,043,803)		\$ (4,043,803)	
2028	\$ (1,040,966)	\$ 978,175		\$ (4,106,593)		\$ (4,106,593)	
2029	\$ (1,112,747)	\$ 2,164,240		\$ (3,055,100)		\$ (3,055,100)	
2030	\$ (1,188,709)	\$ 2,765,611		\$ (1,478,197)		\$ (1,478,197)	<b>Kirk:</b> Brown shop update
2031	\$ (1,269,078)	\$ 3,974,892		\$ 1,227,617		\$ 1,227,617	
2032	\$ (2,464,564)	\$ 5,308,762		\$ 4,071,815	\$ 1,000,000	\$ 3,071,815	<b>Kirk:</b> Ptarmigan replacement
2033	\$ (2,587,792)	\$ 6,614,450		\$ 8,098,473	\$ 4,000,000	\$ 3,098,473	
2034	\$ (2,717,181)	\$ 7,201,672		\$ 12,582,963		\$ 7,582,963	<b>Kirk:</b> Lodge addition
2035	\$ (2,853,040)	\$ 8,105,131		\$ 17,835,054	\$ 5,000,000	\$ 7,835,054	
2036	\$ (2,995,692)	\$ 8,438,339		\$ 23,277,700		\$ 13,277,700	<b>Kirk:</b> Hooter replacement
2037	\$ (3,145,477)	\$ 8,098,238		\$ 28,230,461		\$ 18,230,461	
2038	\$ (3,302,751)	\$ 9,108,462		\$ 34,036,173	\$ 4,000,000	\$ 20,036,173	
2039	\$ (3,467,888)	\$ 8,948,573		\$ 39,516,857		\$ 25,516,857	<b>Kirk:</b> Black Bear and Porcupine replacement
2040	\$ (3,641,283)	\$ 8,780,689		\$ 44,656,263	\$ 5,000,000	\$ 25,656,263	
2041	\$ (3,823,347)	\$ 9,766,911		\$ 50,599,827		\$ 31,599,827	
2042	\$ (4,014,514)	\$ 9,581,819		\$ 56,167,132	\$ -	\$ 37,167,132	
2043	\$ (4,215,240)	\$ 9,387,472		\$ 61,339,364	\$ -	\$ 42,339,364	
	\$ (46,964,618)	\$ 109,223,436			\$ 19,000,000		

It is strongly suggested that a small group comprised of CBJ staff, Eaglecrest Board members and the general public review the assumptions attached to this document.

Eaglecrest will need to look to areas where costs may be reduced, revenues increased, fund rising possibilities undertaken. Operating a ski area is a capital-intensive business. In an isolated town of 32,000 people, the ski area can only survive with governmental support without taking advantage of the summer tourism operation. Year to date facility rentals went from \$69,213 in FY 2024 to \$159,848 in FY 2025 based on the business from hosting an Eaglecrest tour for Viking Cruise Lines. There are likely other incremental revenue opportunities associated with Eaglecrest’s existing facilities.

Funding Eaglecrest for the next three to five years until the gondola operation becomes established will be a challenge for all involved.

Governance –

The Eaglecrest board has folks that care about Eaglecrest deeply. That being said they do not have an extensive knowledge of ski area operations. As an empowered board, the members of the board report to the Assembly and several city managers have stated that they feel reluctant to provide oversight to the board as so not to overstep the manager’s authority in regard to the Board’s authority

There are at least three options for providing effective oversight to Eaglecrest.

1. Keeping the current structure of the special revenue fund empowered board with more in-depth selection of individuals with specific knowledge to assist the board, a lawyer, an accountant, human resource expert, someone knowledgeable in food service or rental shop operations, etc. While not getting involved in day-to-day operations, these board members would understand the questions to ask the general manager to keep the mountain operating at a high level.
2. Exploring different governance structures, for example, an external party could Eaglecrest with oversight by an Assembly-appointed empowered board.
3. Restructure the board to serve in an advisory capacity and explore more Assembly oversight by shifting some power and authority from the board to the Assembly.

Each of these has advantages and disadvantages. A combination of options 1 and 2 would likely be best in the best interest of the ski area. Preserving an empowered board, with suitably qualified members (to the extent that such members can be recruited to serve on the board), coupled with improved oversight mechanisms and protocols for communications between the board and the ski area manager, and between the board and the city manager's office (and Assembly), will together mitigate challenges such as those that have troubled the ski area recently.

## Final Points

To summarize, this analysis indicates the following:

- Eaglecrest will need significant additional financial support over the next three to five years to catch up on lift maintenance and provide wages necessary to fill key positions and otherwise provide competitive rates of pay.
- Eaglecrest's funding needs, beyond what has already been budgeted for FY25 and FY26, are substantial but somewhat uncertain. Important next steps include 1) identifying options to reduce ski area operating costs and, 2) developing a detailed lift maintenance plan with budget, detailed timeline for procurement, and implementation schedule.
- Gondola operations, likely to commence no sooner than summer of 2027, have the potential to gradually (within a ten-year period) transition Eaglecrest to a self-supporting financial position and pay down whatever negative fund balance is accrued over the next few years.

Thank you for allowing these thoughts and please reach out if you have questions

## Attachment A:

### Gondola Assumptions

- The gondola is constructed and passes all operational/code requirements
- Expenses are overstated for budgeting purposes as it is believed to be better to overestimate expenses when developing a business plan to allow for unforeseen circumstances
- Revenues are based on Goldbelt's best estimate for ridership and revenue per rider
- Eaglecrest will receive a fixed amount per rider with the cruise lines taking an assumed 30% of the sales price for all on ship purchases, Goldbelt will receive \$35 per passenger for the bus ride to the mountain with Eaglecrest receiving the remainder.
- No revenue for retail or food and beverage sales have been included in the projections. It is assumed these services if implemented will break even or contribute to the bottom-line revenue.
- Initially, there will be no services at the top of the mountain. Portable toilets will be available serviced and paid for by Eaglecrest (contractual services budget). Seasonal signage will provide for a self-guided experience (paid out of the construction budget).
- Startup expenses such as lift mechanic training, brown shop updates for gondola serving and passenger van for access to the top of the mountain when needed as well as other related gondola costs would be paid for out of the construction budget of the gondola project
- The gondola will have a year-round manager reporting to the Eaglecrest general manager as well as two year-round mechanics. These three positions and supporting seasonal staff will be fully benefitted
- The gondola will operate July 1 to September 15 for the first season and June 1 to September 15 for normal operation after the initial season. This schedule can be expanded as desired/economically feasible. Operating hours per day are assumed to be 9 am to 7 pm. One lift operator with five lift attendants, with four employees available for lift evacuation if needed along with one ticket seller and one janitor will work a 12-hour day. Adequate staff will be hired to minimize or eliminate overtime being paid. Total payroll costs for the initial year are estimated to be \$1,181,675
- Fixed expenses are budgeted as outlined. These numbers are assumed to be high and will be refined as more information becomes known such as insurance for summer operations, electricity for the gondola, credit card fees paid by whom, etc. Total fixed costs for the initial year will be \$878,672.

- Payroll and fixed expenses are budgeted to increase at 5% per year while revenue increases are based on increased ridership and per rider ticket price increases
- Ridership will start at 40,000 riders in the initial season, growing to 55,000 in the first full year of operations. This represents 2.32% of 1.7 million cruise ships passenger in the initial season and 3.25% in the first full year of operation. Goldbelt has stated that they believe the total ridership will eventually grow to 150,000, for budgeting purposes, 125,000 annual ridership is assumed.