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STATE OF NEW HAMPSHIRE
DEPARTMENT of NATURAL and CULTURAL RESOURCES
DIVISION of PARKS and RECREATION
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 Phone: (603) 271-3254 Fax: (603) 271-3553

November 1, 2021

The Honorable Karen Umberger, Chairman
 Fiscal Committee of the General Court and

His Excellency, Governor Christopher T. Sununu
 and the Honorable Executive Council
 State House
 Concord, New Hampshire 03301

REQUESTED ACTION

Pursuant to RSA 14:30-a, VI, the Department of Natural and Cultural Resources, Division of Parks and Recreation, Cannon Mountain Aerial Tramway & Ski Area, requests a budget and expend of prior year carry forward funds from the Cannon Mountain Ski Account in the amount of \$658,000 for the purpose of funding unanticipated additional expenses not previously budgeted effective upon Fiscal Committee and Governor and Executive Council approvals through June 30, 2022. 100% Agency Income.

Funds are to be budgeted in Fiscal Year 2022 in the following accounts:

03-035-035-351510-37030000, Cannon Mountain Operations

Class-Account	Class Description	FY22 Current Adjusted Authorized	Requested Action	Revised FY22 Adjusted Authorized
007-402021	Agency Income	(1,743,034)		(1,743,034)
008-403073	Agency Income	(307,252)		(307,252)
009-402032	Agency Income	(5,036,715)	(658,000)	(5,694,715)
	Total Revenue	(7,087,001)	(658,000)	(7,745,001)
010-500100	Personal Services Perm Clas	776,565	6,500	783,065
011-500126	Personal Services Unclassif	88,687		88,687
018-500106	Overtime	46,000		46,000
019-500105	Holiday Pay	10,000		10,000
020-500200	Current Expenses	301,341		301,341
022-500255	Rents-Leases Other Than Sta	777,576		777,576
023-500264	Heat Electricity Water	1,000,000		1,000,000
024-500228	Maint Other Than Build-Grn	151,377	30,000	181,377
026-500251	Organizational Dues	60,000		60,000
027-582703	Transfers To Doit	227,228		227,228
029-500290	Intra-Agency Transfers	1,000		1,000
030-500311	Equipment New Replacement	116,065	125,000	241,065
039-500180	Telecommunications	50,000		50,000
040-501587	Indirect Costs	93,270		93,270

042-500620	Additional Fringe Benefits	64,457		64,457
044-500400	Debt Service Other Agencies	59,363		59,363
047-500240	Own Forces Maint Build-Grn	166,460		166,460
049-584914	Transfer To Other State Age	12,000		12,000
050-500109	Personal Service Temp Appoi	820,000	215,000	1,035,000
059-500117	Temp Full Time	348,518	10,000	358,518
060-500601	Benefits	938,591	18,500	957,091
061-500536	Unemployment Compensation	20,000		20,000
062-500538	Workers Compensation	200,000		200,000
066-500544	Employee Training	45		45
069-500567	Promotional Marketing Exp	273,785		273,785
070-500703	In State Travel Reimburseme	1,545		1,545
080-500710	Out Of State Travel Reimb	4,500		4,500
103-500736	Contracts For Op Services	415,128	253,000	668,128
211-501530	Catastrophic Casualty Ins	63,500		63,500
	Total Expenses	7,087,001	658,000	7,745,001

The following appropriation authorities are being requested:

Class 010 – Additional appropriation is needed to fund wage increases generated as a result of Park Attendant and Park Manager personnel classification series changes which have seen a wage increase on the step and grade personnel classification scale for these positions.

Class 024 - Additional appropriation is needed to address increased maintenance costs across the 4-vehicle ski trail snow grooming fleet as a result of needing to add one year to the fleet maintenance schedule when switching to 5-yr program in FY2021 to cut new lease costs for one year during the coronavirus pandemic of 2020.

Class 030 – Replacement of equipment for snow removal, snowmaking, and on-mountain trail work

Class 050 – Additional appropriation is needed to fund wage increases generated as a result of Park Attendant and Park Manager personnel classification series changes which have seen a wage increase on the step and grade personnel classification scale for these positions.

Class 059 – Additional appropriation is needed to fund wage increases generated as a result of Park Attendant and Park Manager personnel classification series changes which have seen a wage increase on the step and grade personnel classification scale for these positions.

Class 060 – Additional appropriation is needed to fund benefit cost increases generated as a result of Park Attendant and Park Manager personnel classification series changes which have seen a wage increase on the step and grade personnel classification scale for these positions.

Class 103 – Additional appropriation is needed to fund new contracted online sales program operational fee costs which are now incurred as a result the implementation of a new online ticket sale system.

EXPLANATION

As we head into the winter season in FY 2022, we expect to see an increase in unanticipated costs in the areas of salary and wages of approximately \$250,000, ski mountain groomer machine maintenance and equipment costs incurred of approximately \$155,000 and new ticket sales fee structure costs incurred as the result of a newly implemented online ticket sales platform of \$253,000 that was necessary in response to minimizing the volume of close social contact that was necessitated at Cannon Mountain during the coronavirus pandemic but is now in place

and will be maintained going forward as a matter of current normal industry primary ticket sales channel standard practice.

In FY 2022, the New Hampshire Division of Parks & Recreation, in collaboration with the Department of Administrative Services Division of Personnel (DOP)) through DOP's larger initiative to consolidate personnel classifications statewide, has incorporated all positions in the Park Attendant and Park Manager classification series. Hundreds of seasonal staff positions have been reviewed and identified for migration to newly purposed classifications of Park Attendant and Park Supervisor series. Under the proposed classifications of Park Attendant and Park Supervisor, we consolidated more than 40 classification titles. While we will continue to utilize our in-house titles, Labor Grade level adjustments have been made to classify positions appropriately in order to address the need for attracting, promoting and retaining employees. This has resulted in increased starting wages. With the comprehensive pay study DOP conducted, we have been informed that this proposed realignment of classifications within our park positions aligns with private sector and other states as we compete to provide compensation in a challenging hiring market. As an agency dependent entirely upon the revenue from the experience our staff provides, we need to be able to compete with the private sector. To that end, this change has resulted in an estimated increase of salary and benefit costs of approximately \$250,000 in FY 2022.

In the calendar year 2020, the global coronavirus pandemic led to the overwhelming majority of US ski areas and resorts to use a predominantly online sales model in response to minimizing close social contact where possible. Cannon Mountain also pursued and adopted this sales channel which greatly reduced social contact helping to manage the pandemic. However, and in line with industry standards, it has since proven to be an overwhelming success that has improved ticket sales management and accountability while also providing the potential for revenue growth through greater sales accessibility and efficiency for customers and staff, also offering a more readily available selection of the full list of ticketed sales items. This success has also resulted in an increase in fees related to costs for performance of the system. We estimate a yearly cost of approximately \$253,000 FY22 for all sales platform support and processing payment to Accesso-Passport.

Also in response to the global pandemic of 2020, a decision was made to refrain from engaging in a yearly snow groomer lease, thus putting the 4 groomers we operate on a 5-year maintenance cycle. This extra year has resulted in the need to incur added costs to keep the oldest machine operable. We have determined that we will need approximately \$30,000 in additional appropriations to keep the 5th year machine (and the other 3 machines) in high repair for (their) eventual sale.

Finally, regular fleet vehicle aging equipment replacement needs that were originally budgeted incrementally over the FY 2022-2023 Biennium will require repair and replacement imminently. We seek to replace a pair of plow trucks, a tractor-backhoe, and a utility vehicle sooner than expected. We estimate this costs to be approximately \$125,000

The Cannon Mountain Aerial Tramway & Ski Area account balance at the close of Fiscal Year 2021 was \$1,083,000. While we are seeking to utilize the significant amount of the balance to appropriate for the aforementioned unanticipated costs, we are confident that the requested rate increases in the FY 2022 Cannon Mountain Fee Package and this, expected increase in weekend-holiday winter ticket sales (versus the 2020/21 season), will recoup a substantial amount of this requested appropriation of the fund balance, ensuring that the ski account balance remains in a strong positive position.

Thank you for your consideration.

Respectfully submitted,



Philip A. Bryce
Director

Concurred,



Sarah L. Stewart
Commissioner

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