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STATE OF NEW HAMPSHIRE  
DEPARTMENT of NATURAL and CULTURAL RESOURCES  
OFFICE OF THE COMMISSIONER

172 Pembroke Road Concord, New Hampshire 03301  
Phone: 271-2411 Fax: 271-2629

January 20, 2022

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

**REQUESTED ACTION**

In accordance with RSA 12-A:29-b, the Department of Natural and Cultural Resources respectfully requests approval of the recommendation of the Cannon Mountain Advisory Commission to implement the Cannon Mountain Aerial Tramway & Ski Area capital improvement project listed in the attached outline, to be funded in the amount of \$400,000 by the Cannon Mountain Capital Improvement Fund. The Cannon Mountain Advisory Commission recommended submittal of this request and the Capital Budget Overview Committee approved this request on January 24, 2022 (CAP #22-001).

**EXPLANATION**

Chapter 134:13, Laws of 1998, authorized the State Treasurer “[t]o provide funds for the Cannon Mountain Capital Improvement Fund (CMCIF)... to borrow from time to time upon the credit of the State such amounts so that the total State obligation shall at no time exceed the sum of \$6,000,000, and for said purpose may issue bonds and notes at such time in the name of and on behalf of the State of New Hampshire in accordance with RSA 6-A.”

The projected June 30, 2021 available balance outstanding is approximately \$430,309. Thus, this request is within the \$6 million threshold as required by Chapter 134:13, Laws of 1998. The Mount Sunapee lease payment revenues support the debt service for the Cannon Mountain Capital improvement Fund (CMCIF). Projected growth of base payments under Vail Resorts’ ownership is estimated to increase consistently going forward, thus accelerating bond payoff. Attached you’ll find the updated spreadsheet as provided by the NH Treasury Department.

Also attached for your information are the minutes from the November 8, 2021 Cannon Mountain Advisory Commission meeting, at which the attending commission members unanimously recommended Cannon’s FY22 capital project plan utilizing said \$400,000 in CMCIF funds as a not-to-exceed. The project in question is the relocation of the four (4) track cables on which the Aerial Tramway carriages roll, and the replacement of the wooden structures on the rope-wrap bollards, in order to meet the manufacturer’s 12-year repair and upgrade specifications. This track cable relocation and rope-wrap bollard enhancement project will provide necessary lift maintenance and upgrades in timely order. This improvement continues our strong public relations push and addresses our infrastructure needs, allowing us to continue to strive for revenue growth in support of the entire New Hampshire State Park System. Your approval of this project would allow Cannon to meet its spring project schedule and open the Aerial Tramway on time for Memorial Day Weekend.

Respectfully submitted,

(154)

Sarah L. Stewart  
Commissioner



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DEPARTMENT of NATURAL and CULTURAL RESOURCES  
OFFICE OF THE COMMISSIONER

172 Pembroke Road Concord, New Hampshire 03301  
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January 8, 2022

Approved by the Capital Budget  
Overview Committee January 24, 2022

The Honorable John Graham, Chairman  
Capital Budget Overview Committee  
State House  
Concord, New Hampshire 03301

**REQUESTED ACTION**

In accordance with RSA 12-A:29-b, the Department of Natural and Cultural Resources respectfully requests approval of the recommendation of the Cannon Mountain Advisory Commission to implement the Cannon Mountain Aerial Tramway & Ski Area capital improvement project listed in the attached outline, to be funded in the amount of up to \$400,000 by the Cannon Mountain Capital Improvement Fund. No general funds will be used. The project in question is the relocation of the four (4) track cables on which the Aerial Tramway carriages roll, and the replacement of the wooden structures on the rope-wrap bollards, in order to meet the manufacturer's 12-year repair and upgrade specifications.

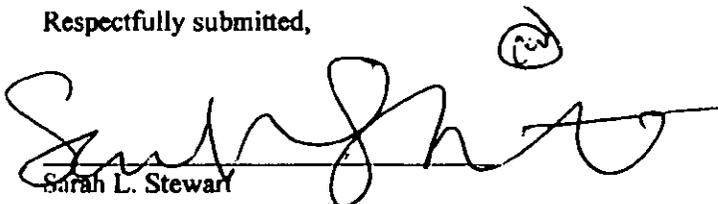
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Sarah L. Stewart  
Commissioner

State of New Hampshire Department of Natural and Cultural Resources Cannon Mountain Aerial Tramway & Ski Area Fiscal Year 2022 Cannon Mountain Capital Improvement Fund (CMCIF) Request per RSA 12-A:29-b		
Project	Estimate	Explanation
<b>INFRASTRUCTURE IMPROVEMENTS</b>		
N/A	\$ -	<i>Infrastructure improvements in FY22 will be smaller-scale and handled within the FY22 operating budget.</i>
<b>Sub-Total Infrastructure Improvements</b>	\$ -	
<b>LIFT MAINTENANCE / REPAIRS</b>		
Aerial Tramway Track Cable Relocation and Repair of Wrap Bollards	\$ 400,000	<i>10-12 year mandatory relocation of track cables, and will require repair to the summit and base wrap bollards. Includes contracted labor and associated parts. Project need spec'd by manufacturer and NH Tramway Safety Board. Track Cable relocation last completed 12 years ago per spec.</i>
<b>Sub-Total Lift Maintenance / Repairs</b>	\$ 400,000	
<b>SNOWMAKING IMPROVEMENTS</b>		
N/A	\$ -	<i>Infrastructure improvements in FY22 will be smaller-scale and handled within the FY22 operating budget.</i>
<b>Sub-Total Snowmaking Improvements</b>	\$ -	
<b>GRAND TOTAL FY22 CAPITAL PLAN</b>	\$ 400,000	

STATE OF NEW HAMPSHIRE  
 DEPARTMENT OF NATURAL AND CULTURAL RESOURCES (DNCR)  
 SUMMARY OF CANNON MOUNTAIN CAPITAL IMPROVEMENT FUND (CMCIF) RSA 12-A:29-c  
 FISCAL YEAR 2016 TO 2023

Fiscal Year =>	Actuals							Projected			
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Beginning Balance - July 1	\$ (332,616)	\$ (302,214)	\$ (425,908)	\$ (343,975)	\$ (199,291)	\$ (241,548)	\$ (115,284)	\$ 47,545	\$ 154,583	\$ 340,879	\$ 618,949
Revenue from Sunapee lease payment	650,534	517,457	623,588	615,608	358,428	588,118	747,808	718,000	737,000	757,000	777,000
<b>Debt Service Issues:</b>											
A Debt service issued as of 6/30/2009 but prior to 2014	554,449	549,523	338,912	277,374	163,769	120,188	106,382	73,368	70,822	68,680	69,223
B Actual for bonding in FY 2014 \$489,125 Issue #N219S	38,120	37,291	36,411	36,461	36,461	43,741	42,111	40,481	6,257	6,257	25,947
C Actual for bonding in FY 2015 \$260,325 Issue #N222S	27,584	26,993	26,486	20,954	25,119	24,338	23,557	22,776	21,995	21,215	15,358
D Re-Funding Bond Issue Adjustment FY 2017 #N226 on Pre 2009 issues	-	-	4,420	4,760	4,760	4,554	235	1,854	2,330	825	-
E Actual bonding for FY 2017 \$1,215,210.00 Issue #N227S	-	27,344	135,426	131,374	127,322	123,270	118,218	115,186	111,114	107,062	103,010
F Actual for bonding in FY 2019 \$356,510 Issue # 232	-	-	-	-	41,252	36,250	35,152	34,062	33,013	31,943	30,873
G Actual for bonding in FY 2020 \$753,997 Issue # 235	-	-	-	-	-	81,850	78,588	77,322	75,058	72,794	70,484
H Actual for bonding in FY 2021 \$1,220,763 Issue # 237	-	-	-	-	-	25,684	129,588	125,902	122,237	118,573	114,908
I Refunding Bond Issue Adjustment FY 2021 #238 on pre-2009 issues	-	-	-	-	-	-	2,528	1,754	6,742	12,583	3,847
J Refunding Bond Issue Adjustment FY 2021 #239 on pre-2009 issues	-	-	-	-	-	-	46,681	74,657	58,935	-	-
K Projected bonding in FY 2023 from FY 2022 approved \$400,000 Issue	-	-	-	-	-	-	-	43,400	42,200	41,000	39,800
<b>Total Debt Service Cost</b>	<b>620,133</b>	<b>641,150</b>	<b>541,654</b>	<b>470,924</b>	<b>398,683</b>	<b>459,655</b>	<b>584,977</b>	<b>610,962</b>	<b>550,704</b>	<b>480,930</b>	<b>473,349</b>
<b>Annual Revenue Over (Under) Debt Service</b>	<b>30,401</b>	<b>(123,693)</b>	<b>81,932</b>	<b>144,684</b>	<b>(42,257)</b>	<b>128,283</b>	<b>162,829</b>	<b>107,038</b>	<b>188,298</b>	<b>278,070</b>	<b>303,661</b>
<b>Projected Deficit/Surplus Account Balance - Fiscal Year End of June 30</b>	<b>\$ (302,214)</b>	<b>\$ (425,908)</b>	<b>\$ (343,975)</b>	<b>\$ (199,291)</b>	<b>\$ (241,548)</b>	<b>\$ (115,284)</b>	<b>\$ 47,545</b>	<b>\$ 154,583</b>	<b>\$ 340,879</b>	<b>\$ 618,949</b>	<b>\$ 920,600</b>
<b>Available to Borrow from Fund</b>	<b>\$ 2,984,081</b>	<b>\$ 2,690,189</b>	<b>\$ 2,341,838</b>	<b>\$ 1,798,029</b>	<b>\$ 112,624</b>	<b>\$ 430,309</b>	<b>\$ 431,179</b>	<b>\$ 858,470</b>	<b>\$ 1,233,670</b>	<b>\$ 1,860,460</b>	<b>\$ 1,883,702</b>

- Notes:
- 1 Revenue projection estimates based on assumption of 3% growth each year.
  - 2 Revenue projection in 2023 assumes 10% decrease from 2022 due to higher than average recreational activity in 2022 driven by COVID pandemic.
  - 3 Actual Revenue in FY 2017 of \$617k reflects decrease of 21% from FY 2016 based on weather related low performance for 15-16 winter season.
  - 4 Future Bond Issues projected @ 6% Interest Rate.
  - 5 Projected Debt Service is based on future timing of issuance of treasury bonding of approved capital spending. Projections may shift to later fiscal years depending on date of bond issues.
  - 6 Availability of funds balance in 2022 reflects net of \$400k draw (current request) against principal paid back
  - 7 Debt Service figures for FY 2022 are projected per Treasury as reported

**Cannon Mountain Advisory Commission  
Fall Meeting Minutes in DRAFT // November 8, 2021**

Refreshments were served and acquaintances made at 9:30.

Introductions

Started by Chairman Penner at 10:05 AM.

CMAC members present at the meeting were Terry Penner (Chair), Frank MacConnell (Vice Chair), Senator Erin Hennessey, Representative Joyce Weston, State Treasurer Monica Mezzapelle, Thad Presby, Richard McLeod, and Sheriff's Deputy John Tholl. Members absent were Senator William Gannon and Representative Michael Gunski. Non-members in attendance were DNCR Commissioner Sarah Stewart, NH Parks & Recreation Director Philip Bryce, and Cannon-FNSP General Manager John DeVivo (acting as scribe). There was one member of the media present.

Review / approval of July minutes

Requested by Chairman Penner. Moved and seconded. Representative Weston asked about the note in the minutes regarding the Cannon 1-3-5 year Capital Plan being sent to the CMAC membership prior to this current meeting. DeVivo responded that there would be discussion on that during this meeting. Chairman Penner requested a vote, and the approval of the July 16<sup>th</sup> meeting minutes passed unanimously.

Review of spring-summer-fall performance

Cannon's General Manager (John DeVivo) gave the following bullet-pointed report:

- No Aerial Tramway in Summer 2020 or Winter 20/21 due to COVID protocols
- Summer Tram return was very well-received by riders at 40 passengers per trip to enhance the experience
- More room and more comfort, and advance ticketing was offered (more than 50% advance buys)
- This was the status quo throughout the WMAA membership
- Ticket volume was down 29% to 2019
  - *Midweek volume made a huge difference and was actually UP over 2019*
- Ticket revenue was off 4% to 2019 (prices bumped to \$25/20, had been \$20/18)
- Retail revenue was up 13% (bldg. was open to all)
- In short... fewer people at higher prices and with advance reservations worked well
  
- Cannon Mountain maintenance programs in full swing / contracted labor for trail work
- Need to fill a Lift Mech position, need to post & fill an Elec position
- Need to post & fill a Retail Asst Mgr position and a Grooming & Trail Maint Subforeman position
- SKI Mag Readers' Poll ranking #1 in NH and #8 overall in the East
- Rebounded from an expected \$250K net to approximately \$658K net in FY21
- Labor shortage in all areas and departments is (and was) very real... challenging winter ahead
  
- Elsewhere within FNSP –
  - Flume Gorge tix volume off just 1% to 2019, tix revenue ahead 16%, retail ahead 112%
  - Echo Lake Beach tix volume well off of 2019 (by design), but revenue & retail within 5%
  - Lafayette Place Campground has been on cruise control... high booking rates and firewood / retail sales
  - Food & Beverage (in general) closed to within 10-15% of 2019 numbers at FG & Tram summit
  - General usage of the park & hiker usage boomed again this summer

Winter outlook for 21/22

DeVivo gave the following bullet-pointed report:

- Labor shortage as discussed – this will be the most challenging issue
- Revised COVID protocols...
  - NO mask mandates in primary areas, but STRONGLY RECOMMENDED everywhere

- Plan to consistently ask our team members to mask up whenever indoors
- Request made to require mask usage in our learning-based buildings (Brookside & MPC)
  - Awaiting confirmation from the Governor's office
- Centerplate (now SODEXO) is mandating mask usage by its employees
  - May also implement other protective measures
- NO vaccination mandates at this time... awaiting direction from Governor's Office on this
- Primary lodges at 100% occupancy (by # on CO permit)
- NO gear left inside... options are paid storage, back to your car, or leave it outside
- Ernie's Haus / Tram Base / Mittersill Warming Hut as "extra" lodge spaces / no services
- Summit bldg. will be open 7 days a week, but at 50% occupancy to conserve water usage
- Fresh air outside... no mask rules on lifts or outside / no special lift capacities
- Aerial Tramway will continue to run at 40 people per trip to give added space
- We will continue to manage ticket sales and balance ticket & passholder usage
- We will look to manage a fairly fluid target users on wknds (higher than last year)
- We will continue to heavily promote online ticket sales & savings
- Seeking authorization (Nov 19) to freeze last year's rates if bought in advance
  - Same day sales will be surcharged (in keeping with industry standards)
  - Planning to also offer advance rates versus same-day rates next summer
- Season pass sales are running even with 2019, nowhere near 2020 when Ikon & Epic passholders were frozen out and bought our passes instead
- Cost efficiency has been difficult as inflation has boomed
- Seeking authorization (Nov 19) to increase our budget... but over \$1M net positive at close of FY21
- Excited to welcome back events this year, entertainment this year, and fireworks this year

There was discussion regarding unanticipated costs, such as the \$250K in payroll adjustments in FY22 necessitated by the forthcoming rollout of the new pay structure in the Park Attendant and Park Supervisor series and the \$253K in system support payments in FY22 to Accesso-Passport due to large volume online store activity.

#### Review of ongoing projects

DeVivo gave the following bullet-pointed report:

- Fire suppression project... final punchlist items (closing in under-deck sections)
- Septic upgrade @ summit... still an ongoing discussion with DES
- FREY Electrical – the guy is FINALLY coming late this fall! Final piece of the Doppelmayr project
- Mittersill Performance Center is completed (FSC-Holderness-Cannon)... huge milestone
  - Occupancy permit in hand / State now assumes ownership
  - On time and on-budget @ nearly \$3M... funded, built, and gifted to State by FSC-Holderness
  - December 4<sup>th</sup> ribbon cutting ceremony, please save the date!
  - We added a joint Cannon/FSC terrain project at \$64K... Cannon \$25K / FSC \$39K
  - 14 years ago today... the entire Mittersill revitalization was thought to be a dream / myth

#### Review of 1-3-5-10 year planning

NH Parks Director Phil Bryce and DeVivo gave the following bullet-pointed report:

- Pledged to update the document this summer-fall (Bryce, DeVivo, and Cannon's facilities and ops teams)
- We did not meet that pledged goal... short staffing and ongoing COVID challenges have kept us busy
- Will make every effort to update this document and plan for the CMAC membership for the spring meeting

There was a request by Representative Weston that said document be sent to the CMAC membership prior to the Spring meeting. Bryce and DeVivo agreed.

### Discussion of CMCIF fund balance

Bryce and DeVivo gave the following bullet-pointed report:

- End of FY21 @ \$400K available... needed in full in FY22
- End of FY22 estimated at \$685K (if not tapped in 2021)
- End of FY23 estimated at \$939K (if not tapped in 2021 or 2022)

Senator Hennessey asked about the CMCIF report typically put together by the Treasury Dept and the DNCR Business Office. Bryce offered that said document could be updated by those two entities and sent by DeVivo along with the meeting minutes from the (current) meeting.

There was a clarification requested by Vice Chairman MacConnell regarding the availability of funds, and it was clarified that by tapping the CMCIF for \$400K in FY22, the fund's available balance is estimated at \$285K at the close of FY22. If that \$285K is not tapped in FY22-23, then the estimated available balance at the close of FY23 is \$439K.

Bryce commented that as discussed at the July meeting, the Division predominantly plans to spend CMCIF funds toward aerial Tramway repair / maintenance during the short term.

MacConnell asked about the CMCIF relative to the EPIC Pass proceeds that are directed toward Mount Sunapee by Vail Resorts. He asked that Bryce and Commissioner Sarah Stewart make an inquiry as to the percentage of EPIC Pass proceeds directed toward Mount Sunapee, and that they check on the impact of Mount Sunapee's (EPIC) season pass revenue on the CMCIF contribution each year.

### Discussion of one (1) \$400K project / Tram Track Cable

DeVivo gave the following report:

*"The Aerial Tramway track cable relocation is a mandatory 10-12 year project "recommendation" by the manufacturer and is (recommended for operation) by both the Doppelmayr Tramway Division and the NH Tramway Safety Board. We're at the 12-year mark at this point. Neither Doppelmayr nor the State Tramway Board has indicated any desire or plan to waive the 12-year timeframe, despite our stated plan to either perform a major overhaul on the Aerial Tramway system or fund a replacement of the Tram system during the 2023/24 biennium.*

*The project estimate is \$385K for the relocation and the rebuild on the cable-wrap bollards, and an added \$19K in parts for the track cable cradles and bollard materials. We will of course ask the contractor to come in at \$400K as a not-to-exceed. Authorization to contract with Doppelmayr Tramway Division as a sole source contractor will likely be sought, as they've always performed this project, have proprietary rights to work on Agudio of Italy tramway systems, and currently operate the only known aerial tramway-specific repair division within North and South America."*

### Recommendation request / vote

Penner requested a motion on the item. Thad Presby motioned that the CMAC membership recommend a \$400K not-to-exceed draft from the CMCIF in order to fund the Tram track cable relocation project as detailed by DeVivo. Deputy John Tholl seconded the motion. Penner requested a vote, and it was passed unanimously by the eight (8) members present.

### Tram (replacement / overhaul) update

DNCR Commissioner Sarah Stewart gave the following (bullet-pointed) report:

- ARPA funding worksheets completed
- Ample work done to this point relative to research
- Commissioner Stewart / Director Bryce working on project tracking
- Discussion of a potential bill submission by Senators Bradley and Hennessey
- Still ample discussion in Concord

Senator Hennessey mentioned that the project is currently being viewed along dual tracks. Legislatively, a bill may be submitted by (Senator Bradley and/or Senator Hennessey). Additionally, the project is being looked at by the Fiscal Committee. Senator Hennessey indicated that the more efficient track would be to run the project through the Fiscal Committee and then the Executive Council, but at this time both tracks are being examined as possibilities. DeVivo, Bryce, and Stewart are awaiting direction on the next move (by DNCR) relative to this initiative.

**New & Old Business**

No new or old business brought to the CMAC membership.

**Set spring meeting date**

Penner set the Spring 2022 meeting date for Monday, April 18<sup>th</sup>.

**Adjournment**

Penner entertained a motion, second, and unanimous vote to adjourn at 11:45, noting that the MPC tour would follow.

**Tour (as a group) of Mittersill Performance Center**

CMAC membership toured the new mini-lodge and race HQ. Hosted by Thad Presby – CMAC member & FSC BOD member, with greetings by and information from Eric Price – FSC Program Director.