0 APR03'23 PM 2:31 RCV

81A

STATE OF NEW HAMPSHIRE
DEPARTMENT of NATURAL and CULTURAL RESOURCES
DIVISION of PARKS and RECREATION
172 Pembroke Road Concord, New Hampshire 03301
Phone: (603) 271-3254 Fax: (603) 271-3553

March 28, 2023

The Honorable Ken Weyler, Chairman
Fiscal Committee of the General Court
and
His Excellency, Governor Christopher T. Sununu
and the Honorable Executive Council
State House
Concord, New Hampshire

REQUESTED ACTION

Pursuant to RSA 14:30-a, VI, authorize the Department of Natural and Cultural Resources, Division of Parks and Recreation, Cannon Mountain Aerial Tramway & Ski Area, to budget and expend prior year carry forward funds from the Cannon Mountain Ski Account in the amount of $525,000 for the purpose funding unanticipated additional expenses not previously budgeted, effective upon Fiscal Committee and Governor and Executive Council approvals through June 30, 2023. 100% Cannon Mountain Funds.

Funds are to be budgeted in Fiscal Year 2023 in the following accounts:

03-35-35-351510-37030000 Cannon Mountain Operations

Class-Account-Revenue Group	Class Description	FY23 Current Adjusted Authorized	Requested Action	Revised FY23 Adjusted Authorized
003-402021-26	Agency Income	$ -	$ 200,000	$ 200,000
005-401880-44	Private Local Funds	$60,342		$60,342
007-402193-28	Agency Income	$2,042,934		$2,042,934
008-403073-44	Agency Income	$396,994		$396,994
009-402032-26	Agency Income	$6,050,094	$325,000	$6,375,094
00D-406654-68	Fed Rev Xfers Fr Oth Agenc	$15,053		$15,053
	Total Revenue	**$ 8,565,416**	**$ 525,000**	**$ 9,090,416**
010-500100	Personal Services Perm Clas	$708,203		$708,203
011-500126	Personal Services Unclassif	$90,198		$90,198
018-500106	Overtime	$46,000		$46,000
019-500105	Holiday Pay	$10,000		$10,000
020-500200	Current Expenses	$877,015		$877,015
022-500255	Rents-Leases Other Than Sta	$771,701		$771,701
023-500264	Heat Electricity Water	$1,825,000	$325,000	$2,150,000
024-500228	Maint Other Than Build-Grn	$146,883		$146,883
026-500251	Organizational Dues	$46,000		$46,000

027-582703	Transfers To Doit	$150,908		$150,908
029-500290	Intra-Agency Transfers	$1,000		$1,000
030-500311	Equipment New Replacement	$152,980		$152,980
039-500180	Telecommunications	$40,000		$40,000
040-501587	Indirect Costs	$94,203		$94,203
042-500620	Additional Fringe Benefits	$67,812		$67,812
044-500400	Debt Service Other Agencies	$51,404		$51,404
047-500240	Own Forces Maint Build-Grn	$164,614		$164,614
049-584914	Transfer To Other State Age	$5,000		$5,000
050-500109	Personal Service Temp Appoi	$850,811		$850,811
059-500117	Temp Full Time	$370,771		$370,771
060-500601	Benefits	$954,099		$954,099
061-500536	Unemployment Compensation	$10,000		$10,000
062-500538	Workers Compensation	$200,000	$200,000	$400,000
069-500567	Promotional Marketing Exp	$386,586		$386,586
070-500703	In State Travel Reimburseme	$100		$100
080-500710	Out Of State Travel Reimb	$1,500		$1,500
103-500736	Contracts For Op Services	$375,127		$375,127
211-501530	Catastrophic Casualty Ins	$167,500		$167,500
	Total Expenses	**$8,565,416**	**$525,000**	**$9,090,416**

EXPLANATION

As we head into the final quarter of FY23, we've seen dramatic increases in our energy costs and consumption and our workers' compensation costs.

Other than our flat-fee electricity rates, energy costs have skyrocketed this year, and both costs and consumption of heating oil and propane are up, as is consumption of electricity, all due to extreme weather fluctuations and a longer snowmaking season.

Our 5-year cumulative cost average on workers' compensation has jumped this year, and while the number of accidents and incidents during this fiscal year in particular is not high, the severity of incidents is expected to be high.

The Cannon Mountain Aerial Tramway & Ski Area account balance at the close of Fiscal Year 2022 was $2,169,978. We requested and were granted a budget and expend in the amount of $1,125,000 last fall. While we are seeking this second draw of $525,000 during this fiscal year to appropriate for the aforementioned unanticipated costs, we are confident that the rate increases in the FY 2023 Cannon Mountain Fee Package, the resulting winter revenue increases we've seen this year, and the increased rates and capacity during the first five weeks of Aerial Tramway operations in May and June, will help to offset the reduction of the fund balance at the close of FY23.

The following appropriation authorities are being requested:

Class 023 – Additional appropriation is needed to cover unanticipated increases in energy costs that are above average this year. Both costs and consumption of heating oil and propane are up this year, as is consumption of electricity due to extreme weather fluctuations and a longer snowmaking season.

Class 062 – Additional appropriation is needed to cover higher than average workers compensation costs due to a smaller number of but more serious injuries that occurred during the fiscal year, in addition to a higher total average during the recent 5-year cumulative period.

Thank you for your consideration.

Respectfully submitted,

Brian Wilson
Director

Sarah L. Stewart
Commissioner