



State of New Hampshire  
 DEPARTMENT OF NATURAL & CULTURAL RESOURCES  
 OFFICE OF THE COMMISSIONER

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October 2, 2024

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 up to \$709,500 by the Cannon Mountain Capital Improvement Fund, effective upon Governor and Executive Council approval. No general funds will be used. The projects for which funding is being requested are shingle roof repairs to our lodges, water pipe and hydrant replacements, and various lift-related equipment refurbishments and replacements as outlined on the attached proposal as recommended by the Cannon Mountain Advisory Commission. The Capital Project Overview Committee approved this item on October 2, 2024, (#CAP 24-010). 100% Capital Funds.

Funds are to be budgeted in account 03-35-35-350030-31320000 RSA 12-A:29-B CANNON CAP IMP as follows:

Class-Account- RG	Class Description	FY25 Current Adjusted Authorized	Requested Action	Revised FY25 Adjusted Authorized
00S-000030	Capital Funds	\$1,106,342	\$709,500	\$1,815,842
	<b>Total Revenue</b>	<b>\$1,106,342</b>	<b>\$709,500</b>	<b>\$1,815,842</b>
034-500134	Capital Projects	\$1,106,342	\$709,500	\$1,815,842
	<b>Total Expenses</b>	<b>\$1,106,342</b>	<b>\$709,500</b>	<b>\$1,815,842</b>

**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."

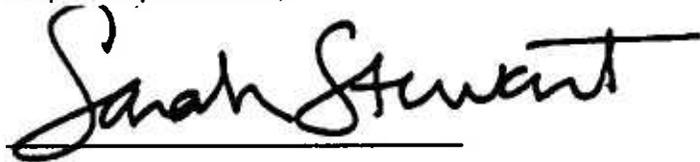
The projected June 30, 2024 available balance outstanding is approximately \$1,138,949. Thus, this request is within the \$6 million threshold as required by Chapter 134:13, Laws of 1998. The Mount Sunapee lease payment revenues support the debt service for the Cannon Mountain Capital improvement Fund (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.

We have included a table for sake of ease that outlines the specific details and amounts for each project as approved by CMAC. These water and hydrant system, and operations infrastructure projects will provide necessary upgrades in timely order, thus supporting our goal to provide high quality service and experiences and addresses our infrastructure needs, allowing us to continue to provide revenue growth in support of the entire State Park System.

Also attached for your information are the minutes from the June 21, 2024 Cannon Mountain Advisory Commission meeting, at which the attending commission members unanimously recommended Cannon's FY25 capital project plan approving a total of \$936,000. This total funding will be comprised of \$709,500 in CMCIF funds as a not-to-exceed from this fund along with a federal grant from the Land and Water Conservation Fund in the amount of \$226,500. Federal grant funding approval will be sought separately from this CMCIF request.

A Cannon Mountain Capital Improvement Fund bonding availability and debt service schedule is also included for reference.

Respectfully submitted,

A handwritten signature in black ink that reads "Sarah L. Stewart". The signature is written in a cursive style and is positioned above a horizontal line.

Sarah L. Stewart  
Commissioner

State of New Hampshire		
Department of Natural and Cultural Resources		
Cannon Mountain Aerial Tramway & Ski Area		
Fiscal Year 2025 Cannon Mountain Capital Improvement Fund (CMCIF) Request per RSA 12-A:29-b		
Project	Estimate	Explanation
<b>INFRASTRUCTURE IMPROVEMENTS</b>		
Asphalt shingle roof repairs on base lodges	\$190,000	Critically-needed roof repairs on Peabody, Brookside and Notchview lodges, our primary guest-facing areas containing all skier services (e.g. ticketing, ski school, rentals, retail) as well as food and beverage amenities.
<b>Sub-Total Infrastructure Improvements</b>	<b>\$190,000</b>	
<b>LIFT MAINTENANCE/REPAIRS</b>		
Peabody lift bullwheel bearings replacement; Peabody lift communications line replacement; Eagle Cliff lift gear box rebuild	\$293,000	Peabody Quad offers primary exodus from main base area and is due for bullwheel bearing replacement and communications line replacement; Eagle Cliff offers base area access to intermediate terrain and is due for a gearbox and motor rebuild
<b>Sub-Total Lift Maintenance/ Repairs</b>	<b>\$293,000</b>	
<b>SNOWMAKING IMPROVEMENTS</b>		
Water pipe replacement - Peabody pipe - Main line 12" replace. Install/tie-ins, excavation, various materials, valving, etc	\$226,500	Main line going from our primary pumphouse to base area services the entire snowmaking system on the mountain and is in need to replacement due to "pinhole" pressure and corrosion issues. Note: The entire project is contemplated as a not-to-exceed of \$453,000, but we have applied for 50% match through Land Water and Conservation Fund. Thus, CMAC approved \$226,500.
<b>Sub-Total Snowmaking Improvements</b>	<b>\$226,500</b>	
<b>GRAND TOTAL FY25 CAPITAL PLAN</b>	<b>\$709,500</b>	Upgrades and replacements in vital snowmaking / lift maintenance areas

## Cannon Mountain Advisory Commission Meeting Minutes

**Date:** June 21, 2024

**Time:** 10:00 AM

**Location:** Franconia Notch State Park Headquarters

### Attendance

**Members Present:** Monica Mezzapelle, Senator Carrie Gendreau, Representative Suzanne Vail, Frank MacConnell, Susan Ford, Senator Shannon Chandley, Representative Mike Ouellet

**Others Present:** Jace Wirth, Director Brian Wilson, David Webster (Scribe), Robert Blech (Caledonian Record)

## **Introduction of Goals from Last CMAC Meeting**

Jace reviewed the goals set during the previous CMAC meeting, spotlighting the Cannon Mountain Capital Improvement Fund's (CMCIF) projected available funds and his intentions to secure authorization for \$1.083 million for capital improvements, part of which includes a 50% match from a Land Water Conservation Fund grant. The committee outlined their objectives for this session, focusing on effective fund utilization and strategic planning.

## **Explanation by Brian on LWCF Fund**

Brian elaborated on the potential use of LWCF funds, specifically earmarking them for snowmaking enhancements at Cannon Mountain. He underscored the importance of leveraging these funds creatively to maximize capital funding opportunities.

## **Discussion on Immediate Funding Requests**

Jace introduced the immediate funding requests outlined in the meeting packet. Frank MacConnell accepted the review of these requests and emphasized exploring partnerships with the State Legislature to supplement capital funds. There was a discussion on capitalization criteria, with Jace leading the review on alignment with CMAC guidelines and Generally Accepted Accounting Principles (GAAP).

## **Discussion Highlights**

- **Representative Ouellet's Inquiry:** Representative Ouellet raised the possibility of a donation of UTVs. Brian explained that while this option had been explored, there were limitations. He mentioned leveraging existing marketing agreements to potentially support fleet updates.
- **Representative Vail's Proposal:** Representative Vail suggested exploring involvement from federal delegations to secure additional fund allocations, expanding statutory limits to accommodate diverse capital needs.
- **Monica's Concern:** Monica expressed concerns about bonding for items with a lifespan of less than 20 years, citing statutory limitations that could impact financial planning decisions.
- **Representative Ford's Concern:** Representative Ford noted her concern and the urgency of funding and completing these projects as it relates to employee health, safety and satisfaction.
- **Capital Planning Review:** Jace provided a detailed line-by-line review of immediate needs (project items 1-10) and proposed the inclusion of Requests for Bids (RFBs) and Requests for Proposals (RFPs) to refine capital planning processes.

## **Further Discussion on Bonding and Funding Sources**

- **Frank's Query:** Frank questioned whether all listed projects could be bundled together for bonding purposes.
- **Brian's Response:** Brian explained the challenges of justifying bonding across diverse project categories, emphasizing the need for a strategic approach.
- **Representative Vail's Advocacy:** Representative Vail highlighted the importance of legislative support to expand statutory limits, facilitating more flexible funding options for Cannon Mountain's critical infrastructure needs.

## **Long Term Capital Plan Preview**

Jace presented a rough draft version of Cannon Mountain's long-term capital strategy, including discussions on the near-term need to renovate the lodges, explore the replacement of the aging lift infrastructure, and both the financial pacing required operationally as well as access to additional funding sources needed to overcome the scale of deferred maintenance and investment in the mountain's infrastructure. Jace indicated this is the first step toward his development of a comprehensive 14-year program with a focus on revitalizing the mountain.

## **Motion and Approval of Immediate Projects**

After adjustments and clarifications, a motion was made to recommend funding for items 2-6 of the presented capital plan by Frank MacConnell, seconded by Representative Suzanne Vail, and the motion was passed unanimously. Those projects are as follows:

- \$190,000 Asphalt shingle roof repairs on Notchview and Brookside lodges
- \$453,000 Slopes Pipe Replacement - Peabody pipe - Main line 12" replace.
- \$30,000 Peabody lift bullwheel bearings replacement
- \$178,000 Peabody lift communications line replacement
- \$85,000 Eagle Cliff lift gear box rebuild

## **Election and Scheduling**

- **Vice Chair Appointment:** Discussion was held regarding the election of Thad Presby as Vice Chair, with a decision postponed to the next meeting.
- **Next Meeting:** The committee scheduled the next meeting for November 15th, 2024, which was unanimously approved.

## **Approval of Previous Meeting Minutes**

Frank McConnell moved to approve the minutes from April 26th, 2024 subject to the correction of the correct spelling of Senator Chandley's last name. Representative Vail seconded, and the motion passed.

## **Closure**

Senator Carrie Gendreau moved to close the meeting, seconded by Representative Vail emphasizing the need to continue discussions on legislative advocacy and funding strategies in future sessions. The motion passed, and the meeting concluded.

# Cannon Mountain Capital Improvement Fund Bonding Availability and Debt Service Table

STATE OF NEW HAMPSHIRE DEPARTMENT OF NATURAL AND CULTURAL RESOURCES (DNCR) SUMMARY OF CANNON MOUNTAIN CAPITAL IMPROVEMENT FUND (CMCIF) RSA 12-A:29-c												
Debt Service Payment Reconciliation - SNH General Ledger												
03-35-35-351510-37050000 - CMCIF Debt Service Recon Account												
Fiscal Year #	Actuals										Projected	
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	
Beginning Balance (Net of Rev Pmts / Debt Service)	\$ (302,214)	\$ (425,908)	\$ (343,976)	\$ (199,292)	\$ (241,549)	\$ (84,004)	\$ 98,825	\$ 301,702	\$ 605,374	\$ 889,611	\$ 1,209,302	
Revenue from Surplus lease payment	\$ 517,457	\$ 623,586	\$ 615,808	\$ 358,428	\$ 586,118	\$ 747,806	\$ 812,734	\$ 886,546	\$ 921,000	\$ 947,000	\$ 974,000	
<b>Debt Service Issues:</b>												
A Debt service issued as of 6/30/2009 but prior to 2014	\$ 549,523	\$ 338,912	\$ 277,374	\$ 163,769	\$ 120,188	\$ 108,362	\$ 73,368	\$ 70,822	\$ 68,680	\$ 69,223	\$ 63,341	
B Actual for bonding in FY 2014 \$489,125 issue #N219S	\$ 37,291	\$ 36,411	\$ 36,461	\$ 36,461	\$ 43,741	\$ 42,111	\$ 40,481	\$ 6,257	\$ 6,257	\$ 25,847	\$ 25,063	
C Actual for bonding in FY 2015 \$260,325 issue #N222S	\$ 26,993	\$ 26,486	\$ 20,954	\$ 23,119	\$ 24,338	\$ 23,557	\$ 22,776	\$ 21,995	\$ 21,215	\$ 15,358	\$ 14,837	
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	\$ 625	\$ -	\$ -	
E Actual bonding for FY 2017 \$1,215,210.00 issue #N227S	\$ 27,344	\$ 135,426	\$ 131,374	\$ 127,322	\$ 123,270	\$ 119,218	\$ 115,166	\$ 111,114	\$ 107,062	\$ 103,010	\$ 98,580	
F Actual for bonding in FY 2019 \$356,510 issue # 232	\$ -	\$ -	\$ -	\$ 41,252	\$ 36,250	\$ 35,152	\$ 34,082	\$ 33,013	\$ 31,843	\$ 30,873	\$ 29,804	
G Actual for bonding in FY 2020 \$753,997 issue # 235	\$ -	\$ -	\$ -	\$ -	\$ 81,650	\$ 79,586	\$ 77,322	\$ 75,058	\$ 72,794	\$ 70,484	\$ 68,222	
H Actual for bonding in FY 2021 \$1,220,763 issue # 237	\$ -	\$ -	\$ -	\$ -	\$ (25,617)	\$ 129,586	\$ 125,902	\$ 122,237	\$ 118,573	\$ 114,908	\$ 111,243	
I Refunding Bond Issue Adjustment FY 2021 #236 on pre-2009 issues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,528	\$ 1,754	\$ 6,742	\$ 12,583	\$ 3,847	\$ 3,745	
J Refunding Bond Issue Adjustment FY 2021 #239 on pre-2009 issues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 46,861	\$ 74,857	\$ 59,185	\$ -	\$ -	\$ -	
K Actual for bonding in FY 2022 \$400,000 issue # 240	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 42,295	\$ 42,341	\$ 41,140	\$ 39,839	\$ 38,738	\$ -	
L Actual for bonding in FY 2023 \$400,000 issue #243	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 40,780	\$ 42,835	\$ 41,633	\$ 40,431	\$ -	
M Actual bonding in FY 2024 - \$1,048,490 issue #246	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 112,858	\$ 112,188	\$ 109,043	\$ -	
<b>Total Debt Service Cost</b>	<b>\$ 641,150</b>	<b>\$ 641,654</b>	<b>\$ 470,924</b>	<b>\$ 398,683</b>	<b>\$ 408,674</b>	<b>\$ 684,977</b>	<b>\$ 609,857</b>	<b>\$ 591,874</b>	<b>\$ 636,783</b>	<b>\$ 627,309</b>	<b>\$ 571,048</b>	
Annual Revenue Over (Under) Debt Service	(123,693)	61,932	144,684	(42,257)	177,544	162,829	202,877	303,671	284,237	319,691	402,852	
<b>Net Account Balance 37050000 - Fiscal Year End of June 30</b>	<b>\$ (425,908)</b>	<b>\$ (343,976)</b>	<b>\$ (199,292)</b>	<b>\$ (241,549)</b>	<b>\$ (84,004)</b>	<b>\$ 98,825</b>	<b>\$ 301,702</b>	<b>\$ 605,374</b>	<b>\$ 889,611</b>	<b>\$ 1,209,302</b>	<b>\$ 1,612,254</b>	
<b>Fund Borrowing Capacity Statement - (Limit \$6,000,000 Bonded per RSA 12-A:29-c)</b>												
	Actuals										Projected	
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	
Beginning Balance - Available Principle to Borrow	\$ 2,964,061	\$ 2,690,189	\$ 3,091,838	\$ 3,091,519	\$ 2,628,017	\$ 1,755,017	\$ 1,755,887	\$ 1,781,200	\$ 1,138,949	\$ 1,554,164	\$ 1,911,473	
Principle Increase from Debt Service Payment	\$ 502,970	\$ 401,849	\$ 358,190	\$ 290,495	\$ 317,785	\$ 400,870	\$ 425,313	\$ 406,240	\$ 415,215	\$ 357,309	\$ 321,532	
Bonding Issuance Amounts per Fiscal Year (Per Actual Spending)	\$ (796,642)	\$ -	\$ (356,510)	\$ (753,997)	\$ (1,220,763)	\$ (400,000)	\$ (400,000)	\$ (1,048,490)	\$ -	\$ -	\$ -	
<b>Ending Balance - Available Principle to Borrow</b>	<b>\$ 2,690,189</b>	<b>\$ 3,091,838</b>	<b>\$ 3,091,519</b>	<b>\$ 2,628,017</b>	<b>\$ 1,725,039</b>	<b>\$ 1,765,887</b>	<b>\$ 1,781,200</b>	<b>\$ 1,138,949</b>	<b>\$ 1,554,164</b>	<b>\$ 1,911,473</b>	<b>\$ 2,233,005</b>	
<b>Notes:</b>												
1. Revenue projection estimates based on estimate of 3% growth each year.												
2. Actual Revenue in FY 2020 of \$350k reflects change in contract terms for timing of posting of revenue.												
3. Future Bond Issues projected @ 5% Interest Rate.												
4. 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.												
5. Debt Service figures for FY 2025 are projected per Treasury as reported.												



State of New Hampshire  
DEPARTMENT OF NATURAL & CULTURAL RESOURCES  
DIVISION OF PARKS & RECREATION

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September 23, 2024

The Honorable Mark McConkey, Chairman  
Capital Project 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 \$709,500 by the Cannon Mountain Capital Improvement Fund. No general funds will be used. The projects for which funding is being requested are shingle roof repairs to our lodges, water pipe and hydrant replacements, and various lift-related equipment refurbishments and replacements as outlined on the attached proposal as recommended by the Cannon Mountain Advisory Commission.

**EXPLANATION**

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The projected June 30, 2024 available balance outstanding is approximately \$1,138,949. 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.

Attached for your information are the minutes from the June 21, 2024 Cannon Mountain Advisory Commission meeting, at which the attending commission members unanimously recommended Cannon's FY25 capital project plan utilizing said \$709,500 in CMCIF funds as a not-to-exceed. These water and hydrant system, and operations infrastructure projects will provide necessary upgrades in timely order. These improvements help to continue our strong push on high quality service and experiences and addresses our infrastructure needs, allowing us to continue to provide revenue growth in support of the entire State Park System.

Respectfully submitted,

Sarah L. Stewart, Commissioner, Department of Natural & Cultural Resources

State of New Hampshire Department of Natural and Cultural Resources Cannon Mountain Aerial Tramway & Ski Area Fiscal Year 2025 Cannon Mountain Capital Improvement Fund (CMCIF) Request per RSA 12-A:29-b		
Project	Estimate	Explanation
<b>INFRASTRUCTURE IMPROVEMENTS</b>		
Asphalt shingle roof repairs on base lodges	\$190,000	Critically-needed roof repairs on Peabody, Brookside and Notchview lodges, our primary guest-facing areas containing all skier services (e.g. ticketing, ski school, rentals, retail) as well as food and beverage amenities.
<b>Sub-Total Infrastructure Improvements</b>	<b>\$190,000</b>	
<b>LIFT MAINTENANCE/REPAIRS</b>		
Peabody lift bullwheel bearings replacement; Peabody lift communications line replacement; Eagle Cliff lift gear box rebuild	\$293,000	Peabody Quad offers primary exodus from main base area and is due for bullwheel bearing replacement and communications line replacement; Eagle Cliff offers base area access to intermediate terrain and is due for a gearbox and motor rebuild
<b>Sub-Total Lift Maintenance/ Repairs</b>	<b>\$293,000</b>	
<b>SNOWMAKING IMPROVEMENTS</b>		
Water pipe replacement - Peabody pipe - Main line 12" replace. Install/tie-ins, excavation, various materials, valving, etc	\$226,500	Main line going from our primary pumphouse to base area services the entire snowmaking system on the mountain and is in need to replacement due to "pinhole" pressure and corrosion issues. Note: The entire project is contemplated as a not-to-exceed of \$453,000, but we have applied for 50% match through Land Water and Conservation Fund. Thus, CMAC approved \$226,500.
<b>Sub-Total Snowmaking Improvements</b>	<b>\$226,500</b>	
<b>GRAND TOTAL FY25 CAPITAL PLAN</b>	<b>\$709,500</b>	Upgrades and replacements in vital snowmaking / lift maintenance areas