

Start with a roll call.

Joe Martanis?

Here.

Peter Wohl?

Here.

Ted Wirec?

Here.

Jerry Strauce.

Here.

Bob Hall?

Here.

Betsy Lowe?

Here.

And Harold ?

Here.

Pat Berry and Cliff Powers from Bath Speaks.

Okay and Sergie called from the Boston Airport. He's behind schedule but he expects to make it.

Good... ah... agenda review. Anybody want to add anything to the agenda?

Um, I will just say this agenda is different then the one you received only in that there's an item under new business called audit report prior to the resolution 244 in the previous agenda stood resolutions as needed. 244 is... or the 210, 211 budget.

Right, okay.

And that was probably the only active... committee...

Yes, next on the agendas is the approval of the minutes from September 22nd.

I'll move.

Second.

All in favor?

Aye!

Opposed? Mary and I will obtain since I wasn't present at committee. Ted?

Okay... good morning everyone. In your packets I just want to tell you know what's included there. There's the revised agenda and October financial report, profit and loss for October. A resolution for approving budgets, 2010 - 2011, and then there's an updated investment report, updated from when the board mailing went out. Also on the right hand side of the packet is... and we appreciate this is Adirondack Life Magazine and there's an article in there about all the good things that are happening. Our Claim Magazine and then the Gore Procure in the White Page . So if have the time to look at those, they're very nice pieces. New face in the crowd, John Lundene is with us, he's heading up a public relations department and he jumped right into fire because when we came on we were right in the middle of doing Stake America. So... John...

What I'd like to do is go through some of the various departments. Can start with events and while you know we're used to... us doing a lot of events, I think it's important that I outline some of the events that we're doing, because it's fulfilling our mission and I think we need to be brought back to that occasionally to realize that what we're here for. We're here to spur the economy of the region. So as I look around the room, I'd also thank our staff for being here. Jeff our senior vice president and Kathy for helping with all the financials. And our managers who you're going to be hearing from shortly. So the events, we had a huge event that just took place, it was Skate America had far reaching PR across... not just the United States but the entire world and spreading the name of Lake Placid and right on the heels of that exactly the next week we had World Cup Bob Sled. Again the same thing with international stories taking place showing our venues and the name that we're pushing around the world. I'll going to keep beating this in because I think it's important that we all realize how significant those events are. If we didn't have those events that's advertizing that would not be going out. We also had a wonderful story with a young man, local young man who won an event there, John Napier. Um... our young man who's from here. Of course we have another U.S. winner, Steve Hulcom and his group as well. We have International Cup, Nordic Combined taking place through this week and also America's Cup Bob Sled as a skeleton. We have a nice event that we've been able to secure with Scott Hamilton and a lot of different internationally known figure skaters coming and working in concert with a concert featuring two American Idles. So that's going to be on December 29th and that's going to be... it's fun to have a concert at the same time, top notch figure skating including Scott Hamilton who will be skating as well. New Years Masters and NYSEF ski jumping competition will be coming up. There's Bodine Bob Sled in January, World Cup Free Style, Lake Placid Lapit, we're going to move right into the Harlem Globe Trotters in February, Empire Winter Games. NCAA Division Three Hockey championships, US Alpine National Championships. We'll have international sliding school for bob sled and skeleton. Gore's going to have Nascar Olympic challenge, mountain bike dual salmon and other events as well and we're going to have a slew of local and regional events and activities as well rounding out this extremely busy winter season for us. In our corporate department just recently we had the United States Olympic Committee here and they game with all the top brass and the purpose was to initiate discussions for a joint partnership, which we did. They also reviewed all of our venues and usages and did an inspection of venues and met with different athletes and I think they walked away a little bit with their jaws down because of so much that is happening here and the shape that our

venues are in and the opportunities that we offer our athletes and our partners as well. So I'm expected some good things coming from that. Our corporate department did an excellent job in hosting that group and finance, of course we've been working with all the venues and controlling expenses. You're going to hear from Jim in a little bit. I'm not going to steal your thunder this time Jim. So it's not a repeat but my hat is off to all of our staff of the work they've done in this department. We're continuing to work with the office of Tax Accountability in the different initiatives that the state has come to generating ideas for saving money and being more efficient. Also the finance department has worked on... we electronic time sheet recording now and it's been a process that was done in-house. I know Kathy shopped it around. There were a lot of programs out there. They're expensive and so we did it in-house with our IT crew. So they did a nice job. With PR I'm going to ask John Lundene to help me in a second here but we've had.. you know these are just some local papers but you'll see pictures of our athletes. New York Times features a huge story on some of our athletes. It's great to see that. We had... we got the Daily News here with a multiple page pull-out on winter activities and sporting things that happening in the Adirondacks and at our venues. It was a big piece. Another piece in the paper, today's Placid Press Republican there was a nice glossy pull-out and featuring some of the athletes that are from the region and stories about them and pictures, not the otters, although they are from here too. There we go, Billy on a back page. So we all know this young man here, Andrew Wibric did great at Birds of Prey and Time Burke had a second and third place finish in World Cups just recently. John can you explain a little bit what this new press release is going to be about and what's in it?

Sure, actually in that... the winter activities, that story that ran in the Daily News was a... an Associated Press story written by John Heges and Ted the thing continues to run. I went through my clips today, found fourteen more newspapers that have carried that nationwide. So that's got a lot of legs. Along with those clips this morning, I also came across ski.com and tripadvisor.com and they ranked Lake Placid in their top ten listings. Tripadvisor.com ranked Lake Placid number nine in North America as a winter wonderland. Number one was in fact Canada put us in the same thing as BC Canada, Vancouver, Whistler, Telluride, Aspen so that's a tremendous value for us to be ranked number nine and then ski.com, they also came out with a recent poll too showing the most affordable ski destinations in the United States and Lake Placid was ranked number nine on that list too. So as people are looking for value in activities and building memories of their vacation, certainly those two will help play a factor and in October, Ski Magazine came out with their listing of top resorts nationwide, seventeenth in the row, Lake Placid finished number one there. So things are boding very well as we move into the winter season. The season in terms of activities and visitors for the region and for our venues.

Thanks John, I'll also mention because I'm a frequent rider on Amtrak back and forth to New York City. When I'm hard up for other reading material I grab the Amtrak publication Arrive which is actually quite nice and one of the main stories is about Lake Placid and the Olympic region written by Moe Raca so I'm going to distribute this, it's great... it's actually a huge endorsement of their lists some very funny anecdotes in the trip he took here. So we'll just pass that around as well. Human Resources, we've been at this time of year. Of course you know we've got a lot of people coming on. We're processing new employees. Started off a little bit ago with a job fair, David's been doing

the job fair administration with the venues and making sure that we provide an opportunity to not only for potential employees but for our supervisors to look at staff and evaluate and to be able to hire accordingly. Insurance renewals and also David spearheads with our negotiating team, the union negotiations which are currently in process. In marketing, we're coordinating our messages from all venues and that's always an interesting task because we have different marketing managers but... and different focus at each venue from a marketing standpoint prospective. But we want to make sure that we don't let anything fall through the cracks. So we try to have a coordinated message also so that when we're out there in the marketplace you know we have a singular message going out which is very important. New York City Media Night was held November 4th. We had a very large turnout and we... some stories right off the bat from that. I think it was well played out and we look forward to next year. But we had a lot more involvement this year from skiers in New York and from Lou Ham and Associates that helped with I Love New York as well. This event along with the one that we're planning for February in Central Park is our way of being in the New York Metro area and we Gore in White Face and Lake Placid together represented with other ski areas throughout the southern tier region and it gives us an opportunity to work with other ski areas and to show that we're all part of the bigger picture working together, whether it's Hunter and Windom and Tuxedo Ridge with Bellaire and other ski areas up and down the I 87 corridor there. It shows that the state and the privates can work together in promoting in the Metro area to keep skiers in New York and to somehow prevent them from straying across the borders but we know it does happen occasionally, but we like to keep our own where we can keep them. Marketing also works very closely with our main street merchants, attends meetings, listens to different ideas and initiatives and they'll be working together on the thirtieth anniversary. We have a committee together, working together with the Town and Village Visitor's Bureau to promote, coming the February the 30th Anniversary of the 1980 Winter Olympic games. It seems just like yesterday that we did the 25th Anniversary and then the 75th after that but here we go again and I thank our committees for their input. It's not going to be... as big as the 25th, but it will be significant and I think it will be placed in nice honors on this milestone that we're going to be passing this year as well and be a lot of opportunities for our partners, hotels, restaurants, motels, shops to participate and be involved with anniversary. We also billboards up and down the north way area and along 787. We have some electronic billboards that we're using this year where we can update from a computer and change the message which is interesting and as I said we're working on a new program for Central Park, I'm going to get some information just this afternoon as to who our new partners are going to be there. But we plan on doing that again... I might... the first weekend in February. So you know, Gore goes down, they setup the compressors, Mike takes his crew down there and they do a heck of a job making snow where no one else can and they do a great job. The museum has some initiatives going on with a gentleman from Canada who's got a lot of energy and a lot of ideas and we're going to see if we can have some fundraising put together to change the face of what Liz has been doing and hopefully some upgrades. We'll see how that goes but there's conversations that are going on and he's focusing also on the anniversary as well. And the IT department has installed wireless throughout the Olympic center here. As I said they're working with programming and finance but also our IT department, they just... they're not the guys that are... you know in the office. They also do all our timing and scoring and setup for all of

our events that we do. So they're busy in and out of the office all the time. Jeff has been working on a program with... for athlete support and you'll notice we gave you some playing cards that are... are they called playing cards Jeff or...?

Trading cards.

Trading cards, that all of these athletes have that we're supporting. It's a way that if they pump up with someone or there's somewhere they can sign them just like any athlete would do out in the real world and... but we're very proud of these people, they have some wonderful opportunities ahead of them, the Olympics are coming up this year and I think many of them or all of them will be representing this region and Lake Placid probably in the Olympic games. So wonderful kids, I got to tell you we had them down at our media night, three from the biathlon team and on their feet they are so well-spoken. They carry themselves well. You'd be very proud of them. They are excellent ambassadors for this area. Ski jumps, snow making has been going on, prep for training. Got a... Nordic combine event that going on. Olympic sports complex, right now since the bob... the World Cup is over, we're into public rides, cross-country skiing and biathlon, all those things are happening. The Olympic center, Denny we're been working... we're going to get the oval up this weekend, Friday afternoon probably. It will be up and ready for the season and... we've been... and Joe's been participating and working with the speed skating community on some ideas and ways that we can improve some of the things that we're already doing. Introduced last meeting, Bruce McCully is a new general manager of White Face and I asked if he'd just stand up for a second and talk about some of the improvements, trails, base area and for some of the food service improvements.

Trails we did a lot of smaller trail work, drainage, grading on different trails here and there but we had two more major projects, nothing as major as the last few years. We did whitening on the Wilmington Trail, which involved a little more blasting. One section that quite narrow, so had to remove pipe, do the work, put it back into place. That's on the Wilmington Trail, we also did some whitening on the parkway which... trail which involves... it was necessary to facilitate the US Alpine Nationals. So... that was the extent of our trail work. Our food concession work has gone well. We're still... some of it's still in progress as we speak. Mid station live, which is probably our biggest place where we spent the most money. A lot of that was behind grill area, we doubled the size that their cooking space, just made it a lot more efficient, made more room for refrigeration. Various things like that when onto coolers and beverage center and that kind of thing. So we improved their efficiency there greatly then we did cosmetic while we were at it. So I think it looks a lot nicer there, we expanded the deck area. We're also doing some work in the Bistro which is downstairs at mid station and that's scheduled to open this Friday or this Saturday. A lot of that was cosmetic, painting new tables. We removed an old bar that we in there and made more seating. So that's... that mid station, at the base area, the food court, a lot of equipment that needed to be replaces, that was efficiency, more cooler space, work behind the grill, work with the deli, replacing coolers there that didn't meet codes and then we did a refurbishment with that area. We painted, new signage, just some cosmetic work in that area also, and that all came together, I think it looks really good. Our partner has done a great job there. We're currently working in Cloud Spin Lounge on the Black Diamond Barito Bar, which is going to be... we're redoing the

whole food service area up there, it's going to look great. We're hustling to get it done for this weekend, so they're doing time in right now. All the equipment is there, and we also put carpeting in the Cloud Spin Lounge, we're doing various cosmetic... the bathrooms in Cloud Spin Lounge was redoing a lot of that. We had some kind of rustic looking things in there that were... not applying. So some of that's still ongoing and... but it looks great up there, we've done some new furniture in the Cloud Spin Lounge also. In addition, food service-wise we purchased some equipment for a snow case so we can carry food and equipment to mid station, that's always a bit of a challenge for us getting things to that area. So a lot of... efficiency, the improvements in efficiency, in our look and... so hopefully it's going to be a productive... foundation for us. I think that was it. Food service and...

They nailed it.

Thanks Bruce.

Jeff.

Just one comment on the expense for the providing the parkway, just a brief three-way partnership with the US, Peking and the Kelly Rush Foundation out of Vermont and we tabled someone to help us make that happen.

Thanks Jeff.

Okay, Mike Pratt is with us from Gore and Mike's had a lot of action down there with capital projects and he wants to just bring us up to speed.

You know we had an incredibly busy summer, probably the most complex summer of construction activities that I can remember. The complexity ranged from everything from evading asbestos to our work on the heating system at the base lodge and the roof at the base lodge to constructing a bridge over Roaring Brook as part of the interconnect project to... the construction of a brand new lodge down at the ski ball and included a lot of operational issues from being spread out on nine sides of four mountains. So... it was quite a summer of trail work. On Gore we widened wild air and just massaged a few other things with the major trail work was in preparation for the interconnect where we redeveloped three of the 1946 trails at the ski ball and constructed one new one to connect the top of the ski ball with a bottom of the Borough Bridge left with the new lift at the ski ball. We have the drive terminals standing in the operator building shelled in and we're waiting for the great winter to end and then we'll start work on the rest of the lift. Snow making-wise, we put in thirty-five more tower guns that we got through a rebate from previous purchases through NYSERDA and those guns are around Pine Knot Uncas and Box Slair and... the lodge at the ski ball we're working diligently now to acquire our certificate of occupancy here right around Christmas time. We're trying to hang lights, finish up the electricity in the bathrooms now. So that operation typically opens right around Christmas, so we're right on schedule, even though it's being pushed and then we've also started a couple of other programs. We're looking for an additional revenue stream. We started a premier parking operation and we're receiving certainly a lot of vocal complaints from some people about it and then a lot of a... compliments and why didn't you do it years ago from other people. So it's... you know it's never easy to

implement change, but we're trying to do it in a safe manner that's effective for the venue and the company and we've got opening up more terrain soon as mother nature lets us, we got very aggressive with the natural snow and opened up some natural stuff and I think we have a real good plan to have a tremendous terrain on all four of our mountain tops open through the Christmas holiday period.'

Ed, you went to both venues prior to when you submitted a report and you also knew about some of the projects that Michael's working on in parking and other things so...

Yep, what they're doing is really... both areas are really on top of where they should be. They're doing it expeditiously and efficiently and it looks really great. Those savings in the boiler room will be incredible I think.

Yeah, that's, that's what I'd check

Yeah, the heating, just in the efficiencies of fuel usage could be around 22% savings.

I would add as a footnote, we had a visitor at Gore yesterday Congressman Murphy paid us a visit as part of a world-wind tour in North Country spots. He spent probably an hour or so at Gore. Mike gave a great presentation about all the improvements that have been going on. He entertained questions from people that were there to meet us from the town. He's very tuned in I think to the benefits that Gore has offered in relationship, the good relationship we have with the community there, he went down and saw the improvements in progress that of the ski bowl and it was great because the heavy machinery was you know going back and forth and the gear box was being lifted into place, you know, so he saw a lot of activity down there and what I think was very, very impressed in, and asked how he could help and we intend to follow up with him.

Well he got that, that situation and some of the locals offered the observation that credit was the biggest problem for improvements in the downtown area, you know a lot of the people in the accommodations industry are having trouble getting the loans. The loans they get take a long time, there's a big escrow deposit required on the loans, so they talked about and he understood as you would expect what the problem is and obviously he didn't make any promises, but you know he's the type of person who can help with that kind of situation.

Okay, I would say, just to echo what the Chairman said about our good relationship with the town, Supervisor Goodspeed is here to reinforce that relationship also.

And let us know when we have problems.

So far so good, everything is smooth, the lodge project that Mike describes is really a partnership project and we can't say enough good things about how smoothly that's gone. The other thing that I would just mention briefly is the Authority received some tremendously good publicity yesterday. The Star dedicated almost it's entire front page to

the interconnect and the economic benefits of the interconnect and how important it is to a multi-county range. It's a great article.

That's great.

Great photography and its on line or two.

Terrific.

I believe it's still online, if you want to check it out.

Great. Thank you.

I think both areas right now, a really good place and they really operate comfortably and well and doing the right things, with the limited amount of money that we have available. The end result if we have the kind of decent weather, is that people go away seeing both areas is much more user friendly, particularly Gore.

I think we're lucky to have the managers that we have. We have Mike Bruce.

No question.

Denny, Tony and they are, they care deeply and that runs right down to the staff that they have, that work with them, and the look, I think we could be proud the way things look. We did some things here for Skate America, you know it helped, we had an event, but it helped us to improve the facility and it's got a much nicer look. I don't know if you notice when... when you came in, there's a different feel to the building as you come in, so everybody carries forth and I appreciate it.

Before we get into the conference center, before Bob's here, I just wanted to, the Chairman has asked and I think it's a great idea, he bumps into various people here and there, and you know I'm sure if you do, granted that everybody else does, and sometimes it's nice to have a crib sheet of you know who we are, and so and what we do, some of the programs that we offer, what we're doing with energy, how we're trying to save energy, so I've taken a stab that I'm going to give to the Chairman of a draft that you know, the simple things to just run through what our organizational chart is, so, you know, you know if you bump into somebody in the hallway, Harold, and all they, they say hey, what the heck are those guys doing up there? And you say well, you know, this is how they do it, and here's who they are, and here's the programs and there's their sponsors and just, so I think that was a great initiative in, we'll clean it up but great, it's drafted, you can take a look at.

Now, by the way, it's a work in progress, I mean I'm going to go through it, we'll distribute it to the Board, we'd like to get some feedback on it, but it's really a key, everyone up to date on kind of facts and figures. How people we employ, what our payroll is, you know, the stuff that you know we should know but it's going to need to be updated periodically obviously, so I would appreciate your feedback on it, when we distribute it.

We'd be very happy.

Great.

Bob Hammond is here with an update on the conference center project. Those that came... did anybody happen to drive by the front of the open center, you can see the steel's going up.

Good morning.

Good morning.

Before I start to a projects update on the conference center, I want to address a question that was asked at the last Board meeting with regards to the utility cost for operating a building that's approximately 50% bigger than the existing one. This facility is primarily totally electric so air conditioning of the space, heating and cooling is done through electric. We only have one meter so we had to do a calculation using a modeling software to identify what the costs were to now at the other end of the building. The Department of Energy has a wonderful software available for free on the website, so that was the software I utilized. If they're inputting the information we came to a cost, a past cost for air conditioning that space of just a little over \$80,000 a year.

Past?

Past. And we back checked that using that amount of facility represents 18% of the space of the overall facility, so we back checked that and it came in very close within a, less than a percent, and I was also able to find a energy report going back to 1985 by the Power Authority and they had end of the building at 18%, so we feel pretty good about that. So, to operate the new building, we looked at it in two different ways, figured that the Visitor's Bureau is going to be 100% of the time, no question, so we wanted to know with the Visitor's Bureau there and we, did actually nothing different how much would it cost to air condition the building, and we came up with a cost about \$34,190 a year. If we occupied the building in conformance with the Johnson Study that estimated occupancies throughout the year, we come up with a cost of \$43,433 a year.

For the whole building?

The whole building. And I think it's important---

All of it?

---it's important.

..... is there?

Yes sir. It's also important to recognize too, which makes us I guess a little more exciting is that the existing building was totally done with electric and we have a very, very low electrical rate. The new building is a combination of electric and propane, so the cost of

you know providing the energy to heat with propane is going to be more. We have that factored in, we're still at a reduced cost. The design team really, really pushed.

That's good.

Yeah.

And it's amazing, the design team really push the --....

It's better when you save money once in a while.

The team really pushed the envelope on the R value, the U value of the windows, and thermal breaks, trying to prevent the cold from transferring into the foundation systems, all around the building, so money well spent.

But that's also maybe a reduction in carbon footprint too I would think. Was it?

The majority of our, for all our electricity comes from -- comes from -- well the majority comes from hydro power.

Okay, but it comes from hydro power, but it didn't come from, you know --...

Right.

It's displacing something else. It still gets down to change, this carbon footprint.

It does. And to enforce that point is once we exceed what we get from the hydro power, then we're buying the community is buying from the grid, and once you're buying from grid, the grid is primarily fossil. Fossil fuels and so... so, it's turned out pretty well. So if there's no questions on that, I'll move into the base report.

Sounds good.

Status and design, the structure and the enclosure design is complete. Interior, final interior and exterior design is slightly behind schedule by about a month. We're expecting 90% review documents at the end of this week. We got to set up 80% review two weeks ago, and that helped us generate our newest budget, and we have 90% the team our offices, where we're doing the drawings and make any corrections that we need and then move into a 100% construction documents, will be up to date, approximately at the end of January. The schedule for the work. Foundation systems are 99% complete. We got a couple of previews by the loading dock, that's about front structural steel is going up, the rear expansion, the kitchen walls are 95% complete, 32 corridor walls are complete and we see structural modifications are in progress. Enclosure completion, we had an aggressive schedule and were hopeful that we could enclose the structure by the end of 2009, that under what we see now is not attainable. Full enclosure before the Spring of 2010, is pending, so material delays, and it's a big job, complicated job so things come up, but from a master scheduling completion will require that we enclose the shell by mid April 2010, that we're still on schedule for completion or January 2001. So, a little flexibility story.

So you're optimistic that we're going to complete about a year from now, a year and a month from now?

Yes sir.

Is that completion ready for occupancy or?

Well from our completion, we'd like to have a little time there of about a month and a half, maybe two months for commission, making sure the Lucy systems are spot on, the audio, the video, the kitchen, and once the painters or the carpenters, I guess may be the last to leave, it's going to take some time to make sure the systems are all operational.

Bob Willmack is currently commissioner of the thing again. I understand what you said about the hydro power, but I would argue that it's still the same as coal generated electricity because we're essentially, if you will, taking half as much from your hydropower that we would have, if we were taking all of it, and they needed to replace, they'd have to replace, maybe their coal or something like that, so I think the effect is still there.

Yeah.

And this is a big ---.

And the village has been, has been exceeding it's, it's allotment of hydro power, so we're buying it, we're buying that or maybe use it, it's definitely, definitely a big impact on the ----.

And if we could just put windmills on Whiteface? And Gore?

I'm sorry.

Substantially visible windmills?

No.

Maybe.

Well it's, pardon me, as soon as we complete the design of course we're up to date, fit package A, as I mentioned before January 29th or if we're pushing the team to up hit the street, then we'll take things and probably early March. Budget.

You're on straight with subject?

The estimate presented at the September board meeting has been revised to include the actual cost that we've incurred with the contracts lined up. So now we can move away from estimate to actual cost. So that includes contract one for the demolition, contract two, for the whole roofing systems, contract three, the trust reinforcement of the Lucy rink, contract four, structural steel supply and furnish for the front, contract five, for an expansion, that's the foundations, putting up the steel. Contract six, the rear expansion on the second story on Lucy Hall.. hallway. As I reported in September, these contracts came in at 17% below the cost of the estimate, total work for those contracts account for 18%

of the total project cost. So, 18% is pretty well set, we've had some change orders, not surprising, we're working next to building built back in the 30's and a building built in the 60's... Been pretty happy with the status of those change orders. Production kitchen and low-voltage equipment costs were presented in the June board meeting as non budgeted items. And in the September board meeting, we worked those into the budget, and just as a recap, the low voltage systems, audio video was budgeted at \$348,000 so we made up within the budget. Structured cable \$214,000, so again made up into the budget and then we presented 348,000 dollars of the fixed kitchen equipment, the freezer stuff that no way could be identified as future you know, mobile modular equipment and that was in the budget. But in order to complete the kitchen, equipment had to make up another \$207,000 so that's been added into the budget now. We started off with a contingency of \$1 million dollars and we've reduced that contingency now to \$846,000 which the estimating team believes is, is still generous. Are we comfortable enough to even at this point lower it to \$750,000 given the amount of work that's been done and the type of work that's been done, so we're still doing pretty good at our contingency and that would bring us after the 80% estimate and with an inclusion of \$1.1 million of furniture and equipment from the original presentation, and said 90% of the documents are due at the end of this week, we're due again for budget and making any other correction noted, but with that said, we are right on budget.

What I would like to get is say at today's meeting, you say my best estimate based on what I know and what I project, you said it's going to cost us x, and at each meeting, I would you like to update x, so we can look at what we thought it was today, and then what we think it will be in 2 months, comparing that to say apples of course. If you add a lot of things in, and x goes up, and you want to for the total

For the total project cost?

Yeah, I'd like to know what you think ---.

We, we have a budget after we captured the last phase, we had a sum of money, and that sum was \$17,368,536 and that's the..that's what we got. We have soft costs of \$1,985,000. So that left us with a hard cost for construction, \$15,383,536.

So your total number is \$17,368,000.

Three sixty-eight.

That was the budget in the account.

That's, that's how much we have. So we...

Well that's what you budgeted, you can get it down.

That's, that's the money in the bank, so we can't exceed that.

Okay, so where would you say we are, up against that number now?

We're right on it.

We're right on it.

We're on that number and that includes a contingency.

Right.

Of \$800 and...

Forty-six.

\$846,008 dollars.

And the soft costs includes the term contracts. The in-house, that is the soft costs, I guess.

That's ... soft costs include design services, construction management, legal fees, special testings, permitting services by OGS.

Now what I heard Bob, and you tell me if I'm correct is because we made up 17% on the first 18% of the contracts completed, we were able to add back in unbudgeted items, and reduce our contingency slightly from a million to 846.

That's a part of it. We've continued to look into the design and look at ways to save money on it, and this.. you know, the ceiling system to be done more efficiency, and sacrifices have to be made, and acoustical treatments, and can we do something smarter and more efficiency?

But I think that the answer to your question is you're going to be reporting on that contingency every month or every, every quarter.

How often contingency changes.

The contingency will, if it goes down to zero, that means we'll inspect every single nickel on the project, so that's the built in reserve if you will, the calculated items.

We're going to mandate a, once we hit 100% documents and 100% estimate, we will not go to bid any less than the contingencies, the \$750,000.

I heard that. Yeah.

Changes will be made to the design.

Right.

For instance, after 80% documents came out, we had to go back to the design and find \$600,000 in changes. Some weren't too hard. It was a miscommunication on the bar room lights that came in \$7000 a piece, picked a different look.

Well going forward, do you think you would be able to maintain this performance?

Absolutely. At the 80% now, we're working at 90, towards 90%, had a very constructive meeting with our estimator and our architect, we're down to a point now where the changes really are in the finish systems. Obviously with full prints been bid, it's been built and one nice compliment the estimating team gave us is, on this project, we walked in here with a footprint in June, that footprint hasn't changed. So we're being very

consistent in the base design and that's a positive. The negative of that we couldn't find money in finishes, we're committed to the footprint. We had a --we had some you know very generous finish alliances as we started design and we have to change those. We're going to be moving them around the building where we think they're going to look nicer.

But I would have to say that based on what I know now, it appears that you people are doing a good job managing this situation and managing this project. I should be able to say that a year from now.

It's a lot more work this time being into the design team. But instead of seeing a presentation every month or two, we're in the meetings daily. We -- my office sees every email, every communication, even the designers and structural people work for us, architectural people work for us. So if the architect asks the structural people to make a change, the structural people have to clear in with us first. Keeps a more angles .

Okay?

Other questions?

I'd just to echo as well that it looks like it's an extremely well managed project, having observed any number of other state projects, I would say this one's going very smoothly with extremely professional management, compliment to you and your team.

Thank you Bob, gentlemen.

Thank you Bob.

That concludes my report.

And I think we jumped into new business and covered a bunch of this stuff in the new business. So I think we'll just go back to the financial report. Jim?

Thank you, we've had in your package the financial report for the seven months ended October 2009 and I'll start with a comparison of this year to last year, recall at the last meeting we had some discussion of where the classified has taken close. So that's been moved internally from state and the town, actually from offering expense down, operating revenue down to others. In other words we don't have that variances in the timing of the state appropriation of the analysis. So on a new basis, again comparing this year to last year, the total operating revenues are two hundred and thirty thousand lower then last year. That's, the overall trend we saw you know month by month pretty much to the summer and to early fall. The snow sports, skating activities, etc is a hundred and eight-five thousand lower then last year. Again we got started right after April, we're just a little bit slower. Last couple of weeks the ski season, this year as compared to last year. Tour and events admissions are eighty thousand lower and concession revenue fifty thousand lower then last year. There are couple of positives, a little but smaller but concession, the sponsorship revenue and the rental, paying the rental and the media

advertising kits are all twenty-plus thousand higher than last year. So the sponsorship revenue in particular had been trailing off a couple of years, in the last year or so it's going to come back up. So that's a good sign. On the expense side, again as Ted mentioned, then reported earlier means you know the managers, the authority's done a great job in really watching and controlling expenses. The personal service expense before we factor in capitalized labor is almost four hundred thousand less from last year, so that's four point seven five percent lower year to date. Again that was reducing overtime, looking more closely at, on the seasonal staff were kept on, I was trying to run the venues with few, fewer people. So it all adds up. Payroll added cost which is the payroll taxes, benefits and such was twenty-six thousand lower than last year. Again you're faced there with higher health insurance premiums, worker's comp, the retirement system rate jumped fifty percent from a year ago so that all adds to that side of the equation. After we deduct capitalized labor, which is a little bit lower than last year, the net personal services still is a hundred and seventy-six thousand lower than last year. On the non-personal service side, and we're not including depreciation in this, the total is four hundred and seventy-one thousand lower than last year, and that's about equivalent to one utilities which is much, much lower than last year. Again it's a combination of lower rates but, you know you're hearing Geo replacing this with that and you know the ---. I haven't seen it yet, but you know more and more official snowmaking. Mike mentioned more tower guns, and that will save costs during the winter season at Mount Overben, there's replacing the heating system there. Again to me this is a little bit counterintuitive, replacing a boiler with electric, and I always think of electric being higher but.. you know the Lake Placid Village electric is so cheap that that's actually going to be a cost savings as well. Probably the big cost saving is they didn't have heat for two months so... That always helps, unless you have to work there. Other expenses being under-budget include materials and supplies, eighty-eight thousand under-budget, then expenses is a hundred and seventeen thousand higher than last year, but there two, some very significant events in the fall. The ISU Junior grand prix was September, against some of those expenses, and they're burning into October by the time the invoices come in and the settlement happens; and then Skate America as was mentioned as a November event, but there was also significant expenses starting in October for that event. So the revenue side of that should catch up to some extent in November. So through -- excuse me -- October of 2009, there's an operating loss before depreciation of eight point two million. Again remember now that this appropriation is not in this number, whereas other years it had been. And that compares then again apples to apples, eight point six million through October 2008. So you're, you know, overall four hundred and fifty thousand and in last year through October. On the budget side, operating revenues are nine hundred and fifty thousand under budget, but the expenses are more under-budget than the revenues. Again you know and through a phone conversation yesterday, a phone with the audit committee, and we talked about the budget, and Ted really made the point that the revenues can be very dependent on weather and other such things and you know you make the budget based on what you think is going to happen and the changes you react to the budget. So it's very but that's that's happening.

Well Jim that's a critical number that you just went over. There is an operating increase, even though sales have been decreased. So the management deserves some credit there.

Yes.

So your budget was eight three, it came in at eight two and it was eight six the previous year. So... well done.

Yeah. Yep, the net on a budget to budget basis or budget to apples since you're actually down to six thousand ahead of budgets. Again after we faced an almost a million dollar less money. Good, you have this job very well done. As the cash-flow side, the operating activities for the seven months after we provided cash of a little over five hundred thousand dollars... again a significant part of that as you get into the summer and fall, the season's past revenues, the season's past sales, that's not included in revenues yet, that actually get recognized as revenue throughout the ski season. Nonetheless the money's coming in for those sales in helps with the cash-flow. Investing in capital activities provided cash of almost nine hundred and forty-five thousand. That's a little bit unusual that investing activities provide cash, it's primarily fixed asset or capital projects and then the funding that goes along with them. But part of that is just the timing of some of the, the capital money came in before it was entirely spent. So I'm sure that will even out in November. And then financing activities which in this case is just repayment of long-term debt in the line of credit, used cash with one point three million and again the line of credit was paid down mature of almost nine hundred thousand. So that helps you know with the lower interest costs as well. The rates aren't real high now, but nonetheless you're saving some of the interest by paying down the credit line. So overall the cash position, cash itself at the end of October was a hundred and thirty-eight thousand higher than it was at the beginning of the fiscal year. So it appears that heading into the busy season and actually members obviously behind us but going into the season where you really start ramping up cost, you know comfortable cash position. So any other questions or comments?

Thanks Jim.

Yeah, no again, just to summarize and Bob after your comment that you know the group has done a really good job, and we can't afford revenues are and then reacting on the expense side yet still getting done what has to be done. So good job.

Thank you Ben. Paul?

The audit committee report, Bob?

The audit committee met yesterday by telephone and went over the drafts of the budget, which I think the board has had some copies of the drafts and the audit committee has had several copies and we think that management has done an excellent job in putting together a budget for the next fiscal year. This has to be reported through the budget division, I think by the end of December and the budget, probably in the third year of the recession really I think is realistic because the management has showed that they can adapt budget to current conditions as proven by Jim's report, which showed a decrease in gross revenues of a million but an increase in net profit at the end. So the audit committee went over all those items and recommends to the full board that they approve

this budget as now drafted and submitted it to the budget division. There's a resolution in your packet towards that aim, I'd be happy to answer any questions that anyone might have concerning the budget.

He went over the...

But the...tape.

Early on about the government was shown on the December 9th memo from Kathy Berse...

Have an email?

Yes, pretty much, yeah. I think there's some adjustments that is the budget, yes.

We have to recognize that. The committee has crossed out the little square graph on the one side there because that's more of a notation than an accounting. In other words, there's not a profit and loss that's stated in there. That's just an estimate on cash.

The one with the net income of nine hundred twenty thousand dollars?

Yes, just forget that little square, it's more of a notation than it is an accounting principle.

Somebody make sure the resolution reflects the budget.

Yes.

We'll attest the...

It does.

Okay.

Any other questions? Can I have a motion on resolution 244?

Well I'll introduce the resolution on the committee.

Second.

Moved.

Okay, all in favor?

Aye!

Opposed? Thank Bob that's every in the...

Nice job Kathy, nice job on...

That I believe concludes the formal business of the board. Are there any other items?
Anyone who's participating as a visitor today, like written comments? We're adjourned.

Alright.

Second.

All in favor?

Aye!

Opposed, thank you.