

Welcome everyone. I'm Joe Martens, and I'm going to have -- we're going to do a roll call momentarily so you'll hear all of our names. We have Jeff Burn, Ted Blazer with us from ORDA staff. I guess we have several dignitaries in the audience that I want to acknowledge that they're here -- Randy Preston from Wilmington -- hey, Randy; Sterling Goodspeed from Johnsbury -- good morning; is it Lynn...

Fosbrook.

...Fosbrook -- I can't read Ted's writing -- from Warren County. Welcome. Jay Curtis. Welcome, Jay. Craig Randall. Hi, Craig, welcome. And then we have representatives from the Lake Placid Visitors Bureau. And Kim...

Jim MacKenna.

Hi, Kim. Kim MacKenna from the Visitor's Bureau, and representatives from Center Plate. And we've got a very full agenda today. So we're going to start with the roll call. And I have some suggestions on the agenda, which I'll go to after that, and then we'll get right into the business. And at the end of the Board meeting there will be an opportunity for anybody who's visiting to comment or criticize, compliment, whatever is. Could I...

This is Lisa .

Hi, Lisa. Welcome.

She's going to be...

Will you do the roll call for us?

I will.

Thank you.

Betsy Low?

Here.

Flipper Donaldson?

Here.

Chris Walsh?

Here.

Sergei Lucey?

Here.

Joe Martens?

Here.

Ted Blazer?

Okay.

Ed Weibrecht?

Here.

Pat Barrett?

Here.

And Glenn Bruning?

Here.

Thank you.

We have a quorum.

That's it, so we have a quorum. The Attender Review...

I'm sorry, excuse me. We have Jerry Strack on the phone with us also.

Oh, yes, and...

We weren't able to get a hold of Bob Black.

Jeez.

I tried all day long to get hold of him.

We sent him an email, and...

Is there any way to try him again?

I just was on the cell phone trying.

It's funny, because he emailed me yesterday and said he wanted to participate by phone.

Okay, I will try and...

That'd be great.

Okay.

Should we... You want to wait? Want to try?

Just try him again. We'll keep going. I think it's time we start. As far as the agenda, we have a bunch of items on here that I think there's going to be a fair amount of discussion on. So I want to make sure that we devote that time to those items, and leave other items that, where there isn't a direct business action required towards the end of the meeting. And those items are the Conference Center Update. And there is a resolution attached to that. Mountain Ski Bowl which I think Mike Pratt is going to make the presentation regarding the Interconnect. And then the concession contract is the third item. So I'd like to handle those in that order if it's okay with the rest of the Board, and then we will come back to the President's Report and the Financial Report at the end. 'Cause I'd really like to make sure we spend all the time that's necessary on the business items on the agenda. And then if anybody else has any other additions or other changes, speak now. That sound all right? Okay. So I think we're going to go right to the Conference Center Update. Ted is going to handle that.

Okay. We had circulated a memo to the Board of the direction we were going in. We would like...

This place has gone to the dogs.

Is that you, Jerry? Oh, that's Judy.

You're going to regret that.

This is brutal.

Jerry, are you there?

I'm here.

Okay.

deaf and dumb, .

Okay.

Everything works. We circulated information to the Board. And what we'd like to do today is do an update of where the process is to date, and give you a chance to learn more about this wonderful facility that's being proposed, and then the process that we'd like to have everybody entertain of us moving forward. And so the Chairman says, included in the packet was a moving forward resolution to allow us to be able to get this project on the street and to hit winter, winter construction and to get it enclosed. So it's very exciting at this point. And Bob is going to make some introductions of people that are here today to help educate everybody of, to where we are at this point. So Bob, could you start off? And then we can all jump -- anybody has a question or...

Let me make, if I can, just for a moment -- Joe, I understand that one of the contractors, that when we were doing the design build proposal, contacted the Department of Labor. Department of Labor did contact ORDA. And there was an opinion given. Since I am an employee of the Department of Labor I am going to recuse myself from the discussion and from any vote. 'Cause I don't even want the, the hint of impropriety. So I wanted to make that public and put it right out there that that happened, it took place, and I'm going to recuse myself from the discussion as well as the vote.

And everybody on the Board's aware of where we're at based on the memorandum that we sent, okay. And ready for a presentation, then?

We are. I'm afraid though that if Bob, unless you come stand up here, we won't be able to get you on the webcast, unless someone wants to redirect that camera. And I'd be move so that you can take center stage.

Okay, then I'll get the mic.

Okay, and you're going to introduce the team that's here?

Yes, sir. Good afternoon, everyone. As Ted mentioned, we have members of the design team here, and I'd like to introduce them, and also invite _____ to help me. Jim Edgecomb -- he's with the design group, and he's the project architect. And Jim, if you would help me out now that I'm relocated over here, walk to the sketches. Joe Garso's here. He's with North Woods Engineering. He's covering the structural and the civil issues. It's an existing building, so we're neck deep into the existing structural issues right now, the limitations on those that we have to work through. And Jan Kebbin, member of the construction management team is here also.

All set to come over here?

Is it, is this the best location to do the presentation from, do you think, or...?

?

Yeah. Every board member has a package we handed out. And we're going to walk through the three levels of the facility. And we have, the bigger sketches are exactly what you have in front of you, is shown up here. And _____ given the format of the room, you probably will be able to _____ as well. So hopefully the sketches will help you out just fine. And starting on the very first page, it shows the first floor of the facility. And on the first floor of the facility, as it existed before we started demolition process, the Visitors Bureau was located on that facility, on that floor. And that continues to be the ideal place to have them reside. So their location is detailed _____ there. We've been working with Jim MacKenna and his staff to make sure that we identify the proper space and the configuration of space to fit their needs. And they're right dead center. On each side we have two different entrances. We have the skater's entrance which replicates the current paths of how the facility is primarily entered by the skaters, _____ thirty-two and going down to the eighty. And we want to keep that entrance in that location to keep the skater traffic going up and into the thirty-two better. We also have another entrance that will serve the Visitors Bureau. And the same entrance will serve the main conference center area. Also on this first level we've included a meeting room. It was identified that to have a meeting room that could be accessed by some of the community groups without

going through the Visitors Bureau but going through the main conference center area, say later in the evening, earlier in the day, would be a good element to have. So this floor, in addition to the Visitors Bureau, a very small meeting room facility as a meeting room. That folds into our program of hitting our targeted seven meeting rooms to fit the demands. Going on to the main level, which is currently the Lucy Rink level and the thirty-two level; and that level would come up to 99th stairway, for the conference center area, the lobby. And access from that lobby, there's the elevator of course and a business center. That's during conferences if they have to make copies or get mailings out; it gives them a room to do so. And a coat room. And then once you come through into the pre-function area, we come to one of our new meeting rooms. And also, for the other side, going to the thirty-two, where we've got meeting room identified, but there's no -- well, what the architectural team came up with is, that in some situations we want as much pre-function as possible, we could also use an air room, and air wall to help separate the space, be one of our meeting rooms, helping our, our demand. Also on this level there's a loading dock. Throughout the process, being able to serve the facility and have the loading dock facilities maintain the required paths of egress that currently exist have been quite a challenge. We've been able to put the loading dock where we need it, to have good access from it without interfering with the egress paths. And design group has also been very creative on pushing it back a little so it's not quite a feature, and bringing the main metal staircase more to the eye of the view. From that point on, we come back into the existing Lucy Rink. And what we've done there, is we targeted -- as discussed before -- seating for 750 people in a dinner format; and then carve up that space to efficiently and effectively use it to address our bathrooms and our back of house service corps. And then connect that space directly into the pre-function area, that brings you right across the thirty-two, for bigger events. This level also includes a new production kitchen. We've challenged the design team to try to cut that space down, to give us good separation between the retaining wall in case in the future any work has to be done to improve that, allow us good access for other vehicles in and out. And they've accepted the challenge. And I think they've done a wonderful job. One thing we have struggled with is having a kitchen that can accommodate the big events, but yet function for small events too without investing too much money for just that one or two big events. And we're making great progress on that.

Before we move on there, can you, maybe, Jim, give kind of your flavor of what, how you see the, everything flowing and the vision that you see and the aesthetics of it?

Well, probably the most important thing that having a conference center in this location affords is these fantastic views from here and the connection to the Adirondacks. So I think that the façade of this building, this level, and the pre-function space and the public space on the third floor that Bob's about to get to, is really going to be spectacular space.

We've also talked about building a conference center that would be different than a lot of conference centers that you typically go in and you have a lot of bail in space, and it could be very green. And when I say green, it's an environmentally-friendly building, and one of our goals in the project. I think that understanding this upper level is, that's sort of the exciting space in the plan. Al, why don't you finish, continue with that?

The big change from what we currently have now would be the third level, and that would afford us the ability to have more meeting rooms, which we really need to meet our public demand. So once you get to the upper level, we have a boardroom, room, nice for certain size meetings, and a roof deck to it and great views. And then we come and we pick up the additional meeting rooms we need . You have a nice pre-function space that Jim was talking about too, the views, and another wonderful element that was above what we'd identified and our minimum requirements, is the outdoor patio area. And Jim was talking about the views is the one thing that we really sell there. Every conference center has meeting rooms with the technology and the finishes. But what we really want to do is bring the people in here and have them enjoy those views. We also have restrooms up here too, , and then also a future connect to an activity room space for future build-out in the thirty-two rink. We're also looking at taking advantage of the space between the existing Lucy Rink and the thirty-two rink. The snow load that comes off the thirty-two rink has continually challenged us from an operational maintenance issue, and now it's moving to design, it needs to challenge the designers too. The current plan that we're looking at, we'd put a shed roof down through here and allow more use of this space for mechanical and for, to bring in natural light, as Jim was talking about, to make it a very green facility.

You know, I wouldn't mind just adding one thing. I think what's extraordinary about this is that, given the existing facilities which is the Lucy Rink and the thirty-two, and the configuration that we have, we have an incredible flexibility of how this space could be used and interconnectivity to what's going on here. I think everything is flowing. The plan is working really well I feel at this point. And it will afford lots of different ways of using the facility -- for large groups and smaller groups. So...

Questions from the Board? Betsy?

It looks like the facility is totally accessible too. I see the elevator, and so it would be, you know, accessible to all types of users.

Yes. Yes.

In a good way.

We have to be of course compliant with the ADA standards. We've also challenged the design team to embrace more, identify a universal design, the access to the outer, the outer plaza, just exceed the minimum requirements that they need in place. We've got some good ideas that we're brainstorming on that'll help mitigate the problems with snow, and yet not lose a lot of energy.

I think too we have, we have really two distinct lobby spaces. I think the function, the way the current one does but with an elevator. And we'll have a much more conference center focused lobby and elevator space. So again, you have the dual means and multiple ways of using the space.

I see that you provided removable walls in the conference hall on the second floor. Are the walls in the meeting rooms on the third floor removable so that the sizes can change?

Good question, Ed. The...

here.

Yeah, we, we're at the point right now trying to work out a structural system that affords that. But that has been the intention. And right now the column lines -- I don't know if you can see them on those drawings -- are back towards the Lucy Rink wall. So at the very least, the two middle rooms, we're contemplating having that open up and create a bigger space there. And given the layout, we've actually got some variation in meeting room sizes already, but this will kind of create different other options.

On the second level, when you walk from the thirty-two pre-function area into the thirty-two rink, do you actually walk into the locker rooms or is there a passageway there into that?

That... This...

would you be walking?

This path, the function all remains the same. That is...

...

No, but they don't, they go right through that main corridor, right here.

Oh, this is corridor?

Right. So it's once we hit the line of the thirty-two, it remains as existing.

One of the things that this design is doing here, is it's allowing us to build this portion over here and not do anything here unless the money affords us to tackle that. And I think that's a really important way to control the costs and get this built. So one possibility is we're not touching the thirty-two, and we're just building this. So, another possibility is we're going to save lots of money; we're going to build this very efficiently and pour lots of money into the big .

Ballpark, what is...?

Costs in the private now, and this design right here, we're estimating it anywhere between \$14.6 and \$14.8 million.

That's for the thirty-two rink?

That does not include the thirty-two rink. We want to carry a \$1.5 million-dollar contingency until we get through the majority of the bidding. And then with that money left, the design team will focus their efforts on meeting the program goals in the thirty-two.

Bob, could you talk about just timing and sequence for a minute...

Yes, sir.

...so that everybody has a clear understanding of what the next steps are and where we hope to be at each stage of the game?

And we're hopefully moving into this year's construction season, and we're obviously, you can see where we are, and we're doing a lot of, of work's done behind the scenes in the structural issues of it. But what we're really targeting to do is to bid the foundations in the structural steel package of the front of the building as soon as we can, and then to work before the end of this construction season to get the new parts of the building enclosed, and then bid the final packages probably November. And that's why, as Jim was describing, it probably should be to not do anything in the thirty-two until we get through those bidding, those bidding items -- that bidding phase -- and then take our money and our contingencies, a very conservative approach, and then try to, from that one and a half million dollars' contingency, there's about \$800,000 that we were targeting originally for the thirty-two; we'd have that money to go in there. And if the bidding climate changes and things get up, then we've got that flexibility. I spoke with the Office of General Services today and they're seeing all their bids come in under budget right now. One thing we'd like to get done is any of the work involving the steel, because with the Stimulus Package there's a lot of steel-relate work in it, the bridges, highway work. The we that bid, the better.

So the first bid to the foundation structural any guess as to when you hope to get on the street with that?

Well, the design team's had some time to think about that. Joe, from where you see where we're going now, do you have a better idea on when that package may be able to be developed?

Sorry. answer this?

Please.

My name is Joe Garso, North Woods Engineering. We're looking at, with schematic design, if it's approved today, we're really looking at probably six weeks in order to get the structural package and the foundation package put together to be ready to bid.

And then does that price being, being constructed, the next thing we focus is on is the exterior enclosure, getting the envelope tight? And then the final bid packages would come out that would include the general electrical, plumbing, fire sprinkler, local HVAC.

And Denny Allen -- is Denny here?

Yes.

Denny, looking at the plan, you have to have that much locker room behind the kitchen. you have to have -- look at the plan up here. Look in front. You see a production kitchen. You got two offices, and behind the offices you have the thirty-two rink. Could

you get away with a little bit less space there if you had a space there through the rear rink?

Well, we do...

....

Do we need...

Well, could you go through, could you eliminate one of the lockers and areas and go straight through there for a service area?

Well, what we -- the locker rooms, it's important that we have an even number of locker rooms. If we had three, it doesn't really help us if we got back to back. Right now we've got four locker rooms and turn two teams and then two more teams. So this locker room space is pretty, pretty critical to the operation of the thirty-two rink.

Are those block walls there or are they or ?

These are blocks.

Okay. So we're, so just looking at -- it's a long walk to get from the kitchen to the thirty-two rink. I guess you'd go out the back door there by the back office and get in that way if you had to. How's the food service planned from that kitchen, Bob?

Apparently, it would be, it would be down this hallway, down here, and then through here. Some of the food service may have to come down in it through here when we're in the bigger events.

Wow.

We could look at the other doorway to bring it right through here...

That's what I'm saying.

That'll save you, save you a little bit. We've got a kitchen consultant brought on board. He hasn't started yet till we finalize some structural issues. So we're not getting, getting them ...

Well, one office, couldn't you?

Well, we've got the one office that's for, it's for the food service, and the other office is for the show manager.

But the answer is yes. I mean, we had some other flexibility with that, and I think that that's a good question, Sergei, .

This show manager work with Jim McKenna his area.

Okay, Jim?

What was that?

You will have the biggest office on . Betsy?

So do we have a sense of what the building will look like from the outside, or what the design scheme is for the exterior of the building? I know that this is a program ...

The team has developed some massing, and we have seen those. Tonight I'm going to go down to the Town Board meeting and present the same information that you folks have seen. We are asking the Town. We've already asked through Chuck Damp to work with them, to make sure they're comfortable with how the building looks. And we wanted to work with that internally before we start putting too much effort into releasing things that the Town may object to. So we've got a pretty good cooperative plan laid out, and if Barry'd like to see, we've got a couple of massing schedules that can allow, allow us to start applying bricks and wood or whatever finishes to it.

Whatever Jim Edgecomb is involved in, I can guarantee it will be perfect.

So I guess you have an idea of how the roof lines are going to fit together and all that kind of thing, the floor plan be laid out?

Looked at, we've got three different ones.

The last working well, and really is coming down to the look. And what we're trying to do is build some consensus in the community, and again, try to get some involvement and come up with a scheme that everyone's going to love from the get-go.

I would just encourage you as you go along the road to keep the Board Subcommittee involved in the process, at the public meetings or before or whatever. Because obviously the Board wants to keep in step with the process, so.

The meeting today worked out great, to come here first...

Yup.

...and then with the Town Board and...

Yeah.

...hopefully in a couple weeks we'll be started on some exterior renderings to share with the Subcommittee.

Sounds good. Okay.

And all the construction documents are going to be done by your in-house consulting group, right? And then those construction documents go out to bid? Is that the process?

That's correct.

Yeah.

Yup. Other questions, comments?

Do you want to do the presentation ?

Jim that one?

Jim, you heard the comment?

and I think this building actually, from many points, works a lot better than the last design, because as Bob McKuen said, that the gross meeting space goes into those breakouts much better than in the past. But I think what we have to be conscious is that thirty-two does become important, because the actual large meeting space has shrunk considerably. So I think as you move on, I encourage you to keep focusing on that, Bob and Jim, how you could do that. And also this building, I think it has better potential to tie in to a town center concept in the future, which would also give us expanded space. So I encourage you to use it. One thing that I've also been telling Bob is that, you know, we have to make the interior compatible with our increasing value of our rooms. I mean, it's gone up. We have to make sure the inside of that, Jim, meets that parallel, to get it to work properly. That's ultimately important.

Good point.

And Bob has also been very good. I mean, he, I got a let... I saved the voicemail you left me, Bob. He left me: "Jim, it's either air conditioning or this". So. He's been very good about that.

Live with the air conditioning.

Thanks, Jim. Okay, we have a resolution, and if the Board is okay, I think we'll do the resolutions along with our discussion so we won't forget about any of it. And then the Resolution Ten is where?

That would be in Section III, and then near the end of it. So the last two pages of Section III -- Resolution 238.

And we have one little typo, for the record. In the third paragraph, F, on the second line after the word "to" I believe the word "enter" should be inserted.

Yes.

Proves I've read the resolution.

And addend the word, "would be necessary".

Yeah.

"Would be necessary". How'd I miss that one? Okay. So "would be necessary to enter into a project labor agreement" is how it should read. I will be happy to entertain a motion, if we're ready. Glenn?

I make a motion this resolution.

Do I have a second?

Second.

All in favor?

Aye.

Opposed?

Can I abstain ...?

Yes. So noted. Thank you.

Okay, I just have one question. ?

I'm sorry. You've got to be quick around here, Betsy.

But no, I was just wondering about, you know, the staff will develop and supply the subcommittee with a design and budget proposal and all that. And I was just wondering, what about the contracts themselves with the designers and the -- you know, what's the process for approving the contracts that go along with the moving forward? Does the board approve all the, you know, construction contracts and design?

Certainly over a certain amount we do. But...

More than \$150,000.

Anything over \$50,000 has to...

\$150,000.

...excuse me, \$150,000, comes back to the Board. Below that, I assume there is flexibility for Ted to approve smaller contracts. But in the context of the overall budget that the Board approves.

Okay. So anything over \$150,000?

Also with the timing of that, I think we're, we talked about this, Bob; we're in pretty good shaping moving, moving ahead with this, allowing us to do the design and continuing with that under our term contracts. And then when we get, later on when we actually go out to bid and we get the actual bids in...

Comes back and forth.

Okay, yeah.

...it'll fit into our meeting cadence. The one thing is that we will undertake a certain portion of the demolition in house and, to get that rolling.

Okay. So the budget proposal would include probably the contract cost and all, the whole thing that's said, identified here in two I guess?

I would expect that it would. Yup.

Yeah, okay. It doesn't change the resolution some questions.

Yup. Okay? Thank you. Next . Gore Mountain Ski Bowl. Okay. In the packets I included, there's a resolution. But I also include the old resolution, 232, which kind of gets us to where our talking point is today.

Mm-hm.

And as you recall, back in September, the Board approved a process to move forward with the monies that had been allocated through the State of New York, \$5.5 million

dollars. And of those, just to refresh everybody, there was \$1.8 million dollars, and that was for the purchasing of some equipment for the Interconnect Project. And specifically that was pipe, steel making pipe, and it was a chair lift. Okay. And then there was an agreement that we came to which was to be able to effect some repairs that were badly needed at the base lodge and some improvements to bring that up to speed and to code in certain areas. And that was \$1.4. And that was taken care of. And then we were to get to the point where there was \$2.2 remaining. And that was actually for the work to be done, for the installation and the continuation of the Interconnect Project. Mike has come to us today with an update and presentation of where we are and what it looks like moving forward, so that as a body together we can decide what's the best path to take currently, given all the different situations that we're facing. So Mike Pratt is here today, the General Manager of Gore. Did I miss anything, Mike?

No, you did a nice job of summarizing where we are and what challenges we faced and are facing. This has been a very complex project with our expansions; going through the seeper process, unit management plan processes, as well as all the construction, balancing the antiquated infrastructure that we were modernizing with the expansion needs. And as I'll try to show you, we've been on a very positive growth curve. It's been a very exciting time at Gore. And I think many if not all of our projects have been well received by the guests. And this will be witnessed in this presentation. I know if Cliff and Chris and Betsy, you want to watch the presentation. I've got some slides that I'll just talk through right behind you guys. This is just Resolution 232 that you passed last fall. And basically, it was dealing with a three-way split for the \$5.5 million-dollar State appropriation that we received. What I want to talk about in this first is why this Interconnect is so desired and so valued by everybody. And there's a number of reasons. First of which is the heritage of the North Creek Ski Bowl. We just recently celebrated on March 4th the 75th anniversary of the first snow trains coming to North Creek. They came out of Schenectady with the Schenectady Winter Sports Club. Shortly after that, they were coming from Manhattan also. And North Creek was a winter destination where many winter sports enthusiasts for a long time, the trains... Here's a slide of the train station with hundreds of people showing up on the train. The famous ride upside down programs took place where people would be shuttled up to the old Barton Mine site and ski through the Gore Mountain trails down to the Ski Bowl trails. Here's a rope tow at the Ski Bowl. The Gore Mountain range is made up of four mountains. Little Gore is the Ski Bowl, the shortest one. Then there's Burnt Ridge Mountain, Bear Mountain and Gore Mountain. So for 75 years, people have been skiing all through those four mountains. And this is a little timeline. What's really important here, showing back in 1934 the first snow train's arrival. Also the formation of the first ski patrol in the country at the North Creek Ski Bowl. And in 1946, the installation of a big, almost 4000-foot long T-bar at the Ski Bowl. This is the lift that we're looking to replace. It hasn't operated since 1978. And with this triple chair that we purchased, we'd install it in the

same alignment. The T-bar was installed in this particular spot because it's the best for fall line, and the trail underneath the lift is going to be a tremendous asset for us. So we celebrated this heritage and this 75th celebration with week-long activities. There are movies at the community center. It was a real partnership with the community and with Gore. And we had many generations of fans and winter sports enthusiasts enjoying what we've accomplished. The Ski Bowl has really allowed us to work even more closely with the village, where it's right next door to the village. For the 75th anniversary-- this was really special -- we were given a resolution by the New York State Legislature. And the third to last paragraph really sums it all up. They've congratulated us for all our successes over the past 75 years and stated their confidence in our future successes also. The Warren County Board of Supervisors has recognized us also. And this is something that, with our efforts... We're right on the corner of three different counties and it's, you know, we are in Warren County and it's a real opportunity, and it's nice that we get recognized for this. The other main reason besides the heritage of why this Interconnect is so valued is the economic impacts that the visitors, the skiers have. This is front page of a study by the New York State Comptroller's Office. It was also reinforced by an ORDA Economic Impact Statement as well as by the Gore Mountain Management Plans supplemental environmental Impact Statement, which had an entire section devoted to the economic impacts of the visitors. Those are fans. The visitors' impacts is what's really key here. Certainly our business impact is dramatic in a region. But the visitors' impacts and their economic impacts, their spending habits, it's what's certainly most valued by the region, is that we are catalysts to the regional economy. That's what was recognized by the Warren County Board of Supervisors. And that's what's being stated in all these other independent economic impact studies, especially by the Controller's Office. Here they show just different phases of growth, which certainly have been reinforced with the other studies. The visitors - I want to show you where they come from. This is what's really changed over the last done years as we've been growing. The amount of our day trip business by percentage was in excess of 65 percent years ago. Now it's under 35 percent. And that business has not declined. It's that the destination business has grown so dramatically that people are choosing -- we're stealing market share. You look from Connecticut, New England, New Jersey, Long Island, Pennsylvania -- these people have many choices to come to, and they're choosing to visit Gore, spend their money in this region. And this destination business is what's keeping the properties, the restaurants, a lot of the stores, any of their second homes are increasing the tax base. This is a quick collage. In the last four weeks, we have received twelve resolutions from twelve different townships in three different counties urging the ORDA Board of Directors to continue with this Interconnect Project because of the economic impact of the visitors, and that these twelve townships feel that they're going to benefit from an increased tax base or the spending habits of the visitors. If you can go back one. The consistent message in these resolutions is that -- a statement here: "Gore Mountain, operated by the Olympic Regional Development Authority is an economic strength of unparalleled proportion for multiple towns and counties in Upstate New York." This is Town of Johnsbury newsletter, a quick scan. That graph on the top right corner is

showing every township in Warren County's sales tax revenue for the last quarter of the year, in comparison to the last quarter of the previous year -- the Town of Johnsbury was up over eleven percent. Many of the townships were down, and if they were flat, they were happy. That's a direct correlation to the business volumes of Gore. We are operating at the Ski Bowl now, and we're doing a real nice job. But we're operating it as a standalone facility. It makes a lot of operational issues challenging. We have events there. We have tubing there. We have ski and riding. We have a train park. We have a chair lift. If we want to bring people back and forth, we have to use a shuttle bus. And it's a little bit awkward. But the night activities that are there, the lights, the attraction, is a definite asset to making the region more attractive to the destination visitors as well as for the local people it's an opportunity for them to recreate in non-traditional hours, and has been a success. We've adjusted the hours of operation a few times and think that we've got something that's working. But as we continue to market and get the word out, you know, there's certainly room for us to expand our operation. We also have a lodge at the Ski Bowl, and we're in, we already have received a grant. This was an unconventional grant issued by the Niagara, or National Grid Corporation under their economic development grants. We were the second accepted grant to go in, in the tourism category from them. With that grant, we're going to modernize and expand the lodge that we're using there. And this grant was actually awarded to us in the name of the Town of Johnsbury, and it's just another example of the good partnership and relationships we have with the township. When we complete the Interconnect it does an awful lot for us. It gives us a greater visual impact. A "gore" is a surveyor's term for the parcel of land left over after the survey. We've been trying to market a ski resort with so little visual impact that the surveyor couldn't even find it. So, but as we redevelop the historic Ski Bowl, our visual impact becomes very real. People feel like they can reach out and touch it. It stretches our vertical drop to the six greatest in the east. And these are all opportunities, besides the heritage, that we can spin into our marketing messages to continue to attract more and more people. Because of this growth in what we're doing, there's a lot happening in the local region. A lot of the flags down in the village area just highlight where there's different developments that are occurring. As these developments occur, it obviously increases the tax base in the township, and that's where a lot of this potential for the economic development occurs. We've received a lot of recognition over the years for our efforts. These are some industry awards for our environmental efforts. We've won three Silver Eagle Awards. And last year we were finalists. We threw in an unconventional application for their recycling, for our efforts of restoring the North Woods Lodge, utilizing the skeleton of the 1966 barn that was there. And we became a finalist. But unfortunately, we didn't win our fourth environmental award. We've also received an awful lot of media over the last few years. And this was on the front page of The New York Times' web site, and a lead in their Travel as an Escape section. But it was a really glorious article. This was, just "Awakening the Ski Industry's Sleeping Giant". Keep going, one more. These are just some quotes. These are two good quotes here. But "the Interconnect bridges the gap between the mountain and the village." And "Gore is getting ready to blossom". By Mr. Ted Blazer. But we're going to argue that we

are blossoming, but we certainly have a long opportunity of growth ahead of us, and that's something that this Interconnect very well is, could open the doors for. We're seeing... We're lucky enough to have an AP article that was all over the country and including the USA Today. We were in Ski Magazine again in December with a "Timeless Adirondack Resort" article that had been very flattering. And in OnTheSnow.com we received their recognition as the best train in the east. These were some other national recognitions in the different ski -- and from the Ski Writers from May of 2004 we were voted one of the top ten of the Best Kept Secret Awards. So the word's starting to spread. From Skiing Magazine, also an awful lot, and a couple of these articles in Skiing mention the Interconnect directly also because of the heritage and the theme of and the attractive, the attraction of the project from some of the different writers. So that kind of brings me to the what part of this presentation -- what we can accomplish with this \$2.2 million dollars. Thanks to the investment of the \$1.8, as Ted said, we already are in possession of a chair lift and the pipe that we need to make this work. What we can accomplish is, we can install that chairlift; we can connect it to Burnt Ridge, which is basically -- it won't show up on that -- but going down from...

I want to try to do this -- is install the chair upright?

Yup.

[And then?]....

And build a trail down to Burnt Ridge. Now the chair lift underneath it will be a fantastic trail. And then cutting off to the Yellow Trail is the Old Oak Ridge Trail. And then the Ridge Trail goes straight up. Those are two of the historic trails that...

This one here?

Yeah, that's Oak Ridge. And the one next to it is Ridge. Now we don't have with the \$2.2 million dollars enough capital to put snow making on the Ridge Trail. But we would put snow making on the lift line, the trail to Burnt Ridge, and into the Old Oak Ridge Trail which is actually the Hudson River Pipeline Trail, the lower part of it. So presently,

this past season, this was our trail map. And we highlighted the Burnt Ridge development which was a two-year project and a monumental project. We have installed a detachable chair lift with a trail underneath it, another trail access in the base area, trail accessing it, and some glaze. Now this is the Pipeline Trail that leads down into the Ski Bowl where we're operating now. And if we can continue with this expansion with the infrastructure of this chair lift that we own, that's what our trail map could look like, where this is the North Ridge Ski Bowl with the chair lift. And see how seamlessly everything flows down through there. That'd all be a great visual impact that people would see, that we'd be able to market and take advantage of this investment. As Ted mentioned, you all remember, when you addressed this issue last fall, you put aside \$1.4 million dollars of this capital for us to try to address issues that we had. And we had some serious infrastructure issues with our base lodge. And, if you can Steph... The building on the left is the new North Woods Lodge. The checkered area in the front, we had built a new plaza. She's trying to make a fresh appearance, a clean appearance for people entering the base lodge. This is the upper lodge, upper floor of the base lodge. And in this section, that's really only there because the we get has stopped a lot of leaks. We are putting a new roof on the base lodge. And it was in dire straits. We had a big membrane roof on the big section that had totally delaminated. And as the wind was blowing, it picked right up and settled right down. And we did our best to fasten it. But it needed a replacement. On the lower level, we took advantage of all the space that we gained by moving programs from the base lodge to the North Woods Lodge. We moved our rental shop out; we moved our nursery out; we moved our, the repair shop of the skis.

At what point is that? That was this right here?

And now that's all seeding, where the nursery was also, wrapping right around. And then we gutted the main bathrooms. We changed the ladies' room from eleven stalls to eighteen; the men's room, we built a brand new one next to it. And we're also in the process of replacing our heating and ventilation system in the base lodge with the adjustment of going from fuel oil to propane. This is just a quick two slides that I want to show you just to show you that snowmaking is so critical in our operation and managing our energy loads. And by monitoring our loads, watching, analyzing our production, we've actually been able to keep track of our energy bills, help save us money. And I'll show you that a little bit later. But also it was with the investment that the Board authorized of replacing our antiquated compressors with our modern centrifugal compressors. And the way we did this also was with enough modern centrifugals that we now own that we were now able to avoid renting diesel compressors also. So that's just a view of a compressor screen I wanted to show you, just a tool for us to help manage the energy requirements. These are just three quick trends. The blue's the revenue; the red's the personal services; and the white is the fuel and utilities. And I think of this trend, it's

important to see that over the last ten years with expansions to the Gondola to Bear Mountain to Top Ridge on Bear Mountain to the Ski Bowl and to Burnt Ridge, can see that it's been a consistent rise in the revenue -- and certainly the labor, but with no major spikes. But energy costs have been relatively flat. This is a quick breakdown, just to show you the electrical loads. And you can see, we were two years into our new compressors. And we've actually been able to keep the electrical loads underneath what they were four years ago. This is the fuel oil and diesel and propane. And you can see that the light blue has been dramatically decreased by avoiding renting diesel compressors. And you can see now the dollars where the other -- the only increase was on the propane which we're now heating the North Woods Lodge and the base lodge with. But the cost difference of that is minimal compared to the savings from the fuel oil. So with a revenue, every big year that we've done an expansion we've had a good jump in the revenue. And it's been pretty steady. The key to everything I think is this unit management plan, and this is from the Commissioner of the DEC with their approved unit management plan. And there's three points I want to wrap up here as we, I conclude this. It's that we've got a real solid plan. The keys, you know, is to continue the growth that we've been receiving. And this is just five-year shots going ten years into the future with -- or ten years into the past, basically utilizing a consistent utilization rate, analyzing what the increase in capacity is, and projecting a growth in visitation. And with this solid plan, unit management plan that we have, the three keys obviously -- continuing the increasing visitation revenue and every report about the Interconnect says that that's going to happen; and continued increase in our snowmaking capacity, to improve our product and decrease our total energy consumption. This is something that's absolutely critical, and to some people it doesn't make sense. But the more you can do instantaneously, the less you have cumulatively as far as snowmaking goes versus your energy loads. One cold night is worth a whole week of fighting that marginal temperatures. And if we can continue to increase our capabilities, to take advantage of that one cold night, that's absolutely what we have to do and that's what our unit management plan guides us to. And the last one is the, continue to replace any of the antiquated infrastructure as we can. And obviously we've been able to successfully balance replacing the antiquated infrastructure with our expansion over the last twelve years, and it's been recognized. So that was our short report for you.

long one.

Where is the new development, where is that, how does that interplay here?

They're the immediate adjacent neighbor to the north that would be the village. There's also a new development that's received its permits at the North Creek Ski, ah, Airport. And they are hoping to break ground here shortly also. And then the Top Ridge development is across Peaceful Valley Road. So there's probably -- well, those are probably the three biggest ones, and then a couple of smaller developments that are right in the region.

Well, wasn't that Interconnect, wasn't it important to have for that new development?

Well, it certainly is going to increase their property value as we complete this.

So how are we going to help you?

Well, one of the things we need to do is get more beds in the region. And any of the developments are going to be an asset.

Are you going to, are they going to help us financially, operationally or to... How does that work?

No, they're, right now the Ski Ball Village is an important stakeholder in the region, and we have no relationship with them other than, as we do with any other stakeholder.

Chris?

My memory when we did this last time was that the \$2.2 wasn't going to be enough money to install the lifts and do the trails; that we had to find some more money elsewhere, either from the State or from street, which is the . How has that changed so that now we can get the lift up and do the trails with the \$2.2 million?

We scaled back... What I showed you with those three trails, with the snowmaking and the lift is what we are able to accomplish with the \$2.2.

So last trail is going ?

Yes. Less trails, and the lift is...

The fixed trip lift versus detachable?

Mm-hm.

There's been some compromises in order to make this happen with the capital that's available.

And my big concern at the time, Chris, was the operating costs associated with this; that if we build it we had to be assured that we were going to be able to afford the staff to, to make the place function and serve the public. And I think, Mike, if I read in between what you're saying, is that you're anticipating -- but nobody can anticipate the weather -- but certainly an increase in growth as a result of this project plus all the other improvements that have been made at Gore Mountain will allow us to increase revenue enough to cover those costs.

Absolutely.

I mean, that's critical in my mind. I mean that was my big concern when we did this, is that we not build something and then not have the wherewithal to operate it.

I think there's something that, I think we brought to life in this year's operation -- A, is we're trying to control costs everywhere we can. And certain efficiencies that have been put into play are helping us do that, especially with the, in the snow banking, and less of a reliance on diesel for, to supply the diesel compressors. But in this, in this economy that we had where you hear stories about businesses being down and all that, Gore's visitation was up eight percent and the revenue was up eleven percent. In the year that was in the

ski industry, last year was the biggest year ever. And this, they continued to increase this year, even in light of the economic factors that we were facing.

And Mike, you touched on it, but you're proposing here to do the work for this over a two-year period.

This is a massive project. We successfully did Burnt Ridge over two years, and it's more prudent to do this project over two construction seasons.

And the way that's laid out is, first to do the trails and the snowmaking, and then the next construction season install the lifts so that 2010/11 season it's, the entire project is ready and

Ed?

I think . My first comment is, I really agree with the Chairman that you need to be really sure is that we're going to at least break even on the increased operating cost to run this additional terrain. Otherwise we could be better spent, you know, further developments are at risk because improvements work . So we need to make sure that we don't end up having a deficit because of running additional lifts and making all the additional snow. And you're really comfortable with that?

You know, I certainly -- yeah, we've got a corps, we've got a strategy for opening trails in the season; when we open them for Thanksgiving weekend it'll be with a gondola and a Top Ridge lift. And in a good year, this is going to be opened right at Christmas, as we have been able to open the Ski Bowl the last three seasons, and would probably shut down mid March. I think if it was a poor winter season, that that season would be secondary. But our core is not going to change of, from the Gondola. And you know, our opening strategies and our closing strategies would be in reverse. So I think we have the ability to react to weather patterns and to issues in order to minimize the operation. But in a good year is when the people are coming, this is an asset that gives us the ability to market the heritage, the increased vertical, and attract more visitors and thus, more revenue.

My other thought was, in watching your presentation, I'd like to commend you and your team for the job you're doing there. It's very impressive to see you take the money that was provide to you and do so much with it over the last few years in improving the overall customer experience . And I think continuation of those kind of efforts can only result in a lot more success there. I think has the potential to do probably thirty or forty percent more skier visits in the right now without too much time to go by.

And that's what the growth curve shows, is a continued increase. And you know, certainly we're blessed with tremendous terrain, ease of accessibility, the Hudson River for snowmaking. But what really makes us special is the staff and the people in the region.

You guys are doing a heck of a job, Michael.

Good.

Well, of course I concur with that statement. But in terms of your answer, Mike, to Ed's first question, part of that question, does that mean operationally you don't actually propose an increase in staff at Gore, you know, anticipate an increase in staff?

I didn't say that. No, this will require more labor that has to be balanced by generating more revenue.

Do you, you -- is there an estimate of that? Was that done? I may have not been around when this all started, and I apologize. But I was just, I looked over the prior resolution and it said, the Board said at the time that it needed to be satisfied that funds were available to operate it. And I think that, that's an obligation that the Board put upon itself, and I would...

I had previously completed a pro forma analyzing those needs. And after discussing this presentation with Ted and with the fact that we were recommending making sure that the construction was completed over two years and wouldn't impact this year's operating budget, I didn't update that again. But you know, round figures, you know, for costs, increased costs, I think we're talking around a quarter million dollars. But, you know, that's, when we're generating over \$8.5 million dollars a year, you know, percentage-wise that increase is something that I feel we can generate by increased visits and revenue.

And I think really your point, if I understood it, Mike, was that the construction of this facility is not going to change your strategy for how you approach the season. You're going to open the gondola first. If the snow isn't available, you're not going to be rushing to open a facility that will just cost more but not necessarily generate the revenue.

Right.

But when the snow is there, operations will open, and you anticipate that you'll have increased skier visits to help pay the costs to operate it.

Absolutely.

But you have to make those decisions to hire people before the season starts, right? I mean, you wouldn't wait until that, the season's underway? So you have to make a sort of, you have to make an up front commitment to bring those folks on, even if it turns out to be a bad winter, in anticipation of the new terrain being available.

Well, not really.

No?

No, we

Not unless we have work for...

you need them.

I mean, literally, staff doesn't come on if we're not operating lifts, because of bad weather or ski conditions.

Which is why I never try to open up a lift for the first time on a Saturday. I like to have a dry run Friday.

And the money, let's go over the money once again. Where's the money, the money come...? Is this...

We had a State appropriation of \$5.5 million dollars.

And that's in the bank?

And we have been drawing it down for the \$1.8 and \$1.4 million that you guys authorized.

Right.

The \$2.2 we have not touched, which you told us hold off on. And so if you add those together, there's still \$100,000 dollars. And that was previously committed for the unit management plan at CIS as well as some of the engineering issues that came with that.

Maybe we can ask, how's the draw-down process been going?

It's been going well because we haven't drawn down the last part of the money yet. We haven't had a problem.

This is great, but can't, can't we get some developers?

Yeah, I mean, that's...

I get a lawsuit. Didn't we have, wasn't there a deal where we had... I could be wrong here -- but the development -- this is very important, that development, is it not?

Critical.

I mean, this...

.....

So why can't we get some money for the developers?

I don't know.

All of the, you know, all the developers conditional .

Right.

This developer, it's, in my mind, gets a windfall...

Absolutely.

...because his property will be the only property in Gore, the only property in the Adirondacks where you can ski out the door.

I

But also in the other , like I, it looks great. I don't mean to be critical. But as somebody who skis at Gore every weekend, there's nothing at the Ski Bowl that's going to bring me to the Ski Bowl. From what I see, all it offers is that the main Gore already does -- that it doesn't already have, is the tubing. And I can't imagine me or some of the people we ski with going over the Ski Bowl. Maybe once, to try out the new trails. But I mean, there's just so much more at the main mountain. So my concern is that the people that end up really using that lift and using those one or two trails are the people that bought in and are living at that development that can just walk out their door onto the lift. I think, I mean, I support the project; I understand the economic development advantage for it; but I think we're missing a huge opportunity to get, to get financial assistance from it.

Yeah, Thanksgiving weekend they're coming to the base lodge at Gore. I mean, they're not going to be skiing out through their door.

, Bob. Ed and Chris, we're all saying the same thing. I mean, somehow if I had a hotel that was close to a lift, I would certainly want to have that lift put in the ... They did at Vale, and at Vale, when they first built the lift, the hotel company built the lift. And the hotel company built the lift in agreement with Vale that they would service it and take care of it afterward. It was a win/win for both sides. I just think I agree with Chris here, it's such a good thing; it's good for Gore, but I think it's better for the developer here, Mike. So what, what will they bring to us besides rooms?

I can't answer that.

But the...

We started with this plan before the, this particular developer even owned the land, would have bought it and accessed it. We're not doing this plan because of what they may do. We're doing it because it increases our vertical; it increases, it improves our visual impact; it ties us in with the heritage and brings us, brings us to the community, which is what this Interconnect has always been about. You know, this one neighboring development is certainly trying to take advantage of those efforts. And you know, a free market enterprise, I think he certainly saw an opportunity and jumped on it.

Ed?

Yeah, I appreciate Glenn reminding me, but I didn't read this to the end: "Provided with and constructions can all be undertaken until the Board is satisfied that adequate funds are or will be available to complete such installation and construction including ongoing funds necessary to operate it." And I think it will be simple for the developer to step up to the plate and say, look, in the first five years or something like that, if there's a shortfall in that ongoing funds necessary to operate it, I'll make up the shortfall. Because it's going to be my people that are skiing in and skiing out, as Chris said.

Well, is Chris... I mean, I don't know Gore that well. Is it, if I'm going to ski at Gore, is it a great to me as a skier to ski at Gore to be able to use that Interconnect? It doesn't seem that it is. Unless I stayed out at, in the village.

Yeah.

It certainly is. I mean, it's just like the new train anywhere else. It's an opportunity, it's an asset, and not only is this new train, but this historic train. And there's a lot of opportunities. I mean, this is not a small pod of skiing. This is something that, similar to our Straight Brook site with 800 feet of vertical on it that is going to be a quality experience.

You know, I think there's always been a sense of the Board that we wanted to see the developer contribute to this in some way. And I think we've struggled on how we figure out how we get a developer who hasn't really done anything there except get his permits -- I mean, there's nothing on the ground -- how we extract something from him, and whether or not, I think the, you know, the unanswered question or the question that's unsettling is, do we wait until we get that agreement before we build something? I think what Mike had said pretty persuasively is that this is something that's worth building, regardless of what the developer does. But that doesn't change the sense that the developer -- and maybe the, I suppose in reality that the developer is going to benefit from this and should contribute somehow to this... One of the things, Mike, that you've talked about in the past is the need for a shuttle service back and forth between the Ski Ball and the Main Lodge. And that's an expensive proposition that I'm not sure who is going to pay for, and whether or not there's an opportunity to get a commitment from the developer at some point to pay for that shuttle service. Because you can talk more about the logistics of going from the Ski Ball to the Main Lodge. But most of the people are not necessarily going to be doing the, you know, using the lift system to get back. They're going to be driving their cars over it. And what you really need is a shuttle system between the two. But, and I don't know whether there is a way to get that kind of commitment from the developer for that type of system which you've argued to me, and I think persuasively, that it's going to be needed at some point.

But help me a little bit . So if you have, if you are part of this development, you can ski to the Gore Mountain, and you can also ski back. Is that right?

Yes.

So you don't need, you don't need to get ?

At certain times of year. Not from day one.

Depends on the conditions.

Well, of course... Yeah, granted. So if I'm the developer, I sure want to have that -- first

thing you want to do is get that snow made quickly so I can get my people over to Gore.
First thing.

going to fight every year. There's a fight every year.

Well, I'm getting there.

?

I think that we ought to maybe build the thing -- and I think ...

Snow making, that's where you go.

Yeah, . I say, let the developer pay for the snow making.

I think it's an interesting idea. How do we do that today? ...

We don't pass a resolution though. If we pass a resolution now, developer sits there and says, oh, isn't that nice. Done. Is that, that's where you're coming from, aren't you?

Yeah. .

Yeah.

I guess, you know, my big concern is -- Michael, I love what you're doing. You know that. I you guys and the way you do it and how inexpensively and efficiently and

productively you do it. But the day we pass this resolution, the developer's property that he owns now with no more improvements on his part probably just went up in value by twenty or thirty percent, just like that. Because... And I'm not as sure that we want to be in that position.

Mike, is he -- I don't have much knowledge of the situation -- but is he selling units on the basis that this is going in? Does he advertise like that?

Oh, I'm sure he's presenting it like that. But also if his property value goes up, that's where part of this economic impact and the increased tax base returns to the township and the county. You know these are, the reason for those twelve different resolutions that said people see opportunities here for expanding their town base and increasing the economic climate in our region even greater.

You think as time's, money's tight, it's not going to get looser any time soon, if we have an opportunity then to, for beneficial partnership with public/private organization, why not do it? I mean, we have some leverage here. And I understand; if that didn't exist, and it was just opening , maybe we would go ahead with the project anyway, but it does exist. And you know, it's an opportunity.

You aren't going to, by developing this lift, you're not going to make any more money next year.

We're not even going to operate it next year. This is going to be a two-year project.

Well, but, a two-year project -- in the two-year project, you aren't going to make any -- isn't...your ski be a little bit better, but not that much better unless it was part of the Interconnect. The Interconnect is the important part.

Small part

As far as the communications in the village and Gore, isn't that pretty much...?

Well, that is it. Maybe you want to speak up ...

Absolutely not. speaking, throwing in, can speak very nicely for it. I think we should get something from the developer. Why not?

Say again.

I think we should get something from the developer.

Get something from them?

Yeah.

Either we get it now, or we'll never get it.

Well, that's for sure.

Ah, absolu -- I think you're absolutely right. Like look, as I just said, he could sell his property probably for twenty-four today, the day after we pass this resolution. I mean, that's a windfall.

Could we have him, could we have him come and meet with us, and ask these questions?

This is not a little rinky dink outfit, is it?

No. I mean, I don't...I can't negotiate with him. I don't have any contractual authority, so.

We do.

Yes.

I would think he'd be interested in talking to us.

Yeah.

Mutually interest.

If I can put up a lift from the parking lot right here in Lake Placid, have at White Face, I'd subsidize that in a big way. So would the whole community.

Sure.

I'd help you.

So . So would the whole town. That's thing.

But maybe we can have a start Main Street.

But I think, you know, there are -- as I said, we have a great partnership with the Township of Johnsbury and Warren County. And they have been assisting us and benefiting us with different partnership arrangements.

Dollars, you mean?

Well, the Town does all the plowing at the Ski Bowl as well as the, you know, different maintenance in the summertime, things like that. The County has just put in a right turn lane at Diesel Valley Road to assist skiers from leaving the resort. And the County donated all the labor and equipment to help pave our plaza area as we were improving that entranceway last year. So there are things that the community is doing to subsidize our operation in a partnership. And you know, again, this was approved in the 2002 Unit Management Plan, which was at least four years before this individual owner even bought the property. So I think, you know, it's smart of a person to buy the land right off of an exit off the north way and put a gas station up. And this guy was smart. And I'm sure in the future there's going to be things that he's going to need. But right now, we're not touching his -- you know, a trail that goes through his development; that, we can't afford to do that. What we can afford to do is just install a lift and connect it to Gore so that we increase our vertical. I'm sure that his property values do increase. But he isn't hitting the ski in/ski out with this \$2.2 million dollars.

If that's the case then, why don't we wait and see and let him build this great facility, when the great facility's going to be built, at that point in time, it would be to our benefit to put a lift in those people. How would that make more sense?

Well, just because of all the reasons I was showing you in this presentation of the opportunities that this Interconnect affords us.

Well, one thing that might help is if we had a sort of operating plan for the new lift that shows what the additional staff resources we might need an vehicles or equipment or whatever, and then take that plan to the community and the developer and see how they might be players in it going forward, just so there's some... You know, another way the community helps with some of the plowing and some of the other things you mentioned, and with this new Interconnect maybe somewhere that could be cut and pasted between the two, then make it that much more .

Well, that's based on our pro forma. It has those elements in it that can be picked apart, you know, and identified.

Mike, I think you've done -- and I mean, people little bit -- you've done a marvelous job working with the community and doing a good job of Gore. But I think, by the same token, we've done the same thing at Lake Placid, with North Alba, then Essex County in the State. You know, Ted, you're working all the time, plowing the roads, plowing this, plowing that. So that's a pretty much quid pro quo. But I think as Pat said, once we approve this lift we've got no bargaining chips for the developer. Nothing. So I suggest, I'd like to suggest we get the, talk to the developer and get his plan, his thoughts, what he's going to do, how he's going to do it, and how he can help us, we can help him.

I'm going to use the Chairman's prerogative here to allow Sterling to give us three minutes. 'Cause the Town...

Or less.

Or less.

Or less.

Because he is the Town Supervisor, and he's been very involved with the developer. And I know Sterling has had his own share of challenges with the developer over the last several years. So Sterling, give us a few minutes of your wisdom here.

I think the question is very fundamental. Let's imagine that the developer isn't there. Is there a reason to do the Interconnect? And I would tell you that there was a reason in 2002 to do the Interconnect, to put it and to get it approved. This developer was nowhere to be seen at that point in time, and there was no active plan to do anything with that property by the current owner. When this Board approved pursuing the long-term goal of an Interconnect -- I grew up at Morse Creek; I've lived there all my life; I

watched the developer come in '79 and see all the things that he was going to do, and he never broke ground. The same thing in '86 -- all the things that were going to happen, and they never broke ground. Now we have Front Street Development and we have Timbers project, we have other projects. I proceed on the assumption, as a pessimist, that they'll never break ground. And there's still good reason to do the Interconnect. And that's the wisdom that this board had way back when, seven, eight, nine years ago when these discussions were going on. The Interconnect adds four to five hundred vehicle spaces to your overall infrastructure. The Interconnect adds the ability to move from mountain to mountain from a different start point. It adds traffic control devices. And from skiability, I grew up skiing at this area, it has some of the finest terrain that Gore will have to market. The lift line trail has never been skied. It is a ski -- as the rumor -- it is fabulous expert terrain. The Ski pipe trail is fabulous. And now this terrain, it is lit in the evening; it does offer an attraction to skiers. And the terrain that Mike has just described is the Oak Ridge Trail, the Bridge Trail and the Lift Line Trail, does not connect and does not service residential housing units for any developer. The leverage that you have will exist after this . The leverage that you have is to connect for a skiing experience. That's not what we're talking about. We're not talking about the Interconnect of developer. We're talking about the Interconnect of Gore to another mountain. And at some point, to further negotiations, it is possible that that developer, A, the benefit, or B, could be brought to task. But that's a discussion that's still available next year, the year after. We can still build this thing and still have the Interconnect. Mike uses the word "partner", and I echo it. I work with Mike, I work with Ted, I work with Joe and members of the Board. I'm not a partner with any developer. I'm a partner with this Board. And the Interconnect makes sense regardless of what any developer does. It will save our community. It will save jobs. It will create jobs. I came here in October and thanked the Board and explained the way 15 new businesses in town, in the midst of an economic crisis, not one of them is closed. In fact, there are businesses that are expanding and looking at our area. So for you folks, I would urge you to say to the developer, at some point we've got to have a discussion. But there's still before what was mapped out by this Board seven, eight, nine years ago, because it made so much sense then. Not an Interconnection to a development, but an interconnection between two mountains that bring skiers to the edge of our village. So for you guys, I would suggest it's an Interconnect of mountains. For me, it's an Interconnect of the main mountain to our little ski town. And it's vital to our economy. I'm going to -- I know probably a lot more than three minutes, so I'll shut up. I just want to close with one . There's a report, if you haven't seen it or heard the press on it, by the Adirondack Association of Towns and Villages. It was funded by New York State. And it describes the sociological issue within the blue line of the Adirondack Park. And in two words -- and it's in a local paper today -- it describes the park as old and dying. The age of the population is compatible with Southwestern Florida. There is no youth flux in the entire region. The park is dying. And there was one glimmer of light in the central part of the park, and that's Gore, as it's run by this Board. And this developer may disappear; he may reappear; he may sell convey, or he may build as he proposes. And a discussion has to

be had with that developer. I agree with all those comments. But a vote to go forward with construction of these three trails and a lift, simply says you're going to defer that discussion to another day. It does not say that you're not going to have it. And I do, I thank you for your consideration. I know you folks are trying to do the best to make a hard decision. I want you to know how important it is to our community. And truly, when Mike uses the word partner or partnership, it has been that way for many years.

Thanks.

Thank you.

Okay. I think if I can at least try to sum up where we are the moment and then, then I think we have to decide what we're going to do today. I think there's a lot of agreement with Sterling's sentiments in terms of the benefit of the project itself, of Gore to the region. I don't think there's any dispute about that. I think the dispute comes down to the question of whether or not this developer participates directly in this specific project, and whether we're more likely to get a concession or a contribution from him now, or whether we'll still have a position of leverage, to use that word, after we pass the resolution.

One question, Sterling. What is, how much has the developer spent in hard dollars so far?

Nobody will ever get that answer, Sergei.

Well... You got to be...

He has not broken ground.

He bought, bought the land?

He has purchased the land. He has secured an approval through the ADA. He has secured approval of phase one through the Town Planning Board. There is not but...

Has he paid for the land?

Has he paid for it? Yes.

So the land's all paid for? Not on an option basis?

That's correct. He owns it.

Thank you. So he hasn't spent a lot of money yet?

Cliff?

Well, and I were just saying, Betsy. You know...

Say, say Lake, they have a developer over there.

Don't say Pepper Lake.

They got a developer. And that thing has been tied up for years. You know, that development is tied up in mediation. It's been proposed, it's been redesigned. This could go on for years. You know, and I would hate to think that we're tying this up based upon this developer. Because that could get tied up for years with the APA, with DEC and mediation and getting it...

permit.

Yeah, with the permit. I mean, there's a...

He has his permit.

He has it.

Yeah, permits...

I'm pretty sure that was.

was here. This is all for -- is the guy in Tupper Lake has not got 42 cents. There's a little difference here now. I mean, these are the... I think this developer, aren't they really fairly credible?

I believe that they are credible and difficult to work with.

What was ?

Credible...

Difficult to work with...

That they have, they certainly have secured permits. But to go to the [redacted] that was by another Board member in the last six to eight months they've revamped their building strategy, they've repropoed to the APA. So some of that is happening. I think that they have a final approval on the new phase one. But they just revamped that six months ago.

Okay.

Ed?

The other resolution says, however such installation constructions should not be undertaken [redacted] be available, complete such, including ongoing funds necessary to operate. I have [redacted] voting for it with that in the last resolution. I'm not, I'm not convinced that these conditions have been met for our satisfaction.

Well, I've drafted those words. And I'm afraid that the way, the way I've drafted them, it may almost be impossible to know whether we have the operating funds the way we budget every year. I mean, I think it's based now on the anticipation of growth at Gore, that we're, we'd be making that decision. And that's not money in hand. If we're not going to open this facility for two seasons, we're not going to know in two seasons, two years hence, exactly what our operating budget is going to look like then. So I'm not sure we're going to be able to answer the question that is posed in our original resolution to complete satisfaction, because lots of things can happen between now and then.

I understand. That's why I [redacted] the vote should be willing to at least, for some period of time, mitigate our losses if we're incurring losses. That's all.

Mm-hm.

We're not trying to ride on his back, or I'm not.

Nothing wrong with that. I mean...

The question is, can we come up with a quantitative number of what that is?

Well, I think Mike's already come up with a number. He knows what it would cost to operate this in...

Quarter of a million.

Yeah, a quarter of a million dollars.

But then we balanced off against that the increase in revenue from ticket sales.

Dogs .

Agreement or disagreement?

Joe?

To get at Chris' question and to some extent Sergei's and Ed's as well, in relation to Sterling's point about talking with the developer later, is there a realistic, is there a realistic moment when that happens? In other words, is there anything that would prevent them from taking full advantage of the improvement and taking, I mean, truly not having any ability to leverage? Or is there, in fact -- and maybe this is a question for Sterling -- is there something that would need, that we would need, that ORDA would need to do later to be able to make that connection?

Well, in good faith though, if we build, if we build this lift and build the snowmaking, in good faith, we've got to operate that devil.

Yes, we do, we spent the money ...

That's . If we build it, we're going to have to operate it. We built this year.

So if we cut the trails, we're committing ourselves to the next process of putting the lift in?

Yeah, but we build new trail this year. we committed ourselves to it; we did it; it was more expensive to operate, it cost more to operate, it was more of an expense to us to do it. But we did it. We didn't have to, but we did because it was a good thing for us. If we build a lift, if we cut the trails, we've got to do it; we've got to operate it. So once we committed to that, we had to commit to the operation.

Well, what if we didn't commit to snowmaking? What if we committed to operating under natural ?

The hue and cry from Sterling would tear us alive.

What I think is an important distinction is you're committing now to operate the lift line, the trail under the lift line, and the trails that flow to the south of the lift line. We're not committing by this resolution, as I understand it, to maintain or operate this to the north of the lift line, which is where the is. There's no

There's no direct connection. But the developers' clientele, the people that live in that housing, will start at that, the base lift. They'll use it. That's where they will enter the

mountain, presumably. I don't think there's any dispute. They're not going to be skiing out their door and onto the mountain.

ability to get to a lift quickly from their residence.

Right.

So they would not have the ability, at this juncture, to ski back to their residence.

That's correct.

And if they tried to get down to that hill without a trail they wouldn't be going to their residence again.

The \$250,000 additional cost to manage this new facility, what percentage is that of the overall operating cost for Gore Mountain? Is that like two percent or ten percent or?

Two fifty -- what's your budget money?

\$250,000.

Eight million.

So it's a pretty small fraction of the overall operating cost of managing Gore Mountain. So that might be a way for us to help put it in perspective. So given that, we need to increase visitation of Gore Mountain by the same percentage point, and do people feel comfortable with that?

To break that ?

Yeah, ...

Betsy, that didn't work this year at . . .

If you look at Mike's charts, I think you, probably the growth could be anticipated, reasonably anticipated to cover the expenses. I think that's why the resolution was crafted the way it was, and why Mike made the argument, that based on current trends and current growth there would be anticipated revenue to cover the cost of this. That's why I think, in spirit at least, it met the resolution that was originally passed. But if there is general discomfort with perceiving now absent a discussion with the developer, then I would make the motion to table it to the next meeting. And we immediately open a discussion with the developer and start talking to him about where he is and, you know, at what stage he's going to be developing. And what he's willing to do to help contribute to this project.

I don't see how that hurts us.

No.

The point is...

I agree.

Another aspect of it all too is that, if the Board defines that it can't cover that extra \$250,000 dollars, it should be up front that it won't be operated in the future if the costs aren't covered. And then that might be an incentive for the Town or the developer to help chip in on those couple of staff people that are needed to keep it going.

I think Sergei's right, though -- that if we build it, there's going to be so much pressure to operate it, we'll find a way to operate it. You know, once we build it, it's going to get operated. It will not -- I don't think that realistically it will sit vacant.

I think your idea is a good compromise at this point.

Is the motion in?

Okay.

You want to make a motion?

I think I just did.

Oh good.

Well I one.

I'll second you motion.

Then we table it right?

Then it's tabled till the next meeting and that we open a discussion with the developer. Now if there is a flaw in that thinking raise it now, okay, we had a motion that was seconded. All in favor?

Aye.

Aye.

Opposed? Okay, so it's carried.

So it was you, Servie?.

Ed seconded.

I have a question, it's done and we're all what does this do to you right now? What does the emotion do to you?

It's a nice time to ask one.

I want to know after . Nothing really, we got another couple of months, we can do anything..

Well, it certainly a lot of our print advertisements, we've been doing a lot of viral marketing, and past newsletters aren't going...

Physical, Physically?

Physically, It just, you know, it puts us up construction by two months and if going to dry tow months and then it will be good construction... you know, our construction is, is there opportunities that we should be thinking of manage up because ...

Well personally just in the aftermath, personally I feel a strong obligation for the project, I understand the concerns about the developer contributing and I think we have to be work quick and expeditiously to find out where the developer is and whether we can extract some kind of a contribution from him, if not I think you know this project was proposed long before the developer was on the scene and I still think it does make sense from an expansion point of view with Gore Mountain and we should not twiddle our thumbs over this.

Take a break.

Five minute break for the use of the rest rooms and we'll be back at it.

(break)

We are I believe up to the contract, the concession contract discussion. And, Ted, do you want to...

I can start doing over walk us through.

Excuse me?

how it works.

A couple of things, before I do start, I received some communication from a person that we had in that was reviewing our venues and our food beverage rental retail operations and I handed that off to everybody, I made copies of it that came in yesterday, for your information, it's kind of a summary. But as you know in 2004, June 1st there was well there was a board meeting that allowed us a resolution to enter into a 5 year and five extension year agreement with Center Plate for the operation of a food beverage rental retail at our various venues, and that agreement is sun setting on My 31 so what we have done is we've started some conversations with Center Plate and they have given us a proposal. That proposal was included in your board packet, there was a, we wanted to do an analysis of our current situation to make sure we were in the best possible I think position moving forward and to try to give some information to the board about whether it makes sense to move forward with another five year extension with our current concessionaire, so we brought in someone to analyze everything and we had a meeting to

discuss that, his findings were given to that committee, they were included also in the board packet, it includes a review of current operations, different menus, facilities, potential upgrade and some recommendations moving forward. I think with the centerplate discussions there was a follow up after their proposal that was given to us and we had a meeting with several senior staff that came to Lake Placid and then that was followed up by because there were some questions that we had, followed up by another meeting that the chairman was able to participate in, where they address some of our questions and came up with a different per forma of a scenario moving forward with some additional monies that might be gained through our relationship. What we're going to be looking at here I think is a discussion, based on input of whether we move ahead with a five year agreement renewal or whether we look at some of the recommendations by the consultant and move eventually to self operation and this is a big decision, it's a decision that is between six and twelve million dollars depending on how you slice it, because we know what we've been receiving as our commission from Center Plate and that's been well documented and the opportunity given today's economic environment and orders need to increase cash substantially to look at all the options available and that's what we're trying to do, we're trying to give the options so we can collectively move forward with the best option. I would like everybody if they could just take a moment to look at the recent document that was given to us, it highlights the national trends in the food rental and retail business and comes up with a conclusion and then perhaps that could be a starting off point from where we go into our conversations.

And Ted that's the document that's in between 4 and 5?

That's this one right there?

Yes, okay.

It's one and a quarter pager.

To read that letter, if it was on that letter, to the one, two, three, four, five, six, seventh sentence, that says F&B RR sales should account for 9.3, it should be could...

Okay, could. Did you say could?

Could account.

Instead of should of.

They should but they could.

Right.

His name is Kirk Duncan and his experience has been in food and beverage and rental retail operations. He has experience in not only doing that but being, having that as a consulting company. He was, with Marriott Corporation and Hospitality, he's currently running a ski area, he has a menu of ski areas that he has advised from across North America. Which if you'd like I can give that to you.

Ted, in the first sentence in the second paragraph it says that sales were increased to 9.3 million income from the concession area would be approximately 1.9 million, is that 1.9 million increase or is it saying...? You know, move up from something from 1.9.

The current revenue is about 1.2, so it's 1.2 to 1.9.

And which capital are we talking about to bring it for ?

obligations if we were to continue with the Concession agreement.

Yeah.

Okay, we have to buy out Stranded Capital \$460,000, there's inventory that we would look at with Center Plate to see if it's something that we would need or like and that's approximately \$250,000 we would have to do some buying for this season and then to be able to cover labor until cash flow starts, so we're looking at probably a million and a half, we'd have to do some compute upgrading to make sure we had all the points of sale covered with our computer systems, it ties in with our financials.

So what is that, 925, has that changed now? It says current need... short review short term.

That's upgrades at existing facilities, I think... Ted.

What page are you onto?

I'm in fiscal review short term.

Ted's talking about a slightly different thing, yeah. He's talking about labor, about the investment to buy them out.

Yeah, it's different from this.

This is a menu of capital projects that are geared to increasing revenue.

Right.

so that plus this.

Yeah, but you know the question is to get going, would we do all of these all at once.

If you want to reach your 9 million dollars you have to.

Right. But he's saying that this would be over several years and it says that. And it takes several seasons for order realize regional average sales. Given the capital input that we put in.

Well, let me ask you this. Day One, if we were to replace Center Plate right now and do it next year, what do we think the difference would be as far as sales and income to order? Starting point.

Well, according to the consultant, he sees that we would increase we're right now making about 1.2 million.

Right.

And he see that would be over 2 million dollars.

Next year?

yes.

But we would gain out of ...

Just under a million dollars, is that what you said Jerry?

Yes. We would gain a job under million dollars and that..

Now that is in a, that's in a conservative estimate that he says, I think good, what he's really trying to say is that given the ski industry that he's studied and that national ski areas association has committed to a document on with average sales of ski areas in comparison to ticket sales, and then to food and beverage rental retail is that the average is that of the total revenue between tickets and rental retail and food and beverage 65% of it should be lift tickets and the 35% should come from your total revenues from food, beverage, rental and retail. We're currently operating at 79% of our revenue is lift ticket and 21% is coming from food, beverage, rental and retail so the challenge is to look at it's presented, what the pricing strategies are and the marketing to get that percentage to change and when that percentage changes, that puts more money to the bottom line.

Jeff, that's the ay he was explaining it.

But that to Pat's point... in Year one, we'd have to make a certain investment to buy up inventory, buy new equipment, hire staff, and potentially maybe not all in Year One but we'd have to make certain improvements to our own facilities to generate additional income. If you deducted those costs, you'd still think we'd be increasing revenue Year one?

Well I think, I don't know if we could attribute all those costs to one year, we'd have to spread that out over a longer period of time, let's say if we went to a bank and got the money to be able to do this, we would be looking at something like a five year spread so that we would have the cash flow, we'd have debt service but then we'd have increased cash flow to counterparty that debt, so yes there would be ample amount of money and I think Center Plate has been investing over the years, the last time I think it was 1.2 million or 1.25 million and of their margin, you know, they have to account for also that they have debt service as well and that's spread of, and in our particular agreement it was to be spread over five year son a straight line basis.

I'm not going to ask you to name names Ted because I don't think that's fair to you and everybody here, but do you have a person or persons order to date that could run this operation?

Well we've talked to staff about just and our staff, our managers and department heads are on board, it would, you know if you look at the scenario, we have a lot of people are currently working so it would be a manner of having a few key management people that we don't have in place but are certainly potentials that are currently existing within the staff, that is working here, in the concession group.

I'm not going try to tell you how to organize, but it seems to me you got to have one person that's responsible to run this, if we're going to run it ourselves.

yeah, we would, it would be a centralized person so they could coordinate, to go through the four venues up and then of course we have a satellite, the other satellite venue down at Gore that is Center Plate as well.

So you're saying that within the staff right now, we have that expertise person in staff right here?

Well I don't think that a person has been identified.

No, is working for us right now, I don't care where he is.

No, right.

Did he work for us right now?

Works for...

Wouldn't hire a big \$200,000 executive.

No, good point. No.

Wouldn't, so he'd be hired from within. is that true or not?

You know an ORDA staff person here?

Yeah.

Well, the person may exist within Center Plate staff.

But not our staff?

Right. Okay.

And then become an ORDA staff person.

Yes.

Chris.

You mentioned a couple of reasons why you thought we were in the low 20's on food and beverage and certain things and I was just wondering is who's is that, why is that, is Center Plate is

you're not sure?

Well, I'm not sure, I think that we need to really look at some of the menu items perhaps and then pricing schedules. And then where we can maximize more with definitely we need to put some money into the facilities in order to capture more, that would change that percentage.

Is this the stuff we ordered, not Center Plate.

That's what Porter would do, and Center Plate's proposals they, that they came to us which is included, they have a proposal to give a million dollars towards that effort.

For five years.

Yeah, well they would want to do it immediately, they'd do it immediately.

So how long would you have to go same beverage...

Five.

So how much do we get, if you want to do one year all the ?

We have to see if they would, if that's a question, we'd have to ask them if they would entertain a one year agreement.

Okay.

And they also had \$400,000, besides a million, \$400,000 that would be used for a conference center.

Ted, what do other ski areas do, do we have any idea of what ski areas around the country do, whether they do it themselves or do it with Center Plate or somebody else?

The majority is self operation.

Majority is self operation.

But, they are self operation but they are not stand alone tiers, the ones that we're talking about that do, Killington for example, those are owned food service, but they've also got restaurants downtown, uptown, so they have to have a food service . Veil, they've got their own food service. They've got restaurants downtown, they've got restaurants in Veil, all these places have these their own food service. I've got, you know we're in Siberia at White Face, and in Gore, there's no people going in there for night dining, not I don't think they do, but they might, but they do, they all get dining but we are you know our resorts are a little bit different, they're very, very different than the average here because we are not part of a homogeneous group. When I .. and they personally gave us an analysis of very, very he gives a good rundown but he also says for sure he wouldn't do it next year, has that changed? for sure, he said that.

Right. And that is in that report.

I'm sorry, I missed that point.

Well, we had, this guy was here and I questioned a lot of the things that he said, because he has a...

This is a consultant?

Yes.

Of some kind.

He spoke very well and he gave us good facts and figures, he said, you could probably go it alone, he said, but for sure, I would not go alone the first year.

And that was a question was had proposed to Center Plate and unless that has changed we did pose it and they weren't very interested in a one year agreement.

Well I would find that hard to believe. They're going to lose their contract, right now tomorrow morning, I would think, I can't speak for Dennis, but if there was a way for us to increase our revenues substantially by doing different kind of operations, and you were to say let's try it one more year, I would be very surprised if they said no.

They're here.

Dennis?

(From 2:12:09, garbled sound quality) This is fun. This isfrom our process and Peterson's 1987 and obviously, we know where we sit here as far as when to respond and not to rent, not to respond. And I don't want to sound defensive and so many things but fill in the points where you're and you've got to pricing things. We've also pricing percentage versus percentage stuff is brought up by a consultant. I haven't really seen the

Excuse me.

....But we haven't, we've really taken the lead from Jeff and Ted that we want to hold prices and we have not been aggressive....

Tell me this, so you said to Ted and Jeff, you want to raise prices and they said no?

Yeah. I'm not saying on every item, but we've, it's been a very conservative compared to our other facility's approach to increasing prices. The economy, the family speed entertainment that we're dealing with here and at the end, when we looked at them, we game back with the analysis of Ken Hellington, and we were greatly under the market. Whether we are in the national I really can't say. We haven't had the ability to look into, but we certainly have, would entertain price increases at least that makes sense, and we've got to see the one here. I know there's a question. Sorry, I shouldn't have got into that but I'll leave that to Bob. I don't know if it's appropriate.

I'm Bob Pascal, Vice President of Marketing for Center Plate, and when it's appropriate, I'll look to you Mr. Chairman. I would like to address some of this discussion, but in terms of the one year, we certainly, we would look at a one year and a one year would have different economics that the first year of a five year extension, if that makes sense. But we're, we've been partner for almost a quarter century if not more so all along we've been looking to sit down, find the right solution that helps you to extract more money from your operations as well as continuing to enhance the guest experience. I obviously think the right thing is via a partnership which I can talk to when appropriate.

I don't think we should be negotiating a contract here, and we, this is intended to be a general discussion. We appreciate your being here to answer questions. I think right now, we should just be asking questions of Ted in terms of the two, both the consultant's report that we've got and the information that we've gotten from Center Plate. I'm going to suggest that we still leave a bit more information as a board in order to make a really informed judgment about how to do this. I, for one after, especially after the consultant's report did, focus on the consultant's comment that we would not do it in one year because you could end up disappointing customers. It scares me to death to think that if we take this on, that we're going to turn people off by not giving them high-quality beverages and food. So that, that's kind of where I start the food business is still great. It's not my expertise. There's lots of more expertise in the room, and I defer to them on whether or not this is the right thing for Orta to do. I think I have a, with the rest of the board, have a very open mind on it. We're under a lot of pressure to generate more income. On the other hand, I think at previous meetings, I've expressed my concern about whether or not this is something that we're equipped to do with all the other things that we are very good at doing, running ski centers, running the Olympic venues. So that's the kind of discussion I think we should have today. I think Ted really needs to come back to us with a very specific proposal about how we go from where we are today to where are going to be in three months, and where we're going to be five years down the line. But I want to entertain thoughts from others. I'm not sure I prepared to personally make a decision, distinguishing one contract and taking this on our own today. Ed and then Chris...

Yeah, I guess the fundamental question I have with Jeff is that do you people believe that you can do this? That you have the ability, either the existing staff or you're able to attract the staff and you believe and your staff, your management staff believes that you can accomplish this task. It's a formable task.

We feel we can accomplish it.

Well, I'm hard pressed to tell you can. I mean, if you, if in your heart of hearts you all are passionate about being able to do this, and you've studied this carefully and thoroughly, then it seems to be that because of the economics it's kind of a... I don't know. I only see it as a "no brainer." I mean, I did my own analysis and I looked at the analysis form the consultant, and no, we're going to be looking at a lot more money in a short period of time, and I think this is the type of thing that we need to do especially in a

bad economic time when the state cutting our revenue and the town doesn't want to participate much more. They would like to see a leveling of their contribution. We're throwing out close to \$3 million a year and if there's an error of judgment in the numbers by a factor of 50 percent, we're still talking about over \$2 million, over \$2 million so, dare I....

Certainly, we're at the gap of what we take to have billing State has taken a way from us.

I was just going to point out that Center Plate did their own analysis and I'm not sure if it's in the board package about various costs that they anticipate that we will incur that they absorb right now under their contract. And I, again, I don't know between the \$2 million of extra revenue that the consultant identified or Center Plate's numbers of X number of dollars that they've absorb in their contract that we would have to pay for directly. I'm sure they're, reality exists in their some place. But things like the additional cost of having people on the state payroll, including pensions, benefits, the legal costs that are involved for various events and so forth that we've have to cover and currently that they cover now, there's a whole laundry list of those things. And again, I'm not, don't feel like I'm going to quit today, just say they're right or the consultant's right. The consultant uses, used national average and it was a very big picture presentation, a very good one. And it did identify that we are well outside the norm for revenue from our concessions versus others. But I think we need to have very specific, this is who we would hire, at what salary, and what the benefits are, so we can get a full cost accounting of how much it would cost us year one and over a five year period because that's the period we'd be looking at for Center Plate. So once we have as close as we can get analysis to one versus the other.

When do we have to notify Center Plate time wise?

May 21st is when the background comes up so we have a very, very short time frame contractually speaking.

Well, I, I agree with you. A couple of things that are bothering me here. Another one, I didn't realize that Center Plate would ever come to us asking for increases. That was something we never discussed in any meetings I've been privy to. Yet, when we did a

survey of other areas, I think we are a little bit below them in some cases and others above.

And they have come and we have, we have worked with them too.

We haven't raised our prices.

Yes, we have.

We are still lower than most other areas like....

Well, that's not correct.

No?

No. We could, we can take one ski area and go apples to apples and say that they charge more than we do. I look at the prices annually. I review those. I get input from staff in terms of where we are and what they see, and certainly I've asked staff at both areas to look at comparisons to other ski areas.

So we are about the same or higher or lower...?

In many cases, we're higher than some ski areas. In some cases, we're lower.

I'm talking across the board, on a percent basis.

We'll, I'd say we're in the middle. I don't think we're grossly under priced. I don't think we're over priced. We're in the middle. Is there room to grow? Yes. I think what we've done last year compared to when did we increase, when did we decrease. So that's a dialog that happens on an annual basis.

And then we also talked about that we are saddling sort of late with areas like the bob run, the luge, the ski jump, all those places. If we threw those out, that would help considerably.

We discussed that with Center Plate.

Especially help, that would help, if we didn't have those other areas and we had vending machines or something like that in those areas, we would save a considerable amount of money.

And they did come back to us with their proposal based on pricing increases, increases due to enhancements and then efficiencies, what they called, like XYZ facility maybe like operating it only during certain times or maybe not at all and the total increase to us was about on our commission was \$100,000.

So the total savings was, you said it might be \$100,000 only? That's nothing.

Your turn?

Yeah, Chris Ellen...

Once thing I noticed on the consultants package. These are the income from lift tickets was 65 percent, food and beverage 20 percent and then and retail, we get a 15 percent. Intuitively, it seems it would be a lot easier to take over rental, repair and retail than food and beverage. And you could at least get almost half of the projective benefits

by just taking maybe that on first. I think the, someone says back here take over the rental, we came out there 2009, 2010, that's just coming up here. Maybe that's the way to test the waters, just see how that goes before you start on to the food and beverage. It sounds much more intimidating to me; although, I don't know anything about it.

So we have to negotiate then to see if that one will every be consider breaking that out of their package.

Yeah, and there might be one way to tip-toe into it.

We, we bid it out that way the last time around. And I think two of the five or six bidders gave us a proposal based on that and the capital was considerably less and the benefit to us was considerably less, by us operating retail rental.

I mean, presumably, it's one goes down the other goes up.

The nature of the business is such it is, the food business is not terribly profitable. Rental is very, very profitable. The lockers, the lockers are a home run, and retail is somewhere in between. So, retail, rental and lockers are sort of the sweetener for having the food. I mean Dennis would probably agree with that.

Okay, got ya.

What, the conference would

I would entertain the board, just entertain the board thoughts on their comfort with doing anything today whether we have to come back at some point between now and May 31st.

Come back to do what?

To make a decision. I mean, we have a contract that expires at the end of the month. So we either make a decision today, or we make a decision sometime between, before May 31st. I'm expressing my own discomfort with making a decision today based on what I know. I just don't think we have enough specific information about our actual costs. Again, how much we'd need to borrow, expense of borrowing, what he expected return is, if those things were spelled out, I'd feel a lot more comfortable making a decision than I do now.

I agree but I, I'd be much more comfortable not, we can't negotiate this today.

Right.

I'd be much more comfortable having Center Plate know they're on the line and say alright we're going to help you as much as we possible can by cutting down these outlining facilities and forget all of that nonsense. We'll concentrate on Whiteface and Gore and that's where we make our money, and let's work on that. And what will you do with us with this next year to see, to have you prove yourselves that you're going to increase these revenues substantially. Now I don't think there's any magic genii here that's going to say if we take over the foods facility next year, we're going to increase our revenue that much. I don't believe that. It's actually impossible. You might increase a little bit by having better customer service and things like that, but you're not going to increase them that, this much. It's impossible unless we change something drastically, Whiteface or Gore which we don't even know about. So I'd much rather have... I'd be much more comfortable going forward to Center Plate and saying okay you guys, let's get a better contract through one more year. Let's get some money up front, and then prove yourself to us so next year at this time we'll either go four more years, or we cut the

So, are we asking them to?

No, absolutely not. That's, that's over. That's for you.

First of all, can we agree on one thing here that goes back to a point that Chris made earlier, I don't have to share with everybody how bad things are economically. We all know it. Okay? We all suffer from it, and it ain't going to get better for a while. Can we agree as a board that we've got to look for ways to generate some of our...to improve our income internally? This is one approach here, because I can't speak for the State of New York, but I don't think we're going to get a heck of a lot in additional contributions and like that. State just doesn't have it. That's the fact of the matter, so we, it seems to me we've got to look for ways to improve our operations here.

I think that's what this is all about, and I'm not sure how you come to the conclusion that certain things are impossible. What do you base that on. Do you got film or...

The expertise in the food business here is, it's a morass.

It's not about food, it's about food, beverage, rental and retail.

But if we can show exactly how to do it better, we may increase our revenues substantially, wouldn't that be good?

Not as good as if we can show ourselves other than....

Then we do it....

....then we do it better...

Just the second year and

...then why bother.

...the third year and the fourth year and the fifth year. I mean the consultants we sat there, like don't do it the first year. We all sent this e-mail, it's a simple idea. Is that right? Then we, we were charged with getting an agreement for a year out of Center Plate, and the vibe back was not positive. So then.... You should talk to them and ask them what....what.....

Jed, you challenge right?

Yeah.

He said you're telling the truth.

The vibe, or maybe the vibes weren't there. But my vibes tell me, let's set up late and we'll negotiate for another year.

I had a question.

Sure, anybody who...

In the contact, when Center Plate puts up, it looks like \$1.4 million, are they actually financing that money for us? So we could get better, we could finance better ourselves through a bank? I mean, they're putting up capital dollars where we're just obligated to pay back in some kind of annualized schedule. Is that, is that legal under finance laws?

We're only obligated to pay back for anything that's unamortized. So if, if it's all spent within the first year, and it's a five year agreement, on a straight line appreciation basis, by the time that you get to May 31st of what ever year, we're talking....?

Twenty fourteen.

....2014, it's zero. We don't owe anything. What they've done is they've taken the money. They've invested, and their paying for it, the cost of that money.

So we're literally just paying back 1.4 million?

We're not paying back anything.

We're not paying them back unless we...

They put that into their....

...commit to contract....

....overhead costs...

...before they amortize it over the five year period.

Okay.

And that's part of their overhead, their cost of doing that is part of their overhead.

Correct.

It's a corporate gift.

Well, they have to pay for it some how.

I didn't understand that provision. I wasn't sure if that worked under the finance laws or whatever.

No, we even kept a, put capital in previously under the contract. This is just a contribution that is their part of their contractual agreement with us.

Okay, and then the other piece where it said that it was for a five year term, that could be reviewed for five years. I don't think we can do that either under the procurement laws.

Can be done what?

That there's a provision in here that the contract would be for five years with an option to renew it for five years.

We did that.

That's where we are.

Under the...

Sure.

That's all they got...

So that's like obligating ourselves to ten years for ten....

Well, we can walk away after five, but...

That's where we are right now.

We've satisfied, that's exactly where we are now. We're extending the contract for another five years with...but we have the option to amend the contract at that point in time too. But that's okay, unless Glen Prove tells me it's not.

No, no, that's how we do it in state parks and just to address these, that concern. We enter into long-term concession agreements. We have authority, we have limitations on our time, but twenty years is a classic, end of the years, when the successful bidder is required to provide a capital investment up front, over a scheduled period. But that's a commitment up front. It's part of the consideration of the contract. And we do sometimes have renewal clauses but more often we don't. In a case like this where you're trying something out new, that makes it... It's a good strategy to do it.

Ed, thanks

Well, I, first of all, I've studied this whole situation very closely for a long time now. I had great confidence in the management ability to deliver this. And I talked to Ted in the

last couple weeks, and I said “Ted, I feel strongly that this is a great opportunity for order. However, if you and Jeff are not passionate about the amount of effort you are going to have to put in and what you can do, then I’m not going to put myself out there on this”, and they both came and told me that there was no question in their minds that they could do it. Technology then met with the staff and it was strongly endorsed by his staff. Now, I’m doing the math, and I’m looking at him saying that that’s me, and I’m just a poor farm boy but it looks to me like it’s a no brainer. If the consultant’s analysis and my analysis is correct, we’re looking at well over \$3 million a year. In addition to the 1.2 you’re getting now. Let’s say the consultant and I are wrong by a factor of 50 percent. We’re still looking at a \$1,545,000 plus the 1.2 million they’re getting now. Let’s say we’re wrong by another factor of 50 percent and cut that 2.7 million in half. We’re still doing good. I don’t see the down side risk in this unless the staff wasn’t passionate about undertaking the additional effort. And the staff tells me they’re passionate, and the economics work so well. And it the two are kind of bothering me. Currently, Center Plate has more control over guest contact than Orda does. When you go to Whiteface or Gore, who do you come in contact with more than anybody else? Center Plate employees. Secondly, we really don’t have any control over the food operation, it’s demeanor or its quality. We have input, but we don’t have the ultimate control. If it’s a rainy day, and we want to give away free hot dogs in the base lodge, that’s not an easy thing to make happen. There’s a lot of opportunity for us here, and I just, I think that if we delay it makes it that much more difficult to move this forward this year. And quite frankly, I mean, I can’t speak for Center Play, but I can’t see whether they will be interested in a one year contract and if they are, it’s going to be a pretty sweet contract from their position. I really feel with the economic conditions we’re facing and the need to generate more revenue, remember that \$1.5 million of additional profit? That’s over \$5 million of new revenue we would have to find. How many tickets do you have? How many lift tickets do you have to sell going to Whiteface to find another \$5 million worth of revenue?

A hundred thousand.

Well, the issue is we’ve got to bit the bullet at some time one way or another on this.

Well, if, if the staff were passionate about it...and I will just, I have to address this, then I’d want to see a plan here that says, “These are the positions we would fill. This is the gray level that we will fill them at. This is the cost it will take for staff both seasonal and permanent staff and include all the costs, the pension system... The include the costs internally that aren’t covered now by the existing operation and total it up. That’s all I’m saying is I’d like to see it in black and white. We’re talking about taking a major leap

here, and we don't have a single person or position identified that we would fill in two months. And if the staff is passionate about it, then they can prepare that and present it to the board.

Well Jim, we do, we do have that. We have the flow chart. We have the staffing. We have the positions, we have the number of full time, the number of seasonal, the number of part-time, the related, the costs associated with all those. We do have that.

Is it in the board book?

No sir, it isn't.

That's all I'm asking for. I mean, if we're going to make a decision, we need to have the information before us so if it's all there, then we can see it and make a decision, and I think we should make a decision quickly. But because we haven't, we have a contract until the end of May.

You're right, but it shouldn't go unnoted that they've done the due diligence on developing pro-forma and developing....this is my own business plan there, it's not like I don't think you're shooting from the hip. I just...at least to my knowledge.

I didn't say, shooting from the hip, there's been a lot of good work already and spent a lot of time and effort on it but this is a major decision. We're talking about borrowing lots more money and it's a board decision ultimately, and I just, I feel more comfortable when I see the details.

It's more than comfortable. I'm not questioning the passion. I'm not questioning anything that's been said about this, but this is in essence, launching a new business and anybody who launches a new business has got to do some sort of business plan and you, we as a board, have a statutory obligation to really sift through that plan to make sure that we're protecting the fiduciary interests of the authority. So as much as I would like to just say "Oh yeah, fine, I accept whatever has been done and is in the rooms of the

authority” but you have all an obligation to look at it. So, at a minimum, I would request a business plan what ever that looks like. But if that’s all of what Ted has already done, that’s great, but it needs to be put together into a pan that you can all sign off on under the statute.

Right, and I want to echo what Glen is saying also add to it the word transparency. I think that the public needs to be able to see all this and understand how we’re coming to the decision that we’re coming to. So as part of our oversight and fiduciary responsibilities, I concur with both you Joe and Glen that we need to see all of that. It needs to be all laid out in front of us so we can make a true concrete decision that we’re all comfortable with.

And I, this passion, all of a sudden this passion has come up like a wellness thing. I didn’t hear this passion the last time we talked to the bidding managers. I heard no passion. I heard passion from Ted and from Jeff, but the varied bidding managers, there sure wasn’t passion there when we talked before, that’s one thing. I still think I’d be more comfortable by having these guys go back and negotiate, come back to us....obviously we’re all talking about that, but I think we should negotiate with Center Plate and see where they’ll come from. We don’t know whether or not they will go or will not go. Maybe they all feel they can do a better job for next year if we work with them. I share what Ed is saying, the first person you see are Center Plate employees when you come to Whiteface or Gore. You could certainly help in matters of..... They want to sell hot dogs and give away free hot dogs, and give away free hot dogs on the Fourth of July, you call Ben Barbados , I’m sure he’s going to say give away free hotdogs. I guarantee that. That works with thework rules but if Center Plate says to us, “No, we can’t do it. We need this whole operation.” I’ll say,wrong. I think that we’re in for a year, I’d be able to give you money up front for a year and see how we do the following year. Going back to recommendation of your consultant, he said “Absolutely, positively don’t do it yourself the first year.” I repeat myself, but I feel like that would be a good sign.

I was there, he didn’t say “absolutely positively,” he said non.....

He said at least....

...we don't recommend you do it the first year. It was not absolutely positively.

Alright, alright.

Give me a break.

Could have a, we don't need to do it during the meeting, but could we schedule a special meeting of the board for a date that Ted is....

I think we should.

....prepared to come back and I don't care of it's a week from now or two weeks from now or three weeks from now. The only ones inconvenienced by this are Glen and I because we'll come up from Albany. The rest of you are here above

Well, I've...

I'll come up, there's no problem, I'll come up.

I think it's important as Glen said, it's a, we'd be opening a new business, so it's a big, important decision.

I think it's got to be looked at too Mr. Chairman. I just mentioned this to Glen, they serve alcohol down there, okay. There's certain liability, a lot of liability today with alcohol...

That's I think one of the things that Center Plate identified

Yeah, exactly.

Okay, what you're saying we're going to go, Ted's going to get a plan they'll come back and have another board meeting.

If I could just.

Simultaneously talk to Center Plate some more about the one year thing so we have those options.

Ted will.

Staff ought to...

I'd just like to summarize something. Oh, should we circulate time for a date. We'll do that, I can do that tomorrow, later this afternoon so that we get everybody, suggest a date maybe between you and I.

Sounds great.

And they we'll circulate that date.

We're in, we're here.

Well....

Because we have more things to do. It's going to prolong this meeting.

Right.

I have

We can get that done tomorrow.

We'll get that done.

In a hurry.

Circulate.

Go ahead Ted. And then we have....I think....

That's my field with the report.

We have a couple of things. I think the policy, right.

The minutes.

Yeah, some business loans. I'd just like to address what Sergie said and we passed a resolution last meeting about the budget. We knew that in that, in that resolution it said there may be changes that we will accommodate for operationally in order to hit our mark. And where the passion came from is that our appropriation has changed and the money that we thought we were getting in April was cut by more than half and the same thing for May. So, I care deeply about this organization and trying to find ways to generate more revenue so we continue to provide services, and that's where the passion is from. It's try to look at every opportunity, and I'll present, I'll try to present to the board in such a way that we can make a decision, but sometimes these things cascade so quickly that I apologize. I don't have this information here, I can provide it. We have it together. It wasn't in time for the one the board pack went out which was 7 days statutorily before the meeting and sometimes these things pile up afterwards. So, you can be sure that this meeting you'll see a solid plan that because it's just putting together the paper work we already have, it's a compilation of what Pat brought up about the liquor liability. Yes, we have gone down that avenue. We've talked to the liquor board. We've talked to the Attorney General's office. I've talked to our insurance people because we have difference in venues. We've got forest preserve venues and we have ones that are outside of it. The outside ones are going to have to have a little different policy for liability than the ones within the forest preserve. So that package will be all together and we'll get a date and we'll

Okay.

Is it my turn now?

When do you want to do the...

Let's do a couple things first. We never approved the minutes from the last meeting. Let's start with that. So could I have a motion?

Second.

Any discussion on the minutes?

Oh, yeah, sorry Joe. One minor thing.

Okay, let me get to them.

Right on the first page. Where it starts minutes on a motion by Cliff Donaldson, second by Paul. He wasn't there.

Right, I have the same issue.

Yeah, so....perhaps it was me, but I can't tell you.... I can't recall that, so I didn't have time to go back to look at the, the tape but we could always do that if we needed to.

Okay.

And then of course that last sentence there.

I was here.

That last sentence there. You just want to.....

Question mark.

Yeah, scratch that.

Cleaned up.

And then that the only other thing I wanted to do suggest....

I'm sorry?

Your motion has been seconded. It's okay?

Yeah.

Yeah, I want to put the motions in second underneath there.

And the, when we went into executive session though, open meetings actually requires us to do minutes of the executive session. So what I, we can say a couple of different things in there. One option would be just to simply say the board discussed litigation strategy regarding a prior contract dispute but took no action or something like that. Because you're obligated to say what we did in the executive session. So right under that, that's on page what ever, three or four.

Can you say that again, or do you want to get some of that to me?

That was....what ever....

That's exactly what we did.

Sure, right. We'll I just wrote down the board discussed litigation strategy regarding a prior contract dispute but took no action.

We did amend that. Okay, subject to getting the name straight and just take care of the....

Clean that up and....

Clean that up.

The board packet.

We'll have a revised minutes in the next package but all in favor?

Aye.

Opposed? We had a whole series of policies and procedures that we have to adopt annually, and they're included in your package. What I'd like to suggest is that because I went through them fairly thoroughly and had a fair number of issues with the policies. I think it's in part because we adopt the same ones year to year. I'd like to ask the governing, governance committee to look at those policies and actually do some work on them and just bring them up at the next board meeting in June; and that's Glen, Cliff...

And Sergie's a....

Sergie, so if you don't mind Sergie....

I'll be your life on Mr., Mr. Rooney. Sergie Rooney excuse me.

I actually talked to Glen about a hand full of them and I made extensive notes that I'm providing to Ted in the meantime. So we'll, I think have a hopefully new and improved package of policies and procedures at the June meeting. So we don't need to act on that, mercifully, that will shorten our meeting. So now we're up to Ted's report and then we will have Kim give us the financial report very quickly because there's not...

A public rating.....

Okay.

Right, thank you Chairman. First of all, I woke up this morning and I just thought about our operations and all the things we're faced with today at the board meeting, and sometimes it's a little daunting to think of all the things that we have to cover and our responsibilities.....but I quickly reminded myself what a privilege to be able to run this organization and to do the things that we do that has such a significant impact on the economy of the region and how it supplies so many jobs to so many people. And I think that, in saying it's a privilege, it's a honor to serve, and I feel our staff has that same feeling. In yesterday's meeting that we had, our operations meeting, it's as you go around the room and listen to these people, they're dedicated, they know what they're doing, they love their jobs, they have people that work under them that are the same way, and we're very lucky I think to have an organization like this. It's the way it's structured that people work, people they don't come in to work at 9:00 o'clock and leave at 5:00. Everybody is so passionate they, they do their job. They get it done and then 7 days a week, in many cases, I think my hat goes out to the staff that has under extremely difficult situations this year has preformed so well. We from the events that we had to our operations, we have international representation. We deal with people from all over the world, we deal locally, we deal politically, and it's some, they have to wear, we all have to wear many different hats and in doing so overcome challenges that sometimes are pretty hard, whether it's weather, whether it's money, whether it's staffing, it's you name it. I think that we're, again, I'm gin got say it, I'm going to drill it in, we're very lucky to have the people that we have, and I think an organization like this, it does such good things. We had a very successful winter in spite of everything that we were faced with. I included in the packet, a comparison not to just this last year, but to the year before as well, because as we finished up last year and we got into the summer, it was identified through the National Ski Areas Association that it was the most successful year in North America, in U.S. skiing history as far as skier visits and revenue. That's a tough year to compare against, when as you get into the summer, you find that the economy goes haywire. You've already made plans. We have already have commitments for capital

projects, and you're faced with how are we going to do this. Even so, I think if we look back to how do we perform two years ago, against two years ago, we did phenomenally. Our revenue was up \$3.3 million from '07 from the previous year. And still, this year, compared to last year, the banner year, we're still up 1 percent. We're not, it's not as if the bottom fell out. I think we had some great programs. We had great events. We got a lot of attention. We talked in our meeting yesterday about some of the differences that we had in our venue visitation and they're very striking. Gore was up 11 percent in visitors and 8 percent in revenue, and when you looked at it's cousin up north, was down almost a significant amount of skier visits. I think it was 18,000 visits or so or more and you say, "How could that be?" Well, I think well Gore, they did some great improvements. They, they do have a little easier striking distance, thought their business has increased from destination standpoint, they still, it's an easier strike from some of the metro areas and the Albany area. The other thing that affected up north here, is that the Canadian traffic in revenue was up 37 percent, and that can be attributed to last year how we went through the ski season when we're either at zero or the curve went the other way. And this year, we're at 20 facing a 27 percent difference in our currency. So I think that number was \$570,000 for the Whiteface venue alone in difference in revenue. We don't know how the year's going to end up yet. We, we're going to hear about February, but our March preliminary look at it, and I try to look at these things very carefully, it's going to show that we're still going to be in the black prior to depreciation. We may not be here we wanted to be on budget, but still our budget was pretty aggressive, where we wanted to be to be able to fund some of our projects and programs. And all of our events and activities, no matter what we do, contributes to the economy of the region, and we did a study, it was through last year, but for anybody who's interested, and that included in our packets before, we're still well over \$300 million in economic impact due to our operations and it's our intent to keep that going and improve it over time. We heard about our cooperation between the towns and villages, it still exists, Lake Placid Village, the town of North Bellroad, the town of Wilmington, the town of Johnsberg, our volunteers, they're all critical to our success. We try to help them, they try to help us, and I think that's why we do so well. I have a presentation that I'd like to show. Before I do, there's a couple of things that I think are important and significant. First of all, we have a great summer ahead of us. We have lots of events and activities. We will continue with hockey through May, and then we'll get into our figure season, and we've got free skate, ice dance competitions, festivals and shows and I think we've got a got a great slate ahead of us, but we're going at it at a very conservative way from a staffing standpoint so that we can ensure that as we move into the winter season, we've got a little cushion in our own finances so that we can weather any storms that we might see. There's other, one other thing that we had a inspector gen.... Did you want to do this?

Yeah.

You do, okay.

We were notified on March 31st from the Inspector General's office. They undertook an investigation back in 2006, is that right?

Seven.

Oh here. I did this.....

It was all mine the last time.

And I never gave it back to you either.

Did they work?

Yeah, they work great.

They initiated, the State Investigation General initiated an investigation into 2007 alleging conflicts of interest between Sergie and Ed Wybread and orders contracts with them for law case. And this specific complaint was that they had received contracts both approximately \$100,000. They investigated both situations, and I'll just read you the conclusions. It says, "Our investigation which included a review of orders awarding of contracts for lodging as well as a complete compliance revealed selected order operations for the period April 1, 2006 through April 30th, 2008 by the New York State Authority budget office, found no bidding irregularities in orders payments for lodging to the Crown Plaza and the Mirror Lake Inn, and further the ABO found no deficiencies and orders, procedures for rewarding contracts. They did recommend that we publicly disclose any actual or potential conflicts of interest through our adoption of a disclosure

policy we've done, and we have to all sign every year. And as they consider this matter closed, because there was no, the allegations were not substantiated. So that's obviously good news, but I think one that when I started in the board, Ted assured me that there were contracting procedures were done completely according to the book right from day one so I don't think there was ever any fear that that would not be the case, but I thought I'd give you all the happy conclusions from the Inspector General.

Thank you. Okay, Jennie, do you know how to run the lights here? I want to make sure you do this the right way. Where....

This is just a....

I've got to run.

Okay.

....a short presentation on the activities and events that we had this winter. Stevie, you're TV's on.

Music.

Nice.

Jim?

Alright.

You're on.

I planned on this is really old business. We'll probably do March now, right.

Close, almost.

As promised, I'll keep it very brief. We are reviewing the results for 11 months, the WIF 2009, comparing this year to last year. The operating revenues are about half a million than last year, and really that's attributable to the drop in the state appropriation. That was a million three lower. Absent that, the skiing, skating and activities was \$420 plus thousand higher than last year. The events revenue was \$527,000 higher last year, and the sponsorship revenue is \$93,000 higher than last year. A couple of the other revenue items, line items are a little bit lower, but again, primarily it was the state appropriation that dropped. On the expense side, the personal service line item just for the labor piece before paralytic cost, actually decreased by \$128,000 from last year, a little over 1 percent. So again, I point out in September, 6 months through the year, you're actually up 6.8, so I said this in January, but good cost control by all parties through the winter season so that the payroll didn't get out of control. On the payroll end, the costs, I know the costs were higher. Worker's comp. was significantly higher than last year by almost \$350,000, much of that though was due to last year there being a rebate that turned out to be an error, so we had to be recouped this year so we're really taken a double hit for that. And then the health insurance costs continue to be higher. They're running over 11 percent higher from last year. That's obviously having an adverse effect. So on the payroll side, after you take out the capitalized labor, your net personal services increased by \$652,000 from last year, a big number but it's really only 1.2 percent. Again, more than all that is the payroll added cost side of the equation. On the non-personal service expense side, again these are lower also than last year, \$307,000 than last year. The only significant increase from last year was the events, but as you might imagine, the 500,000 plus increase in events revenue, the expenses were also higher. Utilities and fuels down almost \$700,000 from last year. Part of that only a little over a \$100,000 was due to accounting difference in the rebate, last year it was miscellaneous income, this year it's offsetting utilities. But a tremendous savings just in the month of February. I think a lot of that is maybe due to two with the just more efficient compressors and not having to use the rented diesels that sort of thing, and that saves on the side as well. But also there was a decision I believe to curtail snowmaking for a couple weeks in February when the conditions were good and there was a good base and that saves both on the labor side but obviously on the electric and utilities side as well. That was really the big nut was the utilities. So through February 2009 there is an operating profit before

depreciation of about 185,000, last year it was just over a million for the same 11 months, but again, if you just throw in the difference for the 1.3 million on the state apropos, you're actually ahead of last year on all the other operational items. So that is the good news that Ted did mention. Compared to budget, little bit farther behind budget on the revenue side, the budget figures were pretty aggressive. The operating revenues are about a 1.9 million under budget but again, 1.4 million of that is the state apropos in and of itself. And all the other line items other than were also under budget on the revenue side. On the expense side, your personal service before capitalized labor is 415,000 over budget but again there was more capitalized labor than budgeted and so you end up only 195,000 over budget. The capitalized labor sounds like it's just an accounting thing but it's real dollars, its' decisions to keep employees on during the summer to do capital projects. So again, capitalized as part of the property and equipment. On the non personal service side, expenses were 676,000 under budget. The event expense was over budget as it was over last year, pretty much everything else ended up being under budget on the expense side. So again, cost control displayed on the expense side. So again, the net income from operations before depreciation 185,000 versus a budget of about 1.6 million. Again, the state aid is of that difference compared to budget. From a cash flow perspective, your operating activities actually providing cash flow of 7 (b/m)illion dollars. As we've seen during the year though a significant part of that was receivables last year from capital grants, that money was collected this year and certainly adds to the cash flow. They're investing in capital activities, again, this is the money that went into the improvements during the year. It was over 5 million dollars, almost 5.7 million, and then financing activities used cash, 1.5 million. And at least through February, the line of credit was paid down and other debt was paid down to the tune of 2.7 million. So again, there might be borrowings on the line of credit in the spring but that 2.7 decrease and their debt is going to help on the interest costs for at least the next few months. New borrowings are 1.2 million and I think that was discussed the fall the money is needed to complete the capital project. So overall cash from November through February decreased by \$54,000 from year end last March so essentially almost even from 11 months ago.

Questions for Jim?

How much is the state appropriation ?

Was it 1.6 million in the end?

Well, actually it was supposed, it started out at 8.6 and then we had \$300,000 reduction and it went down to 8.3 and then as you can see in this report you've been speaking of a number, 1.3, 1.4 million.

Yeah, it looks like the budget was the actual 6. so yeah, it's a little over and the million three plus the \$300,000 if you will from the original.

It's a million six.

It's a million six, yeah.

So we get some of it back.

That's going to be in March's report.

Right.

This is February.

I understand.

Other questions? Now that we've completely exhausted the crowd, exhausted the Board, we're going home.

I still will maintain the tradition of opening this for any public comments from anybody who is strong enough to have ... please.

Thank you. I'm Bob Pascal again with Center Plate, thanks for allowing us to observe and to make a few comments. Just want to take a couple minutes I do look forward to sitting down with Ted and his team and continuing our discussions. But I did want to frame a couple things on the decision so that hopefully when we do come back we've set some parameters, some discussion parameters. First a little bit about Center Plate, I don't know that all of you know this, we are the fifth largest food service company in the country, we have a master chef, there's only 62 in the country, the chairman of the national restaurant association actually works for us, 80 chefs, and we have about 1300, 30,000 if you include all our temporary workers. And what we do very well is this, we do large scale food service at entertainment venues and it is a unique skill. It is very distinct from a traditional restaurant or any other kind of food service, but it's something we do very well and it's something we've done here since 1983, right? And Dennis himself has been involved with the operations since then and we've been honored to be your partners and want to continue to serve your guests. I did want to talk a little bit about the math problem if you will. Because I think that's where the discussion was going is really the mathematics of this. So I did want to frame it again a little bit more so that we all have kind of a shared understanding of the numbers because I do passionately, firmly believe that the best results, both for your guests and financially will be through a partnership with us or Center Plate and of course with the addition of this consultant who I look forward to seeing his ideas. First one I want to talk about is I did get the benefit just to glance briefly at the abridged version of the consultant's numbers so I do look forward to hopefully speaking maybe either with him or looking at a broader version of the deck, but what the numbers that he's talking about is really doubling the current food and beverage sales. So that's in a just to put it in perspective, that's in a market right now that is certainly I've been in this business about 5 years, been in business about 15, this is an

economy I've never seen before, so we're talking about doubling the food and beverage revenues to hit those numbers. So even as we were marching through that even half of that or a quarter of that, that's still a significant jump, again, with no capital investment. We do believe there's growth, we believe we can drive it together, but I just want to make sure because the comparison was between doubling food and beverage versus kind of current performance. We think there's certainly growth, we think we can help drive that. I'm not sure we can double that in the next year. Other think I want to just touch on briefly is the actual economics and I know you know this thing better than I do but I'm going to share with you some of the specific numbers in our operation just to show how our current relationship works. Right now over the last few years and I'm not a mathematician so I'm going to use simple numbers, let's say the top line is about 5 million dollars. If you look at our costs and again I did glance at the consultant's so I'm going to compare some of those numbers, the cost to goods, what we buy that actually sells is about 30%, our labor is close to 30%, so that's 60%. then blended, what we give you is about 23% and we were proposing to give you a little kicker on those efficiencies that Mr. Lucy was talking about. So that's 95%. So what we're really talking about is 5% is kind of our piece of the pie if you will. But then again, from that 5% is that 1.4 million. So we're getting down to, we're in a thin margin business but that's how we operate, but what it does I think shed light on is the risk of taking this in house that you really have to be very efficient or you're going to be eating into what we've giving you, there's not a lot of play there, especially in this type of economy. So I'm hopeful that we can sit down and certainly we're very open, if there are ideas that this consultant has that we can help you implement, that's what we're here for, we want to bring obviously our 50 years in this business and all of our expertise, combine that with some of these strong findings from the consultant and structure something that does get you where you need to be and I do firmly believe that that will be together. Again, I would hope that we can get to a longer term, the five year, because again that does allow us to immediately make that kind of significant investment that significant investment of course is in revenue driving projects that again gets us closer to these numbers that the consultant is talking about because we have improved amenities, additional points of sale, etc. but I just want to say we have appreciated being a partner, we want to continue to be your partner but I do believe that probably the best solution would be found in continuing to have us focus on what we have the expertise and you focus on the broader entertainment vision and that we can fulfill our role within that and we certainly do recognize our responsibility being in the front line as it were in terms of touching your guests and we do want that to be seamless within your overall customer service, customer experience vision. So to the degree we can partner with you to improve that, whether it's joint training, we're all for that so I appreciate the opportunity and look forward to continuing to work through this with you because I really do believe that together we're stronger than you would be on your own.

Thanks very much. Others?

Could I have a motion?

I move.

I have just one quick thing. And this is to recognize the gentleman who every time I saw him he remembered I was on the ORDA Board would say: I created that you know, and Governor Carey just turned 90 year old, and I remember him very well coming to the base of the ski jumps and signing the legislation that created ORDA and I think that we should just at this opportunity send our congratulations on the occasion of his 90th birthday and he's very proud of this organization and was very proud at its creation, so..

You want me to say it on behalf of the Board or..

Yeah.

OK. Did you see the other letter I think you had asked for, the one to Joe Land is included in here too.

Thank you. That's great.

Thanks Cliff.

democrat.

Yes, he was.

Dennis?

Excuse me, one last question, one last thought, we would love the opportunity to do a presentation so whenever you folks meet together, we'd like to take ½ hour or 45 minutes to be able to instead of defending ourselves after the fact, do a formal presentation to the Board to see if there's some way we can do for you in the future, we do appreciate the business. Sorry I didn't mean to get a little defensive there, and it was a little bit of a challenge to hear some of them and not be able to respond right away to it. But we do appreciate it and look forward to being able to sit down with you and meet with you on this. So if we could be for an opportunity to meet with you.

We will certainly take that under consideration that second. Anyone else?

We had started.

We had a motion to adjourn.

Second.

All in favor?

Ayes.

I assume there's no opposed.