

Good morning. I assume that Joe probably is out of telephone contact, he'll be very shortly but we'll do any stuff that's not action item to begin with, but first of all I would like to acknowledge Rennie Pressen, from Wilmington.

Right.

Our new member from the Empire State Zone is Peter Hohl. Peter? And from the Convention Bureau and Jim McKenna and Arlene Day. Welcome.

.....

thank you.

We hope you had a great report from you Jim.

You're going to get it right now.

That's what we like. That's the best kind of report sometime. We'll do a role call, first Mary.

Good morning. This morning we have Sergei Lucie

Here.

Ed Wydot.

Here.

Cliff Donaldson.

Here.

Peter Roth.

Here.

Earl Tagaman.

Here.

Patsy Lau.

Here.

And Bob Frank.

Here.

We have a quorum.

Has every, has everybody reviewed the agenda? Are there any additions or deletions or things that maybe should be added at this time?

..... committee report on the agenda or are their maybe .....meetings since the last time. There were no meetings.

Okay.

Let's have committee reports.

Okay. There are no, no changes in the agenda, I'll have approval of the minutes from June 24th.

Any motion.

Robert Musa. Any? Second?

Second.

Bob Black seconds it. Alright. I guess we go into the President's report.

Do you want to do all in favor?

Take a vote.

In a vote?

I'm sorry yes. All in favor?

Aye.

Opposed? President report, Ted Blazer.

Thank you Vice Chairman Lucy. First of all, I'd like to thank and acknowledge our staff that's here today, Jim Galph, Director of Events helped set up, get us set-up here for the PowerPoints that we're going to do. Mike Pratt is here, Bob Hamond, Kathy Bushy, Denny Allen, and Tony Carlino. And in between the last meeting that we had, Jay Rand retired, and Bruce McCully is the new general manager at White Face Mountain and Bruce has been with us a long time, he's going to be adding an awful lot I think in carrying on the tradition at White Face, so we welcome him. Bruce, welcome to your first board meeting.

Thank you.

What I'd like to do first is I'm going to go through some pictures of some of the projects we are involved with this year, and so maybe you want to get comfortable it's going to be on this television screen right here.

Great.

And we can do this a couple of ways. Mike is going to be making a report on the progress of the Ski Bowl, so when we get to that point maybe Mike, we can just stop the slides for a minute and you can do that instead of doing it later in the agenda, but we're going to leave the bulk of the conference center reporting to after my report and Jim and Ellis I believe so that we can also hear from Jim McKenna in our plans, the operational plans for the conference center. So, we're going to start with the conference center. This is the first day of demolition and actually Carolyn was down so yeah she brought part of this whole thing and you know it's a bitter sweet type of thing when that happens, you know, you all of a sudden say, I guess we're doing the project, so it progressed into some rubble and there's a double side of that. We're digging for foundations, from here the steel is going to go up, this is how it all started. Actually Denny and I went out with the sledgehammers and we started the hole in the wall. That didn't really happen.

Really great construction crew, right there.

But thank you. This is underneath that area, there was a large tank and Bob, what size do you think it was?

I thought it was 5,000 gallons and then it looked to be 12,000.

Twelve thousand gallon tank, so. But if the tank came out there was still fuel in it, clean bill of health, there was, we had, was it DEC over and we did the soil testing and unbelievable. It was in there, Denny, from the 30's?

We're estimating the late 30's.

Late 1930's.

.....take it out.

LOM stands for Lookout Mountain, so this is the new glades at Lookout Mountain that are going in, and Bruce what's the location of those?

These are in the East side of the Wilmington Trail.

Okay.

And down through the valley, Sugar Valley as it we also call them Sugar Valley glades.

About how long are they?

We'll have at least a little over a mile of skiing in the woods, I think, we're going to have three separate entrances, so you'll be able to drop in the little shorter runs or the little longer runs.

These look like a lot different from the other glades we have on the mountain.

Yeah, you're in more hardwoods, you're in some nice, real beautiful sugar maple forest, it's a real pretty area.

We're wide open it seems.

Yeah.

Yeah. Oh, okay. We did additional, just below, I don't know if it's a halfway point but before the part that goes to Lookout Below, just below that part, after the long flat, there was a section that staff felt needed to be widened a little more, so we did some more rock rearrangements.

That was where that steel fence was where it's so steep.?

Yes, it's right in that area where the permanent fence was, and there was a real choke point.

Where?

How wide, how much more could you get that?

I think we added around 25 to 30 feet to the skier's right.

Which is two widths of a groomer.

We took the ski, you know, the snow line out, blasted and ...

There wasn't much rock there was there?

Quite a bit.

About time, this is the three-way lift which is also lift 7, and where the towers and the chairs are being painted.

What color is the paint?

Black. Georgian gray, the towers are black.

Oh.

So now we're over to the ski bowl, this is the new lip line going out of the ski bowl, up the mountain. This is where Mike will be installing the new fixed grip triple.

Right, at the top, this for, this .....will replace a 1946 T- bar.

Okay, then there's a river crossing, stream crossing.

This is crossing Roaring Brook, and we're building a ski bridge.

What kind of decking do you put on that?

It will be, pressure treated decking.

Okay.

Basically standing vertical and .....

This is the. the lodge area down at the ski bowl and ..... behind it, is that the pavilion behind it?

Yes, it is, that's an open pavilion behind it which is the, an oblong on this core side. The line, we received a grant from National Grid and it's just a single story we're putting up, 20 ft. addition on the width of it and a new shell up around it.

This pipe, you put pipe on Sagamore Trail this year?

Yes, we did and then we're stringing pipes, to put on our other trails for the interconnect project. Okay.

Back up generator. New boiler system, better. Is propane fired?

Yes, it is. Two winters ago we had our fuel oil tank pass, a fail on its vacuum test, and when we pulled it out we put the infrastructure back in the propane. Last winter we converted a couple of our old boilers to propane, and this year we are getting new boilers in there.

Can I tell you this job when you go and look at that, this used to be, this room was jam packed filled with, was it two big boilers that were in there?

Yeah.

Huge, took up the whole room and now you've got all this space in the front with those three small propane fired.

The estimates are about 22 percent improvement in efficiency.

You'd like propane fuel if you will .....state contract following.....

Well, we do the best we can to buy on state contracts. Sometimes, we're not able to get it in our locations on state contracts, so we go through a bidding process, you're doing that with your fuel.

Yeah, we're fortunate that is a state contract done on propane that we're taking advantage of, and with a...

But not with fuel? Fuel oil, right or diesel?

They are all pro-diesel.

We have to bid that. Remember we're hearing that we're going to be replacing the roofs, so that's the roof process going along there, and the base lodge is looking great. We bought, you know we remodeled the bathrooms and expanded the bathrooms last fall. Now we've, there are a lot of remodeling on the inside.

This is the bathroom, new restrooms.

It's a lot better looking than the old one.

With the new heat, the roof, it's really come a long ways in two years.

Do you want to say anything else about the Ski Bowl project.

If you could hold up the poster for everybody.

Okay.

There's just a ton of synergy and excitement, enthusiasm. The three main trails going down this ski bowl there, the lift line and the other two trails are the historic trails from the....that were built in the 1930's and 40's. And then, from the top of the ski bowl lift, you'll be able to ski over and access the burnt ridge left in...

That's this, right here, right?

Right. And then the one coming back down is the pipeline trail that we built when we tapped the Hudson River in 1997 to ski back down to the ski bowl.

Any questions about Gore?

We had some maintenance things that we did have to do at some of the other facilities. Replacement roof, cross-country lodge. We have a new entrance that is going to take our visitors straight in. We're actually moving ticket sales into the downstairs area of the Lammy Lodge. It's going to become much more efficient. The food service area there has been removed. It's upstairs now. We've been doing the food service there this summer, and it's been successful for us. The um, I think we're going to be able to be much more efficient by doing it this way.

So you like your food service. Do you make food service there all in the summer time?

Yes, we were doing...Tony, do you want to say exactly what we were doing. We're doing beverages and coffee....

Coffee is Sliced-X, prepackaged in, in .....

Yeah.

So who's doing that? That's being done by...?

We're doing it.

You're doing it?

Yes. We have talked to Centerplate....

Yeah.

...about certain things that they maybe would want to do that might have been a drain on their budget that we could do and so we were taking the profits from that.

Should we be in layoffs?

Yes.

Good. Good, James.

This is the new shading, it's coming up the... We're almost done. We're just about a couple of hundred feet short of the upper take off, take out now. So this track, one of the only ones in the world that's completely covered except for just a little bit at the top. Total environment inside now, it's much more energy efficient. It guarantees training and it's much cheaper to operate, easier on the staff, takes less staff to operate.

You know that?

We have, the trials start for the teams of last....

They start racing now on Monday.

Monday.

How about public rides?

Public rides will be right after the team training, correct.

Yeah, we're keeping the Will program operating until Columbus Day weekend, through Columbus Day weekend and

Right, after Columbus Day, we go to public rides on ice.

With a hotel, that's a good deal.

We also, and I didn't get the pictures in, but at the jumps, we, we did a paving project, the United States Olympic Committee assisted with funding. We have some athletes, biathlon that are Nordic combined that are going to be doing extremely well in Vancouver, and they're probably right at that point where they're going to medal. So the United States Olympic Committee and our staff realized that this was an important training tool for them, so we were able to repave the area and make it much more applicable to their different sports and it ties in with the target range that we have there. Tony, anything else on that?

..... papers, the addition next year of another, minimum number half K of times so that way, they've got a 82.5

That the U.S. will see a help fund. So, okay, back to this. They, the weight room. This is an addition to the weight room that they already have. We actually, our staff, we're responsible for the maintenance of all the training centers since we built it. We have a contract with them. So we had stairs, concrete stairs that were falling in disrepair. We've done it over with actually pressure treated. This is the new sprint facility that they've put in that... A lot of the sports that we have are explosive in nature, starts, so this gets a lot of play right here. The one thing that's, that we are proud of is that we have a residency program here at the U.S. Olympic Training

Center, where the athletes actually live here. But what has been hard is that they were always go to the cafeteria and have been eating the cafeteria. This is the new kitchen that has been put in. It's got a dining room table there. It looks out, you know, over the trees and things. They're going to drop a deck in, an outdoor deck there next year, but this allows people to go in and they can cook, and it's, it just makes them feel like more home instead of having to go to a cafeteria all the time.

How many use it.

There's 46 right now. They want to add another kitchen. Forty-six people in residence.

People and they use it?

Yes. Yes, when I, I was in there, I could smell cookies.

Who pays for it. I forget. Who pays for the food? They do?

They go down stairs and they can get anything they want out of the kitchen at the Olympic Training Center, or if they want to bring in special stuff, they can bring it in on their own. But if they want to go down, they get a tray of eggs or the, you know, they go down, they bring it up there and cook it. Now this is a program through Panasonic and the U.S. Olympic Committee, a \$400,000 investment in our facilities is underway. Cameras that are going to be up and down the track. It's called eye on performance. It's going to help the athletes in their training process. And this is just a some off the boxes that were in Jack's office. He's got the television monitors in there, the cameras and all that kind of things, and the computers, but that's going to be put all along the track, and when not in uses, we're... There's going to be a big television screen monitoring with diff, 14 different cameras. Is it or more?

Twenty, no it's more than that, thirty-two.

Thirty-two cameras. So while I was able to see all the cameras and we'll be able to clear the track and look at the track, and it helps the safety for us. So it's a, a nice investment, a safer product for us, and it's just another way I think the U.S. Olympic Committee is part of our venues. This is a typical camera. I think that's it for projects and things, any questions on that, in that regard? Aside from the other maintenance that we're doing?

Oh, the update, update on the Harris Center.

That's coming.

Okay, I'll finish my report. Our summer visitation, you know, you always wonder what's going to happen when you hear things on television and the radio but, our visitation, we're 4 percent in visitors. Our revenue was down a little bit. It was 1 percent down, but I call that nearly flat, so I call it, this summer has been a real success. But the real success I think has been against budget and last year, and Jim will report on that, and you have his report in your packet, but our personal services and non-personal services with our venue managers and department heads and every body paying close attention has, we've seen some rewards there and really controlled costs. We had some great events this summer. Since our last meeting, we had our free skate competition, ice dance competition, we had "Wet and Wild Wednesday's, Soaring Saturday's, hockey events

and tournaments. We had the 10<sup>th</sup> mountain rededication at Whiteface, Saturday night ice shows and junior grand prix figure skating. So it's just made for one of those summers, aside from the other events that happen in Lake Placid that you all hear about, it just adds, rounds things out. The fall and winter is ah, is going to be very busy for us. We have upcoming, the first thing is, we've got Coca Cola, Five Guys, Burgers and Fries Challenge Event. It's 70 District Managers from Five Guys from the U.S., they're here for three days, and that's one of the largest growing chains in the United States. And actually, they're getting these, Coca Cola is, is bringing them in for this challenge event, and these are the lanyards, but if you look on the inside of the lanyards, it says, I used to be a soda bottle. So these are total recycled lanyards, which is where we're headed with everything. We have, the October fest is coming up, Flaming Leaves Festival. We have, oh, I wanted to show you pictures. First of all, October Fest is coming up. And we always, we always distribute these so they're always great looking things and things to hang to. The "Flaming Leaves Festival" and you heard Mike talk. We, we got a harvest fall fest coming to Gore. We have national team trials, Olympic recognition and send off even that we're going to do when all the athletes are here in town over Columbus Day weekend. I think it's going to be a great tribute to all those athletes. They're going to be heading off to Vancouver. We have the hall of fame dinner. That's scheduled for that weekend. We also have the first sports summit, that Morris Smith and that group are putting together. So we've got a lot of action that Columbus Day Weekend. Also coming up pretty soon is New York City Media Night. And New York City Media Night is going to have a lot of new activities. We're changing location. We're working with "I Love New York" and they're associates of Blue Hammon and Associates, which is a PR firm. We're throwing our media list together, their media list together, and we're going to put more of a national punch on this aside from the regional attraction that we've always had. And I'm thinking this year is going to be our best media night ever where will have our ski facilities down there interfacing with the different writers from New York Times, New York Post, Daily News, the different ski publications, also the other trade publications that are out there that are non-skiing like different magazines that will be there and television and news services: radio services, internet services. And we also interface with the other ski areas along the interstate I-87 corridor, so it makes us a New York State package, and our goal is while we're promoting what we do up here in the Adirondacks, we're also promoting staying in New York State, and spending your vacation times or your weekends in New York State because we have so much to offer. But it's an ongoing mission that we have to keep very diligent about. Ski shows are coming up. Mike just told me that sales doubled at our... We had a wonderful ski show at where?

Syracuse.

At Syracuse. Skate America, upcoming, huge, one of the biggest skating events in the world will be right here in our back door, and it's going to be on the 12<sup>th</sup> through 15<sup>th</sup> of November. Sales are going extremely well, and we're out there pushing all the time for this event.

TV, what's the TV on that, it's a pretty big deal.

The TV is N, it's an NBC show.

Right, NBC is live Sunday...

Is live, it is live?

Yes.

Really?

Wow.

And then it's also broadcast on the...?

It's broadcast around the world-wide, ..CBC, Japanese TV, Grains Television.

Then it's also on the internet isn't it?

Ice net, right?

Ice net, Ice network.

So there are contracts that, this year, is that, is that, we have an option, right? Options, how do we sit with that for the following year?

I believe it's in the spring.

They normally move it east to west.

I know. They still plan it that way?

Yeah.

Do we know?

Well, we know that the, is the next one already planned?

In Washington?

Nationals are in each state.

Oh, Nationals.

Yeah.

So we don't know.

I think they have awarded next year's.

They have none.

Okay.

Okay, um...

They need to say that's the biggest deal we every had in November. It's a really big deal.

Yeah, it's going to...

It's a November event, it's like getting Christmas.

Not only is it, you know, it's a great event to exercise our venues and you know, for revenue and all that kind of thing, but it fills, you know, it's going to fill the towns and hotels, motels, shops, the restaurants, all that kind of thing. It's the perfect economic development event. World cup bobsled we'll be coming up this year and skeleton as well. We'll have World Cup freestyle, and there is going to be three events and that's going to be aerials, mobiles and is it called skier cross, Jim or solstice, skier cross, right? He's gone, okay, skier cross. We have three waves of winter Olympic challenges coming up. Glob Trotters, Empire State Games, Division 3 NCAA Hockey, U.S. Alpine National Championships and then a lot of other things in between. So there's a, there's a lot coming at us. Our winter operations, basically, we're going to be taking advantage of the efficiencies in our track and the efficiencies that we've built into our other venues to control costs. We're going to optimize improvements at Gore and Whiteface. We're going to promote Lake Placid, the experience and our passports, and like I say, we're going to be controlling cost at every venue buy putting out one heck of a product. One other thing I'd like to add before I close is the Governor's Office for Tax Payer Accountability has been created. And it's a state-wide initiative for savings and control. It meets every two weeks now with the different authorities and agencies, and we're part of that. We're part of the big picture of New York State's effort to watch what we're doing, promote revenue but at the same time, control expenses and increase awareness to the taxpayers. So, we have a, actually a part of our website that is dedicated to our efforts. Anytime we do anything like a control of paper, you notice that this board packet was a little smaller than before. You know, simple things like double cop – back, front and back copying and that kind of thing. So, we'll keep you posted as we go through this, working with that office. All in all, we're headed for an exciting winter season, in events and activities, and I think our improvements are going to continue to attract visitors to the Adirondacks, we're anticipating a great year. Do you have any questions, send them my way.

Chad, what's the dates for the New York City Media Night?

November 5<sup>th</sup>.

Well, I think you deserve congratulations concerning your operational plan to make up the slack on the state's contribution and it shows in your reports on a monthly basis where you reduce staff, eliminated overtime, and reduced ten people and to make up that lack of the state appropriation meeting what you had hoped that it would be, so congratulations on that.

If I could take off on that just a second. We, as Bob's referring to it from the P&L's, there's a line item for state appropriation, and it's, and Jim, Jim will explain it in more detail. A lot of it is timing issues of when, compared to last year, when do we get our state appropriation and that kind of thing. So, from the timing issue, it looks like, it looks like we've gotten less money from the New York State. We've just signed a cert for another portion of it, that's, you know, we'll be here in a couple of weeks. Right now, we've got you now, we're doing okay with cash because it's summer operations. Some important things to note though is season pass sales for us, we're ahead at both ski areas right now compared to last year, substantially ahead of last year. So, that's helping us get over the humps of, you know, getting the, the appropriation being a little later in time.

Can you qualify that, that, how much?

Yes, I can give you dollar values. I don't have it, a percentage. This time last year, Whiteface was \$780,000. This year, it's \$815,000. This time last year, Gore was \$1,174,000. This year 1.5 million.

That's good.

We, we generally, we generally, both ski areas, pick up about 7 to 8, 700,000 between now and the November deadline, or when we open. So, you can see that Gore is going to surpass last year and so will Whiteface surpass, surpass us.

What's the deadline?

November...it's right after the opening ski show.

I think right, right after the Albany show.

Right, the Albany ski show.

About the 11<sup>th</sup>.

Okay.

So Gore should climb over the 2 million mark, 2.1, 2.2. Where last year, they were at 1.8.

Three million.

Do you market the ski pass promotion?

Yes, yes there are mailings, yeah.

Does Plattsburg picking up at all?

Not much.

That I...

Plattsburg's sort of....

Plattsburg is, you know, it's a, it's a fairly... A lot of the guys could go to Vermont, which is crazy.

We don't know that?

Well, Bruce, do you have any info on that?

I don't really. I couldn't say. I know we, we market more at the college there, and that's been picking up, but as far as the residents in that area, I don't really know.

We do a decent business in our way.

Right.

We have.

But it seems to me that the market was very good for us.

Right.

Okay.

Well, the point I'm making that comment is that obviously if you market it correctly, you get the cash in and then you don't have to borrow short term, and you save interest rates.

Right.

So, the market effort to sell ski passes early is a, is a good economic sense.

We all know that, you know, this, right now, we rely on that. Ed and I call it the dark time. You know, once we, once we stop Columbus Day weekend, then you know we're pretty much at the mercy of where we might have in the bank or the, the appropriation that comes in that helps us to get through the period of time where we start to make snow again. We bring staff back in to make snow and ice. You know, the expenses go up, the revenue goes down, and then we're kind of, we wait until we get to mid-December, you know that holiday period where we start to build back up again and pay off our bills and move into the winter. So, we're entering the dark, dark time pretty soon. So we're very thankful for the support we get from New York State and our operations, and we're very, I think, also thankful for the investments we've been able to make in our facilities to help us promote things like season passes and ticket sales and that nature.

Okay, good..... More questions for Ted?

Yeah, Ted, where does the zip line stand?

We haven't moved actually past where we were in the spring when I recommended that we kind of hold off taking on any additional debt. We um, you know, it's kind, it's still uncertain about where we're headed. I know with our budgeting for next year, we're going to probably be on a zero-based budget again coming out of Albany. We're, we received the call letter, and so we're, we're just trying to be careful and not take on any additional debt this time.

Didn't they, didn't the original analysis say that even after debt service, we should recognize something of a half a million dollars a year.

You're right.

That's, that's not really an expense as an investment. I guess the reason I ask is Hunter Mountain, just announced that they're going to put in the largest zip line, the longest zip line in the world? Well, certainly in, in this country, maybe in the world.

Where, that, Buck, I'm not sure that's a done deal yet. I know they're exploring it. It is, they're looking at a 6,000 ft. line which would...and multiple lines.

Yeah, I think you started today, probably by November you finished those zip lines, but interesting, but you've seen that in a lot of different resort areas. Everyone's sort of going to the zip line concept and say that's what you get, we're going to have the largest in the world. The competition's out there. I think that they're pursuing is a land lease deal where the company would follow construction and everything else and it would just be a straight up lease.

There's, there's different, different options though.

Yeah.

I think, you know, as Ed's comments have been, his were even better, I think the point is that before we get back into zip line again, shouldn't we review what's, other people are doing and how they've done their histories and so forth? Because all of a sudden, where zip line is a really great thing, and if you're leading Peter, maybe it won't be as good as we think it is or the thing it was before. So maybe before we look at this again, we ought to call the other ski areas and see if they're doing it well as they, as we think they're doing.

Well certainly that makes sense, for I know the zip line is something that brings people to town. I think it's a way to achieve more revenue once they're here.

Like the, like the bobsled run. I agree.

Exactly.

The right combination.

Okay, can we say that, ah, at the next meeting I can give an update on the zip line?

That would be good.

And then, we can decide if we want to move forward with it, and I think that would place us in a good position, Tony, don't you think for spring construction? If our meeting is at either November or we're not sure yet, Mary, are we as far as...?

No, early November, that hasn't been set yet.

Yes, okay.

One more question, Ken.

Thanks Ed.

Well, I'll move on to the financial report, and companies.

Thank you. I believe you all have the financial report in your report package, and this is reporting on the four-month period ending July 31, 2009. I'll start, really kind of echo some of

Ed's comments on, you know, kind of the big picture of where the finances stand and what's happened through the summer. You certainly are hearing about the stroke, State approp. it's, you know, a million three, almost a million four last time I appeared at this time and as Ted said, really a lot of that's stymied. But, cost cutting is up to offset that as have the seasons pass sales, so if you look at cash flow, again, often a big chunk of that State approp comes in during the spring and summer when the cash flow is a little bit low. But absent all of that, you know, Ward has still, has paid down payables and accrued liabilities from year end. Paid down the line of credit, almost \$900,000. And you know, cash is up a little bit from the end of the fiscal year, so, you know, again, you know real, things worked out very well, even given the state delay in making the .

Look, Jim, un-delay, so what are we actually, without delays, what is our, what are we down, State appropriations in our forecast?

I think it's 600,000 this year. I mean from, compared to last year...

Oh, 700.

Seven, okay, so that, by the end of the year, the state approp will be 700 plus the margin....

And we hold our budgets that way.

Yeah. Kelly out to be able to overcome that shouldn't we?

We already have, I mean, we're already, if you look at, you know, the combined and Jim will tell you the com-combination of personal services, non-personal services, what that adds up to right now.

Okay.

I mean, we're, we're trying to make, put ourselves into a position of being successful for this winter. I think, you know, that's our whole goal has been, in our staff meetings, let's put ourselves in a position, a cushion so that, God forbid anything happens or we lose something we're in a position where we can be successful this winter, and that's what's, that's where we're at now.

Yeah, total operating expenses before depreciation is \$645,000 less than last year, and it's a million two under budget so again, we said the budget was built around a little bit longer state approp, and you're even well under budget, so, that's good. But going back to my, my summary, you know, we take a look at the four months this year versus last year, the operating revenues are a million, 1.46 million less than last year and a million three six of that is, is the state approp. Um, the skiing/skating activities is \$141-142,000 lower than last year. I think we saw in May, it was a similar trend. I think just the first couple weeks of the fiscal year at the end of the ski season, wasn't quite what it was the year before. And then too our event and missions are \$67,000 than last year. But I would point out that the sponsorships are almost \$60,000 a head of last year, so that's a trend that really started to reverse I think last year as a slight increase in year to year in the sponsorships. I presume some of that's also sitting in defer, because many of that, the corporate type sponsorships, are recognized greatly over the course of the year versus you

know all at once, so the cash is I the door and not all the revenue has yet been recognized. So, that will also affect the revenue going forward. On the expense side, personal service expenses before capitalized labor are actually \$337,000 lower than last year. That's over 7 percent lower. Again, as was mentioned it's really reducing overtime, taking a more careful look at how long the seasonal employees are on in the spring, not filling positions right away. Bruce, for example, is doing two jobs now, right? Payroll added costs also decreased from last year which is good. You expect them, the decrease of labor decrease, but you know again, Worker's Comp it seems always goes up. Health insurance always goes up, and health insurance always goes up. So it's not a similar percentage decrease, and then after deducting capitalized labor, the personal services decreased by \$204,000 from last year so, I suspect the capital, there would be more capitalized labor in August and September as the projects really get going, like the various venues. On the non-personal service expenses, you know, excluding depreciation are \$615,000 lower than last year so that's 22 percent, so that's a very, very significant decrease year by year.

So where, how does that break out?

Ah, a lot of that's utilities, you know half of that's utilities, and again, that's some what expected because utility rates and the diesel fuel costs were quite a bit lower than they were a year ago. You recall, it was that late spring, early summer period last year when they were at their peak. So that certainly helped, but also supplies and materials are down 100, almost \$170,000. So that's obviously a little bit more discretionary, and that's been cut back and I believe all the categories except for maybe one small one there.

Traveler.

Under a thousand, a little bit higher.

Travel is .....

Travel is down.

Okay.

Fifty-three percent is it Kathy? Fifty-three, best Estimate.

Ah...

Travel is down, what 53 percent?

Yeah, maybe not in July. I think it was...

Overall this year.

Yeah.

So through July 2009, for four months, there was an operating profit before depreciation of \$449,000. A year ago, same period, it was just over a million. Again, when you found there was \$1.3 million state approp. you really have of last year, comparing apples to apples. Comparing, ah yes, Bob?

Well, I, I think I, I'd like to make this a point again, and I really want the New York State appropriation and the town of the North Elba appropriation transferred from operating revenue to non-operating income. There's absolutely no question in my mind, on an accounting basis, that that's not operating income. Now, why do I want that done? I want that done because it solves the problem of adding and subtracting the true operating income of this operation. And it, it will obviate you coming up here and saying well this is this but the New York State appropriation is and isn't. It should not be in operating income, it should be in non-operating income, and without further adieu, I made that absolute request to be done, Mr. Chairman.

I second that.

Well, wait, he did that before. We had those way back.

I don't want to see it up there again because I think that....

We had this, this is gone.

I'd like to really, clearly take a look at this report and say boy, they're doing good at operations without having an explanation as to do with either the town of North Alba or the New York State approp. Thank you.

That's an excellent point.

Yeah, Bobby made that. That was a good point made by Bobby before, and I assume it is going to be done. Why isn't it done?

Well, we did it on the auditing statements, it just hasn't changed, I'm going to try.

Thank you, if you change this, this template, I'd appreciate it.

That's my fault. I'm sorry. I forgot.

That's okay.

So, that's new, we had a, we did that once before the motion, you want to motion again on this?

No.

So where is it?

It will be done.

It's going to be done on non-operating income.

Yeah.

What will I do with central or....

Well, I think you have to change the coding. It's all, okay, so

More coding.

Is there...

We're going to do it. We'll move forward.

Is there a little bit of apples and oranges here too, because the non-operating income is also construction grants, so...you know....

Yeah, I don't even factor that in, because that, yeah, that is, it's construction grants or not.

And this doesn't include, this doesn't include these numbers include, like the convention center, or is it just capital monies or maintenance?

No, it would be capital for any construction including the convention center.

So what's it going to look like is our net operating income loss prior to depreciation will always be negative.

Yeah, that's fine. Yeah.

Yes.

Does the vacancy seem to read a statement?

Or, if you will, more than likely would be an accurate. But you know, the problem I see with some of this, and it's, I understand it's an accounting issue, is when we're, when we talk to people or people request our financials, and they look at it. They'll say oh there's ORDA losing money again.

Yeah.

It's just the way it looks. This way, it's above the line, and you know, before appreciation and it has a different look than if it's always in the red.

Poor

Oh, you know, you can, you can compare...

Only before this.

...a separate summary sheet that accommodates what Bob wants and what I want before Bob wanted it. Just so that we can look at it easily, as Bob's saying without doing any adding and subtracting, and stay with what you're doing but just put together another summary sheet that accommodates what Bob wants and what I want.

Was there any financial accounting in recent light? I mean, it's been like this since 1982, right?

Yeah, internal, externally, it goes down below operations, do more.

But internally, our profit loss, it has always been like since we started.

Right.

Well, Ted, Ted, there's that, your comments are good, and it's according to how people look at it. Well, I think the, the important people looking at it will find it better the way I suggested. And I think probably the most important people looking at it are those that you're seeking money on the State appropriation, which is the budget division. If the budget division recognizes that they can not survive without a state appropriation adequately, and serve as an economic impulse to the entire north country, and a continuation of New York State as a great state to be always competitive in the Olympic field, that's a contribution that the State's making, and I don't think that, I think that, when they look at it, and see that it's necessary for them to keep that appropriation up, it's more positive if that number is down at the bottom than up on the top in operations. Because they don't spend the time to really look at this thing at all, and although they have the name budget division, I don't think any of them have an adding machine. They're just used to saying no, and so you want them to put the adding machine aside. You want them to take a look at actually what's happening up here and what the State's contribution is, and how it's important, and whether it's a plus or minus a million bucks to me doesn't make that much difference. But I would say it's more important to show it as a minus.

We'll do it.

If it's a plus, they'll cut your appropriation.

Your' right.

The other thing, it would be helpful if all those numbers are on the bottom. If they're sorted by what non-operating income and sort of operations and sort of operations and what is for capital, and also the capital expenses. You weren't clear, and then have it on this, you know, together, it's hard to get a sense that... So if you're putting them all in the bottom, it would helpful to see that what's collaborating and what's ....

Sort of operating approach on capital?

Yeah, it sort of apples and oranges. You have operation expenses and maintenance and capital dollars in that operations but within that, you can stretch the activities, income and expenses and, and if they're all messed together you can't sort out what, what's going with what.

Well, they do have...

I support it with Bob's saying because originally I was looking at my own convenience, but Bob has a much bigger point here which is it's a marketing effort with the budget.

Yes.

That's important.

You've got a market them.

Yep.

You got to really....

And I think that's a very...

....keep areas in.

....that's a really good reason for doing it.

Yeah.

And, and...

I'm okay with it being wherever ....

What?

...just as long as it's clear what's operating and what's capital.

Yeah, yeah.

The budget division is the one who sets that final number in there. We all know that the y change. I mean, you know, who ever you have is a principal one year, is very friendly to you and all of a sudden, they're gone and somebody else is coming in there. So you have to have some continuity down there, and you have to treat them with, in a way to get more money out of them ever year, what ever that way is.

Alright.

I hope they're looking at this thing.

Ah comparing the budget and actual, I guess we'll ignore the revenue side because it's the, on the state approp. difference. But again, the budget actual sort of mirrors last year to this year's actual and in that the expenses are under budget. Some of the operating revenues are also under budget but probably the most significant difference in the budget is that when the budget is put together, there was contemplation of the zip line being up and running. So some of those revenues that were budgeted aren't there, but also some of those expenses that were budgeted also are not there. Everybody talked about the cash flow that operations did provide cash flow but it went out the door to pay off debt, also to do some capital improvements and from the beginning of the fiscal year, cash balance is up \$117,000 from last year.

Is that 117,000, 1 million one seven? No, it's, I'm sorry it's one, it's one seventy. There's an extra zero. Transactional one and sorry, 170,000 last year.

So if you project that, how do we sit now between now and Christmas? Okay?

Yeah, but the State, you know the state cert, and after this last. After this last one we received for the next cert., we'll have 1.4 left?, 1.4 left in our appropriation.

Yeah.

Yes.

This gets them to the holiday in December.

Yep. ah...and the big expenses you know it starts depending on when snow making starts, and we get some very electric utility bills. When the snow making starts and then obviously you're adding waiver as well. So, you know part of the cash flow is dependent on how, when you get that first bill how long can you push it off before you pay it. That, that certainly effects cash flow.

So we, we project that every year so it's going..

Yeah.

So, and we're saying that we're okay if things aren't disastrous until Christmas.

Yep.

So we, we're trying next meeting.

So we get money to make snow, which make you very happy, all of us happy.

Snow.

Snow makes money. Ted, I'd like to echo what Bob touched on earlier on which is the management and staff I think did a really good job in controlling things. I think they should be commended. I would put that fourth as from the board, but certainly if not from the board from me and I think Bob. I think the manager should be commended, but I think the manager should encourage their staff or be encouraged to commend their staff because I can't do it without their support, and the fact that this is happening, means that the people in, in the trenches are willing to support management's effort here. I think it, everybody participating that gets us to the point where we are.

Thanks for saying that.

And it's really good. You could pass that on, I think it would be great.

We certainly will.

The old board echoes that Ed.

Yeah.

Yeah.

Alright, any other questions?

No more questions for Jim?

Alright.

Thank you.

Thank you, Jim.

Is there any more old business we should be discussing that we have not discussed? So we'll go to new business and we'll go into a conference center update.

Okay, Bob Hammon, our Project Administrator, will go through the nuts and bolts of where we are right now with the project, and then we'll follow that up, Jim McKenna, the present CEO of Lake Placid –Essex County Visitor's Bureau, will work together on a presentation for the operation plan.

Thank you, Ted. Three topics to update.

Just a second. Does Bob need a mike or anything or...

He's fine, he speaks out.

Okay.

Three topics update. Every one in today is design, bidding and scheduling and budget. Technology design continues to be on schedule. The design of the exterior shell and the roof systems are complete and have been bid. Now the design efforts focus to the interior, detailing of the interior, detailing of the exterior, HVAC, plumbing, electrical systems. Bidding and scheduling: we've let 5 contracts since the last board meeting. That excludes the demolition which we presented at that time. Of those 5 contracts, we've bid that a re-enforcing of the Lucy structural steel, adjusting her trusses. We bid to supply and furnish the structural steel for the front superstructure. We bid for the foundations and the erection of that superstructure. We've bid for the back of the construction which includes the kitchen, the second floor for the 32 corridor, and some additional structural improvements to the Lucy rink, and we've bid the roof systems. When item that has been designed and is currently out to bid is the front enclosure. The bids have come in, all under budget, averaging between 4 percent and 25 percent under budget.

May I ask the cost. On a macro basis, we made a decision not to go ahead with design and build because we felt it would take too long to get the permission of the unions. And you made the statement and the pitch that your internal staff could substitute yourself to the design and build, which is the letting of the contracts. How smoothly did that take place and did it cause you to increase your staff any great degree or to use outside consultants to help you in this process?

Well, my office primarily just consists of myself, so all the, all the design work has been from outside consultants.

Okay.

We did use consultants that were under term contract, and it's been extremely successful. The scheduling of the design was very, very aggressive. We are out to bid. They have, had all their milestones in design. If the weather bears with us, we will complete enclosing the exterior shell of the building. If we have a very rainy November, things could change and the roof system won't go on.

So when, when do you think your roof system will go on, the roof?

Well the, the roof, the roof includes, the roof package includes the new front construction, the Lucy rink, the 32 half of the dome, and then the new kitchen area and the related roof systems. We're not going to do the roof on the Lucy rink in the 32 dome the next year, so that cuts us some, some time, just because there's roof systems on there so it helps the roofing schedule. The construction of the back was scheduled through our scheduling for 120 days. The contractor and their bids, said they can do it in 60 days. So that will allow our roofing to go on a lot sooner.

Sure.

Start probably 50 days from, from this week in preparing to put the roof on. The front of the roof, for the new expansion there is tight. It has us starting the roof at the very beginning of December. In meeting with the contractor and the structural steel supplier, we're hoping currently to shave a couple weeks off that.

So, second, third week of November?

Yes.

So the, the term contracts, you talked about are part of the \$1.9 million on the budget you sent to the Site Committee?

On the soft costs.

And that, and there part of this list that we got to in our, and you see them in here

contract is that again....

What, we, we lumped soft costs as one line item, and that includes the term contracts, independent testing required by the building code, permitting through OGS.

So you, we go....

So they've been on this list?

Sure, short list.

So you, we go on with your roof throughout the winter if you have to? Of does it stop?

The, the a, limitation for using a TPO roof system that's fully adhered so the, there's environmental limitations on the adhesives, so when that window closes to apply the adhesives in conformance with the manufacturer's recommendations, then the roof will have to stop.

That's just, that's November 10<sup>th</sup>.

And we stop it so?

It's a temperature issue right?

It's temperature. It's been, it's been a, a, an aggressive schedule, both we're on target, and we're doing fine right now. We've had more consecutive days without rain and now that we've started the fall construction season, and then we saw the summer. So, I'm very positive. We got some rain today, but work is continuing. We're excavating and placing framework and foundations today.

Question.

Sorry about that.

the game on this one. So the design, the design build approaches, the approach that you've embraced for the project.

We're doing it as I build approach.

If we are bidding in full conformance with State finance and the Wicks law, the negative to it is that we don't have a guaranteed maximum price.

Right.

Because we're bidding as we go.

It sounds like you were seeing the savings that traditionally come along with the different bidding components. But such an approach and I guess that the reason I asked too, is this, this part of your response it, it must be a little bit tricky or trickier or if your just sort of doing it, private funds, given all the funding that sources and demand thinking how these funds are used and there are significant challenges there.

It, it's a lot more complicated, just due to the not being able to secure maximal price. But the bidding climate has been, been ideal.

Ah huh.

We are starting to see some increases in the commodity cost of steel, so we've already secured the majority of the steel for the, for the facilities, so that's, it's a big positive. The biddings been extremely aggressive. We have cut the project into some of the contracts into very small contracts which probably hasn't been that attractive to some of the bigger firms. But the positive is that it is giving more local construction firms the opportunity to bid and be successful. So it, it keeps more of an economic development more on a regional basis.

Any other questions, bidding and scheduling? Okay, then I'll move into budget. When I presented last time, our budget reflected where we wanted to be with the exception of fringes, fixtures and equipment, particularly for the kitchen and for the low-voltage systems. We're

carrying a \$1 million contingency and worst case scenario, that would be enough to cover that with all things being equal. We've been very aggressive in our value engineering. Since then, we've been able to maintain the million dollar contingency, and we've added into the budget and stayed on budget, \$384,000 of audio visual systems, \$214,000 in the structure caballing, and then the food service, we've added \$348,000 in to the base budget for that for the items that can't go in later like the, they're freezers and that type of equipment. So with that, through the value engineering items, we've continued to stay on budget and move stuff out of the FF&E directly through hard construction costs and maintain our \$1 million position.

Just say that a little, one million dollar contingency.

One million dollar contingency. And that's, that's my expectations that we get through the project holding on to that \$1 million contingency, and be able to do the renovations to the 32 at that point which will be a lot of that amount of money.

So actually, Ted, it worked out better doing it this way because you, you eliminated on the level of management, by not having an outside contractor doing the design and build, who then will mark up every subcontractor that he's doing. So you're doing that all in house and apparently you're, you and this, your one employee are doing a great job.

It is.

It, it's been a great team and a...

It must be.

Credit should be given to Jan Kevin, our Construction Manager, she's right here, Jan. And she's been great at coordinating the contracts that are on site and also the Olympics staff, like we mentioned before, we went through and did the interior demolition. You saw the tank, the tank went out there, we ..... ourselves. We arranged for the operator. We arranged for the abatement company, so once again we reduced overhead on that. Next week, we're going to install the storm sewer up front. That was a bid, I..... \$45,000. We should be able to do that for a fraction.

So all the checks for subcontractors go out of the Olympic checking account, right.

Yeah, oh yes.

Goes through your system. Right.

Yeah, well everything's... everything's charged, charged to the project. Yeah. So we, roughly at this point, we performed about 18 percent of the bid work, that's been, that's been accounted for. While we're into the, the work we're doing now definitely involves unforeseen conditions. You know, working up a building from 1932 and the 1960's, we definitely see some small surprises, but when we get into the final bid package, we'll have no underground surprises, so all that work will be done. And if need be, we can, it would be prudent to lessen our contingency but we're hoping to keep that right on, right on track. So through with the bidding to date, we've probably seen from estimate to actual about \$300,000 savings which continues to be of course within, within a, the overall budget, because some items while the exterior of the building is into final

design, we're still into getting into design development for some of the interior systems, so those budget items are more square foot based than actual. Currently we're working for instance on the lighting design and we'll be able to have much better budget figures for those within the next month.

So, so far you're 18% completed, is that

And how much under budget are you for that 18%?

18% under budget we are?

No, no, no. You're 18% complete.

Completed yes.

So how much under budget are you ? so far?

Probably about 17%.

Pretty impressive so far.

Yes.

I want to say also that you know Bob, you know, great being a job of the janitor, and he also does our union management plan updates and amendments, he's doing all of our regulatory reporting to the federal government to the state agencies. He's doing all the reports that we have to do for all our vendors, he helps them with all their small projects if they get something come up, they need him to go off in the field and look at, you name it, it has to do with construction, he's still doing that, so projects plus all the other things and all wrapped into what that position is. So, I think you're, you're doing a great job, you and your office.

Sounds like it. We've got, we've got a great team for, for all, for all the projects.

All two, all two of you.

Ummm, so I guess I covered the, that was basically at the end there, the budget conclusions, the big one is, you know, keeping our eye on the ball. That one, maintaining that one million dollar contingency to target the improvements of the 32 starting with the exterior façade, getting the ballet room back then move into acoustical controls and probably a video within that.....

Yeah.

That's all I got.

It sounds good.

He likes the consultants.

But, Bob, Bob and Jan, you know I'm going to ask this question, where are we on the leads points?

He sees that he would have painted that.

On the .....so far.

We're doing great, the contractors are very much attuned to it. I was impressed, and they are submitting things very timely, we're targeting the...the points right now would be within 500 mile radius and the materials we use, and the cycle and also our demolition. We've diverted more than 95% of our construction debris from the landfill, and they continue to track their materials they're taking over site and they give you reports. So the things that apply to ..... right now are right on track.

So where's this stuff all going, Jan? The demolition materials to our landfill?

All the steel was separated.

I don't understand that.....

Do you know about the steel recycling?

So where's your block and all your...

.....clean fill.

Our landfill here?

Are we getting a break from the ..... on that? Jerry?

Yes.

We are?

Yes. We got to .....charging one out.

That's good. So you feel you've given, giving us a break on that landfill?

Yes, it is very, very, I can't say there's very little debris that's went there. Probably 5% or less. And unless you, and this, I guess in conclusion with Alee, we're still targeting the gold?

Still targeting the gold.

Oh, yeah.

Right?

Any more questions? And go right into Mr. McCanna.

Right, thank you sir. Thanks. At our, the last meeting I believe it was, Ed had brought it up and then other board members that requested that we, I think presentation as to where we stand on the marketing of the facility, what the goals are, what the objectives are from management standpoint and an operational standpoint, and as you know we're partners in promotion in Lake Placid region with the Lake Placid Business Center Visitor's Bureau of which Jim's president. So, we've had some meetings, Denny and myself and support staff, they came up with what Jim is now going to present. So, Jim, we stand ready to work with you on this project, and as you go through the slides any questions come up any three of us that can help answer would....

I have one more question for Bob.

When does this thing open Bob?

January of 2011.

Okay. We saved \$40.

Very good.

So, this one, after, you know, it's before we start talking about this, you know, Jim and Murray you all mentioned the State approps. and how we have to be, how it's difficult for ORDA. It's also, the state approps also affect other marketing programs that we all do, as you know Peter, and things like the I Luv New York marketing program and other things all come in to play here, but why, why, the only reason I'm mentioning that is that one thing significant about this strategy that we're going to be talking about today is we've decided, that Ted and I have decided, that we're one team here in this, and we're going to have to do that to be effective on it, so I think that that's probably the most important thing, I think that we're doing, but....

The worst jacket is

We think Dan, will go dance for something no. But, no I think that's, that's important as we enter this phase, I think because this market is more competitive than it was right now than when we first started talking about this project and I just want to point out how important Bob that contingency is because that 32 rate becomes much, it becomes very important in this program as we expand this, this process and so I just, that is an important thing, but let's not also take away from meeting space to say that. I mean it's just, that's important that we keep everything in motion in here as much as possible and certainly the way that that team has been working and I've been able to see a lot of the work. I think you got a great team there Ted, and, you know, Bob is like, not, all that work you do Bob, plus aren't you taking some online courses for something else still to boot? I mean how do you do that? I don't know, but it's amazing. But anyway the sales strategy, getting to it. You know, here's what we're talking about, hopefully you can all see that. Right in the center, that white circle, it's about influencing the meeting marker or the meeting planner or the client and we have a lot of components and touch points that we're going to be working on, on this and you know number one is really the, it's the sales and marketing effort that's going to stand out on top and you know here's where we start talking about an integrated team of both ORDA and the Bureau doing this and you know working together to develop a good database of who are customers are going to be, you know, really talking about how we're going to do that sales effort, the interactive marketing programs, the PR's that will attach to the publication and the advertising and that sales and marketing component though that we're going to work on to influence that client. Next is also the delegate sand the attendees, you know, all the programs that both the Bureau and ORDA does influence the perception of Placid and that becomes an important component here, so we're folding that in. The third circle would be the facilities and service circles where that takes in more than just ORDA and the Bureau. They have to get the hotels and whole destination is actually involved in that, and then we have to look at the costs which encompass not only the conference center costs but the hotels, the transportation, service cost, all those areas, all these touch points influence that planner as well as their current destination equity in the meeting market and that's sort of the greenest colored area which we have a certain amount of equity we've built up over the years, so

it's a matter of playing all those and all these components working together to influence that planner is what we were starting to talk about and we also have all these constituents that we have to work with on a regular basis, from accounting, which resources and infrastructure, the towns involved, the villages involved, the states involved, ORDA, the Bureau, the hotels, the attractions, the transportation and the restaurant and retail we have to build all these components and constituents, we're really concentrating on pulling them all together for this specific sales effort. And you know why, because, you know, it's a buyer's market out there right now, certainly we have to look at revenue of this facility, but we have to understand what's going on in the marketplace currently. Meeting space has increased over the last 3 years, and the number of meetings have decreased because of the economy so we're entering, this field is much more competitive than it was two or three years ago. Do you agree with that Ted?

Right, absolutely.

And so here's what we're going to start talking about and we're going to be kicking up this sales and marketing strategy program at the beginning of October and the areas that we're going to be looking at is developing a very clear understanding of who the potential customers. Our goal is to come up with a target of about 50 to 75 targeted groups that haven't necessarily been here that we'll work on, and have a real targeted strategy developed for those. We're going to put in a real effective management system that has some accountability, tracking built right into it, so we have, once we know we have the right staff and the right skills we're going to be able to judge their effectiveness in that marketplace right off the bat, so we're going to be building accounting and tracking mechanisms, but we're going to provide the leadership for that and this next component, the clarity of roles and responsibilities really between the center, ORDA and the Bureau is we're going to spend some attention on that and we're going to work that out so that it's seamless to the outside world and that's going to be very important for us and certainly include all those key constituents. The actual sales component will deal with identifying, really doing analysis of our competitive.....set. Did I leave that, I probably left that paper in the back, is there a paper back in that chair that I was? No? I don't know where I put it, but our competitors set we've had a number of competitive sets we've looking at. Saratoga, a big one. We have to really look what they're doing, they're all expanding their center as we speak by 12,000 square feet and the amount of traffic that they've increased in the meeting market over the last 15 years is significant, so Saratoga is a big, one we have to look at, how they're doing, who they're getting, how successful they are. Syracuse and Albany, also seem that, even though they're urban areas, a lot of the rotation and a lot of the meeting that happened in this State, will rotate to those areas so they become a competitive set we'll look at. Also Niagara Falls in New York State and also Turning Stone Casino is certainly one that's pulled a lot of the market over the last 5 to 10 years. Another one that we're going to look at that we haven't looked at before is Mount Tremblant, because they have, actually that, their conference center handles 1000 people, theatre style. How do we have Bob? A thousand person theatre style, what we, get into that building, is that correct? About?

Yeah.

It's comparable in size and we'll see.

We'll have them at dinner so.

Women, .....

A thousand theatre style, not including .....

Not including 32. I'm looking at the conference center.

Yeah, for most of the people listening here, we're not talking about...

No, we're not, we can get to 2000 but we have to use, we're using that base, we're trying to develop a competitive set that's getting that amount of business right now and Tremblant's one we're encouraged to look at right now because it's got sort of a similar type of atmosphere in a resort setting, resort town and a similar size conference center, not counting of course the 32.

Well why don't you time it.

Well we look at it, but we're looking, I was just trying, I was trying to make comparisons to those two sites.

Is that pretty big for us though?

They have that amount of space?

Where? Platt 32?

Including 32.

Yeah. But we won't have the 32 year round, number one, and that we're, will, we're going to be looking at this new building primarily as the driver here, so we are going to concentrate in that vicinity, you know we're certainly we're looking at the 2000 person meeting group. But a lot of concentration will be looking at that size rate or about 1000. Okay, so we have Tremblant. Who else did I forget there today?

....., you got...

Stowe?

Syracuse, Stowe, actually the Vermont area: Killington, Stowe, and Burlington, we'll take a quick look at. And then we'll go into really you know, we know our asset, our destination assets pretty strongly and we'll from these meeting planners in the past, so we'll certainly work that in and you know where we're going to, that's where we start profiling but the real customer is for these facilities and then we'll build that database of customers, develop the message points, put in the accountability and tracking mechanisms, and then we'll really got to come up with the measures of success and how we're going to determine how successful we're going to be and then we look at the resources necessary to execute the plan. And what we've decided is to bring someone in to help us put this plan together and his name is Bill Peeper, he's actually somebody that's been in the convention and conference solicitation markets for about 30 years. He ran the Orange County operation where Orlando is and we're pretty confident that his experience from an outside set of eyes looking at our sales team and helping us build this plan in a very professional and straightforward manner is going to be quite important to the success of this program.

He's an old guy.

He's an older gentleman, he's not quite as old as

Right.

He's old.

He's old.

And, you know, the timeline for this is the situation analysis we're going to complete by the end of November. We're going to put the plan together by the end of the year, with a plan, to implement the plan on the first of, the first of the year, and then we'll get into the operational management plan come February. Is that correct Dennis? Is he here.

Yes.

Okay. So that's the plan so far and I think the key component is that we will have one team as we've moved down this road, right?

So, question. Ted's going to operate the facility, is that correct?

Yes.

Or...

And you're going to sell, Silvey?

That's correct.

So we're going to maintain similar calendars, we'll have many staff, we'll work with the Visitors Bureau on the promotion of it and the operations.

Well, what have planned is, we'll have a, we'll have a, we'll have a data set in an online availability counter booth our offices will work with on a continual basis.

But your budget for sales and promotion comes from where?

From occupancy taxes primarily.

So no expense to order?

Well, we plan to have, we plan to have, we plan to share the expenses, correct?

Non- operating.

Non- operating, is right.

We have to, we're shouldering up.

Well, at the last meeting I expressed a concern that we don't want money that would be used to make snow at Gore or Whiteface or something like that, having to go towards offsetting the deficit that might be in the conference center somewhere and I asked for, and this, thought we would be getting, a five year budget or business plan projection going forward saying this is what we expect to do to fund this thing. These are our revenues, these are our expenses, this is where

we met out. I'd like to see a plan that says for the next five years we're not going to run, going to run a deficit because if we can't project a known deficit situation and we know that money has to come somewhere from the organization and it's going to shortchange something else, whether it be making ice or making snow. And I think we need that business plan and that budget projection going forward for five years, at least 3 years.

Yeah, I think I share Ed's concern here, my biggest concern is you know Ted does well what he does and Jim does well what he does and you're doing your sports, your facilities, so forth, and Jim you're doing the resumes. Now is that, that's the way you've got to plan it, I assume.

You, well yeah, we, well, the operational plan I think that's something that Dennis, don't you have to develop those numbers before we jump into, that we had that.

The engineers to give some the debt to cost, and they feel it's a little too early, they feel in another two months they'll be able to tell us what it was going to cost to run this facility, half speed, full speed, and when it's dark, and until we get some firm numbers there, it's, they're hesitant to give us numbers because they can't really prove it. So we're, you know, we're just, I'd say in the next six weeks, we'll have some numbers that we can look you in the eye and tell you what they are, whereas now, we're guessing.

Well sir...

You know, I must add to that.

Well I'm this you know, Ed's comment on the operational plan, I think that that you know, that and the business plan of the facility, I think we can work on that jointly. We haven't spent time discussing that at that this point.

You know we said that you know what we needed to do first was come up with this plan.

That's correct.

And then more in, once we get more formal numbers, as to the operations, and then we can develop the five year plan based on projected revenues from this part of the project that we're doing now and what the expenses are going to be, but it's too early for us to do that today.

So. the best. I know it's too early, but you see this thing, Ted do you see this compensatory cost before that money?

No.

You don't?

No.

Well, I'd like to see that. And I don't agree it's too early.

Okay.

If I was going to open all that stuff and I had to go to a bank to borrow money, I would have to walk into the bank with a business plan saying, look, this is what I believe is going to happen, and this is the amount of dinners I'm going to sell, this is my food cost, my labor cost, and all the

rest in that, and I look across and this is my projection and how I'm going to do this, before they're going to loan me any money on this, in the, you know. Right now, you guys didn't have to go borrow the money to do this. And I think you need to create the accountability. I guess I'm concerned that somebody is going to say 13 months from now, gee, we're going to run to say that \$700,000 deficit the first three years, so that's \$2.1 million dollars worth of money that's going to come from and I'm just picking numbers out of the air, and where is that money going to come from? I don't see that money existing, if you're going to fund it out of the bed tax, that's fine. But I don't want to see it keep Tony from making ice, and from making ice over here or making snow at Gore or .....

I see my job as selling it predominantly and I think that we can team together in trying to figure out this operational tonight.

To .....

That, that...

And efficiently.

If this thing....

We have to, not we can.

I know.

Bob, let's say if this building gets built tomorrow and stays closed, and we didn't even open it, what would it cost to heat, light and power that, that devil?

And that's what I wanted to comment on. Currently, currently right now we're working with SUNY's Canton, SUNY Canton School of Engineering to calculate what the building cost just to operate before we started the conference center. So we got a base, cause obviously we've got a building there now, we ran out an electric boiler, we made ice. The building had an R. value of probably four, and currently the new design of the building was pulls into Sergay's question, is super insulating. When that building is sitting dormant and we'll get the numbers, you know, because it's projected very little to operate. Once we set to occupy that facility, we're looking at, we're looking at 48 air changes at 80% air per hour, and that's going to burn energy. And what time of year you start doing air changes, if you're doing air changes yesterday, we don't have much of a factor. If we're doing air changes in February, when it's 20 below out, we got a huge operational cost difference, and as we zero in on the HVAC systems the insulated component of the structure, these are going to come forward as do the design development. For instance a decision was made last week to eliminate three inches of insulation from part of the roof system. And 3 inches of insulation costs us \$30,000 capital costs, the energy pay back under normal operating conditions would have been 450 dollars a year, so as we continue through finalizing our design and then being able to provide Ted and Jim different dates for different costs, for different amount of people cause all the rooms are based on CO2 sensors, if you have this many rooms occupied, it's going to cost this much, this time of year, having had degree days, also, my calculations. So it's going to take some time to talk that specific the numbers. But it certainly could be you know projections done you know very broadly you know for instance going to a bank, but it's not really going to reflect the true operational cost at this point, have this going, based on the old operational costs.

Well, Dick, Go back your actual support for each of the old building, is the same as the present building, about, is that fair?

The new buildings are about 15,000 sq. ft. more.

Which is what we're saying, nothing?

I think before we were about 37,000 and now we would be close to 55,000.

So Denny had the heat, light and power that building for, make ice which you included to all that stuff. So in theory, in theory okay, it shouldn't cost any more to operate that building now, once completed it before. Jimmy says he has an awesome so he will need power for that, so if ...

I think it was there before.

It was before, that's correct.

There is some, you know complications in that because currently we don't have an air exchange system that meets you know the current building code requirements. So when that, when the Lucy rink is fully occupied, we're not exchanging the air four times an hour. Under the new situation, we will be so there are some you know more...

So what are you saying? It's going to cost a lot more money?

There's more variables that needs to be calculated depending on the time of year when you do it.

Well, I guess, I did an echo Ed's.

That's okay.

I'm really concerned that we just have two separate divisions here, that one, Jim does his thing and Ted does his thing, and the convention center better stand on its self by itself. without worrying about ..... expenses, you're in the sports division, bobrun luge and so forth, and that's I'm concerned that we don't have a plan I get to say and let it go. You know, you don't make a lot of money in, I mean, if you're going to charge every time somebody got to be in there, you got to charge, I hope we're going to charge, the .....you do that. Jim, you know that.

That's right, it isn't.

It is the easy charge. You get them, the Red Hats Society wants a meeting, what are you going to charge him? 45 cents? Well, that's something else. And, where, where, have you commissions coming in taking money from the conventions to pay the expenses is going to be difficult.

Ain't going to be easy.

Let, let me through another two cents in. I, I have always looked at ORDA as having a division within ORDA that promotes and brings events into the Lake Placid area, and that group of people is expensive and there's a significant portion of the expenditure of ORDA's budget. They publicize, they advertise, for example, you are going to have this Skate America contest in here, and you're going to bring Skate America in while they, somebody in ORDA does all the negotiations with Skate America. I have no idea whether Skate America pays for rate time or

whether ORDA gives that out for nothing, but those are management decisions that Ted and his staff have done, so I look in the future as that group of people being the ones that work on a daily basis with the regional chamber of commerce in determining whether or not what they go after has the capacity to pay for the product that you're going to give them. There's no question in my mind that ... that, for this Skate America thing is going to cost ORDA some money. Are they going to be compensated for it? I don't know but I assume that management has made a good decision that it's worthwhile for ORDA and it's worthwhile for the area to have Skate America here. So, that future does hold where ORDA is going to be doing a part of this and they're going to be spending money. Will they.. will they, because this group of people works year round, are they going to be able to do less on having less sporting events and more sales conference events? You're going into a different type of business, a business that you've been very successful at on the other side. So you have a group of people that are already working for you that can work with the chamber of commerce. And that's going to cost you some money.

Go fishing then.

Yeah, right they're not going to...

Who's it going to cost?

Somebody has to pay for it, because ...

That's right.

ORDA can't pay for it. That's the whole . We have to think this way with every venue that we have. Everything.

Yes, but we have, we have a system and now listening to Jim and Mal is working, I mean it's a struggle to keep it working, but we manage to do, your good management and support from the staff, but going forward we don't have anything cushion in that system, that we can drain off to take care of the deficit that this building may run. That's my concern, so we need to have a business plan. In other words, if you add all your costs up, and it costs you 105% to run this restaurant, you either have to sell more dinners, raise your prices or not open the restaurant, but you somehow have to make it work. It won't go on forever on its own.

You had the....

Bob raised a lot of good points here, are we going to be able to do this without a deficit?

The problem Bob, that Bob would say you're saying that I guess to sum up, you've got a restaurant or a convention center, if you don't open it you still got expense. that's the problem you face right now but is the expense that much more than what before, getting what, well, what do you think about this?

Well, we've you know we worked with the Convention Bureau for 20 years and we've done basically the same thing, we're just we're going to be focused more on this newer building. I mean in the past, we worked together and both brought in conferences, we brought in conferences, they worked with us, they brought tin conferences and we worked with them. We have an existing partnership, we just have a new weapon in our arsenal now and there, you know, it's just we have a history, we've worked together.

Did the loss of the actual dollars and cents loss to that ice sheet and Lucy rink, that really cost you any money?

I'm sorry.

Did the loss of the Lucy ice rink really cost any money?

No.

It didn't.

Revenue.

You mean did it cost us revenue?

No, I mean if we took out the rink and if you closed that building, we didn't lose any revenue or expense, that was pretty much a push item.

We lost some convention revenue.

Con.....that's right, exactly.

Skiing revenue, we've been able to make up.

So the cost of the building the community had is gosh, we had an extra ice sheet, that gave us more ice time, we didn't need that for ice time.

That correct?

In essence, yes.

Okay, so we wouldn't get a new building which is supposedly going, heated, more efficiently, the air exchange when Bob says those air exchanged is about, that worried me a little bit, your saying, oh gosh, we can't turn this stuff off, I mean we don't have a air exchange that worries the heck out, and this is something I never heard before.

I think that's ..

That's the .....center at the hotel, when we don't use it, we tear it off.

That's, that's with, our system will have CO2 sensors, so if there's no one in the room, we're not exchanging the air, and that, that will be a good...

I didn't say that.

An important part of....

Yes you did.

...of an important part of planning, is don't schedule conferences, you know, during the coldest days of the year and traditionally we would be looking for spring and fall and you know, it would be important to look at the base cost for burning energy at a certain time of the year to occupy the rooms.

That's a good point, I think I mean the thought of this basically, the operator will probably say nobody is there, this stuff is up.

And so, but don't tell Jim McKenna he can't schedule a convention the second week of January which were dead as heck on just to save that little bit of CO2 or a little bit of energy. There's no way. And Jim, you used to schedule conventions in January and February in the middle of the months and we were ..... Hallelujah.

So, if we could determine, I mean Bob and Denny, you know, what you think your operational costs are in that building in a year round basis, when we get through these sales strategy, we'll have a good idea I think of the number of days we can get it occupied and then we'll try to have to make it then that might give us the basis for the business planning.

Yes, it will and it might also put in a situation where.

We might have to be more creative.

Yeah, you have to be more creative...

With different .....

.... but you might have to go to some of the hotels that are benefitting from a particular event and say hey, we can get this event but you're going to have to give us.....

.....rate.

Our 10% commission, plus you're going to have to give Blazer 15%, for the overhead, otherwise we can't make it work, you want to adjust your rate to that point and we'll go sell the events.

That's not unusual.

That's not unusual in the business.

I'm sorry.

That's not an unusual situation.

Well I think it's a necessary situation because we don't want to fund this side of the, my deficit from, have a lawyer.

Well, let's not take away the good job that Ted has done in the past. Like you were saying Bob. Let's not take away that, let's keep focusing on that, and let Jim help us do that. New ideas.

You know, I think the potential is great. And let's just, we need to quantify the roadmap that we're going to follow, so we're not spinning along the way.

We'll take the two.....

Rick?

So, Jim, where are we at, and Jim what are going to do for us between now and our next meeting?

Well.

So when is the next meeting? I mean I'm not really the operational plan, unless you know, I think it's Denny and Bob and Ted, if we can sit down and we can, I can

Do you want to break the timeline again, where we at.

Yeah, where we are.

We're, that's for the sales strategy. We've got a meeting we expect in November. We said it was going to be right after Skate America, right? The 17th?

Yes, it would be the, the Tuesday, the third Tuesday and then we've been .....

Where am I?

Ski America.

Yeah.

Is that a Sunday? This, they compete on, there's something going on, on Sunday?

Yes.

Okay, so the set, it would be the seventh, propose the 17th of November.

So, you're asking something in that, you were asking Jimmy for what?

I would like to see and I understand that there are a pieces maybe you don't have but it could be as fundamental as what Sue gave us throwing out there. You have 15,000 square feet more that's probably I don't know 35% increase in the size of your building, so you can take the old costs, and you know put up the square foot and that gives you a starting point and Bob can massage it with what he thinks is going to happen in terms of efficiencies and deficiencies, with all the air handling and you have something to start, and then you just keep refining it as you go. Right now you know we think we know where we want to go and we think maybe instinctively how we're going to get there, but I think we need to quantify it and then keep tweaking it as you go. You know, use my analogy of the restaurant, okay, you can open a restaurant, I'm going to serve these...

With Ted some responsibility of operations, you know that's not what I've been geared to do.

No, you're ....

The sales strategy.

I don't think anyone said either.

Yeah. I don't...

No, we need the revenue generator so they tell you this is what it's going to cost, now you can start to split that up through everybody who comes and sits in a chair.

Right. Pass it on to the hotel.

X percentage of what their, you know, cost to put your butt in a chair goes into operating this facility.

Well with I think we...

It's as if he's charging, you know, Jim it's as if he's charging you a location fee for the building.

Right.

And you have to build in with the cost of what you're selling?

They'll get the cost of that operational down. That's what we've got to figure out.

Right. And that's ...

Best estimate to start it.

Okay. Ask Denny and Bob.

You want estimates by November? Is that what you're looking for a broad, he's to do a broad.

We can take other.....other come in and start with the same type, the same Saratoga and so forth and so on and see that those are...

I think what you said works fine to start. You know, just take what they know from before, and massage it with the best of your guess, or scientific ability based on what you know and that's a starting point. Knowing it's going to keep changing.

I don't want to confuse you, Bob. What is the actual square footage of increase in this building?

Fifteen .....

Fifteen thousand square feet.

What percent is that? For the old building?

50%.

Yeah.

37... didn't he say it was 37 before?

30, 30.

So our building has gone up, what percent?

Fifty percent.

Forty...

Forty-three?

Thirty-five percent? Where does that?

Forty-five percent

Yeah. 35%, 40%, something like that, yeah.

But with our energy factors here, and new factors in, we shouldn't be, the old, old limit was heating .....

The outdoors.

The outdoors, so in theory this building should be any more expensive to heat or cool. Is that fair to say that?

It should be... I wouldn't say...

Cheap.

Cheap.

Sitting there, and saying every thing over the last building wasn't air conditioned, but the architect has really approached, since we're going to the lead design to make this building when it's not occupied, to heat it with a candle. And we really, you know give me till November, you know and the team's been pretty busy getting other things done, but we are working on this and we want to, we want to give you a fair representation on the efforts reflected from the team for making this a very efficient facility.

Okay, and then one question, because we're going long.

The only thing I would answer is that you're going into a new area of hospitality management and the cost of replacing the carpets and the chairs and the paint, etc. and so forth is a factor that is much more expensive than if you're operating a skating rink, okay, individual break out rooms, I'd say we paint our breakout rooms once a year, they get a lot of use. I'm not saying that that's going to happen here but the costs associated with not just operational expense but depreciation expense in a depreciation account is part of your figuring as to what this thing is going to cost you on a short range 1 to 5 years, on a long range, 1 to 10. You have to factor something in there. Who pays for it? A different question. But you should be aware of it.

I think we've got two vital resources, we've got Jim and we've got Ted, and we know that organization's working, working, being much closer together, which is the important factor here, so I think the end result can be a better end result, how we get there is going to be, it's not going to be easy obviously, but see someone be before you're .....

Gore Mountain update?

I think we did it.

Great. We all set?

Centerplate?

Centerplate. What I was going to do was go over briefly over some of the improvements that are going to be made at the facilities, thank you Jim.

Okay. By the way...

At Whiteface, I'm just going to go by location. This is the investment that we're making into the food service areas, so that we're more efficient and we make more money, so we're increasing the size, the mid station lodge, increasing the size of the cooking space to increase production. We're, the intent there obviously is to sell and make it sell more food. With the, we're rebuilding the beverage center to give us more room, more capacity, while we're redoing the floor in the kitchen area that is, that sorely needed it. We're also expanding the deck by the fire pit and we're installing a propane stove, where it used to be a wood stove there, but it's going to give us more deck space there. At Boollez, we're reupholstering the chairs as Bob was speaking to, we're taking the bar out that's going to give us more seating space and more a larger table space there. In the food court, a refrigerated grill stand is being put in, new Grabingo coolers in the deli that needed to be upgraded according to the Health Department. We're sprucing it up and redoing signs to make it look more attractive to people. The main kitchen, our freezer is being converted to a refrigerator and we're getting a new dishwasher in there as well, that was installed prior to 1980. The café on the main level, a new express machine is going in. In Kloutsman lounge, there's going to be carpet cosmetics, new carpet and more cooking equipment so that we can have a more diverse menu in that area to increase sales. We're also increasing the efficiencies of uphill transportation and are protecting the food as it goes up the mountain. At Gore, the retail shop has a brand new location. What used to be the marketing offices up on the upper tier is now when you walk in it's all retail, it's open, it's visible to people, it's already in operation, it's been open for a couple of weekends now, so that's already done, but we had to gut all that, we moved the backroom location up to the, up in front of the house, the back room location now has more chairs. We've got 160 more seats in the main food court area. Tannery lounge is getting new kitchen equipment, they're going to have a new way of servicing the food and getting it to the people, it's going to create a new seating area of approximately 40 new seats, which means more sales. There's a new deck that's going on, 180 new seats, it's adjacent to the food court and to the Tannery. You've heard a little bit about what we did at Malvin Hovenberg, but we've taken on the food service there, and we've made it more efficient. Here at the Olympic Center we're going to be doing some TLC to the café, nothing major, a couple of pieces of equipment to make the operation more efficient so we can push more food out. But that's where we are right now moving into the winter with our food service.

What's your relation to, how's Centerplate with that?

Fine. Everything is, they have a new manager and all that stuff. There's the same base manager here, but they have a new district Vice President, he's been up several times.

Okay. And what you were looking, I mean the last time we talked they ran these, or we ran huge projections that we could do, did ourselves, and are we still according to those projections?

If we did it ourselves?

Yeah.

I think that's a conversation we're going to have.

No, no, I'm talking about the income.

Oh, from working with Centerplate?

Yeah.

Yes, we're on projection.

So we should, we look for substantial amount, more food and sales income.

We're looking for increases in our food, you know, based on, on our promotion and bringing people to the region. It all takes people.

Well, we.....tell me about...

Lift ticket sales and food sales, there's a huge disparity of what it was doing against other ski areas, remember that?

Yes.

So we look for an increase on that. maybe?

The difference, yeah, that we're breaking down that space.

Okay. Any more questions on that?

What you smiling about, Ed?

I'm just smiling.

Alright. It's a nice day.

It's raining outside. We have no resolutions, I believe, is that correct? No resolutions. Any more questions? Any more questions from the public behind over there? If not, I'll entertain a motion.

All in favor that we adjourn.

Moved and second.

I'll second it Jerry.

Really?

Yeah, it's really, our next day, Mary is going to be on the....

Podcast.

It is not me.

Bob, Bob, I said it wrong. The 17<sup>th</sup>?

Yes.

.....

But...

.....one.....

That looks like November 17<sup>th</sup>.

Good. Okay.

Okay.

Thanks, Sergei.

Ted.