



# NEW HAMPSHIRE SNOWMOBILE ASSOCIATION

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## **Statement of New Hampshire Snowmobile Association Executive Director Dan Gould**

### **Governor's Office for Emergency Relief and Recovery – Legislative Advisory Board**

**Wednesday, August 26, 2020**

Members of the Legislative Advisory Board:

My name is Dan Gould and I serve as the Executive Director of the NH Snowmobile Association (NHSA). NHSA is pleased to have an opportunity share information regarding the challenges which many local snowmobile clubs will face due to the inability to conduct their normal fundraising activities caused by the COVID pandemic. By way of background, since its founding in 1969, NHSA has worked with each of the independently incorporated local snowmobile clubs to provide a unified voice to speak for the sport of snowmobiling and to promote it as a safe family recreation. NHSA is comprised of all segments of the snowmobiling community including clubs, club members, distributors, dealers, and contributors. Today, there are 101 local clubs and 24,000 members of NHSA.

#### **Background**

Local clubs ensure that the vast majority of the 7,000 miles of snowmobile trails are groomed for all snowmobilers to enjoy. These volunteers coordinate their efforts with the New Hampshire Bureau of Trails (within the Division of Parks and Recreation at the Department of Natural and Cultural Resources), local landowners, and others to ensure NH provides the best possible riding experience for residents and tourists alike. Without a strong network of local clubs, the trail system in NH would falter. A 2011 Plymouth State Economic Impact Study indicated snowmobiling contributes \$586 million a year to the state economy. The following website helps demonstrate the close working relationship NHSA, local clubs, various snowmobile businesses and the state:

<https://www.visitnh.gov/things-to-do/recreation/snowmobiling>

Snowmobiling in NH has always been a user fee funded sport. Fees paid by snowmobile registrations fund law enforcement activities and costs associated with the operation of the Bureau of Trails. In addition, revenue derived from snowmobile registrations are returned to the clubs for trail grooming and groomer acquisition using a Grant in Aid program which is administered by the Bureau of Trails. Generally, as it relates to grooming the trails, clubs are reimbursed for their volunteer work at levels designed to be significantly less than full cost. This ensures that clubs have "skin in the game" when it comes to operating groomers. At the same time, under the current program, clubs can apply for a grant to assist them in acquiring grooming equipment. Again, this grant requires a match and clubs must fundraise and/or finance to meet that substantial match.

## **Snowmobile Program Changes**

In 2019, NHSA worked with the Legislature to pass a bill which revised the long-standing Grant In Aid program previously described. Generally, the registration fees were increased for the first time in 10 years, essentially adjusted for inflation. The fee increase would be heavily focused on increasing state reimbursement rates for grooming. At the same time, the state would no longer offer the grant programs to assist the clubs in buying new grooming equipment. Equipment acquisition would be left to the clubs, for which they would be responsible for fundraising. This would ensure that clubs operational costs for grooming were met from their reimbursement through the Grant In Aid program. There were many benefits to this approach and it mirrored programs in other northeastern states. This realignment was created to help sustain the clubs and the sport in NH. The 2020-2021 season is the first year in which this program will be used.

## **COVID Impacts**

Unfortunately, the onset of COVID coincided with the initial roll out of the new funding system. Many clubs have been unable to hold their traditional fundraisers. NHSA was also prevented from holding their annual Grass Drags and Water Cross event this year. This event typically helped generate about half of NHSA's operating budget and allowed various local clubs to generate much needed revenue as well. NHSA has applied to the GAP Fund to help offset its losses. We hope to hear about a potential award soon. In the meantime, we have surveyed our clubs to learn about their losses. To date, we have received responses from about 30% of the clubs. Combined, the total loss of fundraising revenue attributable to COVID is approximately \$220,000 from those clubs who provided responses.

These funds are often used to help snowmobile clubs address upfront costs to the snowmobile season, such as insurance. Some clubs will "pre-buy" diesel fuel for the season using the funds they raise. Without being able to fundraise, clubs are either buying less fuel, not being able to make similar purchases, or will attempt to recoup funding once grooming begins. None of these are optimal solutions and could erode the ability of the trails to be groomed.

When the GAP Program was announced, NHSA shared that possibility for funding with its member clubs. A small number of clubs were able to make an application. We hope they are successful. Due to several factors, the vast majority of clubs did not file applications. While the funding would be meaningful, there are challenges for volunteer members to complete the process. First, many local club volunteers are likely focused on working through COVID challenges with their work and family. Second, clubs are far less active in the summer. Many clubs most active members are more likely to be engaged in the "hands-on" portion of trail grooming and addressing issues with equipment. These members professional skills may not coincide with those necessary for completing the application. Finally, once they learned about the opportunity, many clubs did not have sufficient time to collect all the necessary documentation for completing an application. NHSA was hoping their application for funding may have been able to "sub-grant" some of the award we hoped to receive. We have been informed that is not an option.

## **Potential Solutions**

NH's successful snowmobile program is predicated on a healthy club network in order to work with the State to groom and maintain the trails. NH Bureau of Trails Chief Chris Gamache really said it best in the Union Leader article below, "The reality is the clubs can't survive without us, and we can't survive without them." NHSA and the Bureau of Trails have collaborated on a short term, one time fix to help the clubs for the next snowmobile season. In order to comply with the parameters surrounding spending of CARES Act funds by the end of this year, we identified costs which clubs encounter prior the beginning of the snowmobile season and which are normally paid by the clubs fundraising. The costs include payment of the umbrella insurance policy for clubs, the costs associated with tuning up groomers, and costs associated with the pre-purchase of fuel for grooming.

### **Insurance Coverage: \$270,322**

Clubs are required to carry insurance. The NHSA holds the umbrella policy and the clubs purchase a Commercial Package (groomers, equipment facilities, liability) Directors & Officers Liability and Volunteer Accident Medical Expense.

### **Grooming Prep and Repairs: \$154,300**

Clubs perform annual maintenance and repairs to equipment every fall to prepare the groomers to reliably operate in extreme weather. These expenses are often a significant percentage of the club's overall budget.

### **Prepaid Fuel Contracts: \$150,000**

In an effort to save money many clubs prepay or outright purchase large quantities of diesel fuel at contracted prices to operate the grooming equipment, some which get less than 5 miles per gallon in deep snow.

We plan to elaborate on how we believe these programs could work and why it is important during our call on Wednesday, August 26.

If you have any questions regarding this information, please feel free to contact me.

Thank you.

## Clubs race to replace money

Loss of \$160,000 from canceled event will make it harder to maintain 7,000 miles of trails, volunteers say.

**By Jason Schreiber**

Union Leader Correspondent

July 28, 2020

With the cancellation of a major fundraiser, snowmobile clubs responsible for maintaining thousands of miles of trails are worried about their finances.

The three-day New Hampshire Grass Drags and Watercross in Fremont hosted by the New Hampshire Snowmobile Association is held over Columbus Day weekend and often attracts nearly 40,000 snowmobile enthusiasts, but the coronavirus pandemic forced the organization to hit the brakes this year.

The event features snowmobiles drag racing in a field and across a pond, with vendors selling gear and other merchandise.

"This is devastating to the association and to the clubs that participate at the event," said Dan Gould, the association's executive director.

Snowmobiling is a nearly \$600 million industry in New Hampshire, and much of it depends on Mother Nature and the many clubs around the state that work together to keep the more than 7,000 miles of trails groomed.

The association counts on about \$100,000 from the drag event to support its operations while it gives another \$60,000 each year to various clubs whose members volunteer at the event. That money helps the clubs pay for trail maintenance and additional expenses.

Other clubs also operate food stands and bring in an additional \$40,000.

The Colebrook Ski Bee's Snowmobile Club, which is one of the food vendors, will take at least a \$10,000 hit.

The club spends about \$100,000 a year to maintain 150 miles of trails in the Colebrook, Columbia and Stewartstown area. The funding comes from the state, membership dues and fundraisers like the grass drags, which is its biggest event.

"We haven't come up with an idea of how to replace it yet," said Gail Hanson, the club's membership secretary and treasurer.

But Hanson said the club is determined to find a way to make sure the trails are still maintained this winter.

"The Ski Bees will find a way to do it. If we have to take money out of our savings account, our trails are going to be just as good as they were last year," she said.

The state grooms several hundred miles, while the clubs take care of the rest.

Clubs receive some funding for maintenance from the state through its grant program, but many also log volunteer hours to get the job done.

"The reality is the clubs can't survive without us, and we can't survive without them," said Chris Gamache, chief of the New Hampshire Bureau of Trails.

The state will be working with the clubs to see how it can assist them given the financial losses they'll face, Gamache said.

The snowmobiling season is critical to the North Country.

"If you don't have a season up north, businesses are going to go under," Gamache said.

Representatives from the New Hampshire Snowmobile Association met with Fremont town officials earlier this month and proposed a scaled-down version of the event.

"The town made it clear that they didn't feel it was best. In our eyes that was OK. We fully understand. It's not like we walked into that not knowing the possibility," Gould said.

He said the association is reaching out to clubs to see what their losses will be and how the cancellation will affect them.

“Knowing that most clubs typically do not have enough money to maintain their equipment, losing that kind of money is going to be quite a blow,” he said.

The Southern New Hampshire Trailblazers, a Kingston-based club, expects to be out thousands.

“We do anywhere between \$7,000 and \$10,000 a year of fundraising with (the grass drags) with all the volunteers we have. We put that back into the club to try to find a groomer or just fix the one we have so we can get out there and groom the trails and make them good for everybody. It puts a damper on that,” said Sona Philpott, the club’s secretary and an avid rider from Kingston.

She encouraged more riders to become club members to give them a financial boost. Philpott’s husband, Brian, said his group will have to tighten its belt and dip into savings, but he insisted the trail work will somehow get done.

As disappointing as it was to learn that the drags were off, he said, “Everybody knows that it’s the responsible thing to do until this crazy virus goes away.”

Windham snowmobiler Dave Curto, a member of the Pelham Border Riders, fears another fundraiser his club was hoping to hold just before Halloween may get axed.

He and other riders are also concerned about a possible second wave of the virus forcing the closure of trails and businesses like restaurants and other services along the trails.

“If COVID takes a second spin, as they predicted it’s going to come back, is that going to affect the beginning of the season this year? Are things going to be closed? Nobody can predict what’s going to happen,” he said.