

## OTTAWA SKI CLUB BULLETIN

Season 1960-61

No. 2.

This bulletin has been delayed because of the necessity of revising our mailing list to include many new members. In the meantime Camp Fortune has been invaded by skiers in record numbers. Lodges and hills have been crowded pointing to the need for further expansion of facilities. Your Executive has a problem on its hands to finance all that needs to be done. A large part of this season's receipts have to be used to pay the debts incurred last year for the development program which included the improvement of the Skyline hills and changes in the Alexander and Macdonald hills. Has anyone a spare \$25,000 to donate to the Club?

### THAT POWDER SNOW

Oftentimes we have been filled with envy when we saw pictures of Alpine scenes where the skiers flashed down the slopes trailing clouds of lovely powder snow behind them. We know now that powder snow may have its disadvantages. It is the ideal condition for skiing if it falls on a well-packed base. The foot or so which we had provided excellent skiing for an hour or two but after that the crowds of skiers scraped through it in spots to the bare ground (or rock) or piled it up in "moguls". But even when the conditions deteriorated our skiers were not deterred. They continued to run the hills in their thousands. Let's hope we shall soon have a deep base and afterwards, a couple of inches of nice powder snow at least every week end.

### What Makes the Ottawa Ski Club Tick?

From simple beginnings when the Ottawa Ski Club directly controlled all its activities, it has become dependent upon the interrelated efforts of several organizations. The coordinated work of these various organizations has steadily increased the efficiency of the skiing operations.

An adequate description of the agencies which have helped to make the Ottawa Ski Club tick would include the Canadian Amateur Ski Association, Gatineau Ski Zone, National Capital Commission, The Concessionaires (Clifford Ski Tows, Camp Fortune Ski Services, Boland Cafeterias, Bisson Parking Lot) the Camp Manager, John Clifford, The Ottawa Ski Club Executive and the many directorates under its control.

The main purpose of this bulletin is to explain to our members the relationship which exists between the Ottawa Ski Club, its Camp Manager, and its concessionaires, John Clifford Ski Tows, Limited, and Camp Fortune Ski Services, Limited. The fact that a new Agreement was signed in 1960 between the latter two companies and the Ottawa Ski Club, makes this a timely subject.

The salient features of the Agreement between the Ottawa Ski Club (known in the Agreement as the "Club") and John Clifford Ski Tows, Limited, (the "Company") are:

1. The Club grants the Company for a period of twenty-five years from the first day of June 1960, the exclusive right to erect, maintain and operate ski tows in the Ottawa Ski Club area including the Skyline area.
2. The Club is to provide:
  - (a) Shelter and sanitary facilities for members;
  - (b) First aid services;
  - (c) Use by the Company of property owned by the Club;

- (d) Supervision, caretaking, and guard services;
- (e) Planning and construction of Ski hills and trails;
- (f) Maintenance and costs of roads and bridges suitable for area operations; and generally furnish such facilities and do such things as may be necessary to the proper operation of a ski club.

The Agreement defines the Company's obligations as follows:

1. The Company agrees to furnish ski tow services in the Club areas and to maintain the ski tows in such condition that they shall be ready to operate and shall operate at such times and at such rates as shall be mutually agreed upon between the Club and the Company;

2. Agrees to maintain the hills serviced by its ski tows during the period of this agreement;

3. To maintain the telephone network in the area;

4. To supply the necessary transportation for day to day operations;

5. To provide office space requirements for the Club Manager;

6. During the first five years of the Agreement the Club's auditor is to have access to the corporate books and statements of the Company once per year at the Club's expense, and the auditor will report to the Directors of the Club as follows;

(a) Whether there are any officers or directors of the Club who are directors and/or shareholders of the Company and if so, details of such relationship; and also whether the control of the Company remains with John Clifford;

(b) Whether there is an immediate and evident risk of bankruptcy or insolvency;

(c) Any other unusual aspects of the business of a similar nature.

(d) Other data contained in the Company's corporate books and statements are to be kept in strict professional confidence by the auditor but after the first five years the Company must furnish financial statements in confidence to the Board of Directors of the Club on request.

7. John Clifford is to pay the Club 2% of the annual gross receipts from the operation of the ski tows for the first ten years, and 3% for the following five years. Thereafter the percentage to be paid to the Club is subject to arbitration.

8. The Company undertakes to indemnify and save harmless the Club from all actions, claims or demands whatsoever, arising from its operations and for this purpose is to maintain adequate insurance to indemnify the Club and Company against all such actions, claims and demands;

9. The electrical installations running from the main line on the Meach Lake road to and including the first sub-station is to be owned jointly by the Club and the Company in the ratio of two-thirds by the Company and one-third by the Club;

10. It is understood and agreed between the parties that the Company shall not assign any or all of its rights granted by the Club without the Club's consent, which shall not be unreasonably withheld;

11. Should any of the parties to this Agreement become bankrupt or insolvent, the party or parties not so bankrupt or insolvent may, at their option, at any time thereafter, cancel this Agreement.

12. Disputes or disagreements on matters covered in the Agreement and other matters not so covered are to be settled by arbitration, the method of appointing arbitrators being described in the Agreement: The decision of the arbitrators is to be final and without appeal;

13. The lease may be mortgaged, hypothecated, pledged or given in security with the consent of the Club, not to be unreasonably withheld, subject to continued management of the Company by John Clifford.

14. The Agreement is conditional upon the management and control of the Company by John F. Clifford, or the management and control of a successor who is acceptable to the Club in either or both of the said capacities. It is provided that should the actual management or control through death or inadvertance fall into the hands of a party unacceptable to the Club, the Agreement may be terminated on sixty days' notice in writing to such party who shall have the right to replace himself in either or both capacities with a person acceptable to the Club.

A final safeguarding paragraph reads as follows:

"It is the intention of the parties hereto that every five years this Agreement shall be reviewed by the parties who shall negotiate in good faith such changes in it as may be necessary but such changes shall only be made by mutual consent and the arbitration provisions of this Agreement shall not apply to this paragraph."

The Agreement Between the Ottawa Ski Club and Camp Fortune Ski Services, Limited (a John Clifford Company).

The Agreement Between the Ottawa Ski Club and Camp  
Fortune Ski Services, Limited (a John Clifford Company).

In the agreement this company is called "C. F. Ski" This Agreement differs from the former one only in respect of the obligations assumed by the respective parties. These are as follows:

1. The Club grants to C. F. Ski the exclusive right to carry on the business of retailing merchandise other than food and beverages for a period ending May 30th, 1975;
2. The exclusive right to carry on the business of ski rental and ski repair and the right to construct and install lockers in the basement of Alexander Lodge or elsewhere on the Club premises as may be agreed upon;
3. The exclusive right to conduct a professional ski school;
4. The Club provides;
  - (a) A site for the ski shop;
  - (b) Ski areas for the conducting of professional ski instruction; such areas to be designated from time to time after consultation between the parties to the Agreement.

The C. F. Ski agrees:

To pay the Club annually 2% of its gross receipts from all operations.

All other provisions, where applicable, are identical with those contained in the Agreement between the Ottawa Ski Club and John Clifford Ski Tows, Limited.

These two Agreements were made to place the operational arrangements between the parties concerned on an up to date and realistic basis. They aimed at a clear statement of the obligations of each which, with the rapid growth of the Club, had become somewhat confused. They were also needed to enable the Company to float a bond issue of \$100,000. For the latter purpose the companies had to have a long term agreement with the Club.

It is obvious that in these agreements the Ottawa Ski Club has granted the two companies a monopoly of ski-tow operation, the operation of a ski shop, lockers, ski rental business, ski repairing, and the conducting of a professional school. Every effort has been made to protect the interests of the Club by the inclusion of safe-guarding clauses and paragraphs; but the following facts give some indication of the wisdom of granting these monopolies;

The original ski tow company consisted of Clifford and Saunders who operated on a fifty-fifty basis. Clifford supplied the management, planning, and financing and Saunders was the mechanical expert. When this partnership dissolved a year ago the value of the ski tow business was appraised and John Clifford bought out Saunder's interest. Subsequently he reorganized under the name of the John Clifford Ski Tows, Ltd., and took in other partners but retained a 56% interest in the Company. Taking in the extra partners enabled him to pay part of his obligation to Saunders, the balance to be paid in annual instalments over a period of ten years.

The first ski tow was erected on the Joe Morin Slalom hill in 1940 by the Ottawa Ski Club and eventually taken over as a concession by John Clifford who displayed considerable financial ingenuity in financing subsequent developments. These included the provision of two T Bar tows, a Poma Lift and, in 1960, the Chair Lift.

To finance these projects John had to borrow funds. To pay for the T Bar tows and the Poma Lift he secured loans of \$500 from numerous individuals to be repaid after a period of years. In lieu of interest he has been giving tow passes annually. This method of financing was equivalent to paying an interest rate of more than 9%. To finance the chair lift Clifford arranged a successful issue of \$100,000 of 15 year bonds with interest at 7%. It is provided in the terms of the bond issue that additional tow facilities will be financed out of current earnings.

It seems very clear that the shareholders of the John Clifford Ski Tows company are not going to reap big profits for the next few years. Net receipts or profits will have to be devoted to the retirement of debt, the building up of a reserve fund, and the extension of facilities. Provision is made in the Agreements for a review of the companies' financial positions every year for the first five years by the Club's auditors and, thereafter, it may be made by the directors of the Club. Should it emerge that the Companies have got beyond the debt stage to one of being able to pay unusual profits a change in the terms of the agreements could be requested.

## The Camp Manager

John Clifford's role as Camp Manager is quite distinct from his relationship to the John Clifford Ski Tows Company. As camp manager he is a paid employee of the Ottawa Ski Club and subject to the decisions of its Executive. For his services the Club pays him \$3,000 per year. This, of course, is additional to any salary he may receive for his managerial work in the Ski Tows company and which is debited against the receipts from the company's operations.

It is essential that the Club have a Camp Manager. The running of the Club has got far beyond the point where it can be handled by an Executive whose members serve on a purely voluntary basis. The Club is particularly fortunate in having as Camp Manager a person of outstanding organizing ability and one whose full time during the whole year is devoted to the management and development of skiing activities. His ideas are available to the Club and he is always available at the ski terrain. The arrangement is also beneficial for the commercial Company since it benefits by the thinking, planning and assistance of the Executive.

Many examples could be given to indicate how fruitful in results this combination of directors of the Club and the Camp Manager is. A few years ago certain directors stressed the need for wide, long and easy downhill runs. John Clifford took up this idea with the result that we now have the George McHugh, the Percy Sparks and the Herbert Marshall Hills. These were laid out by John, and the work paid for by the Ottawa Ski Club.

Bud Clark was the first to realize the possibilities of the Skyline area and he developed his Ski-Skule. This proved to be in advance of its time. The large sums needed for its adequate development and perhaps a lack at the time, of a sufficient number of expert skiers to make it profitable led to its discontinuance. Since then others have had their eye on it, but John Clifford outdistanced competitors and arranged for its purchase. Now it is National Capital Commission property and leased for skiing purposes to the Ottawa Ski Club. In the last year alone the Club spent \$22,000 in developing the Skyline hills. John Clifford Ski Tows spent \$92,000 on the Chair Lift. This combination of commercial and non-commercial enterprise benefits all concerned.

The new trail map prepared by the National Capital Commission is now available. It is up to the minute and all inclusive. It costs only ten cents and can be obtained from the Clifford Ski Shop or the National Capital Commission Information Office on MacKenzie Avenue (in the Daly Building).

The Ottawa Ski Club Bulletin — Address contributions, inquiries, comments and suggestions to the Editor, Herbert Marshall, Box 506, R. R. 1, Rothwell Heights, Ottawa.

## TELEPHONE NUMBERS - MIDGET PROGRAM

Cards providing information with regard to the Club's Midget program have been distributed by error with membership badges. Please note that all the telephone numbers contained on these cards are incorrect. The families now in possession of these numbers have already been put to considerable inconvenience because of this. The correct information is as follows:-

Dr. Bill Ball RE3-9680

Mr. Thor Weibust SH5-5415

Mr. Harry Rosewarne TA8-1440

**SAFETY BINDINGS:** If you use safety fittings you are required also to use safety straps. These prevent your ski from running away from you when it becomes detached from your boot. A loose ski careening down a slope can be a very serious menace to others.

**BADGES:** Members are reminded of the rule that membership badges must either be sewn onto a garment or plasticised. This rule will be strictly enforced. For the benefit of the membership at large we must stop misuse of badges. Our crowded lodges and other facilities must be reserved for the use of members who have paid for the privilege.

**BOOTH PARKING LOT:** This lot, which is at the top of the Kingsmere Road, is being kept cleared by the NCC. If you wish to ski into Fortune from Kingsmere you may park there free of charge.

**SQUARE DANCE:** The next square dance will be held on Saturday night, February 4th.