

**MOUNT SAN JACINTO WINTER PARK AUTHORITY
And the
MOUNT SAN JACINTO WINTER PARK CORPORATION**

Minutes of the joint meeting of the Mount San Jacinto Winter Park Authority and the Mount San Jacinto Winter Park Corporation held January 19, 2016 at the Palm Springs Aerial Tramway, Palm Springs, CA.

Authority Members

Jan Oliphant
Bary Freet
Jerry Ogburn
Jon Sheinberg
Nancy Stuart
John Wessman

Staff

Rob W. Parkins, President
Nancy Nichols, VP Sales & Marketing
Marjorie De La Cruz, VP HR & Risk Mgmt.
Tara Meinke, VP Finance
Greg Purdy, Public Affairs Manager

Absent:

None

Guests:

Frank Decker, Aramark
Skip Descant, Desert Sun
Todd Friedman, MSJSP
John Fritch, Aramark
Toni Hodge, Maryanov, Madsen, Gordon & Campbell
Bradley Kain, Guest
Lyle Pierceall, Maryanov, Madsen, Gordon & Campbell
Kyle Radke, The Jones Agency
Robert Rotman, Guest
Jim Stuart, Guest

Legal Counsel:

Robert Hargreaves

CALL TO ORDER – OLIPHANT

Meeting called to order at 9:30 a.m.

ROLL CALL – NICHOLS

PLEDGE OF ALLEGIANCE - STUART

WELCOME OF GUESTS – OLIPHANT

APPROVAL OF AGENDA – OLIPHANT

Parkins requested Agenda Item 8.A.3 be removed as it was no longer required.

Upon Motion by Sheinberg, seconded by Stuart and carried, to accept today's agenda with change, was unanimously approved.

PUBLIC COMMENTS

None.

APPROVAL OF MINUTES – OLIPHANT

Upon Motion by Freet, seconded by Sheinberg and carried, the meeting minutes dated October 20, 2015, were unanimously approved.

ADMINISTRATION REPORTS

BUDGET & FINANCE

Meinke asked if the Authority had received and reviewed the financial reports and narrative for October- December 2015 and asked if there were any questions. There were none.

Financial Narrative Report October 2015 - Ridership for the month of October 2015 was 6,864 more than budgeted, and was 598 less than October 2014. Year-to-date ridership was 40,619 more than budgeted, and was 9,242 more than October 2014 year-to-date.

Total revenue for the month of October 2015 was more than budgeted by \$273,729 and was \$35,899 more than October 2014. Year-to-date revenues were more than budget by \$1,184,978 and were \$578,233 more than October 2014 year-to-date.

Operating expenses for the month of October 2015 were less than budget by \$103,975, and were \$57,361 more than October 2014. Year-to-date operating expenses were \$351,439 under budget and were \$148,091 more than October 2014 year-to-date. Increased Wages and Benefits, Maintenance Agreements, Insurance, Building Improvements/FF&E, Advertising, and Printing are the main reasons why the current year to date operating expenses exceeded prior year to date.

Net income for the month of October 2015 was more than budget by \$380,595 and was \$94,391 less than October 2014. Year-to-date net income was more than budgeted by \$1,541,220 and \$133,282 more than October 2014 year-to-date.

Financial Narrative Report November 2015 - Ridership for the month of November 2015 was 10,381 more than budgeted, and was 2,345 less than November 2014. Year-to-date ridership was 51,000 more than budgeted, and was 6,897 more than November 2014 year-to-date.

Total revenue for the month of November 2015 was more than budgeted by \$342,229 and was \$73,269 more than November 2014. Year-to-date revenues were more than budget by \$1,527,207 and were \$651,501 more than November 2014 year-to-date.

Operating expenses for the month of November 2015 were less than budget by \$47,964, and were \$32,665 more than November 2014. Year-to-date operating expenses were \$399,403 under budget and were \$180,756 more than November 2014 year-to-date.

Increased Wages and Benefits, Maintenance Agreements, Insurance, Miscellaneous Expenses, Building Improvements/FF&E, Advertising, and Printing are the main reasons why the current year to date operating expenses exceeded prior year to date.

Net income for the month of November 2015 was more than budget by \$392,993 and was \$32,234 less than November 2014. Year-to-date net income was more than budgeted by \$1,934,214 and \$101,048 more than November 2014 year-to-date.

Financial Narrative Report December 2015 - Ridership for the month of December 2015 was 9,265 more than budgeted, and was 3,458 more than December 2014. Year-to-date ridership was 60,265 more than budgeted, and was 10,355 more than December 2014 year-to-date.

Total revenue for the month of December 2015 was more than budgeted by \$325,532 and was \$219,461 more than December 2014. Year-to-date revenues were more than budget by \$1,852,739 and were \$870,962 more than December 2014 year-to-date.

Operating expenses for the month of December 2015 were less than budget by \$86,363, and were \$15,641 more than December 2014. Year-to-date operating expenses were \$485,765 under budget and were \$196,397 more than December 2014 year-to-date. Increased Wages and Benefits, Utilities, Maintenance Agreements, Miscellaneous Expenses, Building Improvements/FF&E, Advertising, and Printing are the main reasons why the current year to date operating expenses exceeded prior year to date.

Net income for the month of December 2015 was more than budget by \$414,509 and was \$130,668 more than December 2014. Year-to-date net income was more than budgeted by \$2,348,722 and \$231,716 more than December 2014 year-to-date.

Financial Statements - Hodge reported that the financial statements for the fiscal year 2014/2015 were in compliance with general accounting practices and procedures.

Hodge reviewed the statement of net assets, statement of revenues, expenses and changes in net assets, statements of cash flows, and notes to financial statements which included concessions, for the period ending 6/30/15 along with comparisons to 2014. Hodge reviewed the GASB, Statement 68, the Governmental Accounting Standards Board most recent accounting standard for Pensions, which the Authority has implemented. Hodge stated the primary objective of GASB 68 was to address the accounting and financial reporting for pensions. She stated for the Authority the recognition of the pension liability on the financial statements is a significant change that increases the current liability significantly and will provide a more comprehensive measure of pension expense.

Discussion followed on the short term and long term pension unfunded liability and GASB Statement 68.

Pierceall and Hodge were excused at 10:05 a.m.

Concessions – Fritch reported that fiscal year-to-date 2015/2016 sales were 4.2% more than fiscal year-to-date 2014/2015. He stated sales were averaging \$30,000 per week since the recent snowfall. Fritch introduced the new chef, Frank Decker.

MARKETING REPORT

Nichols stated the Sales, Marketing and Public Relations reports had been sent to the Authority and asked if there were any questions. Hearing none she continued with her report.

Nichols reported visitor attendance for December 2015 was 57,266 which was 3,447 more visitors than December 2014. December 2015 year-to-date visitor attendance was 4% more than December 2014 year-to-date. Nichols reported group sales for December 2015 year-to-date was \$452,286 which was \$18,988 more than December 2014 year-to-date. She reported banquet sales and inquiries were increasing.

Nichols reported during the busy holidays Greg Purdy, the Public Affairs Manager had been monitoring social media sites for customer reviews and although few complaints, they were responded to quickly. Nichols reported the Tramway's new responsive website to better enable mobile users to view the website should be online by the next meeting.

Advertising - Radke stated the Jones Agency had executed hundreds of ads geared towards the holidays. She stated there was diversity in the advertising with ads specifically created for LGBT, Hispanic, German, Youth and other markets. Snow ads were also created and currently running. It was a very busy and productive holiday season and the remaining focus through June 2016 would include Valentine's Day and Easter promotions.

Discussion followed on advertising during the Tramway's slow season.

GENERAL MANAGER REPORT

Parkins reviewed Minute Order 2016-1 and recommended its approval.

Upon Motion by Ogburn, seconded by Stuart and carried, Minute Order 2016-1, authorizing the expenditure of \$6,138.40 to obtain a Pinicale Stair Lift System for the executive suite at the Valley Station, was unanimously approved.

Parkins reviewed Minute Order 2016-2 and recommended its approval.

Upon Motion by Ogburn, seconded by Stuart and carried, Minute Order 2016-2, authorizing the expenditure of \$7,404.00 to obtain a new Double Stack Convection Oven for the Mountain Station Kitchen, was unanimously approved.

Projects Reports – Parkins stated the Palisades project on Tram Way was given permission to truck in soil and sand for the next several weeks then a lockbox gate would be installed. He stated a report on all projects would be provided at the February Board Meeting.

Form 700 – De La Cruz stated Form 700's were required again and needed to be completed and returned to her by April 1, 2016.

CALIFORNIA STATE PARKS

Friedman reported that Paul Reisman had retired. He thanked the Tramway staff for installing Dutch doors in the interpretive ranger's office at the Mountain Station and for the new theatre showing the State Park film. He reported the full-time interpretive ranger position should be filled and announced in the next week.

ELECTION OF OFFICERS


Upon Motion by Sheinberg, seconded by Stuart and carried, Bary Freet, Chair; Jerry Ogburn, Vice Chair; Nancy Stuart, Secretary; and Jon Sheinberg, Treasurer, were elected unanimously for the Mt. San Jacinto Winter Park Authority and to the degree where it is consistent with the Authority to provide those positions in the Corporation as well.

AUTHORITY MEMBER COMMENTS

Stuart stated the snow was the show and appreciated how the staff was keeping people happy. She stated at the Tramway Tree Lighting the Mayor of Palm Springs had been given a Tramway sweatshirt and had worn it recently at an event. Sheinberg stated everything was great. Ogburn stated, was an honor to be on this board. Oliphant stated it was obvious how much the Tramway has improved and thanked Tram staff for hosting the Russian Rotarians on their recent visit to the desert. Wessman stated he had started on the board in 1988 and how much the Tramway had improved since Parkins was named General Manager. He stated the success in recent years was attributable to Parkins and his staff.

ADJOURNMENT

Hearing no further business Chair adjourned the meeting at 10:30 a.m.


(Attest: Secretary)