

Minutes of the regular meeting of the Mount San Jacinto Winter Park Authority held May 17, 2016 at the Palm Springs Aerial Tramway, Palm Springs, CA.

**Authority Members**

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

**Staff**

Rob W. Parkins, President  
Jim Whitmore, Executive VP  
Nancy Nichols, VP Sales & Marketing  
Tara Meinke, VP Finance  
Greg Purdy, Public Affairs Manager

**Absent:**

None

**Guests:**

Kelly Elliot, California State Parks  
John Fritch, Aramark  
Mike McCulloch, Guest  
Chris Mills, Architect  
Kyle Radke, The Jones Agency

**Legal Counsel:** Robert Hargreaves

**CALL TO ORDER – FREET**

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

**ROLL CALL – NICHOLS**

Parkins congratulated Authority Member Oliphant on her recent Star on the Palm Springs Walk of Stars.

**PLEDGE OF ALLEGIANCE - WESSMAN**

**WELCOME OF GUESTS – FREET**

**APPROVAL OF AGENDA**

**Upon Motion by Oliphant, seconded by Stuart and carried, to approve today's agenda, was unanimously approved.**

**PUBLIC COMMENTS**

Mike McCulloch stated he had resigned from the Authority several months ago and wanted the Members to know it was because of business reasons.

**APPROVAL OF MINUTES**

**Upon Motion by Sheinberg, seconded by Oliphant and carried, the meeting minutes dated February 16, 2016 and March 8, 2016, were unanimously approved.**

## **PRESENTATION**

Chris Mills stated the first stage of the master plan was Mountain Station improvements; specifically the infrastructure including electrical, plumbing and restrooms. He stated the construction documents were 80% completed and recommended the Authority employ a General Contractor for preconstruction services. He stated the process would be to identify qualified contractors, then bid out preconstruction services, which would take the drawings and put actual costs to them, provide a construction schedule and provide a guaranteed maximum cost associated with the construction. He stated the tram has the right to set that maximum price and can award the contract to that general contractor or can bid it out.

Discussion ensued on a list of qualified contractors and bidding process.

## **ADMINISTRATION REPORTS**

### *BUDGET & FINANCE*

Meinke asked if the Authority had received and reviewed the financial reports and narrative for February 2016, March 2016 or April 2016 and asked if there were any questions. There were none.

*Financial Narrative Report February* - Ridership for the month of February 2016 was 17,282 more than budgeted, and was 5,012 more than February 2015. Year-to-date ridership was 97,735 more than budgeted, and was 23,290 more than February 2015 year- to-date.

Revenue for the month of February 2016 was more than budgeted by \$652,504 and was \$382,720 more than February 2015. Year-to-date revenues were more than budget by \$3,058,209 and were \$1,575,337 more than February 2015 year-to-date.

Operating expenses for the month of February 2016 were less than budget by \$51,917, and were \$56,645 more than February 2015. Year-to-date operating expenses were \$549,704 under budget and were \$288,849 more than February 2015 year-to-date.

Net income for the month of February 2016 was more than budget by \$706,441 and was \$46,012 more than February 2015. Year-to-date net income was more than budgeted by \$3,622,355 and \$696,493 more than February 2015 year-to-date.

*Financial Narrative Report March* - Ridership for the month of March 2016 was 26,685 more than budgeted, and was 2,352 more than March 2015. Year-to-date ridership was 124,420 more than budgeted, and was 25,642 more than March 2015 year-to-date.

Revenue for the month of March 2016 was more than budgeted by \$754,719 and was \$207,765 more than March 2015. Year-to-date revenues were more than budget by \$3,812,927 and were \$1,783,101 more than March 2015 year-to-date.

Operating expenses for the month of March 2016 were less than budget by \$12,792, and were \$12,052 less than March 2015. Year-to-date operating expenses were \$562,496 under budget and were \$276,797 more than March 2015 year-to-date.

Net income for the month of March 2016 was more than budget by \$770,028 and was \$146,773 more than March 2015. Year-to-date net income was more than budgeted by \$4,392,384 and \$843,267 more than March 2015 year-to-date.

*Financial Narrative Report April* - Ridership for the month of April 2016 was 3,499 more than budgeted, and was 671 less than April 2015. Year-to-date ridership was 127,919 more than budgeted, and was 24,971 more than April 2015 year-to-date.

Revenue for the month of April 2016 was more than budgeted by \$150,724 and was \$87,357 more than April 2015. Year-to-date revenues were more than budget by \$3,963,651 and were \$1,870,458 more than April 2015 year-to-date.

Operating expenses for the month of April 2016 were more than budget by \$349,236, and were \$431,600 more than April 2015. Year-to-date operating expenses were \$213,260 under budget and were \$708,397 more than April 2015 year-to-date.

Net income for the month of April 2016 was less than budget by \$195,610 and was \$416,903 less than April 2015. Year-to-date net income was more than budgeted by \$4,196,774 and \$426,364 more than April 2015 year-to-date.

*Concessions* – Fritch reported April felt slower compared to March but April 2016 year-to-date sales were up 9% over projected.

### MARKETING REPORT

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

Nichols reported for March visitor attendance was 65,700 which was another record for monthly attendance. April visitor attendance was down slightly from 2015. April 2016 year-to-date attendance was 5% more than April 2015 year-to-date.

Nichols reported April year-to-date group sales were \$815,389 which was \$84,866 more than April 2015 year-to-date.

Nichols stated Peaks Restaurant and the Tram were participating in Palm Springs Desert Resorts Restaurant Week.

Stuart reported the advertising committee met with the Jones Agency and they had created two new campaigns, one at the recommendation of Member Wessman that would cover the Tramway's shoulder seasons.

Radke reported current advertising was focused on Summer Pass and for out of market the new Great Escape campaign would run in the summer and then be replaced with the new Elevated Campaign in the late fall. She would present the creative at the June meeting along with the final year wrap up.

Discussion followed on opening early on Fridays during the summer, social media marketing, the new responsive website which just launched and Wi-Fi being installed this summer.

### GENERAL MANAGER REPORT

Parkins reviewed the fiscal year 2016/2017 proposed budget and recommended its approval.

**Upon Motion by Sheinberg, seconded by Ogburn and carried, Resolution 2016-1 adopting the fiscal year 2016/2017 Budget inclusive of the Agreement with the Union and providing for Capital Projects and the extension of the Jones Agency Advertising contract, was unanimously approved.**

Wessman requested segregating social media advertising from the Jones Agency and interview social media companies who specialize in the medium. Ogburn requested a not to exceed amount be added to The Jones Agency contract.

**Upon Motion by Ogburn, seconded by Sheinberg and carried, to amend The Jones Agency contract to include the approved budget amount and the wording not to exceed, was unanimously approved.**

Wessman requested that staff request proposals from social media companies.

**Upon Motion by Wessman, seconded by Sheinberg and carried, for staff to request proposals for social media advertising companies, was unanimously approved.**

Parkins stated the Authority had provided for an employment agreement amendment to his contract but it had not been approved.

**Upon Motion by Ogburn, seconded by Sheinberg and carried, to approve the Amendment to Second Amended Employment Agreement between Rob W. Parkins and the Mt. San Jacinto Winter Park Authority, was unanimously approved.**

Freet would like to have in the minutes a clear accounting of Authority Members attendance for each fiscal year.

Discussion followed on attendance rule and unexcused absence definitions.

**Upon Motion by Stuart, seconded by Ogburn and carried, to include an attendance summary on a quarterly basis during the fiscal year as an attachment to the minutes, was unanimously approved.**

*Projects Report* – Whitmore reported the CEQA for the Tree House project, which had turned into a walkway, was being put together and stated a minute order would be presented at the next board meeting for the proposed cost.

### CALIFORNIA STATE PARKS

Elliot thanked Tram staff for sending her the new Restaurant Concessionaire's agreement for review. She thanked Tram staff for assisting the CCC Crew, which was continuing trail work this summer including finishing up the Hidden Lake area. She was communicating with San Bernardino Forest Service on opening those trails that were damaged in the Mountain Fire and the Park Superintendents job was posted. She reported a trail counter was installed at the end of the cement pathway to establish how many of the Tram visitors were going into Long Valley. She stated if Tram staff would like the numbers to please contact her. She reported the State Parks Director and the CCC Directors would be visiting in September and hoped to coordinate their visit with Tram staff.

### **CLOSED SESSION**

Chair adjourned the regular meeting at 10:30 am for a 10-minute break to reconvene in Closed Session, Item 10: A. Conference with Real Property Negotiators.

### **CLOSED SESSION ITEMS (IF ANY)**


Chair reconvened the regular meeting at 10:56 am. Hargreaves reported the Restaurant Concessionaire agreement was approved subject to minor changes.

### **AUTHORITY MEMBER COMMENTS**

Ogburn stated he had recently dined at Peaks Restaurant and reported excellent food but some issues with service.

### **ADJOURNMENT**

Hearing no further business Chair adjourned the meeting at 11:00 am.

  
(Attest: Secretary)