

MOUNT SAN JACINTO WINTER PARK AUTHORITY

Minutes of the Regular Meeting of the Mount San Jacinto Winter Park Authority held February 27, 2019 at the Palm Springs Hilton Hotel, Palm Springs, CA.

Authority Members:

Bary Freet
Sandra Magana-Cuellar
Brian Nestande
Jerry Ogburn
Jeff Ohlfs
Nancy Stuart

Staff:

Nancy Nichols, General Manager
Jim Whitmore, Executive VP
Marjorie De La Cruz, VP HR & Risk Mgmt.
Tara Meinke, VP Finance
Gary Aberg, VP Technology
Greg Purdy, VP Marketing & Public Affairs
Paul Wright, Technology Manager
Cara Youngman, Public Relations Manager

Absent:

Brian Conley

Guests:

John Fritch, Elevated Experiences
Ron Wilcox, Elevated Experiences
Kelly Elliott, MSJSP
Kyle Radke, The Jones Agency
Michael McCulloch, former MSJWPA Board Member
Cheryl Freet
Sherry Barkas, The Desert Sun

Legal Counsel:

Robert Hargreaves

CALL TO ORDER – STUART

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

ROLL CALL – PURDY

PLEDGE OF ALLEGIANCE – MAGANA-CUELLAR

WELCOME OF GUESTS – STUART

APPROVAL OF AGENDA – STUART

Upon Motion by Nestande, seconded by Freet and carried, to accept today's agenda was unanimously approved.

PUBLIC COMMENTS

None.

APPROVAL OF MINUTES – STUART

Upon Motion by Freet, seconded by Ohlfs and carried, to approve meeting minutes dated January 16, 2019 were unanimously approved.

ADMINISTRATIVE REPORTS

GENERAL MANAGER REPORT

Nichols showed a PowerPoint of the recent flood and the resulting damage. She stated the Tramway's Civil engineer arrived on Saturday and spent four days inspecting everything. He certified that all equipment, roads and bridges were fine. Road contract was signed on Wednesday and construction began on Friday. She reported emergency approval of employee pay was authorized through March 3; Desert Water Agency was working on restoring water service and the Tramway's insurance adjustor has already been on site to assess damage.

Meinke discussed impact to (concessionaires) Magic Memories and Elevated Experiences, and consideration of possibly waiving commissions. She stated must pay the State Park a minimum of \$18,000 per month per our contract, even when closed. Repair costs incurred to date are approximately \$300,000. Estimated loss of revenue through March 31 is just under \$3 million.

De La Cruz stated that we have \$100 million in property coverage; \$30 million in flood coverage and it includes business interruption insurance. She stated we are dealing with a variety of perils involving multiple layers of coverage.

Whitmore stated that do not yet know the full scope of repairs, especially concerning our roads.

Nestande asked what was insurance reimbursable? Nichols replied that about \$100,000 to date was not reimbursable, specifically the road.

Discussion ensued regarding making repairs so as to be less impacted by future weather events; the Riverside County Board of Supervisors had declared a State of Emergency, so should investigate any assistance this designation could provide; possible FEMA assistance and how to protect the culvert from future clogging.

Upon motion by Freet, seconded by Ogburn and carried, Minute Order 2019-2 ratifying the General Manager's approval of \$351,071.92 in Road, Lot and Electrical repairs and an amount not to exceed \$29,000.00 for rental and installation of scaffolding beneath the Valley Station and; Authorizing the General Manager an amount not to exceed \$500,000.00, for further repairs, engineering and inspections subject to ratification at the next regular schedule board meeting, was unanimously approved.

Upon motion by Nestande, seconded by Ohlfs and carried, Minute Order 2019-3 ratifying the General Manager's approval of regular pay for the employees that were unable to work for the period February 18, 2019 through March 3, 2019 in the amount of \$100,000.00 and; further authorizing the extension of the same employee's regular pay through March 31, 2019 for the amount of \$200,000.00 including benefits, was unanimously approved.

Upon motion by Freet, seconded by Ogburn and carried, Minute Order 2019-4 authorizing the General Manager to suspend commission payments of approximately \$180,000 owed the Tram from Elevated Experiences, the Tramway's food and beverage concessionaire and Magic Memories, the Tramway's photography concessionaire for the period January 1, 2019 through February 13, 2019, was unanimously approved.

National Monument Anniversary – Ohlfs suggested we promote the 20th anniversary of the Santa Rosa and San Jacinto Mountains National Monument. Nichols stated she will contact monument staff to discuss.

BUDGET AND FINANCE REPORT

Meinke asked if the Authority had received and reviewed the financial reports and narrative for January 2019, and asked if there were any questions. Hearing none she stated that year-to-date ridership through the end of January had caught up with what was lost from the two fires and were actually 3,945 riders ahead. January 2019 were 7,194 riders more than the previous January.

Concessions – Fritch reported a food loss of \$34,000 due to the closure, as they had just received deliveries for Valentines' Day and President's Weekend. January was a great month and everyone was looking forward to a record February and March.

MARKETING REPORT

Sales & Public Relations - Purdy reviewed storm closure-related activities including media alerts, media interviews, social media, establishment of remote offices, website notices, community outreach, coordination with the visitor bureaus and chambers etc. , online ticket sale suspension, group/voucher cancellations and patron refunds.

Groups were up 19.3% in January.

Ohlfs requested that upcoming tradeshow be listed on the monthly marketing report.

Advertising – Radke reported that all advertising possible to cancel was cancelled (or shifted). There should be a \$4,000 savings in February and a \$7,000 savings in March, with advertising restarting the last week of March. \$8,800 was left in snow budget. For spring break, was getting message out to 3-hour drive market for day-trippers as no hotel rooms are available during concert season. First meeting of the Advertising Committee will be in March to review messaging and campaign development.

CALIFORNIA STATE PARK REPORT

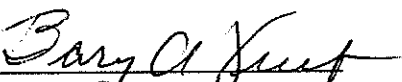
Kelly Elliott reported that State Park employees are either being reassigned or they are using vacation time. On the other side of the mountain, they are not issuing wilderness or camping permits due to the amount of snow in the State Park. In addition, access is limited to Idyllwild by the CHP due to road damage. Freet requested an impact report of the trail system and Elliott said the trails would be assessed, probably in June or July.

AUTHORITY MEMBER COMMENTS

Ogburn reported on the Rotary Club's April 7 event in the Francis Crocker Room. Ohlfs extended his appreciation to Tram Staff in dealing with fires and flood. This has tested staff and shows how good they are. He is attending California Parks Conference next week in Ventura. Freet is a Ham radio operator and said the Ham community has questions about our power to maintain the repeaters at the Mountain Station. Stuart addressed the City Council last Wednesday about the Tram situation. She stated in her presentation that the Tram's best resource was our people. She was very pleased with the staff and reiterated that the Board did the right thing in approving pay continuation. Everyone in town is concerned about the Tram. Ogburn added that everyone feels ownership in the Tram.

ADJOURNMENT

Hearing no further business, Chair adjourned the meeting at 10:47 a.m.


(Attest: Secretary)