

MOUNT SAN JACINTO WINTER PARK AUTHORITY

Minutes of the Regular Meeting of the Mount San Jacinto Winter Park Authority held April 17, 2019 at the Palm Springs Aerial Tramway, Palm Springs, CA.

Authority Members:

Bary Freet
Brian Conley
Brian Nestande
Jerry Ogburn
Jeff Ohlfs – via Teleconference
Nancy Stuart

Absent:

Sandra Magana-Cuellar

Legal Counsel:

Robert Hargreaves

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

Guests:

Mike Fontana, Project Manager
Chris Mills, Project Architect
John Fritch, Elevated Experiences
Allison Barnes, State Parks
Steve Nichols
Jim Forneris, NHA
Vince Llacer, NHA
Kyle Radke, The Jones Agency
Dennis Woods, Guest
Robert Rotman, Guest

CALL TO ORDER – STUART

Meeting called to order at 9:31 a.m.

ROLL CALL – PURDY

PLEDGE OF ALLEGIANCE – OGBURN

WELCOME OF GUESTS – STUART

APPROVAL OF AGENDA – STUART

Upon Motion by Nestande, seconded by Ogburn and carried, to accept today's agenda. Conley-Aye; Freet-Aye; Nestande-Aye; Ohlfs-Aye; Ogburn-Aye; Stuart-Aye. Motion approved.

PUBLIC COMMENTS

Dennis Woods thanked the Tram for their judicious use of the helicopter during the flood-related shutdown. Residents of Little Tuscany appreciate that flight hours were limited to the daytime. In addition, the recent transformer-related fire and the impact it had on both their neighborhood's evacuation and the Tram's power supply showed how inter-connected the Tram and Little Tuscany really are. He said how much they value our close working relationship.

APPROVAL OF MINUTES – STUART

Upon Motion by Nestande, seconded by Ogburn and carried, to approve meeting minutes dated February 27, 2019. Conley--Abstain; Freet-Aye; Nestande-Aye; Ogburn--Aye; Ohlfs--Aye; Stuart-Aye. Motion approved.

ADMINISTRATIVE REPORTS

GENERAL MANAGER REPORT

Nichols explained details of Minute Order 2019-5 and the 4-year process leading to this request. Fontana and Mills updated on the status of the remodel permitting process.

Upon motion by Freet, seconded by Conley and carried, Minute Order 2019-5 authorizing an amount not to exceed \$13,342,012.24 for the Mountain Station upgrade project under the condition that any use of the owner's contingency money be expended only after presentation to and subsequently approved by the appointed subcommittee and authorize the General Manager to approve and execute DW Johnston's construction contract in the amount not to exceed \$9,785,184.56. Conley--Aye; Freet-Aye; Nestande-Aye; Ogburn--Aye; Ohlfs--Aye; Stuart-Aye. Motion approved.

Nichols presented next fiscal year's budget. There is very little change except for the threshold of capital projects. Meinke explained that individual assets are now \$10,000 and over, and capital projects are now \$20,000 and over. Items that may have previously shown as capital projects are now showing as expense items on the budget. De La Cruz stated that we budgeted an additional 5% for insurance in case policies increase later in the year. Nichols reported that it was the recommendation of the advertising sub-committee to raise the overall advertising budget by 5%. Stuart, as a member of that sub-committee, stated that, with the upcoming renovations, it was important that we let people know we are open for business, so the increase is very much warranted. Nichols added that we always ratify the Union contract every year in the budget resolution.

Upon motion by Nestande, seconded by Ogburn and carried, Resolution 2019-1 adopting the budget for the 2019/20 fiscal year inclusive of the Agreement with the Union and provides for Capital Projects, and extension of the Jones Agency Advertising Contract.

Conley-Aye; Freet-Aye; Nestande-Aye; Ogburn-Aye; Ohlfs-Aye; Stuart-Aye. Motion approved.

Nichols reported that terms of Chair Stuart and Member Ogburn are up for renewal in September 2019, and the City has asked for a letter from the Authority recommending their reappointment.

Upon motion by Nestande, seconded by Freet and carried, authorizing a letter be drafted to the City of Palm Springs recommending reappointment of Nancy Stuart and Jerry Ogburn to the board of the Mt. San Jacinto Winter Park Authority. Conley-Aye; Freet-Aye; Nestande-Aye; Ogburn-Aye; Ohlfs-Aye; Stuart-Aye. Motion approved.

Whitmore stated that the board authorized certain expenditures related to the flood event at the last board meeting, but that any additional unknown expenditures incurred would be approved at the next board meeting. He reviewed the details of those additional expenditures, which totaled \$424,143. De La Cruz also discussed insurance deductibles regarding these costs.

Upon motion by Nestande, seconded by Conley and carried, Minute Order 2019-6 ratifying the General Manager's approval of an additional \$424,143 in Road, Lot and Electrical repairs due to the February 14, 2019 flood event. Conley-Aye; Freet-Aye; Nestande-Aye; Ogburn-Aye; Ohlfs-Aye; Stuart-Aye. Motion approved.

On behalf of Magic Memories, Nichols extended their gratitude to the board in suspending their commission payment as a consequence of the flood event.

BUDGET AND FINANCE REPORT

Meinke asked if the Authority had received and reviewed the financial reports and narrative for February and March 2019 reports, and asked if there were any questions. Hearing none she stated that year-to-date ridership through the end of March is down 99,689 from the previous fiscal year. Decrease in revenue is estimated to be around \$3 million and the impact to net income is approximately \$2.9 million.

Concessions – Fritch thanked the board for waiving the Elevated Experiences commission due to the flood incident and reported that everyone is glad to be back at work. They only lost 3 or 4 employees due to the closure. Coachella and Stagecoach landing during Spring Break has caused them to be down slightly for April.

MARKETING REPORT

Sales & Public Relations - Purdy reported that we were down in February by 55.3% and 100% in March due to closure and down 20.8% fiscal year-to-date. Groups were down 28.2% in February and 100% in March and down 10% fiscal year-to-date.

He reported that we are currently planning Sunrise Service. Because of the music festivals landing on Easter, we are not sure about attendance. Upcoming tradeshow include IPW in June at Anaheim Convention Center. Summer Passes go on sale May 1. Assemblyman Chad Mayes sent a proclamation congratulating the Tram on its reopening.

Advertising – Radke reported on how the agency handled advertising during the Tram’s closure. Some ads were cancelled and others—where there were contracts in place—had to be reallocated to future months. She thanked the board for renewing their contract. She discussed the mini re-opening campaign, Easter promotion and upcoming Mother’s Day and Summer Pass advertising. She reported on the promotions with Coachella and Stagecoach. Stuart commended The Jones Agency team.

Stuart reported that Jeff Ohlfs was extremely well versed in marketing, so she would like to recommend that he be added to the advertising sub-committee.

Upon motion by Ogburn, seconded by Freet and carried, the appointment confirmation of Jeff Ohlfs to the advertising sub-committee. Conley–Aye; Freet–Aye; Nestande–Aye; Ogburn–Aye; Ohlfs–Abstain; Stuart–Aye. Motion approved.

CALIFORNIA STATE PARK REPORT

Nichols reported that Kelly Elliott was unable to attend today’s meeting. In her absence, it was reported that we repaired the ranger station generator damaged by the flood, as well as some minor exterior damage. There is still snow in Round Valley and at the peak. Hidden Lake is as beautiful as it’s ever been. Stuart asked how many permits are issued per day to Hidden Lake and Allison Barnes replied that the daily total is 30 individuals.

AUTHORITY MEMBER COMMENTS

Conley was not at the last meeting, but wanted to commend his colleagues for voting to fund our employees’ pay during the closure. Ogburn commended staff on making the April 7 Rotary event so successful. He relayed that, at the event, Palm Springs Councilmember Roberts commented, “When the Tram is closed, it feels like Palm Springs is closed.” Ogburn asked for a sub-committee to meet with staff and Steve Nichols, whose family is a property owner on Chino Cone and who donated the land for the Valley Station. Ogburn would like the meeting to be before the June board meeting.

Ogburn added that he has worked in the past with the tribe, the City of Palm Springs and Nichols, so this would be a continuation of the existing sub-committee, but would request another member to join him on the sub-committee. Freet volunteered to serve after verifying with legal counsel that there was no conflict of interest due to his involvement with the Tribe. This item will be brought back to the June meeting for an appointment ratification. Ohlfs extended his appreciation to staff for how they performed with the Valentine’s Day flood event. Stuart said the Tram staff did ‘heroes work’ before, during and after the flood event.

CLOSED SESSION

Chair adjourned regular meeting at 10:15 a.m. to reconvene in Closed Session, Item 9.A. Conference with Legal Counsel – Anticipate Litigation, GC.54956.9(d)91) and 9.B. Public Employment GC 54957 General Manager.

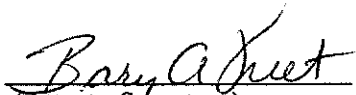
CLOSED SESSION ITEMS

Stuart reconvened regular meeting at 10:41 a.m. No reportable action for item 9.A.

Item 9.B. Approved the appointment of sub-committee members Stuart and Conley to review General Manager contract prior to the 2020 contract renewal date.

ADJOURNMENT

Hearing no further business, Chair adjourned the meeting at 10:43 a.m.


(Attest: Secretary)