

MOUNT SAN JACINTO WINTER PARK AUTHORITY

Minutes of the Regular Meeting of the Mount San Jacinto Winter Park Authority held June 19, 2019 at the Palm Springs Aerial Tramway, Palm Springs, CA.

Authority Members:

Brian Conley
Bary Freet
Sandra Magana Cuellar
Brian Nestande – Via Teleconference
Jerry Ogburn
Jeff Ohlfs
Nancy Stuart

Absent:

None

Guests:

John Fritch, Elevated Experiences
Kelly Elliott, MSJSP
Kyle Radke, The Jones Agency
Maryanne Coury, The Jones Agency
Ben Kandora, The Jones Agency
Phillip Large, The Jones Agency
Vaughn Stevens, The Jones Agency

Legal Counsel:

Robert Hargreaves

CALL TO ORDER – STUART

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

ROLL CALL – PURDY

PLEDGE OF ALLEGIANCE – OHLFS

WELCOME OF GUESTS – STUART

APPROVAL OF AGENDA – STUART

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

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 (cont.):

Craig Hayes, BB&K
J. Keith Stribling, Highmark Capital
Dennis Yu, PARS
Angela Tang, PARS
Vince Llacer, NHA
Jim Forneris, NHA
Jessica Schulte, Tram staff

PUBLIC COMMENTS

None.

APPROVAL OF MINUTES – STUART

Upon Motion by Ohlfs, seconded by Freet and carried, to approve meeting minutes dated April 17, 2019 was approved with Cuellar-Magana abstaining.

ADMINISTRATIVE REPORTS

BUDGET AND FINANCE REPORT

Meinke asked if the Authority had received and reviewed the financial reports and narrative for April and May 2019 and asked if there were any questions. Hearing none she stated that a claim filed with the insurance company for loss of revenue of approximately \$2.6 million was made and upon receipt, we will be ahead of last year's revenue.

9:40 a.m. Nestande joined meeting via teleconference.

De La Cruz introduced staff members from PARS and Highmark Capital Management, the Tram's pension administrator and investment manager. Yu and Stribling discussed the plan's background, administration, management and the financial status.

Freet asked about employees contributing to the plan. De La Cruz explained that the plan does not permit.

Ohlfs asked if we could investigate employee contributions. De La Cruz explained that this is a set amount benefit regardless of contributions.

Stuart asked about a 401K plan. De La Cruz stated the Tram does have a 457B deferred comp plan through Voya, which is based solely upon employee contributions. Approximately 25 out of 77 employees participate in that plan.

Nestande asked about the unfunded liability with the defined benefit plan and the current discount rate. Meinke explained our current rate of return for investments and other options available to the Authority.

Insurance – De La Cruz reviewed insurance claims and stated had submitted an insurance claim of \$2.6 million for business interruption net the deductible. She also reported would have \$105,000 in deductible costs, \$280,000 in road repairs and approx. \$5,000 for miscellaneous losses. She was working with FEMA to recover any uncovered expenses, which she expected would receive in 12-18 months.

Concessions – Fritch reported that [Fiscal YTD] sales were even compared to last year [even considering the flood closure]. He reported Restaurant Week went well, had completed a video about Peak's for the Greater Palm Springs CVB's food series and The Food Network's "The Great Food Truck Race" is scheduled to film in the coming week at the Tram. He stated Coachella and Stagecoach occurred during Spring Break and believed that to be the reason sales were down slightly for April.

Freet commended Fritch on the summer menu.

MARKETING REPORT

Sales & Public Relations - Purdy reported attendance was up 2.4% for April 2019 and down 3.5% for May 2019, which was attributable to days of snow or rain every week during May. May 2019 year-to-date attendance was down 16.9%. Groups were down 23.8% in April 2019 and 4.8% in May 2019 compared to the same period in 2018. He stated this was attributable to the lack of meeting and banquet space due to construction. May 2019 year-to-date groups were down 11%.

Purdy reported Easter Sunrise Service attendance was down 47% compared to 2018, which was attributable to Easter falling on Coachella Weekend and Memorial Day Weekend attendance was up 4.7% compared to 2018. He stated had a successful IPW (International Pow Wow tradeshow) with full appointment schedules for both international media and trade.

Advertising – Stuart introduced Radke who then introduced members of the Jones Agency team and their roles. Radke presented a recap of the 2018-2019 advertising program and reviewed the 2019-2020 advertising plan, stating it was a continuation of the "Great Escape" campaign. The plan would include more digital advertising, as well as additional outreach to Latino markets. Ad clips were shown along with a new chef series video commissioned by the Greater Palm Springs CVB.

Conley questioned racial diversity in the campaigns. Radke explained that the Tram was in many ethnic publications but ads were now more focused on vistas.

Stuart stated the Tram advertising campaign had just transitioned from a people-centered campaign to a view-centered campaign.

Ohlfs commented that he enjoys seeing more and more of the Tram's messaging at airports, highways, etc.

GENERAL MANAGER REPORT

Nichols stated at the last meeting the board nominated Ogburn and Freet to serve on a Chino Cone subcommittee however Freet thought that he might have a conflict of interest. After Best, Best & Krieger reviewed, it was determined there was no conflict. Nichols then asked for approval of the Chino Cone ad hoc subcommittee.

Upon motion by Conley, seconded by Ohlfs and carried, to approve Bary Freet and Jerry Ogburn to serve on an subcommittee for the Chino Cone. Conley–Aye; Freet–Aye; Magana-Cuellar–Aye; Nestande–Aye; Ogburn–Aye; Ohlfs–Aye; Stuart–Aye. Motion approved.

Ogburn commented on the possibility of the CV Link terminating at the Tramway’s Valley Station and the possibility of Sunline providing clean-vehicle bus service to the Valley Station as these and other initiatives were currently under discussion.

Nichols stated she had reached out to the Santa Rosa and San Jacinto Mountains National Monument Manager Ashley Adams to discuss collaborating on the Monument’s 20th anniversary but she was currently on a temporary out-of-town assignment. Nichols stated will check back in the fall when Adams returns.

Whitmore reviewed Minute Order 2019-7 and recommended its approvals.

Upon motion by Nestande, seconded by Ogburn and carried, Minute Order 2019-7 authorizing the expenditure of \$9,109.20 to replace the icemaker at the Valley Station. Conley–Aye; Freet–Aye; Magana-Cuellar–Aye; Nestande–Aye; Ogburn–Aye; Ohlfs–Aye; Stuart–Aye. Motion approved.

Whitmore thanked State Parks for their assistance in dealing with the State of California on the renovation project. The Construction Subcommittee met on May 23 and learned that approvals were still needed by the State Fire Marshall and the State Parks Southern Services Center in San Diego. He stated the process was anticipated to be completed in six weeks, materials with long-lead times were being ordered and, if all goes according to plan, screening walls would be installed the first week of August with demolition to commence immediately thereafter.

Whitmore reported during the last 90 days had continued to clean-up the aftermath of the flood and work continued on shutdown planning.

CALIFORNIA STATE PARK REPORT

None.

AUTHORITY MEMBER COMMENTS

Conley commented had met with the SHAG art gallery owner and had discussed the artist doing a Tram poster. He directed staff to review. Stuart commented that a SHAG event at the Tram should also be considered. Ogburn commented that he agreed and supports the idea.

Ohlfs commented that July 31 is World Ranger Day, stated this day recognizes rangers throughout the world and remembers the rangers who have given their lives in the past year, which totals around 100 per year globally.

Stuart commended Youngman on the Tram's Facebook management including original content and quick response to questions posted. She stated would like to see more participation by Tram employees in our 457B retirement plan, as participation rate was too low, and asked if the Tram staff could do other things to encourage employees to participate. She commented the Palm Springs City Council is entertaining a proposal by GRIT Development to turn property located at the base of Tram Way over to the City, as resolution for potential litigation. This could impact the Tramway with the City possibly becoming the owner of those parcels.

10:50 a.m. Ogburn left the meeting.

CLOSED SESSION

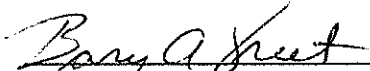
Chair adjourned regular meeting at 10:43 a.m. to reconvene in Closed Session, Item 10.A. Conference with Legal Counsel – Anticipate Litigation, GC.54956.9(d)(1). Number of potential cases: 2.

CLOSED SESSION ITEMS

Stuart reconvened the regular meeting at 11:12 a.m. Stuart reported that the board approved the expenditure of \$154,469.95 for the administrative civil liability settlement agreement offered by the State Water Resources Board for violation of wastewater discharge requirements.

ADJOURNMENT

Hearing no further business, Chair adjourned the meeting at 11:14 a.m.


(Attest: Secretary)