

MOUNT SAN JACINTO WINTER PARK AUTHORITY

Minutes of the regular meeting of the Mount San Jacinto Winter Park Authority held February 15, 2023 at the Palm Springs Aerial Tramway, Palm Springs, CA.

Authority Members:

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

Absent: None

Legal Counsel:

Robert Hargreaves

Staff:

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

Guests:

John Fritch, Elevated Experiences
Frank Jones, The Jones Agency
Martin Foster, The Jones Agency
Maryanne Coury, The Jones Agency
Steven Erickson, Maryanov, Madsen, Gordon
& Campbell
Dennis Yu, PARS
Christine Tsuda, HighMark Capital
Management
Eric Thronson, Townsend Public Affairs
Christopher Townsend, Townsend Public
Affairs
Donnell Norwood, MSJSP

CALL TO ORDER – CONLEY

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

ROLL CALL – PURDY

PLEDGE OF ALLEGIANCE

WELCOME OF GUESTS - CONLEY

APPROVAL OF AGENDA – CONLEY

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

PUBLIC COMMENTS

There were no public comments submitted to the Authority clerk by 9:00 a.m. to be read into the record.

APPROVAL OF MINUTES – CONLEY

Upon Motion by Ogburn, seconded by Freet and carried, to approve meeting minutes dated January 18, 2023. Conley-Aye; Freet-Aye; Magana-Cuellar-Aye; Nestande-Aye; Ogburn-Aye; Ohlfs-Aye; Stuart-Aye. Motion approved.

PRESENTATION TO PAST CHAIR

Conley and Nichols presented 2021 Chair Bary Freet and 2022 Chair Jerry Ogburn with gifts and thanked them for their service.

ADMINISTRATIVE REPORTS

BUDGET AND FINANCE REPORT

Meinke asked if the Authority had received and reviewed the financial reports and narrative for December 2022 and January 2023. She reported that we are above budget with ridership and asked if there were any questions.

Meinke introduced Erickson from Maryanov, Madsen, Gordon & Campbell who reported on the financial statements for the fiscal year 2021/2022.

Financial Statements – Erickson reviewed the statements 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 6/30/22 along with comparisons to fiscal year 2020/2021. He said they would issue an unqualified audit opinion again this year, which means they don't have any material modifications to make to the financial statement.

Discussion followed on the small size of the Authority's accounting department and the separation of duties. Erickson provided context and explanation as many small companies have this issue. Stuart questioned the Tram's concentration of credit risk? Meinke stated reviewing and will report back.

Upon motion by Stuart, seconded by Ohlfs and carried, to receive and file financial statements for 2021/2022. Conley-Aye; Freet-Aye; Magana-Cuellar-Aye; Nestande-Aye; Ogburn-Aye; Ohlfs-Aye; Stuart-Aye. Motion approved.

De La Cruz introduced Dennis Yu with PARS, the Tramway's defined pension plan administrator, who gave a review of highlights of the plan and current funding. Christiane Tsuda with HighMark Capital Management provided a portfolio performance update.

Concessions – Fritch reported that Elevated Experiences' sales in January 2023 totaled \$786,203 with a total payment due to the Tram of \$94,344.

MARKETING REPORT

Sales & Public Relations – Purdy reviewed individual and group numbers for January 2023. He reported visitor attendance was 18.9% more than budget and 18.8% more than 2022. Groups reported \$113,960 in sales compared to \$19,892 in 2022. He stated Sunrise Service was scheduled for April 9 and reviewed social media statistics for the past year.

Advertising – The Jones Agency presented three TV commercials currently airing. Jones stated during January 2023, total impressions of all placements totaled 10,281,548.

Projects Report – Whitmore reported that the damage done to the access road after the recent storm has been repaired. The power has been restored to the ranger station from the tree falling over the lines. The readings of the Mountain Station waste water plant are within the parameters of our operating permit. The operating manual for the waste water plant has been completed and was submitted to the Colorado River Basin Water Quality Control Board. Due to the large amount of snow and ice, we have not been able to trench to restore power to the Adventure Center. The replacement ABB control boards have been received and installed, with several replacement boards now on hand.

Whitmore stated due to increased order lead times for parts and to lock-in current pricing, would like to pay the 50% deposit to rebuild the gear box from the 2023/2024 Capital Budget. Whitmore then recommended approval of Minute Order 2023-6.

Upon motion by Ogburn, seconded by Freet and carried, to approve Minute Order 2023-6 authorizing the reallocating of \$43,805.00 to this FY 2022-2023 Capital Improvement Budget and the expenditure of \$43,805.00 for the 50% deposit for the Gear Box Rebuild (The balance will be readjusted prior to the submission for the FY 2023-2024 Capital Improvement budget). Conley-Aye; Freet-Aye; Magana-Cuellar-Aye; Ogburn-Aye; Ohlfs-Aye; Nestande-Aye; Stuart-Aye. Motion approved.

GENERAL MANAGER REPORT

Nichols reported that this is the last remote meeting that can be held under the Governor's emergency order. Nichols stated can return to the regular Brown Act meeting guidelines and/or the new AB2449 guidelines. It was the consensus of the board to operate under AB2449, so staff will continue to set-up the video conferencing equipment.

Conley stated on his trip to D.C. he spoke with Ben Golding of Townsend Public Affairs about grants for the Tram. Golding stated that a bicycle lane might qualify for funding under the Federal Infrastructure Bill. Thronson reported on the challenges with the Tram qualifying for funding. He stated earmarks are another option they will pursue with our representatives. The two priority funding projects are the bike lane and zero-emission busses.

Discussion ensued on staff time required for earmark requests, who would do the grant writing, are there additional costs, how long to qualify and deadline. Townsend said they would do the majority of work, costs are included in their fee, the first earmark deadlines are in March or April; and State earmarks start occurring in June or July, when tax revenue projections are known.

GENERAL MANAGER REPORT – *continued*

Thronson provided additional information about the various types of grants and/or earmarks. Consensus of board was that we should move forward with an action plan grant relating to the bike lane. Nichols announced that this would be on a future agenda and that she would reach out for what Members would like to discuss.

CALIFORNIA STATE PARK REPORT

Norwood introduced himself as the new operations liaison with State Parks. He provided Park updates including the Skyline Trail closure occurring on January 26 and remaining so until further notice. He stated was working on increasing their social media presence and seasonal staff was being increased.

AUTHORITY MEMBER COMMENTS

Stuart thanked Meinke for a clean accounting operation which was verified by our CPA. Stuart also thanked the Tram team for creating the new video system for our hybrid meetings.

ADJOURNMENT

Hearing no further business, Chair adjourned the meeting at 11:12 a.m.


(Attest: Secretary)