

DELEGATION ORDER



Training Proposal for:

Noble House Shelter Pointe, LLC dba Kona Kai Resort & Spa

Agreement Number: ET16-0214

Approval Date: November 3, 2015

ETP Regional Office: San Diego

Analyst: K. Campion

PROJECT PROFILE

Contract Attributes:	Retrainee	Industry Sector(s):	Services Priority Industry: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Counties Served:	San Diego, Los Angeles	Repeat Contractor:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Union(s):	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No UNITEHERE! San Diego County Hotel and Food Service Workers' Union, Local 30		
Number of Employees in:	CA: 1,500	U.S.: 3,150	Worldwide: 3,150
<u>Turnover Rate:</u>	10%		
<u>Managers/Supervisors:</u> (% of total trainees)	17%		

FUNDING DETAIL

Program Costs	-	(Substantial Contribution)	(High Earner Reduction)	=	Total ETP Funding
\$66,150		\$0	\$0		\$66,150

In-Kind Contribution:	100% of Total ETP Funding Required	\$76,260
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TRAINING PLAN TABLE

Job No.	Job Description	Type of Training	Estimated No. of Trainees	Range of Hours		Average Cost per Trainee	Post-Retention Wage
				Class / Lab	CBT		
1	Retrainee	Business Skills Computer Skills Continuous Impr	126	8-200	0	\$525	\$15.93*
				Weighted Avg: 35			

*It will be made a condition of contract that the trainees in this Job Number will never be paid less than the statewide minimum wage rate as in effect at the end of retention regardless of the wage expressed in this table.

Minimum Wage by County: \$15.93 – San Diego County; \$15.97 – Los Angeles County
Health Benefits: Yes No This is employer share of cost for healthcare premiums – medical, dental, vision.
Used to meet the Post-Retention Wage?: Yes No Maybe
 Up to \$5.38 per hour in health benefits may be used to meet the Post-Retention Wage.
 Additionally, if necessary, up to \$5.38 per hour in Mandatory Service Charges (banquet tips) may be used to meet the Post-Retention Wage for Food and Beverage Staff and Housekeeping Staff.

Wage Range by Occupation		
Occupation Titles	Wage Range	Estimated # of Trainees
Administration Staff		18
Front Desk Staff		16
Food & Beverage Staff		32
Housekeeping Staff		28
Maintenance Staff		11
Manager		21

INTRODUCTION

Noble House Shelter Pointe, LLC dba Kona Kai Resort and Spa (Kona Kai) (<http://www.resortkonakai.com/>) is located on San Diego bay. It has 129 guest rooms, 11 acres of tropical gardens and 56,000 square feet of indoor and outdoor meeting spaces. Kona Kai also has a private beach and a 520-slip marina. The Kona Kai Resort has 100 full-time employees on payroll.

Kona Kai seeks ETP funding to train its employees and those of its close affiliate, the Portofino Hotel and Marina (Portofino). The affiliate, located in Redondo Beach, is a waterfront hotel with 161 guest rooms and a 181 slip marina. The Portofino has 90 full-time employees on payroll.

Both Hotels are owned by Noble House Hotels and Resorts, headquartered in Kirkland, WA. Kona Kai will hold the ETP contract. Both entities are eligible for ETP funding as “destination resorts” competing nationally and internationally for business.

PROJECT DETAILS

In order to maintain market share and continue to satisfy the needs of a diverse clientele, Kona Kai and Portofino recognize that they must improve their guest service from a 3-Diamond rating to a 4-Diamond rating. Hotel establishments that demonstrate the basic requirements of cleanliness, comfort and hospitality during an unannounced inspection are designated as AAA/CAA Approved. AAA Diamond ratings for hotels represent a combination of the overall quality, range of facilities, and level of services offered by the property. The descriptive ratings are assigned exclusively to properties that meet and uphold AAA's rigorous Approval standards.

To meet its goal of being awarded a 4-diamond rating, Kona Kai recently completed a \$22 million renovation and Portofino underwent an extensive \$11 million renovation of guestrooms, meeting spaces, restaurants, and marina. Now that the amenities have been upgraded, senior management has launched an initiative to improve teamwork, communications, and problem-solving. Therefore, Kona Kai has developed a comprehensive training plan for both resorts to reach these goals.

Training Plan

Continuous Improvement (60%) – This training will be provided to all occupations. Trainees will learn how to exceed guest expectations in all areas of service, work more efficiently in teams, resolve team conflicts, and improve communications. Additionally, trainees will learn critical leadership techniques.

Business Skills (30%) – This training will be provided to all occupations. Trainees will learn advanced sales techniques, negotiating skills, accounting skills and front desk skills.

Computer Skills (10%) – This training will be provided to Administration Staff, Food & Beverage Staff, Front Desk Staff, and Housekeeping Staff in order to stay current with new technology which includes systems enhancements and upgrades, supply management systems and inventory controls.

Full-Time Work Week

Full-time employment for purposes of ETP retention means at least 35 hours a week for 90 consecutive days. The Panel may approve less than 35 hours a week if that workweek is customary for the industry or occupation.

Kona Kai requests a modification from 35 hours per week to 30 hours per week on grounds that this is considered full-time employment for front-line workers in the hospitality sector. These workers are not "temporary" but are employed by Kona Kai and Portofino on a permanent basis, with quarterly payroll reporting. Also, employees who work at least 30 hours per week are eligible for full-time health benefits. Because Kona Kai and Portofino's occupancy rates fluctuate during different months of the year, some workers' hourly status may also fluctuate. The Hotels offer a 30-hour full-time workweek for all employees which allow workers the ability to remain on full-time status even if their work hours drop to 30 hours per week. The Panel has approved this same modification in the past for other hotel training projects.

Union Support

The San Diego County Hotel and Food Service Workers' Union, UNITE HERE, Local 30, which represents Front Desk Staff, Food & Beverage Staff, Housekeeping Staff and Maintenance Staff

at Kona Kai, has submitted a letter of support for this training proposal. Employees for Portofino are not represented by a union.

Commitment to Training

The Hotels represent that ETP funds will not displace the existing financial commitment to training. Safety training is, and will continue to be, provided in accordance with all pertinent requirements under state and federal law. Hotel representatives report that the annual training budget for both hotels is approximately \$76,000 per year and covers topics such as new employee orientation, basic customer service, basic supervisory skills, basic computer skills, OSHA-mandated training, sexual harassment prevention training, and on-the-job training.

The proposed training will allow both resorts to concentrate on improving guest services through training, which is expected to lead to greater guest satisfaction and increased sales, and may result in an upgrade in ratings to 4 Diamond Resorts.

This project will be overseen by the Kona Kai Resort General Manager with assistance by Kona Kai's HR Manager and Portofino's Director of Human Resources, who will both be responsible for scheduling and conducting training. Kona Kai Resort will utilize a subcontractor to assist with ETP project administration.

RECOMMENDATION

Staff recommends approval of this proposal and the modification of 30 hours as full-time employment.

DEVELOPMENT SERVICES

Kona Kai retained National Training Company, Inc. (NTC) in Middletown to assist with development of this proposal for a flat fee of \$2,643.53.

ADMINISTRATIVE SERVICES

Kona Kai also retained NTC to perform administrative services in connection with this proposal for an amount not to exceed 13% of payment earned.

TRAINING VENDORS

To Be Determined

Exhibit B: Menu Curriculum

Class/Lab Hours

8 – 200

Trainees may receive any of the following:

BUSINESS SKILLS

- ✚ Negotiating Skills
- ✚ Point of Sale Skills
- ✚ Up-Selling and Closing Skills
- ✚ Accounting Skills
- ✚ Payroll Systems Skills
- ✚ PBX System Skills
- ✚ Advanced Telephone Techniques
- ✚ Integrated Kitchen Procedures

COMPUTER SKILLS

- ✚ Delphi Sales and Catering Software Skills
- ✚ Opera Operating System Front Desk Application Skills
- ✚ Food Management Systems Software Skills
- ✚ Inventory Software Skills
- ✚ Intermediate/Advanced MS Office Skills

CONTINUOUS IMPROVEMENT

- ✚ Quality Improvement
- ✚ Team Building
- ✚ Improving Communication Skills with Guests
- ✚ Resolving Team Conflict
- ✚ Room Standards Techniques
- ✚ Resolving Guest Complaints
- ✚ Exceeding Guest Expectations
- ✚ Leadership Skills

Note: Reimbursement for retraining is capped at 200 total training hours per trainee, regardless of the method of delivery.

LOCAL 30 UNITEHERE!

San Diego County Hotel and Food Service Workers' Union

Affiliated with...

AFL-CIO
San Diego and Imperial Counties Labor Council
State Federation of Labor
State Culinary Alliance
Union Label & Service Trades Council

Monday, September 14, 2015

Employment Training Panel

1100 J Street

4th Floor

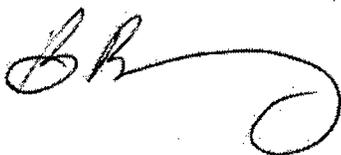
Sacramento, CA 95814

Re: Kona Kai Resort and Marina, Employment Training Panel – Ref: 15-0443

The Unite Here Local 30 Supports the proposed Employment Training Panel (ETP) Kona Kai Resort and Marina project.

The Union understands that the ETP training program will provide various types of training to: Front Office, Banquets, Food and Beverage, Guest Services Housekeeping, Kitchen and Maintenance staff.

Sincerely,



Brigitte Browning

Union President

Local 30

