



AIRPORT COMMISSION

ACTION SUMMARY MINUTES OF ADJOURNED MEETING

WEDNESDAY, MARCH 16, 2016

1. **CALL TO ORDER:** Chairman Elsner called the Airport Commission Meeting to order at 08:00 A.M.

2. **POSTING OF THE AGENDA:** Posted on March 10, 2016.

3. **ROLL CALL:**

Commissioners Present: Berriman, Call, Fabricant, Freymuth, Garcia, Haag, Hampton, Horner, Jones, King, Parks, Riesen, Stelk, Suero, Wachs.

Commissioners Absent: Bushore, Hoehn (Vice Chairman,) Teal.

Staff Present: Airport Executive Director Nolan, Assistant Airport Director Aguirre, Director of Finance and Treasury Kiehl, Deputy Director of Aviation - Operations and Maintenance Bowser, Airport Administration Manager Jucht, Airport Operations Manager Graff, Airport Security Coordinator Daugherty, Executive Administrative Assistant Seery.

4. **ACCEPTANCE OF THE AGENDA:** Accept the Agenda as presented. **Moved and seconded, and unanimously carried noting the absence of Commissioners Bushore, Hoehn, Teal.**

5. **PUBLIC COMMENTS:** None.

6. **APPROVAL OF MINUTES:** Approve the minutes of the Regular Meeting held on February 17, 2016. **Moved and seconded.**

AYES: Call, Fabricant, Freymuth, Haag, Hampton, Horner, Jones, King, Parks, Riesen, Stelk, Suero, Wachs.

ABSTAIN: Berriman, Garcia,

ABSENT: Bushore, Hoehn, Teal.

7. **INTRODUCTIONS:**

Chairman Elsner acknowledged the presence of Ms. Teresa Cherry, USO Center Manager.

8. PRESENTATIONS:

Executive Director Nolan made reference to Commissioner Haag's observation at the previous meeting about sometimes longer lines at the TSA screening checkpoint and Commissioner Haag's suggestion to post queuing times as a result.

In a PowerPoint presentation, Mr. Nolan provided two recent articles, one which appeared in USA Today and the other in The Wall Street Journal which explained the nationwide slowdown of passenger screening due to TSA staffing shortages and processes changes. He went on to explain how this is a nationwide systemic issue not unique to PSP.

Mr. Nolan pointed out that, in anticipation of the increased wait times the industry was expecting, we had proactively made facility adjustments including an increase of screening lanes from four to five, the reconfiguration of the layout of the screening checkpoint to improve ergonomics, and the hiring of a security officer to assist with passenger queuing during peak hours. All these did help mitigate the anticipated TSA changes and were worth the time and expense.

Commissioner Jones commented that Palm Springs is still the best airport in the world, and how PSP's TSA staff is very efficient and friendly. That in other airports one could be in line for forty-five minutes, and how a frequent traveler wouldn't think of complaining whereas the occasional traveler doesn't recognize this.

Executive Director Nolan also explained that our busiest peak season lasts three months, and how travelers need to allow more time because there are naturally going to be larger crowds.

Commissioner Call noted that Pre-check lines are now longer than the general boarding lines with WestJet onboard with this program and inquired about passengers without a Nexus status being randomly accepted in these lines.

Executive Director Nolan explained how randomized access to the Pre-Check lane is no longer in use by decision of the TSA and that he would check into the Nexus situation with WestJet.

In another slide, Mr. Nolan presented a Desert Sun article about the history of Palm Springs Airport and suggested that Airport Commissioners would enjoy reading it. That it was very well done and has some vintage photographs.

The next slide showed the recently opened and already successful post-security "Celebrity Bistro and Bar" in the Bono courtyard. It showed passengers enjoying a meal while relaxing in the sunshine.

The following slide showed the television viewing area installed in the regional concourse during the BNP Paribas tennis tournament in Indian Wells, a promotion by Eisenhower Medical Center.

9. BUDGET REPORT:

Director of Finance and Treasury Kiehl reported on the February summary report and explained how revenues for the operating fund are half a million dollars up from the same time last year. That expenditures are up \$200,000 compared to the same period last year. That the \$466,000 surplus is up by \$289,000 compared to last year and that the airport is on track with an unrestricted cash balance of \$3.7 million.

ACTION: Accept the financial report. **Moved and seconded, and unanimously carried noting the absence of Commissioners Bushore, Hoehn, Teal.**

10. DISCUSSION AND ACTION ITEMS:

10.A Airport Fiscal Year 2016/2017 Budget

Chairman Elsner explained how the Airport Budget & Finance Committee held a meeting on March 10, 2016. How the budget is already before the Commission following the recommendation of the Committee and doesn't require a motion to be put on the floor.

Commissioner Wachs, Chairman of the Budget and Finance Committee, thanked the Commissioners for attending the meeting and the Executive Director and staff for preparing the budget so expeditiously.

With a PowerPoint presentation, Executive Director Nolan explained in detail how in FY 2015-16, the projected revenues are \$19.679 million and projected expenses \$19.104 million leaving a surplus of \$574,000 compared to the budgeted \$388,566. How in the Preliminary FY2016-17, the airport is expecting \$20.141 million in revenues and \$20.025 million in expenses, leading to a surplus of \$115,671.

Mr. Nolan explained how the airport is projecting \$4.14 million in AIP grant funds. How last year the AIP grant revenues and expenditures were higher, but this year the airport is proceeding with the design phases of the Master Plan and will continue to be obligated to fund 10% of these FAA AIP grants.

He explained how the airport CFC Fund, which will be used for the near-term car rental improvement projects, has been accruing for years with a balance of over \$13 million which will be leveraged to finance bonds for the expansion projects.

How the airport has been collecting more PFCs than the obligations to the current bonds for the Bono and RJ concourses projects, allowing for an earlier retirement of

these bonds and offering the possibility of reissuing new bonds to provide some portion of funding for the ticketing area remodel and expansion.

That with regard to operating capital expenditures, Mr. Nolan thoroughly explained how the following allocations have been made for FY2016-17: \$200,000 for emergency capital programs; \$140,000 for passenger loading bridges components replacement, which is more than was ever allocated because of preventative maintenance issues over the past couple of years, \$255,000 for HVAC to replace a chiller as it is over 30 years old; \$290,000 for terminal roof rehabilitation; \$30,000 for a FIDS cabinet modification at the Bono; \$20,000 for control center recording equipment; \$50,000 to replace one fleet truck; \$100,000 to reorganize and update telecom circuits; \$75,000 for the front terminal curbside concrete rejuvenation; \$35,000 for perimeter fencing repairs; \$35,000 for main terminal restroom faucets replacement; \$30,000 for regional terminal walkway concrete repair; \$40,000 for the acquisition of a modern new automated lighting system; \$95,000 for ADA enhancements.

Commissioner Wachs, Chairman of the Budget and Finance Committee, commented that this budget is reasonable and had been approved unanimously by the Committee.

Chairman Elsner proposed that the Commission refer this budget proposal to City Council with the Commission's recommendation for approval.

Commissioner King inquired about General Airport Appropriations and the zero figure projected for the Corporate Yard in FY2016-17.

Executive Director Nolan explained how the City's corporate yard which houses all the city's vehicles is on airport land. That the airport agreement for its reciprocal debt repayment on improvements is expiring, however, he explained how the City will continue to compensate the Airport for the use of the corporate yard.

Commissioner King asked about the 20% increase in the Airport Operations Fund 415 in FY2016-2017.

Airport Administration Jucht explained how the main reason is an upcoming new RFP for the maintenance of the jetbridges which will now include a prevailing wage clause increasing the costs.

ACTION: Recommendation to refer the budget to City Council.

Moved and seconded, and unanimously carried noting the absence of Commissioners Bushore, Hoehn, Teal.

11. EXECUTIVE AND STAFF REPORTS:

Airport Executive Director Nolan reported on the following topics:

For the runway pavement rehabilitation project, final quantities are still being evaluated as part of the normal process in order to calculate final deducts and adds. The final FAA closeout report will then be prepared.

The technology project is 98% complete, and the delay is due to some technological glitches which are inherent to such a complex multi-faceted project. The equipment is up and running.

The airport is evaluating the scope of work for the design phase of the Master Plan projects, with PB Aviation handling the ticketing area and partnering with another local consultant for the car rental expansion design. The airport is also continuing to dialogue with U.S. Customs about relocating their operation.

Billboards advertising PSP are up on I-10 and look great with exposure to tens of thousands of vehicles.

With regard to Rideshare Transportation Network Companies, the airport is preparing an ordinance to be presented to City Council and if approved, an operating permit will be developed.

Chairman Elsner reported on the high passenger figures for the month of February, the best in history for this month, and predicted that the 2 million passenger mark will be reached this year.

Commissioner Hampton asked if the Cogen plant was operating.

Executive Director Nolan explained how it encountered problems shortly after going back on line and experts are working to correct that.

12. COMMISSIONERS REQUESTS AND REPORTS:

Commissioner Stelk explained how the cancellation of all tours to the Twentynine Palms Marine Base was due to the shortage of organizers but how the Commissioners' tour may be reconsidered in the fall. That the PSP Airport advertising rack cards have been displayed in numerous locations at the Base and how the PSP ad is also appearing in the Base quarterly publication. Commissioner Stelk also commented on the expansion of the Base, the multi-million dollar projects taking place, the number of personnel hired for these projects, and the positive impact of the Base on the Community.

Commissioner Riesen brought up the Annual Statement of Economic Interests Form 700 and Chairman Elsner reminded all that this form had to be returned to the City Clerk's office by April 1st, as legally required by the state and subject to penalty.

Commissioner Call asked if the airport staff could provide a timeline of the milestones required for accomplishing the Master Plan's refurbishing of the car rental area and ticketing wing in order to measure progress for these two major and fairly complicated projects.

Executive Director Nolan explained how this would be formulated and presented after more is known about the bonding processes and professional input is obtained.

13. REPORT OF CITY COUNCIL ACTIONS: None pertaining to the airport

14. CORRESPONDENCE: None

15. RECEIVE AND FILE:

ACTION: Receive and file: 15.A February 2016 Activity Report; 15.B April 2016 Airline Schedule.

Moved and seconded, and unanimously carried noting the absence of Commissioners Bushore, Hoehn, Teal.

ADJOURNMENT:

Motion to adjourn to April 20, 2016. **Moved and seconded, and unanimously carried noting the absence of Commissioners Bushore, Hoehn, Teal.**

The Airport Commission adjourned at 08:57 A.M. to Wednesday, April 20, 2016, at 08:00 A.M., in the airport conference room, 3400 E. Tahquitz Canyon Way, Palm Springs.

NS

Nadia P. Seery
Executive Administrative Assistant