



## **AIRPORT COMMISSION**

### **ACTION SUMMARY MINUTES OF ADJOURNED MEETING**

**WEDNESDAY, JULY 20, 2016**

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

2. **POSTING OF THE AGENDA:** Posted on July 14, 2016.

3. **ROLL CALL:**

**Commissioners Present:** Berriman, Call, Freymuth, Haag, Hoehn (Vice Chairman), Horner, Johnson, King, Riesen, Stelk, Suero, Teal, Wachs.

**Commissioners Absent:** Bushore, Fabricant, Garcia, Hampton, Jones, Parks.

**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, 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, Fabricant, Garcia, Hampton, Jones, Parks.**

5. **PUBLIC COMMENTS:** None

6. **APPROVAL OF MINUTES:**

Commissioner Call asked for a correction of the minutes of June 15, 2016, to reflect his request that a copy of the Master Plan PowerPoint presentation be emailed to all commission members. The minutes of the Regular Meeting held on June 15, 2016, were presented for approval. **Moved and seconded.**

**AYES:** Berriman, Call, Freymuth, Haag, Hoehn, Horner, Johnson, King, Suero, Wachs.

**ABSTAIN:** Riesen, Stelk, Teal.

**ABSENT:** Bushore, Fabricant, Garcia, Hampton, Jones, Parks.

7. **INTRODUCTIONS:** Vice Chairman Hoehn introduced new Palm Springs Commissioner Hunter L. Johnson.

Commissioner Johnson expressed his pleasure at serving on the Airport Commission and explained how he has lived in Palm Springs for 30 years. How his professional background includes work in non-profit housing and construction and he hopes to be able to offer some construction insight as the airport embarks on the Master Plan projects. He explained how he grew up flying and earned his solo license at a young age, how he serves as a docent at the Air Museum, and how he had been a very frequent flyer at Palm Springs airport.

Commissioner Wachs showed his support to Commissioner Johnson whom he has known for three years through their common membership to a book club.

#### **7.A. ELECTION OF THE OFFICERS:**

Vice Chairman Hoehn explained how the Chairman and Vice Chairman positions were up for election and opened the floor for nominations for the Chairman position.

Commissioner Call nominated Commissioner King.

Commissioner Johnson nominated Commissioner Wachs. He explained how Commissioner Wachs had inspired him to serve on the Airport Commission. He added that Commissioner Wachs would bring much to the Airport Commission chairmanship.

Commissioner King deferred his nomination in support of Commissioner Wachs.

Vice Chairman Hoehn asked Commissioner Call if he would speak in favor of Commissioner King and whether his nomination still stood.

Commissioner Call replied that Commissioner King had withdrawn his nomination.

Vice Chairman Hoehn acknowledged that Commissioner Call had thus withdrawn his nomination of Commissioner King.

In the absence of other nominations, Vice Chairman Hoehn declared nominations closed and called for a vote:

**ACTION:** Nominate Mr. Wachs to the position of Chairman of the Airport Commission.

**Unanimously carried with a show of hands, noting the absence of Commissioners Bushore, Fabricant, Garcia, Hampton, Jones, Parks.**

Mr. Wachs accepted the nomination and thanked the Commission. He then recognized former Chairman Elsner who was present and commented that his were big shoes to fill. He thanked Mr. Elsner for his leadership and kindness and for serving two terms as Chairman and asked for a round of applause for him.

Chairman Wachs then opened the floor for nominations for the position of Vice Chairman.

Commissioner Freymuth nominated current Vice Chairman Hoehn for another term.

In the absence of other nominations, Chairman Wachs declared nominations closed and called for a vote:

**ACTION:** Nominate Mr. Hoehn to the Vice Chairman position of the Airport Commission.

**Unanimously carried with a show of hands, noting the absence of Commissioners Bushore, Fabricant, Garcia, Hampton, Jones, Parks.**

Vice Chairman Hoehn thanked the Commission for the confidence placed in him and explained how he enjoyed giving information and advice to this Commission.

Commissioner Freymuth added his appreciation of Vice Chairman Hoehn.

Chairman Wachs addressed the position of Commission Secretary and asked Executive Director Nolan if it was his intention to continue to serve in this function.

Executive Director Nolan replied that it was his intent.

Chairman Wachs indicated that no vote was required and asked if there were any comments from Commissioners regarding the nominations and there were none.

## **8. PRESENTATIONS:**

Executive Director Nolan indicated that there would be no agenda item to act on today. That instead, there would be informational presentations including a video about the Brown Act which had been postponed from the previous meeting.

Executive Director Nolan then expressed his sadness at the recent passing of airport traffic enforcement employee Travis Loftis.

The first slide of the presentation showed a map of the Americas and the regions affected by the Zika virus spreading northward to the United States from South America, with regions like Florida impacted year round. Mr. Nolan explained how this trend may be an important marketing opportunity for the Palm Springs tourism market because we compete with Florida for conventions and tourism, and how thus far the Zika virus is not prevalent in our region thanks to 355 days of sunshine a year and dryer weather, and how the CVB and Airport hope to attract additional travelers from east of the Mississippi as a result of this unfortunate Florida situation.

With the next slide, Executive Director Nolan expounded on an article published in ATW regarding the shortage of pilots in the regional airlines industry, how

regulations enforced after the crash of Colgan Air, specifically the increased hours qualification rules, had added to the cost of training, compounding an already looming pilot shortage because of training costs versus expected salaries. How this resulted in loss of departures, airline bankruptcy such as Republic Airlines because of aircraft grounding, and how this is impacting smaller airports because airlines need to consider how to allocate their resources if there is a lack of pilots. Mr. Nolan explained how this could soon become a problem with US mainline airlines, and he reminded Commissioners to always encourage citizens to consider becoming pilots and to feel free to use him as a point of contact for anyone interested.

Commissioner King pointed out that there was no correlation between the hours of training of the pilots and the Colgan Air crash.

Commissioner Berriman brought up Desert Sands Unified School District aviation academy which offers aviation programs. He explained how Shadow Hills High School has 40 participants in their four-year program which includes courses to become an FAA traffic controller, a pilot, a customer service agent or anything to do with aviation.

The following slide presented an article entitled “FAA Extension, Safety, Security, Stability”. The article explained how this measure extends the authorization of the FAA’s programs and the taxes that will fund these programs through September 30, 2017, at current funding levels, and how the current authorization of the FAA and associated taxes expired on July 15, 2016. Mr. Nolan again explained how \$3.5 billion is generated each year through taxes to create airport funding by the FAA of which PSP has been a large recipient, and how important it has been for all the improvements we have successfully completed over the last decade.

The article then covered the following Aviation Safety Provisions which Mr. Nolan explained: new regulations on Unmanned Aircraft or “drones,” the establishment of pilot records database, marking of towers for visibility, crash resistant helicopter fuel systems, air traffic controller hiring process, cybersecurity, mental health screening for pilots, pilots manual flying skills, training of flight attendants in recognizing and responding to potential victims of human trafficking, laser pointers aimed at aircraft, all topics that influence our industry, and beneficial to understand.

The next paragraph addressed aviation security provisions and Mr. Nolan expounded on security strengthening for foreign airports, cargo program certification for overseas airports, the expansion of the TSA PreCheck program, the optimization of checkpoints, tightening access controls and airport employee vetting standards, and active shooter scenarios.

The final paragraph of the article addressed additional provisions such as third-class medical certification process of pilots, refund of paid baggage fee when items are lost or delayed, seating of children under 13 next to an adult, improving air travel for

people with disabilities, and extending authority for the DOT's Advisory Committee for Aviation Consumer Protection.

Commissioner Freymuth explained how he was recently at Boston Logan airport and how, throughout the terminal and on every shuttle bus, signs indicated that drones had to be registered with the FAA and directed readers to the website.

Executive Director Nolan pointed out that this information was also available in a link on the Palm Springs' airport website and Mr. Nolan then accessed the FAA.gov link and brought up Unmanned Aerial Vehicles. He explained how UAVs are a fast moving item which will have a place in the economy and society on a leisure and business basis. Mr. Nolan added that flying UAVs falls under the FAA's jurisdiction, not the airport's, and that UAV operators with questions should be referred to the FAA website as it is incumbent to them to follow the rules and regulations.

Commissioner Freymuth indicated that it is important however to inform people they have to register because many are unaware of this requirement.

Commissioner Johnson commented that one of the regulations calls for UAV operators to notify the airport if they are to operate within five miles of said airport and asked Mr. Nolan if the airport had a process and a number to call.

Executive Director Nolan explained that all calls received in airport administration are referred to the FAA and how, within approximately a month, the FAA will be implementing more stringent rules which will be available on their website or through telephone directions.

Commissioner Teal explained that the La Quinta City Council felt compelled to have a policy on drones and how he reached out to Mr. Nolan and then advised his Council to wait until the new FAA package came out next month.

Mr. Nolan reiterated that PSP does not have the authority to grant permissions for UAVs, instead operators' obligations are to comply with the rules and regulations established by the FAA. That this is an FAA, not an airport, regulated and controlled issue.

The next presentation was a fifteen-minute video of a primer on the Brown Act. (Molly Stump, City Attorney, Palo Alto). The presentation covered the history and objectives of the Brown Act, an overview of the basics such as meetings, agendas, public comments, serial meetings, emails, and a highlight of challenging situations and finding answer to questions.

Chairman Wachs added that every Commissioner has resources available to them for addressing potential issues here.

**9. BUDGET REPORT:**

Director of Finance and Treasury Kiehl reported on the June 2016 Financial Summary report, which is not the final version as there are still revenues, payroll and other entries to be recorded. Mr. Kiehl explained how the final figures will be available in August or the first part of September, which will be followed by an audit for the entire city which is expected to be completed by December 31<sup>st</sup>.

Mr. Kiehl pointed out that on-airport rental car revenues of \$6,897,685 are expected to be reduced by \$200,000 due to the annual procedural over collection of Minimum Annual Guarantees which are subsequently refunded to the companies.

FY 15/16 General Airport Revenues currently stand at \$19.5 million and are projected to reach \$19.6 million.

Commissioner King asked how often the projections were revised.

Mr. Kiehl explained revisions occur when monies are rolled forward from the prior fiscal year, and if needs throughout the year cause funds to be moved within accounts, or if there are pending salaries settlements with bargaining groups which will not be the case this year. He pointed out that the projection column is not inserted until the middle of the fiscal year.

Mr. Kiehl indicated that Fund 415 – Airport Operations and Maintenance – is projected at under \$18 million or 10 per cent under budget and those monies will be continued in the new year.

Mr. Kiehl explained that Cogen had been more expensive than anticipated because it went on line just recently, later than expected. Some major expenses have yet to be recorded and savings we were anticipating didn't materialize this year.

Mr. Kiehl explained how a \$1.5 million extra bond payment was completed on July 1<sup>st</sup> because of the additional revenues generated and how this fund now offers an opportunity for refinancing for planning some of the upcoming projects.

How the General Airport Fund 415 reflects a surplus of \$2.5 million currently and is projected to stand at \$1.6 million after final reconciliation and surpluses are used to help fund future capital projects.

Mr. Kiehl summarized that the unrestricted cash balance stands at \$5.6 million and is expected to end at \$4.8 million, which is a healthy reserve and on target.

Commissioner Haag inquired about the nature of the Cogen project and the delay.

Mr. Kiehl explained how it was a rehab of the entire facility and some technical issues have delayed its commissioning.

**ACTION:** Accept the financial report. **Moved and seconded, and unanimously carried noting the absence of Commissioners Bushore, Fabricant, Garcia, Hampton, Jones, Parks.**

**10. DISCUSSION AND ACTION ITEMS: None**

**11. EXECUTIVE AND STAFF REPORTS:**

Airport Executive Director Nolan reported on the following topics:

With regard to the Master Plan commencement of first projects, something will be on the agenda of the City Council meeting of August 3<sup>rd</sup> regarding the issuance of the professional services contract to airport consulting engineer Parsons Brinckerhoff for the design of the ticketing renovation. This will be followed by the Notice to Proceed. The FAA has viewed the scope and an independent fee estimate and it meets all FAA guidelines. Mr. Nolan added that the FAA will fund 90 per cent of the project as shown in the budget and the airport capital improvement program. This exciting project will be carefully planned and designed with the goal of minimizing inconvenience during construction in summer 2017.

The passenger boarding bridge contract renewed every four to five years is up for renewal. For liability and risk assessment a professional service firm maintains the boarding bridges, does quarterly inspections and preventative maintenance as required in the agreement.

The Zia juice concession in the Bono concourse was closed by HMS due to lack of revenue and gifts concessionaire Paradies will be utilizing the space as a second gift concessions concept. This will expand the gift concession and will help alleviate long lines during peak times, and revenues are expected to perform considerably better than the old concept.

Air Canada Rouge is introducing a wide-body B767-300 holding 282 seats on the Vancouver route in winter 2016, the largest scheduled aircraft in the history of Palm Springs International Airport. This will be integrated into the operations and as this will add to the passenger load during certain times the airport is working diligently to ensure a smooth transition.

Some of the chillers in the cooling towers supplementing the cogeneration plant are being rebuilt. This cost had been budgeted.

The annual Aviation Expo set to take place from October 20 to 22 will not include a parade of planes although a venue had been offered by the airport. The conference activities will be housed in three hangars totaling 50,000 square feet on the north end of the field and they will use 100,000 square feet of apron. Aviation Expo is orchestrating all the event related logistics within the confines of the lease parameters. Mr. Nolan asked if any commissioner is interested in volunteering to help on these days to please contact him.

The Transportation Network Companies topic on which the Airport Commission voted three months ago should be presented to City Council on August 3<sup>rd</sup>. If City Council votes to allow pickups, the Operations Committee will convene to give input on how to orchestrate this relationship.

Passenger statistics increased 11 per cent in June, and 2.5 per cent year-to-date.

## **12. COMMISSIONERS REQUESTS AND REPORTS:**

With regard to TNCs operations being presented at City Council Commissioner King asked for confirmation that the recommendation the Commission gave at the April meeting would be respected and that the decision of the pickup location would come back to the Commission for discussion.

Executive Director Nolan explained how City Council may voice an opinion on a pickup location if they choose, and that he could not conjecture what that decision would be.

Commissioner Freymuth added that the Commission should be able to weigh in on any decision whether City Council chooses to adopt it or not.

Vice Chairman Hoehn asked Commissioner King if he wanted to wait for the Commission to recommend a location after the City Council meeting or whether there is a need to take another action to weigh in now.

Commissioner Freymuth added that if there's a chance City Council will act on it at least they ought to know how the Commission feels about it.

Chairman Wachs commented that we should have this on the September agenda, or maybe sooner.

Executive Director Nolan expressed his opinion that City Council will focus primarily on the TNCs permission to operate and that operational matters will likely revert to the airport and how, if asked about locations, he would provide them with all the alternatives and present the sentiments expressed by some of the Commissioners.

Commissioner Freymuth added that he was aware that discussions had occurred with City Manager Ready and Mayor Moon, and that he feels that City Council will not only focus on allowing TNCs pickups but decide as well on a curbside location and that the Airport Commission should at least give its opinion.

Vice Chairman Hoehn pointed out that since this topic was not on today's agenda, the Commission could not provide another recommendation or vote.

Commissioner Haag brought up the Master Plan and how not being able to choose a location could derail the process of building adequate structures for the taxis and that he has been waiting for the recommendation to come back to the Commission.

Vice Chairman Hoehn stated that if City Council decided on a location it would be up to the Commission to review that decision.

Commissioner Stelk brought up a magazine article about Ontario airport and their transition from being part of Los Angeles World Airports to being independent and expressed his sentiment that they may become more aggressive in their marketing to gain back the field they have lost. He also spoke about the usage of Ontario airport by the Marine Base personnel, how there has been available transportation from the Marine Base to Ontario airport for three years and how Palm Springs International Airport could benefit if a similar opportunity existed. Mr. Stelk also mentioned that the rack cards advertising Palm Springs airport were being used and a restock may be needed soon.

Commissioner Freymuth commented that Marines use Ontario because they can count on year round flight availability, and they will probably continue to do so.

Commissioner Haag inquired how far along we were with our Food and Beverage contract with HMS Host and Airport Administration Manager Jucht said it expired in 2019.

Vice Chairman Hoehn praised the value of obtaining a Global Entry pass which greatly expedites customs clearance upon entering the United States after traveling internationally.

**13. REPORT OF CITY COUNCIL ACTIONS:** 06-15-16. 5.A. Appointment of Various Commissioners and Board Members as part of the 2016 Annual Recruitment Process.

**14. CORRESPONDENCE:** Letter from SunLine Transit Agency.

**15. RECEIVE AND FILE:**

**ACTION:** Receive and file: 15.A June 2016 Activity Report; 15.B August 2016 Airline Schedule.

**Moved and seconded, and unanimously carried noting the absence of Commissioners Bushore, Fabricant, Garcia, Hampton, Jones, Parks.**

**ADJOURNMENT:**

Motion to adjourn. **Moved and seconded, and unanimously carried noting the absence of Commissioners Bushore, Fabricant, Garcia, Hampton, Jones, Parks.**

The Airport Commission adjourned at 09:25 A.M. to Wednesday, September 21, 2016, at 08:00 A.M., in the airport conference room, 3400 E. Tahquitz Canyon Way, Palm Springs.

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Nadia P. Seery  
Executive Administrative Assistant