



AIRPORT COMMISSION

ACTION SUMMARY MINUTES OF ADJOURNED MEETING

WEDNESDAY, SEPTEMBER 21, 2016

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 September 15, 2016.

3. **ROLL CALL:**

Commissioners Present: Berriman, Bushore, Call, Fabricant, Garcia, Haag, Hampton, Hoehn (Vice Chairman), Horner, Johnson, Jones, King, Riesen, Stelk, Suero

Commissioners Absent: Freymuth, Parks, Teal, Wachs

Staff Present: City Manager Ready, 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 Freymuth, Parks, Teal, Wachs.**

5. **PUBLIC COMMENTS:**

Mr. Bill Meyers, President of Yellow Cab of the Desert addressed the Commission and expressed his opinion about Uber's continued lack of compliance with standard safety regulations, and he wanted this position known because while the Airport Commission had already voted in favor of allowing TNC pickups at the airport, City Council had yet to decide on the matter.

6. **APPROVAL OF MINUTES:**

The minutes of the Regular Meeting held on July 20, 2016, were presented for approval. **Moved and seconded.**

AYES: Berriman, Call, Haag, Hoehn, Horner, Johnson, King, Riesen, Stelk, Suero

ABSTAIN: Bushore, Fabricant, Garcia, Hampton, Jones

ABSENT: Freymuth, Parks, Teal, Wachs

7. **INTRODUCTIONS:** None

8. PRESENTATIONS:

Executive Director Nolan expressed his sadness at the passing of Mrs. Nancy Elsner, wife of former Airport Commission Chairman, Mr. Robert Elsner.

In a PowerPoint presentation Executive Director Nolan showed a photograph of a team of contracted architects who recently worked for three days at Palm Springs International Airport carefully evaluating the ticketing area project in preparation for the schematic design phase.

Mr. Nolan thanked Commissioner Haag, a professional in construction management, for his input.

Next, a new video produced by the CVB about the airport was played. This video is also accessible through the airport's website main page.

Commissioner Jones suggested perhaps this video could be shown on television as a marketing tool.

Vice Chairman Hoehn explained how it had been shown at the CVB last month and how other uses of this video could be coordinated with Mr. Nolan and the CVB.

9. REPORTS:

City Manager Report:

Mr. David H. Ready, City Manager, commented that in anticipation of a period of significant activity ahead, he wished to be more involved to be able to implement and administer any required policies.

Mr. Ready explained how the TNC/Uber/Lyft subject would probably come back to City Council at their next meeting in two weeks. How City Council had appreciated the recommendation of the Airport Commission both on the authorization of TNC pickups, as well as the location for these pickups curbside at the airport.

Mr. Ready acknowledged the airport marketing initiative and indicated that, as Commissioner Jones mentioned about the video earlier, there may exist marketing opportunities that could be expanded to a wider market. He added that they will work with sub-committees as there are opportunities to obtain additional resources into marketing by working with tourism.

Mr. Ready explained how City Council would be giving the airport additional resources shortly, how a Strategic Planning meeting was scheduled for the next day and how airport marketing had become the larger issue for them as well. How they will want to be involved with the Airport Commission on this subject.

Mr. Ready added that of course the Master Plan large projects are ready to happen and how we need to move these projects down the road as budget season would soon follow. Mr. Ready offered whatever resources may be needed from City Hall to keep this great thing we have going.

Commissioner Stelk commented that the Strategic Planning meeting to be held is a new concept for City Council to be involved in and applauded City Council for putting this on the agenda and formalizing it.

Mr. Ready explained how the Master Plan has been formalized. How Strategic Planning is a priority for Council city wide.

Finance Report:

Director of Finance and Treasury Kiehl presented a two-part report: the unaudited June 2016 revised report and the August 2016 report.

In Fund 415 - General Airport Revenues, Mr. Kiehl pointed out a \$600,000 growth in revenue year over year. He explained how the main contributors are space rental, leased parking and rental cars, part of which is due to the renegotiation of the agreements.

He explained how these results will be presented to the auditors and a final report will follow.

Mr. Kiehl explained how Fund 415 – Unrestricted cash summary has reached \$5.6 million, as projected all year long, and how the bond debt repayment had proceeded at a faster pace due to higher revenues.

Mr. Kiehl also explained how after the adoption of the budget in the new year, the insurance costs decreased by \$700,000 which was very favorable for the airport.

Director of Finance and Treasury Kiehl concluded that the budget was balanced.

ACTION: Accept the financial report. **Moved and seconded, and unanimously carried noting the absence of Commissioners Freymuth, Parks, Teal, Wachs.**

10. DISCUSSION AND ACTION ITEMS:

10.A Alaska Airlines / Virgin America / Air Canada ticket Counter Position assignments

Executive Director Nolan, with the use of a slide presentation, explained how airline acquisitions were continuing in the industry with Alaska Airlines recently acquiring Virgin America Airlines. How the D.O.T.'s preliminary ruling is expected this fall

allowing them latitude to comingle some aspects of their operations until the final single certificate is granted, which is projected for 2018. How in anticipation, Alaska Airlines had been working with the Palm Springs Airport management team to combine ticket counter functions with Virgin America, and how they intend to integrate their check-in functions into the Alaska ticket counter.

At the same time, Mr. Nolan reminded the Commission that Air Canada was bringing a wide-body B763 this fall for their Vancouver service and how the Virgin America move would free 359 square feet and three ticket counter positions, which Air Canada could now lease to better suit their queuing and passenger processing space needs.

Mr. Nolan further explained that the total fee revenue to the airport would remain unchanged.

Commissioner Jones inquired about the impact the merger would have locally on the destinations currently served by Alaska Airlines and Virgin America Airlines.

Executive Director Nolan explained that his approach to dealing with airline mergers in the past is to first accommodate their airport operations and logistics needs, and in parallel work with their route planners to maintain the current routes at PSP and try and identify other opportunities. That accommodating this ticket counter reassignment is part of meeting their needs.

ACTION: Recommend the Virgin America counter operation be incorporated in the existing Alaska Airlines' counter footprint and that 359 square feet of ticket counter space be allocated to Air Canada's leasehold.

Moved and seconded, and unanimously carried noting the absence of Commissioners Freymuth, Parks, Teal, Wachs.

11. EXECUTIVE AND STAFF REPORTS:

Airport Executive Director Nolan reported on the following topics:

Provided an overview of the status of the ticketing remodel project and identified that new baggage system options are being evaluated, and the project once clearly defined will be presented at a future operations meeting.

The Aviation Expo fly-in and aviators conference will take place from October 20th to October 22nd. Mr. Nolan asked if anyone wanted to volunteer to please contact him.

The new parking revenue control system for the public lot is installed and operational. Airport Administration Manager Jucht explained how it was faster, more

reliable and how it brings the platform to a higher standard. The system will also be used in the overflow lot this season.

The down escalator replacement project has concluded, with final inspection scheduled to take place tomorrow.

With the addition of an Air Canada wide-body jet at the Bono, gate analysis continues for a smooth incorporation of operations into the gate utilization plan.

Additional outdoor seating is being added to the Bono concourse in anticipation of higher loads this season.

The HVAC terminal chiller rebuilding is in progress and will be used in conjunction with the Cogen plant for enhanced cooling at the terminals.

A major UPS (Uninterruptable Power Supply) unit ignited and was replaced. The remedial is in progress.

The USO lease anniversary is coming up and the lease offers one more renewal term.

The bond feasibility selection of professional services to fund a portion of the Master Plan is in progress.

12. COMMISSIONERS REQUESTS AND REPORTS:

Commissioner Berriman introduced Ben Rooney, a young man about to join the army and study to become an Air Traffic Controller. A visit of the Tower was scheduled after the meeting.

Commissioner Stelk spoke about the tour of the Twentynine Palms Marine base which was cancelled last March. How there is a possibility of having the tour on November 17, 2016, if twelve commissioners can commit to attend. The tour will target areas of interest to Airport Commissioners, and Commissioner Stelk is meeting with the Board this Tuesday to fine tune the tour. Details to be provided.

Commissioner Stelk also presented a magazine issued by the Base which details the current projects at the Base, as they like to be good neighbors and are open with providing information.

He reminded commissioners that 40,000 military personnel, both allies and US military, come to train each year at Twentynine Palms as potential passenger traffic for Palm Springs International Airport.

Commissioner Hampton asked what Cogen provided.

Executive Director Nolan explained that this plant provides chilled water, steam and electricity.

Commissioner Haag announced that he was being reassigned by his company to Honolulu for several years, and that this would be his last Airport Commission meeting. He thanked the Commissioners and expressed his pleasure at serving on this Commission.

Executive Director Nolan and Vice Chair Hoehn thanked him for his contribution and all in attendance wished him well.

- 13. REPORT OF CITY COUNCIL ACTIONS: 07-6-16. 2.K.** Authorize the issuance of a purchase order to Carrier Corporation in the amount of \$68,935 for equipment repairs related to an air conditioning chiller at the Palm Springs International Airport.
- 08-03-16 1.H.** Ratify and Appoint the nomination of the City of Coachella to the Palm Springs International Airport Commission for the term ending December 31, 2016 – **1.Y.** Approve an agreement with Riselo Engineering solutions Inc. for the maintenance and repairs of the airport baggage claim handling systems and passenger boarding bridges. – **1.Z.** Accept FAA Grant 3-06-0181-054-2016 for airport projects, and approve amendment No.6 in an amount of \$2,554,344 for a professional services contract to design airport ticketing wing renovation, airfield electrical upgrades, and taxiway J pavement rehabilitation – **3.A.** Proposed ordinance relating to permitting Transportation Network Companies to operate at the Palm Springs International Airport.
- Councilmember Comments, requests, and reports: Councilmember Foat requests a meeting be set up with SOS to discuss a location for their operations at the Palm Springs International Airport, and requested an Airport Commission be included in the discussions.

- 14. CORRESPONDENCE:** None.

15. RECEIVE AND FILE:

Vice Chairman Hoehn commented on the double digit increases in traffic in June, July and August compared to last year and lauded the efforts of the airport direction.

ACTION: Receive and file: 15.A July-August Activity Report; 15.B September 2016 Airline Schedule, October 2016 Arline Schedule.

Moved and seconded, and unanimously carried noting the absence of Commissioners Freymuth, Parks, Teal, Wachs.

ADJOURNMENT:

Motion to adjourn. **Moved and seconded, and unanimously carried noting the absence of Commissioners Freymuth, Parks, Teal, Wachs.**

The Airport Commission adjourned at 08:40 A.M. to Wednesday, October 19, 2016, at 08:00 A.M., in the airport conference room, 3400 E. Tahquitz Canyon Way, Palm Springs.

N.S.

Nadia P. Seery
Executive Administrative Assistant