



AIRPORT COMMISSION

ACTION SUMMARY MINUTES OF ADJOURNED MEETING

WEDNESDAY, JANUARY 18, 2017

1. CALL TO ORDER:

Chairman Wachs called the Airport Commission Meeting to order at 08:00 A.M.

2. POSTING OF THE AGENDA: Posted on January 12, 2017.

3. ROLL CALL:

Commissioners Present: Berriman, Betts, Bushore, Call, Freymuth, Hampton, Horner, Johnson, Jones, King, Riesen, Spike, Stelk, Suero, Teal.

Commissioners Absent: Fabricant, Hoehn, Pattison.

Staff Present: City Manager Ready, Chief of Police Reyes, Director of Finance and Treasury Kiehl, Airport Executive Director Nolan, Assistant Airport Director Aguirre, 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 Fabricant, Hoehn, Pattison.**

Chairman Wachs communicated the passing of former Airport Commissioner Mr. Mike Brill and announced that his funeral would take place on Friday, January 20th.

5. PUBLIC COMMENTS:

Mr. Kurkjian, Executive Director of the Bob Hope USO, thanked the City of Palm Springs, the City Manager, the Mayor, the Airport Commission and Mr. Nolan and his team for their support of the local USO. He stressed the importance of the local USO chapter which served over 35,000 troops and their families in 2016, 10,400 of which directly at the Palm Springs International Airport center, and invited Commissioners to tour the center and see the local 125 volunteers in action. Mr. Kurkjian explained how they are excited to continue conversations as the airport moves forward with the next phase of construction to discuss future space for the USO and its location. Mr. Kurkjian also spoke about Soldiers Organized Services

which offers courtesy transportation service to the troops and family members. Past issues about pickup locations have now been resolved as SOS has recently moved near the USO allowing to maximize service to the members of the military.

6. APPROVAL OF MINUTES:

The minutes of the Regular Meeting held on December 21, 2016, were presented for approval. **Moved and seconded.**

AYES: Berriman, Betts, Bushore, Call, Freymuth, Hampton, Horner, Johnson, King, Riesen, Spike, Stelk, Suero, Teal.

ABSTAIN: Jones

ABSENT: Fabricant, Hoehn, Pattison

7. INTRODUCTIONS: None

8. PRESENTATIONS:

In a PowerPoint presentation form, Executive Director Nolan showed photos of two retail stores in the Bono terminal, Desert News and Desert Mart. Paradies-Lagardère the airport gift and news concessionaire recently opened the Desert Mart, a snacks and beverages store in the Bono terminal. This reduces congestion at Desert News, the first store, allows for a pleasant shopping experience while offering additional products to passengers and revenues to the airport.

In another slide Mr. Nolan showed photographs of the new Air Canada B767-300, the largest regularly scheduled aircraft at PSP, introduced on the Vancouver route in November.

A photograph showed WestJet and Air Canada side by side, and Mr. Nolan pointed out that there are two competitors now in the Canadian market at PSP.

9. CITY MANAGER REPORT:

City Manager Ready explained how City Council was happy about the 2016 passenger counts and he thanked everyone for their efforts. Mr. Ready indicated he would address the Commission later in this meeting with Police Chief Reyes.

10. BUDGET AND FINANCE REPORT:

Director of Finance and Treasury Kiehl presented the December 2016 financial summary

Mr. Kiehl explained how a lag in posting is causing Fund 415 - General Airport Revenues - to reflect a loss compared to last year.

He explained the following: how the Corporate Yard is listed as it had been an ongoing item, however, it expired last year; how spending is down 2.7 percent compared to last year; how the AIP project is not launching as fast as last year; and how we are on track in surplus.

Mr. Kiehl also announced that the audit was completed, that there were no findings and no adjustments required, and that the audit is now posted online.

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

11. DISCUSSION AND ACTION ITEMS:

11.A Memorandum of Understanding with the Greater Palm Springs Convention & Visitors Bureau for Professional Air Service Development Cost Sharing.

Executive Director Nolan explained how after the departure of the Airport Marketing and Business Development Deputy Director, a decision was made to work with the Convention and Visitors Bureau (CVB) collaboratively to market with airlines. How the CVB Memorandum of Understanding is a continuation of the arrangement ratified last year by City Council and shares the cost of engaging a professional firm that specializes in air service development consultation and analysis. How the firm InterVISTAS had been selected and would be retained under this agreement for another year to conduct air service route analysis, data generation, market analysis, and recommendations for added service opportunities. How the action before the Commission would be to renew one year of service with InterVISTAS, in conjunction with the CVB, at a cost for the Airport of \$32,500. That the CVB's airline marketing aspects of this sharing arrangement are separate from the airport's.

Commissioner King asked if InterVISTAS contacts airlines directly and makes presentations.

Mr. Nolan replied they do not contact the airlines without the Airport's direction and participation. How their primary function is to provide analysis. For example Mr. Nolan explained how he is attending a major airline conference in February to meet with eight airlines, and that the consultant is assisting him in preparing each airline's presentation.

ACTION: Approve the renewal of the **Memorandum of Understanding with the Greater Palm Springs Convention & Visitors Bureau for Professional Air Service Development Cost Sharing.**

Moved and seconded, and unanimously carried noting the absence of Commissioners Fabricant, Hoehn, Pattison.

11.B. Airport Security Budget Adjustment

City Manager Ready explained how subsequent to the attack at Fort Lauderdale airport the Police Officers Association had raised the question whether there was sufficient security at the airport. How while it is believed to be adequate, in light of the increase in local passenger traffic and attacks throughout the world the Chief of Police would like to recommend a plan to increase coverage. How it is an important issue but also a big commitment which would add approximately \$600,000 to the airport budget and put the airport in a deficit situation in operations. But how these dollars could be disbursed back to the airlines and be recouped as part of their operational agreement. How in the immediate, the Chief has officers working overtime to cover these additional shifts, and how in the long term we need to take a resolution to Council to add additional employees positions and a larger police presence at the airport. Mr. Ready asked the Commission to think about it, discuss it, give some direction and make a recommendation to City Council as it will be discussed at City Council in the next one to two meetings.

Chief of Police Reyes expounded on the need for additional police manpower based on recent events such as the attack in nearby San Bernardino. He explained how the Ft. Lauderdale airport attack reminded us all the need to consistently conduct patrols and that the off airport police in Palm Springs, who sometimes assist with airport patrols are now dealing with increased crowds during events and crime on the streets, and that support has diminished; how at least two officers should be required each shift at the airport.

Executive Director Nolan echoed this need and explained how the airport also utilizes a state-of-the-art security system in addition to armed police officers, but how the presence of an armed officer in uniform is still the best deterrent against crime aimed at public spaces.

Commissioner Bushore asked how an increase of airline fees would be received.

Mr. Nolan explained how Palm Springs International Airport had been running safely and efficiently for many years under a very cost effective environment and how he felt the airlines should understand this security aspect.

Commissioner King asked about the cost and whether the airport should have the same police staffing during daytime peak hours and in the middle of the night, or whether we should increase staff during peak hours only.

Chief Reyes expressed his view that it is preferable to have two officers at all times.

Commissioner Spike, who formerly worked for the Palm Springs Police Department and used to oversee officers at this airport, expressed his support of Chief Reyes's request.

Commissioner Hampton asked if there were tactical reasons behind this request and if best practices at other airports could indicate what is adequate.

Executive Director Nolan explained how there are no minimum staffing requirements, but these decisions made by airports are predicated by size, facility configuration, business and the proximity of the local police base.

Commissioner Stelk asked what facilities would be covered besides the terminals.

Mr. Nolan replied that all facilities are covered with technology and "men in blue."

Commissioner King made the motion that the Commission move forward with this plan with the intent to recover the cost through rates and charges to airlines and tenants and asked how long it would take to recover those funds.

Mr. Nolan explained how costs would begin recovery as soon as possible, this year.

Commissioner Berriman inquired about potentially training airport employees and volunteers to assist in emergency situations.

Mr. Nolan replied that multi levels of staff are trained but that police officers remain the deterrent of choice because of their firearms and arrest capability.

ACTION: Recommend to move forward with the plan and have costs reimbursed through airline and tenant fees.

Moved and seconded, and unanimously carried noting the absence of Commissioners Fabricant, Hoehn, Pattison.

12. COMMISSIONERS REQUESTS AND REPORTS:

Commissioner Teal commented on how he finds the advertising in the baggage claim area to be effective and attractive.

Chairman Wachs mentioned that he saw the JetBlue Palm Springs advertisement in New York, at JFK airport.

In light of a recent out-of-town newspaper article which listed PSP as having higher than normal flight delays Commissioner Hampton explained how these delays are

for the most part weather delays from downline cities impacting operations in Palm Springs.

Commissioner Betts commented that the company that issued the original delay data may have had other self-promoting interests, and that it is preferable to abide by our own research.

13. EXECUTIVE AND STAFF REPORTS:

Airport Executive Director Nolan reported on the following topics:

The design of the ticketing wing project and baggage handling replacement project continues.

In 2017, in addition to the enabling projects for the terminal renovation, the airport will undertake taxiway J pavement rehabilitation and replace airfield electrical systems, all funded under an AIP grant.

The Budget and Finance Committee will meet in March.

The car rental agreements are up for renewal on July 1st, 2017. It is undecided at this point if an extension will be offered or if there will be a rebid.

The Air Museum is about to hold its annual gala.

Commissioner Riesen, a docent at the Air Museum, explained how the new hangar is being constructed and should be completed by April or May 2017.

Mr. Nolan explained how the airport had reached a milestone, exceeding one million enplaned passengers in 2016. How this total represents a 6.1 percent increase over enplanements in 2015.

Mr. Nolan reminded the Commission that there would be no meeting in February as he will be attending an airline marketing conference with Mr. Canfield, Executive Director of the Palm Springs Bureau of Tourism.

14. REPORT OF CITY COUNCIL ACTIONS:

12-07-16: 1.J. Approve an agreement with Ricondo & Associates for airport consulting services in the amount of \$309,425.

01-04-17: 1.E. Air Service Marketing Incentive funding award to Air Canada.

1.G: Ratify and appoint the nomination of the City of Coachella to the Palm Springs International Airport Commission for the term ending December 31, 2017.

15. CORRESPONDENCE: None.

16. RECEIVE AND FILE:

ACTION: Receive and file: 16.A December Activity Report; 16.B February 2017 Airline Schedule.

Moved and seconded, and unanimously carried noting the absence of Commissioners Fabricant, Hoehn, Pattison.

ADJOURNMENT:

Motion to adjourn. **Moved and seconded, and unanimously carried noting the absence of Commissioners Fabricant, Hoehn, Pattison.**

The Airport Commission adjourned at 08:45 A.M. to Wednesday, March 15, 2017, 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