



AIRPORT COMMISSION

ACTION SUMMARY MINUTES OF ADJOURNED MEETING

WEDNESDAY, JANUARY 10, 2018

1. CALL TO ORDER:

In the absence of Chairman Wachs, Vice Chairman Hoehn called the Airport Commission Meeting to order at 8:00 A.M. and led the Pledge of Allegiance.

2. POSTING OF THE AGENDA: Posted on January 4, 2018.

3. ROLL CALL:

Commissioners Present: Berriman, Breslin, Call, Clarkson, Dada, Freymuth, Hughes, Johnson, Jones, King, Pattison, Riesen, Schmitz, Spike.

Commissioners Absent: Betts, Hampton, Hedrick.

Staff Present: City Manager Ready, 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:

ACTION: Accept the Agenda as presented. **Moved and seconded and unanimously carried noting the absence of Commissioners Betts, Hampton, Hedrick.**

5. PUBLIC COMMENTS: Mr. Bill Meyers, President of Yellow Cab of the Desert, addressed the Commission about Transportation Network Companies and his concern about their policy of testing for substance abuse on a random basis only. How public safety should be the concern of the Airport Commission.

6. APPROVAL OF MINUTES:

The minutes of the Regular Meeting held on December 13, 2017, were presented for approval. The following two corrections were made.

At the request of Commissioner Riesen the vote result on Action Item 11 A. was changed to: "The motion failed to pass".

At the request of Commissioner Jones, his presence was reflected under item 3. with the mention of his arrival after the acceptance of the minutes.

Minutes approval was then **moved and seconded and unanimously carried noting the absence of Commissioners Betts, Hampton, Hedrick.**

7. INTRODUCTIONS:

Newly appointed Palm Springs Commissioner Mr. Aftab Dada was introduced.

Commissioner Dada gave a brief presentation of his professional background.

8. PRESENTATIONS:

Mr. Sidney Burks was invited to give a PowerPoint presentation about the history of civilian and military airports in the City of Palm Springs since the 1930s.

9. CITY MANAGER REPORT:

City Manager Ready explained how City Council has asked to re-agendize the TNCs' operations at PSP airport at their meeting of January 24, 2018, using a previous recommendation by the Airport Commission.

Mr. Nolan explained how the previous recommendation was to allow TNCs to pick up at the airport within a designated parking area, but how the terms of the ordinance will be determined by Council.

Mr. Ready explained how the original idea was not to give TNCs priority over taxis and how ideally it would still be easier to get a taxi while accommodating Uber and Lyft.

10. BUDGET AND FINANCE REPORT:

Director of Finance and Treasurer Kiehl presented the December 2017 Financial Summary.

Mr. Kiehl explained how most of the revenue is recorded this month and reflects an increase of 24% over last year.

He pointed out that PFCs are 7% higher than last year.

Mr. Kiehl explained how, on page 2, the expenses amounting to \$7.3 million compared to \$8.5 million last year are due to a logging delay.

How on page 4, Fund 415 – the General Airport Fund, shows a very healthy surplus of close to \$2 million.

He added that the unrestricted cash of \$5.1 million is also very healthy and that the airport is on track for a balanced budget at the end of the year.

11. DISCUSSION AND ACTION ITEMS:

11.A Palm Springs Bureau of Tourism Advertising and Marketing Program – Discussion

Ms. Mary Jo Ginther, Director of the Palm Springs Tourism Bureau, gave a presentation, aided by a PowerPoint, about Promoting Air Access to PSP and made the following comments.

How advertising both in print and digitally in areas which offer nonstop service to Palm Springs throughout the year or seasonally creates awareness to out-of-market visitors.

How media used include TripAdvisor, React2Media, Verve, Facebook, Madden Media and Google.

How the Canadian market is reached through Paid Ad Media Canada, The Toronto Star, Calgary Herald, The Edmonton Journal, CBC, The Vancouver Sun and the Vancouver Magazine.

Ms. Ginther then presented the Paid Ad Media in the U.S. She explained how Visit California is their state tourism partner and then listed a number of television channels and newspapers used for advertising such as The Seattle Times, The Oregonian, the Chicago Tribune, the (Minnesota) StarTribune, SFGate, Seattle Met, KGW.com, and NWCN.

She explained how the Tourism Bureau brings the media to Palm Springs and how articles such as those appearing in airline magazines are invaluable.

How the Palm Springs Tourism Bureau publishes and distributes over 200 000 pocket visitor guides about Palm Springs each year.

How consumer tradeshow are attended around the country, sometimes in conjunction with the launching of airlines' new service or special features on the Palm Springs route. An example was the special trade program with Air Canada attended by Air Canada top executives, luxury tour operators and travel agencies to demonstrate how Palm Springs can accommodate luxury travel.

How the webpage visitpalm Springs.com features a dedicated page for the Palm Springs International Airport and the airport partners are also being featured.

How Press Releases distributed to nonstop flight cities create interest and draw press inquiries.

Ms. Ginther then explained the role of social media postings such as Facebook and Twitter which are very active, the role of newsletters, sweepstakes and contests conducted in partnership with airlines, and how promotions in publications assist with advertising and reach out to potential travelers.

Ms. Ginther also highlighted the Tourism Bureau's role in assisting the Palm Springs International Airport support new airline routes by arranging festivities, setting up welcome displays and offering giveaways for inaugural flights.

Finally, Ms. Ginther detailed the estimated costs of the advertising produced in 2017 to target non-stop air markets which totaled approximately \$470,000 out of the Tourism Bureau budget.

Commissioner Clarkson asked about the proportion of drive-ins compared to fly-ins.

Ms. Ginther explained how they use a visitors figure based on hotel room occupancy and an estimate of vacation rentals. How they also use a study done by the CVB, and how it totals about 5 million visitors a year.

Mr. Canfield, of the Tourism bureau, explained how visa card spending tracking helps determine the spending source nationally and internationally. How the drive market is number one, how the largest air market is the Pacific Northwest, then California, then across the country.

Commissioner Clarkson asked what is the proportion of local airport users versus tourists.

Mr. Ready suggested that taxis may have this figure, and Mr. Meyers of Yellow Cab of the Desert indicated that 55% of taxi cab passengers are residents or long-term visitors.

Commissioner Jones asked Ms. Ginther if other cities had this type of activity to advertise the airport and how the Tourism Bureau cooperates with them or whether they operate on an individual basis.

Ms. Ginther explained how the Tourism Bureau cooperates with the CVB and partners with them whenever possible. How other cities have marketing representatives who meet on a quarterly basis to be updated on the latest developments.

Ms. Vicky Higgins, VP of Destination Development for the Greater Palm Springs Convention and Visitors Bureau, in attendance as a guest, gave a brief synopsis of the CVB's collaboration with the Tourism Bureau.

Ms. Ginther explained the structure of tourism organizations with first an international contingent: Brand USA, which promotes the United States around the globe, a statewide agency: Visit California, then regional tourism marketing organizations such as our CVB, then cities' Tourism Bureaus which continue to funnel these leads and attract them to our business travel sources.

Mr. Ready explained how the \$40,000 budget allocated for local marketing actually goes beyond the airport and how he wanted the Commission to have a sense of that reach. How the marketing committee can further research if there are other ways to leverage that \$40,000, and how the Tourism Bureau can explore what can be achieved with that amount compared to what can be achieved with an additional \$10,000 for instance.

Commissioner King left at 8:47 A.M.

Commissioner Freymuth inquired about a past comment whereby there might be some money available that would target the airport in conjunction with the downtown development.

City Manager Ready explained how the City funds the Tourism Bureau to the tune of \$2 million a year so it is part of that and anything going out the door that has tourism potentially has the airport moniker on it. How this can be examined through the Airport Commission subcommittee work and then leveraged with the Tourism Bureau.

Mr. Canfield pointed out that all the Tourism Bureau market is outside the Coachella Valley with the goal of bringing visitors in.

Commissioner Freymuth expressed how in his opinion, as Chairman of the Marketing Committee, the local marketing budget is too small and can perhaps be discussed at the airport's next budget meeting.

12. EXECUTIVE AND STAFF REPORTS:

Executive Director Nolan provided updates on the following projects:

The bulk of the Ticketing Wing remodel construction project is now scheduled for 2019 and the enabling project should begin within the next couple of weeks, with no impact to airlines operations at that time.

The runway electrical project remains in progress, crews are running new cabling and installing LED lighting which will save electricity and will make the airport much more

reliable from an electrical standpoint. The expenses for replacement bulbs will dramatically decrease.

The SOQ for the five-year engineering consulting services should conclude soon and Mr. Nolan thanked the two airport Commissioners who are serving on the committee.

Recent industry statistics indicate there were no deaths due to airline crashes in 2017.

Mr. Rene Ponce, Manager of the Paradies-Lagardère gift shops concession at PSP was introduced. He explained how with the addition of the second gift shop in the Bono concourse they reached the \$2 million mark in revenue for the two stores, and with them will surpass the \$5 million benchmark this year.

The City Manager inquired about the stores' schedules and what provisions are made for late flights and for delayed flights.

Mr. Ponce explained that everything is open until the last passenger has boarded. How, when there are delays, 95 to 98% of the time they stay open the entire time necessary. They will not however, remain open for vague two to four hour delays, which are very rare.

Mr. Nolan addressed Commissioner Call's last month's inquiry about reduced seating in the terminal atrium area, and explained how 87 seats remain pre-security and how some of the seats had to be used in the Bono concourse hold rooms.

13. COMMISSIONERS REQUESTS AND REPORTS:

Commissioner Call commented that while there are 87 seats in the terminal 26 of them are outside which is not a desirable seating area and how there are only 28 seats located inside within a reasonable distance of the atrium and no seats whatsoever in the atrium.

Mr. Call expressed his concern that while this may seem as a minor issue, it may lead to stressful situations which can have a cumulative effect and potentially undermine our reputation of being one of the most stress free airports in America.

Commissioner Riesen commented on the significant growth of the Air Museum and the beauty of the new hangar and announced that the Museum will be holding their annual fund raising gala next month which, last year, raised over half a million dollars.

Commissioner Johnson remarked about passengers sitting on the baggage carousels while waiting for bags, how it is an unsafe situation and how, in years past, there were seats closer to the baggage belts.

Commissioner Freymuth pointed out that people will sit on carousels no matter what because it is more convenient and it is a way to be first in line to retrieve one's bag.

Vice Chairman Hoehn commented that adding seats in the baggage claim area is an issue as we may be obstructing traffic, and how Mr. Nolan had offered to look into it.

Commissioner Spike commented positively on Sidney Burks' presentation about the history of the airport. He explained how, a few years ago, he became aware of the amazing history of the civil air patrol, their contribution to WWII, their current involvements and he asked if they could make a short presentation in the future as well.

14. REPORT OF CITY COUNCIL ACTIONS:

Included in the packet:

Council Action Summary of 12-31-17:

I. APPOINTMENT OF MR. AFTAB DADA TO THE PALM SPRINGS INTERNATIONAL AIRPORT COMMISSION FOR THE UNEXPIRED TERM ENDING JUNE 30, 2018

V. ACCEPTANCE OF THE AIRPORT TAXIWAY J PAVEMENT RECONSTRUCTION PROJECT, IFB 17-06

D. AWARD A CONSTRUCTION CONTRACT TO CALTEC CORP, IN THE AMOUNT OF \$1,330,000 FOR THE AIRPORT TICKETING HALL EXPANSION ENABLING PROJECT, IFB 18-02

Council Action Summary of 1-03-18:

O. RENEWAL OF AGREEMENT NO. A5724 WITH THE USO, GREATER LOS ANGELES AREA, INC. FOR A NON-EXCLUSIVE OPERATING AND LEASE FOR SPACE AT PALM SPRINGS INTERNATIONAL AIRPORT

Executive Director Nolan announced the following Future Council Actions:

14.A Security Services Contract for Airport Badging. Due to the increase of number of employees at the airport the yearly badging processes amount has exceeded \$25,000 and requires Council approval.

14.B Fiber Optic Cable Project Bid Award. Following a fire a couple of years ago the cabling needs to be redone – while insurance is paying for it, it exceeds \$25,000 and requires Council approval.

14.C Transportation Network Companies Ordinance as explained earlier by City Manager.

15. **CORRESPONDENCE**: None.

16. **RECEIVE AND FILE**:

ACTION: Receive and file: 16.A February 2018 Airlines Schedules.

Moved and seconded, and unanimously carried noting the absence of Commissioners Betts, Hampton, Hedrick

Airport Administration Manager Jucht explained how the airline activity report for December 2017 will be e-mailed to the Commission upon receipt of the statistics from the airlines. How airlines have until the 10th of each month to submit their reports.

ADJOURNMENT:

Motion to adjourn. **Moved and seconded, and unanimously carried noting the absence of Commissioners Betts, Hampton, Hedrick**

The Airport Commission adjourned at 9:06 A.M. to Wednesday, February 14, 2018, at 8:00 A.M., in the airport conference room, 3400 E. Tahquitz Canyon Way, Palm Springs.

N.S.

Nadia P. Seery
Executive Administrative Assistant