



AIRPORT COMMISSION

ACTION SUMMARY MINUTES OF ADJOURNED MEETING

Wednesday, September 12, 2018

1. CALL TO ORDER:

Chairman Wachs 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 September 6, 2018.

3. ROLL CALL:

Commissioners Present: Altman (arrived late), Breslin, Call, Clarkson, Dada, Freymuth, Hedrick, Hoehn, Hughes, Jones, King, Riesen, Schmitz.

Commissioners Absent: Berriman, Johnson, Pattison, Pye, Riesen.

Staff Present: Airport Executive Director Nolan, Assistant Airport Director Aguirre, Airport Administration Manager Jucht, Airport Operations Manager Graff, Administrative Secretary Seymour.

Others Present: Diane Dearden - USO, Bob Thibault - CVB, Rene Ponce - Paradies-Lagardère, Craig Matteo -f HMS Host.

4. ACCEPTANCE OF THE AGENDA:

ACTION: Accept the Agenda as presented. **Moved and seconded and unanimously carried noting the absence of Commissioners Berriman, Johnson, Pattison, Pye, Riesen.**

5. PUBLIC COMMENTS:

Mr. Jeffrey Bernstein of Destination PSP addressed the commission about opportunities for local businesses to be included in the bid for food and beverage and gift concessions in 2019.

6. APPROVAL OF MINUTES:

The minutes of the Regular Meeting held on July 11, 2018, were presented for approval. **Moved and seconded.**

AYES: Breslin, Call, Clarkson, Hedrick, Hoehn, Hughes, Jones, King, Riesen, Schmitz.

NOES: Nil

ABSTAIN: Dada, Freymuth

ABSENT: Berriman, Johnson, Pattison, Pye, Riesen.

7. INTRODUCTIONS:

Ms. Diane Dearden, recently appointed Manager of the Palm Springs USO, presented her background and the motivations that brought her to this position in Palm Springs. She thanked the Airport and Commission for their continued support of the USO.

Commissioner Altman arrived at 8:10 A.M.

Executive Director Nolan introduced the newly appointed Commissioner from Cathedral City, Mr. Richard Altman.

Commissioner Altman gave a brief introduction about his background.

8. PRESENTATIONS:

With the aid of a PowerPoint, Executive Director Nolan showed unusual photos of a severe twenty-minute downpour which occurred on July 11, 2018, and the estimated two-foot wave generated on the tarmac as water flowed towards the south end of the airport.

9. CITY MANAGER REPORT: None

10. BUDGET AND FINANCE REPORT:

Airport Administration Manager Jucht presented the August 2018 Financial Summary. He indicated that revenues are strong for this time of year, how July was up 20% in passenger traffic and August 11.5% compared to last year, positively impacting concessions revenues. How expenses were low in July-August. How the airport Restricted Cash Fund is in a strong position with Fund 405–CFC showing a balance of \$19.3 million and the PFC Fund stands at \$2.5 million, with some early bond debt payments being effected as a result. Mr. Jucht reminded the Commission that a new bond would be issued this year to help finance the Ticketing Wing Project. The Capital Restricted Fund increased from \$7 million last year to \$8.3 million this year, and Fund 415 begins the year with a strong \$5.8 million.

Mr. Jucht then presented the 2017-18 Fiscal Year End summary. Airport Revenues finished at 6% over the planned budget as last year was a record year in virtually every category. How with new airline service being announced for the coming season,

another strong year is anticipated. As far as year end balances, Restricted Funds continue to grow, and the airport is setting aside moneys for future PERS obligations.

Chairman Wachs pointed out that the June Year End report is labeled "Preliminary" instead of "Final."

Airport Administration Manager Jucht explained how the City's accounting cycle spans fifteen months and how, by the end of August, most accounting is completed and the current report is close to being final. However, the audit isn't performed until December and minor adjustments could still occur.

Commissioner Freymuth pointed out that the Year End report doesn't reflect the restricted fund for the ongoing airline incentive program, while it is back in August.

Mr. Jucht explained how no incentive funds were applied for in 2017-18 and they rolled over automatically, therefore, they reappear in August.

11. DISCUSSION AND ACTION ITEMS:

11.A Airport Capital Improvement Program Update - (Discussion)

Executive Airport Director Nolan, for the sake of new Commissioners, explained how the FAA requires that airports receiving entitlements and discretionary funds provide an Airport Capital Improvement Plan each year spanning the next five years. The last plan covering the years 2019 through 2023 was presented to the Commission in December 2017 and was submitted to the FAA in January of 2018. He added that, in this region of the United States, airports are required to spend their entitlements before qualifying for discretionary funds.

Mr. Nolan reviewed in detail the items submitted in last year's plan and highlighted the following items:

- The \$26 million ticketing wing remodel scheduled for summer 2020 completion with enabling phase completed;
- A planned \$8 million airfield taxiway rehabilitation is scheduled for 2020 (with nearly \$70 million on runway and taxiway rehabilitation expended over these past ten years);
- The three ARFF vehicles which are planned to be rebuilt, using original manufacturer's equipment and saving 50% of the costs while extending warranty;
- The eight passenger boarding bridges of the Bono concourse present an excellent opportunity to be rebuilt with new parts, instead of purchasing new bridges, representing a savings of several millions.

- The Regional Jet Concourse, built in 2007 with 8 ground level gates will have three boarding bridges installed to allow medium size jets to use this concourse and address growing gate capacity constraints at the Bono concourse.
- The aging baggage retrieval system is scheduled to be replaced with a system that will add 250 linear feet of baggage belt. This is important as PSP has amongst the highest rate of oversized bags per passenger in the country. These new carousels will be slanted allowing double stacking of luggage. Ultimately, the car rental center will be relocated out of the baggage claim area to alleviate congestion. The baggage retrieval system is entitlement eligible, the car rental project is not.

Mr. Nolan commented that the ACIP over the next five years is probably the busiest in the history of the airport as far as the complexity and cost of projects.

12. EXECUTIVE AND STAFF REPORTS:

Executive Director Nolan offered the following updates:

The Kirk Douglas Way repaving was completed. The road was micro milled to a depth of ¼ to ½ inch. This was paid entirely with airport funds.

New seating for the Bono terminal and lobby should be delivered in October.

The airfield electrical project is wrapping up.

The Ticketing Wing enabling project, consisting of the construction of offices under the Bono concourse, is completed. A tour may be planned for the Commissioners.

The TSA queuing throughput improvement initiative continues with a local architect firm and the TSA working together to add one extra lane of equipment.

Airport Administration Manager Jucht explained how the Request For Proposal has been issued for the two Retail Merchandising Units in the Bono concourse, after the contract with Eva's at Palm Springs Airport expired in August.

The airport is working on a short-term plan to possibly increase the number of customer service positions at the rental car companies counters and help improve customer processing.

13. COMMISSIONERS REQUESTS AND REPORTS:

Chairman Wachs commented on the Airline Activity Report reflecting a passenger traffic increase of 20.2% in July 2018 over last year, and 11.5% in August.

Commissioner King commented that this is the first time that the airport shows "best traffic month in history" 12 months in a row.

Commissioner Schmitz asked if the airport is acting on cyber security.

Mr. Nolan replied in the affirmative and that he would be glad to discuss this with him privately as it is a security matter.

Commissioner Clarkson asked if the airport had heard back from the Clerks' office regarding the Noise Committee.

Mr. Nolan replied yes, that another Noise Committee might convene and the ordinance may have to be updated to reflect modern times.

Commissioner Call announced that the Volunteer Navigators will start their schedule earlier this year on October 21st instead of November 1st, due to increased airline activity.

Commissioner Call asked if, in conjunction with that, there is a possibility to have two extra lanes added to the security check point.

Mr. Nolan replied that it is possible, and that this option was being studied.

14. REPORT OF CITY COUNCIL ACTIONS: Provided in the packet

15. CORRESPONDENCE: None.

16. RECEIVE AND FILE:

ACTION: Receive and file: 16.A July 2018 Activity Report. 16.B. September 2018 Airlines Schedules 16.C. October 2018 Airlines Schedules.

Moved and seconded and unanimously carried noting the absence of Commissioners Berriman, Johnson, Pattison, Pye, Riesen.

ADJOURNMENT:

Motion to adjourn. **Moved and seconded and unanimously carried noting the absence of Commissioners Berriman, Johnson, Pattison, Pye, Riesen.**

The Airport Commission adjourned at 8:43 A.M. to Wednesday, October 10, 2018, at 8:00 A.M., in the airport conference room, 3400 E. Tahquitz Canyon Way, Palm Springs.

Nadia P. Seery
Executive Administrative Assistant