



AIRPORT COMMISSION

ACTION SUMMARY MINUTES OF ADJOURNED MEETING

Wednesday, July 10, 2019

1. CALL TO ORDER – PLEDGE OF ALLEGIANCE:

Chairman Jones called the Airport Commission meeting to order at 8:00 A.M. and asked Commissioner Adams to lead the Pledge of Allegiance.

2. POSTING OF THE AGENDA: Posted on July 3, 2019.

3. ROLL CALL:

Commissioners Present: Adams, Burke, Clarkson, Corcoran, Freymuth, Hedrick, Hughes, Jones, Pye, Riesen, Suero.

Commissioners Absent: Altman, Breslin, Dada, Feltman, Hoehn, Pattison, Schmitz.

Staff Present: City Manager Ready, Airport Executive Director Nolan, Assistant Airport Director Aguirre, Airport Administration Manager Jucht, Airport Operations Manager Graff, Executive Administrative Assistant Seery.

4. ACCEPTANCE OF THE AGENDA:

ACTION: Accept the Agenda as presented. **Moved by Commissioner Freymuth, seconded by Commissioner Hedrick and unanimously carried noting the absence of Commissioners Altman, Breslin, Dada, Feltman, Hoehn, Pattison, Schmitz.**

5. PUBLIC COMMENTS: None.

6. APPROVAL OF MINUTES:

The minutes of the Regular Meeting held on June 12, 2019, were presented for approval.

Moved by Commissioner Hedrick, and seconded by Commissioner Freymuth and unanimously carried noting the absence of Commissioners Altman, Breslin, Dada, Feltman, Hoehn, Pattison, Schmitz.

7. CHAIRMAN REPORT:

Chairman Jones welcomed new Palm Springs Commissioners Mr. Gerald Adams and Mr. Todd Burke. Commissioner Adams, Commissioner Burke and Commissioner Riesen then gave a short presentation of their backgrounds and how their experience contributes to the Airport Commission.

7.A. ELECTION OF OFFICERS:

Pursuant to Palm Springs Municipal Code Chapter 2.06.020, the Chairman and Vice Chairman positions were open for election for the period of July 1, 2019, through June 30, 2020.

Commissioner Freymuth nominated Commissioner Jones for the Chairman's position.

In the absence of other nominations for the Chairman's position, nominations were closed and a vote was called:

ACTION: Nominate Commissioner Jones to the position of Chairman of the Airport Commission. **Moved by Commissioner Freymuth and seconded by Commissioner Riesen and unanimously carried noting the absence of Commissioners Altman, Breslin, Dada, Feltman, Hoehn, Pattison, Schmitz.**

Commissioner Hughes nominated Commissioner Hoehn for the Vice Chairman's position.

In the absence of other nominations for the Vice Chairman's position, nominations were closed and a vote was called:

ACTION: Nominate Commissioner Hoehn to the position of Vice Chairman of the Airport Commission. **Moved by Commissioner Hughes and seconded by Commissioner Hedrick and unanimously carried noting the absence of Commissioners Altman, Breslin, Dada, Feltman, Hoehn, Pattison, Schmitz.**

8. INTRODUCTIONS AND PRESENTATIONS:

City Manager Ready announced that the Palm Springs Public Arts Commission is proposing to loan two new art pieces to the airport and how the Airport Commission would be asked to consider this proposal at the next meeting.

Mr. Russell Pritchard of the Palm Springs Public Arts Commission gave a background of the Arts Commission and its contribution to the City of Palm Springs.

9. **CITY MANAGER REPORT:** None in addition to the announcement above regarding the artwork for the airport.

10. **BUDGET AND FINANCE REPORT:**

Airport Administration Manager Jucht explained how the month of June had been very successful with PFCs up by 16%, CFCs by 12% and General Revenue by 10%. How the AIP grant revenue category is down as planned (-63.5%.)

Mr. Jucht announced that the PFC bond rate is 2.9% and purchasing insurance brought us to an AA rating. He added that the FAA had approved this PFC bond project two years ago and suggested that the next bond project be defined by 2022.

Mr. Jucht explained how the airport budget had set aside \$1.7M for PERS.

11. **DISCUSSION AND ACTION ITEMS:**

11.A **Bono Concourse Tree Replacement**

Executive Director Nolan explained how four palm trees, planted around the fountain in the upper Bono concourse in 1999, are now overgrown and reaching the rooftop tensile fabric canopy. How the canopy manufacturer will void the warranty if damage occurs as a result of contact. How we must consider removing the trees and recommend a specific plan moving forward.

Chairman Jones agreed that the trees should be removed and asked for recommendations for further use of that area.

Discussion ensued on whether the trees should be replaced with younger palms of the same variety or another variety, or if there should be temporary plantings until a decision is made about the long-term use of the fountain area with the upcoming concessions RFP.

City Manager Ready asked that a second opinion be obtained from an arborist before proceeding with the removal of the palm to determine if they could be trimmed instead.

Other Commissioners comments included keeping trees in the fountain area as they offer a pleasant sight when travelers first arrive; however, this is a pass-through area which may be better used for a restaurant concession; how revenues could be generated in that area and an eventual concession could be made beautiful and include greenery; how consultants Ricondo and Associates had clearly identified the need for additional concession space.

Commissioner Freymuth and Commissioner Hedrick proposed to expand the current concessions and recommended eliminating the trees and the fountain.

Executive Director Nolan explained that City Council will decide about the expansion in that area during the concessions RFP process.

ACTION: Remove the palm trees and replace them with temporary plantings until a decision is made on concessions. **Moved by Commissioner Hedrick, seconded by Commissioner Freymuth and unanimously carried noting the absence of Commissioners Altman, Breslin, Dada, Feltman, Hoehn, Pattison, Schmitz.**

11.B Ricondo Associates Contract – Airline Lease Development.

Executive Director Nolan explained how this action seeks recommendation for Ricondo and Associates to continue providing professional services and assist with the formulation of the new PSP airport Airline Use and Lease Agreement (AULA) at a cost of \$120,416. How the current AULA is set for renewal at the end of 2020, upon completion of the Ticket Wing Modernization project. How Ricondo who has already performed an analysis of the current agreement would finalize rates and charges models, revise business methodology, prepare and attend airline meetings and participate in negotiations, and would facilitate the execution of a new agreement covering the next five-year term. How the scope of work is anticipated to span one and a half years.

In a PowerPoint, Mr. Nolan presented the airline revenues sources including landing fees, terminal rents and special capital project charges. He explained how the cost per enplanement at PSP airport which stands at \$4.61 in 2019, and is low in the industry, is anticipated to reach \$8.23 by 2024 due to foreseeable calculated increases in costs.

With the next slide, Mr. Nolan presented Ricondo's detailed time schedule for all steps leading to a conclusion in December 2020, with the effective date of the new AULA being January 1st, 2021.

Executive Director Nolan explained how Ricondo was selected from a national RFP conducted two years ago.

Airport Administration Jucht further explained that a comparison of Ricondo's fee was done with other airports such as Palm Beach and this comparison is favorable. How Ricondo had already performed very well for the airport with the bond feasibility project. How the AULA project will be labor intensive and how we plan, with the new airline agreement, to come up with a hybrid method, sharing responsibility with the airlines.

ACTION: Follow staff recommendation with retaining Ricondo for the AULA project. **Moved by Commissioner Freymuth, seconded by Commissioner Hedrick and**

unanimously carried noting the absence of Commissioners Altman, Breslin, Dada, Feltman, Hoehn, Pattison, Schmitz.

12. EXECUTIVE AND STAFF REPORTS:

Executive Director Nolan provided the following updates:

All PFC bonds have been sold.

City Council will take action on the granting of the Ticket Wing Remodel contract to Swinerton Builders and the Construction Management Contract to RS&H at their meeting on July 24, 2019.

All fees associated with the State Water Board mandate about testing for PFAS in the soil and ground water will be presented to City Council for approval in September.

Contour Airlines will begin nonstop daily service to Sacramento on September 16, 2019, through April 30, 2020, with a ERJ-135 seating 30 passengers and qualifies for the new marketing incentive program.

Assistant Airport Director Aguirre explained how City Council will decide about the acquisition of new seats for the Bono concourse at their meeting on July 24. If approved, seats will be delivered by the end of the calendar year.

Mr. Nolan explained that the design contract for the car rental facilities would be brought to the Commission in September.

Mr. Nolan reported on Airline Activity, with a passenger traffic increase of 12% in June and 16% so far this year.

13. COMMISSIONERS REQUESTS AND REPORTS:

Commissioner Freymuth commented that new problems had been uncovered with the Boeing 737-Max aircraft, and how it is not expected to be back in service this year.

Commissioner Hedrick asked about the scheduling of the landscaping project.

Commissioner Clarkson explained how the Noise Committee had agreed on a regular quarterly meeting schedule in January, March, June and September following the Airport Commission meeting. How the Committee also agreed on updates to be brought to Section 2.16.042 of the Palm Springs Municipal code regulating the Noise Committee, an ordinance adopted in 1995. He commented how information for the public had been added to the airport website under Noise Abatement.

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

15. CORRESPONDENCE: None.

16. RECEIVE AND FILE:

ACTION: Receive and file: Item 16.A - June 2019 Airline Activity Report
16.B. August 2019 Airlines Schedules.

ADJOURNMENT:

Motion to adjourn. **Moved by Commissioner Corcoran, seconded by Commissioner Riesen and unanimously carried noting the absence of Commissioners Altman, Breslin, Dada, Feltman, Hoehn, Pattison, Schmitz.**

The Airport Commission adjourned at 9:18 A.M. to Wednesday, September 11, 2019, at 8:00 A.M., in the airport conference room, 3400 E. Tahquitz Canyon Way, Palm Springs.

Nadia P. Seery
Executive Administrative Assistant