



AIRPORT COMMISSION

ACTION SUMMARY OF ADJOURNED MEETING

Wednesday, January 8, 2020

1. CALL TO ORDER – PLEDGE OF ALLEGIANCE:

Chairman Jones 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 2, 2020.

3. ROLL CALL:

Commissioners Present: Adams, Breslin, Budilo, Burke, Corcoran, Feltman, Freymuth, Hedrick, Hoehn, Jones, Pattison, Pye, Riesen, Schmitz, Suero.

Commissioners Absent: Altman, Clarkson, Dada, Hughes.

Others Present: Oliver Lamb, Managing Director – Ailevon Pacific Aviation Consulting; Bob Thibault, Chief Development Officer - CVB.

Staff Present: City Manager Ready, Airport Executive Director Nolan, Assistant Airport Director Aguirre, Airport Administration Manager Jucht, Airport Operations Manager Graff, Airport Security Coordinator Daugherty, City Finance Director Pauley, Airport 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 Altman, Clarkson, Dada, Hughes.**

5. PUBLIC COMMENTS: None

6. APPROVAL OF MINUTES:

The minutes of the Regular Meeting held on December 11, 2019, were presented for approval.

Moved by Vice Chair Hoehn seconded by Commissioner Hedrick.

AYES: Adams, Breslin, Burke, Corcoran, Feltman, Freymuth, Hedrick, Hoehn, Jones, Riesen, Schmitz.

NOES: None

ABSTAIN: Budilo, Pattison, Pye, Suero

ABSENT: Altman, Clarkson, Dada, Hughes.

7. CHAIRMAN REPORT:

Chairman Jones indicated that an Operations, Facilities and Properties Committee meeting had taken place the day before and Commissioner Schmitz would give a summary, and that this meeting would be followed by a Marketing Committee meeting.

Chairman Jones then invited Commissioner Budilo and Commissioner Pattison to give a presentation of their background.

8. INTRODUCTIONS AND PRESENTATIONS:

Mr. Thibault of the CVB introduced their aviation consultant, Mr. Oliver Lamb of Ailevon Pacific Aviation Consulting, who gave an in-depth, PowerPoint-supported presentation about air service at PSP.

Mr. Lamb first addressed the appeal of Palm Springs as a destination and the attractiveness of PSP for being an efficient airport. He explained how PSP has been amongst the fastest growing airports in the country over the last few years with an average yearly growth percentage of 8.2% representing two to three times the national average.

Commissioner Suero arrived at 8:12 A.M.

Mr. Lamb addressed the 2019 PSP traffic figures which exceeded 2.6 million passengers, the sizeable growth for some airlines and the impact of the B737 Max grounding for others. He explained how PSP grew too fast last year with load factors lagging, and how airlines are adjusting seat capacity down resulting in a leveling of growth while still remaining above North America's average. How, when the B737 Max returns to service, PSP will be in an improved position yet.

Commissioner Freymuth arrived at 8:25 A.M.

Mr. Lamb presented the focus points for 2020 including first and foremost a sustainable year-round market, securing new markets in the Pacific Northwest and Bay Area, amplifying markets which have been hugely successful such as DFW and ORD, extending markets like New York to become year-round markets, bringing in additional low cost carriers, continuing discussions with airlines who have expressed interest in serving PSP in the summer only, international exposure in the summer,

attracting non-tourism demand to boost Greater Palm Springs' appeal to airlines, and lowering accommodation costs by encouraging the building of more budget and value hotels.

9. CITY MANAGER REPORT:

City Manager Ready reported that the Deputy Director of Marketing and Business Development position interviews would take place on January 22nd, with Mr. Nolan, Commissioners Jones, Hoehn and Dada on the interview panel. How interviews for the Deputy Director of Maintenance and Operations are ready to be scheduled. How the recruitment process for the Airport Engineer has not received much interest and alternatives may have to be considered.

Commissioner Feltman inquired about the change of meeting times for boards and commissions to evening hours, and asked if the Airport Commission would have the opportunity to discuss this.

Mr. Ready explained how Council will mandate that commissions meet no earlier than 5:30 P.M. to allow for more participation from the community. How the first reading of the ordinance is taking place on January 9, the second on January 30th, followed by implementation in thirty days. However, there will be some lead time realizing that it will be easier for some commissions than others, and how it may be more problematic for the Airport Commission and should therefore be agendized for the next Airport Commission meeting. Mr. Ready added that Council would be flexible on the implementation.

10. BUDGET AND FINANCE REPORT:

Airport Administration Manager Jucht indicated that Customer Facilities Charges revenues appear to be down but how the total doesn't include the December reporting. How reports from car rentals and airlines are due by the 10th of the following month.

Mr. Jucht added that Passenger Facility Charges are up by 13% compared to last year, tracking closely with passenger growth.

Fund balances are all growing compared to last year, with Fund 415's unrestricted balance standing at \$5.3M compared to \$2.5M last year at this time.

11. DISCUSSION AND ACTION ITEMS:

11.A Car Rental, Ticketing, and Terminal Renovation Project Updates

Executive Director Nolan provided an update on the airport projects:

The new CONRAC project in the approved location will first require a relocation of the U.S. Customs and Border Protection office and the USO operation to allow the razing

of the hangar which houses them. How the airport is in communications with both entities.

For the ticketing wing project, the point of focus is currently the baggage handling system, and the completion of the project will most likely require more than one season. The larger ticketing upper hall portion should be completed by December 2020.

Photos of the expanded security check point and the corridor widening project were shown and Mr. Nolan explained different elements of this project.

12. EXECUTIVE AND STAFF REPORTS:

Airport Executive Director Nolan provided the Commission the following additional updates:

The specifications for the Bono concourse passenger boarding bridges are being completed by the consultant.

All airport water wells will be analyzed to detect the eventual presence of PFAs as required by the state for all airports.

City Procurement is in the process of purchasing two ARFF trucks for the airport.

The airport is purchasing a runway sweeper.

The airport Parking Management RFP is concluded and is being reviewed by a committee that includes Mr. Jucht and Mr. Aguirre from the airport and Commissioner Dada from the Airport Commission as well as other city hall staff.

The Airport Advertising Concession will be brought to the Airport Commission at the next meeting to consider an extension to the current agreement.

The airport car rental agreements will need to be extended in the near future to accommodate the anticipated construction of the new CONRAC facility.

13. COMMISSIONERS REQUESTS AND REPORTS:

Commissioner Schmitz, Chairman of the Operations, Facilities and Properties Committee gave a summary of this committee's meeting the previous day. He explained how the current CBP facility at PSP does not accommodate international commercial airline traffic but only private aircraft. How building an international clearance facility follows precise guidelines, involves the Departments of Immigration, of Health and Agriculture and is an enormous expense. How building a facility is not

an enticement for international service as demonstrated in other cities in Southern California. Mr. Schmitz and Mr. Lamb also commented on the shortage of CBP officers in Southern California and how difficult it is for any airport to obtain these federal services. He explained how international pre-cleared flights take away the need for CBP facilities and manpower.

Mr. Schmitz reported that the Operations Committee moved to hire consultant Gensler to look at modifying existing terminal facilities to cross-utilize for acceptance of international flights and determine if this is possible from a facility standpoint and acceptance by CBP.

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

15. CORRESPONDENCE: None.

16. RECEIVE AND FILE:

ACTION: Receive and file: (16.A. December Airline Activity Report – Not received as of meeting.) 6.B. February 2020 Airlines Schedules.

ADJOURNMENT:

ACTION: Motion to adjourn. **Moved by Commissioner Hedrick, seconded by Commissioner Corcoran and unanimously approved noting the absence of Commissioners Altman, Clarkson, Dada, Hughes.**

The Airport Commission adjourned at 9:17 A.M. to Wednesday, February 12, 2020, at 8:00 A.M., in the airport conference room, 3400 E. Tahquitz Canyon Way, Palm Springs.

Nadia P. Seery
Executive Administrative Assistant