



AIRPORT COMMISSION

ACTION SUMMARY MINUTES OF REGULAR ADJOURNED MEETING

Wednesday, April 20, 2022 – 5:30 P.M.

1. CALL TO ORDER:

Chairman Dada called the Airport Commission Meeting to order at 5:30 P.M. and he invited Vice Chairman Corcoran to lead the Pledge of Allegiance. The meeting was held via videoconference.

2. POSTING OF THE AGENDA: Posted on April 14, 2022.

3. ROLL CALL:

Commissioners Present:

Patricia Breslin (Palm Springs)	Kathleen Hughes (La Quinta)
Paul Budilo (Indian Wells)	Scott G. Miller (Palm Springs)
Todd Burke (Palm Springs)	John Payne (Palm Springs)
Kevin Corcoran (Palm Springs) – Vice Chair	Jill Philbrook (Cathedral City)
Aftab Dada (Palm Springs) - Chair	Jan Pye (Desert Hot Springs)
David Feltman (Palm Springs)	Jhan Schmitz (Indio)
Ken Hedrick (Palm Springs)	Kevin Wiseman (Palm Desert)

Commissioners Absent: Gerald Adams (Palm Springs), Peter Freymuth (Riverside County), Gabriel Martin (Coachella), M. Guillermo Suero (Palm Springs), and Thomas Weil (Rancho Mirage)

Staff Present:

Harry Barrett, Jr., Interim Airport Executive Director
Daniel Meier, Deputy Director of Aviation Marketing and Air Service
Victoria Carpenter, Airport Administration Manager
Christina Brown, Executive Administrative Assistant

4. ACCEPTANCE OF THE AGENDA:

ACTION: Accept the Agenda as presented. **Moved by Commissioner Burke, seconded by Commissioner Schmitz, and unanimously approved noting the absence of Commissioners Adams, Freymuth, Martin, Suero, and Weil.**

5. PUBLIC COMMENTS:

Mr. Tony Michaelis, Cathedral City resident, said that he had been an arriving passenger at PSP on April 2nd at 1:00 p.m., and he voiced his concern with the chaos at the baggage claim area. He said it took an hour to get his luggage and that there wasn't any communication with the passengers that were waiting for their luggage. Mr. Michaelis referred to the article in the Desert Sun that had reported that airport management had stated that the issues with airline operations was out of the airport's control, and he said that he believed that simple basic management could have made a huge difference in the negative passenger experience. He also said that he believed that it wouldn't take much for a couple of managers to be at the location for those two hours during the busy period to try to facilitate some communication with passengers coming in. Mr. Michaelis said that he doesn't accept management saying that the situation is out of their control, and he said that he hopes that things improve.

Chairman Dada thanked Mr. Michaelis for his comments, and he said that the airport staff would contact him to address his comments.

6. APPROVAL OF THE MINUTES:

Commissioner Hedrick requested that his request to Arica Gately with CLEAR for more information on how much an ambassador makes be added to the minutes.

ACTION: Approve the minutes of the Airport Commission Meeting of March 16, 2022. **Moved by Commissioner Feltman, seconded by Vice Chairman Corcoran and unanimously approved with the correction requested by Commissioner Hedrick, and noting the absence of Commissioners Adams, Freymuth, Martin, Suero, and Weil.**

7. INTRODUCTIONS AND PRESENTATIONS: None

8. CITY MANAGER REPORT: None

9. DISCUSSION AND ACTION ITEMS: None

10. EXECUTIVE DIRECTOR REPORT:

10.A Projects Update and Airport Capital Improvement Program Update

Interim Airport Executive Director Barrett said that there were nine total noise complaints over the month of March, eight commercial aircraft noise complaints and one general aviation noise complaint. He said that four of the complaints came from the Rancho Mirage area which is four and half miles from the airport, and the remaining complaints came from more than 13 miles from the airport. Mr. Barrett noted

that airport staff is starting to receive more interest in commercial aircraft noise which staff is addressing.

Mr. Barrett said that in regard to the airport's baggage handling system challenges, staff had narrowed down most of the problems associated with the baggage handling system to capacity issues that were being caused by the surge in aircraft operations that occurred between the hours of 10:00 a.m. and 2:00 p.m. He said that staff has been working on the system internally, and there has been some software upgrades and hardware reconfiguration. Mr. Barrett noted that Alaska Airlines had a pilot strike which temporarily reduced services, and he said that some of the seasonal carriers are winding down for the year. Mr. Barrett said that staff was entering into an agreement with V-1 Consulting for baggage handling system consulting. He said that V-1 Consulting had assisted Denver International Airport with their baggage capacity challenges and that V-1 Consulting would be assessing PSP's baggage handling system, and they would be looking into the decisions that had been made throughout the construction process to hopefully make some recommendations on how the airport staff can make improvements. Mr. Barrett said that he wasn't anticipating that there will be a short-term fix and that the process will take several months, and he said that the Commission would receive briefings on the status of the assessment.

Commissioner Miller referred to the comments received from Mr. Michaelis, he asked if it would help to have better communication, and he said that passengers do not differentiate between the airport and the airlines when it comes to baggage. Commissioner Miller asked if there was a way to situate airport staff during the peak hours to help communicate with the people at the baggage claim area the status of their baggage. Mr. Barrett said that the airport staff was beginning to implement some measures to address these issues, staff is looking into utilizing the airport volunteers, the Navigators, to solicit their assistance in helping to manage the baggage claim and the ticket wing queuing. He said that staff has also been working with the airlines on their schedules and their manpower issues so that the airlines can be able to provide the best customer service when their passengers arrive.

Commissioner Hedrick asked if the airlines have insufficient personnel to unload the baggage. Mr. Barrett confirmed that the airlines do have insufficient personnel, and he said that there is a number of problems with the baggage claim, the baggage claim is undersized for the type of aircraft that the airport is receiving, the airport is limited to three baggage carousels in the baggage claim area which creates a mad dash for the airlines to try to get their bags onto the belt first during the peak periods, and he said that some of the airlines have had ground handling challenges. Mr. Barrett said that American Airlines had recently changed their ground handler, and he believes that there will be other airlines that will also be changing their ground handler.

Commissioner Wiseman asked if there is a functional intercom system in the baggage claim area where communications could be made. Mr. Barrett said that there are functional intercom systems that are staged at the bag claim offices for each airline,

and the airline staff have access to those intercom systems. Mr. Barrett said that the airport staff was working on installing a central PA system. Commissioner Wiseman asked if it would be an imposition for the airport staff to ask the airlines to improve their communications by using the intercom systems. Mr. Barrett said that the airport staff had already spoken to the airlines about using the intercom systems, and he said that some of the airlines were improving their communication with the passengers.

Commissioner Payne inquired about using the bits display above the baggage carousels to display notifications for the passengers. Mr. Barrett said that the software that drives the system would need to be upgraded. Commissioner Payne asked if there was anything in the lease agreement with the airlines that would allow the airport staff to punish the airlines for taking too long to deliver bags. Deputy Director of Aviation Marketing and Air Service Meier said that there isn't anything written in the lease agreement that would allow the airport staff to punish a carrier for delayed baggage delivery and that it has been his experience that it would be difficult to try to enforce punishments. Commissioner Payne suggested that the airport staff call out the airlines that underperforming. Mr. Meier said that he would advise against calling out the airlines, and he said that it wouldn't be in the airports best interest to alienate the airlines.

Commissioner Hedrick asked if the main issue is that the airport doesn't have the capacity for the airlines to process and offload the bags. Mr. Barrett said that the main issue is a facility issue, and he said that staff is exploring applying for grant funding for baggage claim expansion and development. Commissioner Miller asked if it would be possible for the bit display software to be upgraded so that there could be a visual to help alleviate some of the issue. Mr. Barrett said that he would need to work with the City's IT Department to see if the software upgrade could be feasible. Commissioner Miller said that he believed that the City Council has a mechanism for emergency situations. Mr. Barrett explained that the law is restrictive on what can be classified as an emergency. Commissioner Payne asked if the problem is that the airport doesn't have the funds to fix the problem or that the problem cannot be escalated and prioritized with the vendor. Mr. Barrett explained that he would need to consult with the City's IT Department because software upgrades are not handled internally by the airport staff.

Commissioner Payne asked if the system was scaled for a certain amount and due to a variety of factors such as an increase of passengers the amount has increased significantly, and the airport staff did not know this would happen in the design initially. Mr. Barrett explained that the baggage claim system is the original system, and the outbound baggage handling system has been recently upgraded. Mr. Barrett said that he believes that the baggage claim system has met its useful life and that the design program needs to be upgraded.

Commissioner Wiseman said that fixing the problem is clearly a long-term task and communicating better about the problem to passengers is something that staff can attack right now to make a better experience for the passengers. Mr. Barrett said that the airport staff was working on improving communication.

Commissioner Payne inquired about the warranty on the outbound baggage handling system. Mr. Barrett said that the outbound baggage handling system hasn't been meeting the airports capacity needs, particularly with the number of aircraft and passengers that have been coming through facility, and the airport staff has been working with the software and programmable logic controller provider Intellimodus, the manufacturer Logan Teleflex, and Swinerton who is the builder to figure out what is happening with the system. He said that staff has been actively making tweaks to the system to try to gain some of the capacity back which has worked to a very incremental degree. Mr. Barrett said that V-1 Consulting would be assessing the system to determine if the system can be reconfigured with modifications to make the system work better for the airport.

Commissioner Payne asked if the contract had been paid out. Mr. Barrett said that the contract had been paid out to Swinerton. Commissioner Payne asked if staff had discussed restarting the warranty period with the City Council since the contract is not performing to specifications, and he said that he didn't understand why the warranty should have started in the first place. Mr. Barrett clarified that the warranty is still in effect, there hasn't been a discussion with the City Council, and he said that staff is going through an exercise to figure out what decisions had been made by the previous airport director and what decisions were made by the designer.

Commissioner Hedrick said that basically the system is too small for the airport's needs. Mr. Barrett said that during the peak hours, the system is too small for the airport's needs. Commissioner Hedrick noted that the issue is going to grow as the airport grows. Mr. Barrett agreed with Commissioner Hedrick.

Commissioner Payne asked Mr. Barrett if he thought that he would know the problem in the history by the next Commission meeting or if he thought it would take longer to get the information. Mr. Barrett said that he believed that it could take three to four months before staff could truly know where things are and what needs to be done.

Mr. Barrett noted that Vested Solutions had begun providing janitorial services at the airport on April 11th, he said that Vested Solutions is providing overnight janitorial services to supplement the airport staff to help keep the facility clean, and they are also providing two restroom attendants during the peak hours of 6:00 a.m. to 2:00 p.m. He said that he is hoping that there will be a noticeable improvement in the facility hygiene. Commissioner Miller said that he had received comments from two fellow residents who had both said that they had seen a huge difference in the bathrooms and that the bathrooms were much cleaner.

Mr. Barrett reported that CLEAR had launched their services at the airport on the previous Thursday and that the launch has been successful. He said that the airport staff had noticed an almost immediate improvement in wait times at the TSA checkpoint, and the CLEAR staff have been good about helping with queue management. Mr. Barrett said that CLEAR had reported that as of Monday, there had been 1,530 members that were vetted through the facility, and CLEAR also tracked approximately 2,100 members that were inbound to PSP. Mr. Barrett said that CLEAR had provided a response to Commissioner Hedrick's inquiry about the ambassador's wages, and he said that the ambassador's base rate is \$16 per hour plus commission which is \$13 per member enrollment.

Commissioner Payne asked if the airport staff had received a response from CLEAR about the suggestion that Commissioner Miller had made that was in regard to CLEAR offering a senior discount. Mr. Barrett said that staff had not received an official response, and he said that staff would follow up with CLEAR.

10.B Budget and Finance Committee Update:

Committee Chairman Feltman turned the Budget and Finance Committee update over to Airport Administration Manager Carpenter.

Ms. Carpenter noted that there were some revisions made to the budget which included an increase to capital projects for an amount of \$1.9 million. She said that the projects included restroom renovations, switching over to common use, paving at Gate 16, and the local FAA match that wasn't included in the original draft of the budget. Ms. Carpenter also noted that the airport's expenses had been increased by \$2.2 million to reflect the increase in the capital program and additional staffing.

Ms. Carpenter presented the final budgets for Funds 405 – Customer Facility Charge, 410 – Passenger Facility Charge, 415 – Airport Operations & Maintenance and 416 – Capital Projects. Commissioner Feltman asked if the airport staff had budgeted funds for upgrading the baggage claim system. Ms. Carpenter said that a baggage claim project has been scheduled for the future, and staff intends on utilizing FAA funding for the project. She said that depending on the cost, there could be funds available in 415 – Airport Operations & Maintenance to start the planning process for the project. Commissioner Feltman asked if the airport had already received the FAA funding. Ms. Carpenter said that the airport would be applying for the entitlement funding that the FAA provides on an annual basis, and she said that the baggage claim project was included in the 5-Year Plan that was submitted to the FAA.

Mr. Barrett said that the airport is required to provide a five-year project outlook for the FAA, and the FAA tries to prioritize and balance the projects between capacity and

safety issues. Mr. Barrett said that he believed that the baggage claim project was scheduled for 2024-2025, and he said that staff was considering utilizing other grant opportunities to expedite the project. Commissioner Payne asked if the additional FAA funding was included in Ms. Carpenter's spreadsheet. Mr. Barrett said that the additional FAA funding was not included in the spreadsheet. Commissioner Payne said that it seemed that staff was confident about receiving the FAA funds and that staff would be working on getting the FAA to move the funds up so that they could be used sooner. Mr. Barrett agreed with Commissioner Payne's assessment. Ms. Carpenter reminded the Commission that the grant funds are funds that are reimbursed, and she said that the airport will get reimbursed for the projects that have been identified in the 5-Year Plan.

Commissioner Miller suggested that Ms. Carpenter identify the FAA projects that will be addressed in the future as separate line items. Commissioner Payne asked if there is a list of the capital projects that are currently funded and ongoing versus what you expect to come down the line by year. Ms. Carpenter said that staff typically provides the breakdown of the proposed capital projects for the future fiscal year to the Budget and Finance Committee. Commissioner Miller asked if the baggage claim system project was included in the 5-Year Plan. Ms. Carpenter confirmed that the project is listed in the 5-Year Plan.

Item 10.C was heard after Item 10.E

10.C Financial Summary Update:

Airport Administration Manager Carpenter reviewed the financial summary for the period ending March 31, 2022, and she noted that the On Airport Rental Care revenue was \$7 million which is a record for the airport. Commissioner Payne asked if the spike in revenue was passenger driven and if it was also due to pricing. Ms. Carpenter said that the revenue spike was definitely passenger driven.

Commissioner Miller referred to Fund 415 - Airport Operations & Maintenance, and he noted that the Operating Revenue summary for FY 21-22 was listed as \$22.5 million and the Operating Revenue detail for FY 21-22 was listed as \$28,489,698 and that the difference between the two amounts was the CARES Act funds, and he suggested that for the casual observer, it could be helpful to list the CARES Act funds separately so that the subtotals are equal.

Commissioner Miller referred to the expenditures of Fund 415 - Airport Operations & Maintenance, he noted that the City hadn't taken its PERS Cost Recovery yet, and he asked when does the recovery normally take place. Ms. Carpenter said that the

recovery normally takes place at or around the end of the fiscal year. Commissioner Miller inquired about the amount of expenditure savings. Ms. Carpenter said that the expenses are higher than the prior years, and she said that staff is being conscious about what the funds are being spent on. Commissioner Miller suggested that staff should be mindful of airport needs that staff may have not budgeted for and that the extra revenue could be used to fund any additional airport needs. Ms. Carpenter said that the extra revenue funds could potentially be used for additional staffing.

Commissioner Payne referred to the Airport Operations & Maintenance Expenditures graph, and he asked if most of the expense is for labor. Ms. Carpenter said that salaries and benefits do make up a good portion of the expenses. Commissioner Payne asked if it would be possible for Ms. Carpenter to include the desired positions for FY 22-23 in the graph. Ms. Carpenter said that she believed that the information that Commissioner Payne was requesting had been provided to the Budget and Finance Committee and that she would check to see if the information had been provided and discussed. Commissioner Miller said that the new positions had been discussed at the Budget and Finance Committee meeting and that he wasn't sure that the discussion included the information for the current positions, and he asked Commissioner Feltman if he recalled receiving the information for the current positions. Commissioner Feltman said that he did not recall receiving the information for the current positions. Commissioner Miller suggested that the information could be discussed at the next meeting.

Commissioner Miller asked if airport staff was finding better candidates for positions. Mr. Barrett said that generally the airport staff was finding better candidates, and he said that it depends on the position. He said that there will always be candidates that are disqualified because they have a criminal background and they cannot be badged, and he said that there are candidates that quit shortly after being hired because of the amount of walking or work that is required.

10.D Marketing Update:

Director of Aviation Marketing and Air Service Meier noted that CLEAR had arrived at PSP, and he thanked Mr. Barrett for his initiative for bringing CLEAR to PSP. Mr. Meier reviewed the benefits of CLEAR, and he noted that passengers can use their CLEAR membership in lieu of their government identification to get through TSA.

Mr. Meier reported that the March passenger numbers had achieved the eighth PAX record since June 2021. He said that due to staff shortages, Allegiant would be suspending their service to Bellingham for June, July and August. Mr. Meier noted that there are now 15 summer routes versus the 10 summer routes in 2019.

Mr. Meier reviewed the scheduled departing seats for May through August 2022, and he compared the numbers to 2019 and 2021, and he noted that each of the months will have increases for 2022. Mr. Meier said that in regard to marketing, PSP would be changing over to the summer advertisements to focus on the 15 summer routes.

Mr. Meier reported that PSP was participating as a sponsor for two radio station vacation giveaways. He said that KGAY was giving away a European vacation and that for the \$2,500 sponsorship, PSP would get airtime valued at \$7,000, and KCAL was giving away a trip to the Aftershock Festival in Sacramento and that for the \$2,000 sponsorship, PSP would get airtime valued at \$37,000. Mr. Meier said that the winners would be required to fly from PSP.

Mr. Meier reported that the new Brand and Website RFP had been issued and that the selection committee would be making their selection on April 25th, the selected proposal would be brought to the May Commission meeting, and if approved by the Commission, the agreement would be brought to the City Council on May 26th. He said that the work would begin as soon as the agreement is approved by the City Council, the process that will involve the Marketing Committee, the Commission and various community groups will take four to six months, and the goal is to have both the brand and the website launched by October 2022.

Commissioner Payne inquired about the criteria for selection. Mr. Meier said that the selection would come down to experience with developing websites and branding, specifically experience with airports, and the years of experience of their team. Commissioner Payne asked if the website would be a stand-alone website for the airport or would you have to go through the City's website to get to the airport's website. Mr. Meier confirmed that it would be a stand-alone website.

Mr. Meier reported that the Advertising RFP had been issued and proposals would be due on April 26th. He said that the goal is to bring the agreement to the Commission in May, but it could possibly be June, then the agreement would be brought to the City Council for approval, and if approved, the work would begin on July 1st. He noted that even though PSP will be using an outside agency that would be handling the advertising, the airport staff will be providing their guidance to the agency, and the airport staff would have the final say on all media buys and campaign designs. Mr. Meier also noted that ad agencies can negotiate better pricing because they do bulk buys.

Commissioner Payne inquired about the services with Aviatrix Communications that had previously been approved by the Commission. Mr. Meier explained that the services that had previously been approved by the Commission were for Aviatrix Communications to develop a marketing and communications plan for PSP. Commissioner Payne referred to new customers that don't normally fly in and out of PSP, and he inquired about the customer segment that was identified by Aviatrix or Mr. Meier that would be a net gain for the airport. Mr. Meier said that there are many

different customer segments and that it comes down to how you communicate with each of the segments.

Commissioner Payne asked how staff can measure the success of the advertising. Mr. Meier said that the metrics from billboard and radio come from the advertising agencies, and he said that digital advertising provides the metrics for how many people are viewing the advertisement, and how many people are clicking on the advertisement links. He said that he can also review the analytics to see what platform the advertisement is being viewed on. Mr. Meier said that he also utilizes a software called Placer.ai that allows him to track the data for specific radiuses to determine the pre-advertising data and the current advertising data.

Commissioner Payne said in regard to the RFP, could staff tie compensation to new passengers that are arriving which would be done by targeting a segment, capturing some percentage of that segment, and part of the advertising agency's goal would be to show that the advertising actually pulled more passenger outbound from PSP. Mr. Meier said that there is a performance clause that allows the City to cancel the contract with the advertising agency if they don't meet the Key Performance Indicators (KPIs) for the various campaigns.

Item 10.E was heard before Item 10.C.

10.E Concession RFP Update

Airport Administration Manager Carpenter said that she was planning on getting the draft Concessions RFP out to the Commission by no later than the week of May 5th, she would be asking for the Commissioner's comments to be submitted within a week from receiving the draft RFP, the RFP would be finalized by May 19th, and the RFP would be issued to the public by June 6th. Ms. Carpenter reviewed the Concessions RFP roadmap that had been provided with the first RFP draft, and she noted that the dates have remained as originally proposed.

11. COMMISSIONERS REQUESTS AND REPORTS: None

12. REPORT OF CITY COUNCIL ACTIONS:

- 12.A** Past City Council Actions
- 12.B** Future City Council Actions

13. RECEIVE AND FILE:

- 13.A** Airlines Activity Report March 2022
- 13.B** Airline Activity Report Fiscal Year Comparison
- 13.C** Airlines Schedules May 2022

14. COMMITTEES:

14.A Future Committee Meetings

Commissioner Payne asked if there had been a Marketing Committee meeting. Mr. Meier said that there hadn't been a Marketing Committee meeting because the Marketing Committee is an Ad Hoc Committee and there hadn't been a need to have a meeting. Mr. Meier said that he was anticipating scheduling a Marketing Committee meeting when the branding and website contract and start date is finalized.

Commissioner Feltman reported that he had received feedback from a resident about the castle banners around the airport being in bad condition. Mr. Meier said that he agreed, and he said that the banners would be taken down and replaced with banners that will have the new brand in the fall.

Commissioner Dada noted that there had been a brief Noise Committee meeting at 4:00 p.m., and he noted that there was a public speaker in the meeting and that staff would be in contact with that person.

Commissioner Payne inquired about the Commission receiving notification of public comments and staff's responses to the public comments. Mr. Barrett explained that if the public comment and response is in writing, staff will provide the information to the Commission and that verbal comments are not transcribed.

15. ADJOURNMENT:

ACTION: Adjourn the meeting. **Moved by Commissioner Feltman, seconded by Commissioner Hedrick and unanimously approved noting the absence of Commissioners Adams, Freymuth, Martin, Suero, and Weil.**

The Airport Commission adjourned at 6:51 P.M. to a Regular Meeting on May 18, 2022, at 5:30 P.M. via videoconference.



Christina Brown
Executive Administrative Assistant

APPROVED BY AIRPORT COMMISSION: 05/18/2022