



## AIRPORT COMMISSION

### **ACTION SUMMARY MINUTES OF REGULAR ADJOURNED MEETING**

**Wednesday, July 20, 2022 – 5:30 P.M.**

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#### **1. CALL TO ORDER:**

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

#### **2. POSTING OF THE AGENDA:** Posted on July 14, 2022.

#### **3. ROLL CALL:**

##### **Commissioners Present:**

Gerald Adams (Palm Springs)	Gabriel Martin (Coachella)
Patricia Breslin (Palm Springs)	Scott G. Miller (Palm Springs)
Paul Budilo (Indian Wells)	John Payne (Palm Springs)
Todd Burke (Palm Springs)	Jill Philbrook (Cathedral City)
Kevin Corcoran (Palm Springs) – Vice Chair	Jan Pye (Desert Hot Springs)
Aftab Dada (Palm Springs) - Chair	M. Guillermo Suero (Palm Springs)
David Feltman (Palm Springs)	Thomas Weil (Rancho Mirage)
Ken Hedrick (Palm Springs)	Kevin Wiseman (Palm Desert)

**Commissioners Absent:** Kathleen Hughes (La Quinta) and Jhan Schmitz (Indio)

##### **Staff Present:**

Harry Barrett, Jr., 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 Feltman, seconded Commissioner Hedrick and unanimously approved noting the absence of Commissioners Hughes and Schmitz.**

#### **5. PUBLIC COMMENTS:** None

**6. APPROVAL OF THE MINUTES:**

**ACTION:** Approve the minutes of the Airport Commission Meeting of June 15, 2022. **Moved by Vice Chairman Corcoran, seconded Commissioner Weil and unanimously approved noting the absence of Commissioners Hughes and Schmitz.**

Chairman Dada noted that there were several Commissioners including himself and a staff member that had requested that the Commission try to wrap up the meeting as early as possible so that they could attend family commitments.

**7. INTRODUCTIONS AND PRESENTATIONS:** None

**8. CITY MANAGER REPORT:** None

**9. DISCUSSION AND ACTION ITEMS:**

**9.A** Operations, Properties and Facilities Committee Update

This item was not discussed.

**10. EXECUTIVE DIRECTOR REPORT:**

Items 10.A, 10.B, and 10.C were heard after Items 10.D and 10.E.

**10.A** Projects Update and Airport Capital Improvement Program Update

Airport Executive Director Barrett reported that V-1 Consulting who is the consultant that is analyzing the airports outbound baggage handling system (BHS) had provided airport staff some high-level initial insights and observations on the BHS performance, and they provided their recommendations for short-term, medium-term, and long-term solutions to the problems that the BHS had had over the spring of this year. Mr. Barrett said that the problem was the design of the system, and he said that there were physical constraints that were making it challenging for the system to deliver bags to the TSA screening machines and past the clear line and out to the carousel. He said that staff had a sense of what some of the issues were, and that staff had also learned that there was an issue with some of the belts that were being used on the BHS, issues with the sensors and where the sensors were placed, and the merged logic of the BHS.

Mr. Barrett said that after having discussions with V-1 Consulting and the airlines, it was concluded that the airport was likely to be in the same situation in terms of the outbound baggage issues that the airport had in the spring. He said that the airport staff was developing a plan to mitigate the situation for this spring which would include

adding more personnel through a contract with Sierra Aviation Group, some modifications to TSA's procedure for screening the bags, and improving communications with the resorts and the public so that passengers are aware of when they need to arrive at the airport for their flights. Mr. Barrett said that staff would need to move quickly on the medium-term and long-term solutions because the short-term solutions were only going to get the airport thought a year or two at most, and he said that the airport would likely need to go into another construction project to remedy the current outbound BHS and that staff was currently working with V-1 Consulting, TSA and the FAA to start developing a plan.

Commissioner Feltman asked what the timeframe was that passengers would be told to be at the airport before their flight departure time. Mr. Barrett said that currently, passengers were being instructed to arrive at the airport two hours ahead of the departure time. Commissioner Feltman said that he felt that two hours was bad for the airports brand because PSP is known for being an easy airport to navigate. Mr. Barrett clarified that passengers need to arrive at the airport two hours ahead of the departure time during the peak season and peak hours which are between 5:30 a.m. to 7:30 a.m. and 11:00 a.m. to 2:00 p.m. Commissioner Payne asked if a passenger with a 5:30 a.m. flight would need to be at the airport at 3:30 a.m. Mr. Barrett confirmed that a passenger with a 5:30 a.m. flight would have to plan to be at the airport at 3:30 a.m. or 4:00 a.m., particularly if it is a mainline flight. Commissioner Wiseman asked if there would be airline staff to check the baggage in at that time. Mr. Barrett said that the airlines are staffing the ticket counters accordingly, and TSA is opening the checkpoint and screening area at 4:00 a.m. Commissioner Miller said that he believed that the situation was going to be a nightmare in terms of advertising and customer satisfaction. Commissioner Payne requested that an Operations, Properties and Facilities Committee meeting be scheduled to further discuss the matter.

Vice Chairman Corcoran asked if any of the vendors would be liable for the lack of performance. Mr. Barrett said that he has been looking into the matter, as well as the City Attorney, City Manager, and V-1 Consulting and that they were trying to determine what analysis went into the design. Commissioner Miller said that he felt that it would get ugly if the news media were to get ahold of this information. Chairman Dada respectfully noted that the City Council was aware of the situation and that the City Manager was working to keep the City Council updated. Commissioner Suero noted that this wasn't the first time that the airlines have had to advise passengers to arrive two hours before their departure time. Mr. Barrett confirmed that from February 2022 to May 2022, the airport and airlines were advising passengers to arrive two hours before their departure time. Chairman Dada asked Mr. Barrett if the discussion could be continued at the next Operations, Properties and Facilities meeting which Mr. Barrett was agreeable.

Commissioner Budilo noted that two weeks ago, he had met with the Indian Wells resort managers, he said that the resort managers voiced their concern in regard to Indian Wells visitors not having a good customer experience at the airport, and he

said that he didn't believe that asking passengers to arrive two hours early was going to be acceptable. Chairman Dada said that he respected Commissioner Budilo's comments, he said that the situation was beyond the Commission's power and control, and he emphasized that the airport staff was working behind the scenes to determine if some of the blame and liability could be shifted elsewhere. Chairman Dada also said that an update on the situation would be provided to the resort managers in September. Mr. Barrett said that the airport staff had been working for several months with an army of people on this issue, he said that staff was adapting as new information was learned, and he said that he was hopeful that the situation would be better than it was last spring. Commissioner Payne inquired about the cost of the current BHS. Mr. Barrett said that he believed that the BHS cost approximately \$7 million, and the entire baggage claim project cost approximately \$36 million.

#### **10.B Common Use Update**

Mr. Barrett provided a presentation of the concept design for the Bono and RJ Concourse Gate Podium Millwork project, and he said that the idea of the project was to create some flexibility in aircraft parking so that the airport could accommodate the peaks as they come, and to modernize the Bono concourse.

Commissioner Payne asked if there would be any opportunities to incorporate automation biometric boarding or anything on the technology side that would further reduce the need for personnel. Mr. Barrett confirmed that there was an opportunity to capture additional technology, he noted that it could be challenging getting the airlines to agree on a technology that could be functional across the board, and he said that staff was working with the airlines to get that figured out. Commissioner Payne asked if common use was agreed to by the airlines or if it was a part of the negotiation of the lease agreement with the airlines. Mr. Barrett said the common use was agreed to by the airlines, and he said that staff was also using the common use as a revenue generator in the new lease agreement negotiations.

Commissioner Adams referred to the airport having a historic designation, he asked if there was any way to get local input on mid-century modern designs for the common use design, and he noted that the design colors that had been presented were not mid-century modern colors. Mr. Barrett said that staff would work on getting input for mid-century modern designs, he said that a mock-up would be created for the airlines and the Commissioners to view, and he encouraged the Commissioners to submit their suggestions for colors and materials to staff. Commissioner Adams suggested that staff speak to other commissions, and he said that the art museum could get staff in touch with experts that could help staff make decisions that would really reflect the authenticity of the airport's historic status.

### **10.C Strategic Planning Session Update**

Chairman Dada noted that the City Manager had resigned, and the commission would be dark in August. Chairman Dada said that electronic communication would be used to communicate the next steps for the strategic planning session to the commissioners, and he said that the next steps would be communicated to the commissioners after the City makes their announcement on Monday about the filling of the city manager position.

Commissioner Payne asked for confirmation that a date had been set for the strategic planning session meeting. Airport Executive Administrative Assistant Brown confirmed that the strategic planning session was scheduled for Tuesday, September 27<sup>th</sup> which could change depending on the City Council's announcement, and she encouraged the commissioners to submit their topics for the strategic planning session agenda.

Commissioner Miller said that his concern was that at the City Council dinner, the City Council gave each commission very specific topics to bring back to them, and he said that he was wondering how the commission would meld the timeframe with eight different topics that the City Council wanted the commission to comment on. Chairman Dada asked that the Commission patiently wait until Monday for further instruction. Commissioner Miller questioned if the city manager's participation was crucial for the Commission's goal setting meeting, he said that he could see how the participation of the airport executive director is crucial and that he wasn't as convinced that a city manager is as crucial because he feels that Airport Executive Director Barrett can represent senior management fairly well. Commissioner Miller said that the Commission had been discussing the need for a strategic planning session since he was appointed to the Commission a year ago, and he said that he was frustrated.

Chairman Dada said that he respected Commissioner Miller's frustration, he apologized for Commissioner Miller's frustration, and he said that he had been given strict guidelines to include the City Manager in the strategic planning session, and he noted the Airport Commission is not the decision maker and that the Commission advises the airport staff, and the Commission provides their feedback. Chairman Dada said that the ultimate decision makers are the City Manager and the City Council. Commissioner Payne asked if Chairman Dada had been instructed by the City Manager and City Council to delay the strategic planning session until the City Manager is appointed. Chairman Dada said that it was the commission that had provided the direction to include the City Manager in the strategic planning session because he is the authority over the airport executive director.

Commissioner Burke said that he would like to politely suggest that the Commission continue on with the agenda, and he thanked Chairman Dada and Vice Chairman Corcoran for the clear direction for the Commission to wait for further information. Vice

Chairman Corcoran asked the Commissioners to hold the September 27<sup>th</sup> date on their calendars and that the matter would be resolved quickly.

Item 10.D was heard before Items 10.A, 10.B, and 10.C.

#### **10.D Financial Summary Update**

Airport Administration Manager Carpenter provided a highlight of the financial summary for June 2022, and she noted there were fund surpluses in Funds 405, 410, and 415. She also noted that there had been a change made to the reporting of the financial summary to breakout the airline revenue from the non-airline revenue which would make it easier for staff to project out the cost per enplaned passengers (CPE) for the airline fees that the airport charges, and she said that the current cost is \$6.11 per enplaned passenger which is lower than the predicted cost of \$6.69. Commissioner Miller asked how PSP's cost relates to other comparable airports. Ms. Carpenter said that she believed that PSP has a lower CPE.

Ms. Carpenter reported that staff was currently working on distributing the CRRSA and ARPA concessions grant reimbursements for rent relief which applied to any concessionaire that qualified for those grant programs, and that it was based on an allocation. She said that staff had submitted the reimbursement plan to the FAA for their approval.

Ms. Carpenter provided an overview of the Passenger Activity Report – Fiscal Year Comparison, and she said that the passenger activity was 11% higher than staff had projected for FY22. Ms. Carpenter noted that there were still some revenue and expenses that were outstanding and that they would be posted as they were received.

Vice Chairman Corcoran referred to the surplus funds, and he asked how much of the money were discretionary funds that the airport could invest in other things based on the performance that the airport is experiencing at this time. Ms. Carpenter said that approximately \$250,000 could be moved into a landside fund, the airport could place 60 days of operations and maintenance funds into Fund 415 and those funds could be used for operations and maintenance projects. Vice Chairman Corcoran asked what the maximum amount of money that the airport could bring to the airlines based on the performance of the airport at this time. Ms. Carpenter explained that based on the current AULA, the airlines have to cover any deficits, and the surplus goes back to the airlines as a credit, she said that she could not provide an amount at this time because the airport was currently in negotiations for a new AULA with the airlines. She said that it was staff's plan to try to negotiate with the airlines to keep the \$20 million surplus to use it for capital projects over the next five years. Commissioner Payne inquired about the timeline for the negotiations. Ms. Carpenter said that staff intended to have the negotiation settled by March 2023, and the AULA's signed by July 1, 2023.

Commissioner Miller asked if the excess operating funds are to be placed into capital project funds. Ms. Carpenter said that some of the excess operating funds would be reallocated into the capital reserve funds. Commissioner Miller inquired about the reallocation of the remaining funds, and he asked if the remaining funds could be reallocated into non-capital improvement types of projects or purchases. Ms. Carpenter said that the current AULA states that the remaining funds are to be credited back to the airlines, and she reiterated that the airport staff was currently in negotiations with the airlines to try to update the future AULA to allow the airport to use the remaining funds towards projects for the next five years. Commissioner Miller asked why the airport wouldn't try to spend all the excess operating funds. Ms. Carpenter explained that while staff does try to use the funds for projects, the large amount of car rental revenue was unexpected.

Commissioner Miller suggested that the excess operations funds be discussed at the next Budget and Finance Committee meeting, and Commissioner Feltman agreed. Airport Executive Director Barrett stated that he would prefer to hold off on having the Budget and Finance Committee discuss the excess operations funds while the airport staff is actively in negotiations with the airlines because it could affect the progress that staff has been making in converting the airlines residual agreement to a potential hybrid compensatory agreement where the airport would go into a revenue sharing or profit-sharing arrangement. Mr. Barrett explained that under the current AULA, the airlines currently have significant control and say over the capital programs and that staff was trying to change that dynamic. Commissioner Payne said that he believed that Commissioner Miller was asking for clarity because there was confusion about the handling of the car rental revenue. Mr. Barrett said that staff would provide as much clarity as possible without going into too much detail because of the active negotiations. Commissioner Feltman said that he felt that there would be plenty to cover that is outside of the agreement negotiation in terms of surplus funds, and he said that he believed that the CFC rate increase would again change the scale of the rental car revenue. Mr. Barrett noted that the CFC funds are to be strictly used for landside development and the rental car facilities, and he said that staff could provide additional detail about how the funds are used, particularly the relevance of the funds under the agreement and FAA rules.

Item 10.E was heard before Items 10.A, 10.B, and 10.C.

#### **10.E Marketing Update**

Deputy Director of Aviation Marketing and Air Service Meier said that the marketing update had been provided in the agenda packet.

### **11. COMMISSIONERS REQUESTS AND REPORTS:**

Commissioner Payne asked what the process would be to get the Airport Commission meetings moved to a more reasonable time that doesn't push into people's personal

lives. He said he would prefer for the meetings to be between 9:00 a.m. to 5:00 p.m., and to hold hybrid meetings. Chairman Dada explained that the City Council had made the decision to have evening meetings to allow easier accessibility for public comments. Commissioner Payne said that he got the sense that it seemed like having the meetings between 9:00 a.m. and 5:00 p.m. would not disrupt anything, and it would be much more amenable to getting work done and having the appropriate level of detail which cannot be afforded in the current meetings.

Commissioner Adams explained that the City Council wanted the commission meetings to be in the evenings to allow for a mix of retirees and working residents to be on the commissions. Commissioner Feltman noted that the Commission had asked the City Council for an exemption which the City Council had denied, he said that he didn't believe that the City Council would take up the matter again and that he believed that the matter was done. Chairman Dada noted that the decision for evening meetings applied to all commissions. Commissioner Payne asked if that meant that the meetings start at 5:30 p.m. and they run until the meeting has been completed. Chairman Dada confirmed that Commissioner Payne's understanding was correct and that it was how the meetings have been conducted and that shortcuts have never been taken. Commissioner Payne noted that Chairman Dada's statement was true until today. Chairman Dada said that he had only asked that the Commission try to wrap of the meeting early.

Vice Chairman Corcoran suggested that the Commission take a step back to watch what was currently happening, he said that within four months, there could be four new Councilmembers and there will hopefully be a new City Manager. He said that it could be possible that several of the things that came out of the existing City Council and that primarily came out in response to the pandemic could be up for grabs. Vice Chairman Corcoran asked the Commissioners to keep in mind that part of what City Manager Clifton was trying to accomplish was to bring some sort of consistent process to how Commissions work with the City Council and City staff, and he suggested that the Commission pick their battles carefully.

Commissioner Payne asked how a consensus would be made on the agenda for the strategic planning session. Vice Chairman Corcoran said that the airport staff would be gathering the topics that the Commissioners propose, he and Chairman Dada would be working with the staff to come up with an overall agenda that would have the important information for the time that would be available, and he said that he would socialize the agenda with the Commissioners to confirm that everyone agrees with the direction of the agenda and how the meeting would be facilitated. Vice Chairman Corcoran encouraged the Commissioner's to submit their agenda topics.

## **12. REPORT OF CITY COUNCIL ACTIONS:**

**12.A** Past City Council Actions

**12.B** Future City Council Actions

**13. RECEIVE AND FILE:**

- 13.A Airline Activity Report June 2022
- 13.B Airline Activity Report Fiscal Year Comparison
- 13.C Airlines Schedules August 2022

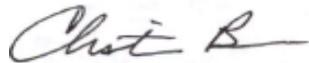
**14. COMMITTEES:**

- 14.A Future Committee Meetings

**15. ADJOURNMENT:**

**ACTION:** Adjourn the meeting. **Moved by Commissioner Weil, seconded by Commissioner Adams and unanimously approved noting the absence of Vice Chairman Corcoran and Commissioners Philbrook, Suero, and Wiseman.**

The Airport Commission adjourned at 6:33 P.M. to a Regular Meeting on September 21, 2022, at 5:30 P.M. via videoconference.



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Christina Brown  
Executive Administrative Assistant

APPROVED BY AIRPORT COMMISSION: 9/21/2022