



AIRPORT COMMISSION

ACTION SUMMARY MINUTES OF ADJOURNED MEETING

Wednesday, January 20, 2021 – 5:30 P.M.

1. CALL TO ORDER:

Chairman Jones called the Airport Commission Meeting to order at 5:30 P.M. and led the Pledge of Allegiance. The meeting was held via videoconference.

2. POSTING OF THE AGENDA: Posted on January 14, 2021.

3. ROLL CALL:

Commissioners Present: Gerald Adams, Patricia Breslin, Paul Budilo, Todd Burke, Jeffrey Clarkson, Kevin J. Corcoran, David Feltman, Ken Hedrick, Rolf Hoehn, Kathleen Hughes, Al G. Jones, Gabriel Martin, Jill Philbrook, Jan Pye, Bill Riesen, Jhan Schmitz, M. Guillermo Suero.

Commissioners Absent: Aftab Dada.

Staff Present: David Ready, City Manager - Ulises Aguirre, Airport Executive Director - Daniel Meier, Deputy Director of Aviation, Marketing and Air Service - Victoria Carpenter, Airport Administration Manager - John Paul Maier, Chief Deputy City Clerk - Nancy Pauley, Director of Finance and Treasurer - Celeste Reid, Accountant - Nadia Seery, Airport Executive Administrative Assistant

Others Present:

Scott White – President / CEO - Greater Palm Springs CVB
Jeff Mitch – Manager - USO

Public Attendance: Three attendees.

4. ACCEPTANCE OF THE AGENDA:

ACTION: Accept the Agenda as presented. **Moved by Commissioner Hoehn, seconded by Commissioner Riesen, and unanimously approved noting the absence of Commissioner Dada.**

5. PUBLIC COMMENTS: None.

6. APPROVAL OF MINUTES:

The minutes of the Regular Meeting held on December 16, 2020, were presented for approval. **Moved by Commissioner Riesen and seconded by Commissioner Burke.**

AYES: Adams, Breslin, Budilo, Burke, Clarkson, Corcoran, Feltman, Hedrick, Hoehn, Jones, Pye, Riesen, Schmitz, Suero.

NOES: Nil.

ABSENT: Dada.

ABSTAIN: Hughes, Martin, Philbrook.

7. CHAIRMAN COMMENTS

Chairman Jones presented and welcomed the newly appointed Commissioner from Cathedral City, Ms. Jill Philbrook, and the newly appointed Commissioner from Coachella, Mr. Gabriel Martin.

Commissioner Philbrook and Commissioner Martin commented briefly on their backgrounds.

Chairman Jones congratulated retired Commissioner Pattison for his years of service on the Airport Commission as the city of Coachella representative and presented a plaque prepared in his honor.

Mr. Jones commented that the eight airport benches that were artistically painted at the request of and funded by the Public Arts Commission have now been completed.

8. INTRODUCTIONS AND PRESENTATIONS:

Airport Executive Director Aguirre presented and welcomed the newly appointed Airport Administration Manager, Ms. Victoria Carpenter, and commented on her experience.

Ms. Carpenter gave an oversight of her background, expressed her pleasure at joining the Palm Springs airport team and received a warm welcome from the Commission.

9. CITY MANAGER REPORT:

Mr. Ready welcomed the new Commissioners and staff member. He reminded the Commission that the budget process would begin next month. He stated that he will seek significant input from the Commission beginning in February and March. How the Airport is in better shape than anticipated thanks to help received from the federal government.

10. BUDGET AND FINANCE REPORT:

City Accountant Reid presented the December 2020 Financial Summary, the sixth month into our yearly budget.

Fund 405 – Customer Facility Charges (CFC) revenues stands at 31% of the projected budget. Interest income of \$100,000 has been collected based on the existing \$25M balance in that fund set aside for future building. Collections which are at 30 days out stand at \$447,737 while expenditures amount to \$24,397 for studies previously done.

Fund 410 – Passenger Facility Charges (PFC) revenues stand at 19% of budget. Collections average 30 to 60 days out. \$17.5M was set aside for future projects resulting from proceeds collected last year and an additional \$2M set aside in debt service repayment reserve. Expenditures stand at \$2.5M with an interest payment of \$500,000 made in December.

Fund 415 – Airport Operations and Maintenance revenues stand at 33% of the budget for revenue and 35.5% for expenditures. Last year the airport showed a surplus of \$900,000 and this year a deficit of \$673,000. However the Airport can still draw on \$7.2M of CARES Act funding on a quarterly basis.

Fund 416 – Capital projects show a deficit of \$3M.

The Airport Funds Cash Summary reflects a CFC Restricted balance of \$24.5M, a PFC restricted balance of \$1.8M, not including the \$2M reserve for debt service, or \$17M for funding of capital projects. Capital restricted stands at \$3.6M. Fund 415's balance stands at \$11.2M, with \$6M reserved for airport operational activities future Cal PERS, and an unrestricted balance of \$5.2M.

Mr. Aguirre thanked Ms. Reid for presenting these summaries in this transition period.

11. DISCUSSION AND ACTION ITEMS:

11.A. RFP Scope of Work – Marketing and Communications Plan.

Mr. Meier, Deputy Director of Aviation, Marketing and Air Service provided an air service update. He explained that due to COVID and stay at home orders, Air Canada continues to delay their return and may not operate this season. WestJet is delaying Edmonton and has suspended Vancouver, and Winnipeg may not return until next season. JetBlue has delayed Fort Lauderdale to March 7. Alaska's Reno service is on hiatus until mid-February and service to San Jose should start mid-February. Airlines are changing their schedules as frequently as once a week whereas in the past, schedules were set for six months ahead of time, with very minimal fluctuations.

Domestic seats increased in January, February and March. International seats were down in January and February but still reflect a 8.7% increase in March.

Mr. Meier gave a synopsis of the jetBlue “Picture Yourself Promotion.” which ran from December 22 to January 8. Two round-trip tickets on jetBlue were awarded for travel from and to PSP and valid until 12-31-2021.

With this campaign, the new Likes/Follows increased to 40% on Facebook, 18% on Instagram and 11% on Twitter. The engagement rate was 14% higher than the previous Southwest Promotion, a good measure of our success and an indication that the public is learning about the service available at Palm Springs. Mr. Meier explained that his goal was to have the public check flights out of Palm Springs first.

Mr. Meier gave an update of the winter advertising campaign. The Google and Search Engine Marketing (SEM) campaign started on December 22nd and will run through June in the Palm Springs catchment areas of the Coachella Valley, San Bernardino and Riverside counties. It focuses on flights’ destinations and nearby airports to bring the public to check options from PSP. The digital and social media campaigns start this week, running respectively through May and June. Billboards will be displayed in February and March, television ads will run from February through May, and radio spots from February through June, each targeting a varied audience.

Next, Mr. Meier addressed the importance of community outreach and the “We are Palm Springs” campaign created by JNS|Next and the Bureau of Tourism to promote local shops and restaurant. The airport participated in a film shoot on January 14 with local staff to convey the message to support your local airport.

“Leadership Coachella Valley” reached out to PSP Marketing and to the CVB, and air service development and the importance of flying local will be some of the topics at their panel discussion on February 12.

Mr. Hampton of the Bureau of Tourism invited PSP Marketing to join their strategic advisory committee. Mr. Meier will attend quarterly meetings for two years and will present the airport’s perspective on how to improve air service to Palm Springs and will assist in their tourism efforts.

Chairman Jones commented on the current changing status of the COVID risk tiers, how we are again on lockdown for three weeks.

Mr. Meier presented the Marketing and Communications Plan RFP. The goal is that “the written plan should be developed to guide PSP’s marketing and communication efforts for the next three years to reach local passenger and stakeholder audiences within PSP’s catchment area”. “Communication” and “stakeholders” were added to the goal since the Marketing Committee meeting of January 12.

The scope of the work for the RFP will include a situational analysis, past and present branding efforts, identification of audiences, identification of strategic marketing objectives, messaging strategy for television, radio, print, digital, social etc., definition of channels and tactics, timelines and checklists to prioritize tasks to meet goals, and metrics to measure the success of all efforts. The budget for this RFP is \$40,000.

Commissioner Breslin, Marketing Committee Chair, approved of the three-year plan as opposed to a five-year plan because of all the changes occurring at this time. She approved of the cost for the plan as these funds were available and not being used. She also approved the addition of “communications” and “stakeholders” in the goals of the RFP. Commissioner Breslin asked if Commissioners will be able to be part of the RFP review process.

Mr. Meier replied that the Procurement Department agreed that Commissioners could participate in the RFP review after undergoing a vetting process to ensure there are no conflicts of interest.

Commissioner Hedrick asked what type of firm was being hired.

Mr. Meier replied that JNS|Next plans to respond to the RFP. They work with the Bureau of Tourism and have executed marketing communications plans. The Quotient Group may also respond, they are a media distribution company focusing on small non-hub airports.

Commissioner Hedrick asked if Mr. Meier was making a list of firms to send this RFP to or whether it would be posted, hoping that firms would respond.

Mr. Meier clarified that RFPs are done by the Procurement Department of the City of Palm Springs. How PSP Marketing would provide the objectives and the City adds boilerplate language, and follows a system of publishing.

Airport Executive Director Aguirre explained that the Airport could give Procurement a list of firms for a direct mailing, and that the RFP will also be posted for anyone to respond.

Commissioner Hedrick asked if \$40,000 was the limit.

Mr. Meier explained that it would be, and may come under, based on other airport bids which averaged between \$35,000 and \$40,000 for such a service.

Commissioner Feltman asked what the current marketing budget was for the airport.

Mr. Meier replied that the combined marketing and advertising budgets amount to \$102,000.

Commissioner Feltman commented that \$102,000 is not a huge amount and how it would be interesting if the selected company could provide marketing data comparisons for regional airports, as a benchmark.

Mr. Meier indicated he was in the process of doing marketing analysis with other airports in the U.S. similar to ours and was reviewing their spend.

ACTION: Request the issuance of an RFP to produce a three-year Marketing and Communications Plan and approve the proposed scope of work. **Approved by Commissioner Hedrick, seconded by Commissioner Schmitz and unanimously approved noting the absence of Commissioner Dada.**

12. EXECUTIVE AND STAFF REPORTS:

Airport Executive Director Aguirre commented on the following topics:

Testing for COVID at the airport has begun. Covid Clinic, Inc. has set up a facility on Kirk Douglas Way in the overflow parking lot on January 2nd.

Jeff Mitch of the USO has requested and obtained permission to do some accent painting on the exterior of Hangar 1, funded by donations and volunteer labor. Mr. Aguirre thanked him for making that commitment to the airport and to the USO.

Mr. Aguirre showed a PowerPoint slide of the eight benches that were artistically painted at the request of the Arts Commission. They are all located in front of the airport entrance in the center part of the terminal. They all bear a Palm Springs or travel theme and the artistry and attention to detail are noteworthy.

Chairman Jones pointed out that these were patterned after the painting of downtown benches by the Arts Commission, and are funded by that Commission. If the Airport Commission wants to pursue the idea of painting more benches beyond security, the City Manager indicated this would have to be an action item.

Mr. Aguirre commented that on December 27, 2020, the federal government granted additional financial relief and the Palm Springs International Airport received \$4.7M. \$4.4M will be used for operations, personnel, janitorial services, combatting the spread of pathogens, debt service payments, and \$280,000 will be used to provide relief to concessions on rent and minimum annual guarantees. Money has to be obligated by the end of the fiscal year, after which the airport has four years to use it.

Mr. Aguirre showed the progress of the work in the ticketing lobby. Ticket counters for Alaska, American and United were made available in December. The second part of the north ticket lobby is under construction and will be ready by mid-February.

In the TSA baggage screening room, baggage conveyors continue to be constructed. Two airline offices, for Alaska and American, will be completed this week-end, representing another milestone for the airport.

Outside, the third outbound baggage carousel is nearly complete. We are approaching full completion of all three carousels.

Next, Mr. Aguirre showed some excavations, a new electrical transformer and back-up generator being installed for the BHS, as well as hot and cold water tie-ins for the HVAC system. When done, the area will be asphalted, which will complete all ground work.

Chairman Jones congratulated Airport Executive Director for the progress made under his leadership these past seven months. He added that these enhancements will be very evident to the flying public and will speak well for the airport when traffic resumes after Covid.

13. COMMISSIONERS REQUESTS AND REPORTS:

Commissioner Adams reported on the Sustainability meeting which he and Commissioner Suero attended on November 24, 2020 regarding the airport's demonstration garden. The meeting was about initial plans and choices of plants and the definition of a look for the central area across from the main airport entrance. They will meet again once the plan is finalized. The Landscape Committee will then meet and the final product will be presented to the entire Airport Commission for approval. The new design will incorporate four benches which they would also like to have painted if that options exists.

Commissioner Breslin asked how Commissioners will be selected to review the Marketing and Communications RFP.

Chairman Jones indicated it is at the discretion of Procurement, the Airport Executive Director, and the Chairman of the Airport Commission and we are limited at two representatives.

14. REPORT OF CITY COUNCIL ACTIONS:

Included in the packet.

15. CORRESPONDENCE: None.

16. RECEIVE AND FILE: None

17. ADJOURNMENT:

ACTION: Motion to adjourn. **Moved by Commissioner Breslin, seconded by Commissioner Budillo and approved unanimously noting the absence of Commissioner Dada.**

The Airport Commission adjourned at 7:00 P.M. to February 17, 2021, at 5:30 P.M. via videoconference.

Nadia P. Seery
Executive Administrative Assistant