



AIRPORT COMMISSION

ACTION SUMMARY MINUTES OF ADJOURNED MEETING

Wednesday, June 16, 2021 – 5:30 P.M.

1. CALL TO ORDER:

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

2. POSTING OF THE AGENDA: Posted on June 10, 2021.

3. ROLL CALL:

Commissioners Present: Patricia Breslin, Paul Budilo, Todd Burke, Jeffrey Clarkson, Kevin J. Corcoran, Aftab Dada, David Feltman, Peter A. Freymuth, Ken Hedrick, Kathleen Hughes, Al G. Jones, Jan Pye, Bill Riesen, Jhan Schmitz, M. Guillermo Suero.

Commissioners Absent: Gerald Adams, Rolf Hoehn, Gabriel Martin, Jill Philbrook.

Staff Present: Justin Clifton, City Manager,
Ulises Aguirre, Airport Executive Director,
Nancy Pauley, Director of Finance and Treasurer,
Harry Barrett, Airport Deputy Director - Maintenance and Operations,
Daniel Meier, Airport Deputy Director - Marketing and Air Service Development,
Victoria Carpenter, Airport Administration Manager,
Nadia Seery, Airport Executive Administrative Assistant.

Others Present: Pam Brown, Vice President Business Development, Paradies-Lagardère.

Public Attendance: Two

4. ACCEPTANCE OF THE AGENDA:

ACTION: Accept the Agenda as presented. **Moved by Commissioner Dada, seconded by Commissioner Budilo, and unanimously approved noting the absence of Commissioners Adams, Hoehn, Martin and Philbrook.**

5. PUBLIC COMMENTS: None

6. APPROVAL OF MINUTES:

The minutes of the Regular Meeting held on May 19, 2021, were presented for approval. **Moved by Commissioner Freymuth and seconded by Commissioner Breslin.**

AYES: Breslin, Budilo, Burke, Clarkson, Corcoran, Dada, Freymuth, Hedrick, Hughes, Jones, Pye, Riesen, Schmitz, Suero.

NOES:

ABSENT: Adams, Hoehn, Martin, Philbrook.

ABSTAIN: Feltman.

7. CHAIRMAN COMMENTS:

Chairman Jones commented on airlines recovering at a faster pace than anyone projected and the challenges they are encountering in bringing back stored aircraft and furloughed personnel. He stressed the importance of airline activity to our community businesses and attractions. He pointed out the 2.3 million travelers passing through the TSA security checkpoints nationwide on June 11, which, while only representing 74% of 2019, is a first since March 2020.

Chairman Jones announced that four Commissioners terms will end on June 30, including his own after he served two full three-year terms. City Council will address reappointments for the three commissioners still eligible to serve another term next week. The terms for six Commissioners from other Valley cities and the County of Riverside have also ended and will be addressed by their respective City Councils in accordance with the limits set by the City of Palm Springs.

Chairman Jones presented plaques to retiring Vice Chairman Hoehn who served since 2008, and to Commissioner Riesen who served since 2015. The plaques bore an expression of gratitude for the Commissioners' dedicated service to the Palm Springs International Airport and their respective dates of service.

Airport Executive Director Aguirre presented a plaque to retiring Chairman Jones and commended him for his service to the Commission and his dedication to the interest of the traveling public. He thanked him for serving as a Commissioner from 2015 to 2018 and for his leadership as Airport Commission Chairman since January 2019.

Chairman Jones thanked Mr. Aguirre and the Commission for their support and commented that serving on the Airport Commission had been the highlight of his career.

8. INTRODUCTIONS AND PRESENTATIONS:

None.

9. CITY MANAGER REPORT:

City Manager Clifton also thanked Chairman Jones for his service.

Mr. Clifton updated the Commission about Well in the Desert and the use of the Boxing Club. He explained that staff and City Council met last week and service located at the Boxing Club is moving forward, however an agreement may be entered in with both Well in the Desert and Martha's Village. Martha's Village which has experience with larger programs could even be the primary provider. The goals are to move the homeless beyond some of these services, have greater accountability, fewer impacts and higher efficiency service. How increased communications and meetings for a more collaborative approach would further mitigate possible negative impacts.

Mr. Clifton then commented on the Airport Commission's role which is largely that of an advisory body able to see airport operations in greater depth than City Council could, and how the Commission is encouraged to share their insight. However, how it is not generally appropriate for any agency serving at the pleasure of City Council to advise in any way that is contradicting City Council's direction. As a staff member, he refrains from doing so and discourages the Commissions from doing it as well. And while not deemphasizing the value of the Commission's perspective or advice, City Council must consider the entire homeless issue.

Chairman Jones proposed to move up agenda item 11.A. and discuss it now and the Commission agreed.

11.A. Cooling Center – Well in the Desert

Commissioner Freymuth asked the City Manager if he foresees extra night patrol at the airport parking lots based on the vehicle break-ins at the Well in the Desert's current location, and if so, who would be financially responsible.

City Manager Clifton indicated that they are in discussion with the provider about security. Staff will confer with the police department and determine to what extent the break-ins are linked to the activity of the Well in the Desert in their current location. Security would have to be researched further but the intent is to be proactive.

Commissioner Breslin asked if the current Well in the Desert term which ends on June 30th would be extended.

The City Manager replied they would suspend the termination set for June 30th to allow Council to further vet the terms of the current agreement, allowing for some continuation of the services. A meeting is scheduled with the County to determine when they will open some of their more robust cooling centers, ascertain if other services can be provided and delay the relocation to the Boxing Club.

Commissioner Breslin asked if this would be a short-term or long-term agreement.

The City Manager replied it would be short term. City Council has requested staff to look at long-term housing solutions which are most successful at lifting people out of homelessness. He added that our community received funds which are set aside for this endeavor. The City could collaborate with the county which has also received funds and is slated to receive yet additional funds for this purpose. How resources could be shifted to a housing services location which will mitigate the need for some of the lesser day-time drop oriented services.

Commissioner Feltman requested that legal opinion be obtained about the rights of any individual on airport property, both inside and outside, as airport personnel will be managing such issues and must be aware of constitutional rights. How he is interested in following up and seeing that it's on the docket.

City Manager Clifton confirmed that staff is looking into that, but that essentially areas that are open and not beyond security, are open to all.

He added that while human behavior can't be controlled the services themselves can be leveraged to encourage or compel better behavior. While people cannot be removed for no reason, criminal activity will not be allowed. If impacts are significant, locations may be changed, although with difficulty due to lack of options. This emphasizes the importance of a long-term solution approach.

Commissioner Corcoran asked who would remove clients of the Well displaying behavioral issues in the airport public areas, as experienced throughout the city, and how would they be held accountable. He added that there is a lot of skepticism about moving the center to another neighborhood, asked who would police it, and what will happen if accountability is ineffective.

City Manager Clifton replied that if someone is lawfully in a public place the police would not have the authority to remove them. If it is unlawful, the responsible authority, either airport personnel or the police, will handle it case-by-case.

Mr. Clifton added that many of these individuals are known to law enforcement personnel and to the service providers. How our community officers are often ideal to respond to the homeless issue in general as they have relationships with the individuals and service providers. Issues could be resolved through communications with the service providers and by leveraging services to the homeless by compelling behavior, such as signing an agreement not to go on airport property. He added that there perhaps could be local security perimeter checks, medevac calls, or a financial participation.

Mr. Clifton explained that a permanent housing solution is desirable because homelessness is an increasing issue nationwide and not necessarily a migration

issue. He asked whether we are better off without a touch point, without the ability to control and leverage services, as the people don't go away.

Commissioner Corcoran asked if there is any merit in having transformational services including housing and counseling that make most people think it's the ultimate solution?

City Manager Clifton replied that he believes so. How this is a difficult situation as some of these human beings are afflicted with severe mental illnesses and need an entirely different system than is currently offered. He addressed the lack of mental health support services, inpatient services, and for some the insufficiency of out patient services. How we need something transformational and literature and anecdotal evidence support housing with wraparound services, where homeless people can receive mental health prescriptions, and have a daily touch point with someone who can evaluate their mental state and possibly reconnect individuals with their families. How those are the things proven to be the best we can do. The county, with project Roomkey, placed a dozen of homeless people into long-term housing. Given time, these services can be expanded.

Commissioner Clarkson asked of Executive Director Aguirre if loitering was an issue at the airport now, and if it is, how is it handled.

Mr. Aguirre replied that the airport has had people loitering. The numbers are very manageable, and this only occurs sporadically, once every several months or so. The airport police are trained well to deal with them, engage them and find out the best way to assist them.

Commissioner Clarkson asked of City Manager Clifton, since the Commission is not voting on this today - which he understands as the Commission doesn't have time to fully vet all the issues in the hour meeting - when will the Commission vote on this issue or will the Commission vote at all. He added that the Airport Commission, based on the ordinance, is supposed to give advice on fifteen different issues, including property use. Will the Commission vote or just talk about them, and will those thoughts be transmitted to City Council through the City Manager? Mr. Clarkson added that he was unsure of the Commission's role now and what they are supposed to do.

Mr. Clifton replied that in light of the ordinance, it is important for the Commission to share insight about the use of airport property with Council. Generally when there are disagreements between staff and Council, or commissions and Council, or community and Council, we provide our input and sometimes Council disagrees. The best practice is to disagree while the conversation is being had but once the decision is made, we don't have to agree with it, but we generally defer to the overarching policy body that's elected to set that policy as they have the most complete context. I think you should continue to share your insight, especially one that the Council couldn't have, so they can continue to make better decisions. We are the input, they're the

throughput and have final say on issues unless these issues have been delegated to staff or commission level.

Commissioner Clarkson commented on how this is very different from the previous manager who, if there was a major issue on the agenda, would allow the Commission to consider it before the City Council and express an opinion which the City Manager would take to City Council. If the philosophy will be different, and it sounds like it is, he wondered when the Commission would take any action on any item.

City Manager Clifton replied that generally speaking, and depending on the nature and urgency of an issue, it is still his preference to be inclusive and participative as to who gets to weigh in. How the Commissions exist largely because City Council is faced with a breadth of items and could never get in depth about all of the issues. However, the work of the Commission or staff is not exclusive to the Commission or staff, so occasionally Council will take action about a question relating to Parks and Recreation or Measure J without discussing it with the Parks and Recreation or Measure J Commissions. But most of the things that involve an area of expertise do go to the respective commissions first. How sometimes Council needs to act as a body before going through everyone else's process. He added that the decision to move to the Boxing Club was made before he arrived, and it was decided even then not to run it through the Commissions because it was perceived as a time sensitive matter. He wouldn't expect that to be the case with most of the decisions made but occasionally Council will need to take action without involving a myriad of Commissions.

Commissioner Freymuth expressed that he found it odd that the Commission did not make their comments known for such an important subject. He thinks the Commission should vote on the topic. While not trying to go against City Council, we are here to do our job, not necessarily agree, and we should have gone on record and express the suggestions of the Commission.

City Manager Clifton commented that many provide their opinion in a democracy. Critic of government is that we are too slow because we are that deliberative, but we are still one city so we are trying to operate with an entity at the top. Makes no more sense to contradict City Council than for the vice president of a company to contradict the president. There is still a hierarchy, it's still participative, but sometimes the entity that serves as the chief role has to make a decision. You can opine 97% of the time, but sometimes Council has to decide.

Chairman Jones proposed to have this item of interest on the agenda for the July Commission meeting.

Commissioner Corcoran seconded having it on the agenda to raise issues and concerns. How this will have a huge impact on us building this world-class airport. The more we discuss, the more we can come up with better solutions.

Commissioner Suero, asked what the police thinks of the choice of this location since they are immediately adjacent to this location. We are not alone here.

City Manager Clifton stated that it is also at the front door of City Hall and eyes are wide open when it comes to City employees and customers. He sees this as an advantage but share the concerns.

10. EXECUTIVE DIRECTOR REPORT

Airport Executive Director Aguirre announced that as of today, Mr. Harry Barrett, Airport Deputy Director of Operations and Maintenance will give presentations on ongoing airports projects and pertinent matters relating to operations and safety.

Mr. Aguirre indicated that passengers are back at a faster rate that expected a few months ago when the forecasted budget was prepared. How April was the busiest month since 2020 and thus far in June the TSA screened passenger numbers had not dropped off. He gave a month by month comparison from January to May, 2019 - 2021.

Mr. Aguirre announced that American Airlines has added three departures after midnight, at 12:45 a.m., over the 4th of July holiday. How flights after midnight in Palm Springs are rare but have occurred over holidays several times in years past.

Airport Deputy Director of Operations and Maintenance Barrett, gave an update on the ticketing wing project. He explained that Project 2B, which includes the TSA screening room, airline office spaces and break rooms has been completed and turned over to the agencies. PowerPoint photos were shown of the completed TSA screening room. Work has begun on the southernmost part of the ticket wing which will house Sun Country, Allegiant, Southwest, and JetBlue. Walls for ATOs will be framed next week, and carpeting lobby will be installed. The southernmost bag carousel is expected to be completed in one month, making the entire BHS fully operational.

Mr. Barrett showed the terminal pre-security gift shop area which had been used temporarily as ticket counter space during the project phasing. He explained that counters will be removed, but there is no immediate intent to put a gift shop back in. The space will be kept optional for future need of additional ticket counter space. Best use will be determined at a future date.

Mr. Barrett announced the start of the Passenger Bridge Project this week, and he presented the schedule. Bridges will be replaced two at a time, and each phase is expected to last two to three weeks. The eight bridge replacement should be completed by the beginning of January 2022. Photos of the work started on bridges 4 and 9 were shown.

10.A Budget and Finance

Airport Administration Manager Carpenter presented the financials for the Month of May 2021. The report included FY 2019-20 for comparison purposes.

In a comparison of revenues versus expenditures, CFCs, PFCs and airport maintenance had a surplus, Capital Projects showed a deficit.

As a summary, Fund 405 - CFC Restricted stands at \$25.1M; Fund 410 - PFC Restricted shows a balance of \$2.1M; Fund 415 stands at \$13.8M with O&M reserves of \$3.7M and PERS set aside of \$2.25M, leaving an unrestricted balance of \$7.9M. Fund 416 – Capital Restricted has a balance of \$6.5M.

Following a request at the last Commission meeting, Ms. Carpenter then presented passenger enplanements and deplanements for fiscal years 2018-19 and 2020-21 and commented that, overall, this current fiscal year numbers are 52% lower than the 2018-19 numbers.

Chairman Jones asked - since the numbers are better than anticipated when the upcoming fiscal year budget was prepared - if the budget figures will be modified.

Airport Administration Manager Carpenter replied that we will maintain the budget as prepared. However, if something unexpected becomes needed during the upcoming year, we can adjust the budget at that time.

Airport Executive Director Aguirre stated that the passenger increase will only modify the revenues side of the budget. How we are confident about expenditures numbers and since the budget did tap into money supplied by the federal government, should revenues exceed expectations we will need to tap less into stimulus money.

10.B. Marketing

Airport Deputy Director of Marketing & Air Service Development Meier presented the following updates:

As far as Air Service, two notable announcements were made on the same day:

- Alaska Airlines announced new seasonal non-stop service to Austin starting in November, five times per week.
- Southwest announced the addition of four new routes from Palm Springs: seasonal daily service to Chicago Midway and Dallas Love, seasonal Saturday service to Portland, and yearly twice daily service to Sacramento, morning and evening, offering great convenience for business travelers.

This brings the total number of cities served in season to 31.

American Airlines is adding lift to DFW in September, the shoulder season, to 3 times a day. WestJet is increasing service to Vancouver. JetBlue is postponing Fort Lauderdale to March 2022.

Mr. Meier will attend the airline conference Routes Americas next week, where he and the Ailevon Pacific consultant will be meeting with airlines already providing service to Palm Springs as well as potential new airlines.

Mr. Meier showed a chart of scheduled departing seats for the summer of 2021 which reflects a considerable increase compared to the summer of 2019: 27.5% in June, 52.1% in July and 50.6% in August. This represents the highest numbers in a decade.

With regard to the Marketing and Communications Plan, stakeholders interviews are about to start and are divided in three groups including a wide range of participants throughout the Valley. Group 3 includes the Marketing Committee tomorrow afternoon. Surveys will be distributed to Airport Commissioners, Department of Aviation Staff, and Airport Tenants.

Following up on an inquiry from a Commissioner about an airport lounge at PSP, Mr. Meier indicated that a survey was conducted of 300 airports with less than 2 million enplanements in 2019 and only three airports, with consistent yearly service and passenger traffic more evenly split between business and leisure traffic, were found to provide a lounge.

Commissioner Breslin inquired about the timeline for the Marketing Committee meeting which is to be held tomorrow, which follows instead of precedes this Airport Commission Meeting.

Mr. Meier explained that tomorrow will consist of questions asked of the Committee, to gather feedback as a focus group. How it is not a traditional meeting requiring decisions, vote and recommendation for the entire Commission.

Commissioner Breslin asked if Commissioners who wish to participate could attend and chime in tomorrow.

Airport Executive Director Aguirre advised against it, as Commissioners will receive surveys and their input will also be taken into consideration. He suggested the Marketing Committee brief the Commission at the July meeting and perhaps by then Aviatrix will have some information from the surveys that can be passed on.

11. DISCUSSION AND ACTION ITEMS:

11.B RJ Terminal Food and Beverage Concept.

Airport Executive Director Aguirre summarized the withdrawal of HMS Host at the airport in July 2020 and Paradies-Lagardère accepting to take over some of the food concessions. He listed the food venues currently operating and explained how these locations were completely renovated as part of Paradies' initial commitment to invest \$500K through an amendment to their agreement which expires at the end of April 2023. He added as a reminder that PSP intends to issue an RFP in 2022 for a long-term concessions agreement that will encompass retail, gift and news, and food and beverage as of May 2023.

Mr. Aguirre explained that because of the increase in passenger traffic Paradies is considering opening the location of the current Tap Room in the RJ concourse and has developed a new concept which we hope will open by the end of October. Mr. Aguirre asked Pam Brown – Vice President of Business Development for Paradies to present this new concept.

Ms. Brown, aided by a PowerPoint, presented this new food and beverage venue. She explained that the original name of “Buzzed” at Bar Fly, was used because of a trademark issue but will be generally played down. Ms. Brown showed graphics for the logo on windows, T-Shirts, aprons, and the materials to be used: modern, gold, translucent. The floorplan will utilize the interior, the courtyard space and also offer some tables in the terminal itself. A selfie setting, popular with 20s and 30s audiences, will be included. The upgrades done to the venue include a new walk-in cooler, seating, tables, and umbrellas. There will be a bar, and a coffee station. They will serve breakfast and offer vegetarian choices all day. Grab and go items will be made fresh on site daily. This concept targets a younger flying generation which seeks a unique experience as opposed to a food chain. Ms. Brown showed the menu which uses items on trend right now. She added how excited they are to get another concept up and running.

Commissioner Breslin and Commissioner Burke expressed their appreciation of the toning down of the word “Buzzed”.

Commissioner Clarkson commented that this concept should appeal to everyone, not just the younger generation.

12. COMMISSIONERS REQUESTS AND REPORTS:

Commissioner Feltman stated that the request he made of the City Manager regarding a legal analysis of the rights of individuals on airport property was omitted from the minutes of the May Commission meeting. He explained that he is in a dialogue with the Airport Director to determine why that happened and to obtain clarification. This explains his abstention from the approval of the minutes vote earlier. Mr. Feltman added that he expects to continue talking with the Director and resolve this before the next meeting.

Commissioner Pye commented that she belongs to the Committee for the cooling centers. How for the last few years they have had three: Cathedral City, Desert Hot Springs and Palm Springs. How they will not be in Cathedral City or Desert Hot Springs this year, but as the City Manager said, homeless people do not move from point A to point B. She also commented that CV Housing First will see clients outside the Boxing Club.

On another topic, Ms. Pye stated that Commissioners were reminded by the Clerk's office of the need to pay attention to the Brown Act. When replies are sent to the Executive Administrative Assistant for instance, how one should be mindful to reply only to that person, and not "respond to all."

Commissioner Pye congratulated Chairman Jones for his leadership on the Airport Commission.

Commissioner Riesen thanked the City of Palm Springs and the Commission and commented with regret on this being his last meeting after six years on this body.

Commissioner Budilo asked - since the Governor is opening the State - when will the Airport Commission meetings resume in person?

City Manager Clifton explained how we enjoy the current transparency offered with Zoom meeting vis-à-vis the Brown Act. How the City used to have personnel dedicated to recording and posting meetings, and some of this personnel has been lost. How they understand the convenience for people to join remotely, especially for members of the public, and how Council wants to consider how to proceed and needs time to work out a plan. If meetings in person are resumed, they will need lead time to hire personnel.

Commissioner Budilo commended Chairman Jones for his leadership on the Airport Commission and for his management style. He added that his facilitation of the meetings has been outstanding. How it had been a pleasure working with him and he wished him the best of luck.

13. REPORT OF CITY COUNCIL ACTIONS:

Included in the packet.

14. CORRESPONDENCE: None.

15. RECEIVE AND FILE:

- 15.A Airline Activity Report May 2021.
- 15.B Airlines Schedules July 2021.

16. ADJOURNMENT:

Chairman Jones commented that it had been an exciting opportunity to serve on the Commission for six years and he, like Commissioner Riesen will miss it, but most importantly he will miss each and everyone.

ACTION: Motion to adjourn. **Moved by Commissioner Riesen, seconded by Chairman Jones and approved unanimously by all present.**

The Airport Commission adjourned at 7:16 P.M. to July 21, 2021, at 5:30 P.M. via videoconference.

Nadia P. Seery
Executive Administrative Assistant