



**AIRPORT COMMISSION**

**ACTION SUMMARY MINUTES OF ADJOURNED MEETING**

**Wednesday, July 21, 2021 – 5:30 P.M.**

**1. CALL TO ORDER:**

Airport Executive Director Aguirre 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 July 10, 2021.

Mr. Aguirre welcomed two new Commissioners: Mr. Scott G. Miller, representing Palm Springs, and Mr. Thomas Weil, representing Rancho Mirage. Mr. Aguirre also announced the resignation of Commissioner Clarkson, representing Palm Springs, and thanked him for his participation on the Commission since 2017 and as Chair of the Noise Committee.

**3. ROLL CALL:**

**Commissioners Present:**

Gerald Adams	Palm Springs	Kathleen Hugues	La Quinta
Patricia Breslin	Palm Springs	Scott G. Miller	Palm Springs
Paul Budilo	Indian Wells	Jill Philbrook	Cathedral City
Todd Burke	Palm Springs	Jan Pye	Desert Hot Springs
Kevin J. Corcoran	Palm Springs	Jhan Schmitz	Indio
Aftab Dada	Palm Springs	M. Guillermo Suero	Palm Springs
David Feltman	Palm Springs	Thomas Weil	Rancho Mirage
Peter Freymuth	Riverside County		
Ken Hedrick	Palm Springs		
Rolf Hoehn	Palm Desert		

**Commissioners Absent:** Gabriel Martin, Coachella.

**Staff Present:**

Justin Clifton, City Manager,  
Ulises Aguirre, Airport Executive Director,  
Harry Barrett, Assistant Airport Director,  
Anthony Mejia, City Clerk,  
Nancy Pauley, Director of Finance and Treasurer,

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 of Business Development – Paradies-Lagardère

**Public Attendance:** Eight participants.

#### **4. ELECTION OF OFFICERS**

City Clerk Mejia announced that Commissioners had been blind carbon copied on an e-mail from Commissioner Clarkson which may have caused concern for a few Commissioners who would like to postpone the nomination process for an additional meeting. How he and the City Attorney looked at the alleged Brown Act violation and determined none had occurred but how he would like to send a warning to the Airport Commission, emphasizing the importance of the Brown Act and to forward any communication to the staff liaison. How there is no need to rush the process of the nomination of the Chair and if it is the will of the Commission, it can be postponed. Mr. Mejia asked for a motion.

Commissioner Burke moved to postpone the election.

Commissioner Hedrick seconded the motion.

Commissioner Feltman asked if there could be a discussion.

City Clerk Mejia replied that the discussion should focus on whether or not to proceed with the nomination but not necessarily about the content of the letter as that is not agendaized.

Commissioner Feltman asked if someone could justify the motion to postpone the election.

Commissioner Burke replied that he made a motion to postpone based on the allegations made in the e-mail sent to all Commissioners today. How he wishes to further understand if the allegations are correct.

Commissioner Freymuth commented there was nothing to understand and how Commissioner Burke should be forthcoming that the allegation was about a supposed offer that was made to him, but how there was no offer, he had been considered, and therefore postponing makes no sense.

Commissioner Breslin asked if this was now an open discussion because we had a motion and a second and it seems that Commissioner Freymuth is starting a discussion.

Commissioner Freymuth replied that there can be a discussion before a vote.

City Clerk Mejia agreed that a discussion is allowed before a vote occurs, however, it should focus on whether or not to proceed with nominations. The depth and the scope of the letter should be deferred until the City Attorney and others can decide if an investigation is necessary; and if it were, that investigation would be for the City Council to conduct as they are the authority to review these matters, not the Airport Commission itself.

Commissioner Breslin stated that she was not comfortable taking a vote today, how she found the letter unsettling and how it is not fair to be in possession of that information and not knowing whether or not an investigation is going forward. So for those reasons, she would “third” not holding the elections today.

Commissioner Freymuth asked Mr. Mejia to confirm that he and the City Attorney had not found any violations of the Brown Act.

City Clerk Mejia confirmed that there were no actual violations of the Brown Act and they just issued a warning about the importance of the Brown Act itself.

Commissioner Freymuth commented that normally we have the elections this day and he voted not to postpone it.

Commissioner Breslin pointed out that this was one vote against three votes.

Commissioner Feltman commented that elections should be held. How an allegation was made some time ago, how the City Attorney reviewed it, and City Clerk presented the outcome of that review to the Commission, and how he is not sure what we are postponing this for, just because someone sent a letter and resigned.

Commissioner Breslin responded that what concerned her were allegations that Commissioner Freymuth himself was a go-between and was saying in effect that the election was fixed.

Commissioner Freymuth asked how the election was fixed.

Commissioner Breslin replied that she did not know and did not want to be unfair to anybody.

City Clerk Mejia called the meeting to order and commented that the Commission was now discussing the content of the letter instead of whether or not to have the election.

Commissioner Pye stated that at the last meeting she reported on the Brown Act, how several members have violated the Brown Act, so as a suggestion, when the Airport Executive Administrative Assistant sends out e-mails she should send them to herself and "bcc" the Commission because several people replied to all and that could be a serial event.

City Clerk Mejia stated there was a motion, and unless there was further discussion or questions, we should proceed with the roll call vote.

There were no further questions or comments, the roll call vote was taken.

**ACTION:** Delay the election of the Airport Commission Chairman to a later meeting.  
**Moved by Commissioner Burke, seconded by Commission Hedrick.**

AYES: Adams, Breslin, Burke, Hedrick, Hoehn, Hughes.

NOES: Budilo, Corcoran, Dada, Feltman, Freymuth, Philbrook, Pye, Weil, Schmitz, Suero.

ABSTAIN: Miller.

ABSENT: Martin.

City Clerk Mejia gave an overview of the nomination process according to the City Municipal code and explained that the Chair must be a representative from Palm Springs, and any Commissioner may be nominated as Vice Chair. Any member can submit a nomination, there is no need for a second. If only one person is nominated he will seek election by unanimous consent. If more than one member is nominated he will ask for ayes and noes. If the first candidate receives the majority of approval, the election ends and the candidate is declared elected. If not, the process is repeated for the second nominee, and the same process will apply to the Vice Chair position. He will finally ask for a motion and a second to accept the election results.

Commissioner Breslin asked about the possibility of abstaining if there is only one candidate.

City Clerk Mejia replied that one can abstain or vote "no" but with one candidate there is no way to defeat that.

Commissioner Miller asked, if there is more than one candidate whether there would be an opportunity for the candidates to address the Commission and state their experience and why they would like to be Chair or Vice Chair.

City Clerk Mejia replied that it is not in Robert's Rules but asked if Vice Chair Hoehn wouldn't mind providing an opportunity for a short statement.

Mr. Hoehn agreed.

The City Clerk opened nominations for the Airport Commission Chair position.

Commissioner Corcoran nominated Commissioner Dada and presented his perspective on Commissioner Dada's qualifications for this position.

In the absence of other nominations, the City Clerk asked for a vote by show of hands.

The motion passed and Commissioner Dada was declared elected to the Chairman position.

The City Clerk opened nominations for the Airport Commission Vice Chair position.

Commissioner Hedrick nominated Commissioner Pye and presented his perspective on Commissioner Pye's qualifications for this position.

Commissioner Freymuth nominated Commissioner Corcoran.

Commissioner Breslin nominated Commissioner Burke.

In the absence of other nominations, the City Clerk declared the nominations closed and asked for a vote for members in the order they were nominated.

Commissioner Miller asked if the nominated Commissioners could say a few words to introduce themselves.

Commissioners Pye, Corcoran and Burke gave a brief presentation.

Votes were taken for Commissioner Pye. The motion failed.

Votes were taken for Commission Corcoran. The motion passed and Commissioner Corcoran was declared elected to the Vice Chair position.

**ACTION:** Accept the election results with Commissioner Dada elected Chairman and Commissioner Corcoran elected Vice Chairman. **Moved by Commissioner Pye, seconded by Commissioner Hedrick.**

**AYES:** Adams, Budilo, Burke, Corcoran, Dada, Feltman, Freymuth, Hedrick, Hoehn, Hughes, Miller, Philbrook, Pye, Weil, Schmitz, Suero.

**NOES:**

**ABSTAIN:** Breslin.

**ABSENT:** Martin.

**5. ACCEPTANCE OF THE AGENDA:**

**ACTION:** Accept the Agenda as presented. **Moved by Commissioner Freymuth, seconded by Commissioner Feltman, and unanimously approved noting the absence of Commissioner Martin.**

**6. PUBLIC COMMENTS:**

Mr. Jeffrey Bernstein addressed the Commission about the importance of having a greater presence of local brands at the Palm Springs International Airport when the Concessions RFP is revisited, and, as the contract with Paradies expires in 2023, he encouraged the Commission to begin working on the RFP as soon as possible.

**7. APPROVAL OF MINUTES:**

The minutes of the Regular Meeting held on June 16, 2021, were presented for approval. **Moved by Commissioner Feltman and seconded by Commissioner Hedrick.**

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

**NOES:**

**ABSENT:** Martin.

**ABSTAIN:** Adams, Hoehn, Miller, Philbrook, Weil.

**8. INTRODUCTIONS AND PRESENTATIONS:**

**8.A. Pre-Security Automated Retail Concept**

For the benefit of new Commissioners, Airport Executive Director Aguirre presented a background of the concessions at the airport. He commented that no concessions existed currently pre-security. This is due to the fact that at the start of ticket wing renovation project, the gift and news retail store was closed to accommodate temporary ticket counters, and the Celebrity Bistro and Starbucks closed when HMS terminated the contract with the airport in July 2020. How, at that time, Paradies stepped up to fill the void created by HMS's departure when traffic was at its slowest in summer of 2020. They opened the "Santa Rosa Kitchen and Spirits" in November, "PSP Coffee House" in December and the "Palm Springs Wine Bar" in March. Additionally, Paradies plans to open "Buzz by Bar Fly" in the Regional Concourse in October.

Mr. Aguirre explained how all concessions agreements with Paradies which include Food and Beverage and News and Retail end in May 2023. Paradies committed to spend \$500,000 to renovate specific locations, which will take twenty eight months to amortize. They provide coverage from 5:00 A.M. until the last arrival at night, which in

July is 11:25 P.M., making it challenging for staffing, with very little activity after the last departure at 6:30 P.M.

Mr. Aguirre added that Paradies has now identified a pre-security concession opportunity and they have been authorized to proceed with this concept. This new retail concept, which Paradies has successfully deployed at other airports, may be installed in the Bono as well to benefit travelers and employees after hours.

Ms. Pam Brown, Vice President of Business Development for Paradies, was invited to present this new concept. She first commented that the “Buzz by Bar Fly” restaurant project was well under way. Despite concerns about equipment delays due to global supply chain challenges, the last piece of equipment is scheduled to ship on August 27, keeping them on track for the opening in early October. The selected general contractor is familiar with the airport and ready to proceed.

Ms. Brown presented the new automated concept by Avanti Markets. It’s a scan and go system which uses a credit card. Customer support will be provided on site by Paradies employees, even after hours. If items are needed, customers can call the manager on duty to either restock the vending machine or confirm that this item is available post security. This represents a lot of high touch for an automated type solution.

Ms. Brown presented two designs for the proposed location, then discussed the units which will contain beverages, fresh food options, and coffee from Coachella Valley Coffee, brewed on a per cup basis. The concept suits this airport as there can be wide gaps between flights and times when regular stores may be closed and this affords 24/7 availability. Ms. Brown showed the location pre-security, and two locations in the upper Bono concourse.

Ms. Brown added that she endorsed the comments by Mr. Bernstein earlier, and how they are ready for a new opportunity after having had a 20-plus year old contract, extended in increments, and how it’s been difficult to re-concept and reflect what they would like to show. They appreciated this opportunity and have been riding out the storm since 2020. How with the opening of the “Buzz by Bar Fly” they will exceed the \$510,000 budget, but feel it’s worth it. They have been able to work through some challenges in terms of kitchen capacity and are doing a good job at serving travelers at a nearly 2019 level.

Commissioner Miller asked what the schedule was for refreshing sandwiches and snacks as he wants to make sure the best presentation of food products.

Ms. Brown explained that they have stringent safety guidelines, and that the advantage is that their own people restock the machines and they will be replenished daily. How they are considering offering salads from their on-site kitchen. For now, they are using Fresh and Ready because they like their system and products.

Commissioner Miller inquired about the trash locations and napkin dispensers.

Ms. Brown replied that napkin dispensers are typically next to the coffee maker with an undercounter trash receptacle. Their own staff will wipe counters and doors several times a day.

#### **9. CITY MANAGER REPORT:**

The City Manager had to depart at 6:00 P.M. to another meeting.

#### **10. EXECUTIVE DIRECTOR REPORT:**

Airport Executive Director Aguirre announced that the airport had the busiest month of June in its history with 129,872 passengers or 23.3% more passengers than June 2019. The Canadian government has also started relaxing some of its restrictions for travelers entering Canada which will boost traffic in the upcoming peak season. More information can be found through the public health agency at [www.canada.ca](http://www.canada.ca).

To assist tenants and stakeholders the airport will hold a job fair on August 24<sup>th</sup> at the Convention Center. The Airport will use social media platforms to advertise locally.

The Airport is working with City Council and the City Manager's office to organize a celebration for the completion of the Ticket Wing Renovation project. A date will be selected in the latter part of August or early September based on City Council availability, and hopefully Commissioners will be able to attend.

The approved FY2021-22 budget included two additional positions and unfreezing three positions from last year. Recruitment is actively underway. One of the positions unfrozen was the Assistant Airport Director and Mr. Harry Barrett, Deputy Director of Aviation - Maintenance and Operations was promoted to Assistant Airport Director effective July 1<sup>st</sup>. A Maintenance Superintendent, a lower job classification level, will be hired to backfill Mr. Barrett's position and lead the Airport Maintenance Division.

#### **10.A Project and Operation Update**

Assistant Airport Director Barrett, gave an update on the ticketing wing project: The south ticket wing construction is still underway and expected to be completed on August 4<sup>th</sup>, 2021, which will wrap up the entire project for the airport. Photos were presented showing the progress since June 16. The HVAC and electrical components are completed, and ticket counters have been installed. Flooring has been laid. The lobby wall tile was installed last week, the airlines' Airport Tickets Offices (ATOs) are completed.

Mr. Barrett commented on the Bono concourse Passenger Boarding Bridges (PBB) replacement project which began last month. Gates 4 and 9 have been replaced and



are operational. The bridge at Gate 11 was taken out this day. Close attention is being paid to the operation so as not to adversely impact the airlines. Jet bridge training is taking place with the airlines. This project is one week ahead of schedule and should be completed by the end of the year.

### **10.B Budget and Finance Update**

Airport Administration Manager Carpenter presented the financials for the Month of June 2021.

The revenues for Fund 405 - CFC stand 94% of the budgeted amount. Fund 410 - PFC revenues are at 83%, Fund 415 stands at 89%.

In Fund 415, On-Airport Car rentals exceeded the budget by \$2M, scheduled landing fees by \$700,000, Terminal Airline Space by \$400,000. The airline revenue numbers exceeded those of 2019.

In Fund 410-PFC a change was included to the financial summary since it was distributed that includes a debt payment posting bringing the expenses to \$2.49M.

In Expenditures, Fund 415 stands at 77% of the budgeted amount of \$25M.

As a summary, Funds 405-CFC, 415-Airport Operations and 416-Capital Projects showed a surplus, Fund 410-PFC showed a deficit.

Fund 405-CFC Restricted Balance stands at \$25M, Fund 410-PFC Restricted at \$2.1M, Fund 416-Capital Projects at 7.5M and Fund 415 – Airport Unrestricted stands at \$7.7M.

Airport Administration Manager Carpenter showed a Passenger Activity report comparing 2021 and 2019. The airport numbers for 2021 stand at 47% of 2019.

Commissioner Miller asked about the correction made to the debt payment service.

Commissioner Hedrick asked if there were monthly deposits to the P&I account or a semi-annual deposit and whether the reserve debt fund was touched.

Mrs. Carpenter replied the deposits are monthly and the reserve fund was not touched.

Commissioner Schmitz asked if we are anticipating additional revenues to come in via the CARES Act.

Mrs. Carpenter replied that we do have the CARES Act fund but there is no need to draw down on it at the moment.

### **10.C. Marketing Update**

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

Flair Airlines, which is a different airline than Flair which served this airport a couple of years ago, announced its new PSP service with twice weekly flights to Vancouver beginning in October.

Delta is not returning their Minneapolis and Los Angeles service this year. Atlanta should be in the schedule in the next 2-3 weeks. Sun Country restarts their Minneapolis service in October. Some of these cuts are due to pilot shortages as old aircraft have been retired and pilots need to be requalified on new types of aircraft with air travel returning much more quickly than anticipated.

JetBlue starts Fort Lauderdale mid-December.

The scheduled departing seats for July, August and September reflect an average increase of 53% over 2019.

The Marketing Communications Plan is still in progress.

On the advertising front, the focus is on flying local, making it easy, saving time and avoiding LA traffic. Ads will run through mid-September.

As part of his Community Relations endeavors, Mr. Meier will participate in a Palm Springs Life Magazine Webinar.

A new promotion for the Las Vegas route is planned for early fall. The Las Vegas Convention and Visitors Authority offered a wonderful prize package and Southwest will be offering two round trip tickets.

Commissioner Feltman asked how many flights will be available to Los Angeles per day.

Mr. Meier replied one flight in each direction.

Commissioner Feltman noted it would be difficult to advertise how easy it is to get to LA without the traffic when we have one flight a day.

Mr. Meier explained that the advertising campaign is about emphasizing the importance of flying local and how easy it is to fly from Palm Springs and avoid the highway traffic to Los Angeles, the focus is on flying local instead of driving to another airport.

Commissioner Feltman expressed his wish for more robust service to LA in the future, and asked when the Marketing Communications Plan would be ready.

Mr. Meier replied it would be ready in the first part of September and how he is running the advertising campaign until we receive the plan.

He added that the PSP-LAX flight leaves early in the morning to allow for good trans-Pacific connections, and the late night return allows people to connect to Palm Springs through Los Angeles.

Commissioner Freymuth asked if Southwest applied for funding from the airline incentive program, and if so how much has been spent on it?

Mr. Meier replied that Southwest applied when they first started Oakland and Denver. He will provide the cost to Commissioner Freymuth at a later time.

Commissioner Breslin asked of Mr. Meier if he has any recommendations for the Marketing Committee to complement any direction Aviatrix may be going in, whether it be a survey or some other information from the Marketing Committee.

Mr. Meier thanked Commissioner Breslin and replied that we would know more when the plan is completed.

## **11. DISCUSSION AND ACTION ITEMS:**

### **11.A. 225 S. El Cielo (Boxing Club / Cooling Center)**

In the absence of the City Manager, Chairman Dada proposed to postpone this agenda item to a future meeting.

Commissioner Freymuth indicated that City Council may already have made their decision but the Commission could still express their views by discussing it this day.

Chairman Dada opened the item for discussion.

Commissioner Hoehn asked the Commission to pass a resolution or express its opposition to this project. He brought up the last meeting where the role of the commission was discussed and there would otherwise be no opportunity to express that opinion.

Chairman Dada indicated the Commission could send the Mayor, City Council and City Manager what we discussed and what we would like to see by expressing their opinion in Ayes and Noes this day.

Commissioner Freymuth commented he understood that the City has their concerns which include the airport, but that the Airport Commission needs to go on record as to how they feel about this.

Chairman Dada asked for a motion.

Commissioner Freymuth moved that it is not in the best interest of Palm Springs International Airport to have a homeless shelter at the Boxing Club.

Commissioner Corcoran seconded.

Commissioner Pye brought up the other possible locations indicated under Item 13.A in the Agenda Packet, pointed out that security would be added and that the Commission could indicate which location is desired when making an advisory comment.

Commissioner Freymuth amended his motion to reflect the addition made by Commissioner Pye.

Commissioner Feltman proposed that two Commissioners have a discussion with City Council, how it could be more valuable than passing a resolution. He expressed concern at how it would be received, how there are other options available.

Chairman Dada pointed out that City Council is dark in August, and their subcommittee may be out as well.

Airport Executive Director Aguirre announced that the City Manager indicated he would provide an update to the Commission.

Commissioner Hedrick asked the Chairman if they could have a special meeting and invite Mr. Clifton to attend.

Commissioner Burke agreed that the Commission needed to hear more from the City Manager.

Commissioner Hedrick made a counter-motion to schedule a special meeting in August at the convenience of Mr. Clifton.

Commissioner Freymuth withdrew his motion.

**ACTION:** Schedule a special meeting in August at the convenience of the City Manager. **Moved by Commissioner Hedrick, presumed seconded and unanimously carried noting the absence of Commissioner Martin.**

Commissioner Pye recommended the Commission read the City Council staff report about “Well in the Desert” provided in the Commission packet under “Item 13.A. City Council Actions Summary” as it is well documented.

**11.B. September Meeting Date**

Airport Executive Director Aguirre explained that the September meeting, on the third Wednesday of the month, conflicts with the start of the holiday Yom Kippur which starts at sundown, and asked the Commission to select another date and time.

The commission discussed days and times, and selected Wednesday, September 22<sup>nd</sup>, at 5:30 P.M., via Zoom, for the September Airport Commission Meeting.

**12. COMMISSIONERS REQUESTS AND REPORTS:**

None.

**13. REPORT OF CITY COUNCIL ACTIONS:**

Included in the packet.

**14. RECEIVE AND FILE:**

- **14.A** Airline Activity Report June 2021.
- **14.B** Airlines Schedules August 2021.

**15. ADJOURNMENT:**

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

The Airport Commission adjourned at 7:13 P.M. to a regular meeting on September 22, 2021, at 5:30 P.M. via videoconference.

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Nadia P. Seery  
Executive Administrative Assistant