



AIRPORT COMMISSION

ACTION SUMMARY MINUTES OF ADJOURNED MEETING

Wednesday, December 16, 2020 – 5:30 P.M.

1. CALL TO ORDER:

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

2. POSTING OF THE AGENDA: Posted on December 10, 2020.

3. ROLL CALL:

Commissioners Present: Adams, Breslin, Budilo, Burke, Clarkson, Corcoran, Dada, Feltman, Hedrick, Hoehn, Jones, Pattison, Pye, Riesen, Schmitz, Suero.

Commissioners Absent: Freymuth, Hughes.

Staff Present:

Ulises Aguirre, Airport Executive Director
Marcus Fuller, Assistant City Manager
Daniel Meier, Deputy Director of Aviation, Marketing and Air Service
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

Public Presence: Two 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 Commissioners Freymuth and Hughes.**

5. PUBLIC COMMENTS: None.

6. APPROVAL OF MINUTES:

The minutes of the Regular Meeting held on November 18, 2020, were presented for approval. **Moved by Commissioner Hoehn and seconded by Commissioner Breslin.**

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

ABSENT: Freymuth, Hughes.

ABSTAIN: Burke, Pattison.

7. CHAIRMAN COMMENTS

Chairman Jones commended Commissioner Freymuth, whose term on the Airport Commission ended, for his years of service as the Representative for Riverside County and presented a plaque prepared in his honor.

The City of Cathedral City appointed a member to the Commission to fill the vacant seat, and the nomination will be presented to City Council on January 14.

Mr. Jones commented on Allegiant's inaugural flight he took from Palm Springs to Eugene, Oregon. How both airports followed COVID-19 protocols, touchless check-in, and practiced social distancing at the TSA. How upon his return in Palm Springs, the Allegiant staff reminded passengers of the Palm Springs mask wearing requirement.

Mr. Jones and City Manager Ready selected the final designs for the benches to be artistically painted at the airport. The renderings were forwarded to the Commission which gave positive feedback and priming of the benches has begun. If more benches are to be painted inside the secured area at the airport, it would become an action item.

Mr. Jones commented positively on a presentation given by Mr. Meier to the Desert Business Association of which Mr. Jones is a member and comprises 250 LGBT businesses which meet for the purpose of business promotion and economic development.

Mr. Jones made a brief presentation at Main Street, an association representing the uptown and downtown business on Palm Canyon and Indian Canyon. Two airport commissioners are members of this group.

8. INTRODUCTIONS AND PRESENTATIONS:

None.

9. CITY MANAGER REPORT:

None.

10. BUDGET AND FINANCE REPORT:

City Accountant Reid presented the November 2020 Financial Summary.

Fund 405 – Customer Facility Charges (CFC) revenues stand at 23% of the projected budget and increased by \$100,000 over the prior month. Expenditures remain low with \$20,090 spent on initial studies for the car rental facilities.

Fund 410 – Passenger Facility Charges (PFC) revenues stand at \$258,489 or 10% of budget. However, this account has a posting delay of two to three months and these figures represent the November collections, not revenues. Expenditures will increase in December as the debt service payment, for which reserves have been set aside, will come through.

Fund 415 – Airport Operations and Maintenance revenues stand at 27% of budget and expenditures at 26%. Expenditures have been reduced by over 13% or \$1M compared to last year, these savings come mainly from airport building operations and control center operations.

Fund 416 – Capital projects show a deficit of \$379,886.

The Airport Funds Cash Summary reflects a CFC Restricted balance of \$24M, a PFC restricted balance of \$1.9M, and capital restricted of \$9M. Fund 415's unrestricted balance stands at \$6M for airport operational activities.

11. DISCUSSION AND ACTION ITEMS:

Chairman Jones congratulated Mr. Aguirre on his formal appointment to his permanent position as Airport Executive Director. The Commissioners gave Mr. Aguirre a warm round of applause.

Mr. Jones introduced the topic of discussion which is how PSP airport will move forward with marketing.

Airport Executive Director Aguirre stated that many Commissioners over the years had expressed interest in the marketing efforts of the airport and how this is an opportunity for Commissioners to share what they think is important. How the objective at hand is for Mr. Meier to develop a marketing and communications plan scope of work, confident that he is executing it in accordance with the wishes of the Commission.

Deputy Director of Aviation, Marketing and Air Service Meier referred to the staff report and provided a PowerPoint presentation.

Mr. Meier first commented on the “Choose Your Adventure” promotion which ended on November 20. This promotion was meant to increase awareness of the airport through a social media presence, in conjunction with Southwest’s arrival in Palm Springs. Two Southwest Airlines tickets were raffled as a prize.

Social posts results indicated that 41,115 users were reached and the engagement rate was 5.8%, a good percentage. The advertising expenditures amounted to \$750 for social media and \$2200 for radio spots.

Social audience grew on Facebook, Instagram, and Twitter and it was a success for Southwest as well in terms of bookings.

Mr. Meier explained that the winter marketing campaign will be delayed again as we are cognizant of the Stay-at-Home orders due to COVID. It will be launched in early 2021 and might be stretched later in the spring.

Mr. Meier gave a recap of the new service launched by Alaska, American and JetBlue. Alaska is maintaining the start-up of Boise and Reno, but is delaying the start-up of year-round service to San Jose until February due to COVID. American is starting seasonal service to Philadelphia.

Mr. Meier addressed the Marketing and Communications Plan RFP and commented that the approved FY2020-21 marketing budget stands at \$102,000 with \$40,000 earmarked for this RFP and \$42,000 remaining for promotions and other marketing activities. This RFP would provide a long-term marketing roadmap, define channels and tactics, and offer measurement metrics. A draft scope of work will be prepared and brought to the Marketing Committee, full Commission, and then to Procurement to be published.

Vice Chairman Hoehn questioned the notion of spending \$40,000 on an RFP as his sentiment is that this task could have been performed by the Marketing Director with the assistance of the Palm Springs Bureau of Tourism and/or CVB and that this is a duplication of work.

Mr. White of the CVB offered to share data and indicated that the plan proposed by Mr. Meier may not cost \$40,000 and would last from three to five years and provide a good foundation. The CVB is also offering to help with branding and give access to available photography and video which will offer savings to the airport.

Commissioner Feltman proposed to have a more “blue sky” or open view of the budget and not limit it at its current level. How this is a legacy number from years when the airport was not doing any marketing.

Mr. Aguirre commented that the airport wanted to tap into the moneys that had been made available last year before the COVID pandemic, and how this RFP seemed like

a good value. How this will identify the marketing moneys which will be included in the airport budget over the next few years. This will complement the efforts of the CVB and the airport will also examine partnering with the Palm Springs Bureau of Tourism. This strategic plan will help identify respective strengths, evaluate what other organizations can bring, and PSP Marketing will fill the gaps for the next three to five years.

Mr. White commented that being able to present a game plan would add value when seeking service from airlines in the future. This will add confidence that the community has the right plan in place.

Commissioner Burke inquired about Mr. Meier's sources and commented he wholeheartedly supported using a professional firm to help develop a long-term strategic plan.

Commissioner Dada asked if Mr. Meier knew what Southwest Airlines load factor expectations were for our destination for the next couple of months as they are crucial to the Valley and we need to deploy all efforts to support and satisfy them.

Mr. Meier indicated that Southwest has been growing aggressively nationwide, and they are satisfied so far with this destination. They are maintaining the originally planned service to Denver, Oakland and Phoenix and may look at additional destinations after the summer. Advertising will be re-launched in January 2021 to showcase everything PSP has to offer through the "PSP easy" campaign in conjunction with JNS and the Palm Springs Bureau of Tourism. This will support Southwest as well as all the new service recently launched.

Chairman Jones commented that local businesses were concerned that with COVID and the lock-down some of PSP's new service may somewhat be diminished.

Mr. Meier confirmed that no efforts would be spared by either the airport, the CVB, or the Bureau of Tourism to promote travel to and from the Valley.

Airport Executive Director Aguirre reminded the Commission that due to FAA regulations, the airport must ensure that moneys are spent in an equitable manner. The Marketing & Communications Plan would highlight areas we may not be able to target directly but where we could partner with the CVB or the Bureau of Tourism. The plan will define a path to follow to ensure that we market the airport, Southwest, and all the other airlines who provide critical service.

Commissioner Clarkson expressed concern that airlines might dislike the airport promoting an airline who is in direct competition over a route with them.

Mr. Meier stated he reached out to all airlines to offer advertising space in the terminal through Lamar. Not all have replied. Many plans will have to be put on hold until

restrictions due to COVID are lifted. A new promotion with JetBlue will be initiated soon.

Commissioner Clarkson asked what was meant by “raising awareness” in the Marketing and Communications plan.

Mr. Meier explained he wanted Valley residents to be aware that the airport exists and what it has to offer from an air service perspective to lead people to check flights first out of Palm Springs over another airport.

Airport Executive Director Aguirre indicated that the scope of work would be defined, presented to the Marketing Committee, then to the Airport Commission at next month’s meeting.

Mr. Meier added that after the RFP for the marketing & communications plan is completed, PSP Marketing may do an RFQ from multiple companies for marketing services as needed.

Commissioner Adams asked if inbound marketing could include mentions to Joshua National Park as it is a popular destination for European travelers.

Vice Chairman Hoehn, as Chair of the Budget Committee, asked if Mr. Meier had any thoughts about this long-range plan as a potential marker for the marketing budget because some of the marketing services mentioned are not cheap to acquire.

Mr. Meier indicated that once PSP gets the RFP back we will be in a better position to estimate what marketing services will be needed.

Vice Chairman Hoehn indicated that the budget has a finite amount of discretionary funds, and how after examining the budget as a whole and evaluating revenues and expenses, an amount would be allocated for this expenditure.

Commissioner Pye asked for clarification of terms to ensure that the same process would be used in the summer months to measure the effectiveness of the marketing campaign.

Commissioner Breslin thanked Mr. Meier for developing this plan and asked if he would be ready to have a Marketing Committee working meeting in January.

Mr. Meier confirmed that he will prepare a draft for the January Marketing Committee meeting to discuss and refine the scope of work as needed and present it to the entire Commission at the January meeting.

Airport Executive Director Aguirre provided a summary of the Commissioners’ comments:

- Focus on not losing any current or new air service or airlines (e.g. Southwest)

- Implement a three to five-year plan
- Inbound travel advertising to include local attractions like Joshua Tree (CVB)
- Campaign budget to be broken down in yearly budget amounts and in a fiscally responsible manner
- Campaign to have metrics that identify if goals are being met

Commissioner Feltman recommended that PSP Marketing be ready to act as soon as the stay-at-home order is lifted and to be mindful of what competing airports are doing.

Commissioner Suero asked that travel be encouraged through the summer to remove the word seasonality from our vocabulary. How in the summertime our locals are our best passengers.

12. EXECUTIVE AND STAFF REPORTS:

Airport Executive Director Aguirre commented on the following topics:

In answer to a question posed by Commissioner Adams at the last meeting regarding the use of carpeting instead of the original terrazzo floor in the ticket wing project, the architects indicated they did not give it consideration in the scope of work as they merely replaced old carpeting with new carpeting. Mr. Aguirre learned that the original terrazzo flooring had been covered years ago with carpeting because of the noise generated by roller bags.

In answer to a concern expressed by Commissioner Feltman regarding the pending ordinance pertaining to packaging for food-to-go and the mandated avoidance of certain materials, Sustainability Manager Tallarico met with Paradies to discuss this topic. Mr. Tallarico reported that Paradies is “in sync with the major portions of the City’s would-be ordinance.”

Covid Clinic, Inc., which has a presence at the Ontario and LAX airports, will be leasing property at PSP to provide drive-through COVID testing. They will be located at the east end of the holiday parking lot on Kirk Douglas Way, and will have a booth in the terminal where individuals can retrieve their results. This is strictly a land-lease agreement and not the airport soliciting the service. The airport does not require COVID testing at this time.

Chairman Jones asked if the testing provided would meet the requirement for travelers to Hawaii.

Mr. Aguirre explained that Covid Clinic, Inc. is offering four tests, all the way up to the more stringent PCR test, and the price varies based on the type of test.

Commissioner Clarkson pointed out that Hawaii has established a list of approved testing facilities, and travelers can only use these test sites.

Mr. Aguirre reported on the crash at PSP of a Cessna 172 on December 27 on the long runway. Both runways were closed, with the long runway being closed for 15 hours affecting 28 commercial flights.

Mr. Aguirre announced that Paradies opened the Santa Rosa Kitchen and Spirits in the upper Bono concourse this morning. Tables are provided outside only where customers can respect social distancing. There is no table service.

Commissioner Corcoran asked about a schedule for the ticket wing renovation project, and inquired about the overhead lighting in the ticket counter area that was recently opened.

Mr. Aguirre showed PowerPoint slides of the north ticket wing remodeling. The first half of the north lobby which now houses Alaska, American and United Airlines opened after Thanksgiving. The second half is being remodeled and work is expected to be completed by the end of January. The lights were just received and will be installed in the next couple of weeks. Outside, the third outbound baggage carousel is also being completed.

13. COMMISSIONERS REQUESTS AND REPORTS:

Due to a zoom scheduling conflict, Commissioner Adams' report on the Sustainability meeting regarding the airport's demonstration garden is postponed until the January Airport Commission meeting.

Commissioner Riesen congratulated Mr. Aguirre on his appointment.

Commissioner Riesen then asked of the City Manager if he could address with City Council the moving back of the Airport Commission meetings to a morning meeting time.

Commissioner Clarkson noted that there are three Palm Springs Commissioners whose terms end this month, how he put in an application to continue on the Commission and had not heard back from the City Clerk's office.

Commissioner Breslin indicated that the City Clerk had advised her that all applications had been forwarded to the selection team and they may not hear back until January.

14. REPORT OF CITY COUNCIL ACTIONS:

Included in the packet.

15. CORRESPONDENCE: None.

16. RECEIVE AND FILE:

Item 16.A. November 2020 Airline Activity Report.

Item 16.B. January 2021 Airlines Schedules.

17. ADJOURNMENT:

ACTION: Motion to adjourn. **Moved by Commissioner Riesen, seconded by Commissioner Corcoran and approved unanimously noting the absence of Commissioners Freymuth and Hughes.**

The Airport Commission adjourned at 7:00 P.M. to January 20, 2021, at 5:30 P.M. via videoconference.

Nadia P. Seery
Executive Administrative Assistant