



AIRPORT COMMISSION

ACTION SUMMARY MINUTES OF SPECIAL MEETING

Wednesday, December 06, 2023 – 1:00 P.M.

1. CALL TO ORDER:

Vice Chairman Corcoran called the Airport Commission Meeting to order at 1:05 P.M. The meeting was held in-person and via videoconference.

2. POSTING OF THE AGENDA: Posted on December 1, 2023.

3. ROLL CALL:

Commissioners Present:

Dave Banks (Palm Springs)	Tony Michaelis (Cathedral City)
Robert Berriman (Indian Wells)	Margaret Park (Riverside County)
Todd Burke (Palm Springs)	Jan Pye (Desert Hot Springs)
Kevin Corcoran (Palm Springs) - Vice Chair	Rick Wise (Indio)
David Feltman (Palm Springs)	Kevin Wiseman (Palm Desert)
J Craig Fong (Palm Springs)	Keith Young (Rancho Mirage)
Tracy Martin (Palm Springs)	

Commissioners Absent: Daniel Caldwell (Palm Springs), Aftab Dada (Palm Springs), Denise Delgado (Coachella), Kathleen Hughes (La Quinta), M. Guillermo Suero (Palm Springs)

Staff Present:

Scott C. Stiles, City Manager
 Harry Barrett, Jr., Airport Executive Director
 Jeremy Keating, Assistant Airport Director
 Daniel Meier, Deputy Director of Aviation, Marketing and Air Service
 Victoria Carpenter, Airport Administration Manager
 Jacob Colella, Airport Maintenance Superintendant
 Ramon Sanchez, Interim Airport Operations Manager
 Jeremy Holm, City Attorney
 Christina Brown, Executive Program Administrator

Others Present:

Ryan Hayes, Mead & Hunt, Inc.

4. ACCEPTANCE OF THE AGENDA:

ACTION: Accept the Agenda as presented. **Moved by Commissioner Young, seconded by Commissioner Wiseman, and unanimously approved noting the absence of Commissioners Caldwell, Dada, Delgado, Hughes and Suero.**

Vice Chairman Corcoran asked Commissioner Feltman to lead the Pledge of Allegiance.

5. PUBLIC COMMENTS: None

6. DISCUSSION AND ACTION ITEMS:

6.A Strategic Planning Session Update

Vice Chairman Corcoran introduced City Manager Scott Stiles, and City Manager Stiles spoke briefly to the Commissioners about the significance of the Airport's growth, and he thanked them for their participation in the planning process.

Airport Executive Director Barrett reported on the accomplishments of the various Airport Divisions over the past twelve months, including: Administration, Maintenance, Marketing and Air Service, Operations and Security.

Airport Executive Director Barrett shared his mission to establish a 2024 Strategic Business Plan with the goal of: 1) communicating the Airport's vision to the community and stakeholders; 2) give the PSP organization direction; 3) define and track progress toward key goals; and 4) improve business decisions. He stated that the Strategic Business Plan would be presented to the Commission in December of 2024 and quarterly updates would be provided on the staff's progress.

Airport Executive Director Barrett reported that the Airport had completed the negotiations of the new hybrid Airport Use and Lease Agreements (AULA) with the signatory airlines, and he provided details of the negotiation and the differences between the old and new AULA. Commissioner Wise asked if this was a unique rate methodology, and Mr. Barrett confirmed that a significant number of airports are also using similar rate methodologies. Vice Chairman Corcoran asked how the hybrid rate methodology would impact the Airport with respect to landing fees, and especially in comparison to other airports in Southern California. Airport Administration Manager Carpenter stated that the Airport's landing fees have remained the same and were based on expenses for the year. She said that she did not have information readily available to reflect comparisons with other airports in Southern California and that she would provide that information at the next Airport Commission meeting. Mr. Barrett noted that the enplanement fees had been slightly increased. Vice Chairman Corcoran asked what the thinking was behind keeping the fees so low. Mr. Barrett explained

that raising the fees to the airlines increased the probability of those same airlines taking their planes to other airports.

Commissioner Fong asked which signatory airlines were covered by those fees and what the arrangement was for the airlines that were not covered. Mr. Barrett reported that the signatory carriers included Alaska, American, Delta, United, Southwest, WestJet, and Air Canada. He stated that the remaining non-signatory airlines Flair, JetBlue, Sun Country, Avelo, and Allegiant were not covered per their business decision because it gives them the flexibility to leave the market with no repercussions, and in terms of metrics, non-signatory airlines do not have priority gates and they pay a 25% premium to use the Airport's resources. Commissioner Wiseman asked if baggage was included in the enplanement fee, and Mr. Barrett said that baggage was a separate fee. Commissioner Corcoran asked if the Airport was making more money with the new AULA, and Mr. Barrett confirmed that the Airport was making more money.

Commissioner Fong asked if the City Attorney reviewed the agreement or if an outside firm reviewed the agreement. Mr. Barrett confirmed that the City Attorney was involved in reviewing the agreement, and Ms. Carpenter added that an aviation financial consultant also assisted with the agreement and the negotiations. Vice Chairman Corcoran asked Mr. Barrett if there was anything that he wanted that did not get approved by the airlines in the negotiations, and Mr. Barrett confirmed that the Airport was able to successfully negotiate all items that the Airport staff had set out to have the airlines approve in the negotiations.

Airport Administration Manager Carpenter reviewed her presentation regarding the different funding received from Federal Aviation Administration (FAA) to help fund the various capital projects at the Airport.

Airport Executive Director Barrett presented the 5-Year Capital Review and Progress Report. Commissioner Feltman asked about the Wi-Fi improvements and where that project resides. Mr. Barrett stated that on the following Monday he would be meeting with the Director of IT and the City Manager to work on a plan that would be presented to the Commission. Commissioner Corcoran added that the funds for the Airport's Wi-Fi project had been approved by the City Council. Commissioner Feltman asked where the project landed in the scope of priorities, and Mr. Barrett affirmed that it was a priority, and he reiterated that he was presently working with IT and the City Manager on a plan that would be presented to the Airport Commission.

Commissioner Young referred to the restroom renovation project, and he asked if the proposed completion dates presented were the original dates, and Mr. Barrett stated that the completion dates had been changed in part because of challenges with FAA environmental clearances and because of some challenges in the procurement phase.

Commissioner Corcoran asked the Airport Master Plan consultant Ryan Hayes with Mead and Hunt, Inc. (Mead & Hunt) about the Consolidated Rental Car Facility (CONRAC) design proposed completion date of Q4 - 2026, and he questioned how it could take two years to design the facility considering it has only been talked about for the last five years. Mr. Hayes stated that the CONRAC is a program, and the FAA requires an environmental review of the entire program which causes the delays.

Commissioner Corcoran asked Assistant Airport Director Keating for an update on the shade structures and specifically the reason for the delay in completing the project. Mr. Keating explained that the Airport team was doing everything in its power to move this project forward, and he noted that the project faced some challenges with design, permitting, etc. He further stated that it would be presented to the City Council for approval and that it would be out of the Airport's hands once it went to permitting.

Mr. Barrett provided an update on the Airport staffing, and he shared a slide presentation with photographs to highlight the daily challenges faced by the Airport staff. Commissioner Fong asked for confirmation that the Airport as a facility has little or no control over when the airlines choose to land and/or take off and how many flights come in at once. Mr. Barrett confirmed that the information was accurate, he said that it is the Airport's responsibility to accommodate the airline's needs and that the only time the Airport could intervene would be if a situation was to create an unsafe environment for the Airport. Commissioner Feltman asked if the Airport staff was collecting any data to share with the airlines' corporate offices to demonstrate the impacts that their scheduling has on the Airport. Mr. Barrett confirmed that the data is collected and provided to the airlines, and he explained that the airlines believe that the way they are scheduling is the most efficient way to schedule the flights.

Commissioner Feltman noted that from his personal experience, the customer service plummets when the airlines hire contractors, and he asked if there was anything that could be done to mitigate that situation. Mr. Barrett said that it does depend on the contractors and the airlines' internal requirements and how they choose to do business, and he said that generally speaking, contractors receive lower pay which makes the contractor less invested which creates customer experience challenges.

Vice Chairman Corcoran asked how many of the airlines were using contractors versus having their own employees servicing their passengers. Interim Airport Operations Manager Sanchez stated that all but two airlines, Southwest and Alaska Airlines, used contractors. Vice Chairman Corcoran asked what the Airport could do to mitigate how contractors behave with the passengers. Mr. Barrett stated that sometimes these matters are tied to the agreements with the airlines. He noted that the previous agreement with the airlines did not provide enough definition in the agreement and that the agreement had been in place for over 20 years. Mr. Barrett said that over time, the Airport staff will continue to have discussions with the airlines that are relative to the agreement, and staff will be able to capture the metrics of how the airlines are doing business. He further stated that for now the Airport was heavily

reliant on Deputy Director of Aviation, Marketing and Air Service Meier speaking to the airlines about the feedback that is received from the travelers about their customer experience.

Airport Executive Director Barrett provided information regarding the day-to-day challenges faced by the Airport staff including: 1) decentralized department functions such as human resources, information technology, procurement, permitting and city engineering; 2) prolonged employee hiring process; 3) recruitment of contractors; and 4) space constraints. Commissioner Martin asked if the City provides any solutions to the challenges being faced by the Airport. Mr. Barrett stated that the City staff has been an advocate in trying to find solutions. Vice Chairman Corcoran said that it was important for staff to continue having discussions with the various City departments about improving efficiencies. Commissioner Young suggested that the Airport staff identify examples of airports that were able to navigate similar issues effectively with municipal governments.

Commissioner Burke asked if there were any shining examples of airports that were similar in size and scope to this Airport that were doing well with customer service that the Airport staff could look to. Mr. Barrett stated that he could not name a specific airport and noted that there were airports that have created efficiencies around these challenges and that the Airport staff would research those airports. Commissioner Wise suggested that the airline's contractors would provide better customer service if the Airport could find a way to give them a sense of belonging like the Airport employees have.

Commissioner Fong asked if there was a way to have a standardized customer service policy in the AULA that would be across the Airport regardless of whether they were an airline employee, airport employee or contractor to raise the customer satisfaction and create consistency across the Airport. He opined that the customer's experience with any airline is a reflection on the entire Airport and a reason to unify the customer experience. Mr. Barrett stated that those conversations and expectations have been discussed with the airlines and were a big focus for the calendar year 2024. The Airport wants to ensure that its business partners are aligned with the Airport's vision and expectations, and as it continues its business relationship with those stakeholders and updates those agreements, it will provide opportunities to do that as well.

Commissioner Martin referred to the Airport being designated as a small hub airport, and he asked if the Airport's growth plan could move the Airport towards being designated as a medium hub airport. Mr. Barrett said that in his opinion, he believed that the Airport was moving towards being designated as a medium hub airport. Mr. Hayes noted that the airport designations are based on national enplanements. Commissioner Young asked how an airport's hub designation relates to the FAA. Mr. Hayes said that the FAA does use the hub designations for funding purposes.

Vice Chairman Corcoran referred to the strategic planning process that would be completed in December 2024, and he asked if the Commission would be receiving updates along the way. Mr. Barrett said that he would be providing quarterly updates.

6.B Master Plan Update

Ryan Hayes with Mead & Hunt provided a briefing on the Airport Master Plan.

The Airport Commission had a lengthy discussion about the Airport Master Plan terminal design alternatives, and the Commission concluded that further discussion was needed before making a recommendation to the City Council. It was determined that the recommendation to the City Council would need to include a summary of the pros and cons for Alternatives 1A and 3, and it was further agreed that Mead & Hunt would provide the summary of pros and cons for the respective Master Plan alternatives to Executive Program Administrator Brown by Monday, December 11, 2023, who would then forward it to the Commissioners. The Commissioners would be reviewing said summary, and the Commissioners would provide their own list of pros and cons and questions to be added to the summary that would be presented at the December 20, 2023 Airport Commission meeting.

ACTION: To continue the agenda item to the December 20, 2023 Airport Commission meeting. **Moved by Commissioner Young, seconded by Commissioner Wiseman, and unanimously approved noting the absence of Commissioners Caldwell, Dada, Delgado, Hughes and Suero.**

6.C Cancellation of December 20, 2023 Airport Commission Meeting

There was no discussion or action taken for this item.

7. COMMISSIONERS REQUESTS AND REPORTS: None.

ADJOURNMENT:

The Airport Commission adjourned at 6:30 P.M. to a Regular Meeting on December 20, 2023, at 5:30 P.M.

Paula Pak

Paula Pak
Executive Administrative Assistant

APPROVED BY AIRPORT COMMISSION: 4/17/2024