

**Report to La Quinta City Council
Palm Springs International Airport Commission Meeting
April 15 2015**

Finance: General revenue YTD was up 11%. Overall revenue is down YTD, because the Federal Grant revenue has not yet been recognized. Most of the projects are planned for this summer. Expenses are up 1.5% from last year's YTD expenses.

2015/2016 Budget: The Budget Committee of the Commission met on March 10 to review the proposed 2015/2016 budget. We tested many of the assumptions, and looked at the research that was used in developing forecasts of the major line items. We considered several plans, based on: 1) A conservative forecast (2% growth); 2) An aggressive plan (6% growth); and 3) A more moderate plan. We settled on a plan that increases expenditures by 3%, but allows for the support of revenue growth of 6%. If the 6% revenue increase occurs, we would have a surplus of 4%. If there were only a 2% growth, we would still have a slight surplus. Only 3 new-hires were considered in the plan.

Our Capital Projects Budget does a responsible job of maintaining and improving the facility. Major items are: replacing 3 aging vehicles, replacing a 30 year old HVAC air handler, ADA enhancements, restoring our passenger loading bridges, escalator repairs, and increasing the sustainable landscaping program.

Passenger Activity: March passenger activity was up 4.6% from last year – setting yet another record.

Commission Resolutions: The Commission reviewed two proposals from the Staff, and approved both of them for submission to the City Council.

1. Expansion of the Air Museum Hangar: The Museum has been successful in acquiring many historically significant aircraft, making the floor space insufficient. The Museum has requested formal approval of an additional 25,000 square feet at the southern end of the building. In addition, the expansion would include additional parking space, an entry/exit to Gene Autry Avenue, and a restaurant facility (with a kitchen shared with the Museum).

The original plan approved by the City Council anticipated this, and the expanded space was included in the Museum charter. The Commission reviewed a detailed layout of the expansion plan. Museum management is in negotiation with a possible restaurant operator, but they are not yet prepared to announce it.

2. The Commission reviewed Staff revisions to the 2015/2016 Budget, based on the Budget Committee findings. This Budget will be submitted to the Council, and we may see another cycle of revisions, based on the Council's actions. Final approval is expected in the May or June Council meeting.

City Council Actions: The Council approved two requests:

1. Approval of the plans and specifications and estimates and authorization to bid for the PSP technology replacement project.
2. Approve and agreement with URS Corporation for professional services for the terminal system capacity improvements and security equipment verification for: \$140,000.

The next meeting is scheduled for May 20, 2015.

Submitted: _____

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