

**ONTARIO INTERNATIONAL AIRPORT
AUTHORITY
COMMISSION AGENDA
JANUARY 6, 2014**

Alan D. Wapner
President

Gary Ovitt
Vice President

Ronald O. Loveridge
Secretary

Jim W. Bowman
Commissioner

Lucy Dunn
Commissioner



Chris Hughes
Executive Director

John E. Brown
General Counsel

Grant D. Yee
Treasurer

WELCOME to a meeting of the Ontario International Airport Authority.

- Commission meetings are held at the City of Ontario Council Chambers located at 303 East B Street, Ontario, CA 91764 or at other such places as the Commission shall designate.
- All documents for public review are on file at the Authority Secretary's offices located within City of Ontario facilities at 303 East B Street, Ontario, CA 91764.
- Anyone wishing to speak during public comment or on a particular item will be required to fill out a blue slip. Blue slips must be turned in prior to public comment beginning or before an agenda item is taken up. The Secretary/Assistant Secretary will not accept blue slips after that time.
- Comments will be limited to 3 minutes. Speakers will be alerted when they have 1 minute remaining and when their time is up. Speakers are then to return to their seats and no further comments will be permitted.
- In accordance with California Law, remarks during public comment are to be limited to subjects within Commission's jurisdiction. Remarks on other agenda items will be limited to those items.
- Remarks from those seated or standing in the back of chambers will not be permitted. All those wishing to speak including Commissioners and Staff need to be recognized by the Commission President before speaking.

ORDER OF BUSINESS: The Commission meeting begins with Public Comment at 10:00 a.m., immediately followed by the Regular Meeting.

(EQUIPMENT FOR THE HEARING IMPAIRED IS AVAILABLE IN THE CITY OF ONTARIO'S RECORDS MANAGEMENT OFFICE)

CALL TO ORDER (*OPEN SESSION*)

10:00 a.m.

ROLL CALL

Ovitt, Bowman, Dunn, Loveridge, Wapner

CLOSED SESSION PUBLIC COMMENT The Closed Session Public Comment portion of the Council/Housing Authority meeting is limited to a maximum of 3 minutes for each speaker and comments will be limited to matters appearing on the Closed Session. Additional opportunities for further Public Comment will be given during and at the end of the meeting.

CLOSED SESSION

- GC 54956.8, CONFERENCE WITH REAL PROPERTY NEGOTIATORS
Property: Ontario International Airport, 2900 East Airport Drive, Ontario; Authority Negotiator: Executive Director or designee; Negotiating parties: Los Angeles Mayor or his designee; Under negotiation: Price and terms of payment.

In attendance: Ovitt, Bowman, Dunn, Loveridge, Wapner

PLEDGE OF ALLEGIANCE

REPORT ON CLOSED SESSION

PUBLIC COMMENTS

The Public Comment portion of the Commission meeting is limited to 30 minutes with each speaker given a maximum of 3 minutes. An opportunity for further Public Comment may be given at the end of the meeting. Under provisions of the Brown Act, the Commission is prohibited from taking action on oral requests.

As previously noted -- if you wish to address the Commission, fill out one of the blue slips at the rear of the chambers and give it to the Secretary/Assistant Secretary.

DISCUSSION/ACTION ITEMS

Each member of the public wishing to address the Commission on items listed below will be given a total of 3 minutes.

1. APPROVAL OF MINUTES

Minutes for the meetings of the Ontario International Airport Authority of December 2, 2013, and approving same as on file with the Secretary/Assistant Secretary.

2. APPOINTMENT OF EXECUTIVE DIRECTOR

That the Commission adopt a resolution amending Resolution No. 12-001, appointing Al C. Boling as Executive Director of the Authority and authorize the Executive Director signature authority to execute contracts on behalf of the Commission for the acquisition of equipment, materials, supplies, labor services or other items up to a maximum of \$100,000.

RESOLUTION NO. _____

A RESOLUTION OF THE ONTARIO INTERNATIONAL AIRPORT
AUTHORITY COMMISSION, AMENDING RESOLUTION NO.
12-001 AND APPOINTING THE AUTHORITY'S EXECUTIVE
DIRECTOR.

COMMISSIONER MATTERS

STAFF MATTERS

ADJOURNMENT

**ONTARIO INTERNATIONAL AIRPORT AUTHORITY
CLOSED SESSION REPORT**

January 6, 2014

ROLL CALL: Ovitt___, Bowman___, Dunn ___, Loveridge ___
President Wapner ___.

STAFF: Executive Director ___, Legal Counsel ___

- GC 54956.8, CONFERENCE WITH REAL PROPERTY NEGOTIATORS
Property: Ontario International Airport, 2900 East Airport Drive, Ontario; Authority Negotiator:
Executive Director or designee; Negotiating parties: Los Angeles Mayor or his designee;
Under negotiation: Price and terms of payment.

In attendance: Ovitt, Bowman, Dunn, Loveridge, Wapner

No Reportable Action	Continue	Approved
/ /	/ /	/ /

Disposition: _____

Reported by: _____
Legal Counsel / Executive Director

**ONTARIO INTERNATIONAL AIRPORT AUTHORITY
COMMISSION MEETING**

MINUTES

Monday, December 2, 2013
(Not Official Until Approved)

The regular meeting of the Ontario International Airport Authority was held on Monday, December 2, 2013 in the City Council Chambers at Ontario City Hall, 303 East "B" Street, Ontario, CA.

Notice of said meeting was duly given in the time and manner prescribed by law.

CALL TO ORDER

Commission President Wapner called the Ontario International Airport Authority Commission meeting to order at 10:05 a.m.

ROLL CALL

PRESENT: Commissioners: Jim W. Bowman, Lucy Dunn,
Ronald O. Loveridge, Gary Ovitt
and Alan D. Wapner

ABSENT: Commissioners: None

Also present were: Executive Director Chris Hughes, Legal Counsel John Brown and Assistant Secretary Vicki Kasad.

CLOSED SESSION

Hearing no requests to speak from the public, President Wapner adjourned the meeting to Closed Session at 10:05 a.m., for discussion of the following:

- GC 54956.8, CONFERENCE WITH REAL PROPERTY NEGOTIATORS
Property: Ontario International Airport, 2900 East Airport Drive, Ontario;
Authority Negotiator: Executive Director or designee; Negotiating parties: Los Angeles Mayor or his designee; Under negotiation: Price and terms of payment.

RECONVENE IN PUBLIC SESSION

The Ontario International Airport Authority Commission meeting was reconvened in public session at 10:53 a.m.

The Pledge of Allegiance was led by Commissioner Bowman.

CLOSED SESSION REPORT

President Wapner advised that there was no reportable action from the Closed Session discussion.

PUBLIC COMMENTS

None.

DISCUSSION/ACTION ITEMS

1. Approval of Minutes

Approved the Minutes for the meetings of the Ontario International Airport Authority of August 5, September 2, October 7 and November 4, 2013, as on file with the Secretary/ Assistant Secretary.

MOTION: Moved by Commissioner Bowman, seconded by Commissioner Dunn and carried by unanimous vote to approve the Minutes as presented.

2. A MEMORANDUM OF UNDERSTANDING FOR REIMBURSEMENT OF COSTS INCURRED RELATED TO THE SUCCESSFUL TRANSFER OF THE ONTARIO INTERNATIONAL AIRPORT TO THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY

Executive Director Hughes explained the need for a reimbursement agreement between the OIAA and the City of Ontario. The City has previously provided temporary funding of OIAA expenses. President Wapner clarified that funds would be advanced and tracked by the City; and at some point the City would be reimbursed by OIAA.

MOTION: Moved by Commissioner Dunn, seconded by Vice Chairman Ovitt and carried by unanimous vote to authorize the City of Ontario to provide independent contract services for certain administrative, legal, and operational requirements of the Ontario International Airport Authority (OIAA); and authorize and direct the OIAA Interim Special Counsel to draft a Memorandum of Understanding (MOU) by and between the OIAA and the City of Ontario setting forth the terms and conditions for reimbursement of those costs and expenditures incurred and anticipated to be incurred on behalf of the OIAA in pursuit of a successful Ontario International Airport (ONT) transfer.

3. **PURCHASE OF SPECIALTY LIABILITY INSURANCE**

Executive Director Hughes noted that this would be funded by the City and later reimbursed under the previously discussed reimbursement agreement; and the proposed insurance would include errors and omissions coverage for the Board.

MOTION: Moved by Vice Chairman Ovitt, seconded by Commissioner Bowman and carried by unanimous vote to authorize the Interim Executive Director to purchase specialty liability insurance from Alliant Insurance Services, Inc. of Newport Beach, California, and execute any and all necessary documents; designate positions authorized to act on behalf of the Ontario International Airport Authority (OIAA) to establish and maintain continuing specialty liability insurance for all covered individuals.

4. **PRESENTATION (ONTARIO INTERNATIONAL AIRPORT: PERFORMANCE UPDATE)**

Paul Haney, of Englander, Knabe & Allen, presented airport statistics through October 2013 as well as projections for the remainder of 2013. He projected that ONT will end the year having serviced 3.9 million passengers, for the largest decline since 2009. Haney noted that the decline is anticipated to continue at least through April 2014. He expressed concern that ONT was losing passengers more quickly than the change in available seats. President Wapner shared his recent personal experiences in which he had made reservations and twice the flights were cancelled. Secretary Loveridge inquired about the scheduled seats on page two of the presentation and the separation of statistics for Southwest. Mr. Haney explained that Southwest is the largest carrier at ONT, so in addition to overall numbers it is beneficial to see Southwest listed separately. Executive Director Hughes further clarified that the intent was to show the double digit, month-to-month declines from the largest carrier at ONT.

Mr. Haney pointed out that on a year-over-year basis, John Wayne, Long Beach, Palm Springs and LAX were projected to have increases; but Burbank was expected to decline. He noted that historically, ONT has served millions of passengers more than Burbank, however, by the end of 2013, the two will be close to serving the same number of passengers. Mr. Haney then commented on the negative impact of limited flight schedules on business travelers who value access.

Mr. Haney advised that regionally, Southern California passenger levels were returning to pre-9/11 levels; while overall, other U.S. airports came back around in 2004. He noted that projections for 2013 indicate that Palm Springs, Long Beach and John Wayne passenger levels will be much higher than in 2000; LAX will be down slightly and ONT see 2.8 million passengers less than in 2000. He stated that since 2007, the LAX market has grown by 6% with the bulk of the growth coming from ONT, and to a lesser degree Burbank.

Mr. Haney indicated that in the current market, one in five of the our major airports is experiencing Thanksgiving-like congestion levels at least one day every week; and 24 of the top 30 airports will see that level of congestion within the next five years. He advised that locally, LAX is projected to see that level in 2015 and San Diego will get there in 2014.

Secretary Loveridge inquired if based on his industry experience Mr. Haney saw anything of particular interest in the material presented. Mr. Haney indicated it was good to see strong validation that the industry as a whole was back to pre-9/11 levels. Secretary Loveridge questioned the percentage of international versus domestic traffic at LAX. Mr. Haney indicated that about 17 million is international and that 2005 was the peak. It is anticipated that next year will hit the high again. He further stated that 99 percent of the international flights in the region are handled by LAX, but John Wayne has added multiple Mexico flights within the last 18 months.

Commissioner Dunn noted the gunfire in Terminal 3 at LAX on November 1st, which shut down LAX. She inquired if any of the flights were diverted to ONT. Mr. Haney indicated that a few flights were diverted, but he did not readily have the exact number. Commissioner Dunn commented that it would be an interesting number to know as a business partner of LAX.

COMMISSIONER MATTERS

Vice Chairman Ovitt expressed hopes that Christmas would come early for ONT.

Secretary Loveridge commented that the TGIFridays was closed at ONT, and noted that it was the last major sit-down restaurant at the airport. He indicated that Carl's Jr. is still open.

President Wapner stated that LAWA staff's recommendation was to close the restaurant and add vending machines to service passengers. He commented that passengers in the future will definitely see the lack of amenities offered.

President Wapner noted that this would be Executive Director Hughes' last OIAA meeting due to his retirement; and Wapner thanked Hughes for his service to the Commission.

ADJOURNMENT

President Wapner adjourned the Ontario International Airport Authority Commission meeting at 11:13 a.m. to the next regularly scheduled meeting on Monday, January 6, 2014.

Respectfully submitted:

ASSISTANT SECRETARY

APPROVED:

ALAN D. WAPNER, PRESIDENT
ONTARIO INTERNATIONAL AIRPORT AUTHORITY

**ONTARIO INTERNATIONAL
AIRPORT AUTHORITY**

Agenda Report
January 6, 2014

**SECTION:
CONSENT CALENDAR**

SUBJECT: APPOINTMENT OF EXECUTIVE DIRECTOR

RECOMMENDATION: That the Commission adopt a resolution amending Resolution No. 12-001, appointing Al C. Boling as Executive Director of the Authority and authorize the Executive Director signature authority to execute contracts on behalf of the Commission for the acquisition of equipment, materials, supplies, labor services or other items up to a maximum of \$100,000.

FISCAL IMPACT: None.

BACKGROUND: In accordance with provisions of the Joint Exercise of Powers Agreement establishing the Ontario International Airport Authority, Section 3(E)(4), the Commission may provide for the employment or engagement of professional staff to assist in the overall operation of the Authority. On October 15, 2012, the Commission adopted Resolution No. 12-001 appointing the Authority's initial staff.

The Executive Director shall serve at the pleasure of the Commission providing professional managerial counsel for the day-to-day operations of the Authority during the infancy and development of the Authority. For continuity in operations during the infancy of the Authority, it is recommended that Al C. Boling be appointed Executive Director.

This Commission action will also enable the Executive Director to efficiently and expeditiously acquire needed items and services on behalf of the Commission. It is critical to the day-to-day operations of the Commission that the Executive Director has the ability to promptly purchase and/or acquire supplies, hire personnel or enter into service agreements, and execute all other staff support administrative functions for amounts and contracts less than \$100,000. Contracts or acquisitions costing over \$100,000 will be brought to the Commission for approval.

STAFF MEMBER PRESENTING: John E. Brown, General Counsel

Prepared by: John E. Brown
Department: General Counsel

Approved: _____
Continued to: _____
Denied: _____

Exec. Director
Approval: _____

RESOLUTION NO. _____

A RESOLUTION OF THE ONTARIO INTERNATIONAL AIRPORT
AUTHORITY COMMISSION, AMENDING RESOLUTION NO. 12-001
AND APPOINTING THE AUTHORITY'S EXECUTIVE DIRECTOR.

WHEREAS, the Ontario International Airport Authority (the "Authority") was formed through the Joint Exercise of Power Agreement by and between the City of Ontario (the "City") and the County of San Bernardino (the "County"); and

WHEREAS, the Joint Powers Agreement requires and/or allows the appointment, employment, or engagement of professional staff to assist in the overall operation of the Authority; and

WHEREAS, authorizing the Executive Director to approve contracts and other instruments necessary or convenient to obtain, hire, purchase or rent equipment, materials, supplies, labor, services or other items included within the budget approved by the Commission, a maximum signature authority up to \$100,000.00 per contract, is in the best interest of the Commission.

NOW, THEREFORE, BE IT RESOLVED by the Commission of the Ontario International Airport Authority as follows:

SECTION 1. Section 1 of Resolution No. 12-001 is amended in its entirety to read as follows.

The Commission, in accordance with the Joint Powers Agreement, hereby determines that Al C. Boling shall serve as Executive Director of the Ontario International Airport Authority and authorizes the Executive Director signature authority to execute contracts on behalf of the Commission for the acquisition of equipment, materials, supplies, labor services or other items up to a maximum of \$100,000.

SECTION 2. Effective Date. This Resolution will take effect immediately upon its adoption.

SECTION 3. Certification. The Secretary/Assistant Secretary shall certify as to the adoption of this Resolution and forward copies of this Resolution to the Ontario City Clerk and the Clerk of the Board, County of San Bernardino.

PASSED, APPROVED, AND ADOPTED this ____ day of January 2014.

OIAA PRESIDENT

ATTEST:

SECRETARY/ASSISTANT SECRETARY

APPROVED AS TO LEGAL FORM:

BEST BEST & KRIEGER LLP
GENERAL COUNSEL

STATE OF CALIFORNIA)
COUNTY OF SAN BERNARDINO)
CITY OF ONTARIO)

I, _____, Assistant Secretary of the Ontario International Airport Authority, DO HEREBY CERTIFY that foregoing Resolution No. 2014-_____ was duly passed and adopted by the Commission of the Ontario International Airport Authority at their regular meeting held January 6, 2014 by the following roll call vote, to wit:

AYES: COMMISSIONERS:

NOES: COMMISSIONERS:

ABSENT: COMMISSIONERS:

SECRETARY/ASSISTANT SECRETARY

(SEAL)

The foregoing is the original of Resolution No. 2014-_____ duly passed and adopted by the Commission of the Ontario International Airport Authority at their regular meeting held January 6, 2014.

SECRETARY/ASSISTANT SECRETARY

(SEAL)