

**ONTARIO INTERNATIONAL AIRPORT AUTHORITY
SPECIAL COMMISSION MEETING
MINUTES
MONDAY, MAY 9, 2016**

A special meeting of the Ontario International Airport Authority was held on Monday, May 9, 2016, in Room 101 of the Ontario Convention Center, 2000 East Convention Center Way, Ontario, California.

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 10:14 a.m.

ROLL CALL

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

ABSENT: Commissioners: Curt Hagman

Also present were: CEO Kelly J. Fredericks, Legal Counsel Richard Egger and Assistant Secretary Jacob Green.

PUBLIC COMMENTS

Steve Koffroff, AFSCME Field Director, stated that he represents the Los Angeles City Labor Coalition and employees at Los Angeles City and ONT. He indicated that staff is concerned about the labor interests associated with the airport transfer. He further indicated that he was unsure if the changes to the Staff Augmentation Agreement may or may not be consequential. He commented that labor did not know that asking for time to talk with airport management would have an impact on the transfer timing; and stated that Los Angeles Labor is committed to and supportive of the transfer and want to engage in conversations with the transfer partners to see the transition through. He noted that Labor's proposal is to conform exactly to the terms and conditions of Attachment "F" of the Settlement Agreement.

CLOSED SESSION

President Wapner advised that they would hear one item in Closed Session (Item #2), then return to Public Session and then recess back to Closed Session.

- GC 54957, PUBLIC EMPLOYEE APPOINTMENT: Title: General Counsel

Seeing no requests to speak, President Wapner recessed the special Ontario International Airport Authority Meeting to Closed Session at 10:20 a.m.

The Ontario International Airport Authority Commission meeting was reconvened in public session at 11:04 a.m.

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Secretary Dunn.

CLOSED SESSION REPORT

President Wapner announced that direction had been given to staff, however there was no reportable action.

CONSENT CALENDAR

MOTION: Moved by Secretary Dunn, seconded by Commissioner Bowman and carried by unanimous vote of those present with Commissioner Hagman absent to approve the Consent Calendar as presented.

1. APPROVAL OF MINUTES

The Commission approved the Minutes for the special meeting of the Ontario International Airport Authority of April 4, 2016 as on file with the Secretary/Assistant Secretary.

ADMINISTRATIVE REPORTS/DISCUSSION/ACTION

AIR SERVICE PERFORMANCE UPDATE

CEO Fredericks gave a PowerPoint presentation regarding an update of air service performance since the last meeting. He indicated that he is bullish on Ontario Airport and stated key performance indicators will be given to the Board on a monthly basis. He commented that traffic is up slightly, which is good, but ONT needs to do better; both international and domestic can be improved. He noted that load factor does not tell the whole story, as it is also important to focus on yield, so while air carriers are pleased with load factor we need more seats in the market and we need to put more passengers in the seats. He advised that the new marketing plan will redirect people back to ONT. He indicated that there is some new air service at ONT and in the region, and as we continue to share information with the air carriers about the catchment area, we expect them to realize how much profit they can make at ONT.

CEO Fredericks commented that this is like a startup airport and we are creating a new economic model, giving presentations like none they have heard before, and creating new partnerships. He indicated that going forward we will need to reduce airline costs as part of the financial model and it is believed that the CPE can be dropped, and ultimately strive to someday be a no-cost airport. He indicated that every one of the region's airports have major constraints except ONT, so ONT should be the release valve for this coming demand. He noted that staff decided not to wait on air service development until post-transfer, but instead started now to build these partnerships and show the airlines how the facilities are underutilized including the U.S. Customs facility which has tremendous opportunity for growth.

Mr. Fredericks indicated that he is more bullish on the aviation market than he was two months ago and if he continues this aggressive approach and partnership with the airlines the future should be good.

CONTINUED CLOSED SESSION

President Wapner recessed the meeting to Closed Session for continued discussion.

- GC 54956.8, CONFERENCE WITH REAL PROPERTY NEGOTIATORS
Property: Various lease interests at Ontario International Airport; Agency Negotiator: Kelly J. Fredericks, Chief Executive Officer; Negotiating parties: Various entities involved in Air Service Development; Under negotiation: Price and terms of payment.
- GC 54956.9 (d)(2), CONFERENCE WITH LEGAL COUNSEL, ANTICIPATED LITIGATION: *One Case*

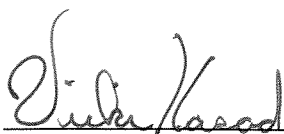
The Ontario International Airport Authority Commission meeting was reconvened in public session at 12:06 p.m.

President Wapner announced that direction was given to the CEO, but there was no reportable action.

ADJOURNMENT

President Wapner adjourned the Ontario International Airport Authority Commission meeting at 12:07 p.m.

Respectfully submitted:



VICKI KASAD, ASSISTANT SECRETARY

APPROVED:

A handwritten signature in black ink, appearing to read 'Alan D. Wapner', written over a horizontal line.

ALAN D. WAPNER, PRESIDENT
ONTARIO INTERNATIONAL AIRPORT AUTHORITY