

ONTARIO INTERNATIONAL AIRPORT AUTHORITY

COMMISSION AGENDA – REGULAR MEETING



NOVEMBER 26, 2019 AT 3:00 P.M.

Ontario International Airport Administration Offices
1923 E. Avion Street, Room 100, Ontario, CA 91761

ALAN D. WAPNER
President

RONALD O. LOVERIDGE
Vice President

JIM W. BOWMAN
Secretary

CURT HAGMAN
Commissioner

JULIA GOUW
Commissioner

MARK A. THORPE
Chief Executive Officer

LORI D. BALLANCE
General Counsel

JOHN M. SCHUBERT
Treasurer

WELCOME TO THE MEETING OF THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY

- All documents for public review are on file at the Ontario International Airport Administration Offices located at 1923 E. Avion Street, Ontario, CA 91761.
- Anyone wishing to speak during public comment or on an 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 State Law, remarks during public comment are to be limited to subjects within the Authority's jurisdiction. Remarks on other agenda items will be limited to those items.
- Remarks from those seated or standing in the back of the board room will not be permitted. All those wishing to speak, including Commissioners and Staff, need to be recognized by the Authority President before speaking.

ORDER OF BUSINESS

The Authority meeting begins at 3:00 p.m. with Closed Session comment and Closed Session, immediately followed by Public Comment and the Regular Meeting.

(Sign Language Interpreters, Communication Access Real-Time Transcription, Assistive Listening Devices, or other auxiliary aids and/or services may be provided upon request. To ensure availability, you are advised to make your request at least 72 hours prior to the meeting you wish to attend. Due to difficulties in securing Sign Language Interpreters, five or more business days notice is strongly recommended.)

CALL TO ORDER (OPEN SESSION) - 3:00 P.M.

ROLL CALL

Loveridge, Bowman, Hagman, Gouw, President Wapner

PLEDGE OF ALLEGIANCE

INVOCATION

Rabbi Sholom Harlig, Chabad of the Inland Empire

CLOSED SESSION PUBLIC COMMENT

The Closed Session Public Comment portion of the 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.

CLOSED SESSION

GC 54956.95 PUBLIC EMPLOYEE PERFORMANCE EVALUATION

Title: Chief Executive Officer

REPORT ON CLOSED SESSION

General Legal Counsel

PUBLIC COMMENT

Public Comment: The open meeting Public Comment portion of the Commission meeting is limited to a maximum of 3 minutes for each speaker. Additional opportunities for further Public Comment will be given during and at the end of the meeting. Under provisions of the Brown Act, the Commission is prohibited from taking action on oral requests.

AGENDA REVIEW/ANNOUNCEMENTS

The Chief Executive Officer will go over all updated materials and correspondence received after the Agenda was distributed to ensure Commissioners have received them.

1. INFORMATION RELATIVE TO POSSIBLE CONFLICT OF INTEREST

Note: Agenda item contractors, subcontractors and agents which may require member abstentions due to conflict of interests and financial interests. Commission Member abstentions shall be stated under this item for recordation on the appropriate item.

CONSENT CALENDAR

All matters listed under CONSENT CALENDAR will be enacted by one motion in the form listed below – there will be no separate discussion on these items prior to the time Commission votes on them, unless a member of the Commission requests a specific item be removed from the Consent Calendar for a separate vote.

Each member of the public wishing to address the Authority on items listed on the Consent Calendar will be given a total of 3 minutes.

2. APPROVAL OF MINUTES

Minutes for the meetings of the Ontario International Airport Authority special meeting on October 29, 2019 and approving the same as on file with the Secretary/Assistant Secretary.

3. BILLS/PAYROLL

Bills October 1, 2019 through October 31, 2019 and Payroll October 1, 2019 through October 31, 2019.

4. AUTHORIZE THE CHIEF EXECUTIVE OFFICER TO EXECUTE A CONCESSION LEASE AGREEMENT WITH BUNS & DUMS GOURMET RESTAURANT, LLC FOR A FOOD AND BEVERAGE OUTLET AT ONTARIO INTERNATIONAL AIRPORT

That the Ontario International Airport Authority authorize the Chief Executive Officer to execute a five (5) year contract with two (2) one-year extension, with Buns & Dums Gourmet Restaurant, LLC (Buns & Dums) to build a restaurant in Terminal 2, Space 2551 to provide food and beverage services at ONT. Upon the Rent Commencement Date of this agreement, Buns & Dums shall pay the OIAA an eighteen percent (18%) Concession Fee of its monthly Gross Receipts. Annual rent of \$120.84 per square foot shall be paid monthly upon occupancy for any office or storage space rented in the Terminals, as may be required to support their operations.

5. APPROVE A MEMORANDUM OF UNDERSTANDING BETWEEN THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY AND THE FEDERAL AVIATION ADMINISTRATION TO REPLACE THE EXISTING UNDERGROUND FAA DUCT SYSTEM IN AN ACCORDANCE WITH THE UNITED STATES CODE, TITLE 49, SUBTITLE VII

That the Ontario International Airport Authority (OIAA) authorize the Chief Executive Officer (CEO) to execute a Memorandum of Understanding (MOU) between the Federal Aviation Administration (FAA) and the OIAA entering into an MOU to replace the existing underground FAA duct system and in accordance with the United States Code, Title 49, Subtitle VII.

6. APPROVE THE SELECTION OF AND AUTHORIZE THE CHIEF EXECUTIVE OFFICER TO NEGOTIATE AND EXECUTE A CONTRACT WITH ATLAS ADVOCACY LLC FOR FEDERAL LOBBYIST SERVICES

That the Ontario International Airport Authority approve the selection of and authorize the Chief Executive Officer to negotiate and execute a contract with Atlas Advocacy LLC for Federal Lobbyist Services for three years, with two, one-year extensions, for an amount not to exceed \$750,000 over the three-year term, and authorize the CEO to exercise two, one-year extensions at \$250,000 annually, for an overall five-year contract amount not to exceed \$1,250,000. Funds for this contract were approved in the FY 2019-2020 OIAA operating budget. Funding for subsequent years will be requested as part of the annual budget process.

7. APPROVE A MONTH-TO-MONTH EXTENSION, AND AUTHORITY INCREASE FOR THE ELEVATOR AND ESCALATOR MAINTENANCE CONTRACT WITH ELEVATORS ETC.

That the Ontario International Airport Authority authorize the Chief Executive Officer to execute a month-to-month extension with Elevators, Etc. for the maintenance of escalators and elevators and increase the authority amount by \$750,000. Funds for this item will be allocated from the discretionary reserve account.

ADMINISTRATIVE DISCUSSION/ACTION/REPORT

8. FISCAL YEAR 2019-2020 BUDGET UPDATE FOR THREE MONTHS ENDING SEPTEMBER 30, 2019

That the Ontario International Airport Authority (OIAA): (1) receive and file Financial Statements for the three months ending September 30, 2019; and (2) approve budget adjustments. Additional costs for the proposed changes are offset in total by realized budget savings through the first quarter of the FYE June 30, 2020 and from reallocation of other approved budget categories.

SPECIAL CEREMONIES

Inland Empire Economic Partnership (IEEP) 2019 Public-Private Partnership Award - for the Ontario International Airport and FedEx Corporation Air Freight Expansion Project.

MANAGEMENT REPORT

Chief Executive Officer Thorpe

COMMISSION MATTERS

President Wapner

Vice President Loveridge

Secretary Bowman

Commissioner Hagman

Commissioner Gouw

ADJOURNMENT



DATE: **NOVEMBER 26, 2019**

CLOSED SESSION REPORT

OIAA// (GC 54956.9(c))

Page 1 of 1

ROLL CALL: Gouw __, Bowman __, Hagman __, Loveridge __, President Wapner __.

STAFF: CEO __, General Counsel __

- **GC 54957, PUBLIC EMPLOYEE PERFORMANCE EVALUATION**

Title: Chief Executive Officer

No Reportable Action

Continue

Approved

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Disposition: _____

Reported by:

General Legal Counsel / Chief Executive Officer



DATE: NOVEMBER 26, 2019

SECTION: MINUTE ACTION

SUBJECT: RELATIVE TO POSSIBLE CONFLICT OF INTEREST

RECOMMENDED ACTION(S): Note: agenda items and contractors/subcontractors, which may require member abstentions due to possible conflicts of interest.

BACKGROUND: In accordance with California Government Code 84308, members of the Ontario International Airport Authority may not participate in any action concerning a contract where they have received a campaign contribution of more than \$250 in the prior twelve (12) months and from an entity or individual if the member knows or has reason to know that the participant has a financial interest, except for the initial award of a competitively bid public works contract. This agenda contains recommendations for action relative to the following contractors:

Item No	Principals & Agents	Subcontractors
Item No. 04	Buns & Dums	<ul style="list-style-type: none">Regal Woods Food Services Equipment, Supplies and Design, LLC
Item No. 06	Atlas Advocacy, LLC	<ul style="list-style-type: none">None
Item No. 07	Elevators Etc.	<ul style="list-style-type: none">None

STAFF MEMBER PRESENTING: Board Clerk, Claudia Y. Isbell

Department: Clerk's Office

Submitted to OIAA: November 26, 2019

Item No. 01

**ONTARIO INTERNATIONAL AIRPORT AUTHORITY
SPECIAL COMMISSION MEETING
MINUTES
OCTOBER 29, 2019
(Not Official Until Approved)**

A special meeting of the Ontario International Airport Authority was held on Tuesday, October 29, 2019, at 1923 E. Avion Street, Room 100, Ontario, California.

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

CALL TO ORDER

President Wapner called the Ontario International Airport Authority Commission meeting to order at 8:02 a.m.

ROLL CALL

PRESENT: Commissioners: Julia Gouw, Jim W. Bowman, Ronald O. Loveridge, and Alan D. Wapner.

ABSENT: Commissioners: Curt Hagman (excused).

Also present were: Chief Executive Officer Mark A. Thorpe, General Counsel Lori D. Ballance and Assistant Secretary Claudia Y. Isbell.

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Vice President Loveridge.

INVOCATION

The invocation was led by Dr. Juan Williams, Sr., Pastor, Ontario Christian Center.

PUBLIC COMMENT

Jesse Fonseca, spoke on airplane noise concerns. He requested that the decibel readings be provided to him and the decibel reader on his street be turned back on. President Wapner requested staff to provide the decibel reports to Mr. Fonseca.

Veronica Nunez, spoke on airplane noise concerns.

Barry Freeman, spoke on airplane noise concerns.

AGENDA REVIEW/ANNOUNCEMENT

There were no announcements.

1. INFORMATION RELATIVE TO POSSIBLE CONFLICT OF INTEREST

Note: agenda item contractors, subcontractors and agents which may require member abstentions due to conflict of interests and financial interests. Commission Member abstentions shall be stated under this item for recordation on the appropriate item.

No conflicts were announced.

CONSENT CALENDAR

MOTION: Moved by Secretary Bowman, seconded by Commissioner Gouw and carried by a vote of 4-0-1, to approve the consent calendar, with Commissioner Hagman absent.

2. APPROVAL OF MINUTES

Approved minutes for the meetings of the Ontario International Airport Authority cancelled meeting on October 22, 2019, regular meeting on September 24, 2019, amended special meeting on July 31, 2019, and amended regular meeting on May 28, 2019, and approving the same as on file with the Secretary/Assistant Secretary.

3. BILLS/PAYROLL

Approved bills September 1, 2019 through September 30, 2019 and Payroll September 1, 2019 through September 30, 2019.

4. AUTHORIZED THE CHIEF EXECUTIVE OFFICER TO NEGOTIATE AND EXECUTE EASEMENTS BETWEEN THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY AND THE ONTARIO MUNICIPAL UTILITIES COMPANY AS PART OF THE FEDEX CARGO DEVELOPMENT PROJECT

The Ontario International Airport Authority (OIAA) authorized the Chief Executive Officer (CEO) to negotiate and execute easements between the Ontario International Airport Authority and Ontario Municipal Utilities Company as part of the FedEx Cargo Development Project. The easement documents will be prepared by an OIAA consultant, Mead & Hunt, based on survey and engineering drawings prepared by the project designer. Staff and its counsel will review easements and provide comments to Mead & Hunt as part of standard procedures for an OIAA project, therefore, there will not be any fiscal impact.

5. APPROVED CONTRACT WITH GRIFFITH COMPANY FOR THE TAXIWAY S (TAXIWAY F TO THE CUCAMONGA CHANNEL) REHABILITATION PROJECT AT THE ONTARIO INTERNATIONAL AIRPORT

The Ontario International Airport Authority authorized the Chief Executive Officer to execute a contract with Griffith Company, in the amount of \$6,377,216.78 for the Taxiway S (Taxiway F to the Cucamonga Channel) Rehabilitation Project at Ontario International Airport. The cost to construct this project is accounted for in the OIAA Fiscal Year 2019-2020 budget. Total construction cost of \$5,797,469.80, plus a 10% contingency in the amount of \$579,746.98 for this project, is to be paid with a combination of FAA Airport Improvement Program (AIP) entitlement grant funds and OIAA appropriations in the amount of \$4,672,180.91.

6. APPROVED THE FIRST AMENDMENT OF THE LEASE AGREEMENT BETWEEN THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY AND FEDERAL EXPRESS CORPORATION AND AUTHORIZE THE CHIEF EXECUTIVE OFFICER TO NEGOTIATE AND EXECUTE

The Ontario International Airport Authority Commission approved the first amendment to the Lease Agreement between the OIAA and Federal Express Corporation (FedEx) and authorize the Chief Executive Officer to negotiate and execute. The First Amendment Agreement will not impact the OIAA financially at the present moment.

7. AUTHORIZED THE CHIEF EXECUTIVE OFFICER TO EXECUTE A SECOND AMENDMENT BETWEEN THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY AND ALTA ENVIRONMENTAL TO PERFORM MAINTENANCE, INSPECTION, AND REPAIR SERVICES FOR THE ABOVE GROUND AND UNDERGROUND STORAGE TANKS AT ONT

The Ontario International Airport Authority authorized the Chief Executive Officer to execute a second amendment to the Alta Environmental contract increasing it by a cost of up to \$130,000 annually. Funding for this amendment are included in the current fiscal year 2020 budget. Funding for subsequent years will be requested through the annual budget process.

8. AUTHORIZED THE CEO TO NEGOTIATE AND EXECUTE A SIX MONTH EXTENSION, ON A MONTH TO MONTH BASIS, TO THE CONCESSION AGREEMENT BETWEEN THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY AND BANK OF AMERICA, NATIONAL ASSOCIATION FOR ATM SERVICES AT ONTARIO INTERNATIONAL AIRPORT

The Ontario International Airport Authority Board of Commissioners authorized the Chief Executive Officer (CEO) to negotiate and execute a six month extension, on a month to month basis, to the Concession Agreement (Agreement) with Bank of America, National Association (Concessionaire) for the existing five (5) Automated Teller Machines (ATMs) located in Terminal 2, Terminal 4, and the Ground Transportation Center. Concessionaire shall continue to pay to the OIAA the greater of (a) a Minimum Monthly Guarantee of \$9,000 per month, or (b) a transaction fee of \$1.75 per transaction, which is defined as any authorized and approved cash withdrawal processed at ATMs located at ONT.

9. APPROVED AN AUTHORITY INCREASE TO OIAA CONTRACT NO. SCONT-000197 WITH BRAUGHTON CONSTRUCTION, INC. FOR GENERAL CONSTRUCTION AND BOARD-UP SERVICES AT ONTARIO INTERNATIONAL AIRPORT

The Ontario International Airport Authority authorized the Chief Executive Officer to increase the existing OIAA Contract No. SCONT-000197 with Braughton Construction, Inc. for on-call general construction and board-up services for an amount not to exceed \$300,000 annually and authorize the CEO to exercise extensions for additional contract years as approved by the City of Ontario. Funds for this contract are included in the current Fiscal Year 2020 budget. Funding for subsequent years will be requested through the annual budget process.

ADMINISTRATIVE DISCUSSION/ACTION/REPORT

10. APPROVE MEMORANDUM OF UNDERSTANDING BETWEEN THE SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT AND ONTARIO INTERNATIONAL AIRPORT AUTHORITY

That the Ontario International Airport Authority approve the proposed Memorandum of Understanding between South Coast Air Quality Management District and Ontario International Airport Authority.

Chris Waller, of ALTA Environmental presented the details of the MOU with the South Coast Air Quality Management District (SCAQMD). He reviewed the background, MOU process, key aspects of the MOU, the Voluntary Air Quality Improvement Plan (AQIP), ground support equipment (GSE) measure, SIP credit, additional AQIP measures, and the next steps for implementation.

President Wapner, Vice President Loveridge and Commissioner Gouw asked several questions regarding the MOU.

Legal Counsel Lori Ballance provided that the MOU was worked on closely with John Wayne, Burbank and Long Beach Airports. She also mentioned an updated draft MOU was provided with changes to the term dates from 2031 to 2032 that will be part of the final approved version.

MOTION: Moved by Vice President Loveridge, seconded by Secretary Bowman and carried by a vote of 4-0-1, with Commissioner Hagman absent.

MANAGEMENT REPORT

Chief Executive Officer Thorpe gave an update on passenger and cargo updates for September 2019, InsureMyTrip's ranking of ONT as the 10th most relaxing airport in the US, the customer experience team new survey system in the terminals, ACI ASQ Q3 customer satisfaction survey's ranking of ONT as #9 in overall satisfaction among medium sized airports in North America. CEO

CEO Thorpe also provided updates from the digital and creative media, film, and operations and commercial departments, including an update on escalator repairs and future plans.

Secretary Bowman inquired about fuel capacity at the airport to meet future growth.

President Wapner asked if the agreements for filming include language requiring the use of local business vendors for catering.

Vice President Loveridge shared his experiences as a passenger regarding baggage claim delays and complimented the Customer Experience Team.

SPECIAL CEREMONIES

The Trazees - Special Achievement Award 2019 – Presented to the OIAA.

COMMISSIONER MATTERS

Commissioner Gouw had no comments.

Secretary Bowman had no comments.

Vice President Loveridge had no comments.

President Wapner had no comments.

ADJOURNMENT

President Wapner adjourned the Ontario International Airport Authority Commission meeting at 9:19 a.m.

RESPECTFULLY SUBMITTED:

CLAUDIA Y. ISBELL, CLERK OF THE BOARD

APPROVED:

ALAN D. WAPNER, PRESIDENT
ONTARIO INTERNATIONAL AIRPORT AUTHORITY



DATE: NOVEMBER 26, 2019

SECTION: CONSENT CALENDAR

SUBJECT: AUTHORIZE THE CHIEF EXECUTIVE OFFICER TO EXECUTE A CONCESSION LEASE AGREEMENT WITH BUNS & DUMS GOURMET RESTAURANT, LLC FOR A FOOD AND BEVERAGE OUTLET AT ONTARIO INTERNATIONAL AIRPORT

RELEVANT STRATEGIC OBJECTIVE: (1) Provide Customer-Friendly Facilities and Services; and (2) Develop and Grow Non-Airline Revenue Sources.

RECOMMENDED ACTION(S): That the Ontario International Airport Authority (OIAA) authorize the Chief Executive Officer (CEO) to execute a (5) year, with two (2) one-year extension, concession lease agreement with Buns & Dums Gourmet Restaurant, LLC (Buns & Dums) to build a restaurant in Terminal 2, Space 2551 to provide food and beverage services at Ontario International Airport (ONT).

FISCAL IMPACT SUMMARY: Upon the Rent Commencement Date of this agreement, Buns & Dums shall pay the OIAA an eighteen percent (18%) Concession Fee of its monthly Gross Receipts. Annual rent of \$120.84 per square foot shall be paid monthly upon occupancy for any office or storage space rented in the Terminals, as may be required to support their operations.

BACKGROUND: ONT is a medium hub airport serving more than 5 million passengers per year and is a major air-cargo facility in Southern California, with more than 750,000 tons being carried to and from the airport each year. The OIAA wishes to provide passengers traveling through ONT with a friendly environment that helps reduce the stress of travel, while providing them with a superior travel experience and productivity-enhancing amenities. The OIAA is confident that the development of a broad width and breadth of food and beverage outlets in each of its terminals will be an important step to provide such highly-sought-after amenities.

STAFF MEMBER PRESENTING: Chief Executive Officer, Mark A. Thorpe

Department: Commercial

Submitted to OIAA: November 26, 2019

Approved: _____

Continued to: _____

Denied: _____

Chief Executive Officer Approval: *Mark A. Thorpe*

Item No. 04

The proposed term of the proposed concession will be five (5) years from Date of Beneficial Occupancy (DBO) with two (2) one-year extension options at the discretion of the CEO. Buns & Dums will help carve the way to bringing a culturally diverse pallet into ONT and also cater to our domestic and international passengers. Buns & Dums will provide quick grab and go's such as bento boxes, as well as bar seating and small booths for those who would like to dine-in. Buns & Dums has had expertise in Asian Cuisine for many years and agrees to help provide healthy competition among the restaurants, thus expanding on the variety of food offerings at ONT and enhancing passenger experiences at the Airport. Therefore, staff recommends the OIAA Board to authorize the CEO to execute a concession lease agreement with Buns & Dums.

PROCUREMENT: On June 21, 2019, the OIAA posted RFP #190007 for Food and Beverage Outlets at ONT Terminal 2 and 4. Over 200 prospective companies were notified through OIAA's PlanetBids website. On August 30, 2019, three minority owned businesses submitted proposals for the varying available spaces. Staff evaluated the proposals and recommends approval of a concession lease agreement for each assigned space.

CEQA COMPLIANCE AND LAND USE APPROVALS: The proposed project is Categorical Exempt (Class 1) from the provisions of CEQA pursuant to Section 15301, because it provides for the exemption of existing facilities. Operations, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing structures or facilities involving negligible or no expansion of use beyond that existing at the time of the lead agency's determination.

STAFFING IMPACT (# OF POSITIONS): N/A

IMPACT ON OPERATIONS: N/A

SCHEDULE: N/A

ATTACHMENTS: Concession Lease Agreement

The Agenda Report references the terms and conditions of the recommended actions and request for approval. Any document(s) referred to herein and that are not attached or posted online may be reviewed prior to or following scheduled Commission meetings in the Office of the Clerk of the Commission. Office hours are 8:30 a.m. to 5:00 p.m., Monday through Friday

This Agenda Report has been reviewed by OIAA General Counsel. |



DATE: NOVEMBER 26, 2019

SECTION: CONSENT CALENDAR

SUBJECT: APPROVE A MEMORANDUM OF UNDERSTANDING BETWEEN THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY AND THE FEDERAL AVIATION ADMINISTRATION TO REPLACE THE EXISTING UNDERGROUND FAA DUCT SYSTEM IN AN ACCORDANCE WITH THE UNITED STATES CODE, TITLE 49, SUBTITLE VII

RELEVANT STRATEGIC OBJECTIVE: Develop Airport-Related Business.

RECOMMENDED ACTION(S): That the Ontario International Airport Authority (OIAA) authorize the Chief Executive Officer to execute a Memorandum of Understanding (MOU) between the Federal Aviation Administration (FAA) and the Ontario International Airport Authority (OIAA) entering into an MOU to replace the existing underground FAA duct system and in accordance with the United States Code, Title 49, Subtitle VII.

FISCAL IMPACT SUMMARY: N/A.

BACKGROUND: There is currently an FAA duct bank that needs to be relocated as a result of the FedEx project. The FAA requires an MOU to authorize the replacement of the existing underground 100' long duct system consisting of concrete encased 4 – 4" conduits in accordance with all FAA requirements, standards, and criteria governing ONT, including those requirements contained in FAA Standard FAA-C-1391D Installation, Termination, Splicing, and Transient/Surge Protection of Underground ELD Power Cables.

PROCUREMENT: N/A.

STAFF MEMBER PRESENTING: Chief Executive Officer, Mark A. Thorpe

Department: Engineering

Submitted to OIAA: November 26, 2019

Approved: _____

Continued to: _____

Denied: _____

Chief Executive Officer Approval: Mark A. Thorpe

CEQA COMPLIANCE AND LAND USE APPROVALS: The replacement of the existing underground FAA duct system is Categorically Exempt (Class 1, Class 2, and Class 4) from the requirements of the California Environmental Quality Act (CEQA) pursuant to (1) CEQA Guidelines Section 15301 relating to minor alterations to existing structures or facilities involving negligible or no expansion of use beyond that existing at the time of the lead agency's determination, (2) CEQA Guidelines Section 15302 relating to the reconstruction of existing structures or facilities involving substantially the same purpose and capacity as the structure replaced, and (3) CEQA Guidelines Sections 15304(a) and (f) involving minor grading in non-sensitive areas, and minor trenching and backfilling where the surface is restored.

STAFFING IMPACT (# OF POSITIONS): The proposed action will not create any permanent Authority positions.

IMPACT ON OPERATIONS: This action will not impact ONT operations.

SCHEDULE: N/A.

ATTACHMENTS: Attachment A: An MOU between the FAA and OIAA.

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This Agenda Report has been reviewed by OIAA General Counsel. |



DATE: NOVEMBER 26, 2019

SECTION: CONSENT CALENDAR

SUBJECT: APPROVE THE SELECTION OF AND AUTHORIZE THE CHIEF EXECUTIVE OFFICER TO NEGOTIATE AND EXECUTE A CONTRACT WITH ATLAS ADVOCACY LLC FOR FEDERAL LOBBYIST SERVICES

RELEVANT STRATEGIC OBJECTIVE: Develop Airport-Related Businesses.

RECOMMENDED ACTION(S): That the Ontario International Airport Authority (OIAA) approve the selection of and authorize the Chief Executive Officer (CEO) to negotiate and execute a contract with Atlas Advocacy LLC for Federal Lobbyist Services for three years, with two, one-year extensions, for an amount not to exceed \$750,000 over the three-year term, and authorize the CEO to exercise two, one-year extensions at \$250,000 annually, for an overall five-year contract amount not to exceed \$1,250,000.

FISCAL IMPACT SUMMARY: Funds for this contract were approved in the FY 2019-2020 OIAA operating budget. Funding for subsequent years will be requested as part of the annual budget process.

BACKGROUND: The OIAA requires a knowledgeable, responsive and professional consulting firm that possesses the expertise and resources to assist the Authority’s Executive Leadership in achieving the adopted goals and objectives. Atlas Advocacy LLC (Atlas) possesses over 20 years of direct airport experience with extensive knowledge in the aviation industry. Located in Washington, D.C., Atlas provides Federal representation service to public agency clients, particularly airports and airport authorities. They have a proven and successful track record securing Federal funds for its airport agency clients; have established, longstanding and positive working relationships with members of Congress including the Southern California Inland Empire delegation, the California delegation, Committee leaderships and senior staff; have established, longstanding and positive

STAFF MEMBER PRESENTING: Chief Executive Officer, Mark A. Thorpe

Department: Administration

Submitted to OIAA: November 26, 2019

Approved: _____

Continued to: _____

Denied: _____

Chief Executive Officer Approval: Mark A. Thorpe

Item No. 06

working relationships with Federal agencies and their senior executive staff as well as national aviation industry organizations; are fully dedicated to the project and funding goals and objectives of the Authority; and, are proactive in monitoring and identifying funding opportunities that may be of interest to the Authority.

PROCUREMENT: The Authority conducted a qualifications-based selection process and received six (6) responses on June 21, 2019. Qualified firms were short-listed and interviewed. Staff determined that Atlas Advocacy LLC is the most qualified firm to undertake federal lobbying services for the Authority.

CEQA COMPLIANCE AND LAND USE APPROVALS: The proposed staffing services decision is not a “project” under CEQA and does not require environmental review. To the extent the staffing services decision could be deemed a “project” for purposes of CEQA, it would be Categorical Exempt (Class 1) from the provisions of CEQA pursuant to (1) CEQA Guidelines section 15309 for project inspection services, (2) CEQA Guidelines section 15301 for the operations, repair, maintenance, permitting, or minor alteration of existing structures or facilities involving negligible or no expansion of use beyond that existing at the time of the lead agency’s determination, and CEQA Guidelines section 15303 for new construction, installation or conversion of a limited number of small structures, facilities or equipment.

STAFFING IMPACT (# OF POSITIONS): The proposed action will not create any permanent Authority positions.

IMPACT ON OPERATIONS: This action will not impact ONT operations.

SCHEDULE: N/A

ATTACHMENTS: N/A

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This Agenda Report has been reviewed by OIAA General Counsel. |



DATE: NOVEMBER 26, 2019

SECTION: CONSENT CALENDAR

SUBJECT: APPROVE A MONTH-TO-MONTH EXTENSION, AND AUTHORITY INCREASE FOR THE ELEVATOR AND ESCALATOR MAINTENANCE CONTRACT WITH ELEVATORS ETC.

RELEVANT STRATEGIC OBJECTIVE: Maintain a Safe and Secure Operational Environment.

RECOMMENDED ACTION(S): That the Ontario International Airport Authority (OIAA) authorize the Chief Executive Officer (CEO) to execute a month-to-month contract extension with Elevators, Etc. for the maintenance of escalators and elevators and increase the authority amount by \$750,000.

FISCAL IMPACT SUMMARY: Funds for this item will be allocated from the discretionary reserve account.

BACKGROUND: Elevators and escalators at ONT Terminals 2 and 4 are part of OIAA's ongoing maintenance program. On August 1, 2019, the OIAA joined the existing LAWA contract with Elevators Etc. to ensure the immediate servicing of the equipment. Elevators Etc. provides all supervision, material, parts, labor, tools, supplies, and equipment necessary to perform maintenance services, including all inspections, adjustments, tests, parts replacement, and repairs required to keep the elevators/escalators operational. Although the existing equipment is aging, the replacement of the mechanical components meets the functional needs of the airport during the reconfiguration of the TSA checkpoint area. This action allocates funds for the renewal of the escalators and provides for the continued on-call servicing of related equipment. During which time, OIAA staff prepares a full maintenance and repair specification for a successor contract for elevators and escalators throughout ONT facilities.

PROCUREMENT: N/A

STAFF MEMBER PRESENTING: Chief Executive Officer, Mark A. Thorpe

Department: Engineering

Submitted to OIAA: November 26, 2019

Approved: _____

Continued to: _____

Denied: _____

Chief Executive
Officer Approval: Mark A. Thorpe

Item No. 07

CEQA COMPLIANCE AND LAND USE APPROVALS: N/A

STAFFING IMPACT (# OF POSITIONS): N/A

IMPACT ON OPERATIONS: During repair, either escalator will be inoperable. During this time, the stairs and elevators will be available for use.

SCHEDULE: Work will commence upon approval of the item.

ATTACHMENTS: None.

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This Agenda Report has been reviewed by OIAA General Counsel. |



DATE: NOVEMBER 26, 2019
SECTION: ADMINISTRATIVE REPORT/DISCUSSION/ACTION
SUBJECT: FISCAL YEAR 2019-2020 BUDGET UPDATE FOR THREE MONTHS ENDING SEPTEMBER 30, 2019

RELEVANT STRATEGIC OBJECTIVE: Maintain Financial Accountability and Stability to Support Airport Operations.

RECOMMENDED ACTION(S): That the Ontario International Airport Authority (OIAA):
(1) receive and file Financial Statements for the three months ending September 30, 2019; and
(2) approve budget adjustments.

FISCAL IMPACT SUMMARY: Additional costs for the proposed changes are offset in total by realized budget savings through the first quarter of the FYE June 30, 2020 and from reallocation of other approved budget categories.

BACKGROUND: Airport System and Aviation Activity: Overall the Airport System has a net surplus for the first quarter of approximately \$744K. This surplus is driven primarily by operating revenues in excess of budget, which reflect continuing increases in aviation activity as well as nonaeronautical rate increases that went into effect July 1, 2019.

Aviation activity is measured predominately as a function of commercial enplanements and landed weights as these activities act as direct and indirect drivers of most operating revenues for the Airport. Enplanements for Q12020 totaled 742K, which is an increase over Q12019 of 84K (12.7%). Actual enplanements were lower than the budget by 24K (3.2%). Budgeted enplanement data was based on scheduled airline data assuming an overall average historical load factor of 81.08%.

STAFF MEMBER PRESENTING: Chief Executive Officer, Mark A. Thorpe

Department: Finance Submitted to OIAA: November 26, 2019
Approved:
Continued to:
Denied:
Chief Executive Officer Approval: Mark A. Thorpe

Item No. 08

Landed weights for Q12020 exceeded Q12019 by 112K (6.2%). Landed weights were lower than budget for both commercial passenger and cargo airlines. The total landed weight was lower than budget by 125K (6.1%).

Operating Revenues: Operating revenues exceed budget by \$1.4M or 7.2%. Lower than expected landed weights resulted in unfavorable variances in landing fee revenues of \$435K (10.7%) Facility and land rents are greater than budget by \$435K (7.6%). This variance is presented in combination as OIAA reevaluates facility and land designations assigned to each lease, as well as the assignment to the Airline Use Agreement (AUA) airfield and terminal cost centers. The AUA classification is required to calculate each of the residual rate computations for landing fee and terminal rental rates.

Concession Revenues: Concession revenues are up \$1.2M (14.8%) over budget. Concession revenues saw increases across all concession categories except for other miscellaneous concession revenues. These increases were led by parking with a \$.9M (18.7%) increase attributable to increases in parking lot rates effective July 1, 2019. Other concession increases are as follows, Rental cars \$75K (3.9%), Food & Beverage \$30K (8.7%), News & Gifts \$163K (78.9%) and Advertising \$14K (11.3%).

Operating Expenses: Operating expenses are favorable to budget by \$790K (4.5%). Personnel expenses are favorable to budget by \$76K (4.4%). Contractual services overall are favorable to budget by \$629K (5.0%). However, the largest component of contractual services is Public Safety, which for Q12020 is over budget by \$444K (7.8%) despite the reduction in amounts invoiced to the OIAA by the City. These reductions included a waiver of all OMB-87 City overhead as well as one third of department overhead. The unfavorable variance has resulted from the inability to reduce current service levels. While not reducing service levels, the City will be implementing new shift scheduling in early November that is expected to assist in reducing OIAA costs.

STAFFING IMPACT (# OF POSITIONS): OIAA management submitted an operating budget for OIAA's fiscal year ended June 30, 2020, which was authorized by the OIAA Board of Commissioners. This adopted budget included authorized positions and related compensation amounts. Management is seeking authorization to increase one part-time position to a full-time position and to establish three new positions. Budgetary authority for two of the positions, the Chief Innovation Officer and the Environmental Manager are not being requested at this time. The net estimated budget impact has not been determined. There is no anticipated increase to the adopted budget as a result of these requests, as additional costs are offset in total by realized budget savings through the first quarter of the FYE June 30, 2020 and from a reallocation of other approved budget categories.

Document Management Specialist: This is currently a filled part-time position. The request is to increase the position to full-time to support additional work-load as a result of OIAA growth. The estimated cost for this change for the balance of the fiscal year is \$54,880. The additional costs would be funded through vacancy savings realized in the first quarter of FYE June 30, 2020.

Chief Innovation Officer: The Ontario International Airport relies heavily on technology to operate the airport. This an executive level position to develop and implement strategic direction for the OIAA with regards to department functions including business development, information technology, customer experience. Leads the charge to identify and develop service offerings that compliment and expand existing capabilities; makes recommendations on ideas and concepts for OIAA to initiate and pursue regarding security access and surveillance, fire alarm, visual display and audio paging, customer kiosks, Wi-Fi, and telecommunications

Environmental Manager: This is a new position within the Planning Department where a substantial number of new projects that have been approved or are in various stages of planning. Environmental due diligence is a key aspect to project development on the airport and frequently impacts implementation timing. In addition to operational efficiencies recognized from this position it is also intended to reduce a portion of current environmental consulting and legal fees. It is also intended to help the airport increase environmental sustainability efforts to offset the negative environmental effects of increased operations. This position is responsible to manage all environmental documentation pursuant to CEQA and coordinate with the FAA regarding documents produced pursuant to the NEPA for all OIAA and ONT tenant projects.

Office Assistant: This is an entry level position to provide centralized accounts payable data entry assistance, as well as to act as a central source for receipt of goods by OIAA and to provide support for expanded statistical data entry and reporting. Currently, there are two part-time temporary staff contracted by OIAA from AppleOne, which provide the services described above except for the receipt of goods. The estimated cost for this position for the balance of the year is \$43,924, the position would be funded through a corresponding reduction in the current annual budget for temporary staff of \$81,394.

IMPACT ON OPERATIONS: The addition of the positions listed above will enhance the operating performance of the Authority.

ATTACHMENTS: OIAA Financial Statements for the Three Months Ending September 30, 2019

The Agenda Report references the terms and conditions of the recommended actions and request for approval. Any document(s) referred to herein and that are not attached or posted online may be reviewed prior to or following scheduled Commission meetings in the Office of the Clerk of the Commission. Office hours are 8:30 a.m. to 5:00 p.m., Monday through Friday

This Agenda Report has been reviewed by OIAA General Counsel. |