

**ONTARIO INTERNATIONAL AIRPORT
AUTHORITY
COMMISSION AGENDA
FEBRUARY 1, 2016**

Alan D. Wapner
President

Ronald O. Loveridge
Vice President

Lucy Dunn
Secretary

Jim W. Bowman
Commissioner

Curt Hagman
Commissioner



Al C. Boling
Executive Director

John E. Brown
General Counsel

Grant D. Yee
Treasurer

WELCOME to a meeting of the Ontario International Airport Authority.

- Authority 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 Authority'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 Authority President before speaking.

ORDER OF BUSINESS: The Authority 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

Loveridge, Dunn, Bowman, Hagman, Wapner

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. Additional opportunities for further Public Comment will be given during and at the end of the meeting.

PLEDGE OF ALLEGIANCE

PUBLIC COMMENTS

The Public Comment portion of the Authority 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.

CONSENT CALENDAR

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 regular meetings of the Ontario International Airport Authority of November 2, December 7, 2015; and January 4, 2016; and the special meetings of October 16, December 5, December 7, December 17, 2015; and January 18, 2016, and approving same as on file with the Secretary/Assistant Secretary.

2. INVESTMENT BANKING SERVICES FOR ONTARIO INTERNATIONAL AIRPORT AUTHORITY

That the Commission approve and authorize the Executive Director to execute an Agreement with Morgan Stanley of New York, New York, for investment banking services to refund approximately \$55.5 million of outstanding bonds issued by Los Angeles World Airports (LAWA) for Ontario International Airport (ONT).

3. APPOINTMENT OF CHIEF EXECUTIVE OFFICER

That the Commission:

- (A) Adopt a resolution amending Resolution No. 14-001, appointing Kelly J. Fredericks as Chief Executive Officer of the Authority effective March 7, 2016;
- (B) Approve an employment agreement (on file in the Records Management Department) with Kelly J. Fredericks as Chief Executive Officer (CEO); and
- (C) Authorize the CEO 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.

ADMINISTRATIVE REPORTS/DISCUSSION/ACTION

AIR SERVICE PERFORMANCE UPDATE

COMMISSIONER MATTERS

STAFF MATTERS

ADJOURNMENT

**ONTARIO INTERNATIONAL AIRPORT AUTHORITY
COMMISSION MEETING
MINUTES
MONDAY, NOVEMBER 2, 2015
(Not Official Until Approved)**

A Regular meeting of the Ontario International Airport Authority was held on Monday, November 2, 2015 in the City Council Chambers at Ontario City Hall, 303 East B Street, 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 10:01 a.m.

ROLL CALL

PRESENT: Commissioners: Jim W. Bowman, Lucy Dunn,
Curt Hagman and Alan D. Wapner

ABSENT: Commissioners: Ron O. Loveridge

Also present were: Executive Director Al C. Boling, Legal Counsel Thomas Rice and Assistant Secretary Vicki Kasad.

CLOSED SESSION

Hearing no requests to speak from the public, President Wapner recessed the meeting to Closed Session at 10:02 a.m., for discussion of the following:

- GC 54957 (b), PUBLIC EMPLOYEE APPOINTMENT
Title: Chief Executive Officer
- GC 54956.9 (d)(1), CONFERENCE WITH LEGAL COUNSEL, EXISTING LITIGATION: City of Ontario v. City of Los Angeles, Los Angeles World Airports, and Los Angeles Board of Airport Commissioners, RIC 1306498.
- 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 11:13 a.m.

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Secretary Dunn.

CLOSED SESSION REPORT

President Wapner indicated that while there was no reportable action, the Board had granted him limited ability to release information on the Closed Session discussion and announce that the OIAA Board had given direction to staff to take all necessary final legal steps to implement the previously approved settlement term sheet of August 6, 2015. He explained that this was the same action taken by the City Council two weeks ago, so it was now up to the City of Los Angeles and the Los Angeles Board of Airport Commissioners to agree so the settlement agreement could go to the Riverside Superior Court for sign off.

PUBLIC COMMENTS

None.

ADMINISTRATIVE REPORTS/DISCUSSION/ACTION

1. AIR SERVICE PERFORMANCE UPDATE

Executive Director Boling provided the September activity report including statistics for the first nine months of 2015. He indicated that ONT experienced a 1.6% increase in September, with domestic flights up 1.5% and international up 6.6%. He further indicated that for the first nine months ONT domestic flights show almost no increase or .4%, while international flights increase 71%, for an overall increase of 1.9%. He advised that it was forecast that for the entire year of 2015, ONT would see 4.3 million passengers, approximately 3 million less than that of peak years. He detailed the statistics for other Southern California airports over the last nine months noting that it was forecast that there would be a total of 97 million passengers in 2015 and 100 million passengers in 2016.

President Wapner indicated that there were no surprises in these numbers and stressed the need for regionalization.

COMMISSIONER MATTERS

Secretary Dunn commented that it was a great day with regard to the settlement agreement and commended President Wapner and Executive Director Boling for their efforts. She concurred with the need for regionalization and added the need to address the related green house gas emission issues.

Commissioner Hagman expressed excitement with the progress and looked forward to getting started. He commended staff for getting the agreement underway.

President Wapner asked that Commissioner Hagman convey the Board's thanks to his colleagues on the Board of Supervisors for their support of this effort. He also expressed thanks to the Riverside County representatives.

Commissioner Bowman commended everyone involved, noting that this had been a long and arduous task. He concurred that this was a great day for Ontario.

President Wapner commented that the recruitment process for a permanent Executive Director was moving forward as scheduled and drawing a lot of interest from very qualified candidates.

ADJOURNMENT

President Wapner adjourned the Ontario International Airport Authority Commission meeting at 11:24 a.m.

Respectfully submitted:

VICKI KASAD, MMC, ASSISTANT SECRETARY

APPROVED:

ALAN D. WAPNER, PRESIDENT
ONTARIO INTERNATIONAL AIRPORT AUTHORITY

ONTARIO INTERNATIONAL AIRPORT AUTHORITY

MINUTES

MONDAY, DECEMBER 7, 2015

(Not Official Until Adopted)

The Regular Meeting scheduled for Monday, December 7, 2015, was cancelled due to the meeting being rescheduled for December 7, 2015 at 2:00 p.m. The next regular meeting is scheduled for Monday, January 4, 2016, in the Ontario City Council Chambers, 303 East B Street, Ontario, California.

Respectfully submitted:

VICKI KASAD, MMC, ASSISTANT SECRETARY

APPROVED:

ALAN D. WAPNER, PRESIDENT
ONTARIO INTERNATIONAL AIRPORT AUTHORITY

**ONTARIO INTERNATIONAL AIRPORT AUTHORITY
COMMISSION MEETING
MINUTES
MONDAY, JANUARY 4, 2016
(Not Official Until Approved)**

A Regular meeting of the Ontario International Airport Authority was held on Monday, January 4, 2016 in the City Council Chamber of Ontario City Hall, 303 East B Street, 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 10:03 a.m.

ROLL CALL

PRESENT: Commissioners: Jim W. Bowman, Curt Hagman,
Ron O. Loveridge and Alan D. Wapner

ABSENT: Commissioners: Lucy Dunn
(Secretary Dunn joined the meeting at
10:06 a.m.)

Also present were: Executive Director Al C. Boling, Legal Counsel Brown and Assistant Secretaries Jacob Green and Vicki Kasad.

PUBLIC COMMENTS

None

CLOSED SESSION

Hearing no requests to speak from the public, President Wapner recessed the meeting to Closed Session at 10:04 a.m., for discussion of the following:

- GC 54957 (b), PUBLIC EMPLOYEE APPOINTMENT
Title: Chief Executive Officer

Secretary Dunn joined the meeting at 10:06 a.m.

Legal Counsel Brown left the meeting at 10:48 a.m.

Commissioner Hagman left the meeting at 11:30 a.m.

Vice President Loveridge left the meeting at 12:41 p.m.

RECONVENE IN PUBLIC SESSION

The Ontario International Airport Authority Commission meeting was reconvened in public session at 12:45 p.m.

CLOSED SESSION REPORT

President Wapner announced that the item listed was discussed, however there was no reportable action.

ADJOURNMENT

President Wapner adjourned the Ontario International Airport Authority Commission meeting at 12:45 p.m.

Respectfully submitted:

VICKI KASAD, ASSISTANT SECRETARY

APPROVED:

ALAN D. WAPNER, PRESIDENT
ONTARIO INTERNATIONAL AIRPORT AUTHORITY

**ONTARIO INTERNATIONAL AIRPORT AUTHORITY
SPECIAL COMMISSION MEETING
MINUTES
FRIDAY, OCTOBER 16, 2015
(Not Official Until Approved)**

A Special meeting of the Ontario International Airport Authority was held on Friday, October 16, 2015 in the City Council Chambers at Ontario City Hall, 303 East B Street, 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 Special Commission meeting to order at 10:03 a.m.

ROLL CALL

PRESENT: Commissioners: Jim W. Bowman, Curt Hagman
Ronald O. Loveridge and
Alan D. Wapner

ABSENT: Commissioners: Lucy Dunn

Also present were: Executive Director Al C. Boling, Legal Counsel John Brown, and Assistant Secretary Jacob Green.

CLOSED SESSION

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

- GC 54956.9 (d)(1), CONFERENCE WITH LEGAL COUNSEL, EXISTING LITIGATION: City of Ontario v. City of Los Angeles, Los Angeles World Airports, and Los Angeles Board of Airport Commissioners, RIC 1306498.
- 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 10:55 a.m.

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Commissioner Hagman.

CLOSED SESSION REPORT

President Wapner indicated that he had been given the ability to briefly discuss the Closed Session discussion. He advised that while no action was taken, they talked about the deal in principle between the City of Ontario and the City of Los Angeles regarding the transfer of the airport. The deal will resolve pending litigation in Riverside Superior Court. He commented that basically the Authority Board is in agreement and happy to hear that with the Ontario side, everything is being moved forward. Los Angeles is expected to take the same actions. The settlement agreement reflects the deal points that Mayor Garcetti and President Wapner have agreed to, and he is hoping to bring this all to resolution in a timely manner.

PUBLIC COMMENTS

None.

CONSENT CALENDAR

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

1. APPROVAL OF MINUTES

Minutes for the regular meeting of the Ontario International Airport Authority of September 7 and October 5, 2015 and the special meetings of August 31 and September 16, 2015, and approving same as on file with the Secretary/Assistant Secretary.

ADMINISTRATIVE REPORTS/DISCUSSION/ACTION

2. SOUTHERN CALIFORNIA AIR SERVICE PERFORMANCE UPDATE AND FORECAST

Paul Haney, aviation consultant, indicated that starting today his report would also look at Cargo. He advised that ONT passenger traffic increased 1.9% year over year for the period from January to August, 2015. He further advised that the modest increase of 51,000 passengers is due largely to Mexico service with only 2/10ths of one percent being domestic travel.

Vice President Loveridge indicated that it would be helpful to have the break out of domestic and international flight numbers for future reports.

Mr. Haney continued that the region saw an increase of 3.9% in the first eight months of 2015 in passenger traffic, with John Wayne at 6.7%, LAX at 4.6%, Burbank at 2.1% and Ontario 1.9%. He indicated that Long Beach continues to see decreases. Passenger traffic jumped 43 million in the region for the period 2000-2014, while all of the loss at ONT occurred between 2007-2014.

Mr. Haney indicated that seat factor, meaning filled seats at departure, increased at most of the secondary airports in the region. ONT leads the trend and saw a 3.1% increase due to the strength of the local economy, as this occurred even when the available seats were reduced. He noted that chances are whatever plane you are on, it will be full.

Mr. Haney noted that using traffic results through August, and the scheduled seats through December, the passenger traffic forecast for the entire year is 97.1 million at LAX, which was previously forecast in the spring to be 96.9 million. He indicated that LAX is looking at another record year, and if that growth rate continues in 2016, they will reach their design cap of 76.9 annual passengers. He explained that this was the maximum that the current land site access could accommodate. He also indicated that John Wayne will end the year at 10.2 million, close to their 10.8 million cap for 2020.

With regard to market share; LAX increased in market share so they will be at 76.5% at year end. This is the highest percentage of passengers served since the early 1980s. ONT is at 4.4%, which is unchanged from last year, but only half the share it had 25 years ago.

Vice President Loveridge questioned the projections in light of the RTP. President Wapner indicated that SCAG previously expressed strong support of regional aviation, but the exact opposite has occurred. He further indicated that he is trying to get his colleagues at SCAG to agree and take definitive steps to promote regionalization. He stressed that studies show a much greater demand for aviation, but the listed total demand in the 2012 RTP was 150 and now it is down to 134. A great deal of that decrease comes from ONT. The charts regarding the distribution of passenger traffic show a direct correlation between the increases in LAX and the decreases in ONT. The positive news, is that ONT is still the only unconstrained airport in Southern California and any excess demand can be met at ONT.

Mr. Haney indicated that for the first eight months of the year, Southwest is by far the largest carrier at ONT with 57%, U.S. Airways is second with 10.7% and American Airlines is third with 9.7%. He noted that as of tomorrow, U.S. Airways will be acquired by American so they will have 20% of the market. He also noted that for the first eight months, Terminal 2 served 590,000 passengers and Terminal 4 served 2.1 million passengers.

Mr Haney then addressed freight and mail, noting that cargo overall has increased 8 out of 9 months. Cargo is up 4.5% year over year. The number one carrier in air freight tons is UPS at 74%, followed by FEDEX with 24.7%, and all others combined at less than 1%.

Mr. Haney added that the latest industry news is that JetBlue is adding service from PSP to JFK, which will be their third airport in the region. He noted that their first airport west of the Mississippi was ONT, so a high priority would get them to return to their roots, at ONT.

President Wapner, expressed concern that with the added JETBlue service, he could see Southwest passengers moving to Palm Springs.

3. SELECTION OF WEBSITE ADDRESS

Executive Director Boling noted that for the past several years, Ontario has had a Set Ontario Free website, but there was now a need to set up administrative functions, so staff needed direction from the Board to set up website administration. He advised that the existing LAWA ONT does not work, and as part of the settlement agreement, intellectual property like this would be part of the transaction.

The new website will contain things like latest news, RFPs/RFQs, Agendas/Minutes, Documents, Timelines, OIAA Background, Job Announcements, Social Media Links and Contact Information. It will not contain Airport Visitor information like parking or terminals or the any new marketing launch. It will be an administrative site for the Authority, not the airport.

Mr. Boling explained that over time staff has accumulated certain website URLs, and offered options for the new website.

MOTION: Moved by Commissioner Hagman, seconded by Commissioner Bowman and carried by unanimous vote of those present, with Secretary Dunn absent to approve the use of **OntarioOIAA.com** for the Authority's administrative website.

President Wapner noted discussions with Commissioner Hagman and indicated that OIAA needs a dedicated phone number. He suggested this could be through the truncated system and answered Ontario International Airport Authority, by City staff.

President Wapner stressed the monumental task of the transition process and all of its components.

4. MASTER PLAN PROCESS

President Wapner noted the application process for the FAA, and the need to reduce costs for the airlines. He explained that there will be an 18 to 24 month gap until the master plan can be completed.

Executive Director Boling noted that the OIAA adopted a Strategic Business Plan in January 2013. As stated in the Plan the first priority is to reduce airline costs, and the second goal is to develop airport related businesses to help improve economic activity.

The Master Plan for ONT was started in 2001 by LAWA, but was halted in 2008. The City has been using the draft master plan, which is made up of several separate documents to guide, and improve compatible land uses surrounding the airport. To gain FAA approval need our own airport layout plan as well as an up-to-date land map. Current documents could be used in the interim.

Executive Director Boling explained that with regard to regional transportation, SCAG is finishing up the transportation portion of the RTP. He indicated that staff is requesting that the Board give staff direction to develop a master plan to more supporting the Part 139 transition process.

He summarized that as part of the certificate process, the OIAA needs to develop a land use map that is generally consistent with what be needed for the master plan, as it will be used as guiding principles for any decision that will be made.

President Wapner indicated that he wanted to make sure the new CEO was included in this process as well. He also saw services to passengers and increased international flights to be included as guiding principles.

President Wapner commented that once we have the airport and once the new CEO is on board, we can go through this more formally. He stressed the need as individuals to be proactive with increasing activity at the airport but also stressed the importance of having the support of the Authority Board to do so. He commented that we need to make the statement that we are open for business.

Commissioner Hagman also stressed international shipping and cargo as areas we want to expand. President Wapner commented that the Inland Empire is a major port for the U.S. in aviation cargo. He indicated that everyone agrees we want to grow the airport internationally. He also indicated that it was important for people to recognize that Los Angeles does have constraints, so other airports need to grow for international business. President Wapner stressed that the airports in Southern California need to work together as a system and compliment one another.

MOTION: Moved by Commissioner Hagman, seconded by Commissioner Bowman and carried by unanimous vote of those present, with Secretary Dunn absent to direct staff to come back with the time line, necessary steps and potential funding sources for the required master plan. In the meantime try to utilize the land use maps that will be generated as part of the Part 139 application process.

Commissioner Hagman questioned the expenses being accrued on behalf of OIAA. Executive Director Boling indicated that there is an MOU with the City of Ontario to advance the money to the extent that the costs are allowable for reimbursement from OIAA. He explained that in the transition, FAA limits the ability to commit future airline funds. Notwithstanding that staff has clear direction from the Board, and all costs are being tracked and there is a separate independent self-balancing fund. President Wapner added that Ontario is not looking for immediate repayment. Once the goals are met and costs are reduced for the airlines, OIAA will look at the feasibility to reimburse the City of Ontario.

STAFF MATTERS

CEO RECRUITMENT UPDATE

Assistant City Manager Green advised that this week he received an update from Boyden International Search, and applications are being received from all over North America. At this point Boyden has no concerns and are screening the applications as they are coming in. They are focusing on candidates that have extensive knowledge in aviation and airport functions, improvement projects around airports and in building relationships.

Mr. Green indicated that the job has been posted on several professional websites. The position closes on November 15, 2015 and interested candidates should be directed to Boyden

President Wapner inquired if Boyden was reaching out to their established contacts. Mr. Green confirmed that they did indicate in their written update, that they are proactively reaching out to a broad cross-section of potential applicants.

Commissioner Hagman inquired where the new CEO will be located. Executive Director Boling indicated that he would recommend that they be located in City of Ontario and additional staff could be moved to the airport.

President Wapner commented on leasing separate space for this individual. Commissioner Hagman concurred suggesting the need for a separate identity. The Board tasked the Executive Director with finding some options for office space.

Vice Chairman Loveridge questioned the timeline for the short list of applicants. Mr. Green reiterated that the position closes on November 15, 2015 and the short list should be provided within two weeks after that.

COMMISSIONER MATTERS

There were no Commissioner comments.

ADJOURNMENT

President Wapner adjourned the Ontario International Airport Authority Special Commission meeting at 11:39 a.m.

Respectfully submitted:

ASSISTANT SECRETARY

APPROVED:

ALAN D. WAPNER, PRESIDENT
ONTARIO INTERNATIONAL AIRPORT AUTHORITY

**ONTARIO INTERNATIONAL AIRPORT AUTHORITY
SPECIAL COMMISSION MEETING
MINUTES
SATURDAY, DECEMBER 5, 2015
(Not Official Until Approved)**

A Special meeting of the Ontario International Airport Authority was held on Saturday, December 5, 2015 in Room 1100 at the Doubletree Hotel, 222 North Vineyard, 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 9:10 a.m.

ROLL CALL

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

ABSENT: Commissioners: None

Also present were: Executive Director Al C. Boling and Assistant Secretary Jacob Green.

CLOSED SESSION

Hearing no requests to speak from the public, President Wapner recessed the meeting to Closed Session at 9:11 a.m., for discussion of the following:

- GC 54957 (b), PUBLIC EMPLOYEE APPOINTMENT
Title: Chief Executive Officer
- 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 2:06 p.m.

CLOSED SESSION REPORT

President Wapner reported that two items were discussed as listed on the agenda with no reportable action on either item. He further reported that while the first item was already scheduled for discussion on December 7, 2015 at 2:00 p.m., the second item would also be continued for discussion at that time.

ADJOURNMENT

President Wapner adjourned the Ontario International Airport Authority Commission meeting at 2:07 p.m.

Respectfully submitted:

JACOB GREEN, ASSISTANT SECRETARY

APPROVED:

ALAN D. WAPNER, PRESIDENT
ONTARIO INTERNATIONAL AIRPORT AUTHORITY

**ONTARIO INTERNATIONAL AIRPORT AUTHORITY
SPECIAL COMMISSION MEETING
MINUTES
MONDAY, DECEMBER 7, 2015
(Not Official Until Approved)**

A Special meeting of the Ontario International Airport Authority was held on Monday, December 7, 2015 in Room 101 of the Ontario Convention Center, 2000 E. 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 2:07 p.m.

ROLL CALL

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

ABSENT: Commissioners: Lucy Dunn, Curt Hagman
(Secretary Dunn joined the meeting at
2:09 p.m.; Commissioner Hagman joined
the meeting at 2:18 p.m.)

Also present were: Executive Director Al C. Boling, and Assistant Secretaries Jacob Green and Vicki Kasad.

PUBLIC COMMENTS

Secretary Dunn joined the meeting via teleconference at 2:09 p.m.

Stephen Rogers commented on the importance of transparency in the recruitment process for the Airport CEO. He also suggested that the person selected should have knowledge of the local area.

President Wapner noted the previously held public scoping meeting to solicit input on this recruitment process.

CLOSED SESSION

Hearing no further requests to speak from the public, President Wapner recessed the meeting to Closed Session at 2:11 p.m., for discussion of the following:

- GC 54957 (b), PUBLIC EMPLOYEE APPOINTMENT
Title: Chief Executive Officer
- 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. **(Continued from
December 5, 2015)**

Commissioner Hagman joined the meeting at 2:18 p.m.

RECONVENE IN PUBLIC SESSION

The Ontario International Airport Authority Commission meeting was reconvened in public session at 2:56 p.m.

CLOSED SESSION REPORT

President Wapner announced that both items listed were discussed, however there was no reportable action.

ADJOURNMENT

President Wapner adjourned the Ontario International Airport Authority Commission meeting at 2:56 p.m.

Respectfully submitted:

VICKI KASAD, ASSISTANT SECRETARY

APPROVED:

ALAN D. WAPNER, PRESIDENT
ONTARIO INTERNATIONAL AIRPORT AUTHORITY

**ONTARIO INTERNATIONAL AIRPORT AUTHORITY
SPECIAL COMMISSION MEETING
MINUTES
THURSDAY, DECEMBER 17, 2015
(Not Official Until Approved)**

A Special meeting of the Ontario International Airport Authority was held on Thursday, December 17, 2015 in the Community Conference Rooms at Ontario City Hall, 303 East B Street, 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 2:37 p.m.

ROLL CALL

PRESENT: Commissioners: Jim W. Bowman, Lucy Dunn (via telephone), Curt Hagman and Alan D. Wapner

ABSENT: Commissioners: Ron O. Loveridge

Also present were: Executive Director Al C. Boling and Assistant Secretary Vicki Kasad.

CLOSED SESSION

Hearing no requests to speak from the public, President Wapner recessed the meeting to Closed Session at 2:37 p.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 2:52 p.m.

CLOSED SESSION REPORT

President Wapner reported that the item listed was discussed and the Members in attendance, with Vice President Loveridge absent, unanimously approved the revised

language to the proposed settlement agreement. He explained that this meant that all parties had approved the settlement agreement and would be signing in the near future.

ADJOURNMENT

President Wapner adjourned the Ontario International Airport Authority Commission meeting at 2:54 p.m.

Respectfully submitted:

VICKI KASAD, ASSISTANT SECRETARY

APPROVED:

ALAN D. WAPNER, PRESIDENT
ONTARIO INTERNATIONAL AIRPORT AUTHORITY

**ONTARIO INTERNATIONAL AIRPORT AUTHORITY
SPECIAL COMMISSION MEETING
MINUTES
MONDAY, JANUARY 18, 2016
(Not Official Until Approved)**

A Special meeting of the Ontario International Airport Authority was held on Monday, January 18, 2016 in the Community Conference Rooms, City Hall, 303 East B Street, Ontario, California.

Two teleconference locations were also available including 4590 University Avenue, Riverside, CA 92501 and 3 Yale Court, Coto De Caza, CA 92679.

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 1:05 p.m.

ROLL CALL

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

ABSENT: Commissioners: Curt Hagman
(Due to unforeseen circumstances, Commissioner Hagman was unable to arrive at the meeting in time to participate, so he requested permission to call and listen in to the Closed Session discussion. Permission was granted and he joined the meeting at 1:09 p.m.)

Also present were: Executive Director Al C. Boling and Assistant Secretary Jacob Green.

PUBLIC COMMENTS

There were no public comments.

CLOSED SESSION

Hearing no requests to speak from the public, President Wapner recessed the meeting to Closed Session at 1:07 p.m., for discussion of the following:

- GC 54957 (b), PUBLIC EMPLOYEE APPOINTMENT
Title: Chief Executive Officer

RECONVENE IN PUBLIC SESSION

The Ontario International Airport Authority Commission meeting was reconvened in public session at 1:31 p.m.

CLOSED SESSION REPORT

President Wapner announced that one item was discussed as listed on the agenda with no reportable action.

ADJOURNMENT

President Wapner adjourned the Ontario International Airport Authority Commission meeting at 1:31 p.m.

Respectfully submitted:

JACOB GREEN, ASSISTANT SECRETARY

APPROVED:

ALAN D. WAPNER, PRESIDENT
ONTARIO INTERNATIONAL AIRPORT AUTHORITY

**ONTARIO INTERNATIONAL
AIRPORT AUTHORITY**
Agenda Report
February 1, 2016

**SECTION:
CONSENT CALENDAR**

SUBJECT: INVESTMENT BANKING SERVICES FOR ONTARIO INTERNATIONAL AIRPORT AUTHORITY

RECOMMENDATION: That the Commission approve and authorize the Executive Director to execute an Agreement with Morgan Stanley of New York, New York, for investment banking services to refund approximately \$55.5 million of outstanding bonds issued by Los Angeles World Airports (LAWA) for Ontario International Airport (ONT).

FISCAL IMPACT: The proposed fee for investment banking services is \$4.35 per \$1,000 bond. Assuming \$55.5 million par amount, the underwriting cost is approximately \$241,000 (excluding underwriter counsel). The cost of the investment banking services will be fully funded from debt service savings attributed to lower interest costs. Dependent upon the credit and market interest rates, it is estimated that the net present value savings from the refunding will range between \$4.5 million to \$6.3 million.

BACKGROUND: As part of the settlement agreement and transfer of the Ontario International Airport with LAWA, the Ontario International Airport Authority (OIAA) is required to fund the call of approximately \$55.5 million of outstanding Series 2006 Bonds issued by LAWA for ONT. It is recommended that the OIAA satisfy this requirement by issuing new bonds at a lower interest costs to refund LAWA's existing bond obligation at ONT.

In response to a request for proposals, OIAA received written proposals for investment banking services from six (6) well-known firms throughout the country. The firms were Barclays, Citi, JP Morgan, Morgan Stanley, Piper Jaffray, and Wells Fargo.

STAFF MEMBER PRESENTING: Al C. Boling, Executive Director

Prepared by: Al C. Boling
Department: Administration

Approved: 02/01/2016
Continued to: _____
Denied: _____

Executive Director
Approval: 

2

After careful review, analysis, and references of the firms' qualifications and personnel, it is recommended that OIAA select the firm of Morgan Stanley for the following reasons:

- Highly qualified personnel in Los Angeles with strong experience in airports;
- Strong capital position and willingness to underwrite bonds;
- Good understanding of the credit issues and marketing approach;
- Competitive price;
- Strong distribution system with institutional and retail investors.

**ONTARIO INTERNATIONAL
AIRPORT AUTHORITY**

Agenda Report
February 1, 2016

**SECTION:
CONSENT CALENDAR**

SUBJECT: APPOINTMENT OF CHIEF EXECUTIVE OFFICER

RECOMMENDATION: That the Commission:

- (A) Adopt a resolution amending Resolution No. 14-001, appointing Kelly J. Fredericks as Chief Executive Officer of the Authority effective March 7, 2016;
- (B) Approve an employment agreement (on file in the Records Management Department) with Kelly J. Fredericks as Chief Executive Officer (CEO); and
- (C) Authorize the CEO 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: Appropriations and corresponding expenditures for salary, benefits, and related personnel costs for the CEO will be accounted for and reported by the City of Ontario pursuant to the MOU by and between the City and OIAA. Consistent with the Memorandum of Understanding entered into by the OIAA on December 2, 2013, and by the City on February 4, 2014, any and all funds expended by the City of Ontario on behalf of the OIAA in pursuit of a successful ONT transfer shall be reimbursed by the OIAA to the City. This interim funding arrangement will continue throughout the interim transition period culminating with the transfer of the FAA Part 139 Operating Certificate from LAWA to the OIAA, anticipated in July 2016. Future years' appropriations will be included in the adopted operating budgets for the OIAA, as approved by the OIAA Commission in the respective fiscal years.

BACKGROUND: In accordance with provisions of the Joint Exercise of Powers Agreement establishing the Ontario International Airport Authority (OIAA), Section 3(E)(4), the Commission may provide for the employment or engagement of professional staff to assist in the overall operation of the

STAFF MEMBER PRESENTING: Alan D. Wapner, Ad Hoc Subcommittee
Ronald O. Loveridge, Ad Hoc Subcommittee

Prepared by: Al C. Boling
Department: Executive Director

Approved: 02/01/2016
Continued to: _____
Denied: _____

Exec. Director Approval: 

Authority. On January 6, 2014, the Commission adopted Resolution No. 14-001 appointing the Authority's Executive Director; an interim appointment for management until the transfer of the airport to local control.

Following the announcement on August 6, 2015 that the City of Los Angeles and the City of Ontario had reached an agreement in principle for the transfer of ONT to the OIAA, staff solicited proposals from aviation executive recruitment firms for management of the ONT CEO search process. Proposals were received from four aviation executive search firms. On August 31, 2015, the OIAA authorized the Interim Executive Director to negotiate and execute a Professional Services Agreement with Boyden Global Executive Search (Boyden) of Washington, DC, to conduct an executive recruitment for the new Chief Executive Officer (CEO) of ONT. On September 16, 2015, a Special Meeting of the OIAA was held to solicit feedback from ONT stakeholders regarding recommended CEO qualifications and attributes desired. Over 50 stakeholders including regional elected officials, major airline carriers, cargo entities, labor groups, government organizations, and members of the public participated. Following the meeting, a recruitment flyer was created by Boyden incorporating the recommendations from the OIAA and area stakeholders.

Boyden conducted pro-active outreach to qualified airport executives throughout the world and over 50 candidates submitted interest in the position, with very few meeting the qualifications for this unique challenge. After an intensive screening process by Boyden, four finalists were ultimately identified and interviewed by the OIAA. An ad hoc CEO Search Subcommittee (Subcommittee) was formed comprised of President Wapner and Vice President Loveridge and additional interviews and preliminary employment discussions were conducted between finalist Kelly J. Fredericks and the Subcommittee. On January 20, 2016, Vice President Loveridge of the Subcommittee formally recommended Mr. Fredericks as OIAA's first CEO and recommended salary and benefits parameters. The OIAA unanimously accepted the recommendations and authorized the Subcommittee to negotiate an employment agreement with Mr. Fredericks. The Subcommittee has completed the contract negotiation process, based on the direction given in both closed and open session, and the employment agreement is now ready for final approval.

This Commission action will also enable the CEO 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 and ONT that the CEO 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.