

ONTARIO INTERNATIONAL AIRPORT AUTHORITY

COMMISSION AGENDA - SPECIAL MEETING



JUNE 19, 2018 AT 11:00 A.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

JEFF P. REYNOLDS
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 a 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 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 11:00 a.m.

(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) - 11:00 A.M.

ROLL CALL

Loveridge, Bowman, Hagman, Gouw, President Wapner

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.

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.

ADMINISTRATIVE DISCUSSION/ACTION/REPORT

1. REVIEW AND ADOPTION OF THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY'S FISCAL BUDGET YEAR 2018-2019 AND APPROVAL OF THE SCHEDULE OF AIRLINE LANDING FEES AND TERMINAL RENTS FOR FISCAL YEAR 2018-2019

That the Ontario International Airport Authority Commission adopt a resolution approving and adopting the Budget for Fiscal Year 2018-2019; and the Schedule of Airline Landing Fees and Terminal Rents for Fiscal Year 2018-2019.

RESOLUTION NO. _____

A RESOLUTION OF THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY
APPROVING THE ANNUAL BUDGET FOR FISCAL YEAR 2018-19

STAFF MATTERS

Chief Executive Officer Thorpe

COMMISSION MATTERS

President Wapner

Vice President Loveridge

Secretary Bowman

Commissioner Hagman

Commissioner Gouw

ADJOURNMENT



DATE: JUNE 19, 2018

SECTION: ADMINISTRATIVE DISCUSSION/ACTION/REPORT

SUBJECT: REVIEW AND ADOPTION OF THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY'S FISCAL YEAR 2018-19 BUDGET AND APPROVAL OF THE SCHEDULE OF AIRLINE LANDING FEES AND TERMINAL RENTS FOR FISCAL YEAR 2018-19.

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

RECOMMENDED ACTION(S): That the Ontario International Airport Authority Commission approve a resolution approving and adopting of the following:

1. The Budget for Fiscal Year 2018-19; and,
2. The Schedule of Airline Landing Fees and Terminal Rents for Fiscal Year 2018-19.

FISCAL IMPACT AND SOURCE OF FUNDS: The Airport Authority is an independent economic enterprise, which funds its fiscal Budget through income derived from airlines, tenants, and other users of the airport. The revenues that will offset the aforementioned expenses for the Fiscal Year 2018-19 Budget are broadly summarized as follows:

Aviation (Signatory and Non-Signatory)	\$41,408,000	54%
Concession / Non-Aeronautical	<u>35,066,000</u>	46%
Total	<u>\$76,870,000</u>	100%

The Signatory Airlines are comprised of those carriers who are parties to the OIAA Operating Use and Lease Agreements ("ULAs"). Pursuant to the ULAs, the Signatory Airlines agree to pay OIAA Airline Landing Fees and Terminal Rents, which are described herein. Non-Signatory carriers are subject to higher aeronautical fees and their third-party contract service companies are required to pay concession fees to the Authority. Aviation revenues include terminal rents, landing fees, aviation-other, and land/building rents (other than terminals and other landside facilities). Concession/non-aeronautical revenues include car

STAFF MEMBER PRESENTING: Jeff Reynolds, Chief Financial Officer

Department: Finance Department Submitted to OIAA: June 19, 2018

Approved: _____

Continued to: _____

Denied: _____

Chief Executive Officer Approval: Mark D. Hoyle

parking, car rental, terminal concessions, ground transportation, and other. It is noted that the ratio of concession/on-aeronautical revenues to total revenues is expected to improve this year by 4% vs. FY2017-18, which contributes to the Authority's stated objective of reducing airline fees.

BACKGROUND: The proposed Operating Budget for Fiscal Year 2018-19 includes \$67,583,000 in expenses for the Ontario International Airport Authority, to be drawn from the Airport Revenue Fund.

Pursuant to the Joint Powers Agreement, section 10, the Treasurer of the Authority shall assume the duties described in California Government Code Section 6505.5.

PRIOR COMMISSION ACTION: On June 12, 2017, the Commission Resolved to defer the adoption of the Budget for fiscal year 2017-2018 until no later than September 30, 2017. The Commission adopted and approved the Budget for fiscal year 2017-18 on September 28, 2017 with effect from October 1, 2017 and Commission also adopted the Schedule of Airline Landing Fees and Terminal Rents for fiscal year 2017-18, also with effect from October 1, 2017.

CEQA COMPLIANCE: N/A

IMPACT ON OPERATIONS: Approval of funding is essential to enable the ongoing operations of the Authority and Ontario International Airport.

STAFFING IMPACT (# OF POSITIONS): The OIAA has a current staffing head count of 37 employees. The Budget to be adopted will appropriate sufficient funding to fill up to the additional positions.

EXHIBITS & ATTACHMENTS:

Attachment A: Resolution of the Ontario International Airport Authority Commission approving the annual budget for fiscal year 2018-19

Attachment B: Schedule of Airline Landing Fees and Terminal Rents

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.

RESOLUTION NO. 2018-__

A RESOLUTION OF THE ONTARIO INTERNATIONAL AIRPORT
AUTHORITY COMMISSION APPROVING THE ANNUAL BUDGET FOR
FISCAL YEAR 2018-19

WHEREAS, the Ontario International Airport Authority (“the Authority” or “OIAA”) was established under a Joint Exercise of Powers Agreement between the City of Ontario and the County of San Bernardino (the “Joint Powers Agreement”) pursuant to the purpose of operating, maintaining, developing, and marketing the Ontario International Airport (the “Airport”); and

WHEREAS, under the Joint Powers Agreement, Section 10, Funds, the Treasurer of the Authority shall assume the duties described in California Government Code Section 6505.5; and

WHEREAS, the Authority staff, including the Chief Executive Officer (“CEO”) and the Chief Financial Officer (“CFO”) of the Authority, have determined the Authority’s budget for Fiscal Year 2018-19 in accordance with the provisions of the Joint Powers Agreement; and

WHEREAS, the Authority staff have consulted with the Airport and Airline Affairs Committee (“AAAC”) in regards to this proposed budget for Fiscal Year 2018-19 and the AAAC have not expressed any objections to its adoption or implementation; and

WHEREAS, the Authority Commission has reviewed the proposed budget for Fiscal Year 2018-19, and has held a public meeting relative to its adoption.

NOW, THEREFORE, be it resolved as follows:

SECTION 1. The Authority hereby approves and authorizes the proposed Fiscal Year 2018-19 Budget (Exhibit A).

SECTION 2. The Authority hereby approves the Rates and Charges, effective July 1, 2018 (Exhibit B and C).

SECTION 3. This Resolution shall take effect immediately upon its adoption.

SECTION 4. The Commission Clerk of the Ontario International Airport Authority shall certify as to the adoption of this Resolution.

PASSED, APPROVED, AND ADOPTED at a Special Meeting this 19th day of June, 2018.

ALAN D. WAPNER, OIAA PRESIDENT

ATTEST:

SECRETARY/ASSISTANT SECRETARY

APPROVED AS TO LEGAL FORM:

LORI D. BALLANCE
GENERAL COUNSEL

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

I, Claudia Y. Isbell, Assistant Secretary of the Ontario International Airport Authority, DO HEREBY CERTIFY that foregoing Resolution No. 2017-_____ was duly passed and adopted by the Commission of the Ontario International Airport Authority at their special meeting held on June 19, 2018 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. 2017-_____ duly passed and adopted by the Commission of the Ontario International Airport Authority at their special meeting held June 19, 2018.

SECRETARY/ASSISTANT SECRETARY

(SEAL)