

**ONTARIO INTERNATIONAL AIRPORT AUTHORITY  
ADJOURNED REGULAR COMMISSION MEETING  
MINUTES  
TUESDAY, OCTOBER 4, 2016**

An adjourned regular meeting of the Ontario International Airport Authority was held on Tuesday, October 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 3:01 p.m.

**ROLL CALL**

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

ABSENT: Commissioners: None

Also present were: CEO Kelly J. Fredericks, Legal Counsel Stephen G. Larson and Assistant Secretary Vicki Kasad.

**PLEDGE OF ALLEGIANCE**

The Pledge of Allegiance was led by Commissioner Hagman.

**CLOSED SESSION**

- 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.

Hearing no requests to speak, President Wapner recessed the special meeting of the Ontario International Airport Authority to Closed Session at 3:02 p.m.

The Ontario International Airport Authority Commission meeting was reconvened in public session at 4:06 p.m.

**CLOSED SESSION REPORT**

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

## **PUBLIC COMMENTS**

Megan Prichard, General Manager for Uber Inland Empire, introduced herself and noted the area airports they currently serve; She looked forward to participating in a future permitting process to also serve Ontario International Airport.

Stephen Rogers expressed confusion with the noticing for this meeting. He addressed fair employment opportunities and the future success of the airport, and offered his assistance.

## **CONSENT CALENDAR**

President Wapner indicated that the agenda was incorrect and pulled everything from the Consent Calendar except Item 1, the Approval of Minutes, for separate discussion.

**MOTION:** Moved by Secretary Dunn, seconded by Commissioner Bowman and carried by unanimous vote to approve the remaining Consent Calendar, as presented.

### **1. APPROVAL OF MINUTES**

The Board approved the Minutes for the special meeting of the Ontario International Airport Authority of September 6, 2016, as on file with the Secretary/Assistant Secretary.

## **ITEMS PULLED FROM THE CONSENT CALENDAR**

### **2. A RESOLUTION OF THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY ADOPTING AND APPROVING THE ANNUAL BUDGET FOR FISCAL YEAR 2016-17**

A request that the OIAA Commission adopt a resolution approving the annual budget for the Airport for Fiscal Year 2016-17 and adopted by the Los Angeles Board of Airport Commissioners on June 2, 2016, and related actions.

President Wapner clarified that this was the budget previously approved by the LAWA Board of Airport Commissioners. He inquired if there were adequate funds in this budget to fund the items presented for consideration at this meeting.

CEO Fredericks confirmed, noting that the airport consultants had been part of the process and evaluated the budget to assure that it would work. He also noted that the CFO had been involved in the review process.

**MOTION:** Moved by Commissioner Hagman, seconded by Vice President Loveridge and carried by unanimous vote to adopt Resolution No. 2016-006.

**RESOLUTION NO. 2016-006** A RESOLUTION OF THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY ADOPTING THE ANNUAL BUDGET FOR FISCAL YEAR 2016-17

**3. A RESOLUTION OF THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY ADOPTING A RESOLUTION APPROVING THE SCHEDULE OF LANDING FEES AND TERMINAL RENTS FOR FISCAL YEAR 2016-17**

A request that the OIAA Commission adopt a resolution approving the schedule of landing fees and terminal rents for the Airport and adopted by the Los Angeles Board of Airport Commissioners on June 16, 2016, and related actions.

President Wapner noted that this had also been approved by the LAWA Board of Airport Commissioners and was being accepted for consistency during the transition. He indicated that it would be reviewed again later after the transfer.

**MOTION:** Moved by Commissioner Bowman, seconded by Secretary Dunn and carried by unanimous vote to adopt Resolution No. 2016-007.

**RESOLUTION NO. 2016-007** RESOLUTION OF THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY ADOPTING A SCHEDULE OF LANDING FEES AND TERMINAL RENTS FOR FISCAL YEAR 2016-17

**4. A RESOLUTION OF THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY AUTHORIZING IMPOSING OBLIGATION TO COLLECT AND REMIT CUSTOMER FACILITY CHARGES FROM EACH CONCESSION OR LEASE AGREEMENT THAT THE AUTHORITY ENTERS INTO WITH ON-AIRPORT OR OFF-AIRPORT CAR RENTAL COMPANIES.**

A request that the OIAA Commission adopt a resolution that each concession or lease agreement that the Authority enters into with an on-airport or off-airport car rental company require the applicable car rental company to collect from its customers and remit to the Authority a Customer Facility Charge.

President Wapner noted that this was also part of the existing contracts to be continued through the transition.

**MOTION:** Moved by Secretary Dunn, seconded by Commissioner Hagman and carried by unanimous vote to adopt Resolution No. 2016-008.

**RESOLUTION NO. 2016-008 RESOLUTION OF THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY IMPOSING OBLIGATION TO COLLECT AND REMIT CUSTOMER FACILITY CHARGES.**

**5. A RESOLUTION OF THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY ADOPTING A DEBT POLICY**

A request that the OIAA Commission adopt a resolution approving the Authority's Debt Policy.

**MOTION:** Moved by Commissioner Bowman, seconded by Commissioner Hagman and carried by unanimous vote to adopt Resolution No. 2016-009.

**RESOLUTION NO. 2016-009 RESOLUTION OF THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY ADOPTING A DEBT POLICY.**

**6. A RESOLUTION OF THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY ADOPTING AN INVESTMENT POLICY**

A request that the OIAA Commission adopt a resolution approving the Authority's Investment Policy.

**MOTION:** Moved by Secretary Dunn, seconded by Commissioner Hagman and carried by unanimous vote to adopt Resolution No. 2016-010.

**RESOLUTION NO. 2016-010 RESOLUTION OF THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY ADOPTING AN INVESTMENT POLICY**

**7. A RESOLUTION OF THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY PROVIDING FOR THE INVESTMENT OF INACTIVE FUNDS IN THE LOCAL AGENCY INVESTMENT FUND OF THE CALIFORNIA STATE**

## **TREASURY**

A request that the OIAA Commission adopt a resolution authorizing the Authority to invest in the Local Agency Investment Fund (LAIF) and authorizing designated staff to order the deposit or withdrawal of money in LAIF.

**MOTION:** Moved by Vice President Loveridge, seconded by Commissioner Bowman and carried by unanimous vote to adopt Resolution No. 2016-011.

**RESOLUTION NO. 2016-011** RESOLUTION OF THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY PROVIDING FOR THE INVESTMENT OF INACTIVE FUNDS IN THE LOCAL AGENCY INVESTMENT FUND OF THE CALIFORNIA STATE TREASURY

### **8. A RESOLUTION OF THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY ADOPTING THE AIRPORT RULES AND REGULATIONS**

A request that the OIAA Commission adopt the Rules and Regulations Manual for Ontario International Airport effective upon the OIAA becoming the owner and operator of the Airport, and direct the Chief Executive Officer to update them as warranted and publish to all stakeholders.

President Wapner noted that a revised agenda item had been provided and copies were available to the public. He indicated that approval of the rules and regulations was requested for consistency, but this document would ultimately come back for review and revisions.

**MOTION:** Moved by Commissioner Bowman, seconded by Secretary Dunn and carried by unanimous vote to adopt Resolution No. 2016-012.

**RESOLUTION NO. 2016-012** RESOLUTION OF THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY ADOPTING THE ONTARIO INTERNATIONAL AIRPORT RULES AND REGULATIONS MANUAL

### **9. AUTHORIZE THE CHIEF EXECUTIVE OFFICER TO EXECUTE AND DELIVER DOCUMENTS AND AGREEMENTS NECESSARY OR APPROPRIATE, AND TAKE SUCH OTHER ACTIONS AS HE DEEMS NECESSARY OR APPROPRIATE, FOR THE TRANSFER OF THE ONTARIO INTERNATIONAL AIRPORT TO THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY AND/OR REQUIRED PURSUANT TO THE**

**SETTLEMENT AGREEMENT WITH THE CITY OF LOS ANGELES.**

A request that the OIAA Commission authorize, empower, and direct the Chief Executive Officer, in the name and on behalf of the Authority, to negotiate, execute, and deliver all documents and agreements necessary or appropriate, or take such other actions as he deems necessary or appropriate, for the transfer of the Ontario International Airport to the Authority pursuant to the Settlement Agreement, dated December 22, 2015 but effective July 30, 2015, with the City of Los Angeles, its Board of Airport Commissioners, and Los Angeles World Airports.

**MOTION:** Moved by Vice President Loveridge, seconded by Commissioner Hagman and carried by unanimous vote to authorize the Chief Executive Officer to complete necessary actions to effect transfer of the airport pursuant to the Settlement Agreement dated December 22, 2015.

**10. A PROFESSIONAL SERVICES AGREEMENT BETWEEN THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY AND CSG ADVISORS INCORPORATED (CSG) FOR AIRPORT TRANSFER PROFESSIONAL SERVICES RELATED TO THE ISSUANCE OF THE AUTHORITY'S AIRPORT REVENUE BONDS AND FOR ON-GOING FINANCIAL SUPPORT TO THE AUTHORITY**

A request that the OIAA Commission authorize the Chief Executive Officer to execute the agreement with CSG Advisors Incorporated for professional services provided to the Authority during the Airport transfer and on-going services necessary after the Airport transfer.

President Wapner noted the inclusion of \$305,000 for the bonds, but questioned \$2,500 per month for additional services. CEO Fredericks clarified that this would cover financial advisory services to insure continuity and stability post transfer.

**MOTION:** Moved by Commissioner Hagman, seconded by Commissioner Bowman and carried by unanimous vote to authorize the CEO to execute an agreement with CSG Advisors Incorporated for Airport Transfer Professional Services.

**11. A PROFESSIONAL SERVICES AGREEMENT BETWEEN THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY AND JOHNSON AVIATION, INC. FOR PLANNING AND DEVELOPMENT PROGRAM MANAGEMENT**

## **SUPPORT TO THE ONTARIO INTERNATIONAL AIRPORT**

A request that the OIAA Commission authorize the Chief Executive Officer to execute the agreement with Johnson Aviation, Inc. for planning and development program management support to the Ontario International Airport.

President Wapner recused himself from this discussion due to receipt of a campaign contribution. He yielded the Chair to Vice President Loveridge.

Secretary Dunn expressed concern with the \$96,000 a month contract and questioned the cost as well as blanks for specific personnel. CEO Fredericks explained that OIAA had worked with Mr. Johnson since 2011 for planning, design and program management, and this would continue that work as an extension of OIAA staff. He explained that the blanks were intended for future individuals as needed. Secretary Dunn inquired if these positions would possibility transition to OIAA staff in the future. Mr. Fredericks indicated that was possible at some point. Secretary Dunn noted that Mr. Johnson was very capable and a great asset, but suggested that filling in the blanks might give more confidence to the bonding companies.

**MOTION:** Moved by Vice President Loveridge, seconded by Commissioner Bowman and carried by a vote of 4 to 0 with President Wapner abstaining to authorized the CEO to execute and Agreement with Johnson Aviation, Inc. for planning and development program management.

12. ***A PROFESSIONAL SERVICES AGREEMENT BETWEEN THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY AND DKMG CONSULTING, LLC TO PROVIDE AIRPORT FINANCIAL CONSULTING SERVICES TO THE AUTHORITY.***

A request that the OIAA Commission authorize the Chief Executive Officer to execute the agreement with DKMG Consulting, LLC for on-call services as it relates to financial airport consulting.

Secretary Dunn questioned the “on-call” scope of work and suggested that it would be nice to have goals and objective to know what constituted success. She requested more information in the future pertaining to goals, objectives and date specific deliverables.

**MOTION:** Moved by Commissioner Bowman, seconded by Commissioner Hagman and carried by unanimous vote to authorize the CEO to execute an agreement with DKMG Consulting, LLC for on-call services regarding financial airport consulting.

**13. A PROFESSIONAL SERVICES AGREEMENT BETWEEN THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY AND ALTA ENVIRONMENTAL TO PROVIDE ENVIRONMENTAL MANAGEMENT SUPPORT TO THE ONTARIO INTERNATIONAL AIRPORT.**

A request that the OIAA Commission authorize the Chief Executive Officer to execute the agreement with ALTA Environmental to provide environmental management support to the Ontario International Airport.

Stephen Rogers noted that this item involved environmental management for the airport and expressed concern with the TCE plume in the Ontario Ranch area. He inquired if the consultant was looking at potential contamination at the airport. President Wapner reminded Mr. Rogers and the public that these are ongoing agreements for consistency during the airport transfer. Mr. Rogers further questioned the lack of an RFP/RFQ process.

**MOTION:** Moved by Commissioner Bowman, seconded by Commissioner Hagman and carried by unanimous vote to authorized the CEO to execute an agreement with ALTA Environmental to provide environmental management support.

**ADMINISTRATIVE REPORTS/DISCUSSION/ACTION**

**14. A RESOLUTION OF THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY AUTHORIZING THE ISSUANCE OF ONTARIO INTERNATIONAL AIRPORT AUTHORITY REVENUE BONDS**

A request that the OIAA Commission authorize the issuance of its Ontario International Airport Revenue Bond Series 2016A (Tax Exempt) (AMT) and Bond 2016B (Taxable) (collectively the "2016 Bonds"), approve the financing documents related thereto, approve Morgan Stanley & Co. LLC as the Underwriter for the 2016 Bonds, and authorize the Chief Executive Officer, the Chief Operating Officer, the Chief Financial Officer, or their designee to take certain actions as needed to complete the redemption and discharge of the Los Angeles World Airports outstanding Ontario International Airport Refunding Revenue Bonds, Series 2006A and Series 2006B (collectively, the "LAWA Bonds") as the OIAA is obligated to do pursuant to the Settlement Agreement.

Stephen Rogers commented on the upcoming transfer and expressed concern with loose ends to be tied up prior to that time. He suggested that there might be a need to increase the bonds to address issues with the site.

President Wapner inquired of Legal Counsel Larson whether appropriate legal disclosures had been made in the bond process. Legal Counsel Larson confirmed. President Wapner clarified that the bonds are being issued as part of the settlement to reimburse the City of Los Angeles for their outstanding bond issues.

**MOTION:** Moved by Commissioner Bowman, seconded by Secretary Dunn and carried by unanimous vote to adopt Resolution No. 2016-013 and authorize the issuance of Ontario International Airport Authority Revenue Bonds.

**RESOLUTION NO. 2016-013** RESOLUTION OF THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY AUTHORIZING THE ISSUANCE OF ONTARIO INTERNATIONAL AIRPORT AUTHORITY REVENUE BONDS AND CERTAIN RELATED DOCUMENTS AND ACTIONS

**15. AIR SERVICE PERFORMANCE UPDATE**

CEO Fredericks provided an overview of Airport statistics for the month of August, as well as operational data for other Southern California airports. He noted increasing available seat capacity and continued cargo growth. He introduced the new Chief Marketing Officer, Daniel Adamus, and noted that staff members Amy Goethals and Anh Nguyen had become OIAA employees on October 1, 2016.

**COMMISSIONER COMMENTS**

Secretary Dunn congratulated the Board on completing a large agenda which helps accomplish the transfer, and expressed appreciation to staff, counsel and the advisors. She noted that the hard work is yet to come.

Commissioner Hagman commended staff for compiling the necessary materials for this important meeting. He noted that he has been receiving inquiries from foreign airlines and the airport transfer is generating a lot of comments in his District.

Commissioner Bowman thanked staff, Set ONTario Free, and others for their work, but noted that time is short and there is still much to be done. He suggested that this was one of the biggest endeavors in the history of the area and commented that he was glad to be a part of it.

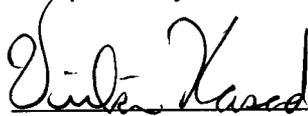
Vice President Loveridge expressed thanks to staff and noted positive comments received on a recent return to the airport from staff who were excited about the transfer.

President Wapner commented on the size of the agenda for this meeting and thanked staff, the consultant team and the public for their support. He stressed that the transfer could only be happening with the level of support received. He reiterated the transfer date of November 1, 2016 and advised that there would be a ceremony on November 2<sup>nd</sup>. He noted that a regional approach will be taken when working with surrounding airports, but concurred with Secretary Dunn that the hard work was just beginning.

### **ADJOURNMENT**

President Wapner adjourned the Ontario International Airport Authority Commission meeting at 4:47 p.m.

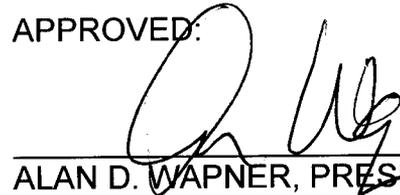
Respectfully submitted:



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VICKI KASAD, ASSISTANT SECRETARY

APPROVED:



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ALAN D. WAPNER, PRESIDENT  
ONTARIO INTERNATIONAL AIRPORT AUTHORITY