

**ONTARIO INTERNATIONAL AIRPORT AUTHORITY
SPECIAL COMMISSION MEETING
MINUTES
MONDAY, NOVEMBER 7, 2016**

A special meeting of the Ontario International Airport Authority was held on Monday, November 7, 2016, in the 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 10:02 a.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 Jonathan Phillips and Assistant Secretary Vicki Kasad.

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 10:03 a.m.

The Ontario International Airport Authority Commission meeting was reconvened in public session at 10:14 a.m.

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Vice President Loveridge.

CLOSED SESSION REPORT

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

PUBLIC COMMENTS

There were no public comments.

CONSENT CALENDAR

MOTION: Moved by Vice President Loveridge, seconded by Secretary Dunn and carried by unanimous vote to approve the Consent Calendar as presented.

1. APPROVAL OF MINUTES

Approved the Minutes for the regular meeting of the Ontario International Airport Authority on October 3, 2016 and the adjourned regular meeting on October 4, 2016, as on file with the Secretary/Assistant Secretary.

ADMINISTRATIVE REPORTS/DISCUSSION/ACTION

2. A RESOLUTION OF THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY TO APPROVE AND ADOPT BYLAWS

The OIAA Commission approve and adopt the Ontario International Airport Authority Bylaws.

President Wapner requested that this item be continued for further work.

MOTION: Moved by Commissioner Bowman, seconded by Secretary Dunn and carried by unanimous vote to continue this item.

3. A RESOLUTION OF THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY TO AUTHORIZE THE CHIEF EXECUTIVE OFFICER TO NEGOTIATE AND EXECUTE NON-EXCLUSIVE LICENSE AGREEMENTS FOR ONTARIO INTERNATIONAL AIRPORT

CEO Fredericks explained that this involved non-exclusive agreements received in the transfer for businesses needing access to the airport, such as taxis and fueling entities. He further explained that for now the agreements would be

continued at the rates established by LAWA, but would be addressed further through the 2018 budget process.

President Wapner inquired if the previously adopted budget included those rates. CEO Fredericks confirmed. Commissioner Hagman questioned the timing of these agreements. CEO Fredericks indicated that there would be substantive changes after July 1, 2017. President Wapner suggested bringing agreements back to the Board three to six months before they expire for review.

MOTION: Moved by Commissioner Bowman, seconded by Commissioner Hagman and carried by unanimous vote to adopt Resolution No. 2016-014 authorizing, empowering, and directing the Chief Executive Officer, in the name and on behalf of the Authority, to negotiate and execute Non-Exclusive License Agreements at rates currently established by Resolution of the Los Angeles Board of Airport Commissioners subject to revision periodically by resolution of the OIAA Commission.

RESOLUTION NO. 2016-014 A RESOLUTION OF THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY AUTHORIZING THE CHIEF EXECUTIVE OFFICER TO NEGOTIATE AND EXECUTE NON-EXCLUSIVE LICENSE AGREEMENTS FOR ONTARIO INTERNATIONAL AIRPORT

4. **A RESOLUTION OF THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY TO AUTHORIZE THE CHIEF EXECUTIVE OFFICER TO NEGOTIATE AND EXECUTE USE TERMS AND CONDITIONS (UTC) AGREEMENTS FOR ONTARIO INTERNATIONAL AIRPORT**

CEO Fredericks indicated that these agreements were also inherited as part of the transfer, so it was proposed to adopt the existing agreements and come back to the Board for review.

President Wapner questioned new pricing. CEO Fredericks indicated that the intent was to have a completely new set of rates and charges.

Commissioner Hagman commented that there were uses at the airport that he was not previously aware of and was curious about the full extent of uses at the airport. CEO Fredericks indicated that there would be a comprehensive master plan and stressed the importance of looking at the airport in a more comprehensive and strategic manner on even the short term leases. President Wapner commented on

the need to provide the existing users time to find alternative locations. Commissioner Hagman indicated that he would like to be kept informed of the overall plans.

MOTION: Moved by Secretary Dunn, seconded by Commissioner Bowman and carried by unanimous vote to adopt Resolution No. 2016-015 authorizing, empowering, and directing the Chief Executive Officer, in the name and on behalf of the Authority, to execute Use Terms and Conditions (UTC) agreements consistent with the standard UTC agreement form attached to the Resolution.

RESOLUTION NO. 2016-015 A RESOLUTION OF THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY AUTHORIZING THE CHIEF EXECUTIVE OFFICER TO NEGOTIATE AND EXECUTE USE TERMS AND CONDITIONS (UTC) AGREEMENTS FOR THE ONTARIO INTERNATIONAL AIRPORT

5. AUTHORIZE THE CHIEF EXECUTIVE OFFICER TO NEGOTIATE AND EXECUTE CERTAIN AMENDMENTS TO AGREEMENTS ASSIGNED BY LAWA TO THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY

CEO Fredericks explained that this action would allow him to clean-up the verbiage in a number of inherited agreements to remove and replace terms like "LAWA", "Board of Airport Commissioners", etc. President Wapner inquired how long physical changes would take to transition from LA/Ontario to Ontario International Airport. CEO Fredericks indicated that the changes would be prioritized. He stressed the need to change the announcements in the terminals. He expressed hopes that everything could be done in 12-18 months.

MOTION: Moved by Commissioner Hagman, seconded by Vice President Loveridge and carried by unanimous vote to authorize, empower and direct the CEO to negotiate and execute amendments to any agreement assigned by the City of Los Angeles, its Board of Airport Commissioners, and Los Angeles World Airports to the Authority ("Assigned Agreement"), for the purpose of removing references to provisions of the Los Angeles Administrative Code and any other applicable codes or ordinances of the City or County of Los Angeles, and replacing said references with references to applicable provisions of the City of Ontario Municipal Code and/or San Bernardino County Code.

6. AN AGREEMENT BETWEEN ONTARIO INTERNATIONAL AIRPORT

AUTHORITY AND THE CITY OF ONTARIO FOR LAW ENFORCEMENT SERVICES

CEO Fredericks explained that staff is looking at ways to attain operational efficiencies. He indicated that this agreement was previously approved by the City Council on November 1, 2016, and would allow for a phased in approach.

President Wapner noted that there would be another agreement to formalize the services provided by the Fire Department. Secretary Dunn requested a copy of the agreement, which she referred to as the MOU. (CEO Fredericks later explained that he had inadvertently used the term "MOU" in the memorandum provided to Secretary Dunn; the agreement was properly referred to as a "professional services agreement" in both the Agenda and the Agenda Report.) President Wapner suggested that such documents be provided as backup when an item is presented for consideration. Commissioner Hagman inquired about what was being agreed to. CEO Fredericks indicated that it was a \$3.5 million agreement which would provide for the transition from LAWA to City personnel for police services. Secretary Dunn clarified that it was not an MOU, but a Professional Services Agreement, and suggested that better legal review was needed. President Wapner inquired if the agreement had gone through the attorney's office for review and suggested that it would be helpful to have the attorney sign off when the review is to form. Legal Counsel Phillips indicated that it had been prepared by the outside counsel associated with the transfer, but in the future, their office would be the primary source of review for such documents. Secretary Dunn expressed concern with approving an agreement as a MOU, when neither the public, nor the board has seen the document. President Wapner inquired if there would be a problem with continuing this item. Secretary Dunn indicated that otherwise she would need to abstain from vote. President Wapner noted for the record that this Board is very engaged in the process, and noted that if continued, the intent would be to make the action retroactive.

City Manager Boling expressed concern as to the liability that could exist without the agreement in place. He indicated that on the City side the intent would be that a more robust agreement would come to the Council in December for both Police and Fire services, possibly following to this Board in January, 2017. President Wapner questioned the potential for indemnification without approving the balance of the agreement. He further questioned the feeling of the Board. Secretary Dunn reiterated her concern with calling the document an MOU rather than a Professional Services Agreement. CEO Fredericks explained that this was an issue of semantics

on his part, referring to his inadvertent use of the term MOU in a prior memorandum. (Although she did show concern with the memorandum's reference to an MOU, Secretary Dunn indicated that she was more concerned with the fact that she had not seen the agreement.) President Wapner stressed that this would be an interim agreement. Secretary Dunn inquired if that was stated. President Wapner indicated that it was not, but could be added to the motion to approve the agreement subject to it coming back within the next three months.

MOTION: Moved by Vice President Loveridge, seconded by Secretary Dunn and carried by unanimous vote to authorize the Chief Executive Officer to approve a Professional Services Agreement for the City of Ontario to provide law enforcement services to the Ontario International Airport Authority, subject to a more robust agreement coming back to the Board for both Police and Fire services in the next three months.

7. AIR SERVICE PERFORMANCE UPDATE

CEO Fredericks detailed the statistics for September and noted that he was very pleased that Southwest recently announced direct service to Dallas starting January 15, 2017. He also mentioned the larger aircraft being used by United Airlines since earlier this Fall for Denver service. He explained annualized seats and the potential for 220,000 new seats which could potentially elevate the growth rate to over 4%; which is better than what ONT has seen since 2005. He indicated that cargo continues to be strong and is up 10.3% for the month.

Vice President Loveridge inquired if it would be possible to get the numbers broken down by airline, noting that he would like to see if the patterns are consistent across all airlines. CEO Fredericks indicated that he receives that information and will provide it.

CEO Fredericks announced that since November 1st, Hudson has been providing retail services pre-security, and there is also new food and beverage service available provided by Delaware North. He commended Amy Goethals, the City and County for getting these operations approved in 48 hours. He also announced that ONT is going to have the first Welcome Center in an airport, due to the assistance of Michael Krouse. It will be starting construction after the first of the year. He also showed photos of the dedication plaques and the Police Booth that is placed pre-security, and the photo-op 727 that was part of the transfer. He indicated that staff is working on rolling out valet parking and a

more comprehensive approach to the security check point. They are also looking at relocating and moving some of the parking and updating the signage. He noted that they will be using the Board members and Ad Hoc committees for marketing and branding.

CEO Fredericks then commented on the success of the transfer ceremony. He thanked everyone for their participation and assistance and noted that there will be more events of that type. He introduced new staff members Sandy Collier, Director of Human Resources and Susanna Sincere, part time Administrative Assistant.

COMMISSIONER MATTERS

President Wapner thanked CEO Fredericks and the Concessionaires for the new amenities in Terminal 4, noting that it will provide an enhanced experience for the travelers as well as new revenue opportunities. He also thanked staff for the transfer event.

Commissioner Hagman commended staff on the event. He also thanked staff for their assistance with a Chinese press conference. He noted a VIP service offered to legislators at LAX and suggested offering a similar service.

Vice President Loveridge commended staff on the transfer event and President Wapner as the Master of Ceremonies. He inquired if the event was recorded and suggested making portions of it available through various sources.

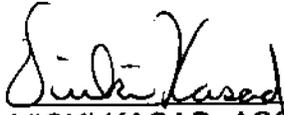
There was general discussion of ways to solicit support from sister agencies and advertise that Ontario is open for business via the Board members and social media.

Commissioner Hagman inquired if there was a regular schedule for the Ad Hoc Committees. President Wapner indicated that it was up to the Committee Chairs to schedule those meetings.

ADJOURNMENT

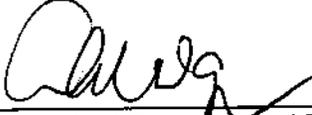
President Wapner adjourned the Ontario International Airport Authority Commission meeting at 10:58 a.m.

Respectfully submitted:



VICKI KASAD, ASSISTANT SECRETARY

APPROVED:



ALAN D. WAPNER, PRESIDENT
ONTARIO INTERNATIONAL AIRPORT AUTHORITY