

ONTARIO INTERNATIONAL AIRPORT AUTHORITY

FINANCE & AUDIT COMMITTEE SPECIAL MEETING AGENDA



JUNE 8, 2023, AT 1:30 P.M.

Ontario International Airport Authority Administration Offices
1923 East Avion Street, Room 100, Ontario, CA 91761

STANDING COMMITTEE MEMBERS

ALAN D. WAPNER
Chair

RONALD O. LOVERIDGE
Member

WELCOME TO AN OIAA MEETING

- 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 raise their virtual hand to be recognized. Your virtual hand must be raised prior to public comment, beginning, or before an agenda item is taken up. An opportunity to speak will not be taken after that time.
- You may submit public comments by e-mail to publiccomment@flyontario.com no later than 4:00 p.m. the day before the meeting. Please identify the Agenda item you wish to address in your comments. All e-mail comments will be included in the meeting record.
- Comments will be limited to 3 minutes. Speakers will be alerted when their time is up. Speakers are then returned to the attendee list 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.
- All those wishing to speak, including Committee Members and Staff, need to be recognized by the Committee Chair before speaking.
- Communication access real-time transcription, assistive listening devices, other auxiliary aids and/or services, or Sign Language Interpreters 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. Any members of the public who require special assistance or a reasonable accommodation to participate telephonically in the standing committee meeting may contact the Board Clerk at (909) 544-5307 or clerk@flyontario.com.

1. **CALL TO ORDER**

2. **ROLL CALL**

Wapner (Chair), Loveridge (Member)

3. **PUBLIC COMMENTS**

The Public Comment portion of the Committee meeting is limited to a maximum of 3 minutes for each Public Comment. Under provisions of the Brown Act, the Committee is prohibited from taking action on oral requests.

4. **COMMITTEE AGENDA REVIEW/ANNOUNCEMENTS**

Staff will go over all updated materials and correspondence received after the Agenda was distributed to ensure Committee Members have received them.

5. **COMMITTEE ACTION/DISCUSSION ITEMS**

A. A RESOLUTION TO APPROVE THE FYE 2024 OPERATING BUDGET

That the Finance & Audit Committee recommend approval to the Ontario International Airport Authority (OIAA) Commission to approve the FYE 2024 Operating Budget.

B. A RESOLUTION TO APPROVE THE FYE 2024 CAPITA IMPRODVEMENT PROGRAM BUDGET

That the Finance & Audit Committee recommend approval to the Ontario International Airport Authority (OIAA) Commission approve the FYE 2024 Capital Improvement Program Budget.

6. **COMMITTEE MEMBER COMMENTS AND REQUESTS FOR FUTURE AGENDA ITEMS**

Alan D. Wapner, Chair

Ronald O. Loveridge, Member

7. **ADJOURNMENT**

AFFIDAVIT OF POSTING

I, Norma I. Alley, MMC, Board Clerk of the Ontario International Airport Authority (OIAA), do hereby declare under penalty of perjury that the foregoing agenda has been posted at the administrative office and on the OIAA website in compliance to the Brown Act.

Date Posted: June 7, 2023

Posted Prior To: 1:30 P.M.

Signature:



Norma I. Alley, MMC
Ontario International Airport Authority Board Clerk



MEETING DATE: JUNE 8, 2023

AGENDA SECTION: COMMITTEE ACTION/DISCUSSION ITEMS

SUBJECT: A RESOLUTION TO APPROVE THE FYE 2024 OPERATING BUDGET

RELEVANT STRATEGIC OBJECTIVE: Invest in ONT Master the Basics Plan for the Future

RECOMMENDED ACTION(S): Recommend to full Commission to adopt a resolution for approval to the Ontario International Airport Authority (OIAA) Commission to approve the FYE 2024 Operating Budget.

FISCAL IMPACT SUMMARY: The proposed FYE 2024 budget results in Net Income from Operations of \$11.6M a \$2.0M (14.8%) decrease compared to FYE 2023.

Interest costs will be funded from airline rates and charges in accordance with the Airline Operating Use and Lease Agreement (ULA).

BACKGROUND: Fiscal Year Financial Performance: The proposed operating budget for the fiscal year ending June 30, 2024, is driven by strong aviation activity and financial performance realized by OIAA through March 31, 2023. Net income from operations totaled \$18.7M with a favorable variance to budget of \$8.3M. Operating revenue of \$75.7M exceeded budget by \$4.5M (6.3%) and Operating expenses of \$57.4M were favorable to budget by \$8.4M (12.9%). The proposed budget was developed from OIAA Goals and Objectives and includes significant increases in resources to meet current and expected near term growth.

OPERATING REVENUES: Total FYE 2024 budgeted operating revenues of \$113.5M exceed the budget FYE 2023 by \$10.9M (10.7%), with aeronautical revenue increasing by \$2.7M (5.6%) and nonaeronautical revenues by \$8.2M (15.1%). The Authority has budgeted \$6.6M of ARPA grant funds to maintain a relatively level rate structure. Budget revenue forecasts do not reflect proposed changes in any airline rates and charges, except for landing fees and terminal rents that are calculated under the terms of the Operating Use and Lease Agreement. In addition, to these changes, an increase to parking rates is being proposed and is included in the budget.

Aeronautical revenue increases are primarily driven by increases in landing fees and airline handling service fees. Landing fees increased by \$1.8M (12.4%) and are associated with greater landed weights and a higher landing fee rate. Terminal rents decrease by \$573K (3.5%) are driven by higher per square foot rental rates. In addition, ground handling revenue increases reflect higher than expected revenues from third-party ground handling service providers to signatory airlines.

Nonaeronautical revenues budgeted FYE 2024 of \$63.0M are greater than FYE 2023 by \$8.2M (15.1%). This increase is driven by higher concession revenues. The most significant operating revenue budget increases include parking revenues of \$7.0M (24.9%) and food & beverage of \$1.6M (105.6%). Parking revenue increases

are associated with forecasted increases in aviation activity and proposed increases parking lot rates, depending on the lot. Rental car revenues are estimated to be lower FYE 2024 compared to FYE 2023 after several years of favorable growth. Operating grant revenues budgeted FYE 2024 of \$6.6M is the same as budgeted FYE 2023. This leaves unspent operating grant funding of \$11.4M which will be rolled over to FYE 2025. The grant funding must be spent by December 2025.

OPERATING EXPENSES: Total budgeted Operating Expenses FYE 2024 of \$101.9M, exceed the budget FYE 2023 of \$89.0M, by \$12.9M (14.5%). Major changes are for personnel, public safety, contractual services, and other operating expenses. No uniform budget increases have been provided for inflation, as contracted service and material expenses are largely controlled by established agreements.

Personnel expenses FYE 2024 of \$17.6M, are greater than FYE 2023 by \$4.5M, (34.8%). This includes 17.5 new OIAA staff positions, totaling \$1.1M. Also, the FYE 2024 personnel budget assumes a 3% COLA increase, as well as a 5% merit pool for performance-based increases, which totals \$775K in the FYE 2024 budget.

Nonpersonnel expenses FYE 2024 of \$84.3M increase by \$8.4M (11.1%), compared to FYE 2023 budgeted expenses of \$76.0M. Public Safety expenses of \$23.3M FYE 2024 are higher than the FYE 2023 budget by \$2.1M. Public safety, police, fire, and dispatch services are provided under a Municipal Services agreement with the City of Ontario. The budgeted increase is 10% based on an estimated contractually required increases as well as police personnel. The contractual expense budget FYE 2024 of \$39.7M is greater than the FYE 2023 budget by \$4.1M (11.7%). The greatest increases are for security and technology support services to complete information technology initiatives as well as the implementation and operation of the new Common Use system in Terminal 2.

Nonoperating Revenues are budgeted to increase by \$1.4M (12.4%). Most of this net increase is driven by activity-based facility charges and interest income. These facility charges include Passenger Facility Charges and Customer Facility Charges and are directly related to passenger activity. There are no changes in the rate structure for these facility charges, PFCs remain at \$4.50 per enplaned passenger and CFCs stay the same at \$10 per rental car contract. Interest income is expected to be greater as interest rates on short-term cash equivalent investments increase.

Other Sources and (Uses), net, are from debt service, required reserves, depreciation, and fund transfers. Total Other Sources and (Uses) budgeted at \$22.0M FYE 2024 are greater than the FYE 2023 budget by \$777K (3.7%).

Debt service is associated with required principal and interest payments for the series 2016 and 2021 revenue bonds. Debt service is expected to decrease by \$782K. The decrease is associated with early retirement of non-revenue bond debt in FYE 2022.

Reserve balances and adjustments are established under the Operating Use and Lease Agreement, Revenue Bond Covenants, and regulatory authority. The Discretionary reserve is to fund Capital projects without airline approval, that would otherwise require approval under the Majority in Interest provisions of the ULA. The Discretionary reserve increase is for required reserve adjustments based on CPI. The Maintenance and Operations (M&O) reserve requires that 25% of operating expenses be included in the M&O reserve on a rolling funding basis, whereby adjustments in a fiscal year are provided to adjust the reserve balance by an amount necessary to meet the 25% requirement. The Debt Service reserve is also on a rolling fund basis, to provide a reserve balance equal to 25% of the revenue bond debt service for the budgeted fiscal year.

The unrestricted fund transfer is for estimated airline incentive program savings for qualified airlines and routes. These fees result in a loss of revenues and an increase in rates and charges to other airlines. This loss may not be recovered through rates and charges to the airlines and must be funded through transfers from the unrestricted net position balance.

The budget establishes a net residual requirement, that is covered by landing fees and terminal rental rates. Landing fees are established by dividing the net requirement in the Airfield Cost Center by the estimated landed weight for cargo and passenger air carriers. The terminal rental rate is established by dividing the net requirement in the Terminal Cost Center by the total of terminal space leased by the airlines, including joint use space in public areas.

The calculated landing fee rate for FYE 2024 is \$1.83 per 1,000 lbs. of landed weight generating \$16.0M in landing fees and the terminal rental rate FYE 2024 is \$87.1, which results in \$15.7M of terminal rent revenue.

PROCUREMENT: N/A.

CEQA COMPLIANCE AND LAND USE APPROVALS: N/A

STAFFING IMPACT (# OF POSITIONS): N/A

IMPACT ON OPERATIONS: The financial results provide additional resources for the OIAA to respond to increased passenger carrier activity and to meet OIAA goals and objectives.

SCHEDULE: N/A

ATTACHMENTS:

1. Operating Budget FYE 2024 Proposed vs FYE 2023 Amended Proposed Rates and Charges FYE 2024.

STAFF MEMBER PRESENTING: Chief Executive Officer Atif Elkadi

Originator Name: John M. Schubert, Chief Financial Officer

Originating Dept.: Finance

Director Review: N/A

Chief Review: John M. Schubert, Chief Financial Officer



CEO Approval:



This Agenda Report has been reviewed by OIAA General Counsel.

The Agenda Report references the terms and conditions of the recommended actions and request for approval. Any document(s) referred to herein, which are not attached or posted online, may be reviewed prior to, or following scheduled Commission meetings in the Office of the Clerk of the Board. Office hours are 8:30 a.m. to 5:00 p.m., Monday through Friday, although these hours and review procedures may be modified. In that case, the documents may be requested by email at clerk@flyontario.com.

BOARD DISPOSITION: Approved Denied Continued to _____

PRELIMINARY DRAFT

OPERATING BUDGET

FOR THE YEAR ENDED
JUNE 30, 2024

ONTARIO INTERNATIONAL AIRPORT AUTHORITY



PRELIMINARY DRAFT

ONTARIO INTERNATIONAL AIRPORT AUTHORITY OPERATING BUDGET FOR THE YEAR ENDING JUNE 30, 2024

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	Adopted Budget		Proposed Budget		Increase (Decrease) FY 2024 Proposed vs FY 2023 Adopted	
	FY 2023	FY 2024	\$	%		
Aeronautical						
Landing fees	\$ 14,239,780	\$ 16,006,964	\$ 1,767,185	12.41%		
Facility rentals	16,261,999	15,688,558	(573,441)	-3.53%		
Land rentals	12,857,518	12,455,895	(401,623)	-3.12%		
Gate use and jet bridge fees	1,526,080	806,912	(719,168)	-47.13%		
Plane parking	539,255	643,257	104,002	19.29%		
Airline handling service fees	1,676,571	4,032,833	2,356,262	140.54%		
Operating grants	297,600	321,000	23,400	7.86%		
Other aeronautical revenues	401,143	527,237	126,094	31.43%		
Total aeronautical	47,799,946	50,482,656	2,682,710	5.61%		
Nonaeronautical						
Auto parking	28,156,137	35,150,798	6,994,661	24.84%		
Rental cars	10,477,107	9,996,171	(480,936)	-4.59%		
Food and beverage	1,473,447	3,029,527	1,556,080	105.61%		
News and gifts	2,041,517	2,124,170	82,652	4.05%		
Ground transportation	1,740,302	2,144,696	404,394	23.24%		
Advertising and Other Concessions	1,122,000	1,024,316	(97,684)	-8.71%		
Facility & Land rentals - nonaeronautical	2,593,109	2,728,792	135,683	5.23%		
Other	550,114	199,971	(350,143)	-63.65%		
Operating grants - ARPA	6,575,000	6,575,000	-	0.00%		
Total nonaeronautical	54,728,735	62,973,441	8,244,707	15.06%		
Total operating revenues	102,528,680	113,456,097	10,927,417	10.66%		
Personnel						
Salaries, wages and overtime	10,394,503	13,690,071	3,295,569	31.70%		
Employee benefits and taxes	2,664,896	3,911,943	1,247,048	46.80%		
Total personnel	13,059,398	17,602,014	4,542,616	34.78%		
Nonpersonnel						
Public safety	21,175,717	23,293,289	2,117,572	10.00%		
Contractual services	35,552,476	39,694,741	4,142,265	11.65%		
Insurance and administration	2,147,461	1,957,391	(190,070)	-8.85%		
Materials and Supplies	1,919,787	2,699,817	780,030	40.63%		
Telecommunications and utilities	7,293,100	7,331,304	38,204	0.52%		
Other Operating Expenses	7,814,140	9,320,324	1,506,184	19.28%		
Total nonpersonnel	75,902,681	84,296,866	8,394,185	11.06%		
Total operating expenses	88,962,079	101,898,880	12,936,801	14.54%		
Net Income from operations	13,566,601	11,557,217	(2,009,385)	-14.81%		

	Adopted Budget	Proposed Budget	Increase (Decrease) FY 2024 Proposed vs FY 2023 Adopted	
	FY 2023	FY 2024	\$	%
Nonoperating Revenues				
Interest income	\$ 77,143	\$ 505,546	\$ 428,403	555.34%
Passenger facility charges	11,582,266	12,589,028	1,006,762	8.69%
Customer facility charges	3,462,334	3,454,045	(8,289)	-0.24%
Other	-	-	-	0.00%
Total nonoperating revenues	15,121,742	16,548,620	1,426,877	12.37%
Net income	28,688,344	28,105,837	(582,507)	-2.03%
Other Sources and (Uses)				
Debt Service	12,010,020	11,228,344	(781,676)	-6.51%
Reserve Balance (Increase)				
Decrease	3,129,698	3,539,663	409,965	13.10%
Depreciation	6,055,996	7,954,879	1,898,883	31.36%
Unrestricted Fund Transfer	-	(750,000)	(750,000)	0.00%
Total other sources and (uses)	21,195,714	21,972,887	777,173	3.67%
Net increase (decrease)	\$ 7,492,630	\$ 6,132,950	\$ (1,359,680)	-18.15%

Landing Fee (1,000 lb. units)	\$ 1.64	\$ 1.83	\$ 0.23	14.4%
Terminal Rental Rate (square foot)	\$ 91.65	\$ 87.07	\$ 7.07	8.8%

ONTARIO INTERNATIONAL AIRPORT AUTHORITY
 BUDGET - TOTAL OPERATING EXPENSES BY DIVISION AND DEPARTMENT
 FOR THE YEAR ENDING 2023-24 VS 2022-23

PRELIMINARY DRAFT

	Adopted	Proposed	Increase (Decrease) FY 2024 Proposed vs FY 2023 Adopted	
	FY 2023	FY 2024	\$	%
Operations:				
Operations	\$ 782,874	\$ 706,476	\$ (76,398)	-9.76%
Public Safety	21,607,162	23,806,869	2,199,706	10.18%
Airfield Operations	5,667,507	6,646,674	979,167	17.28%
Security	6,099,893	6,397,407	297,514	4.88%
Emergency Management	629,253	623,675	(5,578)	-0.89%
Vehicle and Equipment Maintenance	2,073,717	2,384,157	310,440	14.97%
Landside Operations	7,740,121	8,380,733	640,612	8.28%
Customer Experience	1,480,901	1,875,773	394,873	26.66%
Total Operations	46,081,428	50,821,764	4,740,335	10.29%
Capital Development:				
Planning	6,217,062	6,428,603	211,541	3.40%
Project Management	2,218,998	2,502,690	283,692	12.78%
Total Capital Development	8,436,060	8,931,293	495,233	5.87%
Revenue Management:				
Revenue Management Department	2,641,501	2,635,075	(6,426)	-0.24%
Commercials Real Estate	825,552	840,520	14,968	1.81%
Ground Transportation	7,076,469	7,563,328	486,859	6.88%
Film Services	157,500	42,500	(115,000)	-73.02%
Total Revenue Management	10,701,022	11,081,423	380,402	3.55%
Marketing and Communications:				
Marketing and Communication	6,837,231	8,721,324	1,884,093	27.56%
Digital	2,010,786	2,506,064	495,277	24.63%
Total Marketing and Communications	8,848,018	11,227,388	2,379,370	26.89%
Executive:				
Executive Office	5,450,479	4,995,888	(454,591)	-8.34%
Office Administrator		264,149	264,149	100.00%
Air Service Development	676,290	877,253	200,963	29.72%
Government Relations	463,787	524,529	60,742	13.10%
Total Executive	6,590,557	6,661,819	71,262	1.08%
Administrative:				
Human Resources	709,079	1,002,316	293,237	41.35%
Risk Management	1,284,838	1,378,687	93,849	7.30%
Procurement	416,372	1,282,791	866,419	208.09%
Total Administrative	2,410,289	3,663,794	1,253,505	52.01%
Information Technology:				
Information Technology	3,623,220	6,707,573	3,084,353	85.13%
Total Information Technology	3,623,220	6,707,573	3,084,353	85.13%
Finance:				
Financial Accounting and Reporting	1,797,123	2,241,218	444,096	24.71%
Budget and Finance	474,363	562,608	88,244	18.60%
Total Finance	2,271,486	2,803,826	532,340	23.44%
Total Operating Expenses	\$ 88,962,079	\$ 101,898,880	\$ 12,936,801	14.54%

ONTARIO INTERNATIONAL AIRPORT AUTHORITY
 BUDGET - TOTAL OPERATING EXPENSES BY DIVISION AND DEPARTMENT
 FOR THE YEAR ENDING 2023-24 VS 2022-23

PRELIMINARY DRAFT

	Adopted	% of Total	Proposed	% of Total
	FY 2023	Operating Budget	FY 2024	Operating Budget
Operations:				
Operations	\$ 782,874	0.9%	\$ 706,476	0.7%
Public Safety	21,607,162	24.3%	23,806,869	23.4%
Airfield Operations	5,667,507	6.4%	6,646,674	6.5%
Security	6,099,893	6.9%	6,397,407	6.3%
Emergency Management	629,253	0.7%	623,675	0.6%
Vehicle and Equipment Maintenance	2,073,717	2.3%	2,384,157	2.3%
Landside Operations	7,740,121	8.7%	8,380,733	8.2%
Customer Experience	1,480,901	1.7%	1,875,773	1.8%
Total Operations	46,081,428	51.9%	50,821,764	49.8%
Capital Development:				
Planning	6,217,062	7.0%	6,428,603	6.3%
Project Management	2,218,998	2.5%	2,502,690	2.5%
Total Capital Development	8,436,060	9.5%	8,931,293	8.8%
Revenue Management:				
Revenue Management Department	2,641,501	3.0%	2,635,075	2.6%
Commercials Real Estate	825,552	0.9%	840,520	0.8%
Ground Transportation	7,076,469	8.0%	7,563,328	7.4%
Film Services	157,500	0.2%	42,500	0.0%
Total Revenue Management	10,701,022	12.1%	11,081,423	10.8%
Marketing and Communications:				
Marketing and Communication	6,837,231	7.7%	8,721,324	8.6%
Digital	2,010,786	2.3%	2,506,064	2.5%
Total Marketing and Communications	8,848,018	10.0%	11,227,388	11.1%
Executive:				
Executive Office	5,450,479	6.1%	4,995,888	4.9%
Office Administrator	-		264,149	0.3%
Air Service Development	676,290	0.8%	877,253	0.9%
Government Relations	463,787	0.5%	524,529	0.5%
Total Executive	6,590,557	7.4%	6,661,819	6.6%
Administrative:				
Human Resources	709,079	0.8%	1,002,316	1.0%
Risk Management	1,284,838	1.4%	1,378,687	1.4%
Procurement	416,372	0.5%	1,282,791	1.3%
Total Administrative	2,410,289	2.7%	3,663,794	3.7%
Information Technology:				
Information Technology	3,623,220	4.1%	6,707,573	6.6%
Total Information Technology				
Finance:				
Financial Accounting and Reporting	1,797,123	2.0%	2,241,218	2.2%
Budget and Finance	474,363	0.5%	562,608	0.6%
Total Finance	2,271,486	2.5%	2,803,826	2.8%
Total Operating Expenses	\$ 88,962,079	100.0%	\$ 101,898,880	100.0%

Proposed Budget FYE 2024									
	Operations	Revenue Management	Executive	Administrative	Information Technology	Finance	Capital Development	Marketing and Communications	Total
Personnel									
Salaries, wages and overtime	\$ 3,688,164	\$ 1,173,173	\$ 1,732,934	\$ 1,481,372	\$ 1,121,189	\$ 1,406,745	\$ 1,392,728	\$ 1,693,768	\$ 13,690,071
Employee benefits and taxes	1,087,298	278,486	457,385	434,023	339,438	406,813	404,993	503,506	3,911,943
Total personnel	4,775,462	1,451,659	2,190,319	1,915,394	1,460,627	1,813,558	1,797,720	2,197,275	17,602,014
Nonpersonnel									
Public safety	23,293,289	-	-	-	-	-	-	-	23,293,289
Contractual services	13,299,673	8,580,002	3,563,485	330,870	3,537,946	785,792	7,007,873	2,589,100	39,694,741
Insurance and administration	13,400	411,500	197,740	1,129,900	-	111,351	2,500	91,000	1,957,391
Materials and supplies	1,309,817	25,000	29,500	17,500	1,306,000	6,000	6,000	-	2,699,817
Telecommunications and utilities	6,963,304	-	-	-	368,000	-	-	-	7,331,304
Other operating expenses	1,166,819	613,262	680,775	270,130	35,000	87,125	117,200	6,350,013	9,320,324
Total nonpersonnel	46,046,302	9,629,764	4,471,500	1,748,400	5,246,946	990,268	7,133,573	9,030,113	84,296,866
Total operating expenses	\$ 50,821,764	\$ 11,081,423	\$ 6,661,819	\$ 3,663,794	\$ 6,707,573	\$ 2,803,826	\$ 8,931,293	\$ 11,227,388	\$ 101,898,880
Headcount Proposed	40.50	10.00	13.50	14.00	13.00	14.00	10.00	15.50	130.50

Adopted Budget FYE 2023									
	Operations	Revenue Management	Executive	Administrative	Information Technology	Finance	Capital Development	Marketing and Communications	Total
Personnel									
Salaries, wages and overtime	\$ 3,085,505	\$ 1,130,095	\$ 1,908,074	\$ 633,933	\$ 105,900	\$ 1,016,298	\$ 1,295,921	\$ 1,218,777	\$ 10,394,503
Employee benefits and taxes	834,648	271,423	465,171	176,031	27,584	273,728	337,491	278,819	2,664,896
Total personnel	3,920,153	1,401,518	2,373,246	809,964	133,484	1,290,026	1,633,412	1,497,596	13,059,398
Nonpersonnel									
Public safety	21,175,717	-	-	-	-	-	-	-	21,175,717
Contractual services	11,876,466	8,112,938	3,303,670	314,750	2,458,736	795,696	6,700,248	1,989,972	35,552,476
Insurance and administration	25,600	751,825	150,000	1,101,000	-	98,536	-	20,500	2,147,461
Materials and supplies	1,207,887	30,500	2,000	10,900	657,500	5,000	6,000	-	1,919,787
Telecommunications and utilities	6,959,600	-	-	-	333,500	-	-	-	7,293,100
Other operating expenses	916,005	404,241	761,641	173,675	40,000	82,228	96,400	5,339,950	7,814,140
Total nonpersonnel	42,161,275	9,299,504	4,217,311	1,600,325	3,489,736	981,460	6,802,648	7,350,422	75,902,681
Total operating expenses	\$ 46,081,428	\$ 10,701,022	\$ 6,590,557	\$ 2,410,289	\$ 3,623,220	\$ 2,271,486	\$ 8,436,060	\$ 8,848,018	\$ 88,962,079
Headcount Approved	35.00	10.00	13.50	11.00	7.00	12.00	10.00	14.50	113.00

PRELIMINARY DRAFT

Proposed FY 2024 Budget									
	Operations	Public Safety	Airfield Operations	Security	Emergency Management	Vehicle & Equipment Maintenance	Landside Operations	Customer Experience	Total
Headcount	2.5	3.0	-	11.0	1.0	9.5	4.5	9.0	40.50
Personnel									
Salaries, wages and overtime	\$ 527,080	\$ 379,278	\$ -	\$ 756,287	\$ 146,639	\$ 774,302	\$ 433,860	\$ 670,718	\$ 3,688,164
Employee benefits and taxes	118,396	82,285	-	276,420	43,592	217,255	107,496	241,855	1,087,298
Total personnel	645,476	461,563	-	1,032,707	190,231	991,557	541,355	912,573	4,775,462
Nonpersonnel									
Public safety	-	23,293,289	-	-	-	-	-	-	23,293,289
Contractual services	-	-	6,634,099	5,079,000	101,500	75,000	747,374	662,700	13,299,673
Insurance and administration	2,500	-	-	-	600	5,000	-	5,300	13,400
Materials and supplies	5,000	52,017	-	240,300	225,000	577,000	135,000	75,500	1,309,817
Telecommunications and utilities	-	-	-	-	10,800	-	6,952,504	-	6,963,304
Other operating expenses	53,500	-	12,575	45,400	95,544	735,600	4,500	219,700	1,166,819
Total nonpersonnel	61,000	23,345,306	6,646,674	5,364,700	433,444	1,392,600	7,839,378	963,200	46,046,302
Total operating expenses	\$ 706,476	\$ 23,806,869	\$ 6,646,674	\$ 6,397,407	\$ 623,675	\$ 2,384,157	\$ 8,380,733	\$ 1,875,773	\$ 50,821,764
\$ Increase (Decrease) vs FY 2023 Adopted	\$ (76,398)	\$ 2,199,706	\$ 979,167	\$ 297,514	\$ (5,578)	\$ 310,440	\$ 640,612	\$ 394,873	\$ 4,740,335
% Increase (Decrease) vs FY 2023 Adopted	-9.76%	10.18%	17.28%	4.88%	-0.89%	14.97%	8.28%	26.66%	10.29%

Adopted FY 2023 Budget									
	Operations	Public Safety	Airfield Operations	Security	Emergency Management	Vehicle & Equipment Maintenance	Landside Operations	Customer Experience	Total
Headcount Approved	2.5	2.0	-	9.0	1.0	8.0	3.5	9.0	35.00
Personnel									
Salaries, wages and overtime	502,025	315,864	-	588,678	138,276	665,236	228,592	646,834	\$ 3,085,505
Employee benefits and taxes	96,099	63,564	-	198,195	39,822	183,881	51,441	201,646	834,648
Total personnel	598,124	379,428	-	786,873	178,098	849,117	280,032	848,481	3,920,153
Nonpersonnel									
Public safety	-	21,175,717	-	-	-	-	-	-	21,175,717
Contractual services	99,000	-	5,654,932	5,062,750	140,500	50,000	405,589	463,695	11,876,466
Insurance and administration	15,000	-	-	-	600	3,000	-	7,000	25,600
Materials and supplies	25,000	52,017	-	204,870	225,000	601,000	100,000	-	1,207,887
Telecommunications and utilities	-	-	-	-	9,600	-	6,950,000	-	6,959,600
Other operating expenses	45,750	-	12,575	45,400	75,455	570,600	4,500	161,725	916,005
Total nonpersonnel	184,750	21,227,734	5,667,507	5,313,020	451,155	1,224,600	7,460,089	632,420	42,161,275
Total operating expenses	\$ 782,874	\$ 21,607,162	\$ 5,667,507	\$ 6,099,893	\$ 629,253	\$ 2,073,717	\$ 7,740,121	\$ 1,480,901	\$ 46,081,428

PRELIMINARY DRAFT

Proposed FY 2024 Budget					
Revenue Management Department	Film Services	Ground Transportation	Commercials Real Estate	Total	
Headcount	7.0	-	2.0	1.0	10.00
Personnel					
Salaries, wages and overtime	826,865	-	212,400	133,908	\$ 1,173,173
Employee benefits and taxes	205,723	-	36,751	36,012	278,486
Total personnel	1,032,588	-	249,151	169,920	1,451,659
Nonpersonnel					
Public safety	-	-	-	-	-
Contractual services	994,620	42,500	7,287,882	255,000	8,580,002
Insurance and administration	11,500	-	-	400,000	411,500
Materials and supplies	15,000	-	10,000	-	25,000
Other operating expenses	581,367	-	16,295	15,600	613,262
Total nonpersonnel	1,602,487	42,500	7,314,177	670,600	9,629,764
Total operating expenses	\$ 2,635,075	\$ 42,500	\$ 7,563,328	\$ 840,520	\$ 11,081,423
\$ Increase (Decrease) vs FY 2023 Adopted	\$ (6,426)	\$ (115,000)	\$ 486,859	\$ 14,968	\$ 380,402
% Increase (Decrease) vs FY 2023 Adopted	-0.24%	-73.02%	6.88%	1.81%	3.55%

Adopted FY 2023 Budget					
Revenue Management Department	Film Services	Ground Transportation	Commercials Real Estate	Total	
Headcount Original Adopted FY2023 Budget	5.0	-	2.0	2.0	9.00
Headcount Approved	7.0	-	2.0	1.0	10.00
Personnel					
Salaries, wages and overtime	708,586	-	186,061	235,449	\$ 1,130,095
Employee benefits and taxes	149,224	-	67,695	54,503	271,423
Total personnel	857,810	-	253,756	289,952	1,401,518
Nonpersonnel					
Public safety	-	-	-	-	-
Contractual services	1,043,020	157,500	6,792,418	120,000	8,112,938
Insurance and administration	351,825	-	-	400,000	751,825
Materials and supplies	15,000	-	15,500	-	30,500
Other operating expenses	373,846	-	14,795	15,600	404,241
Total nonpersonnel	1,783,691	157,500	6,822,713	535,600	9,299,504
Total operating expenses	\$ 2,641,501	\$ 157,500	\$ 7,076,469	\$ 825,552	\$ 10,701,022

PRELIMINARY DRAFT

Proposed FY 2024 Budget					
	Executive Office	Air Service Development	Government Relations	Office Administrator	Total
Headcount	8.5	3.0	1.0	1.0	13.50
Personnel					
Salaries, wages and overtime	990,408	431,510	187,643	123,372	\$ 1,732,934
Employee benefits and taxes	271,280	117,943	42,386	25,777	457,385
Total personnel	1,261,688	549,453	230,029	149,149	2,190,319
Nonpersonnel					
Public safety	-	-	-	-	-
Contractual services	3,189,700	89,285	284,500	-	3,563,485
Insurance and administration	137,500	240	-	60,000	197,740
Materials and supplies	-	2,000	-	27,500	29,500
Telecommunications and utilities	-	-	-	-	-
Other operating expenses	407,000	236,275	10,000	27,500	680,775
Total nonpersonnel	3,734,200	327,800	294,500	115,000	4,471,500
Total operating expenses	\$ 4,995,888	\$ 877,253	\$ 524,529	\$ 264,149	\$ 6,661,819
\$ Increase (Decrease) vs FY 2023 Adopted	\$ (454,591)	\$ 200,963	\$ 60,742	\$ 264,149	\$ 71,262
% Increase (Decrease) vs FY 2023 Adopted	-8.34%	29.72%	13.10%	100.00%	1.08%

Adopted FY 2023 Budget					
	Executive Office	Air Service Development	Government Relations	Office Administrator	Total
Headcount Approved	9.5	3.0	1.0	-	13.50
Personnel					
Salaries, wages and overtime	1,490,874	277,200	140,000	-	\$ 1,908,074
Employee benefits and taxes	369,605	63,779	31,787	-	465,171
Total personnel	1,860,479	340,979	171,787	-	2,373,246
Nonpersonnel					
Public safety	-	-	-	-	-
Contractual services	2,960,000	59,170	284,500	-	3,303,670
Insurance and administration	150,000	-	-	-	150,000
Materials and supplies	-	2,000	-	-	2,000
Telecommunications and utilities	-	-	-	-	-
Other operating expenses	480,000	274,141	7,500	-	761,641
Total nonpersonnel	3,590,000	335,311	292,000	-	4,217,311
Total operating expenses	\$ 5,450,479	\$ 676,290	\$ 463,787	\$ -	\$ 6,590,557

PRELIMINARY DRAFT

Proposed FY2024 Budget				
	Human Resources	Risk Management	Procurement	Total
Headcount	4.0	2.0	8.0	14.00
Personnel				
Salaries, wages and overtime	\$ 435,395	\$ 159,531	\$ 886,446	\$ 1,481,372
Employee benefits and taxes	137,981	55,172	240,869	434,023
Total personnel	573,376	214,702	1,127,316	1,915,394
Nonpersonnel				
Public safety	-	-	-	-
Contractual services	247,540	25,330	58,000	330,870
Insurance and administration	-	1,129,300	600	1,129,900
Materials and supplies	15,000	-	2,500	17,500
Telecommunications and utilities	-	-	-	-
Other operating expenses	166,400	9,355	94,375	270,130
Total nonpersonnel	428,940	1,163,985	155,475	1,748,400
Total operating expenses	\$ 1,002,316	\$ 1,378,687	\$ 1,282,791	\$ 3,663,794
\$ Increase (Decrease) vs FY 2023 Adopted	\$ 293,237	\$ 93,849	\$ 866,419	\$ 1,253,505
% Increase (Decrease) vs FY 2023 Adopted	41.35%	7.30%	208.09%	52.01%

Adopted FY2023 Budget				
	Human Resources	Risk Management	Procurement	Total
Headcount Approved	4.0	1.0	6.0	11.00
Personnel				
Salaries, wages and overtime	\$ 213,752	\$ 119,691	\$ 300,489	\$ 633,933
Employee benefits and taxes	61,677	37,397	76,957	176,031
Total personnel	275,429	157,088	377,447	809,964
Nonpersonnel				
Public safety	-	-	-	-
Contractual services	280,250	18,500	16,000	314,750
Insurance and administration	-	1,100,000	1,000	1,101,000
Materials and supplies	8,400	-	2,500	10,900
Telecommunications and utilities	-	-	-	-
Other operating expenses	145,000	9,250	19,425	173,675
Total nonpersonnel	433,650	1,127,750	38,925	1,600,325
Total operating expenses	\$ 709,079	\$ 1,284,838	\$ 416,372	\$ 2,410,289

PRELIMINARY DRAFT

Proposed FY2024 Budget			
	Information Technology	Total	
Headcount	13.0	13.00	
Personnel			
Salaries, wages and overtime	\$ 1,121,189	\$	1,121,189
Employee benefits and taxes	339,438		339,438
Total personnel	1,460,627		1,460,627
Nonpersonnel			
Public safety	-		-
Contractual services	3,537,946		3,537,946
Insurance and administration	-		-
Materials and supplies	1,306,000		1,306,000
Telecommunications and utilities	368,000		368,000
Other operating expenses	35,000		35,000
Total nonpersonnel	5,246,946		5,246,946
Total operating expenses	\$ 6,707,573	\$	6,707,573
\$ Increase (Decrease) vs FY 2023 Adopted	\$ 3,084,353	\$	3,084,353
% Increase (Decrease) vs FY 2023 Adopted	85.13%		85.13%

Adopted FY 2023 Budget			
	Information Technology	Total	
Headcount Approved	7.0	7.00	
Personnel			
Salaries, wages and overtime	\$ 105,900	\$	105,900
Employee benefits and taxes	27,584		27,584
Total personnel	133,484		133,484
Nonpersonnel			
Public safety	-		-
Contractual services	2,458,736		2,458,736
Insurance and administration	-		-
Materials and supplies	657,500		657,500
Telecommunications and utilities	333,500		333,500
Other operating expenses	40,000		40,000
Total nonpersonnel	3,489,736		3,489,736
Total operating expenses	\$ 3,623,220	\$	3,623,220

PRELIMINARY DRAFT

Proposed FY 2024 Budget			
	Financial Accounting & Reporting	Budget & Finance	Total
Headcount	11.0	3.0	14.00
Personnel			
Salaries, wages and overtime	\$ 1,141,565	\$ 265,180	\$ 1,406,745
Employee benefits and taxes	336,988	69,825	406,813
Total personnel	1,478,552	335,005	1,813,558
Nonpersonnel			
Public safety	-	-	-
Contractual services	655,126	130,666	785,792
Insurance and administration	19,415	91,936	111,351
Materials and supplies	6,000	-	6,000
Telecommunications and utilities	-	-	-
Other operating expenses	82,125	5,000	87,125
Total nonpersonnel	762,666	227,602	990,268
Total operating expenses	\$ 2,241,218	\$ 562,608	\$ 2,803,826
\$ Increase (Decrease) vs FY 2023 Adopted	\$ 444,096	\$ 88,244	\$ 532,340
% Increase (Decrease) vs FY 2023 Adopted	24.71%	18.60%	23.44%

Adopted FY 2023 Budget			
	Financial Accounting & Reporting	Budget & Finance	Total
Headcount Approved	10.0	2.0	12.00
Personnel			
Salaries, wages and overtime	\$ 819,630	\$ 196,667	\$ 1,016,298
Employee benefits and taxes	223,634	50,094	273,728
Total personnel	1,043,265	246,761	1,290,026
Nonpersonnel			
Public safety	-	-	-
Contractual services	665,030	130,666	795,696
Insurance and administration	6,600	91,936	98,536
Materials and supplies	5,000	-	5,000
Telecommunications and utilities	-	-	-
Other operating expenses	77,228	5,000	82,228
Total nonpersonnel	753,858	227,602	981,460
Total operating expenses	\$ 1,797,123	\$ 474,363	\$ 2,271,486

PRELIMINARY DRAFT

Proposed FY 2024 Budget			
Project Management	Planning	Total	
Headcount	4.0	6.0	10.00
Personnel			
Salaries, wages and overtime	\$ 552,333	\$ 840,395	\$ 1,392,728
Employee benefits and taxes	185,357	219,635	404,993
Total personnel	737,690	1,060,030	1,797,720
Nonpersonnel			
Public safety	-	-	-
Contractual services	1,719,000	5,288,873	7,007,873
Insurance and administration	-	2,500	2,500
Materials and supplies	6,000	-	6,000
Telecommunications and utilities	-	-	-
Other operating expenses	40,000	77,200	117,200
Total nonpersonnel	1,765,000	5,368,573	7,133,573
Total operating expenses	\$ 2,502,690	\$ 6,428,603	\$ 8,931,293
\$ Increase (Decrease) vs FY 2023 Adopted	\$ 283,692	\$ 211,541	\$ 495,233
% Increase (Decrease) vs FY 2023 Adopted	12.78%	3.40%	5.87%

Adopted FY 2023 Budget			
Program Management	Planning	Total	
Headcount Approved	4.0	6.0	10.0
Personnel			
Salaries, wages and overtime	\$ 501,235	\$ 794,686	\$ 1,295,921
Employee benefits and taxes	152,763	184,728	337,491
Total personnel	653,998	979,414	1,633,412
Nonpersonnel			
Public safety	-	-	-
Contractual services	1,519,000	5,181,248	6,700,248
Insurance and administration	-	-	-
Materials and supplies	6,000	-	6,000
Telecommunications and utilities	-	-	-
Other operating expenses	40,000	56,400	96,400
Total nonpersonnel	1,565,000	5,237,648	6,802,648
Total operating expenses	\$ 2,218,998	\$ 6,217,062	\$ 8,436,060

Proposed FY 2024 Budget			
	Marketing and Communication	Digital	Total
Headcount	11.5	4.0	15.50
Personnel			
Salaries, wages and overtime	\$ 1,220,224	\$ 473,544	\$ 1,693,768
Employee benefits and taxes	357,187	146,319	503,506
Total personnel	1,577,411	619,864	2,197,275
Nonpersonnel			
Public safety	-	-	-
Contractual services	745,000	1,844,100	2,589,100
Insurance and administration	85,500	5,500	91,000
Materials and supplies	-	-	-
Other operating expenses	6,313,413	36,600	6,350,013
Total nonpersonnel	7,143,913	1,886,200	9,030,113
Total operating expenses	\$ 8,721,324	\$ 2,506,064	\$ 11,227,388
\$ Increase (Decrease) vs FY 2023 Adopted	\$ 1,884,093	\$ 495,277	\$ 2,379,370
% Increase (Decrease) vs FY 2023 Adopted	27.56%	24.63%	26.89%

Adopted FY 2023 Budget			
	Marketing and Communication	Digital	Total
Headcount Approved	10.5	4.0	14.5
Personnel			
Salaries, wages and overtime	\$ 852,564	\$ 366,213	\$ 1,218,777
Employee benefits and taxes	196,117	82,701	278,819
Total personnel	1,048,681	448,914	1,497,596
Nonpersonnel			
Public safety	-	-	-
Contractual services	450,000	1,539,972	1,989,972
Insurance and administration	15,000	5,500	20,500
Materials and supplies	-	-	-
Other operating expenses	5,323,550	16,400	5,339,950
Total nonpersonnel	5,788,550	1,561,872	7,350,422
Total operating expenses	\$ 6,837,231	\$ 2,010,786	\$ 8,848,018

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MEETING DATE: JUNE 8, 2023

AGENDA SECTION: COMMITTEE ACTION/DISCUSSION ITEMS

SUBJECT: A RESOLUTION TO APPROVE THE FYE 2024 CAPITAL IMPROVEMENT PROGRAM BUDGET

RELEVANT STRATEGIC OBJECTIVE: Invest in ONT Master the Basics Plan for the Future

RECOMMENDED ACTION(S): Recommend to full Commission to adopt a resolution for approval to the Ontario International Airport Authority (OIAA) Commission approve the FYE 2024 Capital Improvement Program Budget.

FISCAL IMPACT SUMMARY: Total cost of the FYE 2024 Capital Improvement Program Budget is \$30,550,000.

BACKGROUND: The Ontario International Airport is a commercial service airport, and its capital requirements are substantial with a continuous need to maintain, acquire and construct infrastructure, facilities, equipment, and technology. Capital requirements are driven by several factors including safety and security, operational needs, customer demands and expectations, air service and commercial development. These factors are impacted by Board of Commissioners goals and objectives, FAA and other governmental laws, regulations and policies, and the Airline Operating Use and Lease Agreement (ULA).

The Capital Budget is comprised of Projects that are developed individually and within the scope of a comprehensive near and long-term Capital Improvement Program (CIP). They require significant financial resources that must be balanced through airline and tenant rates and charges, business development and financing.

The Ontario International Airport Authority utilizes a Project Development process. Annually OIAA staff submit Project Requests. These projects undergo a high-level review and approval process. Projects that successfully complete this process are incorporated into the OIAA Capital Improvement Program. The CIP does not authorize the expenditure of funds on Projects.

Authorization to incur expenditures is completed through the development and Board approval of a Capital Budget. Projects are budgeted in the fiscal year in which expenditures on those Projects are first expected to be incurred, although Project expenditures may span several fiscal years. Expenditures on these Projects are subject to OIAA purchasing policies, which may include competitive bidding for products and services necessary to complete the project as well as Board approval of contracts awarded. In addition to Board authorization and OIAA policies airport projects are subject to certain limitations as part of the Airline Operating Use and Lease (ULA) agreement between the OIAA and signatory airlines. Table 1 FY2024 Capital Improvement Program Projects identifies these projects, cost estimates and budget authorization request. Following the table is a report which describes each project in detail.

Projects that exceed the dollar limit thresholds in the ULA, net of grants and passenger facility charges and as adjusted by CPI annually, require approval by a majority of signatory airlines that are party to the ULA, which are referred to as Majority-In-Interest (MII) Projects. For FY 2024 those MII limits are \$507,136 per Project and \$2,028,545 for all Projects below the MII maximum.

In accordance with the ULA certain Projects are exempt from these requirements, including assets destroyed through fire, natural disaster or accidental destruction, assets that require repair or replacement to maintain continuity of operations and are of an emergency nature and those Projects or improvements that ensure compliance with a rule, regulation, or order of any federal, state, or other governmental body.

Capital project costs are financed through passenger facility charges, grants, airport rates and chargers, OIAA reserves and debt. They are recovered through depreciation and debt service corresponding to the life of the asset and or the terms of the underlying debt.

The FY 2024 Capital Improvement Program includes 13 Projects. The Budget Authorization request for these projects is \$30,550,000. Six of these Projects totaling \$24,900,000 require MII approval.

The FY 2024 Capital Budget, net of grant funding, is anticipated to be financed through the revolving credit facility, a FYE 2025 revenue bond issue and OIAA reserves. Project costs are allocated to either the Airside or Terminal cost centers and will be recovered on a residual basis according to the ULA in the form of landing fees and terminal rents.

PROCUREMENT: Project products, professional and construction services will be procured through Requests for Proposals. Contracts will be negotiated with the selected Proposers and brought to the Board of Commissioners for approval.

CEQA COMPLIANCE AND LAND USE APPROVALS: CEQA and land use approval requirements are assessed and completed prior to award of contracts.

STAFFING IMPACT (# OF POSITIONS): N/A

IMPACT ON OPERATIONS: Varies by Project.

SCHEDULE: Varies by Project.

ATTACHMENTS:

1. Ontario International Airport FY 2024 Capital Improvement Program and Budget.

STAFF MEMBER PRESENTING: Chief Executive Officer Atif Elkadi

Originator Name: John M. Schubert, Chief Financial Officer

Originating Dept.: Finance

Director Review: N/A

Chief Review: John M. Schubert, Chief Financial Officer



CEO Approval:



This Agenda Report has been reviewed by OIAA General Counsel.

The Agenda Report references the terms and conditions of the recommended actions and request for approval. Any document(s) referred to herein, which are not attached or posted online, may be reviewed prior to, or following scheduled Commission meetings in the Office of the Clerk of the Board. Office hours are 8:30 a.m. to 5:00 p.m., Monday through Friday, although these hours and review procedures may be modified. In that case, the documents may be requested by email at clerk@flyontario.com.

BOARD DISPOSITION: Approved Denied Continued to _____

2024 Proposed Capital Improvements

Proposal to the OIAA Board of Commissioners



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1. PROJECTS OVERVIEW

The projects requested for the FY 2024 Capital Improvement Program (CIP) at ONT are summarized in the following table. Brief project descriptions can be found in Section 2 of this document.

TABLE 1: FY2024 CAPITAL IMPROVEMENT PROGRAM PROJECTS

Section	Project	Duration	Cost Magnitude (Rounded to Nearest 1,000)
2.1	Airside/ACIP Projects		
2.1.1	New Airport Beacon	3 months	\$250,000
	Sub-total		\$250,000
2.2	Landside Projects		
2.2.1	Terminal 2 and 4 Curb Improvements	1 year	\$2,000,000
2.2.2	Terminal 2 and 4 Curbside Signage	1 year	\$2,500,000
	Sub-total		\$4,500,000
2.3	Terminal Projects		
2.3.1	Existing FIS Improvements	2 years	\$10,000,000
2.3.2	Advertising Display Replacement	3 months	\$500,000
	Sub-total		\$10,500,000
2.4	Facilities Projects		
2.4.1	Tenant Metering within Terminal Building	6 months	\$300,000
2.4.2	Permanent Bus Charging Station and Parking Operator Offices	2 years	\$4,500,000
2.4.3	Police Terminal Offices	1 year	\$250,000
2.4.4	Terminals 2 and 4 Fire Alarm System Replacement	1 year, 6 months	\$2,700,000
	Sub-total		\$7,750,000
2.5	Security Projects		
2.5.1	South Security Airport Access Point (SSAAP)	2 years	\$3,500,000
	Sub-total		\$3,500,000
2.6	Equipment Purchases		
2.6.1	OIAA Fleet Vehicles	1 month	\$300,000
	Sub-total		\$300,000
2.7	Information Technology Projects		
2.7.1	Server Room Relocation	6 months	\$500,000
	Sub-total		\$500,000
2.8	Environmental Projects		
2.8.1	Water Consumption Reduction	2 years, 6 months	\$3,250,000
	Sub-total		\$3,250,000
Total FY2024 Recommended Capital Improvement Program			\$30,550,000*

2. PROJECT DESCRIPTIONS

2.1 AIRSIDE/ACIP PROJECTS

2.1.1 NEW AIRPORT BEACON

Ontario International Airport (ONT or the Airport) is currently operating with an old airport beacon that has exceeded its useful life and often requires parts replacement. Due to the age of the beacon maintenance staff are challenged to find parts, sometimes being completely unavailable requiring custom fabrication of a single part. Ontario International Airport Authority (OIAA) staff recommend the purchase and installation of a new Airport beacon to ensure continued operation of the visual navigation aid.

Duration: 3 months

Cost Magnitude: \$250,000

2.2 LANDSIDE PROJECTS

2.2.1 TERMINAL 2 AND 4 CURB IMPROVEMENTS

This project involves a redesign of Terminals 2 and 4 curbs to allow for an extended/longer area for TNC pick-ups. The three lanes of the terminal curbs would be extended to the east creating additional lane frontage for TNCs to park while picking-up passengers. Additional vehicle through-put and storage capacity would be provided in the extended sections of the center and outer lanes. This project would serve as a short/mid term solution until the airport ground transportation center is completed.

Terminals 2 and 4 curbsides experience congestion during peak periods due to the lack of available curb space and the single-level roadway mixing enplaning and deplaning curbside operations. To meet the forecasted growth in passenger traffic at the Airport with existing facilities, additional curb frontage will be required.

Duration: 1 year

Cost Magnitude: \$2,000,000



2.2.2 TERMINAL 2 AND 4 CURBSIDE SIGNAGE

The ONT Planning Department has developed an improved terminal curbside signage package. This signage follows the same color scheme and design intent of the proposed interior signage and wayfinding program. The primary signage color will match branding colors spanning the width of the bottom of the sign. Lettering will be high visibility white on blue to meet or exceed ADA requirements.

The terminal curbside signage package includes enhanced terminal identification signage as well as larger terminal entry/exit signage for arrivals and departures to facilitate passenger wayfinding. Signage under the terminal curb canopy will include signage noting terminal identification, check-in, and baggage claim. Airlines will be given their own sign in front of the terminal in which it operates.

The signage along the commercial curb will also be replaced. The commercial space designations will remain the same but the signage identifying the commercial entity/amenity for a particular location will be improved. The signage will span the width of the commercial canopy with messaging left justified.

Duration: 1 year

Cost Magnitude: \$2,500,000



2.3 TERMINAL PROJECTS

2.3.1 EXISTING FIS IMPROVEMENTS

This project will involve various federal inspection station (FIS) improvements for the benefit of FIS employees and the traveling public. While the scope has not been fully defined, improvements will include updating processor areas to meet U.S. Customs and Border Protection (CBP) design guidelines, and industry passenger level of service (LOS) goals. OIAA will explore replacing the bag claim device to allow for more bag claim frontage, as well as improvements to the overall layout of the facility. There are a number of enhancements that are being mandated by local CBP since the timing of a new international arrivals facility is now extended and undetermined.

Duration: 2 years

Cost Magnitude: \$10,000,000

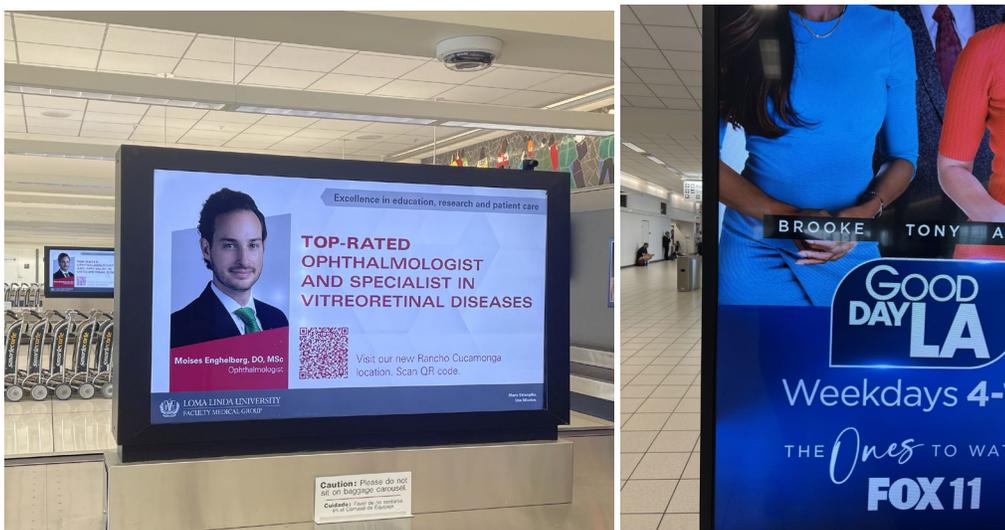
NOTE: This project would span multiple fiscal years. The full cost magnitude would not be incurred in FY 2024.

2.3.2 ADVERTISING DISPLAY REPLACEMENT

This project will replace aging LED display screens and TV display screens in the baggage claim and concourse areas of both passenger terminals. The average lifespan of LED displays for this use is from 4 – 7 years and these displays are over 6 years old. Many are showing degradation (bright circles or dark shadows) or complete loss of the display. These screens are a critical component of ONT's Partnership and Advertising Program which generates over \$1M in revenue per year. Any interruption to the ability to push content to these screens would result in lost revenue for the airport.

Duration: 3 months

Cost Magnitude: \$500,000



2.4 FACILITIES PROJECTS

2.4.1 TENANT METERING WITHIN TERMINAL BUILDING

OIAA staff are requesting the purchase and installation of a utility metering system in each of the two terminals. The proposed metering system would allow OIAA to accurately track utility usage by tenant and would allow OIAA to bill tenants for their utility usage in Terminal 2 and Terminal 4.

Duration: 6 months

Cost Magnitude: \$300,000

2.4.2 PERMANENT BUS CHARGING STATION AND PARKING OPERATOR OFFICES

This project consists of building electric bus charging stations and a parking operations office central to the Terminal complex area. In 2022 OIAA replaced the parking and rental car shuttle buses with electric buses. To ensure adequate charging of the electric bus fleet a permanent bus charging station is required. Currently there are only two temporary charging stations at the Terminal 1 parking lot near the existing parking operations office. Relocation of the offices and building the charging stations near the terminals reduces the on airport shuttle miles.

Duration: 2 years

Cost Magnitude: \$4,500,000

NOTE: This project would span multiple fiscal years. The full cost magnitude would not be incurred in FY 2024.

2.4.3 POLICE TERMINAL OFFICES

This project includes modernization to the overall appearance, ergonomics, and useability of the police offices within Terminals 2 and 4. The existing office locations will be upgraded because they are centrally located within each terminal, and it is more cost effective than moving spaces.

Improvements will include upgrading the monitors for viewing video and ACAM activations, improved storage for access to forms, and improved security of safety equipment.

The monitors will be larger, wall-mounted, and web-accessible to facilitate viewing surveillance cameras and the OnGuard system. Due to insufficient workspace and limited storage, there is no acceptable place to store or organize routine paperwork, or supplies. The overall footprint of the workstations will be remapped to better optimize the space, as well as provide space for employees to eat away from computer equipment. This will reduce the likelihood of liquid spills damaging equipment.

Upgrades to the offices will limit the need for officers to respond to the police modular substation, allowing them to remain closer to the terminals. Improved video camera surveillance capabilities will allow officers to mitigate problems faster, resulting in fewer delays to other Airport operations.

Duration: 1 year

Cost Magnitude: \$250,000

2.4.4 TERMINALS 2 AND 4 FIRE ALARM SYSTEM REPLACEMENT

This project involves the complete replacement of the fire alarm system in Terminals 2 and 4. The existing fire alarm system is a multiplexed Spectronics product solution, which has exceeded its normal, expected life cycle.

OIAA staff recommend the replacement of the fire alarm system and have identified a proposed solution. The proposed, new fire alarm system includes a fully integrated digital voice evacuation system using the latest Simplex 4120 voice technology that presently exists and would be useable at the Airport (Simplex 4100ES in a 4120-network node and token ring network topology concept). The new system will implement the addressable self-testing speakers, speaker/visuals, and visual only devices where required for a fully code compliant new system.

The new fire alarm system will also include a True Site Workstation (TSW) that will be in the Airport's command/control center in Terminal 2. A connection to the Ontario Fire Department is also required, to allow for a remote supervisory point of annunciation at the Fire Department. A TSW graphical command center with Digital Alarm Communicating Receiver (DACR) with an IP Communicator module will be installed to meet this requirement.

Duration: 1 year, 6 months

Cost Magnitude: \$2,700,000

NOTE: This project would span multiple fiscal years. The full cost magnitude would not be incurred in FY 2024.

2.5 SECURITY PROJECTS

2.5.1 SOUTH SECURITY AIRPORT ACCESS POINT (SSAAP)

This project includes the construction of a new security airport access point on the south side of the Airport. The current south security airport access point (SSAAP) will be impacted by tenant development on the south side of the Airport at and around the existing SSAAP site. Once constructed the existing SSAAP would be decommissioned and the new SSAAP would provide the only means of ingress and egress from the airside.

Duration: 2 years

Cost Magnitude: \$3,500,000

NOTE: This project would span multiple fiscal years. The full cost magnitude would not be incurred in FY 2024.

2.6 EQUIPMENT PURCHASES

2.6.1 OIAA FLEET VEHICLES

The project is a capital purchase allowance for new OIAA vehicles to meet needs required by increased airport operations and to replace aging fleet.

Duration: 1 month

Cost Magnitude: \$300,000

2.7 INFORMATION TECHNOLOGY PROJECTS

2.7.1 SERVER ROOM RELOCATION

This project includes the relocation of the airport's Main Distribution Frame (MDF) to increase the size, add sufficient climate control systems, monitoring systems, allow landside access, and other features and systems according to best practices. Currently the server room is located on the south side of Terminal 2 with limited access adjacent to the apron, which may be better utilized as a different space for operators. Proposed relocated server room locations include existing spaces which are currently being explored but one has not yet been selected.

Duration: 6 months

Cost Magnitude: \$500,000

2.8 ENVIRONMENTAL PROJECTS

2.8.1 WATER CONSUMPTION REDUCTION

The airport intends to extend a reclaimed water line (also known as gray water) connection in Archibald north of the railroad tracks down to the airport. The airport intends on aligning the completion of this project at the same time as the Airport Dr. Rehabilitation project. After bringing the connection to the airport campus, gray water could be used for landscape irrigation and extended into the terminals for potential uses for gray water could be the chiller and/or plumbing systems in the terminals.

Use of gray water in the terminals would require additional studies to assess capabilities with existing infrastructure and possible additional treatments to ensure the water is up to acceptable standards. This project would initially consist of a planning effort to examine the current landscaping around the ONT campus and to recommend a campus landscape plan for implementation. Xeriscaping will also be considered as a component of this project.

As regional water resources become more limited, the OIAA should initiate efforts to reduce the airport's potable water consumption. This project will reduce water consumption for the region, assist financially as gray water has lower rates, and add to the environmental sustainability and reduction of carbon footprint.

Duration: 2 years, 6 months

Cost Magnitude: \$3,250,000

NOTE: This project would span multiple fiscal years. The full cost magnitude would not be incurred in FY 2024.