

**ONTARIO INTERNATIONAL AIRPORT AUTHORITY
REGULAR COMMISSION MEETING
MINUTES
SEPTEMBER 24, 2019**

A regular meeting of the Ontario International Airport Authority was held on Tuesday, September 24, 2019, at 1923 E. Avion Street, Room 100, Ontario, California.

Notice of said meeting was duly given in the time and manner prescribed by law.

CALL TO ORDER

President Wapner called the Ontario International Airport Authority Commission meeting to order at 3:00 p.m.

ROLL CALL

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

ABSENT: Commissioners: Curt Hagman and Julia Gouw (excused).

Also present were: Chief Executive Officer Mark A. Thorpe, General Counsel Lori D. Ballance and Assistant Secretary Claudia Y. Isbell.

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Deputy Chief Art Andres.

INVOCATION

The invocation was led by Joshua Arana, Pastor, Sunrise Church, Ontario

A moment of silence was held in remembrance of Montclair Council Member Trisha Martinez who passed away on September 21, 2019.

CLOSED SESSION

Receiving no request to speak, President Wapner recessed the regular meeting of the Ontario International Airport Authority to Closed Session at 3:04 p.m. with all Commissioners in attendance, with the exception of Commissioner Gouw and Commissioner Hagman who were absent (excused).

- GC 54957, PUBLIC EMPLOYEE PERFORMANCE EVALUATION
Title: Chief Executive Officer

The Ontario International Airport Authority Commission special meeting was reconvened in public session at 3:15 p.m.

REPORT ON CLOSED SESSION

President Wapner announced the report regarding the CEO employment agreement will be discussed during agenda item #16.

PUBLIC COMMENT

Veronica Nunez, spoke on airplane noise concerns.

Richard Sherman, Ontario Noise Abatement Team, spoke on airplane noise concerns. Mr. Sherman provided a journal article for the record concerning health impacts related to airplane noise.

Jesse Fonseca, spoke on airplane noise concerns. Mr. Fonseca provided the Chino Hills Champion newspaper for the record containing an article regarding residents organizing and meeting with their attorney regarding airplane noise.

Nancy Collins, spoke on airplane noise concerns.

General Counsel Ballance spoke regarding the airplane noise concerns stating that based on existing facts and circumstances at recent meetings, a point has been reached where there is significant exposure for litigation, therefore she recommended that the item be added at the next meeting as a closed session item for discussion when necessary.

President Wapner added that there has been a threat to file a class action lawsuit, legal counsel has been retained by various people, therefore the law requires that we do not discuss the item in public session since the threat of litigation has been made.

1. INFORMATION RELATIVE TO POSSIBLE CONFLICT OF INTEREST

Note: agenda item contractors, subcontractors and agents which may require member abstentions due to conflict of interests and financial interests. Commission Member abstentions shall be stated under this item for recordation on the appropriate item.

There were no conflicts announced.

AGENDA REVIEW/ANNOUNCEMENT

CEO Thorpe announced Item #10 is being pulled from the Consent Calendar.

ITEM PULLED FROM AGENDA

10. APPROVAL OF THE FIRST AMENDMENT OF THE LEASE AGREEMENT BETWEEN THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY AND FEDERAL EXPRESS CORPORATION

The Ontario International Airport Authority (OIAA) Commission approve the first amendment to the Lease Agreement between the OIAA and Federal Express Corporation (FedEx). The First Amendment Agreement will not impact the OIAA financially at the present moment.

PUBLIC COMMENT

Taylor Darby, Aldridge Electric, spoke regarding Item #13, TDZ Lights project, asked why the third bid was not considered.

President Wapner asked if we are required to provide a reason. OIAA General Counsel Ballance confirmed we do not need to provide a reason.

CONSENT CALENDAR

MOTION: Moved by Secretary Bowman, seconded by Vice President Loveridge, and carried by a vote of 3-0-2, to approve the consent calendar, including Resolution 2019-06, with Commissioners Gouw and Hagman absent (excused) and with Item No. 10 being pulled.

2. APPROVAL OF MINUTES

Minutes for the meetings of the Ontario International Airport Authority special meeting on July 31, 2019 and the cancelled meeting on August 27, 2019, and approving the same as on file with the Secretary/Assistant Secretary.

3. BILLS/PAYROLL

Approved bills July 1, 2019 through August 31, 2019 and Payroll July 1, 2019 through August 31, 2019.

4. APPROVAL OF MEETING STIPENDS

The Ontario International Airport Authority Commission approved meeting stipends for President Wapner for the month of July and August and Commissioner Hagman for the month July.

5. APPROVAL OF THE SECOND AND FINAL ONE-YEAR EXTENSION WITH AMPCO SYSTEM PARKING, INC. DBA ABM PARKING SERVICES, INC. TO CONTINUE TRANSPORTATION SERVICES FOR THE ONTARIO INTERNATIONAL AIRPORT CONSOLIDATED RENTAL CAR FACILITY

The Ontario International Airport Authority (OIAA) Board of Commissioners authorized the Chief Executive Officer (CEO) to exercise the second and final one-year extension to the AMPCO System Parking, Inc., dba ABM Parking Services, Inc. (ABM) Agreement for an amount not to exceed \$2,500,000.00. A Customer Facility Charge (CFC) is charged to every car rental customer. This revenue is used to pay for the costs associated with the Agreement (ConRAC transportation services) and is allocated in the OIAA FY 2019-20 budget.

6. APPROVAL OF THE FIRST AMENDMENT TO THE CONCESSION LEASE AGREEMENT WITH DELAWARE NORTH COMPANIES TRAVEL HOSPITALITY SERVICES, INC. TO MODIFY THE ASSIGNED AREAS AT ONTARIO INTERNATIONAL AIRPORT

The Ontario International Airport Authority (OIAA) Board of Commissioners approved the First Amendment (Amendment) to the Concession Lease Agreement (Agreement) with Delaware North Companies Travel Hospitality Services, Inc. (Delaware North) to modify the assigned areas in the Agreement, adding Space 2190 and removing the Temporary Assigned Space formerly known as "Plane Box Grab & Go." Delaware North shall immediately begin paying Rent on and after the date of Substantial Completion of the newly Assigned Area (Space 2190), as set forth in Article 4 of the Agreement. In the event that Delaware North fails to open for business on and after Substantial Completion, the OIAA shall collect the greater 1/360th of a Minimum Annual Guarantee per day for Space 2190 or the current daily lease rate applicable to a terminal concession location until Delaware North opens Space 2190 for business.

7. AUTHORIZE THE CHIEF EXECUTIVE OFFICER TO EXECUTE A LEASE AGREEMENT BETWEEN THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY AND ATLAS AIR, INC.

The Ontario International Airport Authority authorized the Chief Executive Officer to execute a Lease Agreement between the Ontario International Airport Authority and Atlas Air, Inc. The annual revenue of the initial term (from the Commencement Date through June 30, 2020) is approximately \$78,000. This rent was calculated based on the FY2020 rates which were also subject to annual Consumer Price Index Adjustment on July 1 of each calendar year. The OIAA also reserves the right to adjust the rent to reflect the fair market value as reasonably determined by OIAA. Thereafter, Rent will be adjusted annually to the Consumer Price Index.

8. AUTHORIZE THE CHIEF EXECUTIVE OFFICER TO EXECUTE A LEASE AGREEMENT BETWEEN THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY AND AIR TRANSPORT INTERNATIONAL, INC.

The Ontario International Airport Authority (OIAA) authorized the Chief Executive Officer to execute a Lease Agreement between the Ontario International Airport Authority and Air Transport International, Inc. The annual revenue of the initial term (from the Commencement Date through June 30, 2020) was approximately \$67,256. This rent was calculated based on the FY2020 rates which were also subject to annual Consumer Price Index Adjustment on July 1 of each calendar year. The OIAA also reserves the right to adjust the rent to reflect the fair market value as reasonably determined by OIAA. Thereafter, Rent will be adjusted annually to the Consumer Price Index.

9. AUTHORIZE THE CHIEF EXECUTIVE OFFICER TO EXECUTE A LEASE AGREEMENT BETWEEN THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY AND ABX AIR, INC.

The Ontario International Airport Authority ("OIAA") authorized the Chief Executive Officer ("CEO") to execute a Lease Agreement ("Lease") between the Ontario International Airport Authority (OIAA) and ABX Air, Inc. ("ABX" or "Tenant"). The annual revenue of the initial term (from the Commencement Date through June 30, 2020) was approximately \$53,500. This rent was calculated based on the FY2020 rates which are also subject to annual Consumer Price Index ("CPI") Adjustment on July 1 of each calendar year. The OIAA also reserved the right to adjust the rent to reflect the fair market value as reasonably determined by OIAA ("FMV Rent Adjustment"). Thereafter, Rent will be adjusted annually to the Consumer Price Index.

11. AUTHORIZE THE CHIEF EXECUTIVE OFFICER TO NEGOTIATE AND EXECUTE AN EASEMENT BETWEEN THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY AND SOUTHERN CALIFORNIA EDISON

The Ontario International Airport Authority (OIAA) authorized the Chief Executive Officer (CEO) to negotiate and execute an easement between the Ontario International Airport Authority and Southern California Edison required for the installation of electric vehicle charging stations for Parking Concepts, Inc. (PCI). All charges associated with this project are being funded by the tenant, PCI.

12. AUTHORIZE THE CHIEF EXECUTIVE OFFICER TO NEGOTIATE AND EXECUTE AN EASEMENT BETWEEN THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY AND SOUTHERN CALIFORNIA GAS COMPANY

The Ontario International Airport Authority (OIAA) authorized the Chief Executive Officer (CEO) to negotiate and execute an easement between the Ontario International Airport Authority and Southern California Gas Company, required for enabling the FedEx project. The easement was prepared by an OIAA consultant, Mead & Hunt based on engineering drawings prepared by the project designer, Walsh Group, as part of the FedEx project. The OIAA and its counsel will review and provide comments to Mead & Hunt as part of standard procedures for an OIAA project, therefore, there will not be any fiscal impact.

13. ADOPT A RESOLUTION TO REJECT ALL BIDS FOR THE RUNWAY 26R TOUCHDOWN ZONE LIGHTS PROJECT AND AUTHORIZE THE RE-ADVERTISEMENT OF A NOTICE INVITING BIDS FOR THE PROJECT

The Ontario International Airport Authority (OIAA) rejected all bids received for the Runway 26R Touchdown Zone Lights and authorized staff to re-advertise a new Request for Proposals for the Project.

RESOLUTION NO. 2019-06 A RESOLUTION OF THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY TO REJECT ALL BIDS FOR THE 26R TOUCHDOWN ZONE LIGHTS PROJECT AND AUTHORIZE STAFF TO RE-ADVERTISEMENT A NOTICE INVITING BIDS FOR THE PROJECT

14. AUTHORIZE THE CHIEF EXECUTIVE OFFICER TO NEGOTIATE AND EXECUTE A LEASE AGREEMENT BETWEEN THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY AND SOUTHWEST AIRLINES

The Ontario International Airport Authority (OIAA) authorized the Chief Executive Officer (CEO) to negotiate and execute a lease agreement between the Ontario International Airport Authority and Southwest Airlines.

15. AUTHORIZE THE CHIEF EXECUTIVE OFFICER TO NEGOTIATE AND EXECUTE A LEASE AGREEMENT BETWEEN THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY AND MAJESTIC TERMINAL SERVICES (OIAA-19-001)

The Ontario International Airport Authority (OIAA) authorized the Chief Executive Officer (CEO) to negotiate and execute a Lease Agreement (Lease) between the Ontario International Airport Authority (OIAA) and Majestic Terminal Services (MTS).

ADMINISTRATIVE DISCUSSION/ACTION/REPORT

16. APPROVAL OF REVISED EMPLOYMENT AGREEMENT FOR ONTARIO INTERNATIONAL AIRPORT AUTHORITY CHIEF EXECUTIVE OFFICER MARK A. THORPE

The Ontario International Airport Authority (OIAA) Commission approved a revised employment agreement with Mark A. Thorpe to serve as the Chief Executive Officer of the Ontario International Airport Authority. Appropriations for the ongoing salary and associated benefits costs were included in the Authority's baseline operating budget and the Adopted Budget for Fiscal year 2019-2020. Funding for future years' costs will be included in the respective operating budgets for those periods.

President Wapner stated CEO Thorpe went through an evaluation by the Commission. There were negotiations and discussions regarding the proposed revised employment agreement.

General Counsel Ballance presented the changes to employment agreement, including a recommended salary increase of about 7.5% per annum to \$370,082, and an increase in management leave from 5 days to 10 days.

MOTION: Moved by Secretary Bowman, seconded by Vice President Loveridge and carried by a vote of 3-0-2, with Commissioner Gouw and Commissioner Hagman absent.

17. A DISCUSSION AND POSSIBLE ACTION REGARDING THE REPLACEMENT OF ESCALATORS IN PASSENGER TERMINALS

The Ontario International Airport Authority (OIAA) discussed the replacement of escalators in the passenger terminals.

President Wapner requested this item be added to the agenda regarding his concerns as a passenger and customer of the airport. He expressed concern about the passenger inconvenience, safety, and liability to the airport due to the perpetually broken escalator. President Wapner inquired on the cost of repairs to date.

CEO Thorpe addressed President Wapner's concerns, stating that the escalators are original to the terminals being built in 1998, are a shopping mall escalator not designed for airport use, and have gone past their useful life of 15 years. The escalators were initially the responsibility of the airline's consortium, and as of January 2018, they have spent almost \$500,000 on escalator repairs and maintenance. CEO Thorpe added, over the past months staff came to an agreement with the airlines to replace the escalators and have taken over the maintenance and repairs.

CEO Thorpe would like to propose a two-step plan to replace the escalators, that first includes spending approximately \$200,000 to replace essentially every part of the escalators in both terminals with the exception of the trusses. The second step would be a long-term solution to replace the escalators with minimal down time with a design that would be appropriate for the airport and incorporates the expansion of the TSA check in area. This would address several long-term issues and would be brought back to the board to review and decide on a plan.

President Wapner expressed concern over the repair cost to date and requested clarification regarding the proposed repair, specifically about a warranty if the escalator continues to break down and the timing of the repair.

CEO Thorpe confirmed a wholesale replacement would provide commitments for maintenance and include response times. COO Bruce Atlas provided more information regarding the escalator replacement parts, discussing the lead time in ordering all parts, and confirming the process can take up to 12 weeks to get all the parts and complete the repairs.

Vice President Loveridge asked further questions regarding the repair timeline. COO Atlas provided the timeline of about five weeks max, with one side of each escalator being down for repairs at one time allowing for one side to be in service during the repairs.

President Wapner inquired on the bid to replace the escalators and staff confirmed that the one bidder was unresponsive, over the engineers estimate, and required up and down escalators to be down for up to nine months.

President Wapner and CEO Thorpe discussed the longer-term solution for the escalator replacement. CEO Thorpe mentioned the terminals were built prior to the events of September 11, 2001 which impacts the design of the TSA checkpoint that now requires more space and limits the passenger queuing area.

President Wapner requested the item to be held over until the next meeting for further discussion, and assured staff to ask for more resources if needed, because the escalators are symbolic of the airport. CEO Thorpe stated within next two months he will have a plan included in his management report.

MOTION: No action taken, discussion item only.

MANAGEMENT REPORT

Chief Executive Officer Thorpe gave an update on cargo and passenger numbers for the month of August 2019 and provided updates on parking revenues.

COMMISSIONER MATTERS

Vice President Lovridge mentioned the great service he experienced at the Escape Lounge in Terminal 4.

Secretary Bowman complimented CEO Thorpe and staff.

President Wapner inquired about the @YourGate service in the terminals as well as signage to advertise the service.

ADJOURNMENT

President Wapner adjourned the Ontario International Airport Authority Commission meeting at 4:02 p.m., in memory of Montclair City Council Member Trisha Martinez.

RESPECTFULLY SUBMITTED:



CLAUDIA Y. ISBELL, CLERK OF THE BOARD

APPROVED:



ALAN D. WAPNER, PRESIDENT
ONTARIO INTERNATIONAL AIRPORT AUTHORITY