

**ONTARIO INTERNATIONAL AIRPORT AUTHORITY  
REGULAR COMMISSION MEETING  
MINUTES  
TUESDAY, JANUARY 24, 2017**

A regular meeting of the Ontario International Airport Authority was held on Tuesday, January 24, 2017, at 1923 E. Avion Avenue, Room 100, 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 3:09 p.m.

**ROLL CALL**

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

ABSENT: Commissioners: Curt Hagman (Commissioner Hagman  
arrived at 3:32 p.m.)

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 Dunn.

Hearing no requests to speak, President Wapner recessed the regular meeting of the Ontario International Airport Authority to Closed Session at 3:10 p.m. with Commissioners Bowman, Dunn, Loveridge and President Wapner in attendance. Commissioner Hagman joined the closed session at 3:32 p.m.

**CLOSED SESSION**

- GC 54956.8, CONFERENCE WITH REAL PROPERTY NEGOTIATORS  
Property: 1150 S. Vineyard Avenue, Ontario, CA 91761  
Authority Negotiator: Kelly Fredericks  
Negotiating Parties: Guardian Air Services, LLC  
Under Negotiation: Price and terms of payment
- GC 54956.8, CONFERENCE WITH REAL PROPERTY NEGOTIATORS  
Property: 1923 E. Avion Avenue, Ontario, CA 91761, Terminal #2 and  
Terminal #4  
Authority Negotiator: Kelly Fredericks  
Negotiating Parties: Delaware North Companies Travel Hospitality Services Inc.  
Under Negotiation: Price and terms of payment

- GC 54956.8, CONFERENCE WITH REAL PROPERTY NEGOTIATORS  
Property: 1923 E. Avion Avenue, Ontario, CA 91761, Terminal #2 and Terminal #4  
Authority Negotiator: Kelly Fredericks  
Negotiating Parties: World Duty Free Group North America, LLC  
Under Negotiation: Price and terms of payment
- GC 54956.8, CONFERENCE WITH REAL PROPERTY NEGOTIATORS  
Property: 1923 E. Avion Avenue, Ontario, CA 91761, Terminal #2 and Terminal #4  
Authority Negotiator: Kelly Fredericks  
Negotiating Parties: SSP America, Inc.  
Under Negotiation: Price and terms of payment
- GC 54956.9 (d) (2), CONFERENCE WITH LEGAL COUNSEL, ANTICIPATED LITIGATION  
One (1) potential case

The Ontario International Airport Authority Commission meeting was reconvened in public session at 4:05 p.m.

### **CLOSED SESSION REPORT**

President Wapner advised that there was no reportable action following the Closed Session discussion. He noted that he had recused himself from discussion on the first closed session item due to a potential conflict.

### **PUBLIC COMMENTS**

There were no public comments.

### **CONSENT CALENDAR**

President Wapner noted a request from staff to add the cancellation Minutes of December 5, 2016 to the Consent Calendar for consideration.

**MOTION:** Moved by Vice President Loveridge, seconded by Commissioner Hagman and carried by unanimous vote to add the Minutes of December 5, 2016 to the Consent Calendar.

Commissioner Hagman requested that Item 2 be pulled from the Consent Calendar for further discussion.

**MOTION:** Moved by Vice President Loveridge, seconded by Commissioner Bowman and carried by unanimous vote to approve the Minutes as presented.

**1. APPROVAL OF MINUTES**

Approved the Minutes for the regular meeting of the Ontario International Airport Authority on December 5, 2016 and the special meeting on December 8, 2016, as on file with the Secretary/Assistant Secretary.

**2. A RESOLUTION OF THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY TO APPROVE AND ADOPT A MEDIA POLICY AND GUIDELINES**

CEO Fredericks indicated that the document presented was based on policies from other airports and discussion with the Marketing Ad Hoc Committee.

Secretary Dunn indicated that the Marketing Committee had gone through this policy thoroughly to assure that the Board had a unified voice as a startup. She stressed the need for a consistent message with strategic direction. She clarified that there was no indication that the Commissioner should not speak with the press, but suggested that they should first contact staff.

Commissioner Bowman concurred with the need for a consistent and reliable message.

Commissioner Hagman suggested that the language in the policy was not practical, as there was no way to pause a meeting to get permission to speak. He noted that he was going on a delegation trip to Asia soon and the media would be present. He expressed hopes that there was faith among the Commissioners that they would know what to say. He suggested it would be more practical to contact staff after events.

President Wapner indicated that there was not punitive action associated with the proposed policy, but expressed understanding of the concern that an inconsistent message might be going to the press. He concurred that if a Board Member speaks to the press, they should let staff know so the message is consistent.

Commissioner Hagman supported staff taking the lead on press events, but noted that he gets questions on the fly. President Wapner concurred noting that it is everyone's option to handle those situations as they see fit, but he would like a unified and consistent message to the press.

Secretary Dunn commented that she prefers that the press is vetted first to find out what they are asking and make sure that she has the most current information. She clarified that policies are intended to be general rules, but concurred that there might be reason to take another look at this policy to ensure that it is flexible enough to give the Commissioners the opportunity to speak.

**MOTION:** Moved by Secretary Dunn, seconded by Commissioner Bowman and carried by unanimous vote to continue this item for further work, based on the comments from today.

## **ADMINISTRATIVE REPORTS/DISCUSSION/ACTION**

None.

## **STAFF MATTERS**

### **3. ONTARIO INTERNATIONAL AIRPORT AUTHORITY TEAM UPDATES**

CEO Fredericks indicated that staff was busy working on Human Resources issues including preparation of an employee handbook, an augmentation agreement and the transition to a new organization. He noted that redundant positions would start to be eliminated. He advised that key meetings with FAA, TSA and Customs and Border Protection were coming up, as well as meetings with the cargo and passenger air carriers. He also advised that staff would be requesting funding to support some of the capital improvements. He assured the Commission that this was the most aggressive air services program he had been a part of. He expressed hopes of bringing back new police and fire agreements in February. He noted the discovery of the flight path museum on the property and offered to show it to the Commissioners.

Chief Operating Officer Atlas provided an update on the day-to-day operations at the airport. He commented that the after purchase inspection revealed that the Authority received a fixer upper. He noted that they were doing a comprehensive audit of the major systems including the high voltage system that went down last year. He detailed the reviews and work currently underway.

Commissioner Hagman expressed appreciation for the upgrades, but expressed concern with a lot of the contracts. He questioned the financial update and requested a priority list, noting that there is a lot to do everywhere.

COO Atlas noted that they are still in the investigation phase, but then the bids will go out. Commissioner Hagman questioned the procedure and limits for the bids. CEO Fredericks indicated that he has authorization for up to \$100,000, anything over \$100,000 will come back to the Board for approval. He indicated that staff is formalizing a capital improvement program and adhering to all government

requirements. President Wapner clarified that the \$100,000 spending authority is only applicable if an item is in the approved budget. Capital projects need to go out to bid per State law, and professional services may require formal proposals.

Secretary Dunn thanked COO Atlas for the report. She questioned the impact of the recent extreme weather. COO Atlas indicated that the airport fared very well with the amount of rainfall, and there were no major concerns.

Chief Financial Officer Reynolds indicated that there were currently four accountants who were LAWA employees under contract, who would all transition to the Authority. He further indicated that they would post a position for Director of Finance this week, with that person serving as the internal auditor. He noted that since no accounting system transferred, they had to start from scratch with QuickBooks to get up and running, but they were looking at enterprise solutions.

Commissioner Hagman requested that the Board start receiving quarterly budget updates. CFO Reynolds indicated that they have the first 60 days, but they are not sure what they don't now, so it is not ready for public presentation.

President Wapner expressed concern that the audit function would be under the director of finance and suggested that it be done by an independent internal auditor. He indicated he would like an organizational chart of LAWA employees, OIAA employees and vacant positions.

Chief Marketing Officer Adamus indicated that they are continuing to focus on strategic planning and branding efforts. He noted that they are addressing traditional issues and digital marketing as part of that process, and intend to have intricate systems to communicate multiple messages. He commented on the customer experience and services being considered to improve the experience. Secretary Dunn noted the importance of looking at marketing both internally and externally, and suggested a schedule for implementation. Commissioner Hagman questioned if there had been a decision on the logo. CMO Adamus indicated that they are looking at things that stay with Southern California and currently preparing and advertising the RFP. Commissioner Hagman questioned the timeline. Secretary Dunn questioned the possibility of doing an interim branding. Commissioner Hagman noted his upcoming Asia trip and the need for marketing materials. CMO Adamus indicated that he would like one more discussion with the Marketing Ad Hoc Committee. CEO Fredericks questioned the term "interim" noting that he would hope to come up with something that has a shelf life and allows for evolution. Secretary Dunn indicated that the business community would like input into the concepts and suggested reaching out to them.

President Wapner indicated that he has concerns based on what he is hearing from the residents. He indicated that they want lower fares and more direct flights. He questioned how we are marketing and what message is being used to achieve those two things. CEO Fredericks clarified the distinction between air service development and marketing. CMO Adamus further clarified that the current effort is to build the foundation.

Chief Development Officer Thorpe provided the air services performance update, noting that passenger traffic is flat, but for the third straight year it is in the black. He explained that both domestic and international air traffic has refocused on LAX, but in working with the airlines and redefining the story he believes we can keep pace. He indicated that business development and expansion of parking products will be coming forward for review in the first quarter. He indicated that staff is also preparing

an airport terminal and external advertising campaign, as well as ground transportation and other revenue generating opportunities.

### **COMMISSIONER MATTERS**

Commissioner Loveridge commented on marketing opportunities and the customer experience. He suggested establishment of an Economic Development Advisory Committee for the airport to meet with groups like the Orange County Business Council. He also presented a historical poster from Ontario Airport depicting a broad marketing area to the CEO as a challenge.

Commissioner Hagman commended staff on the meeting room. He also thanked CDO Thorpe for his assistance with meetings.

### **ADJOURNMENT**

President Wapner adjourned the Ontario International Airport Authority Commission meeting at 5:23 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