

**ONTARIO INTERNATIONAL AIRPORT AUTHORITY  
SPECIAL COMMISSION MEETING  
MINUTES  
FRIDAY, OCTOBER 16, 2015**

A Special meeting of the Ontario International Airport Authority was held on Friday, October 16, 2015 in the City Council Chambers at Ontario City Hall, 303 East B Street, Ontario, California.

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

**CALL TO ORDER**

Commission President Wapner called the Ontario International Airport Authority Special Commission meeting to order at 10:03 a.m.

**ROLL CALL**

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

ABSENT: Commissioners: Lucy Dunn

Also present were: Executive Director Al C. Boling, Legal Counsel John Brown, and Assistant Secretary Jacob Green.

**CLOSED SESSION**

Hearing no requests to speak from the public, President Wapner recessed the meeting to Closed Session at 10:05 a.m., for discussion of the following:

- 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.
- GC 54956.8, CONFERENCE WITH REAL PROPERTY NEGOTIATORS  
Property: Ontario International Airport, 2900 East Airport Drive, Ontario; Authority Negotiator: Executive Director or designee; Negotiating parties: Los Angeles Mayor or his designee; Under negotiation: Price and terms of payment.

**RECONVENE IN PUBLIC SESSION**

The Ontario International Airport Authority Commission meeting was reconvened in public session at 10:55 a.m.

## **PLEDGE OF ALLEGIANCE**

The Pledge of Allegiance was led by Commissioner Hagman.

## **CLOSED SESSION REPORT**

President Wapner indicated that he had been given the ability to briefly discuss the Closed Session discussion. He advised that while no action was taken, they talked about the deal in principle between the City of Ontario and the City of Los Angeles regarding the transfer of the airport. The deal will resolve pending litigation in Riverside Superior Court. He commented that basically the Authority Board is in agreement and happy to hear that with the Ontario side, everything is being moved forward. Los Angeles is expected to take the same actions. The settlement agreement reflects the deal points that Mayor Garcetti and President Wapner have agreed to, and he is hoping to bring this all to resolution in a timely manner.

## **PUBLIC COMMENTS**

None.

## **CONSENT CALENDAR**

**MOTION:** Moved by Commissioner Hagman, seconded by Commissioner Bowman and carried by unanimous vote of those present, with Secretary Dunn absent, to approve the Minutes as presented.

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

Minutes for the regular meeting of the Ontario International Airport Authority of September 7 and October 5, 2015 and the special meetings of August 31 and September 16, 2015, and approving same as on file with the Secretary/Assistant Secretary.

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

### **2. SOUTHERN CALIFORNIA AIR SERVICE PERFORMANCE UPDATE AND FORECAST**

Paul Haney, aviation consultant, indicated that starting today his report would also look at Cargo. He advised that ONT passenger traffic increased 1.9% year over year for the period from January to August, 2015. He further advised that the modest increase of 51,000 passengers is due largely to Mexico service with only 2/10ths of one percent being domestic travel.

Vice President Loveridge indicated that it would be helpful to have the break out of domestic and international flight numbers for future reports.

Mr. Haney continued that the region saw an increase of 3.9% in the first eight months of 2015 in passenger traffic, with John Wayne at 6.7%, LAX at 4.6%, Burbank at 2.1% and Ontario 1.9%. He indicated that Long Beach continues to see decreases. Passenger traffic jumped 43 million in the region for the period 2000-2014, while all of the loss at ONT occurred between 2007-2014.

Mr. Haney indicated that seat factor, meaning filled seats at departure, increased at most of the secondary airports in the region. ONT leads the trend and saw a 3.1% increase due to the strength of the local economy, as this occurred even when the available seats were reduced. He noted that chances are whatever plane you are on, it will be full.

Mr. Haney noted that using traffic results through August, and the scheduled seats through December, the passenger traffic forecast for the entire year is 97.1 million at LAX, which was previously forecast in the spring to be 96.9 million. He indicated that LAX is looking at another record year, and if that growth rate continues in 2016, they will reach their design cap of 76.9 annual passengers. He explained that this was the maximum that the current land site access could accommodate. He also indicated that John Wayne will end the year at 10.2 million, close to their 10.8 million cap for 2020.

With regard to market share; LAX increased in market share so they will be at 76.5% at year end. This is the highest percentage of passengers served since the early 1980s. ONT is at 4.4%, which is unchanged from last year, but only half the share it had 25 years ago.

Vice President Loveridge questioned the projections in light of the RTP. President Wapner indicated that SCAG previously expressed strong support of regional aviation, but the exact opposite has occurred. He further indicated that he is trying to get his colleagues at SCAG to agree and take definitive steps to promote regionalization. He stressed that studies show a much greater demand for aviation, but the listed total demand in the 2012 RTP was 150 and now it is down to 134. A great deal of that decrease comes from ONT. The charts regarding the distribution of passenger traffic show a direct correlation between the increases in LAX and the decreases in ONT. The positive news, is that ONT is still the only unconstrained airport in Southern California and any excess demand can be met at ONT.

Mr. Haney indicated that for the first eight months of the year, Southwest is by far the largest carrier at ONT with 57%, U.S. Airways is second with 10.7% and American Airlines is third with 9.7%. He noted that as of tomorrow, U.S. Airways will be acquired by American so they will have 20% of the market. He also noted that for the first eight months, Terminal 2 served 590,000 passengers and Terminal 4 served 2.1 million passengers.

Mr Haney then addressed freight and mail, noting that cargo overall has increased 8 out of 9 months. Cargo is up 4.5% year over year. The number one carrier in air freight tons is UPS at 74%, followed by FEDEX with 24.7%, and all others combined at less than 1%.

Mr. Haney added that the latest industry news is that JetBlue is adding service from PSP to JFK, which will be their third airport in the region. He noted that their first airport west of the Mississippi was ONT, so a high priority would get them to return to their roots, at ONT.

President Wapner, expressed concern that with the added JETBlue service, he could see Southwest passengers moving to Palm Springs.

### **3. SELECTION OF WEBSITE ADDRESS**

Executive Director Boling noted that for the past several years, Ontario has had a Set Ontario Free website, but there was now a need to set up administrative functions, so staff needed direction from the Board to set up website administration. He advised that the existing LAWA ONT does not work, and as part of the settlement agreement, intellectual property like this would be part of the transaction.

The new website will contain things like latest news, RFPs/RFQs, Agendas/Minutes, Documents, Timelines, OIAA Background, Job Announcements, Social Media Links and Contact Information. It will not contain Airport Visitor information like parking or terminals or the any new marketing launch. It will be an administrative site for the Authority, not the airport.

Mr. Boling explained that over time staff has accumulated certain website URLs, and offered options for the new website.

**MOTION:** Moved by Commissioner Hagman, seconded by Commissioner Bowman and carried by unanimous vote of those present, with Secretary Dunn absent to approve the use of **OntarioOIAA.com** for the Authority's administrative website.

President Wapner noted discussions with Commissioner Hagman and indicated that OIAA needs a dedicated phone number. He suggested this could be through the truncated system and answered Ontario International Airport Authority, by City staff.

President Wapner stressed the monumental task of the transition process and all of its components.

#### **4. MASTER PLAN PROCESS**

President Wapner noted the application process for the FAA, and the need to reduce costs for the airlines. He explained that there will be an 18 to 24 month gap until the master plan can be completed.

Executive Director Boling noted that the OIAA adopted a Strategic Business Plan in January 2013. As stated in the Plan the first priority is to reduce airline costs, and the second goal is to develop airport related businesses to help improve economic activity.

The Master Plan for ONT was started in 2001 by LAWA, but was halted in 2008. The City has been using the draft master plan, which is made up of several separate documents to guide, and improve compatible land uses surrounding the airport. To gain FAA approval need our own airport layout plan as well as an up-to-date land map. Current documents could be used in the interim.

Executive Director Boling explained that with regard to regional transportation, SCAG is finishing up the transportation portion of the RTP. He indicated that staff is requesting that the Board give staff direction to develop a master plan to more supporting the Part 139 transition process.

He summarized that as part of the certificate process, the OIAA needs to develop a land use map that is generally consistent with what be needed for the master plan, as it will be used as guiding principles for any decision that will be made.

President Wapner indicated that he wanted to make sure the new CEO was included in this process as well. He also saw services to passengers and increased international flights to be included as guiding principles.

President Wapner commented that once we have the airport and once the new CEO is on board, we can go through this more formally. He stressed the need as individuals to be proactive with increasing activity at the airport but also stressed the importance of having the support of the Authority Board to do so. He commented that we need to make the statement that we are open for business.

Commissioner Hagman also stressed international shipping and cargo as areas we want to expand. President Wapner commented that the Inland Empire is a major port for the U.S. in aviation cargo. He indicated that everyone agrees we want to grow the airport internationally. He also indicated that it was important for people to recognize that Los Angeles does have constraints, so other airports need to grow for international business. President Wapner stressed that the airports in Southern California need to work together as a system and compliment one another.

**MOTION:** Moved by Commissioner Hagman, seconded by Commissioner Bowman and carried by unanimous vote of those present, with Secretary Dunn absent to direct staff to come back with the time line, necessary steps and potential funding sources for the required master plan. In the meantime try to utilize the land use maps that will be generated as part of the Part 139 application process.

Commissioner Hagman questioned the expenses being accrued on behalf of OIAA. Executive Director Boling indicated that there is an MOU with the City of Ontario to advance the money to the extent that the costs are allowable for reimbursement from OIAA. He explained that in the transition, FAA limits the ability to commit future airline funds. Notwithstanding that staff has clear direction from the Board, and all costs are being tracked and there is a separate independent self-balancing fund. President Wapner added that Ontario is not looking for immediate repayment. Once the goals are met and costs are reduced for the airlines, OIAA will look at the feasibility to reimburse the City of Ontario.

## **STAFF MATTERS**

### **CEO RECRUITMENT UPDATE**

Assistant City Manager Green advised that this week he received an update from Boyden International Search, and applications are being received from all over North America. At this point Boyden has no concerns and are screening the applications as they are coming in. They are focusing on candidates that have extensive knowledge in aviation and airport functions, improvement projects around airports and in building relationships.

Mr. Green indicated that the job has been posted on several professional websites. The position closes on November 15, 2015 and interested candidates should be directed to Boyden

President Wapner inquired if Boyden was reaching out to their established contacts. Mr. Green confirmed that they did indicate in their written update, that they are proactively reaching out to a broad cross-section of potential applicants.

Commissioner Hagman inquired where the new CEO will be located. Executive Director Boling indicated that he would recommend that they be located in City of Ontario and additional staff could be moved to the airport.

President Wapner commented on leasing separate space for this individual. Commissioner Hagman concurred suggesting the need for a separate identity. The Board tasked the Executive Director with finding some options for office space.

Vice Chairman Loveridge questioned the timeline for the short list of applicants. Mr. Green reiterated that the position closes on November 15, 2015 and the short list should be provided within two weeks after that.

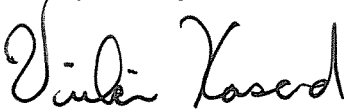
### COMMISSIONER MATTERS

There were no Commissioner comments.

### ADJOURNMENT

President Wapner adjourned the Ontario International Airport Authority Special Commission meeting at 11:39 a.m.

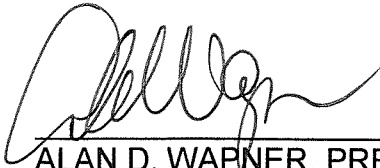
Respectfully submitted:



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ASSISTANT SECRETARY

APPROVED:



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ALAN D. WARNER, PRESIDENT  
ONTARIO INTERNATIONAL AIRPORT AUTHORITY