

**ONTARIO INTERNATIONAL AIRPORT AUTHORITY
COMMISSION MEETING
MINUTES
MONDAY, FEBRUARY 1, 2016**

A regular meeting of the Ontario International Airport Authority was held on Monday, February 1, 2016, in the City Council Chamber of 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 Commission meeting to order at 10:03 a.m.

ROLL CALL

PRESENT: Commissioners: Jim W. Bowman, Lucy Dunn,
Curt Hagman and Alan D. Wapner

ABSENT: Commissioners: Ron O. Loveridge

Also present were: Executive Director Al C. Boling, Legal Counsel Brown and Assistant Secretaries Jacob Green and Vicki Kasad.

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Commissioner Bowman.

PUBLIC COMMENTS

None.

President Wapner noted that Mayor Paul Leon was in attendance.

CONSENT CALENDAR

MOTION: Moved by Commissioner Hagman, seconded by Secretary Dunn and carried by unanimous vote of those present, with Vice President Loveridge absent to approve the Consent Calendar as presented.

1. APPROVAL OF MINUTES

The Commission approved the Minutes for the regular meetings of the Ontario International Airport Authority of November 2, December 7, 2015 and January 4, 2016; and the special meetings of October 16, December 5, December 7 and December 17, 2015; and January 18, 2016 as on file with the Secretary/Assistant Secretary.

2. INVESTMENT BANKING SERVICES FOR ONTARIO INTERNATIONAL AIRPORT AUTHORITY

The Commission approved and authorized the Executive Director to execute an Agreement with Morgan Stanley of New York, New York, for investment banking services to refund approximately \$55.5 million of outstanding bonds issued by Los Angeles World Airports (LAWA) for Ontario International Airport (ONT).

3. APPOINTMENT OF CHIEF EXECUTIVE OFFICER

The Commission:

- (A) Adopted Resolution No. 2016-001 amending Resolution 14.001, appointing Kelly J. Fredericks as Chief Executive Officer of the Authority effective March 7, 2016;
- (B) Approved an employment agreement with Kelly J. Fredericks as Chief Executive Officer (CEO); and
- (C) Authorized the CEO signature authority to execute contracts on behalf of the Commission for the acquisition of equipment, materials, supplies, labor services or other items up to a maximum of \$100,000.

ADMINISTRATIVE REPORTS/DISCUSSION/ACTION

AIR SERVICE PERFORMANCE UPDATE

Paul Haney, Airport consultant with Englander, Knabe & Allen, provided an update on activity at ONT for the full year of 2015, including cargo activity. He indicated that ONT saw a passenger traffic increase of 2% in 2015 year over year, even as the seat capacity was trimmed eight-tenths of one percent. He noted that both domestic and international flights showed growth; domestic 1% or about 30,000 passengers and international 60% or about 54,00 passengers due to additional service to Mexico. He showed overall passenger activity for all Southern California airports year over year and in the period since the year 2000. He advised that Ontario's seat factor increased by 2.2% in 2015, giving ONT 4.3% of the market share at year end. He noted that scheduled seats at ONT are projected to increase 4.7% from January to September 2016. Cargo tons handled at ONT increased 7.4 percent in 2015 compared with the prior year. Year over year increases were recorded in 11 months of 2015 according to Mr. Haney.

President Wapner questioned the reduced flights in Palm Springs, noting two new Jet Blue flights. Mr. Haney indicated that the new flights had not started yet. President Wapner further questioned the projected decrease for Long Beach. Mr. Haney explained that all of their 42 current slots are not being flown full time, but noted that in 2016 they would be expanding to 51 slots. President Wapner questioned the ONT estimates for

2016. Mr. Haney clarified the estimates and noted that as the year progresses they can be recalibrated and adjusted upward. President Wapner questioned the likelihood of cancelled flights with increased seat capacity. Mr. Haney indicated that he did not think it would be an appreciable change, as in some cases they are substituting larger aircraft, but he would need to analyze the situation. He also noted that airlines avoid cancelling flights further. President Wapner noted that he is cautiously optimistic based on the existing conditions, but any changes could have a positive impact.

COMMISSIONER MATTERS

President Wapner noted that the Consent Calendar had included formal approval and the appointment of Kelly Fredericks from Providence, Rhode Island as Chief Executive Officer, and indicated that he would be arriving the second week in March to start his employment for the OIAA.

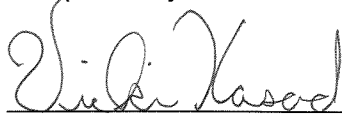
STAFF MATTERS

None.

ADJOURNMENT

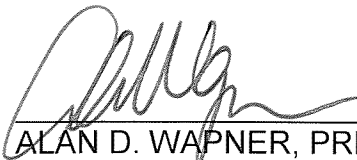
President Wapner adjourned the Ontario International Airport Authority Commission meeting at 10:20 a.m.

Respectfully submitted:



VICKI KASAD, ASSISTANT SECRETARY

APPROVED:



ALAN D. WAPNER, PRESIDENT
ONTARIO INTERNATIONAL AIRPORT AUTHORITY