

ONTARIO INTERNATIONAL AIRPORT AUTHORITY

COMMISSION AGENDA – REGULAR MEETING



FEBRUARY 27, 2020 AT 2:00 P.M.

Ontario International Airport Administration Offices
1923 E. Avion Street, Room 100, Ontario, CA 91761

ALAN D. WAPNER
President

RONALD O. LOVERIDGE
Vice President

JIM W. BOWMAN
Secretary

CURT HAGMAN
Commissioner

JULIA GOUW
Commissioner

MARK A. THORPE
Chief Executive Officer

LORI D. BALLANCE
General Counsel

JOHN M. SCHUBERT
Treasurer

WELCOME TO THE MEETING OF THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY

- 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 fill out a blue slip. Blue slips must be turned in prior to public comment, beginning or before an agenda item is taken up. The Secretary/Assistant Secretary will not accept blue slips after that time.
- Comments will be limited to 3 minutes. Speakers will be alerted when they have 1-minute remaining and when their time is up. Speakers are then to return to their seats 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.
- Remarks from those seated or standing in the back of the board room will not be permitted. All those wishing to speak, including Commissioners and Staff, need to be recognized by the Authority President before speaking.

ORDER OF BUSINESS

The Authority meeting begins at 2:00 p.m. with Public Comment and the Regular Meeting.

(Sign Language Interpreters, Communication Access Real-Time Transcription, Assistive Listening Devices, or other auxiliary aids and/or services 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.)

CALL TO ORDER (OPEN SESSION) - 2:00 P.M.

ROLL CALL

Loveridge, Bowman, Hagman, Gouw, President Wapner

PLEDGE OF ALLEGIANCE

INVOCATION

Staff Sgt. Octavio Sanchez, USMC, Retired
FrontSight Military Outreach Ministry, Ontario, CA

PUBLIC COMMENT

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

AGENDA REVIEW/ANNOUNCEMENTS

The Chief Executive Officer will go over all updated materials and correspondence received after the Agenda was distributed to ensure Commissioners have received them.

CONSENT CALENDAR

All matters listed under CONSENT CALENDAR will be enacted by one motion in the form listed below – there will be no separate discussion on these items prior to the time Commission votes on them, unless a member of the Commission requests a specific item be removed from the Consent Calendar for a separate vote.

Each member of the public wishing to address the Authority on items listed on the Consent Calendar will be given a total of 3 minutes.

1. APPROVAL OF MINUTES

Minutes for the meeting of the Ontario International Airport Authority regular meeting on January 23, 2020, and approving the same as on file with the Secretary/Assistant Secretary.

2. BILLS/PAYROLL

Bills January 1, 2020 through January 31, 2020 and Payroll January 1, 2020 through January 31, 2020.

3. APPROVAL OF MEETING STIPENDS

That the Ontario International Airport Authority Commission approve meeting stipends for President Wapner and Commissioner Hagman for the month of January, 2020.

ADMINISTRATIVE DISCUSSION/ACTION/REPORT

4. FISCAL YEAR UPDATE FOR THE SIX MONTHS ENDING DECEMBER 31, 2019

That the Ontario International Airport Authority receive and file Financial Statements for the six months ending December 31, 2019.

MANAGEMENT REPORT

Chief Executive Officer Thorpe

COMMISSION MATTERS

President Wapner

Vice President Loveridge

Secretary Bowman

Commissioner Hagman

Commissioner Gouw

ADJOURNMENT

**ONTARIO INTERNATIONAL AIRPORT AUTHORITY
REGULAR COMMISSION MEETING
MINUTES
JANUARY 23, 2020
(Not official until approved)**

A regular meeting of the Ontario International Airport Authority was held on Thursday, January 23, 2020, 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

Vice President Loveridge called the Ontario International Airport Authority Commission meeting to order at 2:02 p.m.

ROLL CALL

PRESENT: Commissioners: Julia Gouw, Curt Hagman, Jim W. Bowman, and Ronald O. Loveridge.

ABSENT: Commissioners: Alan D. Wapner.

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

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Commissioner Hagman.

INVOCATION

The invocation was led by Pastor Adam Kaloostian, Ontario United Reformed Church.

PUBLIC COMMENT

Carol Coy, representing the Pomona Valley Audubon Society, spoke regarding establishment of a burrowing owl preserve at ONT and requested a meeting with staff to discuss the matter.

Susanne Thompson, representing the Pomona Valley Audubon, requested a burrowing owl preserve, to allow the burrowing owl to burrow in their native habitat.

CEO Thorpe and Legal Counsel Ballance mentioned the review related to the burrowing owls was underway, and community input will be requested sometime late spring when the study is complete.

Chet Sobotka, Director of Travelers Aid, provided the Travelers Aid stats for 2019. Vice President Loveridge requested a formal report going forward annually for the board.

Jesse Fonseca, spoke on airplane noise concerns.

Richard Sherman, spoke on airplane noise concerns and submitted printed WebTrak maps with flight details for the record.

William Cassida, spoke on airplane noise concerns.

AGENDA REVIEW/ANNOUNCEMENT

There were no announcements made.

POSSIBLE CONFLICT OF INTEREST ISSUES

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 conflict of interests reported.

ITEM PULLED: Vice President Loveridge pulled Item No. 04 from the consent calendar for a separate discussion.

4. APPROVAL OF A CONTRACT WITH VELLUTINI CORPORATION DBA ROYAL ELECTRIC COMPANY FOR THE RUNWAY 26R TOUCHDOWN ZONE LIGHTS PROJECT AT THE ONTARIO INTERNATIONAL AIRPORT

The Ontario International Airport Authority authorized the Chief Executive Officer to execute a contract with Royal Electric Company, in the amount of \$2,811,110.50 for the Runway 26R Touchdown Zone Lights Project at Ontario International Airport. The cost to construct this project is accounted for in the OIAA Fiscal Year 2019-2020 budget. Total construction cost of \$2,555,555.00, plus a 10% contingency in the amount of \$255,555.50. Funds for this project are to be paid with a combination of FAA Airport Improvement Program (AIP) entitlement grant funds in the amount of \$2,059,521.77 and OIAA appropriations in the amount of \$496,033.23.

CEO Thorpe provided details on the project. Vice President Loveridge asked how long it would take to complete. Staff confirmed it will start in February and will take 4 months.

MOTION: Moved by Commissioner Hagman, seconded by Secretary Bowman and carried by a vote of 4-0-1, to authorize the CEO to execute a contract with Royal Electric Company, with President Wapner absent.

2. APPROVAL OF MINUTES

Approved minutes for the meetings of the Ontario International Airport Authority special meeting on December 23, 2019 and cancelled meeting on December 24, 2019, and approved the same as on file with the Secretary/Assistant Secretary.

MOTION: Moved by Commissioner Hagman, seconded by Secretary Gouw, and carried by a vote of 4-0-1, to approve the consent calendar with the exception of Item No. 02 and Item No. 04, with President Wapner absent.

CONSENT CALENDAR

MOTION: Moved by Commissioner Gouw, seconded by Secretary Bowman, and carried by a vote of 3-0-2, to approve Item No. 02 of the consent calendar, with President Wapner absent and Commissioner Hagman abstaining from voting on the item no. 02.

3. BILLS/PAYROLL

Approved bills December 1, 2019 through December 31, 2019 and Payroll December 1, 2019 through December 31, 2019.

5. AUTHORIZE THE CHIEF EXECUTIVE OFFICER TO NEGOTIATE AND EXECUTE A RENTAL CAR CONCESSION AND LEASE AGREEMENT HOLDOVER TENANCY STATUS

The Ontario International Airport Authority authorized the Chief Executive Officer to continue negotiation with rental car concessionaires culminating with new concession/lease agreements by July 1, 2020. This extension will ensure that ONT will continue receiving approximately \$3,556,000 in revenue through July 1, 2020 based on projected revenue.

6. APPROVE A MONTH-TO-MONTH EXTENSION WITH ALL AMERICAN ASPHALT FOR THE SUPPLY AND DELIVERY OF ASPHALT CONCRETE MIXES AT ONTARIO INTERNATIONAL AIRPORT

The Ontario International Airport Authority authorized the Chief Executive Officer to execute a month-to-month contract extension with All American Asphalt. Funds for this project are approved in the FY 2019/2020 budget. Funding for subsequent years will be requested through the annual budget process.

7. AMENDMENT TO FUNDING AGREEMENT WITH THE COUNTY OF SAN BERNARDINO FOR AIRPORT SECURITY RELATED PROJECTS

The Ontario International Airport Authority approved the first amendment to the funding agreement between the OIAA and the County of San Bernardino for an extension to use \$250,000 in funds for airport related security projects. Upon approval, the OIAA will be granted an extension to use County Funds received for Airport Related Security Projects for through December 31, 2021.

8. AUTHORIZE THE CHIEF EXECUTIVE OFFICER TO EXECUTE AN AGREEMENT WITH ABS AVIATION CONSULTANCY INC. DBA AIRPORT BUSINESS SOLUTIONS FOR MARKET RENT ANALYSIS OF AERONAUTICAL AND NON-AERONAUTICAL LAND AND FACILITIES

The Ontario International Airport Authority authorized the Chief Executive Officer to execute an agreement with Airport Business Solutions to perform an airport-wide appraisal in an amount not to exceed \$135,225. Funds for this project are approved in the FY 2019/2020 budget. Funding for subsequent years will be requested through the annual budget process.

9. CONSENT TO ASSIGNMENT AND ASSUMPTION OF CONTRACT SCONT-000125 FROM INTERVISTAS CONSULTING INC. TO MEEHAN AVIATION GROUP FOR ON-CALL AIR SERVICE DEVELOPMENT AND RELATED SERVICES AT ONTARIO INTERNATIONAL AIRPORT

The Ontario International Airport Authority consented to the assignment and assumption of Contract SCONT-000125 from InterVistas Consulting, Inc. to Meehan Aviation Group in an amount not to exceed \$300,000 annually for the remaining second and third contract years, and authorize the Chief Executive Officer to exercise two, one-year extensions, in the amount of \$300,000 annually, for an overall amount not to exceed \$1,200,000 over the term of contract. Funds for this project are approved in the FY 2019/2020 budget. Funding for subsequent years will be requested through the annual budget process.

10. AUTHORIZE THE CHIEF EXECUTIVE OFFICER TO INCREASE THE SPENDING AUTHORITY FOR THE EXISTING CONTRACT WITH FRUITION GROWTH, LLC DBA FRUITION FOR WEBSITE MAINTENANCE, SEARCH ENGINE OPTIMIZATION ENHANCEMENTS AND INTRANET DEVELOPMENT

The Ontario International Airport Authority authorized the Chief Executive Officer to increase the spending authority for existing Contract No. SCONT-000188 with Fruition Growth LLC dba Fruition for website maintenance, search engine optimization enhancements and intranet development, for an amount not-to-exceed \$60,000 and an overall authority amount not-to-exceed \$160,000 through the term of the contract ending June 30, 2020.

ADMINISTRATIVE DISCUSSION/ACTION/REPORT

11. AUTHORIZE THE CHIEF EXECUTIVE OFFICER TO EXECUTE A CONCESSION LEASE AGREEMENT WITH BATTER BOYS, INC., FOR A DUNKIN DONUTS KIOSK IN TERMINAL 4 AT ONTARIO INTERNATIONAL AIRPORT

The Ontario International Airport Authority (OIAA) authorized the Chief Executive Officer to execute a (5) year, with three (3) one-year options to extend, concession lease agreement with Batter Boys, Inc., to provide one Dunkin Donuts kiosk in Terminal 4 at Ontario International Airport. Upon the Rent Commencement Date of this agreement, Batter Boys shall pay the OIAA an eight percent (8%) Concession Fee of its annual Gross Revenues, plus annual budget savings from actual Operating Expenses to contribute up to an additional 3% Concession Fee to provide a total annual percentage rent up to 11% of the annual Gross Revenues. Annual rent of \$120.84 per square foot shall be paid monthly upon occupancy for any office or storage space rented in the Terminals, if required to support their operations.

MOTION: Moved by Commissioner Hagman, seconded by Commissioner Gouw and carried by a vote of 4-0-1, with President Wapner absent.

12. AUTHORIZE THE CHIEF EXECUTIVE OFFICER TO EXECUTE A CONCESSION LEASE AGREEMENT WITH INNOVATIVE VENDING SOLUTIONS, LLC, FOR MASSAGE CHAIRS IN TERMINALS 2 AND 4 AT ONTARIO INTERNATIONAL AIRPORT

The Ontario International Airport Authority authorized the Chief Executive Officer to execute a (1) year, with two (2) one-year options to extend, concession lease agreement with Innovative Vending Solutions, LLC, to provide massage chairs in Terminals 2 and 4 at Ontario International Airport. Upon the Rent Commencement Date of this agreement, Innovative Vending Solutions shall pay the OIAA an fifty percent (50%) Concession Fee of

its annual Gross Revenues payable monthly. Annual rent of \$120.84 per square foot shall be paid monthly upon occupancy for any office or storage space rented in the Terminals, if required to support their operations.

MOTION: Moved by Commissioner Hagman, seconded by Secretary Bowman and carried by a vote of 4-0-1, with President Wapner absent.

MANAGEMENT REPORT

Chief Executive Officer Thorpe gave an update on cargo and passenger numbers for the month of December 2019, including information regarding the upcoming parking lot project plan.

CEO Thorpe introduced the Ontario Fire Department in attendance who brought two new ARFF vehicles outside for viewing.

CEO Thorpe presented the Commissioners with the Inland Empire Economic Partnership (IEEP) 2019 Business of the Year Award.

COMMISSIONER MATTERS

Commissioner Gouw had no comments.

Commissioner Hagman thanked ONT for sponsoring the State of the County taking place on February 5th.

Secretary Bowman had no comments.

Vice President Loveridge had no comments.

ADJOURNMENT

Vice President Loveridge adjourned the Ontario International Airport Authority Commission meeting at 2:42 p.m.

RESPECTFULLY SUBMITTED:

CLAUDIA Y. ISBELL, CLERK OF THE BOARD

APPROVED:

RONALD O. LOVERIDGE, VICE PRESIDENT
ONTARIO INTERNATIONAL AIRPORT AUTHORITY



DATE: FEBRUARY 27, 2020

SECTION: CONSENT CALENDAR

SUBJECT: ONTARIO INTERNATIONAL AIRPORT AUTHORITY COMMISSION APPROVAL OF STIPENDS AS REQUIRED BY AUTHORITY BYLAWS

RELEVANT STRATEGIC OBJECTIVE: Development of Airport-Related Business.

RECOMMENDED ACTION(S): That the Ontario International Airport Authority Commission approve additional stipends per Article IV, Section 6 of the Authority’s Bylaws.

BACKGROUND: Article IV, Section 6 of the Authority’s Bylaws states as follows:

“No salary: Reimbursement for Expenses; Stipends. The members of the Commission shall receive no salary but shall be reimbursed for necessary expenses (including mileage in accordance with standard IRS mileage reimbursement rates) incurred in the performance of their duties. Additionally, Commissioners will receive a stipend in the amount of one hundred fifty dollars (\$150.00) for attendance at each Commission meeting, standing committee meeting, ad hoc committee meeting, and any Authority-related business function. A maximum of six (6) stipends are permitted per month. An additional two (2) stipends are permitted with prior approval of the President. More than eight (8) stipends per month will require approval by the full Commission.”

During the month of January 2020, President Wapner attended six (6) additional and Commissioner Hagman attended two (2) additional Authority-related business functions. Full Commission approval is needed to approve payment of these additional stipends.

CEQA COMPLIANCE: Exclusion from the definition of “project”: The creation of government funding mechanisms or other government fiscal activities which do not involve any commitment to any specific

STAFF MEMBER PRESENTING: Chief Executive Officer, Mark A. Thorpe

Department: Clerk’s Office

Submitted to OIAA: February 27, 2020

Approved: _____

Continued to: _____

Denied: _____

Chief Executive Officer Approval: *Mark A. Thorpe*

project which may result in a potentially significant physical impact on the environment. (CEQA Guidelines §15378(b)(4).)

FISCAL IMPACT AND SOURCE OF FUNDS: OIAA operating revenue.

PRIOR COMMISSION ACTION: On December 8, 2016, the OIAA Commission adopted Resolution No. 2016-14 approving and adopting the OIAA Bylaws.

STAFFING IMPACT (# OF POSITIONS):

N/A

IMPACT ON OPERATIONS:

N/A

ATTACHMENTS:

N/A

The Agenda Report references the terms and conditions of the recommended actions and request for approval. Any document(s) referred to herein and that are not attached or posted online may be reviewed prior to or following scheduled Commission meetings in the Office of the Clerk of the Commission. Office hours are 8:30 a.m. to 5:00 p.m., Monday through Friday

This Agenda Report has been reviewed by OIAA General Counsel. |



DATE: FEBRUARY 27, 2020

SECTION: ADMINISTRATIVE DISCUSSION/ACTION/REPORT

SUBJECT: FISCAL YEAR UPDATE FOR THE SIX MONTHS ENDING DECEMBER 31, 2019

RELEVANT STRATEGIC OBJECTIVE: Reduce Airline Costs: Maintain Financial Accountability and Stability to Support Airport Operations.

RECOMMENDED ACTION(S): That the Ontario International Airport Authority (OIAA) receive and file Financial Statements for the six months ending December 31, 2019.

FISCAL IMPACT SUMMARY: None.

BACKGROUND: OIAA management has developed a quarterly financial reporting process to update the OIAA Board of Commissioners on the financial health and performance of OIAA as measured against the Board approved budget, the Airport System Status and in relationship to significant operational activities of OIAA. The accompanying financial statements and supplementary information are presented to update the Board on these matters.

The following are financial and operational highlights from the accompanying financial statements and supplementary information. More detailed information can be found in the memorandum included with the financial statements.

Airport System

Overall the Airport System has a net requirement for the six months ending of \$608K. This deficit is driven primarily by capital expenditure / debt payments of \$2.5M to MAG USA for construction of the terminal lounges, partially offset by better than expected operating results, which reflect continuing increases in aviation activity as well as nonaeronautical rate increases that went into effect July 1, 2019.

STAFF MEMBER PRESENTING: Chief Financial Officer, John M. Schubert

Department: Finance

Submitted to OIAA: February 27, 2020

Approved: _____

Continued to: _____

Denied: _____

Chief Executive Officer Approval: *Mark A. Thorpe*

Aviation Activity

Aviation activity is measured predominately as a function of commercial enplanements and landed weights as these activities act as direct and indirect drivers of most operating revenues for the Airport. Enplanements for the six months ending December 31, 2019 totaled 1.5M, which is an increase over the same period FYE 2019 of 168K (12.6%). Actual enplanements were lower than the budget by 28K (1.9%).

Landed weights for the six months ending December 31, 2019 exceeded the six months ending December 31, 2018 by \$371K (1,000 lb. units) or (9.8%). Landed weights were lower than budget for commercial passenger airlines, 10.3% and greater than budget for cargo airlines, 5.6%. The total landed weight was lower than budget by 33K (1.0%).

Operating Revenues

Operating revenues exceed budget by \$2.5M or 6.4%. Lower than expected landed weights for commercial carriers resulted in an unfavorable variance in landing fee revenues of \$462K (5.6%)

Operating Expenses

Operating expenses are favorable to budget by \$38K (.1%). However, based on current analysis and trends there is expected to be an unfavorable variance in operating expenses to the current budget for the FY 2020.

A revised budget will be prepared and presented to the Board of Commissioners at the March 2020 meeting. These revisions will reflect material differences between the approved budget and forecasted amounts through June 30, 2020 and will include overall increases in total revenues and total budgets, without any proposed changes in rates and charges.

STAFFING IMPACT (# OF POSITIONS): N/A.

ATTACHMENTS: OIAA Financial Statements for the Three Months Ending December 31, 2019

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This Agenda Report has been reviewed by OIAA General Counsel.*