

ONTARIO INTERNATIONAL AIRPORT AUTHORITY

COMMISSION AGENDA
SPECIAL MEETING
JUNE 6, 2016 AT 10:00 A.M.
ROOM 101

Alan D. Wapner
President

Ronald O. Loveridge
Vice President

Lucy Dunn
Secretary

Jim W. Bowman
Commissioner

Curt Hagman
Commissioner



Kelly J. Fredericks
Chief Executive Officer

John E. Brown
General Counsel

Grant D. Yee
Treasurer

WELCOME to a meeting of the Ontario International Airport Authority.

- Authority meetings are held at the Ontario Convention Center located at 2000 East Convention Center Way, Ontario, or at other such places as the Commission shall designate.
- All documents for public review are on file at the Authority Secretary's offices located within City of Ontario facilities at 303 East B Street, Ontario, CA 91764.
- Anyone wishing to speak during public comment or on a particular 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 California Law, remarks during public comment are to be limited to subjects within Authority's jurisdiction. Remarks on other agenda items will be limited to those items.
- Remarks from those seated or standing in the back of chambers 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 with Public Comment at 10:00 a.m., immediately followed by the Regular Meeting.

(EQUIPMENT FOR THE HEARING IMPAIRED IS AVAILABLE IN THE CITY OF ONTARIO'S RECORDS MANAGEMENT OFFICE)

CALL TO ORDER (OPEN SESSION)

10:00 a.m.

ROLL CALL

Loveridge, Dunn, Bowman, Hagman, Wapner

CLOSED SESSION PUBLIC COMMENT The Closed Session Public Comment portion of the Authority meeting is limited to a maximum of 3 minutes for each speaker and comments will be limited to matters appearing on the Closed Session. Additional opportunities for further Public Comment will be given during and at the end of the meeting.

CLOSED SESSION

- GC 54954.5, CONSULTATION WITH ONTARIO POLICE CHIEF/DEPUTY POLICE CHIEF
- GC 54956.8, CONFERENCE WITH REAL PROPERTY NEGOTIATORS
Property: Ontario International Airport, 1923 East Avion Street, Ontario; Authority Negotiator: Kelly J. Fredericks, Chief Executive Officer; Negotiating parties: Los Angeles Mayor or his designee; Under negotiation: Price and terms of payment.
- 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.*

In attendance: Loveridge, Dunn, Bowman, Hagman, Wapner

PLEDGE OF ALLEGIANCE

REPORT ON CLOSED SESSION

PUBLIC COMMENTS

The Public Comment portion of the Authority meeting is limited to 30 minutes with each speaker given a maximum of 3 minutes. An opportunity for further Public Comment may be given at the end of the meeting. Under provisions of the Brown Act, the Commission is prohibited from taking action on oral requests.

As previously noted -- if you wish to address the Commission, fill out one of the blue slips at the rear of the chambers and give it to the Secretary/Assistant Secretary.

CONSENT CALENDAR

Each member of the public wishing to address the Commission on items listed below will be given a total of 3 minutes.

1. APPROVAL OF MINUTES

Minutes for the regular meeting of the Ontario International Airport Authority of May 2, 2016, and the special meeting of the Ontario International Airport Authority of May 9, 2016, and approving same as on file with the Secretary/Assistant Secretary.

2. LIABILITY AND PROPERTY INSURANCE PLACEMENT

That the Commission approve and authorize the Chief Executive Officer to execute the placement of several insurance programs with Alliant Insurance Services, Inc., of San Francisco, CA.

COMMISSIONER MATTERS

STAFF MATTERS

ADJOURNMENT

**ONTARIO INTERNATIONAL AIRPORT AUTHORITY
CLOSED SESSION REPORT
SPECIAL MEETING
June 6, 2016**

ROLL CALL: Bowman __, Dunn __, Hagman ____, Loveridge __ President Wapner __.
STAFF: Chief Executive Officer __, Legal Counsel __

In attendance: Loveridge, Dunn, Bowman, Hagman, Wapner

- GC 54954.5, CONSULTATION WITH ONTARIO POLICE CHIEF/DEPUTY POLICE CHIEF

No Reportable Action	Continue	Approved
/ /	/ /	/ /

Disposition: _____

In attendance: Loveridge, Dunn, Bowman, Hagman, Wapner

- GC 54956.8, CONFERENCE WITH REAL PROPERTY NEGOTIATORS
Property: Ontario International Airport, 1923 East Avion Street, Ontario; Authority Negotiator: Kelly J. Fredericks, Chief Executive Officer; Negotiating parties: Los Angeles Mayor or his designee; Under negotiation: Price and terms of payment.

No Reportable Action	Continue	Approved
/ /	/ /	/ /

Disposition: _____

In attendance: Loveridge, Dunn, Bowman, Hagman, Wapner

- 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.*

No Reportable Action	Continue	Approved
/ /	/ /	/ /

Disposition: _____

Reported by: _____
Legal Counsel / Chief Executive Officer

ONTARIO INTERNATIONAL AIRPORT AUTHORITY

MINUTES

MONDAY, MAY 2, 2016
(Not Official Until Approved)

The Regular Meeting scheduled for Monday, May 2, 2016, was cancelled due to lack of an available quorum. The next regular meeting is scheduled for Monday, March 7, 2016, in the Ontario City Council Chambers, 303 East B Street, Ontario, California.

Respectfully submitted:

VICKI KASAD, MMC, ASSISTANT SECRETARY

APPROVED:

ALAN D. WAPNER, PRESIDENT
ONTARIO INTERNATIONAL AIRPORT AUTHORITY

**ONTARIO INTERNATIONAL AIRPORT AUTHORITY
SPECIAL COMMISSION MEETING
MINUTES
MONDAY, MAY 9, 2016
(Not Official Until Approved)**

A special meeting of the Ontario International Airport Authority was held on Monday, May 9, 2016, in Room 101 of the Ontario Convention Center, 2000 East Convention Center Way, 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 10:14 a.m.

ROLL CALL

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

ABSENT: Commissioners: Curt Hagman

Also present were: CEO Kelly J. Fredericks, Legal Counsel Richard Egger and Assistant Secretary Jacob Green.

PUBLIC COMMENTS

Steve Koffroff, AFSCME Field Director, stated that he represents the Los Angeles City Labor Coalition and employees at Los Angeles City and ONT. He indicated that staff is concerned about the labor interests associated with the airport transfer. He further indicated that he was unsure if the changes to the Staff Augmentation Agreement may or may not be consequential. He commented that labor did not know that asking for time to talk with airport management would have an impact on the transfer timing; and stated that Los Angeles Labor is committed to and supportive of the transfer and want to engage in conversations with the transfer partners to see the transition through. He noted that Labor's proposal is to conform exactly to the terms and conditions of Attachment "F" of the Settlement Agreement.

CLOSED SESSION

President Wapner advised that they would hear one item in Closed Session (Item #2), then return to Public Session and then recess back to Closed Session.

- GC 54957, PUBLIC EMPLOYEE APPOINTMENT: Title: General Counsel

Seeing no requests to speak, President Wapner recessed the special Ontario International Airport Authority Meeting to Closed Session at 10:20 a.m.

The Ontario International Airport Authority Commission meeting was reconvened in public session at 11:04 a.m.

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Secretary Dunn.

CLOSED SESSION REPORT

President Wapner announced that direction had been given to staff, however there was no reportable action.

CONSENT CALENDAR

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

1. APPROVAL OF MINUTES

The Commission approved the Minutes for the special meeting of the Ontario International Airport Authority of April 4, 2016 as on file with the Secretary/Assistant Secretary.

ADMINISTRATIVE REPORTS/DISCUSSION/ACTION

AIR SERVICE PERFORMANCE UPDATE

CEO Fredericks gave a PowerPoint presentation regarding an update of air service performance since the last meeting. He indicated that he is bullish on Ontario Airport and stated key performance indicators will be given to the Board on a monthly basis. He commented that traffic is up slightly, which is good, but ONT needs to do better; both international and domestic can be improved. He noted that load factor does not tell the whole story, as it is also important to focus on yield, so while air carriers are pleased with load factor we need more seats in the market and we need to put more passengers in the seats. He advised that the new marketing plan will redirect people back to ONT. He indicated that there is some new air service at ONT and in the region, and as we continue to share information with the air carriers about the catchment area, we expect them to realize how much profit they can make at ONT.

CEO Fredericks commented that this is like a startup airport and we are creating a new economic model, giving presentations like none they have heard before, and creating new partnerships. He indicated that going forward we will need to reduce airline costs as part of the financial model and it is believed that the CPE can be dropped, and ultimately strive to someday be a no-cost airport. He indicated that every one of the region's airports have major constraints except ONT, so ONT should be the release valve for this coming demand. He noted that staff decided not to wait on air service development until post-transfer, but instead started now to build these partnerships and show the airlines how the facilities are underutilized including the U.S. Customs facility which has tremendous opportunity for growth.

Mr. Fredericks indicated that he is more bullish on the aviation market than he was two months ago and if he continues this aggressive approach and partnership with the airlines the future should be good.

CONTINUED CLOSED SESSION

President Wapner recessed the meeting to Closed Session for continued discussion.

- GC 54956.8, CONFERENCE WITH REAL PROPERTY NEGOTIATORS
Property: Various lease interests at Ontario International Airport; Agency Negotiator: Kelly J. Fredericks, Chief Executive Officer; Negotiating parties: Various entities involved in Air Service Development; Under negotiation: Price and terms of payment.
- GC 54956.9 (d)(2), CONFERENCE WITH LEGAL COUNSEL, ANTICIPATED LITIGATION: *One Case*

The Ontario International Airport Authority Commission meeting was reconvened in public session at 12:06 p.m.

President Wapner announced that direction was given to the CEO, but there was no reportable action.

ADJOURNMENT

President Wapner adjourned the Ontario International Airport Authority Commission meeting at 12:07 p.m.

Respectfully submitted:

VICKI KASAD, ASSISTANT SECRETARY

APPROVED:

ALAN D. WAPNER, PRESIDENT
ONTARIO INTERNATIONAL AIRPORT AUTHORITY

**ONTARIO INTERNATIONAL
AIRPORT AUTHORITY**
Agenda Report
June 6, 2016

**SECTION:
CONSENT CALENDAR**

SUBJECT: LIABILITY AND PROPERTY INSURANCE PLACEMENT

RECOMMENDATION: That the Commission approve and authorize the Chief Executive Officer to execute the placement of several insurance programs with Alliant Insurance Services, Inc., of San Francisco, CA.

FISCAL IMPACT: The annual cost of liability and property insurance is approximately \$237,000. There are several other types of insurance necessary, such as crime, earthquake, mobile equipment, workers' compensation and foreign travel which will become necessary as OIAA takes over other aspects of the operations at ONT.

BACKGROUND: Quotes for liability and property insurance coverage were solicited from three brokers: Alliant, who handles most of the airports in California and the western part of the U.S. and who is the Broker of Record for the City and for OIAA; Willis, who handles airports in the Midwest and East Coast including Rhode Island; and Kaercher Campbell, the broker for LAWA.

All three brokers responded to the request for quotes. Alliant and Willis quoted on both property and liability; and Kaercher Campbell quoted property only. Kaercher Campbell's property quote contained a \$100,000 deductible, compared to the \$10,000 deductible from the other two brokers, so their quote was deemed noncompetitive. The property quote from Willis was nearly \$148,000 more than Alliant, so Alliant prevailed on the property placement. Both Willis and Alliant have strong insurers providing liability coverage and experienced internal teams who are very experienced with airport losses. Both liability quotes include war risk which covers incidents by individuals that might not make the TRIA threshold of a terrorist action.

Since the liability quotes were only \$1,000 different and Alliant is already the Broker of Record and has placed Directors and Officers liability insurance for the past three years, and since the City of Ontario has experience with Alliant as their broker for the past 14 years, it is recommended that the OIAA select Alliant Insurance Services, Inc., to place property, liability and any further insurance needs for OIAA.

STAFF MEMBER PRESENTING: Kelly Fredericks, Chief Executive Officer

Prepared by: Ann Richey, ARM-P
Department: Risk Management – Ontario

Approved: _____
Continued to: _____
Denied: _____

Chief Executive
Officer Approval:  _____
