

**SAN BERNARDINO COUNTY AIRPORTS COMMISSION MEETING
August 28, 2014**

The meeting of the San Bernardino County Airports Commission was called to order at 10:07 a.m. by Commissioner Ray Marquez.

Meeting location: Department of Airports, 777 E. Rialto Avenue, San Bernardino, CA 92415

Members Present:

Ray Marquez, Chair
Mark Taylor, Vice Chair
Larry Asmus
Jim Bagley
Bob Cable
William Smith
Roy Cox

Commission Members Absent:**Staff Present:**

James E. Jenkins, Director of Airports
Terry Stover, Assistant Director of Airports
Robert Cayce, Airport Operations Manager
Nicole Leyden, Secretary 1
Bob Velker
Jeff Laas

Department of Airports
Department of Airports
Department of Airports
Department of Airports
Department of Airports
Real Estate Services

Visitors Present:

Mark Dilullo/Doug Crowther/Tom Bressan
Neil Derry
Mike Kreeger
Mike Rowles
Chuck McCormick

Threshold Aviation
Desmond & Louis Public Relations
Chino Valley Fire
Information Services Department
Parsons Brinkerhoff

Pledge of Allegiance:

The Pledge of Allegiance was led by Commissioner Cable

Report on Posting of Agenda:

Mr. Jenkins reported that the agenda was posted, as required.

Awards, Guest Introductions and Announcements:

James Jenkins introduced Nicole Leyden, now with the Department of Airports (DofA), but a county employee for 17 years, and presented Ms. Leyden with her 15 year pin. Nicole gave a brief overview of her years with county and relayed that although she has been in various departments through the years, Airports is definitely one of her favorites. Mr. Jenkins stated that we are pleased to have her and she is doing an excellent job at Apple Valley Airport.

Bob Velker was introduced as the ambassador for the airports and stated that he has been involved with both Apple Valley Airport and Chino Airport and is doing a great job for us.

The remaining guests introduced themselves and their relationship with the DofA.

Action Items:

A motion was carried by Commissioner Taylor, seconded by Commissioner Asmus and passed to approve the Airports Commission Meeting Minutes from June 26, 2014, as presented.

Commissioners Reports/Comments:

Bob Cable reported that the new manager has been on board for two months now and is excited about the direction he believes the airport will be going.

Rox Cox stated that Rialto Airport has become a ghost town.

Public Comments:

Mark Dilullo, the founder and CEO of Threshold Technologies, relayed that they have, to date, contributed about six million dollars into the county through their leasehold at Chino Airport and believes they are a good tenant and steward for the airport, but are currently at an impasse with the county causing them to be in a position of possibly relocating. He expressed his belief that the situation has become a "war of personalities". He requested that the Airport Commissioners become involved and make their decision of whether they value them as a tenant and would like them to stay. He further relayed their contributions to the airport and their operations, including their involvement with governmental departments and various contributions they make within the community.

Commissioner Marquez asked about their involvement with Mooney as a subtenant on their leasehold. Mr. Dilullo gave an overview of the situation that brought Mooney/Soaring America to Chino Airport looking for space to engineer the new Mooney product line. Threshold immediately accommodated Mooney based on the belief that they would be of great value to Chino.

At this point it was agreed to allow Mr. Dilullo to continue to speak beyond the allowed 5 minutes and speak with the allotted time for the other Threshold guests.

Commissioner Bagley asked about the issue that was relayed as the county's failure to meet their promises to Threshold. Mr. Dilullo provided the background information that resulted in past and present disagreements with the county as related to maintenance work required of the county, tenant improvements they had made and the situation that had resulted in Threshold becoming delinquent in payments back in 2008.

Commissioner Marquez expressed the need to have the conversation come to a conclusion because of the time constraints; however he stated that he is aware that Mr. Dilullo and Threshold have been a community partner with Chino and Chino Hills and, as a commissioner, truly appreciates everything that he has done in the community.

Commissioner Bagley stated that he was not fully aware of the ongoing issues and current litigation and would like to hear more in October. Mr. Jenkins relayed that if the matter has not been resolved, discussion in October may not be possible. Mr. Jenkins stated that he believes the commissioners are able to speak with their appointees regarding the matter.

Commissioner Cox asked if they could be provided with a bullet point type report to provide background and current information, as allowable, at the next meeting.

The commissioners relayed that they were unaware of the current litigations and expressed their desire for the matter to be resolved. Mr. Jenkins explained that the commission was dark in July and a lot had transpired in the last 60 days.

Commissioner Marquez asked if a new proposal is on the table and modifications could be made and move forward. Mr. Jenkins replied, yes.

Bob Velker commented that he feels the relocation of Threshold to Commercial Hangar 1 would be a benefit to the neighboring community north of Kimball, due to the noise of the jet engines. Mr. Jenkins relayed that this is something that they have had to manage, but Threshold has been very cooperative and perform maintenance run-ups at the blastpad.

Discussion Item: Update Regarding the Town of Apple Valley

Mr. Jenkins relayed that there is currently not much further to add from previous meetings. He relayed that the CSA 60 area is not the footprint of the Airport or the Town of Apple Valley, but encompasses a large portion of the First District. The attorney for the current management of the Town came to County Council and reviewed 50 years of historical documentation and their council agreed that with what the airport generates in revenue the facility does not support itself.

That would be a burden that the Town would have to assume to provide the same services that are provided now, based on the tax increment that is infused into the Apple Valley Airport that would go away if the Town became the manager of the Airport. The second question regards the monies that have been set aside for future Capital Improvement Projects. It had been indicated in the past that if CSA 60 was liquidated, those monies would be returned to the tax payers. So, it is not certain that any of those monies would go to the Town. At this time, that information has been reviewed, but we have not heard anything further from the Town.

Information Item: Interviews and selection of Airport Maintenance Worker 1 Staff for Apple Valley and Chino Airports.

Terry Stover provided the background resulting in the two vacant Worker 1 positions.

The interview process was completed and the two positions have been filled. Duane Clayton will be working at Apple Valley Airport and Henry Martinez at Chino Airport.

Information Item: Apple Valley Airshow

The Apple Valley Airshow planning is on track. All permits and contracts are being completed. Mr. Stover referred to tab one and noted the flyer, the schedule of events and advised that the pilot of the flying wing will not be available and it looks like a P-38 will be flying in its place. He also noted the photos of the various acts and relayed the times and charges for the day of the airshow, October 11, 2014.

Director's Reports:

Capital Improvement Program:

Carrie Hyke stated that we have all the grant applications, amounting to just over \$1,000,000.00, in our hands, except for Needles. The grants are for the plans for the Apple Valley design work for Runway 18/36 and related Taxiways and the plans for the Chino Airport Pavement Management Update and the NW apron hot spots, to include signage and rehabilitation of the taxiways in the hangar areas. Not in our hands are for both Needles and Twentynine Palms Airport Layout Plans. The Department's share of the grants is \$103,000.00.

Mr. Jenkins referred to the cash flow situation as discussed in previous meetings. What he has asked for from the General Fund is a Constitutional Advance, meaning we will rely on the General Fund ability to pay the bill and we can handle the \$103,000.00. We could probably cash flow, but in light of the previously discussed plume and bond payments, we may not be able to. Mr. Jenkins noted that at the end of this fiscal year the bond for the commercial hangars will be paid off, which will put us in a much better cash flow situation in the future. Once the planning phase is completed, the next phase will be construction. He relayed the importance of these grants and stated that Terry Stover, Carrie Hyke and Rob Cayce have done a great job in their efforts for obtaining them. Mr. Jenkins added that there may be the possibility to obtain a match from the State that would assist with our portion of the grant.

Board of Supervisors Activity:

Mr. Jenkins referred to the two board items in tab 2. Regarding the On-Call engineering and architectural services, Mr. Jenkins stated that all five of the vendors have been approved to negotiate with us.

Real Estate:

Jeff Laass stated that we received three responses to the SOP for hangars A-480 and A-485 and they will be reviewed.

Mr. Jenkins explained that we are now working with Real Estate Services in completing a full rent roll type business set up with a new software system, as the old software did not fully support our needs. This will better allow us to catch up on delinquencies and perform lease audits and insurance audits, as well.

Some questions regarding the interest by Hangar 24 in coming to Chino Airport were discussed.

Mr. Jenkins stated that aviation related components would have to be identified and any liability issues fully reviewed before lease negotiations can occur.

Finance:

Mr. Jenkins referred to the financial information under tab four and commented on the notation that we were able to put back just over \$200,000.00 because we did not spend money. He briefly reviewed the current budget numbers and stated that he would like to have a budget meeting prior to the next budget planning process.

Monthly Reports:

Rob Cayce provided an update on the upcoming AOPA event at Chino Airport on September 20, 2014. It is expected to be a successful event for all involved.

Terry Stover provided an update, outlining the operations that will be performed by the 29 Soaring Club and stated that the agreement has been signed. He shared that upon the restart of their operations, a complaint was received, a meeting was set up with the home owners and the club and an agreement was reached for the resolve of the complaint.

CNO Operations:

Mr. Jenkins stated that the CNO operations are tracking about the same as last year.

Mr. Jenkins asked Mr. Stover to provide information to the commissioners regarding an incident at Apple Valley Airport involving fueling and two aircraft. What could have potentially been a severe incident resulted in only very minor injuries; however one aircraft was totaled and a helicopter sustained repairable damage.

Date, Time and Place of Next Meeting:

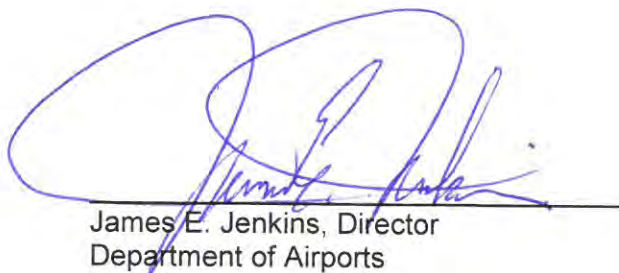
The next meeting will be held on Thursday, September 25, 2014 at Apple Valley Airport, 21600 Corwin Road, Apple Valley, CA 92307

Adjournment: The meeting was adjourned by Commissioner Marquez at 11:29 a.m.


Respectfully submitted,



Ray Marquez, Chair
Airports Commission



James E. Jenkins, Director
Department of Airports



Gailyn Watson, Secretary 1
Department of Airports