



ORANGE COUNTY AIRPORT COMMISSION  
AIRPORT COMMISSION HEARING ROOM  
3160 AIRWAY AVENUE  
COSTA MESA, CA 92626

JOHN WAYNE  
AIRPORT  
ORANGE COUNTY

**MINUTES OF REGULAR MEETING  
OCTOBER 16, 2024  
5:00 PM**

**COMMISSIONERS PRESENT:** Brendan O'Reilly, Chair, Fourth District  
P. Alberto Sandoval, Commissioner, First District  
Bruce Junor, Commissioner, Third District  
Susan Dvorak, Commissioner, Fifth District

**COMMISSIONERS ABSENT:** Sal Tinajero, Vice Chair, Second District

**AIRPORT STAFF PRESENT:** Charlene Reynolds, Airport Director  
Christine Nguyen, Deputy County Counsel  
Richard Steele, Deputy Airport Director, Operations  
Robert Holden, Landside Operations Manager, Operations  
Susan Tran, Contracts & Procurement Specialist, Operations  
Amer Moujtahed, Deputy Airport Director, Maintenance  
Hector Gomez, Fiscal Deputy Director, Finance Administration  
Nick Gaskins, Access and Noise Manager, Public Affairs  
Elizabeth Gallegos, ASR Manager

**CALL TO ORDER:** Chair O'Reilly called the meeting to order at 5:01 PM

**PLEDGE OF ALLEGIANCE:** Commissioner Junor led the assembly in the Pledge of Allegiance

**1. APPROVAL OF MINUTES:** On Commissioner Dvorak's motion and Commissioner Junor's second, the Regular Meeting Minutes of July 17, 2024, were approved by a unanimous vote.

**2. APPROVE AMENDMENT ONE TO INCREASE AND RENEW CONTRACT FOR CUSTODIAL SERVICES (ASR 24-000701)**

Recommended Action: Authorize the County Procurement Officer or Deputized designee to execute Amendment Number One to the Contract with Flagship Aviation Services, LLC for custodial services to increase the contract amount by \$266,178 for a revised cumulative total amount not to exceed \$21,562,597, effective June 1, 2024, through March 31, 2025, and renew the contract for two additional years, effective April 1, 2025, through March 31, 2027, in the amount of \$15,654,415.

Landside Operations Manager Robert Holden presented Item #2 to the Airport Commission. Robert discussed the existing contract terms, where custodial services are provided, and the request to increase the current contract by \$266,178 effective June 1, 2024, due to Service Employees International Union (SEIU) prevailing wage. Robert also discussed the Airport's request to renew the contract for two additional years with an increase of \$421,466 due to SEIU prevailing wage and \$334,557 for temporary additional scope.

Deputy Airport Director of Operations Richard Steele responded to a question regarding the temporary additional scope and explained that Flagship would temporarily provide garbage and recycling disposal from the Terminal Sterile Area to the garbage and recycling bins in the Loading Dock (Restricted Area).

Public Comment: Newport Beach resident Jim Mosher expressed concern regarding the effective date of the Amendment to increase the not-to-exceed amount of the current contract and asked why it is a retroactive request to June 1, 2024, and not requested to become effective November 5, 2024, when

the Board of Supervisors would be reviewing the item. Mosher asked whether the contractor has been charging more than what is allowed or if the Airport has authorized the contractor to do work exceeding the contract amount.

Robert Holden responded to the public comment and stated that the Amendment is not a retroactive contract and noted that the contract allows the contractor to request an increase based on union negotiations of wage increases. The request to increase the current contract is not for services or work performed. It would all go to Flagship employees per SEIU negotiations. Assistant Airport Director Komal Kumar stated that Flagship's current rates have not changed from what the Board approved. Airport Director Charlene Reynolds explained that contracts have provisions to increase a not-to-exceed amount, and Fiscal Deputy Director Hector Gomez explained that the delay in taking the item to the Board was due to negotiations and additional scope being added to the contract.

Deputy County Counsel Christine Nguyen responded to the Commission's question about how many times a contract can be amended. She stated that there is no limit; however, if a contract reaches a certain amount, Board action is required.

The following is the action taken by the Orange County Airport Commission: On Commissioner Dvorak's motion and Chair O'Reilly's second, Item No. 2 was approved by a unanimous vote.

APPROVE                       OTHER                       DENIED

Unanimous (1) Sandoval: Y (2) Tinajero: X (3) Junor: Y (4) O'Reilly: Y (5) Dvorak: Y  
Vote Key: Y=Yes; N=No; A=Abstain; X=Excused

**3. APPROVE REVISED RATES FOR AUTOMOBILE PARKING AT JOHN WAYNE AIRPORT (ASR 24-000780)**

Recommended Action: Adopt a Resolution approving the revised automobile parking rates to be adjusted every two years to reflect Consumer Price Index increases, effective January 1, 2025, authorize the Airport Director to adjust rates every two years to reflect Consumer Price Index increases, and adopt the associated Board Resolution.

Fiscal Deputy Director Hector Gomez presented Item #3 to the Commission. Hector discussed the recommended action and the Airport's proposed new parking rates. Hector presented the parking study conducted by the Airport's financial advisors, Frasca & Associates, which reviewed the Airport's current operating costs and capital costs related to the Capital Improvement Program (CIP) and benchmarked the Airport's rates against other Southern California airports. The revised rates would align with those charged at comparable airports, remaining the lowest in most categories. Currently, the parking rates at the Airport have not been revised since 2008. Hector discussed the Airport's Parking Program Costs and Parking CIP Costs of \$90 Million and stated that if the Airport does not increase its rates, it will begin facing a deficit in Net Parking Costs this fiscal year.

Hector Gomez responded to the Commission's questions and discussed whether the net parking income loss this year was due to the CIP, when the public hearing would occur, why CIP costs this year are lower, why rates had not been previously increased, and the approach the Airport would use to increase rates in the future.

Airport Director Charlene Reynolds responded to questions regarding whether the Airport would review other airport rates in the future, how the Airport plans to advertise the new rates, recent ridesharing performance, and the possibility of dynamic pricing for airport parking.

Public Comment: Newport Beach resident Jim Mosher commented on the Resolution's lack of specificity in detailing how CPI increases will be applied in future years and asked how the rates will be determined when CPI causes the rate to be a dollar amount with cents rather than a whole dollar

amount. Mosher suggested revising the Resolution to clarify exactly what the Airport is authorized to do.

Hector Gomez responded to the public comment and stated that the Airport would round the rate to the nearest dollar. Hector also responded to additional questions regarding how the Airport would report future increases to the Board of Supervisors.

Commissioner Junor discussed his concerns about increasing the hourly rate.

Commissioner Sandoval discussed his concerns about rate adjustments every two years to reflect CPI increases.

Airport Director Charlene Reynolds informed the Commission that they could choose to modify the language, continue the item to the next Airport Commission Meeting, and or look at alternative methods should the Commissioners choose to make that recommendation.

Deputy County Counsel Christine Nguyen stated that the Commission could choose to modify the Recommended Action, and if the Commission chooses to continue the item to the next Airport Commission Meeting on November 6, Airport staff would change the Board date to November 19, 2024.

The following is the action taken by the Orange County Airport Commission: On Commissioner Sandoval's motion and Commissioner Junor's second, Item No. 3 was Continued to November 6, 2024, by a unanimous vote.

APPROVE                       OTHER                       DENIED

Unanimous (1) Sandoval: Y (2) Tinajero: X (3) Junor: Y (4) O'Reilly: Y (5) Dvorak: Y  
Vote Key: Y=Yes; N=No; A=Abstain; X=Excused

#### **4. PRESENTATION SNA Service Area Analysis**

John Wayne Airport's on-call air service development consultant, Campbell-Hill Aviation Group LLC, will present the Airport's 2023 service area analysis, highlighting catchment area demographics and passenger leakage studies.

Campbell-Hill Aviation Group LLC (Campbell-Hill) Vice President Howard Mann presented Item #4 to the Commission. Howard discussed the John Wayne Airport Service Area Analysis with data collected from the Airport, booking and mobile data, and the US Department of Transportation. Howard presented a domestic analysis that included the domestic service area of 7.5 million originating passengers from the John Wayne Airport/Santa Ana Airport (SNA) service area and 16.3 million passengers coming in and out of the SNA service area. Howard shared the cities passengers come from when traveling out of the Airport and where passengers go after arriving to the Airport. The domestic analysis included the top 20 origin cities of the SNA service area visiting passengers and information about the SNA domestic market size, which included the top domestic markets, domestic markets with the highest leakage share, the top 15 unserved markets, and the airline share for the SNA service area. The share of passengers using the SNA service area increased by 23 points with nonstop service. Campbell-Hill also looked at the international market size for the Airport in the 2023 calendar year. Also, presented was the analysis of the 2.9 million international passengers in the SNA service area. This included the top SNA international, Canada, Mexico, and Caribbean/Latin America markets and information on the Canada and Mexico airline share for the SNA service area.

Airport Director Charlene Reynolds responded to questions and stated that the data from this study would aid the Airport in developing an air service development plan and equip staff with data when meeting with the airlines. Charlene stated that the international market is a possibility for the Airport, and there is a demand for international service, but passengers from the SNA region are going elsewhere to start their flights.

Public Comment: Newport Beach resident Jim Mosher commented that it would have been useful if the presentation had been posted before the meeting so that the public could review the information and have questions ready to ask. Mosher stated that he had trouble understanding the slide regarding the total activity in the service area, which includes other airports, only totaling 16.3 million passengers a year, with John Wayne Airport alone serving 12 million, and was unsure of how the total number could only be 16.3 million.

Campbell-Hill Vice President Howard Mann responded to the public comment and stated that 16 million is for the service area of the SNA primary region.

Airport Director Charlene Reynolds explained the difference between the million annual passenger (MAP) limitation of the combination of passengers served in all classes of departures ("MAP Cap") and the service area of the 16 million residents referenced in the presentation.

- 5. SUMMARY OF RELEVANT ACTIONS BY THE BOARD OF SUPERVISORS (Board)** Airport Director Charlene Reynolds stated that Item #5 was the various ASRs that moved from the Airport Commission's review to the Board for Action, with the AIClear, LLC License being moved to the Board date of August 13, 2024 and subsequently deleted.

**6. ADDITIONAL BUSINESS**

- A. PUBLIC COMMENTS – None.
- B. AIRPORT DIRECTOR COMMENTS – Airport Director Charlene Reynolds thanked the Airport Commission for supporting the recognition of John Wayne Airport as the #1 ranked Large Airport in the U.S. by J.D. Power.
- C. AIRPORT COMMISSION COMMENTS – Commissioner Dvorak commended Airport staff and the Airport Director for their excellent work. Commissioner Sandoval also commended the Airport Director.

- 7. ADJOURNMENT OF PUBLIC MEETING** The meeting adjourned at 6:33 PM.