

Minutes
August 17, 2017
Regular Meeting

A. ROLL CALL

Meeting was called to order by Chair Messer at 8:30 a.m. in the Council Chambers at City Hall. Also present were Vice Chair Evans, Commissioner Brousseau, Commissioner Lenhard and Commissioner Rideoutte. Chair Messer welcomed Mr. Norris Langley, the Authority's new Director of Finance and Administration, and thanked Authority staff for helping during his transition. She noted that Vice Chair Evans would be leaving the meeting by 10:15 a.m.

Staff and Authority Counsel present were Mr. Rozansky, Mr. Owens, Ms. Dugan, Mr. Keith, Ms. Terrill, Mr. Frost, Mr. Langley, Mr. Jefferson, Ms. Gabel, Mr. Neff and Ms. Menard.

B. PLEDGE OF ALLEGIANCE

C. AGENDA

Mr. Rozansky stated that there were no changes to the agenda, but there were a couple of corrections to the Board packet. He said that copies of the corrected documents were distributed to Board members before the start of the meeting. He reviewed the changes as follows: In the U.S. Customs and Border Protection Aircraft Clearings table in the lower right hand column of the Operations Summary in the Management Team Report, the FY 2017 YTD "Total Cleared" had a formula error, which was revised to 1,119 total cleared. The change had a cascading effect on the U.S. Customs General Aviation Activity Report, also in the Management Team Report, and an impact on the Variance Report YTD in the Financial Summary. The changes were highlighted in yellow on the revised documents.

D. MINUTES

1. June 15, 2017 Regular Meeting

Chair Messer noted that there were a couple of typographical errors that staff was going to correct. Commissioner Rideoutte moved approval of the June 15, 2017 Regular Meeting minutes with the noted corrections. Vice Chair Evans seconded. Motion passed unanimously 5-0.

E. PRESENTATIONS AND TIME CERTAIN ITEMS

1. Employee of the Quarter

Chair Messer announced Damien Neff as the recipient of the Authority's Employee of the Quarter. Chair Messer publicly recognized Mr. Neff's notable achievements and thanked him for his commitment to the mission and vision of the Authority and his diligence in upholding our values of APF Cares.

F. PUBLIC COMMENTS

Mr. Alan Parker, 741-A Third St. South, Naples raised several questions and concerns pertaining to the Authority's current status of commercial air service, its promotional package of airline incentives offered to new inquiries, and the Authority Board's requirement to approve any air carrier service. He requested a breakdown of final out-of-pocket costs incurred as a result of the agreements with Elite Airways.

Chair Messer clarified statements she made at a prior meeting with respect to the economics of commercial air service and added that airlines place their assets where they think they can make the most money, and they are doing that and don't necessarily feel Naples can provide that to them. She said that if another airline is interested in speaking with us in the future, the Board wanted to discuss airline incentives in advance and decided to do that at a Workshop meeting to be held in the fall.

Commissioner Rideoutte agreed with Chair Messer's comments. Commissioner Rideoutte personally remarked on his appointment as Board liaison to the Air Service Committee. He said that the Committee's goal was to determine if the community was in favor of the return for commercial service and if it was realistic for commercial service in Naples. He said that a community survey was taken by professionals, and the results were convincing that every postal zone in the greater Naples area was in favor of air service. He added that the Board passed a resolution that it would have to approve any future air carrier agreements before any service could commence. Commissioner Evans clarified that the Board approved a change to the Bylaws that state that a formal Board meeting would be held and a vote taken to approve/disprove commercial service.

Commissioner Brousseau commented that Mr. Parker's address to the Board was a reasonable approach and that the cost breakdown requested would be helpful for everyone's understanding.

Mr. Rozansky added that staff hasn't received any calls requesting to provide service and we are not seeking airline service. He said that if there is a financially stable model that provides service to the community, the Authority would have an obligation to offer it. He said that we don't have to provide incentives but programs are usually offered. He estimated that there were roughly \$140,000 in expenses to bring Elite Airways to Naples but would put that information together for a more involved discussion at a Workshop meeting in early October.

Mr. Owens reported that in the Delegation of Powers, there is a specific provision in Article 2, Section B, which requires the advice and consent of the Board at a regular Board meeting before any agreement is entered into with an air carrier.

G. ACTION ITEMS (Public comments accepted for each item; 5 minute limit)

1. Approve Purchase of Aircraft Tug in an Amount not to exceed \$100,436.00

Mr. Frost stated that the Operations Department was seeking Board authorization for the purchase of a replacement tug, Lektro Model No. AP8850SDA. He said that we have five tugs, and in season we run three at one time while two are charging with an occasional one out of service for routine or other type of maintenance. He said that the charge time takes six hours for six continuous hours of use. Although the proposed towing vehicle is rated for aircraft up to 120,000 lbs., he said that staff is recommending this larger unit because we need the more powerful battery pack for towing bigger, heavier planes to and from the commercial terminal. He said that the smaller units use up the battery power too rapidly. The proposed purchase would cost \$100,436.00 delivered, and it is budgeted as a capital item for FY2017 for \$110,000.

Commissioner Rideoutte moved Board approval of the purchase of the replacement tug as described by Mr. Frost in an amount not to exceed \$100,436.00. Commissioner Lenhard seconded. The motion passed unanimously 5-0.

2. Approval for the Executive Director to execute a Services Agreement for the replacement of the General Aviation Terminal HVAC system in an amount not to exceed \$500,000.00

Mr. Keith requested Board authorization to execute a services agreement with Advanced Air Systems for replacement of the General Aviation Terminal's HVAC system. He reported that the current system is failing prematurely due to design changes that were made during the remodel of the General Aviation Terminal in 2009-2010, resulting in the removal of two of three planned units. The new replacement system was designed by our engineering consultant and reverts back to the original three-unit design. Mr. Keith stated that we had one compliant bidder, a second non-compliant bidder, and two companies that opted not to bid due to their current work load. The compliant bidder, Advanced Air Systems, was within our engineer's estimate and their bid was for \$441,813. Mr. Keith stated that Advanced Air Systems did a similar change-out for Marco Island City Hall, and their references came back complimentary. He said that staff is requesting the replacement system in an amount not to exceed \$500,000 in anticipation that change orders may be necessary once the project is underway. The project is anticipated in our FY 2018 budget.

Vice Chair Evans moved Board approval for the Executive Director to execute a Services Agreement for the replacement of the General Aviation Terminal HVAC system in an amount not to exceed \$500,000.00. Commissioner Brousseau seconded. The motion passed unanimously 5-0.

3. Authorize the Executive Director to execute the assignment and assumption of City of Naples Airport Authority lease from Industrial Equities of Florida, LLC to AA Aviation Hangar Condominium Association, Inc.

Ms. Dugan presented a location map of Industrial Equities of Florida at 310 Freedom Way, Naples and requested Board approval for the Executive Director to execute the assignment and assumption of City of Naples Airport Authority lease from Industrial Equities of Florida, LLC to AA Aviation Hangar Condominium Association, Inc. She provided a brief summary of the long term, 30-year land lease that Industrial Equities of Florida entered into on August 1, 2015 and advised that the agreement provides for condominium ownership, in accordance with Florida Statutes, and the term of the lease restarts upon the date of the first recorded deed. She reported that the first deed must be recorded within 180 days of the issuance of the certificate of occupancy, which was issued March 30, 2017. She said that the tenant wishes to record the Declaration of Condominium and close the sale of the first unit simultaneously or shortly thereafter. Although the exact timing of the sales are unknown, Ms. Dugan stated that it must occur before the end of September, 2017. She said that Industrial Equities of Florida has agreed to reimburse the Authority for any legal fees incurred in this matter.

Commissioner Lenhard moved Board approval for the Executive Director to execute the assignment and assumption of the Authority's lease from Industrial Equities of Florida, LLC to AA Aviation Hangar Condominium Association, Inc. Commissioner Rideoutte seconded. The motion passed unanimously 5-0.

4. Authorize the Executive Director to execute the assignment and assumption of City of Naples Airport Authority lease from The London Company, Inc. to Randolph Aviation, LLC

Ms. Dugan presented a location map of The London Company, Inc. at 100, 125 and 150 Aviation Drive South, Naples. She stated that in September 2000, the Authority Board approved a 30-year land lease with The London Company. She provided an overview of the parcel and leasehold improvements. She

said the London Company would like to sell the leasehold improvements to Randolph Aviation and that they are requesting the Authority to approve the assignment and assumption of the City of Naples Airport Authority lease to Randolph Aviation, LLC. If approved, she said that Randolph Aviation intends to participate in the Authority's Lease Term Buy-Back Program to extend the original term of the lease for an additional 17 years. The London Company has agreed to reimburse the Authority for legal fees incurred in this matter, and Randolph Aviation will be required to provide the Authority with an upfront, nonrefundable payment of \$5,500 to commence the Lease Term Buy-Back process. Ms. Dugan noted that Mr. London was in the audience today.

Vice Chair Evans moved Board approval for the Executive Director to execute the assignment and assumption of the Authority's lease from The London Company, Inc., to Randolph Aviation, LLC. Commissioner Rideoutte seconded. The motion passed unanimously 5-0.

- 5. Authorize the Chair to execute Resolution 2017-2, authorizing the Executive Director to execute a Supplemental Joint Participation Agreement (SJPA) with the Florida Department of Transportation (FDOT) to participate in a project to design and construct the relocation and extension of Taxiway Delta – North Quad at the Naples Municipal Airport in an amount not to exceed \$606,841**

Mr. Keith requested Board authorization as described in above Action Item 5. He stated that the SJPA is an addition to FDOT's commitment to participate in 80% of the cost of the Taxiway D Realignment in the North Quad and is an increase of \$206,841 to the existing JPA of \$400,000. Mr. Keith displayed a location map of the Taxiway D – North Quad realignment area. He reported that FDOT will require a similar process as construction bids are submitted. A question and answer period followed.

Commissioner Rideoutte moved Board authorization for the Chair to execute Resolution 2017-2, authorizing the Executive Director to execute a Supplemental Joint Participation Agreement with the Florida Department of Transportation to participate in a project to design and construct the relocation and extension of Taxiway Delta – North Quad at the Naples Municipal Airport in an amount not to exceed \$606, 841. Commissioner Brousseau seconded. The motion passed unanimously 5-0.

H. NEW BUSINESS

There was no new business.

I. OLD BUSINESS

1. Noise Compatibility Committee (NCC) Update

Chair Messer commented that the NCC last met on April 27th and said she reported on that meeting at the May Regular Meeting. She stated that Mr. Russell Tuff, the newly appointed member of the NCC, met with staff on July 13th for an airfield tour and orientation. She announced that the next regular meeting of the NCC is scheduled for Thursday, October 26th, at 9 a.m. in the Airport Office Building, 200 Aviation Drive North, and encouraged the public to attend.

2. Metroplex Update

Mr. Rozansky provided several updates to the status of the Florida Metroplex project. He stated that we have not received a written response to our April 26th letter to the FAA with questions and comments pertaining to Metroplex that came out of the Joint Special Meeting held on March 16th with the Board and Noise Compatibility Committee. He reported that in mid-July, FAA scheduled a short notice phone call on July 18th with approximately six FAA representatives to discuss the status of the Florida Metroplex project. He reviewed several key points that the FAA made during that call that has put the project on pause. During the call, staff requested a written response to our letter of April 26th.

Mr. Rozansky reported that Vice Chair Evans and staff had a meeting recently with Congressman Rooney. During the meeting Congressman Rooney committed assistance to Metroplex and will be following up with the FAA for a written response to our letter of April 26th.

Mr. Rozansky stated that at the Florida Airports Council Annual Conference in Miami, Ms. Elizabeth Ray, FAA's Vice President of Mission Support Service, presented and commented that they "have a strategy to move forward and resume work in the near term" on the Metroplex project and reiterated that a team will convene to start looking at the project's scope and possible design in the September – October time frame. Their focus will be on high altitude procedures. Ms. Ray also commented that moving forward, they plan to model what is being done in Las Vegas and are committed to remaining engaged in this issue.

Mr. Rozansky stated that it is difficult to provide the Board and public any technical information, and all that we have is what we learned in February. He said that staff is tying the Metroplex project back to our Strategic Plan with our commitment to be an engaged, responsive partner in service to our community.

Industry-wise, staff is staying involved. Mr. Rozansky is presenting on a panel about Metroplex at the AAAE General Aviation Issues and Security Conference, hosted by Van Nuys Airport (VNY), part of the Los Angeles World Airports (LAWA) system, on August 20-22. He said that LAWA will be presenting how Metroplex has impacted their airports. He also added that he and Ms. Terrill will be attending the Noise Conference in October, and he will be speaking on a panel about Metroplex there.

In response to Commissioner Rideoutte's question regarding the Las Vegas model, Mr. Rozansky said that the FAA has started to conduct webinars, disseminating the availability of those to communities, and roundtables. Mr. Rozansky said that at the California conference, he didn't see any Las Vegas representatives on the roster but will network with people nearby who could provide a connection to his counterpart in Las Vegas.

For the benefit of the audience and the public watching the meeting on Naples TV, Chair Messer commented that although the Metroplex status is a little concerning, she didn't know of any airport more involved than Naples is. She noted that Naples is a small airport and being invited to speak on panels at meetings with the Los Angeles World Airport and industry noise meetings, the Authority is doing everything possible to be involved. She said we are putting ourselves in the best possible hands we can to place ourselves in a good position, and we will continue to do that.

There was a discussion regarding the privatization of air traffic control, which is a separate program from Metroplex.

J. MANAGEMENT TEAM REPORT

Vice Chair Evans commented regarding the increase in the use of the US Customs facility and that it provides a revenue source for us.

Chair Messer commented on the outstanding effectiveness of our email filtering system investment.

Commissioner Brousseau inquired about the process to handle the receipt of spam in Authority-issued email. Mr. Rozansky stated that staff will follow up with our IT consultant, Soft Trim, to provide instructions in handling suspicious emails. Mr. Rozansky cautioned that these types of emails should not be opened.

In the Human Resources Metrics report, Chair Messer congratulated the team for year-over-year improvement in Damage Incidents.

K. FINANCIAL REPORTS

1. Financial Summary

Mr. Langley provided a summary of year-to-date financial reports at the end of July 2017 and reported year-to-date operating revenues and operating expenses were favorable to budget. He stated that the month of July was budgeted and projected at a loss, but was favorable to the projected loss.

Commissioner Rideoutte moved acceptance of the Financial Summary. Vice Chair Evans seconded. The motion passed unanimously 5-0.

2. FY 2018 Operating and Capital Expenditures Budget Update

Mr. Langley presented the proposed FY 2018 Operating and Capital Budget – First Draft – August update. It included FY 2018 base assumptions, key revenue and expense budget assumptions, major capital projects eligible for outside funding, FY 2018 major capital projects, the proposed capital and operating budget, FY 2017 and FY 2018 net assets summary and FY 2017 and FY 2018 expenses and expenditures.

Mr. Rozansky presented proposed FY 2018 expenses to provide 24-hour ARFF service. He was seeking Board consensus to add the line item of \$230,000 in the budget for the additional expense. He stated that the consensus was for budgetary purposes only, and this issue would warrant Board discussion at a future meeting because the Board would have to authorize an amendment to the Interlocal Agreement with the City of Naples if we were to move forward in providing 24-hour ARFF service.

After discussion, there was Board consensus to add the 24-hour ARFF service expenses to the budget.

Mr. Rozansky stated that a request for approval of the FY 2018 Operating and Capital Budget will be an action item on the September Regular agenda.

L. COUNSEL'S REPORT

1. Counsel's Report

Mr. Owens reported that there was no pending or new litigation.

2. Counsel's Review, Firm's Three-Year Review and Agreement

Mr. Rozansky requested Board action on the following three items, which are summarized in the Board packet:

- a. Board acceptance of Legal Counsel's annual review.
- b. Board's three-year review to decide whether to renew the agreement with Bond Schoeneck & King.
- c. Board authorization for the Executive Director to execute an updated engagement letter.

Chair Messer requested that each of the items be considered separately.

- a. Chair Messer reported that Mr. Owens' overall average numeric performance ratings given by the Commissioners was 2.62 on a rating scale of 3.0. Commissioner Rideoutte suggested that a review of Legal Counsel's evaluation be part of the Workshop Meeting discussion in the fall. Chair Messer confirmed that it was the intention to review Counsel's evaluation at that time. Vice Chair Evans moved Board acceptance of Counsel's annual review. Commissioner Rideoutte seconded. The motion passed unanimously 5-0.
- b. There was discussion on the three-year decision whether to renew the agreement with Authority Counsel. Chair Messer added that Bond, Schoeneck and King serves at our will, and we have the right to terminate their services whenever deemed necessary. She stated that Mr. Owens has done a terrific job. Commissioner Lenhard moved Board approval to renew the agreement with the current legal firm, Bond, Schoeneck & King, for a period of three years. Commissioner Brousseau seconded. The motion passed unanimously 5-0.
- c. Commissioner Rideoutte moved Board authorization for the Executive Director to enter into an updated agreement setting forth the specific duties, responsibilities and fees of the Authority Counsel. Vice Chair Evans seconded. The motion passed unanimously 5-0.

Mr. Rozansky stated that the third motion should have specified the hourly rate. Commissioner Rideoutte withdrew his motion.

Vice Chair Evans departed the meeting at 10:11 a.m.

There was discussion on whether or not to offer a rate increase to Legal Counsel as part of the motion to enter into an updated agreement. Chair Messer stated that Bond Schoeneck's current standard hourly rate is \$390, and the NAA hourly rate has been \$280 since 2014. Chair Messer suggested to offer a rate increase in the 75 percentile range of \$390. Commissioner Brousseau suggested to ask for Mr. Owens' input. Mr. Owens said that on behalf of his firm it has been a pleasure to serve the Authority, and he would appreciate an increase if the Board was willing to give one. He added his firm's rates are not only below standards rates but are competitive based on the experience and quality of service that his firm provides.

Chair Messer moved Board authorization for the Executive Director to enter into an updated agreement of the Authority Counsel setting forth the specific duties, responsibilities and fees at

an hourly rate of \$292.50. Commissioner Rideoutte seconded. The motion passed unanimously 4-0 with Vice Chair Evans absent.

M. PUBLIC COMMENTS (5 minute limit)

Mr. Bob Bernardi, 600 Fifth Avenue S., Naples, requested the Board and staff consider a flight track/population study, especially due to the uncertainties of the Metroplex schedule, so that the Board can make a judgment about its fairness to the community.

Mr. Rozansky agreed with Mr. Bernardi regarding a flight track analysis but differed on the timing of the study. He explained that in the application for the Master Plan, a line item was included to complete an updated noise analysis which would provide noise contours reflecting current levels of activity to the Commission and community. He said that the Master Plan also includes an analysis to look at what would hypothetical noise contours look like with any airfield improvements constructed. He recommended that this would be the appropriate time to run those noise contours. With the status of Metroplex and the timing less than ideal, Mr. Rozansky stated that he could not recommend spending more money on what we do not yet know might happen. He said it is a difficult position but is mindful of the concerns. He added that we do have mechanisms to conduct the analysis; it just may not be in the same time frame requested.


N. CORRESPONDENCE/COMMISSIONER COMMENTS & REQUESTS/MEETINGS

In light of the Sunshine laws, Chair Messer commented that during this part of the agenda, fellow Commissioners can share openly with each other to express their viewpoints. As an alternative, she pointed out that before the agenda is published, Commissioners may also request staff to add their point of view to the agenda. If the agenda is already published, Commissioners may send their viewpoints to Mr. Rozansky, and he can forward to other Commissioners as long as Commissioners don't forward feedback back to each other. Mr. Rozansky clarified that if any requests are sent to him ahead of the meeting, he would not circulate it to the Commissioners; he would add it to the agenda. If requests are made after the agenda is published, he would make a change to the agenda at the beginning of the meeting.

Ms. Menard will be contacting Commissioners to schedule the Workshop Meeting in October.

O. ADJOURN

With no further business, the meeting adjourned at 10:21 a.m.



Christopher A. Rozansky

NOTE: Printed copies of all visual presentations and handouts are on file in the Executive Assistant's Office.

CITY OF NAPLES AIRPORT AUTHORITY (NAA)

**Board of Commissioners
Notice of Regular Meeting**



FINAL AGENDA

City Hall Council Chambers
735 Eighth Street South
Naples, FL 34102

**Thursday, August 17, 2017
8:30 a.m.**

**Commissioner Donna M. Messer – Chair and NCC Liaison
Commissioner Dick Evans – Vice Chair and Consultant Selection Committee Chair
Commissioner James Rideoutte – Audit Committee Chair
Commissioner Ted Brousseau – Legal Liaison and Audit Committee Member
Commissioner Michael Lenhard – Consultant Selection Committee Member
Executive Director: Christopher A. Rozansky
Authority Attorney: William L. Owens, Esq. of Bond, Schoeneck & King, PLLC**

Welcome. If you wish to address the Board of Commissioners regarding an item listed on the Agenda, please complete a Speaker Registration form (available at the rear of the room) and hand it to the Executive Assistant prior to consideration of that item. We ask that speakers limit comments to 5 minutes and that large groups name a spokesperson whenever possible. All written, audio-visual, and other materials distributed to the Board or staff during this meeting will become the property of NAA and will be a public record. Thank you for your interest and participation.

NOTICE

Formal action may be taken on any item listed on the Agenda below, or added to the Agenda before or during the meeting, or discussed during the meeting without being added to the Agenda. Also, the sequence of items may be changed as the meeting progresses.

Any person who decides to appeal a decision of this Board with respect to any matter considered at this meeting (or hearing) will need a record of the proceeding and may need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be heard.

Any person with a disability requiring auxiliary aids or services in order to participate in this proceeding for meetings at the City Council Chamber may call the City Clerk's Office at 213-1015, or for meetings at the Airport Office Building, the NAA Executive Assistant's Office at 643-0733, with requests at least two business days before the meeting.

Information on Action Items and other items which has been provided in advance of this meeting may be inspected at the office of the Executive Assistant, General Aviation Terminal Building, 2nd Floor, 160 Aviation Drive North. Minutes of this meeting will be prepared for Board approval, usually at the next Regular Meeting.

A. ROLL CALL

B. PLEDGE OF ALLEGIANCE

C. AGENDA (Add, delete or re-sequence items)

D. MINUTES

1. June 15, 2017 Regular Meeting

E. PRESENTATIONS AND TIME CERTAIN ITEMS

1. Employee of the Quarter

F. PUBLIC COMMENTS ON GENERAL TOPICS NOT ON THE CURRENT AGENDA

G. ACTION ITEMS (Public comments accepted for each item; 5 minute limit)

1. Approve Purchase of Aircraft Tug in an Amount Not to Exceed \$100,436.00
2. Approval for the Executive Director to execute a Services Agreement for the replacement of the General Aviation Terminal HVAC system in an amount not to exceed \$500,000
3. Authorize the Executive Director to execute the assignment and assumption of City of Naples Airport Authority lease from Industrial Equities of Florida, LLC to AA Aviation Hangar Condominium Association, Inc.
4. Authorize the Executive Director to execute the assignment and assumption of City of Naples Airport Authority lease from The London Company, Inc. to Randolph Aviation, LLC
5. Authorize the Chair to execute Resolution 2017-2, authorizing the Executive Director to execute a Supplemental Joint Participation Agreement (SJPA) with the Florida Department of Transportation to participate in a project to design and construct the relocation and extension of Taxiway Delta – North Quad at the Naples Municipal Airport in an amount not to exceed \$606,841

H. NEW BUSINESS

I. OLD BUSINESS

1. Noise Compatibility Committee Update
2. Metroplex Update

J. MANAGEMENT TEAM REPORT

1. Management Team Report

K. FINANCIAL REPORTS

1. Financial Summary
2. FY 2018 Operating and Capital Expenditures Budget Update

L. COUNSEL'S REPORT

1. Counsel's Report
2. Counsel's Review, Firm's Three-Year Review and Agreement

M. PUBLIC COMMENTS (5 minute limit)

N. CORRESPONDENCE/COMMISSIONER COMMENTS & REQUESTS/MEETINGS

O. ADJOURN