Minutes
November 15, 2018
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.

Present were Chair Messer, Commissioner Brousseau, Commissioner Dustin, Vice Chair Lenhard and Commissioner Rideoutte.

Staff and Authority Counsel present were Mr. Rozansky, Mr. Owens, Ms. Terrill, Mr. Keith, Mr. Frost, Mr. Warriner, Ms. Jackson, Mr. Jefferson, Ms. Sarcona, Ms. Bendle, Ms. Monville, Ms. Snyder, Ms. Lynam, and Ms. Menard.

B. PLEDGE OF ALLEGIANCE

Chair Messer led the Pledge of Allegiance.

C. AGENDA

Mr. Rozansky announced two changes to the agenda as follows:

1) Under Old Business, I.2. Executive Director's Performance Review Form and Process, a revised Performance Review form for the Executive Director was distributed to Board members in advance of the meeting.

2) Under Correspondence/Commissioner Comments & Requests/Meetings, N.1. Master Plan Workshop and Public Outreach Meetings, the schedule of upcoming workshops and open houses in the memorandum was revised and provided to Board members this morning.

D. MINUTES

1. October 18, 2018 Regular Meeting

Commissioner Dustin moved approval of the October 18, 2018 Regular Meeting minutes. Vice Chair Lenhard seconded. Motion passed 5-0 unanimously.

2. October 18, 2018 Workshop Meeting

Commissioner Rideoutte moved approval of the October 18, 2018 Workshop Meeting minutes. Commissioner Dustin seconded. Motion passed 5-0 unanimously.

E. PRESENTATIONS AND TIME CERTAIN ITEMS

1. Employee of the Quarter

Chair Messer recognized Ms. Sarcona, Ms. Monville, Ms. Snyder and Ms. Lynam of the Finance and Administration Department as Employees of the Quarter. She thanked them for their hard work, commitment and enthusiasm during extraordinary circumstances over the past year.

F. PUBLIC COMMENTS

There were no public comments.

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

1. **Authorize the Chair to execute Resolution 2018-9, authorizing the Executive Director to execute a Supplemental Joint Participation Agreement (SJPA) with the Florida Department of Transportation (FDOT) to participate in the project to extend Taxiway Delta – West Quad in the amount of $1,000,000**

Mr. Keith stated that we received an SJPA last week from FDOT for the Taxiway D Extension in the West Quad. He said the supplemental amount is for $1,000,000 and is in addition to the previous $920,000 that FDOT has funded. Mr. Keith said that the project was completed last year and that FDOT's total funding will be 80% of the actual project cost up to $1,920,000. The actual project cost was $2,232,063, and the Authority will be reimbursed $1,785,650.

Commissioner Rideoutte moved Board authorization for the Chair to execute Resolution 2018-9, authorizing the Executive Director to execute a SJPA with FDOT to participate in the project to extend Taxiway Delta – West Quad in the amount of $1,000,000, as presented by Mr. Keith. Commissioner Dustin seconded. The motion passed unanimously 5-0.

2. **Board authorization for the Executive Director to execute a Professional Services Agreement and sign a Task Order for the design of Runway 5-23 Drainage Improvement project in an amount not to exceed $845,000**

Mr. Keith said that staff began negotiations with EG Solutions, the consultant for the design of the Runway 5-23 Drainage Improvement project, which was approved at the October Regular Meeting. He said that a requirement for Federal Aviation Administration (FAA) funding is to develop a scope of work with EG Solutions and then have an independent fee estimate completed based on the scope of work with an independent consultant without reviewing EG Solutions estimated numbers. Mr. Keith explained that once the cost estimate was received from the independent consultant, Michael Baker, staff then received the cost estimate from EG Solutions, and negotiations continued to get the independent fee estimate and EG Solutions proposed price within 10 percent of each other, which is a requirement of the FAA. Mr. Keith stated that staff is now within 10 percent, and the information will be sent to the FAA for approval before an actual contract with the consultant can be signed. He requested Board approval for a contract in an amount not to exceed $845,000.

A question and answer period followed.

Vice Chair Lenhard moved Board authorization for the Executive Director to execute a Professional Services Agreement and sign a Task Order for the design of Runway 5-23 Drainage Improvement project in an amount not to exceed $845,000, as presented by Mr. Keith. Commissioner Dustin seconded. Motion passed 5-0 unanimously.

3. **Authorize the Executive Director to renew the property insurance policy in an amount not to exceed $315,000**

Mr. Warriner stated that on December 1st, the Authority will be entering into its third year of its property insurance renewal with AmRisc. He requested Board authorization for the Executive Director to renew the property insurance policy premium in an amount not to exceed $315,000. He said that an appraisal was conducted this year on all of our buildings and hangars since one had not been completed in at least eight years. He said that the resulting data from the appraisal showed a significant increase in value of about $14 million, which drove up the premium for next year by approximately $97,000. He said that Michelle Martin of Public Risk Insurance Agency (PRIA) was in the audience today to respond to any questions.

A question and answer period followed.

Commissioner Dustin moved Board authorization for the Executive Director to renew the property insurance policy in an amount not to exceed $315,000. Commissioner Brousseau seconded. Motion passed 5-0 unanimously.

4. **Authorize the Chair to execute a Second Amendment to Employment Agreement with the Executive Director**

Chair Messer said that Board members received an email and a summary of the Executive Director's compensation that was discussed at the September Regular Meeting. Chair Messer stated that at the September Regular Meeting, there was consensus by the Board for the Chair to negotiate an updated Employment Agreement with the Executive Director. She said that Mr. Rozansky subsequently emailed the Board a summary of his compensation, a competitive and best practice review of executive compensation at comparable airports/local government entities and proposed terms and conditions to the Second Amendment to Employment Agreement. She reviewed the following five changes to the agreement:

1. The first item was amended to show that future merit increases would coincide with the scale that applies to all other employees.

2. The second change added automatic renewal terms unless either party, the Board or Executive Director, provided a six-month notice to not renew.

3. The third change added a retention incentive payment to the Executive Director at the expiration of the original agreement date, September 30, 2019, and at the end of the next expiration period, September 30, 2022, as follows:

    a. At the end of September 30, 2019, an amount equal to 6.67% of the Executive Director's annual salary

b. At the end of September 30, 2022, an amount equal to 20 percent of the Executive Director's annual salary

Mr. Owens clarified that the incentive offered for the existing term is roughly one-third of 20 percent because there is one year left on his three-year agreement.

4. The fourth change offers a strategic plan incentive program, which staff will be proposing to the Board at the December Regular Meeting. Chair Messer said since Mr. Rozansky's agreement is being updated now, it seemed wise to add a provision that if the Board decides to offer a strategic plan incentive program to all employees, the Executive Director would be eligible to participate.

5. The fifth change revised the Executive Director's retirement plan contributions from 15 percent to 20 percent of his base salary.

Mr. Owens added that the proposed Agreement is structured as an amendment to Mr. Rozansky's existing agreement and that all the existing terms and conditions of that agreement remain in place. He clarified that Chair Messer provided a snapshot of the additional provisions.

There was discussion regarding severance compensation if the Executive Director is terminated for cause and without cause. Mr. Owens stated that the Executive Director is not entitled to additional compensation if terminated for cause. He is, however, entitled to severance if terminated without cause. The amount is capped by statute and allows for a maximum of 20 weeks' pay, which Mr. Rozansky would be entitled to.

Commissioner Dustin moved Board authorization for the Chair to execute a Second Amendment to Employment Agreement with the Executive Director as presented by Chair Messer. Commissioner Brousseau seconded. Motion passed 5-0 unanimously.

Mr. Rozansky thanked the Board for their consideration and stated that there is a lot of great work ahead. He said it is a privilege to serve the Board, our employees and community.

II. NEW BUSINESS

There was no new business.

I. OLD BUSINESS

1. Noise Compatibility Committee (NCC) Update

Chair Messer provided a summary of the October 25th NCC meeting at which time Mr. Bruce Byerly was re-elected to the Chair position and Mr. John Mastrocinque was re-elected to the Vice Chair position, each for a one-year term; the 2019 NCC meeting schedule was established; the updated Strategic Plan was presented; an update on the rebranding process was provided; the letter from Mr. Bart Vernace of the FAA was discussed; and HMMH gave a two-part presentation regarding the Part 150 noise study process and an overview of the FAA Reauthorization Act of 2018 as it related to noise provisions. Chair Messer said that the NCC meeting video is on the flynaples.com website and encouraged the public to view it.

Mr. Rozansky added that after the NCC set their 2019 meeting schedule which included a tentative meeting date of June 27th, there was internal staff discussion regarding what may come from the Part 150 Study update and the need for the June meeting. He said that a June meeting may present challenges for some members to participate; and at the January NCC meeting, he said staff will discuss adjusting the schedule for meetings in January, March and May instead of April and June. He stated that this would require an adjustment to the NCC Bylaws. Chair Messer said that it would be helpful to find out when certain members leave for the summer because a May meeting may present the same situation. Mr. Rozansky said that before a change in the NCC Bylaws is proposed, staff will conduct its due diligence.

2. **Executive Director's Performance Review Form and Process**

Mr. Rozansky stated that following the annual review of the Executive Director's performance at the September Regular Meeting, there was Board consensus to draft a performance evaluation for the Executive Director that modeled the example provided by the Sarasota Manatee Airport Authority. Mr. Rozansky stated that he provided an updated draft performance review form to Board members for review in advance of this meeting. He said that the form was consolidated to about 10 items, eliminating a few areas of content that were difficult to make a fair determination on. Mr. Rozansky explained the five-point scale gradation, with a score of one meaning unsatisfactory performance; three equivalent to proficient performance; and five reflecting exceptional performance. A score of two or four may be used to describe performance somewhere in between each level.

Mr. Rozansky clarified that the Strategic Plan will be based on the performance of the entire team, and the annual performance evaluation is based on individual accomplishments.

There was discussion regarding the gradation scale of one to five and the difference in the previous form which had nine ratings, using the 1, 1+ … 4, 4+, 5 scale. Chair Messer added that the scale put in place for the Executive Director would be the same scale used for all employees.

Vice Chair Lenhard moved Board approval of the revised Executive Director's performance evaluation form and new grading system. Commissioner Dustin seconded. Motion passed 5-0 unanimously.

3. **Authority Counsel's Performance Review Form and Process**

Mr. Rozansky stated that he worked with Authority Counsel to revise the Annual Review of Authority Counsel form. He commented that the criteria in the form was consolidated from eight to five questions and that we are transitioning from the way legal services used to be evaluated as an employee vs. a professional services firm. Mr. Rozansky explained the performance rating categories of satisfactory, unsatisfactory, insufficient information and not applicable.

Additionally, Mr. Rozansky said staff researched compensation methods and found that there was not one methodology in how the rates were adjusted for legal firms. He provided a couple of examples of how other agencies provide for rate adjustments. Mr. Rozansky commented that per state law, legal services do not apply to the competitive solicitation process as required under professional engineers and other types of professionals. Mr. Rozansky suggested that we allow Bond Schoeneck and King to advise us when they intend to increase their hourly rates as is done with most other qualified professionals.

After discussion, Mr. Owens recommended to amend their firm's engagement letter which currently specifies a particular hourly rate and provide generic, broad language that the rate would be determined from time to time by Authority Counsel and the Authority. Mr. Owens stated that he is a consultant at will and at any time, the Board can decide to disengage his firm's services and seek other services.

Commissioner Rideoutte moved Board approval of the Annual Review of Authority Counsel form. Commissioner Dustin seconded. Motion passed 5-0 unanimously.

J. LEADERSHIP TEAM REPORT

1. Leadership Team Report

There were no comments for discussion.

K. FINANCIAL REPORTS

1. Financial Summary

Mr. Warriner commented that a schedule showing expenses by department was added on page 5 of the Financial Summary to make the financial information more meaningful. He provided a review of the financials and reported on actuals against budget for the month of October.

Regarding the added schedule showing expenses by department, Mr. Rozansky stated that FBO operating expenses are now being tracked and will be added at some point to this schedule. There was discussion regarding the value in adding a line for the car wash, and there were no Board objections to remove that line from the schedule.

On the Statement of Fuel Sales, Commissioner Dustin raised concern regarding the increase in both total fuel sales and cost of sales with a decrease in actual gallons pumped while not achieving any change in additional margin. Mr. Rozansky said that on November 1, staff began implementing some of the changes in the new fuel program, which is expected to result in improved margins.

There was discussion regarding the fuel sales program. Commissioner Dustin suggested staff prepare an analysis that models the fuel sales under the new pricing structure for comparative purposes. He added that it would be helpful information to monitor the program. Mr. Rozansky said that it would be helpful and staff will provide the data, when available.

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

L. COUNSEL'S REPORT

1. Counsel's Report

Mr. Owens stated that at the October 18th Regular Meeting, the Board authorized the Executive Director to commence litigation against a delinquent t-hangar tenant to regain position of the leasehold premises and recover damages. Since that time, he said the tenant has been sent additional notices of default and termination and the Authority reached out to the tenant in an effort to avoid the necessity of formal legal

action. Mr. Owens said that the tenant is still nearly one year past due in rent and the leased premises is still occupied by non-airworthy aircraft. He said that it appears that the Authority will have no other choice but to move forward in filing a Complaint For Holdover Tenant Summary Eviction And Damages.

A question and answer period followed.

There were no other matters to report.

M. PUBLIC COMMENTS (5 minute limit)

There were no public comments.

N. CORRESPONDENCE/COMMISSIONER COMMENTS & REQUESTS/MEETINGS

1. Master Plan Workshop and Public Outreach Meetings

Mr. Rozansky reviewed the changes to the Master Plan Workshop and Public Outreach Meeting schedule. A revised schedule is attached and was distributed to the Board before the start of the meeting. Mr. Rozansky stated that the Board's participation at the two Joint Workshops on January 30th and April 30th would be most important to attend.

Vice Chair Lenhard requested clarification of how the Strategic Plan Incentive Program originated. Chair Messer stated that it was partly a discussion during the employment agreement negotiations and at the September Regular meeting, there was discussion amongst Board members to offer a bonus. Chair Messer said that staff will be making a presentation at the December Regular Meeting in more detail. Mr. Owens added that there is wording in the Second Amendment to the Executive Director's Employment Agreement that if a Strategic Plan Incentive Program was established, it would be at the sole discretion of the Board.

A question and answer period followed.

Chair Messer wished everyone a Happy Thanksgiving.

O. ADJOURN

With no further business, the meeting adjourned at 9:50 a.m.

Christopher A. Rozansky
Secretary

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

Naples AIRPORT AUTHORITY

To: Honorable Chair and Commissioners

From: Christopher A. Rozansky, Executive Director

Meeting Date: November 15, 2018

Re: **CORRESPONDENCE/COMMISSIONER COMMENTS & REQUESTS/MEETINGS - *Revised***

1. Master Plan Workshop and Public Outreach Meetings

SUMMARY: Board discussion regarding upcoming Master Plan workshops and open houses.

BACKGROUND: Staff and the Authority's Master Plan consultant have prepared tentative dates for upcoming workshops and open houses regarding the Master Plan. Pending Board consensus, staff will finalize the dates and forward meeting notifications.

• January 14, 2019	City Council Workshop	City Hall (8:30 AM)
• January 29, 2019	Open House	Commercial Terminal (9 to 11 AM)
• January 29, 2019	Open House	Naples Regional Library (4:30 – 6:30 PM)
• January 30, 2019	Joint Workshop	City Hall (8:30 AM) (NAA Board and NCC)
• April 15, 2019	City Council Workshop	City Hall (8:30 AM)
• April 30, 2019	Joint Workshop	City Hall (8:30 AM) (NAA Board and NCC)
• April 30, 2019	Public Outreach	Naples Regional Library (4:30 – 6:30 PM)
• May 1, 2019	Public Outreach	Commercial Terminal (9 to 11 AM)

COMMUNICATION PLAN: All workshops and open houses will be advertised.

FINANCIAL IMPACT: City Council presentations were not included in the original scope of work, but the cost of these additional meetings is available within the existing contract.

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, November 15, 2018
8:30 a.m.

Commissioner Donna M. Messer – Chair and NCC Liaison
Commissioner Michael Lenhard – Vice Chair and Consultant Selection Committee Chair
Commissioner James Rideoutte – Audit Committee Chair, Consultant Selection Committee Member
Commissioner Ted Brousseau – Legal Liaison
Commissioner Kerry C. Dustin, Audit 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. October 18, 2018 Regular Meeting

2. October 18, 2018 Workshop 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. Authorize the Chair to execute Resolution 2018-9, authorizing the Executive Director to execute a Supplemental Joint Participation Agreement (SJPA) with the Florida Department of Transportation (FDOT) to participate in the project to extend Taxiway Delta – West Quad in the amount of $1,000,000

2. Board authorization for the Executive Director to execute a Professional Services Agreement and sign a Task Order for the design of Runway 5-23 Drainage Improvement project in an amount not to exceed $845,000

3. Authorize the Executive Director to renew the property insurance policy in an amount not to exceed $315,000

4. Authorize the Chair to Execute a Second Amendment to Employment Agreement with the Executive Director

H. NEW BUSINESS

I. OLD BUSINESS

1. Noise Compatibility Committee Update

2. Executive Director's Performance Review Form and Process

3. Authority Counsel's Performance Review Form and Process

J. LEADERSHIP TEAM REPORT

1. Leadership Team Report

K. FINANCIAL REPORTS

1. Financial Summary

L. COUNSEL'S REPORT

1. Counsel's Report

M. PUBLIC COMMENTS (5 minute limit)

N. CORRESPONDENCE/COMMISSIONER COMMENTS & REQUESTS/MEETINGS

1. Master Plan Workshop and Public Outreach Meetings

O. ADJOURN