Corrected Minutes
August 20, 2020
Regular Meeting

A. ROLL CALL

Meeting was called to order by Chair Lenhard at 8:30 a.m. in the Council Chambers at City Hall.

Also present were Vice Chair Dustin, Commissioner Brousseau, Commissioner Messer and Commissioner Rideoutte.

Staff and Authority Counsel present were Mr. Rozansky, Ms. Terrill, Mr. Owens, Mr. Warriner, Mr. Keith and Ms. Menard.

B. PLEDGE OF ALLEGIANCE

Chair Lenhard led the Pledge of Allegiance.

C. AGENDA

Mr. Rozansky added an item to the agenda under Old Business, Item 3 to discuss a potential FAA grant for the Runway 5-23 Drainage and Safety Improvement Project. He stated that this project was submitted to the FAA following Board approval at the April regular meeting.

D. MINUTES

1. June 18, 2020 Regular Meeting Minutes

Commissioner Rideoutte moved approval of the June 18th Regular Meeting minutes. Vice Chair Dustin seconded. Motion passed unanimously 5-0.

E. PRESENTATIONS AND TIME CERTAIN ITEMS

1. Employee of the Quarter

Chair Lenhard recognized Mr. Emil Garces, Quality Control Coordinator, as Employee of the Quarter. He congratulated Emil for setting a high standard in quality control, mastering the NATA digital QC system and playing an integral role in the transition from the Total FBO to the X-1 FBO software system.

F. PUBLIC COMMENTS

There were no public comments.

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

1. Consent to Encumbrance and Agreement with Lender for Arthur L. Allen

Mr. Warriner requested Board authorization for the Executive Director to execute a Consent to Encumbrance and Agreement with Lender between Naples Airport Authority and City National Bank of Florida for the benefit of the tenant, Arthur L. Allen. Mr. Warriner said that the tenant is the holder of a

land lease and is requesting to refinance an existing hangar. The Agreement is a standard form prepared by Authority Counsel.

A discussion followed regarding the financial aspects of the loan transaction and the procedures used to address risks associated with the ratio of loan to leasehold value. Mr. Rozansky added that we have a standard clause in any Consent to Encumbrance giving NAA the first rights in the event of a default by the tenant.

Vice Chair Dustin moved Board approval for the Executive Director to execute a Consent to Encumbrance and Agreement with Lender for Arthur L. Allen as presented by Mr. Warriner. Commissioner Rideoutte seconded. Motion passed unanimously 5-0.

2. **Consent to Encumbrance and Agreement with Lender for Naples Jet Center Holdings, LLC, Eagle Creek Holdings, LLC and Naples Airport Properties, LLC**

Mr. Warriner requested Board authorization for the Executive Director to execute a Consent to Encumbrance and Agreement with Lender between Naples Airport Authority and First Horizon Bank for the benefit of the tenants, Naples Jet Center Holdings, LLC; Eagle Creek Holdings, LLC and Naples Airport Properties, LLC. Mr. Warriner stated that the tenants operate leaseholds on the airport as Naples Jet Center and are requesting consent to a leasehold mortgage that encumbers the tenants' right, title and interest in the land leases located at 317/319 Citation Point and 377 Citation Point in favor of First Horizon Bank.

Vice Chair Dustin moved Board approval for the Executive Director to execute a Consent to Encumbrance and Agreement with Lender between Naples Airport Authority and First Horizon Bank for the benefit of the tenants as presented by Mr. Warriner. Commissioner Messer seconded. Motion passed unanimously 5-0.

3. **Construct an Administration Base Building at the Naples Airport Air Traffic Control Tower (ATCT) in an amount not to exceed $395,000**

Mr. Keith requested Board authorization for the Executive Director to execute an Agreement with Waypoint Contracting Inc. for the construction of a new ATCT Administration Base Building in an amount not to exceed $395,000, which includes a contingency budget of $50,000 for unanticipated permit requirements and possible direct purchase of equipment. He provided a summary of the bid process which was advertised on July 7th and resulted in eight bids ranging from $345,000 to $554,000. Mr. Keith highlighted the three lowest, qualified bidders.

A question and answer period followed.

Vice Chair Dustin moved Board approval for the Executive Director to execute an Agreement with Waypoint Contracting Inc. for the construction of a new ATCT Administration Base Building in an amount not to exceed $395,000 as presented by Mr. Keith. Commissioner Messer seconded. Motion passed unanimously 5-0.

4. **Task Order Amendment #2 with SchenkelShultz for Commercial Aviation Terminal (CAT) Improvements in an amount not to exceed $114,982**

Mr. Keith requested Board authorization for the Executive Director to sign a Task Order Amendment #2 with SchenkelShultz for CAT improvements – Design, Bid and Permit Phase in an amount not to exceed $114,982. Mr. Keith stated that after further review of the General Aviation Terminal (GAT) improvements design that was approved at the February Board meeting, it became clear that the initial approach of moving into modular units for all operations was not practical. He said that staff is proposing limited upgrades and alterations to the CAT to provide a better experience for customers and staff since it will provide adequate interior space, landside vehicle parking, and airside ramp space. He said that the anticipated schedule will allow completion of the work prior to starting any GAT construction, and the newly remodeled offices in the CAT will be used for Leasing, Badging and Security offices when the GAT improvements are complete.

Commissioner Messer commented regarding the huge coordination effort of this project.

Commissioner Rideoutte moved Board approval for the Executive Director to sign a Task Order Amendment #2 with SchenkelShultz for the CAT Improvements – Design, Bid and Permit Phase in an amount not to exceed $114,982. Commissioner Messer seconded. Motion passed unanimously 5-0.

5. **Rehabilitate Airport Monument Signs in an amount not to exceed $63,990**

Mr. Keith requested Board authorization for the Executive Director to execute a contract with project Combo, Inc. dba Lykins Signtek Inc. for the rehabilitation of the airport monument signs and associated landscape monuments in an amount not to exceed $63,990. He provided a presentation of the signage improvements, displayed an aerial of the sign locations as well as a graphic showing the existing signage and examples of the new signage incorporating our rebranded logo.

Mr. Keith provided a summary of the bid process, which was issued on June 1st with four bids received.

A question and answer period followed.

Commissioner Messer moved Board approval for the Executive Director to execute a contract with Project Combo, Inc. dba Lykins Signtek Inc. for the rehabilitation of the airport monument signs and associated landscape monuments in an amount not to exceed $63,990. Commissioner Rideoutte seconded. Motion passed unanimously 5-0.

6. **Rehabilitate the North General Aviation Ramp Phase 1 in an amount not to exceed $2,394,555.50**

Mr. Keith requested Board authorization for the Executive Director to execute an Agreement with Quality Enterprises USA, Inc., for the rehabilitation of the north GA ramp in an amount not to exceed $2,394,583.28. He said that included in this amount is a contingency budget of 5% ($114,027.78) for unanticipated permit requirements and undiscovered subsurface issues. Mr. Keith reviewed the results of the Statewide Airfield Pavement Study, which was conducted by the Florida Department of Transportation. He noted that our ratings in this area were poor and very poor with a small area rated fair. He added that typically, reconstruction is considered when the area is rated fair. Mr. Keith said that Phase 1 of the construction is scheduled for this fall with completion prior to the winter season. He

provided a review of the bid process, which was advertised on July 13th and resulted in five (5) bids received ranging from $2,280,555.50 to $2,616,445.88.

Mr. Rozansky noted that the apron rehabilitation was originally planned as a summer project, but economic uncertainty due to the COVID-19 pandemic resulted in the project being delayed. Mr. Rozansky added that once we began seeing a recovery, Mr. Keith separated the project into two phases in order to still complete a significant portion of the work in FY 2020 before season.

A question and answer period followed.

Commissioner Messer moved Board approval for the Executive Director to execute an Agreement with Quality Enterprises USA, Inc., for the rehabilitation of the north GA ramp in an amount not to exceed $2,394,583.28 as presented by Mr. Keith. Vice Chair Dustin seconded. Motion passed unanimously 5-0.

7. Easement to Florida Power and Light to Serve the Collier Mosquito Control District Leasehold

Mr. Keith requested Board authorization for the Executive Director to execute an Underground Easement granting non-exclusive rights to Florida Power and Light (FPL) for installation of electric utility service for the Collier Mosquito Control District (CMCD) leasehold, contingent upon review and approval of NAA legal counsel. Mr. Keith stated that the implementation of CMCD's redevelopment plan requires the relocation of the underground utilities serving the existing hangar on the leasehold. He said that this easement is a replacement of an existing easement so that it does not interfere with CMCD's future construction.

Mr. Rozansky commented that if the easement term were for five years or less that he could have executed it; however, FPL's is seeking a long term easement that must be approved by the Board. Mr. Rozansky added that the Authority was successful in obtaining the right to relocate the easement if it was ever necessary.

A question an answer period followed.

Vice Chair Dustin moved Board approval for the Executive Director to execute an Underground Easement granting non-exclusive rights to Florida Power and Light (FPL) for installation of electric utility service for the Collier Mosquito Control District (CMCD) leasehold as presented by Mr. Keith. Commissioner Brousseau seconded. Motion passed unanimously 5-0.

8. Executive Director's Annual Review

Chair Lenhard stated that it was helpful to see other Commissioners' reviews. He opened the discussion up for other comments.

Commissioner Rideoutte commented that he still has trouble with the score ratings of 2 and of 4 and that since he did not use the score of 2 or 4, it may be one of the reasons his evaluation was lower than some of the others. He found it interesting that there were a couple of Commissioners who did not have any ratings of 3. He added that there were a couple of items on the review that he doesn't see how you can have varying degrees of proficient or unsatisfactory performance. Commissioner Rideoutte said that it

is clear to Chris that all of the Commissioners have a high regard for his management of the airport operation and that is the most important thing.

Commissioner Messer said that she completed the evaluation and then looked at the evaluation she did the prior year in regards to communications, relationship and if she was as informed as she had been when she was the Chair. Interestingly, she stated that she raised Mr. Rozansky's score because she believes he worked harder to make sure she was informed and was certain that he provides the same level of communication with her fellow Commissioners. She commented regarding the market research study report that Mr. Rozansky sent to the Commissioners that there were people in the study who talked about the changes at the airport since the new Executive Director had arrived. She said these comments were unsolicited and it adds to the overall comments made in the performance review.

Vice Chair Dustin concurred with Commissioner Rideoutte's comments on the score ratings of 2 and 4. He said that especially on the question regarding Administration, it is difficult to give more than a rating of 3 on that one. He said he was quite comfortable with the review process and thought the transparency of being provided the other Commissioners' evaluations was quite good. He said it was helpful to speak with the Executive Director about the performance review. He stated that it is difficult at the Commissioner level to get feedback on how the Director is viewed by the employees. Vice Chair Dustin added that we have a terrific team, a terrific Executive Director and reiterated that the review process was a great one.

Mr. Rozansky said that he found the process to be the most fruitful since he has been here and that the constructive feedback given to him has been excellent. He commented that the leadership the Board has provided, collectively and individually, is greatly appreciated. He stated that we do have an outstanding team and his work is reflective of their work that they do every day. He said that he hopes it shows that he enjoys and loves what he does. He appreciates the work we have ahead of us.

Commissioner Messer said that to Vice Chair Dustin's point regarding the employees' view of the Executive Director, she said that in the past she has used the employee engagement study as a measure. She said that staff could share the survey results with the Board and if we want specific questions in the survey, we could ask Mr. Rozansky to include those.

To Commissioner Rideoutte's concern regarding the performance review questions that are black and white, Commissioner Messer suggested that perhaps the scoring of those questions could be changed to satisfactory or unsatisfactory rather than use a scale of 1-5. Vice Chair Dustin said that it was a good idea; however, Chair Lenhard was concerned that it might lower the numeric performance.

Regarding employee engagement, Commissioner Messer commented that the amount of industry and other educational opportunities that the team participates in not only helps the airport but helps the employees grow themselves. Chair Lenhard said that Mr. Rozansky does a great job with professional development with himself and his staff.

Regarding the performance review form, Mr. Rozansky said that staff could prepare alternative forms to consider for the next review cycle. Chair Lenhard said that he understands Commissioner Rideoutte's opinion regarding the use of a scale on a couple of the questions but voiced concern how the changes would effect the total rating. Mr. Rozansky said that the questions could be wrapped into another category.

Regarding Commissioner Messer's comments about the engagement survey, Mr. Rozansky stated that we could schedule the pulse survey and provide it in advance of next year's review cycle.

Chair Lenhard said he found it easier to review Mr. Rozansky because he is Chair. He said that he can sense some of the employee relationships as well because he is more involved.

Chair Messer suggested that staff keep a list of professional development provided and present it in the Leadership Team report to facilitate the Commissioners' understanding of employee opportunities and accomplishments. Mr. Rozansky said that we can develop a summarized metric or incorporate it into the Scorecard in terms of certifications, promotions and course work completed. He said that he would be hesitant to publish a report that lists employees by name.

Commissioner Messer moved Board approval of the Executive Director's review for the period August, 2019 to July, 2020.

9. Authority Counsel's Annual Review pursuant to Article IV, Section 3, of the Bylaws

Chair Lenhard reported that the Authority Counsel's review process was similar to the Executive Director's process whereby all Commissioners were able to view each other's reviews. He added that the Authority Counsel received all satisfactory ratings. He opened the discussion up for comments.

Although the grading was either satisfactory or unsatisfactory, Commissioner Messer added that Mr. Owens is incredibly supportive of the NAA, is a terrific partner for Bond Schoeneck and King (BSK) and is always available and responsive when our organization needs him.

Vice Chair Dustin echoed Commissioner Messer's comments. Commissioner Rideoutte commented that Mr. Owens and his firm have kept us from any damaging situations and free of lawsuits which he felt was a major criteria for this review. Chair Lenhard agreed with the comments. He suggested that BSK continue to represent the NAA and appreciated Mr. Owens review of grievances and adherence to the Sunshine law.

Mr. Rozansky stated that the briefing paper should have included a summary of the firm's rates and a request to consider an adjustment for the coming year. He commented that there was no adjustment to the rates last year, and BSK charges $304 per hour, which is a significant discount to the company's published rates. Mr. Rozansky reported that over the past eight years, the total rate increased less than 16% or an average of 2% per year. Mr. Rozansky suggested that the Board consider an increase of 2% for FY 2021.

Commissioner Messer moved Board approval to increase the BSK rate by 2% for FY 2021. Commissioner Rideoutte seconded. Motion passed unanimously 5-0.

On behalf of himself and his firm, Mr. Owens said that it was a privilege and honor to serve the Authority, the Board members, Executive Director and the entire team. He thanked the Board for their comments and confidence.

H. NEW BUSINESS

There was no new business.

I. OLD BUSINESS

1. Noise Compatibility Committee (NCC) Update

Commissioner Messer stated that the NCC last met on June 25th and the meeting was held virtually. She provided highlights of that meeting. She said that the next Regular Meeting of the NCC is scheduled for Thursday, October 19th at 9 a.m. and, due to the uncertainty of the COVID-19 pandemic, the venue for this meeting will be announced in September. She encouraged the public to participate.

2. Technical Advisory Committee (TAC) Update

Commissioner Messer stated that the TAC last met on June 23rd, and the meeting was held virtually. She provided a summary of that meeting. She announced that the next Regular Meeting of the TAC is scheduled for Tuesday, November 5th at 9:30 a.m. and the venue for the meeting will be announced in September. She invited the public to participate.

3. FAA Grant – Runway 5-23 Drainage and Safety Improvements Project

Mr. Rozansky stated that at the April meeting, the Board approved the submission and acceptance of a grant up to $5 million for the Runway 5-23 drainage and safety improvements project. He said that it was submitted to the Federal Aviation Administration (FAA) in May and recently, FAA commented on the phasing and federal grant eligibility because of priorities identified in the wildlife hazard management plan. Mr. Rozansky added that drainage and wildlife hazards are closely related, but drainage alone does not compete very well for discretionary grant funding because the FAA does not consider it a safety improvement.

Mr. Keith provided specific details of the FAA's review and described the project as being structured in three phases: 1) West Quadrant of the airport with poorly maintained drainage structures that created a major wildlife habitat for coyotes; 2) Swales that hold water year-round along Runway 5-23 north of Runway 14-32, and 3) Swales that hold water along Runway 5-23 south of Runway 14-32, but dries out and is not as much of a hazard as Phases 1 and 2.

Mr. Keith reported that the FAA indicated that they plan to proceed with Phase 1 and 2 funding at 90% to 100% funding and that they will allow us to update the wildlife management plan. If justified, the FAA will consider funding Phase 3 in the next year or two at the same percentage. He said that there was no Board action necessary and that this was an update to share the positive outcome.

Mr. Rozansky announced that Mr. Keith, who serves on the Board of the Florida Airports Council, was selected to become part of FAC's Executive Committee. The Board congratulated Mr. Kerry on his appointment.

J. LEADERSHIP TEAM REPORT

1. Leadership Team Report

There were no questions on the Leadership Team Report.

K. FINANCIAL REPORTS

1. Financial Summary

Mr. Warriner presented the June financial results. He reported another strong month with fuel sales 36% over the prior year. He provided a review of the financials and reported that the change in net position was favorable to budget for the month of June and year to date.

As a follow up to Vice Chair Dustin's concern raised in the past regarding the security and risk of investments, Mr. Warriner reported that the NAA engaged Mr. John Grady of Public Trust Advisors and that this firm will prepare a sample portfolio in accordance with our new investment policy to illustrate what our investments might look like if we diversified some of our funds. Mr. Grady will be presenting the information to the Board at the October Regular Meeting.

Mr. Warriner stated that due to an error on page 6 of the financials, an updated copy was distributed to the Board prior to the meeting.

Commissioner Rideoutte moved acceptance of the June Financial Summary. Commissioner Messer seconded. Motion passed unanimously 5-0.

2. August Draft – FY 2021 Operating and Capital Expenditures Budget

Mr. Warriner presented the August draft of the FY 2021 Operating and Capital Expenditures Budget. He commented that the budget process this year has been difficult due to the uncertainty surrounding the COVID-19 pandemic.

Vice Chair Dustin expressed concern with the way in which the budget is prepared. He suggested that zero-based budgeting is a better methodology rather than preparing it from a historical perspective.

Commissioner Messer echoed Vice Chair Dustin's comments and welcomed a discussion about this. She said that zero-based budgeting keeps an organization more focused. She also provided a summary of the Florida Statute 189.0106(3) which requires the governing body of each special district to adopt a budget by resolution each fiscal year. She added that one of the requirements is that the governing body cannot overspend the budget.

There was staff and Board discussion regarding the practice of a zero-based budgeting philosophy and the difficulty of planning for the year ahead with the uncertainty of COVID. Mr. Rozansky expressed appreciation for the Board's comments and added that we could implement this approach next March when the next budget preparation cycle begins.

Mr. Warriner presented highlighted changes from the June draft budget and provided a high level summary of the draft FY 2021 operating and capital budget, estimated total budgeted expenses and expenditures and estimated FY 2021 appropriation for expenditures and reserves.

Vice Chair Dustin asked how travel restrictions to and from Canada due to COVID would affect the revenues. Mr. Rozansky said that he is still evaluating how the restrictions will affect Canadians who own second homes here.

Mr. Warriner stated that the final budget will be presented for approval at the September regular meeting.

L. COUNSEL'S REPORT

1. Counsel's Report

Mr. Owens reported that there are no pending litigation or material matters to discuss.

M. PUBLIC COMMENTS (5-minute limit)

There were no public comments.

N. CORRESPONDENCE/COMMISSIONER COMMENTS & REQUESTS/MEETINGS

Commissioner Messer thanked staff and everyone who worked so hard on the new ARFF station as well as the demolition of the old ARFF building. She commented that she looks forward to touring it and attending a ribbon cutting event when it is safer to have one. She said that the new ARFF station is an incredible benefit to the airport, the City and the rest of the community as well.

O. ADJOURN

With no further business, the meeting adjourned at 10:34 a.m.

Christopher A. Rozansky
Secretary

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 20, 2020
8:30 a.m.

Commissioner Michael Lenhard – Chair and Consultant Selection Committee Member
Commissioner Kerry C. Dustin – Vice Chair and Audit Committee Chair
Commissioner Donna M. Messer – NCC Liaison
Commissioner James Rideoutte – Consultant Selection Committee Chair and Audit Committee Member
Commissioner Ted Brousseau – Legal Liaison
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 18, 2020 Regular Meeting Minutes

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. Consent to Encumbrance and Agreement with Lender for Arthur L. Allen
2. Consent to Encumbrance and Agreement with Lender for Naples Jet Center Holdings, LLC, Eagle Creek Holdings, LLC and Naples Airport Properties, LLC
3. Construct an Administration Base Building at the Naples Airport Air Traffic Control Tower (ATCT) in an amount not to exceed $395,000
4. Task Order Amendment #2 with SchenkelShultz for Commercial Aviation Terminal (CAT) Improvements in an amount not to exceed $114,982
5. Rehabilitate Airport Monument Signs in an amount not to exceed $63,990
6. Rehabilitate the North General Aviation Ramp Phase 1 in an amount not to exceed $2,394,555.50
7. Easement to Florida Power and Light to Serve the Collier Mosquito Control District Leasehold
8. Executive Director's Annual Review
9. Authority Counsel's Annual Review pursuant to Article IV, Section 3, of the Bylaws

H. NEW BUSINESS

I. OLD BUSINESS

1. Noise Compatibility Committee Update
2. Technical Advisory Committee Update
3. FAA Grant for the Naples Airport Runway 5-23 Drainage and Safety Improvement Project

J. LEADERSHIP TEAM REPORT

1. Leadership Team Report

K. FINANCIAL REPORTS

1. Financial Summary
2. August Draft - FY 2021 Operating and Capital Expenditures Budget

L. COUNSEL'S REPORT

1. Counsel's Report

M. PUBLIC COMMENTS (5 minute limit)

N. CORRESPONDENCE/COMMISSIONER COMMENTS & REQUESTS/MEETINGS

O. ADJOURN