

December 17, 2020
Regular Meeting – Corrected Minutes

Meeting was called to order by Chair Lenhard at 8:35 a.m. in the Council Chambers at City Hall.

A. OATH OF OFFICE

Deputy City Clerk Jessica Rosenberg administered the Oath of Office to Commissioner Richard Ruppert, who was appointed by City Council to serve on the Authority for a four-year term, beginning on November 20, 2020.

Chair Lenhard welcomed Commissioner Ruppert.

B. ROLL CALL

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

Staff and Authority Counsel present were Mr. Rozansky, Mr. Owens, Mr. Warriner, Mr. Keith, Mr. Frost, Ms. Bendle, Mr. Hushek, Mr. Burch and Ms. Menard.

C. PLEDGE OF ALLEGIANCE

Chair Lenhard led the Pledge of Allegiance.

D. AGENDA

Mr. Rozansky noted that there were two revisions to the agenda as follows: 1) Under Action 2, Commercial Terminal Improvement Project, the briefing paper was updated to include the results of the bids which were due on December 14th. Mr. Rozansky stated that the bids were received after the publication of the Board packet; 2) The Strategic Plan Scorecard which was attached to the briefing paper under Old Business 5, Updates to the FY 2017 – FY 2021 Strategic Plan, was slightly reformatted.

Mr. Rozansky stated that both of these items were distributed to the Board before the meeting, and printed copies were provided at each Board member's seat this morning.

E. MINUTES

1. November 19, 2020 Regular Meeting Minutes

Commissioner Rideoutte moved approval of the November 19th Regular Meeting minutes. Vice Chair Dustin seconded. Motion passed unanimously 5-0.

F. PRESENTATIONS AND TIME CERTAIN ITEMS

There were no presentations or time certain items.

G. PUBLIC COMMENTS

There were no public comments.

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

1. Purchase of Golf Carts in an Amount Not to Exceed \$107,138

Mr. Hushek requested Board authorization for the Executive Director to purchase five (5) new golf carts in an amount not to exceed \$107,138. These golf carts will replace our existing golf carts that have reached the end of their useful life. The golf carts are used by our ramp assistants to help shuttle passengers back and forth between the terminal and their aircraft.

A question and answer period followed.

Vice Chair Dustin moved Board authorization for the Executive Director to purchase five new golf carts from Gator Golf Carts in an amount not to exceed \$107,138. Commissioner Messer seconded. Motion passed unanimously 5-0.

2. Commercial Terminal Improvement Project

Mr. Keith requested Board authorization for the Executive Director to execute a contract with Owen-Ames-Kimball in an amount not to exceed \$737,846 for the Commercial Terminal (CAT) Improvement project. He said that this amount includes the bid amount, a contingency of \$60,000, and a proposed incentive of up to \$100,000 for early completion. He provided a summary of the results of the bids received.

Mr. Keith reported that the CAT Improvement project is designed to serve as an interim FBO facility for use during the remodel of the General Aviation Terminal. He stated that assuming the permits are issued in time for the contractor to commence work on January 4, 2021, the contract requires construction to be completed by April 30, 2021. The financial incentive to complete work ahead of schedule will help to ensure a timely transition and allow commencement of the GAT improvements in order for the GAT to be completed prior to the FY 2022 peak season.

Mr. Keith explained how the proposed financial incentive to complete work early would be structured. A question and answer period followed regarding the incentive bonus and penalties/liquidated damages for work completed late.

Vice Chair Dustin moved Board approval for the Executive Director to execute a contract with Owen-Ames-Kimball in an amount not to exceed \$737,846 for the Commercial Terminal (CAT) Improvement project. Commissioner Messer seconded. Motion passed unanimously 5-0.

3. Runway 5-23 Drainage Improvement Project Mitigation Credits in an Amount Not to Exceed \$199,200

Mr. Keith requested Board authorization for the Executive Director to execute a contract with Southwest Florida Wetlands Joint Venture for 1.66 state wetland credits (acres) from Panther Island Mitigation Bank in an amount not to exceed \$199,200. He noted that in order to obtain a permit to move forward with the Runway 5-23 Drainage Improvement project, the mitigation fee is required by the Southwest Florida Management District and is not negotiable. Mr. Keith displayed an aerial showing the portion in the West Quad which will require removal of wildlife habitat. Mr. Keith stated that the expense is included in the FY 2021 capital budget and qualifies for reimbursement under the Federal Aviation Administration grant.

A question and answer period followed.

Commissioner Rideotte moved Board approval for the Executive Director to execute a contract with Southwest Florida Wetlands Joint Venture for 1.66 state wetland credits from Panther Island Mitigation Bank in an amount not to exceed \$199,200. Vice Chair Dustin seconded. Motion passed unanimously 5-0.

I. NEW BUSINESS

1. Budget – FY 2021

Mr. Warriner requested discussion and consensus for management changes to the FY 2021 operating budget. As reported in the financial summary, he said that we are significantly ahead of our budget year-to-date and that fuel sales have increased 25% this year. Because the increase is expected to continue throughout the winter season, Mr. Warriner stated that there is a need to hire additional staff, lease additional fuel trucks and golf carts, and hire outside contracted services to meet the demand. After consulting with Authority Counsel Bill Owens and our outside auditor, Mr. Warriner explained that a formal budget amendment is not statutorily required since we do not anticipate exceeding the original Board approved FY 2021 budgeted operating expense but that staff wanted to apprise the Board of the adjustment due to circumstances with COVID-19 and the volume of traffic.

A question and answer period followed regarding the increased jet flights, employee fatigue, precautions staff is taking due to the pandemic, employee retention and challenges of attracting new workers.

Commissioner Ruppert asked if jet fuel increases were exclusively from charter flights or from customers who are based at the airport. Mr. Rozansky stated that most of it is due to the continued trend of private charter and added that in a recent report, analysts estimated that there were nearly 2 million new customers to general aviation this year as a result of the pandemic. Vice Chair Dustin commented that his business recently used private charter for safety of his team and given COVID, they may do so again.

Chair Lenhard stated that he received a request to make a public comment and invited Mr. Burns to the podium.

Mr. Robert P. Burns, 720 Broad Avenue South, Naples commented regarding the 25% fuel sales increase and asked what percentage of aviation fuel sold this year is for aircraft arriving and staying here versus aircraft that arrive, fuel and leave for another destination. Mr. Rozansky responded that this isn't tracked but we know that more than 90% of aircraft that arrive take fuel and that we are not generally a fueling stop. Mr. Rozansky added that single engine aircraft may travel to another location because the fuel

might be less expensive, but jet operators do not do that because it puts more cycles and use on the aircraft.

There was unanimous consensus to accept the management changes to the FY 2021 operating budget as presented by Mr. Warriner.

J. OLD BUSINESS

1. Noise Compatibility Committee (NCC) Update

Commissioner Messer stated that the NCC last met virtually on October 29th and that she reported on this meeting at the November 19th Board Meeting.

Commissioner Messer noted that the next Regular Meeting of the NCC is scheduled for Thursday, January 28th, at 9 a.m. and stated that due to the COVID-19 pandemic, the meeting will be held in a hybrid format where the public is encouraged to participate via Zoom, by registering in advance utilizing a meeting link which will be posted to our website by January 21, 2021.

Commissioner Messer announced that Mr. Zac Burch, Communications and Community Engagement Manager, is working with NCC members to schedule community meetings in the areas that they represent. She said that anyone interested in scheduling a meeting should contact him at zburch@flynaples.com.

2. Technical Advisory Committee (TAC) Update

Commissioner Messer stated that the TAC last met virtually on November 5th and that she reported on that meeting at the November 19th Board meeting. She reiterated that Mr. Burch is working with TAC members to schedule community meetings in areas that they represent. She said that the next TAC meeting is scheduled for Thursday, February 11th, at 9:30 a.m. and that the venue for this meeting will be posted by February 5th. She encouraged the public to participate.

3. Strategic Plan Scorecard – FY 2020 End of Year Report

Mr. Rozansky requested Board review and acceptance of the Strategic Plan Scorecard – FY 2020 End of Year Report. He stated that the Scorecard was revised during the June meeting in response to COVID-19 and that he expressed how proud he was of the work the team has done during the most challenging circumstances that he has ever faced in his career.

Commissioner Ruppert asked if there has been any success in working with the NCC or TAC members to schedule community meetings in the areas that they represent. Mr. Rozansky clarified that the Scorecard is through September 30, 2020 and that Mr. Burch's efforts pertain to the new FY 2021 Scorecard. Mr. Burch provided an update of the community outreach efforts to date. He said that there is a number of meetings scheduled throughout January, February and March with homeowners associations and other organizations.

Commissioner Messer congratulated the entire team on an incredible job in FY 2020. She said that the new customers coming into the airport are people in this community, and it is a great opportunity for continued understanding and education about what the airport is, how it functions and what the airport means to this community. Vice Chair Dustin added that the airport is a superb economic development asset and when he speaks with others, he helps them to understand this.

Vice Chair Dustin moved Board acceptance of the Strategic Plan Scorecard – FY 2020 End of Year Report. Commissioner Messer seconded. Motion passed unanimously 5-0.

4. Strategic Plan Incentive Plan

Mr. Rozansky requested Board authorization for the Executive Director to distribute incentive pay under the Strategic Plan Incentive Program for FY 2020. Mr. Rozansky provided a summary of the program, which is tied to the achievement of the goals and objectives of the Strategic Plan, that was approved by the Board of Commissioners at the December 20, 2018 Regular Meeting. Mr. Rozansky stated that based upon the achievement of 100% of the goals in our Strategic Plan, the total incentive expense is approximately \$311,000. He added that this amount is below the amount accrued in our financial statements as of September 30, 2020.

Vice Chair Dustin moved Board approval for the Executive Director to distribute incentive pay under the Strategic Plan Incentive Program for FY 2020 as presented by Mr. Rozansky. Commissioner Messer seconded. Motion passed unanimously 5-0.

Mr. Rozansky thanked the Board for their approval. He said that after the meeting, he will share the procedure tied to this program, especially for Commissioner Ruppert's benefit.

5. Updates to the FY 2017 – FY 2021 Strategic Plan

Mr. Rozansky requested Board adoption of updates to the FY 2017 – FY 2021 Naples Airport Authority Strategic Plan, consisting of revisions to the FY 2021 Scorecard. Mr. Rozansky highlighted the revisions which appear in lavender and reviewed the changes to the slightly reformatted version.

Regarding the airspace protection initiative under Goal 1, Commissioner Ruppert asked if the Triangle Development would be the type of issue we would monitor. Mr. Rozansky said that it was and provided a summary of the restrictive height covenant that was negotiated in 2017 with the County and Developer and which was recorded recently with the closing of this property.

Regarding the risk management initiative under Goal 3, Vice Chair Dustin questioned whether the measure, "uninsured losses do not exceed deductibles", was properly written, given the philosophical discussion at last month's regular meeting on the issue of obtaining a higher deductible. Mr. Rozansky invited Mr. Warriner to elaborate on our approach for property insurance next year. Mr. Warriner commented that our approach next year is to take a stratified approach where we can break portions of our property up into different layers and get multiple insurers to quote on that. Regarding the Scorecard initiative, he explained that the intent is to make sure everything is properly insured so that no uninsured events occur. Commissioner Rideoutte stated that in the Leadership Team Report on page 2, staff reported that our insurance broker, Alliant Insurance Services, contacted AmRisc to consider a higher deductible and that the premium presented was the minimum premium for our policy and it would not be lower if the deductible was increased.

Mr. Rozansky commented that the Scorecard presented will be the last scorecard before we go into the process of updating our five-year Strategic Plan. He added that the current five-year Strategic Plan has served us well.

Commissioner Messer moved Board adoption of the updates to the FY 2017 – FY 2021 Naples Airport Authority Strategic Plan, consisting of revisions to the FY 2021 Scorecard as presented by Mr. Rozansky. Commissioner Rideoutte seconded. Motion passed unanimously 5-0.

6. Investments

Mr. Warriner requested Board discussion and consensus regarding transferring up to \$20 million of excess funds in our Valley Money Market account to other investments approved by our investment policy. He provided a summary of the investment strategy and policy that was approved by the Board at its Regular Meeting on October 17, 2019. The goal is to diversify our funds into other investments approved by the Board under the investment policy and get a longer term and better rates than we are currently experiencing.

There was unanimous consensus to transfer the funds in our Valley Money Market account to other investments approved by our investment policy.

K. LEADERSHIP TEAM REPORT

1. Leadership Team Report

As reported on page 1 under Leadership Development and in response to Commissioner Rideoutte's question regarding the Continuing Florida Aviation Systems Planning Process (CFASPP) group, Mr. Rozansky explained the roles of the Florida Department of Transportation and Federal Aviation Administration. He explained that CFASPP was organized by Regional CFASPP Steering Committees and an Executive Statewide Committee, to which Mr. Keith was recently appointed as Chair.

L. FINANCIAL REPORTS

1. Financial Summary

Mr. Warriner presented the financial results for the month of November and stated that fuel sales were up 15% over budget and year to date up 24% over budget.

A question and answer period followed.

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

M. COUNSEL'S REPORT

1. Counsel's Report

Mr. Owens thanked Commissioner Ruppert for his question earlier regarding the Gateway Triangle. In addition to the Gateway Triangle transaction closing last month, Mr. Owens said the entity that we were originally negotiating with, that obtained the development rights with the County, was Real Estate Partners International LLC. He stated that the contract for purchase was assigned at closing to two different entities that ended up taking fee simple title to the property. He reassured the Board that those entities did consent to our height restriction declaration so they, along with the property, are subject to the height restrictions and other covenants negotiated in addition to the two mortgage lenders that are funding the project.

Mr. Owens reported that with respect to the Hertz bankruptcy, negotiations are continuing with Hertz concerning the assumption of certain concession and lease agreements and the payment of any pre-petition amounts that are outstanding under those agreements. A question and answer period followed.

N. PUBLIC COMMENTS (5-minute limit)

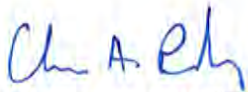
Mr. Robert P. Burns, 720 Broad Avenue South, asked what actions a resident should take when he/she hears a plane flying during the curfew hours and if the Air Traffic Control Tower was staffed 24 hours/7 days per week. Mr. Rozansky said that the Tower is open until 10 p.m. each day and that staff monitors after-hours curfew activity. Mr. Rozansky stated that for anyone who flies during curfew hours, staff sends a letter informing them of the voluntary curfew hours and if they become habitual, staff takes additional action by calling or meeting with them. Mr. Rozansky explained why we are unable to mandate the curfew.

O. CORRESPONDENCE/COMMISSIONER COMMENTS & REQUESTS/MEETINGS

Again, Chair Lenhard welcomed Commissioner Ruppert and said that it was great to have him on board.

P. ADJOURN

With no further business, the meeting adjourned at 10:06 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, December 17, 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 Rick Ruppert

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. OATH OF OFFICE

1. Swearing in Ceremony for Commissioner Ruppert

B. ROLL CALL

C. PLEDGE OF ALLEGIANCE

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

E. MINUTES

1. November 19, 2020 Regular Meeting Minutes

F. PRESENTATIONS AND TIME CERTAIN ITEMS

G. PUBLIC COMMENTS (5 minute limit)

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

1. Purchase of Golf Carts in an amount not to exceed \$107,138
2. Commercial Terminal Improvement Project
3. Runway 5-23 Drainage Improvement Project Mitigation Credits in an amount not to exceed \$199,200

I. NEW BUSINESS

1. Budget – FY 2021

J. OLD BUSINESS

1. Noise Compatibility Committee Update
2. Technical Advisory Committee Update
3. Strategic Plan Scorecard – FY 2020 End of Year Report
4. Strategic Plan Incentive Plan
5. Updates to the FY 2017 – FY 2021 Strategic Plan
6. Investments

K. LEADERSHIP TEAM REPORT

1. Leadership Team Report

L. FINANCIAL REPORTS

1. Financial Summary

M. COUNSEL’S REPORT

1. Counsel’s Report

N. PUBLIC COMMENTS (5 minute limit)

O. CORRESPONDENCE/COMMISSIONER COMMENTS & REQUESTS/MEETINGS

P. ADJOURN