



# **City of Naples Airport Authority Operating and Capital Budget**

## **Fiscal Year 2026**

(October 2025-September 2026)



*During FY 2025, the Naples Airport was the first airport on the East Coast of the United States to offer a consistent supply of sustainable aviation fuel (SAF). NetJets, the airport's largest single customer, has been using this in all their aircraft equating to roughly 2 million gallons per year.*

**City of Naples Airport Authority  
Operating and Capital Budget  
Fiscal Year 2026**

| <b><u>Index</u></b>                                                                                                                   | <b><u>Pages</u></b> |
|---------------------------------------------------------------------------------------------------------------------------------------|---------------------|
| <b>Operating Budget</b>                                                                                                               |                     |
| Introduction                                                                                                                          | 3 - 4               |
| Executive Summary – Operating Budget                                                                                                  | 5 - 6               |
| Operating Budget Assumptions                                                                                                          | 7                   |
| Statements of Revenues, Expenses and Changes in<br>Net Position – Estimated Actual FY 2025 to Budget FY 2026                          | 8                   |
| <b>Capital Budget</b>                                                                                                                 |                     |
| Executive Summary – Capital Improvement Plan                                                                                          | 9                   |
| FY 2026 Proposed Budget – Capital Improvement Plan                                                                                    | 10                  |
| <b>FY 2026 Appropriation for Expenditures and Reserves - Schedule<br/>of Available Resources, Revenues, Expenses and Expenditures</b> | <b>11</b>           |

# **Introduction**

## **The Airport**

The Naples Airport is in western Collier County, Florida, approximately one mile from the City of Naples business district and approximately one and a half miles inland of the Gulf of Mexico. The airport, which is owned by the City of Naples, was leased to the City of Naples Airport Authority (the “Authority”) in 1969 under a 99-year lease. The airport was constructed in 1943 and served as an U.S. Army Air Corps base for training gunners and fighter pilots for combat during World War II.

The airport serves general aviation (GA) and includes leisure and business travel, flight training, and emergency responders. The airport generates a significant annual economic impact (\$781 million as determined by the Florida Department of Transportation) throughout the community and served more than an estimated 200,000 passengers in the last fiscal year.

## **The Authority**

The City of Naples Airport Authority was created by State Enabling Legislation and City of Naples action in 1969. The City of Naples, recognizing the benefits of an authority type management concept, established the Authority for the purpose of enhancing service to users, improving the community gateway image, and eliminating financial subsidies by city taxpayers.

The Authority’s Board of Commissioners is composed of five members appointed by Naples City Council. Commissioners are appointed for a term of four years. The Board of Commissioners retains the Executive Director, who is the chief operating officer, chief financial officer, and secretary to the board. The Executive Director hires all other Authority employees.

Our purpose statement is “To provide a safe, efficient, and financially sustainable airport that best serves the overall interests of the community.”

Our customer service vision statement is “Excellence from arrival to departure.”

We have a five-year strategic plan with the following goals:

1. Provide a safe, modern, and efficient airport.
2. Ensure financial sustainability, transparency and innovation.
3. Equip employees to excel today and in the future.
4. Be an engaged community partner.
5. Protect the environment and quality of life.

## **Financial Information**

The Authority financially supports itself directly from aviation fuel sales and airport user fees. No local, state, or federal general taxes, such as property and sales taxes, directly support the Authority. The Authority receives, for certain capital projects, state and federal financial grants from trust funds established largely from aviation fuel taxes and airline ticket taxes. The Authority pays the City of Naples for utilities, police, and firefighting services approximately \$2.0 million annually. The Authority built, maintains, and equips the City Fire Station #3, located at the airport, at no expense to taxpayers. The Authority builds and maintains its roadways, landscaping, and recreation trails.

The Authority's budget and amendments, if any, are adopted by resolution of the Board of Commissioners, as required by Florida Statute 189.016(3). The adopted budget regulates the total expenses of the Authority for the fiscal year, and it is unlawful for any officer of the Authority to expend or contract for expenses that exceed the budgeted appropriations. The Authority has a fiscal year ending September 30<sup>th</sup> and, accordingly, the budget must be adopted by the Board of Commissioners before October 1<sup>st</sup>, the beginning date of the new fiscal year.

The Authority has published rates and charges for services based on maintenance, operating costs, and capital recovery. These rates and charges, as a package, maintain and ensure the financial health of the Authority. At a minimum, the Authority's rates and charges are updated annually.

As part of the Authority's planning process, a five-year capital improvement program is also updated at least annually. These projections assist the Authority in determining the potential impact of capital projects on future budgets and future revenue requirements, enabling the Authority to develop successful plans.

The Authority maintains a \$17 million cash reserve for emergency operating contingencies and uses the remaining cash and investments to fund future capital projects without taking on debt. The Authority maintains an investment portfolio that is professionally managed and conforms to the Authority's investment policy adopted pursuant to Florida Statutes, Section 218.415.

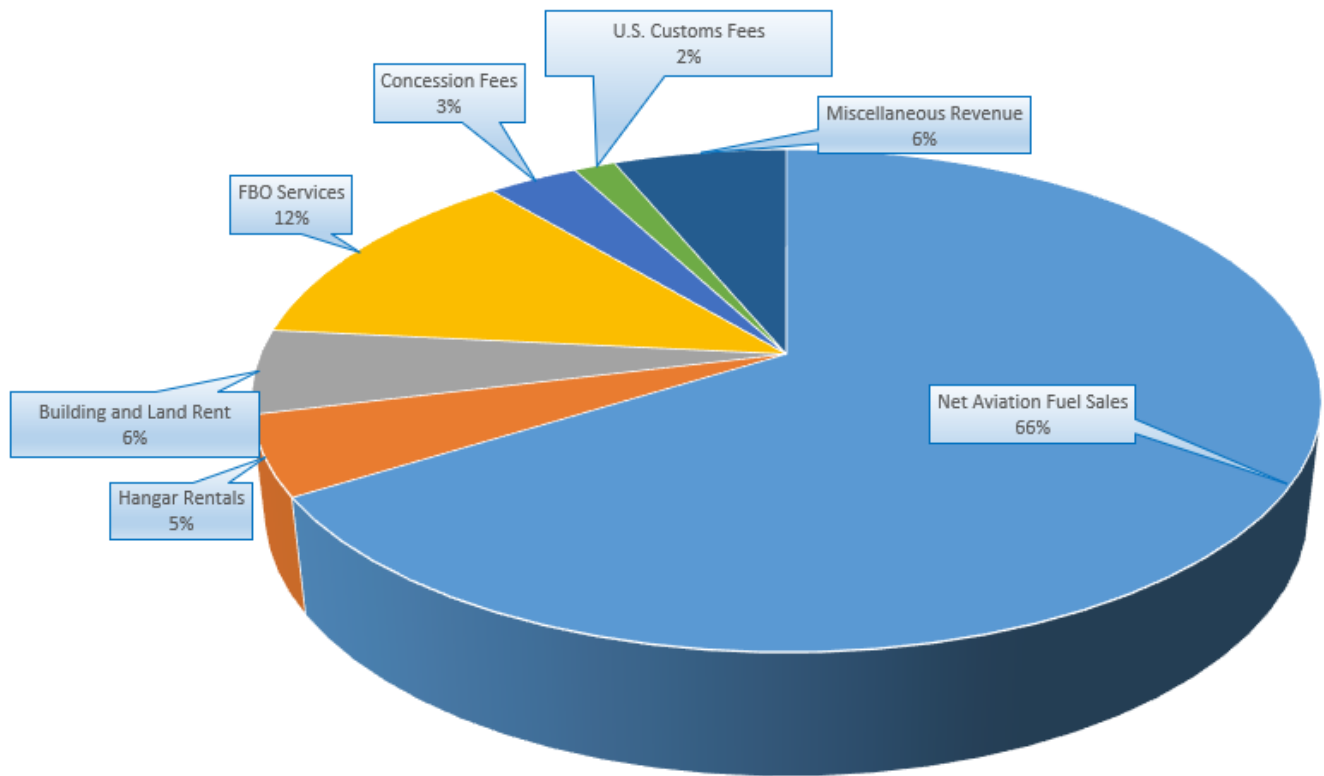
## Executive Summary – Operating Budget

The revenue in the operating budget for FY 2026 was prepared using FY 2025 estimated actual revenue as a baseline and adjusted by management based on expected market trends. The operating budget expenses were prepared utilizing the zero-based budget methodology, where each department determined the actual resources needed based on expected activity to ensure a safe and efficient operation.

Revenue is significantly dependent on fuel sales as shown in the tables below.

Over the last 10 years, fuel sales have increased as private air travel and Naples have become more popular, thus increasing the demand for the airport's services. This trend accelerated during the COVID-19 pandemic. According to the Collier County Property Appraiser, homes valued over \$5 million have increased 55% in the past 10 years. However, we have budgeted a slight decline in gallons sold in FY 2026 due to uncertain economic conditions.

### Breakdown of Operating Revenue – FY 2026



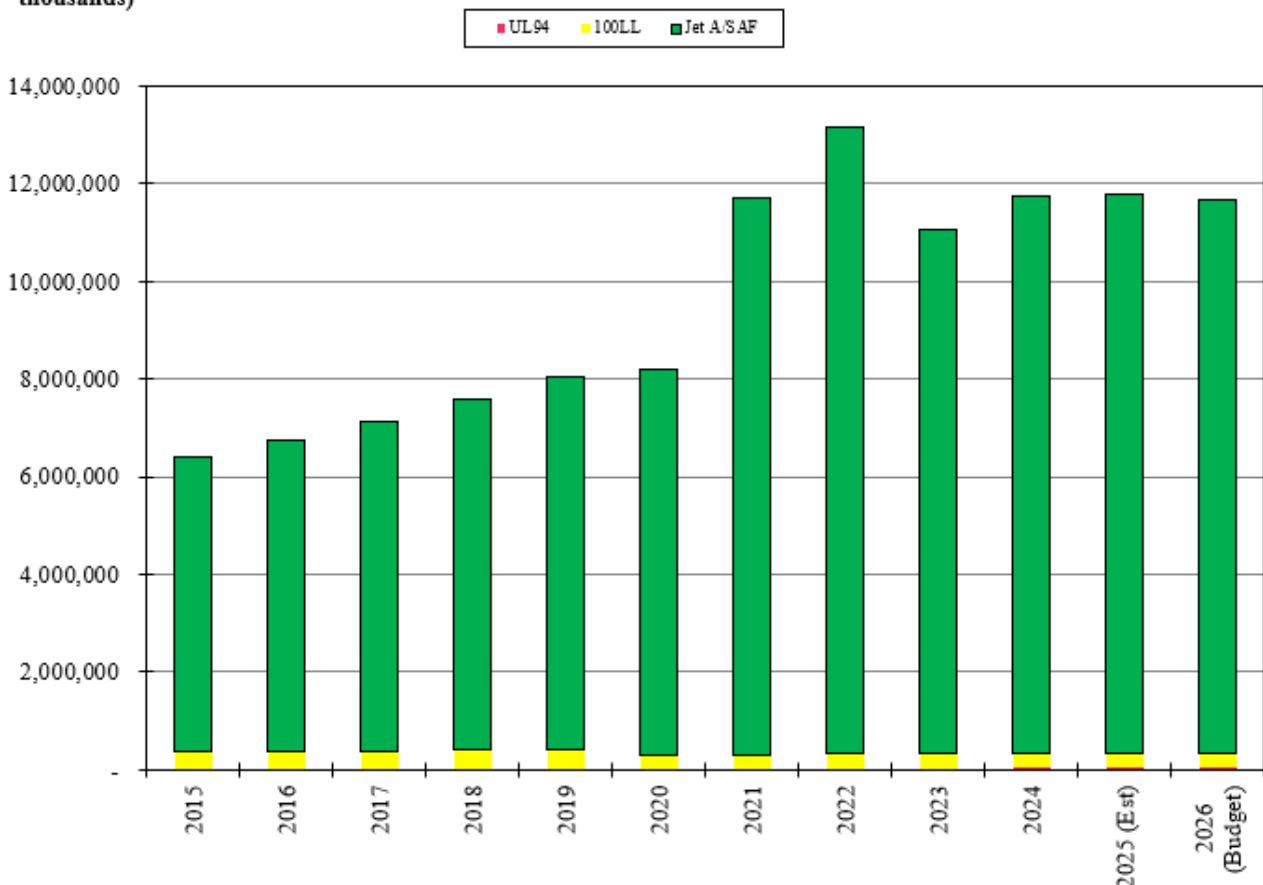
## Executive Summary – Operating Budget (continued)

Expense increases are primarily due to general inflation and wage increases as well as property insurance rate increases. The ongoing noise abatement and related flight procedure changes will also continue to be significant initiatives in FY 2026. Included in the budget is \$1.0 million to undertake a Federal Aviation Regulations Part 161 Study, Notice and Approval of Airport Noise and Access Restrictions.

The Authority currently has no debt, and the Authority staff have prepared the budget that assumes no debt in FY 2026. We continue to maintain a strong balance sheet with \$38.7 million in current assets and \$5.1 million of current liabilities as of August 31, 2025.

**Aviation Fuel Sales Trend  
FY 2015 - FY 2026**

Aviation Gallons Sold (in  
thousands)



## Operating Budget Assumptions

### Revenue Assumptions:

**Aviation Fuel** – Total gallons budgeted to be down slightly compared to FY 2025 projected actual. We budgeted an average 7% fuel margin increase to offset the impact of higher operating costs primarily due to inflation. We have budgeted a continued subsidy for UL 94 fuel of \$110,000 in FY 2026.

**Hangar, Building and Land Rents** - Budget based on an average 7% increase for Consumer Price Index (CPI) and phased market adjustments from an appraisal done in FY 2024.

**Landing Fees/Miscellaneous** - \$2.3M in landing fees were budgeted to partially offset the cost of operating the airfield.

### Expense Assumptions:

**Personnel** – A regional CPI increase, and merit increase for existing employees accounts for the increase over FY 2025 estimated actual in salaries and wages. Also, an increase in benefits is for the full year impact of employees hired during FY 2025, retirement match on higher salaries and health insurance rate increases.

**Professional** – Includes consultants and legal to propose a Part 161 Airport Noise and Access Restriction Study with the FAA (\$1,000,000), continued use of consultants to revise flight procedures for (\$500,000), Resiliency Study (\$500,000) and AI initiatives (\$100k).

**Contracted Services** – Increase in outsourced landscaping services, increases for firefighting and customs services.

**Utilities** – Increase of \$100,000 from the City of Naples for water along with increased electricity rates.

### Non-Operating Revenues (Expenses) Assumptions:

**Depreciation and Amortization** – Depreciation on capital projects placed into service in FY 2025.

**Investment Income** – Investment portfolio averaging 3.5% return. Cash accounts are averaging 4.0%.

**City of Naples Airport Authority**  
**Statements of Revenues, Expenses and Changes in Net Position**  
**Estimated Actual FY 2025 to FY 2026 Proposed Budget**

|                                                    | <b>Estimated<br/>Actual<br/>FY 2025 *</b> | <b>Proposed<br/>Budget<br/>FY 2026</b> | <b>Increase<br/>(Decrease)</b> | <b>%</b>       |
|----------------------------------------------------|-------------------------------------------|----------------------------------------|--------------------------------|----------------|
| <b>Operating Revenue</b>                           |                                           |                                        |                                |                |
| Gallons                                            | 11,750,000                                | 11,660,000                             | (90,000)                       | (1) %          |
| Aviation fuel sales (net)                          | \$ 28,309,383                             | \$ 30,278,933                          | \$ 1,969,549                   | 7 %            |
| Hangar and Tiedown Rent                            | 2,186,640                                 | 2,339,705                              | 153,065                        | 7              |
| Building & Land Rent                               | 2,328,154                                 | 2,491,125                              | 162,971                        | 7              |
| FBO Services                                       | 5,402,596                                 | 5,672,726                              | 270,130                        | 5              |
| Concession Fees                                    | 1,419,782                                 | 1,500,178                              | 80,396                         | 6              |
| U.S. Customs user fees                             | 672,000                                   | 692,160                                | 20,160                         | 3              |
| Landing Fees and Miscellaneous                     | 542,590                                   | 2,867,074                              | 2,324,485                      | 428            |
| <b>Total Operating Revenue</b>                     | <b>\$ 40,861,146</b>                      | <b>\$ 45,841,900</b>                   | <b>\$ 4,980,755</b>            | <b>12 %</b>    |
| <b>Operating Expenses</b>                          |                                           |                                        |                                |                |
| Personnel                                          | \$ 18,585,904                             | \$ 20,240,084                          | \$ 1,654,180                   | 9 %            |
| Professional fees                                  | 2,908,823                                 | 6,174,116                              | 3,265,294                      | 112            |
| Contracted Services                                | 1,846,352                                 | 2,724,818                              | 878,466                        | 48             |
| Maintenance and Repair                             | 2,038,013                                 | 2,237,102                              | 199,089                        | 10             |
| Insurance                                          | 1,468,439                                 | 1,549,424                              | 80,985                         | 6              |
| Credit card fees                                   | 575,656                                   | 572,992                                | (2,664)                        | (0)            |
| Utilities                                          | 467,144                                   | 602,418                                | 135,274                        | 29             |
| Communications                                     | 387,968                                   | 304,712                                | (83,256)                       | (21)           |
| Pilot services                                     | 224,803                                   | 245,035                                | 20,232                         | 9              |
| Operating Supplies                                 | 407,804                                   | 467,578                                | 59,774                         | 15             |
| Dues & subscriptions                               | 158,677                                   | 231,992                                | 73,315                         | 46             |
| Depreciation and Amortization                      | 7,356,502                                 | 7,779,393                              | 422,892                        | 6              |
| Miscellaneous                                      | 2,791                                     | 12,000                                 | 9,209                          | 330            |
| <b>Total Operating Expenses</b>                    | <b>\$ 36,428,876</b>                      | <b>\$ 43,141,664</b>                   | <b>\$ 6,712,788</b>            | <b>18 %</b>    |
| <b>Income from Operations</b>                      | <b>\$ 4,432,269</b>                       | <b>\$ 2,700,236</b>                    | <b>\$ (1,732,033)</b>          | <b>(39) %</b>  |
| <b>Non- Operating Revenue/(Expenses)</b>           |                                           |                                        |                                |                |
| Customer Facility Charges                          | \$ 241,018                                | \$ 257,500                             | \$ 16,483                      | 7 %            |
| Investment Income (loss)                           | 3,266,417                                 | 2,506,429                              | (759,988)                      | (23)           |
| Claims and Insurance Settlements                   | 2,386                                     | 9,000,000                              | 8,997,614                      | -              |
| Gain (loss) on Disposal of Capital Assets          | \$ 1,368                                  | -                                      | (1,368)                        | (100)          |
| <b>Total Non- Operating<br/>Revenue/(Expenses)</b> | <b>\$ 3,511,189</b>                       | <b>\$ 11,763,929</b>                   | <b>\$ 8,252,740</b>            | <b>(235) %</b> |
| <b>Change in Net Position</b>                      | <b>\$ 7,943,458</b>                       | <b>\$ 14,464,165</b>                   | <b>\$ 6,520,707</b>            | <b>82 %</b>    |
| * Actual of 11 months and projection of 1 month.   |                                           |                                        |                                |                |
| <b>Change in Net Position</b>                      | <b>\$ 7,943,458</b>                       | <b>\$ 14,464,165</b>                   | <b>\$ 6,520,707</b>            | <b>82 %</b>    |



## **Executive Summary – Capital Improvement Plan**

The Authority is responsible for maintaining a safe, modern, and efficient airport, requiring investment in our facilities. To properly plan for the Authority's capital needs, a five-year capital plan is updated annually to prioritize needs and determine funding requirements.

The Authority's enabling legislation provides the right for the Authority to accept grants of money or materials or property of any kind for the airport facilities from any federal or state agency, political subdivision, or other public body or from any private agency or individual, upon such terms and conditions as may be imposed. Per the lease agreement with the City of Naples (Lessor), the Lessee (the Authority) agrees to maintain said property and to make such repairs, replacements, additions, extensions and betterments of and to the airport facilities as are deemed necessary to replace or to maintain such facilities in proper condition for the safe, efficient and economic operation thereof.

The capital improvement plan (CIP) contains projects that are eligible for funding assistance from outside agencies and usually require matching funds from the Authority. The two major sources of outside funding for the Authority's capital improvement plan are the Federal Aviation Administration (FAA) and the Florida Department of Transportation (FDOT). Naples Airport is a general aviation airport and is eligible for \$150,000 per year in Non-Primary Entitlement funding (NPE) and discretionary grants from the FAA under the Airport Improvement Program. The airport may also be eligible for other FAA grants. The Authority, as a publicly owned Florida airport, is also eligible for state funding. FDOT provides up to one-half of the local share of project costs when FAA funding is received, and when no federal funding is available, FDOT can provide up to 80% of eligible project costs for general aviation airport projects. The Board of Commissioners must initially approve grant agreements. Certain grants have grant assurances that obligate the Authority to operate and maintain the improvements for 20 years.

The FY 2026 Capital Improvement Plan (CIP) anticipates \$45.6 million in projects with \$41.0 million funded by the Authority and \$4.6 million in potential assistance from Federal (FAA) and State (FDOT) agencies. FAA and FDOT funding is not guaranteed, and it is unknown at this time whether these grants would be accepted by the Board if awarded by FAA and FDOT. The CIP projects or items listed are prioritized based upon needs according to our strategic plan.

The CIP for the next five years (FY 2026 – FY 2030) is estimated to cost approximately \$112.5 million, and \$31.7M is eligible for grant funding. Major projects include those listed in the table on page 10.

The Board acceptance of the CIP Budgets for FY 2026 does not constitute automatic Board approval for each item listed. All items exceeding the Executive Director's spending authority (currently \$100,000), must be presented to the Board of Commissioners for consideration and approval.

## FY 2026 Proposed Budget - Capital Improvement Plan

|                                                       | Funding Source - Current Year |              |              |                      |
|-------------------------------------------------------|-------------------------------|--------------|--------------|----------------------|
| Airfield                                              | Authority                     | FAA          | FDOT/STATE   | Total - Current Year |
| Airfield Lighting Replacement -Construction **        | \$ 12,000,000                 | \$ -         |              | \$ 12,000,000        |
| NRT Apron Improvements - Construction                 | 8,300,000                     | -            |              | 8,300,000            |
| NW Perimeter Wildlife Fence                           | 1,250,000                     | -            |              | 1,250,000            |
| Airfield Electrical Vault Replacement-Construction    | 800,000                       | 1,500,000    | 2,500,000    | 4,800,000            |
| Stormwater Drainage Plan*                             | 600,000                       | -            |              | 600,000              |
| Security and Access Control - Phase II                | 400,000                       | -            | 600,000      | 1,000,000            |
| ATCT Generator & UPS Unit                             | 275,000                       |              |              | 275,000              |
| Master Drainage Projects                              | 200,000                       |              |              | 200,000              |
| Taxiway Fillet Improvements - Design                  | 50,000                        |              |              | 50,000               |
| Subtotal                                              | 23,875,000                    | 1,500,000    | 3,100,000    | 28,475,000           |
| FBO                                                   |                               |              |              |                      |
| Fuel Farm Improvements (construction)*                | 2,630,000                     | -            |              | 2,630,000            |
| Lektro Rebuild                                        | 200,000                       |              |              | 200,000              |
| Misc FBO Equipment                                    | 121,000                       |              |              | 121,000              |
| GA Apron Catch Basin Asphalt Remediation              | 109,000                       |              |              | 109,000              |
| Subtotal                                              | 3,060,000                     | -            | -            | 3,060,000            |
| North Road Terminal (NRT)                             |                               |              |              |                      |
| North Road Terminal Improvements*                     | 3,500,000                     |              |              | 3,500,000            |
| NRT Parking Lot Improvements                          | 500,000                       |              |              | 500,000              |
| NRT Roof Coating                                      | 335,000                       |              |              | 335,000              |
| Subtotal                                              | 4,335,000                     | -            | -            | 4,335,000            |
| Other Infrastructure                                  |                               |              |              |                      |
| Facilities Improvements (Includes FF&E)*              | 3,200,000                     |              |              | 3,200,000            |
| GAT Roof Replacement                                  | 1,100,000                     |              |              | 1,100,000            |
| Other                                                 | 500,000                       |              |              | 500,000              |
| North Quad Environmental Assessment                   | 500,000                       |              |              | 500,000              |
| Hangar Door Replacements (Construction)*              | 500,000                       |              |              | 500,000              |
| Hangar roof repairs                                   | 500,000                       |              |              | 500,000              |
| GA Long Term Parking Lot Remediation                  | 300,000                       |              |              | 300,000              |
| 20 Ton Rooftop AC Units (2) - GAT                     | 275,000                       |              |              | 275,000              |
| Exec Hangar 4 Improvements                            | 250,000                       |              |              | 250,000              |
| Exec 1 Hangar Skylights Replacements                  | 120,000                       |              |              | 120,000              |
| Observation Deck and Playground Upgrades (Design)     | 100,000                       |              |              | 100,000              |
| Rental Car Wash Improvements***                       | 100,000                       |              |              | 100,000              |
| North Road Sidewalk Safety Improvements               | 50,000                        |              |              | 50,000               |
| Subtotal                                              | 7,495,000                     | -            | -            | 7,495,000            |
| Vehicles and Equipment                                |                               |              |              |                      |
| Various Capital under \$100,000                       | 955,000                       |              |              | 955,000              |
| ARFF Truck                                            | 400,000                       |              |              | 400,000              |
| IT Equipment & Infrastructure                         | 227,000                       |              |              | 227,000              |
| Vehicles for Facilities (2), FBO (1), Development (1) | 257,000                       |              |              | 257,000              |
| 15 Passenger Bus                                      | 130,000                       |              |              | 130,000              |
| Tractor & Brush Hog                                   | 120,000                       |              |              | 120,000              |
| Vehicle Tracking & Runway Incursion Warning System    | 100,000                       |              |              | 100,000              |
| Subtotal                                              | 2,189,000                     | -            | -            | 2,189,000            |
| Totals                                                | \$ 40,954,000                 | \$ 1,500,000 | \$ 3,100,000 | \$ 45,554,000        |

\* Approved or partially approved projects.

\*\*Anticipate insurance proceeds and possible other grant funding to offset the cost.

\*\*\* Funded by Customer Facility Charges.

**FY 2026 APPROPRIATION FOR EXPENDITURES AND RESERVES**  
**SCHEDULE OF AVAILABLE RESOURCES, REVENUES, EXPENSES AND EXPENDITURES**

Florida Statute 189.016(3) requires that the governing body of a special district adopt a budget by resolution each fiscal year. The total amount available from revenues and other sources, including amounts carried forward from prior fiscal years, must equal the total of appropriations for expenditures and reserves. The adopted budget regulates the total expenditures of the special district for the fiscal year, and it is unlawful for any officer of a special district to expend or contract for expenditures that exceed the budgeted appropriations.

The Authority's sources of revenue include both operating and non-operating revenues. The Authority's expenses and expenditures include operating and non-operating expenses and capital improvement projects. The Authority has no debt. Depreciation expense is not included since the outlay for capital projects either occurred in the past or is reflected in this schedule. The available resources at the beginning of the year and at year-end are not representative of the Authority's actual cash on hand. The Authority reports revenues and receipts when earned, not when received from the customers, and reports expenses and expenditures when incurred, not when paid to the vendor.

For the FY 2026 budget, the total budgeted available resources, revenues, and receipts (i.e., total appropriations for expenditures and reserves) is \$115,555,489. The total budgeted expenses and expenditures are \$76,294,000 and the total budgeted available resources at year end is \$39,261,489.

The Schedule of Available Resources, Revenues, Expenses and Expenditures is consistent with Generally Accepted Accounting Principles (GAAP), except that in order to clarify the Authority's intent for total expenses and expenditures, and capital improvement projects are included as expenditures, and depreciation is excluded. When there is a difference between the budgetary basis of accounting and GAAP, a reconciliation must be provided.

|                                                                                |                      |
|--------------------------------------------------------------------------------|----------------------|
| <b>Total available unrestricted cash and investments - 9/30/2024</b>           | <b>\$ 72,155,489</b> |
| Estimated actual net operating revenue - FY 2025                               | 40,870,000           |
| Estimated actual operating expenses - FY 2025                                  | (29,070,000)         |
| Estimated actual interest and other revenue/expense - FY 2025                  | 3,250,000            |
| Estimated actual CIP - Authority funded - FY 2025                              | (20,000,000)         |
| <b>Total estimated available unrestricted cash and investments - 9/30/2025</b> | <b>\$ 67,205,489</b> |
| Budgeted net operating revenue - FY 2026                                       | 45,840,000           |
| Budgeted operating expenses - FY 2026                                          | (35,340,000)         |
| Budgeted interest and other revenue - FY 2026                                  | 2,510,000            |
| Budgeted CIP - Authority funded - FY 2026                                      | (40,954,000)         |
| <b>Total budgeted available unrestricted cash and investments - 9/30/2026</b>  | <b>\$ 39,261,489</b> |
| <b>Operating reserves</b>                                                      | <b>\$ 17,000,000</b> |
| <b>Excess of reserves for capital projects - 9/30/2026</b>                     | <b>\$ 22,261,489</b> |