City of Naples Airport Authority
Operating and Capital Budget

Fiscal Year 2027
(September Final)

(October 2026-September 2027)

City of Naples Airport Authority

Aircraft arriving at Naples Airport using enhanced procedures that maintain higher approach altitudes to minimize community noise.

Operating and Capital Budget
Fiscal Year 2027

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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 primarily 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 a 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.

In April 2026, the Governor of Florida signed Florida House Bill 4005, changing the Authority's Board of five members to be elected by the voters in Collier County instead of being appointed by the City of Naples Council. Three of the members are residents of the City of Naples and two of the members are residents of Collier County. The transition to the elected members is expected to take place following certification of the election scheduled for November 3, 2026, with staggered terms of two to four years. The Board 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."

The five-year strategic plan has 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 $1.5 million annually. The Authority built, maintains, and equips the City Fire Station #3, as well as all its stormwater facilities 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 Members, 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 and, accordingly, the budget must be adopted by the Board Members before October 1, 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 cash reserve of six months of operating expenses 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

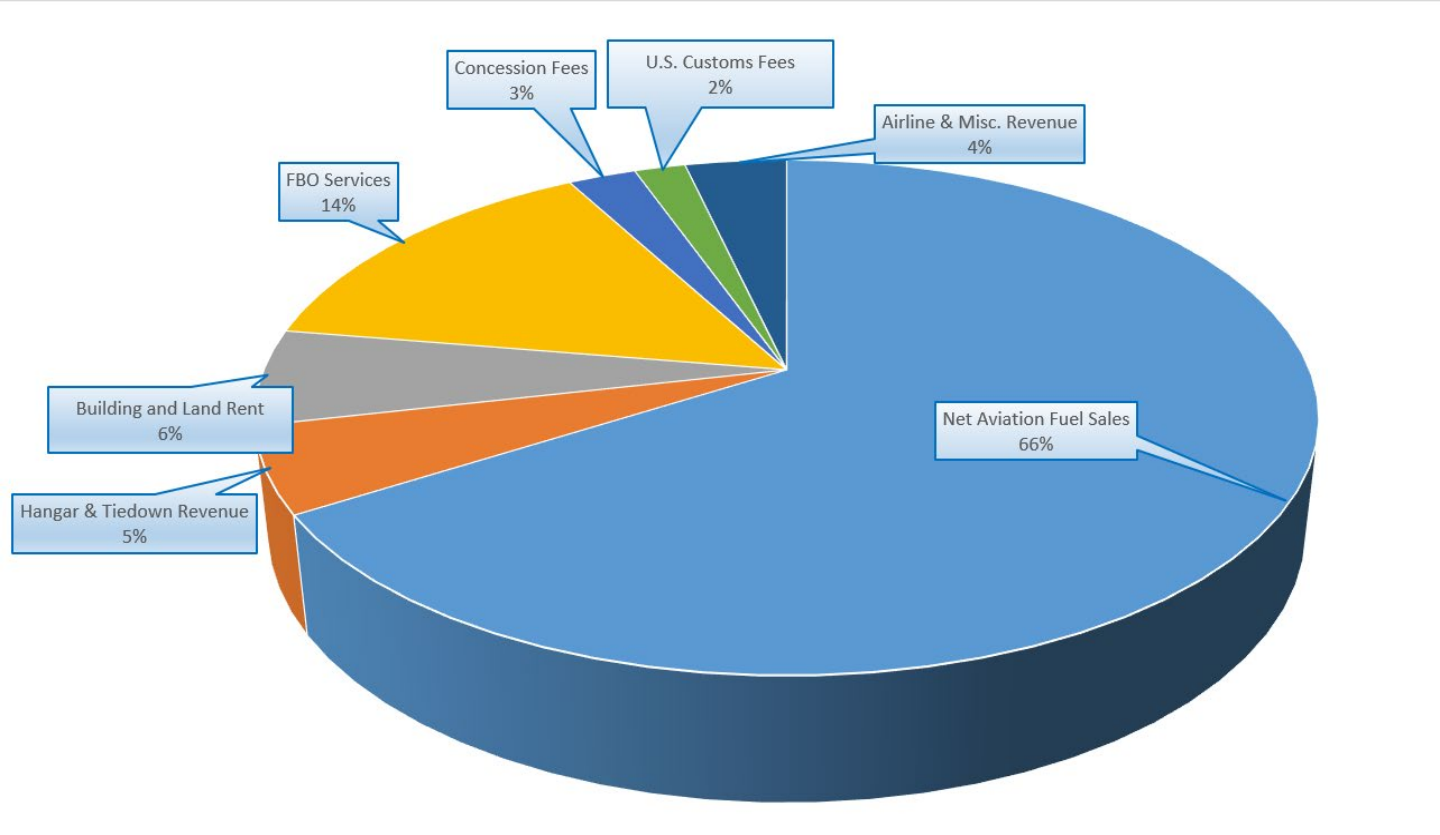
Operating Revenue for FY 2027 was budgeted using FY 2026 estimated actual revenue as a baseline and adjusted by management based on expected market trends. The operating budget expenses were prepared utilizing the zero-based budget methodology, where each department determined the actual resources needed based on expected activity to ensure safe and efficient operations.

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

Naples and the surrounding community are undergoing a significant redevelopment cycle since Hurricane Ian, in part because Naples ranks nationally as one of the best places to live. Residential properties valued at over $5 million in the City of Naples have more than doubled in the last five years. There are numerous ultra-luxury multifamily properties that have recently opened or are currently under construction that have the potential to increase private air travel. The opening of one such beachfront ultra luxury resort has already resulted in an increase in corporate private jet activity.

We have budgeted a 2% increase in gallons sold compared to FY 2026.

Breakdown of Operating Revenue – FY 2027

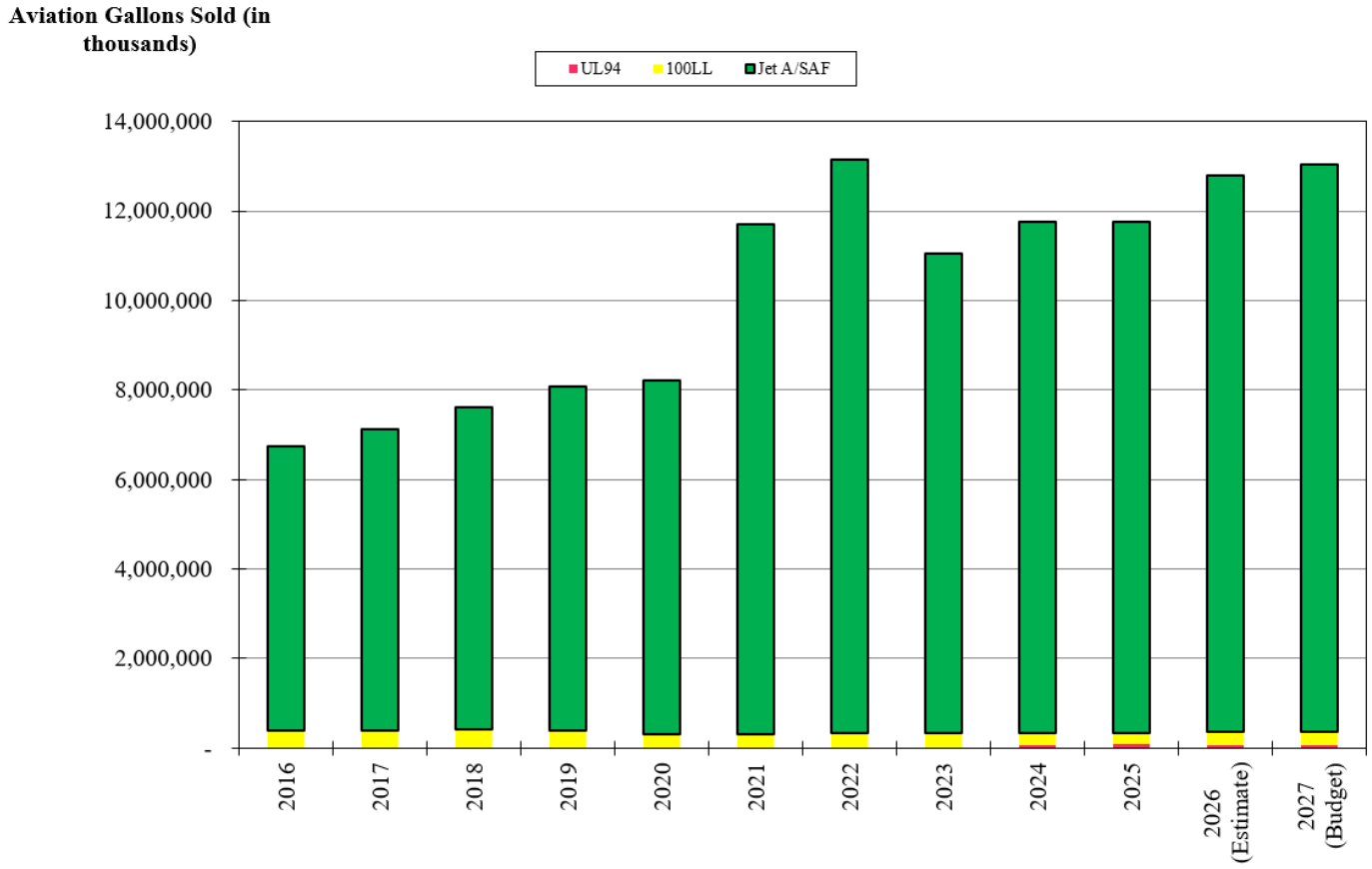


Executive Summary – Operating Budget (continued)

Expense increases are primarily due to general inflation, wage increases, and higher property insurance rates. A resiliency planning study and the ongoing legal issues are expected to be significant expenses in FY 2027.

The Authority currently has no debt, and the Authority staff have prepared the budget that assumes no debt in FY 2027. We continue to maintain a strong balance sheet with $28.2 million in current assets and $5.6 million of current liabilities as of August 31, 2026.

Aviation Fuel Sales Trend
FY 2016 - FY 2027



Operating Budget Assumptions

Revenue Assumptions:

Aviation Fuel – Total gallons budgeted increased 2% compared to FY 2026 projected actual. We budgeted no fuel margin increase in the next fiscal year. We have budgeted a continued subsidy for UL 94 fuel in FY 2027.

Hangar, Building and Land Rents - Budget based on an average 3.4% increase for inflation which is based on the Consumer Price Index (CPI).

Airline and Miscellaneous Revenue - includes commercial service revenue that offsets the cost of providing the services. Also included in revenue is passenger parking revenue and rental car concessions related to airline passengers.

Expense Assumptions:

Personnel – Includes regional CPI increase, merit increases for existing employees, health insurance premium increase and additional FTEs in response to increased activity in FY 26. The budget also includes 9 FTEs for commercial airline service operations.

Professional – Includes increased legal fees ($750K) due to litigation with the City of Naples stemming from Florida House Bill 4005 being signed into law, Resiliency Study ($350,000) and AI initiatives ($100,000).

Insurance – Increases due to higher property values and overall insurance market rate increases.

Non-Operating Revenues (Expenses) Assumptions:

Depreciation and Amortization – Depreciation on capital projects placed into service in FY 2026.

Investment Income – Investment portfolio averaging 3.25% return. Cash accounts are averaging 3.1%.

City of Naples Airport Authority
Statements of Revenues, Expenses and Changes in Net Position
Estimated Actual FY 2026 to FY 2027 Proposed Budget

	Estimated Actual FY 2026 *	Proposed Budget FY 2027	Increase (Decrease)	%
Operating Revenue				
Gallons	12,800,000	13,030,000	230,000	2 %
Aviation fuel sales (net)	$ 32,780,000	$ 32,660,000	$ (120,000)	(0) %
Hangar and Tiedown Rent	2,500,000	2,600,000	100,000	4
Building & Land Rent	2,830,000	2,940,000	110,000	4
FBO Services	6,730,000	7,070,000	340,000	5
Concession Fees	1,160,000	1,210,000	50,000	4
U.S. Customs user fees	740,000	910,000	170,000	23
Airline and Misc. Revenue	660,000	1,810,000	1,150,000	174
Total Operating Revenue	**$ 47,400,000**	**$ 49,200,000**	**$ 1,800,000**	**4 %**
Operating Expenses				
Personnel	$ 18,960,000	$ 21,389,000	$ 2,429,000	13 %
Professional fees	3,980,000	$ 4,681,000	701,000	18
Contracted Services	1,950,000	$ 1,897,000	(53,000)	(3)
Maintenance and Repair	2,240,000	$ 2,872,000	632,000	28
Insurance	1,420,000	$ 1,625,000	205,000	14
Credit card fees	670,000	$ 720,000	50,000	7
Utilities	530,000	$ 568,000	38,000	7
Public Outreach	290,000	$ 298,000	8,000	3
Pilot services	190,000	$ 237,000	47,000	25
Operating Supplies	440,000	$ 460,000	20,000	5
Dues & subscriptions	150,000	$ 201,000	51,000	34
Depreciation and Amortization	7,780,000	$ 8,923,000	1,143,000	15
Miscellaneous	10,000	$ 12,000	2,000	20
Total Operating Expenses	**$ 38,610,000**	**$43,883,000**	**$ 5,273,000**	**14 %**
Income from Operations	**$ 8,790,000**	**$ 5,317,000**	**$ (3,473,000)**	**(40) %**
Operating Margin Percentage	19%	11%		
Non- Operating Revenue/(Expenses)				
Customer Facility Charges	$ 220,000	$ 260,000	$ 40,000	18 %
Investment Income (loss)	2,450,000	2,340,000	(110,000)	(4)
Other (Income) Expense	$ -	-	-	-
Claims and Insurance Settlements	-	-	-	-
Gain (loss) on Disposal of Capital Assets	(730,000)	-	730,000	(100)
Total Non- Operating Revenue/(Expenses)	**$ 1,940,000**	**$ 2,600,000**	**$ 660,000**	**(34) %**
Change in Net Position	**$ 10,730,000**	**$ 7,917,000**	**$ (2,813,000)**	**(26) %**

* Actual of 11 months.

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 Naples 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 NAA Board 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 2027 Capital Improvement Plan (CIP) anticipates $37.9 million in projects with $31.6 million funded by the Authority and $6.2 million in potential assistance from Federal (FAA) and State (FDOT) agencies. FAA and FDOT funding is not guaranteed. The CIP projects or items listed are prioritized based upon our strategic plan.

The Board's acceptance of the CIP Budgets for FY 2027 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 NAA Board for consideration and approval.

FY 2027 Proposed Budget - Capital Improvement Plan

	Funding Source - Current Year			
Airfield	**Authority**	**FAA**	**FDOT/STATE**	**Total**
Airfield Lighting Replacement -Construction *	$ 8,018,445	$ -	$ 3,580,320	$ 11,598,765
Electrical Vault Replacement - Construction	534,992	1,008,000	1,652,000	3,194,992
North Quad - Landfill Remediation & Stormwater Improvements - Construction	2,000,000			2,000,000
North Quad - Landfill Remediation & Stormwater Improvements - Design	904,000			904,000
South Quad Improvements - Construction	2,000,000			2,000,000
Security & Access Control Phase III	1,250,000			1,250,000
NW Perimeter Wildlife Fence*	1,000,000			1,000,000
Airfield Asphalt Remediation	600,000			600,000
Stormwater/Master Drainage Plan*	250,000			250,000
NRT Apron Improvements - Design/Bidding*	200,000			200,000
Runway 05-23 Interior Perimeter Roads Grading	200,000			200,000
ATCT Generator & UPS Unit*	380,000			380,000
Grading and Drainage Improvements Projects	400,000			400,000
Subtotal	**17,737,437**	**1,008,000**	**5,232,320**	**23,977,757**
FBO				
Fuel Farm Improvements (Construction)*	1,200,000	-		1,200,000
Fuel Farm AVGAS improvements	500,000			500,000
Ground Power Unit - Electric	120,000			120,000
Misc. FBO Equipment	100,000			100,000
Subtotal	**1,920,000**	-	-	**1,920,000**
North Road Terminal (NRT)				
NRT improvements - Phase II	1,100,000			1,100,000
NRT improvements - Phase II (Furniture & Equipment)	500,000			500,000
NRT improvements - Phase III	200,000			200,000
NRT Airside Exterior	300,000			300,000
NRT Exterior Improvements	428,565			428,565
License Plate Readers - Parking	135,000			135,000
Subtotal	**2,663,565**	-	-	**2,663,565**
Leasing				
Hangar Roof & Door Replacements	2,375,000			2,375,000
Exec Hangar 4 Improvements*	355,000			355,000
Subtotal	**2,730,000**	-	-	**2,730,000**
Commercial Airline Operations				
Start-up equipment for Commercial Airlines	400,000			400,000
NRT renovation for Commercial space	-			-
Subtotal	**400,000**	-	-	**400,000**
Other Airport Infrastructure				
Observation Deck Upgrade	1,000,000			1,000,000
GAT HVAC Replacement	1,300,000			1,300,000
Facilities Building Equipment	375,000			375,000
CAP Hangar (Design)	250,000			250,000
Elevator - AOB	225,000			225,000
Rental Car Wash Improvements**	225,000			225,000
Network Switch Refresh - Phase 1	200,000			200,000
Wireless Network Replacement	100,000			100,000
IT Equipment Refresh - US Customs	100,000			100,000
Subtotal	**3,775,000**	-	-	**3,775,000**
Vehicles and Equipment				
Various Capital $100,000 & Under	800,000			800,000
Unidentified Projects	550,000			550,000
Vehicles for Facilities (2) FBO (1), Secuirty (1), Tractor	320,000			320,000
IT Equipment & Infrastructure	250,000			250,000
Vehicle Tracking & Runway Incursion Warning System	100,000			100,000
Additonal noise monitors (4)	128,000			128,000
Software Implementation Costs	250,000			250,000
Subtotal	**2,398,000**	-	-	**2,398,000**
Totals	**$ 31,624,002**	**$ 1,008,000**	**$ 5,232,320**	**$ 37,864,322**

* Approved or partially approved projects.

** Funded by Customer Facility Charges.

FY 2027 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 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 2027 budget, the total budgeted available resources, revenues, and receipts (i.e., total appropriations for expenditures and reserves) is $134,110,000. The total budgeted expenses and expenditures (excluding depreciation) are $66,584,000 and the total budgeted available resources at year end is $67,526,000.

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.

Total estimated available unrestricted cash and investments - 9/30/2026	**$ 82,570,000**
Budgeted net operating revenue - FY 2027	49,200,000
Budgeted operating expenses - FY 2027	(43,883,000)
Estimated depreciation - FY 2027	8,923,000
Budgeted interest and other revenue - FY 2027	2,340,000
Budgeted CIP - Authority funded - FY 2027	(31,624,000)
Total budgeted available unrestricted cash and investments - 9/30/2027	**$ 67,526,000**
Operating reserves	**$ 17,000,000**
Excess of reserves for capital projects - 9/30/2027	**$ 50,526,000**