September 16, 2021
Regular Meeting

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

A. ROLL CALL

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

Staff and Authority Counsel present in person were Mr. Rozansky, Mr. Owens, Ms. Cooper, Mr. Lobb, Mr. Keith, Mr. Warriner, Ms. Bendle, Ms. LeDuc, Mr. Burch, and Ms. Menard.

B. PLEDGE OF ALLEGIANCE

Chair Lenhard led the Pledge of Allegiance.

C. AGENDA

Mr. Rozansky noted the following corrections and revisions:

- Under Action Item 1, Resolution 2021-3, Adoption of Fiscal Year 2022 Operating and Capital Budget, the following corrections were made to the briefing paper and the Resolution to correspond with the final draft FY 2022 Budget: Total budgeted expenses and expenditures were changed from $44,657,000 to $45,217,000, and the total budgeted resources available at year end was changed from 25,765,000 to $25,205,000.

- Under Action Item 2, Renew Certain Insurance Policies in an Amount Not to Exceed $147,216, the briefing paper was revised to include a proposal for the Cyber policy received by another insurance carrier yesterday.

Printed copies of the revisions were distributed to the Board of Commissioners at the meeting.

D. MINUTES

1. August 19, 2021 Regular Meeting Minutes

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

E. PRESENTATIONS AND TIME CERTAIN ITEMS

There were no presentations and time certain items.

F. PUBLIC COMMENTS

There were no public comments.

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

1. **Resolution 2021-3, Adoption of Fiscal Year 2022 Operating and Capital Budget**

Mr. Warriner requested Board approval for the Chair to execute Resolution 2021-3, adopting the Fiscal Year 2022 Operating and Capital Budget. He provided a summary of the budget process that was first presented to the Board of Commissioners at its June Regular Meeting. Mr. Warriner presented the final draft FY 2022 budget which included an overview, changes from the August draft, operating revenue and expense assumptions, an updated comparison of revenue to personnel expense, budget summary, capital budget and the budgeted appropriations and reserves.

A question-and-answer period followed regarding internal policy to use the July Consumer Price Index rate in the final budget, the challenge to hire the additional 36 full time employees in FY 22 and space considerations to accommodate that many people. Chair Lenhard commented that the $225,000 budgeted for IT is money well spent.

Vice Chair Dustin moved Board approval for the Chair to execute Resolution 2021-3, adopting the Fiscal Year 2022 Operating and Capital Budget. Commissioner Ruppert seconded. Motion passed unanimously 5-0.

2. **Renew Certain Insurance Policies in an Amount Not to Exceed $147,216**

Mr. Warriner requested Board authorization for the Executive Director to renew certain insurance policies as outlined in the briefing paper through the Authority's insurance broker, Alliant Insurance Services, Inc., for the 2021-2022 policy year. He said that the insurance coverages are proposed to renew on October 1, 2021 and were competitively bid on the insurance marketplace. He noted that when this process began 90 days ago, applications went to over 75 carriers. Mr. Warriner stated that Mr. Felipe Garcia, the representative from Alliant, was participating via Zoom to answer any questions.

Mr. Warriner reviewed the change to the cyber policy as recommended by Alliant. He said that last year's cyber policy did not have great coverage; and that after bidding the policy to 40 different carriers, the one that came in on Monday was a better policy than what was previously put on the agenda.

In response to Vice Chair Dustin's question regarding coverages provided in the Houston Casualty Company's cyber policy, Mr. Garcia responded that the coverage is for incidents involving access to personal identifiable information and business interruption due to ransomware or extortion up to $2 million. He added that in the Package Policy with Public Risk Management, the $2 million coverage for cyber is a group sharing program.

Regarding the pollution policy, Mr. Garcia stated that it covers remediation should there be a fuel spill that causes third party damage. Chair Lenhard and Vice Chair Dustin asked what the limit and deductible were on that coverage. Mr. Rozansky stated that this covers our exposure due to our fuel operations. He said that self-fueling entities are required to maintain their own coverage on the airfield as part of having a self-fueling license and that our coverage does not extend to them. Mr. Warriner stated that he would provide the limits and deductible for this coverage after the meeting.

Mr. Warriner clarified that if the Board approves the standalone cyber policy in the amount of $12,803, the approval would be to renew certain insurance policies in an amount not to exceed $155,245 rather than $147,216.

Commissioner Rideoutte moved Board approval for the Executive Director to renew the insurance policies to include the Houston Casualty Company cyber coverage in an amount not to exceed $155,245 as follows:

Airport Liability – ACE (division of Chubb), 3rd year of 3-year policy	$ 37,706
Boiler and Machinery – The Hartford	$ 2,287
Crime – Alliant Crime Insurance Program (Alliant program)	$ 4,723
Cyber – Houston Casualty Company	$ 20,922
Fiduciary – Fiduciary Liability Insurance Program (Alliant program)	$ 3,629
Package Policy (Auto, Cyber Liability, Employment Practices Liability, Public Officials Liability, Inland Marine) – Public Risk Management	$ 77,853
Pollution – Indian Harbor (3-year policy 10/1/2021- 9/30/2023 - $24,376)	$ 8,125
Total renewal for the period 10/1/2021 – 9/30/2022	$ 155,245

Vice Chair Dustin seconded. Motion passed unanimously 5-0.

3. Retirement Plan Recordkeeper Services Contract Amendment

Mr. Warriner requested Board authorization for the Executive Director to execute an Amendment to the current agreement with The International City Management Association Retirement Corporation (ICMA) that was signed in September 2016. He noted that ICMA has been our retirement plan recordkeeper for the last 20 years and that the agreement is expiring. He said the amendment is a five-year renewal with the option to terminate with a 120 days' notice. He stated that as part of the amendment, the fees were reduced by 43% for our participants.

Commissioner Rideoutte requested an explanation of the 43% reduction in fees. Mr. Warriner noted that our assets have grown over the past five years and that we have roughly $6 million in assets. Mr. Rozansky added that the lower fees could also be indicative of a trend in the marketplace where some firms are offering $0 in commission fees.

Commissioner Messer moved Board approval for the Executive Director to execute an amendment to the agreement with ICMA signed in September 2016. Commissioner Ruppert seconded. The motion passed unanimously 5-0.

4. Purchase of Six Harlan HT-60 Tow Tractors for $358,070

Mr. Lobb requested Board authorization for the Executive Director to execute an Equipment Purchase Agreement with Harlan Corporation for $358,070 for six Harlan HT-60 Tow Tractors. He stated that we currently have five tow tractors of various models that can service aircraft up to 75,000 lbs. He explained the differences between these models and the Lektro towbarless electric tugs. Mr. Lobb said that this equipment will allow us to standardize our fleet for ease of use and maintenance. He provided a summary of the Invitation to Bid issued on August 22nd with a single bid received from Harlan Corporation.

In response to Commissioner Ruppert's question regarding the lead time, Mr. Lobb stated that it is approximately 200 days.

Commissioner Rideoutte moved Board approval for the Executive Director to execute an Equipment Purchase Agreement with Harlan Corporation, for $358,070 for six Harlan HT-60 Tow Tractors. Commissioner Ruppert seconded. The motion passed unanimously 5-0.

5. Lease Amendment with 531 Building, LLC

Ms. LeDuc requested Board authorization for the Executive Director to execute an Amendment of Leasehold Agreement with 531 Building, LLC for vacant land in the north quadrant of the airfield for development of a new aeronautical facility. She said that during the development process, the tenant discovered that there were three words missing in two separate places in the written legal description that is attached to the Lease in Exhibit A. She stated that the surveyor has corrected the written legal description to add those words, and it now matches the sketch which is the understood and intended description of the property. She noted that this amendment will formally amend the lease to include the corrected Exhibit A. Mr. Owens said that it is a necessary change to make sure all parties agree on the accurate legal description so that it matches the sketch of the perimeters of the lease premises.

Commissioner Rideoutte moved Board approval for the Executive Director to execute an Amendment of Leasehold Agreement with 531 Building, LLC for vacant land in the north quadrant of the airfield. Commissioner Messer seconded. The motion passed unanimously 5-0.

6. Consent to Encumbrance and Agreement with Lender for 531 Building, LLC

Ms. LeDuc stated that as previously mentioned, the tenant, 531 Building, LLC, is working on developing a vacant parcel in the north quadrant of the airfield and to finance that development, they have asked the Authority to enter into a Consent to Encumbrance and Agreement with Lender for a leasehold mortgage. She said that this Consent would be contingent upon the tenant obtaining a payment and performance bond or letter of credit to protect the Authority and guarantee performance of the tenant's construction obligations under the lease. She added that the Consent to Encumbrance and Agreement to Lender form has been prepared and approved by Authority's legal counsel. Mr. Owens said that it is his understanding that the bank involved in the financing has agreed to use our standard form that we use for these types of encumbrances and that this is an agreement between the Authority and the lender to authorize them to put a lien on the property wherein the same document we have certain rights with respect to defaults and notices.

Commissioner Ruppert moved Board approval for the Executive Director to execute a Consent to Encumbrance and Agreement with Truist Bank for the benefit of 531 Building, contingent upon obtaining a payment and performance bond or a letter of credit to protect the Authority as presented by Ms. LeDuc. Vice Chair Dustin seconded. The motion passed unanimously 5-0.

7. Task Order with Environmental Science Associates for Part 150 Noise Study – Phase II in an Amount Not to Exceed $800,500

Ms. Cooper requested Board authorization for the Executive Director to execute a Task Order with ESA for Phase II of the Part 150 Noise and Land Use Compatibility Study in an amount not to exceed $800,500. Ms. Cooper provided an update of Phase 1 of the Noise Study that was initiated two years ago and an overview of what will be addressed in Phase 2, the Noise Compatibility Program (NCP). She reviewed the scope of the proposed Task Order with Environmental Science Associates and stated that a number of public

outreach events and meetings were added to promote transparency and accessibility for everyone. She said that if approved, Phase 2 would be initiated within the next couple of weeks. She anticipated that the final draft NCP would be submitted to the FAA with the recommended noise reduction measures sometime in the spring of 2023. She noted that once the NCP is submitted, the FAA has 180 days to review it and issue a record of decision.

There was discussion regarding the amount of time saved by our funding and proceeding with Phase 2 without waiting for an opinion from the FAA on Phase 1.

In order to recognize the community's sensitivity, Vice Chair Dustin suggested that under Task 6.3, Examine Aircraft Operational Alternatives, the wording, "will include review of alternative aircraft operational recommendations from the previous Part 150 Study and the implementation status of those recommendations", be revised to add "as well as consider recommendations based on community feedback." Also under Task 6.3, there was discussion regarding the number of measures that would be modeled and if the Task Order could be amended to include more than seven. Mr. Rozansky explained that for the purposes of getting the NCP started, certain assumptions were used so that ESA could provide a scope of work. He said that the number of measures could be increased if deemed necessary.

Ms. Cooper stated that all the related documents are on our website. She added that staff has crafted a one-page executive summary of the Noise Compatibility Program that is less technical for people to read.

Commissioner Messer moved Board approval for the Executive Director to execute a Task Order with ESA for Phase II of the Part 150 Noise and Land Use Compatibility Study in an amount not to exceed $800,500. Vice Chair Dustin seconded. The motion passed unanimously 5-0.

8. FY 2022 – 2026 Strategic Plan and FY 2022 Scorecard

Ms. Cooper requested Board approval of the FY 2022 – FY 2026 Strategic Plan and FY 2022 Scorecard.

She provided an overview of the final draft incorporating a simplified purpose statement, customer service vision, values, goals and objectives.

Vice Chair Dustin asked how the net promoter score is calculated and evaluated. Ms. Bendle explained that the score is based on the anchor questions that are included in the employee engagement survey and employee pulse surveys. She said that a score of 50 is a benchmark through Society of Human Resources Management and denotes an organization as "excellent" by its employees. She said that our goal is to reach a score of 50.

Commissioner Ruppert complimented staff on the cleaned-up draft of the Strategic Plan and Scorecard. He asked if the goal of collecting 300 flight crew, passenger and tenant surveys was an increase over the current practice or the same practice as used in the past. Ms. Cooper stated that it is the same benchmark as is the measure for achieving an excellent rating of 90% or greater.

Ms. Cooper explained the color coding used to denote the progress of the measures on the Scorecard. She said that this report would be provided to the Board of Commissioners in December and June.

Commissioner Ruppert moved Board approval of the FY 2022 – FY 2026 Strategic Plan and FY 2022 Scorecard as presented by Ms. Cooper. Commissioner Messer seconded. The motion passed unanimously 5-0.

9. Amend Runway 5-23 Drainage Improvements Contract in an Amount Not to Exceed $290,000

Mr. Keith requested Board authorization for the Executive Director to amend the Runway 5-23 Drainage Improvement contract from $2,383,691 to $2,673,691, an increase of $290,000. He stated that this is due to a recently discovered error in the pipe quantities that appeared on the original bid sheet, as well as an additive alternate for the removal of connector A-6 in an amount of $109,802. This was not included in the base cost previously approved by the Board due to pending FAA approval at that time. He said that the individual pipe quantities were correctly drawn on all the plans but when the summary of the quantities was prepared, something was missed. He added that the error in the pipe quantities appeared on the bid sheets, and every contractor bid the same number.

Mr. Keith stated that at the October 15, 2020 Regular Meeting, the Board approved the original contract with a contingency of $206,850 for construction of Phase 1 and 2. He said that it is being funded 90% by the FAA. Mr. Keith added that the FAA allows a 15% overrun on the project cost, so although we have not had confirmation, it is likely that the FAA will cover the difference.

He added that staff is in the process of preparing a preapplication for the FAA funding of Phase 3, and a formal bid will be prepared to go along with the FAA application in the April/May timeframe.

A question-and-answer period followed.

Mr. Keith noted that the consultant, EG Solutions, was in the audience today and accepts responsibility for the error made.

Commissioner Ruppert moved Board approval for the Executive Director to amend the Runway 5-23 Drainage Improvement contract as presented by Mr. Keith in an amount not to exceed $290,000. Commissioner Rideoutte seconded. The motion passed unanimously 5-0.

G. NEW BUSINESS

There was no new business.

H. OLD BUSINESS

1. Noise Compatibility Committee (NCC) Update

Commissioner Messer noted that the NCC last met on May 4th, and she reported on that meeting at the May 20th Regular Meeting. She announced that the next NCC meeting is scheduled for November 4th.

She added that Mr. Zac Burch, Communications and Community Engagement Manager, is working with NCC members to schedule community meetings in the areas that they represent and that anyone interested in scheduling a meeting should contact him at zburch@flynaples.com or at 239-643-0733.

2. Technical Advisory Committee (TAC) Update

Commissioner Messer stated that on April 13th, the Technical Advisory Committee held its fourth meeting related to the ongoing Part 150 Noise Study, and a report was provided on that meeting during the April 15th Board of Commissioners meeting.

She reported that the Noise Exposure Map (NEM) Report was submitted to the FAA for approval on August 26th and is available on our website, https://flynaples.com/noisestudy/part-150-noise-study-documents/.

Commissioner Messer announced that the next TAC meeting is tentatively scheduled for October 5th, and that the agenda will be posted to our website, www.flynaples.com, in advance of the meeting. She reiterated that public outreach and community engagement are critical to the NAA's efforts to engage the community and encouraged the public to contact Mr. Burch at zburch@flynaples.com or at 239-643-0733 to schedule community meetings or presentations.

I. LEADERSHIP TEAM REPORT

1. Leadership Team Report

Commissioner Messer commended staff for hosting and participating in the NCH Community Blood Center blood drive.

Vice Chair Dustin asked for an update of staff's presentation of the draft budget to City Council on August 30th. Mr. Rozansky said there were questions about how we measure customer service and how our rates and charges have changed over the years. He said that through the budget, they recognized the increase in activity at the airport and were looking forward to the upcoming Joint Workshop Meeting. Mr. Rozansky stated that Commissioners should be prepared to address how increase in activity affects the community.

On page 4, Vice Chair Dustin commented on the paragraph regarding the Communications and Community Outreach Manager's efforts to finalize a second ad in the Southwest Relocation Guide regarding awareness of the airport's location. Vice Chair Dustin suggested that staff request the City, the Old Naples Association, as well as other communities to bring strong pressure to NABOR to include a disclosure about the airport's location in their contracts. Mr. Rozansky stated that over the past several years, staff has had several discussions with NABOR, however, they have expressed concerns about including a specific disclosure about the airport. For example, would they need to make specific disclosures about highways and power lines? Mr. Rozansky said in parallel with continued efforts with NABOR, the Noise Compatibility Program provides a framework to a gain a disclosure requirement. He added that this topic could also be discussed at the upcoming Joint Workshop Meeting.

Commissioner Rideoutte asked if staff has ever looked at the realtor's Code of Ethics to see if there is something we might point out to get NABOR to cooperate. Mr. Rozansky said that it was a great question and that staff will look into it. Mr. Owens stated that this issue is often litigated and deals with seller's obligation; and hand-in-hand, there may be some fiduciary obligations on realtors depending on who they are representing to disclose known vs. unknown defects. Mr. Owen clarified that he was not saying that the airport creates defects, but rather, there is litigation often between what is a latent defect vs. a patent defect and what would qualify as an obligatory disclosure. Commissioner Messer stated that this matter would be the perfect opportunity for the Technical Advisory Committee to discuss because all of the stakeholders, including NABOR, FAA, City and County representatives, are members of that Committee. She said it was important to engage the TAC in this process.

Vice Chair Dustin commented that the new Aircraft Operations and Curfew Compliance Summary is very good and very helpful.

Commissioner Messer recognized Ms. Stacey Nichols, our Tower Manager, on being named Air Traffic Manager of the Year by the Air Traffic Controllers Association and for her hard work on behalf of the airport with the staff at RSW to attempt to facilitate potential changes to departure and arrival procedures that could lead to noise abatement improvements.

J. FINANCIAL REPORTS

1. Financial Summary

Mr. Warriner presented the financial results for the month of August and stated that the year-to-date change in net position before capital contributions was favorable to budget by $10,995,581.

A question-and-answer period followed.

Commissioner Ruppert moved acceptance of the August Financial Summary. Vice Chair Dustin seconded. Motion passed unanimously 5-0.

K. COUNSEL'S REPORT

1. Counsel's Report

Mr. Owens stated that since the last meeting, there have been no material developments on the lawsuit that was filed by a former employee of the Authority.

He reported that there were no other material or legal matters to discuss.

L. PUBLIC COMMENTS (5-minute limit)

There were none.

M. CORRESPONDENCE/COMMISSIONER COMMENTS & REQUESTS/MEETINGS

There were no other comments.

N. ADJOURN

With no further business, the meeting adjourned at 10:15 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, September 16, 2021
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 – Audit Committee Member
Commissioner Rick Ruppert – Consultant Selection Committee Chair
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. August 19, 2021 Regular Meeting Minutes

E. PRESENTATIONS AND TIME CERTAIN ITEMS

F. PUBLIC COMMENTS ON GENERAL TOPICS NOT ON THE CURRENT AGENDA

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

1. Resolution 2021-3, Adoption of Fiscal Year 2022 Operating and Capital Budget
2. Renew Certain Insurance Policies in an Amount Not to Exceed $147,216
3. Retirement Plan Recordkeeper Services Contract Amendment
4. Purchase of Six Harlan HT-60 Tow Tractors for $358,070
5. Lease Amendment with 531 Building, LLC
6. Consent to Encumbrance and Agreement with Lender for 531 Building, LLC
7. Task Order with Environmental Science Associates for Part 150 Noise Study – Phase II in an Amount Not to Exceed $800,500
8. FY 2022 – 2026 Strategic Plan and FY 2022 Scorecard
9. Amend Runway 5-23 Drainage Improvements Contract in an Amount Not to Exceed $290,000

H. NEW BUSINESS

I. OLD BUSINESS

1. Noise Compatibility Committee Update
2. Technical Advisory Committee Update

J. LEADERSHIP TEAM REPORT

1. Leadership Team Report

K. FINANCIAL REPORTS

1. Financial Summary

L. COUNSEL'S REPORT

1. Counsel's Report

M. PUBLIC COMMENTS (5 minute limit)

N. CORRESPONDENCE/COMMISSIONER COMMENTS & REQUESTS/MEETINGS

O. ADJOURN