Thursday, February 17, 2022
Naples Airport Authority: Regular Meeting – *Corrected Minutes*

The meeting was called to order by Chair Dustin at 8:31 a.m. in the Collier County Growth Management Division Conference Room, 2800 North Horseshoe Drive, Naples.

A. ROLL CALL

1. Roll Call

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

Staff and Authority Counsel present were Mr. Rozansky, Mr. Owens, Ms. Cooper, Mr. Keith, Mr. Warriner, Mr. Gray, Mr. Brown, Mr. Gamboa, Mr. Burch and Ms. Menard.

B. PLEDGE OF ALLEGIANCE

Chair Dustin led the Pledge of Allegiance.

C. AGENDA

Mr. Rozansky noted the following changes to the Agenda:

- Action Item 3, Assignment, Amendment and Restatement of Leasehold Agreement from Joelle Development, LLC to NetJets Services, Inc. was being withdrawn from the agenda and would be presented at a later date. Because this item was related to Action Item 2, First Amendment to Amendment and Restatement of Leasehold Agreement with Cablevision Air Facility, LLC, the briefing paper was revised and provided to Commissioners this morning.

- Action Items 4 – 8 were re-sequenced to Items 3 – 7.

D. MINUTES

1. January 20, 2022 Regular Meeting Minutes

Vice Chair Ruppert moved approval of the January 20th Regular Meeting minutes. Commissioner Lenhard seconded. Motion passed unanimously 5-0.

2. February 1, 2022 Audit Committee Meeting Minutes

Commissioner Cuddihy moved approval of the February 1st Audit Committee Meeting minutes. Commissioner Lenhard seconded. Motion passed unanimously 5-0.

E. PRESENTATIONS AND TIME CERTAIN ITEMS

There were no presentations.

F. PUBLIC COMMENTS

There were no public comments.

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

1. Assignment, Assumption and Amendment of City of Naples Airport Authority Leasehold Agreement from AA Aviation Hangar Condominium Association, Inc. to Industrial Equities of Florida, LLC

Ms. LeDuc stated that AA Aviation is the current holder of a leasehold interest for the property located at 310 Freedom Way and has requested the Authority's consent to assign the Lease to Industrial Equities. She said that both entities are controlled by the same individuals.

Commissioner Messer moved Board approval for the Executive Director to execute an Assignment, Assumption and Amendment of City of Naples Airport Authority Leasehold Agreement from AA Aviation Hangar Condominium Association, Inc. to Industrial Equities of Florida, LLC. Commissioner Cuddihy seconded. Motion passed unanimously 5-0.

2. First Amendment to Amendment and Restatement of Leasehold Agreement with Cablevision Air Facility, LLC

Ms. LeDuc requested Board authorization for the Executive Director to execute a First Amendment to Amendment and Restatement of Leasehold Agreement for the lease between Cablevision Air Facility, LLC and the Authority. She said that Cablevision is the holder of a land lease in the south quadrant of the airport located at 2355 Tower Drive. She stated that the proposed Amendment will amend the legal description of the leased premises to remove approximately 506 square feet of land currently encumbered by a driveway serving the neighboring Joelle Development leasehold. The 506 square feet will be incorporated into the new legal description for the Joelle Development leasehold. Ms. LeDuc added that the Amendment adds an easement for the benefit of the Authority in order to maintain utilities that are located under a portion of the leased premises. She said that this is being proposed at the sole request of the Authority and the Tenant has agreed to cooperate without any additional consideration.

Commissioner Messer moved Board approval for the Executive Director to execute a First Amendment to Amendment and Restatement of Leasehold Agreement for the lease between Cablevision Air Facility, LLC and the Authority. Commissioner Lenhard seconded. Motion passed unanimously 5-0.

3. Assignment, Amendment and Restatement of Leasehold Agreement from Arthur L. Allen to Flexjet, LLC

Ms. LeDuc requested Board authorization for the Executive Director to execute an Assignment, Amendment and Restatement of Leasehold Agreement from Arthur L. Allen to Flexjet, LLC, subject to and conditioned upon the closing of the associated real estate transaction between Mr. Allen and Flexjet. Ms. LeDuc stated that Mr. Allen is the current holder of a leasehold interest for the property located at 300 Freedom Way, which is currently being subleased to Flexjet to conduct its fractional aircraft ownership program, aircraft charter services and related operations. Upon closing of the real estate transaction, Flexjet wishes to assume the lease from Mr. Allen.

Vice Chair Ruppert expressed his appreciation to the team for getting the voluntary curfew hours and noise abatement procedure language incorporated into the Lease. Commissioner Messer thanked Flexjet for supporting this and working with us to be a good neighbor.

Commissioner Messer moved Board approval for the Executive Director to execute an Assignment, Amendment and Restatement of Leasehold Agreement from Arthur L. Allen to Flexjet, LLC, subject to and conditioned upon the closing of the associated real estate transaction between Allen and Flexjet. Vice Chair Ruppert seconded. Motion passed unanimously 5-0.

For the public's benefit, Chair Dustin pointed out that the approval of these action items may appear to move swiftly to those watching, but it is because the Commissioners and staff do a lot of work individually to prepare and vet these items in advance.

4. Design-Build Agreement with Advanced Green Technologies in an Amount Not to Exceed $107,530

Mr. Keith requested Board authorization for the Executive Director to execute a contract with Advanced Green Technologies for design-build services for solar canopies in the General Aviation Terminal long-term parking lot in an amount not to exceed $107,530. He said that subsequent to the January 2022 Regular Meeting wherein the Board approved Advanced Green Technologies as the first ranked design-build firm for this project, staff negotiated a scope of work for design, cost and permitting services. He added that this does not include construction costs.

Mr. Keith explained Florida law regarding net metering and potential changes to the law currently being considered under Senate Bill 1024, which would allow utilities to lower the credits solar customers receive and charge grid access fees and facility charges. He stated that solar projects completed before the end of this calendar year would be grandfathered into existing law, if passed. Mr. Keith estimated that the return on investment for the actual cost of the solar infrastructure would take 12 years. He said that this payback does not include the cost of the covered parking.

Mr. Matt Jeffries, Director of Sales and Strategic Accounts for AGT responded to Vice Chair Ruppert's question regarding our ability to generate and store power. Mr. Jeffries suggested that

we consider implementing the storage component later since there would be no value in proceeding with it at this time.

Commissioner Lenhard noted that GMP as noted in the briefing paper should read Guaranteed Maximum Price rather than Guaranteed Maximum Pride.

Vice Chair Ruppert moved Board approval for the Executive Director to execute a contract with Advanced Green Technologies for design-build services for solar canopies in the General Aviation Terminal long-term parking lot in an amount not to exceed $107,530. Commissioner Cuddihy seconded. Motion passed unanimously 5-0.

Mr. Rozansky noted that City staff informed us that they are receiving phone calls asking why this meeting wasn't being broadcast live as it typically is. For the benefit of the audience in attendance and those who watch the recording, he said that the video will be posted to our website after the meeting. He added that we moved our meeting at the City's request because City Council scheduled a meeting in their Chambers today. That is why we are in a different location and why our meeting is not being live-streamed.

5. Amend the Naples Airport Authority Bylaws

Mr. Warriner requested Board discussion and approval to amend the City of Naples Airport Authority Bylaws related to auditor selection and the membership of the Audit Committee.

Mr. Warriner stated that MSL, PA was selected as the Authority's auditor following a competitive selection process in June 2017 and that their fifth year providing audit services for the Authority was the engagement for FY 2021. He said that at their meeting on February 1st the Audit Committee discussed the auditor selection process and recommended that the Board amend the Bylaws to provide the Board more flexibility in the selection of the audit firm. He added that Counsel also recommended to increase the membership of the Audit Committee to a minimum of three members as required by Florida Statutes for auditor selection. Additionally, Counsel recommended minor revisions to language pertaining to the Consultant Selection Committee for consistency and clarity. The red-lined version of the proposed amendments was provided in the Board packet.

Commissioner Messer moved Board approval to amend the City of Naples Airport Authority Bylaws as presented by Mr. Warriner. Commissioner Cuddihy seconded.

Following the motion and the second, Commissioner Lenhard suggested that a grammatical correction be made in the paragraph that continues at the top of page 6 of the red-lined version of the proposed Bylaws. The sentence would include commas before and after the words, "in order of preference" as follows:

The Consultant Selection Committee shall have a minimum of two (2) members and have the responsibility of interviewing, evaluating, and recommending to the Board, in order of preference, firms desiring to provide services to the Authority pursuant to a competitive selection process.

Procedurally speaking, Mr. Owens clarified that since there has been a motion and a second, that the motion would be for approval to amend the Bylaws as presented with this grammatical change included.

Motion passed unanimously 5-0.

Chair Dustin appointed Vice Chair Ruppert as the third member of the Audit Committee. Vice Chair Ruppert accepted the appointment.

6. Fiscal Year 2021 Audit and Annual Comprehensive Financial Report

Mr. Warriner requested Board approval of the recommendation of the Audit Committee to accept the FY 2021 Annual Audit and Annual Comprehensive Financial Report. He said that the Audit Committee met with staff and Mr. Jeff Wolf of the Authority's audit firm, MSL, PA on February 1st to discuss the outcome of the Authority's annual audit and to answer any questions concerning the draft report. Mr. Warriner welcomed Mr. Wolf to the podium to present an overview of the audit and draft report.

Mr. Wolf thanked the Board for allowing MSL to serve as the Authority's auditor. He presented an overview of the communications required by government auditing and outlined the auditor's responsibilities to perform an audit and render an opinion on whether the financial statements are materially correct. He reviewed the services provided and the deliverables which convey the results of the audit/engagement in the Annual Financial Report as of and for the years ended September 30, 2021 and 2020. He reported that the auditors issued an unmodified opinion, the highest opinion that can be received. He said that the financial statement format is substantially the same as in the prior year. He added that a Single Audit was performed on Federal grant awards only, as we did not meet the minimum expenditure threshold of $750,000 for State awards in FY 2021. He highlighted a few key items on the financial reports.

A question-and-answer period followed regarding upcoming GASB changes to accounting for lease revenues.

Commissioner Cuddihy moved approval of the recommendation of the Audit Committee to accept the FY 2021 Annual Audit and Annual Comprehensive Financial Report. Commissioner Lenhard seconded. The motion passed unanimously 5-0.

7. Increase Investment Allocation by $10,000,000

Mr. Warriner requested Board discussion and consensus to transfer up to $10 million to purchase additional investments in accordance with the adopted investment policy. He provided an overview of the investment policy that was approved by the Board at its Regular Meeting on October 17, 2019, and stated that as of January 31, 2022, $20 million has been transferred and invested.

There was unanimous consensus to increase the investment allocation by an additional $10 million.

H. NEW BUSINESS

There was no new business.

I. OLD BUSINESS

1. Noise Compatibility Committee Update (NCC)

Commissioner Messer stated that the NCC last met on February 3rd. She said that at that meeting, ESA presented an update on the Part 150 Noise Study, discussed strategies to improve curfew compliance, and recommended moving forward with adding a public portal to the airport's website to accept comments and show live and historic flight track data to the public. She announced that the NCC is currently seeking to fill the Southwest Quadrant representative seat and stated that applications must be received no later than 12:00 noon on February 28th, 2022, and that interviews will be conducted at the Regular Meeting of the Authority's Board of Commissioners scheduled for March 17th. She said that the next meeting of the NCC is scheduled for May 3rd. She noted that Zac Burch, Communications and Community Engagement Manager, is working with NCC members to schedule community meetings in the areas they represent and that anyone interested in scheduling a meeting or presentation should contact Mr. Burch at zburch@flynaples.com or at 239-643-0733.

2. Technical Advisory Committee Update (TAC)

Commissioner Messer noted that the TAC last met on December 14th related to the ongoing Part 150 Noise Study and she reported on that meeting during the December 16th Board of Commissioners meeting. She stated that the Noise Compatibility Program phase of the Part 150 Noise and Land Use Compatibility Study is currently underway and that a Joint Workshop Meeting with the NCC and TAC will be held on March 30th to promote discussion between the committees, ensuring all feedback from their constituents is considered during the evaluation process, and to expedite moving forward into the vetting phase. She reiterated that public outreach and community engagement are critical to 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.

Commissioner Cuddihy asked how the success of the Part 150 Study will be measured. Commissioner Messer stated that it would be difficult to measure what someone deems as successful. She noted that people's perspectives of noise are different. She said that we are at the beginning of the vetting process, taking all the ideas and figuring out which ideas can actually be implemented, what we have to do to make them work, and how to implement them. With the federal government's jurisdiction over the airspace, reducing or eliminating noise becomes very challenging for airport operators like the NAA. She added that as we go through the vetting phase, that will help staff, this Board, NCC, TAC and City Council define success. She said that this is a pivotal point of the Noise Study and as we work through the process, perhaps our citizens will see what it takes to get things implemented and will become more realistic and understanding of the complexities in implementing some of the ideas.

Commissioner Cuddihy praised Commissioner Messer for her absolutely stellar work.

Mr. Rozansky provided a history of the Airport's undertaking of several Part 150 Noise Studies and the challenges of each one.

Mr. Rozansky announced that new City Council members were recently sworn in, and Councilmember Beth Petrunoff was appointed to serve on our Noise Compatibility Committee. He added that staff will invite a member of each body to a meeting with the FAA at RSW because the air traffic control staff there is so critical to what we want to do. He said that our most challenging work is ahead of us.

J. LEADERSHIP TEAM REPORT

1. Leadership Team Report

Vice Chair Ruppert thanked Counsel and staff for their efforts to include language in leases that reminds tenants that we as a community are looking to have our voluntary curfew observed to the best of everyone's ability.

Chair Dustin commented that he directed staff to draft a letter to Mr. Myers of Elite Jets to remind him of the voluntary curfew hours. He stated that the other day Elite Jets departed at 6:57 a.m. and that this action was not in the spirit of what was discussed at last month's Board meeting.

Vice Chair Ruppert said that in addition to issuing letters, it is critical to bring more awareness to the noncompliance of the voluntary curfew by having more discussions. He applauded Commissioner Messer for taking steps to speak with several people and appreciated that Mr. Rozansky was going to have a discussion with a new person who appeared on the January report with a double-digit number of violations.

K. FINANCIAL REPORTS

1. Financial Summary

Mr. Warriner presented the January financials. He said that January was another record month and that the year-to-date change in net position before capital contributions was favorable to budget by approximately $2,444,651.

A question-and-answer period followed regarding the Benefits line and Professional Services line items on page 2 of the financials. Mr. Warriner stated that he would look at what is included in the favorable amount with the Professional Services account. Mr. Rozansky noted that there was a delay in getting the fire truck into service due to supply chain issues. Mr. Lobb stated that he anticipates the fire truck to be in service within the next two weeks.

Commissioner Messer moved acceptance of the January financials. Vice Chair Ruppert seconded. Motion passed unanimously 5-0.

L. COUNSEL'S REPORT

1. Counsel's Report

Mr. Owens reported that there was no significant change or update with respect to the lawsuit filed by a former employee against the Authority and that there were no other material legal matters to discuss.

M. PUBLIC COMMENTS (5-minute limit)

There were none.

N. CORREPONDENCE/COMMISIONER COMMENTS & REQUESTS/MEETINGS

Commissioner Cuddihy thanked fellow Commissioners and staff for educating her during the meeting. She reminded the public that outside of this meeting, Commissioners are unable to speak with one another due to the Florida Sunshine Laws.

Mr. Rozansky stated that Commissioner Messer requested contact information of the top ten curfew violators after the last Board meeting. He asked her if she could share what was discussed. Commissioner Messer said that she had two conversations and one email exchange. She said that her conversation with Maura Batcheller of FlexJet went well and thanked her for that discussion. She said that what she gleaned out of her conversations to date is the challenge that operators have in convincing owners and customers that they should alter their schedules for something that is voluntary. Commissioner Messer said that she will invite each person to come to the Joint NCC/TAC Meeting on March 30th so that they can see those two committees at work and gain a fuller understanding of what is going on in the community and have the community see what they are experiencing from their customers. She said it is a critical balance that we are striving to achieve together. Mr. Rozansky added that in Commissioner Messer's discussion with FlexJet, 90% are business travelers who live in Naples.

O. ADJOURNMENT

With no further business, the meeting adjourned at 10:01 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

Collier County - Growth Management Division
2800 North Horseshoe Drive, Naples, FL 34104
Conference Room 609/610

Thursday, February 17, 2022
8:30 a.m.

Commissioner Kerry C. Dustin – Chair
Commissioner Rick Ruppert – Vice Chair and Consultant Selection Committee Chair
Commissioner Michael Lenhard – Audit Committee and Consultant Selection Committee Member
Commissioner Donna M. Messer – NCC and TAC Liaison
Commissioner Rita Cuddihy – Audit 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. January 20, 2022 Regular Meeting Minutes

2. February 1, 2022 Audit Committee 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. Assignment, Assumption and Amendment of City of Naples Airport Authority Leasehold Agreement from AA Aviation Hangar Condominium Association, Inc. to Industrial Equities of Florida, LLC

2. First Amendment to Amendment and Restatement of Leasehold Agreement with Cablevision Air Facility, LLC

3. Assignment, Amendment and Restatement of Leasehold Agreement from Arthur L. Allen to Flexjet, LLC

4. Design-Build Agreement with Advanced Green Technologies in an Amount Not to Exceed $107,530

5. Amend the Naples Airport Authority Bylaws

6. Fiscal Year 2021 Audit and Annual Comprehensive Financial Report

7. Increase Investment Allocation by $10,000,000

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