MINUTES OF THE SPECIAL CALLED MEETING OF THE
SANFORD AIRPORT AUTHORITY
OCTOBER 21, 2025
8:30 A.M.

PRESENT:	**Kenneth Bentley, Vice Chairman** **Chick Gregg, Sr., Secretary/Treasurer** **Benny Crosby** **Frank Ioppolo, Jr.** **William R. Miller** **Stephen P. Smith** **Richard Sweat** **Brett Renton, Airport General Counsel**
ABSENT:	**Jennifer T. Dane**
STAFF PRESENT:	**Nicole Martz, President & CEO** **George Speake, EVP & Deputy CEO** **Shani Beach, Director of Properties & Exec. Initiatives Admin.** **Chris Breese, Procurement Analyst** **Stephen Fussell, VP & Chief Strategy Officer** **Lori Hunt, Executive Assistant** **Brett Martin, ARFF Battalion Chief** **Katee Mathis, Interim CFO** **Chris Metro, Finance Operations Manager** **Jeremy Owens, VP & Chief Development Officer** **Rick Shea, VP of Operations & COO** **Roberta Stanton, Director of Procurement**

1. CALL TO ORDER, PLEDGE OF ALLEGIANCE

   Vice Chairman Bentley requested a moment of silence for the recent passing of Larry Dale, former CEO of the Orlando Sanford International Airport.

2. ADVERTISEMENT OF MONTHLY MEETING

   Copies attached.

3. COMMENTS FROM THE PUBLIC

   None.

4. DISCUSSION AGENDA

   A. Approval of an amendment to the 2025-2026 Comprehensive Annual Budget.

President Martz explained this a budget amendment to reconcile the previous fiscal year's budget. This is done every year. Revenues were up 6% higher then anticipated, over $2M to the good. Forecasted expenditures were exceeded by 3.8%. The good news is that our revenues exceeded our expenditures from an operating standpoint. The capital budget was reduced primarily because a grant program for electric vehicles was canceled by the current administration. We did add a couple of deferred maintenance projects back in. At the end of the day that line did go down a little bit.

President Martz raised the issue of performance incentives for employees reminding the Board that there was not anything included in the FY26 budget for the performance incentives due to the 2.6M Capital deficit. The budget amendment does include a recommended $600,000 for employee performance incentives. The structure of those incentives is included in the agenda item.

The bottom line consequence of this budget amendment, including the performance incentive adjustment, is a reduction in the anticipated $2.7M draw from reserves to just over $1M. She noted that deferred maintenance accounted for about $3M dollars of the FY25 budget, so but for that the Authority would be $2M ahead overall.

Exhibit A in the Agenda packet reflects the proposed recommended budget amendment. Exhibit B is the budget amendment without the performance incentive. Exhibit C shows the Authority's cash position. The third column over is what we forecasted our cash position to be at the end of this fiscal year, FY26. Next September 30th with the adjustments in this budget amendment you can see expect to be about $1M ahead in reserves so our anticipated reserve balance will be higher with this budget amendment then we anticipated in current years budget.

President Martz noted that performance incentives are based on both individual & organizational accomplishments. She noted the attached summary what the team accomplished in FY24-25, and reviewed some of the specifics.

This fiscal year President Martz explained that in FY26 she anticipates that staff will bring the Board at the very least we'll do a mid-year budget amendment to true-up revenues. Historically that has not been done during the fiscal year, but she felt it's important to do that especially if we see the gains that we had this year. We also are going to do some additional tracking of expenses we have instituted some policies for formal executive level review once a month. She thought we have enough background now to be in the position where we should be making pretty accurate forecasts, so we're going to stay on top of that a little bit tighter this year throughout.

Discussion regarding operating expenses an increase in Office and Administration (due to PARCS bank fees and recruitment costs).

President Martz explained when we put in the new payment system for parking we took over the internal management of the payment. This involves us taking on the bank fees, so anytime somebody pays with their credit card we get charged a fee associated with that. That was an additional expense but we also received additional revenue because we had been paying a management company 8% of our revenues to manage the cash. Since we're managing it in house we're saving 4% to 5%.

Katee Mathis, Interim CFO added this won't be seen next year because it was accounted for in the expenses. We didn't exactly know how the credit cards part of it was going to pan out while we were implementing the new parking system.

Board Director Ioppolo noted he appreciated the graphic that was used and assumed this represents key performance indicators as an airport.

President Martz replied that is the direction staff is heading.

Board Director Ioppolo noted he'd like to see this at every board meeting. He'd call it a dashboard, but if these are the things you and the management team look at to tell him whether or not the business is operating correctly, and this is a very quick look, it doesn't replace the financials but he liked the ability to scan the key things you look at. Last comment or last question and speaking for himself he wrestled with the concept of taking cash from reserves to pay incentive compensation so he wanted to drill down on this just a little. What he thought he heard is if we remove the Capex requirement we look at how the Airport is operating we exceeded our budget we did good. Operations was positive we exceeded our budget.

President Martz replied our revenues exceeded our expenditures from an operating standpoint.

Board Director Ioppolo continued and if we didn't have to worry about the Capex we would be able to pay our incentives and wouldn't be hitting reserves.

President Martz replied we have an operating margin of $2.9M that's the third line down if you just take the operating revenue for any expenses. And it's not all capital that is impacting reserves because we are always going to have capital; it is the deferred maintenance is what's really pushing us over.

Board Director Ioppolo noted but for the deferred maintenance expense that we're forced to deal with because of our former partners, our revenue exceeded our expenses we made a profit and we made a profit even if we choose to pay the incentive compensation, is that correct.

President Martz replied that is correct. If we didn't have the deferred maintenance requirement we'd have $24M in reserves at the end of next fiscal year. Or we would be putting something into the airfield or being able to spend that money on something else.

Board Director Ioppolo explained as much as he tries to be conservative in his view of the financials, he's having a difficult time saying to the employees I recognize that you ran a really good airport and created exactly what I asked you to do, you exceeded the budget you created a profit, but I'm not going to give you an incentive because something that was completely outside of your control required us to make an expenditure. And although he didn't know if he would reach the same conclusion every time in this particular time he didn't feel like he was being fair to the employees if he didn't say we need to recognize that operational excellence that operational effort, give them the incentive compensation and we can look at next year.

President Martz stated she appreciated that and thought that's a good way to put it. She did say that we went in to this we were operating under a budget where we anticipated we would pull $2.7M out of reserves now we're only pulling $1M out of reserves to cover $3M of deferred maintenance. The ability to put that money back is in no small part because of the efforts of the team here.

Vice Chairman Bentley noted the President & CEO's performance incentive was not included in the agenda memo.

President Martz replied that her incentive is dealt with through her contract, and she and Vice Chairman Bentley are going to need to talk because we need to schedule a performance review for her as well.

President Martz clarified for the record she wants to make sure the Airport is healthy we have a good rainy day fund, and she didn't want to give the impression that we're not healthy from a financial standpoint. But we are in a situation where we are disadvantaged because of a significant amount of deferred maintenance that was somebody else's responsibility that we have to address, and we're going to be in that situation for awhile so we have to be careful. We try to communicate that to the team, and she felt the team knows we have to be careful and we have to be mindful of expenses, and they take that seriously. We're going to have to take it on a year by year basis as we look at performance incentives and any other expenditure that we have, we're just going to have to look at the situation we're in at the time, keeping in mind that having a healthy reserve is going to be important because we don't know what's going to happen down the road.

Board Director Ioppolo stressed the need to diversify the revenue streams that we have beyond aviation with the office park. But diversifying the magnitude we're getting every day on the aviation side we're an airport but in particular a singular client on the aviation side, Allegiant has been a good partner we want to see them continue to grow and we want to facilitate their growth. But from the health of our business organization, which is the Airport Authority, we need make sure we are doing everything we can so in the event there is another interruption in air-service; we have an alternative revenue stream that helps us support the airport's continued operation. He realized President Martz is focused on the economic development aspects of the Airport but he wanted to encourage the team to double down.

George Speake reviewed 4 developments that are currently underway: an 18 unit t-hangar complex that's going in phase I east of 1836 on the south end; MillionAir is getting ready to build a new hangar; Air Boss, which is PPK, in the t-hangar area; and Hill Dermaceuticals is probably months away from breaking ground over at the Commerce Park which will result in a ground lease plus two additional buildings coming to us. And there is more. He's been here 18 years, and we're talking to more people about development at this airport then we ever had. It's hard to keep up with everything else because, it's not just Nicole, it's Jeremy, Steve, Rick, Katee; it's a lot of people that we have who have to talk to all these folks. He thought there is something good on the horizon it's just someone has got to be willing to strike a deal and you have to talk to many to get the one.

President Martz explained sometimes she doesn't think we see the forest for the trees here because projects that George was talking about amount to almost a quarter of a million square feet of development out here that's either in the works or getting ready to break ground. That's pretty significant when we started adding the numbers wow this is great.

Board Direct Smith felt bringing UCF in is going to be really big for us overall, just the exposure and getting that building and being able to use it again.

Motion by Board Director Ioppolo, seconded by Board Director Smith, to approve the amendment of the FY 2024-2025 Comprehensive Annual Budget as detailed exhibit A. Vote was taken, none opposed. Motion passed unanimously.

5. OTHER BUSINESS

Vice Chairman Bentley requested Board Director Ioppolo present an update from the CFX 417/Connector meeting that he attended on behalf of the Board.

Board Director Ioppolo informed the Board he attended the CFX Authority Board meeting. George Speake, County Chairman Jay Zembower, and Rebekah Arthur, Seminole County Chamber President they all spoke on the importance of what they are calling the Airport Connector. The CFX Board voted unanimously to move the project forward. There are some challenges ahead, there is a Fiscal

Viability Score that they look at in terms of the cost that it takes to build versus the expected revenue that comes out, and we fall short on that number. That was not a surprise, we knew that going in to the meeting that we were going to fall short. There are a number of conversations at the county and other levels to make up that shortage. But that is still something that needs to be done, there is a lot of work to be done. The approval was to select the preferred pathway, which is the pathway that we liked as well and continue moving the ball forward to design build.

President Martz noted they can now put it into the work program which means they can start spending money and that was a threshold we wanted to cross. She feels really good about it.

Board Director Ioppolo explained one of the key things he thought to come out of the meeting in terms of impressions and in terms of preparation, having spent some time with Nicole & George beforehand, was you've got to call it something more appropriately descriptive. People have called it the Airport Connector road. It's very important for us as an Airport and for the community at large to understand it's really a community connector, because the congestion that has been created by those recent housing developments that we see along E. Lake Mary Blvd. Those residents will benefit from the project in the community. And if we don't do it now, and this point was made by a number of people himself included we may never have the opportunity to do this. So yes it's an extremely important transportation product for a project for the Airport but it's also an extremely important project for the community at large. So, it's not a bad thing to start referring to it as the Seminole Community Connector as opposed to just the Airport Connector.

President Martz noted we're pushing to call it the E. Lake Mary Blvd. Reliever which is really is what it is.

Board Director Sweat related it to the smoking deck and thought you need something sexier then that. He didn't know if it's the Osteen Connector or NE Corridor Connector, or something. But that's where some marketing can come in and would come up with a better name for it and try to control the narrative through our marketing.

Board Director Crosby felt that's very important right there, a lot of the naysayers on social media that are lambasting this are calling it just another toll road and so that's very important.

President Martz thought that is great because you have an option, you don't have to pay the toll. But she thought he was right, we've been talking with the Expressway Authority since the feasibility study, which was the first study they did to not call it the Airport Connector because it's not just about us. It really is a reliever roadway for E. Lake Mary Blvd. All of the analysis has spoken to that.

George Speake state and it's also the reliever for Volusia County.

Board Director Sweat said or the Osteen Connector whatever you want. He thought we have to realize its in their best interest too. Because again if it gets labeled as just the Airport Connector we lose.

President Martz explained it's important for the County too because of that funding gap. And identifying it as a Seminole County project is probably pretty important in relating it to a community project. And the $25M included in the Seminole County Infrastructure Sales Tax Program.

George Speake updated the Board regarding the upcoming air show. The tickets were distributed to the Board, although there is a likelihood that there will not be an airshow. We will have the final decision tomorrow. This is a large expense for the airshow promotor and without the Thunderbirds and other military makes it extremely difficult for him to move forward he will lose money either way, but he loses less if he cancels. He's waiting on the final decision from the military. If for some miracle the Senate decides to vote to re-open the government tonight then presumably the military would show up tomorrow, the advance team for the Thunderbirds would be here tomorrow. That's what he's waiting on.

Discussion regarding the Atlanta show taking place with the same promoter.

George Speake noted Atlanta's show moved on and they still had an all civilian show. Although their ancillary costs for police & fire bluntly are a lot less there then they are here. The show is held in Peachtree GA, not Atlanta although it's billed as the Atlanta airshow. The promotors cost there for law enforcement was $7,000 and fire was $4,000. Sanford is $50,000 for the two; the City did a $10,000 sponsorship to offset some of that.

George spoke to the promotor yesterday and asked him what's his plan for Sanford. In Atlanta anyone that showed up to the show is being offered a ticket to next years show as well at no additional cost up there. He has a number of different things for Sanford and hasn't necessarily settled on. George thought all of these may get offered: tickets to next year's show here assuming we have one, a ticket to the Coco Beach Airshow next year or any other show on his tour he's got 8-9 shows he does. Or his other option was they could request a refund, so if people want a flat refund he's got that in there too.

Discussion regarding the impact to the Authority if the show is cancelled.

George explained that there are deposits that we had and will lose. Sunday is the inaugural Flight Arajet, so we're working on a "plan B". We are trying to make it a good event for them even without the airshow, so they still feel really welcome here, both for the inbound and the inaugural outbound.

Discussion regarding the drop dead day/time the Airport would be notified of the decision.

George explained if the senate does not vote to reopen this evening which he really didn't think is going to happen then what will happen tomorrow the Thunderbirds will notify the promotor tomorrow they're not coming. That's when he'll make his call. There's a lot of notifications that have to happen.

Vice Chairman Bentley asked for an update on our new Board member.

President Martz informed the Board last night the City of Sanford appointed a new member to the Airport Board for the vacancy we have, Emory Green. Some of you may know him. He's from the Midway community he's the current president of the Midway Coalition. She worked with him quite a bit when she was at the County, he's a great advocate for that community. She and George also work with him pretty regularly here at the Airport, and he's a great conduit. And of course, Midway is significantly impacted by anything we do here at the Airport. We've always tried to be a good neighbor and he's been a great partner in that respect. She thought the Board will enjoy working with him and is hoping he'll be at the November meeting. The appointment was just made last night.

6. NEXT MEETING REGULAR BOARD MEETING (NOVEMBER 4, 2025)

7. ADJOURNMENT

There being no further business, the meeting was adjourned at 9:18 a.m.

Respectfully submitted,

Nicole Martz, Esq., AICP
President & CEO
/lh