MINUTES OF THE REGULAR MEETING OF THE
SANFORD AIRPORT AUTHORITY
JULY 7, 2026
8:30 A.M.

PRESENT:	Kenneth Bentley, Chairman Chick Gregg, Sr., Vice Chairman Stephen P. Smith, Secretary/Treasurer Benny Crosby Jennifer T. Dane Emory Green, Jr. William R. Miller Richard Sweat Brett Renton, Airport General Counsel Commissioner Andria Herr, County Liaison Mayor Art Woodruff, City Liaison
ABSENT:	Frank Ioppolo, Jr.
STAFF PRESENT:	Nicole Martz, President & CEO George Speake, Executive Vice President & Deputy CEO Shelly Allen, Director of Communications Shani Beach, Director of Properties & Exec. Initiatives Admin. Judy Desrosiers, Commercial Development Manager Anthony Eger, SAAPD Police Sergeant Stacy Entwistle, Sr., Director of Airline Services Stephen Fussell, VP & Chief Strategy Officer Tommy Gentry, Director of IT Marc Gilotti, SAAPD Chief Nicholas Guido, VP of Finance/Chief Financial Officer Lori Hunt, Executive Assistant Katee Mathis, Director of Finance/Deputy CFO Chris Metro, Financial Operations Manager Bryon Morgan, SMS Director Jeremy Owens, Vice President & Chief Development Officer Rick Shea, Vice President of Operations & COO Roberta Stanton, Director of Procurement Jennifer Taylor, Vice President & Chief Commercial Officer Raul Veizaga, Marketing Manager
OTHERS PRESENT:	Sonya Brauer, MillionAir Gui Cunha, Seminole County Tricia Feliu, Sanford Chamber Tracy Garcia, OEP Thomas Jewsbury, Hanson

Czarina Harris
Allison McCuddy, FDOT
Genean McKinnon
Luis Olivero, C&S Companies
Paul Partyka, NAI Realvest
Alan Ricafort, Forvis Mazars
Scott Sturgill
Craig Sucich, RS&H
Robert Utsey, ZHA
Andrew Vincent, Forvis Mazars

1. CALL TO ORDER, PLEDGE OF ALLEGIANCE

2. ADVERTISEMENT OF MONTHLY MEETING

   Copies attached.

3. PRESENTATION OF FY FINANCIAL AUDIT FORVIS MAZARS

Nick Guido, VP of Finance and CFO, introduced Alan Ricafort and Andrew Vincent from Forvis Mazars to present the Authority's FY25 Audit for the fiscal year ending September 30, 2025. Representing lead engagement partner Joel Knopp, Mr. Ricafort reported that the Authority received an unmodified opinion the highest level of assurance available on its financial statements. The audit yielded zero deficiencies or material weaknesses across all compliance sections, including internal controls over financial reporting, major federal and state projects, Passenger Facility Charge (PFC) testing, state investment statutes, and the Auditor General Management Letter. Furthermore, the firm reported no proposed audit adjustments or uncorrected misstatements.

In response to an inquiry from Board Director Dane regarding the timing of hard-copy distributions, President Martz and Mr. Guido clarified that the audit met all statutory deadlines by being filed with the Auditor General prior to June 30th and presented before the end of July. President Martz and Board Director Miller extended their congratulations and appreciation to Mr. Guido, Katee Mathis, and the entire finance team for their hard work and professionalism in managing the organization's finances and navigating the year-long audit process.

During the discussion, Board Director Sweat noted a remarkable financial turnaround from a loss exceeding $12 million in 2023 to a positive $13 million in 2025. Mr. Guido and President Martz attributed this performance to a maturing management team, post-COVID-19 operational recovery, and improved terminal revenues. Mr. Ricafort and President Martz added that capital grant contributions and non-traditional grant funding were major drivers behind the positive swing. Mr. Ricafort concluded by noting that receiving and managing these significant grant revenues without a single compliance or control finding is a strong testament to the entire team's oversight. Looking ahead, the finance team will take a brief two-week break before commencing work on the upcoming FY26 audit cycle.

4. LIAISON REPORTS

A. City of Sanford

Mayor Woodruff updated the Board regarding various City initiatives, including:

- **Star Spangled Sanford Event:** Storm activity resulted in thin crowds, but the fireworks display went off successfully on time, improving upon the previous year when a lightning strike caused premature detonation.

- **City Budget:** The City's first budget workshop was scheduled for the following day to review a proposed budget featuring a $1M decrease, while still allocating 5% more total funding than the prior year.

- **State Appropriations & Funding:** Two key funding allocations avoided a gubernatorial veto:
    - $500,000 for Nutrient Reduction: Designated primarily for sewer system improvements, including pipelining, manhole repairs, and stopping infiltration.
    - $500,000 Earmarked for facility repairs at the Civic Center.

When questioned by Chairman Bentley regarding the specific plans for the Civic Center funding, Mayor Woodruff explained that the funds will primarily go toward installing a new air conditioning system. He added that the City is also applying for a $1 million Historic Preservation Grant to remove side panels and restore the original full-height glass archway windows, which will be treated with heat-insulating film to ensure the new HVAC system can efficiently cool the building.

Concluding the report, Chairman Bentley asked Mayor Woodruff how many remaining board meetings he expected to attend before his upcoming transition. The Mayor indicated he would attend in August and evaluate his future availability based on his school schedule. Chairman Bentley expressed the Board's deep gratitude for Mayor Woodruff's dedicated leadership, service, and liaison work on behalf of the City of Sanford.

B. Seminole County

Commissioner Herr provided several updates regarding County initiatives and recent events:

- **Visitor Demand & Revenue:** Visitor demand remains flat compared to last year, which is viewed positively given current inflation factors while overall revenue is up due to those same inflationary drivers.

- **Regional Development & Airport Compatibility**: Strong development interest continues along East Lake Mary Boulevard and downtown Sanford, with the County working to ensure projects remain compatible with Airport operations and generate non-ad valorem revenue.

- **Manufacturing Recognition:** Seminole County swept all three Manufacturer of the Year awards, surprising several neighboring counties.

- **Event Procurement:** The Florida Coaches Coalition Event has been renewed for 2027 after being secured from International Drive, which is expected to result in a full hotel buyout at either the Westin or Marriott.

- **Boombah Turf Project:** The re-turfing project remains on track, funded entirely through Tourist Development Tax (TDT), and will make it the only youth sports facility in the nation with that specific quality of turf.

Commissioner Herr announced that she and Mayor Woodruff are actively collaborating to advance the Joint Planning Agreement (JPA). As part of this effort, Seminole County introduced an Inter-Local Service Boundary Agreement (ISBA) framework designed to separate long-term regional planning from day-to-day service and infrastructure management commitments. This updated framework specifically aims to eliminate operational inefficiencies, such as stormwater drainage ditches that were historically maintained on disconnected, uncoordinated schedules across city, county, and homeowner association jurisdictions. While the proposed approach is still overcoming some initial resistance, both Commissioner Herr and Mayor Woodruff emphasized that meaningful progress is being made toward implementation.

In response to Chairman Bentley's inquiry regarding potential locations of the new tax office, Commissioner Herr clarified that while some presence may remain at Five Points, an operation is being set up on Martin Luther King Boulevard to accommodate driver's license testing space requirements.

5. COMMENTS FROM THE PUBLIC

   None.

6. CONSENT AGENDA

   A. Consider Approval of the Subrecipient Agreement between the Sanford Airport Authority and City of Sanford, Florida relating to administration of a United States Environmental Protection Agency State and Tribal Assistance Grant (STAG) for the Watermain and Forcemain Midfield Project.
   B. Consider approval of Lease No. 2026-116 for Air Essentials, Inc. dba Florida Clay Arts Co., Building #256 located at 1645 Hangar Road, Sanford, FL 32773.

C. Consider Approval of Settlement of Sanford Airport Authority v Greater Orlando Aviation Authority, Case No. 6:23-cv-1563-PGB-DCI currently pending in the United States District Court Circuit, Middle District of Florida.
D. Consider Approval of Lease No. 2026-118 for M&J Events LLC dba Big Bounce Energy Building #515-3 located at 2836 Mellonville Ave. Sanford, FL 32773.

Motion by Board Director Smith, seconded by Board Director Gregg, to approve Consent Agenda items A-D. Vote was taken, none opposed. Motion passed unanimously.

7. PRESIDENT'S REPORT

President Martz referenced her PowerPoint presentation, incorporated herein, and requested Jeremy Owens, Vice President & Chief Development Officer present updates on the following topics:

- Taxiway A Extension: Discussion Agenda Item; Next Milestone: NTP – August/September '26;
- Remote Parking Lot: Construction – 60% Complete; Awaiting City Permit Approval; Next Milestone: Completion Expected November '26;
- Stormwater Pond Improv.: Discussion Agenda Item; Next Milestone: NTP August/September;
- Midfield Water & Sewer Project: Under Bid Review; Next Milestone: Award August Meeting;
- ARFF Trucks 1,500 Gallon – (2) – Punchlist Visit Scheduled; Next Milestone: July/Aug Delivery; and
- ALP Update with Narrative: Alternatives review underway; Next Milestone: August Meeting (Community/User/Board;

Board Director Smith opened the discussion by inquiring about potential weather damage to the remote parking lot following recent heavy rainfall. Mr. Owens reassured the Board that no significant damage has occurred, noting that contractors regularly inspect the site after rain events. He confirmed that all drainage systems are functioning properly and directing runoff to the designated retention pond, with only minor dirt accumulation in the pipes that will be cleaned out as originally planned.

Board Director Dane then requested an update on the Airport Layout Plan (ALP). Mr. Owens explained that the ALP is the primary planning document being updated to align with the airport's current operational configuration. President Martz emphasized its importance, stating that the ALP is the sole FAA-approved planning document that determines grant funding eligibility, and noted that this update is being conducted in tandem with active FAA discussions regarding Runways 18-36 and 9C. Mr. Owens added that the final resolution of the ALP will establish the airport's airfield Capital Improvement Program (CIP) for the next ten years. Concluding operational updates, President Martz noted that the new digital overhead signs on Red Cleveland Boulevard noting that they are a deferred maintenance project, and Board Director Dane complemented the airport's new landscaping contractor.

Terminal Projects:

- Terminal Entry Painting: Work Continues, Next Milestone: Completion Expected This Week;
- Generator Replacement: Awaiting Inspections/Closeout; Next Milestone: Completion (July/August)
- Overhead Digital Signs: Working on Closeout; Next Milestone: Final Completion;
- FIS Exit Lane: Awaiting Delivery of exit Lane; Next Milestone: Exit Lane Installation – Mid July;
- Column Inspection/Repair: Final Paint Last Week; Next Milestone: Grading/Landscaping;

Other:

- 310 - Transformer: Awaiting FPL Transformer – Scheduled for this week; Next Milestone: Occupancy – August;
- 310 – Renovation: Awaiting FPL Transformer, Need 2 weeks after power for finishes; Next Milestone: Occupancy – August.

President Martz provided an update on the Building 310 Renovation project, noting that the University of Central Florida (UCF) is now scheduled to move into the facility in August. Although the move was initially anticipated for April, the timeline was adjusted once construction began and walls were opened up. President Martz noted that UCF is already utilizing a portion of the parking lot for temporary facilities, and their enthusiasm for the location is evident as they are already eyeing additional space for future growth.

Development:

Paul Partyka of NAI Realvest presented the Development Activity Report, beginning with praise for Mr. Owens's leadership in undertaking the multi-million dollar renovation of Building 310. Mr. Partyka noted that despite industry-wide electrical transformer lead times of nine months to a year, Mr. Owens secured the necessary equipment in just a few months. Renovations are scheduled for completion in mid-July. The airport will receive partial rental payments for March, which will step up to 50% for July and reach 100% (approximately $200,000 annually with escalation clauses) starting in August. Discussions are already underway regarding expanding to the remainder of the floor, the second floor, and potentially bringing a third-floor tenant on board within a year. While internal expansion plans have temporarily paused Siemens' participation, the overall project will move forward.

Mr. Partyka provided updates on several additional real estate initiatives across airport property. Diversified continues navigating the permitting process with the City of Sanford for hangar space on the Southeast Ramp. AeroMech Inc. is nearing the selection of a general contractor to construct a 38,000-square-foot hangar and administrative office facility. To accommodate Synergy Wood's long-term lease commencing September 1st, Architectural Effects is relocating to a different facility. Meanwhile, Million Air expects to finish its new hangar within two months, and progress continues on the Hill Dermaceuticals site. Looking forward, negotiations are underway with a potential major tenant for 20,000 square feet of warehouse and cargo space. Additionally, for the first time in airport history, a national retailer has submitted a proposal for land on East Lake Mary Boulevard across from Kings Crossing. With the Board's approval of new tenant Big Bounce Energy, every usable vacant building on the property is now fully occupied, reflecting ongoing efforts to stabilize revenue and maintain 3% to 5% annual rental rate increases.

Following Mr. Partyka's report, President Nicole Martz noted that staff is reviewing developer proposals for the 14-acre parcel adjacent to Boombah Sports Complex as well as adjacent property across the street. She plans to brief Board members individually before presenting a recommended developer scenario in August or September.

Board Director Crosby then recognized Mr. Partyka for recently receiving the Lifetime Achievement Strickland Award, highlighting his inspiring background as a child of concentration camp survivors who immigrated through Ellis Island and achieved the American Dream.

Chief Financial Officer

Nicholas Guido, VP of Finance/CFO, presented the May 2026 financial dashboard, reporting strong ongoing performance across passenger activity and flight operations. For the month of May, passenger traffic rose 5% to reach 276,499, while Air Traffic Movements (ATMs) experienced a 1% increase to 1,859. Through May, fiscal-year-to-date (FYTD) metrics show passenger volume up 4% and ATMs up 3.2% compared to the same period in FY 25. Total FYTD passenger traffic reached 2,082,027 a year-over-year increase of just over 82,000 passengers from the 1.99 million recorded during the prior year's comparative period. Finance staff will continue monitoring traffic trends as the airport moves through the peak summer months.

- **Operating Revenues:** Year-to-date FY26 operating revenues reached $27,967,785, exceeding the amended budget by 4.8% and reflecting strong growth over the $23.6 million recorded through May of last year.

- **Terminal and Non-Terminal Revenues:** May revenue distributions remained consistent with earlier fiscal year trends, with terminal-related activities accounting for approximately 73% of total revenue, and parking and rental car concessions representing 46% of overall performance.

- **Operating Expenses:** Year-to-date operating expenses totaled $23,689,773, coming in 5.2% under budget. Mr. Guido noted the savings here was driven by lower fees for professional & contractual services that we had at the beginning of the year.

Departmental Variances:

- **Fuel, Tools & Supplies:** Fuel-related expenses are currently running 10.6% over budget year-to-date. this variance is primarily driven by ongoing volatility in fuel pricing, which will be addressed in detail during the Budget Amendment item on today's agenda.

- **Procurement Dashboard:** The Board was updated on several upcoming procurement initiatives scheduled for July and August. New solicitations being prepared for release include a Request for Proposals (RFP) for Taxicab Concessions and an Invitation to Bid (ITB) for ARFF-PFAS Tank Cleaning. Response deadlines were also highlighted for several pending items, including the piggyback procurement through Lake County Schools for a 400-Ton Chiller (ITB #25-0219-ITB-K949) and a Request for Information (RFI) regarding Public Address (PA) System Upgrades, both scheduled for July.

Mr. Guido presented a comparative analysis of revenues and expenses through May, reporting that Operating Revenues exceeded Operating Expenses by $4.2 million, maintaining a strong positive operating position. Year-over-year performance showed revenue increasing by approximately $4.4 million compared to the same period in FY25, while expenses grew by only 1.2% ($287,000). The primary growth drivers were identified as fueling, parking, and concession revenues.

Referencing the PowerPoint presentation detailing the amended budget, Mr. Guido noted that additional expenses associated with the April Budget Amendment are anticipated as the Authority enters the final quarter of FY26. Overall, Operating Income through May reached just under $4.3 million, up significantly from $200,000 in the previous fiscal year. Non-Operating Interest Income decreased year-over-year to $601,000 (down from $763,000 in FY25), driven by lower market interest rates of approximately 3.6% in May 2026 compared to 4.5% in May 2025. Year-to-date Net Income through May totaled just under $4.9 million, compared to under $1.0 million for the same period in the prior year.

<u>Marketing and Communications</u>

Shelly Allen, Director of Communications, provided the marketing report.

- **PR Briefing:**
- Digital Campaign: Example focusing on aesthetics, lifestyle and brand. Performing very well.
- Dashboard: Full Funnel & Performance; Meta Ads/Google Ads
- Social Update: Views 1.2 million; Follows; Interactions – Welcome K-9 Zulu to the SFB family. Kudos to Raul Veizaga the video received 10,000 views.

- Hot Off The Press: BermudAir Service at SFB.

President Martz updated the Board regarding BermudAir, noting that the airline officially confirmed service beginning in October with flights to Bermuda, expanding to Belize in December. She reported that initial discussions are already underway regarding two additional routes and the potential relocation of some operational facilities. Notably, BermudAir is transitioning its service from Orlando International Airport (MCO) to Orlando Sanford International Airport (SFB).

President Martz emphasized that recent successes in attracting carriers like BermudAir and Arajet stem from SFB's strong business case, which was detailed by the air service consultant during the recent Board workshop. Ms. Allen noted that BermudAir attracts a longer-stay travel market, presenting a strong strategic partnership. In response to an inquiry from Director Smith regarding fleet capacity, Mr. Speake confirmed that BermudAir currently operates four aircraft (Embraer 190s and 175s) and has orders placed for Airbus A220 aircraft, with deliveries scheduled to begin late next year as part of a broader expansion plan.

President Martz also announced under Miscellaneous items that the Airport secured $1.2 million in state funding for a terminal "digital twin" operational management project, successfully surviving line-item vetoes by the Governor. The project falls under the State Office of Technology, requiring procurement by the end of September 2026 and project completion by summer 2027. Staff is collaborating with AGILE, the collaborative innovation lab in Altamonte Springs, to assist with scope development and technical assistance ahead of bringing the procurement back to the Board in the coming months.

8. COUNSEL'S REPORT

General Counsel Brett Renton updated the Board on several ongoing legal matters, beginning with the Greater Orlando Aviation Authority (GOAA) settlement agreement included on the day's Consent Agenda. Upon execution by GOAA and entry of a Consent Final Judgment by the Federal Court Judge, the litigation will conclude, with the judge ordering the U.S. Patent and Trademark Office to issue the SAA's trademarks. In response to a question from Director Smith, Mr. Renton confirmed that entry of the Consent Final Judgment successfully resolves the appeal without opportunity for third-party protest. President Martz expressed gratitude to legal counsel and commended the team for securing a best-possible outcome for the Authority.

Regarding the Public Records Appeal before the Fifth District Court of Appeal, Mr. Renton reported that oral arguments went well and noted that a written opinion is expected from the panel. He advised the Board that a Shade Session may be requested once the opinion is issued to determine next steps.

On the OSI litigation, Mr. Renton briefed the Board on a recent case management conference. While the judge acknowledged good cause to adjust the pre-trial schedule to allow experts adequate time to review extensive discovery comprising over 300,000 combined pages produced between the parties opposing counsel has objected to extending the deadlines. In response to an inquiry from Director Dane regarding trial scheduling, Mr. Renton stated that while expert disclosures are currently targeted for August 31, 2026, trial is tentatively anticipated for 2027, with 4 to 5 months of additional discovery review expected.

9. <u>CHAIRMAN'S REPORT</u>

In his Chairman's Report, Chairman Bentley commended President Martz and her team for hosting an outstanding, top-tier Board Workshop. He expressed his strong appreciation for her dynamic leadership and vision, noting that she has taken full command of driving the Airport's operations and strategic growth in a remarkably positive direction with the full alignment of her staff.

During the report, Director Dane inquired about the status of the upcoming fall air show. Mr. Speake confirmed that the air show is scheduled for September 26th and 27th, with detailed updates to follow at the next meeting. While major demonstration teams like the Thunderbirds and Blue Angels are unavailable this year due to scheduling constraints, the event will feature the F-22, F-18, and F-16 demonstration teams, alongside additional civilian and military aviation acts.

10. <u>DISCUSSION AGENDA</u>

A. Award of 2026-013-ITB - Stormwater Pond Upgrade - Project award and authorization for the President to execute the contract between the Sanford Airport Authority and Southern Development and Construction.

Mr. Owens presented the construction award recommendation for the stormwater pond upgrades, specifically detailing the enlargement of the "kidney pond." He explained that the project is designed to reduce localized flooding, decrease wildlife habitat hazards near active airside operations, and enhance nutrient removal for regional environmental compliance.

Following a public bidding process, six bids were received, ranging from a high bid of $2.9 million to a low bid of $2.1 million. Engineering consultant C&S reviewed the low bidder's proposal and qualifications, determining that the submitted pricing was favorable and well within the budgeted allocation. Staff recommended awarding the contract to Southern Development Construction as the lowest responsive and responsible bidder.

Motion by Board Director Gregg, seconded by Board Director Smith, to accept the bid results and engineer's recommendation to award the Stormwater Pond Upgrade contract to Southern Development Construction in the amount of $2,129,177, and to authorize the President/CEO to execute the necessary contract documents. Vote was taken, none opposed. Motion passed unanimously.

B. Consider and Approve Award of Quote #2026-020-PB-RFQu for Chiller #3 replacement to Mechanical Services of Central Florida, Inc. and Approval of Piggyback agreement #SA-2026-048-PB for Cooing and Heating Service, Repair, and Replacement based on Lake County Schools Invitation to Bid #2025-019-ITB-KF949.

Mr. Owens presented the recommendation for the terminal chiller replacement project, which covers the last of the three older chillers at the airport. He explained that staff utilized a piggyback agreement through Lake County for the solicitation and conducted an on-site walkthrough with participating firms.

During the presentation, a discrepancy was noted between the summary table in the Agenda Memorandum and the formal bid tab (Attachment B). Staff clarified for the record that the summary memo contained a clerical typo from a previous solicitation. As reflected correctly on Attachment B, Air Mechanical and Services Corp. submitted a bid of approximately $489,000, making Mechanical Services of Central Florida, Inc. (EMCOR Services) the actual lowest responsive bidder at $445,358.

Director Miller asked whether the airport maintains a unified maintenance contract. Mr. Owens confirmed that a single maintenance agreement covers all five terminal chillers.

Director Smith inquired about the contractors used across the replacement projects. Mr. Owens clarified that Air Mechanical had performed the previous two chiller replacements, but EMCOR submitted the low bid for this specific project.

Motion by Board Director Smith, seconded by Board Director Green to 1) Approve and authorize the utilization of Piggyback Agreement #SA-2026-048-PB for Cooling and Heating Service, Repair, and Replacement; 2) Accept Staff's recommendation to award and authorize the Chiller Replacement Mechanical Service of Central FL (EMCOR) in the amount of $445,358.00; and 3) Authorize the President to execute the appropriate contracts. Vote was taken, none opposed. Motion passed unanimously.

C. Approval and Authorization to amend the 2025-2026 Fiscal Year Operating and Non-Operating Budgets.

Mr. Guido presented a proposed FY26 Budget Amendment to adjust operating revenues and expenses, accommodating higher fuel costs driven by market volatility, increased maintenance demands for jet bridges and fleet vehicles, and stronger-than-projected revenue streams.

Revenue Adjustments: Operating revenues were increased by approximately $1.3 million, moving from just under $40.7 million to $42.05 million. This reflects higher fuel sales prices alongside robust performance across parking, food and beverage, car rental sharing, and other airport concessions.
Expense Adjustments: Operating expenses were increased, rising from $37.86 million to $38.7 million. This adjustment directly accounts for the corresponding surge in fuel

procurement costs as well as essential jet bridge repairs and vehicle maintenance for the remainder of the fiscal year.

Net Impact: As a result of revenue growth outpacing the increase in expenses, the required draw from airport reserves is reduced from the previously approved $3.31 million down to $3,065,017 representing a net positive budget improvement of $243,148.

Staff recommended approval of the proposed FY26 budget amendment and the revised reserve draw of $3,065,017.

Motion by Board Director Dane, seconded by Board Director Smith to Approve the proposed amendment to the FY26 budget as presented. Vote was taken, none opposed. Motion passed unanimously.

D. Consider Approval of Resolution No. 2026-11 Approving and Adopting the FY27 Operating and Capital Budgets and Authorize the Airport to proceed with execution of same.

Mr. Guido presented the proposed FY27 Operating and Capital Budget for Board approval. Total operating revenues are projected at $43,496,880 against total operating expenses of $39,212,127, yielding a net operating income of approximately $4.2 million. Incorporating estimated investment income of $661,408 and deducting debt service of $159,000 results in a net operating performance of $4.78 million available to fund the capital program.

The proposed FY27 Capital Portfolio totals $7.115 million, comprising $3.3 million in departmental capital expenditures, $1.2 million in local Capital Improvement Program (CIP) obligations, and $2.6 million in deferred maintenance. Subtracting the $7.115 million capital program from the $4.78 million in available funding leaves a projected net reserve draw of approximately $2.33 million to balance the budget..

President Martz provided context regarding the proposed FY27 budget, clarifying for the record that Board members had previously reviewed the details during individual one-on-one briefing sessions. She emphasized that the $7.115 million capital figure presented earlier reflects only the Sanford Airport Authority's directly funded portions, noting that the airport's total capital program is significantly larger once grant funding is factored in.

Additionally, President Martz highlighted the $2.6 million allocation for deferred maintenance resulting from the prior OSI management transition. She explained that while this funding level is actively addressing the estimated $44 million to $55 million in deferred maintenance left behind by the former operator, these ongoing obligations represent the sole reason for the projected budget deficit, noting that the budget would otherwise be operating “in the black”.

Mr. Guido detailed the key drivers behind the year-over-year operational growth. Operating revenues are projected to increase from $40.7 million in FY26 to $43.5 million in FY27, driven primarily by gains in terminal operations and commercial lease revenue. Terminal growth is anticipated through increased parking receipts, sales of bonded and international jet fuel, general aviation fuel sales, terminal advertising, tenant rents, retail, car-sharing, and food and beverage concessions. On the leasing side, revenue increases reflect annual scheduled rent adjustments across the Authority's rent roll, alongside new commercial leases taking effect in late FY26 and FY27.

On the expenditure side, operating expenses are budgeted to increase by 4.3% over FY26, rising from $37.86 million to $39.21 million. This growth is primarily driven by expanded contractual service requirements, ongoing facility maintenance, and fuel-related expenses that account for inflationary pressures and investments in operational reliability. Mr. Guido noted these cost increases are partially offset by reduced insurance expenses achieved through favorable policy negotiations, yielding a budget that maintains financial discipline while supporting safe and efficient operations.

Mr. Guido referenced the slide FY 27 Personnel Allocation-236 Positions concentrated as Airline Services, Operations and Maintenance.

President Martz explained that the proposed figures reflect an annual reduction in overall personnel. She noted that these changes stem from right-sizing the janitorial staff and transitioning the airport's ground handling operations to a third-party contractor beginning in September.

Mr. Guido reviewed the overall Capital Improvement Program and non-grant CapEx portfolio, noting that the complete capital program totals $14.1 million when incorporating both internal funding and intergovernmental grant revenue.

The combined local and grant-funded Capital Improvement Program (CIP) totals $8.1 million, supported primarily by grant funding with a $1.2 million SAA local match requirement. Additional SAA-funded capital components include $3.3 million for departmental CapEx covering operational maintenance and long-term asset acquisition and $2.6 million dedicated to OSI deferred maintenance projects. Major CIP projects slated for FY27 include Phase II Wildlife Mitigation, Obstruction Removal, Runway 18/36 Rehabilitation Design, Multimodal Improvements, Vehicle Maintenance and Administration Terminal (VMAT) upgrades, the Terminal Connector Corridor, and Rental Car Facility improvements.

President Martz expanded on the $3.3 million departmental CapEx allocation, clarifying that this non-grant capital represents the Authority's essential "cost of doing business." Key expenditures include replacing core field and facility assets such as lawn mowers, operational vehicles, and IT system upgrades following a structured multi-year replacement schedule. She noted this represents a significant year-over-year increase compared to the previous year's budget (where under $1 million was spent), characterizing these necessary replacements as critical, non-discretionary investments required to maintain baseline operations.

Mr. Guido concluded the financial presentation by reiterating the core budget summary. Operating revenues are projected at $43.5 million against operating expenses of $39.2 million. Incorporating anticipated investment income and deducting debt service yields a Net Operating Income (NOI) of just under $4.8 million. Subtractions for the total SAA-funded capital program of $7.1 million comprising local CIP matching funds, departmental CapEx, and deferred maintenance result in a net projected reserve draw of $2.3 million for FY27.

President Martz outlined employee compensation and benefits adjustments included in the proposed budget. The baseline personnel figures incorporate a 3.0% cost-of-living adjustment (COLA) for all Authority employees, which President Martz highlighted as a primary priority, particularly given that state-level adjustments were largely restricted to public safety personnel this year. Additionally, employee health insurance coverage levels and cost-sharing ratios will remain fully maintained without increase under the proposed plan.

While merit increases are not proposed in the proposed budget due to the projected deficit and ongoing volatility in the air service market specifically noting fluctuating schedules and fuel cost pressures affecting Allegiant, President Martz emphasized that employee performance remains highly valued. The Authority intends to defer consideration of merit adjustments until a mid-year review, following an assessment of air traffic revenue and performance through the fall and holiday seasons.

Mr. Guido continued to discuss the proposed FY27 Budget, covering the period commencing October 1, 2026. He highlighted that this represents the Authority's third full fiscal year of direct operation following the management transition, reflecting the organization's continued operational maturity as it moves beyond the initial post-transition phase. He specifically noted two administrative provisions within the budget resolution that grant authority to transfer funds between departments and across Board-approved expenditure categories without requiring approval from the City of Sanford.

Mr. Renton provided detailed clarification regarding statutory compliance under the Authority's enabling legislation and the specific administrative provisions requested within the resolution. He emphasized that legal expenditure limits apply strictly at the major category level such as Salaries & Benefits or Fuel, rather than at individual departmental line items. While internal department budgets manage granular day-to-day allocations, compliance at the Board level ensures overall category caps are strictly maintained to prevent statutory violations, while still allowing operational flexibility through net zero-sum adjustments across departments.

As such, Mr. Renton outlined a proposed delegation request to the City of Sanford designed to streamline administrative workflows. Currently, reallocating funds between major budget categories such as utilizing salary savings from unfilled staff vacancies to cover temporary contract staffing requires formal budget amendments approved by both the Authority Board and the City Commission. The resolution authorizes the Authority to request that the City permit the Board to approve inter-category transfers independently, provided the adjustments result in a net-zero change to total bottom-line expenditures, while any amendment increasing overall baseline spending would remain subject to formal City Commission approval.

Motion by Board Director Dane, seconded by Board Director Smith to 1) To approve Resolution No. 2026-11, adopting the Authority's FY27 Operating and Capital Budgets and the Authority's FY27 Employee and Wage Schedule, together with the attached supporting documents; 2) Authorize the Chairman to execute same; and 3) To submit the Authority's FY27 Operating and Capital Budgets to the City for approval and seek the City's approval that if the net-zero impact of interim budget amendments do not affect the overall Operating Expenses total, they do not need the approval of the City. Vote was taken, none opposed. Motion passed unanimously.

E. Approve Resolution 2026-10 amending the Sanford Airport Authority's Rates and Charges Schedule.

President Martz introduced a resolution establishing updated rates and charges, noting that the FY27 budget assumptions rely on incorporating revised parking and T-hangar rates into the Master Rates & Charges schedule.

Board Member Dane expressed concern regarding the proposed parking fee increases, noting a personal preference to evaluate T-hangar and parking rates as distinct issues, while cautioning against potentially pricing the airport out of its competitive advantage as a convenient regional alternative. President Martz clarified that all fee structures are consolidated within the single official Master Rates & Charges schedule. She emphasized that parking represents the Authority's primary non-aeronautical revenue source and noted that the airport had not adjusted parking fees in three years, whereas industry standards typically dictate a two-year review cycle. President Martz highlighted that the proposed adjustments are fully aligned with current market studies and represent a critical $1.2 million revenue contribution to the FY27 operating budget.

Regarding T-hangars, staff confirmed the existence of an extensive waiting list, supporting the proposed fee adjustments for general aviation facilities. Board Member Sweat spoke in support of the resolution, noting that rising operational and labor costs necessitate staying aligned with prevailing market rates to ensure ongoing financial sustainability.

Motion by Board Director Gregg, seconded by Board Director Green to Approve Resolution No. 2026-10 Amending the Sanford Airport Authority's rates and Charges Schedule. Vote was taken, Board Director Dane opposed. Motion passed.

F. Award of 2026-015-ITB-Taxiway A West Extension-Project award and authorization for the President to execute the FAA grant and contract #SA-2026-046 between the Sanford Airport Authority and Halifax Paving Inc. for Taxiway A West Extension.

Mr. Owens presented the construction contract award for the Taxiway Alpha West Extension, which entails extending Taxiway Alpha from its current terminus at Taxiway Lima to the western end of the runway.

Following a formal competitive bidding process, five contractors submitted proposals. Halifax Paving Inc. submitted the lowest responsive bid at $11.8 million, compared to the highest bid of $16.0 million and the second-lowest bid of $12.7 million. Staff noted that all bids came in under the engineer's estimate. The consultant conducted a thorough review and verified Halifax Paving's qualifications, noting its extensive track record on prior airfield projects at the airport.

With total project costs coming in at $13.4 million against a total budgeted amount of $16.0 million, staff recommended approval and authorization for the President/CEO to execute the corresponding FAA grant in the amount of $12,076,525. Furthermore, staff recommended that the Board accept the bid results and the engineer's recommendation to award the construction contract to Halifax Paving, Inc., authorizing the President/CEO to execute the final contract documents.

Motion by Board Director Smith, seconded by Board Director Crosby to 1) Approve and authorize the President to execute the FAA grant in the amount of $12,076,525 for the Taxiway Alpha West Extension once received; 2) Accept the bid results and engineer's opinion to award and approve Taxiway Alpha West Extension contract to Halifax Paving, Inc.; and 3) Authorize the President/CEO to execute the appropriate contract. Vote was taken, none opposed. Motion passed unanimously.

11. <u>OTHER BUSINESS</u>

Chairman Bentley inquired if Gui Cunha had an update.
Mr. Cuhna replied that Chairman Herr said it all.

12. <u>NEXT MEETING REGULAR BOARD MEETING (AUGUST 4, 2026) AND JOINT BOARD MEETING (AUGUST 10, 2026)</u>

13. <u>ADJOURNMENT</u>

There being no further business, the meeting was adjourned at 9:57 a.m.

Respectfully submitted,

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

PRESIDENT’S REPORT

Sanford Airport Authority

Board of Directors Meeting

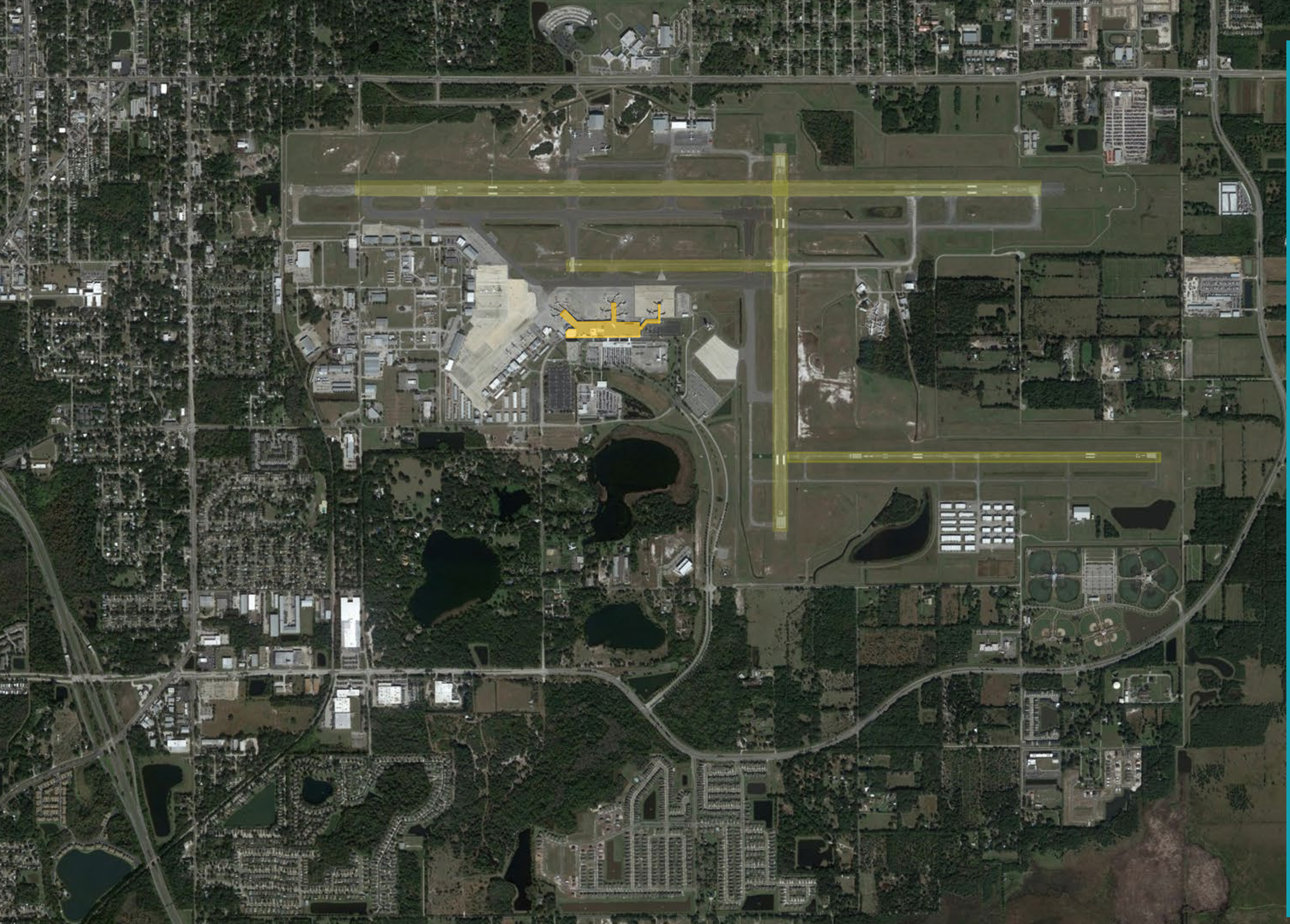
July 7, 2026

OrlandoSanford INTERNATIONAL AIRPORT SFB

AGENDA

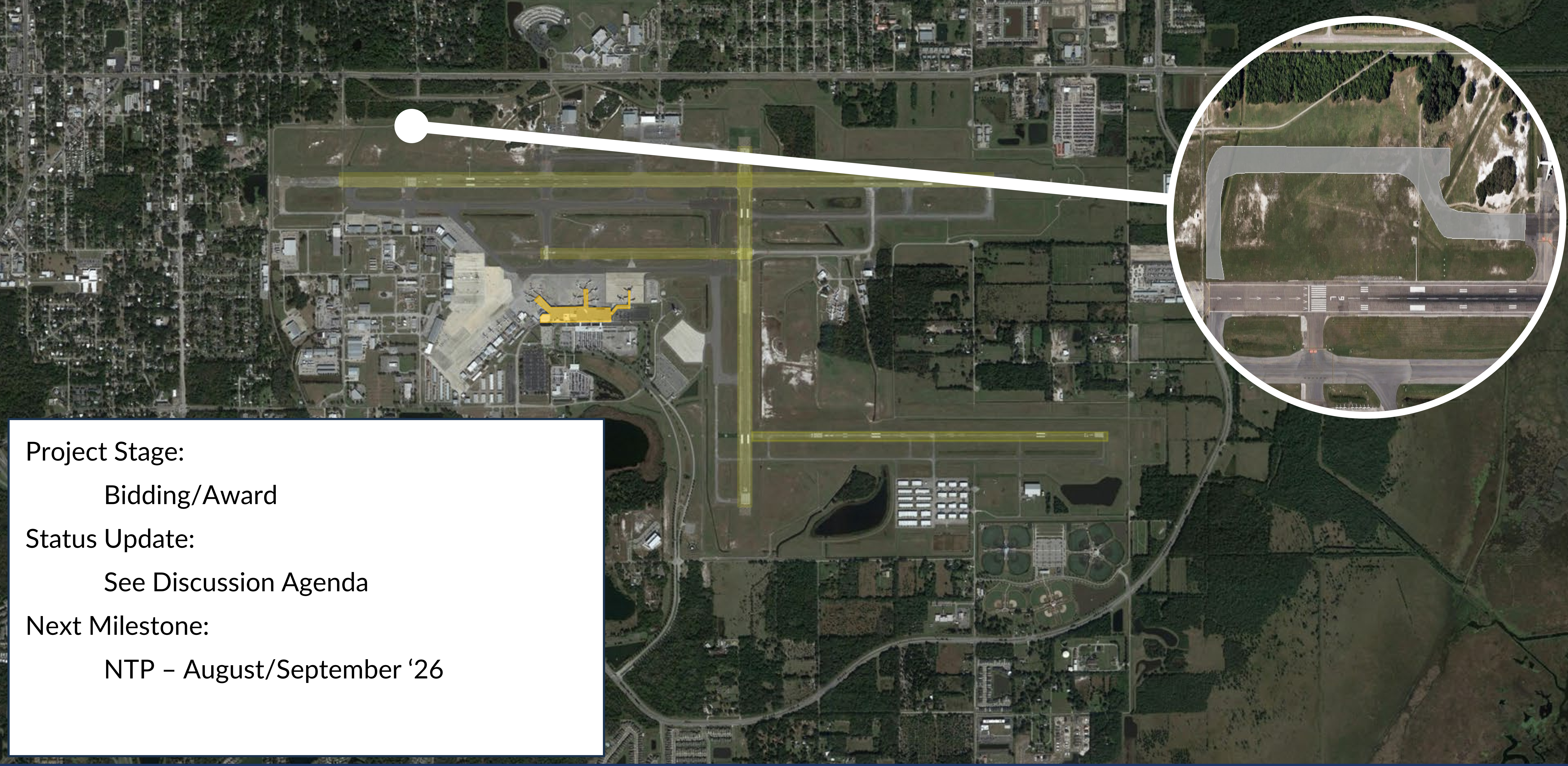
- Projects
- Development
- Chief Financial Officer Report
- Communications
- Miscellaneous

OrlandoSanford INTERNATIONAL AIRPORT SFB



PROJECTS

OrlandoSanford
INTERNATIONAL AIRPORT
SFB



Project Stage:

Bidding/Award

Status Update:

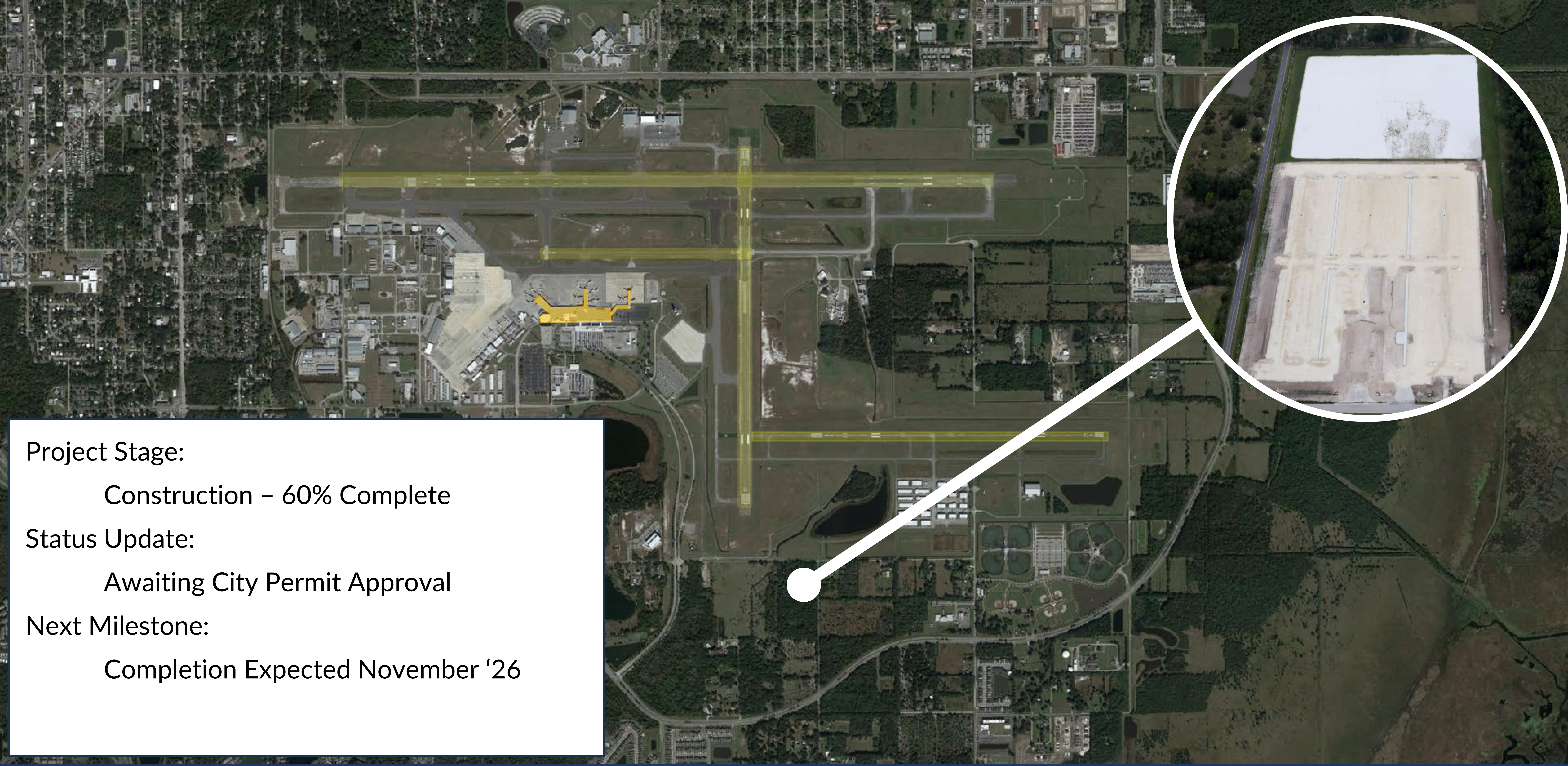
See Discussion Agenda

Next Milestone:

NTP – August/September ‘26

TAXIWAY A - EXTENSION

OrlandoSanford INTERNATIONAL AIRPORT



Project Stage:

Construction – 60% Complete

Status Update:

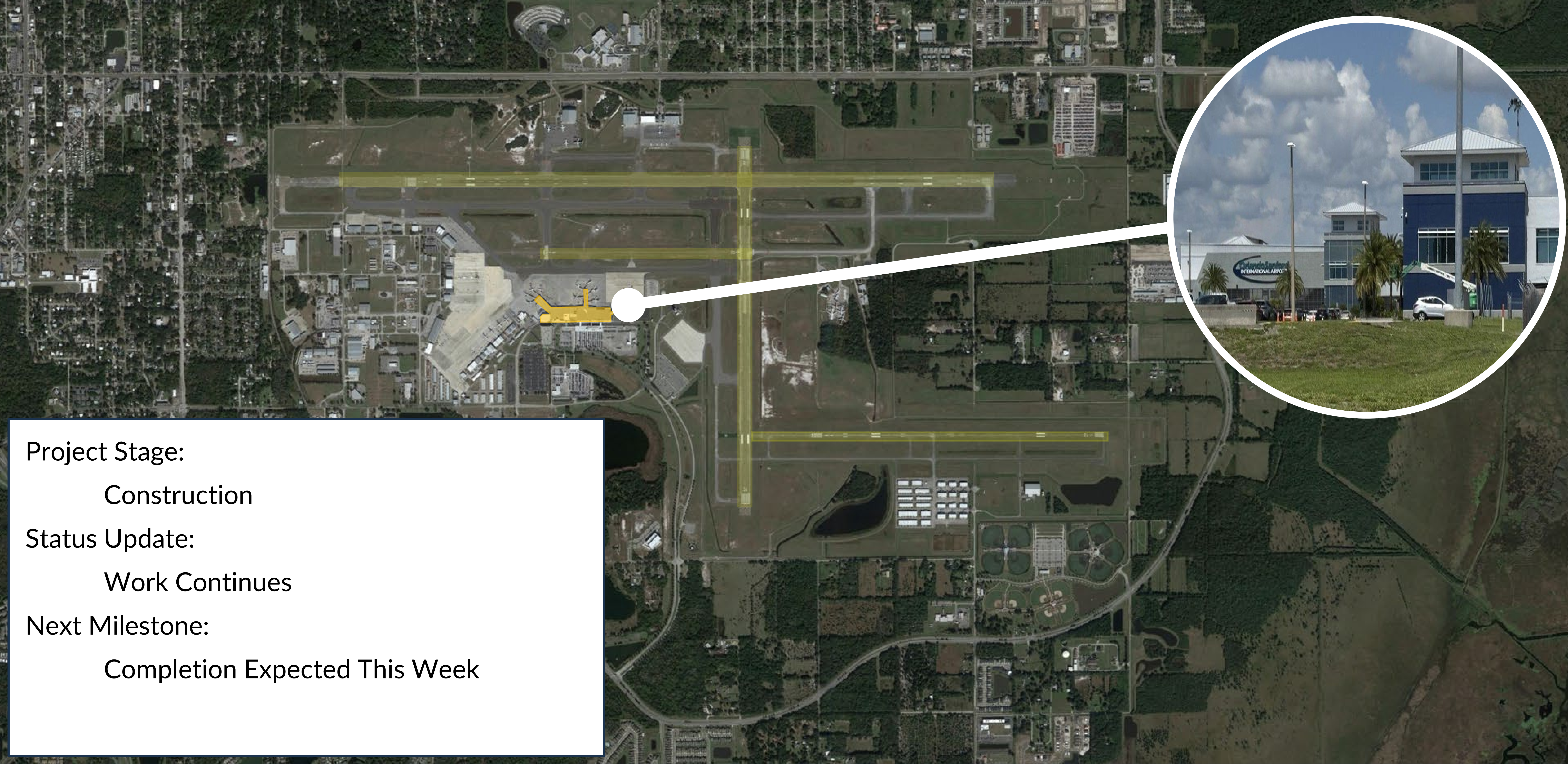
Awaiting City Permit Approval

Next Milestone:

Completion Expected November ‘26

REMOTE PARKING LOT

OrlandoSanford INTERNATIONAL AIRPORT



Project Stage:

Construction

Status Update:

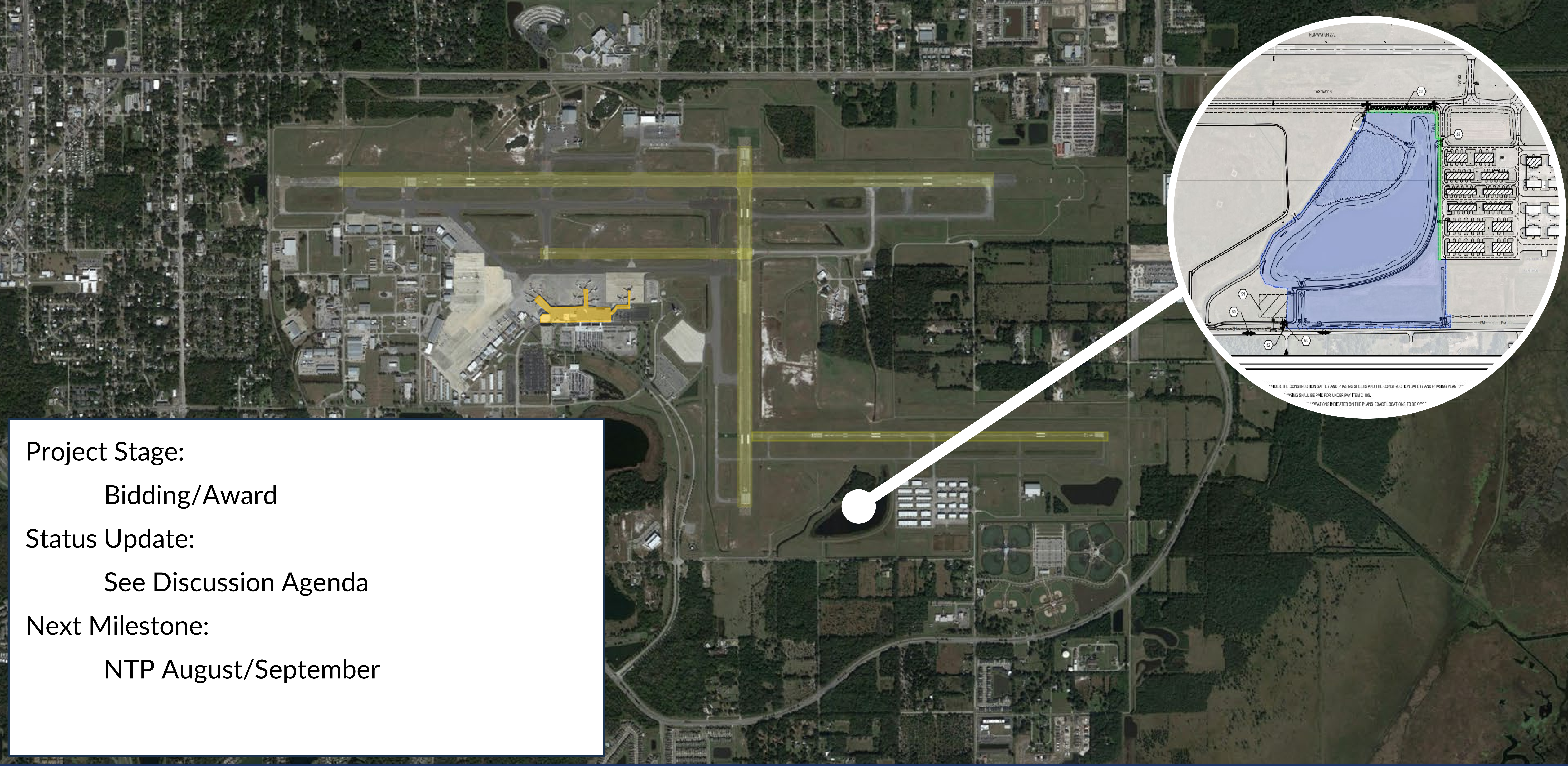
Work Continues

Next Milestone:

Completion Expected This Week

TERMINAL ENTRY PAINTING

OrlandoSanford INTERNATIONAL AIRPORT



Project Stage:

Bidding/Award

Status Update:

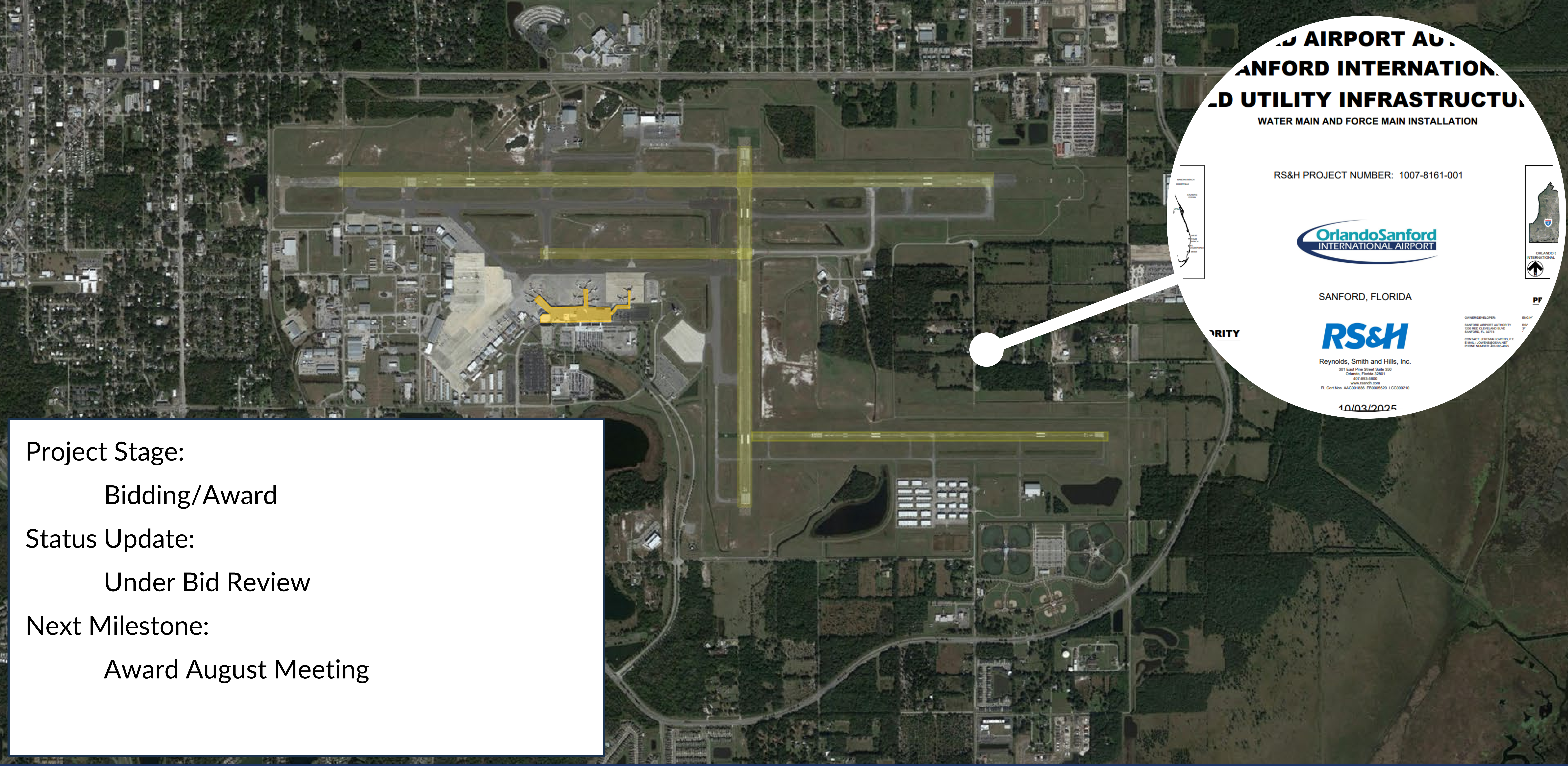
See Discussion Agenda

Next Milestone:

NTP August/September

STORMWATER POND IMPROV.

OrlandoSanford INTERNATIONAL AIRPORT



Project Stage:

Bidding/Award

Status Update:

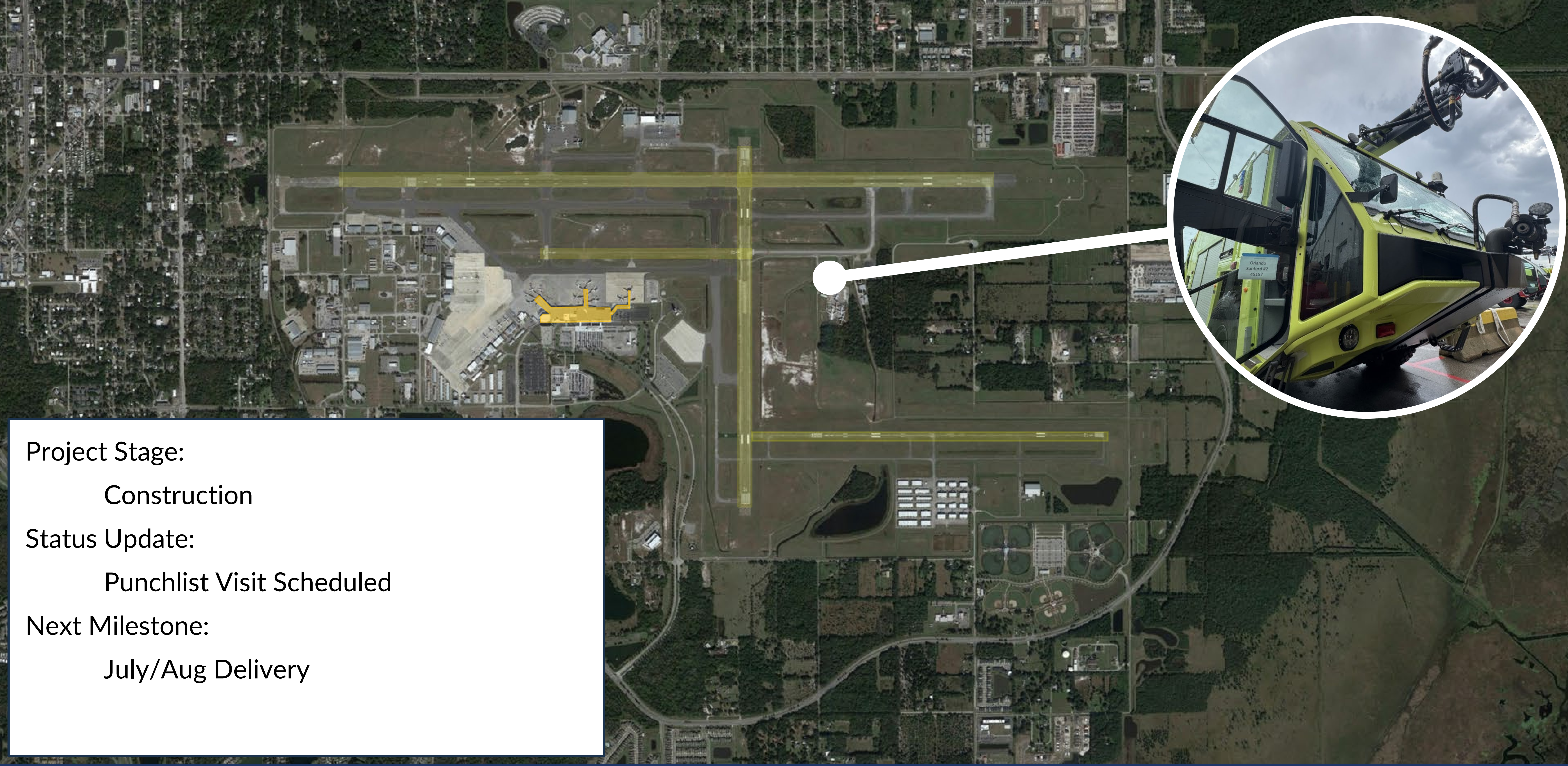
Under Bid Review

Next Milestone:

Award August Meeting

MIDFIELD WATER & SEWER

OrlandoSanford INTERNATIONAL AIRPORT



Project Stage:

Construction

Status Update:

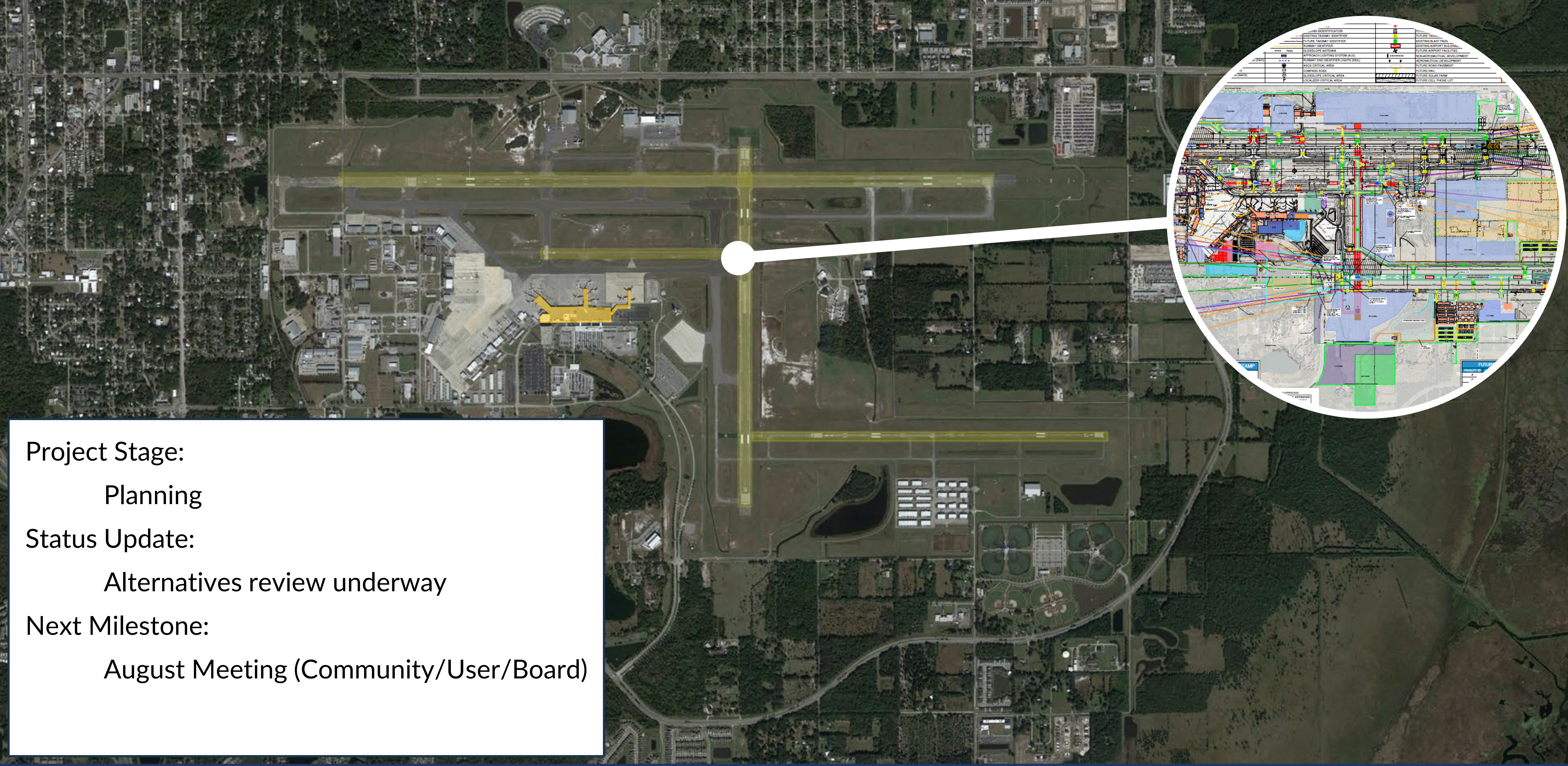
Punchlist Visit Scheduled

Next Milestone:

July/Aug Delivery

ARFF TRUCK 1,500 GAL (2)

OrlandoSanford
INTERNATIONAL AIRPORT



Project Stage:

Planning

Status Update:

Alternatives review underway

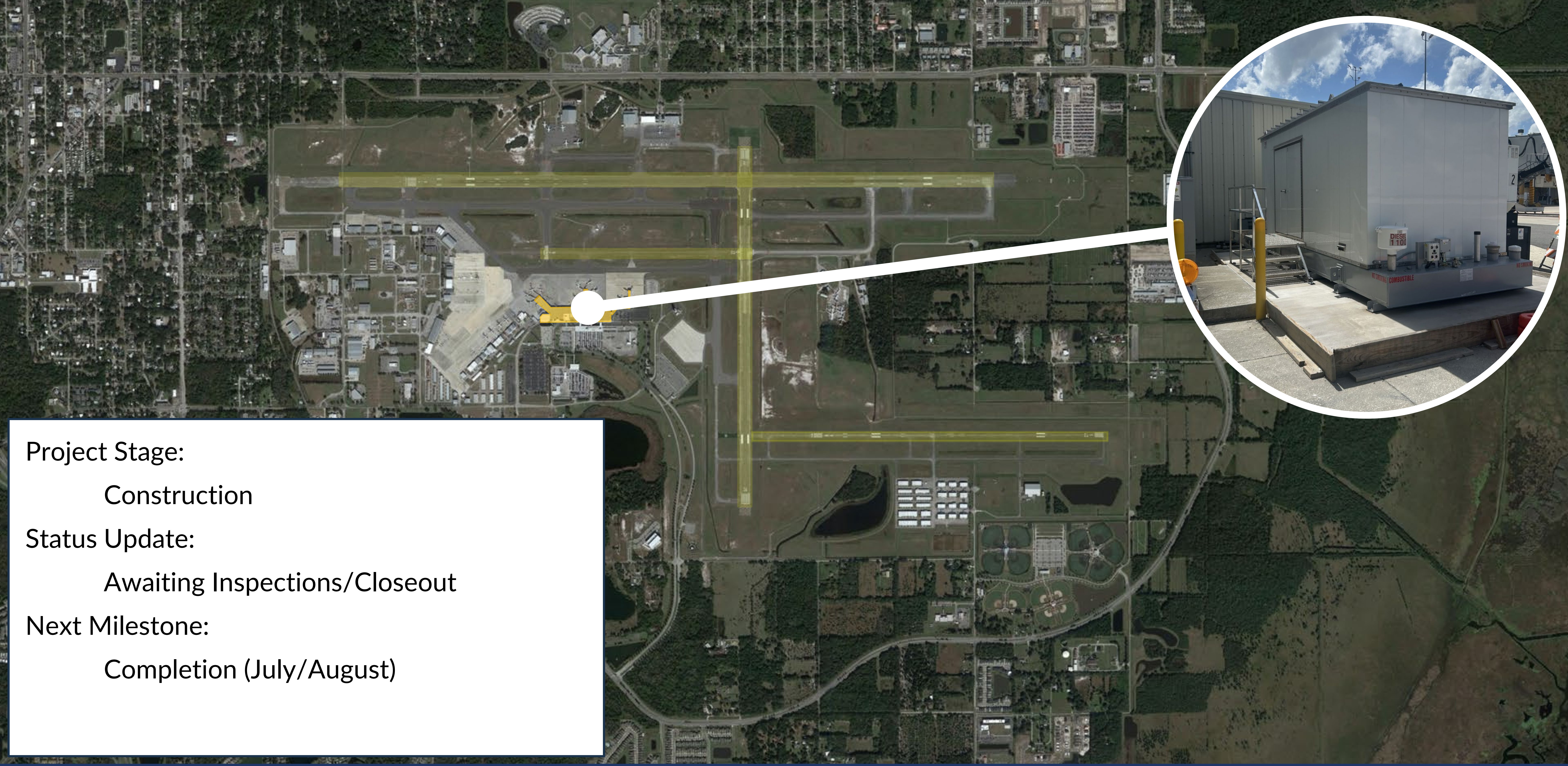
Next Milestone:

August Meeting (Community/User/Board)

ALP UPDATE W/ NARRATIVE

Orlando Sanford INTERNATIONAL AIRPORT

GENERATOR REPLACEMENT



Project Stage:

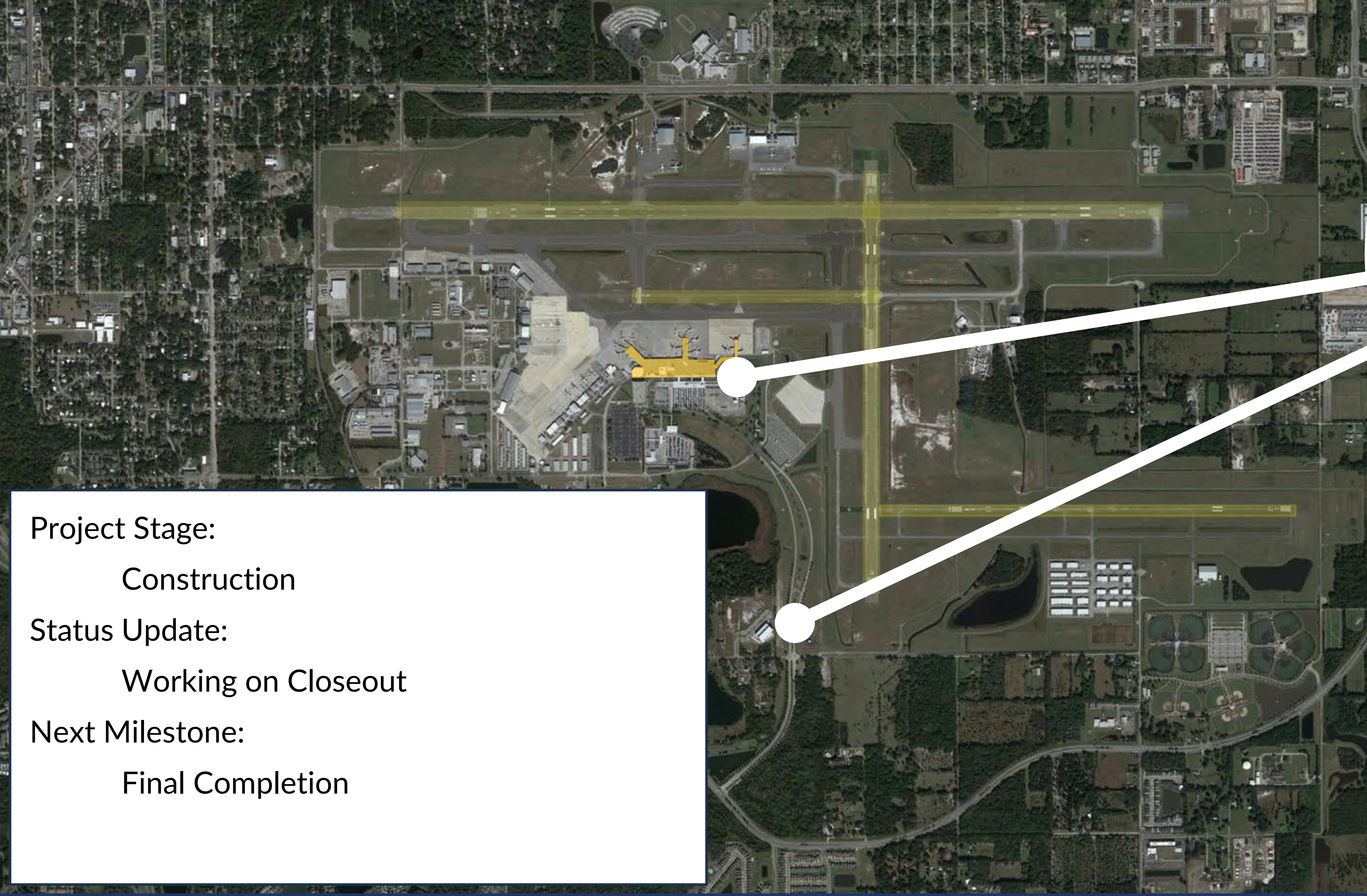
Construction

Status Update:

Awaiting Inspections/Closeout

Next Milestone:

Completion (July/August)



Project Stage:

Construction

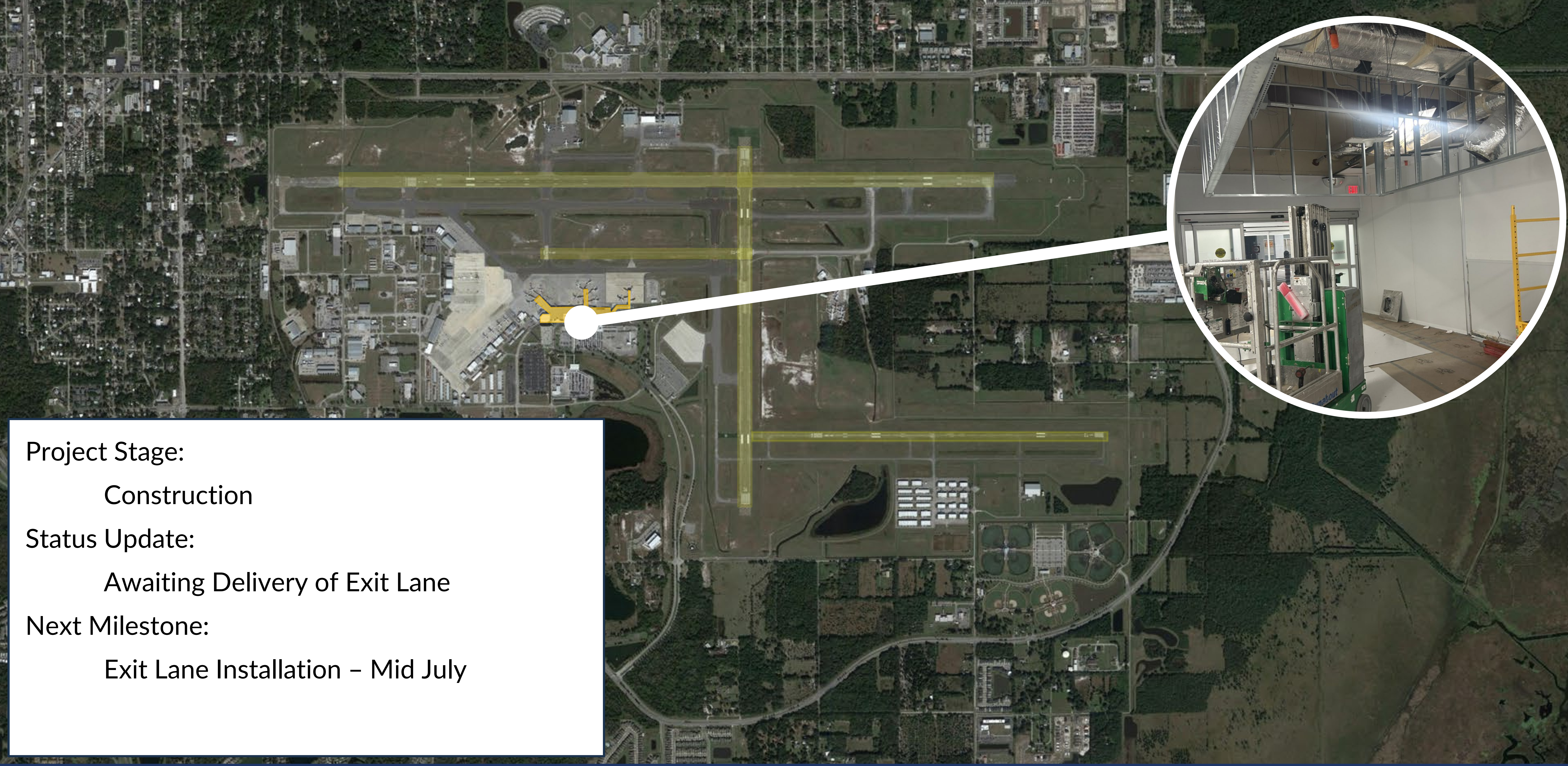
Status Update:

Working on Closeout

Next Milestone:

Final Completion

OVERHEAD DIGITAL SIGNS



Project Stage:

Construction

Status Update:

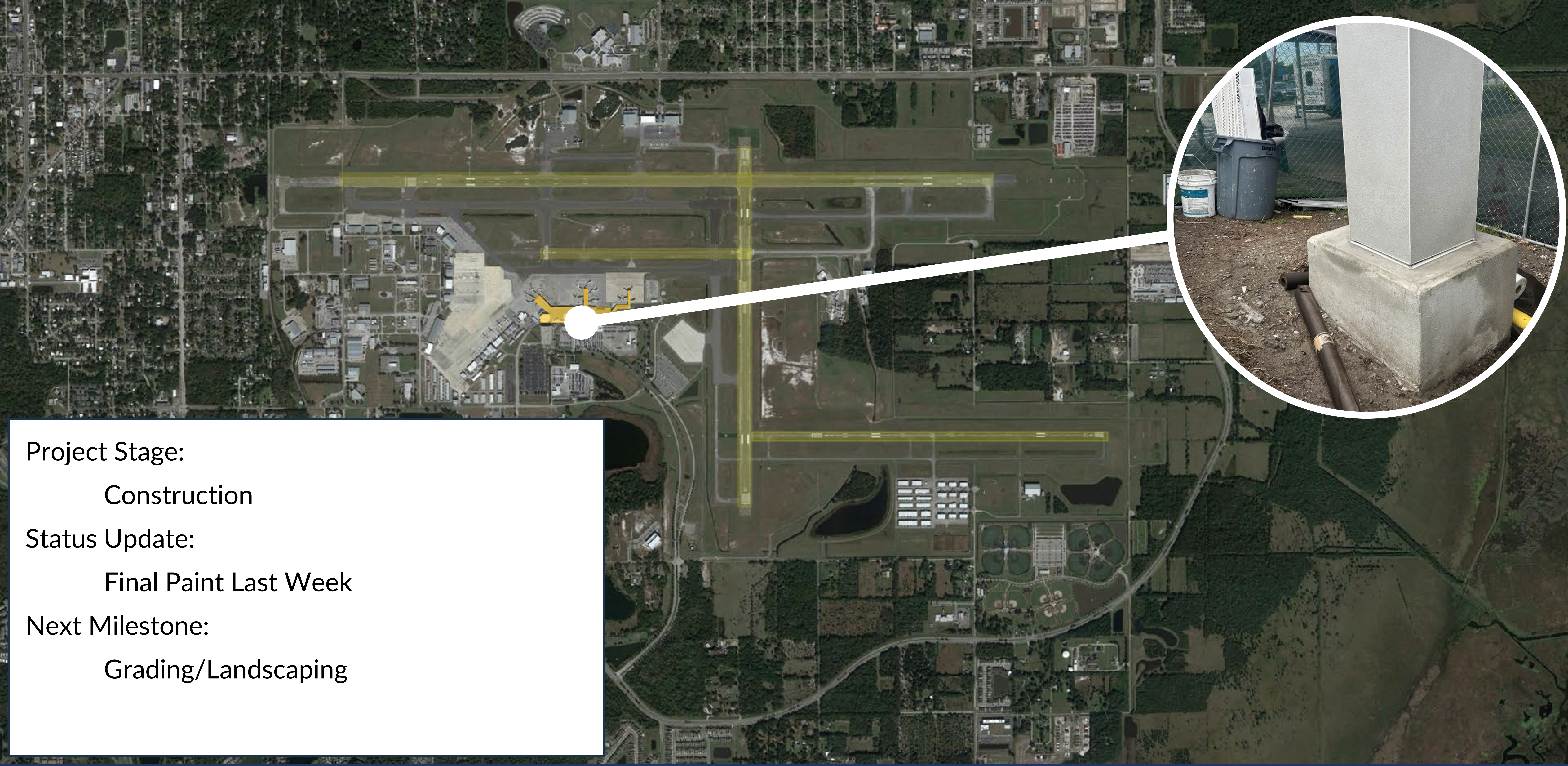
Awaiting Delivery of Exit Lane

Next Milestone:

Exit Lane Installation – Mid July

FIS EXIT LANE

Orlando Sanford International Airport



Project Stage:

Construction

Status Update:

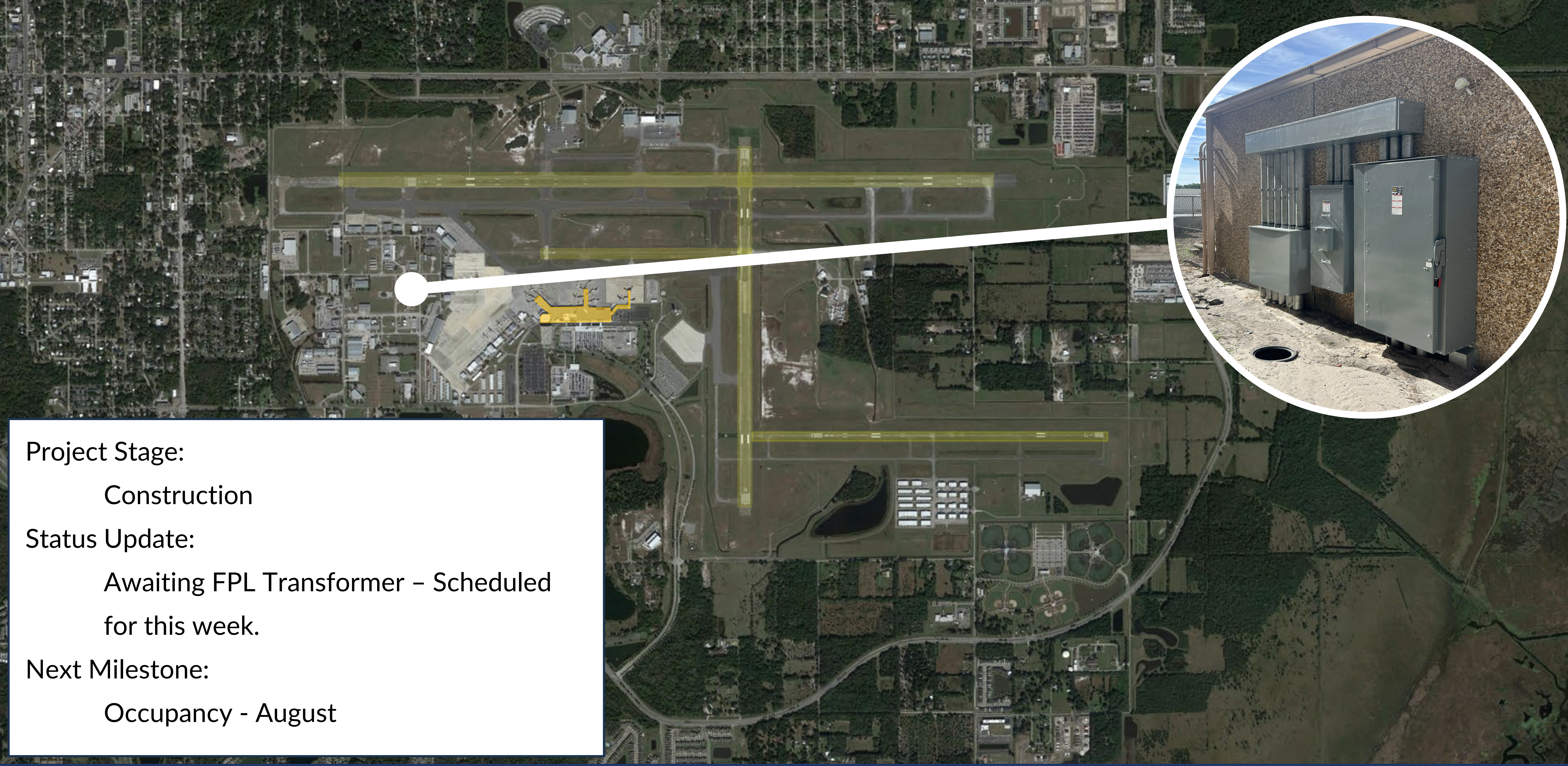
Final Paint Last Week

Next Milestone:

Grading/Landscaping

COLUMN INSPECTION/ REPAIR

Orlando Sanford International Airport



Project Stage:

Construction

Status Update:

Awaiting FPL Transformer – Scheduled for this week.

Next Milestone:

Occupancy - August

3 10 - TRANSFOMER

Project Stage:

Construction

Status Update:

Awaiting FPL Transformer

Need 2 weeks after power for finishes

Next Milestone:

Occupancy - August

310 - RENOVATION