Airport Authority Meeting Summary

Date: August 26, 2025

Time: 1:41 PM

Location: Airport Authority Conference Room.

Board Members Present: Joe Garris, Beth Gendler, Jason Dyken, Jerry Johnson

Board Members Absent: Craig Olmstead, Vic Robert, Edgar Mckee

Staff Members Present: Jesse Fosnaugh, Marisa Montgomery, Shawnda Rebain, Tim Garner

City Representatives Present: Jon Walker

Tenants Present: John Fitzgerald, Scott Applefield, Jason Sadus

Approval of Previous Meeting Minutes: The minutes from the regular scheduled meeting of the Board of July 22, 2025, were presented. J. Garris moved to approve the minutes, seconded by B. Gendler. Upon the question, all those officials present voted in favor of the motion. The Chairman declared the motion carried.

The minutes from the special meeting of the Board of August 5, 2025, were presented. J. Garris moved to approve the minutes, seconded by J. Johnson. Upon the question, all those officials present voted in favor of the motion. The Chairman declared the motion carried.

Following the approval of minutes, the financial report was presented by Airport Director Jesse. He reported that general aviation (GA) operations were performing better than expected, with revenues exceeding projections and expenses coming in lower than anticipated. Fuel flowage was identified as a key contributor to the positive revenue trend. Although some revenue was lost due to changes in badging fee structures, the overall financial position remained strong. Terminal operations showed mixed results: while rental and parking revenues were slightly below expectations, they are expected to recover in the coming months. Terminal concessions, particularly the new Lulus location, significantly outperformed expectations, contributing to a stronger-than-anticipated cash flow. The airport's total budgeted loss at this point in the fiscal year was projected at $342,000, but actual losses were only $140,000. The board expressed satisfaction with the financial performance and unanimously approved the financial report.

Directors Report:

In the Director's Report, Jesse provided updates on several key developments. He detailed the emergency response to a recent aircraft accident involving a couple from Paris, Texas. The aircraft experienced engine failure and crash-landed near the airport. The response from Gulf Shores Fire and Police was described as exemplary, with coordinated efforts ensuring the safety and recovery of the passengers. Jesse also shared that the airport was recently featured in Airport Magazine and, in partnership with Allegiant, received the Alabama Tourism Partnership Award. These recognitions were seen as affirmations of the airport's growing regional significance.

Air service development was another major focus of the meeting. Jesse outlined the current and upcoming flight routes, noting that Des Moines, Appleton, Nashville, and Kansas City would be added or expanded in the coming months. The airport expects to see a dramatic increase in enplanements—from 24,000 in FY25 to an estimated 82,000 in FY26. However, the Houston route is likely to be discontinued due to consistently low load factors. The board discussed the implications of these changes on tourism and local economic development, with plans to gather more data through geofencing and visitor surveys. Capital projects were reviewed in detail. The Quick Turnaround Area (QTA) facility is scheduled to begin construction soon, with a 31-day completion timeline. Although the lowest bid came in at $654,000—above the $500,000 budget, negotiations are underway to reduce costs. The Terminal 1.5 expansion project is moving forward, with architectural and engineering services approved. Jesse noted the potential for ATP grant funding to support the project. Other capital initiatives include perimeter road design, terminal pavement improvements, and apron rehabilitation. The FY26 budget was presented, showing a projected $92,000 deficit for GA operations and a $620,000 deficit for terminal operations, totaling approximately $710,000. This shortfall will be covered by the city's $1.1 million credit facility. Jesse also presented three pro forma scenarios—base, medium, and high growth—illustrating potential break-even points ranging from 2035 to as early as 2028, depending on enplanement growth and expansion timing. The board discussed the importance of strategic planning and the potential benefits of accelerating the Terminal 1.5 expansion to achieve operational surpluses sooner. The meeting concluded with a review of the capital budget and funding sources. Jesse confirmed that the airport has sufficient funds to complete the terminal project, with support from ATP, AIG, and city-provided capital loans.

J. Fosnaugh asked the board to approve the financials for the month of July 2025. J. Dyken made a motion to approve the financial statements for the month of July 2025, seconded by B. Gendler upon the question, all those officials present voted in favor of the motion. The Chairman declared the motion carried

Board Actions:

1. **Resolution 932-25-BJS Aviation Inc**: A Resolution to approve an agreement with BJS Aviation B. Gendler made a motion to approve Resolution 932-25 seconded by J. Garris. Upon the question, all other officials present voted in favor of the motion. The Chairman declared the motion carried.

2. **Resolution 933-25 Rosenbauer Agreement**: The board voted on the resolution to approve the Rosenbauer agreement for the purchase of a new ARFF Truck. J. Garris made a motion to approve Resolution 933-25 seconded by J. Johnson. Upon the question, all other officials present voted in favor of the motion. The Chairman declared the motion carried.

3. **Resolution 934-25 TURO, Inc Agreement**: The board voted on the resolution to approve an agreement with Turo Inc for Peer-to-peer vehicle sharing. B. Gendler made a motion to approve Resolution 934-25 seconded by J. Johnson. Upon the question, all other officials present voted in favor of the motion. The Chairman declared the motion carried.

4. **Resolution 935-25 Populous Architects PC, DBA Fentress Agreement**: The board voted on the resolution to approve an agreement Populous Architects PC, DBA Fentress. J. Garris made a motion to approve Resolution 935-25 seconded by B. Gendler. Upon the question, all other officials present voted in favor of the motion. The Chairman declared the motion carried.

5. **Resolution 936-25 Roy Lewis Contract**: The board voted on the resolution to approve a contract with Roy Lewis Construction. J. Johnson made a motion to approve Resolution 936-25 seconded by B. Gendler. Upon the question, all other officials present voted in favor of the motion. The Chairman declared the motion carried.

6. **Resolution 937-25 Barge Design Solutions**: The board voted on the resolution to approve a contract with Barge Design Solutions. B. Gendler made a motion to approve Resolution 937-25 seconded by J. Garris. Upon the question, all other officials present voted in favor of the motion. The Chairman declared the motion carried.

7. **Resolution 938-25 Saunders Engine and Equipment**: The board voted on the resolution to approve a lessor Agreement and consent with Saunders and Hancock Whitney Bank. B. Gendler made a motion to approve Resolution 938-25 seconded by J. Garris. Upon the question, all other officials present voted in favor of the motion. The Chairman declared the motion carried.

Whereupon there being no further business to discuss, a motion to adjourn was made by J. Garris, seconded by J. Johnson. The meeting adjourned at 3:18 p.m.

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CHAIRMAN

ATTEST:

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SECRETARY