Airport Authority Meeting Summary

Date: December 16, 2025

Time: 1:30 PM

Location: Airport Authority Conference Room.

Board Members Present: Beth Gendler, Jason Dyken, Jerry Johnson, Craig Olmstead, Joe Garris, Declan McClelland, Ike Williams

Board Members Absent:

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

City Representatives' Present: Jon Walker, Blake Phelps, Will Foth

Tenants Present: Dave Kucko, Jason Sanders, Dan Netemeyer, Scott Applefield, Matt Taylor, Hannah Burkhardt

Approval of Previous Meeting Minutes: The minutes from the regular scheduled meeting of the Board of November 18, 2025, were presented. J. Johnson moved to approve the minutes, seconded by J. Dyken. Upon the question, all those officials present voted in favor of the motion. The Chairman declared the motion carried.

The meeting opened with president of the board welcoming two new members to the Airport Authority Board before turning the floor over to auditor Matt Taylor for presentation of the FY 2023 audit. Taylor explained that although the audit was delayed due to his firm's backlog, the work was now current and the financial statements for the year ending September 30, 2024, had been completed. He reported a modified audit opinion consistent with prior years and confirmed that no material weaknesses or internal control issues were identified. Taylor noted that federal expenditures exceeded the $750,000 threshold, requiring a single audit, and that Passenger Facility Charges—approved in September—did not begin until November 1, meaning they would not impact FY25 but would appear in FY26. He reviewed key financial figures, including General Fund cash of $804,000, Proprietary Fund cash of $45,000, and nearly $1 million in AIP grant receivables that have since been collected. Construction in progress for the terminal stood at $1.897 million at year-end, though the facility has since been completed. After brief discussion, the Board unanimously accepted the audit.

The Board then approved the previous meeting's minutes before moving into the financial review led by the Airport Director. The terminal's first-month performance showed revenues ahead of budget projections, while expenses—particularly marketing—were skewed due to the accounting treatment of the SCASD grant. Even so, the terminal's operating loss of $23,000 was significantly better than the budgeted $63,000 loss. General Aviation revenues, including rentals and fuel

flowage fees, were closely aligned with expectations, resulting in a favorable variance of $28,000. When viewed as a combined enterprise, the airport posted a small deficit of $6,500, far better than the projected $74,000 shortfall. Year-over-year GA performance also improved, with higher revenues and lower expenses.

The Director reviewed the balance sheet, noting $400,000 in operating cash, $334,000 in reserves, and $77,000 in the SCASD grant account. He explained that the SCASD grant—totaling $810,000 between federal and local contributions—is reimbursement-based and will fluctuate as marketing invoices are paid and reimbursed. The local match requirement has effectively been met, with tourism partners assisting by placing eligible advertising and reimbursing the airport. The JEAP (capital) account reflected $9.4 million in terminal construction costs as of October, with the final project cost expected to reach $10.3 million. Only a $330,000 retainage payment remains, pending completion of minor punch-list items. The Director also noted that the city operating loan balance of $813,549 reflects payroll temporarily charged to the line to preserve cash on hand.

In the Director's Report, several operational updates were provided. Nashville service successfully launched, while Northwest Arkansas service entered its planned seasonal suspension. The airport offices will be closed for the Christmas and New Year holidays, and the Board retreat is scheduled for January 21–22 at the Eco Center. The FAA annual certification inspection is planned for March. The Director highlighted an exceptionally busy Thanksgiving travel period, during which parking demand exceeded capacity by more than 60 vehicles, requiring overflow parking in grassy areas. The airport's Angel Tree program was also a success, with all 180 tags fulfilled.

A major focus of the report was the Airport Terminal Program (ATP) grant. The application window opened on December 8, and the Director has already requested letters of support from Allegiant, the congressional delegation, local municipalities, and tourism organizations. The application is due January 15, and the Director expressed confidence that the airport's family-oriented destination profile aligns well with federal priorities emphasizing family travel amenities. Additional updates included the upcoming release of the RFQ for master planning services and early discussions with the City of Gulf Shores about developing a subsidized, app-based transit model—similar to an Uber-style system—to reduce roadway congestion and reliance on rental cars during peak tourism seasons.

The Airport Director discussed with the board members the Quick turn facility expansion, cost and funding plan. J. Dyken made a motion to proceed with the quick turn facility expansion, cost and funding not to exceed $200,000.00. Second, by J. Garris upon the question, all those officials present voted in favor of the motion. The Chairman declared the motion carried.

The Airport Director discussed with the board members that budget rental car would be a second rental car operator here at the terminal. J. Dyken made a motion to approve the selection of Budget rental car as our second rental operator at the terminal under the same legal terms and as Enterprise Rental car, Second by I. Williams upon the question, all those officials present voted in favor of the motion. The Chairman declared the motion carried

The Airport Director discussed with the board members that Gulf Air Center has agreed to start charging landing fees starting January 1 ,2026 instead of the Airport Authority charging landing fees for 135 operations. We have a rates and charges structure that will show the rates for each aircraft by weight. J. Dyken made a motion to approve the rates and charges structure for Gulf Air Center to start charging landing fees on January 1, 2026, subject to legal review of the contract between the Airport Authority and Gulf Air Center, Second by B. Gendler upon the question, all those officials present voted in favor of the motion. The Chairman declared the motion carried

Financials:

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

Board Actions:

1. **Resolution 957-25 Approve the Release of a right of first refusal contained in a deed to lot 24**: A Resolution to Approve the release of a right of first refusal contained in a deed to lot 24. B. Gendler made a motion to approve Resolution 957-25 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 958-25 Approving the Financial Audit for 2023:** A Resolution to approve the financial audit for 2023. J. Garris made a motion to approve Resolution 958-25 seconded by B. Gendler. 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. Dyken, seconded by B. Gendler. The meeting adjourned at 2:41 p.m.

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CHAIRMAN

ATTEST: _____

SECRETARY