

Saint Johns County Airport Authority

Budget Meeting Agenda

Northeast Florida Regional Airport (UST/KSGJ)

Airport Conference Center, Monday , October 13, 2025, 5:00 pm

First Public Hearing

FY 2025-26 Budget

October 13, 2025

- Opening Remarks
- Millage
 - o Discussion of Millage Rate by Authority
 - o Public Comment
 - o Tentative Adoption - Resolution 2025-02
- Budget
 - o Proposed Budget - Staff
 - o Discussion
 - o Public Comment
 - o Tentative Adoption - Resolution 2025-03
- Comments
- Final Budget Hearing:
 - o TBD
- Adjournment

BRIEFING MEMO

[St. Augustine Airport Memo No. 2025-0012]

To: Board of Directors

From: Courtney K. Pittman, Interim Executive Director

Date: 10/03/2025

Subject: 2025-2026 Budget

I. Purpose

To provide the Board with an overview of the proposed **Tentative Ad Valorem Tax Levy** and **Tentative Budget for Fiscal Year 2025-2026**, and to seek Board input and approval to advance these items in compliance with statutory requirements.

II. Background

Pursuant to Florida Statutes Chapter 200 (Truth in Millage – TRIM), the Authority must adopt a tentative millage rate and tentative budget during the first public hearing of the new fiscal year. These actions establish the financial foundation for operations, capital improvements, and compliance with State and Federal regulations.

In prior fiscal years, the Board has consistently adopted both the tentative millage and tentative budget in alignment with TRIM procedures, followed by a final adoption at a subsequent public hearing. This year's proposed actions continue that practice, ensuring transparency, accountability, and compliance with statutory deadlines.

III. Current Situation

- **Tentative Ad Valorem Taxes:** The proposed millage rate maintains the Authority's ability to fund essential operations while balancing taxpayer impact.
- **Tentative Budget (FY 2025-2026):** The budget includes projected revenues, expenditures, and capital allocations necessary to sustain airport operations, safety compliance (FAA Part 139), debt obligations, and economic development initiatives.

Challenges include rising operational costs, inflationary pressures on capital projects, and the need to maintain reserves while funding strategic initiatives such as the Eastside Development Policy and new T-Hangar construction.

VII. Attachments

- Draft Resolution: Tentative Levying of Ad Valorem Taxes, FY 2025-2026
- Draft Resolution: Tentative Budget, FY 2025-2026
- Proposed Budget, FY 2025-2026

ST. JOHNS COUNTY AIRPORT AUTHORITY

RESOLUTION 2025-02

A RESOLUTION OF THE ST. JOHNS COUNTY AIRPORT AUTHORITY OF ST. JOHNS COUNTY, FLORIDA, ADOPTING THE TENTATIVE LEVYING OF AD VALOREM TAXES FOR FISCAL YEAR 2024-2025; PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the St. Johns County Airport Authority of St. Johns County, Florida, on Oct 13, 2025, adopted for Fiscal Year 2025-2026 a Tentative Millage Rate following a public hearing as required by Florida Statute 200.065; and

WHEREAS, the St. Johns County Airport Authority proposed a millage rate of 0.0000 and said rate does not exceed the rolled back rate.

NOW, THEREFORE, BE IT RESOLVED by the St. Johns County Airport Authority of St. Johns County, Florida, that the Fiscal Year 2025-2025 operating tentative millage rate is 0.0000 mills which does not exceed the rolled back rate.

THIS RESOLUTION shall take effect immediately upon its adoption. **DULY**

ADOPTED at a public hearing this 13th day of October 2025.

ST. JOHNS COUNTY AIRPORT AUTHORITY

By: _____
Chairman

ATTEST:

Secretary/Treasurer

ST. JOHNS COUNTY AIRPORT
AUTHORITY RESOLUTION 2025-03

A RESOLUTION OF THE ST. JOHNS COUNTY AIRPORT AUTHORITY OF ST. JOHNS COUNTY, FLORIDA, ADOPTING THE TENTATIVE BUDGET FOR FISCAL YEAR 2025-2026 PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the St. Johns County Airport Authority of St. Johns County, Florida, on October 13, 2025, adopted for Fiscal Year 2025-2026 a Tentative Budget following a public hearing as required by Florida Statute 200.065; and

WHEREAS, the St. Johns County Airport Authority has prepared a budget for the Fiscal Year 2025-2026; and

WHEREAS, the St. Johns County Airport Authority adopted a tentative millage rate prior to adopting this Resolution.

NOW, THEREFORE, BE IT RESOLVED by the St. Johns County Airport Authority of St. Johns County, Florida, that:

1. The annual budget estimates of revenues and expenditures of the St. Johns County Airport Authority for the fiscal year 2025-2026, as considered and acted upon, under and by the authority of the Laws of Florida, are hereby ratified, approved and tentatively adopted, and the amounts of money set forth therein are hereby appropriated.
2. The annual budget of revenues and expenditures tentatively adopted for the ensuing fiscal year 2025-2026 shall be attached to the minutes of this meeting.

THIS RESOLUTION shall take effect immediately upon its adoption. **DULY**

ADOPTED at a public hearing this 13th day of October 2025.

ST. JOHNS COUNTY AIRPORT AUTHORITY

By: _____
Chairman

ATTEST:

Secretary/Treasurer

FY 2025–2026 Budget Reader's Guide

A concise companion to the proposed budget to orient Board members to the major drivers, assumptions, and requested actions.

Executive Summary

- The proposed FY 2025–2026 budget is balanced while protecting safety, compliance, and service levels.
- Repairs & Maintenance are fully funded; discretionary lines are right-sized.
- Operating health will be monitored using Operating Income before Depreciation and cash metrics.

What's Different This Year (at a glance)

- Personnel & Benefits: right-sizing for 24/7 Part 139 coverage; temp/contract roles internalized.
- Professional Services: normalization from last year's extraordinary legal posture; consolidated scope with spend caps.
- Professional Development: targeted up-skilling for safety, regulatory, and governance readiness (AAAE/FAA/FDOT).
- Insurance: premium growth consistent with market hardening and asset profile updates after competitive marketing.
- Government Fees & Assessments: reflects regulatory activity and published tariffs.
- Fuel: conservative revenue assumptions during temporary tank constraint; margins protected via aligned COGS.
- Office/Other: paperless workflows adopted; supplies/furniture stabilized at steady-state par levels; no large one-time purchases budgeted.

Revenue Highlights

- Leases & CPI: CPI uplifts applied per agreements; modest organic growth from existing tenants.
- T-hangars: potential adoption of appraisal-based rates improves annualized revenue; Note: figures include revenue from 19 t-hangars coming available in November—FY26 will reflect the full annualization.
- Operating Agreements: incremental growth as agreements are benchmarked and updated.
- Grants: broader grant timing remains conservatively budgeted.
- Fuel: volume assumptions reflect capacity constraints; pricing/margins managed to protect contribution while replacement project proceeds.

Expense Highlights

- **Personnel & Benefits:** staffing model ensures continuity, safety, and audit readiness; offsets prior use of temps/contractors.
- **Professional Services:** material step-down from last year's actuals; matters scheduled to close; spend caps in place.
- **Professional Development:** compliance-critical with lean travel; governance training included.
- **Insurance:** limits/deductibles optimized to protect the rate base while ensuring appropriate coverage.
- **Government Fees & Assessments:** agency fees and permits..
- **Access Badges:** cost recovery via issuance/replacement fees where applicable; quarterly audits and timely deactivation controls.
- **Office & Other Fees:** paperless adoption, stable par levels, switching to receiving ACH's and checks, and fee reduction reflects fewer credit card payments from tenants.

Risks & Mitigations

- **Fuel capacity timing:** project schedule risk mitigated by conservative volume modeling and margin management.
- **Grant timing:** conservative recognition; monthly milestone tracking; contingency messaging prepared.
- **Rent implementation:** targeted communication and phased adoption mechanics to reduce rate-shock risk; monitoring of collections and attrition.
- **Insurance markets:** annual marketing and deductible strategy to mitigate premium volatility.

Implementation & Reporting Cadence

- Upon approval: load the adopted budget, issue notices for t-hangar rate alignment.
- Provide the Board with quarterly updates on: (i) Operating Income before Depreciation, (ii) rent implementation status, (iii) fuel capacity timeline, (iv) grant milestones.
- Maintain a concise variance schedule (>\$50k or >10%) with one-line rationales to ensure transparent oversight.

Board FAQs (Selected)

1. Why is Personnel & Benefits higher?

We internalized critical functions to ensure 24/7 compliance and operational continuity; filling vacated positions, improving continuity and reducing risk.

2. Operating Income before Depreciation fell—does that indicate weakness?

Not necessarily. It reflects conservative fuel assumptions during a capacity constraint and a full-cost staffing model; depreciation is non-cash. Performance will be managed to pre-depreciation cash metrics.

3. What about T-hangar revenue growth?

Proposed appraisal and +5% aligns to market and funds maintenance sustainability. Note that the 19 t-hangars coming on-line in November are included in the current-year figures; FY26 will show full annualization.

4. Why are Access Badge costs visible?

They capture credentialing, background checks, training, licensing, renewals, and audit compliance—central to airside security. Direct costs are offset, where applicable, by issuance/replacement

fees.

5. *Office/Other reduced—what changed?*

We adopted paperless workflows and stabilized supplies/furniture at steady-state par levels; no large one-time purchases are budgeted.

Requested Actions

- Approve the FY 2025–2026 budget as presented.



St. Augustine St. Johns County Airport Authority
Proposed Budget
Fiscal Year 2025/2026

	Actual 06/2025 YTD	Projected FY 24/25	Budgeted FY 24/25	Proposed Budget FY 25/26
OPERATING REVENUE				
Fuel Service Revenue	\$ 913,485	\$ 1,217,981	\$ 1,490,260	\$ 1,192,981
Lease Revenue	3,108,977	3,925,867	4,260,921	4,339,641
Operating Agreements	238,446	317,928	299,800	317,928
TOTAL OPERATING REVENUE	\$ 4,260,909	\$ 5,461,775	\$ 6,050,981	\$ 5,850,550
COST OF GOODS SOLD				
Avgas 100 LL Cost	\$ 525,296	\$ 700,394	\$ 932,250	\$ 675,394
TOTAL COST OF GOODS SOLD	\$ 525,296	\$ 700,394	\$ 932,250	\$ 675,394
OPERATING EXPENSE				
Personnel & Benefits	\$ 1,147,893	\$ 1,615,359	\$ 1,421,226	\$ 1,991,918
Payroll Processing Fees	8,301	11,068	10,200	10,800
Contract/Temp Labor	114,204	114,204	-	-
Professional Services	584,072	1,162,557	433,500	700,600
Airline Operations	2,453	3,270	-	3,000
Gifts, Meals & Entertainment	6,487	8,422	9,478	7,950
Travel and Per Diem	1,635	2,180	6,000	10,000
Technology	97,279	129,705	79,380	60,700
Utility Services	175,027	233,369	202,925	234,500
Equipment Leases	2,889	3,851	3,000	3,000
Insurance	295,629	394,172	382,163	464,225
Repairs & Maintenance	197,460	263,280	302,500	320,300
Outside Communications	2,527	3,369	7,400	7,000
Government Fees & Assessments	226,467	301,956	262,988	315,200
Other Fees & Assessments	33,340	44,453	46,600	18,600
Office Expense	14,685	19,580	25,850	12,300
Operating Expense	128,205	170,941	171,900	154,000
Publications & Memberships	9,803	13,071	11,000	13,500
Professional Development	26,114	34,819	8,200	29,000
Reconciliation Discrepancies	-	-	-	-
TOTAL OPERATING EXPENSE	\$ 3,074,469	\$ 4,529,626	\$ 3,384,310	\$ 4,356,593
Total Operating Income before Depreciation Expense	\$ 661,144	\$ 231,755	\$ 1,734,421	\$ 818,563
Depreciation Expense	3,833,939	5,111,919	5,200,000	5,200,000
Net Operating Profit/(Loss)	(3,172,796)	(4,880,164)	(3,465,579)	(4,381,437)
Non Operating Revenue/(Expense):				
Investment/Interest Income	\$ 133,265	\$ 177,686	\$ 118,900	\$ 177,300
Reimbursed Expense	25,298	33,731	31,600	33,600
Insurance Claim Payments	45,000	45,000	-	-
Other	20,425	27,233	2,855	1,760
TOTAL NON-OPERATING REVENUE/(EXPENSE)	\$ 223,988	\$ 283,650	\$ 153,355	\$ 212,660
Net Profit/(Loss) Before Grant Income	\$ (2,948,808)	\$ (4,596,514)	\$ (3,312,224)	\$ (4,168,777)
Grant Contributions:				
Federal Grant Revenue	\$ 750,703	\$ 1,000,937	\$ 3,284,465	\$ 669,253
State Grant Revenue	600,497	800,663	2,643,949	3,627,775
Total Grant Contributions	\$ 1,351,200	\$ 1,801,601	\$ 5,928,414	\$ 4,297,028
Change in Net Position	\$ (1,597,608)	\$ (2,794,913)	\$ 2,616,189	\$ 128,251

IV. Options / Considerations

- **Option 1: Adopt Both Tentative Millage and Budget**
 - *Pros:* Meets statutory TRIM requirements, maintains operational continuity, demonstrates fiscal responsibility, positions the Authority for FDOT/FAA grant matches.
 - *Cons:* Commits to a budgetary framework that may require adjustments at final adoption.
 - **Option 2: Adopt Tentative Millage, Defer Tentative Budget**
 - *Pros:* Provides additional time to refine budget projections.
 - *Cons:* Risks noncompliance with statutory deadlines and undermines public confidence.
 - **Option 3: Defer Both Items**
 - *Pros:* Allows for extended analysis and stakeholder feedback.
 - *Cons:* Noncompliance with Florida TRIM requirements, restricted spending authority, and reputational risk.
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V. Staff Recommendation

Staff recommends adoption of **both the tentative millage levy and the tentative budget for FY 2025-2026** at this time.

Rationale: This approach ensures compliance with TRIM requirements, maintains financial stability, and supports strategic projects that enhance airport operations and economic development.

Adopting Resolution: Draft resolutions for the adoption of the tentative millage levy and tentative budget will be presented for Board approval at the scheduled public hearing.

VI. Next Steps

- Conduct first public hearing and vote on adoption of tentative millage and tentative budget.
- File resolutions with the appropriate County and State authorities.
- Prepare for the final adoption hearing (scheduled in accordance with TRIM timelines).
- Communicate outcomes to stakeholders and update financial tracking systems accordingly.