ST. JOHNS COUNTY AIRPORT AUTHORITY

St. Augustine Airport

A G E N D A

Regular Board Meeting





Wednesday, October 21, 2026

8:00 AM

Airport Conference Center

St. Augustine Airport (UST / KSGJ)

Info@SGJ-Airport.com · www.sa-airport.com

St. Johns County Airport Authority

Board Meeting Agenda

St. Augustine Airport (UST/KSGJ)

Airport Conference Center, Wednesday, October 21, 2026, 8:00 AM

- **Call to Order**
- **Pledge of Allegiance**
- **Roll Call**
- **Minutes Approval**
  - September 9, 2026 - Board Meeting
- **Agenda Approval**
- **Business Partner Updates**
- **Public Comments – General**
  - Three minutes per speaker at the discretion of the Chair
  - Address matters that reasonably may need the attention of the Authority
  - No personal, impertinent, or slanderous remarks or boisterous behavior
  - Address Authority as a body, not individual members or staff
  - Refrain from making a demand for an immediate response from the Authority

St. Johns County Airport Authority

Board Meeting Agenda
St. Augustine Airport (UST/KSGJ)

Airport Conference Center, Wednesday, October 21, 2026, 8:00 AM

Agenda Items:

- **Unfinished Business**
    - Self-Serve Fuel Grant – FDOT
    - Self-Serve Contract
    - Executive Director FY 2026/27 Incentive Bonus Goals
    - Staff Performance Bonus Program

- **Staff Reports**
    - Mr. Courtney Pittman, Executive Director
        - Director of Operations – Introduction
        - Financial Report
        - Airport Projects Update
        - Hangar Update
    - Mr. Chris Walker, General Counsel/ Mr. Jeffrey Kempf, Deputy General Counsel
    - Mr. Chad Roberts, Aviation Counsel

St. Johns County Airport Authority
Board Meeting Agenda
St. Augustine Airport (UST/KSGJ)

Airport Conference Center, Wednesday, October 21, 2026, 8:00 AM

- **Board Member Comments and Reports**
    - Mr. Nick Primrose, Chairman
    - Mr. Mario Dipola, Vice Chair
    - Ms. Michelle Cash-Chapman, Secretary/Treasurer
    - Mr. Jerry Dedge
    - Mr. Daniel Bean
- **Next meetings**
- **Adjournment**

ST. AUGUSTINE AIRPORT

Briefing Memorandum

To: Board of Directors
From: Courtney Pittman, Executive Director
Date: October 14, 2026
Subject: Self-Serve Fuel Farm Replacement — Award of Contract to KC Petroleum and Authorization to Execute

I. Purpose

This briefing requests the Board's approval to award the Self-Serve Fuel Farm Improvements installation contract to KC Petroleum, the lowest responsive and responsible bidder at $140,302, to approve a total installation-phase budget of $200,000, and to authorize the Executive Director to execute the contract.

This is the second and final bid for the project: the Board awarded the two tanks on August 12, 2026, and this contract installs them. The bid exceeds the Executive Director's $35,000 spending authority.

Supplemental information to follow. Bids were opened October 13, 2026 and the site visit was held October 14. Passero's written bid tabulation and recommendation of award will be delivered October 16, 2026 and circulated before the meeting. If Passero's review adjusts the contract amount, the revised figure will be provided in the supplement; it remains within the $200,000 phase budget requested here.

II. Background

The project replaces the Airport's aging self-serve fueling system with two new 12,000-gallon Avgas (100LL) tank systems. It is funded under FDOT Public Transportation Grant Agreement G2T25 (Financial Project No. 438047-1-94-24) at 80 percent FDOT and 20 percent local. By Resolution 2025-11, adopted November 10, 2025, the Board approved the design and bid phase, and Passero Associates prepared the design and bid documents.

On August 12, 2026, the Board awarded the fuel system equipment contract to Fuel Tech, Inc. in the amount of $472,530.04 for the two tank systems. That award did not include delivery, installation, electrical work, site improvements, or construction administration. The contract now before the Board covers that work and the decommissioning of the existing system.

III. Bid Results

Three bids were opened on October 13, 2026. KC Petroleum submitted the lowest bid. Passero has reviewed the bids and stated that KC Petroleum met all requirements of the bid documents.

Bidder	Bid amount
KC Petroleum	$140,302.00
JF Acquisition, LLC	$205,955.50
MDM Services, Inc.	$775,716.00

IV. October 14, 2026 Site Visit

On October 14, 2026, Passero and Airport Authority staff walked the project site with KC Petroleum. The contractor reviewed the scope, site conditions, airfield access requirements, permitting, and schedule, and confirmed its understanding of the work. KC Petroleum stated it can begin work within three weeks of Board authorization.

V. Project Cost

Staff estimates the total cost of this installation phase at approximately $200,000.

Cost component	Amount
Installation contract — KC Petroleum	$140,302
Change order allowance	$50,000
Construction administration and inspection — Passero	$9,698
Total estimated cost, installation phase	**$200,000**

The change order allowance covers conditions encountered during construction, including subsurface conditions and decommissioning of the existing system; any change above the $200,000 budget will be returned to the Board. The Authority's local share is funded from the FY2027 capital budget.

VI. Next Steps

1. Board awards the contract to KC Petroleum.
2. Executive Director executes the contract and issues notice to proceed.

VII. Recommendation

Staff recommends that the Board award the Self-Serve Fuel Farm Improvements installation contract to KC Petroleum in the amount of $140,302, as confirmed by Passero's recommendation of award, approve a total installation-phase budget of $200,000, and authorize the Executive Director to execute the contract and approve change orders within that budget.

Suggested motion: "I move that the Board award the Self-Serve Fuel Farm Improvements installation contract to KC Petroleum, the lowest responsive and responsible bidder, in the amount of $140,302 as confirmed by the engineer's recommendation of award; approve a total installation-phase budget of $200,000; and authorize the Executive Director to execute the contract and approve change orders within that budget."

ST. AUGUSTINE AIRPORT

St. Johns County Airport Authority

Briefing Memorandum

To: Board of Directors
From: Courtney Pittman, Executive Director
Date: October 21, 2026
Subject: Executive Director FY 2026/27 Incentive Bonus Goals – Adoption Required under Section 5(c) of the Executive Employment Agreement

I. Purpose

This briefing asks the Board to adopt the Executive Director's Incentive Bonus goals for fiscal year 2026/27 (October 1, 2026 – September 30, 2027), as required by Section 5(c) of the Executive Employment Agreement effective July 16, 2026 (the "Agreement"), and to approve one change to the financial goals so that they are consistent with the operating budget the Board adopted on September 15, 2026.

II. Background

Section 5(c)(i) of the Agreement makes the Executive Director eligible, beginning in FY 2026/27, for an annual Incentive Bonus of up to 20% of Base Salary based on parameters, objectives, and target thresholds "to be determined from time to time by the Board." Section 5(c)(ii) provides that the Board "shall establish the applicable Incentive Bonus objectives, parameters, targets, and/or target thresholds prior to the beginning of the relevant fiscal year," and that determinations are made "based on audited financial results and other relevant information." Exhibit A to the Agreement is a model of the goals, marked "for illustration purposes only."

The Board has not yet adopted goals for FY 2026/27, which began on October 1, 2026. This item brings the Board into compliance with Section 5(c). The Agreement itself, approved by the Board on July 16, 2026, is the written policy under which the bonus is payable for purposes of section 215.425, Florida Statutes; adoption of the FY 2026/27 targets completes that framework for the current year.

III. Proposed Goals

Attachment A sets out the proposed FY 2026/27 goals. They are the Exhibit A model goals, with the fiscal year filled in and one substantive change, described in Section IV. The weighting is unchanged: Financial Performance 40%, Strategic Growth and Development 25%, Safety, Compliance and Training 25%, and Leadership and Tenant Relations 10%. Each goal is scored independently; the Executive Director earns the weighted share for each goal achieved.

IV. Change to Goal 1(1) – Operational Efficiency

Exhibit A Goal 1(1) requires that operating expenses (excluding depreciation) as a percentage of operating revenue be at or below the prior fiscal year. The budget the Board adopted on September 15, 2026 is inconsistent with that target:

	FY 2025/26 Year-End Forecast	FY 2026/27 Adopted Budget
Total operating revenues	$5,745,273	$6,000,513
Total operating expenses (before depreciation)	$4,374,291	$4,750,558
Expenses as a percentage of revenue	**76.1%**	**79.2%**
Year-over-year growth		Revenue +4.4%; expenses +8.6%

To meet the ratio at budgeted revenue, actual expenses would have to come in approximately $182,000 (3.8%) under the budget the Board adopted. The budgeted growth in expenses reflects decisions the Board has already made: the 3% cost-of-living adjustment, the second Staff Accountant position, and increased professional services for the engineering, planning, and advanced air mobility contracts. A goal that the adopted budget already fails is not a useful incentive.

The proposed replacement measures the same thing — financial discipline — against the standard the Board itself set:

Current 1(1)	Operational Efficiency: Expenses (excluding depreciation) as a percent of revenue must be less than or equal to the prior fiscal year.
Proposed 1(1)	Expense Control: Actual Total Operating Expenses for FY 2026/27 (excluding depreciation and cost of fuel sold) at or below the adopted FY 2026/27 budget of $4,750,558, as amended by the Board.

The weighting (10%) and the remaining three financial targets — revenue to budget, cost of goods sold, and the 10% revenue stretch — are unchanged, so the Executive Director still carries the revenue risk on 30% of the financial goal.

V. Other Items for the Board's Attention

Goal 4(1), Tenant Satisfaction. Attachment A defines "satisfactory/high average rating" as an average of 4.0 or higher on a 5-point scale with a minimum 40% response rate, so that the result is objectively determinable.

Timing. The Agreement required adoption before October 1. Counsel has been asked to confirm that adoption at this meeting, applying to the full fiscal year, is consistent with Section 5(c) and with section 215.425, Florida Statutes. The Agreement's prior Board approval and its "from time to time" language support that conclusion.

Determination. Under Section 5(c)(ii) and (iii), the Board determines achievement after the fiscal year based on audited financial results and pays any bonus by the end of the first quarter of FY 2027/28 (December 31, 2027). Attachment A includes the acknowledgment block from the Agreement's Exhibit A for execution upon adoption.

VI. Requested Action

Staff requests that the Board adopt Resolution 2026-20 (Attachment B) establishing the Executive Director's FY 2026/27 Incentive Bonus goals as set out in Attachment A, including the revised Goal 1(1), and authorizing the Chair to execute Attachment A on behalf of the Authority.

Attachments:

A – Executive Director Annual Incentive Bonus Goals, Fiscal Year 2026/27 (Exhibit A form)
B – Draft Resolution 2026-20

ST. AUGUSTINE AIRPORT

St. Johns County Airport Authority

ATTACHMENT A
EXHIBIT A **Fiscal Year 2026/27**

St. Augustine Airport
Executive Director Annual Incentive Bonus Goals

(These goals shall be reviewed after the end of the fiscal year to which they relate. Goals may be amended annually during the review process for any applicable fiscal year. Adopted by the Board under Section 5(c) of the Executive Employment Agreement effective July 16, 2026.)

Potential Performance Compensation (Percent/Salary)			
Base Salary	Fiscal Year	Percentage	Target Amount
$200,000.00	Oct. 1, 2026 – Sept. 30, 2027	20%	$40,000.00

GOAL 1: Financial Performance – (40%)			
Improve the St. Augustine Airport's financial health.			
Target:	**Final Results:**	**Weighted:**	**Potential Compensation:**
1) **Expense Control:** Actual Total Operating Expenses for FY 2026/27 (excluding depreciation and cost of fuel sold) at or below the adopted FY 2026/27 budget of $4,750,558, as amended by the Board.		**10%**	$4,000
2) **Revenue Increase:** Meet or exceed the budgeted total operating revenue ($6,000,513).		**10%**	$4,000
3) **Cost of Goods Sold:** Exceed the budgeted total cost of goods sold ($509,601).		**10%**	$4,000
4) **Revenue Stretch Goal:** Exceed budgeted total operating revenue by 10% ($6,600,564).		**10%**	$4,000

ST. AUGUSTINE AIRPORT

St. Johns County Airport Authority

EXHIBIT A **Fiscal Year 2026/27**

GOAL 2: Strategic Growth & Development – (25%)			
Execute on strategic growth initiatives, new tenants or lease agreements, and infrastructure improvements.			
Target:	**Final Results:**	**Weighted:**	**Potential Compensation:**
1) **New Commercial Tenant Leases:** Execute 3 new revenue-generating commercial tenant leases, excluding T-Hangars (e.g., corporate hangars, MRO/aerospace, FBO).		**8.75%**	$3,500
2) **Infrastructure Development:** Substantially advance or complete key infrastructure projects that are currently in progress, including Hawkeye View Lane/Eastside expansion, GA Taxiway Foxtrot, and T-Hangar maintenance/repairs.		**5%**	$2,000
3) **Operational Enhancement:** Execute initiatives that directly contribute to an increase in flight operations and based aircraft activity year-over-year.		**5%**	$2,000
4) **Land Acquisition:** Secure the necessary parcels for the South GA expansion (ex. executed purchase-sale agreement or effectuate closing).		**3.75%**	$1,500
5) **AAM Development:** Substantially advance or complete an AAM plan for the airport.		**2.5%**	$1,000

ST. AUGUSTINE AIRPORT

St. Johns County Airport Authority

EXHIBIT A **Fiscal Year 2026/27**

GOAL 3: Safety, Compliance and Training – (25%)			
Maintain the St. Augustine Airport's status as a safe environment in compliance with regulations, and develop trained staff.			
Target:	**Final Results:**	**Weighted:**	**Potential Compensation:**
1) **Part 139:** Maintain Part 139 certification with no major discrepancies on the annual FAA inspection.		**12.5%**	$5,000
2) **Wildlife Hazard Management:** Zero significant wildlife strikes or conduct successful mitigation actions.		**5%**	$2,000
3) **Emergency Preparedness:** Conduct at least one full-scale emergency exercise and one table-top exercise annually, with documented after-action improvements.		**5%**	$2,000
4) **Professional Development:** 100% of staff shall participate in demonstrable professional development or cross-training opportunities directly related to improving their contributions to the airport operations.		**2.5%**	$1,000

ST. AUGUSTINE AIRPORT

St. Johns County Airport Authority

EXHIBIT A **Fiscal Year 2026/27**

GOAL 4: Leadership & Tenant Relations – (10%)			
Maintain strong leadership, improve tenant and stakeholder relationships, and external engagement.			
Target:	**Final Results:**	**Weighted:**	**Potential Compensation:**
1) **Tenant Satisfaction:** Achieve a satisfactory/high average rating on an annual tenant survey (conducted internally) on qualitative metrics, including, but not limited to: accessibility, transparency, communication, fairness in decisions, and overall satisfaction. "Satisfactory/high" means an average of 4.0 or higher on a 5-point scale with a minimum 40% response rate.		**5%**	$2,000
2) **External/User Satisfaction:** Achieve a satisfactory/high average rating on an annual external/user survey based on the following question: "How would you rate the St. Augustine Airport's level of customer service and external involvement?" "Satisfactory/high" means an average of 4.0 or higher on a 5-point scale.		**5%**	$2,000

Acknowledged by:

_____ Date: _____

Courtney K. Pittman

St. Johns County Airport Authority

By: _____ Date: _____

Name: Nick Primrose

Title: Chair, Board of Directors

ST. AUGUSTINE AIRPORT

St. Johns County Airport Authority

ATTACHMENT B – DRAFT

RESOLUTION NO. 2026-20

A RESOLUTION OF THE ST. JOHNS COUNTY AIRPORT AUTHORITY ESTABLISHING THE EXECUTIVE DIRECTOR'S ANNUAL INCENTIVE BONUS OBJECTIVES, PARAMETERS, TARGETS, AND TARGET THRESHOLDS FOR FISCAL YEAR 2026/27 (OCTOBER 1, 2026 – SEPTEMBER 30, 2027) PURSUANT TO SECTION 5(c) OF THE EXECUTIVE EMPLOYMENT AGREEMENT; AUTHORIZING EXECUTION; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the St. Johns County Airport Authority (the "Authority") and Courtney K. Pittman (the "Executive") are parties to an Executive Employment Agreement effective July 16, 2026, approved by the Board of Directors (the "Agreement"); and

WHEREAS, Section 5(c) of the Agreement provides that the Executive is eligible, beginning in fiscal year 2026/27, for an annual Incentive Bonus of up to twenty percent (20%) of Base Salary upon achievement of objectives, parameters, targets, and target thresholds established by the Board, and directs the Board to establish them prior to the beginning of the relevant fiscal year and to communicate them to the Executive; and

WHEREAS, Exhibit A to the Agreement sets out a model of such goals for illustration purposes, and the Board wishes to adopt goals for fiscal year 2026/27 in that form, with the financial efficiency measure restated to reference the operating budget adopted by the Board on September 15, 2026; and

WHEREAS, the Agreement is a written policy approved by the Board before the beginning of fiscal year 2026/27 under which the Incentive Bonus is payable, consistent with section 215.425, Florida Statutes;

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

Section 1. The foregoing recitals are true and correct and are incorporated herein.

Section 2. The Executive Director Annual Incentive Bonus Goals for Fiscal Year 2026/27 attached hereto as Exhibit 1 (Attachment A to the October 21, 2026 briefing memorandum) are adopted as the objectives, parameters, targets, and target thresholds for fiscal year 2026/27 under Section 5(c) of the Agreement, and shall apply to the full fiscal year October 1, 2026 through September 30, 2027.

Section 3. The Chair is authorized to execute Exhibit 1 on behalf of the Authority, and the Executive Director is directed to acknowledge it, which shall constitute the Board's communication of the goals to the Executive under Section 5(c)(ii) of the Agreement.

Section 4. Following the conclusion of fiscal year 2026/27, the Board shall determine, in accordance with Section 5(c)(ii) and (iii) of the Agreement and based on audited financial results and other relevant information, whether and to what extent the goals have been met, and any Incentive Bonus so determined shall be paid on or before December 31, 2027.

Section 5. Nothing in this Resolution amends the Agreement. In the event of any conflict between this Resolution or Exhibit 1 and the Agreement, the Agreement controls.

Section 6. This Resolution shall take effect immediately upon adoption.

PASSED AND ADOPTED by the Board of Directors of the St. Johns County Airport Authority this 21st day of October, 2026.

ST. JOHNS COUNTY AIRPORT AUTHORITY

By: _____
Nick Primrose, Chair, Board of Directors

ATTEST: _____
Michelle Cash-Chapman, Secretary/Treasurer

Approved as to form and legality: _____
General Counsel

ST. AUGUSTINE AIRPORT

St. Johns County Airport Authority

Briefing Memorandum

To: Board of Directors
From: Courtney Pittman, Executive Director
Date: October 21, 2026
Subject: Staff Performance Bonus Program – FY 2026/27 – Request for Board Approval

I. Purpose

This briefing requests Board approval of a Staff Performance Bonus Program (the "Program") for fiscal year 2026/27 (October 1, 2026 – September 30, 2027) and adoption of the implementing policy attached as Attachment A. The Program would make every Authority employee other than the Executive Director eligible for a one-time bonus equal to five percent (5%) of base salary if the Authority meets three organization-wide performance goals and the employee meets individual performance and training standards.

II. Background

The Executive Director's Employment Agreement (effective July 16, 2026) ties the Executive Director's annual incentive bonus to financial, operating, safety, and development goals set by the Board (Section 5(c) and Exhibit A). Those goals are only achievable through the work of the Authority's staff, yet no comparable incentive exists for staff. The Program closes that gap by selecting three of the Exhibit A measures that staff directly influence and making them shared, all-or-nothing goals for the entire organization, and by requiring each employee to earn the bonus individually through an above-average evaluation and completion of all required training.

Aligning staff incentives with the Executive Director's goals gives every employee a stake in the same outcomes the Board has already identified as priorities: financial discipline, tenant satisfaction, and Part 139 compliance. Tenant satisfaction is included deliberately: every employee, from the receptionist to the line crew, shapes how tenants experience the airport, and it is the one goal the whole staff can influence directly.

III. Program Summary

Element	Program Design
Eligible employees	All regular full-time and part-time employees (17). The Executive Director is excluded; his incentive compensation is governed exclusively by his Employment Agreement.
Bonus amount	5% of the employee's annual base salary in effect on September 30, 2027, paid as a one-time lump sum. The bonus does not increase base pay and carries no guarantee of payment in any future year.
Organization-wide goals	Three goals drawn from Exhibit A of the Executive Director's Employment Agreement. All three must be met; there is no partial payout. • Expense Control – total operating expenses (excluding depreciation and the bonus accrual itself) at or below the adopted FY 2026/27 budget of $4,750,558. • Tenant Satisfaction – average rating of 4.0 or higher (5-point scale) on the annual internal tenant survey. • Part 139 Compliance – Airport Operating Certificate maintained with no major discrepancy on the annual FAA certification inspection.
Individual requirements	Each employee must individually: (1) receive an overall rating of "Exceeds Expectations" or higher on the FY 2026/27 annual performance evaluation — "Meets Expectations" does not qualify; (2) complete all training required for the position during the evaluation period; (3) have no formal disciplinary action (written reprimand, suspension, or demotion) during the evaluation period; and (4) be actively employed on the payment date. Employees hired after the start of the evaluation period receive a prorated bonus if employed at least six months.
Determination	The Executive Director certifies results on the Attachment B scorecard after fiscal year-end financial results are available. The Board determines by motion at a public meeting whether the organization-wide goals were met before any payment is made; the minutes are the record of that determination.
Payment	Single payroll payment in December following the fiscal year, on the same timeline as the Executive Director's incentive bonus (end of the first quarter of the following fiscal year), after Board confirmation and less required withholdings. Treated as supplemental wages for federal tax purposes and as a "bonus" (not FRS-reportable compensation) under s. 121.021(47), F.S.

IV. Legal and Regulatory Framework

The Program has been structured to satisfy each requirement below. Counsel review of the final policy and resolution is recommended before adoption.

Requirement	Source	How the Program Complies
No extra compensation after services are rendered	s. 215.425(1), F.S.	The Program is adopted by Board resolution before the evaluation period on which the bonus is based. The bonus is earned only for performance during that period.
Bonus must be based on work performance	s. 215.425(3)(a), F.S.	Payment requires achievement of measurable organizational goals and an individual performance evaluation of "Exceeds Expectations" or higher.
Policy must describe performance standards and the evaluation process	s. 215.425(3)(b), F.S.	Attachment A (Policy) and Attachment B (Goals and Scorecard) define each goal, its data source, the measurement method, and the certification process.
All employees must be notified before the evaluation period begins	s. 215.425(3)(c), F.S.	Each employee receives the policy and goals and signs the Attachment C acknowledgment by October 30, 2026, before the November 1 start of the evaluation period.
All employees must be considered for the bonus	s. 215.425(3)(d), F.S.	Every employee is eligible and evaluated, including part-time and mid-year hires (prorated). The Executive Director is considered separately under his Employment Agreement.
No confidentiality restrictions on compensation agreements	s. 215.425(5), F.S.	The policy contains no nondisclosure terms; all Program records are public records.
Board authority over compensation and budget	Ch. 2002-347, Laws of Fla.; s. 189.016, F.S.	Adopted by the Board at a noticed public meeting. Payment falls in FY 2027/28, so the maximum payout is appropriated in the FY 2027/28 budget adopted in September 2027; no amendment to the FY 2026/27 budget is required. The Controller accrues the liability at September 30, 2027 if the goals are met.
Open meetings and public records	s. 286.011 and Ch. 119, F.S.	Policy adoption and the Board's confirmation of results occur at public meetings. Scorecards, certifications, and acknowledgments are retained as public records.

Requirement	Source	How the Program Complies
Retirement treatment of bonuses	s. 121.021(47), F.S.	A one-time lump-sum payment that does not increase base pay and carries no guarantee of future payment is a "bonus" and is not reported to FRS or subject to retirement contributions. Confirmed by the Financial Controller.
Federal tax withholding	26 C.F.R. s. 31.3402(g)-1	Paid as supplemental wages; subject to FICA and the flat or aggregate federal withholding method.
Use of airport revenue	49 U.S.C. s. 47107(b); FAA Revenue Use Policy; Grant Assurance 25	Reasonable employee compensation is a permissible airport operating cost. A 5% bonus is modest and in line with public-sector practice.

V. Fiscal Impact

The Financial Controller has confirmed total annual base salaries of $1,255,374 for the 17 eligible employees (excluding the Executive Director).

Line	Calculation	Amount
Eligible base payroll – 17 employees (Controller, Oct. 2026)		$1,255,374
Bonus pool at 100% achievement	× 5%	$62,769
Employer FICA (Social Security and Medicare)	× 7.65%	$4,802
FRS employer contribution	n/a – bonus excluded	$0
Maximum total cost		**$67,571**
As a share of FY 2026/27 budgeted operating revenue	$67,571 ÷ $6,000,513	1.13%
As a share of the FY 2026/27 Personnel & Benefits budget	$67,571 ÷ $2,144,365	3.15%

The figures above assume every eligible employee qualifies. Because the individual standard is "Exceeds Expectations" or higher, the actual payout is expected to be lower. Illustrative individual payments: an employee earning $45,000 would receive $2,250; $60,000 would receive $3,000; $85,000 would receive $4,250 (gross, before withholding). Because payment is contingent on the

expense-control goal, the bonus is paid only in a year in which operating expenses came in at or under the adopted budget.

VI. Decision Points for the Board

Three design choices are the Board's to make. Staff's recommended option is listed first in each case.

Decision A – Evaluation period for the first year

Section 215.425(3)(c) requires that employees be notified before the evaluation period begins. FY 2026/27 began on October 1, 2026, before this Program could be adopted.

	Option	Trade-offs
A-1	Adopt now; evaluation period is November 1, 2026 through September 30, 2027, with employee notice delivered before November 1. Financial goals are measured on full-fiscal-year results.	Puts the Program in place this year and keeps the financial goals tied to the audited fiscal year, as the Executive Director's goals are. Counsel should confirm comfort with measuring full-year financial results for an evaluation period that begins in November; the individual performance component and the Part 139 and training goals are measured only from November 1.
A-2	Adopt now; evaluation period and all measurements run November 1, 2026 through September 30, 2027, with financial goals measured against a prorated 11-month budget.	Cleanest fit with the statute's notice requirement, but creates a one-time set of prorated figures that will not reconcile to the audit and are harder for staff and the public to follow.
A-3	Adopt the policy now; first evaluation period is FY 2027/28 (October 1, 2027 – September 30, 2028).	No statutory timing question at all, and the cost can be built into the FY 2027/28 budget. Delays the incentive a full year and loses the alignment with the Executive Director's first incentive year.

Decision B – All-or-nothing versus tiered payout

	Option	Trade-offs
B-1	All three goals must be met for any payout (as drafted).	Simplest to explain and administer; strongest shared-ownership message. Risk: a single miss caused by factors outside staff control (an unexpected expense, a late FAA inspection finding) eliminates the bonus for everyone and can be demoralizing.
B-2	Tiered: three goals met = 5%; two of three = 2.5%; fewer than two = 0%.	Softens the all-or-nothing risk while keeping the full 5% tied to full achievement. Adds a second payout level the Board must budget for and slightly weakens the message that every goal matters.

Decision C – Timing of payment

	Option	Trade-offs
C-1	Board confirms results at its November or December 2027 meeting using the Controller's closed, unaudited year-end financial statements; payment by December 31, 2027 — the same timeline as the Executive Director's incentive bonus — with a clawback if the audit later shows a goal was not met.	Staff receive the bonus within roughly 90 days of year-end, on the same schedule as the Executive Director, which preserves the motivational link and treats everyone the same. Carries a small risk of post-audit adjustment; recovery by payroll deduction requires the employee's written authorization and cannot reduce pay below the Fair Labor Standards Act minimum wage, so it is administratively awkward.
C-2	Pay only after the audited financial statements are accepted by the Board (audit due within nine months of year-end under s. 218.39, F.S.; typically March–June).	Mirrors the Executive Director's "audited results" standard and eliminates clawback risk, but payment could slip six to nine months after the year ends, which weakens the incentive.

VII. Anticipated Questions

Why 5%? Five percent is one quarter of the Executive Director's 20% maximum and is in line with performance-pay programs at Florida special districts and local governments. The total maximum cost, including employer payroll taxes, is about 1.1% of the operating budget.

Does this bind future Boards? No. The policy creates no entitlement, is subject to annual appropriation, and may be amended or discontinued by the Board at any time before a new evaluation period begins. Goals are reset each year.

Why exclude the Executive Director? His incentive compensation is already fixed by contract (up to 20%), and Section 14(f) of the Agreement provides that the Agreement controls over Authority policy. Including him would duplicate compensation for the same goals.

Can staff manipulate the numbers? The expense-control goal is measured against the budget the Board adopted on September 15, 2026, and verified by the independent audit. The Part 139 result is determined by the FAA. The tenant survey is anonymous, goes to every tenant of record, and is tabulated by the Director of Operations with the raw responses retained as a public record and the tabulation approved by the Executive Director.

What if expenses exceed budget because of something staff cannot control? Under the all-or-nothing design, no bonus is paid. That is the trade-off the Board is asked to weigh in Decision B.

Can a few unhappy tenants sink the survey? The standard is an average across all responses and all five rating categories, with a minimum 40% response rate, so no single tenant or single complaint decides the result. The survey is administered by the Director of Operations, responses are anonymous, the raw responses are retained as a public record, and the Executive Director approves the tabulation.

Why not a COLA or across-the-board raise instead? A 3% COLA is already included in the FY 2026/27 budget. The bonus is a variable, performance-contingent payment that does not compound into base salary or future pension liability.

Is this legal under the "extra compensation" statute? Yes, provided the policy is adopted before the evaluation period and meets the four conditions in s. 215.425(3). Section IV maps each condition to the policy.

VIII. Recommendation and Requested Action

Staff recommends that the Board:

1. Adopt Resolution 2026-19 (Attachment D) approving the Staff Performance Bonus Policy (Attachment A) and the FY 2026/27 Goals and Scorecard (Attachment B), subject to General Counsel review;
2. Select Option A-1 (evaluation period November 1, 2026 through September 30, 2027), Option B-1 (all-or-nothing), and Option C-1 (December 2027 payment on closed year-end results with audit true-up); and
3. Direct the Executive Director to deliver written notice to all employees (Attachment C) no later than October 30, 2026 and to include the maximum payout in the proposed FY 2027/28 budget.

Attachments:

A – Staff Performance Bonus Policy
B – FY 2026/27 Staff Performance Bonus Goals and Evaluation Scorecard
B-1 – Individual Eligibility Determination (blank form; completed forms are not presented to the Board)
C – Employee Notice and Acknowledgment
D – Draft Resolution 2026-19

ST. AUGUSTINE AIRPORT

St. Johns County Airport Authority

ATTACHMENT A

St. Johns County Airport Authority
Staff Performance Bonus Policy

Adopted by Resolution 2026-19 Effective October 21, 2026

1. Purpose

This Policy establishes a performance bonus program under which eligible employees of the St. Johns County Airport Authority (the "Authority") may earn a one-time bonus based on the Authority's achievement of organization-wide performance goals and the employee's individual work performance. The Policy is adopted pursuant to section 215.425(3), Florida Statutes, and Chapter 2002-347, Laws of Florida.

2. Definitions

"Base Salary" means the employee's regular annual rate of pay in effect on the last day of the Evaluation Period, excluding overtime, allowances, and any prior bonus. For an hourly employee, Base Salary is the regular hourly rate multiplied by 2,080 hours for full-time employees or by the employee's regularly scheduled annual hours for part-time employees.

"Evaluation Period" means the period designated by the Board in the annual Goals and Evaluation Scorecard (Attachment B). For FY 2026/27 (October 1, 2026 – September 30, 2027), the Evaluation Period is November 1, 2026 through September 30, 2027.

"Organization-Wide Goals" means the measurable goals adopted by the Board for an Evaluation Period under Section 5.

"Eligible Employee" means an employee who satisfies Section 3.

3. Eligibility

3.1 All regular full-time and regular part-time employees of the Authority are eligible for and shall be considered for the bonus, except the Executive Director, whose incentive compensation is governed exclusively by the Executive Director's Employment Agreement.

3.2 Temporary, seasonal, and contract personnel are not employees of the Authority for purposes of this Policy.

3.3 To receive a bonus, an employee must (a) have been employed by the Authority for at least six (6) consecutive months of the Evaluation Period; (b) be actively employed by the Authority on the date the bonus is paid; (c) have received an overall rating of "Exceeds Expectations" or higher (or the equivalent rating on the Authority's evaluation form) on the annual performance evaluation covering the Evaluation Period; (d) have no formal disciplinary action (written reprimand, suspension, or demotion) during the Evaluation Period; and (e) have completed all training

required for the employee's position during the Evaluation Period, including recurrent training required under 14 C.F.R. Part 139 and the Airport Security Program, any certification required for the position, and any training assigned to the employee in writing by the supervisor on or before December 1, 2026, as shown in the training records maintained by the Director of Operations. An employee who otherwise qualifies and whose employment ends after the Evaluation Period but before the payment date because of retirement, death, or disability remains eligible, and the bonus is paid to the employee or the employee's estate.

3.4 An employee hired after the first day of the Evaluation Period who otherwise qualifies receives a bonus prorated by the number of full months employed during the Evaluation Period divided by the number of months in the Evaluation Period. Part-time employees receive a bonus calculated on their actual Base Salary.

3.5 An employee on approved leave for any part of the Evaluation Period remains eligible; the bonus is calculated on Base Salary without reduction for approved leave.

4. Bonus Amount

4.1 The bonus is five percent (5%) of the Eligible Employee's Base Salary, subject to proration under Section 3.4.

4.2 The bonus is a one-time lump-sum payment. It does not increase the employee's rate of pay, is not part of Base Salary for any purpose, and carries no guarantee of payment in any subsequent year. The bonus is a "bonus" within the meaning of section 121.021(47), Florida Statutes, and is not compensation for Florida Retirement System purposes.

5. Organization-Wide Goals

5.1 Before the beginning of each Evaluation Period, the Board shall adopt the Organization-Wide Goals for that period in the form of Attachment B. Each goal shall identify the target, the data source, and the method of measurement.

5.2 All Organization-Wide Goals adopted for an Evaluation Period must be achieved for any bonus to be paid. No partial or prorated bonus is paid for partial achievement of the goals.

5.3 The Organization-Wide Goals shall be based on the performance measures used in the Executive Director's annual incentive goals, so that all employees of the Authority work toward the same Board-established priorities.

6. Individual Performance Requirement

6.1 Each employee's supervisor shall complete the annual performance evaluation within forty-five (45) days after the end of the Evaluation Period using the Authority's standard evaluation form. The Executive Director shall review all evaluations for consistency across supervisors before approving them. A rating of "Exceeds Expectations" or higher must be supported by specific

documented accomplishments during the Evaluation Period. In rating each employee, the supervisor shall address the employee's individual contribution to each Organization-Wide Goal, including: (a) adherence to the budget and procurement procedures in the employee's area of responsibility; (b) the employee's conduct toward tenants and customers, including any substantiated complaint; and (c) the employee's compliance with Part 139, Airport Security Program, and safety requirements in the employee's area, including the results of self-inspections.

6.2 An employee who disagrees with an evaluation rating may submit a written response to the Executive Director within ten (10) business days. The Executive Director's decision on the rating is final for purposes of this Policy.

7. Determination of Results

7.1 After the close of the fiscal year, the Financial Controller shall prepare the financial results for each financial goal from the Authority's closed year-end financial statements, and the Director of Operations shall conduct the tenant survey, maintain the training records, and document the results for each operational goal. The Executive Director shall approve the survey tabulation and certify the results on the Attachment B scorecard.

7.2 The Executive Director shall present the certified scorecard to the Board at a public meeting. The Board shall determine, by majority vote, whether the Organization-Wide Goals have been achieved. The minutes of that meeting are the record of the Board's determination, which is final.

7.3 If the audited financial statements for the fiscal year subsequently show that a financial goal was not achieved, the Board shall review the matter and may require repayment of bonuses paid in reliance on the unaudited results. Any repayment shall be made in accordance with applicable law.

8. Payment

8.1 Bonuses shall be paid in a single payroll payment on or before December 31 following the end of the Evaluation Period, after the Board's determination under Section 7.2 and less all withholdings and deductions required by law. This is the same payment timeline that applies to the Executive Director's incentive bonus.

8.2 Payment of any bonus is contingent on the availability of appropriated funds. The maximum bonus payout shall be included in the adopted budget for the fiscal year in which payment will be made, or the budget shall be amended in accordance with section 189.016, Florida Statutes, before payment. The Financial Controller shall accrue the liability in the financial statements for the Evaluation Period if the Organization-Wide Goals are met.

9. Notice to Employees

9.1 Before the beginning of each Evaluation Period, the Executive Director shall provide every employee a copy of this Policy and the Attachment B goals for that period and shall obtain a signed acknowledgment in the form of Attachment C. Signed acknowledgments shall be placed in the employee's personnel file.

9.2 An employee hired during an Evaluation Period shall receive the Policy and goals, and sign the acknowledgment, on or before the employee's first day of work.

10. No Entitlement; Board Discretion

10.1 This Policy does not create a contract of employment or an entitlement to any bonus. All determinations regarding achievement of goals, eligibility, calculation, and payment are made by the Board, or by the Executive Director where this Policy so provides, and are final.

10.2 The Board may amend, suspend, or repeal this Policy at any time, except that an amendment adopted after the beginning of an Evaluation Period shall not reduce the bonus opportunity for that Evaluation Period.

11. Public Records; No Confidentiality

This Policy, the annual goals, scorecards, certifications, and acknowledgments are public records under Chapter 119, Florida Statutes. Nothing in this Policy limits the ability of any person to discuss this Policy or any bonus paid under it, consistent with section 215.425(5), Florida Statutes.

12. Administration

The Executive Director is responsible for administering this Policy and may issue procedures consistent with it. Questions regarding this Policy shall be directed to the Executive Director.

ST. AUGUSTINE AIRPORT

St. Johns County Airport Authority

ATTACHMENT B **Fiscal Year 2026/27 (Oct. 1, 2026 – Sept. 30, 2027)**

St. Augustine Airport
Staff Performance Bonus – Organization-Wide Goals and Evaluation Scorecard

(These goals are reviewed after the end of the fiscal year to which they relate. All goals must be met for any bonus to be paid. Goals are set annually by the Board before the Evaluation Period begins.)

Potential Performance Compensation (Percent of Base Salary)		
Eligible Employees	**Percentage**	**Evaluation Period**
All regular employees except the Executive Director	5% of Base Salary	Nov. 1, 2026 – Sept. 30, 2027

GOAL 1: Financial Performance – Expense Control			
Source: Executive Director Incentive Bonus Exhibit A, Goal 1. Improve the St. Augustine Airport's financial health.			
Target	**Data Source / Measurement**	**Final Result**	**Met? (Y/N)**
1) Expense Control: Actual Total Operating Expenses for FY 2026/27 (excluding depreciation, cost of fuel sold, and the accrued bonus) at or below the adopted FY 2026/27 budget of $4,750,558, as amended by the Board.	Closed year-end financial statements (Controller) versus the budget adopted Sept. 15, 2026 and any Board-adopted amendments.		

GOAL 2: Tenant Relations – Tenant Satisfaction			
Source: Executive Director Incentive Bonus Exhibit A, Goal 4(1). Improve tenant and stakeholder relationships.			
Target	**Data Source / Measurement**	**Final Result**	**Met? (Y/N)**
2) Tenant Satisfaction: Average rating of 4.0 or higher (5-point scale) on the annual tenant survey across all responses and all five categories (accessibility, transparency, communication, fairness, overall). Minimum 40% response rate.	Internal tenant survey by the Director of Operations, Aug. 1 – Sept. 15, 2027, to every tenant of		

	record (hangar, land lease, commercial). Anonymous; tabulation approved by the Executive Director; tabulation and response rate retained as a public record.		

ST. AUGUSTINE AIRPORT

St. Johns County Airport Authority

GOAL 3: Safety and Compliance – Part 139 Certification			
Source: Executive Director Incentive Bonus Exhibit A, Goal 3(1). Maintain the airport's status as a safe, compliant environment.			
Target	**Data Source / Measurement**	**Final Result**	**Met? (Y/N)**
3) Part 139: Maintain the Airport Operating Certificate under 14 C.F.R. Part 139 with no major discrepancy on the annual FAA certification inspection conducted during the Evaluation Period. A "major discrepancy" is any finding that results in a Letter of Investigation, enforcement action, or a limitation or amendment of the Airport Operating Certificate, or any Letter of Correction item not corrected within the period prescribed by the FAA.	FAA certification inspection report and any FAA correspondence; corrective-action records maintained by the Director of Operations. If the FAA does not conduct an inspection during the Evaluation Period, the goal is met if no enforcement action or certificate limitation occurs during the period.		

Certification of Results (one scorecard for the organization)

I certify that the Final Results shown above are accurate and are supported by the records identified for each goal.

_____ Date: _____

Courtney K. Pittman, Executive Director

Board determination: The Board of the St. Johns County Airport Authority determined by motion at its meeting on _____ that the Organization-Wide Goals for FY 2026/27 were ☐ achieved ☐ not achieved. See minutes of that meeting.

Individual eligibility is determined separately for each employee by the employee's supervisor and the Executive Director on the Individual Eligibility Determination form (Attachment B-1). The blank form is included for the Board's information; completed forms are personnel records and are not presented to the Board.

ST. AUGUSTINE AIRPORT

St. Johns County Airport Authority

ATTACHMENT B-1 **Fiscal Year 2026/27**

St. Augustine Airport
Staff Performance Bonus – Individual Eligibility Determination

(Blank form provided for the Board's information. One form is completed for each employee after the Board determines that the Organization-Wide Goals were met. Completed forms are personnel records retained by the Executive Director and are not presented to the Board.)

Employee: _____ Position: _____

Supervisor: _____ Base Salary (9/30/2027): $_____

Requirement	Met (Y/N)	Verified by
Employed at least six consecutive months of the Evaluation Period		
Actively employed on the payment date		
Annual evaluation rating of "Exceeds Expectations" or higher		
No formal disciplinary action (written reprimand, suspension, or demotion) during the Evaluation Period		
Signed Attachment C acknowledgment on file		
Completed all training required for the position during the Evaluation Period (Policy §3.3(e)); training record attached		

Calculation	Amount
Base Salary × 5%	$
Proration factor (full months employed ÷ months in Evaluation Period), if applicable	
Bonus payable (gross, before withholding)	**$**

Determination: ☐ Eligible – pay bonus shown above ☐ Not eligible – reason: _____

Supervisor: _____ Date: _____

Approved: _____ Date: _____

Courtney K. Pittman, Executive Director

ST. AUGUSTINE AIRPORT

St. Johns County Airport Authority

ATTACHMENT C

St. Johns County Airport Authority

Staff Performance Bonus Program – Employee Notice and Acknowledgment

Fiscal Year 2026/27 (October 1, 2026 – September 30, 2027)

To: All Authority Employees
From: Courtney Pittman, Executive Director
Date: _____, 2026

On October 21, 2026, the Board of Directors adopted Resolution 2026-19, approving the Staff Performance Bonus Policy and the FY 2026/27 Organization-Wide Goals. Copies of both are attached. This notice is provided under section 215.425(3)(c), Florida Statutes, before the start of the Evaluation Period.

In summary:

- You are eligible for a one-time bonus of 5% of your base salary if the Authority meets all three Organization-Wide Goals for the Evaluation Period (November 1, 2026 through September 30, 2027) and you meet the individual requirements in Section 3 of the Policy.
- The three goals are: (1) total operating expenses at or below the adopted FY 2026/27 budget; (2) an average tenant survey rating of 4.0 or higher out of 5; and (3) Part 139 certification maintained with no major discrepancy on the FAA inspection.
- The individual requirements are: six months of service during the period, employment on the payment date, an annual evaluation rating of "Exceeds Expectations" or higher ("Meets Expectations" does not qualify), completion of all training required for your position, and no formal disciplinary action (written reprimand, suspension, or demotion) during the period.
- All three goals must be met. If any goal is missed, no bonus is paid to anyone.
- The bonus is a one-time payment. It does not increase your rate of pay, is not reported to the Florida Retirement System, and is not guaranteed in any future year.
- The Board decides whether the goals were met after the fiscal year closes. Payment is made in December 2027, less required withholdings — the same timeline as the Executive Director's incentive bonus.

Your supervisor will give you a written list of the training required for your position by December 1, 2026. Complete it, and make sure it is recorded in the training log, before September 30, 2027.

ST. AUGUSTINE AIRPORT

St. Johns County Airport Authority

Acknowledgment

I acknowledge that I received a copy of the Staff Performance Bonus Policy and the FY 2026/27 Organization-Wide Goals and Evaluation Scorecard on the date below, before the beginning of the Evaluation Period. I understand that the bonus is contingent on the Authority's and my own performance and that the Policy does not create an entitlement to any payment.

Employee signature: _____ Date: _____

Printed name: _____ Position: _____

Received by (Authority): _____ Date: _____

ST. AUGUSTINE AIRPORT

St. Johns County Airport Authority

ATTACHMENT D – DRAFT

RESOLUTION NO. 2026-19

A RESOLUTION OF THE ST. JOHNS COUNTY AIRPORT AUTHORITY ADOPTING A STAFF PERFORMANCE BONUS POLICY PURSUANT TO SECTION 215.425(3), FLORIDA STATUTES; ESTABLISHING ORGANIZATION-WIDE PERFORMANCE GOALS AND AN EVALUATION PERIOD FOR FISCAL YEAR 2026/27 (OCTOBER 1, 2026 – SEPTEMBER 30, 2027); PROVIDING FOR NOTICE TO EMPLOYEES; PROVIDING FOR FUNDING; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the St. Johns County Airport Authority (the "Authority") is an independent special district created by Chapter 2002-347, Laws of Florida, as amended, and is authorized to fix the compensation of its employees; and

WHEREAS, section 215.425(1), Florida Statutes, prohibits the payment of extra compensation to an employee after services have been rendered, and section 215.425(3), Florida Statutes, permits a bonus scheme that is based on work performance, describes the performance standards and evaluation process, is communicated to all employees before the beginning of the evaluation period, and considers all employees for the bonus; and

WHEREAS, the Board has established annual incentive goals for the Executive Director in the areas of financial performance, tenant relations, safety and compliance, and staff development, and finds that the Authority's employees contribute directly to the achievement of those goals; and

WHEREAS, the Board finds that a performance bonus program aligned with those goals serves a public purpose by promoting financial discipline, tenant satisfaction, regulatory compliance, and individual performance and training at the St. Augustine Airport;

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

Section 1. The foregoing recitals are true and correct and are incorporated herein.

Section 2. The Staff Performance Bonus Policy attached as Exhibit 1 (Attachment A to the October 21, 2026 briefing memorandum) is adopted as the policy of the Authority.

Section 3. The Organization-Wide Goals and Evaluation Scorecard for fiscal year 2026/27 attached as Exhibit 2 (Attachment B to the briefing memorandum) are adopted. The Evaluation Period for fiscal year 2026/27 shall be November 1, 2026 through September 30, 2027.

Section 4. The Executive Director shall deliver written notice of the Policy and the Goals to every employee of the Authority, and obtain a signed acknowledgment, no later than October 30, 2026, before the beginning of the Evaluation Period.

Section 5. The Executive Director and the Financial Controller shall ensure that the maximum bonus payout is included in the Authority's adopted budget for the fiscal year in which payment will be made, and shall present any necessary budget amendment to the Board in accordance with section 189.016, Florida Statutes, before any bonus is paid.

Section 6. Nothing in this Resolution or the Policy alters the Executive Director's Employment Agreement, which shall continue to govern the Executive Director's incentive compensation.

Section 7. This Resolution shall take effect immediately upon adoption.

PASSED AND ADOPTED by the Board of Directors of the St. Johns County Airport Authority this 21st day of October, 2026.

ST. JOHNS COUNTY AIRPORT AUTHORITY

By: _____
Nick Primrose, Chair, Board of Directors

ATTEST: _____
Michelle Cash-Chapman, Secretary/Treasurer

Approved as to form and legality: _____
General Counsel

St. Johns County Airport Authority

Financial Highlights: August 2026

PRELIMINARY | Month ended August 31, 2026 | Fiscal Year-to-Date (11 Months)

REVENUES

Total Operating Revenues for August were $428,441, trailing budget by $63,656. Fuel Service Revenue of $29,589 was $69,826 below budget, reflecting the continued impact of the Authority's self-serve fuel tank outage, which began in mid-June. August is the second full month without self-serve fuel, and revenue for the month consists entirely of flowage fees from Atlantic Aviation. A temporary replacement tank has since arrived on site; electrical work required for proper connection is scheduled for October, after which the tank will be placed into service. A permanent replacement is planned for mid-2027. Lease Revenue of $367,877 was $4,607 above budget and $26,530 ahead of the prior year. Operating Agreements of $27,364 exceeded budget by $870. Year-to-date Operating Revenues of $5,282,054 are $104,400 below the eleven-month budget, with the fuel tank outage as the primary driver of the shortfall.

FUEL COSTS

Cost of Goods Sold for August was $0, reflecting no self-serve fuel sales during the month. With the self-serve tank offline, there is no cost-of-goods component to flowage fee revenue, making zero COGS an accurate representation of August operations. Year-to-date COGS of $488,305 is $130,807 below budget, reflecting the reduced fuel activity since mid-June. Year-to-date gross profit of $4,793,749 is $26,406 above budget through eleven months.

EXPENSES

Operating Expenses for August totaled $368,311, which is $4,137 above budget. Repairs & Maintenance of $31,423 was $4,482 above budget.

Professional Services of $74,625 was $16,242 above the monthly budget of $58,383. The August overage reflects June and July vendor billings that arrived after the July financial close, resulting in both months' charges posting in August. This category has also carried elevated costs throughout the year due to several non-recurring items now concluded: approximately $124,000 for FRS correction assistance, approximately $73,000 for an internal investigation (June), and $15,858 as the final payment to ADK for the Executive Director search (July). With billing timing normalizing and non-recurring items complete, Professional Services is expected to stabilize with consistent monthly billings going forward.

Business Travel & Training of $7,286 was $3,373 above budget, reflecting the cost of FAC (Florida Airports Council) Conference attendance by four staff members.

Partially offsetting these variances, Personnel & Benefits of $146,389 came in $20,504 below budget — the tenth consecutive month of favorable performance on this line. Year-to-date Personnel & Benefits of $1,726,937 is $108,888 below budget through eleven months. Other expense categories — Utility Services ($22,937), Insurance ($37,163), Government Fees ($24,714), and Operating Expense ($11,376) — were near or within budget for the month.

Year-to-date Operating Expenses of $4,119,850 are $127,431 above budget through eleven months. The YTD Professional Services overage of $198,633 accounts for the largest portion of this variance, driven by the non-recurring items described above. With those items concluded, the YTD overage is not expected to grow materially

in the remaining month of the fiscal year. YTD Personnel & Benefits of $1,726,937 remains $108,888 below budget — a significant cumulative offset to other expense variances.

BOTTOM LINE

Operating income before debt service and depreciation was $60,129 for August, trailing budget by $11,510, primarily due to the revenue impact of the fuel tank outage and elevated Professional Services charges. Operating expenses were $368,311, only $4,137 above budget. Year-to-date operating income of $673,899 is $101,025 below budget through eleven months.

Non-operating income for August was $166,359, consisting of $156,274 in grant reimbursement submissions, $10,055 in investment income, and $30 in other non-operating income. Grant reimbursements of $156,274 were $56,166 below the monthly budget of $212,440. Grant funds accrued in July were subsequently received during the first week of September. Grants Receivable at August 31 grew to $502,382 from $440,987 at July 31, confirming that reimbursement request submissions are accelerating as projects advance. Year-to-date grant revenue of $1,516,227 remains below the eleven-month budget of $3,785,961; this gap reflects project construction pacing and does not indicate any reduction in grant awards.

Income before depreciation for August was $226,488, compared to a budget of $298,884. Year-to-date income before depreciation is $2,318,711, compared to a budget of $4,723,740. The YTD variance remains attributable to grant draw-down timing and non-cash depreciation of $4,515,174 through eleven months.

BALANCE SHEET

Total assets as of August 31, 2026 were $81,718,459 with a net position of $79,310,817. Capital Assets, net were $74,539,779. Cash and savings of $3,767,582 increased slightly from $3,748,035 at July 31, reflecting a net cash increase of $19,547 for the month. Accounts Receivable decreased to $22,123 from $67,205 at July 31, reflecting strong collections during August. Grants Receivable increased to $502,382 from $440,987 at July 31, representing reimbursement requests submitted but not yet received — consistent with the accelerating draw-down activity described above. Accounts Payable decreased to $221,149 from $234,819 at July 31. Net position of $79,310,817 compares to $79,494,795 at July 31, 2026 and $81,367,441 at August 31, 2025.

CASH FLOW HIGHLIGHTS

August produced a net cash increase of $19,547, with operating outflows of ($321,115) more than offset by investing inflows of $354,718 and partially reduced by financing outflows of ($14,056). The investing inflows reflect depreciation add-backs substantially offset by $62,890 in active CIP project expenditures, concentrated in Hawkeye View Lane Realignment ($12,854) and Eastside Infrastructure ($50,036). Year-to-date, net cash has decreased by $1,213,527 from the October 1, 2025 opening balance of $4,981,109 to $3,767,582 at August 31, reflecting net capital investment activity throughout the fiscal year.

KEY TAKEAWAYS

- Fuel Service Revenue of $29,589 reflects flowage fees only following the mid-June self-serve tank outage. A temporary replacement tank has arrived on site; electrical work for proper connection is pending. A permanent replacement is planned for mid-2027.
- Repairs & Maintenance of $31,423 was $4,482 above budget.
- Professional Services of $74,625 was $16,242 above budget, reflecting June and July vendor billings posting in August after the July close. All major non-recurring items (FRS correction ~$124K, internal investigation ~$73K, ADK ED search $15,858) have concluded. Billings are expected to stabilize going forward.
- Business Travel & Training of $7,286 was $3,373 above budget, reflecting FAC Conference attendance by four staff members.
- Personnel & Benefits of $146,389 was $20,504 below budget — the tenth consecutive favorable month. YTD savings of $108,888 reflect staffing efficiency.

- Grant funds accrued in July were received the first week of September. Grants Receivable of $502,382 at August 31 reflects accelerating reimbursement submissions tied to capital project progress. The YTD grant gap reflects project pacing, not award reductions.
- Cash increased slightly to $3,767,582 at August 31; the balance sheet remains healthy with total assets of $81,718,459 and a net position of $79,310,817.

St. Augustine St. Johns County Airport Authority
Comparative Income Statement (Unaudited)
For the Eleven Months Ending August 31, 2026

	Current Month Actual	Current Month Budget	Budget Variance	Prior Year Month Actual	Current YTD Actual	Current YTD Budget	Budget Variance	Prior Year YTD Actual
Operating Revenues								
Fuel Service Revenue	$ 29,589	$ 99,415	$ (69,826)	$ 93,356	$ 963,440	$ 1,093,565	$ (130,126)	$ 1,093,866
Lease Revenue	367,877	363,270	4,607	341,347	3,982,558	3,969,371	13,187	3,792,194
Operating Agreements	27,364	26,494	870	26,260	302,633	291,434	11,199	290,341
Other Operating Revenue	3,610	2,917	693	3,182	33,423	32,083	1,340	34,711
Total Operating Revenues	428,441	492,096	(63,656)	464,145	5,282,054	5,386,454	(104,400)	5,211,111
Cost of Goods Sold								
Cost of Fuel	-	56,283	(56,283)	45,851	488,305	619,111	(130,807)	623,083
Total COGS	-	56,283	(56,283)	45,851	488,305	619,111	(130,807)	623,083
Gross Profit	428,441	435,813	(7,373)	418,295	4,793,749	4,767,343	26,406	4,588,029
Operating Expenses								
Personnel & Benefits	146,389	166,893	(20,504)	140,017	1,726,937	1,835,825	(108,888)	1,421,763
Professional Services	74,625	58,383	16,242	92,607	840,850	642,217	198,633	793,837
Airline Operations/Badging	860	250	610	351	5,022	2,750	2,272	2,948
Business Travel & Training	7,286	3,913	3,373	4,080	36,933	43,038	(6,105)	43,915
Technology	3,680	5,058	(1,379)	11,134	52,368	55,642	(3,274)	111,706
Utility Services	22,937	22,000	937	19,769	215,292	212,500	2,792	215,186
Insurance	37,163	38,685	(1,522)	27,917	409,794	425,540	(15,745)	351,463
Repairs & Maintenance	31,423	26,942	4,482	7,706	316,934	296,358	20,576	282,634
Promo, Dues & Memberships	992	1,708	(717)	411	18,905	18,792	113	15,274
Government Fees & Assessments	24,714	24,933	(219)	23,931	340,586	290,267	50,319	278,789
Office Expenses & Fees	6,868	2,575	4,293	6,789	35,077	28,325	6,752	59,361
Operating Expense	11,376	12,833	(1,458)	10,693	121,152	141,167	(20,015)	149,970
Contract/Temp Labor	-	-	-	-	-	-	-	114,204
Total Operating Expenses	368,311	364,174	4,137	345,404	4,119,850	3,992,419	127,431	3,841,051
Operating Inc before DS and Depr	60,129	71,639	(11,510)	72,891	673,899	774,924	(101,025)	746,977
Non Operating Income								
Operating Grants	156,274	212,440	(56,166)	108,111	1,516,227	3,785,961	(2,269,735)	1,459,311
Investment Income	10,055	14,775	(4,720)	14,609	128,286	162,525	(34,239)	162,637
Other Non Operating Income	30	30	-	-	300	330	(30)	46,030
Total Non Operating Income	166,359	227,245	(60,887)	122,720	1,644,812	3,948,816	(2,304,004)	1,667,978
Non Operating Expense	-	-	-	-	-	-	-	-
Total Non Operating Expense	-	-	-	-	-	-	-	-
Income Before Depreciation	$ 226,488	$ 298,884	$ (72,396)	$ 195,611	$ 2,318,711	$ 4,723,740	$ (2,405,029)	$ 2,414,955

St. Augustine St. Johns County Airport Authority
Balance Sheet
At August 31, 2026

	Aug 31, 26	Jul 31, 26	Aug 31, 25
Current Assets			
Checking/Savings	$ 3,767,582	$ 3,748,035	$ 5,273,851
Accounts Receivable	22,123	67,205	3,570
Grants Receivable	502,382	440,987	-
Inventory and Other Current Assets	1,909,634	1,866,932	1,931,542
Total Current Assets	6,201,721	6,123,159	7,208,963
Noncurrent Assets			
Deferred Outflow-Other	130,440	130,440	146,216
Capital Assets, net	74,539,779	74,854,452	76,059,620
Other Noncurrent Assets	846,518	859,986	582,043
Total Noncurrent Assets	75,516,737	75,844,877	76,787,878
Total Assets	81,718,459	81,968,036	83,996,841
Current Liabilities			
Accounts Payable	221,149	234,819	656,585
Credit Cards	1,034	286	9,749
Other Current Liabilities	319,620	358,242	154,771
Total Current Liabilities	541,804	593,347	821,105
Noncurrent Liabilities			
Deferred Inflow	465,255	465,255	527,400
Deferred Inflow - Leases	928,126	942,182	744,166
Net Pension Liability	472,458	472,458	536,729
Total Noncurrent Liabilities	1,865,839	1,879,895	1,808,295
Total Liabilities	2,407,642	2,473,241	2,629,400
Net Position	$ 79,310,817	$ 79,494,795	$ 81,367,441

St. Augustine St. Johns County Airport Authority

Statement of Cash Flows

August 2026 and YTD

Full name	August 2026	YTD
OPERATING ACTIVITIES		
Net Income	(210,556.27)	(2,196,462.53)
Adjustments to reconcile Net Income to Net Cash provided by operations:		
115-115 Accounts Receivable	45,081.31	18,996.43
115-120 Grants Receivable:Federal Grants - A/R	-	59,850.00
115-125 Grants Receivable:State Grants - A/R	(61,395.54)	(224,691.17)
116-000 Purchase Option - Mitigation	(10,000.00)	(10,000.00)
Inventory Asset	-	(3,222.40)
155-155 Prepaid Items	(33,290.31)	(6,013.13)
190-003 ST Lease Receivable	588.63	6,786.08
Accounts Payable	(51,543.14)	(444,542.93)
223-223 Unearned Revenue	-	23,921.00
Total for Adjustments to reconcile Net Income to Net Cash provided by operations:	**(110,559.05)**	**(578,916.12)**
Net cash provided by operating activities	**(321,115.32)**	**(2,775,378.65)**
INVESTING ACTIVITIES		
Less Amortization/Depreciation	404,141.00	(456,158.53)
Construction in Progress	(62,890.20)	2,022,425.33
190-004 LT Lease Receivable	13,467.48	(237,609.81)
Net cash provided by investing activities	**354,718.28**	**1,328,656.99**
FINANCING ACTIVITIES		
240-240 Opening Balance Equity	-	2,370.82
290-110 Deferred Inflow - Leases	(14,056.11)	230,823.73
Net cash provided by financing activities	**(14,056.11)**	**233,194.55**
NET CASH INCREASE FOR PERIOD	**19,546.85**	**(1,213,527.11)**
Cash at beginning of period	**3,748,035.25**	**4,981,109.21**
CASH AT END OF PERIOD	**$ 3,767,582.10**	**$ 3,767,582.10**

St. Augustine Airport Authority
Construction Projects in Progress
Fiscal Year Ending 09/30/2026

Project Name	Primary Grant #	Project Description	Original Contract Amount	Total Contract Current Value including Changes	Net Actuals Paid to Date	Remaining to be Paid	Percentage Completed	Targeted Completion	Remarks
Land Acqisition - Hawkeye View Lane	438048-1 G2V47	Property Acquisition	$ 3,012,500	$ 3,012,500	$ 2,117,557	$ 894,943	70.29%	6/30/2027	Grant funds remaining $423,511 (80/20 split with FDOT)
Eastside Infrastructure - Job Growth Grant	G0143	Infrastructure supporting Hawkeye View Lane realignment	$ 4,892,795	$ 4,892,795	$ 316,061	$ 4,576,734	6.46%	12/31/2027	Initial design phase grant value $892,795. 30% Design benchmark reimbursement received. 60% Design benchmark met.
Self Serve Fuel Farm Improvements	438047-1 G2T25	Design & Construct Fuel Farm	$ 562,500	$ 562,500	$ 68,451	$ 494,049	12.17%	6/1/2027	Initial design plans 57% complete. Temp tank arrived. Electrical work to be done in October.
Access Rd US1 to Conference Center (Casa Cola)	435026-2 G3A74	Design & construct Access Rd from US 1 to Conference Center	$ 1,156,250	$ 1,156,250	$ 228,546	$ 927,705	19.77%	9/30/2027	Initial design phase - Stormwater Mgmt plan, grading and site/demolition plans are 73% complete
Taxiway F Extension	433126-5 G3A71	Extend Taxiway F past Casa Cola Rd	$ 1,250,000	$ 1,250,000	$ 43,596	$ 1,206,404	3.49%	9/30/2027	Extension approved to FY 27/28
Hawkeye View Lane Realignment	435026-3 G3L10	Design & Construct Realignment of Hawkeye View Lane	$ 5,000,000	$ 5,000,000	$ 513,468	$ 4,486,532	10.27%	9/30/2028	Initial design phase - SJRWMD permit and SJC DRC permit applications submitted. Rezoning completed. Environmental Assessment at 95% complete; Design & bid phase 60% complete
Airfield Capacity Study	433126-7 G3B60	Study and analysis of the airfield capacity	$ 125,000	$ 125,000	$ 49,223	$ 75,778	39.38%	10/1/2027	Initial phase-Multiple significant capacity enhancement alternatives under review. Study is 49% complete.

Actuals Paid totals as of 9/30/26