

SARASOTA
BRADENTON
INTERNATIONAL

Minutes for August 25, 2025 Budget Workshop Meeting

25/08/2025 | 11:00 AM – 11:37 AM - Eastern Time (US and Canada)

DMA Auditorium

Attendees (15)

Attendees Board:; Jesse Biter; Doug Holder; Kristin Incrocci; Robert Spencer;

Attendees Staff:; Fredrick Piccolo; Mark Stuckey; Joseph Filippelli; Lionel Guilbert; Ray Anderson; Zach Buffington; Dan Bailey; Kevin Podsiad; Karen Garofalo

Agenda

Item 1. Call to Order

Vice Chair Incrocci called the Workshop Meeting to order at 11:00 a.m.

Commissioner Jeff Jackson joined the meeting proceedings via telephone.

Item 2. PRESENTATION OF THE FY 2026 SARASOTA MANATEE AIRPORT AUTHORITY BUDGET

Before the presentation, Mr. Piccolo advised the Board that we have two Commissioners unable to attend the September 29, 2025 Regular Board Meeting, which is on schedule to approve the 2026 FY Budget with any revisions made today. As it is necessary to pass the budget before October 1, we must establish a quorum of four Members, or if necessary, reschedule the date of the September meeting. We will contact the board for schedules.

AIRLINE REVENUE SHARING

Mr. Piccolo presented the proposed FY 2026 Budget PowerPoint and stated he is very pleased with the budget as presented and feels the Airlines will be as well. We are in the second year of a ten-year agreement with our six signatory carriers, which went into effect October 1, 2024.

Airport and Airline Revenue sharing contributions increase by approximately \$1 Million, with 50% of Net Terminal Area Revenue and 50% of Terminal Building Non-Airlines Revenues applied towards the airline rate's structure.

OPERATING REVENUES & OPERATING REVENUE CHANGES

Mr. Piccolo reviewed Operating Revenues and Operating Revenue Projected Changes for FY2026:

Total airline revenues increase 14.7%, over \$20M

Non-airline revenues increase 3.8%, over \$36M

Projected Operating Revenues increase 7.5%, over \$57M

Total Revenues: FY 2026

Terminal Area: Increase 41%, over \$23.3M

Airline Revenues: Increase 36.2%, over \$20,6 M

Terminal Building: Increase 10%, over \$5.7M

Other Building and areas: Increase 7.4%, over \$4M

Airfield: Increase 3%, over \$1.7M

Interest Income and other: Increase 2.4%, over \$1.3 M

Mr. Piccolo reviewed the Operating Revenue changes and stated that increased Operating expenses, the full- year impact of Concourse A, and the baggage handling system impact our airline revenues. He noted that looking at the expenses last fiscal year, Terminal A did not open until the second quarter of the fiscal year, and on the expense side, the baggage system opened in the fourth quarter of FY25 , therefore, many of the expenses were built in for a short period, especially in the Personnel expenses. You will note that we added numerous employees last year, with much fewer needed in this year's budget. The FY 2026 budget will include all expenses for a full year. Airline Revenues increase 14.7%. He discussed enhanced concession and advertising offerings in the terminal buildings. We are currently working with a consultant to prepare a Master Plan for advertising needs for the new Terminal A concourse to include revenue creating advertising space, video walls, and local art exhibits included in all airport terminals.

Terminal Area revenue is up 2.5%, Other Buildings and Areas Operations will see contractual rate increases of 2.8%, Airfield Fuel flowage activity increase 1.1%, with an estimated 23.4% decline in interest income rates.

OPERATING EXPENSES & OPERATING EXPENSE CHANGES

Operating Expenses

Personnel:	56.7%
Operations:	13.3%
Administration	19.6%
Utilities	4.6%
Supplies	2.6%
Capital Equipment Expense	1.4%
Capital project Expense	1.7%

Mr. Piccolo stated Operating expenses are up approximately \$5 Million, mostly related to the impact of a full year of additional Personnel expenses. Operating Expense changes include the second half of the approved compensation study, increases to health insurance, and retirement contributions. We included additional baggage handlers, parking lots employees, ground transportation employees with the new facilities. We added most of these employees last year but will have the full impact of the personnel expenses in the FY26 budget.

Janitorial service contracts and utilities fees increase because of the full year of expenses for Concourse A. Capital project expenses increased approximately 50%, but smaller dollar projects are covered through Airline costs. Property and general Liability insurance increases 14%. Mr. Piccolo stated that we did very well with our insurance claims from last year's hurricanes receiving \$4.7 Million in damage claims. Capital Equipment Expense is up 1.4% with supplies decreasing by 9.7%, which is contributed to the good work of Bob Joseph, the airport's Purchasing Director.

Mr. Piccolo answered a question from Chairman Biter from Personnel Expenses regarding the retirement plans for new hires, which are self-directed 401K plans, and if we still have any legacy pensions. Mr. Piccolo stated new employees are offered the Defined Contribution plan. The Defined Benefit plan (legacy) will slowly phase out over time as our older employees retire.

CAPITAL EQUIPMENT

25 Budgeted Capital Equipment Projects:

Total: \$2,285,261

Airline Rates: \$632,377

Authority Funded: \$1,652,884

Mr. Piccolo reviewed items from the Capital Equipment expenses and pointed out significant items. He noted that of the \$2,285,261 budgeted expenses, \$632,377 are built into the airline rates, with \$1.6 Million Authority funded costs. He stated that currently, the Airport has approximately \$70 Million in investments and cash thanks to the great work of our Finance staff, Kevin Podsiad, Anita Eldridge and Sonya Gray. Going forward, PFC/CFC funds will bring in approximately \$20 Million over time of non-committed income to use towards any debt service, not counting what will be brought in after net expenses. The airport will have over \$30 Million a year, not committed funds that can be used for debt service allowing for future revenue bonds on future projects as needed.

Mr. Piccolo reviewed the two largest items on the capital equipment budget and pointed out two cost items: the PC Air units project consists of retrofitting and upgrading all of the airport's AC units to provide air conditioning for newer aircraft and jet bridges. Half of this project was started in FY2025, with the other half to be completed in FY2026. The Altel Cobranet to Dante upgrade is necessary to replace our aging paging system and will match the new system that was installed in Terminal A last year. Both of these items represent completion of big expense items that will not be necessary again for many years to come.

CAPITAL PROJECTS

26 Budgeted Capital Projects:

Total: \$48,911,652

Airline Rates: \$736,450

Authority Funded: \$5,844,202

AIP/FDOT/CFC/PFC: \$42,331,000

Mr. Piccolo reviewed items from the Capital Projects: Rehabilitation of Taxiway Alpha and Connectors at \$30 Million (from AIP/FDOT/CFC/PFC funds) is currently underway; Expansion of the Fuel Farm at \$6.5 Million, and Design of the Terminal Parking Garage at \$5

Million. He reviewed the need for upgrades under the Enterprise Resource Planning item, which is the airport's accounting/financial software, and the necessary upgrades to support our Airport Network, security enhancements, and IT capabilities.

Mr. Piccolo reviewed other capital projects and discussed the Common Use Network system, which the airlines find extremely beneficial offering more flexibility in the use of our gate system. He noted some of the larger projects, i.e. The \$30 Million Rehab of Taxiway Alpha will be a multi-year project with completion in future FY Budgets. The Capital projects listing is meant to give the Board an idea of what is needed as the smaller projects tend to be completed and the larger continued into the next fiscal year.

AIRLINE RATES SUMMARY

Landing Fees:

SRQ: \$1.32

TPA: \$2.754

RSW: \$4.18

Cost Per Enplanement:

SRQ: \$8.76

TPA: \$13.64

RSW: \$14.03

Terminal Rental Rate

SRQ Rental Rates increase \$1.96, to \$84.68 sq. ft.

TPA Rental Rates increase \$3.65, to \$323.10 sq.ft.

RSW Rental Rates increase by \$41.66 to \$218.76 sq. ft.

Mr. Piccolo reviewed the airline rates summary and the comparison with our surrounding airports, with SRQ maintaining a nearly \$5.00 competitive advantage. He reviewed the cost per enplanement numbers and noted that the airlines use the enplanement costs as an important metric for adding airline service. Mr. Piccolo responded to a question from Commissioner Biter on the strategy behind being so much lower and less costly in our airline rates compared to TPA and RSW. He stated in the past our market share was much lower and more costly than the other airports, therefore, the airlines did not respond with additional flights because our market response was more costly. Today, our traffic numbers are up,

TPA and RSW numbers are down. SRQ makes approximately \$15.00 per passenger of ancillary revenue by driving more traffic through the airport, which provides more revenue from the airlines, increased parking, food and beverage revenues, and increased advertising rates. He noted we now have a waiting list for our advertising space. He feels we can maintain this level without sacrificing service to our customers, keeping our boutique airport feel, and without having to go to our airlines. SRQ has greater flexibility with a lower price per enplaned passenger cost, and a greater advantage to be cost effective for future projects and maintain the level of service for the foreseeable future. There was discussion on future projects analysis for debt service. He noted he and Mr. Podsiad have had discussions regarding building our margins up higher from a profit standpoint to be prepared when the airport is ready to look for funding. Following a question from Commissioner Biter on the significant reduction in Non-preferential Gate Use Fees, Mr. Podsiad explained that last year's estimation of the average holdroom size for the new terminal was purposely overinflated, but this year's budget calculations contain the actual holdroom size.

Mr. Piccolo advised that we will set a Public Hearing on the budget at the September 29 Regular meeting. He noted staff is meeting with the airlines representatives on September 3 and anticipates no issues to the FY 2026 budget from that meeting. He complimented Mr. Podsiad and Ms. Eldridge for their hard work and doing a great job on today's budget presentation. He advised that we have a new engineer to replace Kent Bontrager starting here on October 3.

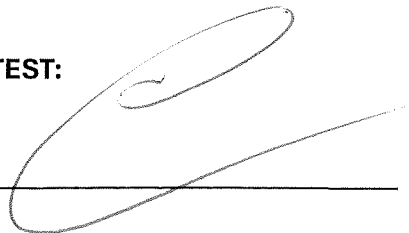
Item 3. MISCELLANEOUS MATTERS

No miscellaneous matters noted.

Item 4. ADJOURNMENT

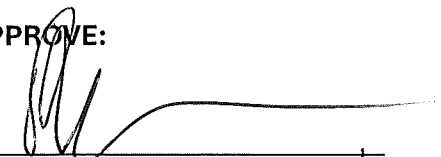
The meeting was adjourned at 11:37 a.m.

ATTEST:



Carlos Beruff, Secretary

APPROVE:



ROBERT SPENCER / for
Jesse Biter, Chairman
(AS ACTING CHAIR)