



SEDONA-OAK CREEK
AIRPORT AUTHORITY

Airport Terminal Conference Room
Minutes of the Regular Board Meeting February 26, 2024
Pursuant to A.R.S. §38-431.01(B)

Directors Present: President Pam Fazzini, Vice-President David Cooper (arrived at 3:15), Treasurer Jerry Barber (via phone), Secretary Betty Uhrig, Director Timothy Miller, Director Scott Schroeder.
Directors Absent: Director Mike Schroeder.

Staff Present: General Manager Ed Rose, Business Manager Haruko Terada, Assistant Business Manager Patresa Miller, and Special Projects Coordinator Mark Allen.

Agenda Item I. Call to Order. The Regular Meeting was called to order by President Fazzini at 2:30 p.m. immediately followed by the Pledge of Allegiance.

Agenda Item II. Roll Call. Roll was called and it was determined a quorum was present.

Agenda Item III. Consent Agenda. Director Scott Schroeder moved to approve the minutes from the Regular and Annual Meeting held on December 4, 2023, and the minutes from the Executive Session held on December 4, 2023; Director Tim Miller seconded the motion. Motion carried unanimously.

Agenda Item IV. Reports.

- a. President - None.
- b. Vice-President: None.
- c. Secretary - None.
- d. Treasurer - None.
- e. General Manager:
 - 1) Fuel Farm Project - Although this project is complete, a sensor and computer were found to be faulty and were replaced. All is good.
 - 2) Apex Modular - The contract for the modular unit itself is coming due the end of March. We have requested a two-year extension and await the updated rate/paperwork. Apex has recently indicated its interest and readiness to build a tour facility. I recommend applying the newly revised application process as per the Part 16 settlement.
 - 3) AWOS Project - coordinate pre-construction meeting, attend to contractor shortcomings with Engineer and County. Unit delivery is still scheduled for early March. At issue is the power feed to the unit and its integrity. More testing is necessary.
 - 4) Airport Emergency Plan - continue coordination with SFD, SPD, FS in development of an AEP.
 - 5) City Consideration - continue providing assistance to AMCG and City of Sedona. Meet with Mayor, AOPA representative, SAHO representatives. Review and provide comment on DRAFT ASSESSMENT.
 - 6) Aviation Legislative Day - Meet with half a dozen reps including Selina Bliss and Quang Nguyen to discuss aviation's contribution to the Arizona economy as well as projects specific to Sedona and the ADOT Aviation funding outlook.
 - 7) Vector Airport Systems Automated Fee Collection - Continue evaluation of this system and its potential impacts. Consideration of a 6p-6a relationship. Discuss at length with peers. Potential for inclusion in 2025 budget process.
 - 8) EV Charging Station – continue investigation of charging station source, design, construction costs, rates, revenue generation.

9) Volatus Aerospace - Meet principal, discuss EVTOL/AAM efforts, infrastructure requirements, policy considerations, potential development location(s).

10) Local First AZ - Coordinate energy improvements as per the ASU Energy Audit. Prepare documentation appropriate for rebate application(s). Some items completed to date include the changing to LED lights in the terminal and on the airport runway distance remaining lights.

11) Masonic Lodge - Maintain communication with Cloth and Flame. Application made for the City use permit. Interim agreement suggested (in development). Interim rent (in agreement); payments made. Project is progressing.

12) Sky Ranch Lodge - Negotiations have progressed to agreement on rates, rents, etc. (in final review prior to Counsel review). FAA Part 163 land release in process. I expect documents will be ready for the April Board meeting. This new lease will bring the SRL lease into compliance with FAA guidance and satisfy prior notifications of noncompliance. The new lease will contribute significantly more revenue.

13) Airport Advisory Committee – Convene members to discuss a few topics. One was based on a helicopter complaint directed to Keep Sedona Beautiful; KSB redirected it to me. I immediately shared still photos and video of Guidance, Apex, and the Cottonwood operator with the Sedona-based operators. As a result, each based operator conducted retraining on the Fly Friendly Agreement and reviewed their routes. Both Based operators adjusted their altitude by over 500' and adjusted their routes to distance themselves from trails. Both KSB and I were super satisfied with the outcome. We'll be working a press release regarding cooperation and actions taken. Andy Dickey, Assistant City Manager, provided an update on the City initiative.

14) Part 16 action – I'll defer to Counsel's report in executive session. Executive Committee Board members have been provided an update on mediation status as of 20 February.

15) Hangar Occupancy Report - As directed by our Board, A hangar occupancy report provided by Mike Dearden will be placed in drop box.

16) Wildlife Hazard Training - This annual training is scheduled for 28 February 2024. Airport Certified Employee (ACE) Training - Ben Everett begins ACE-Operations training March 11.

17) CAP OPEX - scheduled for 16 March 2024. Will facilitate as necessary.

18) Sedona Mountain Bike Festival – The airport has agreed to host parking for this event with a shuttle from our overlook lot. Festival organizers have secured seven lots for the event. The airport is last on the list to be utilized. Certificate of Insurance in hand.

19) Wings of Flight - We'll be hosting a group get together April 12-14, 2024.

20) Flight includes a P-51, 4 -T-6's, 4 Stearman, RV-8s, and Decathlons.

21) CORE Bank – met with Core bank representatives regarding financing opportunities. Core wants to be more involved in financing revenue producing improvements such as hangars and are aggressively pursuing Arizona airport business.

22) Dibble Monthly Update – covered all current projects with Yavapai County, including the Sedona Airport. Due to the outstanding Part 16, funding is still being withheld. Only two projects have no exposure to FAA withholding funds at this time: the stand-by generator for fire suppression water and the hangar door replacement. I do expect the Part 16 to be resolved in the first quarter of this year.

23) Sedona Red Rock OHV Conservation Crew - Host this community-centric group for monthly meetings.

24) Retail Offerings - We expanded our selection of Sedona Airport memorabilia with stickers, magnets, puzzles, and bags. These items are being well received.

25) Sedona Trail Keepers Fund - I signed us up as a trail sponsor. The airport should be recognized for "giving back" to the community where appropriate. Since we are noisy by nature, this will help to offset negative community comments.

26) Airport Secondary Access - Facilitate discussion with SFD, County, City regarding a secondary means of access to the mesa. Our access renditions provided by Dibble for the RSA project will be brought forth. The Authority has no resources to dedicate to this project at this time. Meeting 12 March in terminal.

27) Marketing implementation - We have developed a good foundation for marketing with our Instagram, Facebook, Website, and EarthCam sites. Building on that foundation, we've enlisted Multiview, in association with our booth presence at the NBAA Schedulers and Dispatchers Conference. Through Multiview we've secured 500k placements on the NBAA site. We also have options to target specific aviation organizations. We'll be examining the analytics as time passes and adjusting as necessary. This is a one-year engagement for \$14,500. The Board President approved this expense.

28) Chamber of Commerce - continue providing input as a Director on Chamber Board. Mr. Rose has been asked to continue serving another two years.

29) Adirondack Association has expressed interest in coming to Sedona to offer flight instruction, aircraft rental and fixed wing tours. In the early stages of talks, more to come.

30) Investigated the costs of fire-suppression water tanks: 100,000-gallon.

31) tank costs \$311, 671 and a 150,000-gallon tank costs \$356,750.

f. Business Manager – We are currently undergoing an audit process. There may be some changes to the statements after the audit is complete. Net Ordinary Income was up 36% compared to 2022. Compared to January 2023, jet fuel sales were up 56.8% and Avgas sales up 44.9%. These are dollar figures, not gallon figures, but much of the increase is a result of fairer weather than last year. Net ordinary income was up 44.9% for the same period. Our property insurance policy was renewed January 1, 2024. The premium costs went up, but mostly as a result of revisiting the replacement costs of the property. This had not been done in a number of years.

g. Operations Manager – Mr. Dearden was absent, so Mr. Rose provided an update on the hangar survey. It was discovered that 11 hangars have no airplanes in them. Seven hangars are being used as a shop, and 3 have airplanes that appear to have not been flown in years. The attorneys are providing guidance on the next steps, if any, that can be taken. Separately, Mr. Dearden is looking at quotes for the terminal HVAC replacement.

Agenda Item V. Unfinished Business: Geoffrey Roth (via telephone) provided an update on the Overlook Art Project. Quotes for the rock work and steelwork have been provided (\$9K & \$12K respectively). Since this is more than was anticipated, Mr. Roth has begun looking for donations to help defray his costs. To date, \$14,000 has been committed. They are offering custom-engraved bricks at \$100 (small) and \$250 (large) for fund raising. With this, he expects another three to six months before any work can begin and for the project to take two months once work commences.

Agenda Item VI. New Business:

a. Ratification of authorization to proceed with a \$14,500 expenditure for a year-long airport marketing program in association with the National Business Aircraft Association Schedulers and Dispatchers (NBAA S&D). The goal is to increase jet traffic. Staff will be attending the NBAA S&D conference in Fort Worth at the AVFuel booth to increase exposure and sell our outstanding jet service in the area. Director Scott Shroeder moved to ratify the expenditure as outlined; Treasurer Jerry Barber seconded. Ratification was passed unanimously.

b. The recent article published that highlights how local government-run airports are typically money losers; Mr. Rose will reach out to the author to see if he will participate in educating the Sedona government on the facts highlighted in his article.

Agenda Item VII: Call to the Public: Dave Alvarado (APEX aviation) told us of the FAA approval of their Part 135 certificate to allow flights to Las Vegas in a King Air with hopes to expand to one-day jet service.

Agenda Item VI: Call for Vote to Convene Executive Session: Director Tim Miller moved to convene into Executive Session; Vice-President David Cooper seconded. Motion carried unanimously and the Board convened the Executive Session at 3:36 p.m.

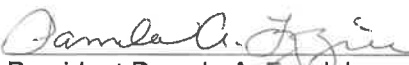
The meeting was reconvened back to Open Session at 4:32 p.m. Director Tim Miller left the meeting at 4:00.

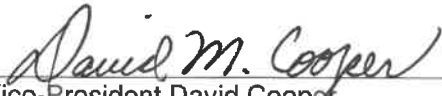
Agenda Item VII: Vice President Cooper moved that the Board present the General Manager with Addendum No.4 to his present employment contract, containing the following amendments to Addendum No. 3: 1) increasing his Base Salary by \$10,000, effective at the beginning of the first full pay period after February 24, 2024; 2) increasing the Longevity Bonus to \$12,000.00, payable – if eligible – at the end of the first full pay period after February 24, 2025; 3) extending his contract through February 24, 2027, subject to graduated Severance Payments as previously provided in Addendum No. 3; and 4) providing for a lump-sum payment in an amount equal to the General Manager's Base salary if he is terminated within twenty-four months of the effective date of the Addendum because of a Change in Control. A Change in Control shall be deemed to have occurred if an entity other than SOCAA, as presently legally constituted, becomes the successor lessor, owner, or Sponsor of the Airport. Scott Schroeder seconded the motion. Motion carried unanimously.

Agenda Item VIII: At 4:34 p.m., Director Scott Schroeder moved to adjourn the Regular Meeting; Vice-President David Cooper seconded. Motion carried unanimously.

Certified as Accurate and Correct:

Dated this 15th day of April 2024
Sedona-Oak Creek Airport Authority

BY: 
President Pamela A. Fazzini
SOCAA Board of Directors

BY: 
Vice-President David Cooper
SOCAA Board of Directors