

## **Sedona-Oak Creek Airport Authority**

### **Airport Terminal Conference Room**

### **Minutes of the Regular Meeting – June 23, 2025**

Pursuant to A.R.S. §38-431.01(B)

**Directors Present:** President Pam Fazzini, Vice-President David Cooper, Treasurer Jerry Barber, Director Scott Schroeder, Director Timothy Miller, and Director Mike Schroeder.

**Directors Absent:** Secretary Betty Uhrig.

**Staff Present:** General Manager Ed Rose, Business Manager Haruko Terada, Assistant Business Manager Patresa Miller, Business Office Assistant Marleen Lloyd, and Intern Khanh Tran.

**Agenda Item I. Call to Order/Pledge of Allegiance:** President Fazzini called the meeting to order at 2:31 p.m. and all present joined in the pledge of allegiance.

**Agenda Item II. Roll Call:** Roll was called, and it was determined there was a quorum.

**Agenda Item III. Consent Agenda.** Item III.c. was removed, as there was no Executive Session at the May 5, 2025, Board meeting. Motion to approve the Consent Agenda as amended by Scott Schroeder; seconded by Timothy Miller. Motion carried unanimously.

**Agenda Item IV. Presentation of the Results of the Annual Audit** by Lisa Bryant Dubrow and Diana Sickels, Haynie and Company, CPA. The report, completed and issued April 23, 2025, expressed an unqualified opinion; SOCAA is in compliance. There were no misstatements, long-term debt is decreasing, and the value of assets are increasing. There is approximately \$3.5 million available in cash and liquid assets. Eighty-three percent of funds have gone into property expenses, and 17-18 percent of funds were administrative expenses. There are no significant pronouncements on the horizon. Vice-President Cooper moved to receive the Annual Audit as presented; Director Scott Schroeder seconded. Motion passed 6-0.

**Agenda Item V. Presentation by Ed Rose.** Ed Rose presented a framed proclamation issued by Yavapai County in recognition of Ed Rose, the Sedona Oak-Creek Airport Authority, and all those who have committed themselves to the development and promotion of the Sedona Airport, and for the Airport receiving the Arizona Airport of the Year Award for 2025. Pam Fazzini was thanked for her many years of excellent volunteer service at the Airport and was presented with a framed copy of the proclamation.

**Agenda Item VI.**

- a. President – reported activities of the Board's Special Committee to Initiate Review of the Master Lease.
- b. Vice-President. No report.
- c. Secretary. Absent; no report.
- d. Treasurer. No report.
- e. General Manager. Report follows:

**Cottonwood EAA-**Invited GM for a speaking engagement for the EAA Chapter. Discussed noise abatement strategies, active capital projects and five-year capital planning.

**ADOT** – Reviewed planning and funding for future ADOT projects. Met with ADOT Aeronautics Director to discuss funding potential in out years, status of State budget, sweeps, legislative actions and expectations for Airport Pavement Management Systems and State/local grants.

**Fire Suppression Water Stand-by Generator Project** – Reviewed bid recommendations, issued Notice To Proceed, conducted preconstruction conference including review of proposed contractor schedule, anticipated lead time for generator.

**Rural Air Service Consortium** – Joined several Arizona airports in discussion on rural community air service development. Mostly an organizing effort for the group, legal considerations, priorities.

**Air Service to Sedona** – Separate from the consortium and prior to the introduction of the concept, the General Manager assembled several community leaders (Sedona Chamber, TAB, City, Verde Valley Chamber, Lodging Council, Retail Council, MRO, local pilot, Authority President, airline operator) to explore interest in engaging an air service consultant to provide data to engage operators on route development for Sedona. Meeting scheduled for 25 June.

**Rep. Selina Bliss** – Worked with representative Bliss over several meetings on a few subjects: Preservation of the State Aviation Fund, support letter for the Authority's WIFA application, engaging the interim Director of the Arizona Office of Tourism for support of airport efforts to attract air service, Corporation Commission considerations.

**Pre ACIP-discussion** with County and engineers in advance of on-site meeting with FAA and ADOT. The General Manager wants parties to get "eyes on" projects proposed to understand the critical safety and development issues facing Sedona.

**Coordinate Airport of the Year Announcements** – Invited various local dignitaries, media, partners, and tenants to the airport in celebration of this achievement. Attended Yavapai County Board of Supervisor's meeting to receive proclamation acknowledging the award.

**Mesa Grill partners** – Met with principles regarding expansion interest and lease extension. Discussed basic considerations and known parameters/limitations.

**Rates and Charges** – As requested by the Board, reconsideration of the hangar transfer fee was undertaken assigning the minimum rate to the smallest hangar footprint on a square footage rate and applying that sq ft rate to all transactions. Staff first measured all hangar square footage to affirm dimensions and found glaring errors. These were corrected and a fresh map was created, with improvements to the information it provides.

**RELATED:** There were also a significant number of subleases discovered that had not been approved by or coordinated with this office, as per the lease. This is in the process of being addressed. All subleases must be coordinated with the General Manager. Counsel is developing appropriate written documentation for approvals. Approvals will be limited to one-year increments. Hangar alterations were also discovered that had not been coordinated with the Manager's office and/or permitted by the County as required in the lease. One STOP WORK order was issued by the GM and Yavapai County. The offending party is working to correct.

**Temporary Commercial Aeronautical Activity Permit Sedona Air Tours** – Sedona Air Tours requested to operate out of Sedona on a temporary basis while Cottonwood Airport was closed for construction activity. Coordinated development of a temporary agreement with Counsel.

**Monthly Project Update** – Met with Dibble Engineering to review various projects.

**Monthly Project update** – Met with Coffman Associates. Minimum Standards review and update. Expect documents mid-July. Sky Ranch Lodge Section 743 – land reuse approved! Environmental Assessment on 4.6 acres discussed with SRL team, addressing several outstanding items required by FAA.

**Area Fault Line locations** –Area fault line locations are being added the Airport Environmental Plan. Although risk is deemed minimal, the potential for impacts to airport infrastructure can be significant. This consideration is ordinarily a section in Part 139 per the Airport Certification Manual.

**FSW Well Repair** – As we progress with the 250k-gallon tank design, we were asked to fill the tank to overflow level. While attempting to meet this request, it was discovered the well pump had failed. We immediately contacted a few service providers. The first available was the route we chose. It was further discovered the pump motor had failed, the pump seized, each of three check valves in the lift had failed, and the ball valve to isolate the storage tank had also failed. All needed parts were located and installed in four business days. This was accomplished under emergency procurement protocol in the Procurement Policy. The Board President was kept informed throughout and approved the expense of roughly \$35k.

**Hangar Door Inspection** – Doors of Authority-owned hangars were inspected as a part of a preventative maintenance routine. Several doors exhibited significant wear of certain elements and required cable replacement among other needs. There is an item on this agenda reflecting the quote from Loren-Vickers Overhead Door for addressing these issues at \$18k +/-.

**Fire ready discussion** – Interviewed with insurer on fire readiness. Discussed proximity of vegetation to buildings, fuel tanks, chimneys, electric, etc. Discussed vegetation removal program and fire suppression water, hydrant flow rates. Provided photos as requested.

**WIFA Application** – Solicited letters of support for the project from Rep. Selina Bliss and Sedona Fire Chief Ed Mazoulis.

**Fire Suppression Water Storage Tank Project** – Reviewed 90% drawings of project. Discussed elements with engineer.

**Sky Ranch Lodge** – Achieved land reuse approval from FAA. The FAA required the Environmental Assessment as discussed previously. Met on site with Coffman team to review findings on portions of the EA. Met with entire SRL development team to discuss elements remaining in response to certain FAA interests. Met with City Administrator, Planning & Zoning, and SRL principle to discuss SRL process moving forward.

**Minimum Standards Review/Rewrite Project** – Discussed project progress with Coffman Associates. Expect a draft for review mid-July.

**5010 Master Record Review** – Facility review by FAA contractor, Aviation Technologies, as pertains to the airport's 5010 (official record). Affirmation of obstructions present per Part 77 as noted on the Airport Master Record. Fence posts remain problematic. Recommendations include planning relocations of fence to non-critical locations.

**Master Plan Pen and Ink Change** – Discussed a pen and ink change to the Master Plan with County (Airport Sponsor), to position a new set of executive hangars where four modulars currently reside.

**FAA Visits** – Recently, Sedona has experienced a number of incidents with various aircraft. The FAA – FSDO visited for each occurrence, inspecting the damaged aircraft. We provided an escort to each damaged aircraft's location.

**AD HOC Committee** – participated in AD HOC committee's review of the Authority's Master Lease with Yavapai County.

**Solar Taxiway and Obstruction lights** – replace old technology obstruction lights with new, brighter, longer-lasting units. Investigated units for "D" ramp application, replacing the retroreflective "cans" currently in place.

**Review FAA Policy on Allowable Air Carrier Incentives** – In advance of discussion on air service development for Sedona, reviewed FAA policy on allowable incentives.

**Ground Transportation Policy and Procedures Development** – Identified commercial entities providing ground transportation for Sedona Airport users. Investigated policies and procedures from similar airports to develop a fitting policy and procedures manual for Sedona.

**Development of Lease sub-let Authorization Document** – Working with Counsel for appropriate document, as required in leases, to formally allow sub-lets. New document will limit subleases to a 12-month term with renewal opportunity.

**Upgrade to NVR Security System** – The Authority currently uses three Network Video Recorders which are lacking in technology due to aging software and hardware. These limitations significantly impact video retrieval and quality. Two units will replace the current three and increase our capability to add cameras.

**Met with Sedona Fire District** - Discussed approval for Sky Ranch Lodge improvements and remaining vertical build plans. Follow up meeting to take place in July.

**Airport Capital Improvement Plan Final** - Met with FAA, ADOT, and County to discuss the five-year project plan and funding responsibilities. Final is attached.

**Runway Strengthening Study.** Results showed the runway will support current traffic and with regular maintenance should last another couple of decades.

**f. Business Manager:**

For the period of January to May 2025, Jet fuel sales declined by 1.6% in volume (2,925 gallons) and by 5.3% in dollar value (\$59,909). A significant contributor to this trend was the continued decline in military fuel purchases — down 44.76% (10,954 gallons) compared to the same period last year. This ongoing reduction in military sales continues to be a key factor driving the overall sales decline.

Cost controls, a reduction in legal expenses, and a decrease in Cost of Goods Sold resulted in a 19.1% increase in Net Ordinary Income, helping to offset the decline in fuel-related sales.

In addition to operation efforts, we continue to pursue investment opportunities. We currently hold four U.S. Treasury Bills with staggered maturities to support cash flow and interest income.

As a result of recommendations made at the last Board meeting, several rate and fee modifications have been implemented, including adjustments to SOCAA-owned hangar rental rates.

Following the Business Manager's report, President Fazzini asked the General Manager to work with Vice-President Cooper and Director Scott Schroeder to develop an investment policy for the Board's consideration and to explore diversification opportunities for maximizing investment returns.

**Agenda Item VII.** (The Agenda inadvertently skipped this number.)

**Agenda Item VIII. Unfinished Business:**

**a. Civil Air Patrol proposal.** Vice-President Cooper moved to reject item number 4 regarding a proposed septic system as part of the CAP's proposal which was first submitted at the SOCAA Board's Regular meeting on December 4, 2024. Mr. Cooper's motion, while rejecting item number 4, concurrently expressed the Board's willingness to consider an alternative proposal for on-site waste-water treatment in the future. Member Scott Schroeder seconded, and the motion carried unanimously.

b. **Rates, Fees, and Charges Study.** Vice-President Cooper moved to table Item i. establishing a hangar ground lease origination/transfer fee/ground lease rate as well as Item ii., exploring contracting landing fee collection to a third party, until after the Executive Session. Seconded by Treasurer Barber; motion passed unanimously.

c. **Vote to approve nomination and seat Director Mike Schroeder** for a second five-year term as approved by the Yavapai County Board of Supervisors at their May 21, 2025, meeting. Treasurer Barber moved to approve the nomination of Mike Schroeder to a second five-year term on the Board; Director Scott Schroeder seconded. Motion passed 6-0.

d. **Emergency actions and expenditures to address failure of well pump.** General Manager Ed Rose reviewed the reasons and justification for the actions taken. Vice-President Cooper moved to ratify the prior purchase of fire suppression water supply equipment that was made under Section X (Emergency Procedures) of the Procurement Policy; Director Schroeder seconded. Motion passed unanimously.

#### **Agenda Item IX. New Business:**

- a. **Renewal of Directors and Officers Liability and Employment Practices Liability Insurance Policies which are scheduled to renew on July 12, 2025.** Treasurer Jerry Barber moved to approve the Business Manager's recommendation to authorize renewal of the Directors and Officers Liability and Employment Practices Liability Insurance Policies for an amount not to exceed ten percent greater than the current premium of \$33,286.00. Director Schroeder seconded. Motion passed 6-0.
- b. **Proposal to replace hangar door cables on SOCAA-owned hangars.** Inspection of Airport owned hangars revealed several hangars exhibiting significant wear requiring cable replacement and other repairs. None of the repairs are considered to be an emergency, but the recommendation is to address them by year's end. Mr. Rose presented a proposal from Loren-Vickers Overhead Door addressing these repairs in the amount of approximately \$20,000. Mr. Rose did not seek other proposals, believing a local provider's charges would be more competitive due to lower travel fees. Treasurer Barber suggested Mr. Rose first seek other proposals, and then proceed with the repairs after selecting a qualified provider with best rate. Director Scott Schroeder moved to approve the General Manager's recommendation to expend up to \$20,000 for the repair of five SOCAA-owned hangars, subject to seeking additional quotes prior to proceeding with the repairs. Treasurer Barber seconded. Motion passed. 6-0.

#### **Agenda Item X. Call to the Public:**

Bob Stephens spoke opposing lease transfer fees and ADSB-based landing fee collection.

**Agenda Item XI. Executive Session:** The SOCAA Board entered Executive Session at 4:02 p.m. to seek legal advice on Agenda Items VIII b, i and ii, to receive an update on on-going litigation, and to review and discuss a re-written SOCAA Board Member Code of Conduct.

Director Scott Schroeder left the meeting at approximately 4:30 p.m. to attend to other previously scheduled obligations.

**Agenda Item XII.** The SOCAA Board reconvened in Open Session at 5:28 p.m. Vice-President Cooper moved to table Agenda Items VIII. b. i and ii. to the next Regular Meeting, with direction to the General Manager to continue working with legal counsel to explore alternative means of enforcing transfer provisions in the airport's hangar leases and to research the financial impact on Airport revenues of contracting with a third party to collect landing fees. Seconded by Treasurer Barber; motion passed 5-0.

**Agenda Item XIII. Adjournment:** Director Barber moved to adjourn the Regular Meeting. Director Schroeder seconded. Motion passed 5-0. The meeting was adjourned at 5:32 p.m.

**Certified as Accurate and Correct:**

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2025  
Sedona-Oak Creek Airport Authority

BY: _____	BY: _____
President Pamela A. Fazzini	Vice-President David Cooper
SOCAA Board of Directors	SOCAA Board of Directors