



SEDONA-OAK CREEK
AIRPORT AUTHORITY

Airport Terminal Conference Room
Minutes of the Annual and Regular Meeting – December 6, 2021
Pursuant to A.R.S. §38-431.01(B)

Directors Present: President Pam Fazzini, Vice-President David Cooper, Secretary/Treasurer Scott Schroeder, Director Mike Schroeder, Director Elizabeth “Betty” Uhrig, and Director Jerry Barber. Attending via telephone: Director Timothy Miller.

Staff Present: General Manager Ed Rose, Business Manager Nelson Durkee, Assistant to the Business Manager Patresa Miller.

Agenda Items #I and #II. – The Annual Meeting was called to order by President Fazzini at 2:30 p.m. immediately followed by the Pledge of Allegiance and Roll Call.

Agenda Item #III. Overview of Projects and Goals for 2022. Mr. Rose shared a lengthy list of goals for 2022 which included completion of: the fuel farm project, the terminal repair project, phase one of the infield drainage project, Alpha taxiway repair and mill/fill project, and runway sealcoating and re-marking; RFPs for aircraft storage on taxiway J, development of the 4.6 acres south of Sky Ranch Lodge; surveys and appraisals for the taxiway J property as well as the 4.6 acre property; moving forward with the focused Planning Study for the Runway Safety Improvement and Taxiway Alpha Extension project, and finding solutions for fire suppression water. Also on his list were plans for expanding opportunities for employee development, continued involvement with the Sedona Oak Creek Chamber of Commerce (the Airport is a partner with the Chamber’s “Leave No Trace” program), revisiting the “Fly Friendly” agreement, completing the Harrell/Cooley lease of the former Masonic Lodge, re-writing leases for existing tenants, and executing equipment purchases as proposed in the 2022 Budget and Five-Year Capital Plan. These are in addition to on-going projects such as updating the website and maintaining airport compliance.

Members of the Board agreed this was an extensive set of goals and they would be ecstatic if all these projects were accomplished.

Agenda Item #IV. – Election of Board Officers.

- a. Procedures for the election as adopted at the last regular meeting of the Board were reviewed, and it was agreed, if there were no nominees for an office, electors would use the “Write-In” option on the printed ballot.
- b. Ballots were distributed by Business Manager Nelson Durkee. Director Miller, who was present by telephone, was provided the option of voting contemporaneously by email or text. He chose to wait to see if his vote was needed to break a tie. Once completed, ballots were collected by Mr. Durkee, who then, with Mr. Rose overseeing, counted the votes, and announced the results.
- c. Officers elected for 2022 are Pam Fazzini for President, David Cooper for Vice-President, and Scott Schroeder for Secretary/Treasurer. Each is elected for a one-year term beginning January 1, 2022. Mr. Rose offered congratulations and said he looked forward to working with everyone for another year.

Agenda Item #V. – Adjourn Annual Meeting and Convene Regular Meeting. There being no further business for the Annual Meeting, Director Jerry Barber moved to adjourn the Annual Meeting and convene the Regular Meeting; Director Betty Uhrig seconded the motion. The vote was unanimous in favor of the motion; the Regular Meeting was convened at 2:48 p.m.

Agenda Item #VI. – Consent Agenda. Two items were on the consent agenda: minutes of the November 1, 2021, Regular Meeting, and minutes of the November 1, 2021, Executive Session. Vice-President Cooper moved to approve the consent agenda as presented, and Director Barber seconded the motion. There was no discussion; the motion carried unanimously.

Agenda Item #VII. – Reports.

President: Ms. Fazzini took the opportunity to express thanks and appreciation for everyone's efforts this year. She said, "We have a good Board, a good team, good employees, and the Airport looks great. Thank you."

Vice-President: Mr. Cooper seconded the statements made by Ms. Fazzini and added his appreciation for the work done by the President, much of which goes unseen by the rest of the Board and the public.

Secretary/Treasurer: Deferred to the Business Manager's report.

General Manager: Mr. Rose presented his detailed November report, highlights of which were:

1. Fuel Farm Project:

- a. All contracts for the project are being assembled and have been posted in Dropbox for Board Members' review with the exception of the Snell and Wilmer (legal bond counsel) agreement for legal services which is still in development.
- b. Final design for the APS project is being reviewed and Mr. Rose is coordinating with Yavapai County on the easement approval. Staff is beginning to clear the easement to prepare for Rural Electric's installation of conduit, pads, pull boxes, etc.
- c. A letter of intent has been prepared for KEAR Corporation to allow KEAR to secure pricing on long-lead items. This letter does not provide a Notice to Proceed, but Notice has been drafted to be ready as soon as the Authority secures financing.
- d. Mr. Rose is coordinating development of the engagement letter and financing calendar with Stifel, Nicolaus and Company and is communicating the Authority's intent to proceed to all involved parties.
- e. Signed contracts are being obtained from all parties to prepare for financing.

2. Runway Safety Area Project/Focus Planning Study Project:

Mr. Rose is coordinating seismic testing and a survey in the Runway Safety Area to ensure a retaining wall can be safely supported. Also under discussion with the team is land capture from the USFS and relocation of the Airport Loop Trail, breakaway fencing, creation of emergency access, control of wildlife habitat in the area, and archaeological reviews.

3. Taxiway Extension:

Mr. Rose is coordinating project engineers and a survey to best place and utilize fill materials being obtained from the City at no cost to SOCAA.

4. Airport Drainage Project: Mr. Rose is coordinating a survey for this project and

reviewing the 30 percent plans.

5. **Airport Terminal Repair Project:** As was previously approved by the Board, Ms. Fazzini signed the agreement with Dibble Engineers to begin the design process and provide bidding and inspection services for the project. The first on-site detailed inspection of existing conditions took place this morning. Mr. Rose met with the engineer and a subcontractor who specializes in historic preservation. Mr. Rose requested a full report with photos that can be submitted to the insurance carrier. A fiberglass-impregnated polymer is the material recommended to effectuate the repair. We are waiting for the report. Contracts have been signed for the design and bids are scheduled to go out February 14, 2022. Work should begin in early May.
6. **ADOT Grants:** There are now three ADOT grants: (1) Sealcoating and re-marking Runway 3-21; (2) A one inch mill and fill for Taxiway Alpha; (3) Repair of a 300-foot problem section of Taxiway Alpha. Mr. Rose tried to include the taxiway repair in the Delta Ramp project, but FAA wouldn't allow it as the location of the needed repair was outside of the original ramp project's archeological review footprint. At that time, the cost estimate for the taxiway was \$40-50,000. A current estimate is \$150,000.
7. **Request to Establish a power glider flight school and tour operation:** Mr. Rose was approached by an individual who wants to establish a power glider flight school and tour operation at Sedona Airport. Mr. Rose expressed concerns about the safety of hosting such an entity due to the Airport's traffic mix. He is scheduled to meet with the proposer on Tuesday. Mr. Rose said he will require an FAA airspace review prior to taking any steps.
8. **Business Manager Search.** Mr. Durkee is retiring at the end of the year. The position has been advertised and interviews have been conducted for this critical position; a candidate has been chosen. Once the candidate has been approved, introductions will be in order. A January 1 start date is anticipated.
9. **Winter Preparations.** Ice control materials for both the land side and the air side of the Airport have been stocked. Staff is being re-familiarized with equipment operation and the snow removal plan has been reviewed.
10. **Other Items of Interest.** Mr. Rose is scheduled to speak to the Rotary on January 5, 2022. Wildlife hazard management is being implemented to deal with seasonal migration of small birds. Goals are being established for 2022. Planning is already underway for Airport Day 2022.

Mr. Barber asked Mr. Rose the status of the Masonic Lodge. Mr. Rose replied he received a response from Harrell/Cooley's attorneys last Friday afternoon and Mr. Rose is making adjustments with the expectation of having the contract back to Harrell/Cooley's attorneys by this Friday. The goal is to have the contract signed by early January.

Ms. Fazzini inquired if there had been any weed problems with the fill material received last year. Mr. Rose indicated the fill had been treated with pre-emergent for weeds and then seeded with local plant species. There have been no problems and he anticipates no problems with fill to be received in the future. One of our employees is now a certified applicator so any problems can be treated in house.

Business Manager: Business Manager Mr. Durkee had hoped to announce reaching the target of selling 400,000 gallons of jet fuel this year, but we're still about 5,000 gallons short; we'll probably achieve that goal this week. This is a significant accomplishment, since last year's sales were just over 300,000 gallons, and 2019 sales were around 225,000 gallons.

There are a couple photo shoots scheduled; Garmin is scheduled for the end of the week and Cirrus Aviation is scheduled the following week. Mr. Nelson thanked tenant Mark Versteegen for participating in the photo shoot.

An additional security camera has been installed at the Overlook as was requested by the Board. The camera is operating, has been added to our security screens, and may be viewed as needed.

Director Scott Schroeder asked about revenues at the Overlook parking lot. Mr. Durkee noted revenues this year significantly exceeded those of last year and, in fact, are the highest reported since we opened the parking lot at the Overlook.

Ms. Fazzini passed along a request from several Board members to receive a report at each regular meeting which shows income and expenses compared to budget and a year-to-date balance sheet for the organization. Mr. Durkee said that would be easy to do.

Agenda Item #VIII. – Unfinished Business:

- a. **Report and Update on results of RFP for fuel suppliers; recommendation requested by Board at the November 1, 2021 meeting. Presentation, discussion, possible action.** Ms. Fazzini explained she is aware the recommendation isn't ready to be brought before the Board, but she would like a status update. Mr. Rose reported the evaluation is complete, but there is no lease yet. Four fuel suppliers were evaluated: Epic, AVfuel, World Fuel, and Titan. The evaluation criteria were pricing and fuel costs, credit card fees, refueling trucks – rental rates, availability, and capabilities – training offered and insurance limits. A leading candidate has been selected and that candidate has been asked to produce a contract which reflects what was offered in the proposal. A contract will probably be ready to be presented to the Board about the third week of January. Mr. Rose's recommendation will be for a three-year contract with two one-year options. There was no action taken at this time.
- b. **Report and Update on Terminal Repair Project. Presentation, discussion, possible action on each item.** Most of the items listed on the agenda were already covered during the General Manager's Report. Board President Fazzini signed the professional services agreement for the design after the last Board meeting. A timeline has been developed and has been posted on Dropbox along with the professional services agreement. As reported earlier, there was a meeting with the engineer and a historic preservationist, and we are now awaiting their report. Bids should go out around Valentine's Day, bids will be due around the third week of April, and work is expected to commence in early May. As soon as the report resulting from this morning's meeting is available, it will be distributed to Board members.

Mr. Cooper requested there be a stamp or initial included on each of these documents indicating completion of review by counsel. Mr. Cooper said the Board is primarily interested in seeing the scope of the project, what is being done, how much it will cost, when it will get done, and details to show how SOCAA is protected if the project doesn't go as planned. Mr. Rose agreed and will see that it is added. It's a matter of setting up systems and training all involved to follow the system.

- c. **Fuel Farm Project. Update of Status and Actions. Report, Discussion, and possible action on each item.**
 - (1) **Financing.** The Engagement Letter with Stifel, Nicolaus and Company has been signed. Snell and Wilmer are working with Stifel Nicolaus to understand the terms and conditions which Stifel will advertise to obtain responses. We have yet to receive the Engagement Letter from Snell and Wilmer. A schedule of the steps to obtain financing has been created.

- (2) Engineering–Dibble Engineering. Signed contracts are being assembled from all participating parties. After some discussion about how the various contracts should be presented to the Board, Secretary/Treasurer Scott Schroeder recommended all contracts related to the Fuel Farm Project be brought to the Board for authorization as a package when all contracts have been fully prepared, vetted by legal, and reviewed by finance to assure there are sufficient funds to pay for the project. Then there would be one vote to authorize the Board President to sign for the Board. Mr. Cooper seconded the motion; there was no further discussion. The motion was unanimously approved.
- (3) Construction – KEAR Civil Corporation. A letter of intent has been signed to express to the contractor – KEAR – the Authority’s intent to proceed and allow that contractor to start sourcing materials while limiting SOCAA’s exposure. KEAR is aware of the financing schedule. Approval of contracts will take place as described in Mr. Scott Schroeder’s motion.

Agenda Item #IX. – New Business:

Request by General Manager to Deviate from Established Policy and Procedures Manual Regarding Hiring of a New Business Manager. Presentation of request, discussion, possible action. SOCAA’s Policies and Procedures Manual offers two weeks’ vacation through year five of employment and calls for a ninety-day waiting period before offering employer-paid health benefits. Mr. Rose is currently interviewing candidates for Mr. Durkee’s replacement upon Mr. Durkee’s retirement, and this policy has presented a stumbling block to hiring a qualified candidate. Mr. Rose is requesting flexibility to deviate from the vacation schedule and medical benefit waiting period to negotiate with and secure the best candidate for the position of Business Manager. After discussion, Secretary/ Treasurer Schroeder moved to approve the General Manager’s request to allow him the flexibility he needs to fill the position of Business Manager as well as other executive manager positions, so long as the Business Manager and other executive managers will be reporting directly to the General Manager and not through the Board. Additionally, the Board asked the General Manager to initiate a more comprehensive review of the entire Policy and Procedures Manual and supporting documents relative to organizational structure and bring recommendations back to the Board when ready. The motion was seconded by Mr. Cooper. There was discussion regarding recent operational changes already implemented delineating who reports to the General Manger which aren’t reflected on the existing organizational chart. The Board agreed with the General Manager a review, re-evaluation, and recommendations to change the chart need to be made. The vote to approve the motion was unanimous.

President Fazzini took this opportunity to express her appreciation and thank Mr. Durkee for his years of service to the Airport Authority and tell him he will be missed.

Agenda Item #X. – Call to the Public. Ms. Ann Marie Brunner spoke to the Board regarding Dakota Territory Tours’ request for a lease at the Sedona Airport. She also expressed her opinion that Mr. Durkee be part of the process of finding and hiring his replacement.

Agenda Item #XI. – Call for Adjournment in Executive Session pursuant to A.R.S §38-431.03 (A)(3) and (A)(4). Director Mike Schroeder moved, and Director Jerry Barber seconded the motion to adjourn into Executive Session to consult with SOCAA’s attorneys regarding on-going litigation and to consult with them regarding a request for a new lease. The motion carried unanimously, and the Board adjourned into Executive Session at 3:40 p.m. Attorney’s representing the Airport Authority joined the session by telephone. The Board convened back into Open Session at 4:31 p.m.

Agenda Item #XII. – Possible Action on Items Discussed in Executive Session:

- a. **Motions/Possible Action/Votes on items discussed in Executive Session.** No action was taken on items discussed in Executive Session.

Agenda Item #XIII. – Adjournment. There being no further business to come before the Board, President Fazzini requested a motion to adjourn. Director Mike Schroeder so moved, and Director Uhrig seconded to adjourn the meeting. Secretary/Treasurer Scott Schroeder left the Executive Session at 4:30. The vote was unanimously approved by the remaining members, and the meeting was adjourned at 4:32 p.m.

Certified as Accurate and Correct:

Dated this 24th day of January 2022
Sedona Oak-Creek Airport Authority

Minutes Approved

BY: 
Pamela Fazzini, President
SOCAA Board of Directors

BY: 
David Cooper, Vice-President
SOCAA Board of Directors