



**SEDONA-OAK CREEK
AIRPORT AUTHORITY**

Airport Terminal Lobby

Minutes of the Regular Meeting - June 27, 2022

Pursuant to A.R.S. §38-431.01(C)

Directors Present: President Pam Fazzini, Vice-President David Cooper, Treasurer Scott Schroeder, Secretary Betty Uhrig, Director Mike Schroeder, Director Timothy Miller (via telephone), and Director Jerry Barber (via telephone).

Directors Absent: None.

Staff Present: General Manager Ed Rose, Interim Business Manager Patresa Miller.

Agenda Item I. Call to Order. The 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. The minutes from the Regular meeting held April 25, 2022, Executive Session held April 25, 2022, Special Meeting held June 20, 2022, Executive Session held June 20, 2022, and the ratification of ARPA Grant letter of acceptance from Yavapai County for monies to be spent on the fire water suppression project were all considered. Mike Schroeder moved to approve; Scott Schroeder seconded. Approved unanimously.

Agenda Item IV. Reports.

- a. President: President Fazzini expressed her thanks for the reduced electric costs in hangar row D, in large part to the installation of LED lights by Mike Schroeder. Also expressed thanks to the staff for their hard work and over-time.
- b. Vice-President: None.
- c. Secretary: None.
- d. Treasurer: None.
- e. General Manager:
 - a) Focused Planning Study - this project team has coordinated design alternatives to improving the runway safety areas. The team sought input from ADOT and the FAA throughout the process in order to achieve the best possible design, given the natural constraints. Engineered Material Arresting Systems (EMAS) is the most cost-effective alternative. Design includes both safety areas. Funding, however, is likely to be limited to the runway 21 departure area. The team is now ready to approach the USFS about needed land and relocation of the Airport Loop Trail. Of particular note is a required retaining wall to support the beds. The 65'-75' high retaining wall has the potential to be controversial, and public meetings will be required. We are seeking funding from both the FAA and ADOT.
 - b) Infield Drainage Project - the project scope has been reduced to fit the budget. A pre-bid meeting is scheduled for June 28. Should bids return favorably, we should be able to accomplish this project this calendar year. If not, we will be seeking additional funding from the FAA and ADOT for FY2023.
 - c) Taxiway A rehab - this project repairs approximately 300 linear feet of failed pavement between taxiways A4 and A5. A design proposal should be in place by the end of the month. The grant is for \$150,000.

- d) Taxi Lane Sealcoating - the taxiways were seal-coated during the D ramp rehab. The product used is not performing as anticipated. The project engineers have been contacted to discuss a substitute material. Mike Deardon has coordinated the effort to identify an acceptable material. He will also coordinate the redo on the taxi lanes. This project is under warranty. We should have two weeks scheduling notice so that the tenants will know of anticipated activity.
 - e) Runway Sealcoat and Taxiway A 1" mill and fill - We conducted a pre-bid meeting with contractors bidding on the project(s). To date we have not been notified on the winning bid, bidder, or schedule.
 - f) Fly Friendly Agreement - One meeting has been held with the group to facilitate agreements discussed over a few past meetings, (altitude change +200', route change around Chapel area, inclusion of NPS sites). A new map exhibiting these changes is being developed by the City/Chamber. Once developed it will be included on our website.
 - g) Airport Advisory Committee - the inaugural meeting was held June 20. Members include the City, KSB, Big Park Council, Chamber, SAHO, and a few neighborhood representatives. There are no elected officials. Discussions included introductions, airport history, and operational aspects of the airport. The next meeting, July 25, will discuss noise, VirTower, and outreach.
 - h) Airport Day 2022 "Wings and Wheels" - the team is busy scripting aircraft, securing food trucks, tents, tables, chairs, and work with the Car Club. Sponsorships are where we need them so far (\$12,500).
 - i) Development Parcels - We let an RFP for the development of aircraft storage units on taxi lane J, and one for the 4.6 acres south of the Sky Ranch Lodge will be let June 29. Both are due mid-September. June 28 will be a meeting for potential bidders. Top respondents may have presentations for the Board.
 - j) ARPA Water Grant - This \$750,000 grant is being discussed with the engineer. Most likely, given the cost of the total project, this will be a-la-cart as funds become available. Base bid is for a 100K gallon tank and emergency generator, with potential add-ons of a \$250K gallon tank, 1400 linear feet of 12" distribution pipe, and two hydrants. More to come as bids come in.
 - k) Runway Guidance Sign Panels - the panel replacement project is complete for this year. The remaining airfield guidance signs will be included on the 2023 budget.
 - l) Fuel Farm Project - The project is currently stalled due to a lack of a permit from SFD. The permit was applied for in October 2021, and not acted on until April 2022, using COVID as an excuse for the delay. They are requiring improved road access along Airport Road, which is not feasible. A second reason for denial was due to lack of fire suppression, which we are currently working on. The County has proprietary rights, and we may use this. A meeting scheduled for July 6 with the County BOS may provide clarity and direction. We have continued to work on the APS service line installation, and it is on schedule.
 - m) The 2023 budget is in its infancy. There will be scheduled budget workshops, which the Board is welcomed to attend. First should be early August.
 - n) Helibase Ops has been on the field as a response team for fires. We receive \$2500/day for use of our ramp.
- f. Business Manager: Patresa Miller is acting as the interim BM. She reported that jet fuel sales are down, but still above target. 100LL is even. The P&L was provided and there were no comments or questions.

Agenda Item V. Presentations:

- a. **2021 Annual Audit presented by Lisa Dubrow of Haynie and Company.** Lisa introduced herself and expressed appreciation for the cooperation of our staff. She presented the audit as an Unqualified Opinion, which is the highest opinion you can get. They conducted the audit with risks, estimates, and tests. There were no difficulties, no uncorrected statements, no disagreements, and

no findings. Revenue was up due mainly to extraordinary jet fuel sales and rents. Expenses were up ten percent. Revenues were over expenses by \$544,110. There were no questions from the Board.

b. Update on Fuel Farm Status by Carmen Rose, Dibble Engineering: As a review, May 2020 the scope of the project was created; May 2021 the design was completed, and bids were advertised. September 2021, we got two bids; one of which was unqualified. Dibble tried to reduce our costs by using separate contracts and by utilizing airport staff for some of the work. In January 2022, we received project funding. Dibble is willing to begin work on the project. SFD demanding additional road access is ludicrous. There is nothing about it on the 2017 Master Plan. The City has many single-access roadways. Meanwhile, Rural Electric is continuing with the electric work, but KEAR is waiting for the permit before they resume work. Treasurer Scott Schroeder asked about escalation costs due to the wait. Carmen said the steel for the tanks has already been purchased, so those prices were locked in. Vice-President Cooper asked about Dibble's request for the \$18,000 contingency cost. Carmen stated we had budgeted \$45,000 for this very purpose, and they have done an additional \$18,000 worth of work.

Agenda Item VI. Unfinished Business:

Harrell Cooley LLC/Venue on the Mesa: The Board voted to accept a proposed lease and a development agreement with Harrell Cooley, LLC at the January 24, 2022, Special Meeting for the development of the former Masonic Lodge. This was signed February 28, 2022. The item was submitted to the Yavapai County Board of Supervisors but was removed from their agenda at SOCAA's request. The County requested certain changes to be made to the lease prior to resubmission to their Board. We have amended the lease as per their requests and it is scheduled for their meeting July 20, 2022, in Cottonwood. The revised lease is now contingent on the City granting a conditional use permit, which the Lessee has requested. There were also concerns with the length of the lease, so we shortened the length of the lease. We also raised the percentage of gross profits (Airport Recovery Fee), but lowered their monthly fixed rent. Vice-President Cooper moved to approve the amended lease as presented. Director Mike Schroeder seconded the motion. The vote was unanimously approved.

Agenda Item VII. New Business:

a. ARPA Grant of \$750,000 to use towards the fire suppression water project. GM Rose has requested detailed bid options for use of this funding. He will discuss with the Board once the bids come in.

b. Renewal of Directors and Officers Policy. Current policy expires July 12, 2022. Patresa has it out for bids right now. She is requesting approval of up to \$35,000 to obtain a D&O policy. Last year's cost was about \$30,000. Treasurer Scott Schroeder moved to approve up to \$35,000 to renew/obtain a D&O policy that will have coverage of at least or better than we currently have. Secretary Uhrig seconded the motion. The vote was unanimously approved.

c. Dibble Fuel Farm increase to contract administration and inspection agreement. Vice-President Cooper moved to approve the request for additional funds as outlined in the letter from Dibble dated June 6, 2022. Director Mike Schroeder seconded the motion. The vote was unanimously approved.

d. Terminal Repair. GM presented that winning bidder Restruction's costs have increased from \$19,000 approved at the April meeting to \$21,650. This is because the correct polymer required was not included in the initial bid. Director Mike Schroeder moved to approve the requested increase as presented. Vice-President Cooper seconded the motion. The vote was unanimously approved.

e. Terminal Repair. Contract Administration and Inspection Services Agreement with Dibble Engineering for \$36,380. GM stated the original estimate was for \$110,000. Vice-President Cooper moved to approve the professional services agreement with Dibble Engineering as presented. Treasurer Scott Schroeder seconded the motion. The vote was unanimously approved.

f. Arizona Aviation, LLC lease and license agreement. Their current lease expired March 31, 2022, and they have been operating on a month-to-month basis since that time. GM states that

Arizona Aviation LLC has been with us for a year and a half; they have been good tenants. The new lease is for a term of 36 months. Director Mike Schroeder moved to approve as presented. Vice-President Cooper seconded the motion. The vote was unanimously approved.

g. **Guidance Air Services, LLC lease and license agreement.** GM states that Guidance has been on a month-to-month for four years. This term of this lease is proposed for 24 months. Treasurer Scott Schroeder moved to approve the proposed lease. Secretary Uhrig seconded the motion. The vote was unanimously approved. Approval was subsequently denied and tabled until agreement can be reached on the amount of required insurance. Vice-President Cooper moved to rescind our prior approvals until staff can review and get advice on industry standard insurance requirements. Secretary Uhrig seconded the motion. The vote to table was unanimously approved.

h. **Apex Air Tours, LLC lease and license agreement.** GM states Apex has been operating under an interim agreement pending availability of office space on the airport. The proposed lease is somewhat different than the Guidance lease in that Apex opted for a flat fee rent versus ground lease plus a 2.5% of gross revenue charge. This lease is proposed for 24 months. Director Mike Schroeder moved to approve as presented. Director Tim Miller seconded the motion. Vice-President Cooper was concerned about the lesser amount of insurance compared to the Guidance proposed lease. Vice-President Cooper moved to table this request to review the insurance requirements, seeking guidance on a properly recommended amount. Director Miller suggested finding out what the industry standard is. Treasurer Scott Schroeder seconded the motion. The vote was unanimously approved.

Agenda Item VIII: Call to the Public: No one requested to speak, and no emails have been received.

Agenda Item IX: Call for Vote to Move to Executive Session: 4:08 p.m. Treasurer Scott Schroeder moved to adjourn into Executive Session; Director Mike Schroeder seconded. The vote was unanimously approved.

The meeting was reconvened back to public session at 5:35 p.m.

Agenda Item IX: There was no action taken from the Executive Session.

Agenda Item X: At 5:36 p.m., Director Barber moved to adjourn the open meeting; Secretary Uhrig seconded the motion. The vote was unanimously approved.

Certified as Accurate and Correct:

Dated this 22 day of August 2022
Sedona-Oak Creek Airport Authority

BY: 
President Pamela A. Fazzini

BY:  
Vice-President David M. Cooper