



SEDONA-OAK CREEK
AIRPORT AUTHORITY

Airport Terminal Conference Room
Minutes of the Regular Meeting – June 24, 2024
Pursuant to A.R.S. §38-431.01(B)

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

Directors Absent: None.

Staff Present: General Manager Ed Rose, Business Manager Haruko Terada, Business Office Assistant Marlene Lloyd, Operations Manager Mike Dearden, and Special Projects Coordinator Mark Allen.

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. Director Scott Schroeder moved to approve both the minutes of the Regular Meeting and Executive Session Meetings held on April 15, 2024. Treasurer Barber seconded. Motion carried unanimously.

Agenda Item IV. Presentation. Haynie and Company presented the results of the 2023 Auditor's Report of the Annual Audit of the Financial Statements of Sedona Oak Creek Airport Authority. Lisa Bryant Dubrow, CPA presented. The unqualified opinion (which is the highest standard) resulted in no findings or issues, and no significant changes. There were no difficulties conducting the audit. Our assets are up (mainly due to the new fuel farm), and our liabilities are down (again, fuel farm). Our gross profit is slightly higher (67% vs 64%), while our expenses are down mostly due to fewer legal expenses. Interest income has increased. Vice-President Cooper moved to accept the 2023 auditor's report. Director Jerry Barber seconded. Motion carried unanimously.

Agenda Item V. Reports.

- a. President - None.
- b. Vice-President - None.
- c. Secretary - None.
- d. Treasurer - None.
- e. General Manager:

1) **Airport Emergency Plan** – Coordination continues with Sedona Fire Department to develop a plan for emergency response.

2) **Cloth and Flame** – GM Rose attended the public meeting at the former Masonic Lodge. He is providing support for the Planning and Zoning applications.

3) **County Meetings -**

a. **Water** – Mr. Rose is continuing to advocate for fire suppression water funding. The County needs a ballot referendum to increase its spending limit. While they have the funds, those funds require voters' authorization to spend. If authorized, the project would compete with other County projects.

b. **Rates and Charges Study** - The US Forest Service has complained to the FAA about the rates being charged for their use of our airport. After discussions with the FAA, the County and the General Manager, it was recommended a third party conduct a formal Rates and Charges review. This will be discussed under New Business.

c. **FAA Part 16** - Coordination continues with counsel and the FAA to resolve this issue and to resume federal funding.

d. **ACIP** - The five-year airport capital improvement plan was developed. Timing and funding issues will be coordinated with the County and consulting engineers.

e. **Audit Report** - The final 2023 financial audit has been provided to the County.

f. **AWOS** - Continue to coordinate the contractor install, the integrity of the power feed and possible influence of Merit's equipment.

4) **FAA** – Monthly progress meetings have been set up with the County and Dibble to follow progress on various projects. Part 163 submission was made for the footprint of the fire suppression water storage facility. The FAA has NOT been contacted by the City regarding any potential change of sponsor. The City consultant has still not completed the final assessment report.

5) **Energy Improvements** – Two of the oldest of five terminal HVAC units have been replaced with more efficient models, which has eliminated the use of propane. The costs came in \$11,000 less than anticipated.

6) **The Great Sedona Fly-In** – The day was considered a success for an inaugural event. Several WINGS seminars were offered, food trucks were available, and Cirrus provided an aircraft for viewing. A similar event is being planned for 2025.

7) **Sustainable Aviation Fuel**– We now have integrated sustainable jet fuel into our jet fuel offerings as a result of requests by jet operators. While more expensive, there seems to be a demand by certain operators to help offset their carbon footprint. The use/demand will be continually monitored. Sedona is the second airport in Arizona to offer this fuel.

8) **CateringAZ** – A second caterer should be available for our customers as soon as counsel has completed development of the appropriate licensing agreement.

9) **Sky Ranch Lodge** – We are awaiting their designs including a fire-suppression system. The Fire Department and the County are involved.

10) **Airport Advisory Committee** – The latest monthly meeting provided a proposal to increase the overlook parking rates, including an option for residents to park for free. This will be considered as part of the upcoming 2025 budget process.

11) **Sedona Airways** – Counsel is reviewing the application and will provide the necessary contract should this entity enter the market in Sedona.

f. **Business Manager:**

- The Balance Sheet and Profit & Loss vs. Actual are available on Dropbox. Not all numbers are final because some commercial tenants who pay Airport Recovery Fees based on a percentage of their sales have not yet reported.
- Comparing 2024 to 2023 Jan - May Financials: Jet Fuel sales are up 13.5% and up in gallons by 10.1%. Av Gas sales are up both in dollars (19.2%) and in gallons (20%); Overlook Parking Income is up by 3.6%; Total Income is up by 12.8%. Total Cost of Goods is up 11.6%; Gross Profit is up by 13.4%; Legal Fees Expense is up 36.5%; Total Expenses are up by 29.1%; Net Ordinary Income is down by 4.7%.
- The 2023 Financial Audit is complete with all positive reports.
- The D&O/Employment Practices Liability Insurance policy is due to expire on July 12, 2024. Will be discussed in New Business.

g. Special Projects Coordinator:

Mark Allen gave a recap on some of the projects he has been working on.

- He attended the Chamber of Commerce meeting.
- He attended the Good Business meeting which included the Green Business summit allowing him to make contacts with sustainable companies.
- He gave a summary of the Great Sedona Fly-In FAA Wings event.
- Mark has been working with a local artist developing artwork for items the FBO can sell.
- He is assisting with the new Airport Emergency plan with an exercise to follow.
- He is working with Snowbowl regarding advertising on our Webcam page.
- He is overseeing numerous press releases.

Agenda Item VI. Unfinished Business: The Gift Policy documents discussed at the April 15 Regular Meeting have been reviewed by legal counsel. With an agreement to address a few blanks in the form, Secretary Uhrig moved to approve the Gift Acceptance Policy. Director Scott Schroeder seconded. Motion carried unanimously.

Agenda Item VII. New Business:

- Renewal of Director's and Officer's Liability Insurance and Employment Practices Liability Insurance. Business Manager Haruko Terada discussed renewing the present policy which expires on July 12, 2024. The recommended policy offered by Harco National Insurance Company, a member company of IAT, will result in a \$6 increase over the cost of the expiring policy. Director Scott Schroeder moved to accept the proposal as offered. Secretary Jerry Barber seconded the motion. Motion carried unanimously.
- Renewal of Lease and License for the following tenants: Guidance Air Service LLC, AeroZona Aviation LLC, and Apex Air Tours LLC. The Proposed renewal on each of the three leases has a two-year cost of living increase. Director Scott Schroeder moved to approve the renewed leases as requested. Director Mike Schroeder seconded the motion. Motion carried unanimously.
- The Civil Air Patrol requests permission to install a septic system for the recently purchased hangar. Colonel Linda Yaeger of the CAP expressed her desire to improve their hangar by building out interior offices and meeting rooms and installing a septic system on airport property. Vice-President Cooper moved to table the request and discussion until more information is available. Treasurer Jerry Barber seconded the motion. Motion carried unanimously.
- Proposal to conduct a Rates and Charges Study. In response to the FAA's request, General Manager Rose would like to commission a formal study. Three firms submitted a response to a request for proposals, Coffman Associates/Aeroplex, Steven Baldwin Associates, and AMCG. AMCG has a conflict of interest as they have not yet completed their contract with the City of Sedona. Secretary Uhrig moved to hire a firm to conduct the study not to exceed \$24,000; Director Scott Schroeder seconded, and the motion carried unanimously.
- Sedona Airways. An application has been received for a Commercial Aeronautical Lease and Operating Agreement. The paperwork is being reviewed by legal counsel now. Director Scott Schroeder moved to table the discussion until more information is available; Director Mike Schroeder seconded the motion. Motion carried unanimously.

Agenda Item VIII. Call to the Public:

- Lori Drake, candidate for Yavapai County Supervisor, introduced herself and provided a brief background. She expressed interest in becoming the Airport's champion at Yavapai County if elected.

Agenda Item IX: Call for Vote to Convene Executive Session: Director Jerry Barber moved to convene into Executive Session; Director Mike Schroeder seconded. Motion carried unanimously and the Board convened the Executive Session at 3:39 p.m.

The meeting was reconvened back to Open Session at 4:32 p.m.

Agenda Item X: There was no action taken on items discussed during the Executive Session.

Agenda Item XI: At 4:32 p.m., Director Mike Schroeder moved to adjourn the Regular Meeting; Director Jerry Barber seconded. Motion carried unanimously and the meeting was adjourned.

Certified as Accurate and Correct:

Dated this 26th day of August 2024
Sedona-Oak Creek Airport Authority

BY: Pamela A. Fazzini
President Pamela A. Fazzini
SOCAA Board of Directors

BY: [Signature]
Vice-President David Cooper
SOCAA Board of Directors

GERALD R. BARBER
Treasurer