



**SEDONA-OAK CREEK**  
AIRPORT AUTHORITY

**Airport Terminal Conference Room**  
**Minutes of the Special Meeting – October 11, 2021**  
**Pursuant to A.R.S. §38-431.01(B)**

**Agenda Item #I. – Call to Order:** The meeting was called to order by President Fazzini at 2:34 p.m. immediately followed by the Pledge of Allegiance.

**Agenda Item #II. – Roll Call: Directors Present:** President Pam Fazzini, Vice-President David Cooper, Secretary/Treasurer Scott Schroeder, Director Betty Uhrig, Director Jerry Barber, and Director Mike Schroeder. Excused Absence: Director Timothy Miller.

**Staff Present:** General Manager Ed Rose, Business Manager Nelson Durkee, Assistant Business Manager Patresa Miller, and Operations Manager Michael Dearden.

**Agenda Item #III. – Consent Agenda:** None.

**Agenda Item #IV. – Reports:** None.

**Agenda Item #V. – Unfinished Business:**

- a. **Correction to the remaining length of term voted on at the August 23, 2021, meeting. Review, discussion, motion, and possible vote.**

At the August 23 Regular meeting, the Board approved a procedure to transition to a new method of measuring terms for Members. Using the new procedure, Ms. Fazzini had asked the Board to re-elect her to fill the time remaining in her first term, stated then to consist of one year and four months. She now apologized for miscalculating the remaining time which should have been three years and four months as she was first seated in January 2015. Ms. Fazzini has amended the memo from the August 23 meeting to reflect those changes. A copy of the memo and a request to approve the election were already submitted to the Yavapai County Board of Supervisors and is on their Agenda for their October 20, 2021, meeting. President Fazzini asked the Board to ratify the correction as it was submitted to the County.

Director Scott Schroeder moved to approve the correction as presented by President Fazzini. The motion was seconded by Director Betty Uhrig. The vote carried unanimously.

**Agenda Item #VI. – New Business:**

- a. **Review, discussion, motion, and possible vote on SOCAA Budget for Fiscal Year 2022.**

Business Manager Nelson Durkee noted three line-items have been amended from the original Budget proposal submitted for review on September 24. The proposal submitted on September 24 was amended to include a potential salary increase for the General Manager, to increase projected revenue from jet fuel sales by \$9,000, and to reflect the increased loan amount for the Fuel Farm Project consistent with the one responsive bid which came in considerably higher than our engineer's estimate. The revised budget proposal dated October 11 reflects those changes.

Capitalized Budget Expenses were also amended to accommodate a ten percent Fuel Farm Project contingency fund of \$400,000 based on the \$4 million bid. The cost of relocating electric service for the Fuel Farm Project was increased by \$2,000; Mr. Rose would like to perform select projects in house and believes we could realize a cost saving. The total Capitalized Budget Expenses rose by \$402,000 to \$738,651 with the total of Capitalized Budget Expenses and Grant Obligation for 2022 revised to \$870,357.

Grant obligations for FY 2022, based on the latest update from Coffman Associates, calls for less funding than anticipated, decreasing by \$184,378 for a total of \$131,706. Vice-President David Cooper questioned why the Grant obligations decreased. Mr. Rose explained it was due to a reorganization of priorities on the FAA's part, pushing phase two of the drainage improvements out to 2023 instead of next year. This is the best, most current information available. Our expectations are to meet our goals and objectives, and we are asking for the resources necessary to accomplish them.

Money estimated to complete the Fuel Farm Project increased from \$2.3 million to \$4.8 million based on the response from the only responsible bidder. That number includes an optional self-service fuel add-on. Mr. Rose said Dibble, the Airport's engineering firm, deemed the low bid unresponsive due to its omission of certain key scope elements, and because the firm is not a licensed contractor in Arizona. The self-fueling system included in the amount of the responsive bid was approximately \$600,000, leaving the base bid at approximately \$4.2 million.

Mr. Cooper inquired about the wide disparity between the two bidders and wondered if the Airport should reject all the bids, then possibly reissue. Mr. Rose replied that the cost of rebidding the project would be approximately \$40,000 and could possibly be problematic; there is a possibility there might be no responses. Mr. Rose believes the prudent course would be to accept that the low bidder was disqualified and continue with the most qualified standing bidder. Mr. Scott Schroeder asked if the airport could afford a \$4.2 million obligation in our cash flow to which Mr. Rose responded that we do have the ability to service this obligation.

Mr. Durkee interjected if he takes the projected cash on hand and adds it to the net projected income for 2022, he comes up with almost \$2.2 million that can be used. With all the Airport expenses for the loan and the contingency accounted for, he estimates a balance of \$1.2 million in the bank at the end of 2022. The current bank balance is \$1.6 million. It is Mr. Durkee's opinion there would be ample reserves even if being drawn down by \$400,000. Mr. Rose added those revenue projections are conservatively calculated using 80% of this year's fuel sales.

Due to a seeming on-going labor shortage, the 2022 budget expense also reflects the need to employ motivated people at a higher wage, including a full-time Business Manager as Mr. Durkee is moving to part-time.

Lastly, General Manager Rose quickly took this opportunity to thank the Airport Staff, Adam Deibel, and Al Comello for their work on this year's successful Airport Day.

Director Jerry Barber moved to approve the FY 2022 Revenue and Expense Budget and the Capital Expense Budget as presented. The motion was seconded by Director Mike Schroeder. The vote carried unanimously.

**b. Fuel Farm Relocation Project:**

- 1. Review, discussion, and possible motion and vote on recommendation made to the Board by Airport General Manager pursuant to review of bids submitted**

**for the project and which were due September 9, 2022.**

The Board asked the General Manager to further review the responsive bid, find out the reason for the sizeable disparity between the Engineer's Estimate and the bid, and see if there are ways to mitigate the difference. No action was taken.

- 2. Review, discussion, and possible motion and vote to authorize the Board President, Vice-President, and/or Secretary/Treasurer to sign documents relative to the Fuel Farm Relocation Project and financing of the Project to enable the Project and financing to move forward in a timely manner.**

No action was taken.

**Agenda Item #VII. – Call to the Public:**

Mr. Mike Fossett, President of KEAR Civil Corp, the responsive bidder, addressed the Fuel Farm Relocation Project. KEAR is an aviation fueling system contractor out of Phoenix that provides services to airports nationwide. Mr. Fossett and the KEAR team assessed the numbers comprising their bid compared to the other bid submitted to discern why there was such a large difference between the two. Having completed almost 50 projects with Dibble, Mr. Fossett believes there are items in Sedona Airport's design pertaining to the fuel system itself which could be addressed that seemed to be incongruent with the other bid. KEAR wants to address all the bid items to result in the most equitable product possible. Vice-President Cooper inquired if the Fuel Farm Relocation Project is a typical project to which Mr. Fossett replied yes. Going forward, KEAR staff, their Superintendent of Quality Control, and the Project Manager will join forces to begin the project within a 300-day window.

There was no other public comment.

**Agenda Item #VIII. – Vote to convene into Executive session pursuant to A.R.S. §38-431.03 (A)(3) and (A)(4).**

There was no call for an Executive Session.

**Agenda Item #IX. – Motions, Possible Actions, Votes resulting from matters discussed in Executive Session:**

There were no motions or actions.

**Agenda Item #X – Adjournment.**

President Fazzini entertained a motion to adjourn. Director Scott Schroeder so moved, and the motion was seconded by Director Barber. The motion carried unanimously. The meeting adjourned at 3:24 p.m.

**Certified as Accurate and Correct:**

Dated this 1<sup>st</sup> Day of November 2021

Sedona-Oak Creek Airport Authority

Minutes Approved

BY: Pamela A. Fazzini

Pamela Fazzini, President

SOCOA Board of Directors

BY: David M Cooper

David Cooper, Vice-President

SOCOA Board of Directors