

Sedona-Oak Creek Airport Authority

Airport Terminal Conference Room Minutes of the Regular Meeting – October 27, 2025 Pursuant to A.R.S. §38-431.01(B)

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

Directors Absent: Secretary Betty Uhrig's term expired on October 25.

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

Counsel Present: Tony Cullum, Richard Boyle and Robert Wingo

Others Present: Ryan Leick with Ascencion Group Partners and Matt Quick with Coffman Associates.

Agenda Item I. Call to Order. The Regular 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: Minutes of the September 22, 2025, Special Meeting of the SOCAA Board. Vice-President David Cooper moved to approve the consent agenda as presented; his motion was seconded by Director Timothy Miller. There was no discussion and the motion passed unanimously.

Agenda Item IV: Reports

a. Treasurer: Mr. Barber distributed a spreadsheet he prepared purporting to depict a calculation of Cash and Debt commencing in February 2022 through September 2025. He expressed concern, after Capital commitments, the Authority's cash position is low. He proposed to put a hold on projects other than the water system loan. Discussion ensued among the Directors with agreement that cash flow is critical to the Authority, a 501(c)(3) with no access to monies through taxation. Mr. Barber did not share his handout with any of the staff or attorneys present, so they could not offer input. General Manager Ed Rose informed Directors he has requested the authority auditors, Haynie and Company, to develop a Free Cash Flow model projecting out three years for purposes of forecasting. Mr. Rose is awaiting their proposal.

b. General Manager:

- Mr. Rose met with Yavapai County Deputy Manager Martin Brennan to discuss several issues.
- The Taxiway Pre-construction meeting was held with the County, engineers, the contractor, and the airport represented to discuss contractor staging, haul routes, readiness, and expectations for the project.
- Several meetings were held with the planning team in preparation for Wings and Wheels to discuss final organizational elements, aircraft confirmations and contingency layout. A final meeting was held with large sponsors regarding banner acquisition, poster distribution, radio station coordination, parking, staff assignments, distribution of volunteers. Ultimately, however, forecasts for inclement weather made it necessary to cancel the event for 2025.

- Mr. Rose met with Clarkdale Mayor and the Town Supervisor to discuss noise abatement strategies which have been successful at Sedona.
- Mr. Rose and Dibble Engineering met for their September monthly coordination meeting to discuss the complete menu and status of projects and to provide direction. There was also a discussion of broadening of the scope of the hangar roof assessment project to include a complete structural inspection of those airport-owned hangars.
- Mr. Rose met with County Supervisor Check to discuss SOCAA's fire suppression water project and explore potential for County participation.
- Mr. Rose attended the Association of California Airports meeting to share philosophies and strategies for preservation of Arizona's Aviation Fund, State/local grant programs, and the Airport Pavement Maintenance Program.
- Mr. Rose joined FAA/ADOT in a monthly call to discuss funding, program difficulties, projects, and possible strategies for funding infield drainage improvements at Sedona Airport.
- Mr. Rose met with First Class Charters, formerly Zeus, about participation in Wings and Wheels, including the number of vehicles to be utilized and the routes to be used for transporting visitors.
- Mr. Rose presented to the Arizona Rural Transportation Advisory Council proposing the idea that Arizona should benchmark the most successful state rural air service development programs in place nationwide and to discuss Arizona Association of Airport's priorities with RTAC's Board leadership and seventeen lawmakers in attendance. He advocated for preservation of the Arizona State Aviation Fund.
- Mr. Rose is working on the Taxiway "A" Construction project coordinating start dates, tenant notifications, NOTAMS, staging, haul routes, light removal, saw cuts, Quality Control, and an expected completion date.
- Mr. Rose is meeting with new tenants at the onset of their leases to review lease obligations with them and to encourage them to read their lease as well as airport Rules and Regulations. He has been focusing on subletting, commercial activity, alterations, lease duration, and insurance requirements.
- In preparation for the proposed Sky Ranch Lodge expansion, Mr. Rose met with the City's Community Development staff, the Principle of Sky Ranch Lodge, and the Sedona Fire District regarding pre-application, discussion of airport zoning – both current and desired - the airport's financial outlook, the Fire Suppression Water Project status and the issue of secondary access to the airport.
- Mr. Rose participated in the Embry-Riddle Fall Career Expo to espouse internship opportunities at Arizona airports and to offer tactics to land internships.
- During the October monthly meeting with Dibble, there was a discussion of current projects, including the status of contracts for the helicopter six-pack and new taxi-lane projects, the survey of acreage south of Sky Ranch Lodge, and coordination with the FAA for the Airport Layout Plan, environmental requirements, fencing and relocation of the west gate.
- At the AzAA Conference, Mr. Rose, as AzAA President, led the agenda for what turned out to be the best attended conference in over 10 years.
- Mr. Rose met with Auditor Lisa Dubrow of Haynie and Company and staff to identify a scope, term of projections, frequency of review, and fee for providing a third-party analysis of Authority cash flow.
- Mr. Rose attended the Verde Valley Economic Forum to promote the airport and its potential uses for the greater good. Mr. Rose recommended all Verde Valley towns unite and cross promote to distribute tourists who come to this area. Mr. Rose volunteered Sedona Airport as rotating host for a slide presentation to show clientele places to go and things to do all across the Valley.
- Meetings were conducted with staff to address regular topics such as safety, winter preparedness, and priorities.

- Mr. Rose hosted the Verde Valley Partners for Rural America, a group of local businesses and leadership partners to promote use of Sedona Airport and its contributions to the community.
- Mr. Rose plans to attend the Water Infrastructure Finance Authority (WIFA) Board meeting on October 28 to address any questions that Board may have regarding our application and to bolster the Airport's chances of success for achieving funding. Mr. Rose has been told everything submitted so far looks very good. There were some questions about pending litigation which Mr. Rose asked Counsel to address and they did so.
- Mr. Rose met with County Supervisor Nikki Check to discuss at length the proposed water project and to solicit her support for possible participation by the County. He emphasized economic impacts, both short and long-term, including an increase in value of the Airport property.
- Mr. Rose worked with Staff and the Committee working on a proposed SOCAA Investment Policy. They researched various options to identify the best compliant path forward. There is a recommendation which will be reviewed under New Business later this meeting. Counsel reviewed the recommendation and there is a resolution to be presented authorizing staff to proceed.
- Mr. Rose has been working on a Wildfire Readiness Plan as this has been strongly recommended by our insurance carrier to memorialize actions to be taken in advance of and upon occurrence of wildfire.
- Mr. Rose met with the City of Sedona and the Sedona Fire District to discuss easements on Airport Road. Mr. Rose suggested consultation with Northern Arizona Council of Governments (NACOG) and the State Transportation Board for advice on the matter.

c. Business Manager:

- The 2026 SOCAA budget, approved at the September 22 Special Meeting, was submitted to Yavapai County in compliance with and in advance of the deadline established in the Master Lease.
- Monthly and Quarterly financials were presented. Compared to the same period last year, jet fuel sales declined 7.2% by volume and 9.1% in dollars. The decrease reflects a decline in both military activity and transient sales. Avgas sales increased 1.5% in volume and decreased by 3.9% in dollar income due in part to lower fuel costs and higher operating expenses due to maintenance work and the additional staffing required by expanded hours of operation. Activity levels remain steady and consistent fueling activity throughout the third quarter continues to reflect stable airport operations. The Mesa Grill and Sky Ranch Lodge recovery fees are up. Net Ordinary Income is 4.3% (\$34,587) higher than this time last year. SOCAA's investments have provided an additional source of income through investment in Treasury Bills.
- SOCAA maintained a 22.5% ordinary income margin. This demonstrates continued cost control and operational stability. Operational surplus remains strong, underscoring SOCAA's financial health and capacity to reinvest in airport improvements.
- Interest earnings from U.S. Treasury Bills totaled \$84,870 during this period.

Agenda Item V: Call to the Public: No one came forward during this opportunity.

Agenda Item VI: Unfinished business. None.

Agenda Item VII: New business:

- Update from the Selections Committee to Fill Vacancies on the SOCAA Board. Vice-President Cooper, who chairs the recently named Selection Committee, reported the committee met on October seventh. There were three persons who submitted timely applications and interviews of all three would take place shortly. Mr. Cooper also requested an opportunity to seek advice from counsel during today's Executive Session regarding a committee matter.

b. Proposal by Dibble Engineering, LLC. AWOS maintenance contract. The original proposal to assess existing roof conditions was expanded to include a comprehensive structural assessment of those airport-owned hangars as requested by the Board at the September 22 meeting. In response to the Board's request, Dibble proposes to complete the expanded assessment for \$61,700. Vice-President Cooper moved to approve the proposal and professional services agreement as presented; Director Miller seconded. The motion carried unanimously.

Agenda Item VIII: New Business:

a. Presentation by Ryan Leick of Ascension Group Partners (AGP) regarding the proposed revised Minimum Standards for Commercial Aeronautical Activities at Sedona Airport. Mr. Leick, who helped prepare the revised standards along with Matt Quick of Coffman Associates, walked the Board through a power point presentation which explained why airports have minimum standards, what FAA regulations require, and how the proposed standards work for Sedona Airport. The proposed document would replace standards adopted in 2018.

b. Minimum Standards for Commercial Aeronautical Activities at Sedona Airport. Questions were answered by Mr. Leick and Mr. Rose. No action was required at this time.

c. Proposed Investment Policy for Sedona-Oak Creek Airport Authority. In response to a request made at the June 23rd, 2025, regular meeting of the SOCAA Board, President Fazzini asked Vice-President Cooper and Director Scott Schroeder to work with General Manager Rose to draft such a policy and report back to the Board. A proposed policy, reviewed and approved by Counsel, was presented and discussed. It was determined to further work was needed on the policy before it was brought back to the Board. However, a motion to approve investments in and to submit the resolution for authorizing investments in the Local Government Investment Pool (LGIP), managed by the State Treasurer, was made by Director Cooper and seconded by Director Barber. The motion passed unanimously.

Observing the Board was likely to lose its quorum before all business on the agenda could be addressed, President Fazzini chose to address remaining items on the agenda in order of timeliness and jumped to Employee Health Insurance next.

f. Employee Health Insurance: Business Manager Haruko Terada read her cover letter and explained how several concurrent programs work together to provide comprehensive health care coverage for employees. The current employee health insurance, an employee benefit, expires on December 31, 2025, and the Business Manager recommended renewal of the current contract. Renewal represents a cost increase of 3.9% for the same number of employees. A motion to approve the Business Manager's recommendation was made by Director Timothy Miller and was seconded by Director Scott Schroeder. There was no further discussion and the motion carried unanimously.

g. Procedures for Election of 2026 Officers at the December 1st Annual Meeting was presented and reviewed. Vice-President Cooper moved to approve as presented; Treasurer Barber seconded, and the motion carried.

d. Proposal to form a Foundation to accept and disperse donations made to benefit SOCAA and/or the Sedona Airport. Vice-President Cooper moved to table this and the following item, consideration of a Professional Services agreement with Spencer and Fane, LLP, to form a not-for-profit foundation to accept and disperse such donations, until more information was available and there was adequate time to discuss the proposal. Director Jerry Barber seconded and the motion carried.

Agenda Item VIII. Executive Session. Vice-President Cooper moved to convene Executive Session for the purpose of discussion or consultation for legal advice with the attorneys of the Board pertaining to the workplace complaint and investigation pursuant to A.R.S. §38-431.03 (A)(3) and Treasurer Jerry Barber seconded. The motion carried. Then, with Director Mike Schroeder having lost his telephone connection and Director Scott Schroeder and Vice-President Cooper having to leave the meeting, the Board lost its quorum.

Agenda Item IX. The meeting was adjourned at 4:41 p.m. due to lack of a quorum.

Certified as Accurate and Correct:

Dated this 1st day of December 2025
Sedona-Oak Creek Airport Authority

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

BY: David M. Cooper
Vice-President David Cooper
SOCAA Board of Directors