



SEDONA-OAK CREEK
AIRPORT AUTHORITY

Airport Terminal Conference Room
Minutes of the Annual Meeting – December 7, 2020
Pursuant to A.R.S. §38-431.01(B)

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

Staff Present: General Manager Ed Rose, Michael Dearden, Operations/Maintenance Manager, Business Manager Nelson Durkee, Assistant to the Business Manager Patresa Miller.

Others Present: Mr. Jeff Hayes, USDA Regional Director of Arizona Rural Development Programs.

Agenda Item #I. – The meeting was called to order by President Fazzini at 2:30 p.m. immediately followed by the Pledge of Allegiance. A moment of silence was observed in remembrance of Pearl Harbor Day.

Agenda Item #II. – Consent Agenda. The Consent Agenda included the minutes of the October 26, 2020 Regular Meeting and Executive Session. Vice-President Cooper moved to approve the Consent Agenda as submitted; Director Scott Schroeder seconded. The motion carried unanimously.

Agenda Item #III. – Reports by:

President: No report.

Vice-President: No report.

Secretary/Treasurer: Deferred to the Business Manager.

General Manager: Mr. Rose provided a summary of his comprehensive 2020 Annual report which had been submitted to the Board. An extensive list of work accomplished included establishment of maintenance programs for airport vehicles, hangars, buildings and equipment. Employees received training regarding Wildlife Hazard Management, facility inspections, and standards for customer service. Studies were completed of the Airport drainage system as well as for the water supply and fire suppression systems. The Airport drainage project has been recognized by ADOT for funding in 2021. Rehabilitation of Apron D, including crack sealing and seal coating of most taxi lanes was completed. A truck and plow were purchased to improve facility response during snow events. A twelve-foot mower deck was purchased which more than doubled productivity. A re-write of the Stormwater Pollution Prevention Plan was

initiated. Work is underway with NetJets to create an RNAV approach to Runway 21. An Airport Security Plan was developed. The Fuel Farm Replacement Project is in design phase with an independent fee estimate already completed. A Security Plan has been developed for the Airport. Engineers were engaged and have provided a proposal for significant repair to structural components of the Airport Terminal Building. Options for funding these and other projects, both through loans and State programs have been explored and presentations have been made to the Board.

Requests for Proposals are being prepared for hangar development and re-development of the former Masonic Lodge property. A five-year Capital Improvement Program has been written and submitted to the FAA in coordination with Yavapai County and our engineers. A voluntary "Fly Friendly" agreement was developed by tour operators in cooperation with the City and the Chamber of Commerce with support of the Airport and was adopted. The Airport's website has been modified to more clearly direct visitors to noise abatement procedures and to forms for submitting public noise complaints. Recent noise issues resulting from powered parachutes – flights which did not originate from the Airport – is the impetus for developing noise abatement recommendations which will be integrated into the Airport website.

The Airport participated in a fund-raising drive-in movie night to benefit the Sedona High School Scholarship Program, facilitated the Toys for Tots Campaign, and provided space for Emergency Vehicle Operations for both the Sedona Fire and Police Departments. Planning has begun to conduct an airport emergency drill in 2021.

There have been improvements to the Airport Overlook area to facilitate a better experience for visitors to the overlook. Several fly-in events were hosted this year, although the pandemic led to several events, including Airport Day, to be postponed.

The Airport applied for and received \$123,000 from the Paycheck Protection Program to assist in providing continued services as an essential business and received \$69,000 through the FAA CARES Act.

Since Mr. Rose wrote his comprehensive Annual Report, he has begun work to ensure complete disclosures regarding the Airport are included as part of every local real estate transaction. Mr. Rose has also begun working with the Arizona Aviation Safety Group which addresses training and other issues designed to improve safety at non-towered airports.

Business Manager: Fuel sales have been very strong with November jet fuel sales up over November 2019 sales by 134%. Avgas sales are also the highest they've been since 2017. Income from many of the Airport's tenants, including the Mesa Grill and the Sky Ranch Lodge is still below budget due to the impact of the pandemic. Overall, revenues are slightly over budget, meaning the Airport has made up for the losses suffered earlier this year. The Airport Authority still suffers the cost of on-going litigation with all expenses running 11 percent higher than budgeted.

Agenda Item #V. - Old Business.

- a. **New Communication Tower lease with the Sedona Fire District** – Director Cooper moved, and Director Miller seconded to table any discussion and possible action on this lease until after the Executive Session when the Board will confer with the attorney regarding this matter. There was no discussion; the motion carried unanimously.
- b. **Contract to review and amend SOCAA documents.** At the last meeting on October 26, 2020, a motion was made to authorize the Board President to contract for services with Bond Counsel to review and amend as necessary the Authority's documents in preparation for securing potential future financing. Mr. Rose is utilizing one of the Airport's litigation attorneys who is experienced in this sort of work. Since the Authority already has a written agreement with her for general services, no additional agreement is required. She expects to be able to initiate the review starting mid-December.

Agenda Item #V – New Business.

- a. **Presentation by Mr. Jeff Hayes, USDA Regional Director of Arizona Rural Development program regarding possible funding for rural water systems.** Mr. Hayes outlined ways the Airport might qualify for various programs available under the USDA Arizona Rural Development loans. He described his programs as funding anything from food banks to hospitals, including transportation projects. He noted our plans to construct a fire suppression water system would be eligible. Funds may also be used to conduct feasibility studies and analysis and thus be used as a pathway to larger products. The grants can be direct loans from the government or can partner with private money. Terms are relative to the expected life of the facility, up to thirty-five years. The direct loan interest rate is currently 2.125%. The process starts with a conversation and then a preliminary application to determine financial feasibility. In the Airport's case, a loan would most likely be issued as a promissory note using income generated by leases as security. Yavapai County would have to approve. The process usually takes about one to two years to get to the construction phase. He mentioned that the Airport Authority may want to look at extending the lease with Yavapai County.
- b. **Tracking terms of office for SOCAA Board members.** Director Cooper, who has chaired the two most recent Selection Committees, suggested the Board may want to start counting a member's term on the day that member is first seated. The Authority's Bylaws state that members may serve two consecutive five-year terms with the second term being approved by both the SOCAA Board and the Yavapai County Board of Supervisors. Since at least 2014, terms of new members, who most often are replacing a member who did not complete a term, were calculated as completing the unfinished term of the former member and then, potentially serving one additional five-year term. This has resulted in an inordinate amount of time and effort being spent on recruiting qualified members

who are not then able to serve two full five-year terms. The Board requested the Business Manager prepare a chart for review at the next regular meeting in February showing the impact adopting of such a proposal.

- c. **Contract for Services with VirTower.** VirTower provides tracking services of aircraft interactions with airports. General Manager Mr. Rose believes its services would be of value to the Airport for a number of reasons including improved collection of revenues generated during after-hour operations and by providing FAA feedback and statistical data needed to qualify for grant monies. The proposed VirTower contract provides for three years of services with a sixty-day cancellation clause. Mr. Rose estimates the monthly fee would be recovered by collecting landing fees from just two jets landing after hours. After some discussion, Director Scott Schroeder moved to approve entering a three-year contract with VirTower which was seconded by Director Mike Schroeder. The motion carried with six directors voting in favor and one director, Tim Miller, voting no.
- d. **Election of Officers for 2021.** Paper ballots prepared by the Business Office were distributed to each Director Present. David Palm, present by telephone, voted by texting his choices to the Business Manager. After Mr. Durkee tallied the votes with Mr. Rose serving as observer, the following results were announced: Pam Fazzini will serve as President, David Cooper will serve as Vice-President, and Scott Schroeder will serve as Secretary/Treasurer in 2021 with terms starting January 1. All votes were unanimous.

Agenda Item #VI – Call to the Public. One person, Russ Demaray, who has been involved at the Airport since 1996 and served two five-year terms on the SOCAA Board, serving first as Treasurer and then as President, expressed his support for the proposed change to the way terms of directors are calculated, saying that was the way it was done when he was on the Board.

Agenda Item #VII – Call to Convene into Executive Session. A motion to convene into Executive Session was made by Director Betty Uhrig and seconded by Director Mike Schroeder. The motion carried unanimously, and Executive Session was convened at 3:41 p.m. The Board convened back into Open Session at 4:29 p.m. Directors Scott Schroeder and Tim Miller had to leave at this time.

Agenda Item #VIII – Motions/Possible Action/Votes on items discussed in Executive Session.

- a. Vice-President Cooper moved that the Airport Manager be authorized to execute an extension of the communications tower lease with the Sedona Fire Department through February 22, 2021. The Airport Manager is further requested to attempt to complete negotiation of the lease such that it might be presented to the Board for approval at a Special Meeting in January or early February. Director Betty Uhrig seconded, and the motion carried unanimously.

- b. Director Mike Schroeder moved that the Airport Manager be paid a year-end bonus of \$1,500. Director Betty Uhrig seconded, and the motion carried unanimously.

Agenda Item #IX – Adjournment. Director Mike Schroeder moved to adjourn; Director Betty Uhrig seconded, and the motion carried unanimously. The meeting adjourned at 4:34 p.m.

Certified as Accurate and Correct:

Dated this _____ Day of _____ 2020
Sedona Oak-Creek Airport Authority

Minutes Approved

BY: _____
Pamela Fazzini, President
SOCAA Board of Directors

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