

County Council of Beaufort County
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AIRPORTS BOARD MEETING MINUTES
OF MARCH 19, 2009

The print media was notified in accordance with the State Freedom of Information Act.

The regularly scheduled meeting of the Beaufort County Airports Board was held at 1:30 PM on Thursday, March 19, 2009 in the Council Chambers of the Beaufort County Government Center. Vice Chairman Pete Buchanan called the meeting to order.

GUEST INTRODUCTIONS – Guests attending the meeting introduced themselves.

A motion was made and seconded to approve the March 19, 2009 agenda. The motion passed unanimously (4 in favor/0 opposed).

A motion was made and seconded to accept the February 19, 2009 meeting minutes. The motion passed unanimously (4 in favor/0 opposed).

MEMBERS

Pete Buchanan – Vice Chairman
Councilman Rick Caporale – Beaufort
County Liaison
Councilman Ken Heitzke – Town of Hilton
Head Liaison
Leonard Law
Ross Sanders
Jared Newman

GUESTS

Councilman Paul Sommerville
Councilman Bill McBride
Councilman Steve Baer
Richard Tritschler – Resident
Bill Coleman – Resident
Don Baldwin – Resident
Leo Brennan – Resident
Chris Eversman – Wilbur Smith Associates
Mike Bennett – Signature Flight Support

STAFF

Paul Andres – Airport Director
Larry Yeager – Chief of Operations
Joel Phillips – Beaufort Co. Airport Supv.
Linda Wright – Administrative Assistant

PUBLIC COMMENTS –There were no public comments at this time.

HILTON HEAD ISLAND AIRPORT REPORT

1. Tower Report: Paul Andres
 - For the month of February 2009 there were 2,780 total flight operations of which 1,299 were conducted under IFR procedures. Mr. Andres stated the general aviation after hours counters are still out. He stated the overall general aviation operations remain down as a reflection of the economy.

2. Projects: Paul Andres

- Tree Obstruction Removal – The plant back contract was approved by County Council last Monday and they met with the contractor this morning. The plant back will start very shortly. The County Administrator will be meeting with the Town Manager on March 26, 2009 to try to work out some agreement regarding the trees on the North End of the Airport.
- Emergency Generator –The contractor is still waiting for the delivery of the pre-engineered building that will house the generator.
- ARFF Design – The FAA has provided their comments on the 60% design plans. The architect and consultant are currently finishing the design work and hope to have this out for bid in the near future.
- Hilton Head Master Plan – The consultant will be meeting with County and Town officials March 31, 2009. The Town has approved their level of funding at a recent Town Council meeting. The County is still in the process of identifying the source of the matching County funds.
- Design Projects – The runway safety area drainage improvement project is nearing the final design phase and they are getting it ready for bid. The air carrier terminal improvements and the apron joint material replacement design projects have slowed down as attempts to reconcile the Airport financials continue.

Mr. Newman asked when the financial problems would be resolved. Mr. Andres stated the County Administrator has authorized the Chief Financial Officer to bring in two independent outside auditors to review and resolve the financial records for the last several years. They hope to have this completed within the next two to three months.

Councilman Caporale asked for an update on the fuel pricing. Mr. Andres stated that County Council approved a flexible pricing policy to be used at the Lady's Island Airport at the discretion of the Airports Director. Mr. Andres stated the price will be based on the average of fuel prices at airports within a fifty mile radius; however the price can never be less than 10% above cost.

3. Operations Report: Chief Yeager

- There were 6 medivacs for the month of February. There were no in-flight emergencies or incidents.

4. Noise Complaints & Traffic Counters: Chief Yeager

- There were 4 noise complaints for the month of February. Two complaints were from Indigo Run relating to commercial aircraft and the other 2 complaints were from Palmetto Hall and Port Royal regarding a corporate jet.

BEAUFORT COUNTY AIRPORT REPORT

1. Fuel Sales: Joel Phillips

- For the month of February the total fuel sales were 7,477 gallons (4,281 gallons of AvGas and 3,196 gallons of jet fuel) which is an increase from the previous months. The total operations were estimated to be between 1,000 and 1,100. The exact number is unknown since the counters are still out of service. He stated the counters are at least ten years old and probably cannot be repaired so they will have to go out for bid for replacements. He stated the cost to replace them would be approximately \$700.00 to \$800.00 each and they need to replace at least two.

Mr. Buchanan asked if they really need the counters. Mr. Phillips stated he is required to report these numbers to the FAA and State Aeronautics for supplemental funding.

2. Projects: Paul Andres

- Tree Obstruction Removal – A meeting was held earlier this week with SCE&G officials regarding the utility power poles that pose a problem on the South End of the Airport. Their engineers will report back with options to address this issue hopefully within 30 days. The consultant is also finalizing all of the remaining tree obstruction data South of the Airport.
- Master Plan – The consultant is starting his alternative development analysis and will provide this information at the next Technical Advisory Committee either at the end of March or the first week in April.
- Design Projects - The runway overlay, runway end identifier lighting system on the South End and the rotating beacon and wind cone replacement projects are progressing nicely.

Mr. Law asked for the status of the punch list for the Mosquito Control Hangar. Mr. Andres stated most of the items have been corrected and they are starting to use the hangar.

Mr. Newman wanted to know if the power poles are within the glide slope. Mr. Andres stated that 13 out of 20 high transmission and distribution lines are obstructions to the 34:1 slope. Mr. Newman wanted to know how this will be resolved. Mr. Andres stated they will have to wait on the options and the costs provided by SCE&G.

COMMITTEE REPORTS

1. Finance: Pete Buchanan – No Report.
2. Lady's Island Facilities: Pete Buchanan – No Report.
3. Hilton Head Island Airport Facilities: No Report.

UNFINISHED BUSINESS

1. Signature Hangar Proposal: Paul Andres
 - Mr. Andres stated Mr. Mike Bennett of Signature Flight Support intends to have the required due diligence information gathered and presented to the Board at the April meeting. Based on the Board's recommendation, it will then be forwarded to the Public Services Committee and County Council for their consideration.

NEW BUSINESS

Mr. Buchanan stated Mr. Will Dopp has been nominated to fill one of the vacancies on the Airports Board. Mr. Dopp resides in Hilton Head and is an experienced FBO manager. He will be voted on at the next County Council meeting.

1. Aircraft Hangar Property Taxes: Pete Buchanan
 - Mr. Buchanan stated the hangars at the Hilton Head Island Airport and Lady's

Island Airport are now being taxed by the County. He stated the taxes are approximately \$6,400 at Lady's Island and \$10,600 at Hilton Head. Mr. Buchanan stated the hangars at Hilton Head were built by the County with some Airport funds to provide a service and to be a source of income through hangar rentals. However, the income has been diverted to the General Fund. He also stated the Advisory Board had recommended a higher rental rate than was approved. The current rate charged for the hangar rentals causes the Airport to operate at a loss. Mr. Buchanan stated that if the rates were increased by 5% they may start to break even by 2015. He further stated that while they may be able to resolve the loss at Hilton Head Island Airport, it is not as simple at Lady's Island. He stated the current contract for Lady's Island Airport states that rent may be increased on January 1st of each year according to the increase of the consumer price index providing the increase is no greater than 5%. Mr. Buchanan stated the tax bill was not received until after the first of the year and the price index at the end of the year was a negative. Therefore, he suggested the Airport Administration take the necessary steps to modify the contract with hangar owners at Lady's Island.

Councilman Caporale said he was aware of some of the things Mr. Buchanan had spoken of so he would discuss these items with Mr. Kubic. Councilman Caporale stated there are several questions with regards to the diversion of revenue to the General Fund as well as the taxation on the hangars so he would check into these matters and get back with the Board.

- Mr. Buchanan asked what had happened to the recommendation by the Airports Board regarding the change of airplane property tax rates which they had estimated would increase the number of aircraft even though the rate would be reduced. Mr. Caporale stated it had been tabled and he would check to see when it would be discussed again.
- Mr. Newman wanted to know when all of the Board appointments would be made. Councilman Baer stated they had received 48 applications and with the appointments soon to be made they should have the Board up to 7 members in the next 45 days and should have all members on the Board by sometime this summer. Councilman Caporale added there has never been this many applicants for any advisory board and it is a very impressive pool of talent. He stated this has caused more discussion concerning nominations which have slowed the process down. Councilman Caporale hopes to see 9 members sitting on the Board within 60 days.

PUBLIC COMMENTS

1. Councilman Baer – Councilman Baer stated there may have been some erroneous information concerning the hangars. He stated the money was not diverted. The taxpayers had put up \$1.8 million for the hangars so the Finance Committee, Public Services Committee and the County Council voted to have this money reimbursed over a period of 25 years which amounts to approximately \$127,000.00 per year for principal and interest from the Airport Enterprise Fund. He further stated he recalls the County actually raised the amount of the rental rate than what had been recommended by the Advisory Board. Councilman Baer stated the hangars do not generate enough revenue to pay their expenses because the expenses are high and approximately 25% of the money is

involved in collecting the rents. He concluded by stating everyone wants the hangars to succeed, but that they should be paid for by the Airport Enterprise Fund and be self sustained rather than being supported by the taxpayers.

ADJOURMENT

With no further business to discuss, the meeting was adjourned at approximately 2:15 PM.

FUTURE MEETING

Airports Board: The next meeting will be held on Thursday, April 23, 2009 at 12:00 PM in the County Council Chambers of the Beaufort County Government Center.