

County Council of Beaufort County
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AIRPORTS BOARD MEETING MINUTES
OF OCTOBER 15, 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, October 15, 2009 in the Council Chambers of the Beaufort County Government Center. Vice Chairman Pete Buchanan called the meeting to order.

Mr. Buchanan welcomed Mr. Jorgensen to the Board.

Mr. Buchanan informed everyone of a bronze eagle being donated by the Harvey Ewing family at the Hilton Head Island Airport at 1:30 p.m. on October 16th in memory of Mr. Ewing.

A motion was made and seconded to approve the October 15, 2009 agenda. The motion passed unanimously.

A motion was made and seconded to accept the September 17, 2009 meeting minutes. The motion passed unanimously.

GUEST INTRODUCTIONS – Guests attending the meeting introduced themselves.

MEMBERS PRESENT

Pete Buchanan – Vice Chairman
Councilman Rick Caporale – Beaufort
County Liaison
Councilman Ken Heitzke – Town of Hilton
Head Liaison
Jared Newman
Will Dopp
Leonard Law
Graham Kerr
Noel Duncan
Ross Sanders
Paul Jorgensen

GUESTS

Councilman Steve Baer
Leo Brennan – Resident
John Morrisette – Resident
Steve Baker – Dennis Corporation

STAFF

Paul Andres – Airport Director
Rob McFee – Director, Engineering and
Infrastructure Division
Joel Phillips – Beaufort Co. Airport Supv.
Linda Wright – Admin. Asst.

MEMBERS ABSENT

Joseph Mazzei
Rich Tritschler

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

HILTON HEAD ISLAND AIRPORT REPORT

1. Tower Report: Paul Andres

- For the month of September 2009 there were 3,432 total flight operations of which 2,041 were conducted under IFR procedures. The after hours count was a total of 140 operations.

2. Projects: Paul Andres

- Tree Obstruction Removal –At the recent State of the Region breakfast hosted by the Hilton Head Chamber of Commerce, Mayor Peebles indicated that he will be working with the Town Council to look at ways to revise their LMO requirements as it pertains to the tree obstructions affecting the Airport with the goal being to expedite the removal process. The County staff will be meeting with the Town staff to establish an agreement on the process which will allow us to schedule the required public hearing for the Environmental Assessment. At that point the final draft of the Environmental Assessment will be submitted to the FAA for their final determination to allow this project to proceed.
- Emergency Generator – The two remaining punch list items are to have the contractor install an electrical service disconnect in accordance with local building codes and repaint the building exterior from pink to light tan.
- ARFF Station and Runway Safety Area Drainage Improvement – Both construction contracts have been awarded. We are in the process of finalizing the selection of the construction project management team that will oversee the construction of these projects. Hopefully a contract recommendation will be available by the end of this month to go before the Public Facilities Committee and County Council.
- Hilton Head Master Plan – The consultant is continuing to gather essential inventory and facilities data on the Airport. A staff meeting has been arranged with FAA officials from Atlanta, Mr. Kubic, Mr. Andres, the Executive Director of the Division of Aeronautics and the Aeronautics Commissioner for this region. The meeting is scheduled for October 28th. All of the active FAA grant projects at both airports will be discussed at this meeting and the status of the Hilton Head Island Airport Master Plan will also be discussed.
- Design Projects –The design of the commercial apron joint material repair project is being finished. The commercial terminal improvements have been placed on temporary hold in order to see how this project interfaces with the Master Plan because the Master Plan will likely make recommendations regarding the commercial terminal and other facilities at the Airport.

3. Operations Report: Paul Andres for Chief Yeager

- In September there were 9 medivacs and 1 in-flight emergency. The emergency was a general aviation aircraft that blew a tire on landing. It landed without further incident.

4. Noise Complaints & Traffic Counters: Paul Andres for Chief Yeager

- There was one noise complaint from Port Royal Plantation concerning a low

flying corporate jet aircraft.

Mr. Dopp asked if the Master Plan meeting being held on October 28th was an open meeting. Mr. Andres stated it is only for staff.

Mr. Dopp stated that Ms. Sally Krebs, the Natural Resources Administrator on Hilton Head, stated the trees should be topped and not clear cut because the tree roots act as a filter for ground water. Mr. Andres stated this is not a fundamental issue at this point because there are several drainage systems at the Airport.

Mr. Kerr stated the trees need to be taken care of as soon as possible due to the safety factor.

Mr. Dopp wanted to know if the trees could be put into different groups so they could handle off-airport trees later. Mr. Andres stated they may be able to do this as they get further along in the process, but part of it may be dependent upon funding. He said these details will have to be worked out in the next grant cycle with the FAA. Mr. Jorgensen asked if there is a potential timeline. Mr. Andres stated that if everything works out they hope to have funding available in the Spring with the work to start this coming Summer.

Councilman Caporale wanted to know if it is essential to secure FAA funding before the project is awarded. Mr. Andres stated this decision should be left to the County Administrator and County Council due to the magnitude of the cost. Councilman Caporale wanted to know if the FAA has guaranteed the funding and Mr. Andres stated that due to the safety factors the FAA has indicated they intend to fund this project. Mr. Andres added that it may be just entitlement funding that will be available in the Spring which for Hilton Head is \$1,000,000.00. This may not be enough to cover the project. Then in the Summer, they will be able to use discretionary funding to pick up the balance of the cost. Councilman Caporale stated this project is crucial and long overdue.

Councilman Caporale asked why the October 28th meeting is a closed meeting and who made that decision. Mr. Andres stated the intent of this meeting is to be a working meeting between the FAA and the consultants to talk about the status of these projects. Mr. Dopp stated that it was indicated at the orientation meeting that everything would be open and transparent. Mr. Andres stressed that this meeting is just a staff working meeting, but that he would ask the County Administrator about making this an open meeting. Councilman Caporale said he would also talk to the County Administrator about this being an open meeting.

BEAUFORT COUNTY AIRPORT REPORT

1. Fuel Sales: Joel Phillips

- For the month of September the total fuel sales were 7,973 gallons (4,258 gallons of AvGas and 3,715 gallons of jet fuel). Fuel sales were equal to the same time period last year and the fuel prices have remained constant. There was also 1 medivac.

Mr. Dopp asked if the increase in hangar rents had impacted Lady's Island Airport. Mr. Phillips stated he has not lost any tenants, but he has 17 tenants that have not returned their new contracts although they are paying the new rates.

2. Projects: Paul Andres

- Tree Obstruction Removal – The tree obstruction removal project is still on hold pending further discussions about the ongoing litigation at the Airport.

- Master Plan – The consultant, Wilbur Smith, has appointed a new project planner for this particular project. They will be meeting with the FAA officials on October 28th to discuss the status of the Master Plan at the Lady's Island Airport.
- Design Projects –The design projects are now construction projects. As soon as the project management contract is in place the runway overlay and the electrical improvement projects will get underway.

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. Aircraft Tax Rates: Paul Andres
 - Mr. Andres stated he had nothing new to report. He stated that Councilman Rodman had indicated that he was going to request the tax rate information from the County Auditor's office. Mr. Dopp stated the information has not yet been received from the Auditor.
3. Signature Operating Agreement: Paul Andres
 - Mr. Andres is still waiting on a legal opinion from the County Attorney regarding this matter.
4. Through-the-Fence Access Agreement: Paul Andres
 - Representatives from County Council and the Airports Board have gone over the recommendations from the consultant and have made some modifications. The consultant has now developed a proposed agreement that has been forward to the FAA for their review and approval before it is formally presented to the property owners association of the hangar complex. It will then be brought forward as an official proposal for Council consideration.

Mr. Dopp wanted to know why this agreement is for 2010 when their current agreement expires in 2013. Mr. Andres stated that the original access agreement was put in place in 1988 for a period of 25 years. There were some minor concessions when the agreement was put in place, but since that time they have not been providing any revenue to the Airport for their privilege of using the Airport. Mr. Andres stated the FAA does not like this arrangement and wants to see an equitable amount of revenue be obtained from these types of operations. He added that if these property owners do not enter into this new access agreement they could continue to use the Airport free of charge until December 31, 2013. Mr. Andres stated that the County has the option at the end of the lease in 2013 to close off the easement and deny them access to the Airport if an equitable agreement is not reached. Mr. Andres stated the offer is very fair as it amounts to approximately \$800.00 to \$900.00 per year per tenant for access to the Airport. There are approximately 40 tenants in that complex. Mr. Newman asked what will happen if the tenants do not sign the agreement and Mr. Andres stated access to the Airport will mostly likely be fenced off at the end of the current agreement date.

5. \$240,000.00 Transfer between Hilton Head Island Airport and Lady's Island Airport: Pete Buchanan.
 - Mr. Buchanan stated that at the September 17th meeting a motion was made regarding this item, but was tabled. He stated that the County took control of the Lady's Island Airport in June 1996. Significant financial reports were not presented to the Aviation Board until 2001. It is believed the \$240,000.00 transfer occurred somewhere around 1998. Separate checking accounts were not started for each airport until this year. It appears the only reason for the transfer was for "seed money". Mr. Buchanan stated he could not make a decision on this matter since he does not have any facts and felt the Administration and the Finance Department should deal with it. Mr. Newman stated that he believed that from the discussions at the orientation meeting no one knows what the transfer was for and that the goal is to get to a new zero starting point. Mr. Kerr stated they have been told by independent auditors that no malfeasance was involved in the transfer and therefore this should be taken off the books. Mr. Buchanan asked for a vote on the original motion which was:

A motion was made and seconded to recommend to the Finance Committee to affect an accounting entry to reverse the \$240,000.00 without making any cash adjustment in the balances of each entity and maintaining a zero net position with the County. 6 voted in favor of the motion, 1 opposed and 1 abstained. The motion passed.

NEW BUSINESS

1. Election of Officers: Pete Buchanan
 - Mr. Buchanan read the section of the Airports Board Charter as it relates to the election of officers.

A motion was made and seconded to nominate Pete Buchanan as Chairman. The motion passed unanimously.

Motions were made and seconded to nominate Jared Newman and Leonard Law as Vice Chairman. When the vote was called 4 voted in favor of Mr. Newman, 3 voted in favor of Mr. Law and 1 abstained. The motion passed with Mr. Newman being elected Vice Chairman.

Mr. Buchanan stated the appointment of committee chairpersons will be considered at the next meeting.

2. Hilton Head Island Airport Snack Bar Concession: Paul Andres
 - Mr. Andres stated the current vendor for the snack bar concessions at the Hilton Head Island Airport went out of business and left the Airport with some bad debt. This vendor had previously subcontracted this service to a vending company. Mr. Andres stated that when an RFP was sent out for this service, the current vending company, Palmetto Vending, was the only one to submit a proposal. Their proposal stipulates they will provide, on a monthly basis: 5% of net fresh food sales, 5% of net frozen food sales, 20% of net beverage sales and 15% of net snack sales as revenue to the Airport. They will guarantee a minimum \$650.00 in revenue per month. After an option discussion, Mr. Andres asked for a recommendation from the Board.

A motion was made and seconded to recommend that Palmetto Vending Company be awarded the concessions contract. The motion passed unanimously.

PUBLIC COMMENTS

1. Councilman Caporale – Councilman Caporale congratulated Mr. Buchanan and Mr. Newman on being elected Chairman and Vice Chairman respectively.

FUTURE MEETINGS

The next meeting of the Airports Board will be held on Thursday, November 19, 2009 at 1:30 PM in the County Council Chambers of the Beaufort County Government Center.

ADJOURNMENT

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