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AIRPORTS BOARD MEETING MINUTES
OF JANUARY 21, 2010

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, January 21, 2010 in the Council Chambers of the Beaufort County Government Center. Chairman Pete Buchanan called the meeting to order.

A motion was made and seconded to approve the January 21, 2010 agenda with an amendment to move the topic of the Lady's Island/St. Helena Fire Department Lease to the beginning of the meeting. The motion passed unanimously.

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

GUEST INTRODUCTIONS – Guests attending the meeting introduced themselves.

MEMBERS PRESENT

Pete Buchanan – Chairman
Councilman Rick Caporale – Beaufort County Liaison
Councilman Ken Heitzke – Town of Hilton Head Liaison
Will Dopp
Leonard Law
Ross Sanders
Joseph Mazzei
Noel Duncan
Paul Jorgensen
Joe Zimmerman

MEMBERS ABSENT

Jared Newman – Vice Chairman
Graham Kerr
Rich Tritschler

STAFF

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

GUESTS

Councilman Steve Baer
Councilman Bill McBride
Councilman Paul Sommerville
John Morrisette – Resident
Bill Coleman – Resident
Leo Brennan – Resident
Chief Bruce Kline – Lady's Island/St. Helena Fire District

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

UNFINISHED BUSINESS

1. Lady's Island/St. Helena Fire Department Lease

- Mr. Buchanan made reference to the fact that a motion was made and seconded at the November 2009 Airports Board meeting to approve the Lady's Island/St. Helena Fire Department Lease, but that the motion was tabled until the December 2009 meeting. The motion was again tabled at the December 2009 meeting due to Mr. Buchanan's absence. Mr. Buchanan stated he believes the Fire Department should be paying more than \$5.00 per year for their lease at the Lady's Island Airport. He stated they need to sit down with the Fire Chief in order to decide on an amount that is fair and reasonable for everyone. Mr. Mazzei asked Chief Kline to brief the Board on their future plans. Chief Kline stated the property is strategically located within the fire district, is the busiest fire station and that it also houses the administration. He stated he agrees they need to discuss the lease, but they are a public entity so any increase in the lease payment will mean an increase in taxes. They have contemplated an expansion and renovations which would house more apparatuses and expand the office facility. Chief Kline stated moving the facility in the future may also be an option. After an open discussion, Mr. Buchanan stated they could continue the lease on a month to month basis until the matter is resolved, but they needed to take action on the motion that was tabled in November.

A motion was made and seconded (tabled November 19, 2009 and December 17, 2009) to accept the lease agreement for the Lady's Island Fire Department and forward it on to County Council for approval. The motion failed 0 to 8.

A motion was made and seconded to appoint a temporary group to work in conjunction with the Lady's Island/St. Helena Fire Department to negotiate new terms for their lease. The motion passed unanimously.

HILTON HEAD ISLAND AIRPORT REPORT

1. Tower Report: Paul Andres

- For the month of December 2009 there were 2,832 total flight operations of which 1,313 were conducted under IFR procedures. For Calendar Year 2009 there were a total of 40,527 total flight operations which was down approximately 9% from the prior year. These statistics are reasonable given the current state of the economy.

2. Projects: Paul Andres

- Tree Obstruction Removal – The Environmental Assessment has been submitted to the FAA for their review with their final determination expected within 30 days. Mr. Andres stated the LMO amendments initiated by the Town of Hilton Head to expedite the tree removal process received first reading at the Town Council meeting on January 5th. Additional modifications to the LMO were made at that meeting and it has been referred back to the Town staff and will be returned to the Hilton Head Planning Commission for their review and recommendations on February 3rd at 9:00 a.m. in the Hilton Head Town Council

Chambers. Mr. Andres stated this would be a very important meeting and he urged the Airports Board members to attend.

- Emergency Generator – The exterior of the building has been repainted. There are a few minor punch list items that the contractor still needs to complete.
 - ARFF Station and Runway Safety Area Drainage Improvements – The staff met with the consultant, W.K. Dickson, on January 15th. Preconstruction meetings should be held with the contractors on February 3rd, Notices to Proceed will be issued and the projects can get underway.
 - Hilton Head Master Plan – The consultant is in the final stages of validating their aircraft and aviation forecasts for the Airport. They are also identifying the critical design aircraft and corresponding facility requirements. It is anticipated that the next public meeting will be held in February.
 - Design Projects –These projects are still on hold.
3. Operations Report: Chief Yeager
- There were 5 medivacs for the month of December 2009.
4. Noise Complaints & Traffic Counters: Chief Yeager
- There were 4 noise complaints for December. Three complaints were from Port Royal Plantation due to general aviation over flights as well as 1 Coast Guard helicopter. The other general aviation over flight complaint was from Ben White Drive.
 - The after hours traffic count was 79. Chief Yeager also stated that the 3 after hours counters are working properly at this time.

Mr. Dopp wanted to know how the noise complaints are handled. Chief Yeager stated he is required to return calls to those who leave complaints, but some people do not leave contact information.

BEAUFORT COUNTY AIRPORT REPORT

1. Fuel Sales: Joel Phillips
- The total fuel sales for December were 6,475 gallons (2,932 gallons of AvGas and 3,543 gallons of jet fuel). Fuel sales are up approximately 14% from the same time period last year. There were 1,050 total flight operations and 1 medivac after hours. Mr. Phillips stated that Mosquito Control now has a new aircraft.
2. Projects: Paul Andres
- Tree Obstruction Removal – The cost benefit analysis is nearly complete. Mr. Andres, County staff and SCE&G officials will meet on January 22nd to discuss the power pole issue.
 - Master Plan – Mr. Andres and the consultant briefed Mayor Keyserling and the City Manager of Beaufort on January 12th. Their feedback has been received and now a decision will be made on how to proceed with the Master Plan. The main concern is the impact to the salt marsh.

- Runway Overlay and Airfield Electrical Improvements Projects – The staff met with the consultant, W.K. Dickson, on January 15th. Preconstruction meetings should be held with the contractors on February 3rd.

Mr. Buchanan stated they are still receiving inquiries on building hangars and wanted to know when they could expect to move forward on this. Mr. Andres stated the Master Plan is roughly 50% complete, the Airport Layout Plan and the Final Master Plan will be 100% complete in about 6 months. He stated any private hangar development will need to be brought up to County Council for their consideration. Mr. Andres stated the Master Plan process and the Airport Layout Plan should identify the facility requirements and then the FAA would need to approve and sign off on the Airport Layout Plan. An open discussion followed concerning the building of hangars.

COMMITTEE REPORTS

1. Finance: Leonard Law
 - Mr. Law referred the Board to the financial statements that were included in the meeting documents (see Attachment A).
2. Lady's Island Airport Operations: Graham Kerr – Absent, no report.
3. Hilton Head Island Airport Operations: Will Dopp
 - Mr. Dopp stated that earlier this month the Island Packet and Beaufort Gazette had stated that Mesa Airlines that serves both the Hilton Head Island Airport and Savannah Airport had filed for bankruptcy. Mr. Dopp stated this was incorrect information. Mesa Airlines does serve the Savannah Airport, but it is Mesaba Airlines that serves the Hilton Head Island Airport.
 - Mr. Dopp read part of an article found on www.AeroNews.net which commends Signature Flight Support for their outstanding service at the Hilton Head Island Airport and asked that this article be part of the record (see Attachment B).

UNFINISHED BUSINESS – Continued

2. Aircraft Tax Rates: Pete Buchanan
 - Mr. Buchanan stated Mr. Tritschler had been appointed to a committee to examine the aircraft tax rates, but Mr. Tritschler has been absent for numerous meetings and some type of action needed to be taken at this time. Mr. Andres suggested someone from the Airports Board relay this information to the Public Facilities Committee and ask that this be brought up at their January 26th meeting. Mr. Buchanan then asked for someone to volunteer to take Mr. Tritschler's place on the Aircraft Tax Rate Committee. Mr. Jorgensen agreed to work with Mr. Law and Mr. Dopp on this committee.
3. Enhanced Revenue Planning: Paul Andres
 - Mr. Andres discussed various potential revenue opportunities. Listed below are the highlights of the open discussion held after Mr. Andres presentation:
 - a. Mr. Duncan was concerned that an increase in airline rates would cause an airline to leave. Mr. Andres concurred and stated this would have to be monitored very carefully and be based on the current market conditions.

- b. Mr. Duncan wanted to know if Mr. Andres could act upon eliminating extra custodial services at the Hilton Head Island Airport or if the Airports Board needed to be involved. Mr. Andres stated he would check with the County Administrator.
 - c. Mr. Duncan wanted to know if there is any type of marketing that could be used to get a Part 135 Air Charter to come into the Hilton Head Island Airport. Mr. Andres stated that he handles marketing responsibilities at the Airport. Mr. Duncan suggested the Board assist in trying to find venues that might attract air charters.
 - d. A discussion was held about the possibility of increasing the revenue received on rental cars.
4. Hilton Head Island Airport Parking Concessions: Paul Andres
 - The current contract has expired with Republic Parking. Two proposals were received in response to an RFP. The evaluation committee ranked Republic Parking first and began negotiations. Mr. Andres stated that according to the proposal, Republic Parking needs to install and upgrade equipment which includes a TICO (Ticket In/Credit Card Out) unit. The cost of the upgrades will be approximately \$80,700.00 which will be paid for by Republic Parking in exchange for a 5 year plus 5 year extension option agreement. Mr. Andres stated the downside of this agreement would be that if the contract should terminate before the 10 year period has expired, the Airport would be responsible for the balance of the improvements cost. Mr. Andres stated the Airport would receive 78% of the revenue that exceeds \$100,000.00 per year. He also stated that they are requesting an increase of \$1.00 per hour for both the short term and long term parking maximum daily rates. After an open discussion a motion was made.

A motion was made and seconded to accept the Republic Parking proposal and to pass this recommendation on to County Council for approval.

Prior to the vote, another discussion was held concerning the Airport assuming 100% of the risk for Federally mandated employee cost increases, the increase in parking rates, not being able to verify Republic Parking's actual cost, and the contract language. Mr. Andres stated he would take these concerns back to Republic Parking, but the Board needs to be aware that they are currently operating on a month to month basis. Councilman Caporale made a suggestion to have Finance look over the figures to find out exactly how much revenue we are receiving from the parking as it may be an option to do away with the paid parking and offer free parking in order to attract more people to fly out of the Hilton Head Island Airport. A discussion was also held about the free parking at the FBO. At the conclusion of the discussion a vote was called on the motion.

The motion failed 0 to 8.

Mr. Andres stated he would check to see how long Republic Parking is willing to keep their offer open. He also reminded the Board that without paid parking the Airport would lose approximately \$30,000.00 in revenue annually. He added that by having free parking there would be other issues to consider such as determining if the people parking at the Airport are actually airline passengers.

5. Lady's Island Fuel Trucks: Paul Andres

- Mr. Andres stated a proposal was received from Eastern Aviation Fuels for the leasing of fuel trucks. The proposal has been forwarded to the County Attorney and Purchasing Director for their review. Mr. Phillips stated that Eastern Aviation Fuels is their fuel provider and they have currently loaned the Lady's Island Airport a fuel truck. Mr. Phillips stated the leased fuel trucks will be model year 2000 or newer. He stated the lease payment for the trucks would be rolled into the cost of fuel which would be approximately 18.6¢ per gallon. The lease is for 3 years at the cost of approximately \$16,000.00 per year. Mr. Phillips stated the Airport would only be responsible for routine maintenance.

A motion was made and seconded that if the agreement from Eastern Aviation Fuels to lease a fuel truck to the Lady's Island Airport is acceptable to the Purchasing Department and County Attorney, the Airports Board recommends the lease agreement be accepted. When the vote was called, 6 voted in favor and 1 abstained. The motion passed.

NEW BUSINESS

1. Anderson Aviation Flight Training: Paul Andres
 - Anderson Aviation Flight Training would like to provide flight training instruction at the Lady's Island Airport. They would not be leasing any office space, but they would provide 3% of their gross revenue to the Airport. Mr. Andres stated that with the Board's approval, this would be presented to the Public Facilities Committee on January 26th for their consideration.

A motion was made and seconded to approve a commercial operating agreement for Anderson Aviation Flight Training and recommend this agreement be forward to the Public Facilities Committee for their consideration. The motion passed unanimously.

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

1. Councilman Caporale – Councilman Caporale wanted to know what the Airports Board recommends concerning Mr. Tritschler's absence from the Board meetings. Mr. Buchanan stated he is going to attend the Public Facilities meeting on January 26th to recommend that a replacement be selected for Mr. Tritschler.

FUTURE MEETINGS

The next meeting of the Airports Board will be held on Thursday, February 18, 2010 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 3:30 PM.