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AIRPORTS BOARD MEETING MINUTES
OF APRIL 15, 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, April 15, 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 April 15, 2010 agenda. The motion passed unanimously.

A motion was made and seconded to accept the March 18, 2010 meeting minutes.

Mr. Dopp stated the Airports Budgets were listed on the March agenda, but there is no comment concerning the budgets in the March minutes. Updates regarding aircraft property taxes, Through-the-Fence Agreement and the LI/SH Fire Department ground lease budget items were discussed under Unfinished Business at the March meeting.

When the vote was called the motion passed unanimously.

GUEST INTRODUCTIONS – Guests attending the meeting introduced themselves.

MEMBERS PRESENT

Pete Buchanan – Chairman
Jared Newman – Vice Chairman
Councilman Rick Caporale – Beaufort County Liaison
Will Dopp
Joseph Mazzei
Ross Sanders
Joe Zimmerman
Paul Jorgensen
Derek Gilbert

GUESTS

Councilman Steve Baer
Councilman Bill McBride
Councilman Paul Sommerville
John Morrisette – Resident
Jim Fisher – Resident
Bill Coleman – Resident

MEMBERS ABSENT

Councilman Ken Heitzke – Town of Hilton
Head Liaison
Graham Kerr
Leonard Law
Noel Duncan

STAFF

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

PUBLIC COMMENTS

1. Bill Coleman – Mr. Coleman congratulated the Board for obtaining funds from the FAA to remove tree obstructions. He stated that in the March 31, 2010 FAA letter, \$3.3 million was promised for this project and that they asked that the civil rights staff be contacted to ensure that Beaufort County complies with 49 CFR Part 26 which covers participation by Disadvantaged Business Enterprise in Department of Transportation programs. Mr. Coleman wanted to know who is considered to be a Disadvantaged Business Enterprise. Mr. Coleman also stated that he had heard a lawsuit had been presented to the Hilton Head Town Council which will hold up the tree trimming. He stated he hoped these items would be addressed during "New Business" as these are items of interest to the citizens which have apparently been hidden from the press. Mr. Newman stated he would look into the matter of the lawsuit immediately after the meeting.

HILTON HEAD ISLAND AIRPORT REPORT

1. Tower Report: Paul Andres
 - For the month of March 2010 there were 3,451 total flight operations of which 1,918 were conducted under IFR procedures. Enplanement activity has increased significantly now that Delta has resumed service to the Airport.

Mr. Zimmerman stated that at the most recent Public Facilities Committee meeting a major issue was the traffic count at the Hilton Head Island Airport due to the different numbers reported by the control tower and the Master Plan. Mr. Andres stated this is due to the comparison of different databases. He stated that the consultant for the noise study (on their own initiative) wanted to make sure their data regarding all flight operations was as accurate as possible regarding noise contours for specific types of aircraft so they worked with the control tower to record every single VFR flight by type of aircraft as well as IFR flights. Mr. Andres stated the control tower captures all of the IFR flight plans into and out of the Airport by type. He stated they only record the number of VFR flights. Mr. Andres stated that for the purposes of the Master Plan, the IFR data is sufficient because it identifies the general categories of aircraft using the Airport. He added that 99% of all large aircraft arrive by IFR. Mr. Dopp asked if the Board could start receiving a report on the number of aircraft operations at the Lady's Island Airport. Mr. Andres stated this information would be provided starting with the May meeting.

2. Projects: Paul Andres
 - Tree Obstruction Removal – Mr. Andres stated he is not aware of any lawsuit that has been filed concerning the tree obstruction removal project. Mr. Mazzei stated he was informed of the lawsuit by a member of the Planning Commission. Mr. Andres stated that currently the design contract has been approved by County Council and is going forward for signature. He stated that once this is signed the consultant will be preparing the plans and specifications for the project and it will go out for bid. Mr. Andres stated that approximately two weeks ago he submitted the necessary permit to deal with the bald eagle situation once the eagles vacate their nest.

- Emergency Generator – This project is essentially complete. All that remains is some touchup painting and cement work on the steps. Once this is complete the project will be closed out.
- ARFF Station and Runway Safety Area Drainage Improvements – The site preparation is underway at this time. The construction fencing should be installed sometime next week to isolate the site from the operations at the Airport. The Runway Safety Area Drainage Improvement project is still on hold pending the departure of the bald eagles. This should be sometime in mid-May.
- Hilton Head Master Plan – The consultant is preparing development alternative options. Another joint presentation to County Council and Town Council on the findings of their development alternatives will be scheduled for mid-May. There will also be two public comments sessions the following week.
- Design Projects –These projects are still on hold.

Mr. Zimmerman asked if the consultants will respond to the input from the community concerning the Master Plan. Mr. Andres stated he believes there is a requirement that all of the public comments must be addressed in the final plan submission. Mr. Dopp asked if the public could receive the information prior to the presentation. Mr. Andres stated the County Administrator and Chairman of County Council will not allow the information to be released to anyone prior to the joint presentation. Mr. Mazzei wanted to know when the Airports Board will be able to question and discuss the Master Plan and the alternatives. Mr. Buchanan stated this would be as soon as they can get together after the presentation. Mr. Mazzei wanted to know who they are advising if they (Airports Board) are only discussing this amongst themselves. Mr. Andres suggested that they have a discussion and make recommendations after the presentation either at the next meeting or a specially scheduled meeting in order to have their recommendations forwarded to County Council for their consideration. Mr. Mazzei stated he feels as though he has not had input into the Master Plan since he has been on the Board. He further stated he feels the Board has been in the dark and has had no opportunity to discuss the Master Plan with the County Council and therefore are not advising Council. Mr. Mazzei stated he does not see any reason to participate on the Board if they are not going to provide any input. Mr. Buchanan stated that at one point the Town of Hilton Head believed that the Airports Board had too much control over the previous Master Plan so it was decided the Board would not be involved until after the Master Plan is completed.

3. Operations Report: Chief Yeager

- For the month of March 2010 there were 4 medivacs. There was 1 off airport crash at the beach at Palmetto Dunes. Chief Yeager stated that he and the Airport crash truck responded, but the crash truck was canceled on the call. The Town of Hilton Head was in command and control of the scene. Chief Yeager stated he remained on the scene to offer technical assistance. There was 1 medical response to the Airport terminal for a person having chest pains booked on an outbound commercial flight. The passenger was transported to the hospital by Hilton Head Fire and Rescue. There was 1 call to the terminal for a smoke odor in the building. This was due to a light ballast burning out creating the odor and smoke.

4. Noise Complaints & Traffic Counters: Chief Yeager

- There was 1 repeat noise complaint from Port Royal Plantation which was determined to be a general aviation overflight.
- The after hours traffic count was 86.

BEAUFORT COUNTY AIRPORT REPORT

1. Fuel Sales: Joel Phillips

- The total fuel sales for March were 5,846 gallons (2,801 gallons of AvGas and 3,045 gallons of jet fuel). The drop in sales was attributed to the Airport only being open 21 days in the month of March due to the runway construction project. Fuel sales stayed the same or slightly higher for the same time period last year. The total revenues were down approximately \$4,000.00 for the same time period last year. There were 871 operations for the month of March. There were no medivacs and no emergencies.
- Mr. Phillips thanked Signature Flight Support at the Hilton Head Island Airport for housing the Lady's Island aircraft during the closure period. He added that the runway looks very good and invited everyone to come to the Airport to see it. Mr. Phillips also thanked REA, South Carolina Aeronautics and the other subcontractors for all of their assistance during the project.

2. Projects: Paul Andres

- Tree Obstruction Removal – This project is still on hold. The legal cases are proceeding forward. SCE&G has now submitted their power pole data to the FAA for their airspace determination. This will have an impact on the decisions regarding the remaining clearing activities at the Airport.
- Master Plan – Mr. Andres has just received word to go ahead and have the consultants resume the planning efforts. The next step is for them to finalize the development alternative options and then make a joint presentation to County Council and Beaufort City Council.

Mr. Dopp wanted to know if the Airports Board would be included. Mr. Andres stated the Board was briefed several months ago on the alternative developments. Mr. Dopp asked if anything new would be added. Mr. Andres stated the main thing to occur is the recommended length of the runway will be shortened to some extent in the presentation because the consultant and the FAA do not believe sufficient justification was given for a longer runway. Mr. Dopp stated his point is that the Board should be included wherever they can be. Mr. Andres stated they have already conducted all of the public presentations in the Master Plan so any additional ones would be at an additional expense with this consultant. Mr. Dopp stated the Board is not part of the public. Mr. Andres stated the consultant would still charge additional money and the Board had already been previously briefed by the consultant at their meeting on April 23, 2009.

- Runway Overlay and Airfield Electrical Improvements Projects – The runway overlay was completed April 8th, a day ahead of schedule. The quality of the work is very good. The on-site inspector did an excellent job. The Airport will close again in another 30 days for 1½ days so the permanent striping and marking can be applied on the runway. Once this is complete they hope they will be able to finish with the work off the end of the runway for the airfield electrical

improvements (runway end identifier lighting system) that still needs to be installed on the South end of the Airport.

Mr. Sanders wanted to know when the glide slope lights on Runway 7 would be operational. Mr. Andres stated the FAA will not certify those lights to be turned on until the Airport finishes clearing the tree obstructions.

COMMITTEE REPORTS

1. Finance: Leonard Law (Absent) – No Report.
2. Lady's Island Airport Operations: Graham Kerr (Absent) – No Report.
3. Hilton Head Island Airport Operations: Will Dopp
 - Mr. Dopp stated the open house is proceeding on schedule for May 8th from 12:00 p.m. until 4:00 p.m. He stated they have good participation from some of the hangar tenants as well as the Sheriff's Office, Hilton Head Chamber of Commerce, Experimental Aircraft Association/Angel Flight, Civil Air Patrol and possibly Hilton Head Fire and Rescue. He stated they have been turned down by the Marine Air Corps Station and the Coast Guard is not committing. He added that the tower will not be available for tours. Mr. Dopp stated they are still working to have representation from Hunter Army Air Base with a helicopter as well as Mosquito Control. Mr. Dopp encouraged everyone to attend.

UNFINISHED BUSINESS

1. Lady's Island Airport Fuel Trucks: Paul Andres
 - The lease for the fuel trucks at the Lady's Island Airport was approved by County Council. The contracts are being prepared for signature at this time.
2. Airports Budgets: Paul Andres
 - Mr. Buchanan stated there was a meeting with the Finance Committee of the County Council on April 12th which all of the Board members were invited to attend. Mr. Buchanan stated there was a great deal of discussion, but they did not cover all details due to time constraints. He stated the Board has been invited by Councilman Rodman to re-engage this conversation on Monday, April 19th at 2:00 p.m. Mr. Buchanan stated they would be covering the six points approved by the Board and other additional items. Mr. Andres stated the meeting would be held in the Finance Department Conference Room located at the Beaufort Industrial Village Building No. 2 which is part of the County Annex Complex.

Mr. Zimmerman stated he attended the meeting on Monday and that Councilman Baer brought up a couple of items that may have been on the original list of initiatives to be considered. Mr. Zimmerman stated the three items that have not been addressed include the general aviation landing fees at the Hilton Head Island Airport, the general aviation parking and the PFC fees. Mr. Andres stated the GA landing fees will probably be addressed on April 19th. He further stated the GA parking fees were studied previously by a committee of the Airport Board and they were unable to come to any consensus for a recommendation so this is still an open issue. Mr. Andres stated the PFC (Passenger Facility Charge) fees are designed for capital improvement projects that are jointly approved by the FAA

and the commercial airlines serving the Airport and are not intended for any type of routine maintenance. Nothing has been identified for capital improvements that the FAA has not issued an intent to fund under the FAA Airport Improvement Grant Program. Mr. Andres stated they cannot arbitrarily ask for a PFC to be assessed if the airlines have not given their approval to use those funds for a capital improvement at the Airport. Mr. Andres stated the Savannah Airport used a PFC to build their parking garage because this project exceeded their entitlement funding under the FAA Grant Program. These types of projects usually are very expensive and take a considerable amount of time to build. The collection authority starts when it has been approved by the FAA and there is a requirement that the project must get underway within 2 or 3 years. Mr. Andres stated the cost of the project is paid for up front and then the fees are collected over the next 7 to 9 years.

Mr. Zimmerman stated he would be glad to be on a committee to at least look at the general aviation parking fees. Mr. Mazzei wanted to know if the general aviation parking fees would be in conflict with the Signature Flight Support contract. Mr. Newman stated that when they looked at this before it was decided that not enough money would be made on it when you took into account the personnel and time to enforcement it. Mr. Andres added that most airports across the country do not charge for General Aviation parking, but it could be re-examined. Mr. Buchanan stated there are some cars that sit for a long time at the Lady's Island Airport so they may need to charge for long term parking in an isolated area of the parking lot. He added there are many things to consider such as whether they would have to provide security.

Mr. Dopp stated he attended the Finance Committee meeting and complemented Mr. Newman for his presentation. Mr. Dopp stated none of the Airports Board members saw this information prior to the presentation. He suggested that for the next budget the members of the Airports Board and the Director prepare a preliminary budget, present it to the entire Board for review, take comments then make a final draft with an executive summary to pass on to the next level. Mr. Andres stated the budget was presented to the Board at the February 2010 meeting and they had an opportunity to provide comments at that time. He added that if the Chairman wishes to have additional Board participation in the future he would be in favor of it. Mr. Andres continued by stating that the items that required Town Council and County Council approvals were highlighted at the March 2010 Airports Board meeting. Mr. Dopp stated this was not discussed at the March meeting. Mr. Newman stated the presentation he gave was based directly off of the six points the Board had approved. He stated what was presented to the Finance Committee was nothing outside of the resolution passed by the Board and offered a copy of the presentation to Mr. Dopp. Mr. Dopp stated he had already received a copy, but he still did not feel the Board had had enough participation in the budget. He stated that as Board members they should spend more than an hour a month on Airport matters via committees and sub-committees. Mr. Zimmerman concurred. He stated that they should receive the numbers more than a week before the meeting so the Board could help build the budget and understand it better. Mr. Buchanan noted that this was started back in December and the members have had plenty of time to make comments and suggestions. Mr. Dopp stated he wants to increase participation for future budgets by starting with a four or five member committee, well in advance, with real

numbers to work with. Mr. Zimmerman asked that the minutes reflect no one is trying to deflect criticism at this point. Councilman Caporale wanted to know if the Board felt they had ample input into the budget before it was presented to the Finance Committee. Mr. Buchanan recalled that Mr. Dopp had sat down with Mr. Andres to discuss the budget, but Mr. Dopp stated he only discussed the enhanced revenue. Mr. Mazzei stated he felt comfortable with the presentation even though he had not seen it because he had sat in on previous discussion and was able to express his opinion. He stated that the Board should have an overview and generalized philosophy about the strategy of the budget, but they (the Board) do not have the time, understanding or detailed information to make these decisions. Councilman Caporale stated the presentation given to the Finance Committee was simply to focus on some new or enhanced revenue sources and was not the budget. He wanted to know if the Airport Board is comfortable that they had ample input on the FY2011 budget. Mr. Newman stated he believed the budget process was well vetted and presented, giving the Board the chance to understand the budget. He concurred with Councilman Caporale that the presentation on Monday was the enhanced revenue initiative and not the budget, but he said Mr. David Starkey had given them very detailed information last summer. Mr. Newman felt confident that Mr. Andres and Mr. Starkey would provide this information again next year. He concluded by stating he felt the Board had received the information and data they needed about what revenues are out there. Mr. Buchanan added that there are a lot of details that as a Board they are not aware of so they can only give estimates on such areas as the personnel budget and that it is up to the Finance Department to put in the detailed information such as social security, medical, cost of living, etc.

NEW BUSINESS

Mr. Andres responded to Mr. Coleman's question concerning DBE. He stated that DBE stands for Disadvantaged Business Enterprise and that all FAA grant funded projects have a goal established for DBE participation which are minority or woman owned businesses that are registered with the South Carolina Department of Transportation as a DBE. Mr. Andres stated that each year the Airport develops what is known as a DBE plan for design and construction projects which is submitted to the Office of Civil Rights of the FAA. This plan is reviewed and approved and then the Airport is bound to try to achieve those goals on any project conducted with Federal funding that year. Mr. Andres stated they must use DBE businesses registered with the South Carolina Department of Transportation to achieve these goals. He stated that last year's goal for FAA funded programs was 2.3% participation and if this could not be achieved it had to be explained to the Office of Civil Rights. Mr. Andres stated that this year's plan, which is still under review by the Office of Civil Rights, has gone up to 2.6% DBE participation. Mr. Coleman stated this answered his question.

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

FUTURE MEETINGS

Mr. Buchanan asked if there was any objection to change the June meeting from the June 17th to

June 10th. There were no objections. The next meeting of the Airports Board will be held on Thursday, May 20, 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 2:35 PM.