

County Council of Beaufort County
Hilton Head Island Airport – www.hiltonheadairport.com
Beaufort County Airport – www.beaufortcoairport.com
Post Office Box 23739 – 120 Beach City Road
Hilton Head Island, South Carolina 29925-3739
Phone: (843) 255-2950- Fax: (843) 255-9424

AIRPORTS BOARD MEETING MINUTES
OF JUNE 14, 2012

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

A meeting of the Beaufort County Airports Board was held at 1:30 PM on Thursday, June 14, 2012 in the Council Chambers of the Beaufort County Government Center. Chairman Joe Mazzei called the meeting to order. This meeting was held one week in advance of the regularly scheduled meeting due to scheduling conflicts.

PLEDGE OF ALLEGIANCE

The Chairman led those present in the Pledge of Allegiance to the Flag.

It was moved by Mr. Kerr, seconded by Mr. Gilbert that the agenda for the June 14, 2012 meeting be accepted. The vote was: FOR – Mr. Mazzei, Mr. Dopp, Mr. Nash, Mr. Gilbert, Mr. Sells, Mr. Buchanan, Mr. Kerr, Mr. Wirth, Mr. Smetek, Mr. Wedler. AGAINST – None. ABSENT – Mr. Sanders. The motion passed.

It was moved by Mr. Dopp, seconded by Mr. Kerr that the minutes of the May 17, 2012 meeting be accepted. The vote was: FOR – Mr. Mazzei, Mr. Dopp, Mr. Nash, Mr. Gilbert, Mr. Sells, Mr. Buchanan, Mr. Kerr, Mr. Wirth, Mr. Smetek, Mr. Wedler. AGAINST – None. ABSENT – Mr. Sanders. The motion passed.

GUEST INTRODUCTIONS – Guests attending the meeting introduced themselves.

MEMBERS PRESENT

Joe Mazzei - Chairman
Will Dopp – Vice Chairman
Councilman Rick Caporale – Beaufort County Liaison
Councilman Ken Heitzke – Town of Hilton Head
Liaison
Mike Nash
Derek Gilbert
Pete Buchanan
Graham Kerr
Richard Wirth
Ron Smetek
Rich Sells
Carl Wedler

GUESTS

Councilman Stu Rodman
Councilman Steve Baer
Mike Peery – Signature Flight Support
Steve Cucina – Signature Flight Support
Judy Elder – Talbert & Bright
Tom Barton – Island Packet
Bob Richardson – Resident
Bill Coleman – Resident
Jim Fisher – Resident
Joe Zimmerman – Resident
Jim Collett – Resident

STAFF

Paul Andres – Airport Director
Rob McFee – Director, Eng. & Infrastructure Div.
Joel Phillips – Beaufort Co. Airport Supv.
Linda Wright – Admin. Asst.

MEMBERS ABSENT

Ross Sanders

PUBLIC COMMENTS

1. Joe Zimmerman – Mr. Zimmerman stated the ad in the paper for Environmental Assessment meeting on June 27th says the County is offering the citizens an opportunity to review the results of the environmental analyses, but it does not mention the cost benefit analysis. He wanted to know if this would be included in the June 27th meeting.
2. Jim Fisher – Mr. Fisher stated he was surprised that the subject of hangar rents continues to come up each year when there are more important issues to address. He stated if you ask 10 different people what an appropriate hangar rent should be you would get 10 different answers. He stated that as a taxpayer the hangars are not for public use and thus should be paid 100% from private funding. Mr. Fisher stated the rent for the Hilton Head hangars is a new issue for many people and not well understood. He stated it was a major breakthrough in 1996 when Mr. Kubic authorized an independent contractor to study and recommend appropriate rents. He stated he would recommend that the Airports Board ask for an analysis of the rents from the County Finance Department before making any recommendation to the Finance Committee. He stated if they do not do this the Finance Committee should request this data from the Finance Department before discussing rents. Mr. Fisher stated he was watching the Airports Board on the County Channel and was shocked at some of the comments and lack of understanding of the issue. He stated it should not be new news that rate increases are coming as this was a basic compromise to accept lower initial rates and is clearly documented in County records. He stated that in the case of the Hilton Head hangars there was a cost of land acquisition which is not clearly defined in the Heyward bonds purchased by the County in 2001. Mr. Fisher stated the cost of infrastructure which was approximately \$950,000.00 was paid partially by the FAA and partially by taxpayer money as part of the PFC funds. He stated the basic cost of construction was \$1.8 million and it was clear that the project had overruns by \$250,000.00 that the County paid. He stated that these ongoing costs plus maintenance, insurance, and management fees are adjusted for 2012 data to account for such items as the new management agreement with Signature Flight Support and a raise in wind and hail insurance. Mr. Fisher stated this is an asset that will not be replaced by the FAA.
3. Councilman Stu Rodman – Councilman Rodman stated that one of the old issues is to come back to the Finance Committee in order to look at the budget for the year. He stated there was no request for an increase that impacted the General Fund, so therefore it was not urgent that this be looked at during the budget cycle. He stated he would like to take a look at it when it is available.

Councilman Rodman then discussed his handout for the on-airport trees (trunks) pre-cut and trimming (See Attachment "A"). He stated that prior to the pre-cut and trimming there were 1,714 trees on-airport. He stated that it is interesting to note that the clear cut trees that were over one foot was a relatively small percentage since this area had been clear cut in prior times. Councilman Rodman stated the Town of Hilton Head Island revised their ordinance

from what was originally proposed to increase the size of the buffer and to increase the frequency of trimming the hardwoods. This impacted approximately 23% of the trees and a relatively small percentage of those were over 1 foot.

Councilman Rodman stated that since there has been some discussion about the berm he believes doing a highway type of fence is a lot more cost effective than trying to build a berm. He stated that aside from the cost impact, if you build a berm inside the obstacle free zone then you will violate what is in the Master Plan. He stated that if they try to build it outside of the fence line and if it is a 10 or 12 foot tall berm with a 60 to 80 foot base there would be a tremendous number of trees that would have to be permitted, cut and mitigated. Councilman Rodman stated that he suggested to the Administrator that it might make more sense to have the engineers to see if this would be cost effective, but he did not believe it would be.

HILTON HEAD ISLAND AIRPORT REPORT

1. Tower Report: Paul Andres

- For the month of May 2012 there were 3,392 total flight operations of which 1,965 were conducted under IFR procedures.

2. Projects: Paul Andres

Tree Obstruction Removal – The mitigation plans for the on-airport trimming and removal were approved on May 22nd by the Town's DRB with conditions. We will be proceeding forward at the appropriate time to implement the mitigation plans. This involves extensive replanting in the buffer along Beach City Road, behind the church, and down Dillon Road. One of the stipulations put on this plan by the DRB was to increase the density of native grasses being planted on the 15 foot PSD easement that runs down through the middle of the buffer. They also wanted some of the little gem magnolias replaced with a different type of tree that will not be a problem to grow and to expand the maintenance period to three years. The DRB had originally requested irrigation, but that would not be feasible, so water trucks will be used to keep the new trees and plants irrigated.

Mr. Mazzei wanted to know when the plantings would start. Mr. Andres stated that it will probably be this fall. He stated there is another issue that has to be addressed first which is the archeological recovery of the Mitchelville artifacts.

Mr. Smetek wanted to know if they would be bidding the mitigation and, if so, when. Mr. Andres stated this would be done in the next couple of months through the County's Purchasing Department like any other bid in the County.

- Master Plan – A second public information meeting has been scheduled for June 27th from 5:00 PM until 8:00 PM at the Hilton Head Island Branch Library. At this meeting preliminary information will be presented that has been gathered during the Environmental Assessment analysis phase. The key elements that will be presented will be the noise analysis, the economic impact analysis and the benefit cost analysis. The preliminary information graphics will be posted on the County's website the Wednesday prior to the meeting. Mr. Andres stated that for orientation familiarization this is the Phase I recommended projects development which will

straighten the commercial service taxiway, relocate the general aviation taxiway 100', and a 700' extension of the runway for a total of 5,000' with an engineered material arresting system, a crushable concrete component, on the South end of the Airport to allow the safety area to be a shorter distance than what would otherwise be required.

There is an extensive amount of Mitchelville remnants and artifacts underneath the soil on Airport property. Both the State Historic Preservation Office and the FAA have directed that a Phase III Data Recovery and Public Outreach Program be done as part of the environmental process. This means we will be digging up all the artifacts, cataloging them and preserving them for future display. Mr. Andres stated that these artifacts were also found when Palmetto Hall was built so they probably extend North beyond Fish Haul and Dillon Road as well.

Mr. Andres stated there are commercial properties that need to be acquired for Phase I development of the Airport. He stated the value currently placed on the properties is close to \$9 million. He said that because it involves land acquisition, the FAA will only fund 90% and the State will not participate, so the remaining 10% will fall on the Airport and County.

- Design Projects – Mr. Andres stated he will be bringing something forward in the near future regarding finishing up the commercial terminal improvement design. The runway lighted sign design is at the 60% schematic design phase and has been sent to the FAA for their review and comments.
- Passenger Facility Charge (PFC) Program – Collections commenced May 1st. The consultant is in the process of doing modifications to the program due to the change in federal funding from 95% to 90% which shifts the local share from 2.5% to 5% on most projects. He stated they will have to extend the collection period to meet our obligations with this program. Mr. Mazzei wanted to know if some of the PFC revenue would be used to offset the County's share of the land acquisition. Mr. Andres stated this would be his recommendation for consideration, but we will not have collected that much in the next two years.

3. Operations Report: Paul Andres

- For the month of May 2012 there were 7 medivacs and 1 in-flight emergency which was an unsafe landing gear indication for a GA aircraft. The aircraft landed without incident.

4. Noise Complaints & Traffic Counters: Paul Andres

- For the month of May 2012 there were 3 noise complaints from Port Royal Plantation. One was a commercial overflight and the other 2 were general aviation overflights. The traffic counters recorded a total of 125 after hours general aviation operations.

Mr. Mazzei stated a general aviation pilot had informed him that when he had a gear up landing he slid to a stop. The pilot had high praise for the people with the Airport Fire Department, but stated that if the plane had flipped over he wondered if the Airport Fire Department had bags to lift the aircraft. The pilot stated that he

discussed this with Chief Yeager and he had indicated that currently they do not have that type of equipment. Mr. Mazzei wanted to know if they could look into this matter. Mr. Andres stated he would discuss this with Chief Yeager. Mr. Kerr asked if there is any liaison with the Air Station Crash and Fire Rescue that has this equipment. Mr. Andres stated it would depend on the circumstances. He stated that Hilton Head Island Fire and Rescue have hoists, cables, and airbags on their trucks which would enable them to flip an aircraft if they had to.

BEAUFORT COUNTY AIRPORT REPORT

1. Fuel Sales: Joel Phillips
 - For the month of May 2012 there were a total of 1,106 operations. The total flow of fuel was 7,111 gallons (3,062 gallons of AvGas and 4,049 gallons of Jet fuel).
2. Projects: Paul Andres
 - Tree Obstruction Removal –Tree obstructions still remain in the approach and transition surface. Litigation is ongoing with property owners. Mediation was held in October and was unsuccessful. The proceedings have been filed with the court and we are waiting on the trial dates.
 - Master Plan – A joint Council presentation was held on January 18th. The consultant responded to the comments made during that meeting. The Clerk to Council is trying to schedule an additional presentation to a joint session of City and County Councils. The key elements of the Master Plan calls for correction of the deficient runway safety areas. The runway safety areas are approximately 150' to 175' too short. The Master Plan also calls for a full parallel taxiway to the end of the runway on the North end, relocation of the current vehicle parking lot, ramp expansion, installation of a helipad, to allow private developers to build additional hangars through private funding, and add approximately 1,000' of runway to the North. The cost is a consideration with lengthening the runway (approximately \$10 million) as is the associated environmental impact.

COMMITTEE REPORTS

1. Lady's Island Airport Operations: Pete Buchanan
 - Mr. Buchanan stated that at the last meeting there was a recommendation to move the Master Plan along. He stated that the Board had also requested that he and Mr. Kerr go back to talk to Mayor Keyserling. Mr. Buchanan presented an email from Mr. Kerr to Mr. Mazzei concerning the outcome of Mr. Kerr's discussion with Mayor Keyserling (see Attachment "B"). Mr. Buchanan stated that basically they had requested an additional meeting with Mayor Keyserling and they did not get a favorable response. In the letter they reiterated the advantages of corporate jets flying in and out of Beaufort, that there was no cost to the City, and that it would be ideal for a joint use facility for the Air Station although there has been no success on this matter. Mr. Buchanan stated the letter also highlighted the fact that the Airport is only 15 minutes from where the City is planning to buy business property. Mr. Buchanan stated the Master Plan was received in August 2011 and a joint meeting was finally scheduled for January 2012, but since that time nothing has happened. He stated that one item that is critical for the financial health of the Lady's Island

Airport is that they be able to do some of the recommended things that may or may not require the lengthening of the runway. He stated they could move the parking lot and get private enterprise involved in hangar spaces, but without a Master Plan they cannot do anything. Mr. Buchanan stated only the County Council can forward the Master Plan to the FAA for recommendations. He stated this needs to get on the County Council agenda. Mr. Kerr stated the plan has been examined for several months.

It was moved by Mr. Kerr, seconded by Mr. Sells that the Airports Board forward the Draft Master Plan for the Lady's Island Airport to County Council for consideration of approval.

Mr. Smetek recommended that the Master Plan not be forwarded because there were at least 4 members of the Board who have never seen the Master Plan. Mr. Mazzei stated that they have to recognize that people come on the Board at different times and that if the Board has to stop and go back every time a new person joins they will never get anything accomplished. Mr. Mazzei stated the Master Plan is available on the website and that the new members should read these documents and get up to speed as soon as possible.

Mr. Mazzei stated the issue with the Master Plan seems to be the lengthening of the runway by 1,000'. He stated that according to the Master Plan it would take 6 years to start looking at the runway after the Master Plan is approved. He wanted to know if the Master Plan could be broken up into individual items for approval or does the FAA need scheduled dates. Mr. Andres stated that typically the elements in the Master Plan are what the FAA needs to see in its entirety for their approval. He stated that what the FAA approves is the Airport Layout Plan.

Mr. Wedler stated that if he understood Mr. Buchanan correctly the City is not involved, but he thought the City annexed the runway. Mr. Buchanan stated the City annexed the Airport and then they un-annexed it, but the job was not done properly so parts of the Airport are under the City and parts under the County. He stated that when the presentation was made to the City Council one of the comments made at the end by Mayor Keyserling was that the City really did not have any authority over this issue. Mr. Buchanan stated he questions that statement.

Mr. Kerr stated that if they forward the Master Plan it would be just one of the milestones.

Councilman Caporale stated that there are some residents in the City of Beaufort that should probably make a phone call to their representatives on the City Council. He stated that it is his sense that the City Council or the Mayor is intentionally sidestepping the follow up meeting. He stated that while Mr. Buchanan was talking he typed an email to Mr. Kubic concerning this subject.

Mr. Buchanan wanted to know if the next step is for the County Council to accept comments from the public and then make a decision to approve, modify or reject the Master Plan.

Mr. Dopp stated that this has been on the table so long that it might be helpful if they had a written recommendation or resolution from the Airports Board at the next meeting. Mr. Mazzei stated this was already done.

Mr. Smetek stated that if he understood Mr. Mazzei correctly the Board was being asked to approve the Master Plan when 4 of the members have never read it. Mr. Mazzei replied that Mr. Smetek should reflect his feelings in his vote.

When the vote was called the vote was: FOR – Mr. Mazzei, Mr. Dopp, Mr. Nash, Mr. Sells, Mr. Buchanan, Mr. Kerr, Mr. Wirth, Mr. Wedler. AGAINST – Mr. Smetek. ABSTAINED – Mr. Gilbert. ABSENT – Mr. Sanders. The motion passed.

2. Hilton Head Island Airport Operations: Will Dopp

- Mr. Dopp stated movements are up 1% from this time last year. The total passenger count for this year compared to last year is up 3.5%. Mr. Dopp stated previously the number of passengers in the month of May was higher and wanted to know if there was a reason that there was not a larger percentage increase for May 2012. Mr. Andres stated there have been some weather related cancellations, but as far as he knows US Airways is still operating at the maximum allowable capacities. He stated he frequently hears the airlines offering passenger incentives to give up their seats by as much as \$500.00.
- Mr. Dopp stated Signature Flight Support reported revenues of \$2,066,000.00 for the first 5 months of this year versus \$1,800,000.00 this time last year. The County's share is up 90%, \$100,000.00 versus \$52,000.00 last year. Fuel revenues were up 19%, \$1,700,000.00 versus \$1,500,000.00 last year. The gallons are up 11%, 312,000 gallons versus 281,000 gallons last year.

Mr. Smetek wanted to know if Mr. Dopp knew the difference in commercial service now versus when there were two airlines two years ago. Mr. Dopp stated that the percentages are down if you include the figures when Delta was still at the Airport, but excluding Delta the figures have been steadily increasing. Mr. Mazzei stated the Enplanement/Deplanement report from as far back as 2004 is included in the Board members packet every month.

NEW BUSINESS

1. FY-13 Budget Approval: Paul Andres

- Mr. Mazzei stated that last year he, Mr. Dopp and Mr. Zimmerman reviewed the budget line item by line item. He stated that Mr. Andres proposed this year that they use last year's budget as a base and then make small adjustments where there were known issues or small changes that needed to be made.

Mr. Andres stated he had been working with the Finance Department to revise the budget based on known changes and conditions since it was approved, in concept, by the Board back in March. He stated that he only received the revised budget last night and since the Board members just received it the date of this meeting he thought it would be best to give the Board time to study the documents over the next month and make decisions at the July meeting. He stated the revisions to the FY-13 budget were to include a 2% cost of living adjustment for the employees of both Airports which mirrors what the County approved for all of the other County employees and to reflect the reduced level of FAA grant funding.

Mr. Andres stated that for the Hilton Head Island Airport the capital portion of the budget was revised because this is a very dynamic component. He stated that often grants will come in for different amounts of money than what was originally forecasted. He said they also included all of the revenue enhancements which

include the PFC revenue, the revised estimated revenues based on the FBO contract revisions and also the implementation of the Through-the-Fence access agreement. Mr. Andres stated that for the Hilton Head Island Airport, net income before depreciation for FY-13 is a positive \$3,400.00.

Mr. Andres stated that for the Lady's Island Airport budget they did remove some capital funding because they will not receive any FAA grant funding this year. He stated they project a net loss before depreciation of around \$19,000.00, but there are other potential revenue sources for the Lady's Island Airport that are under consideration by the County's Finance Committee. If any of these are approved this budget will become revenue neutral.

Mr. Mazzei suggested that if any of the Board members had questions or comments they should email him to avoid duplication and then he will forward them to Mr. Andres. Mr. Andres stated they could do this or email him directly as long as they sent a copy to all of the other members so they know what has been suggested.

Mr. Kerr stated that when they did this previously it was a zero based budget and this year it was tweaked. He wanted to know if this should be formalized where they go back to a zero based budget every 3 years. Mr. Mazzei stated they will probably do this again next year by assigning one person from each Airport to work with Mr. Andres.

UNFINISHED BUSINESS

1. Accommodation Tax: Joe Mazzei

- Mr. Mazzei stated that at the last meeting the Board felt they needed clarification on the legal issues. He stated that Mr. Dopp wrote a letter to County Attorney Gruber and Mr. Gruber is working on a response.

2. Airport Funding Initiatives: Paul Andres

- Mr. Andres stated the Passenger Facility Charge, the FBO revised agreement and the Through-the-Fence agreements have been approved and are in place. He stated the elimination of the hangar construction debt was disapproved by County Council so we will continue to pay \$126,000.00 per year for the next 19 or 20 years. The Accommodations Tax this year was denied by the Town. The remaining items have been briefed to the County Finance Committee and they have ruled out any restitution of funding for the LI/SH Fire Department. They have indicated they are in favor of a budget based transfer from Mosquito Control to the Airport for services provided. They are also continuing to examine the topic of aircraft and hangar property tax at both Airports, but have not made a decision.

3. FAA Grant Funding: Paul Andres

- Mr. Andres stated there will be no grant funding for the Lady's Island Airport this year. He stated this is the second year in a row they have not received grant funding. He stated the \$150,000.00 per year entitlement is now at \$300,000.00 and will roll over into next year. He stated they will more than likely use this money for tree obstruction removal at the appropriate time.

Mr. Andres stated he just received Grant Offer No. 33 from the FAA for the Hilton Head Island Airport. He stated that it funds only the Phase III Archeological Data Recovery and Public Outreach program associated with the Mitchelville artifacts found on the Airport property. The grant is in the amount \$402,750.00 and represents the 90% federal share of a project that will cost just over \$440,000.00. Both the grant offer and the contract to do the work will be forwarded to the Public Facilities Committee in hopes they will be on the June 26th agenda. With their approval, it should move on to County Council in July for acceptance of the grant and approval of the contract to do the work. Mr. Andres stated that if this occurs they hope to get the project started right away.

Mr. Kerr wanted to know if the lack of an approved Master Plan for the Lady's Island Airport impacts the grant funding. Mr. Andres stated it does to some degree, but there are no substantiated projects that have been accepted locally other than the tree obstructions. He stated that from the FAA's perspective the priority will go toward the tree obstructions before anything else. Mr. Smetek wanted to know if Grant #33 is FY-12 money and how long would it last. Mr. Andres stated it is federal FY-12 money and it has to be accepted by the County before the end of September. He stated normally the FAA prefers these funds be expended within 3 to 4 years.

4. Hangar Rental Rates: Paul Andres

- Mr. Andres stated that at the last meeting the Board voted to recommend to Committee and Council that the hangar rental rates remain the same. This recommendation has been forwarded to be placed on the Finance Committee agenda.

Mr. Dopp stated that according to the Beaufort County Code of Ordinances, Section 6-65 – Airport Use Fees states "The airports director, with approval of the aviation board, has authority to establish airport use fees, such as, but not restricted to, basic landing fees, parking/tie-down fees and ramp use fees and hanger rental fees." Mr. Andres stated he has received guidance from County Council that they intend to examine and establish those rates and fees.

5. Alternative Economic Impact Analysis: Joe Mazzei

- Mr. Mazzei stated that at the last Board meeting a guest, Mr. Wallhaus, stated that he had done an analysis on the economic impacts of the Airport. Mr. Mazzei had informed Mr. Wallhaus to send the information to the Board and they would look at it. Mr. Mazzei stated that there was a large difference in Mr. Wallhaus' study in the number of employees he had compared to the number used by the South Carolina Aeronautics Commission for the whole state. Mr. Mazzei stated that the economic analysis by Talbert & Bright will be available to review June 27th. He suggested that Mr. Wallhaus contact the state if he disagrees with their figures.

Mr. Smetek stated he felt Mr. Mazzei had misinterpreted a lot of what was in Mr. Wallhaus' analysis. He stated the heart of the analysis goes into what are the benefits to be accrued from the expansion of the Airport relative to the costs incurred. He stated the significant difference between Mr. Wallhaus' presentation is that the benefits to be accrued are grossly exaggerated and the costs are understated. Mr. Smetek stated that Mr. Wallhaus will be prepared to discuss this when Talbert &

Bright have their presentation on June 27th. Mr. Mazzei asked if Mr. Wallhaus has ever done an analysis like this before. Mr. Smetek stated he has done a lot of them for different reasons although he was not sure if it was for an airport, but probably has. He stated Mr. Wallhaus has worked with South Carolina on this. Mr. Mazzei stated it is his opinion that 50 people could present their own analysis and he did not have the time to go through all of them. He stated the State Aeronautics Commission uses the same standards for all airports in South Carolina and it is funded by the State. He said that Talbert & Bright has done this for other airports so he did not know what is so special about Hilton Head that they should have a different economic approach than any other airport. Mr. Smetek stated he challenged that assumption and felt Mr. Mazzei was wrong. He also stated that Talbert & Bright has made a number of other errors in the Master Plan which have been discovered so we should not accept carte blanche the assertions made in their economic analysis.

Mr. Kerr stated that he thought the process of the Master Plan used for the airports is well established and developed and gives the opportunity for comments from the public. He said that as a Board if they consider Mr. Wallhaus' analysis in detail then they have an obligation accept and consider in detail any other analysis out there. He stated this establishes a bad precedent and therefore concurred with Mr. Mazzei.

Mr. Nash asked for clarification on why they had Mr. Wallhaus' presentation. Mr. Smetek stated that at the last Board meeting Mr. Wallhaus made a 3 minute presentation in which he outlined the fact that he had done this analysis and that at the request of Mr. Mazzei, Mr. Wallhaus provided a more detailed version of the charts presented last month. Mr. Mazzei clarified that he did not request Mr. Wallhaus to provide a more detailed analysis. He stated that he only said he would be happy to entertain the report. Mr. Smetek apologized and stated the point is that this analysis was presented and provided to other decisions makers on the County and Town Councils. He stated that in the spirit of full disclosure Mr. Wallhaus thought it would be useful, at the suggestion of some of them, that the analysis should be made available to a wider audience.

Mr. Mazzei asked if there were further comments. Mr. Smetek stated that since the last meeting there have been some recommended changes by Mr. Andres and Mr. Mazzei with regard to the Airports Board Charter. He wanted to know if it was possible for some of the members to add comments for consideration. Mr. Andres stated that this is an initiative of Councilman Caporale so Mr. Smetek may want to discuss this with him. Mr. Mazzei stated that he attended the Public Facilities Committee meeting to make some comments about the proposed changes. He stated that his suggestions (which were emailed to the Board members) were to retain the 4 mile radius rather than reducing it to 2 miles and also that he did not agree with the equalization of the 2 year terms. Mr. Andres stated this would ultimately go to full Council for adoption of the revisions. He stated this may be on the June 26th Public Facilities Committee meeting agenda.

CONTINUATION OF PUBLIC COMMENTS

1. Councilman Caporale – Councilman Caporale stated the HXD FY-13 budget shows the interest expense for the hangar debt service as being \$79,000.00 and he thought this number was approximately \$120,000.00. He wanted to know if the principal payment is missing

from this number. Mr. Mazzei stated he would find out, but he was sure that the principal and interest are separate items.

2. Jim Fisher – Mr. Fisher stated he wanted to give some background on the cost analysis that was done in the past. He stated that at that time he was involved with the Airport by representing his plantation. He stated that the presentation for the \$81 million was done by the State of South Carolina as a cursory overview for all of the South Carolina airports. Mr. Fisher stated this study had general assumptions made, most of which did not apply to our particular locality. He stated he hopes they will get a new study that will make more sense. He said the study done in 2006 consisted of survey forms sent to airport directors, such as Mr. Andres, who sent simple input back which was then stuck into all sorts of formulas. He stated that the results were so ridiculous that they brought the Commission down in November to explain the survey. Mr. Fisher stated the Commission had no rebuttal at all for the challenges made. He stated the report was bad on both sides. He said the report shows that a visitor on the island spends \$53.00 a day which is not true. Another example was that the study only looked at airports in South Carolina and completely ignored the fact that the Savannah/Hilton Head Island Airport is in our backyard. He concluded by saying this study was not worth very much and that the Commission agreed with the property owners' concerns and that he hopes Talbert & Bright will do a better job on the new study.
3. Bob Richardson – Mr. Richardson stated he is a board member of the Mitchelville Preservation Project. He stated that he noted, with interest, Mr. Andres' comments about the archeological work programmed for the on-airport property. He strongly recommended that a relationship be established between the people doing the archeological work and the work his board has already done and plans to do on other areas of Mitchelville. Mr. Richardson stated it is important for all of the artifacts to be collected in one location. Ms. Elder stated the FAA is funding 90% of the data recovery and public outreach program. She stated they are coordinating with the State Historic Preservation Office and the FAA. She stated they will be notifying the Mitchelville Preservation Project to discuss what is being done.

Mr. Mazzei stated the next meeting will be July 19th and noted they will be holding election of officers.

FUTURE MEETINGS

The next meeting of the Airports Board will be held on Thursday, July 19, 2012 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 3:00 PM.