

AIRPORTS BOARD

June 19, 2014

The electronic and print media were duly notified in
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Notification: To view video of full discussion of this meeting please visit
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The Airports Board met on Thursday June 19, 2014 at 1:30 p.m., in the Town Council Chambers of the Hilton Head Island Town Hall. Chairman Rich Sells called the meeting to order and led the attendees in the Pledge of Allegiance.

ATTENDANCE

Airports Board Members: Rich Sells, Will Dopp, Ron Smetek, Derek Gilbert, Dan Ahern, Gregory Viventi, Graham Kerr, Anne Esposito, Alan Rae and Councilman John McCann, Town of Hilton Head Island Liaison. (Absent: Carl Wedler, Al Spain and Beaufort County Liaison Councilman Stu Rodman).

County Staff: Jon Rembold, Airports Director; Linda Wright, Administrative Assistant, Councilman Rick Caporale and Councilman Steven Fobes.

MOTION TO ACCEPT AGENDA

Motion: It was moved by Mr. Kerr, seconded by Mr. Viventi that the June 19, 2014 agenda be approved. The vote was: FOR –Mr. Sells, Mr. Dopp, Mr. Kerr, Mr. Smetek, Mr. Ahern, Mr. Viventi, Ms. Esposito, Mr. Gilbert and Mr. Rae. AGAINST – None. ABSENT: Mr. Wedler and Mr. Spain. MOTION PASSED.

MOTION TO ACCEPT MINUTES

Motion: It was moved by Mr. Kerr, seconded by Ms. Esposito that the May 15, 2014 minutes be approved. The vote was: FOR –Mr. Sells, Mr. Dopp, Mr. Kerr, Mr. Smetek, Mr. Ahern, Mr. Viventi, Ms. Esposito, Mr. Gilbert and Mr. Rae. AGAINST – None. ABSENT: Mr. Wedler and Mr. Spain. MOTION PASSED.

Mr. Sells noted the link with the Hilton Head Island Library will be out of order indefinitely.

PUBLIC COMMENTS

Mr. Bob Richardson, resident, stated that residents of Palmetto Hall and Port Royal have sent correspondence to the FAA citing their concerns over processes and procedures that have taken place during the evolution of the Master Plan. Mr. Clark, FAA-Atlanta, has agreed to meet with them.

Mr. Joe Zimmerman, resident, stated the list of properties on Work Authorizations 2119-1201 HXD Runway 03 Land Acquisition and 2119-1404 HXD Runway 21 Land Acquisition are incorrect. Ms. Elder stated she would recheck the listed properties and correct any errors.

Mr. Smetek stated they should wait to vote on the recommendation until the documents are corrected and they have had sufficient time to review them.

CHAIRMAN'S COMMENTS

Mr. Sells stated that as of now the future meetings to be held at the Hilton Head Island Town Hall will be quarterly with the next three being September 2014, December 2014 and March 2015.

Mr. Sells stated he wanted to reiterate to the Board that per the Charter they are only an advisory board and that they need to go through the proper channels with their questions or concerns. He stated financial matters are to be directed to Mr. Viventi and all other matters should be directed to the Chairman or Vice Chairman.

LADY'S ISLAND AIRPORT REPORT

Mr. Rembold asked for a recommendation for aviation fuel service for the Lady's Island Airport. He stated the one qualified respondent to the RFP was Eastern Aviation Fuels. It is a 3 year initial contract for a total cost of \$1,080,000.00 with renewals for a total of 5 years. The cost is recoupable with profit as it is the resale of fuel.

Motion: It was moved by Mr. Kerr, seconded by Ms. Esposito that the Airports Board recommend to the Public Facilities Committee that the fuel contract for the Lady's Island Airport with Eastern Aviation Fuels be forwarded to County Council for approval. The vote was: FOR – Mr. Sells, Mr. Dopp, Mr. Kerr, Mr. Smetek, Mr. Ahern, Mr. Viventi, Ms. Esposito, Mr. Gilbert and Mr. Rae. AGAINST – None. ABSENT: Mr. Wedler and Mr. Spain. MOTION PASSED.

Mr. Rembold reported on the fuel sales and operations for the Lady's Island Airport for May.

Mr. Rembold stated the court date for the tree obstructions are pending. He stated they are working on the environmental assessment for the parallel taxiway and runway safety area.

Mr. Rembold stated the Lady's Island Airport passed an unannounced DHEC inspection. He also stated they have finally selected a contractor for the restroom renovations.

HILTON HEAD ISLAND AIRPORT REPORT

Mr. Rembold gave the tower and operations reports as well as the noise complaints for May.

Mr. Rembold stated the On-Airport Tree Plant Back project is moving forward. He stated the Off-Airport Obstruction Removal project survey has been completed and is in the design phase. He stated they are still working on some avigation easements on these properties. Mr. Rembold stated Talbert & Bright is still responding to the comments and finalizing documents for the Runway 03/21 Runway Extension Environmental Assessment project. Mr. Smetek asked when this would be finished. Ms. Elder stated the Fish and Wildlife Services wanted them to re-

evaluate the threatened and endangered species so they are waiting on the final report to be received from their consultant. She stated once this is received and the Fish and Wildlife Services have signed off on it the final document of no significant impact will be submitted to the FAA. She stated she hopes this will be completed in a few weeks.

Mr. Rembold stated Brockington and Associates are working with the County to link the County website with their website for the Phase III Archeology educational component.

Mr. Rembold stated the land acquisition offers for the South end have been made by the County and are being negotiated. He also said that the taxiway designs are underway and should go out for bid around the end of summer.

DIRECTOR'S REPORT

Mr. Rembold stated the FAA and the communities of Palmetto Hall and Port Royal Plantation have been in communication about having a meeting in Atlanta to discuss the projects and issues. Mr. Rembold stated he will also attend this meeting.

Mr. Rembold asked for a recommendation to move the work orders to the Finance Committee and then on to County Council. Mr. Smetek said they did not receive the work orders in time to give them a thorough evaluation and asked for more time before making a recommendation. Mr. Rembold stated these should have moved forward several months ago, but did not due to the lack of an Airports Director. He stated this is not new information and that the Board had been briefed on these projects over the last year. He stated the dollar amount was in the Master Plan and CIP. Mr. Smetek disagreed and stated the Board needs more time to review the information. Mr. Dopp stated he had some procedural questions. He stated that 4 of the 7 work orders had been signed off by Mr. Kubic 8 or 9 months ago. He wanted to why the remaining 3 had not been signed off. Mr. Dopp asked if any grant money had been received on any of the work already done. He further stated that the Board has never been asked to recommend work authorizations in the past. Mr. Viventi stated that Councilman Caporale had informed him that work authorizations should be reviewed by the Airports Board before moving onto the Finance Committee and asked that the Board review the current work authorizations and those in the future.

Motion: Mr. Smetek made a motion that the Airports Director and the consultant correct the errors identified; that the revised package be sent back to the Airports Board within 2 weeks; and that the Board discuss, review and potentially approve the package at the next Airports Board meeting. Following further discussion the motion died for a lack of a second.

Motion: It was moved by Mr. Kerr, seconded by Mr. Viventi that the Airports Board recommend to the Finance Committee that they forward the work authorization packet to County Council for approval.

Mr. Smetek stated he wanted it entered into the record that they (Airports Board) are recommending something to the Finance Committee that has not been scrutinized by the Beaufort County Airports Board. He stated they are assuming that the work authorizations are 90% correct and he did not feel that in their advisory role they should be making assumptions and should have the opportunity to review the documents in detail.

When the vote was called: FOR –Mr. Sells, Mr. Kerr, Mr. Viventi, Ms. Esposito, Mr. Gilbert and Mr. Rae. AGAINST – Mr. Smetek and Mr. Dopp. ABSTAINED: Mr. Ahern. ABSENT: Mr. Wedler and Mr. Spain. MOTION PASSED.

Mr. Rembold stated that while the dollar amount of each project could be approved by Mr. Kubic the County has asked that the process be respected by bringing it before the Airports Board, Finance Committee and County Council in order for everyone to have a chance to look at the projects. He stated that each project is in the Master Plan and have been in the CIP for at least the last 2 years. Mr. Viventi stated that he has accepted the position where he will act as an agent if a concern or question arises in order to expedite the solution. He stated the Board needs to support the process not impede it. Mr. Smetek stated that the Master Plan is just a planning document and it does not have any of the details associated with the true cost of projects. He stated that he agrees with the concept of the Master Plan, but once they get down to the details of what the County, state and federal government will spend they owe the citizens of the community due diligence.

Mr. Rembold reviewed the information presented by Ms. Holland, CFO, at the last meeting concerning the overpayment of interest by the Hilton Head Island Airport on the hangar portion of the GO bond. He stated that when Ms. Holland reconciled this account it freed up almost \$30,000.00 of cash flow ability. He also said that the second loan is a non-interest bearing loan. Mr. Rembold stated there are no formal terms for paying back this loan, but we have been paying back an average of \$200,000.00 a year for the last several years. He stated that if we change this from \$200,000.00 to \$100,000.00 (pushing this interest free loan out farther) we would free up an additional \$100,000.00 of cash flow to help pay for the GO bond that goes for third reading at County Council on Monday. Mr. Rembold asked for a recommendation from the Board to change the unofficial term of the non-interest bearing loan in order to extend it out and pay it off at \$100,000.00 a year instead of \$200,000.00 a year. Mr. Dopp felt this was premature since the GO bonds have not been approved by Council yet. Mr. Sells stated that does not make a difference because it would be better to pay \$100,000.00 a year instead of \$200,000.00. Mr. Smetek disagreed.

Motion: It was moved by Mr. Viventi, seconded by Ms. Esposito that the Airports Board recommend the non-interest bearing loan be extended for a term such that the payment will be \$100,000.00 per year. The vote was: FOR –Mr. Sells, Mr. Kerr, Mr. Ahern, Mr. Viventi, Ms. Esposito, Mr. Gilbert and Mr. Rae. AGAINST – Mr. Smetek. ABSTAINED – Mr. Dopp. ABSENT: Mr. Wedler and Mr. Spain. MOTION PASSED.

Mr. Rembold stated funding has been appropriated for the FAA contract towers for FY15. Mr. Rembold stated the South Carolina Aeronautics Commission is now participating in land acquisition which means that some of the money budgeted for the County's share of land acquisition will be cut in half. Mr. Rembold also stated that AAAC is lobbying to increase passenger facility charges (PFC) from \$4.50 to \$8.50. He said these have not been adjusted since 2000. Mr. Rembold said the state government is working on getting aircraft property taxes to go to the airports instead of the general fund. He said he would like to see the Board work with the state government to make this policy change happen. Mr. Rembold stated that the fire station at the Lady's Island Airport has been vacated and reverts back to the County. He stated the first steering committee meeting on retrofitting the building will be on June 30th at the school district headquarters. He stated they are working on what portion of the building EMS will need. Mr. Kerr stated that we cannot overburden the building with so many County projects that we do

not have the ability to make money off of it. Mr. Rembold stated he checked with the legal department and there is a way to use volunteers to take on small projects to beautify the Airports.

Mr. Rembold stated that he is going to Charlotte next week to meet with the designing and consulting staff for the terminal project, talk to the people in operations and directorship at Charlotte-Douglas, meet with legal teams concerning contract issues, and also meet with the director of the Florence Airport. Mr. Rembold concluded by stating that Mr. Sam Hoerter who currently flies for ImagineAir will be a guest speaker at the next Airports Board meeting.

NEW BUSINESS – None

UNFINISHED BUSINESS – None

PUBLIC COMMENTS CONTINUED – None

FUTURE MEETINGS

The next Airports Board meeting will be Thursday July 17, 2014 at 1:30 p.m. in the County Council Chambers of the Beaufort County Government Center.

ADJOURNMENT – 2:30 PM