

AIRPORTS BOARD

February 19, 2015

**The electronic and print media were duly notified in
Accordance with the State Freedom of Information Act**

Notification: To view video of full discussion of this meeting please visit
http://beaufort.granicus.com/ViewPublisher.php?view_id=2

The Airports Board met on Thursday February 19, 2015 at 1:30 p.m. in the Council Chambers of the Beaufort County Government Center. Chairman Rich Sells called the meeting to order and led the attendees in the Pledge of Allegiance.

ATTENDANCE

Airports Board Members: Rich Sells, Gregory Viventi, Dan Ahern, Ron Smetek, Will Dopp, Alan Rae, and Graham Kerr. (Absent: Anne Esposito, and Derek Gilbert).

County Staff: Jon Rembold, Airports Director; Renee' Ford, Administrative Assistant; Beaufort County Liaison Councilman Stu Rodman).

Public: Judy Elder, Talbert & Bright and Mr. John Cardamone, Resident.

MOTION TO ACCEPT AGENDA

Motion: It was moved by Mr. Smetek, seconded by Ms. Esposito that the February 19, 2015 agenda be approved. The vote was: FOR – Rich Sells, Dan Ahern, Ron Smetek, Will Dopp, Alan Rae, Graham Kerr and Gregory Viventi. AGAINST – None. ABSENT:, Anne Esposito and Derek Gilbert. MOTION PASSED.

MOTION TO ACCEPT MINUTES

Motion: It was moved by Mr. Viventi, seconded by Mr. Smetek that the January 15, 2015 minutes be approved. The vote was: FOR – Rich Sells, Ron Smetek, Alan Rae, Dan Ahern, Will Dopp, Graham Kerr, and Gregory Viventi. AGAINST – None. ABSENT: Anne Esposito and Derek Gilbert. MOTION PASSED.

PUBLIC COMMENTS - None

AIRPORTS FINANCIALS:

Ms. Holland reported on the following December 31, 2014 mid-year Airports financials:

NOTE: Receivables and General Fund are figures from June 30, 2014 – December 31, 2014.

ARW

- Receivables decrease of \$32 thousand (received State grants since June 30th)
- General Fund increase of \$34 thousand
- Operating revenues – 43% of annual budget (figures comparable to last year)
- Operating Expenses – 50% of annual budget (figures comparable to last year)

HXD

- Receivables decrease of \$263 thousand (received State grants since June 30th)
- General Fund decrease of \$1.2 million
- Operating revenues – 46% of annual budget
- Operating Expenses – 48% of annual budget

Mr. Smetek asked for clarification on the June 30th and December 31st dates. Ms. Holland responded by stating the airports received State grants after June 30, 2014. The financial period is June 30, 2014 through December 31, 2014.

Mr. Dopp noticed in the financial documents, that were emailed prior to the meeting, it states increase verses decrease for the receivables. Ms. Holland apologizes for the misprint in the power point document.

Note, the chairman, Mr. Sells, requested the board to submit any financial questions to Mr. Viventi due to the limited time Ms. Holland had to address the board. Mr. Viventi will follow up with a phone call to the person submitting the question(s) to be certain he clearly understands their request. After he has assembled all the questions, he will then meet with Ms. Holland to obtain clear and concise answers. Mr. Viventi will report back to the board at our March 19 meeting with those answers. If any board member feels their question(s) has not been fully answered we will invite Ms. Holland to a future meeting.

Mr. Rae asked when, do we create receivables? When we receive from FAA? Ms. Holland responded by stating, receivables are created after we dispense funds.

HXD Notes Payable:

Hangar Note issued in 2007 was \$1.8 million; interest rate of 2.07%. The principal balance as of December 31, 2014 is \$1.4 million; Annual debt service of \$96 thousand.

2014 Note of \$2.26 million - current interest rate of 2.94%. The principal balance as of December 31, 2014 is \$2.2 million and Annual debt service of \$148 thousand.

(NOTE: Annual Debt Service = Principle + Interest)

KUDOS TO DAN AHERN

Mr. Rembold congratulated Mr. Ahern being awarded a leather flight jacket by the South Carolina Aviation Association. To be part of the Ambassador program an individuals must visit all 59 South Carolina public use airports and attend one (1) aviation seminar to receive a leather flight jacket. **Congratulations to Mr. Ahern!!**

LADY'S ISLAND AIRPORT REPORT

Mr. Rembold reported on the fuel sales and operations for the Lady's Island Airport for January 2015. The numbers were slightly higher than January 2014.

HILTON HEAD ISLAND AIRPORT REPORT

Mr. Rembold gave the tower and operations reports for January 2015. Operations numbers are slightly up compare to 2013 and 2014. Signature reported a small trend upward, as well.

Mr. Rembold stated Rwy. 21 On-Airport Tree mitigation is just about completed. Hopefully, will be able to report next meeting the project is complete.

Mr. Rembold reported there are two properties remaining regarding the avigation easements for Runway 21 on the North end; St. James Baptist Church and Palmetto Hall.

Mr. Rembold stated the last of Runway lighted signs were being installed this week.

Mr. Rembold was happy to announce the Federal Aviation Administration evaluated and approved the Environmental Assessment (EA) and issued a Finding of No Significant Impact (FONSI)/Record of Decision (ROD) for Runway 03/21 Extension. The public notification will be in Sunday, February 22, 2015 newspaper. As well as, the final document will be available for public view at the Hilton Head Library. This is required by FAA.

Mr. Rembold stated the Runway 03 land acquisitions are completed and all properties will be vacated by mid-March. Mr. Will Dopp asked if the agreements included Beach City Road. Mr. Rembold response was; Runway 21 is Beach City Road not Runway 03.

Taxiway A relocation and replacement ramp design is 70% completed; Taxiway F realignment design is 40% completed. The design of the tree removal between ATCT and GA ramp is underway; tracking with TWY A. The environmental assessment for Runway 03 tree removal draft is completed; awaiting FAA comments. Daily contact with the FAA to get this completed. Mr. Sells asked, when should we expect a shovel to go on the ground for this project? Mr. Rembold response, late Fall; within this calendar year. There are several hands that control the schedule; some we control and some we can't; will try to keep everyone on schedule to execute the project on time.

Land acquisitions for Runway 21, offers, were sent out last week. Mr. Rembold spoke to many of the property owners. Most property owners were cordial.

Runway 03/21 extension design commenced. Master drainage plan design is 60% complete. The permit comes through the US Army Corps. of Engineers. The ability to start the permitting was triggered by the release by the FONSI.

DIRECTOR'S REPORT

The Aero-News, an international online aviation newsletter featured the story of the FAA approving the EA at Hilton Head Island airport, which included the Aero-News quote of the day by BC Airports Director, Jon Rembold. **Thank you, Mr. Dopp, for sharing!!**

Mr. Rembold attended the SCAA conference at Isle of Palms where managers, directors, staff, commissioners come together to discuss issues their airport experience. Some of the “hot button” issues that most encounter are: 1) politics, 2) trees and other obstructions, 3) community relations and 4) budget & finance. Excellent conference to learn from the folks who had 20-30 years experience and see how they handle different situations.

Airports play a crucial role in economic development. In South Carolina, aerospace contributes over \$17 billion in economic development. Boeing and Gulfstream play a big role locally.

Aeronautic industries have a faster growth rate than any other industries.

As board members, you play a critical role in economic development. We are always open for business. Share your stories outside the airport!

A new business started operating at Hilton Head Airport; Helicopter Tours HHI; owner is Isaiah Burch. The company will be giving tours, lessons, etc. A good partnership to have onboard!

As board nomination season approach, some things the airports director needs: actively advocate, write articles for newsletters, magazine, or community newsletter. Volunteer to attend speaking engagements with the director as a backup/support. Grunt work, painting chairs, repairs as-needed and small tasks around the airports.

Mr. Dan Ahern stated he noticed the attendance at the South Carolina Aviation conference.

Besides the airport manager, there was at least one other board member from an organization that attended. He encouraged our board members to attend the conference next year. Mr. Rembold stated that any speaking engagement he is invited to, a board member may also attend; as support and to add additional information about our airports.

Mr. Graham Kerr stated ARW has a need for additional hangars; the waiting list is several years. Noting the county does not have the funds to build additional hangars in Beaufort, but believes private companies would invest in adding more hangars in Beaufort. Additional hangars would provide additional funding for the county (fuel, rent). What does the county require of private developers to fund/build additional hangars? What contribution would the county provide? What percentage of revenue would go towards the county and what percentage of revenue will the developer earn?

Mr. Rembold needs the board to present this to County Council. This goes along the lines of economic development.

Mr. Ahern suggested the board to research the logistics, cost, etc; before presenting to county council. This way the County Council will know upfront the revenue they will earn and the expenses they will incur.

Mr. Dopp suggested the board make a list of pros and cons.

Chairman, Mr. Sells, will take the lead on this effort and report back to the board at the next meeting.

NEW BUSINESS –

Mr. Rembold requested a temporary agreement to allow parking on former Distinctive Granite property to Diamond Transportation. It takes an ordinance from the board to finance committee to make this happen. Will generate a modest revenue for the airport; month-to-month agreement. Airport likes it; Diamond Transportation likes it; win, win situation.

Motion: It was moved by Mr. Ahern, seconded by Mr. Dopp that the temporary agreement be allowed. The vote was: FOR – Rich Sells, Alan Rae, Dan Ahern, Will Dopp, Graham Kerr. AGAINST – Smetek. ABSTAIN: Gregory Viventi. ABSENT: Anne Esposite and Derek Gilbert. MOTION PASSED.

Mr. Rembold discussed the FAA Reauthorization Act. This will allow the Passenger Facility Charge (PFC) to be raised from \$4.50 to \$8.50 and adjust for inflation. However, this will reduce the Airport Improvement Program (AIP) funding for certain projects at the Airport. Our smaller airports are not able to handle this reduction. Mr. Rembold will be going to D.C. to meet with our federal delegations to recap the importance of having both programs. We need both to improve the efficiency and infrastructure of our smaller airports. Mr. Rembold will put a package together showing what we need policy wise and what we need to sustain and grow. Mr. Rembold will share this package with the board and will have more info to report at the next board meeting.

UNFINISHED BUSINESS –

Response to Public Questions That Were Formally Submitted April 2014.

The responses were incorporated into the Environmental Assessment package. Once the report is published for public viewing, the board will discuss/review. Item still open.

PUBLIC COMMENTS CONTINUED –

County Councilman Stu Rodman stated the airports are priority #2 on the Hilton Head Island Chamber's short term goal list.

FUTURE MEETINGS

The next Airports Board meeting will be Thursday March 19, 2015 at 1:30 p.m. at the Hilton Head Island Town Hall Council Chambers.

ADJOURNMENT – 2:38 PM