

AIRPORTS BOARD

August 24, 2015

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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 Monday, August 24, 2015 at 12:00 p.m. in the Council Chambers at the Town of Hilton Head Island. Chairman Rich Sells called the meeting to order and led the attendees in the Pledge of Allegiance.

ATTENDANCE

Airports Board Members: Wally Wallace, Greg Viventi, Rich Sells, Dan Ahern, Leslie Adlam, Will Dopp, Anne Esposito (Absent: James Buckley, Allan Rae, and Derek Gilbert). Councilman John McCann, Town of Hilton Head Island Liaison.

County Staff: Jon Rembold, Airports Director, Renee' Ford, Administrative Assistant and Alicia Holland, CFO.

Public: Judy Elder, Talbert & Bright; Mike Peery & Chip French – Signature; Residents – Joe Zimmerman, Joe Croley and Councilman, Steve Fobes.

PRESENTATION

Mayor Pro Tem, William D. Harkins, from the Town of Hilton Head Island presented to the BCAB a Proclamation for Aviation Week (August 23 – 29 2015). Chairman, Rich Sells and Airports Director, Jon Rembold accepted the Proclamation.

MOTION TO ACCEPT AGENDA

Motion: It was moved by Mr. Dopp, seconded by Ms. Esposito that the August 24, 2015 agenda be approved. The vote was: FOR – Rich Sells, Wally Wallace, Greg Viventi, Will Dopp, Anne Esposito and Leslie Adlam. AGAINST – None. ABSENT: James Buckley, Allan Rae, and Derek Gilbert. MOTION PASSED.

MOTION TO ACCEPT MINUTES

Motion: It was moved by Mr. Dopp, seconded by Mr. Viventi that the June 18, 2015 minutes be approved. The vote was: FOR – Rich Sells, Wally Wallace, Greg Viventi, Will Dopp, Anne Esposito and Leslie Adlam. AGAINST – None. ABSENT: James Buckley, Allan Rae, and Derek Gilbert. MOTION PASSED.

PUBLIC COMMENTS – None.

FINANCIAL UPDATE

Alicia Holland, Beaufort County Chief Financial Officer, presented the preliminary FY2015 Year End statements for both Airports. Ms. Holland outlined the following:

Lady's Island

Receivables - decrease of \$14K
Negative Equity in Pool Cash increase of \$32K
Operating Revenues – 85% annual budget
Operating Expenses – 95% annual budget

Hilton Head Island

Receivables - increase of \$232K
Negative Equity in Pool Cash increase of \$1.5 million
Operating Revenue – 91% annual budget
Operating Expenses – 102% annual budget

(NOTE: Hilton Head purchased \$5.6 million in land for runway extension. Hilton Head continued to pay on their debt service).

Hangar Note – \$1.8 million issued in 2007 (interest rate of 2.07%). Principal balance \$1.38 million.

2014 Note - \$2.26 million (interest rate of 2.94%). Principal balance \$2.19 million

Definition of Negative Equity in Pool Cash – all funds within the government are pooled. Allow investment earnings to be maximized.

Examples of Beaufort County government funds: Sales Tax, Road Project, Rural & Cultural Programs, Capital Project Funds, General Funds, TAG Funds, Accommodation Tax, Hospitality tax, Impact Fees – Roads, Parks, & Leisure, Library & Fire.

Negative Balance – interfund liabilities.

Mr. Dopp asked the status of the Cash Flow that was presented in February (which was the mid-year report). Ms. Holland responded by stating there is a decrease in revenue due to Hilton Head airport spending \$5.6 million in acquiring land. We've only received \$1.5 million in grants. Expect additional grant funds in July/August. Eventually, the \$5.6 million will be replenished.

Chairman, Rich Sells stated Mr. Viventi is the point of contact for financial questions. If the Board has questions, Mr. Viventi will follow up with Ms. Holland and report back to the Board.

LADY'S ISLAND AIRPORT REPORT

Mr. Rembold reported on the fuel sales and operations for the Lady's Island Airport for June and July 2015. Slightly below average due to weather.

HILTON HEAD ISLAND AIRPORT REPORT

Mr. Rembold gave the fuel, tower and operations reports for June and July 2015. Weather impacted fuel sales in July; June was super outstanding compare to July. However, we are in line with last year numbers.

Mr. Rembold stated Hilton Head had a lightning strike in June; damaged Localizer.

PROJECT SCHEDULE UPDATE

Ms. Elder reviewed the project schedule updates.

- **Lady's Island RWY 07 Obstruction Removal**, opening bids is scheduled for December 15th; approximately 3 month construction.
- **Hilton Head RWY 21 Off Airport Trees** – Project grant in place; approximately 3 months construction; still negotiating with Palmetto Hall – aviation easement.
- **RWY 03 Off Airport Trees** – Opened bids 8/19/15; bids came in lower than engineer estimate. Working with FAA to put grant together. Construction expected to start October 15, 2015.
- **TWY A/Replacement Ramp & Tree Removal** - applied for grant August 21st; expecting construction to start mid-October 2016. Need OCRM, County SW approval; estimating 12 months for construction.
- **RWY extension and TWY F** - project is on schedule. Bidding will take place circa June 8, 2016, construction to start September 1, 2016; construction approximately 12 months.

Chairman, Mr. Sells stated the construction date on last report was November 1st versus September 1st. Ms. Elder response was it may be push back to November 1st due to she didn't think they could work on TWY A and TWY F at the same time.

DIRECTOR'S REPORT

Mr. Rembold started by showing the Board a picture of HXD **new** "Hold Room Seating". Charleston airport is undergoing a major renovation; we've negotiated in retrieving some of their terminal seating. This was a win-win for both airports; Charleston gets to remove the removal fee from their line item and we gain new seating at no cost except to transport. We acquired approximately 200 seating. If HXD had to purchase new seating; it would have cost us approximately \$50K just for the Holding Area. There were enough chairs to replace the seating in the lobby and extras for wear & tear in the future.

Chairman, Mr. Sells gave kudos to Mr. Rembold. Mr. Sells saw the seating and commented how good they look.

NEW BUSINESS

Aviation Week 23-29 August – Mr. Rembold "thanked" the Town of Hilton Head for the Proclamation. Mr. Rembold and Mr. Sells are schedule to attend County Council to receive another Proclamation later in the day.

Mr. Rembold asked the board to make a recommendation to send the low response bidder for Taxiway A Relocation, Ramp Replacement: *Quality Enterprises* and Runway 03 Obstruction Removal: *State Tree Service*; forward to Council committee for their approval and then forward to full Council for award.

Ms. Adlam asked why the engineer's estimate was higher for Taxiway A Relocation, Ramp Replacement, Tree Removal, RTR Base Work. Mr. Rembold believes materials may have increased over the past year; for example, the storm drainage piping and asphalt have increased.

Mr. Ahern asked is this the norm to only have two bidders for Taxiway A? Mr. Rembold thought there would be more, since several companies attended the pre-bid. One company did submit a bid but was after the deadline so they were eliminated.

Mr. Dopp wondered if the Taxiway is only being extending to 4300 ft. Mr. Rembold stated, the first phase is for 4300 feet only and final phase will be extended to 5000 ft; and we will be clearing the trees from ATCT to Signature.

Motion: It was moved by Mr. Viventi, seconded by Mr. Dopp to submit the low bidder for Runway 03 Obstruction Removal to Council Committee for their approval and then forward to full Council for award. The vote was: FOR – Rich Sells, Wally Wallace, Greg Viventi, Dan Ahern, Will Dopp, Anne Esposito and Leslie Adlam. AGAINST – None. ABSENT: James Buckley, Allan Rae, and Derek. MOTION PASSED

Motion: It was moved by Mr. Viventi, seconded by Mr. Dopp to submit the low bidder for Taxiway A Relocation, Ramp Replacement, Tree Removal, RTR Base Work with a note that the bid is 27% higher than the engineer's to Council Committee for their approval and then forward to full Council for award. The vote was: FOR – Rich Sells, Wally Wallace, Greg Viventi, Dan Ahern, Will Dopp, Anne Esposito and Leslie Adlam. AGAINST – None. ABSENT: James Buckley, Allan Rae, and Derek. MOTION PASSED

Walmart – Mr. Rembold has corresponded with the City of Beaufort's Planning Director for the new Walmart that is coming to Lady's Island. The Planning Director is requesting concurrence from the Airports Board regarding the lighting. Their ordinance requires the Airports Board approval. Mr. Rembold didn't have a copy of the plans, but did review them with the engineer. These are the "Dark Sky Light", meaning the light only shines on the ground, so not to interfere with the pilots

Motion: It was moved by Mr. Ahern, seconded by Ms. Esposito to concur with the use of Dark Sky Lights at Lady's Island Walmart. The vote was: FOR – Rich Sells, Wally Wallace, Greg Viventi, Dan Ahern, Will Dopp, Anne Esposito and Leslie Adlam. AGAINST – None. ABSENT: James Buckley, Allan Rae, and Derek. MOTION PASSED

- Mr. Rembold also discussed the pond they will be installing near the new Walmart. Concern is attracting wildlife and we want to dissuade them from coming to the pond. This is a major concern with wildlife interfering with the flights.
- HXD airport will be undergoing FAA Part 139 inspection this week. Concern with HXD localizer, which was struck by lightning in July; parts have been ordered and in route. Ms. Adlam asked if this has interfered with the evening flights. Mr. Rembold response was no as long as we have clear weather it hasn't been a problem.
- Mr. Dopp would like the Chairman and Airports Director to provide a status report on problem and delay issues relating to the airports extension such as the OFA properties, Palmetto Hall, the Town and St. James. Such a report could be made in executive session

if deemed advisable. We have new members and everyone should be brought up to speed. Chairman, Mr. Sells stated he would meet with Airports Director, Mr. Rembold and they will report back to the board with an update.

UNFINISHED BUSINESS

Airport Rules & Regulations and Minimum Standards for Commercial Activities – Mr. Rembold thanked the Board for their comments. The Airport Rules & Regulations haven't been updated since the early 1990's. They're pretty standard compared to other airports and the current regulations still apply. Mr. Rembold will work with staff to incorporate the updates and will provide to Board for a final review.

PUBLIC COMMENTS – None

FUTURE MEETINGS

The next Airports Board meeting will be Thursday September 17, 2015 at 1:30 p.m. at the Beaufort County Government Center, County Council Chambers.

ADJOURNMENT – 12:45 PM