



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) 689-5400 - Fax: (843) 689-5411

AVIATION ADVISORY BOARD MEETING MINUTES OF AUGUST 9, 2007

A meeting of the Beaufort County Aviation Advisory Board was called to order at 1:30 PM on Thursday, August 9, 2007 at the Hilton Head Air Service Building. Chairman David Ames opened the meeting and noted that there was a quorum present. Guests were introduced and offered an agenda for the meeting.

A motion was made and seconded to accept the July 12, 2007 meeting minutes. The motion passed unanimously.

MEMBERS PRESENT

David Ames-Chairman
Pete Buchanan-Vice Chairman
Anne Esposito
John Curry
Harvey Ewing
Leonard Law
Jared Newman
Ross Sanders
Dick Warden

ABSENT

Dan Lynch

STAFF

Eddie Bellamy-Interim Deputy Administrator
Paul Andres-Airport Director
Larry Yeager-Operations Chief
Bill Baird-Tower Manager

GUESTS

Councilman Steven Baer
Councilman Stu Rodman
Joe Croley-Resident
Lee Bjong-Resident
Ed Brown-CRC
Chuck Miller-Resident
Jack Shuler-Resident
Patty Blackmon-CRC
Don Baldwin-CRC
Truman Olsen Jr.-Resident
Perry White-Resident
Jim Fisher-CRC
Dan Doyle-Consultant
Palmer Mitchell-Resident
Amy Komack-TSA
Tim Donnelly-Island Packet
Gary Gildner-Resident

HILTON HEAD ISLAND AIRPORT REPORT

1. Tower Report: Paul Andres

For the month of July, there were 4,182 total operations of which 2,587 were conducted under IFR procedures.

2. Operations Report: Chief Yeager

There were three medivac standbys during the month of July and no inflight emergencies.

3. Noise Complaints & Traffic Counters: Chief Yeager

There were 10 noise complaints and 32 after hours traffic counts during the month of July. There were 124 commercial airline after hours flights also this past month. Chief Yeager commented that he is going back to the first of the year to include all after hours flights in the monthly totals.

4. Projects: Paul Andres

- a. Tree Obstructions. Bids were received on August 7th for removal and trimming of tree obstructions on the South End of the Airport. A contract award recommendation will be presented to the County's Public Services Committee on August 14th. The low bid for this work is \$251,200.00. With contract approval, work should start in early September.
- b. Aircraft Hangars. This project will be discussed in conjunction with the Hangar Rental Rates topic under Old Business.
- c. Emergency Generator. The emergency generator project is currently under design with our consultants.
- d. FDIO System. The FAA recently contacted the Airport Director and Tower Manager to let them know that they will be providing a Flight Data In/Out (FDIO) system for the Tower this coming year funding permitting.
- e. FY-07 FAA Grants. The FAA Grant Offer which totals \$787,647.00 has been received and is intended to fund the following projects; Airport Layout Plan Update, Aircraft Rescue & Fire Fighting Building Design, Remove Obstructions to Runway 3 Design, Remove Obstructions to Runway 21 Environmental Assessment, and Acquire Land for Development 1.76 Acres. This grant offer will be forwarded to County Council for acceptance.

BEAUFORT COUNTY AIRPORT REPORT

1. Fuel Sales: Paul Andres

For the month of July, we sold 6,118 gallons of AvGas and 2,778 gallons of Jet A. Fuel sales are down as a result of the Secession Golf Course being closed for renovation. An annual inspection of the fuel farm equipment was completed without any problems and all fuel filters have been replaced.

2. Projects: Paul Andres

- a. Tree Obstructions. Survey work to a 34:1 slope is nearly complete regarding the trees on the South End of the Airport.
 - b. Aircraft Hangars. Bids are due on August 30th for the Mosquito Control Hangar project.
 - c. AWOS. Installation of the automated weather observation system is expected to start any day.
 - d. FY-07 FAA Grants. The FAA Grant Offer has been received and will fund the following projects; Airport Master Plan Update and Remove Obstructions to Runway 7 Design. This grant offer will be forwarded to County Council for acceptance.
3. In response to a question regarding the status of Executive Flight Training's hangar proposal, it was pointed out that the decision regarding ground leases is still awaiting the financial consultant's report. Mr. Warden expressed his concerns regarding the continuing delays.

COMMITTEE REPORTS

1. Finance: Dick Warden

At the County's Finance Committee meeting on August 6th, they recommended an initial hangar rental rate of \$328.00 per month with a 5% per year escalation clause over a 25 year period. This escalation is unrealistic in the marketplace. The hangar revenues were voted on to be paid into the general operating fund to pay off the general obligation bond used to build the hangars. This same process was agreed to be applied to the Lady's Island Airport hangars as well. The operating budgets for both Airports are designed to result in a small positive number by the end of the year. Mr. Warden suggested that the Aviation Advisory Board strongly oppose diverting hangar revenues into the General Fund for the following reasons; aircraft owners already pay over \$150,000.00 per year in personal property taxes to the County, the FAA and Airport Enterprise Fund have made substantial contributions towards the hangars, and the State's Economic Impact Study indicates that the two Airports contribute close to \$86 million in economic benefit to the County. Loss of hangar revenues will result in a cash flow loss and the postponing of needed maintenance. The Airports need the hangar revenues to continue to operate in a fiscally sound manner.

Following a discussion regarding where the money came from to construct the hangars, a motion was made and seconded to endorse the initial rate of \$3.75 per square foot as adopted by the County's Finance Committee for the first year. The motion passed unanimously.

A second motion was made and seconded to tie the escalation rates to economic indicators. During discussion, concern was expressed that the rate should be reviewed annually based on the marketplace and not automatically increased by some economic indicator. The motion passed on a vote of 5 to 3.

Following a discussion on the serious negative effect loss of hangar revenues would have on both Airports' operations and the fact that the Interim County Administrator at the time said that it would be cost advantageous to use a General Obligation Bond to finance the hangars,

it was everyone's understanding that the revenues would remain with the Airports.

A motion was made and seconded that all revenues derived from hangar rentals remain with Airports where they are generated. It was pointed out that the Airports are being run on a "bare bones" basis and there might be a misperception about capital income from PFC or other grants which are depicted on the budgets. Inability to perform regular maintenance can also have serious safety implications. The vote on the motion was called and it passed unanimously.

A motion was made and seconded to release the Aviation Advisory Board's Finance Committee report to the press. During discussion it was pointed out that a member of the press was in the audience and that the information had been made public by virtue of discussing it during the meeting. When the vote was called, 3 voted in favor of the motion, 3 voted against, and 2 abstained. The motion was defeated.

2. Lady's Island Airport Facilities: Pete Buchanan
We are still waiting on the FAA Grant to start the Master Plan Study.
3. Hilton Head Island Airport Facilities: Anne Esposito
The Terminal needs a lot of refurbishment and without sufficient revenues it will not be possible. Items needing attention include; passenger furniture, exterior painting, airfield signage, restrooms, and wireless capability.
4. External Affairs: John Curry
There was nothing new to report regarding external affairs.

COMMUNITY RELATIONS COMMITTEE REPORTS

1. Hilton Head: Don Baldwin
A meeting was held on August 2, 2007, but lacked a quorum of members so no action was taken. Palmetto Hall resigned from the committee over the Airport Overlay issue. Minutes from the FAA meeting in Atlanta were also requested. A discussion was held regarding reducing the number of meetings and restructuring them to allow for more community input and speakers to help educate the communities about Airport operations. The next meeting is scheduled for November 1st and representatives from the National Business Aviation Association will give a presentation on what their organization can do to help address the business aviation aspect of Airport operations. Mr. Curry added that Palmetto Hall has decided to rejoin the CRC and that Town Councilman George Williams spoke out against holding meetings too infrequently. It was pointed out that attendance at the meetings has also declined.
2. Lady's Island: Dick Warden
No meeting has been scheduled and there is nothing to report.

HILTON HEAD ISLAND CRC ISSUE UPDATES

1. Noise Complaints/Flight Patterns: Paul Andres
This topic will be addressed under the FAA Meeting in Atlanta agenda item under New Business.

OLD BUSINESS

1. Hilton Head Hangar Rental Rates: David Ames
This item was covered under the Finance Committee's report.
2. Financial Review: Paul Andres
A draft of the final report has been received and forwarded to Mr. Kubic and Mr. Henrikson for their review and comment.
3. Hilton Head Island Airport Disclosure Forms: David Ames
The recommendations made to County Council may have been too specific and resulted in undue concern in the community. Our intentions were good, the direction is correct, the County Council adopted a similar acknowledgment for the Lady's Island Airport; however, in the end it is the Town's responsibility to decide how big or if at all those disclosure forms ought to be implemented. As such, County Council is considering revising the language in their resolution.
4. Aviation Advisory Board Vacancy: David Ames
David Ames, Ross Sanders, Jared Newman, and John Curry are in the process of interviewing the applicants for the vacant Board position. After all candidates have been interviewed, a recommendation to fill the vacancy will be made.
5. Airport Authority/Commission: Jared Newman
The fact finding process is just beginning to get underway.

NEW BUSINESS

1. Hilton Head Island Airport FAA Annual Inspection: Paul Andres
The recent annual FAA Part 139 Inspection of the Airport went extremely well due in large measure to Chief Yeager's conscientious efforts. This is an annual safety and operational inspection and no discrepancies were noted. A motion was made and seconded to commend Chief Yeager for his efforts. The motion passed unanimously.
2. FAA Meeting in Atlanta: Paul Andres
Chairman Newton, Mayor Peoples, David Ames, Paul Andres, Jim Hamilton, and Mike O'Donnell all attended a meeting on July 19th with the FAA in Atlanta. The purpose of the meeting was to discuss arrival and departure flight procedures at the Hilton Head Island Airport. A variety of suggestions were considered. FAA Administrator Doug Murphy chaired the meeting. He indicated that some of the suggestions could be done, his staff would have to research some others, and some simply would not happen. The FAA will take the lead on the key issues which include; routing, ATC procedures, and existing instrument approaches. Radar for the Control Tower, special Tower communication lines, mandatory routes, and modification of designated airspace were items they indicated would not happen. David Ames pointed out that the meeting included a lot of key FAA staff personnel and they were very forthright in expressing their views regarding the various suggestions being discussed. He also said that the Airport needs to make greater efforts to inform the pilots about our noise sensitive areas and procedures. Additional signs on the Airport is something else that should be done.

PUBLIC COMMENTS

1. Councilman Stu Rodman: Commented that the County's Finance Committee took up the matter of hangar rentals at the Hilton Head Island Airport to get things moving. He expected to see an overview of Airport financials which they did not receive and that the Administration would argue that the revenues should remain with the Airport which also did not occur. He pointed out that the hangars benefit only a handful of people and that the use of a general obligation bond was done to achieve a lower interest rate. This may be an opportunity to assess what revenues are really needed to operate the Airport. He also stated that the shrinking down of the noise contours around the Airport makes sense and that County Council will likely reconsider its request regarding disclosure forms to the Town of Hilton Head.
2. Perry White: Commented that he was pleased to see the attention paid to the Palmetto Hall community at the last CRC meeting, but was displeased that the BayGall community did not receive the same accommodation. He stated the CRC has become a mirror of the Aviation Advisory Board and suggested that a mediator might be a better way of bringing the communities and Aviation Board together.
3. Patty Blackmon: Thanked the Aviation Advisory Board members for their time and efforts. She suggested that a couple of Board members should work directly with the County's Finance Committee on Airport financial matters.

The next meeting is scheduled for September 13, 2007 at 1:30 PM at the Lady's Island Airport Conference Room. With no further business to discuss, the meeting was adjourned at 2:45 PM.