



AGENDA  
AIRPORTS BOARD  
Thursday, May 15, 2014  
1:30 p.m.  
Council Chambers, Administration Building  
Beaufort County Government Center  
100 Ribaut Road, Beaufort

1. CALL TO ORDER
2. PLEDGE OF ALLEGIANCE
3. MOTION TO ACCEPT MAY 15, 2014 AGENDA
4. MOTION TO ACCEPT APRIL 10, 2014 MINUTES (backup)
5. GUEST INTRODUCTIONS
6. PUBLIC COMMENT - Limited to Three Minutes Each Person
7. AIRPORTS FINANCIALS – Alicia Holland (backup)
8. BEAUFORT COUNTY AIRPORT REPORT (LADY'S ISLAND AIRPORT)
  - A. Fuel Sales - Joel Phillips (backup)
  - B. Projects Update – Jon Rembold
9. HILTON HEAD ISLAND AIRPORT REPORT
  - A. Tower Report – Larry Yeager (backup)
  - B. Operations Report – Larry Yeager (backup)
  - C. Noise Complaints & Traffic Counters – Larry Yeager
  - D. Projects Update – Jon Rembold
10. COMMITTEE REPORTS
  - A. Lady's Island Airport Operations - Graham Kerr
  - B. Hilton Head Island Airport Operations - Will Dopp/Ron Smetek
  - C. Budget – Gregory Viveni
11. DIRECTOR'S REPORT – Jon Rembold



12. NEW BUSINESS: None

13. UNFINISHED BUSINESS: None

14. PUBLIC COMMENT - Limited to Three Minutes Each Person

15. FUTURE MEETINGS

Airports Board: The next meeting will be held on June 19, 2014 at 1:30 PM at the Hilton Head Island Town Hall – Council Chambers.

16. ADJOURNMENT



# AIRPORTS BOARD

**April 10, 2014**

**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](http://beaufort.granicus.com/ViewPublisher.php?view_id=2)

The Airports Board met on Thursday April 10, 2014 at 1:30 p.m., in the Council Chambers of the Beaufort County Government Center. Temporary Chairman Graham Kerr called the meeting to order and led the attendees in the Pledge of Allegiance.

## **ATTENDANCE**

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

County Staff: Jon Rembold, Airports Director; Councilman Rick Caporale; Councilman Bill McBride; Joel Phillips, Beaufort County Airport Supervisor; Larry Yeager, Chief of Operations; and Linda Wright, Administrative Assistant.

Public: Mick Metcalf, Talbert & Bright. Attendees at the Hilton Head Island Library were not able to introduce themselves due to technical difficulties. According to the sign in sheet the guest were Joe Zimmerman, Resident; Jim Webb, Resident; and Ed Tiscornia, Resident.

## **ELECTION OF CHAIRMAN AND VICE CHAIRMAN**

Mr. Kerr called for nominations for the Chairman of the Airports Board.

**Nomination(s):** Mr. Dopp nominated Mr. Sells for Chairman of the Airports Board with a second by Mr. Smetek. There were no further nominations. FOR –Mr. Dopp, Mr. Kerr, Mr. Smetek, Mr. Ahern, Mr. Viventi, Mr. Spain, Mr. Sanders and Mr. Wedler. ABSTAINED: Mr. Sells. AGAINST – None. ABSENT: Ms. Esposito and Mr. Gilbert. Mr. Sells was elected as Chairman of the Airports Board.

Mr. Sells asked for nominations for a Vice Chairman of the Airports Board.

**Nomination(s):** Mr. Smetek nominated Mr. Spain for Vice Chairman of the Airports Board with a second by Mr. Kerr. There were no further nominations. The vote was: FOR –Mr. Dopp, Mr. Kerr, Mr. Smetek, Mr. Ahern, Mr. Viventi, Mr. Spain, Mr. Sells, Mr. Sanders and Mr. Wedler. AGAINST – None. ABSENT: Ms. Esposito and Mr. Gilbert. Mr. Spain was elected as Vice Chairman of the Airports Board.

## **MOTION TO ACCEPT AGENDA**

**Motion:** It was moved by Mr. Kerr, seconded by Mr. Spain that the April 10, 2014 agenda be approved. The vote was: FOR –Mr. Dopp, Mr. Kerr, Mr. Smetek, Mr. Ahern, Mr. Viventi, Mr. Spain, Mr. Sells, Mr. Sanders and Mr. Wedler. AGAINST – None. ABSENT: Ms. Esposito and Mr. Gilbert. MOTION PASSED.

## **MOTION TO ACCEPT MINUTES**

**Motion:** It was moved by Mr. Ahern, seconded by Mr. Spain that the March 20, 2014 minutes be approved. The vote was: FOR –Mr. Dopp, Mr. Kerr, Mr. Smetek, Mr. Ahern, Mr. Viventi, Mr. Spain, Mr. Sells, Mr. Sanders and Mr. Wedler. AGAINST – None. ABSENT: Ms. Esposito and Mr. Gilbert. MOTION PASSED.

## **GUEST INTRODUCTIONS AND PUBLIC COMMENTS**

Guest introductions were made in Council Chambers, but due to technical difficulties the guests at the Hilton Head Island Library were unable to introduce themselves. There were no public comments.

## **CHAIRMAN'S REMARKS**

Mr. Sells thanked the Board for electing him as Chairman of the Board. He then commented on his preparation for the chairmanship as well as his goals.

## **LADY'S ISLAND AIRPORT REPORT**

Mr. Phillips reported on the fuel sales and operations for the Lady's Island Airport for March. Mr. Phillips stated the Air Day was a success with approximately 350 people in attendance. He recognized the participants and thanked them for their support. Mr. Phillips gave a special thanks to Talbert & Bright for their financial support, to Joy Nelson the Beaufort County Public Information Officer and to his staff for all of their hard work.

Mr. Rembold stated the court date for the tree obstructions should be in May. He stated the Master Plan is with the FAA.

## **HILTON HEAD ISLAND AIRPORT REPORT**

Chief Yeager gave the tower and operations reports as well as the noise complaints for March.

Mr. Sells noted that the link had been restored with the Hilton Head Island Library.

Mr. Rembold stated the on-airport tree mitigation is underway. Mr. Rembold stated the off-airport tree obstruction removal is still ongoing. He stated the County Attorney advised him they are close on the last couple avigation easements on the South end, but there are still a lot of avigation easement issues on the North end. Mr. Rembold stated the terminal renovations are still on hold. Mr. Rembold stated the modification of standards have been approved by the FAA. He said the Environmental Assessment is still available for public review and comment and that

the public hearing is still set for April 21<sup>st</sup> from 5:00 p.m. until 8:00 p.m. at the Hilton Head Island Public Library. Mr. Smetek wanted to know if anyone in the County does a technical review of Talbert & Bright's benefit cost analysis. Mr. Rembold stated this information is reviewed by the FAA, but if problems are noted they can be presented to him and he will see that it is reviewed. Mr. Rembold reminded everyone that the Mitchelville traveling exhibit is available for use. Mr. Rembold said the review appraisals for the land have been received for the Dillon Road properties. He stated the next step is to work with the property owners and developing the offer packages through the County legal department. He stated they have started the appraisal for the Hunter Road side. Mr. Rembold stated that the geotechnical investigation and survey are complete for the taxiway project and it is in the engineering design stage.

## **COMMITTEE REPORTS**

### **1. Lady's Island Airport Operations – Graham Kerr**

Mr. Kerr stated it was a wise decision to have the Lady's Island Air Day in conjunction with the Sun and Fun event as it brought in more traffic to the Lady's Island Airport. He suggested that next year they work with Ridgeland to bring in more unusual aircraft as well as work with the Air Station for additional aircraft.

### **2. Hilton Head Island Airport Operations – Will Dopp**

Mr. Sells asked that Mr. Smetek co-chair the Hilton Head Island report with Mr. Dopp. Mr. Smetek accepted.

Mr. Dopp stated the numbers were down for March partially due to the weather, but has improved slightly over the last two months. He stated Signature Flight Support's revenues were down as well. He stated the County share is up 2% due to the additional 1% added to the retail fuel sales. Mr. Dopp stated all of the hangars are fully rented and the County is netting a little over \$13,000 a month. Mr. Dopp stated he did not receive the reports in time for Republic Parking. He stated the Heritage Golf Tournament will be next week and should increase business and suggested aerial photographs be taken on Sunday. He also reminded everyone that the Hilton Head Island Airport Air Day is April 26<sup>th</sup>.

## **DIRECTOR'S REPORT**

Mr. Rembold stated he received the legal documents for the sculpture "Sail" that is being donated to the Hilton Head Island Airport and asked that the Board recommend to Public Facilities that this be forwarded to County Council for approval.

**Motion:** It was moved by Mr. Smetek, seconded by Mr. Spain that the Airports Board recommend to Public Facilities to seek approval from County Council for the "Sail" sculpture and accompanying legal documents. The vote was: FOR –Mr. Dopp, Mr. Kerr, Mr. Smetek, Mr. Ahern, Mr. Viventi, Mr. Spain, Mr. Sells, Mr. Sanders and Mr. Wedler. AGAINST – None. ABSENT: Ms. Esposito and Mr. Gilbert. MOTION PASSED.

Mr. Rembold stated that at the last meeting he briefed the Board about the letter of support in favor of continued funding of the FAA contract towers. He asked that the Chairman and Vice

Chairman of the Board sign the same letter. He said he also asked the Town of Hilton Head to do the same thing.

**Motion:** It was moved by Mr. Dopp, seconded by Mr. Spain that the Airports Board endorse the recommendation to have the Chairman and Vice Chairman of the Board sign the letter in support of continued funding of the FAA contract towers. The vote was: FOR –Mr. Dopp, Mr. Kerr, Mr. Smetek, Mr. Ahern, Mr. Viventi, Mr. Spain, Mr. Sells, Mr. Sanders and Mr. Wedler. AGAINST – None. ABSENT: Ms. Esposito and Mr. Gilbert. MOTION PASSED.

Mr. Rembold stated he has participated in some public relation events for the airports including the Air Days which was a 30 minute show on Coastline on the County Channel. He stated he and Public Information Officer, Joy Nelson, appeared on WTOC to promote the Air Days on live television. Mr. Rembold stated he also briefed the Hilton Head Island/Bluffton Chamber of Commerce Government Affairs Committee and the Hilton Head Island Economic Development Corporation. He said Senator Scott had a public relations event at Signature Flight Support.

Mr. Kerr suggested that when airport projects are discussed that it would be a good idea to not only brief the people that support the projects, but to seek out the opponents to educate and inform them.

Mr. Dopp stated the Board needs timely financial information on the airports. He stated they have not received any information since September. Mr. Smetek concurred and stated they need to see next year's financials earlier than they have in the past. Mr. Viventi suggested formulating some type of ongoing information stream to work towards improvement of the airports. Mr. Wedler asked if the Board could have "read only" privileges of the County's MUNIS. Mr. Rembold stated he would check on his request.

**NEW BUSINESS – None**

**UNFINISHED BUSINESS - None**

**PUBLIC COMMENTS CONTINUED**

There were no comments from the public.

**FUTURE MEETINGS**

Mr. Sells stated the Mayor of Hilton Head Island has agreed to let the Airports Board use Town Council Chambers to hold some the meetings at no charge. He stated he would like to alternate the meetings between Hilton Head Island and Beaufort. He stated that at a future meeting in Beaufort he would like for the Board to meet before hand at the Lady's Island Airport for lunch. Mr. Smetek offered to host a lunch at Palmetto Hall when the Board meets at the Hilton Head Island Town Hall.

The next Airports Board meeting will be Thursday May 15, 2014 at 1:30 p.m. in the County Council Chambers of the Beaufort County Government Center.

**ADJOURNMENT** – 2:20 PM

**UNAUDITED AND PRELIMINARY**  
**BEAUFORT COUNTY, SOUTH CAROLINA**  
**STATEMENT OF NET ASSETS**  
Lady's Island Airport

	<u>March 31, 2014</u>	<u>March 31, 2013</u>
<b><u>ASSETS</u></b>		
Current Assets		
Cash and Investments with Trustee	\$ 250	\$ 372
Receivables, Net	39,992	50,778
Inventories	64,223	49,138
Total Current Assets	<u>104,465</u>	<u>104,693</u>
Capital Assets	4,798,267	4,798,267
Accumulated Depreciation	<u>(857,532)</u>	<u>(785,600)</u>
	3,940,735	4,012,667
Total Assets	4,045,200	4,117,360
<b><u>LIABILITIES</u></b>		
Liabilities		
Account Payable	38,682	99,400
Accrued Payroll	3,013	4,623
Accrued Compensated Absences	259	259
Due to General Fund	<u>359,513</u>	<u>272,458</u>
Total Current Liabilities	401,467	376,740
Long Term Liabilities		
Accrued Compensated Absences	4,726	2,623
Net Other Postemployment		
Benefits Obligation	<u>33,856</u>	<u>26,052</u>
Total Long Term Liabilities	38,582	28,675
Total Liabilities	440,049	405,415
<b><u>NET ASSETS</u></b>		
Invested in Capital Assets, Net		
of Related Debt	3,940,735	4,012,667
Unrestricted (Deficit)	<u>(335,584)</u>	<u>(300,722)</u>
Total Net Assets	<u>\$ 3,605,151</u>	<u>\$ 3,711,945</u>

**UNAUDITED AND PRELIMINARY**  
**BEAUFORT COUNTY, SOUTH CAROLINA**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS**  
**Lady's Island Airport**  
**For the Period Ended March 31, 2014**

	Budget FY 2014	March 31, 2014	Budget to Actual	Percent of Budget
Operating Revenues				
Fuel and Oil Sales	\$ 522,414	\$ 276,921	\$ (245,493)	53%
Flight Training Commissions	1,080	963	(117)	89%
Concession Sales	3,600	1,990	(1,610)	55%
Ramp Fees	12,480	8,270	(4,210)	66%
Rentals	123,756	96,461	(27,295)	78%
Other Charges	100	379	279	379%
Total Operating Revenues	<u>663,430</u>	<u>384,984</u>	<u>(278,446)</u>	<u>58%</u>
Operating Expenses				
Costs of Sales and Services	305,000	224,024	(80,976)	73%
Personnel	146,243	94,028	(52,215)	64%
Purchased Services	131,937	92,090	(39,847)	70%
Supplies	10,250	5,299	(4,951)	52%
Non-Grant Capital Expenses	10,000	-	(10,000)	0%
Depreciation	<u>60,000</u>	<u>40,590</u>	<u>(19,410)</u>	<u>68%</u>
Total Operating Expenses	<u>663,430</u>	<u>456,031</u>	<u>(207,399)</u>	<u>69%</u>
Operating Income (Loss)	-	(71,047)	(71,047)	100%
Non-Operating Revenues (Expenses)				
Non-Operating Grant Expenses	<u>-</u>	<u>(1,968)</u>	<u>(1,968)</u>	<u>100%</u>
Total Non-Operating Revenues (Expenses)	<u>-</u>	<u>(1,968)</u>	<u>(1,968)</u>	<u>100%</u>
Change in Net Assets	-	(73,015)	(73,015)	100%
Net Assets, Beginning	<u>3,678,166</u>	<u>3,678,166</u>		
Net Assets, Ending	<u>\$ 3,678,166</u>	<u>\$ 3,605,151</u>	<u>\$ (73,015)</u>	<u>98%</u>



**UNAUDITED AND PRELIMINARY**  
**BEAUFORT COUNTY, SOUTH CAROLINA**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS**  
**Lady's Island Airport**  
**For the Period Ended March 31, 2013**

	Budget FY 2013	March 31, 2013	Budget to Actual	Percent of Budget
Operating Revenues				
Fuel and Oil Sales	\$ 609,000	\$ 313,549	\$ (295,451)	51%
Flight Training Commissions	1,000	750	(250)	75%
Concession Sales	7,000	2,580	(4,420)	37%
Ramp Fees	13,500	9,170	(4,330)	68%
Rentals	118,100	95,597	(22,503)	81%
Other Charges	100	-	(100)	0%
Total Operating Revenues	<u>748,700</u>	<u>421,646</u>	<u>(327,054)</u>	<u>56%</u>
Operating Expenses				
Costs of Sales and Services	456,000	252,904	(203,096)	55%
Personnel	146,481	93,068	(53,413)	64%
Purchased Services	137,200	99,969	(37,231)	73%
Supplies	18,000	3,997	(14,003)	22%
Non-Grant Capital Expenses	10,000	-	(10,000)	0%
Depreciation	<u>60,000</u>	<u>40,590</u>	<u>(19,410)</u>	<u>68%</u>
Total Operating Expenses	<u>827,681</u>	<u>490,528</u>	<u>(337,153)</u>	<u>59%</u>
Operating Income (Loss)	(78,981)	(68,882)	10,099	87%
Non-Operating Revenues (Expenses)				
FAA Grants	-	8,936	8,936	100%
Non-Operating Grant Expenses	<u>-</u>	<u>(3,642)</u>	<u>(3,642)</u>	<u>100%</u>
Total Non-Operating Revenues	<u>-</u>	<u>5,294</u>	<u>5,294</u>	<u>100%</u>
Change in Net Assets	(78,981)	(63,588)	15,393	-81%
Net Assets, Beginning	<u>3,775,532</u>	<u>3,775,532</u>		
Net Assets, Ending	<u>\$ 3,696,551</u>	<u>\$ 3,711,944</u>	<u>\$ 15,393</u>	<u>100%</u>

**PRELIMINARY AND UNAUDITED**  
**BEAUFORT COUNTY, SOUTH CAROLINA**  
**STATEMENT OF NET ASSETS**  
Hilton Head Island Airport

	<u>March 31, 2014</u>	<u>March 31, 2013</u>
<b><u>ASSETS</u></b>		
Current Assets		
Cash and Investments with Trustee	\$ 200	\$ 200
Receivables, Net	644,295	791,275
Prepayments	531	19,647
Total Current Assets	<u>645,026</u>	<u>811,122</u>
Capital Assets	26,787,835	26,579,496
Accumulated Depreciation	<u>(8,064,038)</u>	<u>(7,527,946)</u>
	18,723,797	19,051,550
Total Assets	19,368,823	19,862,672
<b><u>LIABILITIES</u></b>		
Liabilities		
Account Payable	78,004	146,559
Accrued Payroll	24,019	32,239
Accrued Compensated Absences	3,316	3,316
Due to General Fund	1,107,252	1,527,564
Current Portion of Note Payable		
to Debt Service Fund	66,886	48,321
Total Current Liabilities	<u>1,279,477</u>	<u>1,757,999</u>
Long Term Liabilities		
Accrued Compensated Absences	25,379	33,531
Net Other Postemployment		
Benefits Obligation	324,286	269,655
Note Payable to Debt Service Fund	1,400,332	1,510,025
Total Long Term Liabilities	<u>1,749,997</u>	<u>1,813,211</u>
Total Liabilities	3,029,474	3,571,210
<b><u>NET ASSETS</u></b>		
Invested in Capital Assets, Net		
of Related Debt	18,723,797	19,051,550
Unrestricted (Deficit)	<u>(2,384,448)</u>	<u>(2,760,088)</u>
Total Net Assets	<u>\$ 16,339,349</u>	<u>\$ 16,291,462</u>

**PRELIMINARY AND UNAUDITED**  
 BEAUFORT COUNTY, SOUTH CAROLINA  
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS  
 Hilton Head Island Airport  
 For the Period Ended March 31, 2014

	Budget FY 2014	March 31, 2014	Budget to Actual	Percent of Budget
Operating Revenues				
FBO Ground Lease	\$ 49,288	\$ 36,966	\$ (12,322)	75%
FBO Concessions	16,380	10,803	(5,577)	66%
FBO Fuel Commission	182,040	155,939	(26,101)	86%
Flight Training Commissions	1,668	272	(1,396)	16%
Firefighting Fees	255,144	191,358	(63,786)	75%
Landing Fees	121,476	69,678	(51,798)	57%
Parking/Taxi Fees	56,000	55,252	(748)	99%
Security Fees	26,588	19,940	(6,648)	75%
Rentals	522,118	429,060	(93,058)	82%
Hangar Rentals	184,307	141,730	(42,577)	77%
TSA Revenues	127,200	87,680	(39,520)	69%
Other Charges	47,280	38,625	(8,655)	82%
Total Operating Revenues	<u>1,589,489</u>	<u>1,237,303</u>	<u>(352,186)</u>	<u>78%</u>
Operating Expenses				
Personnel	962,068	741,415	(220,653)	77%
Purchased Services	500,501	411,635	(88,866)	82%
Supplies	62,800	32,910	(29,890)	52%
Depreciation	600,000	416,295	(183,705)	69%
Total Operating Expenses	<u>2,125,369</u>	<u>1,602,255</u>	<u>(523,114)</u>	<u>75%</u>
Operating Income (Loss)	(535,880)	(364,952)	170,928	68%
Non-Operating Revenues (Expenses)				
FAA Grants	5,833,020	176,853	(5,656,167)	3%
SCAC Grants	119,290	-	(119,290)	0%
Passenger Facility Charges	210,000	161,795	(48,205)	77%
Non-Operating Grant Expenses	(6,431,600)	(162,065)	6,269,535	3%
Interest Earned	3,888	90,791	86,903	2335%
Interest Expense	(76,379)	(23,289)	53,090	30%
Total Non-Operating Revenues	<u>(341,781)</u>	<u>244,085</u>	<u>585,866</u>	<u>-71%</u>
Change in Net Assets	(877,661)	(120,867)	756,794	14%
Net Assets, Beginning	<u>16,460,216</u>	<u>16,460,216</u>		
Net Assets, Ending	<u>\$ 15,582,555</u>	<u>\$ 16,339,349</u>	<u>\$ 756,794</u>	<u>105%</u>

**PRELIMINARY AND UNAUDITED**  
 BEAUFORT COUNTY, SOUTH CAROLINA  
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS  
 Hilton Head Island Airport  
 For the Period Ended March 31, 2013

	Budget FY 2013	March 31, 2013	Budget to Actual	Percent of Budget
Operating Revenues				
FBO Ground Lease	\$ 49,287	\$ 36,966	\$ (12,321)	75%
FBO Concessions	16,000	12,041	(3,959)	75%
FBO Fuel Commission	225,000	164,956	(60,044)	73%
Flight Training Commissions	-	1,172	1,172	100%
Firefighting Fees	255,144	191,358	(63,786)	75%
Landing Fees	115,000	83,671	(31,329)	73%
Parking/Taxi Fees	65,600	53,617	(11,983)	82%
Security Fees	26,587	19,940	(6,647)	75%
Rentals	576,368	401,970	(174,398)	70%
Hangar Rentals	181,307	139,709	(41,598)	77%
TSA Revenues	135,808	85,400	(50,408)	63%
Other Charges	40,800	36,937	(3,863)	91%
Total Operating Revenues	<u>1,686,901</u>	<u>1,227,737</u>	<u>(459,164)</u>	<u>73%</u>
Operating Expenses				
Personnel	1,003,167	703,640	(299,527)	70%
Purchased Services	559,974	367,841	(192,133)	66%
Supplies	94,078	29,949	(64,129)	32%
Non-Grant Capital Expenses	15,000	-	(15,000)	0%
Depreciation	650,000	416,295	(233,705)	64%
Total Operating Expenses	<u>2,322,219</u>	<u>1,517,725</u>	<u>(804,494)</u>	<u>65%</u>
Operating Income (Loss)	(635,318)	(289,988)	345,330	46%
Non-Operating Revenues (Expenses)				
FAA Grants	5,072,221	811,279	(4,260,942)	16%
SCAC Grants	185,572	-	(185,572)	0%
Passenger Facility Charges	258,773	167,159	(91,614)	65%
Non-Operating Grant Expenses	(5,459,038)	(289,590)	5,169,448	5%
Interest Earned	10,000	133	(9,867)	1%
Interest Expense	(78,810)	(59,331)	19,479	75%
Total Non-Operating Revenues	<u>(11,282)</u>	<u>629,650</u>	<u>640,932</u>	<u>-5581%</u>
Change in Net Assets	(646,600)	339,662	986,262	-153%
Net Assets, Beginning	<u>15,951,800</u>	<u>15,951,800</u>		
Net Assets, Ending	<u>\$ 15,305,200</u>	<u>\$ 16,291,462</u>	<u>\$ 986,262</u>	<u>106%</u>



**COUNTY COUNCIL OF BEAUFORT COUNTY  
FINANCE DEPARTMENT**

106 Industrial Village Road, Building 2  
Post Office Drawer 1228  
Beaufort, South Carolina 29901-1228



**TO:** Gary Kubic, County Administrator

**CC:** Bryan Hill, Deputy County Administrator *BH*  
Josh Gruber, County Attorney *JG*  
Jon Rembold, Airport Director *JR*

**FROM:** Alicia Holland, Chief Financial Officer *AH*

**RE:** Hilton Head Island Airport Hangar Debt, Note Payable to the General Fund

**DATE:** April 18, 2014

Beaufort County issued General Obligation Bonds, Series 2004 in the amount of \$30,500,000 on November 10, 2004 with a true interest cost of 4.5%. \$1,800,000 of these bonds was used to construct the Hilton Head Island Airport Hangars. On August 6, 2007, the Finance Committee approved/decided that the Hilton Head Island Airport would repay this debt with equal installments for a term of 25 years. The original amortization schedule was created with one hundred (100) quarterly payments and a 5% interest rate (causing an overpayment of interest). Payments began September 30, 2007 and ended June 30, 2032.

In September 2012, the principal balance of \$25,185,000 Beaufort County General Obligation Bonds, Series 2004 were refinanced as Beaufort County General Obligation Bonds, Series 2012C with a true interest cost of 2.07%. The Hilton Head Island Airport has continued to repay this debt carrying a 5% interest rate.

As of June 30, 2012, the balance of the Hilton Head Island Airport note was \$1,593,917. If this note would have been correctly amortized with 4.5% interest rate from the inception of the debt, the principal balance should have been \$1,580,997. This is the amount that also should have been refinanced with an interest rate of 2.07% in September 2012 and maintained the same maturity date of the original note, June 30, 2032.

During the time period beginning September 30, 2007 and ending June 30, 2012, the Hilton Head Island Airport paid \$426,591 in interest on this note. The amount of interest that should have been paid with a 4.5% interest rate was \$382,510, for an overpayment of interest in the amount of \$44,081.

Once these 2004 bonds were refinanced in September 2012 (2012C Bonds), the Hilton Head Island Airport paid \$78,810 in interest expense from July 1, 2012 through June 30, 2013 as a 5% interest rate. During this time, the interest rate should have been 2.07% and the interest expense should have been \$32,228, for an interest overpayment of \$46,582 in fiscal year 2013. As of June 30, 2013, the principal balance was stated as \$1,546,192 and should have been stated as \$1,516,484, for a principal balance overstatement of \$29,708.

In conclusion, the Hilton Head Island Airport has overpaid interest in the amount of \$90,663 (\$44,081 plus \$46,582) for the time period beginning September 30, 2007 (the beginning of the loan) and ending June 30, 2013. As of June 30, 2013, the principal balance of the note was overstated by \$29,708. Effective July 1, 2013, the correct balance of the note \$1,516,484, will be reflected on the debt service fund since this is the fund where the debt service is paid from. The Hilton Head Island Airport will make quarterly payments in the amount of \$24,185 consisting of principal and interest to the Beaufort County Debt Service Fund. The maturity date of this note will remain as June 30, 2032. The new amortization schedule is attached.

Beaufort County General Obligation Bonds Series 2004  
 Refinanced as Beaufort County General Obligation Bonds Series 2012C  
 True Interest Cost

2.07%

Beginning Principal \$ 1,580,997

Payment #	Payment Date	Total Payment	Interest	Principal	Principal Balance
1	9/30/2012	24,185.12	8,181.66	16,003.46	\$ 1,564,993.06
2	12/31/2012	24,185.12	8,098.84	16,086.28	\$ 1,548,906.78
3	3/31/2013	24,185.12	8,015.59	16,169.53	\$ 1,532,737.25
4	6/30/2013	24,185.12	7,931.92	16,253.20	\$ 1,516,484.05
5	9/30/2013	24,185.12	7,847.80	16,337.31	\$ 1,500,146.74
6	12/31/2013	24,185.12	7,763.26	16,421.86	\$ 1,483,724.88
7	3/31/2014	24,185.12	7,678.28	16,506.84	\$ 1,467,218.03
8	6/30/2014	24,185.12	7,592.85	16,592.27	\$ 1,450,625.77
9	9/30/2014	24,185.12	7,506.99	16,678.13	\$ 1,433,947.64
10	12/31/2014	24,185.12	7,420.68	16,764.44	\$ 1,417,183.20
11	3/31/2015	24,185.12	7,333.92	16,851.20	\$ 1,400,332.00
12	6/30/2015	24,185.12	7,246.72	16,938.40	\$ 1,383,393.60
13	9/30/2015	24,185.12	7,159.06	17,026.06	\$ 1,366,367.55
14	12/31/2015	24,185.12	7,070.95	17,114.17	\$ 1,349,253.38
15	3/31/2016	24,185.12	6,982.39	17,202.73	\$ 1,332,050.65
16	6/30/2016	24,185.12	6,893.36	17,291.76	\$ 1,314,758.89
17	9/30/2016	24,185.12	6,803.88	17,381.24	\$ 1,297,377.65
18	12/31/2016	24,185.12	6,713.93	17,471.19	\$ 1,279,906.46
19	3/31/2017	24,185.12	6,623.52	17,561.60	\$ 1,262,344.86
20	6/30/2017	24,185.12	6,532.63	17,652.48	\$ 1,244,692.37
21	9/30/2017	24,185.12	6,441.28	17,743.84	\$ 1,226,948.54
22	12/31/2017	24,185.12	6,349.46	17,835.66	\$ 1,209,112.87
23	3/31/2018	24,185.12	6,257.16	17,927.96	\$ 1,191,184.92
24	6/30/2018	24,185.12	6,164.38	18,020.74	\$ 1,173,164.18
25	9/30/2018	24,185.12	6,071.12	18,113.99	\$ 1,155,050.18
26	12/31/2018	24,185.12	5,977.38	18,207.73	\$ 1,136,842.45
27	3/31/2019	24,185.12	5,883.16	18,301.96	\$ 1,118,540.49
28	6/30/2019	24,185.12	5,788.45	18,396.67	\$ 1,100,143.82
29	9/30/2019	24,185.12	5,693.24	18,491.87	\$ 1,081,651.94
30	12/31/2019	24,185.12	5,597.55	18,587.57	\$ 1,063,064.37
31	3/31/2020	24,185.12	5,501.36	18,683.76	\$ 1,044,380.61
32	6/30/2020	24,185.12	5,404.67	18,780.45	\$ 1,025,600.16
33	9/30/2020	24,185.12	5,307.48	18,877.64	\$ 1,006,722.53
34	12/31/2020	24,185.12	5,209.79	18,975.33	\$ 987,747.20
35	3/31/2021	24,185.12	5,111.59	19,073.53	\$ 968,673.67
36	6/30/2021	24,185.12	5,012.89	19,172.23	\$ 949,501.44
37	9/30/2021	24,185.12	4,913.67	19,271.45	\$ 930,229.99
38	12/31/2021	24,185.12	4,813.94	19,371.18	\$ 910,858.81
39	3/31/2022	24,185.12	4,713.69	19,471.42	\$ 891,387.39
40	6/30/2022	24,185.12	4,612.93	19,572.19	\$ 871,815.20
41	9/30/2022	24,185.12	4,511.64	19,673.48	\$ 852,141.72

4/18/2014

Beaufort County General Obligation Bonds Series 2004  
 Refinanced as Beaufort County General Obligation Bonds Series 2012C  
 True Interest Cost

2.07%

Beginning Principal \$ 1,580,997

Payment #	Payment Date	Total Payment	Interest	Principal	Principal Balance
42	12/31/2022	24,185.12	4,409.83	19,775.29	\$ 832,366.44
43	3/31/2023	24,185.12	4,307.50	19,877.62	\$ 812,488.81
44	6/30/2023	24,185.12	4,204.63	19,980.49	\$ 792,508.32
45	9/30/2023	24,185.12	4,101.23	20,083.89	\$ 772,424.44
46	12/31/2023	24,185.12	3,997.30	20,187.82	\$ 752,236.61
47	3/31/2024	24,185.12	3,892.82	20,292.29	\$ 731,944.32
48	6/30/2024	24,185.12	3,787.81	20,397.31	\$ 711,547.01
49	9/30/2024	24,185.12	3,682.26	20,502.86	\$ 691,044.15
50	12/31/2024	24,185.12	3,576.15	20,608.97	\$ 670,435.18
51	3/31/2025	24,185.12	3,469.50	20,715.62	\$ 649,719.57
52	6/30/2025	24,185.12	3,362.30	20,822.82	\$ 628,896.75
53	9/30/2025	24,185.12	3,254.54	20,930.58	\$ 607,966.17
54	12/31/2025	24,185.12	3,146.22	21,038.89	\$ 586,927.27
55	3/31/2026	24,185.12	3,037.35	21,147.77	\$ 565,779.50
56	6/30/2026	24,185.12	2,927.91	21,257.21	\$ 544,522.29
57	9/30/2026	24,185.12	2,817.90	21,367.22	\$ 523,155.08
58	12/31/2026	24,185.12	2,707.33	21,477.79	\$ 501,677.29
59	3/31/2027	24,185.12	2,596.18	21,588.94	\$ 480,088.35
60	6/30/2027	24,185.12	2,484.46	21,700.66	\$ 458,387.69
61	9/30/2027	24,185.12	2,372.16	21,812.96	\$ 436,574.72
62	12/31/2027	24,185.12	2,259.27	21,925.84	\$ 414,648.88
63	3/31/2028	24,185.12	2,145.81	22,039.31	\$ 392,609.57
64	6/30/2028	24,185.12	2,031.75	22,153.36	\$ 370,456.20
65	9/30/2028	24,185.12	1,917.11	22,268.01	\$ 348,188.20
66	12/31/2028	24,185.12	1,801.87	22,383.24	\$ 325,804.95
67	3/31/2029	24,185.12	1,686.04	22,499.08	\$ 303,305.87
68	6/30/2029	24,185.12	1,569.61	22,615.51	\$ 280,690.36
69	9/30/2029	24,185.12	1,452.57	22,732.55	\$ 257,957.82
70	12/31/2029	24,185.12	1,334.93	22,850.19	\$ 235,107.63
71	3/31/2030	24,185.12	1,216.68	22,968.44	\$ 212,139.19
72	6/30/2030	24,185.12	1,097.82	23,087.30	\$ 189,051.89
73	9/30/2030	24,185.12	978.34	23,206.78	\$ 165,845.12
74	12/31/2030	24,185.12	858.25	23,326.87	\$ 142,518.25
75	3/31/2031	24,185.12	737.53	23,447.59	\$ 119,070.66
76	6/30/2031	24,185.12	616.19	23,568.93	\$ 95,501.73
77	9/30/2031	24,185.12	494.22	23,690.90	\$ 71,810.84
78	12/31/2031	24,185.12	371.62	23,813.50	\$ 47,997.34
79	3/31/2032	24,185.12	248.39	23,936.73	\$ 24,060.61
80	6/30/2032	24,185.12	124.51	24,060.61	\$ 0.00

4/18/2014

# LADY'S ISLAND AIRPORT OPERATIONS REPORT

		Avgas	Jet A	Total Flow	Total Flight Ops
<b>2014</b>					
January		2,370	1,573	3,943	981
February		2,146	2,085	4,231	968
March		3,181	4,421	7,602	1,846
April		3,097	4,803	7,900	1,916
May					
June					
July					
August					
September					
October					
November					
December					
2014 Totals		10,794	12,882	23,676	5,711
		Avgas	Jet A	Total Flow	Total Flight Ops
<b>2013</b>					
January		2,393	2,682	5,075	1,010
February		2,831	2,798	5,629	1,102
March		4,804	4,019	8,823	2,005
April		3,682	4,505	8,187	1,954
May		3,402	2,862	6,264	1,249
June		2,601	1,579	4,180	1,012
July		3,369	1,249	4,618	1,026
August		2,676	3,323	5,999	1,205
September		3,598	2,599	6,197	1,582
October		4,191	3,421	7,612	1,834
November		2,465	4,240	6,705	1,179
December		2,314	3,147	5,461	1,082
2013 Totals		38,326	36,424	74,750	16,240
		Avgas	Jet A	Total Flow	Total Flight Ops
<b>2012</b>					
January		3,130	2,520	5,650	1,018
February		2,029	1,882	3,911	984
March		4,418	4,025	8,443	1,912
April		4,181	4,110	8,291	1,965
May		3,062	4,049	7,111	1,106
June		3,928	3,055	6,983	1,222
July		3,292	883	4,175	905
August		2,616	2,232	4,848	948
September		2,910	2,257	5,167	1,105
October		3,349	4,282	7,631	1,860
November		3,950	4,056	8,006	1,984
December		3,339	3,060	6,399	1,685
2012 Totals		40,204	36,411	76,615	16,694



# **HXD TOWER REPORT**

ITINERATE				LOCAL							
TOWER	AIR TAXI	GA	MILITARY	LOCAL GA	LOCAL MIL	VFR	IFR	Total	After Hrs. GA	After Hrs. Comm	Total Ops
January 2014	370	1,149	33	101	58	764	947	1,711	19	52	1,782
February 2014	326	1,131	37	166	28	786	902	1,688	78	40	1,806
March 2014	635	1,432	40	78	25	825	1,385	2,210	68	53	2,331
April 2014	753	1,747	25	127	14	983	1,683	2,666	100	56	2,822
May 2014								0			0
June 2014								0			0
July 2014								0			0
August 2014								0			0
September 2014								0			0
October 2014								0			0
November 2014								0			0
December 2014								0			0
<b>TOTALS 2014</b>	<b>2,084</b>	<b>5,459</b>	<b>135</b>	<b>472</b>	<b>125</b>	<b>3,358</b>	<b>4,917</b>	<b>8,275</b>	<b>265</b>	<b>201</b>	<b>8,741</b>

ITINERATE				LOCAL							
TOWER	AIR TAXI	GA	MILITARY	LOCAL GA	LOCAL MIL	VFR	IFR	Total	After Hrs. GA	After Hrs. Comm	Total Ops
January 2013	516	1,303	28	158	69	961	1,103	2,064	128	54	2,246
February 2013	488	1,171	25	182	26	812	1,080	1,892	96	41	2,029
March 2013	672	1,717	28	146	40	1,126	1,477	2,603	130	34	2,767
April 2013	830	2,223	21	186	12	1,126	2,126	3,252	160	34	3,446
May 2013	772	2,140	15	233	38	1,067	2,131	3,198	48	35	3,281
June 2013	681	2,085	19	197	28	1,255	1,755	3,010	56	33	3,099
July 2013	652	1,889	10	178	22	1,062	1,689	2,751	62	36	2,849
August 2013	624	1,831	32	193	52	1,180	1,552	2,732	38	34	2,804
September 2013	595	1,693	27	180	79	1,145	1,429	2,574	65	36	2,675
October 2013	614	1,656	12	136	68	961	1,525	2,486	23	32	2,541
November 2013	593	1,315	11	69	35	694	1,329	2,023	16	53	2,092
December 2013	468	1,234	31	99	85	812	1,105	1,917	24	44	1,985
<b>TOTALS 2013</b>	<b>7,505</b>	<b>20,257</b>	<b>259</b>	<b>1,957</b>	<b>554</b>	<b>12,201</b>	<b>18,301</b>	<b>30,502</b>	<b>846</b>	<b>466</b>	<b>31,814</b>

ITINERATE				LOCAL							
TOWER	AIR TAXI	GA	MILITARY	LOCAL GA	LOCAL MIL	VFR	IFR	Total	After Hrs. GA	After Hrs. Comm	Total Ops
January 2012	555	1,572	56	155	107	1,161	1,284	2,445	53	14	2,512
February 2012	582	1,541	64	180	158	1,174	1,351	2,525	92	20	2,637
March 2012	678	2,030	32	254	66	1,374	1,957	3,331	126	19	3,476
April 2012	890	2,224	29	164	42	1,176	2,173	3,349	127	19	3,495
May 2012	772	2,248	28	170	26	1,279	1,965	3,244	125	23	3,392
June 2012	669	1,918	22	148	24	1,103	1,678	2,781	134	35	2,950
July 2012	695	1,761	37	220	66	1,162	1,617	2,779	88	36	2,903
August 2012	707	1,593	25	185	26	970	1,566	2,536	64	37	2,637
September 2012	600	1,651	28	154	83	1,092	1,424	2,516	119	38	2,673
October 2012	699	1,573	23	112	112	1,009	1,510	2,519	126	35	2,680
November 2012	581	1,708	43	108	96	1,043	1,493	2,536	124	56	2,716
December 2012	489	1,274	13	159	42	873	1,099	1,972	125	56	2,153
<b>TOTALS 2012</b>	<b>7,917</b>	<b>21,093</b>	<b>400</b>	<b>2,009</b>	<b>848</b>	<b>13,416</b>	<b>19,117</b>	<b>32,533</b>	<b>1,303</b>	<b>388</b>	<b>34,224</b>

## ENPLANEMENTS/DEPLANEMENTS

<b>HILTON HEAD ISLAND PASSENGER ENPLANEMENTS(departures) 2004-2014</b>													
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014		
JAN	2,985	3,520	3,540	3,145	4,206	2,510	2,539	2,847	3,421	3,232	2,725		
FEB	3,431	3,957	2,748	3,250	5,275	2,976	2,916	2,800	3,625	3,342	2,182		
MAR	5,053	6,647	5,956	6,273	8,052	5,547	6,044	5,325	5,461	5,326	4,782		
APR	6,513	7,809	6,715	8,985	7,930	6,872	7,596	6,216	6,404	5,385	5,301		
MAY	6,438	7,782	6,739	8,682	8,389	7,177	7,912	6,705	6,092	5,962			
JUN	6,111	6,814	6,140	8,638	7,819	6,771	7,947	6,138	5,792	5,249			
JUL	6,051	6,849	5,850	8,498	7,954	7,393	7,629	6,018	5,896	5,462			
AUG	6,422	6,500	5,086	8,843	7,649	6,957	7,617	5,395	6,154	5,775			
SEP	4,957	1,129	5,070	7,392	5,922	6,249	7,266	5,051	5,003	5,084			
OCT	6,115	6,632	5,794	9,230	6,882	6,601	8,314	6,038	5,219	5,376			
NOV	5,052	5,107	4,313	7,355	5,927	4,121	4,940	4,908	4,567	4,180			
DEC	3,792	3,676	3,198	4,780	2,928	2,977	3,374	3,456	3,268	3,370			
<b>TOTALS</b>	<b>62,920</b>	<b>66,422</b>	<b>61,149</b>	<b>85,071</b>	<b>78,933</b>	<b>66,151</b>	<b>74,094</b>	<b>60,897</b>	<b>60,902</b>	<b>57,743</b>	<b>14,990</b>		

<b>HILTON HEAD ISLAND PASSENGER DEPLANEMENTS(arrivals) 2004-2014</b>													
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014		
JAN	2,810	3,177	3,253	2,887	3,591	2,308	2,228	2,532	3,003	2,868	2,523		
FEB	3,369	4,120	2,964	3,453	5,729	3,256	3,106	2,940	3,710	3,528	2,382		
MAR	5,558	7,418	6,652	7,313	8,652	5,770	6,750	5,715	6,051	6,109	5,510		
APR	7,053	7,912	6,740	9,289	8,263	7,057	8,111	6,774	6,353	5,306	5,477		
MAY	6,530	7,995	6,836	9,035	8,681	7,175	8,287	6,649	6,143	5,947			
JUN	6,419	7,649	6,465	8,961	8,110	7,055	8,716	6,317	5,973	5,572			
JUL	6,028	6,868	5,895	8,708	8,470	7,849	8,327	6,415	6,079	5,713			
AUG	6,518	6,399	5,177	8,979	7,748	6,684	7,706	5,291	6,291	6,034			
SEP	4,936	1,185	5,152	7,119	5,583	6,558	7,109	5,303	4,971	4,966			
OCT	6,102	6,654	5,832	9,068	7,243	6,699	8,135	5,816	5,433	5,604			
NOV	4,828	5,002	4,380	7,169	5,556	3,860	4,762	4,615	4,338	4,377			
DEC	3,972	3,742	3,419	5,010	3,037	3,248	3,668	3,763	3,479	3,505			
<b>TOTALS</b>	<b>64,123</b>	<b>68,121</b>	<b>62,765</b>	<b>86,991</b>	<b>80,663</b>	<b>67,519</b>	<b>76,905</b>	<b>62,130</b>	<b>61,824</b>	<b>59,529</b>	<b>15,892</b>		

## ENPLANEMENTS/DEPLANEMENTS

<b>TOTAL PASSENGER ENPLANEMENTS &amp; DEPLANEMENTS 2004-2014</b>													
	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>		
JAN	5,795	6,697	6,793	6,032	7,797	4,818	4,767	5,379	6,424	6,100	5,248		
FEB	6,800	8,077	5,712	6,703	11,004	6,232	6,022	5,740	7,335	6,870	4,564		
MAR	10,611	14,065	12,608	13,586	16,704	11,317	12,794	11,040	11,512	11,435	10,292		
APR	13,566	15,721	13,455	18,274	16,193	13,929	15,707	12,990	12,757	10,691	10,778		
MAY	12,968	15,777	13,575	17,717	17,070	14,352	16,199	13,354	12,235	11,909			
JUN	12,530	14,463	12,605	17,599	15,929	13,826	16,663	12,455	11,765	10,821			
JUL	12,079	13,717	11,745	17,206	16,424	15,242	15,956	12,433	11,975	11,175			
AUG	12,940	12,899	10,263	17,822	15,397	13,641	15,323	10,686	12,445	11,809			
SEP	9,893	2,314	10,222	14,511	11,505	12,807	14,375	10,354	9,974	10,050			
OCT	12,217	13,286	11,626	18,298	14,125	13,300	16,449	11,854	10,652	10,980			
NOV	9,880	10,109	8,693	14,524	11,483	7,981	9,702	9,523	8,905	8,557			
DEC	7,765	7,418	6,617	9,790	5,965	6,225	7,042	7,219	6,747	6,875			
<b>TOTALS</b>	<b>127,044</b>	<b>134,543</b>	<b>123,914</b>	<b>172,062</b>	<b>159,596</b>	<b>133,670</b>	<b>150,999</b>	<b>123,027</b>	<b>122,726</b>	<b>117,272</b>	<b>30,882</b>		

Delta Connection/ASA began service March 17, 2007

Delta Connection/ASA suspended service November 30, 2008

Delta Connection/Mesaba began service March 2, 2009

Delta Connection/Mesaba suspended service November 2, 2009

Delta Connection/Mesaba began service March 4, 2010

Delta Connection/Mesaba suspended service November 1, 2010