

2015 ANNUAL REPORT

MOVING FORWARD WITH MOMENTUM

**SAVANNAH
HILTON HEAD**
INTERNATIONAL

flySAV.com





2015 ANNUAL REPORT

TABLE OF CONTENTS

02	The Savannah Airport Commission
04	A Message From The Executive Director
06	Passenger Statistics
08	Sources Of Airport Revenue
10	2015 Year In Review
14	Airlines Serving Savannah
16	Green Initiatives
18	General Aviation Highlights
19	Awards & Honors
20	Sister Airport Agreement
21	New SAV Value Parking Lot/ New SAV Wi-Fi System
22	Financials



flySAV.com





COMMISSION MEMBERS

From left to right: John F. Rauback, Assistant Executive Director; Stephen S. Green, Vice Chairman; Shirley James, Commissioner; Sylvester Formey, Chairman; James B. Blackburn, Commission Attorney; Lois Wooten, Commissioner; Sheldon Tenenbaum, Commissioner; Gregory B. Kelly, Executive Director

› SAVANNAH AIRPORT COMMISSION

The Savannah Airport Commission is charged with the operation and management of Savannah/Hilton Head International. Founded in 1949, the body is composed of a five-member Commission appointed by the Mayor and Alderman of the City of Savannah. Commission members serve five-year terms. Pictured above are members of the Airport Commission who served in 2015.



› VISION

The Vision of the Savannah Airport Commission is to provide safe, secure and efficient facilities, to provide air service and to promote the economic development of the airport and the region as a whole.

› MISSION

The Mission of the Savannah Airport Commission is to provide leadership in aviation development necessary to provide safe, secure and functional facilities for the traveling public and airport tenants, managing such facilities while maintaining a least-cost approach, maintaining sufficient resources for future growth, providing adequate and affordable air service, promoting airport economic development and supporting regional economic development activities.

› CULTURE

The Culture of the Savannah Airport Commission is to maintain the airfield as our top priority and ensure excellence in safety and airport security. We work very hard to do everything in a first-class manner, to offer the best customer service possible and treat our tenants as our customers. The Savannah Airport Commission has the utmost respect for our employees, and we strive for employee development in order to succeed and provide superior leadership in aviation.



SENIOR STAFF

From left to right:
Lenard T. Robinson, John F. Rauback, Lori A. Lynah,
Gregory B. Kelly, George A. Fidler

COMMISSION MEMBERS

Sylvester Formey
Chairman

Stephen S. Green
Vice Chairman

Shirley James

Sheldon Tenenbaum

Lois Wooten

James B. Blackburn
Commission Attorney

SENIOR STAFF

Gregory B. Kelly, A.A.E.
Executive Director

John F. Rauback, A.A.E.
Assistant Executive Director

George A. Fidler, Jr., P.E.
Director of Engineering

Lori A. Lynah
Director of Marketing &
Air Service Development

Lenard T. Robinson
Director of Landside Facilities



Gregory B. Kelly, A.A.E.
EXECUTIVE DIRECTOR

A MESSAGE

FROM THE EXECUTIVE DIRECTOR

Momentum, as defined by Merriam Webster, is the impetuous and driving force gained by the development of a process or cause of events. When we look back at some key events that took place in 2014, we can see the beginning of movement in a positive direction, which has gradually become a driving force. It was important for us to recognize this and properly identify it as the beginning of momentum in a direction in which we want to be moving and make sure that we did not sit back and rest on our laurels. We know that it is hard to get momentum going in the right direction these days, and once it starts, we need to work even harder to keep it going.

We made it our primary objective for 2015 to ensure that more processes and more events developed over the course of the year to keep the driving force going, and develop they did with the following announcements:

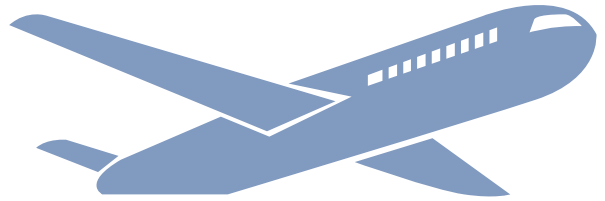
- ▶ JetBlue added additional weekly service to New York and Boston
- ▶ Allegiant added four new markets to the three they started with in 2014
- ▶ Sun Country added additional service to Minneapolis/St. Paul in addition to the service they initiated in 2014
- ▶ Delta added service to Minneapolis/St. Paul
- ▶ United programmed for upgraded equipment and seasonal mainline service
- ▶ American upgauged Dallas/Fort Worth service and some Philadelphia and Charlotte service
- ▶ Enplanements came within 20,000 of breaking the all-time record
- ▶ Parking revenues reached record levels across all parking categories, and the new Value Park lot far exceeded expectations
- ▶ Uber had a successful launch, and all forms of ground transportation have seen growth
- ▶ A sister airport agreement was executed between Savannah/Hilton Head International and Hartsfield-Jackson Atlanta International Airport which will strengthen the economic and professional bond between Georgia's two largest airports.

This report will show in some detail the effects of this momentum we have established and built on throughout 2015. Being here at this airport, one can feel the momentum that gained in strength over the course of the last year. There is no doubt it will carry over to 2016. We appreciate all the efforts of those who contributed to propelling us forward.

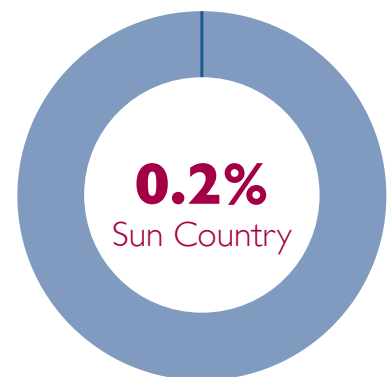
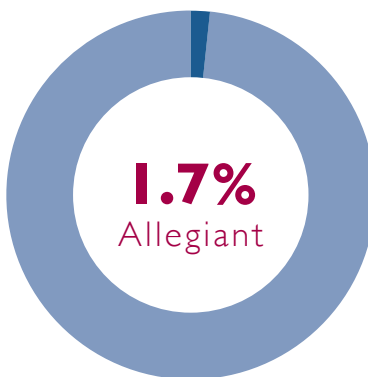
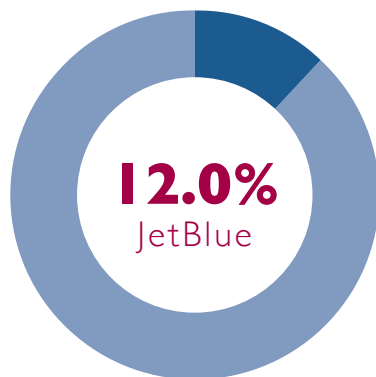
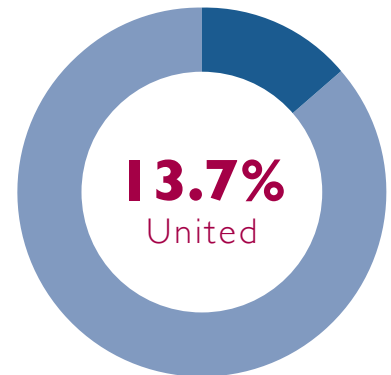
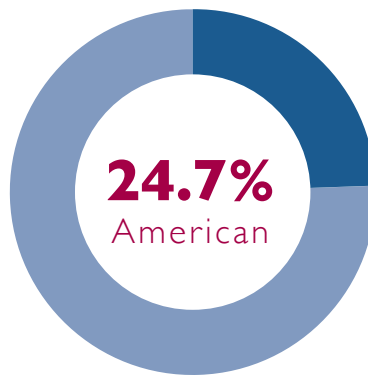
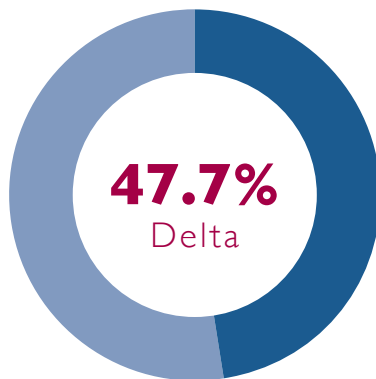


Gregory B. Kelly, A.A.E.
Executive Director

PASSENGER STATISTICS



AIRLINE MARKET SHARE



**SAVANNAH
HILTON HEAD**
INTERNATIONAL



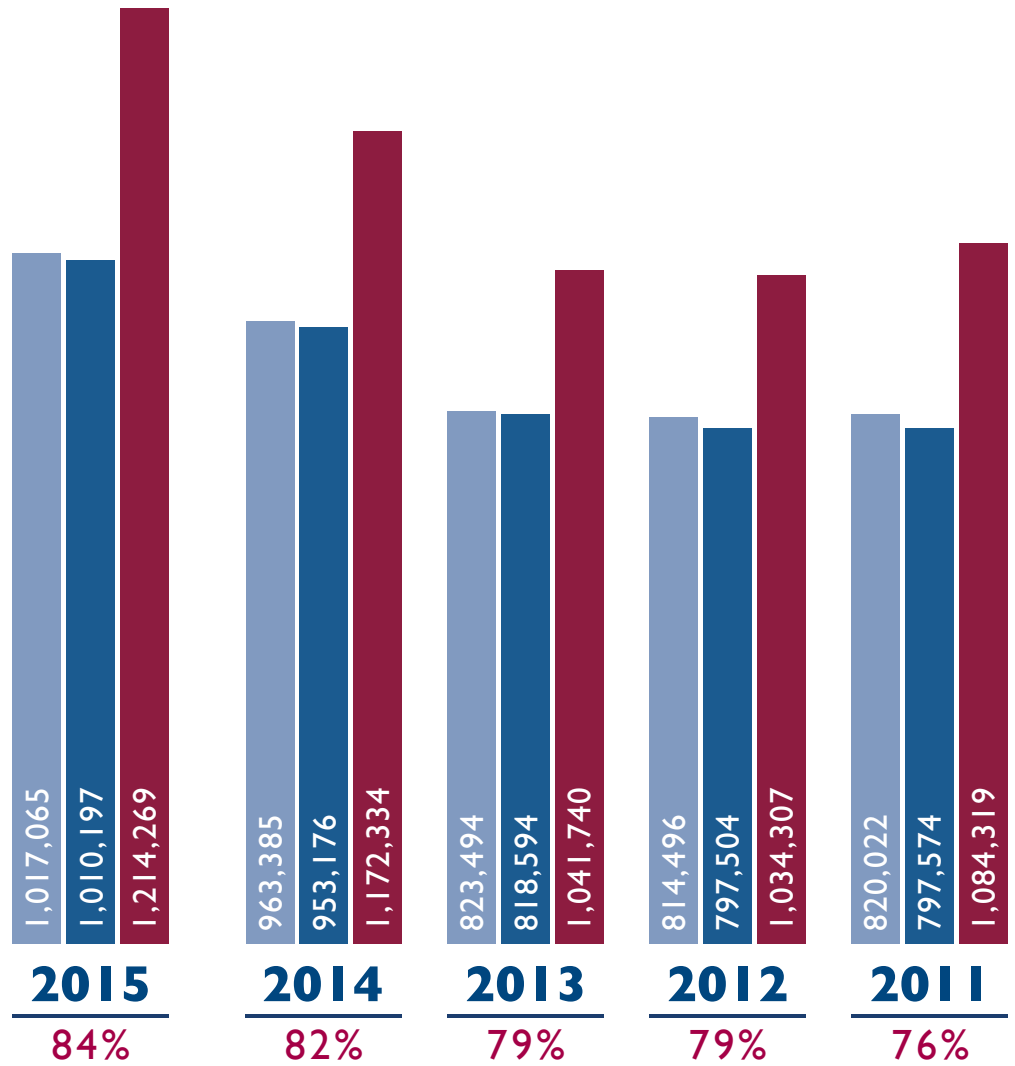
ENPLANEMENTS



DEPLANEMENTS



AVAILABLE SEATS



AIRLINE
PASSENGERS

2,027,262

TOTAL
CARGO

7,668 TONS

AIRCRAFT
OPERATIONS

88,691 

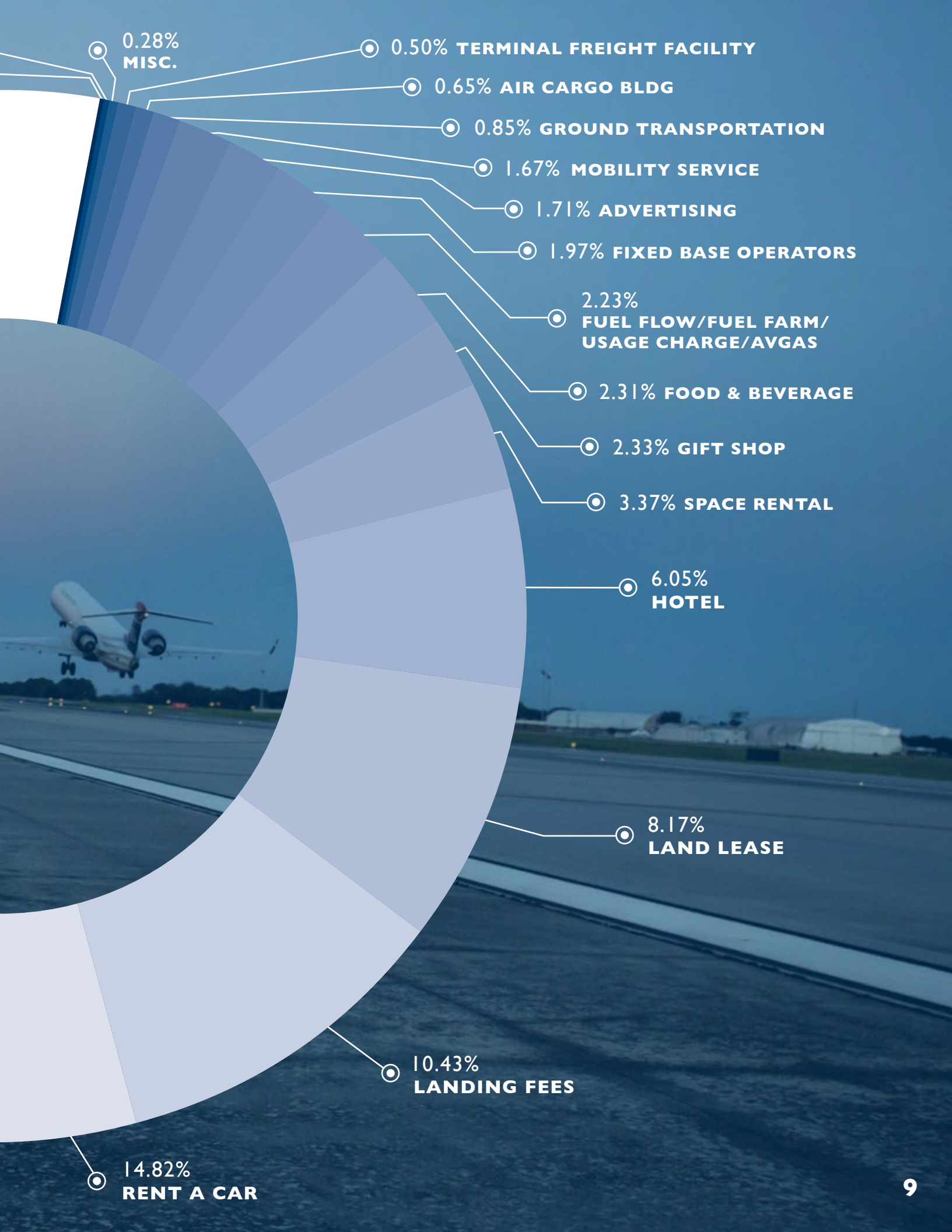
APRON 0.22%
VENDING 0.14%

23.36%
PARKING

**2015 TOTAL
OPERATING REVENUE:
\$27,861,252**

18.95%
AIRLINES

SOURCES OF AIRPORT REVENUE





FIRST QUARTER IN REVIEW

JANUARY

- ▶ SAC announces completion of the Airport Master Plan Update Document
- ▶ SAC approves an Intergovernmental Agreement with Chatham County to receive funding provided by the Georgia Department of Transportation for interim improvements to the access ramps of I-95 at Airways Avenue
- ▶ SAV expands parking options and opens Value Park lot

FEBRUARY

- ▶ Allegiant Airlines announces new nonstop, seasonal service to Savannah from three Ohio cities: Akron, Cincinnati and Columbus

MARCH

- ▶ Sun Country Airlines begins nonstop, seasonal service to SAV from Minneapolis/St. Paul
- ▶ SAC receives the Patriot Award from the Georgia Air National Guard
- ▶ SAV celebrates St. Patrick's Day
- ▶ SAV hosts the 18th Annual AAAE GIS Conference and Exhibition

2015
YEAR IN REVIEW



SECOND QUARTER IN REVIEW

APRIL

- ▶ SAV receives 2015 anna.aero Award in the category of Fastest Growing Airport between 0.5m and 2m Passengers

MAY

- ▶ SAC executes the Coastal Regional Metropolitan Planning Organization Memorandum of Understanding with the Metropolitan Planning Commission
- ▶ Allegiant Airlines starts new nonstop service from Cincinnati/Northern Kentucky International and Akron-Canton to Savannah
- ▶ SAV hosts multi-agency active shooter drill

JUNE

- ▶ SAV removes and repaints runway hold position markings
- ▶ Allegiant Airlines begins new low-cost, nonstop, seasonal service between Columbus and Savannah





THIRD QUARTER IN REVIEW

JULY

- ▶ SAC holds first Employee Health and Wellness Fair
- ▶ SAV hosts 4th Annual Chatham County Youth Commission Aviation Day Tour
- ▶ Terminal restroom wall tile replacement project completed

AUGUST

- ▶ SAC executes operating agreement with Uber Technologies, Inc.
- ▶ SAV hosts SEADOG/WESTDOG Conference in Savannah
- ▶ Completed carpet replacement in Terminal Hold Rooms

SEPTEMBER

- ▶ SAC accepts Airport Improvement Program (AIP) Grant Offer from Federal Aviation Administration in the amount of \$3,767,889 for airport development
- ▶ SAV hosts F. Russell Hoyt National Airports Conference (NAC) September 20-22

2015
YEAR IN REVIEW



FOURTH QUARTER IN REVIEW

OCTOBER

- ▶ Sun Country Airlines announces plans to continue nonstop seasonal service to SAV in 2016



NOVEMBER

- ▶ SAV passes annual FAA Part 139 Inspection
- ▶ SAC introduces new Bomb Detection K-9 Officer Apollo
- ▶ SAC signs a Sister Airport Agreement with Hartsfield-Jackson Atlanta International Airport
- ▶ SAV completes roadway rehabilitation project for Airways Avenue and airport thoroughfares



DECEMBER

- ▶ SAV hosts 2nd Annual Home for the Holidays Contest
- ▶ SAV hosts the 20th Annual School Chorus Days
- ▶ SAV completes Seal and Coat Runway 10-28 Asphalt Sections and Apron Shoulders Project



AIRLINES

SERVING SAVANNAH IN 2015





*Weekly nonstop departures to
CINCINNATI

Daily Number of Seats: **177**

*Weekly nonstop departures to
AKRON CANTON

Daily Number of Seats: **166**

*Weekly nonstop departures to
COLUMBUS

Daily Number of Seats: **166**



8 daily nonstop departures to
CHARLOTTE

Daily Number of Seats: **507**

2 daily nonstop departures to
DALLAS/FORT WORTH

Daily Number of Seats: **158**

1 daily Mon - Fri nonstop departure to
PHILADELPHIA

Daily Number of Seats: **74**

2 Saturday and **2** Sunday departures to
PHILADELPHIA

Daily Number of Seats: **296**

1 Saturday and **1** Sunday departure to
WASHINGTON REAGAN

Total Number of Seats: **100**



11 daily nonstop departures to
ATLANTA

Daily Number of Seats: **1,419**

3 daily nonstop departures to
NEW YORK LGA

Daily Number of Seats: **207**

2 daily nonstop departures to
NEW YORK JFK

Daily Number of Seats: **132**

1 daily nonstop departure to
DETROIT

Daily Number of Seats: **66**

***1** Saturday nonstop departure to
MINNEAPOLIS/ST. PAUL

Daily Number of Seats: **76**



2 daily nonstop departures to
NEW YORK JFK

Daily Number of Seats: **300**

1 daily nonstop departure to
BOSTON

Daily Number of Seats: **100**



*Weekly nonstop departures to
MINNEAPOLIS/ST. PAUL

Daily Number of Seats: **162**



2 daily nonstop departures to
NEWARK

Daily Number of Seats: **100**

2 daily nonstop departures to
HOUSTON

Daily Number of Seats: **100**

3 daily nonstop departures to
WASHINGTON IAD

Daily Number of Seats: **150**

3 daily nonstop departures to
CHICAGO O'HARE

Daily Number of Seats: **150**

*Indicates Seasonal Service.

GREEN INITIATIVES

By replacing the east lighting circuit on Taxiway C with energy-efficient LED fixtures, SAV's constant current reduction (CCR) was reduced from 5.4 kilowatts to 2 kilowatts in 2015. With plans to change out additional terminal and parking facility lighting circuits in the near future, the airport will reduce its power consumption even further.

SAV has helped eliminate waste from 217,871 disposable plastic bottles since the installation of water bottle refill stations in baggage claim and the airport concourse.

“SAV'S CONSTANT CURRENT REDUCTION (CCR) WAS REDUCED FROM 5.4 KILOWATTS TO 2 KILOWATTS IN 2015.”

Throughout the year, SAV also made a positive environmental impact through recycling efforts, garnering a total of 26.36 tons of recyclable material picked up by the City of Savannah, 31.053 tons of cardboard bales picked up by Pratt Industries and 37,323 pounds of metal picked up by Southern Metal Recycling.

In an effort to help decrease pollution in the community's waterways and in the air, SAV continues to use green cleaning products. These eco-friendly products not only minimize impact on ozone depletion, but also do not contribute to the production of photochemical smog, tropospheric ozone, eutrophication or poor indoor air quality.





GENERAL AVIATION HIGHLIGHTS

On March 24, 2015, five vintage World War II-era SNJ-2 GEICO aircraft arrived at Sheltair SAV for Media Day leading up to the Beaufort Air Show, April 11-12. The world-famous GEICO Skytypers Airshow Team performs skytyping and precision flying demonstrations at air shows across the U.S.

While at Sheltair, select members of the local media joined the GEICO Skytypers squadron pilots as they performed heart-pumping precision flight maneuvers in the two-seater aircrafts as a preview for their upcoming performance at the Beaufort Air Show.



AWARDS & HONORS

SAC's accounting department earned its seventeenth Certificate of Achievement for Excellence in Financial Reporting (CAFR*) for the fiscal year ending December 31, 2014. The CAFR is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports achieve the highest standards in government accounting and financial reporting.

The Airports Council International welcomed Executive Director Kelly as a regional representative for the North America region on the ACI World Safety and Technical Standing Committee for a two-year term starting in February 2015.

Director of Landside Facilities Lenard Robinson was appointed to the Georgia Airports Association Board of Directors.

The Employer Support of the Guard and Reserve (ESGR) presented SAC with the Patriot Award for recognizing, honoring and enforcing the Uniformed Services Employment and Reemployment Rights Act (USERRA) and for continually recognizing and supporting our country's servicemembers and their families in peace, crisis and war. SAC was also named a Patriotic Employer by the ESGR.

In the 5th Annual US ANNIE Airport Awards, SAV received the Fastest Growing Airport With Between 0.5m and 2m Passengers award on April 2015 for colossal growth of 16.7% in 2014. Each year, anna.aero examines OAG scheduled data across over 630 US airports and presents the US ANNIE Awards to winners in seven airport categories based on science, statistics and evidence.

The 2015 MarCom Awards, an international competition recognizing creative work in various categories, awarded SAV with a Gold award for its 2015 RBC Heritage Television Commercial in the TV: Single Spot category. SAV was also honored with a Gold award for its 2014 Annual Report in the Uncategorized Annual Report category, and an Honorable Mention for the *Have a Scoop on Us* with a Sip of Southern project in the Communications/ Public Relations: Special Event category.

*Comprehensive Annual Financial Report



SISTER AIRPORT AGREEMENT



On December 3, 2015, Savannah/Hilton Head International entered into a five-year Sister Airport Agreement with Hartsfield-Jackson Atlanta International Airport. Both airports are committed to exchanging ideas and information pertaining to the passenger and tourism industries at both airports; to promoting the relationship and advantages of visiting and/or doing business at the other's airport through customary marketing processes; and creating working groups made up of a limited number of representatives from each party to promote and monitor the exchange of ideas and strategies. Savannah/Hilton Head International is the first domestic airport Hartsfield-Jackson Atlanta International Airport has selected as a Sister Airport.



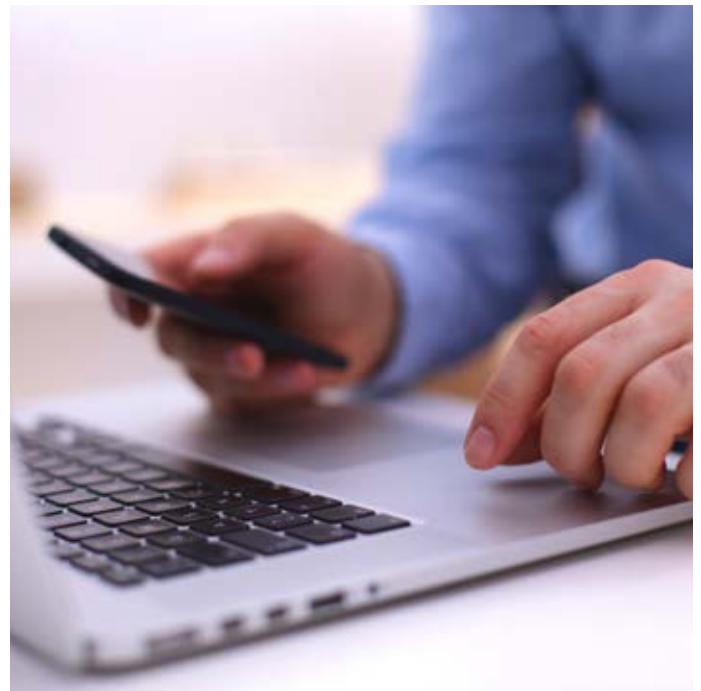
NEW SAV VALUE PARKING LOT

On January 28, 2015, Savannah/Hilton Head International expanded its parking options with the opening of a new \$5 per day SAV Value Lot. With the addition of several new low-cost carriers, the new lot provides budget-conscious travelers with an economical parking option to help stretch their travel dollars even further. The expansion added 250 more parking spaces to the airport's existing parking facilities.



NEW SAV WI-FI SYSTEM

In April 2015, the Savannah Airport Commission approved a service agreement with Hargray, Inc. to install, operate and maintain new internet bandwidth services and a public Wi-Fi system at SAV. The new Wi-Fi system increased the bandwidth from a modest 3MB to 100MB. In addition, a separate 100MB internet connection was installed to support the operational needs of the Airport.



2015 FINANCIAL STATEMENTS

For your information and review are the financial statements of Savannah/Hilton Head International for the year ending December 31, 2015. These financial statements are provided by management for information only and have not been audited.

The following statements are being provided:

- Statements of Net Position
- Statement of Revenues, Expenses & Changes in Net Position

Statements of Net Position

ASSETS	2015	2014		2015	2014
Current assets			Restricted assets		
Unrestricted assets					
Cash and cash equivalents	\$7,233,667	\$6,404,226	Revenue bond renewal and replacement fund	\$2,000,000	\$2,000,000
Short-term investments	\$16,293,056	\$13,171,470	Cash and cash equivalents	\$8,600,114	\$7,391,289
Accounts receivable	\$2,153,775	\$1,823,869	Accounts receivable	\$458,508	\$324,438
Inventories	\$306,733	\$259,102			
Prepaid expenses and other	\$631,656	\$290,965			
Leases receivable - current portion	\$257,704	\$267,261			
Deposits	\$4,000	\$4,000			
TOTAL CURRENT UNRESTRICTED ASSETS	\$26,880,591	\$22,220,893	TOTAL CURRENT RESTRICTED ASSETS	\$11,058,622	\$9,715,727
TOTAL CURRENT ASSETS				\$37,939,213	\$31,936,620

ASSETS	2015	2014
Non-current assets		
Capital assets		
Land	\$10,669,398	\$10,669,398
Construction in progress	\$4,930,309	\$6,681,003
Buildings and improvements	\$164,254,539	\$160,548,683
Runways, taxiways and lights	\$103,535,502	\$103,162,604
Equipment	\$18,537,867	\$17,283,412
Access roads	\$23,143,633	\$20,831,917
Subtotal capital assets	\$325,071,248	\$319,177,017
Less accumulated depreciation	\$162,899,755	\$152,102,361
TOTAL CAPITAL ASSETS	\$162,171,493	\$167,074,656
Leases receivable, net of current portion	\$891,979	\$1,166,361
Investments	\$24,293,000	\$22,667,000
TOTAL NON-CURRENT ASSETS	\$187,356,472	\$190,908,017
Deferred outflows of resources		
Deferred amounts from refunding of debt	\$50,524	\$101,048
TOTAL DEFERRED OUTFLOWS OF RESOURCES	\$50,524	\$101,048
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$225,346,209	\$222,945,685



LIABILITIES AND NET POSITION	2015	2014
Current liabilities		
Accounts payable and accrued expenses	\$1,534,875	\$962,513
Security deposits	\$77,460	\$68,143
Salaries and wages payable	\$77,917	\$217,835
Contracts payable - retainage	\$95,715	\$177,946
Deferred revenue	\$217,953	\$244,235
Accrued vacation liability	\$1,314,241	\$1,206,034
TOTAL CURRENT LIABILITIES	\$3,318,161	\$2,876,706
Non-current liabilities		
Net OPEB obligation	\$3,944,410	\$4,016,406
Revenue bonds, includes an unamortized premium of \$136,380 and \$272,760 as of December 31, 2015, and 2014, respectively	\$2,981,380	\$5,822,760
TOTAL NON-CURRENT LIABILITIES	\$6,925,790	\$9,839,166
TOTAL LIABILITIES	\$10,243,951	\$12,715,872
Net Position		
Invested in capital assets, net of related debt	\$159,240,637	\$161,352,944
Restricted		
Renewal and replacement fund	\$2,000,000	\$2,000,000
Operation and maintenance fund	\$5,179,524	\$4,938,306
Bond debt service reserve	\$1,501,000	\$1,501,000
Passenger facility charges	\$1,310,591	\$884,646
Customer facility charges	\$790,315	\$186,320
General aviation fund charges	\$265,525	\$193,120
Savannah Aviation Village fund charges	\$10,147	\$10,147
Other restricted assets	\$1,520	\$2,188
TOTAL RESTRICTED	\$11,058,622	\$9,715,727
UNRESTRICTED	\$44,802,999	\$39,161,142
TOTAL NET POSITION	\$215,102,258	\$210,229,813
TOTAL LIABILITIES AND NET POSITION	\$225,346,209	\$222,945,685

Questions concerning the financial statements and any other information provided should be directed to:
GREGORY B. KELLY, A.A.E. EXECUTIVE DIRECTOR, SAVANNAH AIRPORT COMMISSION
 400 Airways Avenue · Savannah, GA 31408 · (912) 964-0514 · flySAV.com

Statements of Revenues, Expenses, and Changes in Net Position

Years ended December 31	2015	2014
Operating revenues		
Airfield	\$3,430,523	\$3,257,492
Terminal	\$12,378,721	\$11,965,612
Airport Business Center	\$146,878	\$212,094
Commercial Aviation	\$2,229,309	\$2,216,288
Apron	\$60,231	\$54,381
Parking	\$6,508,913	\$6,018,305
Non-Aviation	\$3,106,677	\$2,713,210
TOTAL OPERATING REVENUES	\$27,861,252	\$26,437,382
Operating expenses		
Airfield	\$2,146,532	\$1,905,637
Terminal	\$9,449,322	\$9,094,306
Airport Business Center	\$85,877	\$140,603
Commercial Aviation	\$158,716	\$261,441
Apron	\$26,691	\$24,547
Parking	\$1,337,464	\$1,369,561
Non-Aviation	\$1,028,223	\$1,110,988
Administrative expenses	\$6,485,382	\$5,751,582
Depreciation	\$11,202,854	\$9,969,695
TOTAL OPERATING EXPENSES	\$31,921,061	\$29,628,360
OPERATING LOSS	(\$4,059,809)	(\$3,190,978)
Non-operating revenues (expenses)		
Passenger facility charges	\$3,902,443	\$3,640,888
Customer facility charges	\$658,964	\$611,273
General aviation fund charges	\$87,267	\$79,130
Interest revenue	\$404,423	\$319,351
Interest expense	(\$260,600)	(\$345,038)
Bond premium amortization	\$136,380	\$248,182
Loss on bond refunding	(\$50,524)	(\$149,932)
Net increase (decrease) in the fair value of investments	\$23,651	(\$45,893)
Gain on disposal of capital assets	\$8,664	\$11,297
TOTAL NON-OPERATING REVENUES	\$4,910,668	\$4,369,258
INCOME BEFORE CAPITAL CONTRIBUTIONS	\$850,859	\$1,178,280
CAPITAL CONTRIBUTIONS	\$4,021,586	\$5,932,857
INCREASE IN NET POSITION	\$4,872,445	\$7,111,137
TOTAL NET POSITION, BEGINNING OF YEAR	\$210,229,813	\$203,118,676
TOTAL NET POSITION, END OF YEAR	\$215,102,258	\$210,229,813





**SAVANNAH
HILTON HEAD**
INTERNATIONAL

flySAV.com

