



















SAVANNAH HILTON HEAD

2014 ANNUAL REPORT

AIRPORT CULTURE: THE UNSUNG HERO

flySAV.com





66 Since I work in Airfield Operations, I never get bored. There is always a challenge right around the corner. We are constantly inspecting, repairing and analyzing our techniques to make sure we operate the airfield in the safest, most efficient manner. And we get to see airplanes all day—how can you beat that?

> Edwin Rahn, Airfield Operations Area Tech, Level IV





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### THE SAVANNAH AIRPORT COMMISION

VISION

THE MISSION

THE **CULTURE**  The Savannah Airport Commission is charged with the operation and management of Savannah/Hilton Head International. Founded in March 1955, 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 2014.

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

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.

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.



### **MEMBERS**

**SYLVESTER FORMEY** CHAIRMAN

STEPHEN S. GREEN VICE CHAIRMAN

SHIRLEY JAMES

SHELDON TENENBAUM

LOIS WOOTEN

JAMES B. BLACKBURN **COMMISSION ATTORNEY** 

### STAFE

GREGORY B. KELLY, AAE **EXECUTIVE DIRECTOR** 

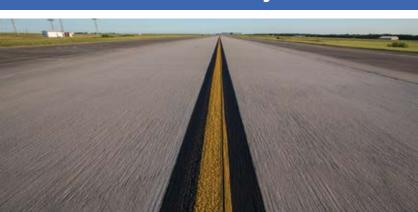
JOHN F. RAUBACK, AAE Assistant Executive Director

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** 

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# A MESSAGE FROM THE EXECUTIVE DIRECTOR

Typically when an organization looks back on accomplishments of the previous year, they tend to focus on tangible and quantifiable accomplishments—things that made a big splash during the course of the year. Certainly in 2014, we had several of those big splash moments with the commencement of new service to Boston and New York by JetBlue, the additional service to New York from Delta Airlines, the completion of our new Airport Master Plan, the commitment of the FAA to upgrade our ILS approach system to near CAT II status, the opening of a new \$5-per-day daily parking lot and the completion of a traffic improvement project at our interchange. All of these were significant accomplishments that had a dramatic impact on our operation and our business. While it is not intended to diminish or trivialize these in any way, there is one "unsung hero" among the many accomplishments we enjoyed in 2014. For many years, we made it a point to give credit to the successes we have experienced over the years to having a special culture as an organization. We have always said how important our culture was; however, in polling our employees, we found that most could only identify some aspects of our organizational culture, but none could grasp the full essence of our culture.

Based on this finding, it was determined that if we want to say how important our culture is to our success, then we should be able to universally identify it and fully embrace each aspect of it. With this in mind, we set out to define our culture and publish it as part of our 2014 goals and objectives. I am proud to say that we have accomplished that mission and will use this for documenting the Culture Statement of the Savannah Airport Commission as follows:

- 1. The airfield is the top priority.
- 2. We strive to do everything in a first class manner.
- 3. We strive to offer the best customer service possible in everything we do.
- 4. We strive to treat our tenants like our customers.
- 5. We respect our employees and strive for employee development.
- 6. We strive to ensure excellence in safety and security.

While it may not seem like a major accomplishment when put in context with all the things that make this airport work so well, it is rewarding to be able to point to a document that states, "This is our culture. This is what makes us tick. This is what helps us achieve the successes we have had, with still more to come." As you read through this annual report, I ask that you view it through the prism from which our employees and organization conduct and approach our jobs every day... our Culture Statement.

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Gregory B. Kelly, AAE Executive Director

# STATISTICS

# 6

#### AIRLINE MARKET SHARE



**ENPLANEMENTS** 





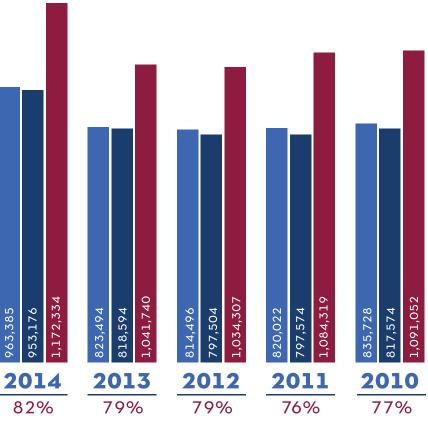
- ENPLANEMENTS
- DEPLANEMENTS
- AVAILABLE SEATS











LOAD FACTOR %

**AIRLINE** 

**PASSENGERS** 

OPERATIONS

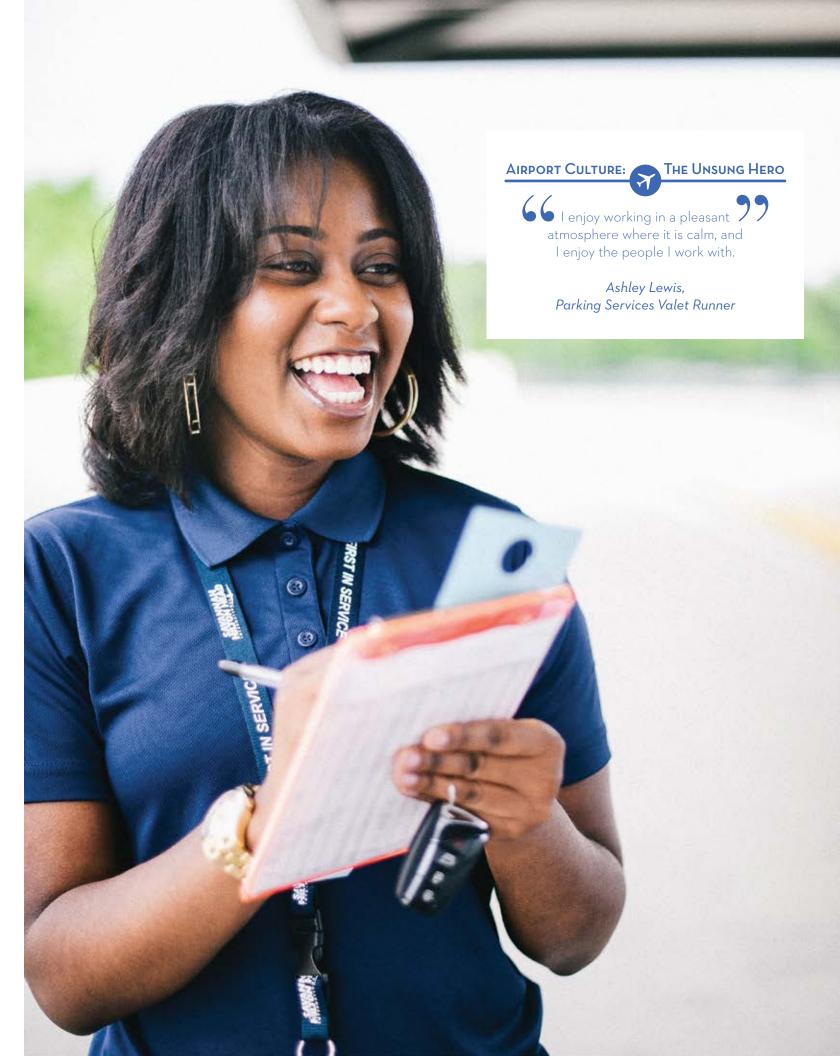
TOTAL CARGO

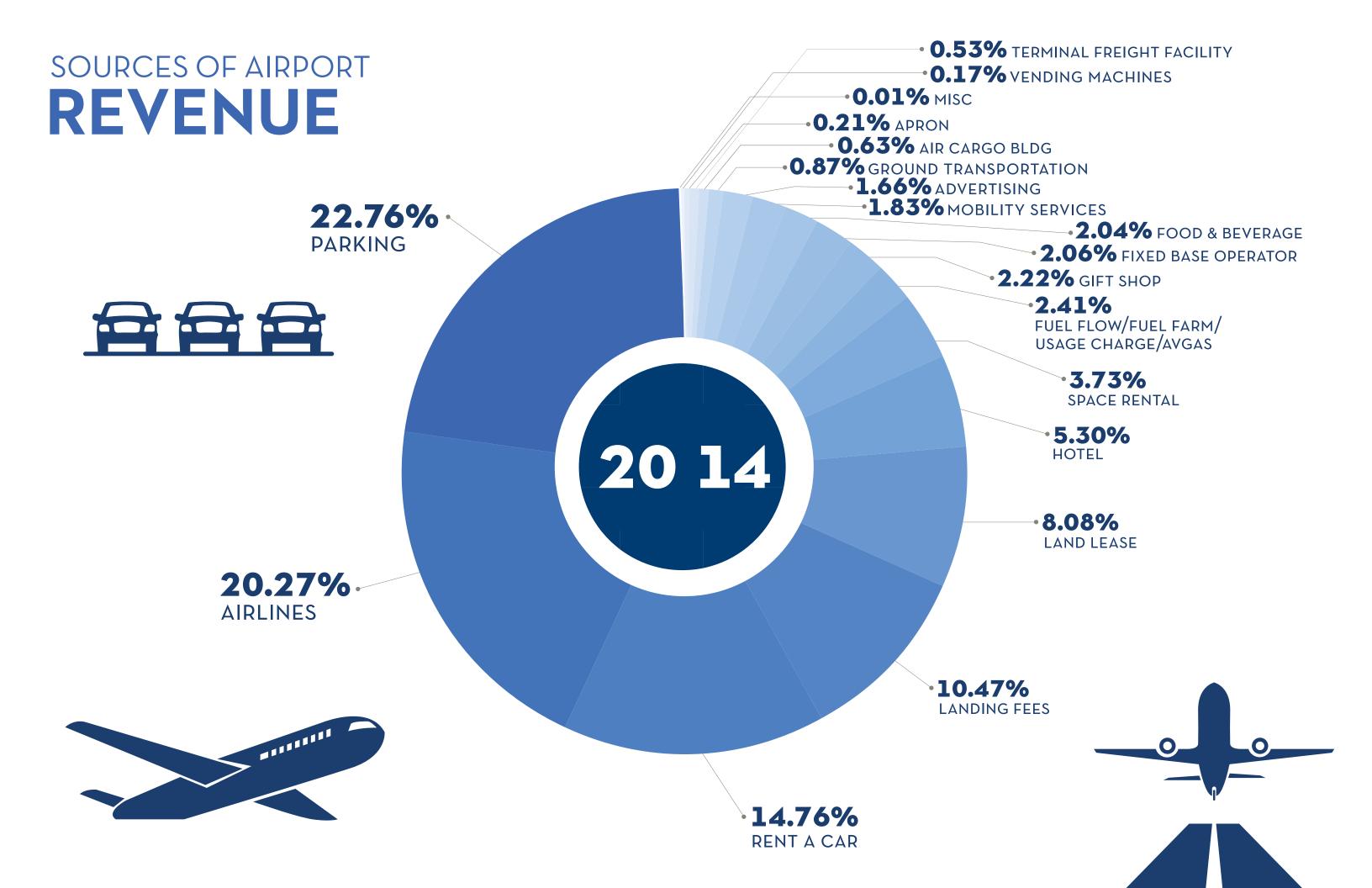
1,916,561 iiiii

85,090 >

7,891<sub>TONS</sub>







# 2014 YEAR IN REVIEW

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### **FIRST**

QUARTER IN REVIEW

#### JAN

Gregory B. Kelly is appointed as Executive Director and Secretary of the Savannah Airport Commission

Science Technology Engineering and Math (STEM) in the World of Aviation Airport Tour

Runway Visual Range Finder was accepted, commissioned and put into service during the afternoon of January 9, 2014

SAV adds six parking spaces for Tesla supercharging stations

#### **FEB**

JetBlue launches service to New York (JFK) and Boston

Lightning Detection System installed at SAV

#### MAR

SAV celebrates St. Patrick's Day by greening the fountain

SAV takes part in the annual St Patrick's Day Parade with the JetBlue float

John Rauback is promoted to Assistant Executive Director and Assistant Secretary of the Savannah Airport Commission

### **SECOND**

QUARTER IN REVIEW

#### **APRIL**

SAV hosts Savannah Economic Development Authority Red Carpet Tour

SAC Police Officers Annuity Benefit (POAB) established by the state of Georgia

SAC receives Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association for year ended December 31, 2013

#### ΜΔΥ

SAV holds Full Scale Emergency Response Disaster Drill SAV hosts Leadership Southeast Georgia site visit

Mayor and Aldermen of the City of Savannah reappoint Chairman Sylvester C. Formey to the Commission for another five-year term

#### JUNE

SAV is selected to host a nine-member contingent from Brazil for an Airport Management and Best Practices Tour

Pilatus Association Savannah Fly-In at Sheltair Aviation on June 13, 2014



My favorite story from this year is about a little boy named Jason. He was traveling to Savannah from California. I greeted his family and asked his mom if he could have one of our kid's club bags. Jason very excitedly opened the bag and exclaimed, "I got a gift! I got a gift!" Seeing how happy Jason was made my day. A week later I saw Jason and his family getting ready to leave to go back home. I told Jason goodbye and have a safe flight back home. He was so excited and surprised that I remembered his name. This is what customer service is about to me: providing memorable and enjoyable experiences for each customer.

Pamela Meadows. Lead Visitor/Information Center Specialist









# 2014 YEAR IN REVIEW

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## THIRD QUARTER IN REVIEW

#### **JUL**

SAC hosts 3rd Annual Chatham County Youth Commission Aviation Day

#### **AUG**

SAV Launches Responsive Website
SAC acquires first K-9 Bomb Detection Officer
I-95 Interchange Interim Improvement project begins

#### **SEP**

Appreciation for its continuous collaborative partnership in achieving strategic goals

"Remembering the Fallen" Exhibit opens at SAV

Terminal Restroom Renovations project begins

Ribbon cutting ceremony held for Tapia Cigar Store

SAC is recognized by TSA with a Certificate of



grand opening celebration





### FOURTH QUARTER IN REVIEW

#### OCT

SAV Halloween Costume Contest

AAAE Past Chairs Retreat is held at the Brice Hotel

Annual Georgia Airports Association Conference is held at the Hyatt Regency Savannah

Governor Deal proclaims October 2014 as Aviation Appreciation Month

#### NOV

USO Military Reception Center Dedication

#### DEC

Jingle All the Way holiday program commences with School Music Days, Home for the Holidays Contest, Christmas Tree Recycling and month-long Holiday Music program.

American Airlines picks up military families for Snowball Express

I-95 Interchange interim improvement project completed













Savannah/Hilton Head International is an important economic asset and key element of the transportation system serving the City of Savannah, Hilton Head Island and the surrounding region. Planning for the future growth and needs of the airport is a critical task that requires the continuous attention of the Savannah Airport Commission. In 2014, the Commission undertook a Master Plan Update that addresses the airport's future needs in a comprehensive manner.

The Master Plan provides airport management with a comprehensive assessment of the capital improvements needed to meet projected levels of passenger and aircraft operational activity during the next 20 years. Previous Master Plans were prepared for the airport in 1956, 1969 and 1983.

The Master Plan continues the strategic vision established in previous plans while accounting for current needs and anticipating future trends. The goal of the study is to provide airport management with a flexible plan for the continued development of the airport in a cost-effective and responsible manner. The Master Plan update consists of a technical report and a separate set of drawings, referred to as an Airport Layout Plan (ALP) drawing set. The drawing set depicts all proposed development in a manner specified by the Federal Aviation Administration (FAA). It also requires the review and approval of the FAA before the capital improvements depicted on the drawings can become eligible for Federal funding. The FAA's approval of the drawing set indicates that the FAA finds the proposed development to be safe, efficient and designed in accordance with the FAA's design standards.



### SAVANNAH AND HILTON HEAD ISLAND WELCOMES JETBLUE

On February 13, 2014, Savannah/Hilton Head International rolled out the "blue" carpet as JetBlue Airways began daily nonstop service to Savannah from New York and Boston, bringing with it lower fares and a steady increase in delighted passengers. A contingency of civic leaders and airport officials from Savannah, Hilton Head Island and Bluffton made the trip to New York in order to participate in opening ceremonies at JFK and fly on the inaugural flight to SAV. The initiation of service also marked a milestone for JetBlue, as Savannah/Hilton Head International became the airline's 50th nonstop destination from Boston's Logan International Airport.

What's known as the JetBlue effect was evident as passenger numbers began increasing almost immediately, with March growing by more than 19 percent over the same month in 2013. The increase in passenger traffic was certainly attributable to JetBlue's new service, with numbers much stronger than expected. The increases continued throughout the year as JetBlue contributed to the Airport surpassing 2013 numbers by 17 percent.







# AIRLINES SERVING SAVANNAH





**3** daily nonstop departures to **DALLAS/FORT WORTH** 

Daily Number of Seats: 150



9 daily nonstop departures to **ATLANTA** 

Daily Number of Seats: 1,195

**3** daily nonstop departures to **NEW YORK LGA** 

Daily Number of Seats: 195

2 daily nonstop departures to **NEW YORK JFK** 

Daily Number of Seats: 141

1 daily nonstop departure to **DETROIT** 

Daily Number of Seats: 65

### jetBlue

2 daily nonstop departures to **NEW YORK JFK** 

Daily Number of Seats: 300

1 daily nonstop departure to **BOSTON** 

Daily Number of Seats: 100



2 daily nonstop departures to **NEWARK** 

Daily Number of Seats: 100

1 daily nonstop departure to **HOUSTON** 

Daily Number of Seats: **50** 

4 daily nonstop departures to **WASHINGTON IAD** 

Daily Number of Seats: 150

3 daily nonstop departures to CHICAGO O'HARE

Daily Number of Seats: 150

### $\equiv U \cdot S AIRWAYS$

**9** daily nonstop departures to **CHARLOTTE** 

Daily Number of Seats: 641

1 daily nonstop departure to **PHILADELPHIA** 

Daily Number of Seats: 80

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

Total Number of Seats: 410

2 Saturday and 1 Sunday departure to WASHINGTON REAGAN

Total Number of Seats: 150



### **GREEN INITIATIVES**

Savannah/Hilton Head International is committed to going about our business with an environmentally conscious approach. Through the efforts of our passengers, tenants and neighbors, the airport recycled over sixteen tons of glass, paper and aluminum; over twelve tons of additional recyclable waste through the City of Savannah and 59 bales of cardboard.

# THROUGH THE EFFORTS OF OUR PASSENGERS, TENANTS AND NEIGHBORS, THE AIRPORT RECYCLED OVER SIXTEEN TONS OF GLASS, PAPER AND ALUMINUM ??

In order to reduce the number of overall kilowatthours used to keep terminal and parking facilities safely lit, SAV has undertaken an initiative to replace all terminal and parking garage lighting with more energy-efficient alternatives.

SAV continued its energy saving initiatives well into 2014 and realized a considerable savings by adding variable frequency drives to terminal heating ventilation and air conditioning chillers to dramatically improve performance and substantially reduce energy costs.

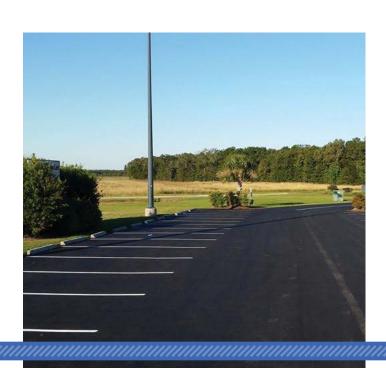
SAV implemented a five-year contract with Tesla Motors in January, where six parking spaces were leased out for Tesla supercharging stations for the Tesla Model S electric car to expand Tesla's network along I-95. These charging stations are resulting in massive fuel savings and mark the first stations in Georgia.

In October, SAV resurfaced the Cell Phone Parking Lot with cost efficient recycled asphalt shingles mix, which offsets the need for new asphalt and aggregate and, in turn, keeps asphalt shingles out of local area landfills. The airport also utilizes recycled concrete for various small projects throughout the grounds and facilities, and its scenic landscaping is beautifully maintained with the use of recycled plant material.

In order to eliminate substantial irrigation withdrawals on valuable city water supplies, the airport's irrigation system has been redesigned to pump approximately 31 million gallons of water to the landscape from the airport's abundant natural water supply.

Since the installation of water bottle refill stations located in baggage claim and the airport concourse, SAV has helped eliminate waste from 146,456 disposable plastic bottles.

To help reduce pollution in our waterways and the air, SAV uses green cleaning products that minimize the impact on ozone depletion and do not contribute to the production of photochemical smog, tropospheric ozone, eutrophication or poor indoor air quality. SAV will resume their green initiatives into 2015 to provide a brighter future for the community.





## **AWARDS**

From June 12-16, 2014, The 18th Annual Pilatus Fly-In and POPA (Pilatus Owners and Pilots Association) Convention brought together representatives from the Denver & Switzerland Pilatus service centers, as well as vendors for PC-12 aviation-related products and services, to discuss PC-12 operations. The Pilatus Fly-In offers suppliers, pilots, owners and operators the opportunity to see demonstrations and sit











Executive Director Kelly presented the Accounting Department with its sixteenth Certificate of Achievement for Excellence in Financial Reporting (CAFR\*) for the fiscal year ending December 31, 2013. 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.

SAV received an Honorable Mention for the Video/ Entertainment Category at the Hermes Creative Awards 2014 competition for the Patrick S. Graham Retirement Video. The international competition, administered by the Association of Marketing and Communication Professionals (AMCP), recognizes outstanding work in conceptualizing, writing and design of traditional and emerging media. Over 5,500 entries were received in 2014.

Savannah/Hilton Head International received anna aero's Cake of the Week award to celebrate the much anticipated launch of JetBlue service from JFK and BOS. Every week anna aero presents the coveted Cake of the Week award to the best route welcoming cake via public vote on their website.

\*Comprehensive Annual Financial Report



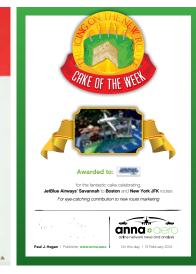


66 I feel that my greatest contribution to SAV is welcoming our arriving passengers to Savannah and making sure they get the best professional ground transportation to their final destination.

> Diana Nava-Hernandez, **Ground Transportation Starter**







## 2014 FINANCIAL STATEMENTS

For your information and review are the financial statements of Savannah/Hilton Head International for the year ending December 31, 2014. 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

#### A summary of the major changes follow:

The 2013 financials have been restated due to a change in financial reporting policy resulting from GASB 65.

### STATEMENTS OF NET POSITION

ASSETS	2014	2013 RESTATED		2014	2013 RESTATED
Current assets			Restricted assets		
Unrestricted assets					
Cash and cash equivalents	\$6,404,226	\$6,539,749	Revenue bond renewal and replacement fund		
Short-term investments	\$13,171,470	\$16,193,358			
Accounts receivable	\$ 1,823,869	\$1,634,957		\$2,000,000	\$2,000,000
Inventories	\$259,102	\$225,276	Cash and		
Prepaid expenses and other	\$290,965	\$184,598	cash equivalents	\$7,391,289	\$7,821,887
Leases receivable - current portion	\$267,261	\$250,903	Accounts		
Deposits	\$4,000	\$4,000	receivable	\$324,438	\$371,575
TOTAL CURRENT UNRESTRICTED ASSETS	\$22,220,893	\$25,032,841	TOTAL CURRENT RESTRICTED ASSETS	\$9,715,727	\$10,193,462
TOTAL CURRENT ASSETS				\$31,936,620	\$35,226,303

ASSETS	2014	2013 RESTATED
Non-current assets		
Capital assets		
Land	\$10,669,398	\$10,669,398
Construction in progress	\$6,681,003	\$28,732,281
Buildings and improvements	\$160,548,683	\$159,907,954
Runways, taxiways and lights	\$103,162,604	\$80,093,331
Equipment	\$17,283,412	\$16,138,270
Access roads	\$20,831,917	\$18,745,431
Less accumulated depreciation	\$152,102,361	\$142,160,752
TOTAL CAPITAL ASSETS	\$167,074,656	\$172,125,913
Leases receivable, net of current portion	\$1,166,361	\$1,433,622
Investments	\$22,667,000	\$9,445,000
TOTAL NON-CURRENT ASSETS	\$190,908,017	\$183,004,535
Deferred outflows of resources		
Deferred amounts from refunding of debt	\$101,048	\$250,981
TOTAL DEFERRED OUTFLOWS OF RESOURCES	\$101,048	\$250,981
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$222,945,685	\$218,481,819



2014	2013 RESTATED
\$962,513	\$1,408,603
\$68,143	\$63,929
\$217,835	\$160,319
\$177,946	\$78,987
\$244,235	\$59,741
\$1,206,034	\$994,801
\$2,876,706	\$2,766,380
\$4,016,406	\$4,135,820
\$5,822,760	\$8,460,943
\$9,839,166	\$12,596,763
\$12,715,872	\$15,363,143
\$161,352,944	\$163,915,95
	\$2,000,000
	\$4,322,659
	\$1,501,000
	\$1,497,875
	\$721,045
	\$139,017
\$10,147	\$10,312
\$2,188	\$1,554
\$9,715,727	\$10,193,462
	\$29,009,263
\$210,229,813	\$203,118,676
	\$962,513 \$68,143 \$217,835 \$177,946 \$244,235 \$1,206,034 \$2,876,706 \$4,016,406 \$5,822,760 \$9,839,166 \$12,715,872 \$161,352,944 \$2,000,000 \$4,938,306 \$1,501,000 \$884,646 \$186,320 \$193,120 \$10,147 \$2,188 \$9,715,727 \$39,161,142

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	2014	2013 RESTATED
Operating revenues		
Airfield	\$3,257,492	\$3,104,566
Terminal	\$11,965,612	\$11,449,988
Airport Business Center	\$212,094	\$228,817
Commercial Aviation	\$2,216,288	\$2,103,115
Apron	\$54,381	\$55,048
Parking	\$6,018,305	\$5,260,004
Non-Aviation	\$2,713,210	\$2,472,968
TOTAL OPERATING REVENUES	\$26,437,382	\$24,674,506
Operating expenses		
Airfield	\$1,905,637	\$1,631,526
Terminal	\$9,094,306	\$8,499,325
Airport Business Center	\$140,603	\$274,554
Commercial Aviation	\$261,441	\$237,942
Apron	\$24,547	\$27,066
Parking	\$1,369,561	\$1,452,052
Non-Aviation	\$1,110,988	\$689,325
Administrative	\$5,751,582	\$4,827,543
Depreciation	\$9,969,695	\$10,306,897
TOTAL OPERATING EXPENSES	\$29,628,360	\$27,946,230
OPERATING LOSS	(\$3,190,978)	(\$3,271,724)
Non-operating revenues (expenses)		
Passenger facility charges	\$3,640,888	\$3,073,621
Customer facility charges	\$5,040,880 \$611,273	\$5,073,021 \$548,616
General aviation fund charges	\$79,130	\$340,010 \$77,196
Savannah Aviation Village charges	φ/ 9,i3O -	\$10,500
Interest revenue	\$319,351	\$487,125
Interest revenue	(\$345,038)	(\$442,838)
Bond premium amortization	\$248,182	\$248,182
Loss on bond refunding	(\$149,932)	(\$149,932)
Net (decrease) in the fair value of investments	(\$45,893)	(\$121,987)
Gain on disposal of capital assets	(\$45,093) \$11,297	\$84,596
TOTAL NON-OPERATING REVENUES	\$11,297 <b>\$4,369,258</b>	\$3,8 <b>15,079</b>
INCOME BEFORE CAPITAL CONTRIBUTIONS	\$1,178,280	\$543,355
CAPITAL CONTRIBUTIONS	\$5,932,857	\$5,580,020
INCREASE IN NET POSITION	\$7,111,137	\$6,123,375
TOTAL NET POSITION, BEGINNING OF YEAR	\$203,118,676	\$196,995,301
TOTAL NET POSITION, END OF YEAR	\$210,229,813	\$203,118,676



