

**GREENVILLE-SPARTANBURG AIRPORT COMMISSION
MINUTES
November 21, 2011**

The Greenville-Spartanburg Airport Commission met on November 21, 2011 at 9:00 a.m. in the Greenville-Spartanburg Airport Commission Office Conference Room located at 2000 GSP Drive, Suite 1, Greer, SC 29651.

MEMBERS PRESENT: Minor Shaw, Hank Ramella, Bill Barnet, Leland Burch, Valerie Miller, and Doug Smith participated via phone.

STAFF AND LEGAL COUNSEL PRESENT: Dave Edwards-President/CEO, Kevin Howell-Vice President/COO, Jack Murrin-Vice President Administration and Finance/CFO, Rosylin Weston-Vice President Communications, Larry Estridge-WCSR Firm, Wanda Jones-Secretary, Whitney Code-Marketing Coordinator

GUEST PRESENT: Dan Clayton-RS&H, Steve Harrill-RS&H, Alan Robinson-CB&H, Jenny Munro-Greenville News, John Buzzy-Skanska Moss, Jim Fair-Greer Today, and Michael Floyd-Jacobs

CALL TO ORDER: Chair Minor Shaw called the meeting to order.

CONSENT AGENDA:

- A. Approval of the Greenville-Spartanburg Airport Commission September 12, 2011 Regular Meeting Minutes:** A motion was made, seconded, and unanimous vote received to approve the minutes from the September 12, 2011 Commission Meeting.

- B. Approval of Airport Commission Meeting Dates/Times for Calendar Year 2012:** Due to some conflicts with the proposed dates Mr. Edwards will send additional dates to the Commissioners for review. The dates will posted when approved.

PRESENTATIONS: None

OLD BUSINESS: None.

NEW BUSINESS:

- A. Approval of the Terminal Improvement Program Schematic Design:**

Mr. Harrill from RS&H gave a presentation on the schematic design process. He indicated that this process started in 2003 with the Master Plan Update, which

was an overview plan for the entire airport. A portion of the Master Plan Update included a brief review of the terminal. This review identified certain deficiencies and made some recommendations which included expanding the ticket lobby, providing for new technologies, automating baggage screening, expanding passenger screening, connecting Concourse A and Concourse B, and shifting the primary concessions post-security.

A more in-depth terminal study was needed to identify the best terminal plan for the future; therefore a Terminal Area Study was conducted in 2009/2010. The Goals and Objectives of the Terminal Area Study included: correcting current and anticipated future functional deficiencies, sustainability/LEED integration, terminal architectural and customer service enhancements, and addressing the Master Plan Update recommendations. Additional recommendations from the study included: reducing energy and resource consumption, consolidating passenger screening, expanding overall terminal, the addition of more concessions and more choices, more efficient operations, increasing natural day lighting, and updating the look and feel of the airport to better reflect today's Upstate Region.

Mr. Harrill presented the Schematic Design Update which included slides of the proposed airside, proposed landside, proposed terminal (level 1), proposed terminal (level 1-Concessions, Restrooms, TSA Bag Screening, Rental Cars), proposed terminal (level 2), proposed terminal (level 2-Concessions, Restrooms, TSA Passenger Screening, proposed terminal (level 3), and proposed terminal (level 3-Concessions, Restrooms). Mr. Harrill stated that a future north end expansion would mirror the south end. Chair Shaw inquired if the future north end expansion will have a meet and greet area. Mr. Harrill stated yes.

Mr. Harrill discussed the program square footage versus the proposed square footage

	Existing	Program	Proposed
Ticketing	1,936 SF	2,560 SF	3,500 SF
Ticket Queue	1,891 SF	5,600 SF	6,500 SF
Airline Ticket Offices	4,951 SF	8,000 SF	8,200 SF
Bag Make-Up	9,000 SF	19,600 SF	18,800 SF
Bag Claim Lobby	3,140 SF	22,700 SF	11,800 SF
Bag Service Offices	895 SF	980 SF	1,500 SF
Gates	13 EA	18 EA	13 EA
Passenger Holding	33,094 SF	29,500 SF	33,800 SF
TSA Passenger Screening	2,674 SF	11,560 SF	13,500 SF
TSA Baggage Screening	Incl. w/bag mu	9,000 SF	2,800 SF

F&B Concession	17,081 SF	10,000 SF	11,200 SF
Retail Concession	1,967 SF	6,000 SF	6,300 SF
Rental Car Offices/Counters	2,147 SF	2,180 SF	2,280 SF

Mr. Harrill discussed the proposed terminal sustainability features which include: reusing the 1962 landside terminal structure, HVAC efficiency above ASHRAE standards, air quality filtration components, new building digital controls and monitoring, doubling of the natural day lighting, lighting automation for daylight harvesting, rainwater harvesting, preference for regional materials, emphasizing recycled materials, specifying low flow fixtures in restrooms, solar water heating, LED lighting, and relocation of rental cars in the garage.

Mr. Harrill discussed the architectural aspects of the proposed schematic design and identified that McMillian Pazdan and Smith is a local architectural firm that is working with RS&H on this part of the project. Some of the goals proposed to be included in the terminal architecture are: capturing today's character of the Upstate; capturing the area's rich history, landscaping and nature, high-tech industry, warm southern climate, water as a component and the unique international presence.

Mr. Floyd discussed the process used for cost estimating of the project. He stated that two independent cost estimates were obtained (US Costs, an RS&H sub consultant, and Skanska-Moss (construction manager at risk (CMR)). The cost estimating process included an established common work breakdown structure, raw costs and mark-ups were defined, program construction phasing (preliminary) was defined, estimate reconciliation, and estimate scope review and refinement.

Mr. Floyd discussed a recommended budget increase, which included a revision for project escalation, added design fees for the North Wing, actual negotiated fees for pre-construction services of the CMR and an overall Owner Reserve adjustment to be 20% of new Project Cost Total. Therefore, the recommended budget increase is \$4,693,430.00.

Discussion briefly followed the presentation. The Commission thanked everyone for the great job.

Mr. Howell respectfully requested that the Airport Commission resolve to approve the Terminal Improvement Program Schematic Design as presented. A motion was made, seconded, and unanimous vote received to approve the Terminal Improvement Program Schematic Design.

Mr. Edwards stated that he would send the Commission a full report of the Terminal Improvement Program Schematic Design when available. Mr. Burch expressed his appreciation to Staff for all of the hard work with this project and being able to use existing structures. He also stated that RS&H has done a fantastic job of the design work. Mr. Ramella agreed with his comments.

B. Authorization to Proceed with Design Development and Construction Documents for the Terminal Improvement Program:

Mr. Howell discussed the next phase of the Terminal Improvement Program which is the Design Development (DD) and Construction Document (CD) Phase. The estimated cost of this phase is approximately \$5 million which is included in the overall Terminal Improvement Program budget.

Mr. Ramella asked how long this phase will take. Mr. Howell responded that there is a timeline; however Staff needs to have further discussions with RS&H and Jacobs to make sure the timeline is correct. Chair Shaw stated that the Task Force Meetings will continue during this phase of the project. Mr. Burch stated that the airport will still not have Passenger Facility Charges; there will be no additions to airline fees, and no local taxes will be used for the project.

Mr. Howell respectfully requested that the Airport Commission resolve to (1) authorize Staff to proceed with the Design Development and Construction Document Phase with RS&H; and (2) authorize the President/CEO to execute all necessary documents. A motion was made, seconded, and unanimous vote received to approve the above request.

C. Approval of the Revised Budget for the Terminal Improvement Program:

Mr. Edwards stated the initial budget for the Terminal Improvement Program was established at \$97.6 million. Following the close of the Terminal Improvement Program Schematic Design Process, and review of the 30% design costs estimates; Staff recommended that the budget be revised to \$102.3 million. Mr. Edwards presented the following table:

Item	Budget Estimate		
	Mar-11	Revised Oct-11	Difference
Construction Cost (estimate)	a. \$ 70,140,000	\$ 73,485,678	\$ 3,345,678
Design Fee	b. 6,242,460	6,847,460	605,000
PM/CM Fee	2,805,600	2,805,600	-
CMR Pre-Design Fee	c. 701,400	595,000	(106,400)
Construction Admin/RPR (2%)	1,402,800	1,469,714	66,914
Sub-total	\$ 81,292,260	\$ 85,203,452	\$ 3,911,192
Owner Reserve (20%)	d. 16,258,452	17,040,690	782,238
Total Estimated Budget	\$ 97,550,712	\$ 102,244,142	\$ 4,693,430
Recommended Budget Increase		\$ 4,693,430	

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- a. Revised for escalation.
 - b. Added design fee for North Wing
 - c. Actual negotiated fee.
 - d. Adjusted to be 20% of new Project Cost Total

Mr. Barnet asked what items are excluded. Mr. Edwards stated the art program, and some furniture, fixture and equipment. Mr. Barnet also asked if there is any residual value to anything we would be getting rid of (example: front panels)? Mr. Edwards stated that Staff has not looked at that yet. However, as an example Staff has looked at selling the loading bridges. Chair Shaw stated recycling is a great opportunity for sustainability and Mr. Edwards stated Staff would continue to look into items that would be disposed of in the terminal as a part of the construction and if there was any residual value or use for such items.

Mr. Edwards respectfully requested that the Airport Commission resolve to approve a revised budget for the Terminal Improvement Program in the amount of \$102.3 million. A motion was made, seconded, and unanimous vote received to approve the above request.

D. Adoption of Greenville-Spartanburg International Airport Financial Audit and Schedules of Expenditures for the Fiscal Years Ended June 30, 2011 and 2010:

Mr. Murrin stated that Cherry, Bekaert & Holland, LLP performed the first audit of a five-year engagement. Mr. Murrin introduced Mr. Alan Robinson from CB&H who stated the June 30, 2011 Audit was unqualified, no exceptions or citations and no audit adjustments. Mr. Robinson stated that there are five (5) parts to a Governmental Audit: Audit Report, Management's Discussion and Analysis, Financial Statements, Footnotes, and Schedule of Expenditures of Federal Awards.

Mr. Robinson stated that MSE Branded Foods was chosen by Staff for a vendor audit. A trip to the corporate headquarters of MSE Branded Foods was made and CB&H was very pleased.

Mr. Barnett asked Mr. Robinson if he was sitting among the Commission what would he want to look at in the future. Mr. Robinson stated he would look at vendors, vendor relationships, revenue relationships, and project budgets.

Chair Shaw stated that the audit was very informative.

Mr. Murrin respectfully requested that the Airport Commission accept the Financial Audit and Schedules of Expenditures for the Fiscal Years Ended June 30, 2011 and 2010 as presented. A motion was made, seconded, and unanimous vote received to approve the Financial Audit and Schedules of Expenditures as presented.

E. Approval of the Revised Military/Uniform Services Leave Policy – Section 215.10:

Mr. Murrin stated that the current Personnel Policy does not adequately address the state and federal legal requirements of military leave related to Airport employees. Staff researched other airport military leave policies. Mr. Murrin stated that the current military policy needs to be revised for clarity and informative purposes to include the following:

- the Uniform Services Employment and Reemployment Rights Act (USERRA),
- applicable South Carolina state codes (specifically S.C. Code of Laws Ann. § 8-7-10 through 8-8-90 and § 25-1-2310),
- State HR Regulations Section 19-712.01
- 38 USC §§ 3001-4334
- and any other applicable statutes, federal or state laws or directives.

Mr. Murrin respectfully requested that the Airport Commission approve the revised Section 215.10 discussing Military/Uniform Services Leave Policy as presented. A motion was made, seconded, and unanimous vote received to approve the revisions to the Personnel Policy regarding Leave for Military/Uniform Services.

PRESIDENT/CEO REPORT:

A. Aviation Industry Report:

Mr. Edwards stated that the airlines are predicting good travel numbers for Thanksgiving.

Mr. Edwards does not believe that airports are in jeopardy of not having funding available as the fight continues for a FAA Reauthorization Bill.

The United/Continental merger is moving on track.

AirTran pilots approved the integration plan therefore the merger with Southwest Airlines will move forward. Mr. Edwards stated Southwest Airlines has been dropping AirTran service in several in smaller cities. The merger should be complete in about twelve (12) to fifteen (15) months.

B. Update on Cargo Operations at GSP:

Mr. Edwards reported that GSP is finally handling some international cargo flights for BMW. Historically ,these flights have been coming into Atlanta, GA and Huntsville, AL and the product then was being trucked to BMW. BMW and Panalpina have been very complimentary of the operations that have taken place to date at GSP. Mr. Edwards showed a few pictures of the operations.

C. Update on Terminal Improvement Program Enabling Projects:

Mr. Edwards stated that the enabling projects are: Concourse Concessions and Restrooms, Relocation of Airport Operations Center, Duct Bank, and Relocation of the Rental Cars. He also stated that the TIP Team believes that the relocation of Airport Operations Center and Rental Cars can move into the main stream part of the project and do not have to move forward early. The Construction Manager @ Risk will be putting together guaranteed maximum pricing for the Concourse Concession and Restrooms, and the build out of the North Wing shell. These items will be brought before the Airport Commission for consideration and approval at the March 2012 meeting.

INFORMATION SECTION:

Mr. Edwards asked if anyone had any questions concerning the information section.

Mr. Edwards reported that traffic was up 45% in October and November/December are predicted to be a good months as well.

Mr. Ramella complimented the police department. He stated he has seen positive attitude changes and their performance has been good.

Potential Items for the next Commission Meeting: Presentation on the Advertising Program at GSP, and Presentation on the GSP Air Cargo Study.

Chair Shaw stated that from a good business standpoint an Audit Committee should be established. Mr. Barnet, Ms. Miller, and Chair Shaw will serve on the Committee. Mr. Barnet will Chair the Committee. A motion was made, seconded, and unanimous vote received to approve establishing an Audit Committee.

COMMISSION MEMBER REPORTS: None.

ADJOURNMENT: There being no further business, a motion was made, seconded and a unanimous vote received to go adjourn the meeting. The meeting was adjourned at 10:50 am