

GREENVILLE-SPARTANBURG AIRPORT

COMMISSION MINUTES

NOVEMBER 24, 2014

The Greenville-Spartanburg Airport Commission met on November 24, 2014 at 8:00 a.m. in the Greenville-Spartanburg Airport District Office Conference Room C located at 2000 GSP Drive, Suite 1, Greer, SC 29651.

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

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, Scott Carr-Director of Properties and Development, Larry Estridge-WCSR, Betty O. Temple-WCSR, Nathan Garner-Aviation Services Manager, and Wanda Jones-Executive Assistant.

GUESTS PRESENT: Alan Robinson-Cherry-Bekaert, Paul Smith-W.K. Dickson, and Chris Watson-SWT

CALL TO ORDER: Chair Minor Shaw called the meeting to order at 8:00 a.m.

CONSENT AGENDA:

A motion was made, seconded, and unanimous vote received to approve the regular meeting minutes from the September 22, 2014.

A motion was made, seconded, and unanimous vote received to accept the Audit Committee Meeting Minutes from October 31, 2014.

PRESENTATIONS:

Mr. Edwards read and presented Mr. Estridge with a written Resolution. Mr. Estridge has decided to retire after serving the GSP Airport District as legal counsel since December, 2001. The Commission expressed their sincere gratitude for Mr. Estridge's tireless dedication to guiding the Airport District.

OLD BUSINESS:

A. Approval to Purchase GSP Digital Signage.

Mrs. Weston reported that consideration for a GSP Digital Sign is being brought back to the Commission as a result of the September 22, 2014 Commission Meeting. Mrs. Weston provided the Commissioners with a White Paper from Erwin Penland and pointed out two (2) important facts. Air Travelers see more

outdoor advertising than the average person and the potential to speak to those travelers that have made a decision not to fly out of GSP. There is the opportunity to drive home messaging every day and to keep GSP Airport top of mind. A digital sign positioned on I-85 would give the Airport District the opportunity to share news such as the recent 2nd quarter USDOT figures, which show that the average domestic fare out of GSP is 4.8% lower than Charlotte.

Mrs. Weston stated the ability to change the sign weekly, daily or hourly can push information to the public and remind them of all the positive things about GSP. Mrs. Miller asked if there is a sign that the digital sign can be compared to. Mrs. Weston stated most all of the digital signs you see on the interstate are approximately the same size. Mr. Ramella asked about single point versus multi point. Mrs. Weston stated she is not suggesting the District abandon advertising on billboards but that the advantage to a digital sign is that the District has the opportunity to create an iconic symbol. An iconic symbol could create the opportunity for the community to talk about GSP on a daily basis.

Mrs. Miller asked what the life span is on the sign. Mrs. Weston stated a five (5) year guarantee comes with the sign and she thinks another five (5) years or longer. The concern would be the change in technology; however, the District has in writing a guarantee that if new technology is introduced, the sign will be updated so that the District is not operating with first year technology.

Mrs. Miller stated instead of \$500,000 dollars we can look at it like \$100,000 a year of advertising dollars for five (5) years. Mrs. Miller asked if Erwin Penland and Woodward and Zwolinski would support this as overall media. Mrs. Weston stated yes, Erwin Penland ranked outdoor advertising as the most significant. Mr. Barnet stated he is concerned over the visual function. Mr. Barnet also stated a key item is the quality of messaging 24/7 and if we have the talent. Mrs. Weston stated that the first five (5) years comes with a creative package. Staff also has relationships with Erwin Penland and Woodward and Zwolinski that can be called upon.

Mr. Ramella asked Mr. Murrin about security and the possibility of hacking. Mr. Murrin stated staff is dealing with hacking issues and are doing penetration testing regularly. Mr. Murrin stated he would have to look into the specifics. Mr. Burch stated he appreciated the hard work by Staff but sees the digital sign as an eye sore and feels the money would be better spent somewhere else. Chair Shaw stated her concern is the overall future plan for property and is not comfortable making a decision until she has a broader picture of the total landscaping and signage plan. Mr. Smith stated he would like to see some strategically placed messaging in Cherokee County.

After a brief discussion, a motion was made, seconded, and a 5 to 1 vote not to approve the Digital Billboard Sign at this time but to bring back as part of the Landscaping Development Master Plan Project.

Mr. Burch asked about the Economic Development Video. Mr. Edwards stated that the video was shown at the Spartanburg Business Breakfast in October and Staff will send a link to the video to the Commissioners. The finishing touches are being put on the 30 second commercial.

NEW BUSINESS:

A. Acceptance of the Greenville-Spartanburg International Airport Financial Audit and Schedules of Expenditures for the Fiscal years Ended June 30, 2014.

Mr. Robinson of Cherry Beakert stated that a detailed audit presentation was presented to the Audit Committee in October. The audit was clean, unmodified, with no exceptions, qualifications, or surprises. The audit was completed and delivered on time and on schedule with no adjustments or changes to the accounting records.

Mr. Murrin respectfully requested that the Airport Commission resolve to accept the Greenville-Spartanburg International Airport Financial Audit and Schedules of Expenditures for the Fiscal Years Ended June 30, 2014. A motion was made, and unanimous vote received to accept the Financial Audit and Schedules of Expenditures for Fiscal year ending June 30, 2014 approved by the Audit Committee.

B. Audit Committee Recommendation Regarding Extension of Auditor Contract.

Mr. Barnet stated that the Audit Committee feels it would not be in the best interest to go out with an RFP for an Auditor with the TIP Construction Project going on. The current working relationship between our team and Cherry Bekaert has been very favorable and exceeds expectations.

The Audit Committee requested that the Airport Commission resolve to accept a three (3) year extension through the FYE June 30, 2018 audit of the contract with Cherry Bekaert as long as they keep their cost increases at or below CPI (Consumer Price Index). A motion was made, and unanimous vote received to accept the recommendation from the Audit Committee to extend the contract with Cherry Bekaert for an additional three (3) years.

C. Landscape Master Plan.

Mr. Howell stated the GSP Campus Landscape Master Plan (LMP) is a budgeted capital project. Staff prepared a Request for Proposals (RFP) and asked all three (3) on-call consultants to respond. Proposals were received from AVCON, Michael Baker International and WK Dickson. The Selection Committee comprised of the President/CEO, VP/COO, and Director of Facilities, Properties Manager, Facilities Manager, and Grounds Supervisor.

Mr. Smith stated that GSP's landscaping is iconic and would like to see the vision continued. Mrs. Shaw stated she agreed with Mr. Smith and would like to see those individuals who have been involved with the landscaping at the airport in the past brought to the table to help. They bring institutional knowledge that is needed.

Mr. Edwards stated the Landscaping Master Plan is not a plan to re-do the landscaping at GSP. This Plan is intended to formulate how Staff effectively replaces landscaping in an orderly way as needed and maintains the aging and diseased trees on airport property. In addition, other areas have been identified for development and Staff wants to make sure the GSP theme is carried out. This Plan is not a new vision or substantially different than what has been accomplished at the airport in the past.

Mr. Howell stated that the Selection Committee recommends the final ranking as:

1. W.K. Dickson
2. AVCON, Inc.
3. Michael Baker International

Mr. Howell stated the Committee felt that WK Dickson team was the strongest team in terms of previous expertise in comparable landscape planning type projects with similar size and scope.

Mr. Edwards stated Staff is more than happy to reach out with a focus group session led by WK Dickson.

Mr. Howell respectfully requested that the Airport Commission resolve to (1) approve the final rankings for the GSP Campus Landscape Master Plan as presented; (2) authorize Staff to negotiate and finalize agreements with the highest ranked firm (if an acceptable agreement cannot be reached with the highest ranked firm, negotiations will be formally terminated and will then proceed with the next ranked firm and so forth); and (3) authorize the President/CEO to execute all necessary documents.

After a brief discussion, Chair Shaw stated that anyone who would like to serve on the Landscaping Task Force to please let her know. The Commissioners agreed they would like to see the people who have been involved with landscaping at the airport be brought in to help.

A motion was made, and unanimous vote received to approve the final ranking for the GSP Campus Landscape Master Plan and bring in the institutional knowledge of the people who have been involved with landscaping at the airport, authorize Staff to negotiate and finalize agreements with WK Dickson, and authorize the President/CEO to execute all necessary documents.

D. Adoption of the Greenville-Spartanburg Airport District Strategic Business Plan.

Mr. Edwards stated part of Item D needs to be discussed in Executive Session; therefore Item D will be tabled until after Executive Session.

PRESIDENT/CEO REPORT:

A. Aviation Industry Update.

Mr. Edwards stated the biggest issue is the upcoming AIP and FAA Reauthorization which will hopefully happen in 2015. The current authorization takes care of all the AIP funding that GSP has counted on.

Jet Blue made a bold move to institute bag fees, which leaves Southwest Airlines as the only airline not charging bag fees.

The airlines are very healthy and profitable. Because of their financial health, they are starting to renew their equipment. From an industry perspective, we are starting to see up-gaging of aircraft, which is very positive.

B. Terminal Art Program Update.

The Terminal Art Program continues to move forward. The next step is the RFQ, which will be sent out worldwide. Mr. Stanis Smith said we could expect 100 plus. The Art Task Force will cut that number to approximately 10-15 and they will be given the actual art task for 5 particular locations. Chair Shaw stated she is very pleased with how the Art Task Force is going.

C. Air Service Update.

Mr. Edwards stated he attended an Airport Roundtable in Hilton Head where the majority of major airline carriers gave an update, which included what cities they are looking to develop. All of the updates were very positive.

COMMISSION MEMBER REPORTS:

Mr. Hank Ramella stated that Bill, Doug, and he attended the Spartanburg Business Breakfast in October at the Piedmont Club. He stated the presentation given by our CEO was excellent and well received by the Spartanburg business leaders.

ADJOURNMENT:

There being no further business, a motion was made, seconded, and adopted to go into Executive Session to discuss contractual matters at 9:25 a.m. The public session resumed at approximately 11:05 a.m.

New Business Item D – Adoption of the Greenville-Spartanburg Airport District Strategic Business Plan: The Commission asked for minor revisions to the Strategic Business Plan pursuant to discussions during the Executive Session.

A motion was made, and a unanimous vote received to adopt the GSP Airport District Strategic Business Plan subject to such minor changes incorporated into the plan.

ADJOURNMENT:

The meeting was adjourned at 11:10 a.m.