

GREENVILLE-SPARTANBURG AIRPORT

COMMISSION MINUTES

NOVEMBER 25, 2013

The Greenville-Spartanburg Airport Commission met on November 25, 2013 at 9:00 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, Leland Burch, Doug Smith, and Valerie Miller.

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 Marketing and Public Relations, Larry Estridge-WCSR Firm, Wanda Jones-Secretary, Scott Carr-Director of Properties and Development, Dan Ingram-IT Manager, Mike Gula-Director of Operations, Bobby Welborn-Police Chief, and Whitney Code-Marketing Specialist.

GUEST PRESENT: Alan Robinson-Cherry Bekaert, Don Warren-Skanska Moss, Nicholas Zatorsky-GSP/Jacobs, and Jim Fair-Greertoday.com.

CALL TO ORDER: Chair Minor Shaw called the meeting to order at 9:00 a.m.

CONSENT AGENDA:

- A. Approval of the Greenville-Spartanburg Airport Commission September 9, 2013 Regular Meeting Minutes:

A motion was made, seconded, and unanimous vote received to approve the minutes from the September 9, 2013 Commission Meeting.

- B. Acceptance of the October 24, 2013 Audit Committee Minutes:

A motion was made, and unanimous vote received to accept the minutes approved by the Audit Committee.

PRESENTATIONS:

- A. **GSP Customer Service:**

Mr. Edwards stated that the Customer Service Presentation will be broken into two (2) different presentations. The first one today will focus on true Customer Service, and in 2014; Staff will focus on a community and public relations presentation. Ms. Weston stated the GSP Mission Statement and the goal of Customer Service. Ms. Weston highlighted the website, gspairport.com, and encouraged all Commissioners to visit and experiment with the website. On the front page of the website you can join the Thanks Again program, which allows a

customer to earn one (1) airline mile for every dollar spent at airport parking, shopping, dining, or Atchison Transportation. To date, the Thanks Again Program has approximately 500 members and is growing in popularity. The front page of the website allows access to reserved parking. Reserved Parking is a customer convenience that has been put in place to make parking easier for passengers. The customer pays a one-time fee of \$5.00 (the \$5.00 comes back to the airport) and the parking space is available when the customer arrives. An online reservation system is available to search, compare, and book flights from the GSP website. An interactive route map has been installed which has received good feedback from customers.

Ms. Weston stated there is no substitute for face-to-face interaction and the Customer Service staff is exceptional at their job. Research Inc. is a full service market research company that has been collecting data and generating reports for several years for the District which allows staff to measure and respond to feedback. As a result of direct customer feedback, staff responded by adding more economy parking and reasonably priced parking. The Skylot was created for customers. Also, as a direct response from customers, luggage carts were installed. Staff will revisit the questionnaire in 2014 to include questions relating to Wingspan. Chair Shaw asked if customers used the luggage carts. Ms. Weston stated yes they have been very well received. Ms. Weston will provide the Commissioners with a report on the usage of the luggage carts.

Customers can directly communicate with staff through the website, Facebook, Twitter, email, or a phone call. Ms. Weston stated that staff responds to every customer every time. Many of the comments are directly related to a customer's issue with a tenant that the District does not have direct control over but staff helps to get the complaint to the correct person.

Moving forward in 2014, staff will introduce the Happy or Not Meter which will give some immediate data of how Customer Service is being delivered in a particular area. Also, way-finding signs will be repainted and lettered to help the customer better maneuver through the airport campus. Also in 2014, mystery shopping will take place to identify and isolate areas where the delivery of Customer Service can be improved. Mr. Barnett asked how the District promotes the same mindset of Customer Service to those tenants that we do not have direct control over. Ms. Weston stated in the past the District approached all tenants and offered Customer Service training; however it did not go over well. Staff does cover Customer Service at the monthly tenant meetings. Passengers also have an opportunity to tell us which tenants are delivering great Customer Service through the Research Inc. marketing surveys. Mr. Edwards stated Customer Service training creates some potential conflicts due to the employee's time away and who pays for that time away from the job. Mr. Edwards asked Ms. Miller her thoughts. Ms. Miller stated Customer Service should be part of the Concession Agreement. Mr. Edwards stated staff needs to find new and creative

ways to convey to the tenants the need for a high level of Customer Service and what the District's expectations are. Chair Shaw stated Customer Service is better. Mr. Smith asked what the typical term of the concession agreements is. Mr. Edwards stated five (5) years with a five (5) year option. Mr. Edwards stated tenants are governed by the District's Rules and Regulations which can be amended at the sole discretion of the District. Ms. Miller commented that every vendor at the airport is in the hospitality business and Customer Service is a marketing strategy; therefore the District needs to embrace Customer Service to a higher level. Mr. Edwards stated Customer Service will be a part of the strategic business plan discussion.

OLD BUSINESS:

A. Amendment to Greenville-Spartanburg Airport Commission Administrative Policies and Procedures – Section 102.00 to include Ethics Section and Annual Ethics Statement:

Mr. Estridge commented that in September the Commission explored how to handle the ethics statement. Since all Commissioners are subject to the SC Ethics Commission Rules of Conduct, Commissioners agreed a simple form would be best. Mr. Smith asked if it was Counsel's view that Commissioners need to sign something that they already have a legal obligation to disclose. Mr. Estridge stated the Ethics Statement is the recommendation of the Audit Committee and it is good practice. Mr. Burch asked if Staff will provide the statement to the Commission every year. Mr. Edwards stated yes. After a brief discussion the Commission agreed the Ethics Statement needed to be signed in January instead of June to coincide with the Commission appointments.

Mr. Edwards respectfully requested that the Airport Commission resolve to accept the Amendment to Greenville-Spartanburg Airport Commission Administrative Policies and Procedures – Section 102.00 to include an Ethics Section and Annual Ethics Statement. A motion was made, and unanimous vote received to accept the Amendment from the Audit Committee.

NEW BUSINESS:

A. Acceptance of Greenville-Spartanburg International Airport Financial Audit and Schedules of Expenditures for the Fiscal Years Ended June 30, 2013:

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. Barnet, Chair of the Audit Committee, stated Mr. Robinson

and Mr. Murrin have done a great job with a clean process including the study of the construction projects.

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, 2013. A motion was made, and unanimous vote received to accept the Financial Audit and Schedules of Expenditures for Fiscal Year Ending June 30, 2013 approved by the Audit Committee.

B. Award of Common Use Processing System Contract:

Mr. Murrin stated that Common Use Processing System will standardize how the airlines will operate at gates and allow Staff the flexibility to put multiple airlines at a particular gate. An airline that is operating five (5) or six (6) turns a day would get exclusive gate use even though Staff has the opportunity to assign any airline to any gate with a Common Use Processing System. Mr. Murrin stated as part of the four year Terminal Improvement Project (TIP), airlines will be temporarily relocated and it is the District’s intent to have common use equipment available for all airlines during the transitory period in order to ease the inconvenience of relocation.

Mr. Murrin stated two (2) companies submitted a bid for the Shared Use System: AirIT and SITA.

	AirIT	SITA
In-Scope: 5 year Total Cost of Ownership	\$509,510	\$647,146
Out of Scope 24 mo. price guarantees:		
• 1 gate processing system	\$21,941	\$11,890
• 1 mobile gate equipment (“CoW”)	\$11,002	\$17,008
• 1 CUSS kiosk	\$15,376	\$21,546

Mr. Murrin stated AirIT utilizes VMware and local authentication while SITA has non-virtualized OS installations with a windows domain for authentication which is more complex and less flexible. AirIT has twenty-four (24) airports processing over forty (40) million passengers annually. Mr. Burch asked if the cost is part of the Wingspan budget. Mr. Murrin stated the first year of implementation cost will be funded by Wingspan then going forward it will be part of IT’s operating budget. Chair Shaw asked how much the ongoing yearly cost will be and do we own the

equipment. Mr. Murrin stated \$50,000-\$55,000 yearly costs and yes, the District owns the equipment.

Mr. Murrin respectfully requested that the Airport Commission resolve to approve the award of the Common Use Processing System contract to AirIT in an amount not to exceed \$509,510.00 for the initial phase as discussed and authorize the President/CEO to execute the necessary documents. A motion was made, seconded and unanimous vote received to approve the award of the Common Use Processing System contract to AirIT.

PRESIDENT/CEO REPORT:

A. Aviation Industry Update:

Mr. Edwards stated the overwhelming topic of discussion has been the US Airways and American merger. The merger should be positive for GSP, but as with most mergers, it will be hard to tell until the full merger starts to come together. At the upcoming Strategic Business Planning Workshop, the Commission will have the opportunity for some additional discussion concerning the merger and how we may need to respond. Mr. Barnet asked how the CLT ownership will be resolved. Mr. Edwards stated the date has not been decided by the court.

B. Introduction of Scott Carr, Director of Properties and Development:

Mr. Edwards introduced Mr. Carr who has fifteen (15) plus years in the aviation industry and held several positions in the industry. His last position was Deputy Director of Administration and Properties at the Portland Maine Airport. Mr. Carr will be a great asset to the airport and we are pleased to have him at GSP. The Commission welcomed Mr. Carr.

C. Fuel Consortium Discussion with Airlines:

Mr. Edwards stated there still seems to be some dissatisfaction among the airlines and the level of service and pricing related to Stevens Aviation. Allowing a fuel consortium does provide the airlines with the lowest possible cost and makes the airlines solely responsible. Further discussions about FBO services will be discussed in the Strategic Business Planning Sessions. Mr. Edwards stated he will keep the Commission informed.

D. Commission Appointments:

Mr. Edwards congratulated Mr. Burch and Mr. Barnet for receiving respective Legislative Delegation recommendations for reappointments to the Airport Commission. The District is waiting on confirmation letters from the Governor. Chair Shaw thanked Mr. Burch and Mr. Barnet for their willingness to continue to serve.

E. Annual FAA Part 139 Inspection:

Mr. Edwards stated the annual FAA Part 139 Inspection took place in November and for the sixteenth (16) year in a row the airport had a clean Part 139 Inspection. Mr. Edwards stated that all aspects of what we do operationally were reviewed and he thanked Staff for this accomplishment and their dedication. The Commission applauded and congratulated the Staff for this accomplishment.

F. Regional Collaboration Award:

Mr. Edwards stated he had the privilege of attending a Ten at the Top meeting at which the airport received the Regional Collaboration Award. This award is given to recognize individuals, businesses, or organizations whose actions have demonstrated a sustained commitment and effort to developing and fostering collaborations that work strategically to make the Upstate one of the best places to live and do business and raise a family. Mr. Edwards stated he encourages staff to continue to reach out in the community and be involved and engaged. He also stated he continues to encourage senior staff to sit on various boards in the Upstate. The Commission congratulated everyone who works with the airport.

G. TIP Construction Tour:

Mr. Edwards reminded the Commission a tour would take place immediately following Executive Session for those wanting to participate. Mr. Ramella commented that the new carousel looks great. Chair Shaw stated that she has had several people from the community express their appreciation on what a good job the airport is doing with the TIP Project by not inconveniencing the traveling public even with all the changes. Chair Shaw also commented that the pictures look great and it helps the public visualize why this is happening and what is to come.

INFORMATION SECTION:

Chair Shaw asked Mr. Edwards to comment on the Information Section. Mr. Edwards stated two (2) months of traffic reports were included. Traffic is still tracking down slightly but overall the airport is in good shape. The next set of reports will not be issued until January. Mr. Edwards stated that load factors continue to be high. Ms. Miller asked if there are any more airlines to fill the gap. Mr. Edwards stated JetBlue is one of the last low fare carriers and that Staff continues to have discussions with JetBlue about serving GSP. Mr. Edwards indicated that he does not think there will be any new airline start-ups, but we will see a profitable airline industry that is finally able to recoup their cost of capital. Mr. Burch asked if there was any chance of Frontier. Mr. Edwards stated Frontier was recently sold and he is not sure of the future of Frontier.

The next meeting is scheduled for January 27, 2014 at 9:00 a.m. and at that meeting the approval of Terminal Improvement Program Core/Concourse Package Component Guaranteed Maximum Price will be presented.

COMMISSION MEMBER REPORTS:

Mr. Burch reported on the recent ACI-NA Annual Conference in San Jose, CA where he attended a session on "Making Airports a Destination". After a brief discussion, Mr. Burch asked the Commission to think about an observation deck at the airport to allow an opportunity for people to visit the airport.

ADJOURNMENT:

There being no further business, a motion was made, seconded and adopted to go into Executive Session to discuss legal matters at 10:45 a.m. At 11:55 a.m. public session resumed with no further business being discussed. The meeting was adjourned at 12:01 p.m.