

GREENVILLE-SPARTANBURG AIRPORT COMMISSION

MINUTES

NOVEMBER 20, 2015

The Greenville-Spartanburg Airport Commission met on November 20, 2015 at 9:00 a.m. in the Greenville-Spartanburg District Office Conference Room C located at 2000 GSP Drive, Suite 1, Greer, South Carolina 29651. The public and media were given proper notice of this meeting, under applicable law. This was a regular, non-emergency meeting.

MEMBERS PRESENT: Minor Shaw, Leland Burch, and Bill Barnet. Hank Ramella via conference call.

MEMBERS NOT PRESENT: Valerie Miller and Doug Smith.

STAFF AND LEGAL COUNSEL PRESENT: David Edwards, President/CEO; Kevin Howell, Vice President/COO; Jack Murrin, Vice President Administration and Finance/CFO; Rosylin Weston, Vice President Communications; Marsha Madore, Director of Human Resources; Betty O. Temple, WCSR; and Tina Honeycutt, Executive Assistant/Recording Secretary.

GUESTS PRESENT: Alan Robinson, Cherry Bekaert; Alex Chambers, Spartanburg High School.

CALL TO ORDER: Chair Minor Shaw called the meeting to order at 9:05 a.m.

CONSENT AGENDA:

A motion was made, seconded, and unanimous vote received to approve the regular meeting minutes from the September 14, 2015 Commission Meeting.

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

PRESENTATIONS:

A. Human Resources Presentation

Ms. Marsha Madore, Director of Human Resources presented a brief presentation highlighting the Greenville-Spartanburg Airport District Human Resources Department and their overall responsibilities. The presentation addressed five areas that are accomplished on a daily basis; Recruitment, Benefits, Compensation, Employee Relations and Training.

Chair Shaw thanked Ms. Madore for her presentation and the work performed by the Human Resources Department.

OLD BUSINESS: None

NEW BUSINESS:

A. Acceptance of the Greenville-Spartanburg Airport District Financial Audit and Schedules of Expenditures of Federal Awards as of and for Fiscal Years Ended June 30, 2015 and 2014, and Report of Independent Auditor.

Mr. Robinson of Cherry Bekaert 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. Robinson also reported that this year there is a new accounting rule requiring Governments, Districts and the like to record the State of South Carolina proportionate share of the unfunded pension liability. The State of South Carolina has a ten (10) billion dollar unfunded pension liability. The proportionate share for Greenville-Spartanburg Airport District was approximately nine (9) million dollars that has to be included as a journal entry but it is a non-cash liability.

Mr. Barnet, Chair of the Audit Committee stated Mr. Robinson and Mr. Murrin have done a great job with a clean process. Mr. Burch made a motion to approve; Mr. Ramella seconded and unanimous vote was received to accept the Greenville-Spartanburg Airport District Financial Audit and Schedules of Expenditures of Federal Awards as of and for Fiscal Years Ended June 30, 2015 and 2014 approved by the Audit Committee.

PRESIDENT/CEO REPORT:

- A. Mr. Edwards reported that the aviation industry is healthy and strong. Airlines are making record profits and growth and expansion of route networks are being seen around the country.
- B. Mr. Edwards stated that Congress has approved a two year federal budget. Mr. Edwards anticipates that FAA re-authorization will be addressed after the new year. It has been re-authorized for the six months which reaches out to March 2016. It is expected that it will be approved for a full Federal fiscal year through 2016 and there is the possibility of a two year approval in order to get past the election cycle.
- C. Southwest changes that were announced a few weeks ago and the loss of certain non-stop destinations from Greenville-Spartanburg International Airport is a concern within the community. A positive attribute of the change is that Southwest will offer three flights out of Greenville-Spartanburg International Airport to Atlanta which may resonate better with the business traveler. Fifty percent (50%) of Southwest passengers are going beyond the destination Southwest flies nonstop today. Those passengers will now be connecting through Atlanta versus other locations. Other carriers may increase

capacity to destinations as a result to continue to service origin and destination customers. There will also most likely be a competitive fare response from Delta which will result in lower fares for the consumer. Approximately twenty airports were affected by the Southwest schedule change. If the model change is more successful for Southwest and resonates well with the business community it will be a positive for Greenville-Spartanburg International Airport.

- D. Mr. Edwards and Staff attended the National Business Aviation Association (NBAA) Conference and Exhibition in Las Vegas, NV. Greenville-Spartanburg International Airport had a booth and marketed our airport properties to aviation aerospace companies. NBAA also provided an opportunity for conversations and meetings with fuel providers, fuel truck providers and helped to identify FBO software opportunities as we are working toward our 2016 FBO operations. The conference also resulted in several leads for land development at Greenville-Spartanburg International Airport.

Chair Shaw stated she would like Staff to communicate to the flying public from Greenville-Spartanburg International Airport the additional routes that Southwest will offer from Atlanta that may provide more destinations to travelers. Informing the community of the Atlanta flight routes could be beneficial. Mr. Edwards commented that the change also opens up southeast destinations that previously were not available with Southwest.

Chair Shaw asked Mr. Edwards to provide an update on the Terminal Improvement Project. Mr. Edwards stated the project is progressing at a consistent pace. TSA has delivered the baggage handling x-ray devices which is a good milestone for the project. There will be a major move in the spring with airlines relocating to permanent counters, the opening of the new outbound baggage system, and the TSA checkpoint. Completion of the concessions and Grand Hall area will follow.

COMMISSION MEMBER REPORTS:

Mr. Leland Burch reported that he has agreed to Chair the ACI-NA Commissioners Committee. A topic of interest noted at the meeting in Long Beach, CA was that noise issues are becoming a concern among communities with FAA implementing next generation practices. The FAA is realigning the way airlines enter and exit the airport to save fuel and make operations better. Mr. Edwards commented that Greenville-Spartanburg International Airport has not been impacted by the FAA flight pattern changes as much as other airports.

Mr. Burch also stated that he attended a presentation on beacon technology which allows passengers to use an application to provide area maps and notification when luggage is available which is becoming popular with larger airports. Mr. Edwards replied that Greenville-Spartanburg International Airport will be implementing beacon technology through the Thanks Again Program and will then work to transition such technology into an airport wide program. It is an opt-in application that will connect customers to a beacon, which then pushes information to their personal devices.

Chair Shaw congratulated Mr. Burch on becoming Chairman of the ACI-NA Commissioners Committee.

EXECUTIVE SESSION:

There being no further business, a motion was made, seconded, and carried to go into Executive Session. The specific purpose of the executive session was announced as to receive legal advice regarding a lawsuit filed by iStar Tara, LLC as lender, against Stevens Aviation, a Greenville-Spartanburg Airport District ("GSP") tenant and related matters. GSP was included as a "nominal" defendant by virtue of its ownership of the property underlying the leasehold interest.

ADJOURNMENT:

At approximately 11:25 a.m. public session resumed with no action being taken. The meeting was adjourned at 11:26 a.m.

SIGNATURE OF PREPARER:

A handwritten signature in cursive script that reads "Tina Honeycutt". The signature is written in black ink and is positioned above a horizontal line.

Tina Honeycutt