

GREENVILLE-SPARTANBURG AIRPORT COMMISSION

MINUTES

September 9, 2019

The Greenville-Spartanburg Airport Commission met on September 9, 2019 at 9:00 a.m. in the Greenville-Spartanburg District Office Board Room located at 500 Aviation Parkway 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, Hank Ramella, Leland Burch, Valerie Miller, Doug Smith, and Bill Barnet

MEMBERS NOT PRESENT: None

STAFF AND LEGAL COUNSEL PRESENT: David Edwards, President/CEO; Kevin Howell, Senior Vice President/COO; Basil Dosunmu, Senior Vice President-Administration and Finance/CFO; Scott Carr, Vice President Commercial Business and Communications (Environs Area Administrator); Ashley Bruton, Director of Human Resources; Bobby Welborn, Police Chief; Mike Kossover, Senior Director of Operations and Public Safety; Jonathan Stone, Contracts Manager; Betty O. Temple, WBD; Stefanie Hyder, Executive Assistant/Recording Secretary

GUESTS PRESENT: Technical Sergeant Scott Hendrickson, USAF; Erik Hartley, McFarland Johnson; Mike Darcangelo, AVCON, Inc.; Clay Greene, ADC Engineering; Dan Stoddard, Prime Engineering

CALL TO ORDER: Chair Minor Shaw called the meeting to order at 9:11 a.m. Mrs. Shaw expressed appreciation for the photo op this morning celebrating the completion of WINGPSAN.

CONSENT AGENDA: A motion was made, seconded, and unanimous vote received to approve the Consent Agenda as follows:

- A.** The Greenville-Spartanburg Airport Commission June 24, 2019 Regular Meeting Minutes.
- B.** Appointment of a Member to the Airport Environs Planning Commission. Mr. Edwards commented on the appointments and noted that Mr. Dean Hybl, Executive Director of Ten at the Top, was recommended as the Greenville County Appointee to the Airport Environs Planning Commission.
- C.** Approval of the Greenville-Spartanburg Airport Commission Meeting Dates and Times for Calendar Year 2020

Mr. Edwards presented a few items to the Commission members which included:

- GSP branded beer *Flight Line* glasses
- USAF coins from MSgt. Alexis Morris-Effinger who was GSP's 2018 Fellow under the Education with Industry (EWI) program
- "To the Sky – A Collection of Art" booklets with copies to be sent to the Art Task Force and the artists
- The Cargo Facility Ribbon Cutting event memoir

PRESENTATIONS:

A. Recognition of Mr. James Whitten – Greenville Spartanburg Airport Commission Appointee to the Airport Environs Planning Commission

Mr. Scott Carr, VP Commercial Business and Communications, recognized Mr. James Whitten, Greenville-Spartanburg Airport Commission's Greenville County Appointee to the Airport Environs Planning Commission. While Mr. Whitten was unable to attend this regularly scheduled Commission meeting, he requested that a statement be read aloud and shared with the GSP Commission during the presentation.

The GSP Airport Commission and the Airport Environs Planning Commission presented tokens of appreciation for his 10 years of dedicated service. Mr. Whitten, in writing, asked Mr. Carr to convey his sincere gratitude for entrusting him to serve on the Greenville County representative seat over the past decade and regrets that he couldn't be present at this meeting. He was truly appreciative of the recognition award from the Commission.

B. Education With Industry (EWI) Program Participant - Technical Sergeant Scott Hendrickson

Mr. Michael Kossover, Senior Director of Operations and Public Safety, introduced GSP's new Air Force Fellow, Technical Sergeant (TSgt) Scott Hendrickson. He has been in the Air Force for nine years and comes to GSP from MacDill Air Force Base in Florida. Prior to that, TSgt Hendrickson served in Turkey and Charleston. He is completing his Bachelor of Science in Business Administration.

Mr. Kossover noted that GSP is the only airport representing the EWI program this year.

The Commission welcomed TSgt Scott Hendrickson.

C. Air Service Development – Passenger Leakage Statistics Update

As a follow-up to the May 28, 2019 GSP Commission Meeting, Mr. Scott Carr, VP Commercial Business and Communications, presented calendar year 2018 passenger leakage statistics in the primary catchment area.

The GSP primary catchment area has a population of approximately 1.5 million people and is able to pull a significant amount of traffic. There are 484,000 domestic passengers and 166,000 international passengers in the GSP primary catchment area that originate at AGS, ATL, AVL, CAE, CHS or CLT.

On the domestic side, in markets without GSP non-stop service, passengers utilize GSP 54% of the time. In markets with GSP non-stop service, passengers utilize GSP 66% of the time. GSP's domestic leakage is 53% to Atlanta followed by 43% to Charlotte. GSP's international leakage is 58% to Atlanta followed by 39% to Charlotte.

Mr. Edwards commented on 63% overall catchment number and the 23% increase in the capture rate over the past ten years.

The Commission further inquired about the leakage to Atlanta and emphasized marketing direct flights.

OLD BUSINESS: None

NEW BUSINESS:

A. Approval of Revisions to and Readoption of the Greenville-Spartanburg Airport District Administrative Policies and Procedures

Mr. Edwards, President/CEO, prefaced the presentation listing a few of the many sources that were used while District Staff conducted the holistic review of the Policies and Procedures, development of the Employee Incentive Pay Plan (EIPP), and rewrites of the DBE/ACDBE programs.

Sources included other airports, government sources, state codes, other organizations, state procurement manuals, FAA guidance documents and FAA Advisory Circulars, Airport Improvement Program, Airport Federal Regulations and Federal Acquisition Regulations, Airport Cooperative Research Board, Transportation Research Board, National Institute Public Procurement, and National Contract Management Association.

Mr. Edwards highlighted that District Staff surveyed nineteen other airports specifically related to the EIPP.

Mr. Dosunmu, Senior Vice-President Administration and Finance/CFO, presented the substantive changes to the Greenville-Spartanburg Airport District Administrative Policies and Procedures.

The Airport Commission last adopted changes to the District's Administrative Policies and Procedures on May 18, 2015. Staff does recommend proposed changes to the Administrative Policies and Procedures from time to time to address new issues, maintain compliance with applicable laws and regulations, and to clarify policy. The entire Administrative Policies and Procedures manual was reviewed by District Executives, Directors, and Managers to secure organizational wide input for the proposed revisions. Minor grammatical revisions were made as well to various Sections, which were not included in the Package as they did not represent a substantive change in the intent of any policy or procedure.

Mr. Dosunmu referred to the *Administrative Policies & Procedures Change Summary Matrix* that was included in the Commission Package and discussed those substantive changes that were made throughout the Entire Document as well as specific Sections of the Policies and Procedures.

The Commission inquired about the frequency of review to which Mr. Edwards recommended a comprehensive review every five years with interim updates along the way. During the presentation, the Commission inquired about purchase authorization, smoking, and financial impact to which Mr. Edwards, Mr. Carr, and Mr. Dosunmu responded.

There was a motion to readopt the Greenville-Spartanburg Airport District Administrative Policies and Procedures with the proposed substantive revisions as presented. The motion was seconded and unanimously approved.

B. Approval of the New Greenville-Spartanburg Airport District Employee Incentive Pay Plan

Mr. Dosunmu, Senior Vice-President Administration and Finance/CFO, presented the new Employee Incentive Play Plan (EIPP). The purpose of the EIPP is to establish the guidelines for determining eligibility, criteria, computation, termination, etc. and it provides a framework for the District to operate an employee incentive pay plan.

On May 28, 2019, the Airport Commission approved the funding for the new Employee Incentive Pay Plan as part of the FY2019/2020 budget.

The District recognizes that employees are integral to its business and the EIPP is essential in attracting, recruiting, and retaining high performing employees that will continue to fulfill the mission, vision, and values of the Airport District.

Mr. Dosunmu reviewed the EIPP criteria (safety, financial, airline revenue, cost per enplaned passenger, fund balance, and customer service) and eligibility requirements which were outlined in the Commission package. The Airport Commission previously approved \$575,000 to fund this program.

Mr. Edwards expounded on the incentive program and noted the research conducted. The Commission inquired about effective date, distribution, clarification on the fund balance and metrics, customer service, waivers, termination clauses, rollout and communication, and retention. Mr. Edwards responded to each question and reiterated that the metrics will be adopted at budget time and that the Commission, from a governance standpoint, will set parameters and manage the metrics.

Legal Counsel will revise the wording in the EIPP so as to provide clarity and discretion of goals, safety nets, and the overall management of the program thereof and Mr. Edwards noted providing copies of the revised plan for follow-on comments and concerns.

There was a motion to amend the motion to approve the new Greenville-Spartanburg Airport District Employee Incentive Pay Plan as presented subject to Legal Counsel's revisions to provide clarity on who makes the determination, to provide clarity on what happens in the event that not all metrics are met, and the opportunity for the Commission to revisit. The motion was seconded and unanimously approved.

C. Approval of Revisions to and Readoption of the Greenville-Spartanburg Airport District Human Resources Policies and Procedures

Ms. Bruton, Director of Human Resources, presented the substantive changes to the Greenville-Spartanburg Airport District Human Resources Policies and Procedures.

Ms. Bruton referred to the *Human Resources Policies & Procedures Change Summary Matrix* that was included in the Commission Package and discussed those

substantive changes that were made throughout the Entire Document as well as specific Sections of the Policies and Procedures.

The Commission inquired about policies related to mental health awareness to which Mr. Edwards responded. Mr. Howell further commented that our Operations and Public Safety Staff manage the access control system and TSA is vigilant about insider threat and/or suspecting activity. Discussed ensued. The Commission further inquired about the Employee Assistance Program (EAP) to which Ms. Bruton responded.

There was a motion to readopt the Greenville-Spartanburg Airport District Human Resources Policies and Procedures with the proposed substantive revisions as presented. The motion was seconded and unanimously approved.

D. Approval of Revisions to the Greenville-Spartanburg Airport District's DBE Program and the ACDBE Program

Ms. Bruton, Director of Human Resources, presented some background information on the Disadvantaged Business Enterprise (DBE) and Airport Concessions Disadvantaged Business Enterprise Programs (ACDBE) which have been established in accordance with the regulations of the U.S. Department of Transportation.

The District has received Federal financial assistance from the U.S. Department of Transportation and as a condition of receiving this assistance, the District has signed an assurance that it will comply with CFR Part 23 and CFR Part 26.

The District's DBE/ACDBE programs were last updated in June 2012. Both programs constituted a re-write; therefore, a redlined copy with substantive changes was not included in the Commission package.

There was a motion to approve the rewrite of the Greenville-Spartanburg Airport District's Disadvantaged Business Enterprise (DBE) Program and the Airport Concessions Disadvantaged Business Enterprise (ACDBE) Program as presented. The motion was seconded and unanimously approved.

E. Approval of American Airlines Ticket Counter Kiosk and Workstation Capital Improvement Project

Mr. Carr, VP Commercial Business and Communications, presented the capital improvement project for American Airlines kiosks and workstations.

The Airport District presently has Amadeus Extended Airline System Environment (EASE) software platform at all 13 gates and at the ticket counters for Allegiant, Frontier, and Southwest. American Airlines uses its own proprietary computer hardware at the ticket counter and has requested to be placed on (EASE).

American Airlines needs five work stations that include computer hardware, kiosks, and EASE software licenses. This project would improve overall customer service with the equipment not being routinely out of service since the Airport District's IT Department would maintain it and fix issues that arise.

The hardware and software costs total \$238,761. The Airport District would amortize these costs over a five-year period with a 5% interest rate charged back to American Airlines allowing for the Airport District to recoup O&M and capital costs.

There was a motion to (1) approve a new capital improvement project as presented in the total amount of \$238,761 and (2) authorize the President/CEO to execute all related agreements and contracts. The motion was seconded and unanimously approved.

PRESIDENT/CEO REPORT:

Aviation Industry Update:

Mr. Edwards provided an update on the 737 Max aircraft. Southwest Airlines has stated that the plane will be back in service by Thanksgiving, while other carriers have written of the Max coming back in service by the end of the year. GSP has not experienced a direct impact, but Southwest recently announced ceasing service to 20 city pair markets domestically and reallocating such aircraft time into the Hawaii market.

Airlines are still profitable and loads are high across the system. Recent numbers on a national basis show a trending down on overall passenger growth on a nationwide basis. GSP, however, continues to perform well above the national level.

GSP Strategic Business Plan:

Mr. Edwards reminded the Commission of the GSP Board Retreat on November 25 following the Commission meeting to discuss the 5-year GSP Strategic Business Plan.

Flight Line Beer Announcement:

Mr. Edwards commented that it was a great event.

Planned Aviation Parkway Closures:

Mr. Edwards addressed the closure of Aviation Parkway and presented the drawings to the Commission. There will be some impacts and mobility challenges. Construction is expected to begin around the Thanksgiving holiday. The Commission inquired about the completion date and a traffic study to which Mr. Edwards responded.

COMMISSIONER’S REPORT: None

EXECUTIVE SESSION:

There being no further business, a motion was made, seconded, and carried to go into Executive Session at 11:07 a.m. for the purpose of discussing an economic development project.

At approximately 11:13, public session resumed with no action being taken in Executive Session.

OPEN SESSION:

Mr. Scott Carr provided the Commission with an overview of a potential lease for Tract B located along State Route 80 for a business development/economic development opportunity. Staff requested the ability to negotiate with a proposed tenant for an approximately 33-acre tract of land on Tract B, and an option parcel of approximately 28 acres, with a base term of 30 years and two 10-year option periods.

There was a motion to approve the lease terms for Project Perry as discussed and to bring a final agreement for ratification to the November Commission Meeting. The motion was seconded and unanimously approved.

ADJOURNMENT:

The meeting was adjourned at approximately 11:18 a.m. The next meeting is scheduled for November 25, 2019 at 9:00 a.m.

SIGNATURE OF PREPARER:



Stefarlie Hyder