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KERRVILLE-KERR COUNTY JOINT AIRPORT BOARD

Regular Meeting

Monday, January 16, 2012

8:30 a.m.

Airport Terminal Conference Room

1877 Airport Loop Road

Kerrville, Texas

12 MEMBERS PRESENT: MEMBERS ABSENT:
Stephen King, President Corey Walters
13 Tom Moser, Vice-President
Mark Cowden
14 Ed Livermore

15 AIRPORT BOARD STAFF PRESENT:
16 Bruce McKenzie, Airport Manager
Laurie DeJohn-Ermey, Executive Assistant
17

18 COUNTY STAFF PRESENT:
Guy Overby, Commissioner Pct. 2
19 Jonathan Letz, Commissioner Pct. 3
Jeannie Hargis, Auditor
20

21 CITY STAFF PRESENT:
Mike Erwin, Finance Director
22

23 VISITORS:
Mike Wellborn, Wellborn Engineering
24 Mark Armstrong, Kerrville Daily Times
Zeke MacCormack, San Antonio Express News
25

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1 On Monday, January 16, 2012, at 8:30 a.m., a regular
2 meeting of the Kerrville-Kerr County Joint Airport Board was
3 held in the Airport Terminal Conference Room, Louis Schreiner
4 Field, Kerrville, Texas, and the following proceedings were
5 had in open session:

6 PROCEEDINGS

7 MR. KING: All right. We'll call this meeting to
8 order of the Kerrville/Kerrville County Joint Airport Board,
9 January 16th meeting at 8:30. Call to order. Visitors
10 Forum. At this time, any person with business not scheduled
11 on the agenda may speak with the board -- with the Airport
12 Board. No deliberation or action may be taken on these items
13 because the Open Meetings Act requires an item to be posted
14 on the agenda for 72 hours before the meeting. Visitors are
15 asked to limit their presentations to three minutes. Anyone
16 have anything they'd like to visit with us about?

17 MR. McKENZIE: Steve, I'd like for Ray Watson to
18 address the board for just a moment, please.

19 MR. KING: Sure.

20 MR. MOSER: Hey, Ray, how are you doing?

21 MR. WATSON: Doing good. How are y'all?

22 Basically, I just wanted to thank you for the opportunity to
23 be here this morning, and let you know we are working with
24 the City and the County on economic development, and very
25 interested in y'all's master plan. We've -- Bruce and I have

1 already talked about it, had a good meeting last week, and
2 just looking forward to being a part of what y'all are doing
3 and what y'all are trying to do. And if there's anything
4 that we can do to help you, just let us know about that. So,
5 that's basically it.

6 MR. COWDEN: Appreciate you coming.

7 MR. WATSON: No problem. Thank you.

8 MR. MOSER: There's lots of potential out here,
9 Ray.

10 MR. WATSON: Definitely.

11 MR. KING: Maybe in our planning sessions, those
12 planning meetings we have, if you could attend.

13 MR. WATSON: We'd love to.

14 MR. KING: Once a quarter, if we could get you
15 involved. Come visit, at least sit in on it.

16 MR. WATSON: Thank you.

17 MR. KING: All right. Anybody else? Nothing?

18 Monthly financials. Jeannie? Item 2A under Discussion and
19 Possible Action.

20 MS. HARGIS: I'm going to go over your general
21 fund, which is Fund 47. Page 1 is your balance sheet; shows
22 you have \$303,288.20, liabilities of 15,430, and the fund
23 balance total equity of 251,858.20, for a total again of
24 303,288.20. On Page 3 is your income statement for -- as of
25 December 31. Total amount of year-to-date revenue,

1 94,956.34. Page 4 --

2 MR. LIVERMORE: Where are you, Jeannie?

3 MS. HARGIS: On Page 3.

4 MR. KING: Three at the bottom.

5 MR. LIVERMORE: Yeah.

6 MR. COWDEN: The County and the City didn't put
7 their monthly contribution down for December?

8 MS. HARGIS: Yes.

9 MR. COWDEN: Monthly revenue?

10 MS. HARGIS: The monthly revenue for -- is through

11 December. No, because we both paid -- we paid a little --

12 one month behind.

13 MR. COWDEN: Okay.

14 MS. HARGIS: Because of the budget getting

15 clarified and all that.

16 MR. COWDEN: Okay.

17 MS. HARGIS: But I think we're all caught up now in

18 the month of January.

19 MR. COWDEN: Okay.

20 MS. HARGIS: But we match. Page 4 is the salaries.

21 Total year-to-date, 34,596.56. Page 5 is the general

22 categories. If you go to Page 6, the total of all of those

23 is 17,720.90. Page 7 is the utilities for this building, and

24 so the total expenses to-date, including salaries and

25 general, is 55,591.40, leaving you a balance of 39,364.94.

6

1 MR. MOSER: So, on utilities, we're a little bit --

2 spending at a little bit higher rate than we anticipated.

3 MS. HARGIS: Well, it's also been a little bit

4 colder.

5 MR. MOSER: Yeah. Yeah. It's not a big deal, but

6 everything else seems to be -- and that's probably what it

7 was, okay.

8 MS. HARGIS: Also, remember the rates did go up a

9 little bit.

10 MR. MOSER: And that's just divided by 12 average,

11 got it. Okay. No problem.

12 MS. HARGIS: Okay. 48 is the capital account.

13 MR. MOSER: Which page?

14 MS. HARGIS: Page 8.

15 MR. MOSER: Uh-huh.

16 MS. HARGIS: We have 143,838.47 in the account. We

17 have a liability in that of 25,000. And then the -- the fund

18 balance for prior year is 114,399.77. Current fund balance,

19 4,438.70, for a total there of 118,838.47. Matching

20 liabilities of 143,838.47. There is a problem here, but I'd

21 like to finish these and then go back to them.

22 Reimbursements from TexDOT, Page 9. That's one of the

23 problems. That's from the prior year. We just got that on
24 the 14th of December, and this was all kind of fragmented
25 over November and December, and we closed our books early

7

1 this year so we could get the audit done. So, we talked to
2 the Auditor; we've got to take this back to last year so it
3 clears out of here. We also have another 20,000 we need to
4 clear out of here in the expense. So, these were items that
5 we put half of it on, but we didn't know exactly what TexDOT
6 was going to pay, so we didn't put the liability; we didn't
7 put the receivables.

8 MR. LIVERMORE: They paid the full 50?

9 MS. HARGIS: They paid the full 50. It's broken
10 down into three payments. There was a \$3,300 bill to
11 TexDOT -- from TexDOT to us. They paid 1,650; they gave us
12 credit for 1,650, so we actually didn't get those funds.
13 Then the second reimbursement, we got a full \$25,000, a
14 little bit better than 25. Then the second go-round, we got
15 23,089.94. And so it's that 3,000 that we need to take back
16 to last year.

17 MR. KING: What projects were those off of?

18 MS. HARGIS: That was the REILs that we bought, and
19 we bought them in August, and they didn't get totally done
20 until November.

21 MR. KING: Okay. Okay.

22 MS. HARGIS: And that's kind of --

23 MR. KING: Did we buy those with RAMP grant?

24 MR. McKENZIE: Yes, sir.

25 MS. HARGIS: It's with RAMP grant money, so that's

8

1 the reason why it just --

2 MR. COWDEN: Tell me again. We bought what?

3 MS. HARGIS: REILs.

4 MR. McKENZIE: Identification lights.

5 MR. COWDEN: Oh.

6 MR. KING: These flashing lights.

7 MS. HARGIS: Yeah. I think we approved it in

8 August. We started the process in August, the 14th of
9 August, but it just didn't get done, and we didn't know the
10 exact cost, so we didn't properly set up the accrual for the
11 expense and the receivables, 'cause we didn't know what it
12 was going to be.

13 MR. LIVERMORE: Now -- because I'm new here, now
14 that we have been paid that money, which we funded out of
15 RAMP grant, was that -- does this now replace the RAMP grant
16 money? Or --

17 MS. HARGIS: Well, it -- it matches the RAMP grant
18 money for last year. In other words, we spent the full
19 \$100,000. But we need -- all we're going to do with this
20 3,000 is just take that revenue back to last year, as a
21 credit to last year, rather than this year. That's all
22 you're going to do with that.

23 MR. LIVERMORE: When you say "last year," you mean
24 '11? Not --

25 MS. HARGIS: Yes.

9

1 MR. LIVERMORE: -- talking about '10?

2 MS. HARGIS: '10-'11, yes. The year ended
3 September 30th. The auditors are working on it right now.

4 MR. MOSER: This is fiscal year.

5 MR. KING: What did we wind up spending on these
6 REILs?

7 MS. HARGIS: A little over 50,000.

8 MR. McKENZIE: But that included \$9,000 for a new
9 transformer that we had to put out here, 'cause our
10 transformer was at capacity. They were 40,000 and that was
11 about nine.

12 MR. KING: So, they're going to -- they'll split
13 that 50/50?

14 MR. McKENZIE: Yeah.

15 MS. HARGIS: They've already done it.

16 MR. KING: That's what they gave us, 50/50?

17 MS. HARGIS: Yes. They exactly matched 50,000. We
18 went a little bit over that, but not very much. I have the
19 bills if you want to see them. Then we automatically set up

20 an entry on the grant match for the City of Kerrville so that
21 we would not forget to move that money over, number one, so
22 we set up an automatic entry. It transferred over as of
23 October -- the 1st of October. That was the refund that they
24 received two years ago. We also received a refund from y'all
25 for 75,000.

10

1 MR. COWDEN: Right.

2 MS. HARGIS: We matched that at that time. We paid
3 you \$75,000 worth of equipment. We bought trucks,
4 lawnmowers, gators, all kinds of stuff, so we really already
5 matched that. I had a check cut in January, to be honest
6 with you. We haven't done any activity, and I was trying to
7 clean up the existing activity before we threw another one
8 in. But if I didn't set up that automatic entry, there's a
9 chance that we would forget to move it over. So --

10 MR. COWDEN: Mm-hmm.

11 MS. HARGIS: On the second page, which is 10, you
12 show a little bit there of a monthly expenditure on the RAMP
13 grant. That also needs to be cleared off, of 4,482.50.
14 That's what we're working with the auditors on. So, we've
15 got both sides of the -- of the situation. But I have to
16 work with him to make sure he has the entries, I have the
17 entries, so that it works. He and I are working on that.
18 We've been working on it since last week, when the final
19 bills came in, so that's all going to change and go to zero.

20 MR. MOSER: Okay.

21 MS. HARGIS: So that your bottom line here will
22 show 25,000, which is all the money that's been transferred
23 over to that account. And so I'm sorry for the confusion. I
24 will show you the difference in a spreadsheet. That's the
25 only thing I know to do. I'm sorry, Steve.

11

1 MR. KING: Okay.

2 MS. HARGIS: We got 23,000 from the State.

3 MR. KING: I know, I got that part. I'm down --

4 MS. HARGIS: We spent 25, so the expense got

5 allocated in the -- in the current year as well.

6 MR. KING: Okay.

7 MS. HARGIS: We set it up to go into last year, but

8 our software didn't work.

9 MR. KING: That's fine.

10 MS. HARGIS: So we've got to fix it.

11 MR. KING: That's fine.

12 MS. HARGIS: We checked it, but it just -- it

13 didn't flow.

14 MR. KING: Okay, question.

15 MR. LIVERMORE: Glad you're on top of it.

16 MR. KING: Yeah, really. Question. Has the County

17 paid their portion of the RAMP grant?

18 MS. HARGIS: As of right now, we have. We cut a

19 check on Friday.

20 MR. KING: On Friday?

21 MS. HARGIS: Payables, yes.

22 MR. KING: Okay. All right.

23 MS. HARGIS: And we're all exactly even on the

24 other money.

25 MR. KING: Okay. I -- I have a proposal here that

12

1 next year -- next year, that we have some sort of -- of a

2 triggering mechanism wherein the County and the City pay

3 their RAMP grant on or about the same time, so that we don't

4 have money -- money in the pot from one company -- one --

5 MR. MOSER: Owner.

6 MR. KING: -- one owner, and not money in the pot

7 from the other owner, and then we have hard feelings.

8 MR. MOSER: Period.

9 MR. KING: Period. So, is there any way we can do

10 that? Both of you guys -- you're both here. When's --

11 when's the best --

12 MS. HARGIS: Well, his money's already sitting

13 there, so for me to match it, I have to do it October 1. My

14 cash flow is pretty bad in October.

15 MR. KING: When your October -- when your money --

16 well, his money won't be sitting there --

17 MS. HARGIS: Yes, he's got one more year.

18 MR. KING: I know. But if his money wasn't sitting
19 there, what -- what's a good time for the County to write a
20 check for 25,000? What date would that be in there,
21 somewhere in there?

22 MS. HARGIS: It's much better for us to write it in
23 December. Keep in mind, we already had to pay them two
24 months in advance on some of the things that we share with
25 them. But our cash flow goes down to almost nothing in

13

1 October and November because we don't have any tax revenue
2 coming in.

3 MR. KING: Mine does too. (Laughter.)

4 MS. HARGIS: So -- and you can't --

5 MR. MOSER: That's what we have bankers for.

6 MR. KING: Well, what are we going to do? When's
7 our -- October 1st, right?

8 MR. MOSER: October 1st.

9 MS. HARGIS: This year we didn't even spend the
10 grant money until August.

11 COMMISSIONER LETZ: Why don't you just do it
12 January 1st? The City's money is -- is in the account, and
13 just transfer it to the RAMP portion January 1st. And in
14 future years, it'll all be January 1st.

15 MR. KING: So, don't put the City's money in the
16 RAMP until --

17 MR. MOSER: January 1st.

18 MR. KING: -- until January 1st, so we can't use it
19 then.

20 MR. MOSER: If we need it, we could do something.

21 MR. KING: If we need it, we need to call the
22 County.

23 MR. MOSER: Yeah, that's what I'm saying.

24 Precisely.

25 MR. KING: Both put their money in so we can use

14

1 it. Mike, what do you think about that? In the past, we

2 haven't needed it --

3 MR. ERWIN: That's fine. As we've always talked
4 about, we just want to make sure City money and County money
5 move at the same time.

6 MR. KING: I understand. Move at the same time, so
7 we can do that. We can just leave it in the other account,
8 in that -- not in the RAMP grant account, and then move it
9 over. I mean, after this year, it's not going to be -- the
10 situation is going to be everybody writing their checks on or
11 -- on or about January 1st. How would that be?

12 COMMISSIONER LETZ: Right.

13 MR. MOSER: I need to ask a question to both the
14 City and the -- the City and the County. You obligate the
15 RAMP grant funds to the airport.

16 MS. HARGIS: Mm-hmm.

17 MR. MOSER: Right?

18 MS. HARGIS: In our budget.

19 MR. MOSER: So if they're obligated, you're not
20 going to spend it on anything else. It's a cash flow -- it's
21 a cash flow issue, correct?

22 COMMISSIONER LETZ: Correct.

23 MR. MOSER: For the City and County both?

24 MR. ERWIN: For the County. City will be fine
25 writing you a check October 1st.

15

1 MR. MOSER: So -- so, then, if it's a cash -- so
2 the County has a cash flow issue. And the City is obligating
3 those funds. What is -- what's the City's primary concern
4 about that?

5 MR. KING: I can tell you. I know what it is.

6 MR. MOSER: Wait, let -- let Mike answer.

7 MR. ERWIN: Steve and I talked about this last
8 week.

9 MR. KING: Friday.

10 MR. ERWIN: Last year we saw the City's RAMP money
11 put in early in the process, and the County's RAMP money not
12 put in until late in the process. Now, both sides put their
13 money in.

14 MR. MOSER: Right.

15 MR. ERWIN: And it was spent. And then this year,
16 at the November meeting, there was a discussion at the
17 Airport Board meeting about the City's money and the County's
18 money moving at the same time. And so when I looked at the
19 financials this month and I noticed that the City's money was
20 still in there, but the County's money had not moved yet,
21 then I had some concerns.

22 MR. MOSER: Well, that's what I'm trying to
23 understand. See, we're trying to operate the airport, okay?
24 And we lay out a budget for the year.

25 MR. ERWIN: Mm-hmm.

16

1 MR. MOSER: And the RAMP grant funds, we've got a
2 plan for it, but it's not exact, 'cause Bruce has got issues
3 and so forth that come up. So, if the airport is trying to
4 operate on an annual budget, the City obligates, the County
5 obligates.

6 MR. ERWIN: Mm-hmm.

7 MR. MOSER: Okay. If we needed that RAMP grant
8 money and the County's money's not there, then we're going to
9 go to the County and say, "Hey, we need this." But we've got
10 to have some flexibility in planning. It's not just in time,
11 you know. You know, "Send us the check one day before we
12 need the funds." It's putting a -- it's putting a hindrance
13 on the way we operate out here. I mean, you've obligated the
14 money. I don't -- still don't understand what the issue is.

15 MR. KING: Well, their money's there.

16 MR. ERWIN: Yeah.

17 MR. KING: So --

18 MR. MOSER: I don't understand -- I don't
19 understand what the issue is.

20 MR. KING: In fact, their money is there for next
21 year.

22 MR. MOSER: Well, that's good.

23 MS. HARGIS: We could have done the same thing, and
24 we did.

25 MR. KING: I know. I know.

1 MR. MOSER: But what --

2 MS. HARGIS: You're not doing apples to apples.

3 MR. MOSER: What is the issue? Are you losing
4 interest on the money? Is that the concern?

5 MR. ERWIN: Yeah, we could be making interest on
6 the money.

7 MR. MOSER: So, that's the concern?

8 MR. LIVERMORE: What's the interest you're --
9 what's the interest rate you're making? .001?

10 MR. ERWIN: .02.

11 MR. LIVERMORE: Nothing.

12 MR. ERWIN: Well --

13 MR. MOSER: I'm trying to find out what the issue
14 is.

15 MR. KING: I'm going to back Mike up on this,
16 because in my business, we do this all the time. We make --
17 we have a well we're going to drill or something; we got work
18 we're going to do. It's going to cost 100,000 bucks, and I
19 have to put 50 in, and Ed has to put 50 in. And we -- we
20 have a date that we -- everybody puts their 100 in. If we
21 put our 100 in, I don't want them spending my money on the
22 first 50, while Ed's spending his money somewhere else on his
23 business. He's there spending his money. I want them to
24 spend my money and your money at the same time. And, I mean,
25 I just -- that's the way we do it in our business, and I can

1 see Mike's deal on that. I mean, if you're going to put the
2 money in, let's all put the money in.

3 MR. MOSER: But I think it's --

4 MR. KING: We've got money in our account to cover
5 it. I mean, we've got the money that we could cover it with.

6 MR. MOSER: On your rework, if you needed the
7 \$100,000, you probably wouldn't start until you had it, or
8 unless you knew you were going to have it. That's the only
9 thing here. If you knew you were going to rework that well
10 sometime during the entire year, and somebody's obligated to

11 give you that money, you'd probably move out, if you trusted
12 that person. Well, I totally trust the County; I totally
13 trust the City. I mean, this is their airport.

14 MR. KING: Right.

15 MR. MOSER: So, I still don't --

16 MR. KING: Well, I --

17 MR. MOSER: I just don't -- still don't know what
18 the issue is.

19 MS. HARGIS: Steve, I can't always match day by
20 day. We don't pay at the same rate they do.

21 MR. KING: Oh, I know.

22 MS. HARGIS: They pay once a week. I -- our laws
23 are different than his. We have to go in front of the Court
24 with these disbursements. He does not have to go in front of
25 the City Council.

19

1 MR. KING: I know. I agree. That's why I --

2 MS. HARGIS: I never questioned when he didn't
3 transfer our money right. When there's problems on the
4 general ledger, I never brought that out in the public; I did
5 it behind the scenes. And, you know, I try to match him the
6 best I can, but as far as I'm concerned, this 75, we've
7 already given it to you.

8 MR. KING: I know.

9 MS. HARGIS: We gave it to you two years ago.

10 MR. KING: Right, I understand. If we do January
11 1st, I mean, I don't see how that's a problem for everyone.
12 I pay my taxes before the end of the year, so I know the
13 County's got my tax money, and I don't know why we couldn't
14 just do it January 1st, and everybody be happy with it. If
15 we need a RAMP deal, if we need some money -- if something
16 comes up and we're spending money on RAMP, we'll transfer it
17 out of -- we'll transfer it out of our funds. We'll go to
18 the City and County and transfer it out. I mean, I just -- I
19 don't even know any way to get around it. I'm trying to make
20 everybody happy here, but -- and I can understand you, Tom,
21 saying you don't understand what the problem is.

22 MR. MOSER: Yeah.

23 MR. KING: But evidently, there is a problem.
24 MR. MOSER: Well, there is.
25 MR. KING: There is a problem, so why -- I mean --

20

1 MR. LIVERMORE: There's a problem because the City
2 obviously doesn't trust the County. That's the problem.

3 MR. KING: Well, I don't want to get into that. I
4 don't want to get into that. They've got 25,000 in the pot
5 already, you know. They've already got next year's money in
6 the pot.

7 MR. WATSON: So do we. You've already got ours.
8 We didn't ask them for their -- you know, we didn't ask them
9 to do it in retrospect, so we spent ours first.

10 MR. MOSER: Why, though -- it's --

11 MS. HARGIS: The only reason -- the only reason the
12 money is sitting there is because they couldn't spend it.

13 MR. KING: What do y'all want to do?

14 MS. HARGIS: January 1 is fine. But I think it's
15 kind of crazy for me to -- I mean, I'm going to have to -- by
16 the time I get his check, I mean, we're going to miss each
17 other regardless. We pay --

18 MR. KING: How about January 10th?

19 COMMISSIONER LETZ: It's a ridiculous thing. And I
20 don't --

21 MR. KING: I agree.

22 MS. HARGIS: January 1 is fine. We'll meet it.
23 We'll pay in December and have it in there.

24 COMMISSIONER LETZ: The history of it is -- is that
25 the City and the County disagree on this. The City wanted

21

1 the County to prepay every one of our interlocal agreements,
2 rather than doing it -- it's a ridiculous problem, in my
3 mind.

4 MR. LIVERMORE: Well, we wouldn't even be having
5 the discussion if Mr. Erwin hadn't written an e-mail that
6 went to the wrong party, and it stirred the pot that didn't
7 need to be stirred. If you have a problem, Mike, with the

8 County paying at this moment or that moment, call the County.
9 Don't call the people that get the money and call -- and ask
10 for it all back. It's childish, and it shows a lot of
11 immaturity on your part. You should have picked up the phone
12 and called the County. We can't even -- and then you asked
13 for money to be returned that the F.A.A. has -- has control
14 over.

15 MR. KING: Right. I think --

16 MR. MOSER: It --

17 MR. KING: I think we've hashed this out. We'll
18 try and make it work. I mean, --

19 MR. MOSER: Okay.

20 MR. KING: -- I'm with y'all.

21 MR. MOSER: Let me -- in summary, I think early
22 January would work for us. All I'm interested in is that --
23 is that the airport be able to execute their plans with the
24 budget that they have.

25 MR. KING: I agree. I don't want us to be held

22

1 up --

2 MR. MOSER: Right.

3 MR. KING: -- on buying those REILs because we
4 didn't have the money.

5 MR. MOSER: Right. That's my only issue. I was
6 trying to understand what the problem is, and it sounds like
7 we've got a solution, and let's move on. Good.

8 MR. KING: Okay. Does anyone else have anything on
9 this? Mr. Cowden, do you have anything you'd like to talk
10 about?

11 MR. COWDEN: No, I think y'all covered everything
12 very well.

13 MS. HARGIS: Page 12 is a recap of the capital
14 items.

15 MR. MOSER: Which page, Jeannie?

16 MS. HARGIS: Page 12.

17 MR. MOSER: Okay. 12, got it.

18 MS. HARGIS: It's a spreadsheet. And this -- this
19 just backs into the cash balance that you currently have in

20 your capital account. And then the TexDOT projects, you can
21 see there's not much balance due on any of them as far as
22 TexDOT is concerned at this time. 21,008.53.
23 MR. KING: Okay. On the subject of those capital
24 -- on the subject of those capital projects, like that
25 project we got going, what's the funds on this last project,

23

1 Bruce? Approximately.
2 MR. McKENZIE: I believe it was 4.3 million.
3 MR. KING: No, what do we still have, the money --
4 there's money still in the pot, that's left over.
5 MR. McKENZIE: There's probably a couple hundred
6 thousand. Yeah, it's well over 100,000, but we're going to
7 spend 30,000 or 40,000.
8 MR. KING: Right. Right. Right, we'll still spend
9 most of the owners' -- we're still spending that money.
10 MR. McKENZIE: Yes.
11 MR. KING: TexDOT's going to be back out here this
12 week or next week?
13 MR. McKENZIE: Contractor was moving at 6:30 this
14 morning.
15 MR. KING: They got to work on this erosion problem
16 they've got over here on these hills over here, so TexDOT had
17 to use money out of the -- out of that project. They're
18 going to continue to use money out of that project, and as
19 soon as they are through with that project and they sign it
20 off and they stamp it and say everything's fine, then they
21 will allow us -- then they will determine what part of that
22 money is refundable, if I understand.
23 MR. McKENZIE: Correct.
24 MR. KING: Because, I mean, I think both of the
25 owners need to understand this. Because just because there's

24

1 \$120,000 or 150,000 in that pot, you guys only put in 200,000
2 total when it started -- 200,000? On this last part.
3 MR. McKENZIE: Big project.
4 MR. KING: 200-something thousand. So, you know,

5 it would seem logical, if they spent 3.8 million --

6 MR. MOSER: Three million.

7 MR. KING: -- \$3.8 million, that they probably -- I

8 don't know; you have to ask them, but I bet they spent more

9 than that of your money. I don't think they spent all their

10 money first, and then they left your money in the pot. So,

11 they'll have to make that determination as to what part of

12 that money is -- and that's one of the reasons we can't

13 refund it, because we'd have to make some sort of

14 determination as to how much of that money is actually yours

15 and how much of that is theirs. And in the past, haven't

16 they given -- they've given most of it back? I mean, they

17 have given most of it back, so they're basically giving back

18 your money. But we'll -- they'll have to make that

19 determination, 'cause that -- that is their money and our

20 money together somehow. All right.

21 COMMISSIONER LETZ: Steve?

22 MR. KING: Yeah? Could I help you?

23 COMMISSIONER LETZ: He'll tell me if I can't ask

24 the question or if you can't answer it. The question I have

25 is that we're working on the County doing a bond issue.

25

1 MR. KING: Mm-hmm.

2 COMMISSIONER LETZ: And we are also looking back at

3 our previous bond issue. We dedicated or allocated some

4 money to the airport when they thought they were going to

5 build T-hangars a while back, and other work. There's some

6 things we thought about a hundred and --

7 MS. HARGIS: 14,000.

8 COMMISSIONER LETZ: \$114,000 we have set aside for

9 the airport.

10 MR. KING: Right. Right.

11 COMMISSIONER LETZ: We have to earmark this money

12 or put it somewhere else. We can't just leave it hanging out

13 there.

14 MR. KING: Sure.

15 COMMISSIONER LETZ: So, we really need to know what

16 the Airport Board's plan is on capital items in the next two

17 years, in the next --

18 MR. KING: Two weeks.

19 COMMISSIONER LETZ: -- two or three years.

20 MR. MOSER: Okay.

21 COMMISSIONER LETZ: I mean, we're having a
22 meeting -- a workshop tomorrow at the county where we're
23 going to go over these issues. But we either have to
24 reallocate, like, to the Ag Barn, or keep it here.

25 MR. MOSER: Sure.

26

1 COMMISSIONER LETZ: But we can't -- we have
2 probably two more years to keep that money?

3 MS. HARGIS: Yeah.

4 COMMISSIONER LETZ: It has to be spent somewhere in
5 two years.

6 MR. MOSER: Okay.

7 MR. KING: Well, we've got Mr. Wellborn -- we're
8 working on that project. We've got Mr. Wellborn over there.

9 COMMISSIONER LETZ: I mean, the sooner we can get a
10 number -- by next month would be really helpful.

11 MR. KING: Hopefully, that's our plan, is to have
12 some sort of --

13 MR. MOSER: Let me just talk about that for a
14 second, just to give you a feel, okay? To increase revenue,
15 we said T-hangars, box hangars was the way to go. Okay. We
16 needed to figure out how to lay it out. We figured out how
17 to lay it out tied to the master plan; that'll be finalized
18 in the next month or so. Step number two is, let's -- let's
19 get the preliminary engineering done. Mike Wellborn's here
20 to talk about that. Bruce has met with Mike Wellborn this
21 week, 'cause we couldn't do that until we figured out what we
22 want to do. You know, we get that. Then we're ready to move
23 forward on what is the best way to put those facilities in?
24 There's probably three or four options. You know, Ed knows
25 an option; there's other people that have got options on how

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1 to do it. The capital requirements are going to depend on

2 what option we take.

3 If it's just land lease, the capital improvements
4 are a lot less than it is if we go to the City and County
5 owning the facilities, which -- so, I understand. You've
6 asked us that before, and it's an absolutely valid question.
7 We have got to lay out the long-range capital needs for these
8 things, for revenue, what's required. In addition to that,
9 okay, we have the Mooney hangar -- Mooney facility over here,
10 which has -- and we're going to talk about that later today,
11 which has got real potential revenue coming in with a small
12 amount -- a small amount of capital improvements, if any.
13 Okay. So, you can understand where we are. But I totally
14 understand. I think we're compatible calendar-wise, okay.
15 It's just the sequence of things, and you -- if we went and
16 said, "We need this," you'd say -- you'd start asking a bunch
17 of questions we couldn't answer. So, that's --

18 COMMISSIONER LETZ: Good planning. We're not
19 talking this year; it's really next year, year after.

20 MR. KING: And prior to us -- prior to us putting
21 in any capital -- a capital proposal, we will bring a -- some
22 sort of an economic --

23 MR. MOSER: Pro forma.

24 MR. KING: -- pro forma to you guys, to both you
25 guys. We'll bring some sort of pro forma to you guys, and

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1 probably it's going to have several options on it, some ways
2 of funding some of this stuff. And -- but included in that
3 pro forma will be a return on your investment. Wherever we
4 get the money, it will be -- we're going to keep an eye on
5 the thing. It's going to have to pay out, so that will be
6 included in that. So, I mean, I don't want you to think
7 we're talking about spending money here already, but you guys
8 will both have the option to look at our funding request or
9 whatever, however we try to fund it or wherever we try to
10 find the money, and it may be through different ways, but it
11 will have some sort of return on investment for any -- any
12 parties putting in money.

13 COMMISSIONER LETZ: Okay.

14 MR. KING: I think that's -- a lot of that's going
15 to depend on where we get the money, so it may be a -- it may
16 be a hodge-podge of different contributors to the deal. But
17 we will come up with some sort of pro forma prior to putting
18 that on your agenda.

19 MR. MOSER: Right.

20 MR. KING: Okay? All right, anything else on that,
21 Jeannie?

22 MS. HARGIS: I don't have anything else today.

23 MR. KING: Thank you.

24 MR. MOSER: Didn't you want to go back about
25 something? Or did we do that, Jeannie?

29

1 MR. KING: Mike has something.

2 MR. ERWIN: I just want to check on the status of
3 the audit. Our auditor contacted us last week. They're
4 waiting on that information to begin to wrap up the City's
5 audit.

6 MS. HARGIS: He's just about finished, but we got
7 to do these two entries that we talked about, and then he
8 should be done. But he was waiting on the TexDOT letter he
9 needed that we did not have. I asked him to contact your
10 office, because that project was completed during the City's
11 tenure. And I -- we didn't have a copy, so we're having to
12 wait for TexDOT to send us the closing letter, so that's what
13 he's waiting for right now. Otherwise, he would have
14 presented it today.

15 MR. KING: Okay.

16 MS. HARGIS: We've got to get these other two
17 entries in there.

18 MR. KING: Okay. So, why don't y'all talk to each
19 other, like maybe next week, and find out where that is.

20 MS. HARGIS: We can probably give him a draft
21 before y'all approve it so that he can go over it.

22 MR. KING: Okay. All right? Any other questions
23 on the budget? Motion to approve?

24 MR. COWDEN: So moved.

25 MR. LIVERMORE: So moved -- second.

1 MR. KING: Seconded by Mr. Livermore. Discussion?

2 None being heard, all in favor?

3 (The motion carried by unanimous vote.)

4 MR. KING: 4-0. Okay. Item 2B, Kerrville Aviation

5 lease. Bruce McKenzie.

6 MR. McKENZIE: One the tenants, our F.B.O., Joe

7 Kennedy and Kerrville Aviation, is doing a banking

8 transaction. And I'll let Joey take it from here. It's some

9 kind of estoppel agreement. Our attorney's agreed to this.

10 It's very benign, standard operating procedure. I think that

11 the -- I visited with another attorney about it. It seems to

12 be a -- it's standard operating procedure.

13 MR. LIVERMORE: Basically, just you changing banks?

14 MR. KENNEDY: That's it. There's an estoppel

15 agreement in place for the current bank. Just changing

16 banks, and they want one.

17 MR. LIVERMORE: You're moving your loan from --

18 MR. KENNEDY: Yes.

19 MR. LIVERMORE: -- one bank to another?

20 MR. KENNEDY: That's it.

21 MR. KING: Okay.

22 MR. McKENZIE: The City and the County both have to

23 sign off on this. Both the City Manager -- I mean the Mayor

24 and the County Judge, as well as the attorneys on both

25 parties. Just need the board to agree.

1 MR. LIVERMORE: I move that it be accepted.

2 MR. COWDEN: Second.

3 MR. KING: All in favor?

4 (The motion carried by unanimous vote.)

5 MR. KING: 4-0. Next, airport -- aircraft movement

6 areas.

7 MR. LIVERMORE: John's not here.

8 MR. KING: No, he's not here. Who wants to talk

9 about this?

10 MR. LIVERMORE: Well, I know a little bit about it.

11 MR. MOSER: Shall we wait for John?
12 MR. KING: Is John going to be here?
13 MR. McKENZIE: I haven't heard a word from him.
14 MR. LIVERMORE: He told me he's on a trip today.
15 But it kind of goes -- the issue, in a way, goes a little bit
16 beyond even what he brought up. But --
17 MR. KING: Right. Right. Well, I'd like to talk
18 about it.
19 MR. LIVERMORE: Depends on what you'd like to do.
20 MR. McKENZIE: I'd be glad to tell you what
21 precipitated this, and then the board can go from there.
22 I'll briefly -- I'll tell you what happened.
23 MR. KING: Okay.
24 MR. McKENZIE: With specifics. A 421, cabin-class
25 twin from Mexico, parked in front of this terminal building.

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1 Mr. Shoemaker and his aircraft, which is a Conquest, was
2 parked behind him, an adequate distance behind him.
3 Mr. Shoemaker boarded his passengers and started his engines,
4 was ready to taxi out. Standard operating procedure. Right
5 after he did that, two pickups with the folks in the 421 from
6 Mexico pulled up right behind their airplane. They didn't
7 see John under power; he was still a distance from them.
8 Well, the second -- or not the second. Within moments of
9 that, a Kerrville Aviation employee saw what happened, ran
10 over here and asked the pickups to move. The gentlemen
11 hadn't got out of their pickups yet. They moved instantly.
12 Thirty, 40 seconds, this was over.
13 MR. KING: Right.
14 MR. McKENZIE: They got out of the way.
15 Mr. Shoemaker taxied out.
16 MR. KING: Right.
17 MR. McKENZIE: Subsequent to that, Mr. Shoemaker
18 came to my office a time later; maybe it was three or four
19 days later, and brought this subject up. He wanted something
20 done about it. He didn't want -- he had lots of ideas. I
21 wish he was here to explain the ideas that he had, which were
22 many. And --

23 MR. KING: Were they good?
24 MR. McKENZIE: Well, that's a subjective question.
25 MR. KING: Okay. Okay, I withdraw the question.

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1 MR. COWDEN: Steve, he called me and talked to me
2 about this. Maybe he talked to you, too. I mean, the
3 conversation I heard was that -- and I didn't know that they
4 just were there a few minutes; he didn't tell me about the
5 guy coming over to move them, but he said he had his engines
6 running, and these guys pulled up and they all got out,
7 and -- that's what I heard. And --

8 MR. McKENZIE: No.

9 MR. COWDEN: And it wasn't till he called on the
10 UNICOM to Kerrville Aviation that somebody came over there
11 and got them out of there. And so his solution -- he says
12 that he goes to lots of airports, and they marshal
13 airplanes -- not only marshal them in; they marshal them out.
14 And, you know, he thought that was a great idea for Kerrville
15 Aviation to take on. So --

16 MR. KING: What's y'all's procedure on this, Joey?

17 MR. KENNEDY: If there's any question -- I mean,
18 we're responsible for maintaining congestion on the ramp
19 aircraft.

20 MR. KING: Right.

21 MR. KENNEDY: That's what's in our leases. I have
22 no control over some transient or somebody that I don't have
23 any idea who they are driving from a road out onto the ramp
24 and stopping. We actually had adequate separation. If
25 there's ever any question, if there's two aircraft that are

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1 within any semblance of proximity to each other where there's
2 any question of whether or not it's safe for them to taxi
3 out, we have marshals out there. You've experienced it.

4 MR. KING: Yeah, I know I have.

5 MR. KENNEDY: And we marshal them out. This was a
6 normal standard. These guys were parking airplanes, and --
7 and one guy was over here. I don't know whether he called on

8 the radio or not, but as soon as we became aware of it, we
9 came and asked the people to move. We have no control over
10 people coming and going from the ramp. That's just --

11 MR. KING: No, I agree.

12 MR. KENNEDY: -- a constant. The decision about
13 the gates is made by this board, not us.

14 MR. KING: But is it -- is it standard procedure
15 for -- if someone arrives, I mean, your guys -- if they
16 arrive to get in this 421, then your guys are -- part of
17 their standard procedure is to go to that airplane?

18 MR. KENNEDY: As soon as we know that they're
19 there, we go to them, right.

20 MR. KING: Someone goes to the airplane. I'm
21 assuming they were the pilots.

22 MR. KENNEDY: No, it was the passengers.

23 MR. KING: Where was the pilot?

24 MR. KENNEDY: I'm assuming the pilots were either
25 in here or in the aircraft or whatever. The passengers just

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1 arrived.

2 MR. KING: They just arrived.

3 MR. KENNEDY: And they were unfamiliar, and drove
4 right out through the parking lot out onto the ramp.

5 MR. KING: I guess what I'm trying to get at, is it
6 your -- y'all's standard procedure to have someone in front
7 of every airplane that leaves the ramp?

8 MR. KENNEDY: We get out there to help them load
9 their bags from the time that they arrive. When John got
10 here, we helped them with their bags. We had a power unit
11 hooked up; we got him running, secured the aircraft, and went
12 on to other customers.

13 MR. KING: Right.

14 MR. KENNEDY: Like we normally do. There was
15 nothing in the way; there was no obstructions or anything
16 like that.

17 MR. KING: But if -- when they start that
18 airplane -- and this is what I -- I'm trying to get out.
19 When they start that airplane up, that -- that there is

20 someone going to be standing in front of that airplane to
21 guide them out of our ramp.
22 MR. KENNEDY: There was someone there at the time
23 he started to disconnect his --
24 MR. KING: Right.
25 MR. KENNEDY: Depending on the aircraft, if there's

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1 no congestion or any concern for their safety, there's no
2 reason to have somebody standing there. Then all you're
3 doing is putting someone in front of a moving aircraft.
4 MR. KING: Right.
5 MR. KENNEDY: So, yeah. I mean, we -- if there's a
6 need, then yes, we have somebody there to marshal the
7 aircraft. That is our -- that's our procedure.
8 MR. KING: All right.
9 MR. KENNEDY: If you got an airplane sitting out in
10 the middle of the ramp there, if there's nothing around it,
11 there's no issue, then --
12 MR. COWDEN: One of the other things he mentioned
13 that I forgot was maybe shut the gates.
14 MR. KING: Well, that's what I'm going to talk
15 about in a minute. I'm trying to figure out whether we need
16 to -- you know, we need to have -- whether we need to have
17 people marshaling these airplanes out of here.
18 MR. MOSER: Let me ask -- let me ask a question.
19 MR. KENNEDY: I think you need to ask the question
20 first, do we really have a problem here?
21 MR. MOSER: That's what I want to go into, Joey.
22 MR. KENNEDY: Yes.
23 MR. MOSER: Bruce, what -- this was an incident;
24 there was some confusion. There was no -- no accident or
25 anything else.

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1 MR. McKENZIE: No, sir.
2 MR. MOSER: Tell me about the history. I mean, one
3 of the things that this airport has that is -- it's an asset,
4 is a lot of flexibility and freedom for people coming and

5 going to their aircraft. That's a plus. We put that in our
6 marketing plan. You know, that is one of the capabilities.
7 Talk to me about the frequency of an issue like this. Before
8 we start -- and I'm going to come from the standpoint, before
9 we start putting more regulations down for no reason, okay,
10 we're giving up some freedom for something. Okay? So, why
11 are we giving up freedom? So, tell me about the history of
12 this kind of incident.

13 MR. McKENZIE: Thank you for the question. I've
14 been out here almost five years now managing this airport,
15 and flying out of it for 26 years, and that's the first time
16 I've ever saw that happen. That's the only time I ever saw
17 it happen. Now, that's not to say it didn't happen and I
18 wasn't aware of it.

19 MR. MOSER: Sure.

20 MR. McKENZIE: But that's the only time anybody
21 came to me complaining about something like that. Now, like
22 I say, at night I'm not out here, and on the weekends,
23 sometimes I'm not here. I don't know, but I would have heard
24 the complaint.

25 MR. MOSER: Okay. All I'm suggesting is let's

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1 don't overreact, okay? That's -- I mean, we see this in all
2 levels of control, you know, overreacting to something. And
3 once you set in place the reduction of a -- of a freedom or a
4 capability, it never comes back.

5 MR. KING: No, I agree. I agree with that.

6 MR. MOSER: I mean, there's things you can do, like
7 don't go onto the ramp until you come in here and check with
8 Joey's personnel, you know. Leave the gate open. But, I
9 mean, there's probably about 10 different things you can do,
10 but -- but, yeah, I can see Mr. Shoemaker being upset with
11 that, and I don't blame him. But, I mean, it's -- you know,
12 it's --

13 MR. KING: Well, I'm going to bring up another
14 subject, the subject of these gates. Okay. We spent \$25,000
15 putting these gates in, and I don't know why we put them in.
16 Why didn't we just put up chain link fence and leave it there

17 if we were not going to shut these gates? And -- and I think
18 it is a problem. It's not a -- it has not been a problem
19 yet, but when someone runs into the wing of a Challenger, or
20 my airplane, or a Gulfstream that's parked out here at any
21 moment, then it's going to be a problem. And the first
22 question I'm going to ask when it happens is, "Why did you
23 not want these gates shut?" Okay? And I'm going to go on
24 record as saying that. So, when it does happen -- and it
25 will happen. It has not happened, but it will happen. I

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1 mean, when -- when grandma and granddad come to pick up sonny
2 at the airport and they go flying in this gate over here, and
3 they have no clue what's out there, there's an airplane with
4 a 98- or 120-foot wingspan out there, and they run underneath
5 it, it's going to be a million dollars. It's not going to
6 be 50 bucks or \$75; it's going to be a million dollars, or
7 more. And it's -- and when it happens, it's going to be in
8 the paper. And the first question, if I was a citizen, I'm
9 going to ask is, "Why did you guys spend \$25,000 on gates and
10 you have no control of your ramp?" I cannot think of an
11 airport -- and I think in Fredericksburg -- I'm not sure
12 about Fredericksburg, if you can drive out on the ramp.

13 MR. KENNEDY: You can drive out. They've got
14 gates, too.

15 MR. KING: Okay. There's very, very few airports
16 left in the United States that you can drive onto a ramp.
17 You can't do it in Big Spring, Texas. I have to put in a
18 four-digit code to get out on the ramp.

19 MR. LIVERMORE: You can get out there, but you have
20 to go through a gate.

21 MR. KING: I punch the button to get a code to go
22 out. Same thing at Sugarland, at -- at San Antonio, you
23 can't even get on the ramp with a four-digit code, you know,
24 'cause of the T.S.A. But most uncontrolled airports have
25 gone to closing the gates because of this -- the issue of --

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1 I mean, this gate over here is open, and there is numerous

2 times that a \$15 million jet is parked right there in that
3 driveway. Right down -- I mean, it's standard procedure to
4 park one there. So, you can park one right over here, and
5 people come in this gate and they turn and go around the back
6 of an airplane or around the front of the airplane. It's --
7 I'm telling you, it's -- it is a situation that's going to
8 happen. Somebody's going to run into one of these airplanes,
9 and when it happens, it's going to be bad. It really is. I
10 mean, what do you think, Joey? Do you think it's -- I mean,
11 I'm not -- I'm not saying people can't go on the ramp. I'm
12 not taking away their freedom to go on the ramp. I'm just
13 saying we put a button, a code out here, a control.

14 MR. KENNEDY: You can go back in the minutes; I
15 don't remember what meeting it was, or where. Honestly, I've
16 always been a proponent of closing the gates myself, but I've
17 never raised an issue of it, because there's been a lot of
18 people that -- John Shoemaker told him, "I don't want the
19 gates closed."

20 MR. KING: Yeah.

21 MR. KENNEDY: And so I've just never -- when the
22 board says -- when y'all decide you want to close the gates,
23 I'm -- I'm open for whatever.

24 MR. KING: Right.

25 MR. KENNEDY: It's not us. We've never been a

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1 proponent of leaving the gates open. Never had an opinion
2 one way or the other. I don't really care.

3 MR. KING: Sure. Yes, sir?

4 MR. KENNEDY: That would probably make my life a
5 little easier, because we got a lot of people that kind of
6 get in the way of our operations that are here to check on
7 their airplanes; they want to pull up, just drive right out
8 on the ramp, park a car right in the middle of a hangar where
9 we're trying to move airplanes in and out, and we have to
10 find them. So -- and that's not going to alleviate that 100
11 percent, but --

12 MR. KING: But I think it would help you.

13 MR. KENNEDY: I think so, too.

14 MR. KING: Because if someone has to go through
15 that gate, someone knows -- you know, I'm not proposing we
16 shut these gates today, 'cause I was out there looking at
17 them, and looking at the control boxes and stuff. And I
18 thought -- always thought you could see the control box from
19 the office, but you can't. It's -- we had to put it back
20 here by the parking place over here. But we need to get
21 together with our -- if we're going to proceed on something
22 like this, we need to get with our security people and let
23 them tell us what they can do to that box so that, A, we can
24 put codes in there, and our regular based customers can have
25 a code. You know, I have no problem with Tom Cusick or

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1 anybody who is a regular customer here that -- you know, is
2 loading six -- you know, five or ten people in an airplane,
3 and they have baggage to go somewhere. I don't have a
4 problem with them driving on the ramp and unloading their
5 baggage. Tom expects that.

6 MR. KENNEDY: What you need to control are the
7 people who don't have a clue where they're at or orientation
8 or otherwise just driving out on the ramp, --

9 MR. KING: Exactly.

10 MR. KENNEDY: -- and --

11 MR. KING: And then you would know about it, at
12 least. If we had a way of, when they punch in -- over there
13 at Sugarland, you can't see the gate. I was thinking about
14 that. You can't see the gate at Sugarland, but when you pull
15 up there, you punch the button and you say -- they come on
16 there and say, "Yes, may I help you?" Someone says, "Yes,
17 may I help you?" You give your tail number; she looks it up
18 on a list, or she knows the tail number --

19 MR. KENNEDY: This keypad doesn't have that
20 ability. But all you got to do is issue a code to people who
21 need it.

22 MR. KING: Yeah.

23 MR. KENNEDY: Real simple. Then you can come in,
24 open the gate. Then you're not having to have somebody
25 manning a gatepost.

1 MR. KING: Right. Right.

2 MR. KENNEDY: On me, because there's times when my
3 girl goes -- you know, that's what's going to happen. It's
4 going to compound. I'm going to have somebody at the front
5 desk, and she's going to go back to check the coffee, because
6 if I don't have coffee, somebody's going to complain. She's
7 going to walk away, and --

8 MR. KING: We can put a sign on there that says,
9 you know, "If you need access to the ramp, check with the
10 desk."

11 MR. KENNEDY: What it'll really do is, people will
12 do like at most other airports: they'll park in the parking
13 lot and bring their bags through. That's why these big
14 expensive double doors were put in, so people can walk right
15 through, from -- into the building.

16 MR. KING: And I guess if it's another airplane,
17 like, you know, that Gulfstream we have that comes in every
18 other week with one of our residents, you know, his pilots
19 can notify the -- he's got pilots. They can notify their
20 customer that the gate code is, you know, 0042.

21 MR. KENNEDY: And that's standard.

22 MR. KING: And so you can do that. That should be
23 up to their pilots, that we've notified them the gate is
24 shut. To me, I think there's a way we can get around this,
25 and I don't know if that has a whole lot to do with John's

1 problem on the ramp out there. Because --

2 MR. LIVERMORE: We're really talking about a bigger
3 issue.

4 MR. KING: It's a bigger issue. I mean, I've flown
5 out of here a bunch of times, and Joey's people have always
6 been very, very courteous about helping me get out of here.
7 You know, even when there's an airplane parked in front of
8 you, especially if they see it's going to be tight, they're
9 there. They don't want anything to happen on the ramp. So,
10 I think it's part of a bigger issue. Go ahead, Ed. I'm

11 sorry.

12 MR. LIVERMORE: Well, I think Joey's people
13 undoubtedly did everything they could in this situation, and
14 it wasn't surprising when -- and so forth. Our airport is --
15 you know, we are getting bigger airplanes in here. They're
16 big, bulky things on the ground. They're -- and I agree with
17 everything that Steve said. The story that he sort of
18 related was that of my own mother. I was up -- I mean, this
19 is what happened in the real world. I was up at Tulsa,
20 Riverside, and my plane was parked, like -- if this was the
21 terminal there, my plane was up here about 50 yards. And she
22 took -- she's 92 or 93 years old, and the gate is back this
23 way to get out. Well, she took me to my plane, and I got
24 everything out, and then she went on. Well, she turned
25 around, and there's a Pilatus parked right, you know, back

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1 here. And dadgum, mom, she doesn't see well, and she
2 shouldn't -- and she's no longer driving. But she shouldn't
3 have been driving then. And she drove right under the wing
4 of the Pilatus. And, fortunately, she was in a Toyota or
5 some kind of a small car, and it went under the wing. I'm
6 running and screaming and hollering, and she can't hear me.
7 And we avoided -- god, I don't know, maybe the million dollar
8 wing right there. But, I mean, that's literally what can
9 happen. And I think -- I think we need to think about the
10 gates. John Shoemaker said -- he said, "I don't want freedom
11 to be lost," but -- and I don't either, and I agree with Tom.
12 But people like my mom shouldn't be driving on the ramp
13 around these expensive airplanes. They just shouldn't. And
14 we -- I think we owe it to the people who use the airport to
15 have sensitivity to this, and I think we owe it to our
16 owners, frankly, because if there's an incident out here, I'm
17 sure somebody's going to get into court on it.

18 MR. MOSER: What is the -- well, don't misinterpret
19 me. I think freedom -- closing -- having control of the
20 gates is not losing freedom. It's just --

21 MR. LIVERMORE: No.

22 MR. MOSER: That's just prudent. What -- just a

23 curiosity question, though. If there's an accident out
24 there, what liability does the airport have for that? I
25 mean, they're going to be accused -- you know, we're going to

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1 be in trouble. So, there's a liability thing associated with
2 it. So if we have a gate and we don't close it, okay, and
3 something like that happens, we're going -- we're going to be
4 right in the middle of the --

5 COMMISSIONER LETZ: What's worse is having an
6 incident and closing the gate.

7 MR. MOSER: Yes, it is, right.

8 COMMISSIONER LETZ: Right.

9 MR. LIVERMORE: In other words, if --

10 MR. MOSER: Okay.

11 MR. LIVERMORE: -- if it happens, the gentlemen of
12 the law, the first thing they're going to ask, as well as the
13 accident investigator, is, "What's your gate policy here?"
14 "Well, we leave them open." That doesn't sound quite as good
15 as, "Somehow they got around the gate."

16 MR. MOSER: Right, okay. Well, I agree with both
17 Ed and Steve. I agree with you, Steve, 100 percent.

18 MR. KING: I don't think you're going to alleviate
19 it, but I think you can at least --

20 MR. KENNEDY: Mitigate it.

21 MR. KING: -- slow it down.

22 MR. MOSER: Mitigate it, right.

23 MR. LIVERMORE: Well, the other thing -- this is a
24 small thing. And, Joey, I should have asked you this before
25 the meeting, so I apologize for asking it now. Are your

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1 people -- do you have those kind of -- I don't know what you
2 call them -- the vest-type things, that safety vest that they
3 wear that would identify them as a responsible authority on
4 the ramp?

5 MR. KENNEDY: They have uniforms. They have rental
6 uniforms that they wear that have Kerrville Aviation logos,
7 emblems and their nametag on them. They've got red coats in

8 the wintertime that have our Kerrville Aviation logo on them

9 and everything. So we do have --

10 MR. LIVERMORE: So, they are identified.

11 MR. KENNEDY: We do have, like, reflective vests

12 for night operations, and wands and things like that.

13 MR. LIVERMORE: These lights?

14 MR. KENNEDY: Yeah.

15 MR. MOSER: Okay.

16 MR. KING: All right. So, what -- do y'all want to

17 take any action on this, or do you want to --

18 MR. MOSER: I'd make a proposal. Why doesn't Bruce

19 come back with a -- why doesn't Bruce come back with a

20 proposal of what we do about that black car driving out there

21 now?

22 MR. LIVERMORE: Who is that?

23 MR. KENNEDY: I think that's actually my staff.

24 I'm watching where he's going. I'm proud of that, because

25 that wasn't staged.

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1 MR. MOSER: That's one of those Toyotas Ed was

2 talking about.

3 MR. KENNEDY: I think that's a rent car.

4 MR. MOSER: I'd make a proposal that Bruce come

5 back at the next session with a concept of what we do to

6 better control, if any, what actions should be taken for

7 controlling access to the ramp.

8 MR. KING: Some sort of procedure, Bruce.

9 MR. MOSER: Right.

10 MR. KING: On how it's going to work. We're going

11 to shut the gates, and we need the get that box checked out

12 out there; talk to our people.

13 MR. MOSER: Talk to Mr. Shoemaker.

14 MR. KING: Get some codes.

15 MR. MOSER: Tell him that we brought this up, and

16 get his input. Talk to Joey, anybody else, and come back

17 with a proposal.

18 MR. MCKENZIE: I'll bring it back to you. Just

19 food for thought; there's Gates 2 and 4.

20 MR. MOSER: With a recommendation on what we should
21 do.
22 MR. McKENZIE: Gates 2 and 4, once they get hip to
23 this, they're just going to go to Gate 4.
24 MR. MOSER: Make a recommendation on the total --
25 MR. KING: Don't those stay closed pretty much

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1 during the day?
2 MR. KENNEDY: Yeah, they're --
3 MR. McKENZIE: They're closed, but if you know the
4 code --
5 MR. KING: You can get in there.
6 MR. KENNEDY: It's just to keep --
7 MR. McKENZIE: I'll make a recommendation.
8 MR. MOSER: So, I move that.
9 MR. LIVERMORE: Second.
10 MR. KING: Okay.
11 MR. MOSER: Wait, got a second?
12 MR. LIVERMORE: I do have a second.
13 MR. KING: Okay. Discussion?
14 MR. LIVERMORE: We have discussion.
15 MR. KING: Once they -- Joey, if they've got a code
16 for this one, they'll come in here.
17 MR. KENNEDY: Right.
18 MR. KING: I think it will be --
19 MR. KENNEDY: There's already a code for those
20 other two gates. People will just go around and bypass it.
21 If there's an easier route, they'll do it, but what that is
22 is somebody who's got experience on the ramp, knows where
23 they're going. It's not those people that I'm so much
24 concerned with. It's --
25 MR. LIVERMORE: It's Mom that you need to worry

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1 about. (Laughter.)
2 MR. KING: Okay. All in favor?
3 MR. LIVERMORE: And guys from Mexico.
4 MR. KING: All in favor?

5 (The motion carried by unanimous vote, 4-0.)

6 MR. KING: 4-0.

7 MR. MOSER: All right.

8 MR. KING: All right, we'll work on that. I think
9 that's a good thing.

10 MR. MOSER: Very good. Continuous improvement.

11 MR. KING: Item --

12 MR. MOSER: 2D.

13 MR. KING: -- 2D, engineering for T-hangars and
14 parking areas. Bruce?

15 MR. McKENZIE: Yes, sir. We've been talking about
16 this for quite some time now, and we've all visited about it.
17 I visited with Steve about it at length, and Tom at length as
18 well, about what are we going to do now? Where are we now?
19 We need to get a professional engineer involved in this to
20 show us a way forward, if you will. And I have asked Mike
21 Wellborn to assist us in this, and he has agreed to, and to
22 give us some ideas how to move forward with our T-hangar
23 project, what it will cost to lay this out, so we'll have a
24 handle on this as we move forward, and also to help alleviate
25 some of our parking issues that we have out in front of the

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1 terminal building as well. And I'll be glad to explain all
2 that to you, but I'll let Mike -- if the board doesn't have
3 any questions initially, I'll let Mike walk you through this
4 as to what he's proposing to do and the price to do it, to
5 get us to that point.

6 MR. MOSER: Let me say one thing. Bruce and I
7 talked -- and I think we talked about it in the last board
8 meeting. We have an area out there with some soil of some
9 condition out there. We have utilities in the proximity. We
10 have a concept of where to put T-hangars, okay. So the next
11 question is, what does it take to prepare the infrastructure
12 so that we can estimate the cost and the plan and the
13 schedule, back to Commissioner Letz' question about what are
14 our needs for capital improvements. And so that's -- on the
15 T-hangar item, that's what that is. We've got multi things
16 here to look at for capital improvements. This is one, but

17 we can't move forward until we get some idea of what's
18 involved.
19 MR. McKENZIE: And the rest of that is the parking
20 area out in front that Steve and I visited about.
21 MR. LIVERMORE: But just so there's no
22 misunderstanding by anybody in the room, this does not
23 obligate us to a project. We are simply finding out if it's
24 possible to do something being made a consideration.
25 MR. MOSER: It's laying out -- it's the first step

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1 of quantifying, only for quantification of what it would be.
2 Okay.
3 MR. LIVERMORE: Yes.
4 MR. McKENZIE: Mike?
5 MR. KING: I agree.
6 MR. McKENZIE: This is Mike Wellborn.
7 MR. KING: Hi, Mike.
8 MR. WELLBORN: Howdy. Basically, I'll answer any
9 questions if you have them. What I've got as far as this
10 proposal is to come back and redraw the concept plan that you
11 had for a phase of the four T-hangars.
12 MR. MOSER: You have something here?
13 MR. WELLBORN: Phase 1, yes. And then my
14 understanding is we're going to leave the -- the paint area,
15 what was the Mooney Aircraft paint building.
16 MR. MOSER: Correct.
17 MR. WELLBORN: So that will require modifications
18 to one of the concept plans that you previously had
19 identified in the master plan. And then we'll come up and
20 redraw it. Just a concept of 2D, and come up with the
21 quantities for paving, water, sewer, and striping for that,
22 and then give you an engineer's opinion of probable
23 construction cost for that, along with the estimate of what
24 the engineering plan would look like. We're looking at doing
25 this for -- I understand the board's constrained on funds.

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1 Bruce and I talked about it. We'll do this on an hourly rate

2 that is a not-to-exceed amount. And my idea is, you know, I
3 want to earn your trust and business, and that price should
4 reflect that. So, if you have any questions --

5 MR. McKENZIE: And this is just --

6 MR. MOSER: Well, not having seen this before,
7 Mike -- and let me ask Bruce. Do we want to do this real
8 time, or do you want us to read it and give you our comments?
9 Or -- I mean, we can take the time to read it right now. I
10 haven't seen it before.

11 MR. McKENZIE: It's just this one page, Tom.

12 MR. MOSER: Okay. Let's just read it.

13 MR. McKENZIE: On the T-hangars.

14 MR. MOSER: Okay.

15 MR. KING: And you propose to do the same thing on
16 the parking area situation?

17 MR. WELLBORN: Yes, sir. That's -- Bruce had
18 talked about doing this as two phases. The small one over
19 here really doesn't -- in talking to Bruce, I don't think we
20 really have to do engineering plans just for that one small
21 parking area. I can work with Bruce on that.

22 MR. KING: Talking about which one?

23 MR. McKENZIE: Right out here, to extend this
24 parking lot 12 feet, put up the retaining wall.

25 MR. WELLBORN: That's way small.

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1 MR. McKENZIE: I don't know if we can get the
2 City's okay for grants to make this small one.

3 MR. WELLBORN: I think we can work -- maybe do just
4 a real --

5 MR. McKENZIE: Okay.

6 MR. KING: What they're talking about was when they
7 built this -- when they built the terminal and they built the
8 parking lot, they ran out of money. I wasn't on the board
9 then, but they ran out of money back when they got to the
10 parking area, and they ran out of money, 'cause it was the
11 last project. And they -- the original plan was to dig out
12 some of that dirt that is back over there, back behind the
13 parking lot.

14 MR. MCKENZIE: From that sign.
15 MR. KING: And extend those parking spaces about --
16 those eight or ten parking places, extend them back about 15
17 feet with a little retaining wall there. And what that does
18 -- what it does is opens up that parking lot. I mean, if
19 anybody's been out here, that parking lot, if somebody parks
20 a truck in one of those first three parking lots -- parking
21 spaces, you can't hardly get a car out of this parking lot
22 over here, out of this space over here. They can't back up,
23 and it's a real --
24 MR. WELLBORN: 18 feet wide. Typically, minimum is
25 24 feet.

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1 MR. KING: Exactly. So, there there's not enough
2 room. So -- and after the last planning meeting, I showed
3 Bruce that if we cut that -- cut that hill down just a little
4 bit and put some sort of retaining wall there, then we could
5 extend those -- those parking spaces that go all the way
6 along the fence over here. We can push them back about 10 to
7 15 feet, and it would open up our parking lot a huge amount.
8 It would open it up and allow people to have access into
9 there, and then we wouldn't have to worry about who parks
10 there. In the past, it said, "Small car parking only," but
11 we have people parking trucks there and then they leave for a
12 week or so, and you can't hardly get -- can't hardly get
13 around there, even to get in there, and you can't back out.
14 MR. LIVERMORE: I've seen that too.
15 MR. KING: It's a real pain. And so I told Bruce
16 to talk to -- normally we get somebody from the City. You
17 know, we've got to have some engineering on it, and so Bruce
18 brought up the idea of talking to Mike. Because, you know,
19 maybe they can kind of coordinate. We can see what it was
20 actually going to do. We're not talking about spending any
21 money; we're just going to get a proposal to find out what it
22 would cost to do that, and what the procedure to do that
23 would be. And then we'll go to the owners and -- and tell
24 them, you know, we've got it -- we've either got it in our
25 funds, that we have excess funds, and maybe we can do it, or

1 something like that. Yes, sir?

2 MR. LIVERMORE: I don't know whether to ask Mike or
3 Tom this question, but I noticed here about subgrade
4 preparation. Tom, are you going to get into that, and are we
5 going to have to adjust --

6 MR. MOSER: Clearly, what Mike -- what Mike is
7 saying there, he's doing the stuff he can get from drawings.
8 And -- and to do the -- do the soil evaluation to determine
9 the adequacy, compaction, blah, blah, blah, is another item
10 which is probably outside of Mike's capability. So, I
11 understand that, and I think that that's fair. That's -- you
12 know, that's consistent with what I thought we'd be doing.
13 I don't think we need to go out there and do a big soil
14 analysis right now until we figure out where we're going.

15 MR. KING: And on this -- on the parking lot deal,
16 this second part, on this fee -- this fee, proposed basic
17 services for survey by Voelkel, and civil engineering plans,
18 is that for -- that's for that little thing and that other
19 thing over there?

20 MR. WELLBORN: That -- that will include both of
21 them in that, because that way if you wanted to bid it, you
22 could have both of them together, have the economy of scale.

23 MR. KING: Right. And what -- and for those of you
24 not familiar with that, what we're thinking about -- and, I
25 mean, I think the board needs to discuss this, because this

1 has always been one of my plans, but it is putting a parking
2 lot up here inside the cyclone fence up here that we could
3 access by our main road coming into a culvert, and we could
4 take some of these cars that are parked in this parking lot
5 that never move, that are parked here for hunters and people
6 who have houses here, and they come in on the weekend or they
7 come in once a month or they come here once a year, and they
8 just -- I mean, there's literally, probably 40 or 50 of them
9 out there that -- you know, and give them a place to park.
10 And we can retain some revenue off of it by charging them 300

11 bucks a year, 250 bucks a year, whatever. They'll have an
12 enclosed area that'll be secure at night, and it'll be easy
13 access to get the cars back over here to the front, and it
14 will open up our whole area over here so we have some parking
15 for our daily visitors.

16 We have a lot of people come out here during the
17 day, and a lot of times on the weekends you can't find a
18 place to park. People are parking down the road down here.
19 And if they don't -- and if they're not interested in -- in
20 participating in the "pay to park" program that the airport
21 would like to implement, then there's a parking lot down
22 there behind the -- that we built a long time ago. Is it
23 still there?

24 MR. MCKENZIE: Yes. That's -- when we built the
25 building, we put a temporary parking lot up.

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1 MR. KING: You can just go right over there and
2 walk 150 yards to get back here. Park your car over there if
3 you need to. But I think they do this in a lot of different
4 towns I've been to; it's not something new. And it's -- I
5 think it would be a great revenue source for the airport.
6 And, you know, then if we see how it works, we can expand on
7 that. We could offer some covered parking for a little bit
8 more money if we wanted to. But we're not talking about
9 building a parking lot. What we're talking about doing right
10 now is just coming up with a conceptual -- the figures and
11 the -- what it's going to cost to do it, to get it on -- get
12 it on the ground, so we can take it to the City and take it
13 to the County, and we'll have a return on investment of some
14 type, and we'll -- we'll go -- we'll bring it to the City and
15 the County with some sort of funding mechanism, whether it's
16 internal, whether we fund it out of our own money, or we fund
17 it -- ask the City and County to help us, or someone else to
18 help us, and what type of return on your investment you'll
19 get on this thing. And that will be brought to you guys
20 prior to anything. We're just talking about doing some basic
21 engineering, because Bruce has told me we can't just go out
22 there and get the City and the County to take their paver out

23 there and start grading it and digging. I mean, I understand
24 the City's not on board with that, and the County -- I don't
25 know.

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1 COMMISSIONER LETZ: I've got a question.

2 MR. KING: What?

3 COMMISSIONER LETZ: It seems -- and I'm just going
4 back in memory over the years -- that Voelkel has done some
5 pretty detailed surveys, studies of the airport in the past.
6 I just wonder --

7 MR. MOSER: Topo kind of stuff, I think.

8 COMMISSIONER LETZ: Right. But I just want to make
9 sure we don't already have -- and if you don't have it, I
10 wonder how much more it would cost in these areas you're
11 looking at developing to do a -- a 1-foot topo of those
12 areas. Because every time you get them out here to do it,
13 there's certain -- I guess there's a cost just to get them
14 out here. And every time you look at something, you're going
15 to have to have that. And I actually thought it was done
16 already, but maybe -- Mike probably remembers from when he
17 was with the City; they would have had it in their files.

18 MR. WELLBORN: I know Bruce has, you know, not a
19 real detailed topo.

20 MR. McKENZIE: Yeah.

21 MR. WELLBORN: But what's he's going to do -- the
22 reason I need the topo here is to get the real, like, 5-foot
23 intervals, spot elevation, because that big drainage ditch, I
24 want to make sure we don't over-top it.

25 MR. MOSER: I think for what we're looking at here,

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1 the topos are fine. We don't have to do anything else for
2 right now.

3 COMMISSIONER LETZ: But the other part of that
4 is -- and Bruce left -- is where is this money coming out of
5 the budget?

6 MR. MOSER: We're getting ready to ask that.

7 MR. KING: We're getting ready to ask that.

8 MR. MOSER: I want to ask -- I want to ask Bruce
9 too, and I'll wait till he comes back, is proceeding with
10 giving -- awarding as a, quote, purchase order or a contract
11 to proceed with this, understand the -- what we need to do
12 here. We have to -- Bruce?

13 MR. McKENZIE: Sir?

14 MR. MOSER: Question is, to proceed with something
15 like this, probably there are multiple firms that could do
16 it, so what do we -- what's our obligations, commitments,
17 constraints on how to proceed?

18 MR. McKENZIE: This is under \$50,000, so we can
19 proceed as the board wishes on this. This is also grant
20 eligible. I've got grant money to do this with through the
21 RAMP grant.

22 MR. KING: So we can use RAMP grant money?

23 MR. McKENZIE: Yes, sir, we can.

24 MR. KING: They're on board with that?

25 MR. McKENZIE: Yes, sir. I checked it.

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1 MR. KING: You did check it? There's one answer.

2 COMMISSIONER LETZ: Even better.

3 MR. KING: So they would reimburse us for half of
4 this?

5 MR. McKENZIE: Half of it, yes, sir. So, we're
6 going to spend 8,700 bucks; they'll give us half of that
7 back, so that's even better. And back to your --

8 MR. KING: They're two --

9 MR. COWDEN: Two proposals.

10 MR. McKENZIE: Back to what Commissioner Letz said
11 about the topos, and --

12 MR. LIVERMORE: Oh, I thought they were the same
13 thing.

14 MR. KING: No, the parking area deal, and then the
15 T-hangars.

16 MR. McKENZIE: In our master plan, TexDOT Aviation,
17 for the first time, graciously acknowledged that they were
18 going to fly this topo for us, 'cause it was an extra 100
19 grand, if you'll recall in the meetings we had. Michelle

20 said that they would do it, because they wanted this master
21 plan to be as it should be, and they wanted -- it's a long
22 story, but the F.A.A.'s involved in it as well. They're
23 going to do an airport air space analysis, which they --
24 they're doing right now. It's called photogrammetric survey,
25 which we've already flown. I explained this to Mike the

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1 other day. He knew what I was talking about. We will have
2 5 foot to 1 foot -- the topo will go down 5 foot to 1 foot,
3 but we may not get that for six months. So, to pay these
4 folks \$1,000, I think is what it was, to Voelkel -- you know,
5 it's a time -- do we want to do it now, or wait six months to
6 get all that data back from F.A.A.? So, to answer your
7 question --

8 MR. LIVERMORE: We don't know it will be six
9 months.

10 MR. MCKENZIE: And we don't know that that's the
11 case, either. So, to answer your question, I think Voelkel
12 has done some stuff out here for some private folks, but I
13 don't know if they've done the airport entirely. And I don't
14 know that for a fact, just what I'm -- my knowledge of it.

15 COMMISSIONER LETZ: Okay.

16 MR. MOSER: Bruce, one other thing. Or I was going
17 to ask Mike. What -- what's the schedule associated with
18 that? Am I missing that? I didn't see a schedule in here.

19 MR. WELLBORN: Yeah, I did mark a schedule on that.
20 That was -- I can do it in a couple weeks; we can have that
21 done.

22 MR. MOSER: So, by the next board meeting, we can
23 have --

24 MR. WELLBORN: Well, a couple weeks, once we get
25 the --

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1 MR. MOSER: Yeah, I understand.

2 MR. WELLBORN: Actually, since I wrote this, I got
3 a commitment for -- probably that would precede this one.

4 MR. MOSER: But you're talking about something like

5 a month duration to do both of those projects?

6 MR. WELLBORN: Yes.

7 MR. MOSER: Okay. So, once you get the go-ahead.

8 Yeah, okay. One other question, Mike. Say a little

9 something about yourself. I know when you were working for

10 the City what you did, but tell us a little bit about your

11 capabilities.

12 MR. WELLBORN: I'll give you my quick resum?.

13 Graduated from Texas A & M with a master's degree in 1996 in

14 civil engineering. I worked for a private consulting firm,

15 Brockette-Davis-Taylor, for about five years as a consultant,

16 design engineer. In 2001, I began working for City of Cedar

17 Hill, Texas, as the city engineer there. In 2001, I also

18 started my own business, Wellborn -- actually, it was a

19 different name. In 2001, just to do it as a part-time job.

20 And in 2006, I moved here to Kerrville, and was the city

21 engineer, and promoted to the Director of Engineering, and

22 then quit the City late last year, October, and started my

23 own company, Wellborn Engineering.

24 MR. MOSER: Okay. All right. And you're a

25 professional engineer?

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1 MR. WELLBORN: Yes, sir, licensed professional

2 engineer.

3 MR. MOSER: Okay.

4 MR. KING: All right.

5 MR. LIVERMORE: Well, I would make a motion that we

6 proceed with both of these proposals.

7 MR. KING: Any questions by the owners as to what

8 we're doing here? I want to be very clear, what we're --

9 COMMISSIONER OVERBY: It's good.

10 MR. KING: Everybody's on board with it? You

11 understand what we're doing here? Okay.

12 MR. MOSER: I second.

13 MR. KING: All right. Discussion? All in favor?

14 (The motion carried by unanimous vote.)

15 MR. KING: 4-0. Thanks, Mike.

16 MR. MOSER: Thanks.

17 MR. KING: Looking forward to working with you on
18 this.

19 MR. MOSER: Thanks for the quick response.

20 MR. WELLBORN: You bet.

21 MR. KING: Appreciate it. Thank you very much.

22 Good job. Mooney leases. Oh, we're going to do that in
23 executive session. I'm sorry.

24 MR. MOSER: Let me say something about the Mooney
25 facility that's not lease-related. But we had a planning

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1 committee meeting the other day; we went through the
2 facilities, saw a lot of potential over there. And one thing
3 that -- that comes out of that review, and also looking at
4 the master plan, if -- if Mooney were to walk -- and we're in
5 a month-to-month lease right now, okay? That's -- that's for
6 public information. If Mooney were to walk in, hand us the
7 keys right now, with very little expenditures, this airport
8 and the City and the County would be realizing anywhere from
9 \$125,000 to \$150,000 a year leasing those facilities for
10 airplanes over there, and that includes the big, long
11 maintenance facility over there, the other two adjacent
12 hangars, and the paint hangar where you could literally put
13 four aircraft over there. So I --

14 MR. COWDEN: Assuming there's enough demand.

15 MR. MOSER: Oh, yeah. Yeah. You may not have --
16 that -- the way it's laid out in the big hangar over there,
17 there's 18 aircraft you can clear out in there. You can move
18 aircraft in and out; you can stack more airplanes in there.
19 We have something like 30-something aircraft waiting.

20 MR. MCKENZIE: 31.

21 MR. MOSER: 31 aircraft waiting for hangar space.
22 So -- you know, and there's some places for large aircraft in
23 there. So, my point being is we're working hard to make this
24 revenue-neutral. We have a facility over there which is --
25 which is in limbo right now. They've been -- but there is

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1 real potential for doing things very quickly over there for

2 somewhere in the neighborhood of \$125,000 to \$150,000 a year
3 revenue, and with very little -- very little capital
4 improvement or fix-up in there. So, that's the only thing I
5 want to say about that. I think we need to keep that in mind
6 as we proceed to discuss in executive session leases and
7 where we are.

8 COMMISSIONER LETZ: Talking about -- sorry, cookie
9 in my mouth. I wanted to follow up a little bit about the
10 meeting we had also last week. The other side of that,
11 though, is if they walked tomorrow, the loss and the added
12 cost to the City and the County, or to the airport, however
13 you want to look at it, is probably \$100,000 to \$120,000 a
14 year. You lose the rent, and that doesn't count the property
15 taxes that you lose.

16 MR. MOSER: Right.

17 COMMISSIONER LETZ: You lose the rent, and then
18 utilities, and you would have to automatically hire a
19 security guard to be over there or something. So, I mean,
20 the -- there's potential over there long-term to get revenue,
21 but there's a short --

22 COMMISSIONER OVERBY: Down side, too.

23 COMMISSIONER LETZ: -- shorter-term cost to -- to
24 somebody. And that 60,000 is counted on in our budget -- or
25 your budget and our budget. So, I think there's -- it's kind

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1 of a double thing. I mean, it's good that there's potential,
2 but it's scary that they could walk, and it would have a huge
3 negative impact on the -- on our budgets.

4 MR. MOSER: But it could happen.

5 COMMISSIONER LETZ: Could happen. And I think the
6 other thing that we've been told a lot from Mooney over the
7 years -- I don't know that there is any problem with saying
8 this, is that from talking with the Mooney folks, I think
9 that there is a pretty good likelihood the airport's going to
10 know what Mooney is doing in the next six months. I mean, I
11 think there's some things -- you know, they're going forward.
12 There are decisions that have to be made by the owner --
13 Mooney owners, and those decisions are probably going to be

14 made sooner rather than later at this point. And I think the
15 other -- there's a pretty good likelihood that there will be
16 a Mooney presence of some sort continuing. One of the things
17 that I thought was really interesting that I never really
18 thought about is that there's --

19 MR. MOSER: 6,000.

20 COMMISSIONER LETZ: -- 6,000, whatever, Mooneys
21 that are out in the world, and I think roughly 75 percent of
22 the parts can only be made here. Or someone -- you know.

23 MR. MOSER: With those assets.

24 COMMISSIONER LETZ: Yeah, with the assets that are
25 here. So, there is a value there. Whether Mooney -- or

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1 hopefully Mooney will come back as an aircraft manufacturing
2 company, but even if they don't, there's a parts business
3 that will continue somewhere. And all of the equipment and
4 all of the molds and all that are here right now, and it
5 would be a pretty big expense to move all that, so that's a
6 good thing. I think we can -- you know, I think the
7 likelihood of it totally leaving is -- is low. But who knows
8 what level, you know, they will come. But I think -- I mean,
9 I'm glad y'all are looking at it, the planning committee, the
10 City. The mayor wasn't able to make that meeting, but Carson
11 Conklin was there. Were you there, Mike? Mike was there.
12 It was very good, and I think we're -- you know, both the
13 owners, anyway, are -- know a lot more than we did probably a
14 month ago.

15 MR. MOSER: So, on your request that we identify
16 capital funds for two years, we're just going to have to put
17 placeholders in there for that, and probably some kind of
18 range. It's either Option A or Option B.

19 COMMISSIONER LETZ: Right.

20 COMMISSIONER OVERBY: That would be one way we
21 could do that.

22 COMMISSIONER LETZ: It's hard -- I mean, that's
23 probably the easiest spot where some money's likely to be
24 needed.

25 MR. MOSER: Right.

1 COMMISSIONER LETZ: That's probably -- because, as
2 I understand the new lease -- and I'm not sure everyone
3 totally is in total agreement as to what the 2006 lease did,
4 but there's a contraction part of that, and clearly the
5 current owners are willing to give up three buildings over
6 there. And there'll be some cost -- and some of those could
7 be used for aircraft right away.

8 MR. MOSER: Right.

9 COMMISSIONER LETZ: But there will be some cost to
10 get them ready for aircraft right away.

11 MR. MOSER: Right.

12 COMMISSIONER OVERBY: Can I just say, the meeting
13 that we had with everybody that was there, all the committee
14 folks that were there, it was very beneficial. And I think
15 Tom made the comment there about folks who have not toured
16 the facility. I've been through it many times to see what it
17 looks like and what's there, but it is a huge facility. I
18 think we have 410,000 square feet, I believe, is what we had
19 total. Is that right? Of everything?

20 MR. MOSER: 300,000.

21 COMMISSIONER OVERBY: 300,000. A lot of building
22 over there. So, it was very beneficial for everybody to
23 attend to look at that.

24 MR. MOSER: Okay.

25 MR. KING: All right. Anything else on that?

1 We'll talk about that in executive session. Master plan
2 final draft. Bruce? Item 2F.

3 MR. McKENZIE: Final draft is here. Everybody
4 received a copy, including the City and the County. All the
5 comments that I received back were from the board and the
6 City and the County. Copies of that are in your packet. I
7 received them last week, and then from -- I gave them over to
8 Garver, Perry Havenar at Garver. He's replied to them.
9 Those replies are in your packet as well. This came out
10 Thursday, I believe, or Friday morning. He's responded to

11 all this. The corrections will be made in the master plan.

12 MR. MOSER: Stand by. Okay, corrections. There's
13 probably going to be some issues in that.

14 MR. McKENZIE: That's right.

15 MR. MOSER: Those things which are -- which
16 everybody agrees to on changes. So, how are we going to see
17 -- how's the board -- the board's going to approve the
18 document, the master plan. How do we see the changes that --
19 that are going to fall in two categories? One, you got to
20 make the changes because it was a typo, okay. Number two, we
21 need to have some mechanism by with which to dispose of
22 issues which exist. Garver's going to say one thing;
23 somebody else is going to have a comment and want us to
24 change something else. We need to have a -- we need to have
25 a process to do that. What I want to discuss is how --

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1 what's that process?

2 MR. LIVERMORE: Are you talking about before final
3 approval?

4 MR. MOSER: Yeah, before final approval. If we've
5 got an issue and we need to -- we need to address that issue,
6 we need to have a meeting, a workshop or something, to
7 resolve them so we can say, Yea, verily, that's it. The
8 master plan's final.

9 MR. LIVERMORE: Well, that's good, Tom. I've kind
10 of wondered -- I mean, this is a pretty complex document.
11 What if we find an issue six months from now?

12 MR. MOSER: Wait, let me stay -- let me stay on
13 things we've identified today, okay, before we go to
14 something else.

15 MR. LIVERMORE: There's going to be things later.

16 MR. KING: Well, he gave you your answers. You had
17 a question; they gave you an answer. Do you agree with it?
18 If you don't agree with it, speak now or forever hold your
19 peace. Same way with Mike, and same way with Mark. I mean,
20 they gave you answers. You guys need to look at your
21 answers, go through, put check marks next to the ones you
22 agree with, X's next to the ones you don't, and then you need

23 to deal with Garver on that. There's answers to every
24 question y'all asked. And, by the way, I looked at all
25 y'all's questions before y'all asked them -- after y'all

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1 asked them. I agreed with most of them.
2 MR. MOSER: Okay. If --
3 MR. KING: Mike, have you looked at it?
4 MR. ERWIN: Yeah, we got a copy of ours.
5 MR. KING: I mean, have you gone through all the
6 answers to your questions?
7 MR. ERWIN: I read through it once. I read through
8 it once last week.
9 MR. KING: I would encourage you guys to do that.
10 MR. ERWIN: Yes, we will.
11 MR. KING: I mean, what's the time, drop date on
12 here? I mean, are they printing this thing right now?
13 MR. MCKENZIE: No. No.
14 MR. KING: I think what we need to do -- I'm sorry
15 for interrupting you, but it looks like to me, y'all -- if
16 this was all the questions that Todd and Mike asked about
17 the -- about the master plan, --
18 MR. MOSER: They answered.
19 MR. KING: And they have some good questions. And
20 they put an answer to each one of them. Then you guys need
21 to go through here and see if that answer was sufficient to
22 make you happy, and you're happy with it being in the master
23 plan. If it's not, put a star next to it and get back to
24 Bruce so he can clarify your answer with Garver.
25 MR. ERWIN: Okay.

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1 MR. MOSER: That's all I'm asking. That's a
2 procedure. Is that --
3 MR. COWDEN: Is that going to be our procedure?
4 MR. KING: Looks like to me the ball is now in
5 y'all's court, because Garver was pretty quick in getting
6 these answers back. I was pretty surprised. So, y'all go
7 through, decide if you like all the answers they gave you, or

8 whether you don't agree with them, and get back to Bruce and
9 -- and get him to clarify those questions.

10 MR. MOSER: That's okay. And anything that's left
11 over from that, let's just bring it back to the next board
12 meeting, okay? That's fine.

13 MR. KING: Okay. Or, I mean, don't be afraid to
14 call Bruce and -- and get him to get a quick response from
15 Garver, 'cause I know they like to -- they'd like to end this
16 thing and clear it out. So, y'all -- just between now and
17 the next board meeting, or now and the next couple of weeks,
18 y'all banter back and forth and get all those questions
19 answered so that all these pieces of paper have check marks
20 next to them, and y'all can go on down the road.

21 MR. MOSER: And any issue, bring it back and let's
22 resolve it.

23 MR. KING: If you have another issue, "Oh, I forgot
24 about that one," then pick up a phone, or -- yeah, pick up
25 the phone and call Bruce, and be sure that he sees it and

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1 knows about it, and he can get with Garver on it.

2 MR. McKENZIE: Is that okay?

3 MR. ERWIN: Yeah.

4 MR. KING: Sound like a deal?

5 MR. McKENZIE: The City requested to look at this
6 again once it was all completed. Do you still want to review
7 it all again once it's -- Garver --

8 MR. MOSER: That's what we're saying. Let him look
9 at the responses.

10 MR. McKENZIE: Look at the responses again?

11 MR. ERWIN: We can go back and visit with Todd on
12 all this, and yes, we'll take a look at the responses, and --

13 MR. MOSER: Mike, they were very good questions.
14 You had some really good points. Thanks for going through it
15 in the detail you did. That's great.

16 MR. KING: That shows y'all were interested. All
17 right. Any other questions about this? And I guess if
18 there's something six months from now, we can put a post-it
19 note in there or something. I don't know. I mean --

20 MR. MOSER: Yeah. It would be --

21 MR. McKENZIE: What's not going to be completed,
22 gentlemen, is the Airport Layout Plan. The photogrammetric
23 survey and the air space analysis, that could take three to
24 six months, 'cause it's in Fort Worth.

25 MR. KING: And you talked to them about changing

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1 the use on this Mooney situation over here?

2 MR. McKENZIE: Yes. If we decide that we want to
3 do that, we can. If we decide we want to change it, we can.

4 MR. KING: I think we need to put that on the
5 agenda, because I think we at least give options -- the
6 options.

7 COMMISSIONER OVERBY: To make it
8 non-aviation/aviation.

9 MR. KING: Yeah, to give the option. It has some
10 pretty good flexibility, because it was manufacturing. But,
11 you know, if TexDOT says it's aviation/non-aviation, like we
12 have this line over here where, you know, B.A. Products was
13 non-aviation; this is aviation, then we need to have the
14 flexibility. I don't -- I'd rather not -- I'd rather not
15 get, you know, a year into this deal, and all of a sudden
16 somebody leaves, and we go, "Oh, we want to turn that into a
17 mobile home park -- or mobile home manufacturing," and we
18 can't do it because it's not on our master plan. It says
19 airplanes. So --

20 MR. MOSER: Well, that --

21 MR. McKENZIE: Is it the board's direction for me
22 to change that, to request that to be changed?

23 MR. KING: Well, I don't know if that's an agenda
24 item -- I guess it is, on the master plan.

25 MR. McKENZIE: We're talking about the master plan.

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1 MR. LIVERMORE: I think that's right.

2 MR. KING: I think we have the flexibility.

3 MR. MOSER: And what's --

4 MR. LIVERMORE: Particularly manufacturing

5 buildings.

6 MR. MOSER: What's it take in the 122,000 square
7 foot building? That's the one we're talking about. And Ray
8 Watson's here, so that's -- we've talked about places to put
9 airplanes and get revenue. That -- that other big facility
10 over there is another potential for -- and I think Cox looked
11 at it briefly and said no, that won't work, because it didn't
12 have a 30-foot.

13 COMMISSIONER OVERBY: Fox.

14 MR. MOSER: Fox, excuse me. Fox, 'cause it didn't
15 have a 30-foot clearance. There may be other people that
16 could -- could use that 122,000 square foot --

17 MR. KING: Well, I think we should make a motion.

18 MR. MOSER: But you have to say it doesn't have to
19 be airplane manufacturing related. It can be other --

20 MR. KING: I think we should do that. I think we
21 should tell Garver -- if TexDOT's okay with that, I mean --

22 MR. McKENZIE: It'll have to go through Michelle.

23 MR. KING: Why don't you talk with Michelle about
24 that? If Michelle's okay with that, then we can put both
25 uses, optional aircraft -- aviation/non-aviation use. As

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1 long as we don't --

2 MR. McKENZIE: That's all it's got to say.

3 MR. KING: As long as we don't stray from the --

4 MR. McKENZIE: Right.

5 MR. KING: -- intended use of the building.

6 There's manufacturing/airplane, manufacturing -- something
7 else. So --

8 MR. McKENZIE: Motor homes.

9 MR. KING: -- I think we should at least have some
10 sort of flexibility.

11 MR. McKENZIE: Yes, sir.

12 MR. LIVERMORE: I have a question. You mentioned
13 that air space survey. Does that relate to the approaches?

14 MR. McKENZIE: Yes, sir.

15 MR. LIVERMORE: That's the same thing.

16 MR. McKENZIE: Absolutely. Yes, sir.

17 MR. LIVERMORE: You know what we're talking about?

18 MR. MOSER: Sure. Okay.

19 MR. KING: Okay. Customs and -- U.S. Customs and
20 border protection.

21 MR. McKENZIE: We now have got three individuals
22 that, without going into a lot of detail, that move back and
23 forth into Mexico and back into Kerrville. We talked about
24 this over several months -- actually, over a couple of years.
25 I finally got to talk to the folks in San Antonio. I talked

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1 to the chief of customs and border patrol in San Antonio.
2 And you've had a moment to review this. You can see what
3 it's going to require for us to have a customs officer here
4 at our facility. We're not an international flight
5 designation, which we need to be. We're too close to San
6 Antonio and Austin, and they are both international flight
7 designations. We'll have to build our own building. And I
8 won't read -- I'll read some of it to you. It has to have
9 its own vault, its own holding cells, agricultural needs,
10 secured phone lines, internet service, bulletproof glass,
11 built to their standards. We have to finance the building
12 and budget out of our budget \$200,000 annually for a customs
13 officer, and the Governor has to approve it.

14 MR. LIVERMORE: I move that this be tabled
15 indefinitely.

16 MR. KING: Well --

17 MR. McKENZIE: Now, that being said, in an effort
18 of full disclosure, those folks that asked us about this, I
19 think it would be proper to take this to these folks and
20 say -- they may still want it. And if they will fund it, --

21 MR. MOSER: That's right.

22 MR. McKENZIE: -- then we can build it.

23 MR. LIVERMORE: What about additional -- does this
24 create any kind of additional security layer in the airport?

25 MR. McKENZIE: Absolutely.

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1 MR. LIVERMORE: Talking about the gate. You know,

2 we were talking about the gate subject earlier. Does that --

3 MR. McKENZIE: It will. It will, but I don't know

4 to what degree. In my 30-minute conversation, I gleaned this

5 information from this gentleman.

6 MR. LIVERMORE: Yeah.

7 MR. McKENZIE: So --

8 MR. LIVERMORE: Well, does that bring the T.S.A.

9 into our presence? And -- more than they already are?

10 MR. McKENZIE: It will to a degree, but like I say,

11 I don't -- I didn't -- when he kept telling me no, I started

12 backing off. But I got the facts here; this is why we can't.

13 MR. KING: Do you think we could get Lamar Smith

14 to look at this? I mean, this guy may just not want to do

15 it. I mean, he may just not want come up here and deal

16 with us.

17 MR. McKENZIE: We can do it --

18 MR. KING: I mean, he's got a nice place in San

19 Antonio. He's just hanging out --

20 MR. McKENZIE: -- if we can fund it.

21 MR. KING: I want to get that \$200,000-a-year job,

22 too. That's pretty good.

23 COMMISSIONER LETZ: Well, I wouldn't -- I would

24 pursue it.

25 MR. KING: I just think we owe it to these guys.

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1 MR. McKENZIE: This is just information only.

2 MR. KING: One of the guys out here, Clayton, you

3 know, I think he asked about it. We've got some customers

4 that have asked about it. I hate to just throw it under the

5 bus and say, you know, "We don't want to talk about it." I

6 mean, even if it's not feasible -- it may not be feasible for

7 us, but they may say --

8 MR. MOSER: Yeah.

9 MR. KING: You know, I think we owe it to them to

10 at least ask.

11 MR. McKENZIE: That's what I'm saying. I think we

12 ought to ask the folks --

13 MR. KENNEDY: When I first started this project two

14 years ago, I was discussing with people in Fort Worth, and I
15 talked to the governor's office. Everybody told me the same
16 thing. When you start at the local level, you're going to
17 hear lots of no's.

18 MR. KING: Yeah.

19 MR. KENNEDY: But they said that's how they weed
20 out people who are really not serious about it. But, you
21 know -- and I don't know how rigid the requirements are that
22 he's giving Bruce. We don't know that -- Bruce and I talked
23 about this, about due diligence and moving forward may yield
24 some results. I don't know.

25 MR. LIVERMORE: Well, by the same token, I want us

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1 to know what this means in terms of security at our airport.
2 In other words, if -- if, in order to accommodate three
3 customers, everyone else has to have a security badge and
4 be --

5 MR. MOSER: What's the collateral damage?

6 MR. LIVERMORE: All this stuff you see at other
7 airports, we don't want to get into that.

8 MR. McKENZIE: I've been in McKinney; they've got
9 their own facility. They're like us, not as nice as us, but
10 they have a lot of international traffic, and you can walk
11 on -- on and off of their ramp just like we do.

12 MR. KENNEDY: All it is, they have to have the
13 equipment and the facilities in place. In the event that the
14 customs guys are clearing one of Clayton's guys and they find
15 an issue, they got to have a facility for holding; they got
16 to have all these -- according to what he's telling us the
17 requirement is.

18 MR. KING: And to be clear, they would not put a
19 customs officer here. They would --

20 MR. McKENZIE: Will-call.

21 MR. KING: Will-call basis, which those guys would
22 have to pay for.

23 MR. KENNEDY: And what we were told is the local
24 guys aren't going to want to do any of that, but that does
25 not necessarily mean that it's 100 percent out of the

1 question. So, I guess it's a question of pursuing it.

2 MR. KING: Yeah.

3 COMMISSIONER LETZ: I just think -- it's a lot, but
4 for the individuals that are talking about it that want it,
5 it isn't much.

6 MR. MOSER: That's right.

7 MR. KENNEDY: That's what Bruce and I were talking
8 about.

9 MR. McKENZIE: Got to at least let them know.

10 MR. MOSER: That's exactly right.

11 MR. KENNEDY: There's more than three.

12 COMMISSIONER OVERBY: We've had some briefings with
13 Lamar before on this, and I know with Harvey on stuff like
14 that as well. And what Jonathan is saying, there are some
15 planes that, if you have them as this is their home base, it
16 would pay for this hand-over-fist.

17 MR. KING: Oh, yeah.

18 COMMISSIONER OVERBY: It looks kind of daunting. I
19 just saw the list here from everything, what you've got. But
20 the -- if some of those folks would have this as their home
21 base here, it would be very beneficial to this community.
22 So --

23 COMMISSIONER LETZ: Taxes.

24 COMMISSIONER OVERBY: -- I would encourage you to
25 follow up with Lamar's office and some of these other

1 offices, have some visits with them.

2 MR. KING: I agree. And I don't think just 'cause
3 this guy doesn't want to do it --

4 MR. McKENZIE: Shall I go ahead and contact the
5 owners of these aircraft, see if I can set up a meeting with
6 them? With some of -- two of the board members?

7 MR. KING: I think we need to talk with somebody
8 else about what the requirements are.

9 MR. MOSER: Let's talk about requirements before
10 you talk about marketing.

11 MR. KING: I think I'd talk about requirements,
12 because this is this guy's requirements. I think we need to
13 find out, maybe from -- I think I'd go to Lamar first, and
14 see -- let Lamar find -- you know, find out from another
15 level up there --

16 MR. KENNEDY: What really could be done.

17 MR. KING: -- what really can be done. I mean,
18 what -- you know, if -- if money -- you know, and Ray may be
19 able to help us on this too. Ray could help us.

20 MR. WATSON: That actually -- Joey and I were just
21 talking. That offers you a lot more options too, because if
22 you get that designation, then there's a lot more
23 opportunities that will come.

24 MR. KING: Oh, yeah.

25 MR. MOSER: Yeah, I think probably -- you know,

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1 "Build it and they'll come" kind of thing. But the people
2 who may come is probably bigger than we think.

3 MR. KENNEDY: And the other thing from a marketing
4 standpoint -- I mean, and I don't mind discussing this with
5 the board, 'cause we've had this discussion before about the
6 board and us working together in our marketing of the
7 airport. In my view, that's one of the most -- if you look
8 at what the politics -- what's going on at San Antonio
9 International, they are out of real estate, and they're
10 actually taking away real estate from the general aviation
11 population. And most of those operators that are sitting
12 down there, there's no real option for them. There's no
13 other options for them to move to places, 'cause a lot of
14 those people do do out-of-the-country flights where they're
15 required -- and so for them to not be able to get to an
16 airport where they've got customs, there's a lot of airplanes
17 that are sitting down there that would look at Kerrville as a
18 possibility for basing their aircraft, and tax roll based
19 aircraft that we're not aware of, because we don't have what
20 they need to operate. And the gentleman Jon's referring to
21 -- the lady that's out here is a perfect example of that.

22 COMMISSIONER LETZ: Her terminal in San Antonio is

23 probably \$5 million.

24 MR. KENNEDY: Right.

25 MR. KING: So --

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1 MR. HENNEKE: Bruce, is there an answer on how to
2 get a -- a survey, or is there a person that can come out
3 here and give us a quote or an exhaustive list of what we'd
4 have to do to be licensed, or --

5 MR. MOSER: Authorized.

6 MR. McKENZIE: Be licensed to --

7 MR. MOSER: Authorized.

8 MR. HENNEKE: Authorized.

9 MR. MOSER: Let me follow up on Mr. Henneke's
10 point. What -- you mentioned several airports that have
11 already done this.

12 MR. McKENZIE: Well, I mentioned McKinney.

13 MR. MOSER: McKinney. Well, it seems to me like if
14 they've already plowed that ground, they could give you a
15 pretty good idea of exactly what's --

16 MR. McKENZIE: It's a good question, and here's
17 why. T.I. is based in McKinney. They fly two globals, and
18 they go to the Pacific Rim and back. They funded the whole
19 thing.

20 MR. MOSER: Well, but you can get some idea of what
21 it took, you know, --

22 MR. McKENZIE: And they did it --

23 MR. MOSER: -- what the regulations are, what the
24 issues are, and what the costs are.

25 MR. KENNEDY: But I think you're wasting time, Tom,

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1 if you do it at the beginning, because that happened
2 pre-9/11.

3 MR. MOSER: Oh, it did?

4 MR. KENNEDY: Since then, a lot has changed. I
5 think Steve's right; we need to go through Lamar's office.

6 MR. MOSER: Yeah.

7 MR. KENNEDY: And kind of --

8 MR. MOSER: Okay.

9 MR. KENNEDY: This is the response we got locally.

10 Are we really -- is this etched in stone, or are there other

11 ways we can make this happen? And then they'll tell you

12 whether or not you're barking up the --

13 COMMISSIONER LETZ: I'd contact Mike Ramos -- is

14 that his name?

15 COMMISSIONER OVERBY: I think so.

16 COMMISSIONER LETZ: He's Lamar's local chief of

17 staff.

18 COMMISSIONER OVERBY: Yeah, and go through his

19 regional district director in San Antonio.

20 COMMISSIONER LETZ: Mike's in San Antonio. He will

21 be glad to come up here and meet with whoever needs to be met

22 with, and I'm sure he will be more than happy to help.

23 MR. MOSER: Okay.

24 MR. KING: All right, that's good.

25 MR. MOSER: Good.

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1 MR. LIVERMORE: Great.

2 MR. KING: All right. Airport management contract,

3 Item 2H.

4 COMMISSIONER LETZ: Any comments?

5 MR. McKENZIE: I put that on the agenda.

6 MR. KING: Is this about this, or that?

7 COMMISSIONER LETZ: No, this one was -- I've got a

8 handout for y'all on the management contract.

9 MR. KING: Okay, sure.

10 MR. McKENZIE: I put this on the agenda so we could

11 get some direction. We're still fragmented.

12 MR. KING: This is on the management contract?

13 MR. McKENZIE: About the upcoming management

14 contract.

15 COMMISSIONER LETZ: What --

16 MR. KING: Oh, the management contract, okay.

17 MR. McKENZIE: I'm sorry, Steve. Management

18 contract. How do we proceed -- I'm sorry, Jon. How do we

19 proceed forward? Do we leave it in place? Do we rebid this

20 whole thing again, go through the exercise again? It
21 automatically renews every September. It will automatically
22 renew if we leave it alone. Or do we move the employees into
23 the airport? So, I'll let the Commissioner take from it
24 there.
25 COMMISSIONER LETZ: What I told the board and the

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1 planning committee the County will do, basically, Jeannie and
2 I have -- this hasn't been approved by Commissioners Court,
3 so the numbers are not exact, but this will give you an idea.
4 The management contract right now is 158,000. Because of the
5 way it's done, there is some contingencies in there. And
6 I've mentioned before that there's -- you know, that
7 contingency is costing us money, and it would be a savings,
8 in my opinion, to transfer the services -- mainly the
9 employees, transfer all the basic line items to the airport
10 budget to be funded through the airport. You know, and the
11 City and the County would fund that budget like we currently
12 are, but get rid of the contingency, give that more under
13 your authority. The things that the County is doing, like
14 I.T., financial services, H.R., that's a fixed cost in our
15 mind, so we're not going to charge for that. So, I mean,
16 you're going to get those services free. Because, I mean,
17 we're not adding a person to H.R. to handle H.R. 'Cause
18 that's -- so, what I did, I took the --

19 MR. MCKENZIE: You got one more?

20 COMMISSIONER LETZ: One more. I kind of took how
21 we came up with the management contract numbers and zeroed
22 out a lot of those, the items that are not included. And
23 you'll see that if we transferred everything to the airport
24 budget directly, it appears that it's going to be about, you
25 know -- 158 -- you know, like \$27,000 savings. Because

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1 there's a contingency built in there for engineering, for
2 example, which, you know, we would hire -- you know, for
3 the -- basically, that engineering is engineering advice, so
4 to speak, not going out there and doing a survey.

5 Engineering cost, that would be contracted out anyway. It
6 was a number that was put in the budget because the City does
7 have an engineer, and they kind of said we were obligated,
8 that if we needed some engineering services to look at
9 something like a civil engineer, we have an engineer on
10 contract at the County; we just would absorb that. But the
11 reality is that, in our mind, that if there's any engineering
12 done, it's going to be rolled into a capital project --
13 should be. And the little bit that would be -- you know, so
14 it's a savings in our mind.

15 You may want to add -- some of these numbers may
16 want to get beefed up in contingency in your budget, but the
17 management contract, I think, could be reduced or eliminated.
18 If there's any project, like out of Road and Bridge type
19 work, you know, they can be bid. I mean, y'all determine
20 whoever y'all want to use. You can come to the County, get a
21 price: go to the City, get a price. Come to the City and
22 County jointly and get a price. Go to Edmond Jenschke, get a
23 price. It doesn't make any difference. You just have to put
24 the items in the budget. So, it's -- to us, it's a way to
25 simplify everything, get rid of the whole management contract

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1 issue, which has been contentious for, I think, years. And,
2 you know, it's just kind of a stand-alone contract.

3 Right now, you'll note that we've -- under the two
4 full-time employees, 110,000. Actually, there's only one
5 employee hired right now. This is a budget item. So,
6 anyway --

7 MR. KING: We're not getting charged for that,
8 because you guys -- you're -- the way y'all's management
9 contract works, if we don't spend it --

10 COMMISSIONER LETZ: Well, under the actual
11 contract, we could bill for it, I think, but we don't.

12 MR. KING: Yeah.

13 MR. HENNEKE: We're not making money off of this.

14 COMMISSIONER LETZ: And we're not -- we're trying
15 to --

16 MR. KING: Just 'cause we got one employee, you

17 guys are not getting 110,000.

18 MR. LIVERMORE: Has there been a meeting between
19 the two owners to say this is a good idea?

20 COMMISSIONER LETZ: We've talked about it with the
21 City briefly. There hasn't been any, you know, official
22 meeting. The mayor and I talked about it; I think Carson
23 Conklin and I talked about it. We were going to put it on
24 the planning committee meeting last time, but we really
25 dedicated that meeting to Mooney. You know, I haven't heard

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1 a strong -- Mike may know the answer -- you know, a strong
2 position one way or the other. I mean, it's the same -- it's
3 a way -- our view is if there's a way to save money, let's do
4 it, and I think they probably agree. And --

5 MR. ERWIN: I think there's a little more of a
6 comfort level with the interlocal now in place, and with both
7 the City and the County having set the amount of their
8 contributions.

9 MR. MOSER: Mm-hmm.

10 COMMISSIONER LETZ: So, I think it would be -- you
11 know, my recommendation would be just to kind of, I guess,
12 give the County notice that you're canceling the contract,
13 and not rebid it. I mean, I don't think there's -- I don't
14 understand the reason for a management contract any more.
15 We're willing to do the -- the H.R., financial services, I.T.
16 type stuff in-house. You know, we'll do it for you. If you
17 want to contact the City to let them do it, that's fine too.
18 Doesn't make that much difference, assuming they didn't
19 charge. But -- but it just seems it's the final step to get
20 the airport truly independent.

21 COMMISSIONER OVERBY: Yeah.

22 MR. KING: So, where are we going to get -- so
23 right now, refresh my memory. The management contract money
24 that we're paying you guys is -- comes out of y'all's
25 contribution?

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1 MR. MOSER: Comes out of both.

2 MR. LIVERMORE: 50/50.

3 MR. KING: 50/50. So, you're proposing -- with
4 something like this, you guys would just make the -- the
5 contribution would go to us. I mean, the money would be in
6 our --

7 MR. HENNEKE: You'd shift it from the management
8 contract line item into your personnel costs or your --

9 COMMISSIONER LETZ: Into your budget line items.

10 MR. COWDEN: The savings is the difference between
11 158 and 141.

12 COMMISSIONER LETZ: So, it's not huge, but it's
13 just going to cost a little bit less. Now, you may want to
14 budget some money for engineering services.

15 MR. COWDEN: Can we do all that for nothing? We
16 probably can't. But --

17 COMMISSIONER LETZ: I mean, it's -- I mean, the
18 bottom line is the owners pay the bills anyway at this point,
19 so it's kind of cleaner, and for tracking, to get it
20 transferred over here. If y'all have a --

21 MR. LIVERMORE: We ought to do it.

22 COMMISSIONER LETZ: If you're going to do some
23 engineering down the road or something like that, put it in
24 your budget. And if it's a worthy project, I presume the
25 City and County are going to go along with it and fund it in

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1 the budget. I mean, it's a -- if there's road work to be
2 done or if there's minor repairs, you can still call the City
3 and the County.

4 MR. MOSER: Well, that's what we -- that's what we
5 have to do. We have to make sure we have enough money in the
6 budget to do the things that we think need to be done. In
7 the past -- let me just go back a couple years. And I'm not
8 going to argue with the numbers, but, you know, our
9 management contract which covered all those things in this
10 list, there was a quantification of everything. It was a
11 couple hundred thousand dollars, and right now it's \$158,000.
12 But it doesn't include -- well, I think everything's probably
13 pretty well somewhere -- we're somewhere in the 150,000 to

14 \$200,000 that we need for management services. Let me just
15 call it management services. Management support services.
16 So, what you're proposing here, in the interlocal agreement,
17 the City puts in, round numbers, 100,000; the County puts in
18 100,000. That goes into our total operating budget. Within
19 that, it covers this \$158,000 that we have. So -- so,
20 really, you're just saying take it out. Make sure that the
21 budget has adequate support to do the management contract,
22 and then we contract it however we need to.

23 COMMISSIONER LETZ: Right. And I think from a
24 simplicity standpoint, I'd leave it in place this year.

25 MR. MOSER: Yeah.

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1 COMMISSIONER LETZ: Otherwise, you have to try to
2 divvy everything up. Just when the time comes, give notice,
3 "We don't want to do a management contract; we want to fund
4 it all in a budget." The County will -- you know, will put
5 it before the Court. If y'all want to proceed this way,
6 we'll provide these services at no cost; get a court order to
7 that effect.

8 MR. MOSER: Okay.

9 COMMISSIONER LETZ: Go forward.

10 MR. MOSER: Those things at the bottom.

11 COMMISSIONER LETZ: Yeah. Now, the audit -- I want
12 to bring up the -- the audit is listed on here, so -- 'cause
13 that's an item that's -- you know, there's a cost for that
14 audit.

15 MR. MOSER: Right.

16 COMMISSIONER LETZ: We can't -- we don't do that
17 internally. I took off the things that we do internally that
18 we -- you know, it's under the management contract, but
19 it's -- we can't do it.

20 MR. LIVERMORE: Shouldn't you put this on a
21 planning committee meeting so --

22 COMMISSIONER LETZ: Sure.

23 MR. LIVERMORE: -- we make sure everybody's on
24 board?

25 MR. MOSER: Yeah.

1 COMMISSIONER LETZ: I think it will be -- you know,
2 there will need to be a little bit of, I think, contingency,
3 probably a little bit more than was in your budget this year,
4 to handle a few things that -- like, if you did a little bit
5 of road work, things like that. Or it can be worked out, out
6 of the reserves through the provision of -- or the board
7 president can access your reserves, and then it will be paid
8 in the following year. That can be done that way, too. So,
9 I think it's workable, and a whole lot simpler.

10 MR. KING: How are you doing with one employee,
11 Bruce? Are we going to need to replace that guy?

12 MR. McKENZIE: We're doing real well in the winter.
13 In the spring, if it would continue to get moisture, I'm
14 going to have to have another employee, 'cause one man can't
15 keep up.

16 MR. KING: Well --

17 MR. McKENZIE: No, sir. That's what -- I was going
18 to contact Commissioner Letz or Commissioner Overby to ask
19 for one more person out of Road and Bridge to help us
20 temporarily.

21 COMMISSIONER OVERBY: Till you fill the vacancy?

22 MR. McKENZIE: And it may end up being permanent
23 for several months, and then five months of the year, I don't
24 need but one.

25 COMMISSIONER LETZ: Probably go to a part-time

1 person. We probably want to approve -- 'cause our Road and
2 Bridge and Maintenance are really stretched thin.

3 MR. McKENZIE: To answer your question, Steve, he
4 does great. He's a good employee.

5 COMMISSIONER OVERBY: How long has he been with
6 you?

7 MR. McKENZIE: About a year and a half now.

8 COMMISSIONER OVERBY: Hard worker.

9 MR. KING: He's a good guy.

10 MR. LIVERMORE: He really is.

11 MR. McKENZIE: He watches everything.
12 MR. KING: Maybe we do that. Maybe a temporary
13 worker in the --
14 COMMISSIONER LETZ: Part-time.
15 MR. KING: Part-time.
16 MR. McKENZIE: In the spring, when we start -- the
17 grass starts growing again.
18 COMMISSIONER LETZ: There's a savings to you if you
19 get a part-time, because they don't get benefits.
20 MR. KING: Exactly. No, that will be a lot better
21 way to do it, anyway.
22 MR. MOSER: So, in summary, Commissioner's laid
23 something on the table here that looks good, so we'll bring
24 it up at the airport planning committee -- at our next
25 airport planning committee.

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1 MR. McKENZIE: That's fine.
2 MR. MOSER: And in the meantime, I think we need to
3 be thinking internally, okay, and operations, make sure we
4 don't have anything fall through the cracks of how, with an
5 approach like this, we budget and contract for what we need.
6 MR. McKENZIE: Yeah.
7 MR. MOSER: Okay, cool.
8 MR. KING: Mike, do you think you could kind of
9 just run the overall scenario by Todd?
10 MR. ERWIN: Yes.
11 MR. KING: You know, kind of tell him so that he
12 can talk to the mayor, or, you know, kind of discuss it with
13 the mayor so when we do have that planning committee, they're
14 at least knowledgeable about it, so it's not -- we don't have
15 to go --
16 MR. ERWIN: Yes.
17 MR. KING: You know, we don't have to go through
18 the whole deal at the meeting and figure out -- you know, and
19 they say, "Well, let's just talk about it at the next
20 meeting, 'cause we didn't know anything about it at this
21 meeting." And then they can call Jonathan, kind of go over
22 it with Jonathan. I mean, I think we can do a little bit of

23 groundwork before that meeting so that we can have
24 everybody -- kind of have some good questions.
25 COMMISSIONER LETZ: They'll know --

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1 MR. KING: We'll do the same thing.

2 COMMISSIONER LETZ: One thing that -- and it
3 wouldn't affect the budget, but the insurance is a little bit
4 odd there, because the property insurance is under the
5 city -- or liability.

6 MS. HARGIS: Liability's in the city; the
7 property's under us.

8 COMMISSIONER LETZ: So, that would be -- and the
9 way that would be handled going forward, leave the -- it's
10 the best rate, doing it that way. And it's in the budget. I
11 think can you just write a check back for the City and the
12 County, whatever that premium is.

13 MR. KING: Okay. Okay, that would be good. Just
14 be -- that way, everybody will be up to speed on it before we
15 just bring it up in that planning committee meeting.

16 MR. McKENZIE: Just for information only, at the
17 next airport planning committee, that's going to be -- we're
18 in the budget process again then, so --

19 MR. MOSER: Right.

20 MR. McKENZIE: -- everybody's on board with that.

21 MR. MOSER: Well, we've got -- this year we're
22 okay; we're going to leave everything in place. So, we're
23 talking about next year's budget.

24 MR. KING: Okay. Item 3A, information and
25 discussion. Mooney T.C.E.Q. final report.

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1 MR. McKENZIE: Last week, when we toured the Mooney
2 facility, Barry Hodkin and Robert Collier told me they hadn't
3 received the final report yet from T.C.E.Q. It's one of
4 those things, we're waiting with bated breath. Anyway, it
5 should come out shortly.

6 MR. KING: We really need to get that.

7 MR. McKENZIE: It's in Austin's hands.

8 MR. KING: Phase II completion update --

9 construction update.

10 MR. McKENZIE: Today the contractor's moved back
11 in. We met on December the 23rd, decided we needed to do
12 something about all this erosion. TexDOT agreed. They're
13 funding it. And they've moved back in today, the contractor
14 has. They'll be here for the next two to three weeks working
15 on that. In that process, we're also going to reseed the 53
16 acres that we have out there that still has no grass on it.
17 We're going to broadcast that, fertilize it again.

18 MR. MOSER: Let me ask you a practical question.
19 Say you rebroadcast it this time of year, and we don't get
20 any rain. Then what's the next step? 'Cause the erosion's
21 going to still occur.

22 MR. McKENZIE: Well, we're going to put the seed
23 underneath the mat; we're going to put down an erosion mat
24 here.

25 MR. MOSER: Okay. Going to put an erosion mat,

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1 okay.

2 MR. McKENZIE: I'm talking about that area between
3 Runway 12/30 and Taxiway Alpha, that big wide, flat area out
4 there. That's what we're going to broadcast.

5 MR. MOSER: Is now the right time of year?

6 MR. McKENZIE: The winter rye will come up in three
7 days.

8 MR. KING: Is that what we'll put in?

9 MR. McKENZIE: Some of it.

10 MR. MOSER: Winter rye's going to be dead June the
11 1st.

12 MR. McKENZIE: It has a mix. It's --

13 MR. MOSER: Oh, it's winter rye and other --

14 MR. McKENZIE: And several other grass seeds.

15 MR. MOSER: Okay.

16 MR. KING: You got some ground base.

17 MR. MOSER: Okay, I see.

18 MR. McKENZIE: This will --

19 MR. MOSER: So, it's something that will germinate

20 now, and others will that germinate in the spring.
21 MR. McKENZIE: When it warms up.
22 MR. MOSER: Okay.
23 MR. KING: Okay.
24 MR. MOSER: Okay.
25 MR. KING: Anybody else have -- do you have

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1 anything else, Bruce? We have a truck right there.
2 MR. McKENZIE: That's one of the guys coming out of
3 Mexico right there. And his plane.
4 MR. KING: Which one?
5 MR. KENNEDY: That's Clayton.
6 MR. KING: That's Clayton. Anyway, you got
7 anything else in that information/discussion? Nothing else?
8 Okay. And executive session, I don't know. Do we need to go
9 -- I don't think we do, do we?
10 MR. MOSER: I don't have anything. I think we
11 talked about what we were going to.
12 MR. KING: All right. Anybody else have anything
13 else? Motion to adjourn?
14 MR. MOSER: So moved.
15 MR. LIVERMORE: Second.
16 MR. KING: All in favor?
17 (The motion carried by unanimous vote, 4-0.)
18 (Airport Board meeting was adjourned at 10:21 a.m.)

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1 STATE OF TEXAS |
2 COUNTY OF KERR |
3 I, Kathy Banik, official reporter for Kerr County,
4 Texas, do hereby certify that the above and foregoing is a

5 true and complete transcription of my stenotype notes taken

6 at the time and place heretofore set forth.

7 DATED at Kerrville, Texas, this 19th day of January,

8 2012.

9

Kathy Banik, Texas CSR # 6483

10

Expiration Date: 12/31/12

11

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Kerr County, Texas

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