

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

KERRVILLE-KERR COUNTY JOINT AIRPORT BOARD

Special Meeting

Monday, September 19, 2011

10:30 a.m.

Airport Terminal Conference Room

1877 Airport Loop Road

Kerrville, Texas

MASTER PLAN PROJECT UPDATE WORKING PAPER

MEMBERS PRESENT: MEMBERS ABSENT:

Stephen King, President Corey Walters

Mark Cowden

Ed Livermore

Tom Moser, Vice-President (via telephone)

AIRPORT BOARD STAFF PRESENT:

Bruce McKenzie, Airport Manager

Laurie DeJohn-Ermey, Executive Assistant

VISITORS:

Perry Havenar, Garver Aviation (via telephone)

Michelle Hannah, TexDOT Aviation (via telephone)

Randal Wiedemann, R.A. Wiedemann & Assoc. (via telephone)

Ilse Bailey, Airport attorney

Mike Erwin, City of Kerrville Finance Director

2

I N D E X

PAGE

3 CALLED TO ORDER

4 1. VISITORS FORUM 3

5 2. DISCUSSION AND POSSIBLE ACTION:

6 2A. Discussion of Master Plan Update Working
7 Paper (Perry Havenar) 3

8 Adjournment 53

9

10

11

12

13

14
15
16
17
18
19
20
21
22
23
24
25

3

1 On Monday, September 19, 2011, at 8:30 a.m., a special
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. I'd like to call this
8 special meeting of the Kerrville/Kerr County Joint Airport
9 Board meeting to order, Monday, September 19th. Visitors'
10 forum. Item 1. At this time, any person with business not
11 scheduled on the agenda may speak to the Airport Board. No
12 deliberation or action may be taken on these items, because
13 the Open Meetings Act requires an item to be posted on the
14 agenda for 72 hours before the meeting. Visitors are asked
15 to limit their presentations to three minutes. Anyone like
16 to speak? None being heard, we'll move to Item 2: discussion
17 and possible action, the Kerrville/Kerr County Airport Master
18 Plan. Perry, go ahead.

19 MR. HAVENAR: All right. Thanks so much, Steve.
20 And, Tom -- for Tom's benefit, since he doesn't have pages of
21 the map -- the report for the Power Point, I'm going to go
22 ahead; we're going to start off on the economic impact,
23 transportation --

24 MR. LIVERMORE: Is that volume up?

25 MR. HAVENAR: The PDF that Bruce sent out to y'all

1 and that you got printed for you -- Laurie has printed for
2 you, I'd like to thank Laurie for helping to coordinate
3 getting the Power Point for the board being able to look at
4 that. When we talk about economic impact, transportation
5 benefits, you know, they're the measurable types of data that
6 indicate a positive impact for an airport, how -- what it can
7 have on a community and its area of influence. We want to
8 try and measure those things, and we'll talk about the first
9 part of that. We talk about the transportation benefits, and
10 that's really a measurement of the improved transportation
11 provided by your airport. The Kerrville/Kerr County Airport
12 provides a significant benefit in both time saved and costs
13 avoided by the two major components of the transportation
14 benefits that we're going to look at. And how we've got to
15 do that, we've got to measure them against the next best
16 alternative to get to where -- either where you're going to
17 drive to, or to the alternative airport that one would have
18 to go to and utilize for aviation services.

19 Now, the methodologies that we've employed or find
20 in the Department of Transportation, F.A.A.'s report is
21 titled "Estimating the Regional Economic Significance of
22 Airports." And there's significant assumptions, formulas,
23 and approaches that they've identified in that report that
24 we've employed to arrive at both the transportation benefits
25 and economic impact of your -- of your airport. Tom, we're

1 on that -- the next slide, that variable slide. And there
2 are certain variables that are identified that have to go
3 into --

4 MR. MOSER: Okay.

5 MR. HAVENAR: Okay?

6 MR. MOSER: Just -- now I've got it. Just when you
7 change from slide to slide, just say, "Next," so I can keep
8 up with you that way too. Thank you.

9 MR. HAVENAR: I'll try and do that instead of just
10 talking -- briefing like I normally do.

11 MR. MOSER: Okay.

12 MR. HAVENAR: And we're on that variable slide
13 right now, and time is one of those things that we have to
14 take account of. Department of Transportation estimates an
15 aircraft owner's time is worth roughly \$55 an hour. And I'm
16 sure that there are aircraft owners in the room that would
17 argue that their time is worth significantly more than that,
18 but in an effort to stay in line with -- with those, we've
19 shown in the table in the report what the U.S. average is,
20 50, and the average -- versus the value of an aircraft
21 owner's time in Kerrville; we put that at 60. We also have
22 to account for the average number of passengers on an
23 aircraft, and those vary anywhere from one and a half to 3.1
24 in the report. And then automobile operations costs we
25 estimate by looking up the -- it's like Triple A, and that's

6

1 the ones we settle with for this part of your master plan,
2 was valuing the operation of an automobile is roughly 56
3 cents a mile.
4 Then in terms of destinations from your airport, we
5 estimated those to be on average 500 miles, and that 500-mile
6 average is going to get you quite a -- quite a variety of
7 different places, from New Orleans, Dallas, Albuquerque, and
8 then from that travel, then you get to points beyond. And
9 then we chose two alternative airports for use, and those --
10 depending upon the type of activity that an individual would
11 be utilizing aviation for, and those two airports being San
12 Antonio International Airport, and for general aviation, the
13 Gillespie County Airport. So, we'll move on to the next
14 slide. And so -- oh, I founded that -- some of my titles are
15 missing, but the graphic represents that -- that type of a
16 setup where that our -- our point -- our point of starting is
17 City of Kerrville central business district, so there has to
18 be travel from the central business district of Kerrville to
19 -- to either Kerrville/Kerr County Airport or to one of the
20 two alternative airports that you utilize the aviation
21 services to your final destination, wherever that might be,
22 whether it's using New Orleans or Dallas or Albuquerque or
23 points beyond. So, that slide just represents that in a

24 graphic -- in a graphic format.

25 Now the next slide, we start talking about current

7

1 and future travel times, and those are the distances that are
2 involved in that. So, for folks to travel from the Kerrville
3 central business district to San Antonio International
4 Airport, that's -- that's 62 miles. And to Gillespie County
5 is 24 miles, and right now the travel time for those -- that
6 travel is roughly -- to San Antonio is about just a little
7 over an hour, 1.2 hours, and just about a half hour up to
8 Gillespie County Airport. Those times change a little bit
9 more significantly, of course, with San Antonio
10 International, because as we look out into the future 25, 30
11 years from now, the -- the travel time will be increased to
12 -- the level of traffic will be increased depending on the
13 number of folks that are on the road. We've estimated, then,
14 the times for that travel to both your alternative airports,
15 if -- these are in consideration of -- the alternative
16 airports are in consideration of the Kerrville/Kerr County
17 Airport not being there at all. So, the aviation patrons
18 have to go there to achieve the aviation services that are
19 offered.

20 Now, on the next slide we're going to look at the
21 approximate annual costs for utilizing San Antonio
22 International instead of the Kerrville/Kerr County Airport.
23 With just -- with -- we'll start with the -- we'll forecast
24 that out from 2010, which is our snapshot year. Now we're in
25 2011, and forecast that out to 2030. And we align that,

8

1 then, with the based aircraft, and from that and from the
2 other forecasts that we have based on the number of
3 passengers, we estimate that the annual hours lost in travel
4 time at the huge San Antonio International beginning in 2010
5 or 2011, roughly about 600 hours of lost time that you're
6 having -- you're having to drive back and forth from the
7 central business district to San Antonio International. And,
8 really, racked up over the 20-year time frame to over 720

9 hours. That equates to -- using what the figures --
10 assumptions that we have, to a value of time saved of in
11 2010-11 of almost \$36,000, and -- and that's just in time.
12 Then you add the automobile travel costs in, and there we're
13 over \$1.2 million, for a total annual transportation cost of
14 time and automobile costs of over \$1.3 million of money saved
15 by your patrons in being able to utilize your airport. You
16 can see how that --

17 MR. MOSER: This -- question.

18 MR. HAVENAR: Yes, sir?

19 MR. MOSER: If it's 1.2 hours to San Antonio, and
20 you have 600 hours lost, then that's -- that's just 500
21 trips. What -- how do you get -- where's the 600 hours
22 coming from?

23 MR. HAVENAR: To and from. And it's trips -- the
24 difference from travel to your current airport versus travel
25 to San Antonio International. So, there's a little bit of a

9

1 time difference there, and then it's around -- we're
2 considering it to be a round trip.

3 MR. MOSER: Yeah, but -- so that says there's 250
4 trips.

5 MR. HAVENAR: Okay.

6 MR. MOSER: Where do you -- I mean, why 250 trips?
7 Where's that come from?

8 MR. HAVENAR: That's based on the -- the average
9 number of itinerant flights that are occurring at your
10 airport.

11 MR. MOSER: Okay. All right. Okay. So, you're
12 saying -- assuming 250 flights are leaving, and if they were
13 leaving Kerrville as opposed to leaving San Antonio, okay, so
14 250 is the number you used?

15 MR. HAVENAR: Yes.

16 MR. MOSER: Okay, got it.

17 MR. HAVENAR: You can see how that racks up. And
18 then on the next one --

19 MR. MOSER: I got -- sure, I got it. Thank you.

20 MR. HAVENAR: The travel time, then, for use of the

21 Gillespie County airport -- and, again, we're not looking at
22 -- at small numbers. It's almost a half a million dollars in
23 savings currently, and over 700,000 at the 20-year point.
24 And that's based on the forecasts that we've developed for
25 people using the airport. You can look at that -- and the

10

1 next slide is just a graphic representation that shows you
2 how it does increase in value over the years, and how this
3 different airport shows different transportation benefits.
4 The next slide, we get into more of the economic impact,
5 which are a little -- a little more difficult to arrive at,
6 but still possible based on the same methodologies that are
7 set out with any of the regional airports. And people add
8 value and impact to the use of the airport, and those come in
9 three different forms; direct, indirect, and induced.

10 Direct impacts are based on employment of the
11 airfield -- Bruce and Laurie -- and the FBO's, the flying
12 clubs that you have there, and other tenants that are on the
13 airfield. Then those indirect impacts comes from the moneys
14 that are being spent by patrons who travel to your airport
15 that are then spending money in the -- in the airport, spent
16 on hotels, restaurants, rental cars, other types of services
17 like that. Then those induced figures are seen -- both your
18 direct impact and your indirect impact is seeing those
19 dollars spent over and over again in your -- in your local
20 community. So -- so, Bruce takes his wife out to dinner one
21 night at a local restaurant. That server then ends up buying
22 groceries, which end up buying -- how that works is it
23 multiplies out. And -- and we used a fairly conservative
24 multiplier of three. And we're not trying to say in your
25 community, you're getting moneys -- the same dollar is being

11

1 spent more than three times over. That's a fairly
2 conservative estimate. I've seen it anywhere from -- and,
3 Randal, you can chime in; you do more of this type of work
4 than I have. But it can range anywhere from, you know, two
5 and a half to seven, or sometimes even as high as 10, as far

6 a multiplier, what's going on in a community.

7 MR. WIEDEMANN: Depending on what you're buying or
8 selling.

9 MR. HAVENAR: The next slides, if you look at
10 those economic impacts, direct impact, it currently is almost
11 \$2 million, with an indirect impact of almost 2.7 million,
12 which is then induced of just over \$10 million, for a total
13 annual economic impact of \$14.6 million. That's based on
14 what we anticipate occurring at the airport, and then that
15 factors out -- forecasts out into the future of, you know, in
16 20 years, your direct impact of almost \$4 million; indirect
17 impact of almost 6.2, and induced impact of over 22 and a
18 half million dollars, and total economic impact of almost
19 \$32.8 million. So, that's -- that paints a very significant
20 picture of how much impact that your airport has in the -- in
21 the region surrounding the airport. And look at that
22 graphically here, and see the difference between the direct
23 indirect and induced, how that really extrapolates out over a
24 30-year time frame -- over a 20-year time frame, and looking
25 at the 2030, it's over a 20-year time frame, and really is a

12

1 -- a telling factor, and really is a selling point for the
2 airport when it comes to turning that over to the marketing
3 side of things.

4 MR. MOSER: Let me ask one more question. On the
5 2010 direct impact, the 1.9 million, that -- that is salaries
6 at the airport plus FBO -- what all is included from the FBO
7 in that?

8 MR. HAVENAR: That's -- what we've done with that,
9 Tom, is we've taken -- talked with the FBO's and the airport
10 and determined what the average salary is for each person
11 that's employed on the airfield, and then multiplied that out
12 by total number of employees. And then --

13 MR. MOSER: Okay.

14 MR. HAVENAR: Also, based on the -- the average
15 fuel sales that are -- that are purchased through the FBO,
16 it's based on the other services that are directly -- that
17 are directly behind that in a year.

18 MR. MOSER: So it's -- it's salary and revenue that
19 the FBO and the revenue the airport's bringing in; is that
20 correct? It's all the revenue?

21 MR. HAVENAR: That's what we try to include in
22 that, yes.

23 MR. KING: Perry?

24 MR. HAVENAR: Most of it, though, has to do with
25 that -- the moneys that are being -- it really is not the

13

1 total revenues that the FBO's are bringing in. What we're
2 pulling in from the FBO's, we're pulling in how much moneys
3 they are paying their folks, so that then those moneys are
4 then put again --

5 MR. KING: Perry?

6 MR. HAVENAR: I'm sorry, it doesn't include total
7 revenue of the FBO's, total revenue of the airport or
8 anything like that. It's -- it's salaries and benefits that
9 are arrived at by the employment of folks on the airfield.

10 MR. LIVERMORE: Sir, may I ask a question? My
11 question is, under direct or indirect, is the number for ad
12 valorem taxes collected on the corporate aircraft, are those
13 included in those calculations?

14 MR. HAVENAR: They are not, no.

15 MR. KING: Okay.

16 MR. MOSER: So, in other words -- so, in other
17 words, the 1.9 million, assuming everybody made \$50,000, just
18 for rounding numbers, --

19 MR. HAVENAR: Okay.

20 MR. MOSER: -- that would be 38 people working at
21 the airport.

22 MR. HAVENAR: And that's, I believe -- go ahead.

23 MR. MOSER: So that's what that number reflects,
24 right?

25 MR. HAVENAR: Yes.

14

1 MR. MOSER: That just totals out -- that just --

2 MR. HAVENAR: The direct salary --

3 MR. MOSER: Okay.

4 MR. KING: Hey, Perry, this is Steve.

5 MR. HAVENAR: Okay.

6 MR. KING: Perry? Perry? Hello?

7 MR. McKENZIE: Hey, Perry, Steve has a question.

8 MR. KING: Hey, Perry, would you -- we're going to
9 need a break; we're going to need some sort of a legend or
10 some sort of a clue to what -- how you got to these numbers,
11 okay? Especially on the multipliers, when you get out to
12 induced impact and total annual impact, we're going to need
13 to know what those multipliers are and what the -- and what's
14 included in those. 'Cause I'm sure if we can -- if we
15 present this to our economic -- let's say our Kerrville
16 Economic Development Corporation, which I want to meet with
17 them on this thing; I know that's the first thing they're
18 going to ask us, is some questions that I probably don't have
19 the answers to. Unless I have some --

20 MR. MOSER: Give use your basis.

21 MR. KING: I want to know what the basis is and the
22 multipliers that you're using so I can -- so -- we got to
23 have something to defend this with.

24 MR. LIVERMORE: Can a legend be put -- maybe move
25 the image on this chart up toward the top margin, and put a

15

1 detailed legend underneath this chart to explain the things
2 that Steve is speaking of? That way it's right on the same
3 page.

4 MR. KING: I agree.

5 MR. LIVERMORE: Same location.

6 MR. HAVENAR: Yeah, I think we can do that. A lot
7 of those functions and things like that are included in
8 the -- in the narrative.

9 MR. KING: Okay.

10 MR. HAVENAR: We need to have it on that -- that we
11 can include that in there. And that's just like -- for
12 instance, for answering Tom's question, in the narrative it
13 does say there are approximately 30 individuals employed on
14 the airfield at an average salary of \$35,000. Then you have

15 to add their benefits in, so that's -- and then we use that 4
16 and a half percent per year that you forecast of future
17 direct impact.

18 MR. KING: Yeah. I just --

19 MR. LIVERMORE: Steve, what I'm saying, if this
20 image could move up, and then you have room down here for the
21 legend.

22 MR. KING: Yeah. I just think, Perry, for us to
23 try to defend this with, like, the economic people, the City
24 and the County, it would be a lot easier -- I look at the
25 pictures. I look at pictures, and if I didn't have to dig

16

1 into the -- into the content and find it, it would be a lot
2 easier to justify -- I don't want to say defend -- to justify
3 this with the different groups, 'cause I know those economic
4 guys are probably going to look at it and go -- they've got a
5 director, and he's going to -- I'm sure he's had experience
6 in this, and he's going to want to know -- first thing he's
7 going to ask me is what the multipliers are for this stuff
8 out here and what the percentage of this is. So, it would be
9 a lot easier for us than having to fumble through all the
10 text content.

11 MR. HAVENAR: Let me work on revising that -- that
12 specific graphic so it includes what those multipliers are in
13 the legend, and I'll send that back to y'all and make sure
14 that's what you're looking for.

15 MR. KING: Yeah. It doesn't have to be detailed.
16 Just, "This, this, this, and this equals this," and that's
17 it. You know, just something like that, something that we
18 can just look at that chart and go, 1.9 million -- 'cause
19 that's the first thing I look at -- 1.9 million. Where'd
20 that come from? Well, it's over here. You got to look in
21 this page here. It would be a lot easier just to have it on
22 the chart, and that way, they -- maybe they don't have to ask
23 the question if they read it.

24 MR. HAVENAR: If we're standing in front of a group
25 giving this, it's sure handy to have it there, right.

1 MR. KING: Exactly. But it's a good chart; I like
2 it.

3 MR. LIVERMORE: Great chart.

4 MR. HAVENAR: Okay.

5 MR. KING: Proceed.

6 MR. HAVENAR: I'll do that today. That legend is
7 both on the -- the graphic and on the table so you guys can
8 have that information.

9 MR. KING: Okay, good. Thank you so much.

10 MR. HAVENAR: Okay. Then the -- really, to
11 finalize things, there are -- there are public benefits to
12 your airport, and you guys see those every day with the type
13 of activity that you have on the airport that are -- that are
14 extremely difficult to quantify. Things like public health
15 advantages with the air ambulance service right there on the
16 airport, with -- also, then the public safety type of
17 opportunities to have airborne relief units that come in and
18 use the airport during regular patrols regarding disaster
19 relief or fire suppression. I know we got some rain up here
20 in the Dallas area that everybody in Texas -- I'm sure you
21 guys are getting -- the Forest Service folks like that are
22 frequenting your airport watching for those types of
23 situations.

24 Then in the -- really, in the last slide, I just
25 want to -- I just include that in there so that everyone can

1 see that utilization of most airports isn't -- isn't just for
2 personal travel, though a lot of it -- for general aviation
3 airports, but a lot of airports, and especially ones like
4 Kerrville, are utilized for corporate/business travel. And
5 those are -- for some reason, they -- in the survey that we
6 use that comes from the F.A.A. to put this graphic together,
7 they -- they look at those two in a different vein for some
8 reason. I mean, I think corporate travel and business travel
9 is pretty much the same, and would really take the corporate
10 business and air taxi service, which equate to all -- what is
11 it, 30 percent of total general aviation travel, and -- and

12 would really say that 30 percent of your travel at your
13 airport is based -- is based on business and corporate
14 travel. So, it's very similar to what this graphic shows,
15 that there are a lot of other things that -- that general
16 aviation gets utilized and the public benefits from. Things
17 like the air ambulance service or aerial application of -- I
18 know there are -- a lot of times, counties will have a
19 mosquito plane that's based at an airport that sprays for
20 mosquitoes on a regular basis and stays there all the time.
21 But the graphic does represent that broad cross-section of
22 use for public benefits that's generated at an airport.
23 MR. MOSER: Now, you got this -- you got these
24 percentages by looking at what airports, or what -- what was
25 the basis for this?

19

1 MR. HAVENAR: The results of a survey that was done
2 by the F.A.A. And --

3 MR. MOSER: So, all over the United States?

4 MR. HAVENAR: Yes, sir.

5 MR. MOSER: Just general aviation?

6 MR. HAVENAR: Yes, sir.

7 MR. MOSER: Okay. Why don't you put a note on
8 there, what the source is.

9 MR. HAVENAR: I will do that.

10 MR. LIVERMORE: Perry, it's a minor point, but the
11 word "instructional" has got a typo; the letters are
12 transposed.

13 MR. HAVENAR: My fingers get to going too fast;
14 spell check doesn't catch it sometimes.

15 MR. KING: Perry, what is the difference between
16 corporate and business?

17 MR. McKENZIE: Nothing.

18 MR. KING: Nothing?

19 MR. HAVENAR: I'm going to include -- for the
20 traffic, I'm going to include a paragraph above it in the
21 document that the -- it depends on how the F.A.A. was asking
22 those questions, and I've got to go back and look at those
23 questions and determine that. But what I think the

24 difference is, is corporate is those folks who, as a
25 corporation, own an aircraft and fly that for their business,

20

1 whereas business travel is folks that are utilizing something
2 of an air taxi service, or they're utilizing commercial
3 travel for business.

4 MR. WIEDEMANN: Perry, I -- this is Randal. I do
5 know the definitional difference there. The corporate
6 assumes that you are hiring pilots, whereas business can be
7 done in your own aircraft.

8 MR. MCKENZIE: That makes sense.

9 MR. WIEDEMANN: And so business use the is -- you
10 know, you can have a single engine aircraft doing business.
11 You could use that for the purpose of your trip, whereas if
12 you have corporate, this assumes that you have hired at least
13 one pilot to fly.

14 MR. HAVENAR: So, Steve, your -- your activity
15 would fall in the business category, whereas the Bass
16 Brothers --

17 MR. KING: Yeah.

18 MR. HAVENAR: -- would fall in the corporate
19 category. Businesses that don't do either, but -- but
20 utilize an air taxi service for the same sort of travel.

21 MR. KING: Right.

22 MS. HANNAH: How would -- that's just for -- how do
23 they -- what category would they be? Air taxi, or would they
24 be corporate?

25 MR. HAVENAR: What do you think, Randal?

21

1 MR. WIEDEMANN: I think they would be corporate,
2 because they're paying a share of an aircraft, and that
3 aircraft is piloted by a professional pilot. They're paying
4 for that service. This is -- so you could classify them as
5 either, but I think the F.A.A. would present as air taxi,
6 because I believe they operate as a 135.

7 MR. KING: Yeah.

8 MR. HAVENAR: You're right, Randal.

9 MR. WIEDEMANN: 135 certificate.
10 MR. KING: Yeah, I think air taxi would be all
11 135's, and probably some of that other stuff under business
12 could be Part 91 -- still under Part 91, and some of that
13 corporate would be Part 91 too.

14 MS. HANNAH: I think that would be a helpful
15 explanation, too.

16 MR. KING: Yeah.

17 MR. HAVENAR: Okay.

18 MR. KING: Randal, you got to understand -- not
19 Randal, Perry. We understand the airport, but a lot of
20 people don't understand the airport. And so we're -- when
21 we're putting this thing together, we're going to be showing
22 this thing to a lot of people who don't -- you know, they
23 don't understand what the airport's used for. That's one of
24 our selling points on this airport, is trying to educate some
25 of the people who -- in our community who don't use the

22

1 airport on a regular basis, and have to pay for the airport.
2 And so -- you know, so I don't mind paying for your airport
3 'cause I use it. But, you know, you get a lot of people who
4 are, like, "Why don't you let those rich guys pay for the
5 airport that use the airport?" I hear that all the time.
6 "Y'all do what you want out here, but just get all those rich
7 guys that have airplanes to pay for the airport, and leave me
8 alone." So, this is an educational benefit, so we need all
9 the -- all the help we can on --

10 MR. MOSER: Clarification.

11 MR. KING: -- clarification. There you go;
12 exactly.

13 MR. LIVERMORE: Perry, I hate to say it. Again,
14 the word "observation" also has transposed letters.

15 MR. KING: Yeah. They got this spell check thing;
16 it's pretty cool. (Laughter.)

17 MR. LIVERMORE: Spell check.

18 MR. KING: Just came out, but it's going to catch
19 on, I think.

20 MR. HAVENAR: All right. Steve, I think your

21 comments are an excellent segue into the next thing that I
22 think we need to discuss, and I didn't know where the board
23 stood on this. We submitted Randal's proposal, and since he
24 is going to finalize the master plan with that back into
25 marketing, which would strive towards that -- that

23

1 presentation -- an informational presentation, something that
2 you guys are looking for, I think, so I wanted to ask where
3 the board stood on that -- on that proposal, and if we're
4 ready to go forward with that.

5 MR. KING: We approved that today. We made a
6 motion and we approved that, to move forward on that, and I
7 think that's a very important part. I mean, in our
8 discussions with the City and the County over the last week,
9 in our efforts to try to keep our jobs, we -- we've heard
10 some feedback, and some of the feedback is -- is that, you
11 know, if you don't really -- it's really -- it's kind of an
12 interesting situation; that if you don't understand how the
13 airport works and the all the underlying -- you know,
14 underlying things that happen out here, the purpose of the
15 airport, then really, if you just look on the surface, it
16 loses money every year, and it doesn't -- doesn't make any
17 money to speak of. I mean, just on a dollars-and-cents
18 basis. So, the first thing people want to know is, what can
19 you do to make the airport make more money? You know, they
20 want to -- I mean, they want to get it revenue neutral.
21 That's the big goal down the road for everybody, is to get
22 revenue neutral.

23 So, you know, if you -- you know, if you're really
24 involved in the airport, you look at it and look at all these
25 benefits that you just showed us, you go, "Heck, it's way

24

1 more than revenue neutral. This airport's really throwing
2 off a lot more than what it actually expends." But, you
3 know, a lot of people say that's not -- those are not hard
4 dollars. You know, we're looking for -- you know, put in
5 100,000, get out 100,000 real dollars. So, your marketing

6 plan is a big deal. This marketing plan would be a big deal,
7 because we've already heard from the City and the County
8 that, you know, they think this airport needs to move more
9 into a marketing development stage instead of a building
10 stage. You know, I -- I told somebody last week, I think
11 we -- we need to hang up the -- you know, we finished the
12 construction projects and now we're through building out
13 here. We need to move -- you know, we need to move into the
14 development stage. And that marketing thing fits right into
15 our -- our owners' purposes and our owners' intent. The
16 intent, from what they've told us over the last couple days,
17 is, "You guys need to start making some money." So --

18 MR. WIEDEMANN: Ha, ha.

19 MR. KING: I mean, really.

20 MR. WIEDEMANN: I hear that.

21 MR. KING: Bluntly.

22 MR. LIVERMORE: Did I miss the explanation of what
23 external load, other and other are?

24 MR. HAVENAR: No.

25 MR. LIVERMORE: We have "other" there twice, and we

25

1 have external load.

2 MR. HAVENAR: There's a paragraph of explanation in
3 the -- in a follow-up report on this, on this graphic.

4 MR. KING: All right.

5 MR. HAVENAR: That we'll explain what each of those
6 items are.

7 MR. KING: Yeah.

8 MR. HAVENAR: So there's no question about that.

9 MR. LIVERMORE: Most of them stand on their own,
10 but those don't.

11 MR. KING: Yeah.

12 MR. HAVENAR: But if we're going to explain one,
13 we've got to explain -- we've got to give, you know, a brief
14 definition of each.

15 MR. KING: We just want to know the answers, Perry.

16 MR. LIVERMORE: Some person in the audience when we
17 give this will ask, "What is external load?"

18 MR. KING: Yeah. I don't want to have to use that
19 "I don't know."
20 MR. HAVENAR: We can -- and what I may do is, I may
21 -- for purposes of presentation, it might be better if I just
22 group all of these, the others and the sightseeing and
23 external load and that kind of stuff, and I can group all
24 those together. Then I'll group all of the aerial stuff
25 together, and that'll simplify that. And I just didn't think

26

1 about doing that till just now, but that will simplify that.
2 Now, the other, you can -- that encompasses so many things.

3 MR. LIVERMORE: I'd leave sightseeing separate.

4 MR. KING: I would too, 'cause we have a lot of
5 people that like to go see the hill country.

6 MR. LIVERMORE: Yeah.

7 MR. HAVENAR: Okay.

8 MR. KING: That's kind of what --

9 MR. HAVENAR: I can do that. But I'll -- I'm
10 lumping them into other categories, 'cause they're the
11 specific other categories, then the external load stuff
12 together, and then the aerial applications can all be grouped
13 together. Because one of them's aerial other, the other one
14 of them is aerial observation, one is aerial application, and
15 they're all pretty much commercial operations using aircraft
16 for that. So, we'll be able to simplify that and lump those
17 together, provide those definitions in a brief write-up.

18 MR. LIVERMORE: Is there a -- you commented on it,
19 but I'm trying to figure out where it fits. Like, police and
20 those kind of public --

21 MR. COWDEN: Firefighters and --

22 MR. LIVERMORE: Yeah, firefighters, all that.

23 Where do they fit?

24 MR. HAVENAR: A lot of that is in this 4.1 "Other"
25 category, where it's --

27

1 MR. LIVERMORE: Oh.

2 MR. HAVENAR: -- the police and those kind of

3 things. That's where that's going to fall into.

4 MR. LIVERMORE: I'll tell you, here in Texas,

5 that's getting pretty important.

6 MR. HAVENAR: These are based on responses from

7 general aviation airports across the nation.

8 MR. MOSER: How much different would it be to have

9 a pie chart like this that represented Kerrville, as opposed

10 to a generic all over the United States?

11 MR. LIVERMORE: I don't know if we have the data to

12 do that.

13 MR. HAVENAR: It would take a significant level of

14 effort. It's not in projects, and it's not in the scoping

15 for the marketing either, because it would take a specific

16 level of effort in terms of acquiring at a local level what

17 all the operators that are coming into and out of the airport

18 are doing.

19 MS. HANNAH: And it would --

20 MR. MOSER: Do we have -- is there anything like

21 this for Texas? Or is this -- as opposed to the entire

22 United States?

23 MS. HANNAH: We're doing the national survey now.

24 MR. MOSER: Yeah, I'm asking you.

25 MR. WIEDEMANN: We did something like this for

28

1 north central Texas in a business plan up there, and, you

2 know, we did have categories of use. And, of course, you

3 know, when you say aerial observation, that is -- that does

4 include law enforcement; that includes helicopter, you know,

5 travel that is monitoring the roadways for radio stations and

6 things like that. But --

7 MR. MOSER: See, that's the things we don't have.

8 MR. WIEDEMANN: Yeah, exactly. So this would look

9 far different from yours. What we typically do as we get

10 this information is, when we -- when we do our survey of the

11 pilots and users of the airport, we ask them the percentage

12 of use that they individually have for this. And we've also

13 asked that some of the options for the year they do, so then

14 we can actually figure out what that breakdown is.

15 MR. HAVENAR: And we did ask that in the surveys
16 that we did, but we got such a poor response rate that I
17 wouldn't -- I wouldn't -- I don't value that information good
18 enough to -- to create a Kerrville statistic document or
19 graphic like this.

20 MR. WIEDEMANN: Yeah. The only other -- the only
21 other option that we've used in the past is, you know, with
22 the FBO, if there's a -- you know, either -- either -- you
23 know, when they're doing Unicom or when the pilot lands, just
24 a quick, you know, question as to, you know, the function of
25 the -- going to help us out with our survey. That, you know,

29

1 again, that is the seasonal activity that goes on. You can't
2 get everything, unless they're telling you for the year.

3 MS. HANNAH: Just one of the indications you take a
4 good length of time to probably get a more accurate view
5 towards information.

6 MR. WIEDEMANN: Right. Right.

7 MS. HANNAH: I think you're better off using the
8 national survey, because --

9 MR. MOSER: I think it's pretty impressive to see
10 the national, and I can see why it would be pretty intensive
11 to get just for Kerrville. We might think about how we can
12 start accumulating that kind of information base for future,
13 just on --

14 MR. WIEDEMANN: Absolutely.

15 MR. MOSER: Yeah, without making it a specific
16 task.

17 MR. HAVENAR: Having the FBO's to help out with
18 that, just having a -- really, just two or three questions,
19 you know. What was the length of the trip, and how many
20 people are on the trip and, you know, how many -- how many
21 flights do you make in here on a regular basis and that kind
22 of thing.

23 MR. MOSER: Yeah, if you make it into enough
24 categories where they can just check it. A lot of people
25 don't want to tell you what they're doing. Which is great;

1 which is what we want. So -- but, you know, we have a lot of
2 hunters come in and, you know, that would be one thing we put
3 down there, you know. Is your trip related to hunting or
4 camps, or --

5 MR. HAVENAR: To camps, right.

6 MR. MOSER: -- ranching and -- I don't know. We'll
7 think of it. Okay, thank you. One question for Randal on
8 the -- the marketing plan that we're going to proceed with
9 that. Are you going to talk more about that, Randal, today?

10 MR. WIEDEMANN: Yeah. I mean, we're prepared to --
11 to walk through it if you want.

12 MR. MOSER: Well, what I'd like to get -- a quick
13 question, if you don't mind. Talk a little bit about when
14 we're going to -- going to sit down with you and hammer out
15 exactly what we want with that. And I know you went through
16 it, but just to make sure we're on the same -- same scope.
17 And --

18 MR. WIEDEMANN: Right. Right.

19 MR. MOSER: What is your current schedule?

20 MR. WIEDEMANN: Well, we -- this was sort of the --
21 we didn't know until today that it was a go or a no-go, so --

22 MR. MOSER: You're already late.

23 MR. WIEDEMANN: Yeah, exactly. We're -- we are
24 prepared to start immediately. Now, in other words,
25 there's -- the only thing I would say is, just to keep costs

1 down, if -- if we plan a trip, let's get at least two weeks
2 out so that we can take advantage of air fares and things
3 like that. You know, we can go through work scope, you know,
4 similar to what we're doing right now very cheaply over the
5 phone, and -- and hammer out any details there. But when we
6 come down to actually do interviews and all that on the
7 video, it would be a good thing to have all the ducks lined
8 up, and everybody, you know, knowing what's -- you know,
9 where we're going with it.

10 MR. MOSER: Yeah.

11 MS. HANNAH: Can I interject that we have to --

12 now, if I understand correctly, y'all wanted to work their
13 contract through our local or team project; is that correct?

14 MR. McKENZIE: Yes, ma'am. It was -- we worked it
15 -- and we received it from Megan the other day, that it would
16 be -- the scope of this work will be handled through the RAMP
17 process.

18 MS. HANNAH: The grant, okay. That's right.

19 MR. HAVENAR: What Michelle's saying is we need to
20 get the contract addendum and all that.

21 MR. McKENZIE: I understand. No, I concur, and
22 that's how we're going to fund it. And I talked to -- just
23 so you'll know, Perry, and you probably do, I talked to
24 Michelle and Carrie and Megan about this, and they all
25 concurred that this time they would try that.

32

1 MS. BAILEY: Are they going to draft that, or do we
2 need to?

3 MR. McKENZIE: Randal will draft it.

4 MS. HANNAH: We'll send out -- if this scope is
5 approved by y'all, would you want us to wait till we -- well,
6 whatever. If y'all were satisfied with the scope of work,
7 then we will have the contract, and then it's ready for
8 signatures. And, let's see; y'all won't have to pay for this
9 up front, 'cause it's like a RAMP grant.

10 MR. McKENZIE: That's fine.

11 MS. HANNAH: And I'm talking out loud now. Let me
12 see. We will request 100 percent for the master plan. It
13 was going to go under that umbrella as far as that framework
14 goes, and we can submit it to RAMP for reimbursement. I'll
15 talk to them mechanically how we will do that, and -- and we
16 will just get half of the funding, but it still needs to be
17 amended through the master plan.

18 MR. McKENZIE: That's fine. Yeah, that's fine,
19 Michelle. And what we'll do is we'll wait two weeks, or
20 we'll wait another 10 days till the 1st of October; then
21 we're into the new year, and then we can -- we can -- we've
22 got the RAMP grant funded for next year, so we can do that.
23 And then we'll wait for -- of course, for the reimbursement

24 when Randal gets through with the project.

25 MS. HANNAH: Yes.

33

1 MR. WIEDEMANN: Okay. What -- in terms of the
2 timing on this, how -- you know, what are we talking about?
3 Obviously, if we're waiting till October to get the contract
4 amended, that -- what's that say the start time would be as
5 far as working this?

6 MS. HANNAH: Is that my question?

7 MR. WIEDEMANN: I guess so.

8 MR. HAVENAR: I would say, then, that if the
9 contract addendum is signed October 1st -- and that's the
10 notice of receipt on the marketing section.

11 MR. WIEDEMANN: Okay. Okay.

12 MR. HAVENAR: So what we can do is, again, then and
13 -- between now and the 1st of October, is get all the
14 paperwork in order so that that can happen.

15 MR. WIEDEMANN: Right.

16 MR. COWDEN: We got another -- hang on just a
17 second, Perry.

18 MR. ERWIN: Just for clarification purposes -- this
19 is Mike Erwin, the City's representative. The current master
20 plan has a budget of about 199,000. So, are we talking about
21 increasing that?

22 MR. MCKENZIE: No, this will come through our RAMP
23 grant. It will come under the umbrella -- correct me if I'm
24 wrong, Michelle -- come under the umbrella of the master
25 plan.

34

1 MS. HANNAH: Yes.

2 MS. BAILEY: Did you hear the question that --

3 MS. HANNAH: It will be through RAMP. We did
4 construction that way when, you know, it was -- my
5 understanding is we would treat it similar to the
6 construction. When we have a bid, we're going to treat it
7 like a bid alternate on the master plan.

8 MS. BAILEY: So it doesn't increase the budget.

9 MS. HANNAH: And so, physically, we would ask for
10 100 percent of it up front from the sponsor. That's through
11 RAMP. You're going to get 50 percent refunded. What I was
12 saying is, maybe they'll -- we'll just ask for 50 percent to
13 begin with, so it will be through your RAMP --
14 THE REPORTER: I'm sorry, I can't hear.
15 MR. McKENZIE: Stand by just a second.
16 (Low-voice discussion off the record.)
17 MS. HANNAH: ...not eligible for federal funding.
18 So, what we came up with is RAMP and State-funded, so we can
19 do pretty much what we want. We've never done a study
20 through RAMP specifically, but we're going to give it a try,
21 and we're going to see if it can be done through RAMP. It's
22 state funds -- programs, and we've done it with other
23 construction allowed under bid alternates, or showing some...
24 If it can be kicked over to RAMP, we've successfully been
25 able to use those two programs at 50 percent. So, this case

35

1 will have to be a planning study, marketing specifically.
2 It's not, you know, eligible through federal; we're going to
3 pay 50 percent with you on RAMP.
4 MR. WIEDEMANN: That's a good deal, by the way.
5 MS. HANNAH: It is.
6 MR. HAVENAR: Oh, yeah.
7 MS. BAILEY: Michelle, would you summarize what you
8 just said with respect to the budget and the RAMP grant in an
9 e-mail to Bruce so that he can forward that on to Mike?
10 MS. HANNAH: Sure.
11 MS. BAILEY: Thank you.
12 MS. HANNAH: I can be just as convoluted in an
13 e-mail. (Laughter.)
14 MR. KING: So, Michelle, I think the question Mike
15 had was, is this going to take the place of our -- is this
16 going to basically eat up -- it's going to eat up our program
17 that we were going to use for something else?
18 MR. McKENZIE: Half of it, that's all.
19 MS. HANNAH: Yes.
20 MR. KING: Going to eat up 25,000 -- if it's a 50

21 percent deal, it's going to eat up 25,000 of our RAMP.
22 MS. HANNAH: Yes, if you do it that way.
23 MR. KING: So it's not like -- it's not like if we
24 were going to -- we already had the RAMP grant money. You're
25 just giving us permission to use the RAMP grant money for

36

1 some other projects other than what is actually under the
2 RAMP grant.
3 MS. HANNAH: That's correct. We're --
4 MR. McKENZIE: That's correct.
5 MS. HANNAH: We're experimenting. We're going to
6 do a planning session.
7 MR. KING: There's no new money here, really.
8 MS. DEJOHN-ERMEY: No.
9 MS. HANNAH: Yeah.
10 MR. COWDEN: Mike had a question.
11 MR. HAVENAR: Can you use the new fiscal year --
12 (Low-voice discussion off the record.)
13 MR. KING: Okay. Yeah, it's a new year, so you're
14 going to be using next year's --
15 MR. McKENZIE: After October 1.
16 MR. KING: After October 1st, so we're going to
17 basically, next year, have 25,000 left in our RAMP grant
18 after we do this.
19 MS. HANNAH: Correct.
20 MR. KING: Right?
21 MS. HANNAH: Yes.
22 MR. McKENZIE: Which means -- we can spend 50;
23 that's half of it.
24 MR. KING: I understand. Okay, that clarifies
25 that.

37

1 MR. LIVERMORE: Perry, I have a question. Are you
2 still there?
3 MR. HAVENAR: Yeah.
4 MR. LIVERMORE: Okay. I'm -- this is Ed Livermore;
5 I'm the new board member, so I might be asking something here

6 that everyone else in the room knows. If we are able to
7 develop the local data for a local slide like -- referring
8 back to the pie chart that you had up there, the different
9 uses of the airport, if we are able to develop accurate local
10 data, can we include that pie chart in the -- in our -- I
11 presume this is leading to a document and a presentation; is
12 that correct?

13 MR. HAVENAR: Yes, sir. If you can provide us with
14 accurate local data, I'll be more than happy to put that into
15 the report, and show both -- then be able to show the
16 difference between the local and the national data. That's
17 -- that would be fantastic information.

18 MR. LIVERMORE: Well, I don't know if it'll work,
19 but I've got an idea of how we might be able to gather that
20 information. We'll discuss it here in a second; won't take
21 your time, because that's kind of a -- that would be a
22 local -- local thought.

23 MR. HAVENAR: All right. Are there any other
24 questions for myself or Randal or Michelle?

25 MR. McKENZIE: Anybody have any questions? Mark?

38

1 Perry, I think we're through for today.

2 MR. HAVENAR: Well, I've probably got a couple of
3 questions for Michelle, so I'll --

4 MR. McKENZIE: Okay.

5 MR. HAVENAR: -- I'll call her and coordinate
6 off-line.

7 MR. McKENZIE: Thank you very much, Michelle and
8 Randal. Appreciate it, Perry. Thank y'all.

9 MR. LIVERMORE: Thanks, everybody.

10 MR. COWDEN: Thank you.

11 MR. LIVERMORE: Everybody have a great day.

12 MR. McKENZIE: All right. Thanks, Perry.

13 MR. MOSER: Thanks, Perry.

14 MR. McKENZIE: Thanks, Tom.

15 (Telephone conference ended at 11:20 a.m.)

16 -----

17 MR. LIVERMORE: Can we turn a light on over there,

18 please? I've seen these kind of questions before, and --
19 and, you know, it's just a data-gathering process, really.
20 It's kind of a grunt process. But in the past, we have --
21 I've worked with local colleges that have marketing
22 departments, marketing programs, educational marketing
23 programs, and the students and the professor or whatever take
24 it on as a project, and you give them, you know, a little
25 grant or something for their program, and they take it on as

39

1 a class project for their -- 'cause they're always looking
2 for something like this. And if it's -- if it's aiding
3 another kind of a governmental sort of entity, it's kind of a
4 natural fit. And we -- I've seen these kind of projects as
5 well.

6 MR. COWDEN: Schreiner University did that, but I
7 can't say that it's this exact thing.

8 MR. LIVERMORE: But what I'm thinking is, maybe one
9 month -- we're talking about how to develop this local data
10 that Tom Moser was talking about. If we took a slice of
11 time, like one month, and maybe the month of November, which
12 would be -- that would sure get the hunting season.

13 MR. COWDEN: Get the hunting, but not campers.

14 MR. LIVERMORE: But it's not going to get the
15 campers in the summer, but we can interpolate some of those
16 things. But if you just -- it's just really a data-gathering
17 process.

18 MR. KING: Yeah.

19 MR. LIVERMORE: We have to have some way to count
20 the total landings, and then maybe have a process up here
21 where a student's up here or something at the FBO, and when
22 people come in -- you know, I was in the national park --
23 there's a national park or national forest that's just before
24 you get to the north rim of the Grand Canyon, and we were
25 there last summer a year ago, and we stopped in this national

40

1 forest to have a picnic lunch before we went on into the
2 Grand Canyon National Park. And we're sitting there at the

3 concrete picnic bench, you know, in a real nice location, and
4 a young person came up with this long questionnaire and said,
5 "Would you mind taking a few minutes to answer some questions
6 about how we're -- how you're using our national forest?"
7 This -- it was at Kaibab National Forest. And so we did
8 that, and it's that same kind of a process.

9 MR. KING: Right.

10 MR. LIVERMORE: When someone comes in, you may have
11 a student here who would walk up to them; they have on a
12 Schreiner University T-shirt or something like that, and say,
13 "We're taking a survey on use of the airport." And it's --
14 it's not the perfect way to do it, but you can get some
15 pretty dadgum good information that way, --

16 MR. KING: Mm-hmm.

17 MR. LIVERMORE: -- in just a few minutes. And --
18 and, you know, maybe -- maybe the airport -- Mike, I'm
19 talking about spending a little money here, but, you know,
20 maybe you make a contribution to the Schreiner University
21 Marketing Department, kind of help them a little bit, and we
22 get some information. We might be able to develop -- if we
23 feel that type of information is really needed. And I think
24 the more we have, the more we know about our local
25 utilization, it gives us an opportunity to really focus our

41

1 marketing program. Like, if -- if we find that -- I mean
2 these things are all -- Mark's been through this 100 times at
3 the bank, but if you find that your customer base is -- I'm
4 just using a number -- 64 percent hunters, well, that means
5 that maybe there's reason to have outreach into the hunting
6 community or into the -- the Texas wildlife or something.

7 And -- in other words, to try to give you a way to start
8 targeting whatever our marketing is going to be.

9 MR. KING: I think to do that --

10 MR. LIVERMORE: That type of information is pretty
11 critical, really.

12 MR. KING: I think to do that, you have to have
13 some of the --

14 MR. LIVERMORE: Just customer analysis.

15 MR. KING: You'd have to have some sort of a survey
16 sheet that's very brief.
17 MR. COWDEN: Yeah, can't be long.
18 MR. KING: Very general, that you can probably ask
19 five or six questions.
20 MR. LIVERMORE: Mm-hmm.
21 MR. KING: Because you're going to run into --
22 unless you get the pilots to answer the questions --
23 MR. COWDEN: Yeah. They're --
24 MR. KING: Can't be specific, because you've got
25 confidentiality situations going on, that people don't want

42

1 to give up the information why you're here.
2 MR. COWDEN: Right.
3 MR. KING: But I agree, it's a great idea. I wish
4 we could figure out a way to do it. I wish -- I mean, I
5 think the most advantageous way to do it would be working
6 with Joey --
7 MR. COWDEN: Yeah.
8 MR. KING: -- and do it on a per-person basis. A
9 per --
10 MR. COWDEN: Aircraft.
11 MR. McKENZIE: Operation base.
12 MR. KING: Let's pay them to do it. Let's pay them
13 so much per -- we've talked to Joey about it, and we talked
14 about it a while back. We talked about this.
15 MR. McKENZIE: Right.
16 MR. KING: Doing the airplane situation. He said
17 it takes time from his people, but they have the immediate
18 contact right there. That person sees someone every time
19 they walk in the door. They see them right there. I just --
20 there's got to be a way we can utilize that -- that --
21 MR. COWDEN: Right.
22 MR. KING: -- boots on the ground over there --
23 MR. LIVERMORE: Well, you know --
24 MR. KING: -- to do it. Because the only problem
25 with using someone --

1 MR. LIVERMORE: Joey needs that information too.

2 MR. KING: I know. I think it's advantageous. I

3 think it's advantageous to him too; I agree. He can send

4 out --

5 MR. LIVERMORE: The more you know about your

6 customer --

7 MR. KING: Yeah. No, I agree. I think that's a

8 great idea. Maybe he might be more amenable to that because

9 of the -- the help that it might also do him. I mean, he

10 knows, you know, you can't get names. You know people aren't

11 going to give us a name, but at least they can fill out, you

12 know, what the survey -- you know, you come into the park

13 and, "Hey, could I ask you one quick question?"

14 MR. McKENZIE: Y'all want to discuss the scope of

15 the marketing plan? Perry wants us to call him back, so if

16 you can discuss the scope now --

17 MR. KING: I want to talk a little bit about a

18 marketing plan for just a second.

19 MR. McKENZIE: Okay.

20 MR. KING: Mark's got to run.

21 MR. McKENZIE: We'll reschedule.

22 MS. BAILEY: If he's gone, then we don't have a

23 quorum.

24 MR. KING: One second, real quick.

25 MR. McKENZIE: Laurie?

1 MR. KING: On this marketing plan, I think we're

2 going to have to clarify to the City and the County a little

3 bit about that, because that's -- this thing was sold to me a

4 little different than what it actually is. And it's on the

5 record in the meeting; I thought it was 100 percent money

6 that we got.

7 MR. McKENZIE: It was a RAMP grant.

8 MR. KING: Well, but that RAMP grant is half the

9 City's, half the County's money.

10 MR. McKENZIE: That's correct.

11 MR. KING: So it's not any new money. There's no

12 new money involved.

13 MR. MCKENZIE: No.

14 MR. KING: It's all money that we were already

15 going to get. We're just allocating it to different

16 resources.

17 MR. LIVERMORE: Can spend it here as well as there.

18 MR. KING: Basically, there was a list of things

19 under RAMP grants that you could spend it for, and this is

20 not one of them. This is not one of them, so this is adding

21 it to the list of things we can do.

22 MR. MCKENZIE: That's right.

23 MR. KING: So I'm -- I would -- I might feel --

24 MR. COWDEN: Different.

25 MR. KING: -- more comfortable about getting --

45

1 getting this thing run by the City and the County, and I

2 don't think it will be improvident. Mike, do you -- I mean,

3 don't you -- I think marketing is what all they've been

4 talking about. If we can get -- if we can get the right

5 people involved in it, like K.E.D.C., which you guys are

6 funding anyway, --

7 MR. ERWIN: Yes.

8 MR. KING: -- and get those guys involved in it, --

9 MR. ERWIN: Yes.

10 MR. KING: -- that would be great.

11 MR. ERWIN: It would.

12 MR. KING: But don't you -- your concern is, the --

13 or your feeling is that we should maybe run this by the City

14 and the County?

15 MR. ERWIN: Yes. Because when it was free, --

16 MR. KING: Yeah.

17 MR. ERWIN: -- then that was one thing. But --

18 MR. LIVERMORE: Good deal.

19 MR. ERWIN: I mean, I would still report it. But

20 now -- you know, and an example is -- is the City put in

21 75,000 last year for RAMP grant. Well, the County did not

22 make their RAMP grant payment until this past month to the

23 airport fund. So, if we're looking at using RAMP grant money

24 right off the bat next year, we need to see an equal basis.
25 If you're taking a dollar of the City's money, you need to be

46

1 taking a dollar of the County's money.

2 MR. KING: Right.

3 MR. ERWIN: Just because we're co-owners, and so
4 that would be a concern. But I think also the fact that
5 we're going to go from a RAMP grant, using it strictly for
6 maintenance, as we understood, and that's where we put the
7 money, for a marketing plan, I think it would be good for
8 both owners to say, "Yes, we think this is a good idea; go
9 forward."

10 MR. KING: What do y'all think about that? Anybody
11 have a problem?

12 MR. LIVERMORE: I think that's what you have to do.

13 MR. KING: I mean, if it fell under the RAMP grant
14 program as it was sold -- and the City and the County have an
15 option to look at it. You can look on the internet; you can
16 look up TexDOT, see what RAMP grants go for. Then I would
17 say you probably have approved for anything under that list
18 for your money to be spent on.

19 MR. ERWIN: Yes.

20 MR. KING: And I think it would be better if we ran
21 this by the City and the County.

22 MR. LIVERMORE: Yeah.

23 MR. COWDEN: Yeah, I agree.

24 MR. LIVERMORE: Do you think we need to --

25 MR. KING: Could you brief Todd on it?

47

1 MR. ERWIN: I'll brief Todd on it.

2 MR. KING: Brief Todd that it's a marketing plan;
3 it's an aviation marketing plan, not just -- not like a
4 marketing plan that K.E.D.C. would do. It's an aviation
5 structured marketing plan that we'd like to bring K.E.D.C.
6 into.

7 MR. ERWIN: Mm-hmm.

8 MR. KING: And, I mean, we'll bring -- I mean, I'll

9 bring -- we can bring the other guy out there -- what, the

10 Chamber? The Kerrville --

11 MR. ERWIN: Bring Stacy from the Chamber of

12 Commerce.

13 MR. KING: Exactly.

14 MR. ERWIN: And Ray from K.E.D.C.

15 MR. KING: And K.E.D.C. Let them be part of the

16 meeting here. But, you know, these guys, I think, have some

17 pretty good expertise in aircraft -- in airport marketing and

18 stuff.

19 MR. ERWIN: Yes.

20 MR. KING: And if they'll spend -- it's basically

21 \$45,000? Pretty close?

22 MR. MCKENZIE: At the most.

23 MR. KING: Or 47, so it's 23,5 a piece that they're

24 going to pay for, so we're going to get a marketing plan for

25 23,5.

48

1 MR. ERWIN: Right.

2 MR. KING: But maybe if you'll talk to Todd about

3 that and kind of tell him about it, and tell him that we

4 would like to do something like that, and TexDOT will help us

5 with it. But I think maybe we should probably let them both

6 approve it.

7 MR. ERWIN: And then the other --

8 MR. KING: Then if we fund it, if they say they

9 want to fund it, what we will do is, we can -- they can have

10 the option, and we'll pull it out of our reserve if they want

11 us to take it out of reserve, and nobody puts any money in,

12 and your RAMP grant money is still there.

13 MR. ERWIN: Right.

14 MR. KING: Your RAMP grant money is still there,

15 and it wasn't touched. Or we -- if you want to take it out

16 of RAMP grant, we'll make the County put their part of it

17 in --

18 MR. ERWIN: Mm-hmm.

19 MR. KING: -- up front, so we can bring the check

20 in --

21 MS. DEJOHN-ERMEY: If we don't do it as a RAMP
22 grant, though, we don't get half of TexDOT's money.
23 MR. KING: No, we're going to do it as a RAMP
24 grant. I'm just -- Mike would like -- I think the most
25 advantageous way to do it is just take it out of reserve,

49

1 'cause we're going to have to fund a percent -- we're going
2 to have to fund \$47,000.

3 MR. McKENZIE: Up front.

4 MR. KING: Up front. If we funded 47, and then
5 nobody had to pay any money, and then we basically got
6 reimbursed for 23,5, then the 23,5 would just go back into
7 reserve. And we would still have your 25 in RAMP grant, and
8 their 25 will come in for RAMP grant.

9 MR. ERWIN: Plus leave 100,000 for maintenance.

10 MR. KING: Yeah, there's still 100,000 --

11 MR. McKENZIE: You don't cut it.

12 MR. KING: You don't really cut into it, yeah.

13 MR. ERWIN: All right. Let me -- yeah, I'll talk
14 to Todd about that.

15 MR. KING: That might be --

16 MR. LIVERMORE: Todd -- I'm sorry, I thought you
17 were done.

18 MR. KING: I'm through.

19 MR. LIVERMORE: Go ahead.

20 MR. KING: No, I'm through.

21 MR. LIVERMORE: Mike, did I just pick up on
22 something that is -- gosh, K -- KPUB -- I'm trying to say
23 KPAS. Is KPUB doing a survey?

24 MR. KING: No.

25 MR. LIVERMORE: A customer survey? We're talking

50

1 K.E.D.C., the new Kerrville -- K.E.D.F.

2 MR. ERWIN: Yeah.

3 MR. KING: Development corporation. New
4 development corporation which met with the Commissioners
5 Court on Friday.

6 MR. ERWIN: Right.

7 MR. KING: I tried to -- I play golf with Trevor
8 Hyde. I told him last week we were thinking about -- I want
9 to bring him in on the master plan. If we -- even if we
10 didn't bring the marketing plan, I think y'all guys should be
11 part of this, because you need to know these are all economic
12 numbers, a lot of economic numbers involved here. And I
13 don't think it would hurt you guys to come to a meeting, and
14 you can look and stuff, give us your input. And so -- but, I
15 mean, if you do this marketing plan, I think those guys and
16 the Chamber guys should be involved in it. And Sudie. Is
17 that -- Sudie's group is --

18 MS. BAILEY: C.V.B.

19 MR. ERWIN: C.V.B.

20 MR. KING: I think those guys should be involved in
21 it if there's marketing involved and they can benefit from
22 it, 'cause it's free numbers. But, I mean, I think if you
23 tell Todd, just be sure and tell Todd that it will -- it will
24 reduce our -- any way we do it, it will reduce our RAMP
25 availability by -- \$50,000, or 25?

51

1 MR. McKENZIE: 25.

2 MR. KING: It will reduce it by 25 from the -- from
3 TexDOT. It will reduce our RAMP availability by 25. So,
4 next year we'll only have 50.

5 MR. McKENZIE: \$50,000 to spend.

6 MR. KING: 50,000 to spend, which means that you
7 guys' RAMP grant money, Mike, would go another year,
8 basically. 'Cause you guys put in 50 --

9 MR. COWDEN: 75.

10 MR. ERWIN: 75. 25 this year, 25 next year, and 25
11 in '13.

12 MR. KING: Yeah. It would basically -- yeah, 25
13 and 25. Then if we use our reserve, then your 25 from this
14 year would not be used?

15 MR. McKENZIE: They've got to use -- in order to
16 qualify for the RAMP, we've got to use it. It doesn't matter
17 which side of the sponsorship. If the City -- if the County

18 wants to spend theirs or the City wants to spend theirs,

19 there's got to be a match, an even match.

20 MR. KING: I know. Y'all -- but you put 25 in.

21 What I'm saying is if we use it out of reserve, if we used --

22 MR. ERWIN: Mm-hmm.

23 MR. KING: Which it would be half of 23,5, which

24 would be 12 --

25 MR. McKENZIE: Be 11 --

52

1 MR. KING: 12-something. If we used that out of

2 reserve and we didn't touch your RAMP, we're only going to

3 get 50,000 -- 25 more from them, so we'd only use 12 and a

4 half of your RAMP this year; you would have 12 and a half to

5 move to another year.

6 MR. ERWIN: Okay.

7 MR. KING: Is what I mean. You would have 12 and a

8 half to move to another year.

9 MS. DEJOHN-ERMEY: We would use it on other items.

10 MR. KING: No, but you can only get 25 more from

11 TexDOT.

12 MS. DEJOHN-ERMEY: Oh, I see what you're saying.

13 MR. KING: You can only use 25, so they use 12 and

14 a half and 12 and a half, so that's -- if we use the reserve

15 funds -- if we use it out of reserve funds, you guys would

16 basically move 12 and a half to another --

17 MR. ERWIN: Okay.

18 MR. McKENZIE: Another year.

19 MR. KING: Another year. You would be paid up: 25,

20 25, and y'all would have a 12 and a half somewhere, okay?

21 MR. ERWIN: Yes.

22 MR. KING: You tell that to him.

23 MR. ERWIN: Yeah, I'll talk to Todd about it.

24 MR. KING: Tell him to call me if he has a

25 question. I think I understand.

53

1 MR. McKENZIE: Thanks, Mark.

2 MR. COWDEN: Got to run.

3 MR. KING: All right. Let me -- I'm going to --
4 we'll adjourn this meeting -- is there anybody else? --
5 adjourn this meeting. Need a motion to adjourn.

6 MR. COWDEN: Motion.

7 MR. KING: From Mark. And a second from?

8 MR. LIVERMORE: Me.

9 MR. KING: Mr. Livermore. All in favor?

10 (The motion carried by unanimous vote.)

11 MR. KING: And we're three-zero.

12 (Master Plan Update meeting adjourned at 11:35 a.m.)

13 -----

14 STATE OF TEXAS |

15 COUNTY OF KERR |

16 I, Kathy Banik, official reporter for Kerr County,
17 Texas, do hereby certify that the above and foregoing is a
18 true and complete transcription of my stenotype notes taken
19 at the time and place heretofore set forth.

20 DATED at Kerrville, Texas, this 7th day of October,
21 2011.

22 _____
23 Kathy Banik, Texas CSR # 6483
24 Expiration Date: 12/31/12
25 Official Court Reporter
Kerr County, Texas
700 Main Street
Kerrville, Texas 78028
Phone: 830-792-2295