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KERRVILLE-KERR COUNTY JOINT AIRPORT BOARD

Regular Meeting

Wednesday, March 20, 2013

8:30 a.m.

Airport Terminal Conference Room

1877 Airport Loop Road

Kerrville, Texas

MEMBERS PRESENT:                      MEMBERS ABSENT:  
Stephen King, President              Bill Wood  
Corey Walters, Vice-President  
Ed Livermore  
Kirk Griffin

AIRPORT BOARD STAFF PRESENT:  
Bruce McKenzie, Airport Manager  
Carole Dungan, Executive Assistant

COUNTY STAFF PRESENT:  
Tom Moser, Commissioner Pct. 2  
Jonathan Letz, Commissioner Pct. 3  
Jeannie Hargis, Auditor  
James Robles, Assistant Auditor

CITY STAFF PRESENT:  
Jack Pratt, Mayor  
Sai Vongchampa, Budget and Purchasing Manager

VISITORS:  
Sandra Braden, TexDOT Aviation              Mark Mosier  
Byron Chavez, R.W. Armstrong              Floyd Walling  
Joey Kennedy, Kerrville Aviation              Jim Settle  
Mark Armstrong, Kerrville Daily Times  
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1 On Wednesday, March 20, 2013, 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 P R O C E E D I N G S

7 MR. KING: All right. I'd like to call the meeting  
8 of the Kerrville/Kerr County Joint Airport Board, March 20,  
9 2013, meeting to order. Item 1, Visitors Forum. At this  
10 time, any person with business not scheduled on the agenda  
11 may speak to the Airport Board. No deliberation or action  
12 may be taken on these items because the Open Meetings Act  
13 requires an item to be posted on the agenda for 72 hours.  
14 Visitors are limited to three minutes. Anyone have anything?

15 MR. McKENZIE: Steve, I'd like to introduce  
16 somebody right now, if I might. I met this young man in  
17 Houston three weeks ago. His name Byron Chavez; he's with  
18 R.W. Armstrong. He's a registered professional civil  
19 engineer, and he's with Chris Coons that comes to our meeting  
20 sometimes out of Austin as well.

21 MR. KING: Okay.

22 MR. McKENZIE: So -- and, Ed, he's from Oklahoma.

23 MR. LIVERMORE: He's a good man.

24 MR. CHAVEZ: Yes.

25 MR. McKENZIE: He's an O.S.U. man.

1 MR. LIVERMORE: He's still good. (Laughter.)

2 MR. KING: All right.

3 MR. CHAVEZ: Thank you for having me.

4 MR. KING: Thank you very much for coming. All

5 right. Item 2, Kerrville/Kerr County Joint Airport Board

6 member forum. At this time, any member of the Kerrville/Kerr

7 County Joint Airport Board may speak to the public -- we

8 added all this stuff. Shorten this so we can go faster.

9 Anyway, anyone have anything -- any member have anything

10 you'd like to bring before the board that's not on the

11 agenda? Nothing. Item 3, consent agenda. All items listed

12 below within consent agenda are considered routine by the

13 board, will be enacted in one motion. So, we're going to

14 approve the minutes for February 18, 2013. Anybody have any

15 changes? Anybody looked at them?

16 MR. GRIFFIN: They look good.

17 MR. LIVERMORE: So moved.

18 MR. KING: I have a motion from Mr. Livermore.

19 Second?

20 MR. WALTERS: Second.

21 MR. KING: Mr. Walters. Discussion? None being

22 heard, all in favor?

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

24 MR. KING: That's four-zero. Item 4, discussion

25 and possible action. 4A, the monthly financials. Jeannie?

1 MS. HARGIS: Morning. How's everybody?

2 MR. LIVERMORE: Hi, Jeannie.

3 MS. HARGIS: If you'll turn to Page 1, the February

4 balance sheet, the general funds for the airport. Total

5 amount of funds is 366,577.40. Liabilities and fund equity,

6 the same, which everybody look on Page 2. Page 3 is your

7 revenue for this month. We seem to be about on target.

8 We're at 56 percent, 173,494.69, fourth column, bottom line.

9 Any questions there?

10 MR. LIVERMORE: Are we at or pretty well on our

11 projections?

12 MS. HARGIS: I think so, pretty much. Some of them  
13 are ahead; some of them are at 68, 75, so it varies a little  
14 bit, but the -- the balance is 56. Again, because the leases  
15 come in sporadically, it's a little hard to tell sometimes.

16 MR. LIVERMORE: Yeah.

17 MS. HARGIS: Page 4 is your employee costs for the  
18 month. For year-to-date, \$71,096.06. Again, I'm focusing on  
19 the fourth column. The next page is your general expenses.  
20 Haven't really seen anything here that stuck out to me as far  
21 as expenses. You can look down the third column; that was  
22 the current month. Year-to-date seems to be fairly normal,  
23 so we're in good shape there. In fact, we're really way  
24 behind what, you know, is usual. Page 6 shows you utilities  
25 and transfers, so the total there of expenses, 32,758.68.

6

1 Page 7 is the terminal expenses. Those total, year-to-date,  
2 5,604.23. Total expenditures to-date, 109,458.97, leaving  
3 you a balance of 64,035.72. That's very good for this time  
4 of year. Page 8 is the capital account. You have 53,342.99.  
5 We did get from TexDOT our -- just actually on Tuesday, the  
6 RAMP grant, 18,000, came in. So, that doesn't reflect here,  
7 but it is here.

8 Page 9 shows all the grant money. You can see from  
9 TexDOT, we have a total of 26,000, and if we add the 18,  
10 we're almost there at the 50,000 that we would be getting  
11 from them. Remember, it's 25, 25, and 50, so the total there  
12 is 76,205.98. And then Page 10 reflects the repairs on the  
13 parking lot and the gate and everything. So far to-date,  
14 91,549.66, and the gate is in there. Page 11, the total  
15 remains the same, 91,549.66, which leaves you a balance of  
16 15,343.68 in the hole, because, again, we have some funds  
17 there and we have to kind of run behind to get the RAMP grant  
18 back in the bank. So, we should be level -- pretty much  
19 level by the time we put that 18 in. So, everything looks  
20 good, and no -- nothing shocking for the month of February.  
21 It's wintertime. Now we got to start mowing.

22 AUDIENCE: If it rains.

23 MS. HARGIS: Let's pray for rain.  
24 MR. LIVERMORE: Let's don't forget that rain part.  
25 MR. KING: Anybody have any questions on the

7

1 financials? Motion to approve?  
2 MR. WALTERS: Motion to approve.  
3 MR. LIVERMORE: Second.  
4 MR. KING: Second by Mr. Livermore. Discussion?  
5 All in favor? Aye.  
6 MR. LIVERMORE: Aye.  
7 MR. GRIFFIN: Aye.  
8 MR. WALTERS: Aye.  
9 (The motion carried by unanimous vote, 4-0.)  
10 MR. KING: Four-zero. All right. Item 2C -- 4C.  
11 We have Sandra Braden --  
12 MR. McKENZIE: 4B.  
13 MR. KING: 4B? What's that? Oh, a different  
14 thing, sorry. 4B, private hangar development. Jim  
15 Huddleston, Crawford, Huddleston & Company.  
16 MR. McKENZIE: Jim called and said he was not going  
17 to be here.  
18 MR. KING: Oh, good.  
19 MR. LIVERMORE: You were faster than you realized.  
20 MAYOR PRATT: You knew that. That's the reason you  
21 tried to skip it.  
22 MR. KING: Did he say -- have a reason?  
23 MR. McKENZIE: He just said he wasn't going to be  
24 here today. He called me yesterday afternoon.  
25 MR. KING: Dog ate his homework?

8

1 MR. McKENZIE: Too busy.  
2 MR. LIVERMORE: Dog ate his homework?  
3 MR. McKENZIE: More or less.  
4 MS. HARGIS: Can I use that?  
5 MR. McKENZIE: Sure.  
6 MR. KING: All right. Well, perhaps at a future  
7 date, we'll get to visit. Item 2 -- 4C. Sandra Braden from

8 TexDOT's Aviation Department was gracious enough to --

9 MR. LIVERMORE: Come out here.

10 MR. KING: -- come out and visit with us. Had  
11 lunch with Sandra and Michelle, our -- Sandra's our airport  
12 planner. She's our new airport planner for this -- for our  
13 airport. And our airport planner is very important. They  
14 pretty much -- if you need something, it goes through them,  
15 and -- and it either goes through or stops.

16 MS. BRADEN: Yeah, more or less.

17 MR. KING: More or less. So, we -- we appreciate  
18 you coming and having lunch with Bruce and I, and we  
19 discussed our airport and funding mechanisms and funding  
20 terminology and where the money is and where the money is  
21 not, and it's a good -- had a good meeting. Bruce met with  
22 her for a couple hours, so -- and she's here to kind of -- I  
23 mean, should we take Sandra first? Do you think we ought to  
24 go ahead and do Sandra's first to kind of -- we've -- we've  
25 formed a subcommittee, sort of an ad hoc committee here about

9

1 a month and a half ago -- month and a half ago to talk about  
2 the possibility of building some T-hangars on the airport,  
3 where we'd develop them. We asked the ad hoc committee to  
4 come up with some recommendations as to if it -- if it was  
5 feasible to do, it looked like it was a feasible project that  
6 we should take on or attempt -- or we should discuss with the  
7 board. And -- and so, after meeting several times and stuff,  
8 we've come up with a -- that committee's come up with some  
9 recommendations to the board. And Sandra is here to kind of  
10 -- we've briefed her on the project -- the proposed project  
11 and the project being considered, and she's going to kind of  
12 give us some -- a little overview of what it takes to fund  
13 something like that, and how TexDOT is -- what the mechanism  
14 is to get it in the line, and then get it through -- through  
15 to the -- the building process and then complete it. So,  
16 Sandra, do you want to --

17 MS. BRADEN: Where do you want me to be?

18 MR. KING: You have the floor.

19 MS. BRADEN: How about right here? How about right

20 here? Is that --

21 MR. KING: That's fine.

22 MS. BRADEN: Too many people.

23 MR. LIVERMORE: Wherever you wish.

24 MS. BRADEN: Except I've got my back to you guys.

25 Okay. I will apologize up front by saying I'm not used to

10

1 talking to this many people in an airport board meeting.

2 This is kind of exciting. I'm also new to Kerrville as the

3 planner, but I've been on and off the field for the last

4 20-hmm years, and it's been exciting for me to see the growth

5 and vitality that Kerrville has -- has continued to maintain.

6 MR. LIVERMORE: Without -- without your agency, it

7 probably wouldn't have been possible.

8 MS. BRADEN: Thank you. Thank you. We really --

9 we really are pleased that most people like to see us come in

10 the front door. And I think one of the most rewarding things

11 is to get a phone call and have a message left, and turn

12 around and phone -- to return the phone call, and the caller

13 says, are you -- "Well, I just left that message. I thought

14 you worked with the State." (Laughter.) I said, "Yes, but

15 we're trying very hard to dispel any of those ugly

16 stereotypes." I'm not exactly sure where to start, so I'm

17 going to start from the beginning as I know it. A couple

18 years ago, there was a discussion about hangars, and there

19 was a place-holding project put in our C.I.P. for T-hangars.

20 It was published in a snapshot that goes to the

21 Transportation Commission as our aviation C.I.P. once every

22 year -- once every year for a three-year projection. And

23 that's all it is, is a snapshot. As this project has

24 evolved, those costs have been refined, and they've actually

25 grown.

11

1 And the way we handle money for T-hangars has

2 changed. The moneys that are available to a community for

3 revenue production are called non-primary entitlement funds.

4 These are federal funds to be used at individual national

5 plan airports. You all -- there was a little bit of a glitch  
6 in moving forward on those T-hangars, because you had that  
7 R.S.A. problem, and so the funds have actually partially been  
8 used most currently to fund the repairs or the relocation of  
9 the ditch in the R.S.A. What we've got left is to work with  
10 for 2012-13, depending on how things go with the budget  
11 overall, we probably can talk about '14. But in your  
12 infinite creativity, you've thrown down a gauntlet and said,  
13 "Oh, let's try and do something more creative than that."  
14 And in Kerrville and Kerr County, it's something that -- that  
15 TexDOT -- we want to really try and work with you to  
16 accomplish those goals.

17       What Bruce brought to us was an identification of  
18 work that the City could do, work that the County could do.  
19 If we'd just pay for the materials at 90/10, that would be  
20 just ducky. Well, we don't usually do that. If you want  
21 90/10 money, then we do the project. If you want to get  
22 reimbursed for materials, you do that under RAMP. But each  
23 entity has that capability. No doubt, it will reduce the  
24 costs, and we really would like to propose taking a stab at  
25 doing this so that we can also find out a little bit more

12

1 realistically, what's the bare-bones cost of hangars if you  
2 don't get the government involved -- federal and state  
3 government involved to the degree that we would be  
4 ordinarily? So, what we're proposing to do, and we -- again,  
5 we haven't worked out all of the pieces, because this is a --  
6 a new stab at it -- is the engineering section will assign a  
7 project manager. We'll work with whatever engineer you all  
8 procure or have on -- have on staff, have under contract,  
9 procure under your own processes, under local processes, to  
10 provide a sealed set of plans for the structure and the  
11 pavements.

12       We'll pay for materials. We'll pay for materials,  
13 so the cost of the hangars, the cost of the asphalt and  
14 materials that go into the pavements, and we'll work it --  
15 again, these are some of the fine-tunings. We haven't worked  
16 out on a technical basis on how grants will handle payment



17 and this, that, and the other. But basically, we'll  
18 coordinate the whole thing. You'll use local procurement  
19 processes to obtain all of the things that you need for this  
20 project, and we'll move forward and get it paid for through a  
21 TexDOT grant. We're contemplating -- and we have done this  
22 in some other instances, and we're thinking we'll be able to  
23 make the bridge to it. There's an opportunity that we can  
24 ask the airport to waive their right to the non-primary  
25 entitlement money, and we'll substitute state funds to

13

1 complete this project. It allows the specifications for the  
2 pavements to follow TexDOT and state requirements, rather  
3 than federal, and that helps a bunch. And it's -- and we've  
4 made this substitution several times. Also, it enables you  
5 to follow your local procurement processes instead of having  
6 to follow the federal. So, we're at that moment of deciding  
7 to put this creative process into play. And I think one of  
8 the other things that you all were -- anybody got any  
9 questions up to this point?

10 COMMISSIONER MOSER: I do.

11 MS. BRADEN: Yes, sir?

12 COMMISSIONER MOSER: May I?

13 MR. KING: Yeah, sure.

14 COMMISSIONER MOSER: Let me see if I can simplify  
15 this a bit and understand what it is.

16 MS. BRADEN: Oh, please do.

17 COMMISSIONER MOSER: Let's just say that the  
18 owners, the City and the County, aren't going to do any of  
19 the work, okay?

20 MS. BRADEN: Okay.

21 COMMISSIONER MOSER: Let's just -- let's assume  
22 that, okay? 'Cause whatever we do is going to be a small  
23 part, so let's -- let me just set that aside. If we have a  
24 set of plans that -- from going where we are today to a  
25 complete product, that the T-hangars --

14

1 MS. BRADEN: Mm-hmm.

2 COMMISSIONER MOSER: Okay. And they're all  
3 engineered plans, and we bring those to you, walk me through  
4 the scenario of how that would -- we would participate with  
5 TexDOT in that.

6 MS. BRADEN: If I'm -- if I'm hearing you very,  
7 very clearly, you bring a set of sealed plans to us and say,  
8 "We want to build this."

9 COMMISSIONER MOSER: Correct. And we can work with  
10 your engineering guys to make sure that they're compatible  
11 with all the requirements of TexDOT and everybody else.

12 MS. BRADEN: That's almost what we're talking about  
13 doing.

14 COMMISSIONER MOSER: Okay. So then -- so -- and  
15 let's just say we bring that forward to you, and our estimate  
16 is, just for talk about, is \$100,000. Okay. So, we can do a  
17 percentage here, so we bring -- bring forward this to you,  
18 and the total turnkey thing is \$100,000, okay. So, what  
19 could we anticipate coming from TexDOT?

20 MS. BRADEN: In that specific scenario, we'd work  
21 it as a reimbursement. You'd pay for it 100 percent, apply  
22 for reimbursement, and you'd get back 90 percent.

23 COMMISSIONER MOSER: Okay.

24 MS. BRADEN: Yeah. If you wanted us involved  
25 through the process, as I'm discussing, --

15

1 COMMISSIONER MOSER: Okay.

2 MS. BRADEN: -- we -- and this is the -- these are  
3 the details that have to be worked out.

4 COMMISSIONER MOSER: Mm-hmm.

5 MS. BRADEN: But in some instances, we're able to  
6 receive invoices on the project.

7 COMMISSIONER MOSER: Okay.

8 MS. BRADEN: And pay 90 percent of the invoice.  
9 It's up to you to pay it 100 percent.

10 COMMISSIONER MOSER: Okay. So, the -- the Approach  
11 A, which we bring to us and say, "Okay, we'll reimburse you,"  
12 that's Approach A. Approach B is if we work with you from  
13 the very beginning; we got dirt out there now, we want to end

14 up with this final product. Then -- then, by having your  
15 participation in the planning and the design and so forth,  
16 then that's the incremental reimbursement, if you will, or  
17 incremental paying of bills.

18 MS. BRADEN: During the process and on an ongoing  
19 basis, just like a regular project.

20 COMMISSIONER MOSER: Say -- I just don't want to  
21 get it too confused with what the City and the County could  
22 do, because we're talking, you know, something, but it's a  
23 small percentage of what the total is. It's a very small  
24 percentage. But, you know, to save some money, --

25 MS. BRADEN: Absolutely.

16

1 COMMISSIONER MOSER: -- we can do it that way.

2 MS. BRADEN: And I think that's such a -- that's  
3 such a good way to go about it when you have -- and that's  
4 why we're so encouraged to try this out, is because you all  
5 have the competencies between those two groups --

6 COMMISSIONER MOSER: Right.

7 MS. BRADEN: -- to be able to provide some  
8 services --

9 COMMISSIONER MOSER: Right.

10 MS. BRADEN: -- at the airport. They're jointly  
11 responsible for it. And to keep that investment and good  
12 will, a lot of airports don't have that opportunity.

13 COMMISSIONER MOSER: Right. Okay, you answered my  
14 question. Thank you.

15 MS. BRADEN: Mm-hmm. One of the things Bruce said  
16 that you all would be curious about would be a time frame.  
17 If --

18 COMMISSIONER LETZ: Sandra, before you go on, to  
19 make sure I understand, I'll go off kind of what Tom said a  
20 little bit.

21 MS. BRADEN: Okay.

22 COMMISSIONER LETZ: Say we do everything Tom said  
23 and get reimbursed 90 percent, and then say we do -- 10  
24 percent of the cost we do in-kind.

25 MS. BRADEN: No in-kind.

1 COMMISSIONER LETZ: Okay.

2 MS. BRADEN: No in-kind.

3 COMMISSIONER LETZ: So, you'll get -- we lower the  
4 cost. In-kind contributions lower the total cost, but  
5 doesn't --

6 MS. BRADEN: You get no credit for it.

7 COMMISSIONER LETZ: Okay. Okay.

8 MR. KING: The in-kind cost is -- is to facilitate  
9 the economics of a project.

10 MS. BRADEN: Absolutely.

11 MR. KING: I mean, the project as it sits, without  
12 the in-kind contribution, is not economically feasible. If  
13 it was economically feasible, someone else would already have  
14 done it.

15 COMMISSIONER LETZ: Right.

16 MR. KING: I would have done it. Corey would have  
17 done it. We would have gone and built those things and done  
18 it, but it's not done. It's not possible. I mean, when you  
19 throw in -- when you get J3 to start paving all that property  
20 out there and everything, the numbers go up exponentially.  
21 And -- and so, you know, we've -- we've looked at projects --  
22 we've looked at that project before, without any in-kind,  
23 just getting estimates of prices and stuff. It's a million  
24 dollar project. You know, it comes -- we were looking at a  
25 million dollar project over -- you know, over on the other

1 side over there for what, 24 hangars and stuff, and, you  
2 know, it was -- we got it down to a million. It was at about  
3 a million --

4 COMMISSIONER MOSER: Right.

5 MR. KING: It was a million and a half or so. And  
6 so, you know, this is -- this is a way that we can, you know,  
7 maybe possibly -- and, like I say, it's up to our owners, up  
8 to the County and the City whether we're going to bring the  
9 project to you guys. If you guys want to do it in-kind, help  
10 us out with it, then we're going to ask you to do that. Now,

11 TexDOT's under -- you know, as Sandra explained to me in the  
12 room there, they would like to do, like, a beta -- a beta  
13 test to see whether this type of project would work in the  
14 state of Texas, because, you know, they have a limited number  
15 of funds. I mean, the money is -- there's a limited pot of  
16 money out there for them to distribute to 254 --

17 MS. BRADEN: 256.

18 MR. KING: -- 56 airports in the state of Texas,  
19 and if there's a way that they can make this money go  
20 further, then, you know, this might just be it. You know,  
21 when we're through, if we do this project and we're through,  
22 we take the 12 hangars, we divide by what we spent on it,  
23 they're going to come up with a baseline for what it costs to  
24 build these hangars versus what it costs to get -- get them  
25 done all over the rest of the state of Texas like they've

19

1 done in the past. If it's a significant figure, I'm sure  
2 they'll probably try to implement the program in other places  
3 where it can be implemented.

4 MS. BRADEN: Well, and it is 'cause they're unique  
5 in that regard. But I think we all -- we all work so hard to  
6 honor and protect the fiduciary responsibility we have to the  
7 taxpayers, any time we can be creative and maybe go through a  
8 little learning curve and maybe a few bumps -- this will not  
9 be bumpless, folks, but I don't think it'll be really  
10 problematic, I think, because we're getting it all done at  
11 the same time. Ordinarily, we pass from planning to grants  
12 to engineering, and we're trying to become a whole lot more  
13 integrated in getting all three of those entities together at  
14 the very beginning, and this is one of those opportunities.

15 COMMISSIONER MOSER: Great.

16 MAYOR PRATT: It's great.

17 MR. WALTERS: I have a question. Under Tom's  
18 Scenario A, is that where we would be asked to waive our  
19 N.P.E. funds?

20 MS. BRADEN: Actually, it's going to probably be  
21 there in any instance, so that the specifications can be  
22 under state requirements rather than federal requirements.

23 MR. WALTERS: Okay.

24 MS. BRADEN: And to allow for local procurement  
25 processes to be primary.

20

1 MR. KING: And it's not permanent.

2 MS. BRADEN: Oh, no, not permanent at all.

3 MR. KING: Just for a few years.

4 MS. BRADEN: Right.

5 MR. KING: Which we discussed if you build a  
6 project like this -- Sandra, you might explain that a little  
7 more. You told me at lunch if you build a project like this,  
8 then they have a sort of a cooling-off period where you have  
9 to wait a couple of years to come back to TexDOT to build  
10 another project. I mean, it's --

11 MS. BRADEN: One of the things that -- that's very  
12 -- very frustrating to try and explain, and even harder to  
13 accept, is the non-primary entitlement money is entitlement.  
14 It's dedicated to each NPIAS airport based on its capital  
15 improvement needs that the -- that we give to the feds every  
16 year. \$150,000 a year is the maximum amount, but you don't  
17 get it unless you have the need. You can't just have  
18 \$150,000 worth of project because you have entitlement money.  
19 Those projects have to be justified. They have to be  
20 eligible. And we still have to go through the same deal.  
21 The other hook or requirement to use those funds is that you  
22 have to maintain your air side. Your lights, your pavements,  
23 all of your airplane-dependent structure has to be up to  
24 snuff, and that's where the money has to be used first.  
25 If you have a capital improvement project, those

21

1 moneys just go into that project. They're like the first  
2 level of funds. These are just A.I.P. funds that are  
3 funneled to us through our block grant, but they're set apart  
4 to satisfy non-primary entitlement. When you have a project  
5 like the hangars and you use non-primary entitlement, it's  
6 used for so many years. As you start building up or seeing  
7 another few years of non-primary entitlement money available

8 to you -- and you can amass four years; then it starts  
9 expiring. Each time you come to a project, it's, "How are  
10 your air side needs? How are your air side needs?" If your  
11 air side needs are still fine, then we're going to get the  
12 revenue production -- look at the revenue production, the  
13 hangars and the fuel systems.

14 COMMISSIONER MOSER: So -- one more question, if I  
15 may.

16 MS. BRADEN: Okay.

17 COMMISSIONER MOSER: Under the scenario -- the  
18 current hangars that we're talking about, let's just say  
19 we meet all the requirements; we cut a deal and we build  
20 those.

21 MS. BRADEN: Mm-hmm.

22 COMMISSIONER MOSER: Okay? And we say, you know,  
23 we'd like to move to the next step.

24 MS. BRADEN: Mm-hmm.

25 COMMISSIONER MOSER: Okay? 'Cause that worked

22

1 well; we now want to do the same thing at a different  
2 location.

3 MS. BRADEN: Mm-hmm.

4 COMMISSIONER MOSER: So what you're saying is we  
5 have to wait a couple of years or something like that?

6 MS. BRADEN: At least.

7 COMMISSIONER MOSER: Okay.

8 MS. BRADEN: Yeah, probably two.

9 COMMISSIONER MOSER: Several years before we, say,  
10 apply for or talk to you about the next --

11 MS. BRADEN: No, talk to me right away.

12 COMMISSIONER MOSER: Okay.

13 MS. BRADEN: Say, "All right, in 2016 we want  
14 another set." And I'll do just --

15 COMMISSIONER MOSER: Uh-huh.

16 MS. BRADEN: And I'll do just like Michelle did,  
17 and I'll put in a project as pending or draft, and as it  
18 advances through the capital improvement process, it'll pop  
19 up, and we'll go, "Okay, how are the air sides? Do they

20 really want to still do this?" And we'll end up having a  
21 dialogue.

22 COMMISSIONER MOSER: Okay, good. Thank you.

23 MR. KING: But that is the -- Tom, that scenario is  
24 true whether it -- any way -- any time you spend the funds.

25 COMMISSIONER MOSER: Correct.

23

1 MR. KING: Any time. That's not -- that's not  
2 particular to this. That's any time you spend funds.

3 MR. LIVERMORE: The air side, still the same deal?

4 MS. BRADEN: Absolutely.

5 MR. KING: Still going to have to -- there's going  
6 to be a little bit of a period there?

7 MS. BRADEN: A little bit, unless it's an  
8 emergency. Then we try and respond.

9 MR. WALTERS: Who makes a determination on our air  
10 side, whether they're up to sufficient standards?

11 MS. BRADEN: Me first.

12 MR. WALTERS: Okay.

13 MS. BRADEN: Really, it is me first. Just over the  
14 years of going, if it's just, you know, "That's minor  
15 cracking, no big deal." "Where's the crack seal? Get it  
16 stuffed." Me first. Then we are entering into what we hope  
17 is going to be a broad pavement evaluation project jointly  
18 with T.T.I. One of their pavement experts is beginning to go  
19 out to our G.A. airports as we have projects, and then  
20 ultimately just to get all of them in the system with a  
21 pavement maintenance program and a pavement evaluation and  
22 maintenance program that we're going to start incorporating  
23 into planning purposes. You know, everything kind of goes  
24 through a cycle. When I first started working with TexDOT,  
25 the planners, as they would go out and have the regional

24

1 planning meetings, would observe where things might need to  
2 be addressed, and we'd start trying to groom the sponsors to  
3 send us letters of interest or say, you know, you really need  
4 to do this in about three years. And we'd start plugging in



5 projects into back years in C.I.P. And then as it came  
6 through, we'd call the sponsors and say, "Remember when we  
7 talked about...? Well, here, it's time. Are you interested?  
8 Can you do this? Can you start budgeting?" Then money got  
9 to be a crunch and we stopped doing that. We waited for all  
10 of those letters of interest to come in. And we're back to  
11 trying to put things in and remind people about the pavement  
12 maintenance responsibilities and how we can help support  
13 those activities. So, that's just -- it's all evolutionary;  
14 sometimes it just rolls around the circle.

15 MR. KING: Mr. Mayor?

16 MAYOR PRATT: The pavement, --

17 MS. BRADEN: Yes, sir?

18 MAYOR PRATT: -- does that go all the way up to the  
19 hangar?

20 (Ms. Braden nodded.)

21 MAYOR PRATT: So that's everything?

22 (Ms. Braden nodded.)

23 MAYOR PRATT: Not just the apron or something like  
24 that? It goes all the way up to the hangar?

25 MS. BRADEN: Everything that's publicly owned.

25

1 MAYOR PRATT: Okay. That's good.

2 MR. KING: Sandra, what did you say if -- if we  
3 sign over those -- those funds so that we can use state  
4 funds, what is the cost difference? I mean, is that -- I  
5 mean --

6 MS. BRADEN: It's transparent.

7 MR. KING: No, as far as the specifications,  
8 federal versus -- is it significant? I mean, you might be  
9 able to speak to that.

10 MS. BRADEN: Yeah, I would say he might be able to  
11 speak. It's significant there; the complexity is  
12 significant. And I don't know -- Byron, can you add any more  
13 to that?

14 MR. CHAVEZ: Yeah, it's really just familiarity.  
15 Contractors are familiar with TexDOT standards.

16 MR. KING: Really?

17 MR. CHAVEZ: You have lots -- there's a lot of  
18 airports, but they're scattered about, and, you know, it's  
19 not like the roads, the highways, where there's just -- you  
20 know, they're so used to the specs. So, is it really that  
21 much more difficult to build? Not really, but it's just that  
22 initial, "I've never seen this spec before; I'm going to  
23 start cranking up that price."  
24 MR. McKENZIE: And it costs more money to meet that  
25 spec in the plant, because the spec's a lot tighter.

26

1 MR. KING: Is that where the difference is?  
2 MR. McKENZIE: That's exactly --  
3 MR. CHAVEZ: Yeah.  
4 MR. McKENZIE: At the plant, when --  
5 MR. CHAVEZ: Yeah, that does have an effect on it.  
6 It is tighter specs.  
7 MR. KING: Base material -- difference in base  
8 material, or not?  
9 MR. McKENZIE: It's not as much as it is the  
10 surface course.  
11 MR. CHAVEZ: Yeah, especially when you -- yeah.  
12 And in my experience, especially like asphalt and stuff,  
13 yeah. The 401 spec, which is the F.A.A. asphalt spec, yeah,  
14 really starts to --  
15 MR. KING: Really?  
16 MR. McKENZIE: TexDOT's spec is quite adequate for  
17 what we're going to do out here.  
18 MR. KING: Yeah.  
19 MS. BRADEN: Up to a --  
20 MR. KING: How about, like, in seaming, in  
21 concrete, in slab -- slab specs? Is it --  
22 MR. CHAVEZ: I don't see as big of a difference  
23 there, but it's still -- it still is different, and it is  
24 still that familiarity thing.  
25 MR. KING: Okay, thank you very much. I appreciate

27

1 that. Okay. Any more questions for Sandra?

2 MR. WALTERS: I have one more question. When you  
3 were talking about under Scenario B, of we submit the invoice  
4 and then TexDOT pays it, is it something that y'all then send  
5 an inspector out to review the work that's been asked, you  
6 know, for payment? Or do you just say, okay, we assume that  
7 y'all have done your own inspection?

8 MS. BRADEN: Well, your project manager is going to  
9 guide how those -- how that work is validated.

10 MR. WALTERS: Right.

11 MS. BRADEN: You will have an R.P.R., some kind of  
12 a resident project representative in some fashion, whether  
13 that's provided locally. Sometimes that happens. I've even  
14 known TexDOT to go to -- on smaller projects, to be able to,  
15 you know, drive by several times a week, and they're -- they  
16 wind up being resident --

17 MR. KING: Oh, really?

18 MS. BRADEN: -- representative. But it's validated  
19 in some form or fashion through your project manager.

20 MR. WALTERS: Okay.

21 MS. BRADEN: I wanted to go over real quick what  
22 the schedule might be. This is where I have to say,  
23 gentlemen, I really do work for the state, and yes, it really  
24 does take this long. If we go forward with this project and  
25 can go through all of the paperwork, all the resolutions and

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1 documents that we need to have in our office, and have them  
2 in during mid-to-late April, which at this point is about  
3 where we have to get to meet everybody's meeting schedules  
4 and everything, we'd have a public hearing the end of May.  
5 There would be -- it would be on the Transportation  
6 Commission approval agenda for June, and we'd have a contract  
7 or a grant in place in July. Now, because of the way we're  
8 trying to do this, July may mean the day you all can start  
9 moving dirt or start getting things going, as soon as we've  
10 got that grant in place. If we were going the other route,  
11 we'd be starting to request qualifications, go through  
12 consultant selection, go through fee negotiations,  
13 contracting, and then we start talking about the project.

14 You're talking about six to eight months from now before --

15 MR. KING: Really?

16 MS. BRADEN: -- that will begin to happen. I think

17 once you have a -- a project -- and you'll -- Bijan will

18 assign a project manager well before we get even to

19 Commission approval, and probably have all of those kinks

20 ironed out even before we get to Commission.

21 MR. McKENZIE: So I'd be talking to Bijan? That's

22 who the project manager's assigned by? Bijan will have it,

23 and then at that point in time, we can choose our consultant/

24 engineer to do the design?

25 MS. BRADEN: Probably.

29

1 MR. McKENZIE: Probably. I'm just trying to --

2 MS. BRADEN: I'm sorry to be fudgy on that, but

3 it's a new deal.

4 MR. McKENZIE: And then that is also paid for

5 90/10?

6 MS. BRADEN: Again, probably.

7 MR. McKENZIE: Probably? Okay.

8 MS. BRADEN: Probably.

9 MR. McKENZIE: That's going to be the question.

10 MS. BRADEN: Yeah.

11 MR. McKENZIE: I just want to make sure before I --

12 I got to a --

13 MS. BRADEN: Yeah, don't you jump -- where are

14 those red-hots?

15 MR. McKENZIE: They're right there.

16 MS. BRADEN: All right. I had to put him on a -- a

17 training course of every time he started to worry about

18 money, he had to go put a red-hot in his mouth. He had to

19 stop worrying about the money.

20 MR. McKENZIE: I just wanted to make sure.

21 MS. BRADEN: Yeah, and you won't actually even have

22 any contact with --

23 MR. McKENZIE: I won't have them --

24 MS. BRADEN: -- Bijan.

25 COMMISSIONER MOSER: So, would you mind saying that

1 again? Going back to April, and then through that one more  
2 time?

3 MS. BRADEN: Okay. All of the resolutions, the  
4 forms that we'll need from the Airport Board through the  
5 County and the City, the end of April.

6 COMMISSIONER MOSER: Now, the resolutions and  
7 forms, that's not any detailed design? It's just the  
8 concept?

9 MS. BRADEN: Correct. This is just getting the  
10 project moving.

11 COMMISSIONER MOSER: Okay.

12 MS. BRADEN: And on the Transportation --

13 COMMISSIONER MOSER: Okay.

14 MS. BRADEN: -- Commission. We'll have a public  
15 hearing in our office probably toward the end of May.

16 COMMISSIONER MOSER: Mm-hmm.

17 MS. BRADEN: It is a formality. Nobody ever  
18 usually shows up. The quickest one I've ever seen was six  
19 seconds. If there's controversy, it's open; anybody can  
20 come. We have had people show up, but it's -- it's a small  
21 thing. Commission date is probably the end of June,  
22 contracting during the month of July, and probably moving  
23 forward rapidly in August. Because I believe --

24 COMMISSIONER MOSER: "Contracting" would mean to do  
25 the detailed engineering and --

1 MS. BRADEN: No, for us, it would be the  
2 contracting for the grant. For the grant, because you all  
3 are going to handle the other part of it. You all are going  
4 to be the contracting party for your engineer.

5 COMMISSIONER MOSER: Okay. All right.

6 MAYOR PRATT: Do you have a copy -- or do you write  
7 a copy of the resolution that you'd like to have?

8 MS. BRADEN: Oh, yeah. Y'all -- they've done --  
9 y'all have done a bunch of them.

10 MR. MCKENZIE: With the ditch. It's just like the

11 ditch.

12 MAYOR PRATT: Same.

13 MR. McKENZIE: Just like that one. We'll change  
14 the numbers.

15 MS. BRADEN: And although we would love to just  
16 accept a resolution from the board, --

17 MAYOR PRATT: You need it from the City and County.

18 MS. BRADEN: -- they've got to both be done. But  
19 that's fine.

20 MR. McKENZIE: Like they did last time.

21 MS. BRADEN: Exactly.

22 MR. WALTERS: What's the difference between -- I  
23 mean, I don't understand the economic difference. What's the  
24 difference between -- you said under Scenario A, where we do  
25 all the work and procurement and everything, we just say,

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1 "Here, would you fund this 100 percent?" Total? Didn't you  
2 say 100?

3 MS. BRADEN: No, it's 90/10.

4 MR. WALTERS: Oh, it's 90/10 either way?

5 MS. BRADEN: It's 90/10. I'm looking forward to  
6 it. I'm thinking it's going to be a fun, exciting project to  
7 try and work out the kinks and maybe create a much more  
8 responsive process for future hangar projects.

9 MR. LIVERMORE: It will be.

10 MS. BRADEN: Future folks down the state. So,  
11 anticipate a few bumps and a little frustration. But Bruce  
12 knows how to get hold of me.

13 COMMISSIONER MOSER: The road to success is always  
14 under construction.

15 MS. BRADEN: It is. It is. But thank y'all very  
16 much.

17 MR. KING: Thank you. (Applause.) Thank you very  
18 much. Well, that was good, real informative. Item 4D, the  
19 T-hangar development. We're not going to do that in  
20 executive session; we'll do that in open session so we can  
21 talk to everybody. Update. Like I said, we had a -- we had  
22 a committee that the Mayor and Commissioner Moser and another

23 Mr. Mosier and I was on, and we came up with some -- and Ed

24 Livermore, sorry.

25 MR. LIVERMORE: No, I'm so little.

33

1 MR. KING: And we came up -- we kind of looked at  
2 some ideas, but we originally, in our -- last year we were  
3 going to build these hangars across the other side of the  
4 field, but had some -- some thoughts about maybe the -- one  
5 of the problems with building over on the other side is that  
6 TexDOT -- Sandra -- Sandra does not provide any funds for  
7 infrastructure -- for infrastructure when you start laying  
8 water lines and electrical lines and building roads to get to  
9 you and everything. Am I correct in that?

10 MS. BRADEN: RAMP is the only thing that can help  
11 with that.

12 MR. KING: Only our RAMP grants. So, when you  
13 start putting in \$300,000 or \$400,000 worth of  
14 infrastructure, then that comes out of your pocket. So --

15 MR. LIVERMORE: Our.

16 MR. KING: Our pocket. So, we kind of decided  
17 maybe we need to find someplace that had a little -- had --  
18 already had infrastructure available, so we looked at the  
19 property between Mr. Stieren's hangar and Mr. Drane's hangar  
20 that we had targeted for some sort of development. We -- I  
21 originally thought Mr. -- you know, a hangar like  
22 Mr. Stieren's over there, but there's enough room in there to  
23 put one row of T-hangars. That row of T-hangars could be 4,  
24 8, 12. Just -- it just goes back. It's just a matter of how  
25 much dirt you want to dig out to get to it. So, we -- we

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1 looked at those. We looked at that possibility. We looked  
2 at one other site over there that had a possibility over  
3 there near Mr. Brinkman's hangar, but we kind of decided that  
4 the place between Mr. Drane and Mr. Stieren was a pretty  
5 good-looking spot to stick some T-hangars, and it would be --  
6 actually have more revenue than putting a hangar like Mr.  
7 Stieren's over there, where we just have a ground lease on

8 the hangar, 4,000 or 5,000 a year.

9 MR. McKENZIE: 5,300.

10 MR. KING: 5,300 a year. This way we have some  
11 T-hangars, so we kind of decided on that. And then we had to  
12 look at what -- what kind of hangar we wanted to build, what  
13 -- and what -- how many we wanted to build. So, the -- the  
14 committee looked at that. The committee's recommendation,  
15 originally we were going to build eight. We thought about  
16 building eight. And then after talking to Sandra, it looked  
17 like the funds might be available to go a little -- a little  
18 larger than eight, and with the thinking, once we build these  
19 things -- if you build four, if you build eight, it doesn't  
20 matter what you build; there's going to be a period where  
21 we're not going to build anything for a couple of years. And  
22 so the -- the committee kind of looked at it and decided,  
23 well, let's maybe -- let's look at 10. Let's look at  
24 building 10 over there. So, once we kind of came up with  
25 that, we stepped off; we went out there and laid it out and

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1 everything to see what 10 would look like. Then we said,  
2 well, let's look at the possibility of building 12. Could we  
3 actually build 12? And -- and this project -- I want to make  
4 it very clear, this project is -- we don't have 12 hangars  
5 filled up right now. We don't have 12 people that want a  
6 hangar, but we do have interest in probably --

7 MR. McKENZIE: Twenty on the list.

8 MR. KING: But how many people have really said  
9 they will take a hangar? I said I would take one.

10 MR. McKENZIE: About six of them were for sure.

11 MR. KING: Six -- about six people have said they  
12 would take a hangar; they would be for sure to take a hangar.

13 MR. LIVERMORE: A couple of them in this room.

14 MR. KING: A couple of them in this room. So, we  
15 looked at this as kind of a pilot project for this airport.

16 We've been talking about building hangars for 12 years -- 12  
17 years over there. The hangars we did build over there paid  
18 out --

19 MR. LIVERMORE: Handsomely.



20 MR. KING: -- paid out really well. We receive  
21 40-something thousand dollars a year revenue on those, so we  
22 thought, well, if we could build -- let's build a number of  
23 hangars, and let's see if -- see what the demand really is  
24 out there. Now, that's one of our biggest questions we've  
25 asked. Will the people in Fredericksburg come over? What is

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1 the demand for hangars? So, if we -- if we think we can fill  
2 50 percent of them up immediately, then let's just see where  
3 the other -- what the demand is, and we'll find out over the  
4 six-month period after we build them. So, we -- the  
5 committee kind of recommended that we build 12. We jumped it  
6 up to 12, and with those 12, we come up with some numbers.  
7 And the Mayor's done a kind of a cost analysis on it, and do  
8 you want to go over that, Mayor, for the board? Since  
9 they're your numbers.

10 MAYOR PRATT: You want to pass out the sheet?

11 MR. KING: Yeah, there's a new sheet. And this is  
12 an ever-changing, it seems like -- these numbers -- let me  
13 say first of all, we got -- these numbers are -- they are  
14 current numbers as far as the cost of the T-hangars, the cost  
15 of materials. And in this estimate -- in these estimates  
16 here, all of this is based on our two owners, the City and  
17 the County -- the County would provide site work, basically  
18 moving some dirt for that hill, taking that dirt, moving it  
19 back into the bottom and leveling out everything, and then  
20 building a pad.

21 COMMISSIONER MOSER: Got a correction. The cost  
22 for hiring somebody to do that is in here.

23 MR. KING: Oh, it is in there?

24 COMMISSIONER MOSER: Yeah. We assume -- we went to  
25 the conservative side and said, "Assume the County can't do

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1 it because of other obligations." So, we put the cost of  
2 that in there.

3 MR. KING: Where -- which one?

4 COMMISSIONER MOSER: \$25,000.

5 MAYOR PRATT: 25 for site work. Now, originally,  
6 when we -- when the committee was meeting, Steve, remember,  
7 we -- we changed the word "site work" --

8 MR. KING: Yeah.

9 MAYOR PRATT: -- to "slab," and then I inserted  
10 "site work."

11 MR. KING: Okay. So, that is in there.

12 COMMISSIONER MOSER: So, if the County and City can  
13 do that, it reduces the cost by that 25,000.

14 MR. KING: Sure.

15 COMMISSIONER MOSER: Okay. That's what I was  
16 talking to Sandra about.

17 MR. KING: And I want to make it clear, we are  
18 going to request from the County to do this.

19 COMMISSIONER MOSER: Right.

20 MR. KING: I don't think it's fair for the City to  
21 commit to paving a bunch of property out there, and we don't  
22 ask the County to do anything on this thing. So --

23 COMMISSIONER MOSER: And let me intersect --  
24 interject something. We met with Road and Bridge out  
25 there -- what was it, Bruce, yesterday?

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1 MR. McKENZIE: Day before.

2 COMMISSIONER MOSER: For moving 3,000 yards --

3 MR. KING: Yeah.

4 COMMISSIONER MOSER: -- of dirt. I mean, they can  
5 do it. And we just talked about the schedule, and I think  
6 everything we're talking about in the schedule is compatible  
7 with them.

8 MR. KING: Sure.

9 COMMISSIONER MOSER: But to be conservative, we  
10 made sure we left that in there. And the City's contribution  
11 is not in here either. I mean, it assumes we have to pay for  
12 that.

13 MR. LIVERMORE: The dirt that you're going to move  
14 out back is what we need in front.

15 COMMISSIONER MOSER: Exactly.

16 MR. LIVERMORE: Almost the same amount.

17 COMMISSIONER MOSER: It's almost -- just eyeball, I  
18 mean, in measuring it the other day, it's -- all we're doing  
19 is moving the hill forward, and packing it and leveling. So,  
20 it's very little to move off the property -- off the site, if  
21 any. Okay.

22 MR. KING: So the first item, Mayor, do you want to  
23 go over this, or do you want me to?

24 MAYOR PRATT: It's up to you.

25 MR. KING: I mean, the first -- when you say apron,

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1 we're talking about materials, basically, for paving. Is  
2 that correct?

3 MAYOR PRATT: That's correct. But, you know, like  
4 I said, these are all very conservative numbers. And, you  
5 know, depending on asphalt, that -- that could be high.

6 MR. KING: Sure.

7 MAYOR PRATT: Considerably high. And then the  
8 City's labor part of doing the paving could be in there.

9 MR. KING: Sure. If we -- at some point -- just my  
10 opinion. At some point, we're going to present this to the  
11 City and the County, and they're going to make a decision  
12 whether they're going to participate or not participate. And  
13 as far as I'm concerned, that's going to be the -- that's  
14 going to be the linchpin for me, whether I vote for this  
15 project to go --

16 MR. LIVERMORE: What's going to be the linchpin?

17 MR. KING: I mean, you know, we've asked -- we've  
18 told TexDOT that we're going to have some in-kind  
19 contributions on this project.

20 MR. LIVERMORE: Right.

21 MR. KING: So, as a beta test here, as you know, at  
22 some point we'll present this to the City and the County, and  
23 then they'll tell us whether they're going to participate in  
24 the project, as they've done in the other projects we've  
25 done.

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1 COMMISSIONER MOSER: Sure.

2 MR. KING: And then we can decide, you know,  
3 that -- I think what we recommend to the County and the City  
4 is going to be based -- I would recommend it's going to be  
5 based upon their participation. I don't know what the rest  
6 of the board feels like.

7 MR. LIVERMORE: I understand your point.

8 MR. KING: You understand what I mean?

9 MAYOR PRATT: That's really how it's going to work,  
10 under her -- her description.

11 MR. KING: Under her description.

12 MS. BRADEN: May I interject a couple things?

13 MR. KING: Sure.

14 MS. BRADEN: I want very strongly to get you 12  
15 hangars, but we may have some limitations financially --

16 MR. KING: Sure.

17 MS. BRADEN: -- that may pull that number down.

18 MR. KING: Exactly.

19 MS. BRADEN: So, as I mentioned to Steve and Bruce,  
20 we'd probably look at refining this budget with your project  
21 manager before you go to either entity, so that everybody's  
22 real comfortable what those numbers are, and do a scenario.  
23 We're hoping that the bids will come in very, very good on  
24 the hangars, for 8 or 10, with an add alt for additional  
25 unit.

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1 MR. KING: Sure.

2 MS. BRADEN: And the other thing, I don't know --  
3 Byron, would you say that there probably needs to be some  
4 money here for engineering and testing -- I mean, for  
5 testing?

6 MAYOR PRATT: It's in there.

7 MR. KING: 12,500. Yeah, the 12,500 is for  
8 engineering test, soil samples and stuff like that.

9 MS. BRADEN: I think we'll just have to, you know,  
10 throw it up to the --

11 MR. KING: And that's the reason we --

12 MS. BRADEN: -- our refiner.

13 MR. KING: -- we kind of batted it around between,

14 you know, 10 or 12, and we decided we would just go big, and  
15 then have -- if we went the other way, we can always go  
16 backwards. We had -- the deciding factor was whether we  
17 could dig enough dirt out of that hill over there, and so if  
18 we -- if we're limited by -- constrained by the budget, then  
19 we can always go backwards. It's 40 feet.

20 MAYOR PRATT: We were also looking at, you know,  
21 the land availability.

22 MS. BRADEN: Right.

23 MAYOR PRATT: And if you put 10 there, you're not  
24 going to go later and just add two, okay. So --

25 MR. KING: Exactly.

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1 MAYOR PRATT: -- you'd be wasting that land.

2 MS. BRADEN: Well, I'd rather be cautious now than  
3 have to come back and say, "Guys, we blew this."

4 MR. KING: Sure.

5 MR. LIVERMORE: Well, and we also had a question  
6 about a utility line to be determined.

7 COMMISSIONER MOSER: That's no problem.

8 MR. LIVERMORE: That's out of the parameter? So --

9 MR. KING: So, Sandra, let me -- if we -- if we --  
10 if we vote to approve -- to go forward with this project, or  
11 at least attempt to go forward with it, --

12 MS. BRADEN: Mm-hmm.

13 MR. KING: -- the next process we could get  
14 together with -- with your people and come up with a -- and  
15 see how realistic our budget is -- our actual budget would  
16 be.

17 MS. BRADEN: After this conversation, I'll take  
18 that back to the scopers.

19 MR. KING: Okay.

20 MS. BRADEN: And the project manager.

21 MR. KING: And we can do that prior to us going to  
22 the City and the County?

23 MS. BRADEN: I'd want to go -- I'd want you to hold  
24 off for a time.

25 MR. KING: That would be great, okay. The slab, we

1 -- we took estimates on what cost the slab was. It is what  
2 it is. The buildings, we talked to the building supplier.  
3 That's the number they've given us for the buildings with  
4 sliding doors. Is that correct, Bruce? That's the number  
5 with sliding doors. That's for the weld. The next item  
6 there is bifold doors. We asked them what it would cost to  
7 build bifold doors on the project. To add bifold doors to  
8 the project, it was a little over \$4,000 per door.

9 MR. LIVERMORE: And it really changes the type of  
10 building, doesn't it, Bruce?

11 MR. McKENZIE: Changes the structure.

12 MAYOR PRATT: Changes the steel front -- steel  
13 structure.

14 MR. KING: Right. Electrical, there's \$12,000 in  
15 there for electrical. That's inside the building. So, each  
16 building had a -- under the sliding door scenario, there's a  
17 light in each building.

18 MAYOR PRATT: And a plug.

19 MR. KING: And a plug, and very similar to our  
20 other buildings that we already have built. We put in a  
21 \$10,000 City and County implementation cost. I want to make  
22 it very clear to the public, the funds that we're talking  
23 about -- the 10 percent funds that we're talking about coming  
24 up with on this project, whatever that cost is, the  
25 airport's -- it's going to come out of their -- out of our --

1 MR. McKENZIE: Reserves.

2 MR. KING: Out of our reserves. We're not asking  
3 the City or the County to pay for any of that. We think we  
4 have adequate reserves to do that within -- within our --

5 MR. LIVERMORE: So no tax increase, no bonds being  
6 sold, nothing.

7 MR. KING: We're going to -- we'll pay for that,  
8 and that will be our contribution from the -- from our --

9 COMMISSIONER MOSER: No additional money coming  
10 from the City or County for this.

11 MR. KING: No.

12 MR. LIVERMORE: Very important point.

13 MAYOR PRATT: Let me -- let me cover the next two  
14 items.

15 MR. KING: Okay.

16 MAYOR PRATT: Okay. The City implementation cost  
17 and the County implementation cost, I just put some figures  
18 in there, because you always know that you're going to have  
19 something that comes up.

20 MR. KING: Right.

21 MAYOR PRATT: So that's just a number with no  
22 justification.

23 MR. MCKENZIE: Right.

24 MAYOR PRATT: The next line is the reserve, and  
25 it's \$25,000. I'm -- I could not take this to City Council

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1 and ask for approval if we didn't escrow 25 -- or put in  
2 reserve 25,000 every year, so that at the end of 20 years,  
3 you need a significant amount of repairs and there's no money  
4 there to repair those hangars. So, it's sort of like a  
5 depreciation, so that's what that 25,000 is, so that we know  
6 that 20 years from now, we'll have the money to do whatever  
7 repairs are needed -- necessary. And -- and that's basically  
8 the only way I can take it to City Council for approval.

9 MR. WALTERS: I'm sorry, you said you had 25,000 a  
10 year?

11 MAYOR PRATT: Yeah. You take -- you take  
12 present -- present value money, future value money, take the  
13 current cost, extrapolate it out for 20 years, and that's  
14 about what you'd have.

15 COMMISSIONER MOSER: He's looking at your  
16 spreadsheet; you only have it in 2014.

17 MAYOR PRATT: I understand. I only have it in the  
18 first year, but that's -- it will be throughout. Now, the  
19 analysis is based on \$295 a month rental for the -- for the  
20 hangar. That's an increase of what we are -- what we have  
21 now. But when you see the rent for hangar there, it says  
22 \$280.25, but that's with a 5 percent discount if you paid a

23 year in advance. And the revenue is based on a 90 percent  
24 occupancy.

25 MR. KING: Okay.

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1 MAYOR PRATT: Okay, Steve. That -- and the A.P.I.  
2 down there, Corey -- you used N.P.E. earlier. N.P.E. is now  
3 A.P.I. We're using A.P.I. there. And I didn't put anything  
4 in there for 2010 or 2015. So, if you look down at the  
5 bottom, your payback period is less than a year, because --  
6 and your return on investment or R.O.I. is 19.41 percent.  
7 And I'd like to --

8 MR. WALTERS: How'd you come up with your \$25,000  
9 reserve? That just seems very aggressive to me for 14,000  
10 square feet of building.

11 MAYOR PRATT: You take -- you take your -- your  
12 total cost, extrapolate it out.

13 MR. LIVERMORE: Just divide, straight line?

14 MAYOR PRATT: Straight line, yeah.

15 MR. KING: I think basically the replacement cost.

16 MAYOR PRATT: It's the replacement cost.

17 MS. HARGIS: It's not a percent. But would you  
18 replace the concrete, though?

19 MAYOR PRATT: Over 20 years.

20 MS. HARGIS: The concrete?

21 MR. WALTERS: That's a lot.

22 MAYOR PRATT: Only for the -- only for the  
23 building.

24 MR. WALTERS: I think you can take a dollar a  
25 square foot and say that's ample.

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1 MS. HARGIS: Seems a little high. Because --

2 MAYOR PRATT: Like I say -- go ahead. Let's let  
3 Sai -- he's the guru.

4 MR. VONGCHAMPA: 25,000 is based on the -- the  
5 total project cost, 500,000 that we estimated, divided over  
6 20 years, but that's about 25 --

7 MS. HARGIS: But you got concrete and stuff you



8 would not have to repair. I think you pull those items out  
9 and just put structure in there to replace, 'cause you're not  
10 going to necessarily replace the concrete.

11 MR. WALTERS: I don't know that you're going to  
12 replace the structure. Look how old Brinkman's hangar is.

13 COMMISSIONER MOSER: Why would you replace the  
14 steel -- steel structure?

15 MR. WALTERS: Absolutely.

16 MR. VONGCHAMPA: It's based on the entire project.  
17 We took the simplified method, just divided by --

18 COMMISSIONER MOSER: I think we're all saying --  
19 (Several people speaking at the same time.)

20 THE REPORTER: One at a time, please.

21 COMMISSIONER MOSER: We also have the --

22 MAYOR PRATT: We didn't put the C.P.I. in there and  
23 all that.

24 MR. KING: Well, that's -- I mean, that's something  
25 we have to deal with the City on that and the County when we

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1 take it to them, if we want to look at them from the -- I  
2 mean, I think the major upshot of this, we put in  
3 40-something thousand dollars -- or what did we figure our  
4 total cost would be?

5 MAYOR PRATT: Total cost is -- look at contingency  
6 there, where it has contingency. That's our 10 percent.

7 MR. KING: You put in 47,000; you get back a  
8 project that's almost \$470,000. That's -- that tells you  
9 right there you know what the -- and plus and you add in the  
10 revenue component of it. I think that shows you pretty  
11 quickly there what the benefit to the City and the County is,  
12 as far as another capital improvement. I think you got to  
13 look at -- like that number we looked at when we got  
14 our audit here recently, in the last year or two years, it  
15 was \$5.3 million worth of improvements made to this airport  
16 by TexDOT, and our total contribution was \$85,000? \$85,000.  
17 We got \$5.3 million worth of capital improvements. So, I  
18 just -- this --

19 MR. LIVERMORE: No-brainer.

20 MR. KING: It's a no-brainer. Same type of project  
21 here, where, you know, someone else is coming in for nine  
22 cents, and you're putting in a penny. So -- you know, and  
23 the good thing about this project is it has revenue. There's  
24 a revenue component to it. There was no revenue component to  
25 the runway -- the taxiway relocation program or the drainage

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1 program. Okay. Any other questions? Thank you, Mayor.  
2 Questions on that? So I guess what we need to decide is --  
3 is if the board -- first of all, there is a -- there is in  
4 these -- in this deal, there's -- in this estimate, there is  
5 -- there's two scenarios here on these building of these  
6 T-hangars. One of them has regular doors, sliding doors.  
7 One of them has bifold doors. We kind of need to discuss  
8 that a little bit. The committee discussed this, and they  
9 looked at the pros and cons, the advantages. I mean, I guess  
10 our recommendation from the committee was what? Was for  
11 bifold doors?

12 COMMISSIONER MOSER: Bifold.

13 MR. KING: Yeah. The -- and I think the  
14 recommendation was based on they're more salable. They're  
15 more leasable.

16 MAYOR PRATT: Marketable.

17 MR. KING: They're more leasable. That was being  
18 -- on the "pro" side, they're more leasable. They're --  
19 they're looked upon as being a higher-end product. On the  
20 other side is they have a maintenance issue; there is a  
21 maintenance component to them. There's 12 electric motors  
22 out there running those things. There's 12 electric motors  
23 going round and round every time -- every time everybody uses  
24 it, and there's the issue of when one of them doesn't work,  
25 who fixes it? You know, I probably don't have the expertise

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1 to get out of bed and come out here, open some guy's door  
2 when he can't get it open, but Bruce, you know, is probably  
3 going to be the guy that gets called to come fix it. So,  
4 we've looked at -- you know, we looked at that it's not a

5 cheap -- it's not a cheap addition. It's --

6 MR. LIVERMORE: \$56,000.

7 MR. KING: It's 10 percent. It's -- it's \$4,400 a

8 door per hangar to add to it, so it's roughly probably 10

9 percent of the overall cost of the -- 10 or 12 percent of the

10 overall cost of the project for each door.

11 MAYOR PRATT: But if you also, Steve --

12 MR. KING: Yeah.

13 MAYOR PRATT: If you don't have the bifold doors,

14 then in the analysis, you're going to have to back off your

15 rent.

16 MR. KING: You're going to have to back off what?

17 The rent?

18 MAYOR PRATT: Do you not think so?

19 MR. GRIFFIN: No.

20 MR. KING: I think the rent's -- I think the rent

21 is --

22 MR. MCKENZIE: Bring the other ones up.

23 MR. GRIFFIN: As they are.

24 MR. LIVERMORE: I think there's a letter here. I

25 don't -- shouldn't we put this into the -- what Bill Wood's

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1 done? Or is that necessary?

2 MR. KING: I mean, I think everybody's read the --

3 read what Bill said.

4 MR. LIVERMORE: Should it be in our minutes?

5 MR. KING: Yeah, we can do that. We could -- I

6 don't know how you do that.

7 MR. LIVERMORE: Shall I read it?

8 MR. KING: Yeah, you could go ahead and read the

9 letter.

10 MR. LIVERMORE: This is a letter to Bruce, who

11 redistributed it out to other members of the board, from Bill

12 Wood, who's a board member, but unable to attend today. And

13 Bill's an electrical engineer, and has dealt with electrical

14 stuff his whole life. Anyway, I'll just read the letter. It

15 says, "Hi, Bruce. I had a conversation with Ed about the

16 group discussion about electric motor-driven bifold doors

17 versus sliding doors on our existing hangars. My first  
18 thought is that the folks..." -- well, I don't think that's  
19 relevant. Anyway, "I have reviewed the electrical  
20 requirements for the motor-driven doors, and see the amount  
21 of electrical equipment required. The complexity will  
22 require electricians for any problem we might have with the  
23 door operation. There are also liability issues for doors  
24 like this regarding crushing someone if a door has bad set  
25 points. Before making a decision to use this type of

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1 equipment, we need to understand the consequences to you and  
2 the board for doing so. Electrical schematics of the  
3 equipment required and a description of the additional  
4 complexity are available on the internet. Just Google  
5 'T-hangar bifold electric doors.' Thermal magnetic circuit  
6 breakers and a disconnect switch are required" -- I'm sorry,  
7 "are included with each door. I assume we would need to  
8 supply a breaker panel for each line of hangars to feed each  
9 motor, as well as any lighting for the hangars." Then he  
10 regrets that he could not be here today. Share it with the  
11 board.

12 MR. KING: Okay. Sandra, I mean, you guys look at  
13 these projects all the time. What -- what's y'all's -- do  
14 you have any opinion on those things? I mean, they're  
15 expensive.

16 MS. BRADEN: They're expensive. They are becoming  
17 more and more of the industry standard.

18 MR. KING: Yeah.

19 MS. BRADEN: I'd have to defer to one of the P.M.'s  
20 that's more electrically knowledgeable, but certainly that's  
21 a concern and subject that can be discussed.

22 MR. KING: I don't know that we can -- we --  
23 considering this process has to go to TexDOT, the next step  
24 has to go to TexDOT to get some estimates, some real -- to be  
25 sure, you know, what our numbers are and everything, I think

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1 we probably can -- we might even forego that decision prior

2 to sending it to the City and County.

3 MR. WALLING: Mr. Chairman, may I address the  
4 board? My name is Floyd Walling, and I'm a city resident and  
5 also a pilot, and a potential lessee.

6 MR. KING: Mm-hmm.

7 MR. WALLING: And there's a couple things I'd like  
8 to suggest. Number one, I like the idea of the bifold doors.  
9 Much easier to get your plane in and out, all that. You do  
10 have all those problems that Bill mentioned, and the  
11 possibility of crushing and so forth, but it's much easier  
12 and better getting your plane in and out of the hangar, so  
13 I'd recommend that, and consider using the bifold if you can.  
14 The second thing I'd like to suggest is, if the State's going  
15 to pay 90 percent of this, I think you shouldn't try to  
16 return -- get a 19 percent return. I'm -- I have a hangar in  
17 Fredericksburg. It's a perfectly good hangar. It does have  
18 a sliding door, but it's \$200 a month, and if I pay it in  
19 advance, I get another month free. So, if we're talking  
20 about \$295 a month, that's -- that's not -- that's too high,  
21 in my judgment.

22 MR. McKENZIE: Floyd, what kind of floor does that  
23 have?

24 MR. WALLING: It has a concrete floor.

25 MR. KING: It's a concrete floor?

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1 MR. WALLING: Yes. And so I would suggest that we  
2 don't need to amortize our \$46,000 cost in five years. Looks  
3 like it's going to be paying back in a couple of years. I  
4 would suggest that we do it -- this is a public -- it's not a  
5 private profit-maker organization. I would suggest that we  
6 -- since the State's going to provide so much, why don't we  
7 adjust our rent to where it's a little more reasonable? Do  
8 no more than \$250 a month, and a discount if you -- if you  
9 pay it in advance. That would make it more likely for me to  
10 accept a hangar and sign a one-year lease, and even pay it  
11 annually in advance. I have some experience with this board,  
12 because I -- several years ago, I came and made a proposal to  
13 build my own hangar, and it was -- at the time, it was going

14 to cost me \$62,000 for the -- for the concrete, the building  
15 and electrical and everything. So, it would be -- in my  
16 recommendation, I'd consider a shorter -- longer period of  
17 time. These hangars are going to last for 30 or 40 years. I  
18 don't think we should try to get our money back in -- in less  
19 than two and a half. And keep in mind that we're -- that  
20 we're going to spend money here. We're going to be buying  
21 gas and spending -- doing other things. So, my  
22 recommendation is those two things. One, the bifold would be  
23 better, and two, consider a more reasonable rent, and don't  
24 try to make your money back in two and a half years. Thank  
25 you very much.

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1 MR. KING: Did you have something, Sandra?

2 MS. BRADEN: If I could, with -- truly respecting  
3 and understanding your position, let me say that several of  
4 the things that are required of the sponsor accepting these  
5 funds is to establish a fair market rate for these hangars.

6 MR. KING: Mm-hmm.

7 MS. BRADEN: You're absolutely right; it's public  
8 money, and the City and the County and the Airport Board are  
9 only going to put in their 10 percent. But at the very heart  
10 of the aviation grant programs is providing the small G.A.  
11 facilities an opportunity to have a revenue stream so that  
12 they become self-supporting. So, although the sponsor looks  
13 at what the return on their investment is, we're looking at a  
14 return on investment for all the taxpayers' money, so that  
15 this facility gets a revenue stream and they can become  
16 self-supporting, so we're not putting more tax revenue into  
17 this facility. So, please understand, I know where you're  
18 coming from, but there's a -- a broader picture that attaches  
19 to these funds. And the other thing that goes along with the  
20 lease rate -- I know y'all were doing a very simple  
21 description, but one of the things I've told Bruce and Steve  
22 is, you all have to establish an escalation clause into your  
23 lease. You know, we -- the feds look for an escalation that  
24 keeps up with the C.P.I. or some index to maintain that fair  
25 market value for those -- for those revenue production items

1 that the grant funds have gone into.

2 MR. KENNEDY: Can I make one other point also? One  
3 of the issues that we're experiencing in the aviation  
4 industry right now is when you got TexDOT funding 90 percent  
5 of a lot of this, you've got, you know, municipal -- I've  
6 seen this with lots of local airports putting in fuel  
7 systems. You know, you've got a local entity who has got 90  
8 percent of a fuel system put in and paid for, and you've got  
9 private businesses on the same airport having to pay 100  
10 percent of these things and then competing, and then you put  
11 a municipality with this hugely unfair advantage over private  
12 businesses who are trying to make a living, trying to keep  
13 their doors open. There's no way. And that's the reason  
14 lots of these smaller airports that we're having to compete  
15 with in fuel sales and so forth, they're giving fuel away,  
16 which they've got 10 percent of the basis covers what I've  
17 had to put into a fuel system. The hangars become a very  
18 similar situation when you've got competing entities, one of  
19 which being a municipality. Private businesses or somebody  
20 else, if you wanted to come in and build a set of T-hangars,  
21 they'd have a huge hangar advantage. That's why  
22 municipalities really have an obligation to establish a fair  
23 market rate for those buildings, I think.

24 MR. KING: Ed, do you have something? Thank you,  
25 Joey.

1 MR. LIVERMORE: We have two or three things here  
2 that need to be decided. One, of course, is the question, as  
3 the chairman's pointed out, the sliding versus the bifold.  
4 The second is, is it going to be 8, 10, or 12? In my list of  
5 priorities, if we -- and Sandra has mentioned that we need  
6 to -- we're still trying to determine exactly how much money  
7 could come into this project from TexDOT, which affects us  
8 incredibly. I would -- I think it's -- if there is a  
9 shortage of money, if we can't quite go this -- this high, I  
10 would rather drop the bifold and build 12 hangars. That

11 would be where I would go. And I'd rather have 12 hangars.  
12 To me, that's the bigger priority. And so as we go forward,  
13 and I know that we've -- like Steve said, we probably don't  
14 need to decide the doors right now, but --

15 MR. KING: Yeah.

16 MR. LIVERMORE: But if it comes down to, well, if  
17 we can put in the doors, but we can only build eight hangars,  
18 or we can build 12 hangars and not do the bifold, I'd go for  
19 12 hangars. That would be where my priorities are.

20 MR. KING: You got something?

21 MS. BRADEN: Well, you can also use, like, the  
22 number of hangars being a base bid, and then an add alt.  
23 Then you can always design an add alt into your plans for  
24 that bifold.

25 MR. KING: Right.

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1 MS. BRADEN: You can bid them as a sliding with an  
2 add alt for bifold.

3 MR. KING: Right.

4 MR. LIVERMORE: Good advice.

5 MS. BRADEN: You have a lot of options once it gets  
6 down to it.

7 COMMISSIONER MOSER: Different structure.

8 MR. KING: That's fine.

9 MS. BRADEN: Sure can.

10 MR. KING: Mr. Walling, I want to address that, one  
11 of the points you said. I understand where you're coming  
12 from. Believe me, I don't want to -- I don't want to pay any  
13 more than anybody else. I pay considerably more than you do  
14 for a hangar, and -- but, you know, we also -- one thing we  
15 also have to look at is that we ask the City and the County  
16 for \$90,000 every year to fund this airport. Last year, we  
17 asked them each for \$90,000 -- 90 or 95?

18 MR. MCKENZIE: 90.

19 MR. KING: 90,000. That's -- that covers our  
20 deficit at the airport. And we came up with 90 -- \$180,000  
21 we consider in our budget to be the shortfall. Now, we've  
22 been tasked in our strategic plan for this airport, which



23 Mr. Moser helped us come up with, when we first were on this  
24 board -- started this board, you know, one of our -- the  
25 biggest part of that strategic plan is to become completely

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1 sufficient, revenue-sufficient at some point down the road.  
2 And -- you know, and I think at the -- at the time that we  
3 can tell the taxpayers that, you know, it's not costing you a  
4 nickel -- 'cause believe me, I see it, I hear it all the  
5 time, is, "I don't have an airplane at this airport." You  
6 know, I don't -- "You rich guys with your airplanes, keeping  
7 your airplanes out there, and -- you know, and I'm paying for  
8 it."

9 Well, you know, at some point, you know, we --  
10 we've been tasked to be able to say it's not costing the City  
11 and the County anything. It's costing -- you know, we're  
12 revenue -- we're revenue-sufficient, and we're making our own  
13 way out here. And, you know, you can always throw in the  
14 capital -- the contribution of what this airport does for the  
15 community, which is a huge number. You know, that -- it's a  
16 huge number every year, what -- you know, all these people  
17 you see flying in here. You know, they wouldn't be flying --  
18 they wouldn't coming here to Kerrville; they'd be going to  
19 Fredericksburg or Hondo or someplace else for ranches if we  
20 didn't have an airport here. So, that's -- I understand your  
21 position on this, but we have to take into consideration  
22 that, you know, we've had 16 T-hangars over there with rents  
23 at 250 a month for 12 years. You know, Corey manages real  
24 estate all over the United States. I asked him, "Do you have  
25 any of your leases that have 12-year non-escalations?" You

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1 know, I mean, and ours don't have any escalation at all.  
2 Would you lease me some property in one of your buildings  
3 for, you know, so many dollars a month, and just let me leave  
4 it that way for the next 12 years? I mean, you'd go broke.  
5 You'd go broke doing that.

6 And, you know, we've been very, very remiss in not  
7 raising that rent over on those other hangars. You know, 16

8 people that are perfectly happy. I told Ed -- you know, Ed  
9 has a hangar over there, and so does Kirk; they have a hangar  
10 over there. I told them, I said, "I'm going to ask you guys  
11 to raise your own rent." You know, we're going to raise the  
12 rent on those hangars too. And until I see some people  
13 leaving out of here and some vacancies over there, I think  
14 that's the way I look at it. I think that we -- we got a  
15 waiting list of people that want in a hangar, and you got 16  
16 hangars full, and the rent stays the same. That doesn't make  
17 any sense, so we're going to raise the rent on those hangars  
18 also to increase the revenue, because at some point, we're  
19 going to make this airport sufficient. It's going to operate  
20 on its own money, and it's going to be -- you know, we're not  
21 going to be a burden on the City or the County.

22 MR. LIVERMORE: Kind of stopped preaching and  
23 started meddling, didn't you, Kirk?

24 MAYOR PRATT: Steve?

25 MR. KING: I've also said, Mr. Walling, I'll be the

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1 first one to rent a hangar over here, 'cause I've got another  
2 airplane somewhere.

3 MR. GRIFFIN: And just from personal experience, I  
4 kept my airplane over in Fredericksburg for a while in one of  
5 those hangars, and the amenities on those hangars is just  
6 what -- in the quality of the hangar. Nothing against Bob  
7 Snowden; he's my guy that I go fly with every two years. And  
8 -- but, I mean, what those hangars are compared to what we  
9 have currently here, you can't compare them. The hangars  
10 here have a lot better amenities. I was very surprised when  
11 I moved -- when I put my airplane over there for a couple  
12 months, and realized that -- that what I had over here for  
13 what I was paying for versus what Bob was charging for his  
14 hangars, they're not even close. And so I think, already,  
15 we're -- we well justify the \$250, and with a new build, I  
16 just don't see us being able to charge anything less than  
17 that.

18 MR. LIVERMORE: And to echo what these guys are  
19 saying, we are going to look at rental rates on all the

20 hangars. We absolutely are. And -- but, you know, it's  
21 important, I think, to note that the cooperation and the  
22 interest of the City -- the City and the County just aren't  
23 saying, "You got to be revenue neutral." They're in here  
24 working to help us get that way. And on this planning  
25 committee that we just worked, we had the Commissioner and

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1 the Mayor both on it. We had -- they're sitting here today.  
2 We had another Commissioner; I guess he had to leave for a  
3 different -- for another event, but they're contributing  
4 their in-kind work to make these numbers work out, and  
5 there's a real shared interest in getting as close to or  
6 beyond revenue-neutral as we can. And so I -- as another  
7 board member, I echo what you're saying, Steve.

8       MAYOR PRATT: I'd like to add to Steve's comment.  
9 The City has a strategic vision of having this airport being  
10 self-sufficient in three, four years.

11       MR. KING: Yeah, that's fine. We --

12       COMMISSIONER MOSER: And I want to jump on that  
13 bandwagon, too. I think as we -- we're going to the  
14 taxpayers in the county, as Steve said, and we feel very  
15 strongly that way, that the taxpayers should not have to pay  
16 for the operations at the airport, and get to that position  
17 as soon as possible. And we've been pushing on this project  
18 to meet that objective for the last three years, and I think  
19 we can see our way to the -- a light at the end of the  
20 tunnel.

21       MR. KING: Sure.

22       COMMISSIONER MOSER: And bring in another  
23 sufficient amount of revenue to --

24       MR. LIVERMORE: The Mayor was our financial  
25 analyst, by the way.

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1       MAYOR PRATT: Well, I'm going give credit also to  
2 Sai here. Sai is -- he's the guru for the city.

3       MR. LIVERMORE: I see, okay.

4       MR. MOSIER: Steve, can I say --

5 MR. LIVERMORE: So the truth comes out; you're not  
6 as smart as you thought.

7 MAYOR PRATT: I'm not as smart as him.

8 MR. KING: Go ahead, Mark.

9 MR. MOSIER: I'm Mark Mosier; I'm a local resident  
10 and pilot, and I was on the ad hoc committee checking into  
11 the new hangars. And I want to echo what Steve says in  
12 support of the rent increase to standard. And also, Joey  
13 makes a very valid point; we need to pay close attention to  
14 what he's saying and support him also. And Ed made the  
15 comment that if we had to decide between 12 hangars and  
16 bifolds, we'd go for 12, and I agree with that also.  
17 However, we do not have experience locally here with bifold  
18 doors, but the experience is out there. And Sandra did  
19 comment that bifold is becoming the industry standard. So,  
20 if we are going to make that decision and not have bifold,  
21 I'd recommend that it's an educated decision. I'll just  
22 offer a couple of comments on electricity and maintenance.  
23 My personal experience is they're more maintenance, actually,  
24 but I'm not completely familiar with the industry. So, I do  
25 recommend that it is an education -- educated decision.

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1 MR. KING: Okay. All right, let's move forward.  
2 I'll make a motion that we -- let's make -- I'll make a  
3 motion that we move forward with this project; we submit a  
4 plan to build 12 hangars, 12 T-hangars on the site, with --  
5 with the option of -- of, after receiving the actual cost  
6 from TexDOT, we look at both types of doors, the bifold  
7 versus the slider doors, and then we'll -- prior to bringing  
8 it to the City and the County, we'll make a decision as to  
9 which one we want to use.

10 MR. LIVERMORE: Are you making that motion?

11 MR. KING: I'm making that motion.

12 MR. LIVERMORE: I'll second that motion.

13 MR. KING: And at the site that we decided, the  
14 site over here between Mr. Stieren's hangar and Mr. Drane's  
15 hangar. And one more to add to that. In that motion, that  
16 the project will include in-kind contributions from the City

17 and the County.

18 MR. LIVERMORE: And I accept that --

19 MR. KING: As proposed.

20 MR. LIVERMORE: I accept that in my second.

21 MR. KING: Okay.

22 MR. WALTERS: I have a question. That will be --

23 we'll need to go to the City and County to make a

24 presentation for their approval?

25 MR. KING: Right.

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1 MR. WALTERS: Or are we going to go ahead and

2 proceed with the resolution and form --

3 MR. LIVERMORE: We have to go to TexDOT first, I

4 believe, don't we? Or not?

5 MS. BRADEN: I would ask you to.

6 MR. KING: First we'll go to TexDOT and get the

7 numbers refined with their -- with their planner, and get it

8 refined, and see -- be sure we're on the right track with the

9 numbers. And then, once we get those back, then we'll take

10 those -- we'll probably have -- be in our next meeting, and

11 we'll decide to go ahead and take those to the County and the

12 City, and propose --

13 MR. WALTERS: I suggest that we modify your motion

14 that we move forward with the resolution forms with the state

15 for the project.

16 MR. KING: Okay.

17 MR. WALTERS: For the T-hangar project.

18 MR. KING: Say that again? Move forward --

19 MR. WALTERS: With the resolution.

20 MR. KING: -- with the resolutions, okay.

21 MR. WALTERS: Forms with the state, so that we get

22 their approval, and then present it to the City and County.

23 MR. LIVERMORE: So you're offering an amendment to

24 the motion? I accept that amendment.

25 MR. KING: Okay, that will be fine. Discussion on

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1 that? Kirk? All in favor?

2 (The motion carried by unanimous vote.)

3 MR. KING: Four-zero. All right.

4 MS. BRADEN: Before we move on, I'm going to have

5 to leave; I've got another meeting in San Antonio, but I want

6 to say thank y'all very much for the really wonderful

7 opportunity to become a little bit more familiar with the --

8 both the airport and the players. And I'm preaching to the

9 choir, but I have to say when you are assaulted with the, "I

10 don't have an airplane out at that airport," for the folks

11 that make that argument and that complaint, ask them the last

12 time they paid for a sewer line relocation or a sewer line

13 repair or an electrical box repair, or the last time they

14 visited their park. It's the same thing. And it's an

15 admirable and wonderful goal for a move towards

16 self-sufficiency, but you know full well the community

17 benefits from you all being out here and doing the very good

18 work that you do. And just make the comparison to the public

19 parks, and maybe somebody will pay attention.

20 MR. KING: Thank you, Sandra.

21 MS. BRADEN: Thanks, guys.

22 MR. LIVERMORE: Sandra, thanks for coming.

23 MS. BRADEN: See you soon. Bye-bye.

24 MR. KING: Okay. Item 4E, proposal spec sheet for

25 Brinkman hangar. Where are we at on this?

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1 MR. McKENZIE: At the last board meeting, Corey

2 asked if we could just develop some type of a -- some type of

3 a document that we could use as we proceeded forward at our

4 April meeting, to put out -- to put forth. Corey, I didn't

5 call you on this. I tried to put something together.

6 MR. WALTERS: Yeah.

7 MR. McKENZIE: We can tweak this any way you want

8 to do it.

9 MR. WALTERS: Yeah, I think I said I would get with

10 you, and -- and we'd develop a -- a proposal to -- to lease

11 form, or L.L.I. for our proposals. And I looked at this one,

12 and I think there's -- there is -- almost looks like a

13 proposal to actually build, rather than to lease.

14 MR. McKENZIE: Okay.

15 MR. WALTERS: And I've got some forms that -- I'll  
16 put one together. I'll take some of this information and put  
17 it on there.

18 MR. McKENZIE: Okay.

19 MR. WALTERS: And I'll do it, and I'll send a draft  
20 to you.

21 MR. McKENZIE: We can put it on next meeting, okay.  
22 That will be final.

23 MR. KING: That's very nice of you, Corey. I know  
24 how busy you are. Mr. Walters.

25 MR. McKENZIE: Thanks, Corey.

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1 MR. KING: Just going to do a contract for us took  
2 forever, so I appreciate you making the offer.

3 MR. WALTERS: Sure.

4 MR. KING: That's very nice. Okay, so we'll go  
5 forward with that. Information on covered parking?

6 MR. McKENZIE: At the last meeting, Corey also  
7 asked to look at the numbers if we decided to put some shade  
8 on this new parking lot that we built. There's three  
9 different prices here.

10 MR. LIVERMORE: Are these the fabric type?

11 MR. McKENZIE: Two of them are the fabric type, Ed.  
12 The first one you're looking at is the fabric type. To cover  
13 the entire parking lot's \$105,000, plus the installation,  
14 which is going to be about 20 grand to put them up. The  
15 second one is just putting a metal -- like we've got out here  
16 behind Hangar 1. If we just put a metal up, that's \$31,000  
17 to just cover one row of cars, cover 15 cars.

18 MR. KING: Right.

19 MR. WALTERS: So, let me --

20 MR. McKENZIE: Okay, go ahead.

21 MR. WALTERS: So. Basically, does it look like the  
22 shade and the metal would be about the same? If we just did  
23 shade in one row, would it be 31,000?

24 MR. McKENZIE: It would be --

25 MR. WALTERS: I don't know --

1 MR. McKENZIE: -- about \$6,000 higher, it looks  
2 like, Corey, for one -- if we went with the fabric versus the  
3 metal.

4 MR. WALTERS: Okay.

5 MR. McKENZIE: Per row.

6 MR. LIVERMORE: How long does that fabric last?

7 MR. McKENZIE: It has a 10-year warranty on it,  
8 fade warranty. It has a warranty on it for 71 miles per hour  
9 wind load, so that's the two factors on the fabric.

10 MR. LIVERMORE: We had 50-some here about a month  
11 ago, didn't we?

12 MR. McKENZIE: So we would have cleared that  
13 substantially with the --

14 MR. WALTERS: So, 10-year warranty, but what's the  
15 actual useful life of the product?

16 MR. McKENZIE: It just depends on the -- which part  
17 of the United States it's in, but further south it's less  
18 because of the UV, but about 10 to 12 years before you've got  
19 to replace it. That's my understanding.

20 MR. KING: Not very long.

21 MR. WALTERS: No, it isn't, not at all.

22 MR. McKENZIE: Like I say, it depends on what --  
23 the determining factor is the weather.

24 MR. LIVERMORE: They look better, I think, but you  
25 got to redo them.

1 MR. WALTERS: They do look better, but I agree; I'd  
2 rather have the metal.

3 MR. McKENZIE: We can do that, too.

4 MR. WALTERS: For the longevity.

5 MR. KING: Yeah.

6 MR. LIVERMORE: What's the wind load on the metal?

7 MR. McKENZIE: I don't -- I didn't get that.

8 MR. GRIFFIN: I think 78 miles.

9 MR. KING: Okay.

10 MR. LIVERMORE: So, if we did that now, we're not



11 talking about any nine or ten years here; we're talking about  
12 100 percent right out of our pocket.  
13 MR. McKENZIE: Well, we could do RAMP on it if  
14 we --  
15 MR. KING: If we had the money.  
16 MR. LIVERMORE: But we might want that --  
17 MR. McKENZIE: But we might need that on the air  
18 side. I'd like to keep that on the air side if we can.  
19 MR. LIVERMORE: Yeah. Yeah. How much pressure is  
20 the pressure for covering?  
21 MR. McKENZIE: I haven't had any yet.  
22 MR. KING: None yet?  
23 MR. McKENZIE: Nobody's asked me, no, sir.  
24 MR. KING: Okay.  
25 MR. McKENZIE: And now we've generated \$6,375 out

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1 of the parking lot. We've got 16 or 17 tenants now, and  
2 they're --  
3 MR. KING: What do -- we have room for what, 48?  
4 MR. McKENZIE: 48 cars. So we're at 16 right now.  
5 MR. KING: I'd say we revisit this when we get to  
6 half full at least.  
7 MR. WALTERS: I agree.  
8 MR. KING: When it gets half full, and see --  
9 MR. WALTERS: You know, I mean, I think -- I think  
10 I mentioned to you, I have -- you know, lease a space in  
11 Destin, Florida, and, I mean, it's hot down there. And they  
12 have not one covered space.  
13 MR. KING: Yeah.  
14 MR. LIVERMORE: I think the answer to that is if  
15 someone really wants a covered space is to go to Autolite and  
16 buy one of those vehicle covers. I used to have one on a  
17 parked vehicle outside.  
18 MR. WALTERS: I did too. I had one, but they --  
19 they get blown off and they get shredded, and then they just  
20 kind of --  
21 MR. GRIFFIN: They beat your car to death.  
22 MR. WALTERS: -- they're hanging half off your car.

23 I did that down in Florida for a while, and I thought, this  
24 is not worth it. So --  
25 MR. KING: All right. Item 4G, we'll pass on that.

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1 Nothing to talk about there. Item 4H, a draft budget. Do  
2 you have that yet, even? What do you got?  
3 MR. McKENZIE: Yes, sir, you should have a copy of  
4 it in your folder.  
5 MR. KING: That's what I was looking at, yeah.  
6 MR. McKENZIE: I'm prepared to go over this  
7 line-by-line if the board so desires today.  
8 MR. KING: When do we need to have it?  
9 MR. McKENZIE: June 1, so at our May meeting, which  
10 is two months from now, we need to have this --  
11 MR. KING: What month are we in right now?  
12 MR. McKENZIE: March.  
13 MR. LIVERMORE: Can we have until our next meeting  
14 to go over this?  
15 MR. McKENZIE: This is just a draft. We have to  
16 have it to the City and the County by 1 June.  
17 MR. LIVERMORE: I like to study stuff like that  
18 privately.  
19 MR. McKENZIE: Just to cut to the chase, it  
20 increased by 2 percent; that's all it increased.  
21 MR. KING: Why don't we do that? Why don't we let  
22 everybody look it over and everything.  
23 MR. McKENZIE: That's all right.  
24 MR. KING: And then we'll talk about it -- when's  
25 our next meeting?

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1 MR. LIVERMORE: Very good. I'm glad you did it  
2 early.  
3 MR. McKENZIE: It's the third Monday in --  
4 MR. KING: In April?  
5 MR. McKENZIE: -- April, and it's -- Carole, what's  
6 the date?  
7 MS. DUNGAN: 15th.

8 MR. McKENZIE: April 15th.

9 MR. KING: I may not be here. That's no surprise.

10 Okay, that'll work. All right. Anything else? General

11 update, Item 5A?

12 MR. McKENZIE: The County did an excellent job on

13 the ditch out there. They've almost completed moving the

14 dirt. The precast boxes are being poured this week in San

15 Antonio, so within the next 10 days, we should have boxes

16 on-site. Then we'll get those installed. Allen Keller was

17 the low quote on that.

18 MR. KING: On installing?

19 MR. McKENZIE: On installing them and pouring the

20 head walls. I've already -- they're lined up. We're ready

21 to go, just waiting for the boxes. County's about done.

22 MR. KING: I tell you what, y'all did a great job

23 on that, Tom.

24 COMMISSIONER MOSER: Not having the boxes held up

25 the whole thing.

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1 MR. KING: Yeah. Well, briefly. That project --

2 COMMISSIONER MOSER: We're ready. We'd be through.

3 MR. KING: Yeah. I tell you, they've done a good

4 job over there. I went over there and looked at it. They

5 did the work across the road, too.

6 MR. McKENZIE: Yes, sir, downstream.

7 MR. KING: Downstream. That looks really nice.

8 MR. LIVERMORE: Great example of City and County

9 partnership.

10 MR. McKENZIE: Exactly.

11 MR. LIVERMORE: Same kind of quality partnership I

12 know will make these T-hangars work.

13 MR. KING: That's a great job they did. We really

14 appreciate -- looking forward to the City's contribution on

15 the paving when they pave over there on top. Okay. Anything

16 else? Anybody else have an update? How's your fly-in deal

17 going?

18 MR. McKENZIE: It looks like we're going to have

19 about 100 airplanes here.

20 MR. KING: Really?  
21 MR. McKENZIE: Hopefully on the 27th of April.  
22 MR. KING: Really?  
23 MR. McKENZIE: So, I got a call yesterday; there's  
24 a gentleman going to bring 12 Long EZ's in here.  
25 MR. KING: Really?

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1 MR. McKENZIE: He and his group.  
2 MR. KING: And Joey's feeding everybody?  
3 MR. McKENZIE: And Joey's feeding everybody, at his  
4 expense, on the 27th at 11:30 a.m. He's throwing a barbecue.  
5 MR. KING: Okay.  
6 COMMISSIONER MOSER: That's the 27th?  
7 MR. McKENZIE: Yes, sir. And special fuel prices  
8 that day.  
9 MR. KING: Okay, cool.  
10 MR. McKENZIE: But there's no skipping --  
11 MR. LIVERMORE: From the truck or from the tank?  
12 MR. McKENZIE: You'll have to talk to Joey.  
13 MR. LIVERMORE: Probably be from the truck; it will  
14 be too difficult.  
15 MR. McKENZIE: No scheduled event that day, just  
16 have the barbecue, visit and talk airplanes.  
17 MR. KING: Okay.  
18 MR. McKENZIE: If the weather's nice.  
19 MR. KING: Anything else?  
20 MR. McKENZIE: No, sir.  
21 MR. KING: All right. Motion to adjourn?  
22 MR. LIVERMORE: We don't need to go into executive,  
23 do we?  
24 MR. KING: No. Motion to adjourn?  
25 MR. LIVERMORE: I so move.

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1 MR. WALTERS: Second.  
2 MR. KING: All in favor?  
3 (The motion carried by unanimous vote, 4-0.)  
4 (Airport Board meeting was adjourned at 10:09 a.m.)

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7 STATE OF TEXAS |

8 COUNTY OF KERR |

9 I, Kathy Banik, official reporter for Kerr County,

10 Texas, do hereby certify that the above and foregoing is a

11 true and complete transcription of my stenotype notes taken

12 at the time and place heretofore set forth.

13 DATED at Kerrville, Texas, this 25th day of March, 2013.

14

\_\_\_\_\_  
Kathy Banik, Texas CSR # 6483

Expiration Date: 12/31/14

Official Court Reporter

Kerr County, Texas

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