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KERRVILLE-KERR COUNTY JOINT AIRPORT BOARD

Regular Meeting

Monday, April 15, 2013

8:30 a.m.

Airport Terminal Conference Room

1877 Airport Loop Road

Kerrville, Texas

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

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

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

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

VISITORS:
Ilse Bailey, Airport Attorney Mark Mosier
Bob Waller, K.E.D.F. Jim Settle
Steve Huser, K.E.D.F.
Mark Armstrong, Kerrville Daily Times
2

I N D E X
April 15, 2013

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3 CALLED TO ORDER

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1 On Monday, April 15, 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 PROCEEDINGS

7 MR. WALTERS: I'd like to call to order this
8 Kerrville/Kerr County Joint Airport Board for April 15th.
9 Visitors forum. At this time, any persons with business not
10 scheduled on the agenda may speak with the Airport Board. No
11 deliberation or action can be taken on these items because
12 the Open Meetings Act requires an item be posted on the
13 agenda 72 hours before the meeting. Visitors are asked to
14 limit presentations to three minutes. Does anybody -- any
15 visitor have any items they'd like to bring before the board
16 at this time?

17 (No response.)

18 MR. WALTERS: That would be a no, then.
19 Kerrville/Kerr County Joint Airport Board member forum. At
20 this time, any member of the Kerrville/Kerr County Joint
21 Airport Board may speak to the board and/or public present on
22 any matter not scheduled on the agenda. No formal action can
23 be taken on these items because the Open Meetings Act
24 requires an item that requires formal action to be posted on
25 an agenda 72 hours before the meeting. If formal action is

1 required, the item will be placed on an agenda for a future
2 meeting. Any board members have any -- any items they'd like
3 to discuss?

4 MR. WOOD: I was not here last meeting, and I just
5 wonder if I could be brought up to date on what we talked
6 about with the T-hangars briefly.

7 MR. McKENZIE: We had a very informative session.

8 MR. WALTERS: Go ahead.

9 MR. McKENZIE: Very informative session with Sandra
10 Braden of TexDOT Aviation. The long and short of it, we're
11 going to do what they call a beta project, never been done in
12 Texas before, but they're enthused that we have the
13 willingness of all the participants and the owners to do this
14 project. So right now, as I indicated in my e-mail last
15 week, they're working on the process and procedures right now
16 as to how we're going to bring all this together, and
17 hopefully at our May meeting, that will -- we'll have more
18 information then; we'll know a little bit more about it
19 moving forward, Bill.

20 MR. WOOD: Thank you.

21 MR. McKENZIE: That's the long and the short of it.

22 MR. WOOD: Okay.

23 MR. WALTERS: All right. Moving on to our agenda,
24 approval of the March 18th, 2013 board meeting minutes. I
25 don't recall -- do we actually call for approval of those

1 minutes?

2 MR. McKENZIE: We started doing it last month
3 again.

4 MR. WALTERS: Okay.

5 MR. GRIFFIN: Because of the consent --

6 MR. McKENZIE: Consent agenda.

7 MR. WALTERS: All right. Well, then, I'll ask for
8 a motion to approve the March 18, 2013 board minutes, or
9 discussion of thus.

10 MR. GRIFFIN: I'll make the motion that they be

11 approved as written.

12 MR. WALTERS: Second?

13 MR. WOOD: I wasn't here.

14 MR. LIVERMORE: Oh. Well, I'll second it. I

15 haven't seen the minutes. That's the reason --

16 MR. WOOD: All right.

17 MR. WALTERS: Aren't those -- well, we have a --

18 MR. LIVERMORE: I'll second.

19 MR. WALTERS: Okay. A motion to approve the board

20 minutes by Kirk -- board member Kirk Griffin, and second by

21 Ed Livermore. All in favor?

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

23 MR. WALTERS: Board meeting minutes are passed of

24 March 18, 2013. Next on the agenda is Jeannie to discuss the

25 monthly financials.

6

1 MS. HARGIS: Okay. Y'all have yours in front of

2 you. You should have a revised version, hopefully. On Page

3 1, total assets, 365,753.86. You'll notice that's remaining

4 fairly constant at about 300, so we're doing really well with

5 our revenue. Second page, the total revenue over expenses

6 there, 66,627.76. That's close to the bottom of the page

7 there.

8 COMMISSIONER MOSER: What page are you on, Jeannie?

9 MS. HARGIS: Two.

10 MR. LIVERMORE: Page 3.

11 MS. HARGIS: Two.

12 MR. LIVERMORE: Two?

13 MS. HARGIS: Two.

14 MR. LIVERMORE: This is my Page 2.

15 COMMISSIONER MOSER: Yeah. Mine says Equity; is

16 that right?

17 MS. HARGIS: Yes.

18 COMMISSIONER MOSER: Okay.

19 MS. HARGIS: Yeah, that's right. We're on the same

20 page. I've just never done this before. It's about one,

21 two, three, four, --

22 COMMISSIONER MOSER: I got you.

23 MS. HARGIS: -- fifth figure down, just basically
24 is the current revenue over expenses. So, just --
25 MR. LIVERMORE: Oh, I see it. I see it. My eyes

7

1 weren't following it.

2 MS. HARGIS: Okay. And then the -- again, equity
3 is 365,753.86. Page 3 is the income statement for Fund 47.
4 Column 4, year-to-date, 205,908.44. Again, I notice today
5 there are a lot of cars out in the parking lot.

6 COMMISSIONER MOSER: 16.

7 MS. HARGIS: I counted them too. Page 4 -- I
8 actually said 15; I must have missed one. The salaries,
9 fourth column, bottom, 86,889.75. Page 5, it's the different
10 categories. I hope each of you have had a chance to review
11 these. I'm not going to go over those individually. Page
12 6, Column 4, bottom, total amount of expenses year-to-date,
13 45,731.82, so we're at 79 percent, so we're really in good
14 shape. We're way below -- way above the 50 percent mark.
15 Page 7, utilities and expenses for this building, total
16 6,659.11. Total expenditures with the payroll, 139,280.68,
17 again leaving you that balance of 66,627.76.

18 COMMISSIONER MOSER: Hey, Jeannie, I've got a
19 question.

20 MS. HARGIS: Mm-hmm.

21 COMMISSIONER MOSER: On column -- last one from --
22 the second one from the right, where it shows a negative,
23 revenue over/under, we're under at 61,627. That's
24 unencumbered balance.

25 MS. HARGIS: What page are you on?

8

1 COMMISSIONER MOSER: On Page 7.

2 MS. HARGIS: Okay. I have 111. That's
3 unencumbered with a budget. That's the budget versus --
4 that's what we did in revenue versus that, and it's really a
5 positive number.

6 COMMISSIONER MOSER: Even though it shows negative?

7 MS. HARGIS: Right.

8 COMMISSIONER MOSER: Help me understand that.
9 MS. HARGIS: Because revenue is -- is the debit,
10 so-to-speak, here, and then the expenses are the credit. So,
11 it's -- it's just -- I know. I don't like it either.
12 COMMISSIONER MOSER: Don't tell my wife that, okay?
13 MS. HARGIS: I'm not going to do that, but on this
14 particular budget, that's what it does.
15 COMMISSIONER MOSER: Okay. But the important thing
16 is, then, year-to-date is the 66,627, which is the same as it
17 was on Page 2.
18 MS. HARGIS: Right.
19 COMMISSIONER MOSER: Okay. That was just
20 confusing.
21 MS. HARGIS: The encumbered is a little bit
22 confusing, because it's basic -- the actual budget to the
23 expenses, and it was zero.
24 COMMISSIONER MOSER: Maybe just leave that column
25 off.

9

1 MS. HARGIS: I wish I could, but unfortunately,
2 it's boilerplate. Page 8 --
3 COMMISSIONER MOSER: So, bottom line, 66,000, so
4 the airport's doing good. And as you say, the expenses are
5 way below what you'd expect them to be halfway through the
6 year.
7 MS. HARGIS: That's correct.
8 COMMISSIONER MOSER: Good. Okay.
9 MS. HARGIS: Doing great. And that's going to be
10 very helpful when we do the budget amendment here in a
11 minute. Page 48 -- I mean 8 is Fund 48. Total amount of
12 cash, 70,489.83. There we're showing right at the bottom the
13 same kind of column; it's, like, one, two, three up.
14 2,814.46, revenue over expenses. Total equity and liability,
15 70,489.83, the same as cash. Remember, this is just the RAMP
16 grant this year. Page 9 reflects the total amount that we
17 received, 94,364.12, and I think Carole has asked for the
18 additional \$6,000 that we'll get. That's it for the year.
19 The 44,000 from the state, 50,000 is all we get, so we're at

20 -- at the very end of that. I think we're --

21 MR. LIVERMORE: Jeannie, I guess I'm just going to
22 claim any ignorance here.

23 MS. HARGIS: Okay.

24 MR. LIVERMORE: Let me make sure I'm looking at the
25 right number, first. I -- somehow, I thought in my mind --

10

1 I'm trying to find a place, now; I believe it's Page 8.

2 MS. HARGIS: Page 9 is where I'm at.

3 MR. LIVERMORE: You've got your -- Page 8, how does
4 that relate to this -- looks like that's a balance sheet.
5 What is that?

6 MS. HARGIS: That's your capital account. It's a
7 totally separate fund, remember.

8 MR. LIVERMORE: Oh, you switched to capital account
9 in the middle of this, okay.

10 MS. HARGIS: Okay? It's two companies, two
11 separate companies.

12 MR. LIVERMORE: All right, got you.

13 MS. HARGIS: It's required to be separate. So --

14 MR. LIVERMORE: I just didn't realize we'd
15 switched.

16 MS. HARGIS: Okay, we switched. Moving right along
17 here, Page 10, again, total expenses there, 91,549.66. And
18 then Page 11, again, shows the revenue over expenses of
19 2,814.46. We should just even out there at the end.
20 Remember, we had put 50,000 over there as a buffer, and then
21 the County still has \$17,000 in there we have not pulled out.

22 MR. LIVERMORE: Mm-hmm.

23 MS. HARGIS: So -- and then that's shown on your
24 balance sheet. And that's the -- the financials, other than
25 I need to -- I'll bring the budget amendment up on the next

11

1 agenda item.

2 MR. WALTERS: The items that -- where we were, you
3 were talking about we were in pretty good shape, some of
4 that's still subjective, and probably the biggest bearable

5 that we have the is still the mowing; isn't that correct?

6 MS. HARGIS: Mm-hmm.

7 MR. WALTERS: Okay. So we hope we'll get to spend

8 more on mowing, because --

9 MR. McKENZIE: If we get the rain.

10 MR. WALTERS: If we get rain.

11 MS. HARGIS: Yeah. We -- if we get rain, then

12 we'll be doing more mowing. We haven't -- I don't think

13 we've done any yet at all.

14 MR. McKENZIE: We haven't.

15 MS. HARGIS: And so -- but still --

16 MR. LIVERMORE: We haven't mowed at all this year?

17 MR. McKENZIE: No, sir.

18 MR. GRIFFIN: Just the little stuff.

19 MR. McKENZIE: Just around the terminal building.

20 MR. LIVERMORE: I saw him doing that.

21 MR. McKENZIE: Gross mowing, we haven't.

22 MS. HARGIS: The contract mowing, we haven't done.

23 (Low-voice remark made off the record.)

24 MR. LIVERMORE: What?

25 MS. DUNGAN: The maintenance part-time employee is

12

1 back, which will count against that.

2 MS. HARGIS: I believe if you'll look on Page 5,

3 middle of the page, I guess we have done one mowing. We're

4 lying.

5 MR. McKENZIE: We did one right after the first of

6 the year, but that was in October.

7 MS. HARGIS: Right. So, we have spent 7,500. We

8 have 37,500; that's about the middle of the page, fourth

9 column. The remainder would be the next-to-the-last column,

10 37,5.

11 MR. LIVERMORE: So we've done one this year? Is

12 that --

13 MR. McKENZIE: After the fiscal year started, yes,

14 sir, in October. Not since the calendar year started, we

15 haven't mowed any.

16 MR. LIVERMORE: Right.

17 MR. WALTERS: Okay. Any other comments on the
18 financials? No? Well, I guess we'll move to the budget
19 amendment.

20 COMMISSIONER MOSER: You have to approve --

21 MR. WALTERS: Oh, we have to approve those?

22 MS. HARGIS: Yes, please.

23 MR. WALTERS: I'll make the motion to approve the
24 monthly financials.

25 MR. WOOD: I'll second.

13

1 MR. WALTERS: Somebody make a motion to approve
2 the --

3 MR. WOOD: Oh, I thought you made it.

4 MR. GRIFFIN: I'll make a motion.

5 MR. WOOD: I'll second.

6 MR. WALTERS: Kirk made the motion to approve the
7 financials; Bill Wood seconded the motion. All in favor?

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

9 MR. WALTERS: Motion passes. Monthly financials
10 are approved. Next item, budget amendment.

11 MS. HARGIS: Okay. If you still have your
12 financials out, I'd like you to turn to Page 5 again. The
13 column we're going to be under is Maintenance. It's almost
14 three-quarters of the way down. There's a new item; it's
15 47-800-250. It's called Capital.

16 MR. LIVERMORE: Mm-hmm.

17 MS. HARGIS: And as you can see, we have put
18 \$50,000 in there. That's to pay for the remaining items on
19 the ditch, and I need y'all to approve that so that the
20 auditors will have a trail that that budget amendment has
21 been approved. And that's coming out of your surplus funds.

22 MR. LIVERMORE: I so move.

23 MS. HARGIS: Okay. Need a second.

24 MR. WALTERS: Second?

25 (Mr. Griffin raised his hand.)

14

1 MR. WALTERS: I have a motion to approve the budget

2 amendment in the amount of \$50,000. Motion by Ed Livermore
3 and second by Kirk. All in favor?

4 (The motion carried by unanimous vote.)

5 MR. WALTERS: Motion passes.

6 MR. WOOD: Can I ask a question?

7 MR. WALTERS: Yes.

8 MR. WOOD: This is for the remaining items on the
9 ditch. Are we still within the budget on the ditch as far
10 as --

11 MR. McKENZIE: We are. The County, obviously, as
12 you well know, moved all the excavation, did all the dirt
13 work for us. The boxes have been delivered. The precast
14 boxes have been on the ground about two weeks, and today is
15 the start date to install the boxes. Allen Keller
16 Construction out of Fredericksburg can put the boxes in for
17 us, and hopefully they'll start today.

18 MR. WOOD: And moving this money over to the
19 operating account was -- was something we planned to do all
20 along?

21 MR. McKENZIE: We have to pay for our boxes, and we
22 have to pay the contractor, and then we'll turn that in to
23 TexDOT and we'll get 90 percent of this back. Ninety percent
24 of this comes back to us.

25 MR. WOOD: So it's just --

15

1 MR. McKENZIE: We're just doing this. We need to
2 pay our bills, and then it will all come back to us, less 10
3 percent.

4 MR. WOOD: Sure.

5 MR. WALTERS: What's the completion date of this
6 project?

7 MR. McKENZIE: When they start, it shouldn't take
8 over five to six days for them to put the precast boxes in.
9 The only thing left after that, Corey, is going to be the
10 paving, and the City of Kerrville has agreed to pave that for
11 us. And whenever they start their paving season, which
12 should be in the next four, five weeks, six weeks, we're at
13 their mercy, then they're going to come out with the lay-down

14 machine and pave that area with hot mix. But the road will

15 be open; it'll just have a caliche top on it, that's all.

16 But everything will be done except the paving.

17 MR. LIVERMORE: The ditch is finished.

18 MR. McKENZIE: Yes, sir, it's done.

19 MR. WALTERS: What -- what's the process that we

20 have to get it approved or the work approved by TexDOT?

21 MR. McKENZIE: They've already -- Harry Lorton's

22 been here, their civil engineer. He's happy with it.

23 MR. WALTERS: Okay.

24 MR. LIVERMORE: Do we have to do the F.A.A. also?

25 MR. McKENZIE: No, sir, they are -- F.A.A.'s

16

1 liaison is our -- TexDOT Aviation, so F.A.A. won't be looking

2 at it.

3 MR. WALTERS: Okay. Well, very good.

4 MR. WALTERS: Item Number 4C, the specification

5 documents for the Brinkman hangar lease. In your packet

6 there's a lease proposal form that we're -- it's for

7 discussion. Any changes, add-ins, comments, additions. I

8 drafted this off of kind of a basic lease proposal form that

9 I use in my business, and kind of tried to adapt it for the

10 Brinkman hangar. And I think it's self-explanatory, and if

11 anybody has any comments or changes, additions, we can

12 discuss those now.

13 MR. WOOD: So, could I ask a question?

14 MR. WALTERS: Sure.

15 MR. WOOD: This is just like it says, a lease

16 proposal, so this is just a starting point between the

17 airport and some prospective leaser of the property?

18 MR. WALTERS: Right.

19 MR. WOOD: The actual lease itself will get into

20 all the details and talk about a lot more things than are

21 here?

22 MR. WALTERS: That's correct.

23 MR. WOOD: Okay.

24 MR. WALTERS: This is just kind of a -- a form that

25 lays out the basic terms, and then once -- once we decide on

1 a -- once the board approves a lease proposal, then we would
2 then give that information to Ilse to draft a lease.

3 MR. McKENZIE: Corey, just a couple of places
4 initially where it says "Landlord," like we discussed this
5 morning, that perhaps should say "Kerrville/Kerr County Joint
6 Airport Board."

7 MR. WALTERS: Mm-hmm.

8 MR. McKENZIE: If that's all right with -- right
9 here, Ed, at the top.

10 MR. LIVERMORE: Oh, okay.

11 MR. McKENZIE: And then on the last page as well,
12 it indicates the agreement's between the City of Kerrville
13 and Kerr County. We can change that to the Joint Airport
14 Board.

15 MR. WALTERS: Okay.

16 MR. McKENZIE: If it so pleases the board. Is that
17 okay, Ilse?

18 MS. BAILEY: Yes.

19 MR. WALTERS: I would -- Bruce, I sent that to you
20 in a word document, so I'd just ask Carole to make those
21 changes.

22 MR. McKENZIE: Okay, sure.

23 MR. WALTERS: So --

24 MR. McKENZIE: Will do.

25 MR. WALTERS: And while we're on the subject of

1 the -- the Brinkman hangar, I asked -- Bruce and I were
2 talking this morning about what we're going to do in terms
3 of -- first, I think what we're going to do in terms of
4 marketing. You know, and he said he had another inquiry from
5 a group out of Midland, I believe?

6 MR. McKENZIE: Yes, sir.

7 MR. WALTERS: And -- but talking about marketing it
8 to our biggest market, which would be San Antonio, and
9 whether it would be a mailer, a flyer, cold calls, all of
10 those things, and Bruce has indicated that he's planning to

11 do all of the above. If the airport -- if the board members
12 have any other comments or suggestions on what we can do or
13 what Bruce can do to market that hangar other than those
14 items, I'd like to throw those on the table now.

15 COMMISSIONER MOSER: I'd suggest you get

16 K.E.D.C. --

17 MR. WALTERS: Okay.

18 COMMISSIONER MOSER: -- to help you with that.

19 MR. LIVERMORE: Good idea.

20 MR. WOOD: Are there some internet resources, like
21 the A.S.O and things like that?

22 MR. GRIFFIN: Probably -- we can probably get
23 things like Barnstormers and Airlite. They list a lot of
24 properties on Barnstormers, which covers all kinds of
25 aviation stuff, as well as --

19

1 MR. LIVERMORE: Has Joey -- have you had a
2 conversation with Joey to see if he's got any thoughts and --

3 MR. McKENZIE: Well, at one time, he was interested
4 in it, but that was probably five months ago. But I haven't
5 -- he hasn't indicated since then that he would still be a
6 player.

7 MR. LIVERMORE: Mm-hmm.

8 COMMISSIONER MOSER: If I may, is there -- are
9 there any real estate operations that specialize in airport
10 facilities like that? You might get the --

11 MR. LIVERMORE: I think that's what he's talking
12 about.

13 COMMISSIONER MOSER: It may be a good idea if there
14 is one that specializes in that deal, a realtor to market it
15 for you.

16 MR. McKENZIE: We could, but they'll charge us a
17 percentage.

18 COMMISSIONER MOSER: Well, yeah, that's right.

19 MR. McKENZIE: Good idea.

20 COMMISSIONER MOSER: But I don't know if there is
21 such an enterprise.

22 MR. GRIFFIN: I like the cold calls and the letters

23 and the notes, and see if something happens in a -- in a

24 reasonable time. And then, --

25 COMMISSIONER MOSER: Sure.

20

1 MR. GRIFFIN: -- you know, next phase, start

2 looking at that. Who knows? We may --

3 MR. WALTERS: I'm not familiar with Barnstormers.

4 I mean, do they charge you a fee? It's an advertising --

5 MR. GRIFFIN: It's a fee, but it's about \$25 for

6 two weeks or something like that. You can put pictures on

7 it and write up your own write-up, and it gets posted, and

8 it's there for...

9 MR. WALTERS: Okay.

10 MR. GRIFFIN: They sell airplanes, ground support

11 equipment. You see a lot of -- a lot of real estate on that,

12 so its -- it's pretty -- especially among the -- the prep

13 guys and the E.A.A. guys, it's a source that they use for

14 parts and everything else. So --

15 MR. WALTERS: So you think it's a good marketing --

16 MR. GRIFFIN: It might be a good marketing to see

17 if we get -- at a cheap cost. That's where I was kind of

18 going, you know.

19 MR. LIVERMORE: Is that dot-com?

20 MR. GRIFFIN: Yeah, Barnstormers.com. Give it a

21 look and see. I mean, it -- you see properties listed all

22 the way from Alaska to California to Florida, Texas.

23 MR. WOOD: There's also in the back of the -- when

24 you read in the A.O.P.A. magazine, you know, in the back of

25 it there's always a bunch of advertisements like that, and

21

1 probably not too expensive.

2 MR. GRIFFIN: Yeah, as well. I don't know if

3 somebody that's looking for a facility that big is looking in

4 the back of --

5 MR. WOOD: I think using our contacts and cold

6 calls and things would be a good first step.

7 MR. MOSIER: I just went through this in Iowa with

8 a hanger about the same size. I contacted L.P.A., of course;
9 they recommended L.P.A., but you also have AirNav,
10 Barnstormers, and Trade-a-Plane, and the one I struck on was
11 AirNav.

12 MR. GRIFFIN: Yeah, AirNav is good.

13 MR. WALTERS: Okay. Is there --

14 COMMISSIONER MOSER: When does that lease end,
15 December 31st?

16 MR. WALTERS: Mm-hmm

17 MR. McKENZIE: Yes, sir.

18 COMMISSIONER MOSER: So, is there some -- some
19 point you would say we're going to try cold-calling to a
20 certain date, and is there a plan to come to a closure
21 December 31st?

22 MR. WALTERS: Well, that's what I was just about to
23 bring up, is at what time should we -- I mean, it seems like
24 we need to move forward with the marketing of this pretty
25 quickly, because we need to, in the near future, advertise

22

1 for proposals and give, you know, everybody 60 days or so to
2 get their proposals in.

3 COMMISSIONER MOSER: Right.

4 MR. WALTERS: So that's what I was going to bring
5 up, about what time the board feels like, you know, we should
6 put a target date for our advertisement, and hopefully we'll
7 have our marketing, certainly, you know, a good -- at least a
8 good 60 days prior to then. I'd like to even see 90.

9 MR. GRIFFIN: Say mid-August? Mid-, late-August
10 would be 90 days.

11 MR. WALTERS: Yeah.

12 MR. LIVERMORE: Has anyone heard anything about the
13 local group that was rumored here a while back?

14 MR. McKENZIE: They're not going to do it.

15 MR. LIVERMORE: They're not?

16 MR. WOOD: Is that the existing people or somebody
17 else?

18 MR. LIVERMORE: Probably about -- well, what about
19 Brinkman? Is he going to continue?

20 MR. WALTERS: From what I hear, I have not heard
21 that -- well, Charlie Thomas sent a letter to Bruce
22 expressing an interest in continuing the lease, but that's
23 all it was. And I believe he's just waiting to see if --
24 when it does go out for bid, then he's going to discuss it,
25 or when they -- we put the date out for proposals, he's going

23

1 to discuss it with Brinkman to see if they have any interest.

2 MR. GRIFFIN: Yeah.

3 MR. WOOD: I know we've talked about this before,
4 but say somebody wants to come in and -- and instead of just
5 storing airplanes there, they want to do some mechanic work
6 and run a business. Is -- have we decided our approach is
7 going to be to let them work out with the inspection
8 authorities themselves to --

9 MR. WALTERS: We've decided that --

10 MR. WOOD: -- see what-all they've got to do?

11 MR. WALTERS: -- we're advertising the property
12 as-is.

13 MR. WOOD: Right.

14 MR. WALTERS: And that they -- if the building
15 needs modifications based upon their intended use, that they
16 work that out with the City.

17 MR. WOOD: Okay, good.

18 COMMISSIONER MOSER: That's what your draft lease
19 says.

20 MR. WALTERS: Yes.

21 MR. GRIFFIN: So they're just getting a shell.

22 MR. WALTERS: Yes.

23 MR. GRIFFIN: And then anything else is --

24 MR. LIVERMORE: Well, that really puts us -- that
25 really puts us in jeopardy with, I mean, our -- the future of

24

1 leasing that building, then, is really almost going to be
2 determined by what the City requires in such event of a
3 business, doesn't it?

4 MR. WALTERS: Yes.

5 MR. GRIFFIN: It affects it.
6 MR. LIVERMORE: Hmm?
7 MR. GRIFFIN: It affects it.
8 MR. WOOD: Well, I think the Airport Board could
9 continue overlooking the whole situation and trying to help
10 with the City if it would, you know, discourage a good
11 tenant. Certainly, the City and the County have an
12 investment in this, too, to have a good business. I mean,
13 there's a lot of ways to have a good business come in.

14 MR. LIVERMORE: Right.

15 MR. WOOD: We need to approve this?

16 MR. WALTERS: Well, no, I don't -- I was going to
17 say, just looking at the timing, kind of going backwards from
18 December 31st, and if we were going to give somebody 60 days,
19 you know, I'd almost like to ask that we look at maybe
20 proposals in from July 1st. Because if we give -- July 1st,
21 August, that puts us at September 1, really, to work out a
22 final lease with somebody. 'Cause, I mean, we may have -- we
23 hope that we have multiple proposals, and to work those out,
24 and then, you know, at least within 30 or 60 days, and it's
25 probably going to then just leave us 60 days to have a lease.

25

1 MS. BAILEY: Yeah, and you -- unless you're going
2 to have a special meeting, you need to leave it open for you
3 to have two board meetings.

4 MR. WALTERS: Exactly.

5 MS. BAILEY: One to kind of approve the concept,
6 and the second one to approve the final agreement.

7 MR. WALTERS: So, I propose that we move forward
8 with our advertising by all the means necessary, and -- and
9 look at putting this out for advertising, for our initial
10 advertising beginning July 1, for bids to be -- bid deadline
11 date of August the -- what is it, the 30th?

12 MR. WOOD: Okay.

13 MR. LIVERMORE: Okay.

14 MR. WALTERS: Any comments on that?

15 MR. GRIFFIN: That's good. Sounds solid.

16 MR. LIVERMORE: Good idea.

17 MR. WOOD: Gives us four months left to try to get
18 everything worked out before the leases come.
19 MR. WALTERS: Right.
20 MR. GRIFFIN: Gives us a couple months.
21 MR. WALTERS: And, I mean, I can make a motion that
22 we utilize this form, or that we approve this form as with
23 the changes as Bruce has noted. And I guess I'll ask for a
24 motion that we approve this form with the changes Bruce has
25 noted for a -- a lease proposal for the Brinkman hangar to be

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1 utilized for lease proposals for the Brinkman hangar.
2 MR. WOOD: Can I ask a question first?
3 MR. WALTERS: Sure.
4 MR. WOOD: Do we want to have on here -- I may have
5 overlooked it. Do we ask what the proposed use is, whether
6 it's just to store airplanes or if it's something else?
7 MR. WALTERS: There is a use provision in there.
8 It's right here on the front page.
9 MR. WOOD: Oh, I'm sorry. I did overlook it.
10 Okay, good.
11 MR. GRIFFIN: Okay, I make a motion that we approve
12 this with the changes as stated, and press forward.
13 MR. LIVERMORE: I second the motion.
14 MR. WALTERS: Okay.
15 MR. LIVERMORE: Bruce, what type of operation is
16 the outfit from Midland? What would it be?
17 MR. McKENZIE: It's a -- they manage aircraft, and
18 they are a charter operation as well. They have multiple
19 airplanes.
20 MR. LIVERMORE: So this would bring new aircraft --
21 MR. McKENZIE: To Kerrville, yes, sir.
22 MR. LIVERMORE: Good.
23 MR. WALTERS: The motion has been made to approve
24 this lease proposal form with the modification that Bruce has
25 suggested, and seconded by Ed Livermore. All in favor?

27

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

2 MR. WALTERS: Motion passes. The form will be
3 used. I did want to add one other comment. We have a
4 specific rate, and so when Bruce gets a contact -- when it
5 goes out and we advertise, the advertisements are going to
6 say to contact the Airport Manager for information, and he's
7 going to provide them with this lease proposal, and he's also
8 going to provide them with the amount that we are asking for
9 the hangar, our -- our rate. So, if anybody wants to make
10 something other than -- a proposal for the hangar other than
11 that rate, they'll do so in their proposal.

12 MR. LIVERMORE: Mm-hmm. Mainly, we're talking
13 about what, 80?

14 MR. McKENZIE: Yeah, plus.

15 COMMISSIONER MOSER: What is the rate?

16 MR. McKENZIE: \$3.14 a square foot.

17 COMMISSIONER MOSER: That's what it currently is?

18 MR. McKENZIE: Yes, sir.

19 MR. WOOD: That's regardless of what it's used for?

20 MR. McKENZIE: For a metal building with a slab,
21 yes, sir.

22 MR. WALTERS: We have to use the rate -- that's the
23 rate we established. If we want to use something different
24 than that, or -- or not use a rate at all, I mean, then it
25 seems like we need to discuss that and approve that amongst

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1 the board.

2 COMMISSIONER MOSER: That was -- how long has that
3 rate been in existence?

4 MR. McKENZIE: Several years.

5 COMMISSIONER MOSER: Well, shouldn't there be --
6 you know, we're at the same subject as we had on the
7 T-hangars. We've never raised -- we've never increased the
8 rate on those for how many years?

9 MR. McKENZIE: Eleven.

10 COMMISSIONER MOSER: Doesn't sound like a good idea
11 to me.

12 MR. WALTERS: I think you have to decide whether
13 it's a reasonable market rate.

14 COMMISSIONER MOSER: Correct. Correct.
15 MR. WALTERS: And based on what I hear, I would say
16 it's a reasonable market rate.
17 MR. McKENZIE: It is.
18 MR. WALTERS: But I may need to abstain my
19 position, 'cause right now I'm a sub-tenant in that.
20 COMMISSIONER MOSER: I see, okay.
21 MR. WOOD: We are all renting airplane space out
22 here, all of us. And I think the key thing has got to be
23 competitiveness. As long as we look at it every year and
24 make sure it hasn't all gone up by 20 or 30 percent
25 everywhere around us and we fail to raise ours, then I think

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1 we're competitive. But, you know, there's so many
2 intangibles about getting an outfit like the one in Midland
3 that you were talking about, that the lease of the space is
4 good for the board to get revenue, but the -- the intangibles
5 is all the benefit to the city for getting in an enterprise
6 like that.
7 COMMISSIONER MOSER: Yeah. We're trying to make
8 the airport revenue-neutral, so that's a big nugget.
9 MR. LIVERMORE: One of the things that somehow
10 never gets brought into the -- the mix or into the discussion
11 is that corporate-owned airplanes are on the tax rolls, and
12 that revenue's never really taken into effect. Seems like
13 this organization from Midland, that would be more of that.
14 MR. McKENZIE: Mm-hmm.
15 COMMISSIONER MOSER: Well -- well, it is, since the
16 master plan says this airport's worth \$15 million a year in
17 economy to the -- to the area. So, I would submit that it is
18 taken into account. What -- if I may ask another question on
19 the \$3.14, so why -- why is it that you think that's the
20 market, fair market value?
21 MR. McKENZIE: Because other airports I've talked
22 to -- and I haven't talked to anybody in probably 18 months
23 -- 12 to 18 months, but we're still within that frame for
24 square footage for a metal building with a slab, that that's
25 a leased area. In San Antonio, they're going to get more

1 than that, but we're not, obviously, there. We're out a
2 ways. But that being said, that's still a reasonable amount
3 of money, and that being said, when they address it with this
4 proposal, then they can come back to us with whatever they're
5 going to propose.

6 COMMISSIONER MOSER: Could you get some square
7 footage comps? This is a request. Get some square footage
8 comps from the area.

9 MR. GRIFFIN: A comp -- the problem is the comp. I
10 don't think there is a comparable building that's in this
11 vicinity.

12 MR. LIVERMORE: Except at San Antonio.

13 MR. GRIFFIN: Well, that's what I was going to --
14 within this vicinity of San Antonio that compares to this
15 square footage and the -- and the amenities this that
16 facility has. There -- I fly into a lot of local airports
17 just to say I've been there, and those guys don't -- there's
18 not another building like that. I mean, and, you know,
19 unless you're within San Antonio proper. You could say
20 there's stuff like that at Stinson. There's stuff like that
21 in New Braunfels. There's stuff like that in San Marcos.

22 MR. LIVERMORE: Corey -- I'm sorry.

23 MR. GRIFFIN: No, go ahead.

24 MR. LIVERMORE: Corey, in your -- we've already --
25 well, we're discussing what the rate is. What about the

1 term? What's going to be the -- have we --

2 MR. WALTERS: Well, it says --

3 MR. LIVERMORE: Is it going to be based on the
4 proposal?

5 MR. WALTERS: Yes.

6 MR. LIVERMORE: Okay.

7 MR. WALTERS: I mean, we can -- it's like the rate.

8 We can establish the term that we want, and if somebody just,
9 you know, wants to propose something else different, they'll
10 do so in their lease proposal.

11 MR. WOOD: I like the idea that it's just pretty
12 generic, because that opens it up to all kinds of different
13 offers, and then we can look at those, and in our bid
14 evaluation, then we can make those decisions.

15 MR. LIVERMORE: I'm just wondering if we might want
16 to establish a minimum term.

17 MR. WOOD: I think we can do that when we get the
18 bids in.

19 MR. WALTERS: Well, Bruce needs -- I mean, if we
20 want to establish a minimum term of 10 years or something --

21 MR. LIVERMORE: At least five.

22 MR. WALTERS: I agree, at least five. And -- and
23 then we -- I suggest that when Bruce gives them the
24 information, he gives them both the amount that -- the rate
25 that the airport is asking, and the term that we're asking.

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1 MR. LIVERMORE: Mm-hmm.

2 MR. WALTERS: So -- and I agree, a minimum of five
3 years. And, you know, I was going to say, you know, we may
4 even want to, you know, say it's a minimum of 10 years.

5 But --

6 MR. LIVERMORE: With the state of aviation today, I
7 think if you make it too long, it might --

8 MR. WALTERS: Sure.

9 MR. LIVERMORE: -- scare some off. But I don't
10 think we want to get involved for less than five years.

11 MR. WALTERS: Mm-hmm, I agree. So, we want to --

12 MR. LIVERMORE: In your experience, Corey, let's
13 just say that somebody gives us a proposal, someone that's
14 maybe from Dallas or San Antonio or somewhere, some aircraft
15 management agency, whatever it is. Do we -- should we
16 require financial information from that company just so we
17 can -- we can make an underwriting decision? Do we -- does
18 it really -- do they have the financial strength to, say, be
19 here for ten years? Should we do that?

20 MR. WALTERS: Well, I think that's really kind of
21 probably in your -- in your --

22 MR. LIVERMORE: You're more into this than we are.

23 MR. WALTERS: Well, it's usually -- it's -- I would
24 suggest that you make that request at the time that you
25 receive the proposal. You see what their proposal is first,

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1 and then if it's somebody that you're interested in, then ask
2 them to provide financial information.

3 COMMISSIONER MOSER: Mm-hmm.

4 MR. LIVERMORE: Okay.

5 MR. WALTERS: So I think, Bruce, when you put out
6 the information, I would suggest along with the rate, that
7 you put a minimum of a five-year term.

8 MR. McKENZIE: Okay.

9 MR. WALTERS: Okay. Item 4, the K.E.D.F. property
10 transfer.

11 MR. McKENZIE: I was approached several weeks ago
12 by a former KEDF member -- I guess he still is a member,
13 what's left of it. And they have offered to donate a piece
14 of property to us off the end of 12. This is the runway;
15 this is Highway 27. The property is this right here.

16 COMMISSIONER MOSER: K.E.D.F. is what?

17 MR. McKENZIE: Kerrville Economic Development
18 Foundation, which is now defunct. It's no more.

19 MR. WALLER: Well, that's not true.

20 MR. McKENZIE: Well, it is to a degree. I'm going
21 to let these gentlemen explain it to you. This is the
22 property.

23 MR. LIVERMORE: It's just that --

24 MR. McKENZIE: Yeah.

25 MR. LIVERMORE: -- one-fourth of the blackened

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1 area?

2 MR. McKENZIE: Yes, sir. We have the rest of this.

3 MR. LIVERMORE: Oh.

4 MR. McKENZIE: This is the one that they would like
5 to visit with us about. And with that, I'll leave it with
6 Steve Huser and Bob Waller to -- and they can tell us what
7 they'd like to propose.

8 MR. WALLER: Well, let me pass this out.

9 MR. McKENZIE: Okay.

10 MR. LIVERMORE: Bruce, is this -- is this area
11 already -- there's an avigation easement over this?

12 MR. McKENZIE: On top of it.

13 MR. LIVERMORE: So nothing can really be built
14 there.

15 MR. McKENZIE: Well, technically, no.

16 MR. WALLER: You can build, but it has height
17 restrictions.

18 MR. LIVERMORE: Yeah.

19 MR. WALLER: Based on the approach. And this
20 property we had originally -- and I've had Kerr County
21 Abstract to go back and really see what is available. We've
22 done some selling, trading and stuff over the years, and this
23 property we're talking about -- K.E.D.F. is inactive at this
24 point. We're in the process of dissolving this corporation,
25 which means we -- as such, we have a property that hasn't

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1 been finalized yet as to exactly what we have. We started
2 out with 22 and a half acres. And if you look at this, it
3 goes all the way up a lot further than -- than Bruce talked
4 about. It goes up to Peterson Farm Road. It goes down
5 almost, you know, towards 27. We traded -- you know, you
6 remember there used to be a water tower out there by Mooney.
7 We -- we didn't like that; we traded that, and I think we
8 went through the airport, the City and County at that time,
9 and traded that property for another piece of property
10 further down south, kind of what Bruce pointed out in that
11 black area that used to be, I think, Mooney's picnic area or
12 something.

13 MR. McKENZIE: That's right in here.

14 MR. WALLER: And then we sold a tract to TexDOT
15 Aviation, which is the approach area that they needed. That
16 kind of came out of the blue. Now, we took those moneys and
17 put them in KEDF. Right now, Diane Green went back, and we
18 have about 14 or so acres that we can't show, I guess, at
19 least at this time, the -- the ownership. We know we own it;

20 it's just not shown properly at this point. We got the small
21 tracts identified. She went to the Appraisal District and
22 she did her homework for the title commitment work. But our
23 proposal is that the Airport Board be the primary
24 beneficiary. So, our proposal is, once we get everything
25 finalized, we'd like to do a warranty deed over to y'all, and

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1 let y'all use it as how you best see fit. We're not sure
2 when that will be. As soon as we can, we'd like to go ahead
3 and dissolve this corporation, and -- and let y'all have that
4 property. I think it's going to be a piece that runs,
5 looking at the north and south there, northeast, kind of
6 southwest.

7 COMMISSIONER MOSER: Can we use that marker that --

8 MR. McKENZIE: Use that. Punch that button right
9 there, Bob.

10 MR. WALLER: Probably up in this area here. But
11 it's probably about 14 and a half acres right in here. You
12 know, there used to be a storage pond right here. There was
13 a sludge pit, and we went through; we cut that, got that
14 taken care of. They went through the state environmental
15 people, and I think they held it up.

16 MR. McKENZIE: It's done.

17 MR. WALLER: It's done. So, we didn't want that
18 either. And that water tower was up here; they took that
19 down, and we gave them property to expand. You know, when
20 they expanded their labor force again, they needed parking,
21 so we gave them -- gave them this, but we picked up some
22 property kind of over in this area.

23 MR. LIVERMORE: You still have this property up
24 there, up in that area?

25 MR. WALLER: Well, we -- we gave this -- we traded

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1 this where the tower was at, so we've got property right in
2 this area, somewhere about 15 acres we think is the net. But
3 when we come back to y'all, we'll have specifics, metes and
4 bounds and a survey. We just wanted to let you know.

5 MR. LIVERMORE: The area that you're talking about
6 there, I guess you call it KEDF Number 9? Is that --

7 MR. WALLER: I'm not sure what that -- I think that
8 Number 9 relates to y'all's numbers.

9 MR. GRIFFIN: That's just the bottom piece of their
10 tract.

11 MR. WALLER: Yeah, that's just right here.

12 MR. GRIFFIN: Yeah.

13 COMMISSIONER MOSER: Sort of goes between Mooney
14 Road and the creek; is that right?

15 MR. WALLER: Yeah, it goes kind of --

16 COMMISSIONER MOSER: To Peterson Farm Road.

17 MR. WALLER: And right up in here.

18 MR. LIVERMORE: But it isn't that piece that fronts
19 on the highway.

20 MR. WALLER: No, it doesn't go to the highway.

21 MR. LIVERMORE: It's the back half.

22 MR. GRIFFIN: It's the back --

23 MR. WALLER: It's back in here. And, you know, I
24 don't think -- we looked at a business, oh, six years ago, a
25 pecan business, and it just wouldn't work, height

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1 restrictions that wouldn't let them build what they needed
2 back there. So, I don't know. It may be some kind of use
3 that y'all can use later on. I'll leave that up to y'all.
4 We just want to transfer it. We want to make sure that you
5 do have that interest and that that's the case. Once we get
6 this out, we'll prepare a warranty deed and transfer the
7 property.

8 MR. LIVERMORE: Bruce, you have been out there,
9 haven't you?

10 MR. McKENZIE: Yes.

11 MR. LIVERMORE: What's your recommendation?

12 MR. McKENZIE: I recommend that we accept their
13 offer, barring any environmental issues, but I don't think
14 there's any over there. But that's my opinion.

15 MR. WALLER: We don't think there's anything here
16 that has -- the only environmental, I think, was that pit.

17 MR. WALTERS: But you said you have a closure
18 letter from the State?

19 MR. McKENZIE: Yes, I've got it.

20 MS. BAILEY: Yeah, it's been approved.

21 MR. McKENZIE: We're done with that. We've got
22 that on file.

23 MR. WALLER: Yeah. We worked on that for about,
24 three, four years trying to get that taken care of.

25 MR. WALTERS: Bruce, you and I talked about this

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1 earlier. Would obtaining this property help us move the
2 threshold of 12? Or --

3 MR. McKENZIE: What's going to help us move the
4 threshold of 12 is clearing those trees on this dark-colored
5 area right there. That's what's going to get our threshold
6 moved back, the displaced threshold. It's going to be these
7 trees that are in this area right here. This is the center
8 line.

9 MR. WALTERS: Right.

10 MR. WOOD: But we're only going to have that half
11 of it, aren't we?

12 MR. McKENZIE: Well, this is ours too.

13 MR. WOOD: Oh, is it?

14 MR. GRIFFIN: Yeah, we already got the lower piece.

15 MR. McKENZIE: We need to take these trees out.
16 And Kirk and I have been over there and talked about this
17 several times, and one possible way to do it, to answer your
18 question, Corey, is yes, that will get our -- our line of
19 sight and our sight distances out if we take the trees down.
20 If that's your question.

21 MR. WALTERS: Well, I guess -- can we ask the
22 question to the F.A.A., to say, you know, if we take these
23 trees out in this area and be definitive of the area, is that
24 all that they require us to move the threshold of 12?

25 MR. McKENZIE: I'll -- I'll query them again.

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1 MR. LIVERMORE: You're not talking about paving;

2 you're talking about simply moving it back to where it was.

3 MR. WALTERS: That's correct.

4 MR. WOOD: Well, we have a displaced threshold on
5 12.

6 MR. McKENZIE: It's right there right now. We want
7 to move it back to here.

8 MR. GRIFFIN: I just wanted to make sure you're not
9 talking about a construction project; you're just talking
10 about a paving project.

11 MR. WALLER: Talking about getting the the F.A.A.
12 to let us move the displaced threshold back to --

13 MR. WOOD: Which will eventually let us use all of
14 our runway.

15 MR. WALTERS: That's right, which would be a big
16 benefit.

17 MR. WOOD: How would that -- would that let bigger
18 planes in, things like that?

19 MR. WALTERS: Yes.

20 MR. McKENZIE: Sure.

21 MR. WOOD: Okay.

22 MR. LIVERMORE: A lot of corporate flight
23 departments have a minimum on runways.

24 MR. McKENZIE: The two things that we're -- that
25 factor in it was this ditch, which we've now moved over here.

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1 And if you'll notice how this point of tangent turns in right
2 here, we're clear of that; we're over 250 feet from here, but
3 right here we weren't. That's where we moved the ditch over.
4 That was one of the things. The ditch was one. The trees
5 are the other.

6 MR. WALTERS: Okay.

7 MR. McKENZIE: This we've now solved.

8 MR. WALTERS: Okay.

9 MR. WOOD: Well, that by itself is enough reason to
10 get the property, I think.

11 MR. McKENZIE: I would think so. And what it's
12 affecting, it's not affecting operations on 12; it's
13 affecting operations on 30. That's what this is.

14 MR. HUSER: I'll take it, nevermind.
15 MR. GRIFFIN: Steve, you want to look at it?
16 MR. HUSER: We'll put mini storages up there,
17 underground mini storages. (Laughter.)
18 MR. MOSIER: That road's the impact on the
19 threshold.
20 MR. LIVERMORE: Who would build that?
21 MR. WALLER: K.E.D.F. is not going to build it.
22 MR. McKENZIE: If it was bigger, had a little more
23 traffic, Mark, it probably would. I haven't specifically
24 asked them that question. I know that's the determining
25 factors, was the ditch and those trees.

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1 COMMISSIONER MOSER: And the property turns to our
2 right, upper right. Is that -- is there any commercial value
3 up there?
4 MR. McKENZIE: I'm -- I would think there would be.
5 But --
6 MR. MOSIER: I mean, building restriction's same as
7 the threshold area.
8 MR. GRIFFIN: No, building restriction's up there
9 because you're parallel.
10 MR. WOOD: If we ever do anything with the Mooney
11 property, well, then somebody might want that.
12 MR. GRIFFIN: Right.
13 MR. WALLER: Yeah.
14 MR. GRIFFIN: That would make it more attractive.
15 COMMISSIONER MOSER: Oh, yeah.
16 MR. LIVERMORE: Do we need a motion to accept this
17 wonderful offer?
18 MR. WALTERS: Well, I don't know that we need a
19 motion to accept it yet, because they're still working on
20 clearing on their title issues. So -- is that right, Bob?
21 MR. WALLER: Yeah. I mean, you could go ahead and
22 accept it subject to finalizing the metes and bounds of the
23 property. And there would be a sales price of, I think, a
24 dollar.
25 MR. LIVERMORE: Do we have that in our budget?

1 MR. McKENZIE: Yes, sir, we do. (Laughter.)

2 MR. WALTERS: I think we're very interested. I
3 don't know that I want to make a motion that we accept it
4 until after they work out their title issues and Ilse's
5 satisfied that, you know, it's all ready to go. And then I'd
6 say that we get Bob back, and then we -- but I think we're
7 very interested. We really appreciate the offer, and I think
8 especially if it can help us move the displaced threshold
9 back of 12, be very beneficial for the airport. Thank you.

10 MR. WALLER: You bet. We'll get the information to
11 Bruce, then, as we get it finalized.

12 MR. WALTERS: Okay, very good. Thank you.

13 MR. McKENZIE: Thank you, Bob. Bye, Steve.

14 MR. LIVERMORE: Thank you, Bob.

15 MR. WALTERS: All right. 4E, review the fiscal
16 year '14 draft budget.

17 MR. McKENZIE: Corey, this was given to the board
18 last month. We've made a couple of additional revisions to
19 this which made it better. You've -- there's -- the budget
20 basically, for the board's information, is -- is like it was
21 last year. There's about a 2 percent increase in the -- in
22 this entire budget. Most all the line items stayed exactly
23 the same except for a couple of items; the fuel went up, we
24 put a little bit more money in there for lights, but other
25 than that, this budget looks just like it did last year.

1 COMMISSIONER MOSER: Do you have more copies?

2 MR. McKENZIE: Yes, sir.

3 MR. LIVERMORE: I may have an extra -- do you have
4 one?

5 MR. McKENZIE: There we go.

6 COMMISSIONER MOSER: Thank you.

7 MR. WOOD: Did our income go up a bit based on some
8 of the things --

9 MR. McKENZIE: It did. The parking lot was one of
10 the reasons.

11 MR. WALTERS: One of the things that this budget
12 doesn't have, which I know that -- I don't believe you have,
13 is the increase in the rent that we anticipate from the
14 Brinkman hangar.

15 MR. McKENZIE: I intentionally left that out.

16 MR. WALTERS: I think that's wise at this point.

17 So -- but I just want to let everybody know we should have a
18 substantial increase --

19 MR. McKENZIE: Thank you.

20 MR. WALTERS: -- based on that contemplated --

21 MR. McKENZIE: Thank you.

22 MR. WALTERS: -- new lease with someone, we hope,
23 for the Brinkman hangar.

24 MR. McKENZIE: Yes.

25 MR. LIVERMORE: Bruce, what is it you're needing

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1 from us on this budget? Do you need it approved?

2 MR. McKENZIE: I need it approved so that we may
3 move forward and present it to the County and to the City of
4 Kerrville.

5 MR. GRIFFIN: We just got to approve so it they
6 can --

7 MR. McKENZIE: And the sooner we do that, the
8 better, because the clock's ticking real fast when we get up
9 towards June 1st, and we're moving towards that right now.
10 We need to have this approved and in the owners' hands before
11 that.

12 MR. LIVERMORE: I move that we approve the budget.

13 MR. WOOD: Well, I have some questions.

14 MR. LIVERMORE: Okay, but you can do that during
15 discussion.

16 MR. WOOD: All right.

17 MR. LIVERMORE: I'll withdraw the motion.

18 MR. WOOD: This isn't one of those things that we
19 pass before we read, is it? (Laughter.)

20 MR. McKENZIE: Please look at it. You'll see the
21 changes we made. We highlighted just the little --

22 MR. WOOD: That was what I was going to ask.

23 MR. McKENZIE: We noted the footnotes at the
24 bottom.

25 MR. WOOD: Oh, okay.

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1 MR. McKENZIE: It says minus the Brinkman hangar,
2 you'll notice on there.

3 MR. WOOD: Okay. Well, that answers the question,
4 then. I was asking -- going to ask why the T-hangar lease
5 amount went down by about 10,000. And terminal leases were
6 down by a slight amount as far as income.

7 MR. McKENZIE: Well, we have one office that we
8 have vacant. I'm sorry, we have one office that's vacant
9 here, Bill, is one reason on the terminal building.

10 MR. WOOD: Okay. We still have all the people --
11 the T-hangars are still all leased?

12 MR. McKENZIE: They're all full, yes, sir.

13 MR. GRIFFIN: And if they're paid early --

14 MR. McKENZIE: They get a 5 percent discount.

15 COMMISSIONER MOSER: Does this assume any revenue
16 for new T-hangars?

17 MR. McKENZIE: No, we didn't put any -- this is
18 what we've got now.

19 MR. GRIFFIN: That's the number.

20 COMMISSIONER MOSER: A budget doesn't have to be
21 knowing what you have; it can be knowing what you're
22 projecting.

23 MR. McKENZIE: Sure.

24 COMMISSIONER MOSER: That's normally the way
25 budgets are made.

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1 MR. GRIFFIN: Well, until we get there, it's hard
2 to put a line item that says you got an income if you don't
3 have a -- if we don't have a shell.

4 MR. WOOD: I like a conservative approach.

5 MR. GRIFFIN: Yeah. I just hesitate to do that
6 until we know we've got a structure.

7 MR. WALTERS: I agree.

8 COMMISSIONER MOSER: So, the Brinkman -- Brinkman
9 revenue is what?
10 MR. LIVERMORE: Is not in here.
11 MR. McKENZIE: Not in there at all. We don't know
12 what it's going to be. It could go to 80,000 a year, could
13 go 60,000 a year, but we don't know what it's going to be.
14 COMMISSIONER MOSER: But you have -- we know what
15 it is now.
16 MR. McKENZIE: Mm-hmm.
17 MR. WALTERS: What it is now is included in this
18 budget.
19 COMMISSIONER MOSER: Okay. So, what's in here now,
20 that's my question.
21 MR. GRIFFIN: Yeah, our existing --
22 MR. McKENZIE: It's in here now.
23 COMMISSIONER MOSER: Okay.
24 MR. WOOD: So, basically, we went from 397,705 in
25 2013 to 407,400 in 2014.

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1 MS. HARGIS: The partners will need to know how
2 much money. It's easier for us to give you less later in the
3 year, but if we don't have a good strong figure going in,
4 you're not going to come back and get it from us later --
5 MR. WOOD: Good point.
6 MS. HARGIS: -- when we don't have it budgeted.
7 MR. McKENZIE: That's right.
8 MR. WOOD: We'd better ask for it now. That's all
9 the questions I had.
10 MR. GRIFFIN: I'm good.
11 MR. WALTERS: If there's no other questions, we'll
12 ask for a motion to approve this.
13 MR. LIVERMORE: Again, I move that we approve the
14 budget.
15 MR. WOOD: I second.
16 MR. WALTERS: All right. I have a motion to
17 approve this fiscal year '14 draft budget, and seconded by --
18 motion by Ed Livermore to approve, and seconded by Bill Wood.
19 All in favor?

20 (The motion carried by unanimous vote, 4-0.)
21 MR. WALTERS: Motion passes to approve the fiscal
22 year '14 draft budget. All right, information and
23 discussion. General update, executive session. I don't
24 believe we have anything for executive session today.
25 MR. McKENZIE: No, sir, we don't. The general

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1 update's just -- I won't go through that again. It's about
2 the box culverts over there, and the board's up to speed on
3 that, where we are there. Our fly-in's still scheduled for
4 the 27th.

5 COMMISSIONER MOSER: How many planes you got?

6 MR. McKENZIE: One-day event. We're hoping to have
7 a couple hundred.

8 COMMISSIONER MOSER: Wow.

9 MR. McKENZIE: We don't have that many committed
10 yet, but we've had lots of folks call, so that's good.

11 MAYOR PRATT: How many do you have committed?

12 MR. McKENZIE: Actually, about seven committed, but
13 people -- that's on our website, but a lot of folks have
14 called. One gentleman from Dallas called and said they're
15 going to bring 12 Long EZ's down there that day. It's going
16 to be contingent on the weather; that's going to be the
17 determining factor for the fly-in.

18 MR. LIVERMORE: I hope it works. Can be kind of a
19 disaster, from what I've read.

20 MR. WALTERS: Any other items? All right. Well,
21 then, we'll adjourn this board meeting -- Kerrville/Kerr
22 County Joint Airport Board meeting of April 15th, and note
23 that we did it in 56 minutes.

24 (Airport Board meeting adjourned at 9:30 a.m.)

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1 STATE OF TEXAS |

2 COUNTY OF KERR |

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

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

5 true and complete transcription of my stenotype notes taken

6 at the time and place heretofore set forth.

7 DATED at Kerrville, Texas, this 16th day of April, 2013.

8

9

Kathy Banik, Texas CSR # 6483
Expiration Date: 12/31/14
Official Court Reporter
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