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KERRVILLE-KERR COUNTY JOINT AIRPORT BOARD

Regular Meeting

Monday, July 16, 2012

8:30 a.m.

Airport Terminal Conference Room

1877 Airport Loop Road

Kerrville, Texas

MEMBERS PRESENT: MEMBERS ABSENT:

Stephen King, President Ed Livermore
Tom Moser, Vice-President Mark Cowden
Corey Walters

AIRPORT BOARD STAFF PRESENT:

Bruce McKenzie, Airport Manager
Laurie DeJohn-Ermey, Executive Assistant

COUNTY STAFF PRESENT:

Guy Overby, Commissioner Pct. 2
Jonathan Letz, Commissioner Pct. 3
Jeannie Hargis, Auditor
Rob Henneke, County Attorney

CITY STAFF PRESENT:

Jack Pratt, Mayor
Mike Erwin, Finance Director
Carson Conklin, Council member, Place 1
Justin MacDonald, Council member, Place 3

VISITORS:

Charlie Armstrong, L.D. Brinkman Jonas Titas, EIC
Dave Bryant, Best Friends Air Mark Armstrong, KDT
Steve Huser, Huser Construction Steve Drane
Bill Wood, prospective board member

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July 16, 2012

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

6 P R O C E E D I N G S

7 MR. KING: I'll call the meeting to order of the
8 Kerrville/Kerr County Joint Airport Board meeting for July
9 16th, 2012. Visitors forum. At this time, any person with
10 business not scheduled on the agenda may speak to the Airport
11 Board. No action may be taken on these items because the
12 Open Meetings Act requires an item be posted for 72 hours
13 before the meeting. Visitors are asked to limit their
14 presentations to three minutes. Anybody? Do you want to go
15 ahead and do that?

16 MR. McKENZIE: Sure. We have a visitor this
17 morning, Jonas Titas, the new Executive Director of Kerrville
18 Economic Development Foundation. Jonas is with us today.
19 That's our new contact.

20 MR. KING: Good.

21 MR. McKENZIE: And we're his as well.

22 MR. KING: Thank you very much. Item 2A -- Item 2,
23 discussion and possible action. Financials. Jeannie?

24 MS. HARGIS: Good morning. Page 1 is the operating

25 account. Cash in the bank, 370,756.35.

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1 MR. KING: What page are you on?

2 MS. HARGIS: Page 1.

3 MR. MOSER: Page 1, bottom right.

4 MR. KING: Great place to start.

5 MS. HARGIS: Total equity in buildings, 317,476.35,

6 and for a total then of 377,056.35. Page 3 is the revenue.

7 Year-to-date, 320,054.80. Leaves us 113 yet to collect.

8 MR. MOSER: Hey, Jeannie, a trivial question -- or

9 question on a trivial item. You're not showing percent of

10 budget remaining any more. Is that just --

11 MS. HARGIS: I think it just got cut off.

12 MR. MOSER: Just got cut off? Okay, that's what it

13 looked like. Okay.

14 MS. HARGIS: Yeah, it just got cut off.

15 MR. MOSER: Okay.

16 MS. HARGIS: I was hoping it was on yours.

17 MS. BAILEY: Landscape.

18 MS. HARGIS: Yeah, you put it landscape instead of

19 portrait.

20 MR. MOSER: Yeah, okay. And one other thing; why

21 do we show original budget? What's --

22 MS. HARGIS: The first budget that you see, the

23 first column is --

24 MR. MOSER: Yeah.

25 MS. HARGIS: That is what you originally put in the

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1 system.

2 MR. MOSER: I know, but that's not of interest.

3 MS. HARGIS: Well, it is in government, because as

4 you make amendments, then it becomes the current budget.

5 MR. MOSER: It wasn't approved. The original

6 budget wasn't approved.

7 MS. HARGIS: Well, we put in originally what was

8 approved, okay?

9 MR. MOSER: Okay. So --

10 MS. HARGIS: There have been amendments, and
11 there's going to be amendments.

12 MR. MOSER: So that was the original approved
13 budget?

14 MS. HARGIS: That's right.

15 MR. MOSER: Okay, peace. All right, thank you.

16 MS. HARGIS: And because of amendments in
17 governmental, you can see your changes as you go along.

18 MR. MOSER: I understand. Thank you.

19 MS. HARGIS: On the salary, we are at 103,182.11,
20 with 32,890.89 remaining. On Page 5 is the general
21 categories. I won't go over those individually. Page 6, the
22 total of all of those, 102,647.75. You can see we're way
23 below even half of the budget on those. Page 7 is the
24 utilities for this building, and the costs for \$10,012.08.
25 Total all expenditures, 215,841.94. So, again, we're under

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1 half.

2 MR. MOSER: On that -- on that same page at the
3 very bottom line. The total revenues over/under relative to
4 expenditures. Bottom right, unencumbered balance. Am I
5 missing something there? It says that we are \$104,000
6 greater expense than revenue?

7 MS. HARGIS: That -- no. No, you're actually --
8 it's to the -- it's negative.

9 MR. MOSER: Yeah, it says revenue over, and it says
10 it's negative.

11 MS. HARGIS: Right. So, we actually at this point
12 have budgeted unencumbered balance there of revenue over
13 expenditures. The expenditures are greater than the revenue.

14 MR. MOSER: I guess what's --

15 MS. HARGIS: I can't answer that question, 'cause I
16 can't see it all.

17 MR. MOSER: Yeah, I know. Me either.

18 MS. HARGIS: So let me look at it.

19 MR. MOSER: Okay, yeah. Okay.

20 MS. HARGIS: It's something I did not glance at
21 when I was looking at it.

22 COMMISSIONER LETZ: Jeannie or Steve, if I can make
23 a quick comment, because there's a lot of people here.
24 Not -- it's not that we overbudgeted -- or you didn't
25 overbudget a whole lot. The reason is, under the management

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1 contract, the County's been billing on a cost-plus basis,
2 rather than a --

3 MR. MOSER: Right.

4 COMMISSIONER LETZ: -- a monthly basis, and that's
5 the reason there's a huge difference right there. It wasn't
6 that there was a --

7 MR. KING: Sure.

8 COMMISSIONER LETZ: -- you know, a way --

9 MR. MOSER: We've done that. Good.

10 COMMISSIONER LETZ: Yeah.

11 MR. MOSER: Well, now, wait a minute.

12 MR. KING: Yeah, okay.

13 MS. HARGIS: So you're actually way ahead of what
14 you should be at this point.

15 MR. MOSER: That's what I thought when I saw the
16 negative. It kind of jumped out at me.

17 MS. HARGIS: I did have a portrait one, but I
18 pulled it on a different one than this one was pulled.

19 MR. MOSER: Thank you.

20 MS. HARGIS: On the RAMP grant, the total amount of
21 cash, 64,000 --

22 MR. MOSER: Page what?

23 MS. HARGIS: Page 8, balance sheet.

24 MR. MOSER: Mm-hmm.

25 MS. HARGIS: 64,210.83. Liabilities in fund

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1 balance of 64,210.83. While we're looking at this, we need
2 to talk about it just a little bit. When we wrote all of the
3 checks to the City and the County for all the TexDOT
4 reimbursements that we had funds available, we pulled this
5 down basically to \$75,000. We have an extra 25 that belongs
6 to the City that will go in next year, and then we each put

7 in 50. What's happened is in this month, we actually wrote a
8 check for 71,000, and so we are actually in the negative in
9 cash. So, my suggestion would be that we move a \$50,000
10 balance over there that remains all the time, because
11 otherwise you're going to constantly be in the red. If you
12 had your own checking account, you couldn't do that. You're
13 basically running off the County's money when you're in the
14 negative, because we have what we call a pool cash system.
15 You -- you know, the RAMP grant is 50,000. If you
16 spend more than that, you have to get reimbursed, which takes
17 about three to four weeks. So, in order to keep that from
18 going negative, we're going to need to keep a floating
19 \$50,000 that gets replenished when you -- when you use it.
20 Because, for instance, you're going into the parking lot
21 project; it's going to be 100,000 right away. The City and
22 County will put in their 25 on the 1st day of October, but
23 you'll be \$50,000 short. So, it's still reserve, but it just
24 moves it from your general fund over to that, just to keep
25 your cash balance. We could move the RAMP grant to the

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1 general fund, but I don't think you want to close out your
2 capital account because it's one way of keeping up with those
3 projects separately. I mean, it's kind of a -- an accounting
4 mechanism to -- for management of that kind of funds.
5 Otherwise, you're mingling them in with your general. But,
6 you know, we can't keep a negative balance in that. So,
7 that's just something that popped up when we were doing our
8 bank records, and the Treasurer made me aware of it, so it's
9 something to think about. Let me analyze that account, make
10 sure that it's got all its interest and everything like that.
11 But it's just -- we're going to be short, especially after
12 next year. You know, we -- it will only be \$50,000 in that
13 account, so if you have a bill for 60, if you were not in our
14 pool cash system and you were on your own, you'd be \$10,000
15 in the hole. You'd have to --

16 MR. KING: That's the capital account, Jeannie?

17 MS. HARGIS: Mm-hmm. 'Cause we stripped out all
18 the money out of it, which stripped every penny out of it.

19 MR. KING: Okay. We discussed that with Mike.
20 Mike, remember that we discussed that, possibly establishing
21 some money in that capital account, moving over some out of
22 the general?
23 MR. ERWIN: Right. Right, because the general
24 fund's unassigned fund balance is pretty strong.
25 MR. KING: Right. Right. Maybe moving some money

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1 over there. At least we won't be overdrawn. Yeah, okay.
2 MS. HARGIS: So, it's something that we'll think
3 about, and I'll try to get it ready for next month.
4 MR. KING: We'll do that.
5 MR. WALTERS: Do we need to --
6 MR. KING: Probably need to put that on the agenda,
7 I guess. I guess we could -- you know, we can do that in the
8 budget.
9 MS. HARGIS: No, that's not really part of the
10 budget.
11 MR. MOSER: No.
12 MR. KING: I guess we'll put it on a separate item
13 on the agenda. We'll do that next month when you bring it to
14 us. We'll just do 50,000, okay?
15 MS. HARGIS: I think that's really all you need to
16 do, and then TexDOT will replenish it. It's kind of like --
17 MR. KING: Right.
18 MS. HARGIS: I hate to call it petty cash, 'cause
19 it's a pretty big number.
20 MR. KING: The owners are not going to ask for it
21 back if you put it in there, are you?
22 COMMISSIONER LETZ: Maybe.
23 MR. KING: They keep putting it over there and
24 y'all keep taking it out. We'll have to stop that.
25 MS. HARGIS: Okay. Year-to-date revenue, we do

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1 have a small reimbursement from TexDOT of 6,681.25. That was
2 early on.
3 MR. MOSER: What is that for?

4 MS. HARGIS: That was for the mapping, that 7,500
5 or \$10,000 that we have to do at the beginning of every year.
6 I've forgotten --

7 MR. MOSER: Oh, yeah. Okay, I remember.

8 MS. HARGIS: As I recall, it's our annual
9 maintenance contract on something. Then the capital outlay,
10 we've actually spent 96,561.33, but keep in mind that 94,186
11 was reimbursement. We'd -- we've only spent 2,375 towards
12 the --

13 MR. KING: Right. Right. How much did you say on
14 the RAMP grant?

15 MR. McKENZIE: Less than \$3,000.

16 MR. KING: Less than 3,000? Okay.

17 MS. HARGIS: We went over a little bit last year,
18 and I'm not sure we replenished all of that last year either.
19 I thought we did. We need to check that, 'cause it didn't
20 come in until December for last year, and I didn't really
21 think we needed to replenish it since we had surplus money
22 there, but now that we don't, we need to get it up to par.

23 MR. KING: Okay.

24 MS. HARGIS: So, then, the total amount of the
25 expenditures in the capital account are 96,561.33.

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1 MR. KING: Okay.

2 MS. HARGIS: And y'all be thinking as far as
3 revenue is concerned, because you don't have any in that
4 account. All right. On the capital account, it's pretty
5 much cleared out. The only funds, again, that we do have in
6 there are the RAMP grant funds.

7 MR. KING: Which page are you on?

8 MS. HARGIS: On Page 12.

9 MR. KING: Okay.

10 MS. HARGIS: So there's probably not much reason to
11 have this particular account page any more, other than the
12 RAMP grant, because there's nothing else going on. All the
13 projects are closed.

14 MR. MOSER: Right.

15 MS. HARGIS: Money's been refunded. So, basically,

16 we're done with TexDOT except for our annual RAMP grant.
17 MR. KING: Okay.
18 MS. HARGIS: And then Page 13 is just a recap of
19 all those projects.
20 MR. KING: Okay.
21 MR. MOSER: If we don't need it, get rid of it.
22 MS. HARGIS: And we did have some budget amendment
23 requests. I'm assuming y'all have a copy of those.
24 MR. McKENZIE: On the last page.
25 MR. MOSER: Mm-hmm, 14.

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1 MS. HARGIS: 14, yes.
2 MR. KING: Yeah.
3 MS. HARGIS: I do need --
4 MR. MOSER: Remind me, what does the I.L.A. say
5 about budget -- changing line items in the budget?
6 MR. KING: We can move 5 percent of the budget
7 around, about 20 grand.
8 MR. MOSER: 5 percent, okay. Okay. So, any one of
9 these things is less than 20 grand.
10 MS. HARGIS: Right.
11 MR. MOSER: So why do we have to do this?
12 MS. HARGIS: We still, on budget amendments in
13 county government, have to have Court approval, so --
14 MR. MOSER: I know, but this doesn't have to be a
15 board action.
16 MS. HARGIS: Yeah, for me to move line items. I
17 don't have the authority to move the line items.
18 MR. MOSER: Okay. Even though we do, you don't.
19 MS. HARGIS: You do, I don't.
20 MR. MOSER: So just for accounting purposes. Okay,
21 got you. All right.
22 MS. HARGIS: The auditors like to see that that's
23 been approved, that I don't arbitrarily move --
24 MR. KING: All right. Any questions? Anybody have
25 a question?

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1 MR. MOSER: And so, Bruce, the big thing here is
2 mowing?

3 MR. McKENZIE: Yes, sir.

4 MR. MOSER: That's the big ticket?

5 MR. McKENZIE: Correct.

6 MR. MOSER: Damned rain.

7 MR. KING: What was the instrument approaches --
8 what did you do on that?

9 MR. McKENZIE: Instruments and apparatus, we
10 took -- just took some funds out of there to make sure we had
11 adequate funds.

12 MR. KING: Oh.

13 MR. McKENZIE: We just need a vote from the board
14 to approve --

15 MR. MOSER: That's my point. We don't have to.

16 MS. HARGIS: Yeah, you do.

17 MR. McKENZIE: Yeah, the board needs to -- you have
18 the authority to --

19 MR. MOSER: To do it.

20 MR. McKENZIE: -- do a budget amendment.

21 MS. HARGIS: But you have to approve it.

22 MR. MOSER: Just for accounting purposes?

23 MS. HARGIS: Well, accounting purposes and Local
24 Government Code.

25 MR. KING: All right. I need a motion to approve

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1 the amendments as requested.

2 MR. MOSER: So moved.

3 MR. KING: Second?

4 MR. WALTERS: Second.

5 MR. KING: All in favor?

6 (The motion carried by unanimous vote, 3-0.)

7 MR. KING: Three-zero. Okay. And then I need a
8 motion to approve the budget as reported.

9 MR. MOSER: So moved.

10 MR. WALTERS: Second.

11 MR. KING: All in favor?

12 (The motion carried by unanimous vote, 3-0.)

13 MR. KING: Three-zero, okay. All right. I
14 guess --
15 MR. McKENZIE: Covered 2B. She covered Item 2B
16 with that as well.
17 MR. MOSER: Right.
18 MR. KING: Yeah. What about 2C?
19 MR. McKENZIE: That is a --
20 MR. KING: Separate deal?
21 MR. McKENZIE: Yes, sir, that's a separate --
22 MS. HARGIS: Separate budget. Now, I do have the
23 budget that --
24 MR. McKENZIE: Right here, both.
25 MS. HARGIS: -- both parties approved in the

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1 system, so if we're going to go back and make some changes --
2 MR. KING: Oh, this is that deal. This is what I
3 talked about at the meeting --
4 MR. McKENZIE: The meeting we had with the City the
5 other day. They wanted some changes to be made in three line
6 items.
7 MR. KING: Where is that?
8 MR. McKENZIE: And it's on -- if you'll look in
9 your budget, it's color-coded here.
10 MR. KING: That's Item 2C.
11 MR. McKENZIE: Second page, yes, sir.
12 MR. KING: 2C. Let me call that. We handled 2B;
13 this will be Item 2C, changes in designated budget items.
14 This is the result of the meeting I had with the County where
15 I presented the budget, and the City where I presented the
16 budget. Actually, this came as a result of a meeting I had
17 with -- Bruce and I had a meeting with Mike, Mayor Pratt, and
18 Todd, the City Manager. And we were going over the budget,
19 and --
20 MAYOR PRATT: And Carson.
21 MR. KING: And Carson. Is Carson here? And we had
22 a -- oh, hi, Councilman. I didn't see you. That new hairdo
23 has got me; I didn't see you there. I said Carson; I didn't
24 know if he was here. We had a meeting and we discussed the

25 budget, and after -- and as a result of that budget, we

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1 decided that we needed to put more money in the budget for
2 mowing next year, for the 2013 budget. And so we added two
3 cycles to the budget, and so we need to vote on those
4 changes. Those two cycles, that's \$15,000, so we need to
5 vote on -- on those changes in the budget.

6 MR. MOSER: So that would be how many mowing cycles
7 per year?

8 MR. McKENZIE: That would add two.

9 MR. MOSER: So that's four?

10 MR. McKENZIE: Two more.

11 MR. MOSER: We had two, right?

12 MR. McKENZIE: What we're shooting for is to get up
13 to six mowing cycles. That's what's in the new budget, for
14 six mowing cycles.

15 MR. KING: Six?

16 MR. McKENZIE: That's correct.

17 MR. MOSER: And each one of those cycles is?

18 MR. McKENZIE: \$7,500.

19 MR. KING: \$45,000, isn't it?

20 MR. McKENZIE: That's correct.

21 MR. KING: \$45,000, okay.

22 MR. MOSER: And just on that subject, how many
23 acres does he mow?

24 MR. McKENZIE: We have --

25 MR. MOSER: He just mows inside the fence?

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1 MR. McKENZIE: He mows inside the fence, that's
2 correct.

3 MR. MOSER: And that's how many --

4 MR. McKENZIE: We have about 3,500 acres in total.

5 Of course, then you take the runways out, 7 acres of ramp.

6 There's things you take out of there, but this was

7 competitively bid the last two times we put it out.

8 MR. MOSER: Okay.

9 MR. KING: If you're thinking I'm going to mow it

10 just to save money, I'm not doing it.

11 MR. MOSER: That's what I was thinking.

12 MR. KING: I've got other things to do --

13 MR. MOSER: Okay.

14 MR. KING: -- than ride around on that tractor.

15 Okay. All right. Can I get a motion to approve the

16 amendments -- the amendment to that budget, the 2013 budget?

17 We need to amend the 2013 -- FY 2013 budget to add two mowing

18 cycles, or \$15,000, which brings the total to \$397,705.

19 MR. WALTERS: So moved.

20 MR. MOSER: Second.

21 MR. KING: Any discussion? All in favor?

22 (The motion carried by unanimous vote, 3-0.)

23 MR. KING: Three-zero, okay. At that same meeting,

24 we also decided to zero out the budget. We didn't have the

25 budget zeroed out in the -- in the B budget, because -- I

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1 don't know why. We didn't -- we just didn't zero it out, so

2 we said, you know, it's probably better to zero out the

3 budget. So, as a result of zeroing out the budget, we

4 decided to give back the -- we decided to ask for less money

5 from the City and the County next year. It was -- it's

6 almost \$20,000 -- 19,500-something dollars. So, by zeroing

7 out the budget, their contribution is only going to be

8 \$90,401, so that's -- let me call that item. That's Item 2D,

9 Fiscal -- FY '13 budget approval. So, you know, the budget

10 was -- it was 382,000, and now it's 397,000 with the two

11 mowing contracts. The only other change in the budget is the

12 contribution by the City and the County goes from 110 down to

13 \$90,401.

14 MS. HARGIS: Steve, we also did change, just so the

15 City's aware of it, the FICA and Social Security and

16 retirement, and unemployment was not included.

17 MR. KING: Sure.

18 MS. HARGIS: So that didn't change, but it got

19 corrected.

20 MR. KING: I saw --

21 MR. MOSER: All that is as a result of not having

22 the management contract?

23 MR. KING: Yeah, right.

24 MR. MOSER: That's the important thing. It

25 eliminates -- we submitted a budget saying with management

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1 contract. This is without the management contract.

2 MR. KING: Right.

3 MR. MOSER: These are the changes associated --

4 MR. KING: Sure, exactly.

5 MR. MOSER: -- therewith, and including the --

6 MR. KING: The City had a meeting with the

7 County -- the County and the City had a meeting with

8 Councilman Conklin and the Mayor, and they determined that

9 that is our call on the management contract. That was our

10 call, that we could make that decision. So, we are going to

11 submit -- we submitted -- I submitted the B budget without

12 the management contract, but it did have a couple of changes

13 to it because of the FICA and the mowing -- the mowing deal.

14 So, they approved their budget -- they approved our budget

15 contingent upon us revoting on this and approving it at

16 397,705.

17 MR. MOSER: And so, just for clarification, this is

18 just to say the board is approving Version B of that budget

19 without a management contract, and this is reflected --

20 MR. KING: Right. Right.

21 MR. MOSER: Good.

22 MR. KING: And so --

23 MR. MOSER: I so move that we accept the budget

24 changes to show the elimination of the management contract

25 and the other associated changes.

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1 MR. KING: Okay. Second?

2 MR. WALTERS: Second.

3 MR. KING: All in favor?

4 (The motion carried by unanimous vote, 3-0.)

5 MR. KING: Okay. So, we're -- we'll accept that

6 budget, that budget of 397,705.

7 MR. MOSER: Mm-hmm. The deal --

8 MR. KING: And I think this is a really good --

9 this is a good -- a really good plan for the airport here,

10 because we're going to -- we talked about it with the City,

11 and I've talked about it with the County, and what we'd like

12 do is, what our -- what our plan is in the long run, and this

13 is -- I wanted to discuss it with y'all, is to eventually

14 move over more duties from the County to the airport, you

15 know, and eventually we'd like maybe to do financials or do

16 the -- pay the bills from the airport, let the airport pay

17 their own bills.

18 MR. MOSER: Sure.

19 MR. KING: Right now they send the bills -- we

20 approve the bill; they send the bill, get a check written,

21 and it comes back out here. But the County has volunteered

22 to do our H.R. and our financial services for right now for

23 the very good sum of zero dollars, so that -- that's a good

24 deal for us. But by getting rid of this management contract,

25 we're going to -- we're going to amend the management

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1 contract and have a smaller management contract just for

2 some -- some small services and stuff. And for the H.R.

3 actually with the county, it will be for the H.R. stuff and

4 the financials, but eventually, you know, our plan is to move

5 all this back in -- move it over into the airport, and

6 operate it as a complete -- a complete separate entity, with

7 oversight by the airport -- by the County and the City as it

8 comes to the budget only. So --

9 MR. MOSER: Just for the record, in the last three

10 years, the -- the \$397,000 budget this year was 600,000, so

11 it's been reduced by a third, so -- just because of things

12 that you're talking about. And thanks to the City and the

13 County for both helping, you know, get to that -- to that end

14 point. So --

15 MR. KING: I mean, I think we're moving towards the

16 goal.

17 MR. MOSER: It's improved efficiency in the way

18 we're operating the thing, and I think that's what we're

19 supposed to do.

20 MR. KING: Well, the goal is to -- has always
21 been -- in our strategic plan has been to be revenue-neutral
22 at some point. So, at some point, we're moving in that
23 direction. We moved \$40,000 this year towards that
24 direction, so -- and next year, with the Brinkman hangar
25 coming online, we should be able to move, you know, another

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23

1 50 or 60, or --

2 MR. MOSER: Yeah. In that \$600,000 total budget,
3 that was 400,000 revenue from the City and the County,
4 \$200,000 each, so it's now down to 90,000 each. So --

5 MR. KING: A good --

6 MR. MOSER: -- it's moving the right direction.

7 MR. WALTERS: The Brinkman hangar, we really won't
8 begin getting additional revenue off that till 2014.

9 MR. KING: Well, but it will be in 2014. New
10 budget will be October. It will be October, so when we
11 present that budget in October, hopefully we'll have -- and
12 start that budget in October, we'll have three -- October,
13 November, December -- we'll have three months, and then it
14 will kick into place. So, we'll actually have nine months of
15 hopefully some revenue on that thing. I pointed that out to
16 them. Okay, Item 2E, management contract/maintenance
17 agreement.

18 MR. McKENZIE: Steve, excuse me. If I might, could
19 we go back to 2C?

20 MR. KING: Yeah.

21 MR. McKENZIE: This designation of budget line item
22 changes, there were three line items that we -- they wanted.
23 We had discussed changing the verbiage on three of these line
24 items; three of them were professional services, land, and
25 capital equipment.

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24

1 MR. KING: Yeah.

2 MR. McKENZIE: The first one was professional
3 services. The sponsors wanted that changed.

4 MR. KING: Mm-hmm.

5 MR. McKENZIE: And it's open to the board, whatever
6 you'd like to make that, but I've changed it on mine to
7 "skilled services," and that makes it -- that's more of what
8 it is.

9 MR. KING: Mm-hmm.

10 MR. McKENZIE: The land, which is mowing, I've
11 changed that to land maintenance and mowing contract.

12 MR. KING: Okay.

13 MR. McKENZIE: Which is specifically what it is.

14 MR. KING: Okay.

15 MR. McKENZIE: Then the last item, which is capital
16 improvements, the five-year amortization, I've changed that
17 to reserve for capital equipment, and that's what --

18 MR. KING: Okay.

19 MR. McKENZIE: -- the sponsors indicated they would
20 like. We need approval of that as well.

21 MR. KING: Okay.

22 MR. McKENZIE: If that's --

23 MR. KING: If that's okay? Yeah, I can help you
24 with that. Okay, Item 2C, I'll reopen that back up. Item
25 2C, I need a motion to approve those changes to our -- our

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1 budget as it's presented each month in the line items.

2 MR. MOSER: I move that we make the changes as
3 specified by Bruce.

4 MR. KING: Second?

5 MR. WALTERS: Second.

6 MR. KING: Discussion? All in favor?

7 (The motion carried by unanimous vote, 3-0.)

8 MR. KING: Three-zero. Three-person board moves
9 along pretty quick, doesn't it? (Laughter.) Okay,
10 management contract, Item 2E, maintenance agreement. Ilse?

11 MS. BAILEY: Have you got --

12 MR. KING: I got a draft from -- from Rob, the
13 County Attorney. Is that what you're basing -- is that what
14 you're going off of?

15 MS. BAILEY: I suspect so. Essentially, you've got

16 the redline in your packet as well as the clean copy, and it
17 just shows that we've taken out all of the part of the
18 management contract that we've just been discussing, so that
19 it makes it much more limited to the kind of services that
20 the County has agreed to provide for us, which are the
21 financial and purchasing, and engineering management, that
22 sort of stuff. So, all the stuff about the employees and so
23 forth has been taken out. Otherwise, it's identical to the
24 previous year's interlocal agreement for financial services,
25 and we therefore recommend approval of this streamlined

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1 contract.

2 MR. KING: Okay. Okay. So, this is now basically
3 just covering us for H.R. and for financials?

4 MS. BAILEY: Exactly.

5 MR. KING: Paying our bills and stuff?

6 MS. BAILEY: Yes.

7 MR. KING: So that's what that covers. Did you
8 send a copy of this to Mike?

9 MR. McKENZIE: Yes, everybody's seen it.

10 MR. KING: Everybody's seen it.

11 MR. McKENZIE: Rob, Mike, and Ilse.

12 MR. KING: Okay. All right. Okay, any discussion
13 on this?

14 MR. MOSER: I think it's pretty clean.

15 MR. KING: Okay. Is there a motion to approve
16 that, the new amended contract/maintenance agreement --
17 management contract/maintenance agreement? Need a motion to
18 approve as submitted.

19 MR. MOSER: I so move.

20 MR. WALTERS: Second.

21 MR. KING: Discussion? All in favor?

22 (The motion carried by unanimous vote, 3-0.)

23 MR. KING: Three-zero. All right. Item 2F,
24 discussion/approval of lease of building to Alamo Community
25 College District.

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1 MR. McKENZIE: Yes, sir. You have in your packet
2 the final lease agreement that we finally received Friday --

3 MR. KING: Yeah.

4 MR. McKENZIE: -- afternoon. It appears to be as
5 advertised. I asked Ilse to comment on this as well as we
6 move through this, but, I mean, it's as we agreed to, to do
7 the agreement.

8 MR. KING: Okay.

9 MS. BAILEY: However...

10 MR. McKENZIE: With one caveat. Go ahead.

11 MR. KING: What's that?

12 MS. BAILEY: We -- as Bruce said, we got the
13 approval back from A.C.C. -- or A.C.C.D. on Friday, and they
14 take Fridays off, so we couldn't get hold of anyone. The
15 approved PDF version they sent back to us I think
16 inadvertently was a previous version, and not the version we
17 thought we were agreeing on. It's just real minor changes,
18 but we can't really recommend that you approve the PDF they
19 sent us back, 'cause we don't think it's the right one. So,
20 what we'd recommend in order not to have to put this on next
21 month's agenda is to approve the contract as suggested, with
22 those minor changes to be made, so that you're approving it
23 subject to review by the attorneys. And I think what you'll
24 be doing is approving essentially the same contract, but with
25 a couple of minor changes that I think were just screw-ups on

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1 the part of the --

2 MR. KING: What are they?

3 MR. McKENZIE: And one of those was specifically
4 that we were to maintain that building, the parking lot and
5 everything around it, and we struck that originally out of
6 that.

7 MS. BAILEY: Right.

8 MR. McKENZIE: They keep putting it back in there.
9 I think, as Ilse said, that was just a miscue.

10 MR. MOSER: What is the disadvantage of letting us
11 read this and approving it next month?

12 MS. BAILEY: Well, my only concern -- I don't know

13 what their timeline is on actually needing to occupy it and

14 start classes. And --

15 MR. MOSER: I want to read it.

16 MR. WALTERS: I do too.

17 MS. BAILEY: Then what we'll do is get with their
18 attorneys, make sure that we're all in agreement about what
19 version it is we're approving. That's what we're going to
20 approve.

21 MR. WALTERS: I don't want to agree to something
22 subject to additions that you're going to add that I haven't
23 read.

24 MR. MOSER: I don't either.

25 MS. BAILEY: I think that's what the main issue is,

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1 is mainly so that those premises -- I don't think they meant
2 to put that back in, but --

3 MR. MOSER: It's just --

4 MS. BAILEY: -- but if they did, we're not going to
5 approve it.

6 MR. MOSER: This is for information.

7 MR. KING: What's our status on that thing?

8 MR. McKENZIE: I --

9 MR. KING: Where are they at? Do they want to move
10 in tomorrow?

11 MR. McKENZIE: No. I keep hearing 1 September.

12 That's --

13 COMMISSIONER OVERBY: I can tell you --

14 MS. BAILEY: We got time.

15 COMMISSIONER OVERBY: I can tell you a little bit
16 of update right now. First of all, I think you're going to
17 start seeing -- start seeing some things finally happen
18 across the street. I think the tank company's been very
19 patient. If you notice, there hasn't been a lot of --
20 they've been waiting on an easement approval on a lot of
21 stuff, and they have finally got that blessing as of last
22 week on a lot of their utility easements. Mayor, you're
23 here. I want to --

24 MR. MOSER: You're talking about across the highway

1 COMMISSIONER OVERBY: I just want to update you;
2 we're going to talk about this in a second, all right?
3 Mayor, I just want to also say that the tank folks have been
4 very positive about everything that Parton -- Todd's been
5 doing, and the City's been helping on that whole thing moving
6 forward. I think what the company's getting ready to go up
7 over there, the timing of the contract over here -- and I
8 understand your need to go ahead and review it; I think
9 that's a smart idea to do that. But timing-wise, they do
10 have approval of that \$300,000 Workforce grant, so they
11 really do need -- you know, in 30 days, you need to have that
12 approved and getting -- moving forward, because as this goes
13 up, you're going to be needing to hire additional folks, and
14 Fox Tank is looking at some additional components as well.
15 So I think, long-term, this training building that you're
16 having here -- and I appreciate everything that the board's
17 doing as far as going through this process. They're a little
18 slow sometimes with things. What's going on, in the
19 summertime they do take off Fridays; they're there Monday
20 through Thursday with summer school, and they're gone on
21 Fridays. But that support of this facility, with the -- the
22 businesses going up, I think you can start seeing something
23 here in the next 30 days or so.

24 MR. MOSER: Next 30 days to start work? Or --

25 COMMISSIONER OVERBY: No, I think you're going to

1 see the slab getting poured.

2 MR. MOSER: Let's stay over at this building.

3 COMMISSIONER OVERBY: This other over here, once
4 you get approval, they're going to be wanting to move
5 forward. Last I had heard from the Alamo Community College
6 folks, the principals, I mean, Shawna Fahrenthold and Jo B.
7 Tucker, they're ready to get that started, but they need to
8 get their blessings from your agreement and to move forward
9 with that.

10 MR. MOSER: Let me ask the question simply.

11 COMMISSIONER OVERBY: Sure.

12 MR. MOSER: For us not approving this today, is
13 this holding anything up?

14 COMMISSIONER OVERBY: Well, I think they're -- I'm
15 not going to answer on their behalf of what they would say.

16 MR. MOSER: So, what is their schedule?

17 COMMISSIONER OVERBY: I would think that as soon as
18 you get it done, then they're going to need to set a
19 timeline. I don't know what their timeline specifically is
20 as far as this building, but I think that the sooner, the
21 better, Tom.

22 MR. MOSER: Yeah. Well, let's put it this way.

23 If we're holding them up, okay, by not approving this, let us
24 know, Bruce, and we'll take care of it.

25 MR. KING: We'll have a special meeting with three

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1 people. We can gather three people together.

2 MR. MOSER: Right, we can do that. We don't want
3 to hold them up.

4 COMMISSIONER OVERBY: I would think as soon as you
5 can talk with them --

6 MR. MOSER: I don't want to hold them up.

7 MS. BAILEY: We can get that clarified within the
8 week, and have a meeting or not.

9 MR. MOSER: Okay.

10 MR. KING: Yeah. Just ask them if they need it in
11 the next two weeks. If we sign the agreement, are they going
12 to start digging something over there?

13 COMMISSIONER OVERBY: Yeah.

14 MR. MOSER: Right.

15 MR. KING: If we don't sign it, but if we have a
16 special meeting, are they going to wait 30 more days to do
17 anything?

18 MR. MOSER: Let's not -- let's just make sure that
19 we're not holding them up.

20 MR. KING: I don't want to hold them up.

21 COMMISSIONER OVERBY: Good deal.

22 MR. KING: See if you can get hold of them.
23 MR. MOSER: And so on this agreement that we have
24 here, you think there's going to be some changes to it?
25 MS. BAILEY: That one particular provision is

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1 problematic.
2 MR. MOSER: If you can send that to us, Bruce --
3 MR. KING: Can you red-line this or something?
4 MS. BAILEY: Yeah.
5 MR. KING: Can you red-line this and just send it
6 to us so we'll know what the changes are?
7 MR. MOSER: Good. Thanks.
8 MR. KING: Okay.
9 MR. HENNEKE: Steve, can I ask a question quick on
10 the management contract? Were there any changes made other
11 than the red-line version that I sent over? When this comes
12 back to the County, is there anything different than what
13 we --
14 MR. KING: No.
15 MR. MOSER: Huh-uh.
16 MR. McKENZIE: We used yours.
17 MS. BAILEY: I don't know who did which red-line,
18 but this is the red-line that we've approved.
19 MR. HENNEKE: That's just what I sent over, so
20 nothing changed. Sorry. Thanks, Steve.
21 MR. KING: Okay, no problem.
22 MS. BAILEY: Three lawyers work on it, and
23 everybody's red-lining it.
24 MR. KING: Okay. Well, I'll just do that on Item
25 2F. We don't want to hold them up. Okay, Item 2G, T-hangar

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1 project plan. Bruce?
2 MR. McKENZIE: We have a T-hangar project plan now.
3 Tom started this several months ago. We started talking
4 about it, but now we've put a schedule on it, and in your
5 packets you have the schedule, the timeline on that. And I
6 won't read it to you, but this is as to what we're going to

7 do here and when we're going to have it complete, and we will
8 bring this back to you at the October Airport Board meeting.

9 MR. KING: Mm-hmm.

10 MR. McKENZIE: And this is some of this data we've
11 already accrued, and I will or won't go through now, if you
12 want me to, but some of this data we've got a lot of it.
13 I've got to obviously prepare the pro formas and get with the
14 City and the County on some of this as well, but this is --
15 the main thing is, this is the timeline and how we do that.
16 So, till we get to a point in October, which will help us
17 hopefully continue to move forward and answer some of our
18 questions as well.

19 MR. MOSER: Yeah. The idea is to present to the
20 City and the County multiple options on how to proceed with
21 T-hangers, based and with the recommendation of, which is --
22 I'm not going to say recommendation; the pros and cons and
23 what's the best choice for the City/County on return on
24 equity or cash flow. So, it's to maximize the benefit of the
25 T-hangar project to the City and County. This is the plan to

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1 get there by October.

2 MR. KING: Okay.

3 MR. MOSER: So it'll be a -- it will just be the
4 presentation of this -- of this data. Okay.

5 MR. KING: All right. Thanks for doing that, Tom.
6 Appreciate it.

7 MR. MOSER: And Bruce. Bruce is project manager.

8 MR. KING: Thanks, Bruce. Thank you for doing
9 that. Runway safety area, reclamation of infield drainage.
10 Item 2H. Okay, this is that ditch that we talked about at
11 one of the meetings a couple months ago, this ditch out over
12 here somewhere. And we -- it was not -- when we talked about
13 it, about -- I'm sorry, Bruce, this is your deal.

14 MR. McKENZIE: Go ahead. No, go ahead.

15 MR. KING: We talked about it, and TexDOT said it
16 wasn't a big problem. They just were pointing it out to us,
17 that we had that ditch over there. Why they didn't fix it
18 when they were spending \$6 million out here, I have no clue,

19 but they didn't. But they knew. All of a sudden, now it's
20 not -- it's still a problem, but now it's a problem that they
21 would like to see fixed prior to us getting any more funding
22 out here at the airport. Am I overstating that?

23 MR. McKENZIE: No, sir, you're on point.

24 MR. MOSER: They're adamant.

25 MR. KING: Now they want us to fix it, fill in the

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1 ditch. And so we talked about -- I talked -- in our meeting
2 with the City, it was pointed out we have some money; looks
3 we're like we're going to have some money from this budget
4 that we're just going through right now, that we're just
5 finishing up. Going to have some extra money left over, and
6 Todd has suggested, why don't y'all go ahead and start to
7 engineer, get something going on it? You got some money. Go
8 ahead and do it. That way you won't be using it out of next
9 year's budget. So, I'd like to go ahead and at least get
10 some engineering done, figure out what it's going to cost to
11 fix it, what the plan is to fix it.

12 MR. MOSER: Is that capital money we have? Is that
13 what you're talking about? Okay.

14 MR. McKENZIE: And I've got the -- I've got the
15 cost.

16 MR. KING: You got the cost already?

17 MR. McKENZIE: Done that too.

18 MR. KING: Okay. This is going to have to come out
19 of our general fund, isn't it, out of reserves?

20 MR. McKENZIE: Well, go ahead, and I'll --

21 MR. KING: Anyway, what do you got on it?

22 MR. MOSER: Let me, for clarification -- is it
23 coming out of operating, Bruce, or coming out of capital?

24 MS. HARGIS: Don't have any capital.

25 MR. MOSER: So why are we taking operating funds to

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1 fix a capital project?

2 MR. KING: Maybe we'll move it over to capital. I

3 don't know. I know the money's coming out of our pocket.

4 What do you got?

5 MR. McKENZIE: Can I --

6 MR. KING: Yeah, go ahead. Fire away.

7 MR. McKENZIE: I visited with Michelle again two

8 weeks ago regarding this, and back to Steve's point. We have

9 to fix that before we can move forward with anything, okay?

10 She was pretty plain, and the reason it just came up now is

11 because when we finished our master plan, our A.L.P. -- our

12 new A.L.P. was submitted to the F.A.A. That's where the red

13 flag went up. When they were -- when they were approving the

14 final Airport Layout Plan, that's when some engineer up there

15 saw that ditch. That's what -- that's where this sprouted.

16 I mean, it wasn't -- it was just one of those things that

17 when it got to Fort Worth, it was caught. They're telling

18 TexDOT that we need to fix the ditch. So, anyway, back --

19 back to the point here. To fix the ditch, it's going to cost

20 about \$200,000.

21 MR. KING: You're kidding me.

22 MR. McKENZIE: Now, it's going to cost about

23 \$30,000 to engineer it. I mean, I'm just giving you --

24 MR. MOSER: Oh, well --

25 MR. KING: How big a ditch is out there?

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1 MR. McKENZIE: I'm telling you what the engineers

2 are telling me. I'm telling you what the engineers are

3 telling me. You know, we have funds to pay for this. We

4 have the funds to pay for this. It's in our N.P.E. funds;

5 we've got \$300,000 we can use to fix that, and we need to use

6 those funds.

7 MR. KING: I want to use those for something else.

8 MR. McKENZIE: That's non-primary entitlement

9 funds. It's 90/10 money. We can get it fixed -- Michelle is

10 encouraging us to fix it and use that money they've got,

11 because after four years, we lose -- we start losing the

12 money. You've got 48 months to use the money.

13 MR. KING: Right.

14 MR. McKENZIE: And she's advising me that we need

15 to use that money to repair that ditch first. And we can use

16 it for anything, but she said first you can use it to repair
17 the ditch, and it's 90/10 money. So, if we end up with
18 \$230,000 here, which is -- let's just say it ends up
19 \$230,000. Then we're out 23,000 bucks.

20 MR. WALTERS: Just for clarification, what's the
21 expiration of our four-year time?

22 MR. McKENZIE: We just -- in 2015, the first one
23 will go out.

24 MR. WALTERS: 2015?

25 MR. McKENZIE: We've got two years that we've

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1 accrued now since we finished this project. We've accrued
2 \$150,000 a year in non-primary entitlement funds since the --

3 MR. KING: You have something, Dave?

4 MR. BRYANT: Yeah. Has anyone ever talked about --
5 in previous board meetings about adding another taxiway?
6 'Cause we eliminated one.

7 MR. KING: Yeah, I know.

8 MR. BRYANT: We really need one about midway on
9 Runway 12; it's really a safety issue, in my opinion.

10 MR. KING: No, I know. I know.

11 MR. McKENZIE: And that's a great point, and it's
12 been brought up to me multiple times.

13 MR. BRYANT: I mean --

14 MR. McKENZIE: A function of the money. When we --
15 when we did this project, it was strictly a function of
16 economics. We just --

17 MR. BRYANT: If you had \$300,000, you could add a
18 taxiway.

19 MR. McKENZIE: But we have to fix that ditch.
20 They're not going to let us do anything.

21 MR. KING: Do you have a picture of the ditch?

22 MR. McKENZIE: I put it up on a -- it's that ditch
23 that runs parallel to the runway out there.

24 MR. KING: How long is it?

25 MR. McKENZIE: I did a Power Point. It's probably

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1 1,000 feet or longer, and it's 7 feet deep at its deepest
2 point, and at the closest point to the active runway, it's
3 200 feet. And the R.S.A. --

4 MR. KING: 200 feet wide?

5 MR. McKENZIE: No, 200 feet from the edge of the
6 runway, and the R.S.A. says it's got to be at least 250.

7 That's where they got us.

8 MR. WALTERS: What's -- what is Garver proposing as
9 the plan to fix the ditch?

10 MR. McKENZIE: To fix the ditch, put 5-inch --
11 their initial proposal was in their master plan, to put a
12 5-inch concrete pipe in it, engineer it. We have to go
13 across the road into Silver Creek with that. I mean, it's a
14 project. It looks simple, but --

15 MR. WALTERS: Across 27?

16 MR. McKENZIE: No, across Al Mooney Road there,
17 where you have to go across Al Mooney Road. We have to
18 daylight it somewhere, but it has a tremendous watershed here
19 that we're draining back --

20 MR. KING: I thought that's what we spent six
21 million dollars on, --

22 MR. McKENZIE: It is.

23 MR. KING: -- or seven million, was fixing the
24 drainage. And is that ditch used for drainage?

25 MR. McKENZIE: Yes, sir, it's an active drainage

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1 ditch if it rains. But whether it drains or not -- and I
2 agree with you; it's still a 7-foot-deep ditch out there that
3 they want fixed. We can't just go fill it up.

4 MR. MOSER: Who did the original engineering?

5 MR. KING: Why didn't they fix it when they spent
6 all the money?

7 MR. McKENZIE: Because it -- the red flag -- I
8 don't know. The red flag never went up.

9 MR. MOSER: Well, I think that the original purpose
10 was -- was to keep the water from the hills eroding
11 underneath the runway.

12 MR. McKENZIE: That's correct.

13 MR. MOSER: The ditch is on the other side of the
14 runway.

15 MR. KING: What side is it on, the 27 side of the
16 runway?

17 MR. McKENZIE: Yes, sir, it's on the other side.

18 MR. MOSER: So it's on the other side of the
19 runway. But still, back to the question, who -- I forgot who
20 the engineering --

21 MR. McKENZIE: B.W.R. was originally; now it's
22 Lochner who bought them. But that's the --

23 MR. MOSER: Must have been a reason that they
24 didn't do that.

25 MR. McKENZIE: I didn't quiz them specifically as

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1 to why they didn't, no. I've been working on how we're going
2 to fix it.

3 MR. WALTERS: Weren't those plans originally
4 approved by both TexDOT and the F.A.A.?

5 MR. McKENZIE: TexDOT, mm-hmm.

6 MR. WALTERS: But not the F.A.A.?

7 MR. McKENZIE: TexDOT did. TexDOT is the arm of
8 the F.A.A. Since we're a block grant state, TexDOT handles
9 that. The only reason --

10 MR. KING: Do they need -- why do they need the
11 drainage? Why couldn't we just fill it in?

12 MR. McKENZIE: Because there's a -- it's a 48-inch
13 pipe that goes underneath that runway from this side of
14 Taxiway Alpha, and it drains straight into that ditch. I've
15 walked it many times, so -- that's what I thought too; "Okay,
16 we'll just cover it up", but we can't. Then we'll have water
17 going across the highway, 'cause it will sheet across there,
18 the stormwater will. Then we've created another big problem.

19 MR. HUSER: Can you move it 50 feet? You could do
20 that a whole lot cheaper.

21 MR. MOSER: Just excavate --

22 MR. HUSER: Move it 50 feet.

23 MR. McKENZIE: The point is -- problem is, it's got
24 a point of tangent in it. You have to see it. I hadn't --

25 I'll show it to you.

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1 MR. MOSER: So, let me ask one other question,
2 Bruce. Go back through the -- through the schedule scenario.
3 Why do we have to do this right now? Because it's relative
4 to getting additional funds. What are we precluding if we
5 look at this thing for some period to figure out what the
6 best solution is?

7 MR. McKENZIE: We need to repair that or come up
8 with a game plan and start repairing it before we're going to
9 be able to move with TexDOT help on these T-hangars.

10 MR. MOSER: Okay. But they're not going to begin,
11 so -- put it in specific dates, if you can. We want them to
12 start helping us on the T-hangars in 2014.

13 MR. McKENZIE: All right, mm-hmm.

14 MR. MOSER: Right? So it sounds to me like we
15 don't have a problem that we can't at least look at the
16 options of -- of how to fix this problem. It's probably less
17 expensive than \$230,000.

18 MR. KING: Who's the engineer you're talking to on
19 this?

20 MR. McKENZIE: Garver.

21 MR. KING: Garver? Why don't you get Garver to
22 come up with -- have they come up with a plan already?

23 MR. McKENZIE: Well, they looked at it. They're
24 not going to do anything beyond what they've already done
25 with us for a master plan. That's where they came up with

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1 these numbers. They're aware of that; they know about it.
2 That's why I went straight back to them.

3 MR. MOSER: Ask them for some options.

4 MR. KING: What did Michelle say?

5 MR. McKENZIE: Michelle said there aren't any
6 options. We have to fix it.

7 MR. KING: We're going to spend that money on
8 something else other than a ditch.

9 MR. MOSER: Well --

10 MR. KING: I know we have to spend it, but that
11 money would really go well towards those T-hangar projects.

12 MR. McKENZIE: I know it will, but we're not
13 spending all of that money on the ditch. And 1 October --
14 and 1 October, we'll have \$150,000 again put back into that
15 account. We're accruing money every 12 months.

16 MR. MOSER: Let's accrue as much as we can. Here's
17 a question. What -- what is -- what are we violating with
18 the ditch where it is right now?

19 MR. McKENZIE: We're not violating -- it's not a
20 showstopper as far as our aeronautical activities are going.
21 We're not violating any rules.

22 MR. MOSER: So, why did the F.A.A. send up a red
23 flag? What was their basis for their --

24 MR. McKENZIE: The ditch is within the runway
25 safety area.

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1 MR. MOSER: And how far --

2 MR. McKENZIE: 250 feet.

3 MR. MOSER: 250 feet.

4 MR. McKENZIE: It also has to --

5 MR. WALTERS: From the center line of the runway?

6 MR. McKENZIE: No, from the edge of the runway.

7 And it has to do with accelerate/stop distance. The people
8 that fly turbines understand that. That's why we're limited
9 on our Runway 30 on accelerate and stop distance; we're
10 losing about 1,000 feet. Now, that's not stopping NetJets,
11 anybody -- any of these big operators, Dave, from coming in
12 here any time. It's not stopping anybody. It's just not
13 meeting the criteria, the basic criteria.

14 MR. MOSER: Okay.

15 MR. McKENZIE: It's that one ditch out there.

16 MR. KING: I see where Tom's going, what Tom's
17 saying. If we're not going to ask them for any money -- if
18 we don't need money from them right now, we don't need to fix
19 the ditch right now.

20 MR. McKENZIE: That's correct.

21 MR. KING: We don't need to fix it next week, is

22 what I'm getting at, if we're not going to ask them for any
23 money. And they're not going to give us any money, probably,
24 'cause they don't have any money. But the next --
25 MR. McKENZIE: But we -- that's our money, that

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1 \$300,000.

2 MR. KING: We got till '15 to use that. I want to
3 use this somewhere other than the ditch. There's nobody
4 renting space out there in that ditch, so why don't we
5 just --

6 MR. MOSER: Let's look at the options.

7 MR. KING: Let's look at the options. 'Cause I
8 just -- I don't want to get into the mind-set, 'cause we got
9 the money, let's spend it.

10 MR. MOSER: I agree.

11 MR. KING: That's fine, but we have other choices
12 for the -- for that \$400,000. We can spend it somewhere
13 else. It may be more advantageous to reducing our --
14 increasing our revenue out here rather than filling in a
15 ditch that I don't think is our problem to start with.

16 MR. WALTERS: You mentioned that we accrue -- will
17 accrue another 150,000. Is there a limit on how much money
18 we can accrue?

19 MR. McKENZIE: Just -- just four years. Just four
20 years, and then it starts -- if you don't use that, then
21 they'll start taking it. If we just leave it there --

22 MR. KING: Only get 600,000.

23 MR. McKENZIE: -- unencumbered, they'll start
24 pulling it back.

25 MR. KING: We have how much right now?

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1 MR. McKENZIE: 300.

2 MR. KING: We have 300.

3 MR. McKENZIE: 1 October, if everything goes
4 according to plan, we'll have another 150.

5 MR. MOSER: So we'll have 450.

6 MR. McKENZIE: Yes, sir.

7 MR. MOSER: That's good. Let's just -- in summary,
8 let's just look at the options for fixing the concern the
9 F.A.A. has.

10 MR. McKENZIE: Okay.

11 MR. MOSER: Let's get the specifics of what
12 they're -- what we need to fix, and then look at the options
13 to fix it.

14 MR. KING: Can you talk to Garver and get any more
15 free information out of them without spending any money?

16 MR. McKENZIE: I'll push the envelope.

17 MR. KING: They've done -- didn't they do --

18 MR. MOSER: They did all the work on Phase 1,
19 right?

20 MR. McKENZIE: No, Garver did our master plan.

21 MR. KING: How about these other guys?

22 MR. McKENZIE: I've talked to them several times
23 about it.

24 MR. KING: What do they say?

25 MR. McKENZIE: Because that's where I got all my

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1 maps and everything to delineate all this.

2 MR. KING: Is that B.W.R.?

3 MR. McKENZIE: B.W.R., now called Lochner, out of
4 Chicago.

5 MR. KING: Did you mention to them that --

6 MR. McKENZIE: Yeah. They didn't -- they said
7 nothing. They just said it wasn't in our -- it wasn't in the
8 plan. They said our plans were approved by TexDOT. That's
9 the answer I get.

10 MR. MOSER: We can look at some local contractors.

11 MR. McKENZIE: Contractors or engineers.

12 MR. MOSER: Well, engineers to see what needs to be
13 done.

14 MR. McKENZIE: Here's the situation I -- and I
15 appreciate that there's some local engineers, but if you get
16 an engineer-slash-consultant that's aviation-oriented, it
17 would be a better situation than just hiring a civil engineer
18 that's not aviation-minded.

19 MR. KING: I understand. But also --
20 MR. WALTERS: You're talking about in terms of
21 getting the review and approval from TexDOT?
22 MR. McKENZIE: That's correct. And -- and more
23 specifically, they know the rules and regs.
24 MR. WALTERS: Sure.
25 MR. McKENZIE: They know the rules of the road, if

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1 you will, and there's no question about it. If it comes out
2 of their office, it's right.
3 MR. MOSER: Start with what the requirement is.
4 Get that before you talk about engineering. Get the
5 requirement, and then we'll figure out what --
6 MR. KING: Find out what the requirement is, and
7 then we'll go from there. Then we'll make a decision what
8 we're going to do. If it's coming out of our pocket, we're
9 going to do it as cheap as we can. They're saying they're
10 paying 90/10, but they're paying 90 percent of their own
11 money that they gave us. I mean, they're taking our money
12 back to pay the 90 percent, right? That 350,000 is our money
13 that we can use on another project. And then they say,
14 "Well, we'll pay 90/10." Well, 90 percent of it is coming
15 out of our money.
16 MR. McKENZIE: Ten percent of it is. Ten percent.
17 MR. KING: No, the 90 percent. What's the 90
18 percent?
19 MR. McKENZIE: Out of the N.P.E. funds.
20 MR. KING: Right. That's our money. You can't
21 give us -- they're giving it to us, then they're taking it
22 back. I mean, it's like -- that's not really taking it out
23 of their pocket; that's taking it out of our pocket.
24 MR. McKENZIE: Okay.
25 MR. KING: I know it's their money, but --

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1 MR. McKENZIE: Yeah, exactly.
2 MR. KING: I'll give you \$100, then I'll take 90 of
3 it back.

4 MR. McKENZIE: Yeah, okay.

5 MR. MOSER: Okay.

6 MR. KING: Okay. We beat that one to death.

7 MR. MOSER: No, we didn't.

8 MR. KING: Made me mad that they didn't -- no one

9 caught that. All right. What else?

10 MR. MOSER: That's it on that item.

11 MR. KING: We're going to talk about that Brinkman

12 hangar in executive session, I guess. Is that what y'all

13 want to do?

14 MR. McKENZIE: We can, or you can tell -- you can

15 tell the board -- I mean, you can tell the audience and the

16 board what the deal is, and we still need to talk about it in

17 executive session.

18 MR. KING: I don't know. Mr. Thomas is here.

19 MR. McKENZIE: Charlie knows as much about it as

20 anyone. I put it on here because we wanted to discuss it and

21 let everybody know that in 2013, in December, that lease

22 expires.

23 MR. KING: Yeah, right. Right.

24 MR. WALTERS: Why don't we see if Charlie's got any

25 comments?

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1 MR. KING: You got any comments, Charlie? I'll

2 open that up, that item. Would you like to talk -- would you

3 like to visit about that? I mean, are you here to --

4 MR. THOMAS: Well, to be honest with you, I'm here

5 to see what the board's interested in doing, because the way

6 it was kind of put to us is that if we wanted to look at

7 renewing that hangar for an additional lease, that we needed

8 to probably start the ball rolling, so to speak. And so to

9 do so, I wrote a letter to Bruce and to the board to just

10 express an interest, that we were interested in -- in, you

11 know, opening the door for discussions on that.

12 MR. KING: Okay.

13 MR. THOMAS: Other than that, you know, I mean, I

14 think the ball's in the board's court.

15 MR. KING: Right.

16 MR. THOMAS: At this point in time. Other than to
17 let y'all know that, you know, we have a -- we have an
18 interest in it, obviously.

19 MR. KING: Okay.

20 MR. THOMAS: And we've got some time on it.

21 MR. KING: Right.

22 MR. THOMAS: Which I think is to everybody's
23 benefit. But we didn't want to wait till October of 2014 and
24 say, "Hey, guys, here we are. We'd like to do something."

25 MR. KING: Sure, and we don't either.

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1 MR. THOMAS: With that said, I really don't -- you
2 know, I feel like right now, it's pretty much in the board's
3 court to determine what interest they have and what kind of
4 conditions they'd have, and how y'all want to approach this.
5 So --

6 MR. KING: What do you think, Corey?

7 MR. THOMAS: -- other than that, it was just to
8 initiate some action.

9 MR. KING: Okay. Okay.

10 MR. WALTERS: Well, you know, Bruce has got the
11 rates that the airport charges for -- current rates for
12 lease, and for anybody who's interested. I mean, I suggest
13 that anybody who's interested in that hangar put together a
14 proposal and submit it to the board.

15 MR. KING: Yeah. I mean, I would just -- I mean,
16 my plan was always -- on my side was always to, you know, try
17 to get something done on this thing at least three months
18 prior to the expiration of the lease so we didn't have a
19 vacant 25,000-square-foot building over there in case, you
20 know, Charlie and them decide to leave, or what -- you know,
21 whatever happened over there. Well, I guess they are going
22 to leave it. Somebody's leaving. We're going to own --
23 we're going to basically own the lease and -- and the
24 building in 2013. So --

25 MR. THOMAS: December.

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1 MR. KING: It's the end of 2013, right. So, I
2 guess we need to -- well, first of all, we need to come up
3 with a plan as to -- a plan as to what we -- what we want to
4 do with that, what we want to talk about, what we want to do
5 with the hangar as far as what type of -- you know, do we
6 want to entertain leases, options for projects and stuff in
7 that thing, or what?

8 MR. THOMAS: Obviously, we can't discuss anything
9 with you until we know what y'all want.

10 MR. KING: Yeah, I agree.

11 MR. THOMAS: And, I mean, you're saying you have
12 published rates. Well, nobody's really told us what -- what
13 the deal would be back to us.

14 MR. KING: Sure.

15 MR. THOMAS: 'Cause y'all, to my knowledge, haven't
16 formally done anything to act on it. So --

17 MR. KING: Right.

18 MR. THOMAS: -- until we -- we don't have anything
19 to even, you know, --

20 MR. KING: Okay.

21 MR. THOMAS: -- consider.

22 MR. MOSER: I think what we ought to do is have
23 Bruce look at developing some options for us here of what we
24 should do. Go out and just say, "What are we offered?" Or,
25 "Here's what we want to lease it for," or look at the market

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1 and see what comparable hangars like that are leasing for at
2 other facilities in the area. And I think Charlie's exactly
3 right; you know, what -- what do we want?

4 MR. KING: We just -- Commissioner?

5 COMMISSIONER LETZ: Just a comment. I have no
6 idea; I presume -- I haven't looked at it, but there's no
7 option on the lease for them to --

8 MR. KING: No.

9 MR. THOMAS: No, it was a 33-year lease.

10 COMMISSIONER LETZ: 'Cause I think --

11 MR. KING: A 33-year lease.

12 COMMISSIONER LETZ: -- you just need to look at --

13 I mean, you got to look at the whole -- you probably can't

14 negotiate a deal straight with them.

15 MR. KING: No, that's -- we've talked about that.

16 I think the way the lease is written, it expires and it's --

17 it goes back to the airport. And we -- you know, we kind of

18 have to be real careful about negotiating exclusive -- an

19 exclusive lease when there's -- there may be Joe Blow or four

20 other people who are interested in doing a deal.

21 MR. WALTERS: I don't think you'd be negotiating

22 exclusively, but I do think you can come up with a market --

23 you can come up with the amount that the board is seeking for

24 it, and put that out.

25 MR. KING: Right. Right.

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1 MR. WALTERS: And then anybody who's got an

2 interest, make a proposal. And then you can set a deadline

3 of when you want to receive those proposals, and anybody

4 who's got a proposal, whether it be -- if it's just one

5 person, then that's the only person you can negotiate with.

6 MR. KING: Right. Right.

7 MR. WALTERS: And so it may not necessarily be

8 exclusive, but if you don't have one proposal --

9 MR. MOSER: That's what I'm suggesting, is Bruce

10 find out what the market -- the market value is on leasing

11 it.

12 MR. KING: I think, first of all, we just need to

13 establish what the lease rate is as -- as the airport

14 operating --

15 MS. BAILEY: I think it would be useful for us, in

16 executive session, for you all to give Bruce some kind of

17 idea of generally the direction you want to go so he doesn't

18 do a lot of work, you know --

19 MR. MOSER: I think just determine what the market

20 is.

21 MR. KING: We can do that.

22 MR. MOSER: We don't have to go into executive

23 session to do that.

24 MR. WALTERS: That's all that we expect to do with

25 the building, is to lease it.

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1 MR. MOSER: Right.

2 MR. KING: Yeah.

3 MR. MOSER: Right. I think there's some comps

4 around. It's just --

5 MS. BAILEY: Do we want to limit it to aviation?

6 Or do you want to make it available for manufacturing or --

7 MR. MOSER: We have to.

8 MS. BAILEY: It's in the aviation area?

9 MR. MOSER: We have to.

10 MS. BAILEY: Well, then, you're right.

11 MR. WALTERS: The board isn't proposing operating a

12 business there under the responsibilities -- or the --

13 MR. MOSER: No.

14 MR. WALTERS: Of the airport.

15 MR. MOSER: So -- so --

16 MR. HENNEKE: RFP package criteria, use terms.

17 MR. WALTERS: Right.

18 MR. KING: The lease rates are set out in the

19 minimum standards. The minimum standards -- all the lease

20 rates are set out in the minimum standards we pretty much

21 have to go by.

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

23 MR. KING: A foot, yeah. The only difference is

24 that hangar has office space -- has office space included

25 with it. And, I mean, we have to determine how that --

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1 what --

2 MR. WALTERS: Well, that's a good point. I mean,

3 so it's, under the minimum standards, \$3.14, but are there

4 exceptions to that rate? None?

5 MR. KING: I mean, if you want to lease that B.A.

6 Products hangar up there, there's a rate that is established.

7 There's a ground lease rate if you want to build a hangar, a

8 ground lease rate for -- there's a rate that's established.

9 MR. WALTERS: Didn't we alter that rate when we

10 just leased to the --

11 MR. KING: We gave it to them.

12 MR. WALTERS: For a dollar a year.

13 MR. KING: Yeah, we did do that. But --

14 MR. MOSER: So we can do it with the other.

15 MR. WALTERS: That's right.

16 MR. KING: I guess, yeah, we can. But --

17 MR. WALTERS: It's not 3.14 or nothing.

18 MR. KING: No, but we've leased some stuff. We
19 leased -- actually, we don't own any other buildings, do we,
20 out here? Other than these two. No, anything, I guess, is
21 -- but, I mean, what I'm getting at, like you said, we're
22 going to have to put this out to everyone.

23 MR. WALTERS: Right.

24 MR. KING: A lease rate and everything. I don't
25 think we can sit down with Charlie and say, "Charlie, it's

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1 \$3.14; that's going to be \$72,552. Would you like to lease
2 the building for that?" I mean, that doesn't give Joe Blow
3 in San Antonio an option to lease the building. He may say,
4 "I'll lease it for \$4.52 a foot." I mean, I think we're
5 going to have to establish -- we're going to probably have to
6 publish this thing and advertise it and have it open so we
7 don't get ourselves in a bind, 'cause as of the end of the
8 expiration of the lease, there will be no lease at all on the
9 building. It will be owned by the airport.

10 MR. WALTERS: Well, I agree. I mean, you know, we
11 make an RFP. We publish it, we put a date, you know, for
12 when we want to accept proposals.

13 MR. KING: Right.

14 MR. WALTERS: And then from there, you evaluate the
15 proposals, whether it's one or five.

16 MR. KING: Yeah, that's true. Yeah.

17 MR. MOSER: And we can put a guideline of what
18 we're looking for. I mean, any -- any of these buildings
19 around here that are for lease, they have a -- you know,
20 they're wanting to lease at a certain amount, but there's
21 comps. There are hangars down in Fredericksburg; there's

22 hangars everywhere else comparable to that with office space

23 and stuff in them, so let's just get some --

24 MR. KING: Okay.

25 MR. MOSER: -- comparables and determine what the

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1 market is. And if nothing else, if we put it out, then it's

2 to evaluate proposals.

3 MR. KING: Yeah.

4 COMMISSIONER LETZ: Steve, a thought a little bit,

5 'cause I know a little bit about this building, is that

6 probably the first step -- also, you really need to assess

7 the building. That's an old -- that's a 33-year-old

8 building.

9 MR. MOSER: Right.

10 COMMISSIONER LETZ: I mean, A.D.A. stuff. I mean,

11 there's lots of things that you need to figure out that's

12 going to go back to your lease rates. If there's a lot of

13 repairs that need to be done or some repairs that need to be

14 done, that's going to affect --

15 MR. MOSER: Absolutely.

16 COMMISSIONER LETZ: -- how you lease it.

17 MR. KING: Right. Right. I will say that they've

18 taken probably as good care of that building as any -- not

19 "as good"; they have taken good care of that building, way

20 better care of that building than any building we've ever had

21 out here.

22 MR. MOSER: Than that other 300,000-square-foot

23 building.

24 MR. KING: Or any other building we currently have.

25 They've really done a good job taking care of it. I've been

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1 in that building many times.

2 MR. HUSER: You remember that all the bathrooms

3 don't meet A.D.A.?

4 MR. KING: Right. Right, exactly. The offices

5 don't have any --

6 MR. HUSER: You ought to look at the lease, too,

7 before you put it out. I think there are some options in
8 that lease that might give the existing leaseholders some
9 ability to continue on if they wanted to.

10 MR. KING: Yeah. Have you looked at the lease,
11 Ilse?

12 MS. BAILEY: I just glanced at it this morning.
13 The only things that I noticed were that it does terminate;
14 it doesn't have a renewal provision, but it does have a
15 holdover provision, so if they just stay there, then they
16 can -- you know, they would stay there under the terms of
17 this lease.

18 MR. KING: If they what, now?

19 MS. BAILEY: It's a regular holdover provision that
20 just says if you don't -- if you don't vacate, then you're
21 still obligated under the terms of this lease.

22 MR. KING: Oh, yeah.

23 MS. BAILEY: Month-to-month.

24 MR. MOSER: Month-to-month.

25 MR. WALTERS: Steve, you said there are options

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1 that this lease -- what are you referring to?

2 MR. HUSER: Holdover provision.

3 MR. KING: All right. Well, I mean, we got a
4 little time here. Why don't we work towards that, putting
5 together something to -- like a -- an RFP, like you said,
6 and, you know, give square footage. Probably ought to do an
7 inspection, get an inspection on the building to see what
8 condition it's all in, everything like that. That would be
9 up to Charlie and Mr. Brinkman, you know, allowing us to come
10 in there and look at it. Obviously, y'all still have it
11 leased. We probably have that under our lease; we have the
12 right, I mean, just to see what the building looks like and
13 everything.

14 MR. WALTERS: Let's discuss that a little further
15 as far as inspection. I mean, are you talking about
16 getting -- hiring somebody? Or are we talking about maybe us
17 asking Mr. Huser if he would be inclined to do that for us?
18 I mean --

19 MR. KING: I don't know. We need --
20 MR. WALTERS: We need to get --
21 MR. KING: We can't put out an RFP unless we can
22 probably vouch for the condition of the building.
23 MR. WALTERS: Right.
24 MR. KING: I would think. And if the bathrooms,
25 you know, don't meet A.D.A. standards and -- and stuff like

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1 that -- what do you think?
2 MR. WALTERS: Well, we're either going to have to
3 hire somebody, or we're going to have -- I mean, Bruce can't
4 make an assessment of it.
5 MR. MOSER: Since it's on city property and they
6 specify things like that, why don't we have the City take a
7 look and see what it -- what's required to get the city -- to
8 meet the city requirements, codes?
9 COUNCILMAN MACDONALD: We can certainly investigate
10 that, I guess.
11 MR. MOSER: Yeah. I mean, they're going to have a
12 say, anyway. We might as well get them involved.
13 MR. KING: We have fire marshal issues there?
14 COUNCILMAN MACDONALD: Most likely.
15 MR. HUSER: Better hope TexDOT comes up with some
16 more money. (Laughter.) Once you get a list from the City,
17 buddy, you're going to have a really nice project.
18 COUNCILMAN MACDONALD: And Steve jokingly does
19 bring up a good point, though. I mean, that -- the cost of
20 bringing that building up to the current, you know, 2006
21 International Building Code might be significant. Whereas
22 there -- you know, while there are things that might not be
23 unacceptable in that building, the cost of bringing it up to
24 the current code might be --
25 MR. MOSER: Oh, yeah.

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1 COUNCILMAN MACDONALD: -- pretty staggering.
2 MR. MOSER: So, do we have to do that to have a new
3 lease?

4 COUNCILMAN MACDONALD: I'm not a certified building
5 official, so I couldn't --

6 MR. MOSER: I'm not asking you to answer the
7 question, but that's a question we need to ask.

8 MS. BAILEY: If we're not changing the use, I don't
9 think we have to bring everything up to standards as though
10 it were being brought up new. There may be some changes that
11 have to be made, but I don't think we have to bring this
12 whole thing up to 2006 I.B.C. standards.

13 COUNCILMAN MACDONALD: Not making any construction
14 or renovation. If you're not changing the use, then probably
15 not.

16 MR. MOSER: Probably not.

17 MS. BAILEY: But safety and --

18 MR. MOSER: Sure.

19 MR. WALTERS: But it is a good point in terms of
20 what you're assessing, looking at buildings in Fredericksburg
21 or San Antonio, and you get values. Are those buildings up
22 to current code compared to what this building is?

23 MR. MOSER: What do we have to do? Yeah.

24 MR. MCKENZIE: Okay.

25 COUNCILMAN CONKLIN: You may not be required to

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1 change it, 'cause the use stays the same, but it's the
2 liability if you wanted to make any changes to the building
3 in the future, what you'd have to do once you trigger the
4 requirement for permit.

5 MR. MOSER: Right. We could put that in the new
6 lease; if anybody wants to change it, it's their -- it's
7 their obligation to do so. Anyway, it sounds like we're --
8 we've got some work to do before we --

9 MR. WALTERS: I'd like -- there's some other items
10 I'd like to bring up in executive session.

11 MR. MOSER: Okay.

12 MR. KING: Okay.

13 MR. MOSER: All right.

14 MR. KING: Okay, that's fine. Thanks, Charlie.

15 MR. THOMAS: Only thing I would ask is, again, the

16 reason we -- we prompted this was to not end up with
17 everybody having a gun to their head.

18 MR. KING: No, I agree.

19 MR. THOMAS: And especially if the board is going
20 to put it out to public bid and what-have-you.

21 MR. KING: Mm-hmm.

22 MR. THOMAS: We probably need -- want to have time
23 to react.

24 MR. KING: Yeah.

25 MR. THOMAS: As everybody else would.

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1 MR. MOSER: Mm-hmm.

2 MR. THOMAS: And we're not in any -- we're not in
3 any hurry to do anything.

4 MR. KING: Sure.

5 MR. THOMAS: But at the same time, we obviously, I
6 think, want to make sure that we're all heading --

7 MR. KING: I agree.

8 MR. THOMAS: -- heading down a timely -- timely
9 manner of how to handle this.

10 MR. KING: Well, we're in the same boat. We don't
11 want to lapse in rent. I mean, that's the deal. We don't
12 want something like that. We don't something lapsing, and
13 then having -- then we're spending three months trying to
14 figure out what we're going to do with it, and nobody's
15 getting paid. So, I mean, I think that -- I think we're on
16 the same page there, and I -- I've always expressed that. We
17 need to get them -- I mean, I know a year's kind of far
18 ahead -- a year and two months, actually, year and three
19 months. But, you know, we need to go ahead and make some
20 plans as to what we do so that we can -- we don't -- we get
21 -- we give you enough time to react. And then we all have
22 enough time to react. Okay. Well, thanks, Charlie. We'll
23 get back to you as quick as we can, I promise you. Any other
24 items? Information/discussion.

25 MR. McKENZIE: Just a brief synopsis. We completed

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1 the apron reconstruction and repair. The crack sealing is
2 complete on 3/21. Nine Apaches came through here Friday; we
3 put 300 gallons each in them, about 2,700 gallons of fuel we
4 sold. The fence was torn up Saturday night. The gates are
5 now closed on either side of the hangar. The camera's in
6 play. The apron's sealed off.

7 MR. MOSER: On that --

8 MR. McKENZIE: To a degree. To a degree.

9 MR. MOSER: On that fence damage, how's that get
10 paid for?

11 MR. McKENZIE: Going to turn it in to the
12 insurance. We have a \$1,000 deductible.

13 MR. KING: Who broke it?

14 MR. MOSER: Yeah, is anybody liable for fixing it?

15 MR. McKENZIE: There were two vehicles that hit it.
16 I looked at it yesterday.

17 MR. MOSER: How -- about here?

18 MR. McKENZIE: Mm-hmm. The police --

19 MR. MOSER: Nobody knows who it is?

20 MR. McKENZIE: The police tell me -- they called me
21 yesterday morning, and then went through the whole scenario
22 with me. I said, "Okay, who did it?" And they said, "We
23 have no clue."

24 MR. MOSER: Hit and run.

25 MR. McKENZIE: So --

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1 MR. KING: Really?

2 MR. MOSER: I mean, so we can't -- we can't --

3 MR. McKENZIE: Not under the circumstances, unless
4 they find the culprit.

5 MR. MOSER: Yeah. That's amazing. Somebody must
6 have hit it with a tank. Deer -- have deer been getting in?

7 MR. McKENZIE: It just happened yesterday. They're
8 going to -- Lee Secor is working on it now. Should have it
9 up by tonight, I hope.

10 MR. MOSER: That's amazing. No one knows who did
11 it?

12 MR. McKENZIE: There's significant damage to it.

13 MR. KING: What else?
14 MR. McKENZIE: The other thing is the gates are
15 closed. I had the parking lot laid out and staked off
16 Friday.
17 MR. KING: You did?
18 MR. MOSER: The new --
19 MR. McKENZIE: So you can see where the parking
20 lot's going to be.
21 MR. KING: Okay. Who did that?
22 MR. McKENZIE: Voelkel.
23 MR. KING: Voelkel did that? That was nice of him.
24 What about -- no complaints on the gate so far?
25 MR. McKENZIE: Only one.

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1 MR. KING: Oh? What -- okay, don't tell me who.
2 MR. McKENZIE: You know who it is.
3 MR. KING: I don't want to know. What about the
4 taxiway light that I talked to you about?
5 MR. McKENZIE: I haven't got the price on that yet.
6 There's a lot of other things going on.
7 MR. MOSER: Lights for the --
8 MR. KING: I recommended that he put -- we're going
9 to put a sign over here at the end of the runway over here on
10 30 so when you're coming in at night, like late at night, so
11 you can actually know where to turn.
12 MR. McKENZIE: There is a sign there, Steve. I
13 went out there the other night. There's a lighted sign there
14 that says Foxtrot.
15 MR. KING: You better look at the light on it.
16 MR. McKENZIE: I did.
17 MR. KING: Lighted?
18 MR. McKENZIE: Yeah.
19 MR. KING: What size?
20 MR. McKENZIE: We can get a bigger size.
21 MR. KING: Is it on this side?
22 MR. McKENZIE: It's on the right-hand side, yes,
23 sir, the same side the taxiway is.
24 MR. KING: On the other side of those lights?

25 MR. McKENZIE: No, it's on this side of the lights.

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1 MR. KING: Man.

2 MR. McKENZIE: But I haven't got a price on getting
3 a bigger sign up. I just haven't had time to do it yet.

4 MR. KING: All right. I'll drive out there and
5 look at it.

6 MR. MOSER: Maybe buy Steve some glasses.

7 MR. KING: I came in here last week and I turned
8 two circles out here trying to figure out where I was, like
9 at 10:30 at night. There's a bunch of lights out there, real
10 bright.

11 MR. McKENZIE: Hard to see.

12 MR. WALTERS: If I can bring up one other thing
13 that Dave suggested earlier, you know, he had mentioned, and
14 Bruce had mentioned also, about a number of comments on the
15 additional taxiway. Is that something we'll just discuss in
16 the future after we figure out what we're going to do on this
17 drainage? Or are we going to take any -- any further
18 discussion or --

19 MR. KING: I don't know. Do you ever talk to
20 TexDOT about that?

21 MR. McKENZIE: No, I haven't mentioned it.

22 MR. KING: I agree it's a problem. I had a ton of
23 people ask me about it, saying it takes a long time. You got
24 to taxi -- it works pretty good when you're going to --

25 MR. McKENZIE: If you're coming this way, you're

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1 fine, but when you're landing on 12, it's --

2 MR. KING: Well, if you're a little airplane or
3 you're a big airplane, it doesn't matter. Just taxi all the
4 way in, almost. But --

5 MR. WALTERS: If we did something like that, would
6 that come out of those funds we're talking about?

7 MR. McKENZIE: We can use them for that.

8 MR. KING: I think there's a grade issue, what the
9 problem is. I mean, if you go over and look at it, halfway

10 down there's a grade issue going back up. They lowered the
11 taxiway.

12 MR. McKENZIE: That's part of it, Steve, but
13 initially the reason they didn't put that back is because, if
14 you'll notice, there's a big drainage ditch right there.
15 That can be solved easily. That's -- that's easy. It's just
16 getting the funds to just shoot right across there that 300
17 feet.

18 MR. KING: Right.

19 MR. McKENZIE: To get to the runway. That's --

20 MR. WALTERS: If it could be easily solved, why
21 wasn't it put back?

22 MR. McKENZIE: Just a funding issue. It was a
23 funding issue back then. We were in a fight for our life to
24 get this started.

25 MR. MOSER: Wait, wait, wait, wait, wait. The bids

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1 came in way less than what we --

2 MR. McKENZIE: They did. But the --

3 MR. MOSER: -- expected, so why was there a funding
4 issue?

5 MR. KING: I don't know.

6 MR. MOSER: I don't either.

7 MR. McKENZIE: The way it went through.

8 MR. MOSER: The bids were -- came in --

9 MR. McKENZIE: About 35 percent under.

10 MR. MOSER: Yeah, right. Right.

11 MR. KING: I agree. I don't understand that, Tom.

12 They sold us a Cadillac; we got a Chevy. I don't understand
13 why they didn't do it to start with.

14 MR. McKENZIE: I think we got a great job.

15 MR. KING: Great job, but I just -- that was real

16 -- I've had so many people -- if you fly a little airplane

17 like a small -- a Mooney or something like that, it's -- you

18 stop a half mile before you get to that one-way down there at

19 the end, and you got to taxi all the way to the end and then

20 turn left.

21 MR. WOOD: Not just little airplanes.

22 MR. KING: If you got reversers, you don't have to
23 taxi all the way. It takes a lot of time to go all the way
24 down there.
25 (Low-voice discussion off the record.)

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1 MR. KING: I think it was a mess-up on their part.
2 Okay, but -- well, we can address that.
3 MR. McKENZIE: I haven't addressed that because
4 nobody brought it up. I didn't want to address it. They've
5 just given you millions. I didn't want to go back. I'm
6 trying to be nice.
7 MR. KING: I know.
8 MR. WALTERS: You feel like it's appropriate for
9 Bruce to discuss that with TexDOT?
10 MR. KING: Yeah, you might ask them.
11 MR. WALTERS: I do.
12 MR. KING: Tell them what we're thinking, and
13 say -- and if they go -- if they say -- you know, I mean, I
14 don't know if they pay for that concrete over here.
15 MR. MOSER: Say we're taking the ditch seriously.
16 By the way, how about the taxiway?
17 MR. KING: Just ask them about it. I mean, just
18 mention it to them. Say, hey, this is what we're thinking.
19 We've had some -- you know, some complaints or something,
20 some questions on it, and see what they say.
21 MR. McKENZIE: I will do that. And along those
22 same lines, if you'll allow me, I visited with Tom about this
23 a couple of times, and this process, as we go through the
24 ditch, that taxiway, these T-hangars, we need to put an
25 engineer and a consultant of record; we need to hire them.

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1 We don't have to pay them, but we need to put them on board
2 so when we have a question like this -- and, for example,
3 Garver, and I think Garver should be who we go to. They did
4 our master plan. They know this in and out.
5 MR. KING: Yeah.
6 MR. McKENZIE: And then I can pick up the phone and

7 call them without having to go -- well, I've called several
8 engineers around the state about stuff. You know, but I
9 can't keep calling these guys back -- they're friends of
10 mine, but as I work through this, I want the board to be
11 aware that we -- in my opinion, we need to get somebody
12 signed on.

13 MR. KING: Okay.

14 MR. McKENZIE: And TexDOT will help pay for that.
15 They'll pay for the engineering 90/10.

16 MR. KING: If you have to pay for that engineer, do
17 we have to bid that engineer? It's part of a big project
18 usually, isn't it?

19 MR. McKENZIE: It is, but if I talk to TexDOT and I
20 tell them I want -- for example, if the board decides we want
21 Garver to do this, we can make them our engineer of record.
22 As long as we're not spending over \$50,000 a year with those
23 folks, they're okay.

24 MR. WALTERS: 90/10 out of our own funds.

25 MR. McKENZIE: Yes, take what's available to us.

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1 MR. KING: That's right.

2 MR. McKENZIE: You're right.

3 MR. MOSER: Get some engineering rates.

4 MR. KING: Find out -- talk to Garver and ask them
5 what they -- if we -- if we did that --

6 MR. McKENZIE: They want 30,000 out here to
7 engineer that ditch.

8 MR. MOSER: But you're saying engineer of record,
9 so -- so they're going to -- if we choose an engineer of
10 record, it's based on some engineering rate.

11 MR. KING: Is that like having an attorney on
12 retainer?

13 MS. BAILEY: Yeah. You're talking about two
14 different things. An engineer for a project is different
15 than what he's talking about.

16 MR. MOSER: I'm talking about his engineer of
17 record.

18 MR. KING: Is that like having an attorney on

19 retainer? Is that what you're talking about? Have an

20 engineer on retainer?

21 MR. McKENZIE: Well, as our attorney, she doesn't

22 charge us unless we use her services. Same way this with

23 this.

24 MR. KING: Okay.

25 MR. McKENZIE: If the board is comfortable with

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1 using Garver, for example -- it can be anybody.

2 MR. KING: I don't mind. I like those guys.

3 MR. McKENZIE: And I like them as well. I've got a

4 good rapport with those folks now, and I can call and say,

5 "Perry, I've got a question."

6 MR. MOSER: We might like somebody better.

7 MR. McKENZIE: And you might. That's fine.

8 MR. MOSER: Get some -- get some choices.

9 MR. McKENZIE: Several good ones.

10 MR. KING: Give us some choices and some rates,

11 okay? Hourly rates, okay? All right. Anybody else have

12 anything else?

13 MR. MOSER: See if there's some local people.

14 MR. KING: We'll -- we got to adjourn?

15 THE REPORTER: Recess.

16 MR. KING: We're going to recess this -- the open

17 session of this meeting, and go into executive session

18 regarding real estate under Section 551.072 and 551.071, and

19 we'll take about five minutes to do that.

20 (Recess taken from 9:52 a.m. to 10:05 a.m.)

21 -----

22 (An executive session was held off the record.)

23 -----

24 MR. KING: All right. We went into executive

25 session at 10:05; we came out at 10:35, and we're back in

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1 regular session. And in executive session, we did not make

2 any decisions, no votes were taken, and we will bring that up

3 at another agenda at another meeting. Motion to adjourn?

4 MR. MOSER: So moved.

5 MR. WALTERS: Second.

6 MR. KING: All in favor?

7 (The motion carried by unanimous vote, 3-0.)

8 (Airport Board meeting adjourned at 10:36 a.m.)

9 -----

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11

12 STATE OF TEXAS |

13 COUNTY OF KERR |

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

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

16 true and complete transcription of my stenotype notes taken

17 at the time and place heretofore set forth.

18 DATED at Kerrville, Texas, this 19th day of July, 2012.

19

20

Kathy Banik, Texas CSR # 6483

21

Expiration Date: 12/31/12

22

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