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KERRVILLE-KERR COUNTY JOINT AIRPORT BOARD

Regular Meeting

Wednesday, October 24, 2012

8:30 a.m.

Airport Terminal Conference Room

1877 Airport Loop Road

Kerrville, Texas

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

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

COUNTY STAFF PRESENT:
Jonathan Letz, Commissioner Pct. 3
Jeannie Hargis, Auditor

CITY STAFF PRESENT:
Jack Pratt, Mayor
Mike Erwin, Finance Director
Todd Parton, City Manager

VISITORS:
Joey Kennedy, Kerrville Aviation

2

I N D E X

PAGE

3 CALLED TO ORDER

4 1. VISITORS FORUM 3,

5 2. DISCUSSION AND POSSIBLE ACTION: 5

6 2A Interview Airport Board applicants with 7,
possible selection of new board member
7 (Tom Moser's replacement) (Executive Session) 3

8 2B Monthly Financials 7,
12

9 2C Discussion & possible approval of Audit 9
Engagement Letter for 2011-2012

10 2D Discussion & possible approval of Airport
11 Hiring Policy 23

12 2E Discussion & possible approval of airport art
displays 24

13	2F RSA/Ditch project	26
14	2G T-Hangar project	39
15	3. INFORMATION AND DISCUSSION:	
16	3A General update	64
17	4. EXECUTIVE SESSION	--
18	5. ADJOURNMENT	72
19		
20		
21		
22		
23		
24		
25		

1 On Wednesday, October 24, 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 this meeting to order of the
8 Kerrville/Kerr County Airport Board, October 24th, 2012.
9 Item 1, visitors' forum. At this time, any person with
10 business not scheduled on the agenda may speak to the Airport
11 Board. No deliberation or action may be taken on these items
12 because the Open Meetings Act requires an item to be posted
13 for an agenda for 72 hours. Visitors are asked to limit
14 presentations to three minutes. Anyone like to speak? No
15 one coming forward, we'll go to Item 2, discussion and
16 possible action. Item 2A, interview Airport Board candidates
17 with possible selection of new board member for Mr. Moser's
18 replacement. Are you leaving, Tom?

19 MR. MOSER: I don't know. To be determined.

20 MR. KING: To be determined. In case you do leave,
21 you want to be ready.

22 MR. MOSER: Yeah, right.

23 MR. KING: We're going to do that in executive
24 session?

25 MR. McKENZIE: Yes, sir.

4

1 MR. KING: Then we'll go into executive session for
2 a very short period. How many people do we have to
3 interview?

4 MR. McKENZIE: Three.

5 MR. KING: Is Brandon here?

6 MR. McKENZIE: I haven't seen him this morning.

7 MR. KING: Okay. Under Item -- what is that? Item
8 55.074, personnel matters.

9 MR. McKENZIE: Mm-hmm.

10 MR. KING: So, we'll adjourn at 8:37 and go into
11 executive session.

12 MR. MOSER: 8:33.

13 MR. KING: 8:33, and go into executive session for
14 a few moments.

15 (The meeting was closed at 8:33 a.m., and an
16 executive session was held off the record.)

17 MR. KING: We came out of executive session at --
18 at 9:05, and back into regular session at 9:07, and no action
19 was taken. All right. The financial -- Item 2B, monthly
20 financials.

21 MR. MOSER: You need to call us back in session.

22 MR. KING: I did. I told her.

23 MR. MOSER: Okay.

24 MS. HARGIS: I'm slow this morning.

25 MR. MOSER: Jeannie's up.

5

1 MS. HARGIS: I'm up.

2 MR. PRATT: Have you already had the visitors'
3 forum?

4 MR. KING: Yeah. Would you like to speak?

5 MR. PRATT: I would.

6 MR. KING: Oh, I can go back. Hold on one second,
7 Jeannie. Item 1, visitors forum. At this time, any person
8 with business not scheduled on the agenda may speak with the
9 Airport Board. No deliberation or action can be taken

10 because Open Meetings Act requires an item be posted 72 hours
11 before the meeting. Visitors are asked to limit
12 presentations to three minutes. I'll open that back up
13 again, since we had some people who were not here. Anyone
14 like to speak?

15 MR. PRATT: Thank you, yes. You have an airport
16 building over here that's being used by -- getting ready for
17 the Alamo Community College welding classes.

18 MR. LIVERMORE: Over here.

19 MR. KING: Right.

20 MR. PRATT: And there's some electrical work that
21 needs to be done to bring that up for them to begin teaching
22 the courses.

23 MR. KING: Mm-hmm.

24 MR. PRATT: And the financial item on that's
25 \$47,000.

6

1 MR. KING: Great.

2 MR. PRATT: The City is willing to -- to go
3 half-and-half if the County will match half of it. We're
4 willing to do -- to do that to get that electrical work up to
5 standard.

6 COMMISSIONER LETZ: Noted. (Laughter.)

7 MR. PRATT: Is that all you have to say, Commish?

8 COMMISSIONER LETZ: I've learned not to go out too
9 far on a limb on committing my colleagues. But we'll be in
10 session again on the 13th, I believe, of November, and can
11 make -- if we can wait that long.

12 MR. MOSER: What was our agreement on that lease?

13 MR. KING: I don't think we can discuss this. It's
14 not on the agenda.

15 MR. PRATT: I just bring it up.

16 MR. KING: No. No, you guys can, but I don't think
17 we can discuss it; it's not on the agenda. We can't respond,
18 I think.

19 COMMISSIONER LETZ: It's --

20 MR. PRATT: Duly noted?

21 MR. KING: I'll still be here next month.

22 MR. MOSER: All right, we can't discuss it.
23 MR. KING: All right. Well, thank you very much,
24 Mayor. I hope you guys can get together. Appreciate your
25 opinions, or whatever --

7

1 MR. PRATT: Suggestion.
2 MR. KING: Your input -- your suggestion. All
3 right, Item 2B, monthly financials. Jeannie?
4 MS. HARGIS: Okay. Page 1, I don't have mine --
5 I've got the same ones, but I just don't have the numbers out
6 here.
7 MR. McKENZIE: Okay.
8 MS. HARGIS: Actually -- boy, I'm really organized
9 this morning. This is your general fund. You have
10 \$306,175.23 in cash.
11 MR. KING: Mm-hmm.
12 MS. HARGIS: We have some receivables of prepaid
13 expense -- that's insurance -- for a total of 309,297.11.
14 This time of the year, we have quite a bit of payables,
15 because it's the year end, so it totals 62,285.28, leaving
16 you a balance of liabilities plus capital of 309,297.11.
17 This is the final report. We have stopped putting any
18 expenses in for last year. We do kind of wait until around
19 the 15th and try and make sure that we -- if they're dated in
20 September, they've got to go in this fiscal year. So, we're
21 still in the process, but I -- I think we closed y'all down
22 around the last court day. So, if you will look at the
23 fourth column, this is the first page of the revenue expense,
24 the total revenues for this last fiscal year, \$434,294.25.
25 MR. MOSER: Which page are you on, Jeannie?

8

1 MS. HARGIS: Well, they didn't number my pages.
2 MR. KING: Number 1.
3 MR. MOSER: Up at the top, Page 1.
4 MS. HARGIS: Page 1, Fund 47, statement of
5 revenues.
6 MR. MOSER: Okay, got you.

7 MS. HARGIS: The next one is your salary line item.
8 Total there for the year, 139,362.26.
9 MR. LIVERMORE: I'm not seeing these same numbers.
10 MR. MOSER: I'm not seeing them either.
11 MS. HARGIS: Salaries? Page 2.
12 MR. LIVERMORE: This is August 31st.
13 MS. HARGIS: Well, she requested two. I didn't
14 send you August. I have September. I sent September.
15 MR. MOSER: Oh, what we're looking at is August.
16 MS. HARGIS: Right. She gave two months. I think
17 you had August last month, but we -- I got a request for two
18 months, so that was --
19 MR. LIVERMORE: So we don't have these numbers.
20 MS. HARGIS: You don't have September?
21 MR. MOSER: No.
22 MS. HARGIS: You should have September.
23 MR. LIVERMORE: It's not here.
24 MR. MOSER: We've got August.
25 MR. KING: We got September -- no, we got the first

9

1 page of September. The first two pages are September.
2 MR. LIVERMORE: First two pages, and after that it
3 seems to go to August.
4 MR. MOSER: August.
5 MR. KING: But the total revenue, that revenue
6 number is at the bottom of the page on one.
7 MS. HARGIS: I sent these, so I don't know why they
8 didn't get sent.
9 MR. KING: Okay.
10 MR. WOOD: The 431 number?
11 MS. HARGIS: Right. Do you want me to have her
12 make a copy of these real quick?
13 COMMISSIONER LETZ: Probably be helpful.
14 MR. KING: Probably would be helpful.
15 MR. MOSER: Yeah, and then we could -- yeah, let's
16 do that. Let's come back to this.
17 MR. KING: Why don't you do that? We'll just go to
18 another item and come back.

19 MR. LIVERMORE: I was beginning to think I was not
20 hearing right or seeing right, one or the other.

21 MR. KING: Okay, we'll just do that. We'll go on
22 to the next item to move this along. Item 2C, discussion and
23 possible approval of an audit engagement letter. This is
24 also to you Jeannie, sorry.

25 MS. HARGIS: Yes. We have an engagement letter

10

1 with Neffendorf that I e-mailed. You should have a copy in
2 your packet.

3 MR. KING: Mm-hmm.

4 MS. HARGIS: That's for the audit for the upcoming
5 year.

6 MR. KING: Okay.

7 MS. HARGIS: It's the same price. We just --

8 MR. KING: Same price and everything as last year?

9 MS. HARGIS: Everything same as last year. They're
10 ready to get started on the week of Thanksgiving.

11 MR. MOSER: And they've done a good job, right?

12 MS. HARGIS: Yes.

13 MR. LIVERMORE: Jeannie, is this an audit -- is
14 this strictly a financial audit, or is it a compliance audit
15 also?

16 MS. HARGIS: It ends up being both a single audit
17 and a com -- financial audit.

18 MR. LIVERMORE: But it's a compliance audit?

19 MS. HARGIS: The single audit is a compliance
20 audit. But I don't think we went over 500,000 this year, so
21 if you don't go over 500, you're not required to do an OMB
22 A-133 audit, which is a compliance audit. They are in the
23 process right now in the accounting industry of changing that
24 to a million, so that's going to make it a whole lot easier.
25 But it does do the single audit, as well as the financial

11

1 audit that is required, for the same price, which you don't
2 get in some of the other audit firms. And he is familiar
3 with it now, and he's been doing it, so I wouldn't propose

4 changing. Three to five years on an audit firm is kind of
5 what you want. Then at that point, you might want to change.

6 But the problem we run into here is distance.

7 MR. LIVERMORE: Is what?

8 MS. HARGIS: Distance. We don't have a local firm.

9 We have a local firm that does it, but they haven't bid on

10 the county or the city in years. And then you get into the

11 firms that are in San Antonio or Abilene, and then they

12 charge travel. So, you know, when I bid it about three years

13 ago, that -- the travel was anywhere from \$5,000 to \$10,000,

14 'cause they have to -- you have to pay for their hotels,

15 their mileage, their meals. So right now -- and these --

16 they are registered with the A.I.C.P.A. and online for the

17 single audit, which is what I was really concerned about more

18 than anything else, because some of the audit firms in Texas

19 were not. And so they're keeping up with all their

20 educational requirements, and it's all they do, is do

21 governmental, so I think they're a pretty good firm. And

22 they're all partners working on it; they're not new kids.

23 MR. MOSER: Who else do they perform this service

24 for?

25 MS. HARGIS: They do Bandera County. They do Kerr

12

1 County. They do Kendall County, Burnet County. They do

2 Gillespie County, Kendall County. I think most of the

3 counties in the general area.

4 MR. MOSER: And their rates are --

5 MS. HARGIS: Rates are very competitive.

6 MR. MOSER: -- competitive?

7 MS. HARGIS: Yes.

8 MR. KING: Okay. Any more questions?

9 MR. LIVERMORE: Do you need a motion?

10 MR. KING: Motion to approve, yeah.

11 MR. LIVERMORE: I move to approve this item.

12 MR. KING: All right. Second?

13 MR. MOSER: Second.

14 MR. KING: Discussion? None being heard, all in

15 favor?

16 (The motion carried by unanimous vote, 4-0.)
17 MR. KING: Opposed? None. All -- unanimous, 4-0.
18 All right, do you want to go back to that, Jeannie?
19 MS. HARGIS: Yes.
20 MR. KING: Ready for the financials again?
21 MS. HARGIS: All right.
22 MR. KING: New and improved?
23 MS. HARGIS: The new and improved. Okay. In the
24 upper left-hand corner, it's -- it has 47-Airport. Let's
25 start with that one. And --

13

1 MR. KING: 47?
2 MS. HARGIS: Mm-hmm. That's your general fund.
3 MR. WOOD: First page?
4 MS. HARGIS: They're all Page 1.
5 MR. LIVERMORE: Mine all says 48.
6 MR. KING: I think you got to go back to the first
7 page of the one that's actually stapled.
8 MR. MOSER: Yeah.
9 MR. KING: There's two pages on here that are the
10 right one.
11 MR. LIVERMORE: Okay. Yeah.
12 MS. HARGIS: I think she got both of them, didn't
13 she?
14 MR. KING: All ready now.
15 MS. HARGIS: I e-mailed them. I don't know what
16 happened to them.
17 MR. KING: That's fine.
18 MS. HARGIS: Okay. We went through the balance
19 sheet; everybody saw that, right?
20 MR. KING: Right.
21 MR. LIVERMORE: Mm-hmm.
22 MS. HARGIS: Okay. So that's two pages.
23 MR. LIVERMORE: Let me ask, this 212,956.22 at the
24 bottom, that is -- that is --
25 MS. HARGIS: Fund balance, accumulated.

14

1 MR. LIVERMORE: Fund balance. And that is --
2 describe what that money is. That is unencumbered money
3 that's available for needs at the airport?

4 MS. HARGIS: That is your profit and loss from
5 prior years. In a corporate world, that's an accumulation of
6 profit and loss. Your cash -- I mean, you could say that
7 would be the accumulation from prior years, but it's your
8 fund balance that's rolled forward.

9 MR. LIVERMORE: Mm-hmm.

10 MS. HARGIS: But in the corporate world, that would
11 be your -- your capital. Retained earnings. Okay, this one
12 should have 47. I hope y'all have this one now.

13 MR. KING: The second one?

14 MS. HARGIS: Yeah, second page.

15 MR. KING: The 309,297?

16 MS. HARGIS: No, you've got that page. We're on
17 Page 2.

18 MR. KING: All right.

19 MS. HARGIS: Then you should have a revenue
20 statement.

21 MR. KING: That's 48.

22 MS. HARGIS: She didn't do 47?

23 MR. KING: I just got 48. I've got three pages.

24 MR. PRATT: There's statement of revenue.

25 MR. KING: They're all 48 capital accounts.

15

1 MS. HARGIS: I thought I gave her -- she said she
2 gave you both.

3 MR. LIVERMORE: Well, I have --

4 MS. DUNGAN: You should have four pages.

5 MR. KING: Those two were already included -- that
6 was in my packet again. You gave me one, two, three --

7 MS. DUNGAN: Three, four.

8 MR. MOSER: All we have is capital.

9 MS. HARGIS: This is 47. Those are two separate
10 ones.

11 MR. MOSER: Okay. These are all --

12 MS. HARGIS: Let's go over 48 while she copies 47.

13 MR. MOSER: These are all capitals?
14 MS. HARGIS: Right.
15 MS. DUNGAN: These are separate?
16 MS. HARGIS: She thought those were the same.
17 Okay, capital. 92,675.37.
18 MR. KING: Right.
19 MS. HARGIS: Again, here we've got the receivables,
20 last portion of the RAMP grant. The 17,000 is what we have
21 left in there from our refund from the County, and probably
22 we'll use that to help with the electrical, if it happens.
23 And --
24 MR. PRATT: Thank you.
25 MS. HARGIS: -- the total revenue for the year was

16

1 153,909. We're still on your balance sheet. Your total
2 expenses were 212,245.84, which left a -- a negative balance
3 of 58,336.28.
4 MR. KING: Where'd you go? Wait, where'd you go,
5 Jeannie? I've lost you.
6 MS. HARGIS: All right. Page 1.
7 MR. KING: I got it now. There's a lot of Page
8 1's, I'll be real honest with you.
9 MR. LIVERMORE: Yeah, every one of them seems to be
10 Page 1.
11 MR. PRATT: Give the 48 number.
12 MS. HARGIS: Well, it's -- okay, 48-271-000, called
13 unreserved fund balance, first page.
14 MR. KING: Okay, I got it.
15 MS. HARGIS: Right here.
16 MR. KING: Got it.
17 MS. HARGIS: Since it's the end of the year, you
18 can look at your balance sheet and tell your total amount of
19 revenue and total amount of expense, and we haven't closed
20 out yet.
21 MR. KING: Mm-hmm.
22 MS. HARGIS: But once we do close out, then
23 you'll --
24 MR. LIVERMORE: Jeannie, I'm sorry, this is really

25 putting you on the spot, but --

17

1 MS. HARGIS: That's all right.

2 MR. LIVERMORE: -- what's the difference between

3 this balance --

4 MR. MOSER: The date.

5 MS. HARGIS: You have -- this is Fund 48. This is

6 Fund 47.

7 MR. LIVERMORE: Okay. Okay. All right.

8 MS. HARGIS: Two sets of books. Two sets of

9 financials, unfortunately, when the system prints it off.

10 And I don't know how you get it once I e-mail it, okay? All

11 I do is e-mail it. And so once it gets e-mailed, I assume

12 that they put the numbers on the pages, because they number

13 it according to your agenda.

14 MR. LIVERMORE: I didn't get that. So, the total

15 on this page is 92,675.37?

16 MR. KING: Mm-hmm.

17 MS. HARGIS: All right. Second page, which still

18 says Page 1, it says 48-Airport Capital, it says revenue in

19 the upper left-hand corner.

20 MR. KING: Yep.

21 MS. HARGIS: Fourth column, year-to-date revenue,

22 total for this fiscal year, 153 -- 153,909.56. That's a

23 combination of the refunds coming in and our payments.

24 MR. KING: Mm-hmm.

25 MS. HARGIS: All right. Then the next one says

18

1 Page 2. These are departmental expenses in the upper

2 left-hand corner. Fourth column, 192,245.84. Again, those

3 refunds kind of skew what we did this year.

4 MR. KING: Okay.

5 MS. HARGIS: And last page, Page 3, all zeros.

6 Nothing in these areas. These are your transfer out

7 accounts. So, the total, 192,245.84, leaving us a deficit

8 balance of 38,336.28. And keep in mind, that was because we

9 refunded, and we haven't got any revenue, per se, coming into

10 this account, because it's capital only. So, it's just RAMP
11 grant money coming in. You paid out the refunds because the
12 grant was closed out, so that was \$97,000, so that's the
13 reason for the negative balance in that.

14 MR. KING: Okay.

15 MR. MOSER: Got it.

16 MS. HARGIS: All right. Now, hopefully everybody
17 has Fund 47.

18 MR. KING: Yep, we got it now.

19 MR. LIVERMORE: It was so much fun not having it.

20 MS. HARGIS: I know. All right. We've been over
21 the balance sheet. Y'all have that, so I'm going to skip to
22 the revenues. It says 47-Airport, Revenues in the upper
23 left-hand corner.

24 MR. KING: Mm-hmm.

25 MS. HARGIS: Fourth column, year-to-date revenue,

19

1 bottom line, 434,294.25. So, that's the total amount of
2 revenue for this year.

3 MR. KING: For the airport, okay.

4 MS. HARGIS: For the airport.

5 MR. KING: Okay.

6 MR. LIVERMORE: From all sources?

7 MS. HARGIS: All sources.

8 MR. KING: Mm-hmm.

9 MS. HARGIS: All right. Second page says Page 2,
10 Salaries and Benefits in the upper left-hand corner.

11 MR. KING: Got it.

12 MS. HARGIS: Fourth column over, year-to-date,
13 139,362.26.

14 MR. KING: Got it.

15 MS. HARGIS: Okay? Next page, Airport Departmental
16 Expenditures. These are all the other expenditures that we
17 have in those departments.

18 MR. KING: Got it.

19 MS. HARGIS: And if you'll go -- that page is --
20 Page 3 is just a listing. Page 4 has the total. Total
21 expenses on this -- in this area, not all expenses,

22 246,362.17.

23 MR. KING: I understand.

24 MS. HARGIS: All right. Then we have -- go to Page

25 5, which says Terminal.

20

1 MR. KING: Mm-hmm.

2 MS. HARGIS: These are your electrical and utility

3 costs. Total for this year, 15,241.02. Total expenditures

4 this year for the airport, 400,965.45, leaving you revenue

5 over expenditures of 33,328.80.

6 MR. LIVERMORE: Then that goes into that --

7 MS. HARGIS: That goes into the fund balance. It

8 will close into the fund balance and increase that 212,000.

9 MR. MOSER: Bottom line -- bottom line revenue over

10 expenditures was 33,000 for the year?

11 MR. LIVERMORE: Mm-hmm.

12 MS. HARGIS: And in the corporate world, that would

13 be your profit for the year.

14 MR. MOSER: Okay. Good job, Bruce.

15 MS. HARGIS: Then I -- I'm sincerely hoping you

16 received the spreadsheets, which don't really reflect very

17 much, because there's not much left on these spreadsheets on

18 the projects.

19 MR. MOSER: Mm-hmm.

20 MS. HARGIS: Yeah, they're in there.

21 MR. MOSER: They're in the other package, right.

22 MS. HARGIS: Okay. The -- the first one that says

23 Airport Capital Improvement Projects, Fund 48, as of 9/30/12,

24 that balance of 92,675.37 reflects back to the -- to the 92

25 that we showed in the capital account, so you know where

21

1 those funds are still remaining. The second one is TexDOT

2 Projects, and the only thing here -- and I'm going to retire

3 this unless y'all really want it. It just shows that on the

4 master plan, we spent \$502.44 more than -- than we had

5 budgeted. And that's pretty much it. We're done with the

6 projects.

7 MR. LIVERMORE: Mm-hmm.

8 MS. HARGIS: That's one of the reasons why we
9 probably don't have a single audit, because we don't have the
10 \$500,000 threshold.

11 MR. MOSER: Mm-hmm.

12 MS. HARGIS: So that one I will retire. I don't --
13 now, we will have it, of course, but unless we have a new
14 project, I think it's really not necessary any more.

15 MR. KING: Okay.

16 MS. HARGIS: So the audit will be started pretty
17 soon, in about two weeks or three weeks, and we'll start a
18 new year. We have got the billings out a little bit late. I
19 gave a huge conference this year, so I'm kind of in a tizzy.
20 Had 200 people here for a week, and so I'm running a little
21 behind.

22 MR. MOSER: She was bringing revenue in for the
23 community.

24 MS. HARGIS: So --

25 MR. WOOD: Is this our final report for the year,

22

1 or will there be another adjustment for the close-out?

2 MS. HARGIS: No, this is it.

3 MR. WOOD: Thanks.

4 MS. HARGIS: This is it. Then you'll get the
5 audit. So, just generally speaking, the close-out happens in
6 November, and at that point, the system -- I can still pull
7 it, but it's -- unless we have some kind of a journal entry,
8 minor journal entry, this is it. Any other questions?

9 MR. KING: Nope. That works. So, looks like we
10 ended up running the airport for \$186,000 net, correct?
11 That's what we ended up costing the City and the County, so
12 we need to see if we can improve on that next year. Next
13 year we have a lesser budget, I think. We've cut you guys'
14 contribution to how much, 100 or 95?

15 MS. HARGIS: 95.

16 MR. MOSER: 95, yeah.

17 MR. KING: Everybody gives 95, so it'll be 190,000.

18 So, we'll see how we do next year. Obviously, we need to

19 keep going down so we'll be -- one day we want to say we

20 actually have money as a profit.

21 MR. MOSER: Let's see, I think when I got on this

22 board, it was 600,000 was our budget.

23 COMMISSIONER LETZ: Going in the right direction.

24 MR. MOSER: Going in the right direction. So,

25 600,000, and it's down to less than 200,000. So --

23

1 MR. KING: We're heading the right direction. I

2 need a motion to approve -- motion to approve the budget.

3 MR. MOSER: So moved.

4 MR. KING: Second?

5 MR. LIVERMORE: Second.

6 MR. KING: Discussion? None being heard, all in

7 favor?

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

9 MR. KING: Opposed? Four-zero. All right.

10 MR. LIVERMORE: Jeannie, thank you.

11 MR. KING: Thank you.

12 MS. HARGIS: Sorry for the confusion.

13 MR. KING: It was not confusing.

14 MR. MOSER: Not a problem.

15 MR. LIVERMORE: You worked for it.

16 MR. KING: Item -- the hiring policy, Item 2D.

17 MR. McKENZIE: This is what the board directed us

18 to design, and our attorney worked on this, and this is a

19 copy for your review. Straightforward. It gives me the

20 authority to -- to interview the applicants and recommend to

21 the board, and the final decision is up to the board whether

22 we hire that employee or not.

23 MR. KING: And that's for which employees? For the

24 employees working for the board?

25 MR. McKENZIE: For the Airport Board, yes, sir.

24

1 MR. KING: Okay.

2 MR. MOSER: Yeah. We just didn't have a policy.

3 MR. McKENZIE: Right.

4 MR. MOSER: Yeah. This -- so this says Bruce does
5 it, identifies it, interviews, makes a recommendation to the
6 board, and the board approves.

7 MR. LIVERMORE: I move it be approved.

8 MR. KING: Okay. I already read it. It's fine.

9 MR. MOSER: I have too.

10 MR. WOOD: Me too.

11 MR. KING: Second?

12 MR. MOSER: Second.

13 MR. KING: Discussion? All in favor?

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

15 MR. KING: Four-zero, approved. All right. Item
16 2E, discussion/possible approval of art displays.

17 MR. McKENZIE: Segues into the same discussion.

18 MR. KING: Same situation.

19 MR. McKENZIE: Yes, sir. It gives the Airport
20 Board and myself the authority to make the determination as
21 to what type of artwork is displayed in the terminal
22 building.

23 MR. KING: Okay.

24 MR. McKENZIE: This is straightforward. Our
25 attorney did a good job on this, and it gives us the final

25

1 say as to what we do and don't put in the the terminal, as
2 far as not only the terminal, but the airport, per se,
3 anywhere on the property.

4 MR. KING: Okay.

5 MR. LIVERMORE: I really am glad we got Section 2
6 expressed clearly and cleanly.

7 MR. KING: An aviation theme.

8 MR. LIVERMORE: Yeah. Got to reflect the Hill
9 Country or aviation.

10 MR. KING: Okay. What's been the reaction to our
11 art -- art deal? Do you think it's a good reaction?

12 MR. McKENZIE: Oh, yes.

13 MR. KING: Okay.

14 MR. McKENZIE: For Max's artwork, we get a lot of
15 responses.

16 MR. KING: All right. Is he still charging the
17 same amount to leave it out here?
18 MR. McKENZIE: Yeah, nothing.
19 MR. KING: Zero? All right. All in favor --
20 MR. LIVERMORE: I move that we -- has it been
21 moved?
22 MR. KING: No.
23 MR. LIVERMORE: I move that we approve it.
24 MR. KING: All right. Second?
25 MR. MOSER: Second.

26

1 MR. KING: Mr. Moser. Discussion? None being
2 heard, all in favor?
3 (The motion carried by unanimous vote, 4-0.)
4 MR. KING: Opposed? None being heard, all, 4-0.
5 Okay, now we're going to talk about the ditch.
6 MR. LIVERMORE: Famous ditch.
7 MR. KING: The ditch project. All right, here we
8 go. Bruce, do you want to bring this up or what?
9 MR. McKENZIE: Certainly. This project has been
10 looked at by an engineer that was -- that the board hired to
11 come up with a set of plans. They're not sealed yet. They
12 were given back to us for our review, which we've done, and
13 the -- and everything looks fine. The one question is the
14 culverts that go beneath Al Mooney Road, at the intersection
15 of Highway 27 and Al Mooney Road, and I'm going to let Tom
16 take it from there.
17 MR. MOSER: Okay. The -- I'm going to go back to
18 what we started with. We started with -- we had an issue;
19 there was a concept to fix the ditch by filling the ditch
20 with -- putting culverts in the ditch and filling it.
21 Estimated cost on that was \$200,000. We looked at a
22 different approach, and that is to move the ditch further to
23 the south, fill in the existing ditch. That changes the flow
24 where it crosses Al Mooney Road. The culverts under Al
25 Mooney Road right now, there's a single 4-foot diameter

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1 circular cross-section culvert, and a 1-foot diameter
2 culvert. So, when I looked at that, and we looked at it
3 together, when I saw the engineering plans, there was --
4 excuse my voice, just a second -- there was a significant
5 increase in the size of the culverts going under Al Mooney
6 Road. Two culverts, 2 foot in height, 6 feet wide, so 12
7 square feet each, so 24 square feet. I think we were at
8 about --

9 MR. LIVERMORE: Versus one?

10 MR. MOSER: Yeah, about 12 square feet is what's
11 underneath -- what's there now. I asked Bruce and the
12 consulting engineer, Mike Wellborn, what the difference in
13 the cost would be to put two 3-foot diameter culverts in the
14 new location versus two 2-foot by 6-foot culverts. The
15 difference in the cost is \$8,000.

16 MR. LIVERMORE: Down?

17 MR. MOSER: Increase.

18 MR. LIVERMORE: Oh, increase.

19 MR. MOSER: The two -- the ones that were proposed
20 cost \$8,000 more. Putting two 3-foot diameter culverts in
21 has -- has more flow area than currently exists. I've looked
22 at the road. Bruce has looked at the road. Consulting
23 engineer's looked at the road. I think maybe the City's
24 looked at the road. There's been no apparent damage to the
25 road because of excess water going across the road not being

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1 able to go through the culverts. So, with the desire to save
2 \$8,000 so we can put it on revenue-producing projects, I've
3 challenged -- challenged the City and -- or Bruce challenged
4 the City and the consulting engineer to see if there's -- if
5 that was not acceptable. I guess the difference in -- the
6 reason to double the size of the culverts, apparently, is new
7 criteria by the City; I don't know if it's rainfall rate, or
8 just what that is.

9 So, that's kind of the situation. That's not the
10 problem; that's the situation. The City -- and Todd or the
11 mayor can chime in on this. It's a city road, and I guess
12 the City is responsible for the culverts under the road, as

13 opposed to the airport being responsible for putting culverts
14 under the road. It was in our plan to do that, so I think
15 the issue is, how do we fund -- the ditch is not going to be
16 very expensive. The City and County have -- and primarily
17 the County's agreed to dig the ditch and do the dirt work, so
18 we're -- we're -- I think where we are, we're in the
19 proximity of going from \$200,000 to fix the ditch problem to
20 about \$20,000. That's -- that's about the magnitude of it.
21 But we have this \$8,000 outlay, you know, or difference
22 between what kind of culverts go under the road.
23 So, I think what -- we're not -- you know, we told
24 the F.A.A. we're moving forward as quickly as we can on
25 fixing this ditch problem, 'cause they don't like it, okay?

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1 They haven't told us we have to have a certain date, okay?
2 But they don't like it there, so we want to adhere to F.A.A.
3 requirements. But I think we still need to work -- work this
4 -- this issue, how we -- how we put the new flow underneath
5 Al Mooney Road, which is not one of your primary roads in the
6 -- in the city. So, I think this is just a status, okay, of
7 where we are. I'd like for Bruce and the -- and the
8 consulting engineer and the City to work this to see if we
9 can come up with something that -- that puts the right
10 culvert underneath the city road, and we can close this thing
11 out. So, that's the status of the -- of the project.

12 MR. WOOD: Help me understand this. Right now, our
13 consultant is proposing the 6-foot by 2-foot rectangular
14 culvert?

15 MR. MOSER: Two of those.

16 MR. WOOD: Two of those?

17 MR. MOSER: Yeah.

18 MR. WOOD: And where did the two 3-foot diameter
19 come from?

20 MR. MOSER: That's greater than what's underneath
21 there right now. Tried to find, you know, existing culverts
22 that you can buy commercially, 3-foot diameter.

23 MR. KING: That's the lesser expensive option.

24 MR. MOSER: Yeah, that's the lesser expensive, and

25 it's \$8,000 less. And it still gives more -- more than what

30

1 currently exists. As a matter of fact, the 1-foot diameter

2 culvert that's there now is probably 50 percent blocked.

3 MR. WOOD: And does somebody have to approve this?

4 MR. KING: Yeah.

5 MR. MOSER: Yeah. What it is, is the City, and

6 rightfully so, said, you know, whatever the culverts are

7 needs to be signed off by a licensed professional engineer.

8 I think that's good policy, okay. So, the -- our consultant

9 is kind of in a quagmire. Now, we can -- we can also take

10 this and say we think that this is a good, solid rationale

11 for that road, and take it back to the City and see what kind

12 of flexibility they have with -- with variances or -- or

13 whatever on -- on granting -- trying to help us save another

14 \$8,000 out of the deal.

15 MR. WOOD: On our piece of paper, we just have one

16 box culvert for \$12,000, and you're saying there's two of

17 them?

18 MR. McKENZIE: No, sir, there's actually two of

19 them.

20 MR. KING: Yeah.

21 MR. MOSER: There's two; they're side by side.

22 MR. KING: So, Tom?

23 MR. MOSER: Yeah?

24 MR. KING: As I understand the situation, I think

25 you're being very diplomatic about your presentation.

31

1 MR. MOSER: Unlike me.

2 MR. KING: It's not the same presentation I was --

3 I thought I was going to hear. So, you have a -- you have an

4 idea to save \$8,000, but the City, who rightfully has the

5 final approval over the situation, does not agree with your

6 concept to put the two 6-inch concrete culverts in, and

7 they're not willing to approve the project based on that.

8 MR. MOSER: Yeah. And I can see the City and the

9 City engineering staff -- what they're looking for is -- it's

10 theoretical, okay? It's analytical. What is calculated to
11 flow through there based on the area and the slope and the --
12 and the resistance from the grass, blah, blah, blah, blah.
13 Okay. And so with that analytical requirement, it says you
14 have to have two -- two rectangular culverts.

15 MR. KING: Right, I understand.

16 MR. MOSER: So -- but when you look at it, when you
17 look at what history has been, I don't know how long -- those
18 culverts have been underneath that road for probably 50
19 years. Okay, they work. Right?

20 MR. LIVERMORE: Right.

21 MR. MOSER: I'm just saying, is there some way we
22 can -- we can save another \$8,000?

23 COMMISSIONER LETZ: Just a quick comment. And I
24 don't want to get involved with what the City does and stuff,
25 but if it was the County and it was a county road, we are

32

1 required -- we require developers -- I'll answer it a long
2 way -- to build things to a certain standard, and we're
3 required by law to build it to that same standard.

4 MR. KING: Right. Right.

5 COMMISSIONER LETZ: So if we would require a
6 developer to put in a box culvert there, a box culvert needs
7 to go in there.

8 MR. KING: No, and I understand that.

9 COMMISSIONER LETZ: From -- that's just our rules.

10 MR. KING: As I understand it, it has something to
11 do with the 100-year flood. The 100-year flood --

12 COMMISSIONER LETZ: Right, it's a calculation on
13 the flows.

14 MR. KING: It's a calculation.

15 MR. MOSER: Yeah, right.

16 MR. KING: So, what I propose is that -- is that
17 Tom and Mike Wellborn, our consultant, go down and meet with
18 the City -- which would be Kevin, right?

19 MR. McKENZIE: Charlie Hastings.

20 MR. MOSER: Charlie.

21 MR. KING: Meet with Charlie, and y'all sit down

22 and have a visit and talk about it. And then if it does not
23 -- if Charlie's not -- cannot be -- cannot be flexible
24 because of something that's in their rules, --
25 MR. MOSER: Mm-hmm.

33

1 MR. KING: -- then -- then I think that we're going
2 to have to do something else.
3 MR. MOSER: Right. Okay, that's fair.
4 MR. KING: Okay? Don't you think that will be --
5 MR. MOSER: Sure. Yeah, I did not sit down with
6 Charlie.
7 MR. KING: I saw the e-mail from Charlie. Charlie
8 said that was not -- didn't seem like that was a possibility,
9 but I don't think anybody actually talked to him. So, I know
10 you're a persuasive guy, and why don't you --
11 MR. MOSER: Yeah, we'll --
12 MR. KING: Why don't you go talk to him and come
13 back so we can get the project down the road?
14 MR. MOSER: We'll do that.
15 MR. KING: I would like to save \$8,000, but I know
16 -- I know what Jonathan's saying.
17 MR. MOSER: Yeah.
18 MR. KING: If there's some standards that it has to
19 meet to do it, then, you know, I don't know what we're going
20 to do, unless -- and Charlie will tell you that straight out.
21 MR. LIVERMORE: I mean, why do we have to replace
22 the culverts at all? Why couldn't we just finish the ditch
23 and let the water go?
24 MR. MOSER: 'Cause it would tear up the road.
25 MR. KING: It's not our road. (Laughter.)

34

1 MR. WOOD: That's a good question, Steve. Why is
2 the airport --
3 MR. PRATT: You don't know how to be politically
4 correct, either. (Laughter.)
5 MR. PARTON: I will say that that project --
6 MR. KING: I'm just kidding. We would not do that.

7 MR. PARTON: I'll just kind of walk through the
8 ideology. It's very close to what the Commissioner just
9 said. The project will need to be designed and engineered as
10 appropriate to the project. With the changing of the ditch,
11 there's flows, there's other things that have got to be
12 considered pursuant to our subdivision design guidelines. In
13 addition to that, there is -- there's upstream and downstream
14 implications to the flow.

15 MR. KING: Sure.

16 MR. PARTON: We won't necessarily specify you have
17 to do "A." Your design engineer will provide recommendations
18 to you on what to do.

19 MR. MOSER: Mm-hmm.

20 MR. PARTON: We just need to see a set of stamped
21 engineering plans that show that our minimum criteria have
22 been met.

23 MR. KING: Okay.

24 MR. PARTON: So that's what we're looking for. If
25 they can be done with pipe, if they're done with box

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1 culverts, if it's low-water crossing reconstruction, --

2 MR. MOSER: Oh, that's a good idea.

3 MR. PARTON: -- all those things are --

4 MR. MOSER: Yeah.

5 MR. PARTON: -- options, and we won't necessarily
6 dictate that. We'll just look to the engineer to design
7 that.

8 MR. MOSER: Cool.

9 MR. KING: If we bring our -- if Tom and the
10 engineer come down there and talk to Charlie, they should be
11 able to --

12 MR. MOSER: Yeah.

13 MR. KING: -- visit and say, you know, this is
14 probably not -- "Don't waste your time; this is not going to
15 get approved." Or, "This is a possibility." Maybe we do it
16 this other way or something like that. I'm just trying
17 to -- I was just trying to move the project along.

18 MR. PARTON: Your engineer is probably looking for

19 the most cost-effective, efficient way to handle the flow,
20 and box culverts may ultimately be what's needed due to the
21 conditions that you're dealing with out there.

22 MR. KING: Right. Right.

23 MR. WOOD: Did we submit city standards and
24 requirements to our engineer to review?

25 MR. McKENZIE: Sure, we did.

36

1 MR. WOOD: So he's got the information he needs.

2 MR. McKENZIE: Yes, sir.

3 MR. PARTON: There's a preliminary set. There's
4 been no final stamped plans made.

5 MR. KING: Okay.

6 MR. MOSER: Okay. Well, the purpose of this was
7 just status, and that's where we are. And that's -- I think
8 that's a good forward plan.

9 MR. KING: Why don't you do that?

10 MR. MOSER: Yeah.

11 MR. KING: 'Cause I think -- what's holding this
12 project up?

13 MR. MOSER: Just deciding on what to --

14 MR. KING: This culvert deal?

15 MR. MOSER: Yeah. And I guess what it boils down
16 to is -- is what is the responsibility of the airport to pay
17 for the culverts under the road?

18 MR. PARTON: I would say it's the airport's
19 responsibility. It's your project. It's your development.

20 So, if this was a private project -- if it was a city
21 project, we would -- we would bear that as part of our
22 project cost, so that would be presumably the requirement of
23 the airport to do that.

24 MR. KING: 'Cause we're changing the flow?

25 MR. PARTON: Right. I mean --

37

1 MR. LIVERMORE: Our project.

2 MR. KING: We're changing the flow across your
3 road.

4 MR. PARTON: Right, trying to take flow from the
5 airport and sending it downstream, so there's an off-site
6 capital requirement to the airport to do that as part of your
7 project.

8 MR. MOSER: Okay, good enough.

9 COMMISSIONER LETZ: Where's the money coming from?

10 MR. KING: For what? For the project?

11 COMMISSIONER LETZ: When it was real big, it was --

12 MR. KING: It's going to come out of our --

13 COMMISSIONER LETZ: Out of your reserves?

14 MR. McKENZIE: We have \$450,000 of nonprimary
15 entitlement funds available to us. We can use those funds in
16 this project.

17 MR. KING: We don't anticipate asking the City or
18 the County for any contribution.

19 MR. LIVERMORE: That's what he wanted to hear.

20 MR. MOSER: Yeah. Now he doesn't care where this
21 comes from.

22 MR. KING: That's become a recurring theme of this
23 airport (Laughter.)

24 MR. MOSER: But what we're trying to do is keep as
25 much of that money in revenue-producing --

38

1 COMMISSIONER LETZ: Sure.

2 MR. MOSER: -- investments as possible.

3 MR. KING: Right.

4 MR. MOSER: Okay.

5 MR. KING: Since we're spending -- we think we're
6 spending it internally, the answer would be we're trying to
7 save as much as of it as possible.

8 MR. LIVERMORE: I'm curious to know -- my question
9 is, what is our timeline?

10 MR. KING: On what?

11 MR. LIVERMORE: To get this done. Is the -- is the
12 box culvert issue what is absolutely the roadblock right now
13 to move it forward?

14 MR. MOSER: I think it's -- it's not the box
15 culvert; it's just getting an approved set of plans to

16 proceed.

17 MR. KING: Yeah.

18 MR. MOSER: And I think we're about there.

19 MR. LIVERMORE: When do you expect that we would
20 have this done and we can tell the F.A.A. it's over? By
21 March? Or --

22 MR. MOSER: Well, there's not a date from the
23 F.A.A. that we have to have it done by, so we're just telling
24 F.A.A. we're moving it. We're moving forward on this thing,
25 and there's not a date.

39

1 MR. LIVERMORE: Okay.

2 MR. MOSER: I don't think it will take very long.

3 MR. KING: And the reason the price is so much
4 cheaper is because we're having input from the --

5 MR. MOSER: Yeah. Well, you know, we went from
6 200,000 down to something in the 20,000 range, just --

7 MR. LIVERMORE: Mm-hmm.

8 MR. MOSER: -- stepping back and looking at this
9 thing and thinking. So, we just didn't want to leave any
10 money on the table.

11 MR. KING: Well, I know you can take care of it.

12 MR. MOSER: Okay, will do.

13 MR. KING: All right. Next item, --

14 MR. LIVERMORE: T-hangars.

15 MR. KING: -- 2G, the T-hangar project. And you
16 want me to talk about that first?

17 MR. McKENZIE: Sure, go right ahead.

18 MR. KING: Tom and I and Bruce had a meeting two
19 weeks ago, three, something like that, and this T-hangar
20 project proposal has been on the books for a while, and we've
21 -- we've discussed it in meetings and stuff like that. The
22 cost -- and at our last meeting, the cost of the project, I
23 felt like, was just --

24 MR. LIVERMORE: Stunning.

25 MR. KING: -- stunning. And it was stunning;

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1 that's a good word. It was -- it didn't -- it was not in
2 relationship to the value that we were going to receive from
3 the T-hangars, I thought. I mean, I thought I'd like to have
4 20 T-hangars -- 20 T-hangars over there so that we can rent
5 them to customers and do several different -- have several
6 different advantages, you know, by having the T-hangars. I
7 think we can -- if we -- every person we bring in from out of
8 the city that moves here, or is planning on moving here, we
9 -- you know, we offer them something, another reason to move
10 to Kerrville. I mean, just another reason to get here.
11 Because if they've got an airplane, they're probably not
12 going to move to Comfort, or they're not going to move --
13 Comfort's a bad example. They're not going to move to Leakey
14 -- Leakey's not a good one, too.

15 MR. WOOD: Somewhere that doesn't have an airport.

16 MR. KING: Somewhere that doesn't have an airport;
17 they're not going to move. But we have a nice airport. But
18 they need a place to put their airplane. So, we feel like
19 that it is an advantage that Kerrville has by having hangar
20 space, and it's a disadvantage for them to not have any
21 hangar space now. If someone's going to move here, and
22 there's no place to put their airplane, they're probably --
23 they're going to look at other options. So, we kind of feel
24 like -- but the cost, like I say -- the cost that we've been
25 given on this project was just astronomical. I don't think

41

1 there's any way I can justify to our owners as far as paying
2 it. I don't know how we'd pay for it. Nobody has -- nobody
3 has that kind of money. So, Bruce kind of got together some
4 ideas, and we had a meeting. And -- and what we've decided
5 is, maybe if we took a different approach on this thing, and
6 we said, look, we found one thing that the City and the
7 County do good together. They've got great dirt equipment.
8 They got good building equipment that -- mainly horizontal
9 equipment. They build good parking lots, and they -- you
10 know, I've seen their projects and stuff, and they can pave
11 together. They can do -- together they work really well.
12 So, we kind of came up with this idea. And, you

13 know, we have not run this -- this is strictly preliminary.
14 This is just something that we kind of have an idea of
15 another way it might work, and we're going to talk to our
16 owners about it. And they happen to be here. So, we
17 thought, you know, what if we -- what if, on the flat work
18 and everything, we just got the City and the County to help
19 us out? We'll pay for all the materials and stuff. And it's
20 your -- you know, your timeline that works for you, and, you
21 know, in a period that maybe things are not that busy and
22 everything like that. We can hire you guys to do some of our
23 flat work, and we'll provide all the materials and stuff like
24 that. And -- and, you know, we kind of just kind of do it on
25 an "as available" basis and stuff like that.

42

1 So, we were able to -- by doing that, and then
2 looking at the -- and looking at some of the other things
3 that were in this project that were just a little bit --
4 little bit too much champagne -- my dad used to say you got a
5 champagne taste and a beer pocketbook. We definitely have a
6 beer pocketbook. So, we decided to kind of move everything
7 down a little bit, get rid of some things. We think we -- we
8 think that there's -- we think that we could build this
9 project; we could build 20 T-hangars for less than a million
10 dollars. For less than a million.

11 MR. LIVERMORE: Fifty grand a building?

12 MR. KING: We think we can do it for less --
13 actually, less. The numbers here we're going to be going
14 back through again, 'cause I think we can save probably --
15 the only -- I think we can save maybe 15 percent more on
16 these numbers here. We just haven't -- we haven't got far
17 enough along to try to pin some of these people down on
18 actual pricing, that -- you know, if they were actually going
19 to do the work and stuff like that. So, what we did at the
20 last meeting, we thought, well, let's look at the revenue
21 side of this thing. Let's look at the revenue side, and what
22 our current investment was going to be for 20 T-hangars over
23 a period of 10 years or something like that, and let's see
24 what kind of revenue we have available. And by doing that,

25 we came up with about a million dollars. We came up with

43

1 about a million dollars available revenue for the project on

2 a -- on a pretty good return on investment.

3 And -- and I wanted to stress, this is not a

4 proposal to build these things. This is just -- I want to

5 update everybody on what we talked about. And so we feel

6 like that we can maybe move forward, move along with this

7 project a little further down the road with this new budget.

8 And -- and let me stress, this requires, like, the road

9 coming into the project -- coming into the project, you know,

10 we're going to have to get the City and the County to help us

11 build that road. We'll pay for all the materials and

12 everything, and -- but we're going to have to have some help

13 laying the material and grading and stuff like that, and

14 that's going to have to be approved by the City and the

15 County. So -- but this is just another -- another

16 possibility of a way to go ahead and build 20 T-hangars over

17 there at a reasonable price. Tom?

18 MR. MOSER: Yeah. I think -- I think one of the

19 things that we discussed -- I don't know if anybody --

20 everybody has a copy of this aerial view?

21 COMMISSIONER LETZ: Yeah.

22 MR. MOSER: What we discussed is from -- from Al

23 Mooney Road -- I mean, from the road coming in, Peterson Farm

24 Road, to the two hangars, we made -- we correlated those so

25 that they're parallel, but to have that road so it's a good,

44

1 passable road, but not the final road if we were doing the

2 construction of all T-hangars all along the road like it says

3 in the master plan. We want a good road with access to that.

4 Put in final form, everything around those two T-hangars,

5 okay, so that -- so that now we've got the -- the standard

6 set for how we're going to build the rest of the hangars out

7 there. And -- and also, we looked at one of the things that

8 was expensive -- and I don't know where you stand on that,

9 Bruce. Bruce was going to talk to the marshal -- fire

10 marshal about the requirements.

11 MR. MCKENZIE: I just got these Monday. I haven't
12 talked to the fire marshal, but I did talk to Danny Batts,
13 the chief building inspector, about the slabs.

14 MR. MOSER: Yeah. So what we're trying to do is,
15 we're trying to have high-quality construction and have --
16 meet all the standards as far as fire protection and all
17 goes. But we want to not have any -- as Steve says, we don't
18 want to have a champagne -- we're not drinking champagne;
19 we're looking for beer right now, but we're looking for, you
20 know, really high-quality construction. So, one of the
21 original plans was to have a 6-inch slab concrete that -- you
22 know, and -- and I know that there's T-hangars that go to the
23 other extreme; there are T-hangars that have no concrete in
24 them around the country. And, as a matter of fact, in
25 Fredericksburg, they have that; they just have gravel in

45

1 there. So --

2 MR. LIVERMORE: Do they have a little trail that
3 you -- for your wheels to roll on concrete?

4 MR. MOSER: Something like that. But the thinking
5 is you don't need a 6-inch slab all over with half-inch
6 rebar, 12 inches on center. So, what we're trying to do
7 is -- is to build something that's there, that lasts for 50
8 years or more, structurally meets the requirements, that has,
9 you know, a professional engineer sign off on the thing, so
10 we're trying to get to that point. I think we're making some
11 good progress. I think we think we can do it for a lot less
12 than what's shown on this page. As Steve says, maybe in the
13 \$800,000 range, and that includes infrastructure.
14 Fredericksburg just finished building 10 units at \$20,000 a
15 unit. That's not including the infrastructure; that's the
16 slab and the building and so forth. So, that's our -- that's
17 our goal. If we can do that, then we think the return on
18 investment to the owners is really big, okay. And then we
19 even talked about approaching the -- want to talk about that?
20 Approaching the E.I.C. --

21 MR. KING: Yeah.

22 MR. MOSER: -- about a possible loan.
23 MR. KING: Funding sources we were really not sure
24 of on this thing, Todd. Or, I mean, we've got some money
25 with TexDOT. We've got quite a bit of money with TexDOT that

46

1 we've got to spend in a -- in a certain period on some sort
2 of development on the airport. And so we've looked -- we've
3 got that money. What we're going to do, we're looking at
4 some 90/10 money -- some 90/10 money, and we even said, you
5 know, if we get a 90/10 grant, we'll pay the 10. You know,
6 we'll pull the 10 out of our budget, out of our capital
7 reserves, so the City and County don't have to come up with
8 anything. We thought about that. You know, we're trying to
9 -- we're trying to make this as easy on -- if the project is
10 feasible economically, we're trying to make it as easy on the
11 City and the County, as far as you guys not having to budget
12 any real money for this project.

13 And so, you know, we may look at talking to E.I.C.,
14 you know, about a loan or something like that. You know, not
15 giving the money, but loaning it. We may talk to them about
16 borrowing the money -- you know, borrowing some of the money
17 from them, 50 percent or something like that, what we don't
18 get from TexDOT, or what we don't use out of our fund
19 reserves -- out of our TexDOT reserves. And so we haven't
20 really come up with a funding -- a funding combination, but
21 we do -- after discussing everything, I think we -- I think
22 we can. I think we can fund it with several different parts
23 of it. I think we can fund it, and probably not have to ask
24 the City and the County for any real money out of your
25 budgets.

47

1 MR. MOSER: I think with the 90/10, I think 10
2 percent coming from us, it looks feasible, okay? That we're
3 probably not going to have to get anything from the owners,
4 from the City and the County, to get this revenue-producing
5 project in place. And we're in the queue. Correct, Bruce?

6 MR. McKENZIE: Yes, sir.

7 MR. MOSER: For the 90/10 funding, both horizontal
8 and vertical work.

9 MR. LIVERMORE: You've added vertical to that?

10 MR. KING: There's some vertical, yeah.

11 MR. McKENZIE: We can --

12 MR. KING: We're going to ask for the easiest
13 money. Obviously, we'd like to take the easiest money we can
14 get first, and we also -- we have some more money coming next
15 year from TexDOT. But I think you got to understand what
16 these numbers are. Once you get the infrastructure in place,
17 you could build -- if you were to build up to 20 hangars, the
18 next 20 hangars you build are -- are unbelievably profitable,
19 because you dump off -- you know, you get rid of probably
20 \$350,000 in the project, 'cause now you don't have to put it
21 in the project. Now you're, all of a sudden --

22 MR. WOOD: So if I had a T-hangar -- or I have one
23 of these T-hangars, the only access in my car would be off of
24 Peterson Road?

25 MR. KING: That's correct.

48

1 MR. MOSER: That's correct.

2 MR. KING: And that's always been the access.

3 MR. MOSER: Right, it's always been the plan.

4 That's in the master plan. This is consistent with the
5 master plan, where we populate this whole area on the -- the
6 west side of the airport --

7 MR. KING: Right.

8 MR. MOSER: -- with T-hangars, including
9 demolishing part of the stuff that's on Mooney. So, this is
10 part of our master plan. And the entrance would be a gated
11 entrance off of Peterson Farm Road, and that's what we would
12 have here so it controls access to that area.

13 MR. KING: Any questions?

14 COMMISSIONER LETZ: A comment. And maybe Bruce has
15 already done this, but you may want to get with Len Odom on
16 this, 'cause he just did the site work on the new event
17 center.

18 MR. KING: Right.

19 COMMISSIONER LETZ: So he's got -- and I can't
20 imagine this would be a whole lot different.
21 MR. McKENZIE: I already talked to him.
22 COMMISSIONER LETZ: The square -- per-square-foot
23 basis for the slab, I guess the foundation.
24 MR. KING: That's a good idea, yeah. That's a good
25 idea.

49

1 COMMISSIONER LETZ: That'd basically be the same
2 thing.
3 MR. KING: Just another way of looking at it. Like
4 I say, it is going to require some cooperation, but it also
5 is a capital improvement that both -- both our owners are
6 going to own. I mean, so it's not like you're not getting
7 something for the money. And I feel like if we could build
8 20 T-hangars, you know, with our existing demand that we
9 have, plus -- you know, and I'm not saying we're going to be
10 able to fill them all up on day one. But I don't think -- I
11 think if we did fill them all up on day one, we'd be back in
12 the same position we're at right now, you know, with people
13 not having -- it's a two-part deal. We're trying to help our
14 F.B.O., Mr. Kennedy, out by shifting some of these smaller
15 aircraft when they come here now, so he just -- he doesn't
16 keep, you know, sticking these small aircraft that don't buy
17 any fuel, or use very little fuel, into his hangars, and
18 keeping it available for larger turbine aircraft. So, when
19 he gets a guy who, you know, can move a jet or a turbine
20 aircraft in here, that we can all benefit off of the fuel
21 sales. And he can. That -- you know, we have that
22 available.
23 So -- and the other side of it is, I think until we
24 build some T-hangars, some hangars over here -- hangar space
25 over here, I don't think we're going to slow -- I don't think

50

1 we're going stop our competition from building hangars. And
2 I think this is a direct way of -- of curtailing some of the
3 building that's going on around us by some of our airports in

4 the area.

5 MR. LIVERMORE: Apparently, there's a number of
6 Kerrville or Kerr County people with planes who are at
7 Fredericksburg.

8 MR. McKENZIE: That's correct.

9 MR. KING: Right.

10 MR. LIVERMORE: And the sense -- there seems to be
11 a large sense that, were we to have that option here, those
12 planes would probably quickly move.

13 MR. KING: Yeah.

14 MR. McKENZIE: Hopefully.

15 MR. KING: And even if they didn't, it'd probably
16 stop the creep. So, anyway, another project that we hope --
17 hope to move along. Any comments, questions by our owners?
18 No?

19 MR. PRATT: Only question I might have is, I know
20 you had a list of waiting people.

21 MR. KING: Mm-hmm.

22 MR. PRATT: And have you cleared that list? I
23 think it needs to be cleared, and --

24 MR. KING: We've looked at it. We've called and
25 contacted every person on there, and --

51

1 MR. PRATT: And start a new list and get
2 commitments from those people at Fredericksburg to sign up on
3 a new list.

4 MR. KING: That's -- you know, as the project -- if
5 the project -- if we see that the project is feasible
6 economically, and we've -- one thing we're combating here is
7 that the price of a T-hangar in the Kerrville area is very
8 cheap -- is very inexpensive, compared to 38 -- 38 miles away
9 in San Antonio, where the same hangar would bring \$750 in San
10 Antonio. You know, we're out on a limb at 300.

11 MR. PRATT: I guess my comment is based on, if
12 you're going to go out and look for funding, that's one of
13 the things they're going to ask for.

14 MR. KING: Oh, I agree. And I agree -- like I told
15 you straight up, mayor, we're probably not going to -- you

16 know, if I could -- if I could tell you we had 20 people
17 waiting to fill those T-hangars, you know, I don't think it
18 would be a -- we probably wouldn't be this -- we probably
19 wouldn't be looking for every way in the world to -- you
20 know, to make it. It would be a lot easier to make it work,
21 'cause I can show you that. But, I mean, I think -- I think
22 if we can get half of them filled -- half of them filled, I
23 think that the --
24 MR. PRATT: That's a good start.
25 MR. KING: I think it's a capital improvement at

52

1 this airport that this airport has needed. TexDOT -- TexDOT
2 has expressed it in their master plan. You know, it's
3 something that's been needed for a long time. And I really
4 -- and I've always said this on this project. I hate to be
5 -- I really don't want to build the project on a "build it
6 and they'll come," because I think that's a poor way to build
7 a project. But I think it's also one of those situations
8 where if we don't build it, I don't think they're ever going
9 to come. They're actually coming, but they're just taking a
10 turn -- most of them are taking a 22-mile right turn and
11 heading up north.

12 MR. PRATT: That's a true economic development
13 project.

14 MR. KING: It is. It is. It's going to benefit
15 Kerrville, because, you know, if you don't have -- if you
16 don't have a place to put your airplane when you move here,
17 it just -- you're not going to move here, or you're going
18 to -- it's going to be a limiting factor. And also, I think
19 it will -- it will add to the future development we have at
20 the airport of, you know, some -- some bigger hangars or
21 something like that. Maybe we get somebody else to build a
22 hangar. I just -- I think it's something that we've needed
23 for a long time at this airport, and I think we lose a lot of
24 business that we don't even know about. No one ever comes
25 here; it's pretty obvious.

53

1 COMMISSIONER LETZ: I think it -- you know, you
2 can't -- I agree with the mayor totally; we got to have a
3 list, and pretty certain it's going to be filled up, but at
4 the same time, when the City came to the County -- how many
5 years ago when we built these? -- it was almost on the back
6 of an envelope. I mean, and I -- you know, and it was kind
7 of one of those things. We need it; we think we're going to
8 fill it up. I remember Megan coming to Commissioners Court
9 making the presentation to us, and, you know, it made sense.
10 We thought we needed it, and we did build them. They were --
11 and they did -- they came immediately, and been there the
12 whole time.

13 MR. KING: Never had a vacancy.

14 COMMISSIONER LETZ: I think we kind of jumped off
15 on that one without probably having done as much homework as
16 we should have done. I think we need to do it, but I think
17 there is a certain amount that --

18 MR. LIVERMORE: It's hard to quantify.

19 COMMISSIONER LETZ: It's hard to quantify, but it's
20 worked in the past.

21 MR. KENNEDY: Bob Snowden's not going to hand you a
22 list of customers. He's not. He's a nice guy, good guy,
23 good friend of mine, but he's not going to hand you that
24 list.

25 MR. KING: The people who need -- if you're on our

54

1 waiting list for a hangar, where's your airplane right now?

2 It's somewhere; it's not at your house. I mean, it's --

3 MR. KENNEDY: We've put three new piston aircraft
4 in the hangars in the last 30 days.

5 MR. KING: Have you? Where'd they come from?

6 MR. KENNEDY: Moving to town.

7 MR. KING: Moving to town. So these are people
8 living here, paying taxes.

9 MR. MOSER: Three in the last 30 days?

10 MR. KENNEDY: Thirty days.

11 MR. KING: I mean, I think the day that we --

12 MR. KENNEDY: One twin, two singles.

13 MR. KING: The day that Joey says we don't have a
14 place to put an airplane, I think then you're too late.
15 You're a year behind. You're a year behind, because, you
16 know, if somebody moves here -- someone retires in Houston,
17 and maybe they've been coming here on weekends or something
18 like that, and all of a sudden they decide, "I'm moving to
19 Kerrville, I think I can live here now," they need a place to
20 put their airplane, and they don't -- that's just another
21 problem in their moving situation, you know, moving here.
22 It's hard enough to find them a house to live in and move.
23 Now all of a sudden, they got to find a place for their
24 airplane. Then they start looking at Tierra Linda or, you
25 know, that place out there -- the other place outside

55

1 Fredericksburg, or Fredericksburg. I mean, and then you go
2 after Fredericksburg, and here you got to go to Hondo, and
3 that's a 50-mile drive.

4 MR. LIVERMORE: You have described it extremely
5 well, because that was the exact experience that we had --

6 MR. KING: Yeah.

7 MR. LIVERMORE: -- 10, 12 years ago. We were down
8 between Savannah -- Savannah area of Georgia and here. They
9 didn't have place for my airplane. Joe Kennedy did at the
10 time, and that's -- that was a big part of our decision.

11 MR. KING: It's the same way with businesses. We
12 get a business here, like another Fox Tank or something like
13 that, and they don't have an airplane, but I promise you,
14 that's the first thing people look at. People just -- I know
15 that's one of the hardest things we've had with the airport
16 over the last years I've been on the board, is educating the
17 people in the city who are not involved in the airport about
18 how important this airport is to businesses. And, you know,
19 not just the businesses that -- that live here, but the
20 businesses who have operations here, that -- you know, the
21 Belks, Ingram Ready mix.

22 MR. McKENZIE: All the banks.

23 MR. KING: All the banks. You know, anybody who
24 has a business here that's a -- that's even a state or a

25 national company, they don't get here in a bus or drive in.

56

1 They don't come here on a bus or Suburban. They fly here.

2 H.E.B.

3 MR. McKENZIE: Discount Tire comes in in a Phantom.

4 MR. KING: All these businesses that do business in

5 our city, you know, they fly in here to check their stores,

6 and they want to fly here, check their store and leave,

7 'cause they got five or six stops to make. So, you --

8 MR. LIVERMORE: Bill just commented ranches are big

9 around here, real estate values and that.

10 MR. KING: So if you -- all these guys that are

11 selling ranches here in town, you know, when they're showing

12 some guy a ranch out here and he's got an airplane, the

13 second question you ask is, where am I going to put my

14 airplane? You know, if we move in here -- you know, if we

15 come in, or even if we come here on weekends and stuff like

16 that, if we have a big airplane, we're not going to leave it

17 out on the ramp during the summer, stuff like that. So we're

18 trying to free up some space for Joey -- Joey to be able to

19 put some of the these guys here. So, it's one of those deals

20 that I don't think we see near -- we probably don't see the

21 demand as much as it's really here. It just kind of leaves,

22 you know, just goes away. You never know it, probably.

23 MR. WOOD: Every time Fredericksburg builds new

24 hangars, they fill them up.

25 MR. KING: They're filling them up.

57

1 MR. MOSER: I think bottom line on the master plan

2 is, the airport means about \$15 million in economic impact --

3 positive economic impact to the area every year. So --

4 MR. PARTON: One thing to remind you, 4B is limited

5 in how it can be applied. You know, one's quality of life.

6 Two, there have to be jobs linked back.

7 MR. KING: Sure.

8 MR. PARTON: Third I don't think you're going to

9 qualify for, so we have to look at it under one of those two

10 things coming in. So, just to let you know. I'm not
11 saying -- I'm just saying it's a hurdle we've been through
12 before.

13 MR. MOSER: Sure.

14 MR. PARTON: The other component to this is in
15 terms of -- look at what the project's about. It's not
16 necessarily about selling homes, but it's about trying to
17 develop, really, the deeper market having some general
18 aviation. And that kind of market's important, but it's also
19 creating opportunity for the corporate. Right now, last
20 count -- am I -- correct me if I'm wrong -- we had 14
21 corporate jets here at our airport, and that means property
22 tax, you know, as well as the av fuel that's out there.

23 MR. KING: Sure.

24 MR. PARTON: So I think in looking at that, those
25 are two components that, to my mind, when I talk to Council

58

1 about this and they ask me for recommendations, those are the
2 components I have to look at and say, hey, it's a balance of
3 issues that --

4 MR. KING: Right.

5 MR. PARTON: -- that all kinds of things link
6 together.

7 MR. KING: It's all one thing -- big thing. If we
8 move five airplanes in, if we -- it's all connected. It's
9 all intertwined in the way the airport works and everything.

10 MR. KENNEDY: I'll give you an example. I had
11 lunch with Nathan Fox last week. He's already picked up two
12 customers from being adjacent to the airport with
13 multi-million dollar business, from flying to the airport,
14 seeing the tanks sitting there next to the airport, and
15 having stopped out there and said, "Hey, when did you get
16 started doing the tanks?" He's picked up one -- two clients.
17 One of them's a three and a half million dollar business.
18 The other one, he's not sure exactly.

19 MR. MOSER: Who is that?

20 MR. LIVERMORE: Nathan Fox.

21 MR. KENNEDY: It's to the extent that they asked me

22 to find someone to paint their logo on the roof so it's
23 visible from the air.

24 MR. MOSER: Yeah.

25 MR. KENNEDY: Last week.

59

1 MR. KING: Did they really?

2 MR. KENNEDY: Yeah, he wants to put the logo on the
3 building.

4 MR. LIVERMORE: But that's three and a half million
5 dollars.

6 MR. KENNEDY: Exactly.

7 MR. LIVERMORE: And that's taxed, right?

8 MR. PARTON: Could be, yeah.

9 MR. LIVERMORE: That's a pretty good stack of
10 groceries.

11 MR. KENNEDY: That came from Nathan Fox himself.

12 MR. KING: And all the customers he has, I mean,
13 people he's dealing with, every one of those guys, almost to
14 a man, have an airplane. And they're going to send a
15 representative over here at some point to look at -- you
16 know, they go around looking at facilities. I mean, I think
17 there's 59 tank builders now in the state of Texas just like
18 him. So, you know, there's competition and stuff, and
19 they're going to go around and look at them and stuff. So, I
20 mean, I don't -- I think it's all intertwined. All of our
21 commercial business is -- is intertwined with the airport.
22 And it's a great -- I just think the project -- we'll look at
23 it, and we'll look at all the funding sources we can find on
24 everything, but our main goal is to try to build it as
25 reasonably as possible and still get the capital -- the

60

1 structure built, and then cost the City and cost the County
2 the least amount of money as we can.

3 MR. PARTON: I had one more question, I promise
4 you. On the 90/10, do you have an idea when we might find
5 out about that funding?

6 MR. KING: Well, we got --

7 MR. McKENZIE: When it's available? We have 39,000
8 available now. 1 October of next year, we'll have 360,000
9 available, a year from now. We're in the queue for the
10 C.I.P. for the 90/10 right now. One of the deals, Todd, if
11 we could stretch the construction of this thing out to four
12 years, we can just pay for it all out of the airport; we have
13 all the money. We have enough money coming in from the --
14 that we have to use.

15 MR. WOOD: But we're stretching our income out.

16 MR. KING: We're also taking a long time to build
17 something, so that's -- yes, we were thinking if we could
18 come up with some sort of multiple funding sources, that we
19 could maybe borrow some money from somebody. We can even
20 repay it with airport -- you know, we can even collateralize
21 it -- we've talked to TexDOT; we can collateralize it with
22 funds coming from TexDOT. It's not like the money's not
23 coming back. It's actually going to be coming in here. It's
24 just a -- it's a -- they give you so much a year, and you
25 either use it or lose it, and so it can build up for so many

61

1 years, and then after that you lose it. And so it's one of
2 those deals where we -- we think there's several scenarios
3 that we can get the money together. We could get a million
4 dollars together to build the project, but we don't -- you
5 know, we really don't want to stretch it out over such a long
6 period of time.

7 MR. PARTON: You got -- so the next 12 months,
8 you'll have 330 in cash?

9 MR. McKENZIE: It's right here, Todd, if you'll
10 look right here.

11 MR. PARTON: Okay.

12 MR. McKENZIE: Put it in there.

13 MR. PARTON: So, 330 cash, and then -- so you
14 really have a balance of about 670 --

15 MR. KING: Right.

16 MR. PARTON: -- to try to leverage.

17 MR. KING: Yeah. Actually, we have --

18 MR. McKENZIE: We have 650 -- Todd, next 1 October,

19 we'll have \$650,000 available.

20 MR. KING: Another source.

21 MR. McKENZIE: But the caveat is, at the end of
22 that fiscal year, if we don't start using those funds, then
23 they'll start pulling them back. That's the incentive to go
24 ahead and --

25 MR. KING: This is the same money we used on

62

1 the drainage --

2 MR. McKENZIE: We used 600,000 on that.

3 MR. KING: 600,000 on our project -- our drainage
4 project. Used 600,000 of it there that we -- you know, they
5 took from us, and they had us contribute. So, like I say, I
6 think we have the funding. It's just whether we have to wait
7 so long to build it. So, anyway...

8 COMMISSIONER LETZ: Go over the numbers again? So
9 at the end of this year, or end of -- what, next October,
10 you'll have 660,000?

11 MR. McKENZIE: A year from now, we'll have 660,000
12 in N.P.E. funds, and that's good until the end of the fiscal
13 year.

14 COMMISSIONER LETZ: N.P.E. and C.I.P.?

15 MR. McKENZIE: No, just N.P.E. Then 400,000 here
16 in C.I.P. funds. We've got a million dollars.

17 COMMISSIONER LETZ: A year from now, you'd have a
18 million dollars?

19 MR. McKENZIE: That's correct. Now, we don't lose
20 it all unless -- once we activate the grant -- once we hook
21 the grant, then we can take three years if we want to, but we
22 have to activate the grant. I mean, it's not like we're
23 going to lose it. I didn't want to mislead you. Once we
24 say, "Okay, it's a go," then we've locked it in.

25 COMMISSIONER LETZ: So, the thinking a little bit,

63

1 the infrastructure part that you're looking at possibly the
2 City and the County to work on could be done during the next
3 12 months?

4 MR. KING: Yeah, exactly.

5 COMMISSIONER LETZ: Then the construction would
6 start 1 October?

7 MR. KING: That's -- that's what we kind of
8 thought.

9 COMMISSIONER LETZ: That pretty much takes care of
10 our cost.

11 MR. KING: That's what Tom and I kind of thought
12 about. Everything we would need that we'd ask the City and
13 the County help for would be all roads, flat work and aprons
14 and stuff like that. So, we could do something like that,
15 and kind of -- and then roll it into the vertical part of it,
16 stuff like that.

17 COMMISSIONER LETZ: You can even get the --

18 MR. KING: We got water.

19 MR. MOSER: Similar to the show barn, kind of.

20 MR. KING: Exactly. We're going to try to make it
21 as easy -- if y'all are agreeable to it, and at some point we
22 make a proposal, then we'll try to make it as easy as we can,
23 okay? All right.

24 MR. McKENZIE: Steve, if I could make a suggestion?
25 Tom, when you go down and talk to Charlie Hastings --

64

1 MR. MOSER: When we go down.

2 MR. McKENZIE: When we -- I'll be glad to go with
3 you again. We need to go back across the street and visit
4 with Danny Batts so he can tell you and Michael about the
5 slab situation as well.

6 MR. MOSER: Okay, good.

7 MR. McKENZIE: We need to get all that going.

8 MR. MOSER: Sure.

9 MR. McKENZIE: We need to -- so you're aware of
10 what's going on.

11 MR. MOSER: Yeah, absolutely. Good.

12 MR. PRATT: I'll be sure and tell Charlie that
13 y'all are afraid to come see him.

14 MR. KING: Why don't you tell him to come out here?

15 MR. McKENZIE: I've already been.

16 MR. KING: All right. Item 3, information and
17 discussion. General update.

18 MR. McKENZIE: The main thing is the parking lot,
19 and I would like to take this time to thank the City of
20 Kerrville and Kerr County for an excellent job building the
21 parking lot by the County, and the City paving it. It was --
22 they made it easy. They did it professionally, quickly, and
23 they did a great job, if you've looked at it. If you
24 haven't, walk out there and look at it after the meeting. We
25 put our lights up Monday. The lights are on now, so we're

65

1 moving along nicely.

2 MR. KING: How are we doing on the budget?

3 MR. McKENZIE: Oh, we're fine.

4 MR. KING: Are we under or over?

5 MR. KING: I knew it was going to cost about
6 75,000, and we're going to hit right there at 75, 78. And
7 that's RAMP grant funding.

8 MR. KING: Yeah.

9 MR. McKENZIE: I'm not going to stripe it for
10 another two weeks. I need to let it sit for a while. The
11 gates -- we got things to do, retaining wall to build.

12 MR. KING: Right.

13 MR. McKENZIE: That will start probably within
14 seven days.

15 MR. WOOD: How about applications for tenants?

16 MR. KING: We're going to start sending some
17 letters out.

18 MR. McKENZIE: I've already talked to Ilse once.
19 We're going to send out a letter. We need to decide how much
20 we're going to charge for that. We can't discuss it now, but
21 we need to know how much we're going to charge.

22 MR. KING: Sure.

23 MR. McKENZIE: We'll discuss that at the next board
24 meeting. But it will take me another three weeks to get
25 it --

66

1 MR. KING: I understand.
2 MR. McKENZIE: -- hopefully complete.
3 MR. MOSER: So, within a month we'll have tenants
4 out there?
5 MR. McKENZIE: We will have it completed. We won't
6 have tenants in there right away.
7 MR. MOSER: Well, so when will it be ready for --
8 MR. McKENZIE: In 30 days, it will be ready.
9 MR. MOSER: Thirty days, it'll be ready. Okay,
10 great.
11 MR. McKENZIE: We'll have another meeting before
12 it's ready to go.
13 MR. KING: I want to thank the City and County
14 also. Y'all guys -- I tell you what, you did a great job.
15 MR. McKENZIE: Great job.
16 MR. LIVERMORE: This is going to be a money-maker.
17 MR. KING: Just shows you what we can do for a
18 little bit of money. That's what I think really --
19 MR. WOOD: By the way, the T-hangars would bring in
20 about 70,000 a year, or maybe more.
21 MR. McKENZIE: That's right.
22 COMMISSIONER LETZ: Just a thought. With hunting
23 season starting a week from Saturday, --
24 MR. KING: Yeah.
25 COMMISSIONER LETZ: -- if you could get

67

1 something -- assuming Joey's willing to do it, something to
2 Joey about the parking lot, so if they had applications or
3 they knew it was available, because that's a lot of people
4 we're trying to get; they're coming in in droves next
5 Saturday.
6 MR. KING: Some of those cars up against the fence
7 will start getting used. That's a good idea.
8 MR. KENNEDY: We don't have a lot of information --
9 we do on some people, but --
10 COMMISSIONER LETZ: Just put a flyer out here, and
11 just say, you know -- you know, places or spots available.
12 Or --

13 MR. KING: We got the gate shut now, so we actually
14 see people coming through now. We see them coming in and
15 out.

16 COMMISSIONER LETZ: Yeah. It's -- that's a good
17 way, notice of long-term parking being transferred to the
18 parking lot.

19 MR. KING: Right, for a small nominal fee. All
20 right. Well, thank you.

21 MR. MOSER: Good point. Good request.

22 MR. LIVERMORE: Mr. Chairman, I'd like to make an
23 observation, that this has been one of the most productive
24 meetings that we've had, and it's because we've got all of
25 the people right here.

68

1 MR. KING: Any questions from the -- from our
2 owners, City or County?

3 MR. PARTON: Can you take a couple general comments
4 from the gallery?

5 MR. KING: Sure.

6 MR. PARTON: A couple things. One of the things
7 that y'all had asked at the last meeting was to have a
8 building inspection review.

9 MR. KING: Oh, yeah.

10 MR. PARTON: What we are doing is trying to take a
11 look -- take a little different approach to it. We're
12 looking for all the use classifications that could
13 potentially locate within the hangar without having to make
14 any major alterations to the building.

15 MR. KING: Okay.

16 MR. PARTON: And then to provide the use -- the
17 uses that might then trigger some --

18 MR. KING: That's exactly --

19 MR. PARTON: So that will then give you an idea of
20 the range of uses.

21 MR. KING: That's perfect.

22 MR. WOOD: Great. Good idea.

23 MR. PARTON: And the concept is to anticipate no
24 major alterations to the building, so you guys are going to

25 come in, utilize it, do minor renovation work.

69

1 MR. KING: That's exactly what we need.

2 MR. PARTON: So we are working on that, and we'll
3 get that to you as quickly as possible.

4 MR. KING: Okay.

5 MR. MOSER: Great approach.

6 MR. PARTON: But the other thing is, we've received
7 word that Mr. Brinkman is still planning to keep extending
8 his lease -- his lease on the T-hangars, so he may have a
9 desire to maintain that lease for his own purposes there.

10 MR. KING: There's no lease.

11 MR. McKENZIE: It expires.

12 MR. PARTON: Right.

13 MR. McKENZIE: He can keep it, but he'll have to
14 come up to the current rate, which is 80-something thousand a
15 year.

16 MR. PARTON: Right. And the initial -- what I've
17 heard is he wants to extend or maintain a lease on the
18 property.

19 MR. KING: Right. There's not -- I don't
20 believe -- is there an extension on the lease?

21 MR. McKENZIE: He can --

22 MR. KING: There is an extension?

23 MR. McKENZIE: He can request. But he can't do it
24 -- the lease expires. It will expire.

25 MR. KING: There's no extension on the lease. He

70

1 can make a request to lease the property.

2 MR. McKENZIE: To extend it.

3 MR. KING: The building will go back -- the
4 building will go to the City and the County.

5 MR. McKENZIE: Back to the owners.

6 MR. KING: It will go back to the owners next --

7 MR. KENNEDY: Unless you guys extend it.

8 MR. KING: Unless we choose to extend it to him.

9 MR. McKENZIE: At the current rate.

10 MR. LIVERMORE: At the --
11 MR. MCKENZIE: \$3.14 a square foot.
12 MR. KING: What we're going to do -- I mean, since
13 you brought it up, we're going to -- I've talked to Ed about
14 it. We're going to come up with a -- sort of a plan for the
15 building, a plan for it, so that we have -- so that everyone
16 has the option -- so we can look at all the options that we
17 have. We want to talk to our development people. And, you
18 know, there's a 22,000 square foot hangar over there --
19 whatever it is, 22 or 25 -- and we want to know what -- you
20 know, kind of get together and find out what we think the
21 best use for that building is for the City and the County.
22 Not just -- not just on a revenue basis, but from an
23 opportunity basis for everybody.
24 MR. LIVERMORE: This is our first chance in 30
25 years.

71

1 MR. KING: Yeah. This is our last chance.
2 MR. LIVERMORE: May be the last chance for another
3 30 years.
4 COMMISSIONER LETZ: Just a couple of general
5 comments. One, Mr. Brinkman's in town till Thanksgiving.
6 MR. KING: Right.
7 COMMISSIONER LETZ: So there's a little bit of a --
8 not that it's a rush to do it, but I think it's probably
9 helpful to do it.
10 MR. KING: Sure.
11 COMMISSIONER LETZ: Second, he is spending more
12 time back in Kerrville. And while I don't -- you know, just
13 as an F.Y.I., I think he has an interest in keeping the
14 hangar. And third, just a general thing. This isn't that,
15 you know, we need to cut a deal or anything; I'm not saying
16 that, but he's done a lot for the community, and I think we
17 really need to try to work with him the best we can, if he
18 wants the hangar, to keep him in the hangar. I think that --
19 I just think he's a very important citizen; he's done a lot.
20 I think he's willing to certainly pay, you know, market or
21 whatever. But I just think it's -- you know, we try to work

22 with him, and not try to just --
23 MR. KING: No, no, no. We're --
24 COMMISSIONER LETZ: -- make every -- you know, put
25 it out for bid, see if we can get more money for it. I think

72

1 we need to understand the whole situation, and --
2 MR. KING: I understand. I understand our
3 situation. Two years from now, when you're back here asking
4 me how come we don't have any money to run the place, I'll be
5 probably looking at the minutes of this meeting.
6 MR. MOSER: I thought you were going to get to zero
7 in two years.
8 COMMISSIONER LETZ: Well, I think we're on the way.
9 Y'all are going the right direction.
10 MR. KING: We're going to visit with him. I'm
11 going to look at the big picture. All right, anything else?
12 Motion to adjourn?
13 MR. MOSER: So moved.
14 MR. KING: Second?
15 MR. LIVERMORE: Second.
16 MR. KING: All in favor? Aye.
17 (The motion carried by unanimous vote, 4-0.)
18 (Airport Board meeting adjourned at 10:27 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 29th day of October,

8 2012.

9

Kathy Banik, Texas CSR # 6483

10

Expiration Date: 12/31/14

11

Official Court Reporter

Kerr County, Texas

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