

KERRVILLE-KERR COUNTY JOINT AIRPORT BOARD

Budget Workshop

Wednesday, March 24, 2021 at 8:30 AM

Happy State Bank Expo Center

Hill Country Youth Event Center

3785 TX HWY 27,

Kerrville, Texas 78028

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MEMBERS PRESENT:

Mark Mosier, President

Scott Schellhase

Trey Atkission (via Conference Call)

Stephen Schmerbeck (via Conference Call)

MEMBERS ABSENT

Jim Mans

AIRPORT BOARD STAFF PRESENT:

Mary Rohrer, Airport Manager

Carole Dungan, Executive Assistant

VISITORS:

Commissioner Tom Moser

Commissioner Jonathan Letz

EA Hoppe, Deputy City Manager

Debbie Anders

**CALL TO ORDER**

As this is a Workshop to discuss the FY 2022 Airport Board Budget the meeting was very informal. President Mark Mosier welcomed everyone and thanked them for coming then he turned the meeting over to Airport Manager Mary Rohrer.

Mary went over the Operational Budget (see exhibit 1).

Commissioner Letz mentioned that a salary study had been done by the county to see how the pay for county employees ranks among similar county. He thought that the Board might like to review that.

Time was spent going over the Capital Requests that the Airport Board are making in this budget (see page 5 of Airport Budget).

No action taken

The Workshop adjourned at 9:09 am.

**AGENDA  
BUDGET WORKSHOP OF THE  
KERRVILLE-KERR COUNTY JOINT AIRPORT BOARD  
MARCH 24, 2020 at 8:30 AM  
HAPPY STATE BANK EXPO CENTER  
HILL COUNTRY YOUTH EVENT CENTER  
3785 TX HWY 27, KERRVILLE, TEXAS**

**THIS NOTICE IS POSTED PURSUANT TO THE TEXAS OPEN MEETINGS ACT. (TITLE 5, CHAPTER 551, GOVERNMENT CODE AND TITLE 5, CHAPTER 552, GOVERNMENT CODE.)**

The Kerrville/Kerr County Joint Airport Board may or may not have a quorum at a budget workshop for “Joint Airport FY 2022 Budget” at 8:30 A.M., Wednesday March 24, 2021 in the classroom at the Happy State Bank Expo Center, Hill Country Youth Event Center, 3785 TX Highway 27, Kerrville, TX 78028.

**AIRPORT BOARD AGENDA- BUDGET WORKSHOP**  
**MEETING DATE: March 24, 2021**



FROM: Mary Rohrer  
 SUBJECT: Proposed FY 2022 Airport Operations and Capital Budget

Attached is the proposed Airport budget (labeled Version E) for the period from October 1, 2021 to September 30, 2020.

1. Operations budget
  - a. Revenue exceeds expenses.
  - b. Revenue increase of \$22,800 from CPI on existing leases and fuel flow fees.
  - c. Expenses include:
    - i. Payroll increase of 2% and 'best' estimate of insurance/benefits increases, totaling \$7,800
    - ii. Increase in Line 800-202 Buildings and Structures Repairs to \$70,000. This includes:
      1. Repairs to Paint hangar roof (second phase) \$35,000
      2. Terminal repairs- restroom and common area \$25,000
      3. Ongoing repairs at hangars and terminal \$10,000
    - iii. Increase in Line 800-205 Airside Maintenance to \$15,000
      1. Transfer of recurring expense of airside requirements from RAMP to Ops budget
        - a. AWOS maintenance contract and
        - b. SWPPP inspections
    - iv. Other Expenses increase/decrease, no reserve, net decrease \$30,012
    - v. Line 800-512 Contingency \$1450
    - vi. Total Increase in spending \$22,710
2. Capital Requests- Refer to Page 5
  - a. RAMP- \$50,000 From City/County, \$50,000 from TxDOT
  - b. TxDOT Statewide Pavement Maintenance- \$180,000 from City/County, \$1.6m from TxDOT
  - c. Master Plan update- \$300,000 from City/County
  - d. Crosswind Runway Overlay- \$350,000 from City/County

Description	Total	City	County	TxDOT
RAMP	\$ 100,000	\$ 25,000	\$ 25,000	\$ 50,000
Pavement Maintenance	\$ 1,800,000	\$ 90,000	\$ 90,000	\$ 1,620,000
Master Plan	\$ 300,000	\$ 150,000	\$ 150,000	\$ -
Crosswind Runway overlay	\$ 350,000	\$ 175,000	\$ 175,000	\$ -
<b>TOTALS</b>	<b>\$ 2,550,000</b>	<b>\$ 440,000</b>	<b>\$ 440,000</b>	<b>\$ 1,670,000</b>
Share of expenses		17%	17%	65%

**KERRVILLE-KERR COUNTY JOINT AIRPORT BOARD**

**BUDGET FOR FY 2021-2022**

Version E	2018 Actual	2019 Actual	2020 Actual	2021 Budget	PROPOSED BUDGET	REVIEW NOTES
3/24/2021						
<b>47-AIRPORT</b>						
<b>INTERGOVERNMENTAL REVENUE</b>						
47-300-602 KERR COUNTY	0	0	-		0	
47-300-603 KERRVILLE	0	0	-	0	0	
47-300-604 GRANTS						
<b>TOTAL INTERGOVERNMENTAL REVENUE</b>	<b>0</b>	<b>0</b>	<b>-</b>	<b>0</b>	<b>0</b>	
<b>LEASE/RENTAL INCOME</b>						
47-325-301 AIRPORT LAND LEASES	154,473	157,893	187,773	40,200	40,600	CPI \$400
47-325-401 AIRPORT LAND AND STRUCTURES				142,000	142,000	
47-325-601 1815 AIRPORT LOOP HANGAR and OFFICES	69,469	73,718	98,814	97,000	98,000	CPI \$1000
47-325-602 TERMINAL LEASES	12,797	12,501	15,252	13,000	15,300	10% vacancy
47-325-603 T-HANGAR LEASES	117,851	118,293	123,614	126,000	126,000	
47-325-604 VEHICLE RENTAL SURCHARGE	3,447	4,017	2,827	3,000	3,000	
47-325-605 T-HANGAR STORAGE FACILITY LEASES	2,200	2,167	2,595	1,300	2,000	\$700
47-325-625 PARKING LOT LEASES	4,675	5,668	4,659	5000	3,400	-1600
<b>TOTAL LEASE/RENTAL INCOME</b>	<b>364,912</b>	<b>374,257</b>	<b>435,534</b>	<b>427,500</b>	<b>430,300</b>	<b>2,800</b>
<b>FUEL SALES - AVIATION</b>						
47-350-601 FUEL FLOWAGE FEES	33,439	38,462	40,060	20,000	40,000	\$20,000
47-350-602 OTHER	0					
<b>TOTAL FUEL SALES</b>	<b>33,439</b>	<b>38,462</b>	<b>40,060</b>	<b>20,000</b>	<b>40,000</b>	<b>20,000</b>
Rental income and fees	398,351	412,719	475,594	447,500	470,300	
<b>PROCEEDS</b>						
47-370-260 SURPLUS PROPERTY SALE		2,000				
47-370-975 INSURANCE PROCEEDS		165,359	132,155	67,480		
47-370-980 APPROPRIATED FUND BALANCE						
47-375-601 MISCELLANEOUS	2,500	890				
<b>INTEREST INCOME</b>						
47-380-601 INTEREST INCOME	329	498	286			
<b>TOTAL INTEREST &amp; PROCEEDS</b>	<b>2,829</b>	<b>168,747</b>	<b>132,441</b>	<b>67,480</b>		
47-390-610 TRANSFER IN	0	0				
<b>TOTAL TRANSFER IN</b>	<b>0</b>	<b>0</b>				
<b>*** TOTAL REVENUES ***</b>	<b>401,180</b>	<b>746,825</b>	<b>740,190</b>	<b>514,980</b>	<b>470,300</b>	<b>Total Revenue +\$22,800</b>

**KERRVILLE-KERR COUNTY JOINT AIRPORT BOARD**  
**BUDGET FOR FY 2021-2022**

Expenses	2018 Actual	2019 Actual	2,020 Actual	2021 Budget	PROPOSED BUDGET	REVIEW NOTES
<b>47-AIRPORT</b>						
<b>SALARIES &amp; BENEFITS</b>						2% increase for Salary & Benefits
47-700-101 AIRPORT MANAGER	98,546	82,058	88,230	88,400	90,200	
47-700-102 OFFICE PERSONNEL	26,630	28,857	27,369	31,162	31,800	
47-700-104 AIRPORT MAINTENANCE STAFF	36,000	37,284	38,577	38,400	39,200	
47-700-205 OVERTIME						
47-700-201 FICA	12,738	11,301	11,756	12,113	12,400	0.0765
47-700-202 GROUP INSURANCE	14,348	16,035	17,248	24,000	27,000	9K per employee
47-700-203 RETIREMENT	20,982	18,953	20,212	21,234	22,600	1.4% of salary
47-700-204 WORKMAN'S COMP	1,497	856	1,602	1,300	1,300	
47-700-206 BASIC INSURANCE	117	127	131	200	200	
<b>SUBTOTAL SALARIES &amp; BENEFITS</b>	<b>210,858</b>	<b>195,461</b>	<b>205,125</b>	<b>216,809</b>	<b>224,700</b>	<b>\$7,800</b>
<b>EXPENSES</b>						
47-800-008 PROFESSIONAL DEVELOPMENT	6,700	5,335	3,247	4,000	4,000	
<b>SUPPLIES</b>						
47-800-101 OFFICE SUPPLIES and EQUIPMENT	1,603	1,876	2,484	2,700	2,700	
47-800-102 SMALL TOOLS AND EQUIPMENT	2,851	1,604	2,204	2,000	2,000	
47-800-104 FUEL	2,414	3,012	1,700	3,000	3,000	
47-800-105 JANITORIAL SERVICES	1,605	1,543	5,944	6,000	7,000	
47-800-110 LANDSCAPING	96	1,576	3,250	8,000	8,000	
47-800-112 WEARING APPAREL	1,024	940	520	1,000	1,000	
<b>MAINTENANCE</b>						
47-800-200 MOWING	30,000	30,000	37,500	37,500	37,500	
47-800-201 BUILDINGS AND STRUCTURES REPAIRS	453	9,529		35,000	70,000	\$35k Paint Hng roof, \$25k Termin repairs, \$10k Airport Repairs
47-800-202 BUILDINGS AND STRUCTURES MAINTENANCE	12,911	24,130	24,726	9,000	9,000	
47-800-203 VEHICLE MAINTENANCE	2,000	2,599	2,625	2,500	1,500	
47-800-205 AIRSIDE MAINTENANCE	4,284	2,947	6,399	5,000	15,000	includes AWOS and AARC costs \$10k
47-800-215 STORM DAMAGE REPAIRS			150,655			Insurance Repair NOT in SUBTOTAL
<b>SUBTOTAL- Prof Dev, Supplies, Repairs and Maint, Other</b>	<b>65,941</b>	<b>85,091</b>	<b>90,599</b>	<b>115,700</b>	<b>160,700</b>	<b>\$ 45,000</b>

KERRVILLE-KERR COUNTY JOINT AIRPORT BOARD

BUDGET FOR FY 2021-2022

Expenses (continued)	2018		2019		2,020		2021		PROPOSED		REVIEW NOTES
	Actual		Actual		Actual		Budget		BUDGET		
OTHER											
47-800-302 PROPERTY INSURANCE (County)	9126		10191		11,574		15000		15000		
47-800-303 LIABILITY INSURANCE (City)	761		658		646		1000		1000		
47-800-305 OFFICE EQUIPMENT RENTAL	2323		1937		2,460		2500		2100		
47-800-307 MARKETING	521		2114		851		10000		8000		-2000
47-800-311 LEGAL SERVICES	5690		6819		5,400		6000		6000		
47-800-312 PROFESSIONAL SERVICES	10376		10375		16,560		15000		15000		
UTILITIES											
47-800-401 CELL PHONES	1386		1491		1,237		1500		1500		
47-800-404 WATER & SEWER	1565		1638		1,677		2200		2000		
47-800-406 LIGHT AND POWER	18181		17733		17,687		15000		15000		
47-800-503 DUES AND SUBSCRIPTIONS	738		438		538		1000		750		
RESERVE AND CONTINGENCY											
47-800-508 RESERVE	12287		5685				25000				-25,000
47-800-512 CONTINGENCY	1511		2547		14,502		3790		1450		-2340
TERMINAL EXPENSES											
47-801-300 FIRE ALARM MONITORING/INSPECTIONS	530		908		1,279		1000		3600		2600
47-801-301 LIGHT & POWER	8092		7600		7,944		9000		7500		-1500
47-801-302 PROPANE GAS	2673		2993		2,747		4000		3000		-1000
47-801-303 WATER & SEWER	3767		2517		2,485		3000		3000		
SUBTOTAL- Other, Utilities, Reserve and Contingency, Terminal	79,527		75,644		87,607		114,990		84,900		(30,090)
*** TOTAL EXPENSES ***	356,326		356,196		383,331		447,499		470,300		22,710
REVENUE OVER/(UNDER) EXPENDITURES	44,854		390,629		356,859		67,481		-		
DIFF TOTAL REVENUES Less TOTAL EXPENSES:									\$ -		OK, Balanced

KERRVILLE-KERR COUNTY JOINT AIRPORT BOARD						
BUDGET FOR FY 2021-2022						
Revenues	2018 Actual	2019 Actual	2,020 Actual	2021 Budget	PROPOSED BUDGET	
<b>48 - AIRPORT CAPITAL</b>						
Reimbursement						
48-350-100 REIMBURSEMENT FM TX DOT		50,000	49,955	50,000	50,000	
48-350-200 TX DOT REIMB T-HANGARS						
<b>TOTAL Reimbursement</b>		<b>50,000</b>	<b>49,955</b>	<b>50,000</b>	<b>50,000</b>	
Intergovernmental						
48-351-100 KERR COUNTY RAMP GRANT M		25,000	25,000	25,000	25,000	
48-351-101 CITY OF KERRVILLE RAMP GRANT		25,000	25,000	25,000	25,000	
48-351-102 KERR COUNTY PROJECT MATCH					415,000	
48-351-103 CTY OF KERRVILLE PROJECT MATCH					415,000	
<b>TOTAL Intergovernmental</b>		<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	<b>880,000</b>	
Interest						
48-360-100 INTEREST EARNINGS	0	71				
<b>TOTAL Transfers In</b>	<b>0</b>	<b>71</b>	<b>-</b>	<b>0</b>		
Transfers In						
48-500-115 TRANSFER IN	0	0	-			
<b>TOTAL Transfers In</b>	<b>0</b>	<b>0</b>	<b>-</b>	<b>0</b>		
<b>TOTAL REVENUES</b>		<b>100,071</b>		<b>0</b>	<b>930,000</b>	



**KERRVILLE-KERR COUNTY JOINT AIRPORT BOARD**  
**BUDGET FOR FY 2021-2022**

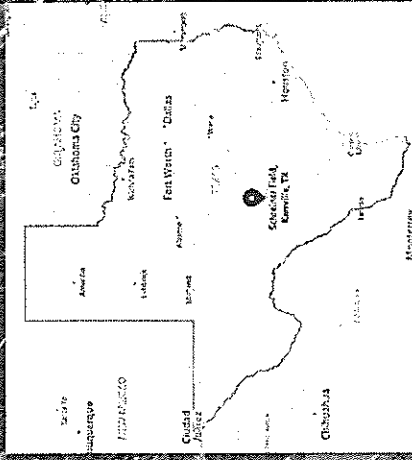
	Capital Allocations	2019 Actual	2020 Actual	2021 SPEND	2022 SPEND	Requested Allocations	Remaining funds, FY 2023
<b>CAPITAL OUTLAY</b>							
48-600-102							
BUILDINGS AND STRUCTURES- Brinkman TPO Roof							
48-600-103							
WATER SYSTEM IMPROVEMENTS							
48-600-104	50,000	50,000	50,000	50,000	50,000	50,000	0
GRANT MATCH RAMP TOTAL							
48-600-105							
DRAINAGE IMPROVEMENTS							
48-600-106							
GRANT MATCH T-HANGAR 2019							
48-600-107							
TXDOT T-HANGAR PORTION							
48-600-108	0					180,000	0
12/30 PAVEMENT MAINT (90/10)							
48-600-109	550,000		19,600	46,000	200,000	300,000	284,400
HORSESHOE BLDG IMPROVEMENT							
48-600-110							
MASTER PLAN							
48-600-111	200,000			50,000	150,000		
BOX HANGAR CONSTRUCTION							
48-600-112							
CONTRACT SERVICES							
48-600-113							
INSTRUMENTS AND APPARATUS							
48-600-114					350,000	350,000	
CROSSWIND RUNWAY Pavement Overlay	300,000		10,350	115,000	174,650		-
48-600-115	40,000		17,000	23,000			-
T-HANGAR 10% MATCH/SITE PREP							
48-600-116		50,000	96,950	-		880,000	
MAINTENANCE BLDG RENOVATION							
TOTAL CAPITAL OUTLAY							
TOTAL EXPENDITURES							
REVENUE OVER/(UNDER) EXPENDITURES		-					

# KERRVILLE MUNI/LOUIS SCHREINER AIRPORT

Kerrville, TX (ERV)

*TxDOT 90% City/Country Proj*

3000 ft



1596 N

1368 N

Johnson Dr  
Live Oak

Surface Treat & Mark Taxiways

Airport Loop N

Surface Treat & Mark  
Runway 12-30

Surface Treat & Mark  
Runway 3-21  
~1,225'

Farm Rd

Mooney Rd

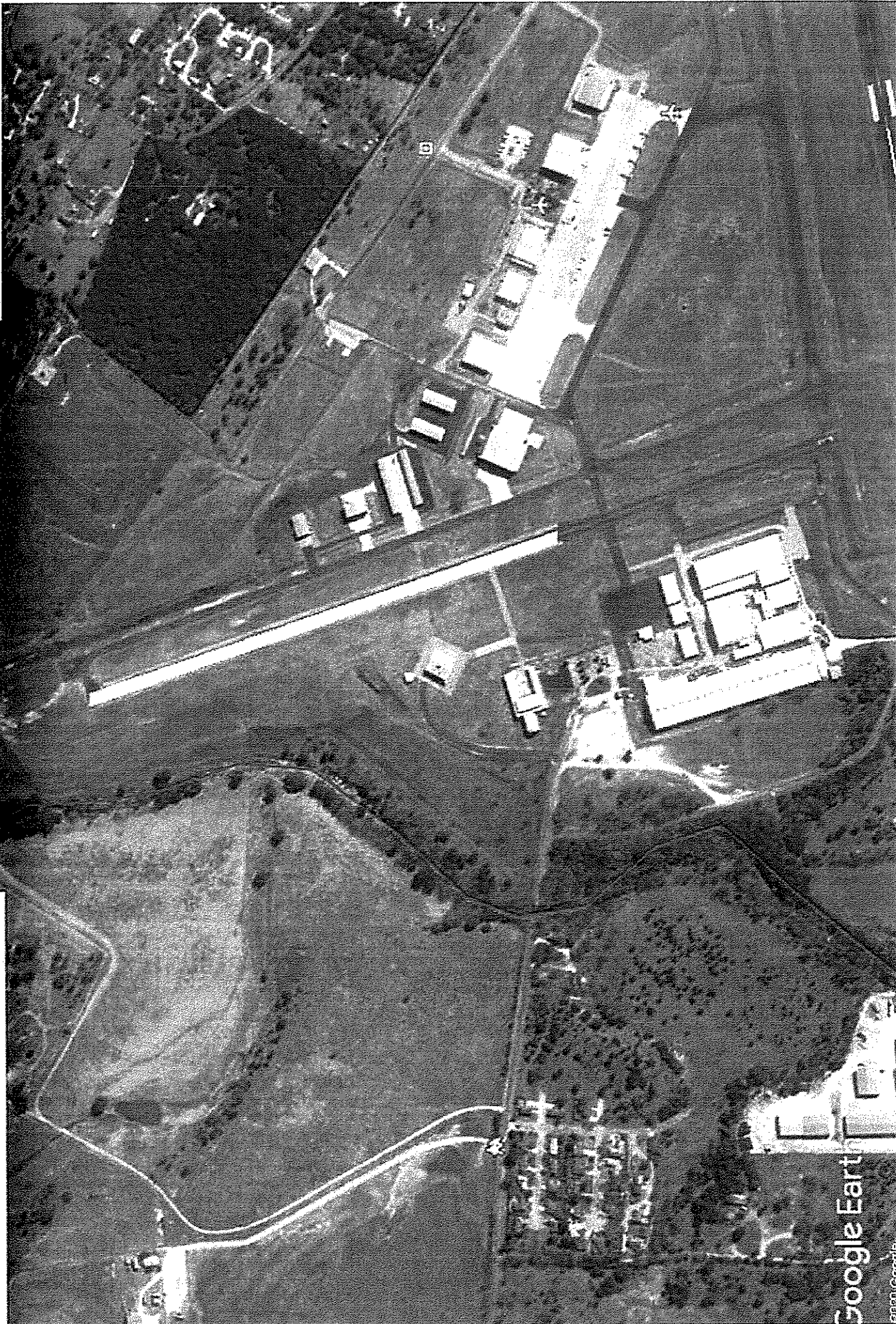
27

Coon Ranch Rd E

**Rwy 03-21** *CITY / County*  
Renovate portion of runway with asphalt overlay

**Legend**

-  Renovate Portion Rwy 03-21



## KERRVILLE/KERR COUNTY AIRPORT

### BUDGET CONSIDERATIONS

March 17, 2021

### STRATEGIC PLAN

#### VISION

To provide premier services and airport facilities through operational excellence and innovation, while also promoting commercial and local economic development

#### INITIATIVES

Emphasis on economic development for the airport and the community

1. Build and maintain relationships with economic development entities
2. Focus on high potential business development at the airport

Actively address airport improvements and infrastructure (and related financing)

1. Increase number of hangars available for lease
2. Increase amount of Class A space
3. Pursue relationships and finance options
4. Improve appearance of airport

Improvement in service levels for stakeholders and prospective customers

1. Improve service to existing customers
2. Improve service levels at FBO
3. FBO goals and objectives alignment

Promotion of the airport and marketing of the airport's brand

1. Market the airport to improve community awareness
2. Increase communication and outreach

#### WHAT DO WE SEE OVER THE NEXT 5 YEARS?

Significant increases in opportunities to provide service to larger aircraft

Continued demand for hangar space for piston aircraft at low end of rental rates

Need for aviation related training

With Killdeer and RBR (and maybe developments at the Mooney facility), substantial opportunities exist for synergistic increase in economic development in the aerospace industry and related higher paying jobs

Movement of population from San Antonio area toward Kerrville

## WHAT ARE THE ISSUES?

Multiple parties involved (Airport Board, Kerrville Aviation, Guadalupe, City, County, TxDOT, EIC, KEDC).  
Effect is Airport Board has no real power in economic development

Airport Board has little control over the major portion of the airport operations which is vested in the FBO – basically Airport Board is in charge of aviation infrastructure (runways, taxiways and terminal)

The Airport Board and the FBO are competitors regarding leasing of facilities

Kerrville Aviation needs more physical facilities but has no financial horsepower to drive this

The only source of income for the Airport Board is leasing of facilities; land leases do not generate adequate income

Existing airport owned facilities are aging and require significant continuing maintenance

Process to obtain operating funding from owners is time consuming and difficult

Staff at airport and time of Board members is limited, so that strategic planning initiatives cannot be effectively pursued.

There is no easily developable Class A space at the airport and no plans to develop more – in addition, such development will require significant investment on the part of owners; owners have not shown desire to pursue

There is no person or entity with financial horsepower and burning interest in developing the airport.

There is no clear path to funding of needed physical facilities especially larger hangars and useable space for aerospace/aviation related businesses

No one is addressing the changes going on in aircraft technology and related future needs

The Airport Master Plan is out of date, needs revision specifically addressed to KERV and its direction

## IF NO CHANGE IN DIRECTION AND EMPHASIS, WHAT DOES THE FUTURE HOLD?

Absent change in direction, the Airport will continue to maintain an above average facility and Kerrville will miss out on economic development which will move elsewhere. **The current budget process of limited financial involvement by the owners is contributory to this loss of opportunity.** The strategic plan initiatives will not be realized under this scenario.

## A WAY FORWARD

It is recommended that the current and developing opportunities at the airport be utilized to fully develop the potential for substantial progress in Kerrville and Kerr County toward economic development, providing higher paying jobs to the citizens, along with the multiplier effect for the area.

This will require substantial increase in both operating budgets (think in terms of a doubling of the operation budget) along with capital budgets. These funds (along with some debt financing) will be used to acquire additional property, build facilities, develop infrastructure (including utilities), relocate facilities as a part of developing additional Class "A" space.

The first step in this process is a major revision and update of the Airport Capital Plan to specifically address a blueprint for the next 10 year. Such update should be driven by a steering committee to include participation by the Airport Board and owners; with significant educational programs and direct involvement with the public. The intended result will be a clear path to addressing the issues and opportunities and the related benefits to the owners, the business community and the citizens of Kerrville and Kerr County. An added advantage is this will provide substantial input to the requirements by TxDot Aviation for continuing funding to the airport.

The 2022 budget should include funding for this project – estimated to be approximately \$300,000.

Respectfully submitted,

C James Mans, Airport Board Member