

KERRVILLE-KERR COUNTY JOINT AIRPORT BOARD

Regular Meeting

Wednesday, June 24, 2020 at 8:30 a.m.

Hill Country Youth Event Center

3785 TX Highway 27

Kerrville, Texas 78028

MEMBERS PRESENT:

Mark Mosier, President

Jim Mans, Vice President

Keith Miller

Stephen Schmerbeck

MEMBERS ABSENT:

Trey Atkission

AIRPORT BOARD STAFF PRESENT:

Mary Rohrer, Airport Manager

Carole Dungan, Executive Assistant

VISITORS:

Judy Eychner, City Council Person

David Barker, Candidate for Mayor of Kerrville

I-N-D-E-X

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CALL TO ORDER

1. VISTORS FORUM:

No comments

2. KERRVILLE-KERR COUNTY JOINT AIRPORT BOARD MEMBER FORUM:

David Barker was introduced. He is running for Mayor of Kerrville and is a neighbor of Jim Mans.

3. CONSENT AGENDA

3 A. The Board approved the minutes for the May 27, 2020 meetings with a vote of 4-0.
(See Exhibits 3.1)

4. DISCUSSION AND POSSIBLE ACTION

4 A. Nominations were opened for the position of Board President. Mark Mosier was nominated. There were no other nominations. He was elected with a vote of 4-0. Nominations were then opened for the position of Vice President. Jim Mans was nominated. There were no other nominations. He was elected with a vote of 4-0.

4 B. The Board voted to accept the financial report with a vote of 4-0. (See exhibit 4B.1 -3)

4 C. Monthly Update from Kerrville Aviation - Joe Kennedy gave the Board an update on Kerrville Aviation. He reported that with the spike in COVID cases in San Antonio he has directed his staff to not put out the red carpets and limit personal contact with the customers as much as possible. He reported that with the PPP funding he obtained he was able to keep his entire staff. He also reported that he has met with Representatives of AV Fuel and is optimistic that fuel sales will return. He reported that he incurred a 15,000 loss from January to May but was still above his number for last year. He reported that he has space available for 4 small planes and 1 large jet. He is also working on improvements to the self-serve with a new card reader, new ground reel, and re-painting.

4D. Strategic Plan – Jim Mans reminded the Board of the need to update the Strategic Plan and suggested that we hold a workshop to accomplish this. Carole and Mary will begin updating the charts in the plan. A workshop will be set up after the July 4th holiday.

4 E. Interlocal Agreement – Jim Mans advised the board that he has reviewed the Interlocal Agreement and suggested that it be updated to reflect the times as well as adjust the Board Members terms to five years. He requested that everyone receive a copy of the redlined copy and review it. Mary said that she was reviewing it and get the Board Members comments before sending it to Dixon Mosty (Board Attorney) for review. It would then be send to the City and County Attorneys for review.

4 F. Mary Rohrer explained the new COVID 19 FAA grant and the \$69,000 which would be received for use at the airport. Her plan is to use this money to repair the hangar doors on the 1815 Hangar. She gave a monthly update on the status on the T-Hangar project, site work for the box hangars and the Horseshoe (see exhibit 4 F1). Lastly she gave an update on leasing at the airport (see exhibit 4 F.3)

4 G. Real Property – (Executive Session 551.072) There was no discussion and no executive session called.

5. EXECUTIVE SESSION

5 A. No Executive session was held.

6. ADJOURNMENT

The Joint Airport Board adjourned the meeting at 10.15 a.m.

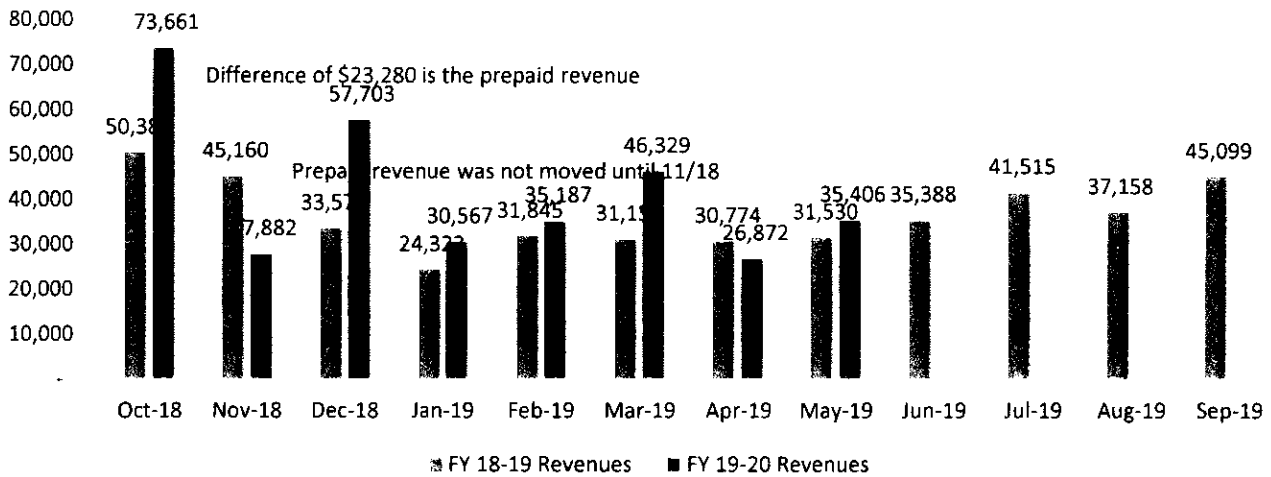
Graphic Financials

Operation Graph

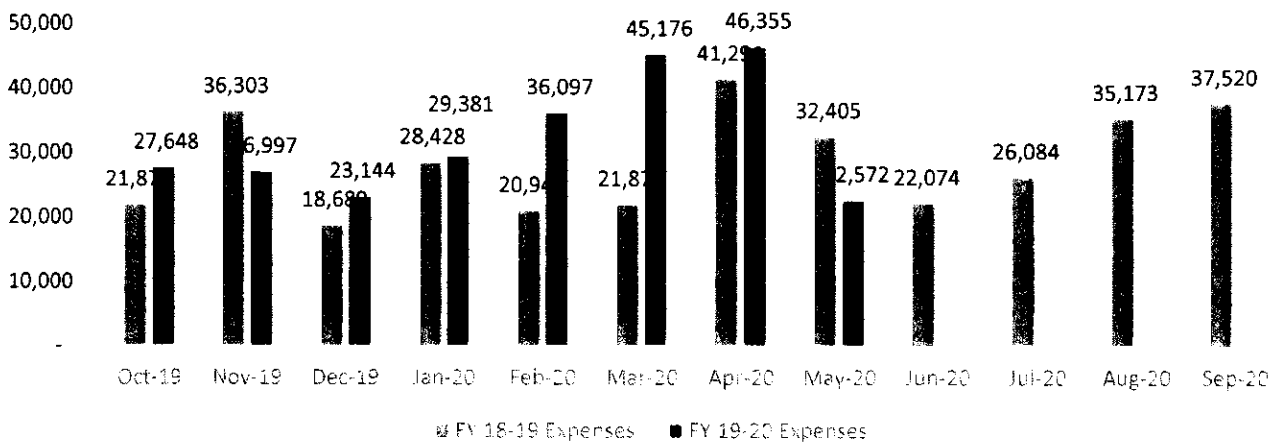
	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19
FY 18-19 Revenues	50,381	45,160	33,577	24,323	31,845	31,159	30,774	31,530	35,388	41,515	37,158	45,099
FY 19-20 Revenues	73,661	27,882	57,703	30,567	35,187	46,329	26,872	35,406				

	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20
FY 18-19 Expenses	21,878	36,303	18,689	28,428	20,943	21,878	41,291	32,405	22,074	26,084	35,173	37,520
FY 19-20 Expenses	27,648	26,997	23,144	29,381	36,097	45,176	46,355	22,572				

Revenue Per Month



Expenses Per Month



The total Revenue number is taken from page 3 bottom of column 3 (Monthly Revenue).

The total Expense number the addition of the total of Salaries and Benefits on page 4; total expenditures on page 6 (third column) and the total of expenditures for the terminal utilites on page 7 (column 3).

February, March, and April Expenses have been adjusted to remove the Hail Storm repairs.

**RESTATED INTERLOCAL AGREEMENT FOR THE
CONTINUED EXISTENCE OF A
JOINT AIRPORT BOARD TO PROVIDE MANAGEMENT
OF KERRVILLE/KERR COUNTY AIRPORT**

This amended and restated Joint Action Agreement (“Agreement”), pursuant to Chapter 22 of the Texas Transportation Code, is entered into between Kerr County, Texas (“County”) and the City of Kerrville, Texas (“City”), also referred to individually as “Party”, or collectively as “Parties”, on the ____ day of ____, 2020.

WHEREAS, County and City jointly own the real property upon which is located the Kerrville/Kerr County Airport, sometimes referred to as Louis Schreiner Field (“Airport”); and,

WHEREAS, County and City find that it is in the best interests of the citizens of County and City for the Airport to continue to be managed by a Joint Airport Board pursuant to the Code; and

WHEREAS, County and City are desirous of the continuous operation of the Airport in an effective manner; and

NOW, THEREFORE, in consideration of these promises, covenants, and agreements, the Parties agree as follows:

1. **Duration of Agreement**: This Agreement shall be effective as of October 1, 2020 and remain in effect until terminated as described in Section 8 below.

2. **Proportionate Interest in Airport Property**: Each Party owns an equal, undivided interest in the real property as depicted in **Exhibit A**, along with all structures, fixtures, and other assets purchased or otherwise acquired by the Airport Board.

3. **Joint Airport Board**: The Parties affirm the creation and continued existence of the Joint Airport Board (“Board”). The Board shall consist and operate as follows:

(a) **Membership**. The Board shall be comprised of five members. The approval by each Party is required to constitute an appointment to the Board.

(b) **Term of Office**. Each Board member shall be appointed for a five-year term and shall continue to serve in this capacity until their successor is appointed and is duly qualified.

In an effort to increase efficiency and promote good governance of the Board, the positions of the Board are staggered so that one position will expire each year. This will be initially accomplished as follows:

- 1) Place 1 – current term to expire May 31, 2023;
- 2) Place 2 – current term to expire May 31, 2024;
- 3) Place 3 – current term to expire May 31, 2025;
- 4) Place 4 – current term to expire May 31, 2021;
- 5) Place 5 – current term to expire May 31, 2022;

Each “current term” specified above shall count as a single, 5-year term. Upon the death of any member or should any member resign or for any reason become unable to serve, a replacement to fill the vacancy for the unexpired term shall be appointed in the same manner as provided below.

(c) Appointment. The process for appointment by action of each Party shall be as designated below:

- 1) The Board shall recommend persons to the County and City for consideration of appointment. The Board shall submit the names of such persons to each Party at least 60 days prior to the end of the particular place’s term. In the event that a candidate recommended by the Board is not appointed by either Party, the Board shall recommend an alternative candidate. In the event that this second candidate is not appointed by either Party, the Board shall select another candidate who will be automatically appointed to the Board without the approval of the Parties.
- 2) It is deemed desirable that all Board members possess and will contribute a balance of expertise in business, financial, aviation, or management training and experience. Appointments shall be made on or before June 1 of each year.
- 3) Replacement of members shall be in the same manner and under the same qualification as described above.
- 4) Any Board member may be removed by a majority vote of each Party, for any reason. In addition, the Board may recommend to the County and City that a Board member be removed.
- 5) Board members shall be eligible for reappointment, if they are filling a term that was vacated early and are prohibited from serving more than 8 (eight) consecutive years.

(d) Oath. Following appointment, each Board member shall qualify for office by taking the required oath of office before the County Judge.

(e) Officers: The Board shall appoint a President and Vice President who shall be selected from the Board's membership. The term for the President shall be for two years.

(f) Compensation: Service on the Board is without compensation. However, each Board member is entitled to reimbursement for necessary expenses incurred in the performance of his/her duties as a Board member.

(g) Authority, Powers, and Duties: The Board shall have the following authority, powers and duties:

1) The Board may exercise on behalf of the Parties any power possessed by either Party and those specifically provided by the Kerrville/Kerr County Airport Code ("Airport Code") dated June 27, 2018 as exists and may be amended from time to time, including the power to lease property and facilities, and to buy and sell goods as an incident to the operation of the Airport.

2) The Board is not authorized to impose a property tax, sell bonds, or otherwise enter into other debt instruments, dispose of Airport property, or exercise the power of eminent domain without the prior written consent of each Party.

3) The Board, following the prior written consent of each Party, has the authority to apply for and to execute grant funding agreements.

4) The Board may improve, equip, maintain, operate, manage, regulate, and protect the Airport.

5) The Board may realign, alter, acquire, abandon, or close a portion of a roadway or alleyway without a showing of paramount importance if the portions to be realigned, altered, abandoned, or closed are in the geographical boundaries of the Airport at the time of or after the realignment, alteration, acquisition, abandonment, or closing.

6) The Board shall have the responsibility and be in charge of the property, improvements, and other assets of the Airport and shall be in charge of the disbursement of Airport funds for Airport purposes, and pursuant to the approved Board Budget. The Board shall also cause records to be kept of any and all revenues and disbursements.

7) The Board shall cause a fund, for accounting purposes, to be maintained to include all accounts and transactions relative to the operations and capital of the Airport.

8) The Board shall have an audit of the financial affairs of the Board and its operation of the Airport conducted each year by an independent accountant and shall furnish the audit to each Party no later than February 28 of each year.

9) The Board shall ensure that records regarding the operation of the Airport including the minutes of the Board meetings, are maintained, retained, and made available for public review in accordance with the Texas Public Information Act. Records shall be maintained at the Airport.

10) The Board shall hire and employ an Airport Manager ("Manager") and such other employees as are necessary for the operation of the Airport. The Board shall develop a written job description for the Manager and shall review Manager's performance annually.

11) The Board, through its Manager and any other employees, shall be responsible for the day-to-day management of the Airport. Toward that end, the Board is authorized to enter into service contracts with other public or private entities, but where such a contract exceeds \$75,000.00; both Parties must approve the contract.

12) The Board may adopt resolutions, rules, and orders for the operation of the Airport.

13) The Board may lease Airport property and may adopt fees and rental rates with respect to the use of Airport services or use of Airport property. Revenues for such fees and rates shall be included within the Board Budget.

14) The Parties acknowledge that the Airport property is within the City's limits and is subject to the City's regulations and that land adjacent to the Airport but outside of the City limits is subject to the adoption, administration, and enforcement by the County. The Board shall use its best efforts to monitor and consider appropriate zoning for the Airport and the immediately surrounding areas whose use may impact Airport operations.

15) The Board adopts Kerr County policies and procedures for the purchase of goods and services and for the accounting of the Airport's finances, each in accordance with state law.

16) Insurance is provided by the parties with the City providing liability insurance and the County providing property insurance. The Board may insure itself, its contractors, and subcontractors against liability arising from the operation of the Airport for damages to the person or property of others, worker's compensation, and officers' and employees liability. The insurance may consist of self-insurance and/or purchased insurance.

17) The Board is prohibited from giving, leasing, or otherwise allowing the use of any part of the Airport for no value, without first having received approval from both Parties.

18) The Board shall comply with the Airport Code and other federal, state laws and local laws in all respects.

(h) Meetings: The Board shall meet on dates and times as agreed upon by the Board, which schedule may be changed from time to time; however in no event shall the Board meet less frequently than once per calendar quarter. The President of the Board or any two Board members shall have the authority to call a meeting. All such meetings of the Board shall be held in accordance with the Texas Open Meetings Act and three members of the Board shall constitute a quorum of the Board. The Board shall make its own rules of order, by-laws, set the time and place for regular meetings, and shall keep minutes of its meetings.

(i) Fiscal year: The Board shall observe a fiscal year that begins each October 1 and ends September 30.

(j) Litigation: The Board shall not enter into litigation of any kind without prior approval from both Parties. However, the Board may provide an appropriate response to a lawsuit or claim filed against it in an effort to protect its rights and defenses prior to any approval from both Parties.

4. Board Budget: The Board is responsible for the operations and needs of the Airport and shall develop a budget for Airport operations (“Board Budget”) to be approved by both Parties. The Board Budget shall consist of revenues (“Revenues”) from lease income and fees imposed, and maintenance and operations expenses (“Expenses”). In addition, the Board shall include as an addendum to the Board Budget a description and discussion of, at a minimum, proposed capital improvements looking forward 5 years.

The Board shall submit and present the Board Budget to the County and the City for approval. Should either Party not approve the Board Budget, the previous year’s Board Budget shall be automatically adopted for the upcoming year.

(a) Submission Required: The Board shall submit the Board Budget to both Parties not later than June 1st of each year for Parties’ consideration no later than September 30 of each year.

(b) Content and Format. The Board Budget shall substantially conform to the format and line item content as specified and depicted in **Exhibit B** and in accordance with the following:

1. Where Expenses exceed Revenue; the Board shall seek contributions from the Parties as provided in Paragraph 5.

2. In no case shall contingency funds exceed 10% of the annual amount budgeted for Expenses.

(c) Excess Spending. The Board shall not spend nor incur obligations which at any time will exceed the Board Budget approved and adopted by the County and City for that current fiscal year, except for an emergency expenditure, which is declared by the Board President. An "emergency expenditure" is defined as an expenditure necessary for the immediate preservation of the public peace, property, health, or safety. Prior to or immediately following such expenditure, the Board President shall notify the County Judge and Mayor in writing of the declared emergency expenditure.

(d) Movement between Funds. The Board is authorized to move funds between line items concerning Expenses, but in no event shall the funds being moved exceed 10% of the Board Budget for that year.

(e) Airport Revenues. The Board shall use Revenues generated by operation of the Airport only for Airport purposes.

5. County and City Funding: To assure the objective of the continuation of efficient Airport operations, each Party is obligated to the other Party to contribute funds as follows:

(a) Maintenance and Operations. The County and City shall each fund on a fiscal year basis one-half (1/2) of Expenses in excess of the Airport Revenues.

(b) Capital Improvements. The County and City shall be equally responsible for capital improvements budget. On an annual basis as part of the draft Board Budget review process, both Parties must review proposed capital improvement projects.

(c) Schedule of Payments. Pursuant to the Board Budget and the amount of each Party's contributions, each Party shall forward 12 equal monthly payments to the Board in the amount of 1/12th of their total contribution on or before the 15th day of each month, or to be paid in one single amount as determined by the Parties, or as needed.

6. Airport Annual Meeting: Annually, the Board shall meet with the Parties to present updates to the Airport Strategic Plan, including but not limited to information regarding the operations of the Airport and its finances.

7. Amendment: This Agreement may only be amended by written agreement of the Parties.

8. Termination of Agreement: Either party may terminate the Agreement for any reason by giving the other Party no less than three hundred and sixty (360) days written notice.

9. Notices: Any notice required or permitted to be given pursuant to this Agreement or under the laws of this state shall be given in writing and may be given via the United States Postal Service, certified mail, or commercial courier service, addressed to the applicable Party at the address set forth below:

City: City of Kerrville
Attention: City Manager
City Hall
701 Main Street
Kerrville, TX 78028

County: County of Kerr
Attention: County Judge
Kerr County Courthouse
700 Main Street
Kerrville, TX 78028

Board: Joint Airport Board
Attention: President
Kerrville/Kerr County Airport
1877 Airport Loop Road
Kerrville, TX 78028

10. Governing Law and Venue: This Agreement and all of the transactions contemplated herein shall be governed by and construed in accordance with the laws of the State of Texas. Venue for any cause of action shall be in a court of competent jurisdiction in Kerr County, Texas.

11. Severability: If any provision of this Agreement is invalid or unenforceable, this Agreement shall be considered severable as to such provision, and the remainder of this Agreement shall remain valid and binding as though such invalid or unenforceable provision was not included.

12. Captions: Section headings are inserted herein only as a matter of convenience and for reference, and in no way defines, limits, or describes the scope or intent to any provision.

13. Use of Language: Words of any gender used in this Agreement shall be held and construed to include any other gender, and words in the singular shall be held to include the plural, unless the context otherwise requires.

14. Entire Agreement: This Agreement embodies the entire agreement between the Parties, and supersedes all prior agreements and understandings, whether written or oral, and all contemporaneous oral agreements and understandings relating to the subject matter. This Agreement shall not be amended, discharged or extended, except by written instrument executed by the Parties. The Parties agree that no representations or warranties shall be binding upon either Party unless expressed in writing in the Agreement.

15. Multiple Counterparts: This Agreement may be executed in multiple counterparts, each of which constitutes an original.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be legally executed this _____ day of _____, 20__

CITY OF KERRVILLE

COUNTY OF KERR, TEXAS

By: _____
Bill Blackburn, Mayor

By: _____
Rob Kelly, County Judge

ATTEST:

ATTEST:

Shelly McElhannon, City Secretary

Jackie Dowdy, County Clerk

APPROVED AS TO FORM:

APPROVED AS TO FORM:

Michael C. Hayes, City Attorney

Heather Stebbins, County Attorney

EXHIBIT A
Property Description

EXHIBIT B
Budget Format Example

MEMORANDUM

TO: Airport Board Members
CC: Tom Mosier, Jonathan Letz, James Robles, and EA Hoppe
FROM: Mary Rohrer
DATE: June 25, 2020
RE: Status of FY 2020 Budget for Capital Improvements
Kerrville- Kerr County Airport



Work Package 1 - Ten T Hangars

Budget, \$900,000 (County share \$150,000; City share \$150,000; TxDOT Grant \$600,000)

Estimate of FY 2020 Spend- City/County= \$5,175 each

Estimate of FY 2021 Spend- City/County= \$144,825 each

- May 7 – TxDOT signed Garver’s engineering services agreement. Paid 10% of engineering fee to TxDOT to commence work, \$10,350, City/County Paid= \$5,175.
- May 14 – TxDOT, Garver and Selection Committee attended a Pre-Design Conference virtual meeting. T hangars design for 42’ and 45’ wide doors and 14’ door height.
- June 3- Preliminary concept site plan approved by Airport Selection Committee
- June 27 – Garver issues Preliminary Engineering Report, PER, which includes site plans, cost estimates, alternates for TxDOT and Airport’s review.
- July- Construction drawings prepared once design concept and budget from PER are agreed to by Airport, TxDOT and Garver.
- August - Plan check, City/County/TxDOT and permit received.
- September- Bid process by TxDOT; posting documents, pre bid meeting at Airport, reviewing bids and preparing construction contract
- October- Airport pays 10% share of TxDOT’s construction budget, \$66,600, (less engineering fees paid in June) about \$56,250. City/County Share is \$28,125 each
- October/November- Mobilize to site, remainder of City/County \$300,000 contribution is \$233,400. Share of remaining cost, City/County Share is \$116,700 each; paid monthly as work progresses
- Construction – Site and buildings 6 months
- March/April 2021 Complete

Work Package 2 – Site work for Box Hangars

Budget, \$200,000 (County Share \$100,000; EIC share \$100,000)

Estimate of FY 2020 Spend- EIC/County= \$10,000 each

Estimate of FY 2021 Spend- EIC/County= \$90,000 each

- April - Fee proposal from Garver received for engineering work to design box hangar site work.
- June- Approved Concept Plan has two box hangar pads vs three pads initially proposed to County and EIC.
- July/August – Prepare mass grading plan for box hangar area. Design fee estimate is = \$20,000. EIC/County share= \$10,000 each
- September- Add to TxDOT bid package, award grading work with T hangars
- October – Mobilize to site
- October/November- Commence marketing to future pad users, assuming delivery method to pad tenants as a ground lease.
- November/December/January- Grading complete (8-12 weeks) concurrent with T hangar site work, and site construction costs paid monthly, estimated construction costs=\$180,000. EIC/County Share = \$90,000 each
- February/March 2021- Pads complete
- April 2021- Aircraft access to pads ready

Work Package 3 – Horseshoe, Phase 1

Budget \$550,000 (County share \$275,000; EIC share \$275,000)

Phase 1- Demo and Site work= \$300,000

Phase 2- Building shell=\$250,000

Estimate of FY 2020 Spend- EIC/County= \$39,818

Estimate of FY 2021 Spend- EIC/County= TBD

- January- Asbestos removal work complete, costs for testing and abatement= \$14,835, EIC/County Paid= \$7417 each
- March – Horseshoe (including red iron and roof), Stress test room, Telephone room and plan room, ready for demo.
- April -Fee package from Garver received. Garver proceeded with submittal of FAA Forms 7460 and OE/AAA. Fee = \$4800, EIC/County Share= \$2400 each
- April 21-Garver submitted Form 7460 to FAA for demo of the Horseshoe and associated buildings. Standing by to submit FAA form for proposed hangar configuration.
- Upon approval by FAA and stakeholders commence demo work, budget =\$60,000, EIC/County share=\$30,000 each
- Ongoing- Once tenant is identified and their needs defined, develop design package for hangar shell and site layout. Scope defined as 140' by 70 ft hangar shell, 9800 sf (Door 70' by 20' high)
- TBD - Commence work

EXHIBIT 4F.3

Agenda Item 4F.3 Leasing Update

0622 2020

Acct Code	DESCRIPTION	Notes
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301	Land Tenants Air Evac Apache Springs Drane, Steven Guadalupe Aviation Kerrville Aviation (North) South Texas Refueling Stieren, George PROSPECT- Box Hangar Development	April LOI sent to Christiansen -ground lease 6.5 acres. Meeting with Mark Mosier on 6/25
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401	Land and Structure Tenants: Flying Diese Kerrville Aviation (South) Mooney Horseshoe	Opportunities Portion of Airport Maint Office, \$40k budget to subdivide, work starts July Horseshoe-Interested party visited airport on May 13 Bldg 27 600sf enclosed, plus patio
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601	Brinkman & Offices Tenants Air Methods MacDonald Companies Richardson Aviation Walters, Corey Air Ops Int'l- Office 109	Opportunities- NONE
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602	Terminal Tenants Blilie, Ron Grassell Hill Country Aviation (Dave Bryant) Kerrville Aviation (2 offices) Davenport	Opportunities- NONE
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603	T Hangars Tenants Hangars A-B, 16 Units Hangars C-D, 12 Units Paint Hangar, 4 units	Notes Opportunities Two offices in Paint Hangar, 325sf and 225sf Two Box Hangar pads- land lease Hangar E, 10 units: Waiting List= 22 New Aircraft to KERV= 17 On field Aircraft= 5
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605 & 625	Storage Rent and Long Term Parking Tenants Storage 4 units, 3 leased Parking 21 spaces leased	Opportunities One vacant storage space
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