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4 KERRVILLE-KERR COUNTY JOINT AIRPORT BOARD  
5 Regular Meeting  
6 Monday, September 19, 2011  
7 8:30 a.m.  
8 Airport Terminal Conference Room  
9 1877 Airport Loop Road  
10 Kerrville, Texas  
11  
12

13 MEMBERS PRESENT: MEMBERS ABSENT:  
Stephen King, President Corey Walters  
14 Mark Cowden  
Ed Livermore  
15 Tom Moser, Vice-President (by telephone)

16  
17 AIRPORT BOARD STAFF PRESENT:  
Bruce McKenzie, Airport Manager  
18 Laurie DeJohn-Ermey, Executive Assistant

19 COUNTY STAFF PRESENT:  
20 Guy Overby, Commissioner Pct. 2  
Tess Mabry, Assistant Auditor  
21

22 CITY STAFF PRESENT:  
Mike Erwin, Finance Director  
23

24 VISITORS:  
Ilse Bailey, Airport attorney  
25

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1       On Monday, September 19, 2011, 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 of the Kerrville/  
8 Kerr County Airport Joint Board -- Joint Airport Board  
9 meeting September 19th to order. Item Number 1, Visitors'  
10 Forum. At this time, any person with business not scheduled  
11 on the agenda may speak to the Airport Board. No  
12 deliberation or action may be taken on these items because  
13 the Open Meetings Act requires that an item be posted for 72  
14 hours before the meeting. Visitors are asked to limit  
15 presentations to three minutes. Anybody?

16       (No response.)

17       MR. KING: All right. None being heard, we'll go  
18 to Item 2, discussion and possible action. Monthly  
19 financials, Jeannie.

20       MR. MOSER: Let me interrupt you for just a second.

21 I don't know if --

22       MR. KING: Put the phone in the middle.

23       MR. COWDEN: Point it this way.

24       MR. KING: Can you get him closer?

25 MR. MCKENZIE: Just a second. Now.

1 MR. LIVERMORE: You might turn it towards the  
2 speaker.

3 MR. MCKENZIE: Try that.

4 MR. KING: There. Is that better?

5 MS. MABRY: Can you hear me?

6 MR. MOSER: Yeah.

7 MS. MABRY: Okay. This is Tess Mabry. I'm here in  
8 the place of Jeannie Hargis today. She apologizes she can't  
9 be here; she's at training today. Just going to go through  
10 the financials really quick. Page 1 is the Fund 47, the  
11 operating fund balance sheet.

12 MR. MOSER: Let me ask you a question on Page 1, if  
13 I may.

14 MS. MABRY: Yes, sir.

15 MR. MOSER: On -- just for my edification. On  
16 unreserved balance, \$213,000, --

17 MS. MABRY: Yes.

18 MR. MOSER: -- tell me, that's the amount we have  
19 in our account? Do we have any obligation against it?

20 MS. MABRY: That is the unreserved fund balance,  
21 which is a culmination -- it's basically stockholders'  
22 equity. It's what's left over at the end, accumulation of  
23 everything. What you actually have in cash, however, is the  
24 -- the Now account. It's 283,898.44.

25 MR. MOSER: Okay. Now. But if you look down at the

1 total revenue and total expenses, where we have an excess  
2 revenue of 19,000 --

3 MS. MABRY: Yes.

4 MR. MOSER: -- dollars?

5 MS. MABRY: Year-to-date. Yes, year-to-date, your  
6 net income is 19,198.14.

7 MR. MOSER: Right, okay. So in the bank, we've got  
8 \$284,000 and change?

9 MS. MABRY: Yes, sir.

10 MR. MOSER: Okay. All right.  
11 MR. KING: Does that include -- sorry, Tom.  
12 MR. MOSER: Pardon?  
13 MR. KING: Does that include Bruce's severance?  
14 MS. MABRY: Yes, it does. If you'll look on Page 1  
15 of the liabilities, it's listed as an airport liability.

16 It's \$47,480.

17 MR. KING: Right. So that's included in the 213?  
18 MS. MABRY: Yes, it is.  
19 MR. KING: That's included in the 213?  
20 MS. MABRY: Well, that all netted out.  
21 MR. KING: So you take the 51 away, and that netted  
22 out to -- out of the 283, --  
23 MS. MABRY: Mm-hmm.  
24 MR. KING: -- you take the 51 out. That netted out  
25 to 213, to actual money that's actually --

1 MS. MABRY: That's spoken for, but not -- yeah.  
2 But yet it's still in the bank.  
3 MR. KING: But the 213 is actually -- those are  
4 actually funds that --  
5 MS. MABRY: Right.  
6 MR. KING: That are --  
7 MS. MABRY: That are available.  
8 MR. COWDEN: Yeah, not spoken for, committed  
9 somewhere.

10 MR. KING: Not committed, the 213. Okay.  
11 MS. MABRY: Right. That's correct. Okay.  
12 MR. KING: Go ahead.  
13 MS. MABRY: On Page 2 of your packets, Fund 47,  
14 that shows you the revenue. Gives you the year-to-date, but  
15 I'll go through -- Pages 3 through 6 are the revenue and  
16 expenditures. And first -- go ahead.

17 MR. MOSER: Well, question on Page 2. Just a  
18 generic question.  
19 MS. MABRY: Okay.  
20 MR. MOSER: At the very top, you have original  
21 budget and current budget.

22 MS. MABRY: Yes.  
23 MR. MOSER: Remind me again why we have an original  
24 and a current budget?  
25 MS. MABRY: Okay. If you'll remember, at the

1 beginning, the original budget was what we came in with. It  
2 was before, you know, we had to make any adjustments for  
3 things that we misunderstood or problems there were on what  
4 we showed to be the financial balance. The current budget is  
5 after all the repairs are made, so the current budget is the  
6 one that's in effect.

7 MR. MOSER: Okay. So I can disregard the original  
8 budget?

9 MS. MABRY: Right. Just completely -- that is  
10 completely irrelevant.

11 MR. MOSER: Okay. Because the original shows City  
12 contributions of 210,000.

13 MS. MABRY: Right.

14 MR. MOSER: And it's corrected in the current  
15 budget. Okay, you answered my question. Thank you.

16 MS. MABRY: Okay, no problem. Back to the revenue,  
17 on Page 2, the revenue for the month is 19,183.50.

18 MR. KING: Where are you at now?

19 MS. MABRY: On Page 2 of the packet.

20 MR. KING: Mm-hmm.

21 MS. MABRY: That is the revenue for the month,  
22 19,183.50. And your monthly expense on Page 6, I believe, is  
23 25,094.16. Which means for the month, you'll see it in  
24 revenue over/under expenditures, 5,910.66.

25 MR. MOSER: What page are you on?

1 MR. COWDEN: Six. Right?  
2 MS. MABRY: On Page 6. If you net the revenue and  
3 expenditures for the month, for the month it's 5,910.66  
4 short.  
5 MR. MOSER: So, what -- what is on Page 6? Oh,  
6 nevermind.

7 MS. MABRY: Okay.  
8 MR. MOSER: Down at the bottom, where it says  
9 Revenue Over/(Under), --  
10 MS. MABRY: Yes.  
11 MR. MOSER: -- we're \$443 over?  
12 MS. MABRY: No, that is actually the percentage.  
13 That's a percentage. What you really want to be looking at  
14 is the monthly expenditures column.  
15 MR. MOSER: Nevermind. Nevermind.  
16 MR. KING: So you're saying, basically, this is the  
17 month that we go negative.  
18 MS. MABRY: Right.  
19 MR. KING: From here on out. So, if you really --  
20 if you -- in a perfect world, we'd like to see a positive  
21 number.  
22 MS. MABRY: Right. It should be -- it should be at  
23 least zero. But, however, if you'll notice, again, on net  
24 income year-to-date, it's still 19,198.14.  
25 MR. KING: Right. Right.

1 MS. MABRY: So --  
2 MR. KING: How many months is this for?  
3 MS. MABRY: This is for August.  
4 MR. KING: Which we go -- so this is how many  
5 months total?  
6 MS. MABRY: It's 11.  
7 MR. KING: This is 11 months?  
8 MS. MABRY: Right. There will be one more month.  
9 MR. MOSER: Okay. It says -- it says on Page 6  
10 that we have 22.94 percent of the budget. That says that --  
11 that Bruce is doing really good.  
12 MS. MABRY: That's right.  
13 MR. MOSER: Because the remaining should be less  
14 than that.  
15 MS. MABRY: Yes.  
16 MR. MOSER: Percentage-wise.  
17 MS. MABRY: Percentage-wise, yes.  
18 MR. MOSER: So way to go, Bruce.

19 MS. MABRY: Still has a quarter of it left.  
20 MR. MOSER: Can we go to Page 3 on group insurance?  
21 MS. MABRY: Yes.  
22 MR. MOSER: The current budget is 15,700.  
23 MS. MABRY: Mm-hmm.  
24 MR. MOSER: But yet in the budget we've submitted  
25 for 2012, we estimated 26,000, and I think Jeannie and the

10

1 City are now saying we can probably do that for 20,000.  
2 MS. MABRY: Yes, I believe that's the case.  
3 MR. MOSER: So we went from 15,000 to what we think  
4 is going to be 20?  
5 MS. MABRY: Yes, we think it will be 20.  
6 MR. MOSER: So -- I don't think you can probably  
7 answer my question, but golly, that's a -- that's a huge  
8 jump.  
9 MS. MABRY: I can look into that for you and give  
10 you an answer.

11 MR. MOSER: Yeah, would you do that?  
12 MS. MABRY: Sure.  
13 MR. MOSER: Okay. There would have to be some  
14 differences there on what that should be for 2012. Okay,  
15 thank you.

16 MS. MABRY: I'll have Jeannie get back with you on  
17 that.

18 MR. MOSER: Okay.  
19 MS. MABRY: Okay. Anybody else, before we move on?  
20 MR. KING: Go ahead.  
21 MS. MABRY: Page 7 starts the capital fund, 48, the  
22 balance sheet. And if you'll notice the assets, the cash,  
23 160,561.64. It matches the cash on Page 12, which is kind of  
24 your capital summary sheet, if you're interested in that  
25 information.

11

1 MR. KING: This is just capital, right?  
2 MS. MABRY: That's just the capital fund.  
3 MR. LIVERMORE: Is this in addition to the 200 that

4 was discussed earlier?

5 MS. MABRY: That -- they're completely separated.

6 MR. KING: Two different accounts?

7 MS. MABRY: Two different accounts.

8 MR. LIVERMORE: And this was actual money on-hand.

9 MS. MABRY: Yes.

10 MR. KING: But this is dedicated.

11 MS. MABRY: I see what you're saying. Yeah, these

12 are dedicated, yes.

13 MR. KING: These are dedicated to a project.

14 MS. MABRY: That's set aside for the capital

15 projects.

16 MR. LIVERMORE: But are they encumbered to a

17 specific concept?

18 MS. MABRY: Well, what we have, if you'll look on

19 page -- let's see, Page 10. They -- all those funds have

20 been budgeted for those certain areas listed on Page 10,

21 which is the expenditures.

22 MR. LIVERMORE: Okay.

23 MS. MABRY: That's how we sort of set them aside.

24 They're not encumbered, per se, but --

25 MR. KING: Right.

12

1 MS. MABRY: -- they are set aside for that.

2 MR. KING: Part of it's RAMP grant; part of it is

3 taxeway, drainage improvement. We discussed that at our the

4 last meeting. We can't release those funds until TexDOT

5 signs off on it, until they -- those funds are theirs. I

6 mean, we'd like to give them back to the City and the County

7 today, but we can't, because TexDOT has to basically say all

8 the bills are paid, reconcile all their books, and be sure no

9 one's owed any money or anything.

10 MR. LIVERMORE: At such time, are we allowed then

11 to disburse the money back?

12 MR. KING: That's -- Bruce, isn't --

13 MR. COWDEN: Isn't that right, Bruce?

14 MR. KING: If I understand it correctly, we have to

15 determine where those funds are -- whose funds those are.

16 You cannot assume that those are all of the City and the  
17 County's funds, because TexDOT put in 95 percent of the money  
18 on this last one -- on this last project. So, we've got to  
19 get with TexDOT, and I believe -- isn't that right, Bruce?  
20 And have them make a determination on this.  
21 MR. McKENZIE: That is correct. And at this point  
22 in time, we're still not complete. We have a big concrete  
23 pour that's going to commence the end of October. It's still  
24 part of this project.  
25 MR. KING: Yeah.

13

1 MR. McKENZIE: And until we get completely through  
2 with that, change orders included, then at some point,  
3 probably toward the end of the year, then we will know more  
4 clearly --  
5 MR. KING: Yeah.  
6 MR. McKENZIE: -- where it's delineated. But it  
7 still takes a year or two to get your money.  
8 MR. KING: You repaved this road out here. How  
9 much of that is going to come out of that? Any of that?  
10 MR. McKENZIE: 10,000 of that.  
11 MR. KING: So, like, 10,000 will come out for  
12 paving this road, so we have to still reconcile that at some  
13 point. In the past, we've been able to -- well, the water --  
14 the water line was a little different situation, and I know  
15 the City and the County both remember that well, because we  
16 actually gave money back to them. So -- and we gave that  
17 money back, but that was their money 100 percent. That was a  
18 100 percent project, so that was the City and the County's  
19 money. They put it in. We didn't spend all of it. We got a  
20 pretty good bid on the thing when we bid the water line. We  
21 had leftover money. We were able to send that back to them  
22 immediately, and so there was no real problem giving that  
23 money back. This money here is a little more -- has a few  
24 more strings attached to it, 'cause it's -- actually, you  
25 have to determine whose money that is.

14

1 I mean, you know, whether we spent the County's  
2 5 -- the City and County's 5 percent the first day out here,  
3 or whether -- I mean, someone has to determine whose 160,000  
4 that is. But TexDOT -- but TexDOT has been very fair on the  
5 projects. They're very fair on projects, and if they have  
6 money, they've also got to make a determination if some of  
7 that money has to stay at the airport. So, we're going to  
8 have to have a determination from TexDOT, but as soon as we  
9 do find out about it, you know, we're -- we're mere than  
10 willing to --

11 MR. LIVERMORE: Mm-hmm.

12 MR. KING: -- revisit this issue.

13 MS. MABRY: Yes. And Mike has given me a letter  
14 requesting those funds back.

15 MR. KING: We'd like to give them to you, Mike. I  
16 know; maybe we can -- maybe we can copy TexDOT on that, since  
17 they put in -- how much was that last project -- half of that  
18 project? The last bid?

19 MR. McKENZIE: \$4.3 million.

20 MR. KING: \$4.3 million. We put in 200, and --  
21 MR. McKENZIE: We put in 5 percent. We got  
22 4 million something.

23 MR. KING: 220,000. They put in 4.1 million, so  
24 they probably have a little bit of an issue with that.

25 MR. LIVERMORE: Well, it sounds like they've got --

1 90 percent of the overage is pretty much going to fall in  
2 their category, roughly.  
3 MR. KING: Yeah. But, I mean, we will -- Mike, on  
4 that letter, we will contact them. I understand. We -- we  
5 would love nothing more than for all that money -- them to  
6 just say, "We're all clear. Everybody's good. Y'all can  
7 have all of it back." And we're hopeful they will say that.  
8 But we will contact them. If they do that, Bruce, I want you  
9 to contact TexDOT and tell them we've had a request from one  
10 of our owners to get a refund, and we'd like to find out --  
11 MS. MABRY: I'll provide you a copy of that letter,  
12 Bruce.

13 MR. KING: -- whether we can go ahead and issue  
14 them a check, or whether we need to wait. (Laughter.) All  
15 right. Go ahead, I'm sorry.

16 MS. MABRY: That's all right. Okay. Page 8 starts  
17 where the revenue and expenditures are. If you'll notice,  
18 Kerr County has paid its RAMP grant match as far as the  
19 expenditure side, water system improvements and RAMP grant  
20 expenditures were made, the water system improvements,  
21 26,688.41, and the RAMP grant match purchases were 21,650,  
22 for a total monthly expenditures of 48,338.41.

23 MR. KING: What page are you on? I didn't see that  
24 number.

25 MS. MABRY: Actually on Page 10.

16

1 MR. KING: 10, okay. So, where are we on the water  
2 project? Are we finished? We refunded all the money? We  
3 don't have any more money left?

4 MR. MCKENZIE: We're done.

5 MR. KING: Okay, good.

6 MS. MABRY: And that's all I have. If you have any  
7 questions, please let me know and I'll be glad to find the  
8 answer, or find out --

9 MR. LIVERMORE: Would you have sometime where I  
10 could come and sit with you or the other lady and try to  
11 learn this in detail?

12 MS. MABRY: Sure, we'd be glad to. We'd be glad to  
13 sit down with you.

14 MR. LIVERMORE: What is your phone number?

15 MS. MABRY: My phone number is 792 --

16 MR. LIVERMORE: Let me write it down.

17 MS. MABRY: -- 2235.

18 MR. LIVERMORE: 22?

19 MS. MABRY: 2235. Jeannie will actually be back in  
20 the office tomorrow. She's traveling --

21 MR. LIVERMORE: I'm sorry, your name again?

22 MS. MABRY: My name is Tess --

23 MR. LIVERMORE: T-e-s-s?

24 MS. MABRY: Yes, sir. Mabry, M-a-b-r-y. And so

25 that's all I have. If you have any questions -- oh,

17

1 actually, I do have one more thing. There are -- on the back  
2 of your packet, there are some budget amendments, and we  
3 would require approval for those if we were to make those  
4 budget amendments. I don't know if Laurie and Bruce want to  
5 go into detail, what those are about. Or --

6 MR. McKENZIE: We just run over on some of these.

7 Jeannie asked at the last meeting that we move some of these  
8 numbers around in our line items. It's strictly an  
9 accounting move, that's all.

10 MR. MOSER: Bruce, you're talking about Page 14?

11 MR. McKENZIE: Yes, sir. Last page, yes, sir.

12 MR. MOSER: And I didn't hear what she was saying.

13 MR. McKENZIE: She said the board needs to approve  
14 these budget amendments in order to move these funds around  
15 in line items here. There's five of them, Tom -- or six of  
16 them, rather.

17 MR. MOSER: So, when we're moving funds from one  
18 item to the other, that's what this is?

19 MS. MABRY: Yes, sir.

20 MR. McKENZIE: Yes, sir, that's correct.

21 MR. MOSER: Okay. Okay. All right.

22 MR. COWDEN: I'll make a motion we move those line  
23 items to -- or around and amend the budget.

24 MR. LIVERMORE: I'll be happy to second the motion,  
25 but may I ask a question? Is this a normal type thing?

18

1 'Cause I'm not familiar with it.

2 MR. McKENZIE: Yes, sir, it is. This is the first  
3 year we've worked under this management contract with the  
4 County, and we -- that point notwithstanding, we still hit  
5 this moving target very close. We're just moving these small  
6 amounts around.

7 MR. LIVERMORE: But this is kind of a normal --

8 MR. McKENZIE: Yes, sir, it's standard accounting  
9 procedure.

10 MR. LIVERMORE: I second the motion.  
11 MR. KING: \$16,500, basically?  
12 MR. McKENZIE: Yeah.  
13 MS. MABRY: And it's not moving the bottom line at  
14 all. The bottom line of the budget remains the same; it's  
15 just moving the budgets from one line item to the other to be  
16 able to cover those items.  
17 MR. KING: So, we -- so these were -- these were  
18 items that were underbudgeted?  
19 MS. MABRY: Yes.  
20 MR. McKENZIE: That's correct.  
21 MR. KING: At this point --  
22 MR. MOSER: Hey.  
23 MR. KING: Hey, Tom.  
24 MR. MOSER: This -- this is one of the things that  
25 came up -- and I know we're going to talk about the

19

1 interlocal agreement later on, but this is one of the things  
2 that the City had suggested that we not be able to do, move  
3 line item to line item. And some of the discussions the  
4 other day, you know, some of the -- their departments don't  
5 get to do that, but the City Manager does.

6 MR. KING: Mm-hmm.  
7 MR. MOSER: So, you know, I -- I told Todd, I said,  
8 you know, we've got to have this same kind of flexibility  
9 that he does at that level, since it's a comparable level  
10 running an airport. So, that's -- I think this is a perfect  
11 example --

12 MR. KING: Yeah.  
13 MR. MOSER: -- of how we need to have that  
14 flexibility without going back to the owners on every  
15 little --  
16 MR. KING: I understand.  
17 MR. MOSER: -- line item change. That's all I want  
18 to say.  
19 MR. KING: Yeah. I didn't realize that -- I guess  
20 I had forgotten that we did this last year. This was  
21 something I -- I don't know if we had the -- I guess we have

22 that opportunity -- do we have that opportunity in the  
23 interlocal agreement?  
24 MR. MOSER: We have -- right now, we have a -- all  
25 we have to do is manage the total budget.

20

1 MR. KING: I guess that's right. In one of the  
2 proposed interlocal agreements, they wanted to amend this.  
3 MR. COWDEN: Not allow that.  
4 MR. KING: Amend this and not allow this.  
5 MR. COWDEN: Without going back to the Council.  
6 MR. MOSER: We're still working on this.  
7 MR. KING: I think we can discuss this -- we'll  
8 discuss this -- this topic in that interlocal agreement.  
9 MR. MOSER: Yeah. I just thought that --  
10 MR. KING: No, I agree. I'm glad you pointed that  
11 out, 'cause this is a pretty good example of that.  
12 MR. MOSER: Just a good point to make.  
13 MR. KING: All right. So, I have a motion, and did  
14 I get a second?  
15 MR. LIVERMORE: Yes.  
16 MR. KING: I got a second from Mr. Livermore.  
17 Discussion? No discussion being heard, we'll vote. All in  
18 favor?  
19 MR. MOSER: Aye.  
20 (The motion carried unanimously, 4-0.)  
21 MR. KING: Three --  
22 MR. LIVERMORE: Four.  
23 MR. KING: Did he vote on this?  
24 MR. LIVERMORE: Did he vote?  
25 (Mr. McKenzie nodded.)

21

1 MR. KING: Okay. Robert's Rules, I'm not sure on  
2 that.  
3 MS. BAILEY: He has to. Otherwise, I don't think  
4 you have a quorum.  
5 MR. MCKENZIE: Yeah, we have three.  
6 MS. BAILEY: But if he's participating, he can

7 participate.

8 MR. KING: All right.

9 MR. MCKENZIE: He's attending the meeting.

10 MR. MOSER: I'm participating.

11 MR. KING: All right, 4-0. It passes. All right.

12 Thank you very much. I appreciate that. That was very good.

13 That was a good -- good explanation of our -- of our budget.

14 Item 2B, discussion of interlocal agreement.

15 MR. COWDEN: Don't we need a motion to accept the

16 financials?

17 MR. KING: Oh, that's right. We need that, yeah,

18 sure. Okay. Yeah, we need a motion to accept the -- to

19 accept the financials.

20 MR. COWDEN: So moved.

21 (Mr. Livermore raised his hand.)

22 MR. KING: Moved by Mr. Cowden, seconded by

23 Mr. Livermore. Any discussion. No discussion being heard,

24 all in favor?

25 MR. MOSER: Aye.

22

1 (The motion carried unanimously, 4-0.)

2 MR. KING: It's 4-0. All right. Financials being

3 accepted, we moved that money. We didn't have -- that's in

4 our interlocal agreement, so we don't need a motion on that,

5 right?

6 MR. MCKENZIE: You just did it.

7 MR. COWDEN: We did do it.

8 MR. KING: Okay. I thought that was accepting the

9 budget --

10 MR. COWDEN: No, that was a motion to move it.

11 MR. KING: Item 2B, discussion of interlocal

12 agreement, budget, and operations of the airport. All right.

13 I put this on the -- on the agenda to kind of bring everybody

14 up to date. I guess the -- the City and the County have not

15 come up with an agreement yet. They've -- at one point, they

16 were not going come -- the City requested there be no

17 agreement. That we -- basically, the mechanism would have

18 disbanded the board and terminated the contracts of the

19 Airport Manager and our -- Laurie, our assistant out here.  
20 And the reason they would have terminated is because the  
21 airport -- the Airport Manager and the staff out here works  
22 for the board, and if there's no board, then there's no  
23 contract. But in a meeting of the -- of the City, they've  
24 agreed -- this would all happen October 1st. And in a  
25 meeting of the City, the City Council meeting last week, they

23

1 determined that they're going to have one more meeting with  
2 the County to try to hash out an agreement. So, we're --  
3 we're still in business right now. And we have taken the  
4 steps -- I want to thank Ed Livermore and Tom for -- and Fred  
5 Vogt, one of our former members, for attending that Council  
6 meeting and -- and answering all questions, presenting the  
7 airport side of the -- of the -- I guess the airport side,  
8 period.

9 MR. MOSER: Period.

10 MR. KING: Period, at the meeting. And after the  
11 vote was made, we contacted every Council member. We've met  
12 with every Council member; Ed and Tom specifically have met  
13 with every Council meeting -- Council member, along with  
14 Bruce. Four of them have been at the airport. Four were at  
15 the airport in this office, met for extensive periods. The  
16 purpose of those meetings was to educate and inform the  
17 Council members on what -- what this airport is and what it  
18 does, and what function Bruce -- Bruce and Laurie perform at  
19 this airport, and why this airport is such a valuable part of  
20 our community. Now, we -- we -- when this board was set  
21 aside as an independent board back four years ago, four years  
22 ago, you know, we got together with -- with the help of Tom  
23 and Fred Vogt, and came up with a set of -- a vision  
24 statement.

25 MR. MCKENZIE: Strategic plan.

24

1 MR. KING: Strategic plan. We met with a  
2 consultant for days upon days, it seemed like, out here at  
3 the airport, and -- and came up with this -- basically, a

4 framework of how the airport would operate in the -- in the  
5 future, and in the future years, and -- and what the goals  
6 and what the plan for this airport would be. And we --

7 MR. MOSER: With input from all stakeholders.

8 MR. KING: With input from all Stakeholders.

9 Everyone was invited, and a lot of people did attend, and we  
10 -- it was a very, very, very extensive study that was done on  
11 this airport, and we came up with what we feel like is a  
12 great plan. And the best thing about it, it's not a plan  
13 that was set in stone; it's a plan that is ever-changing. It  
14 changes all the time. We revisit those -- those goals of the  
15 strategic -- the strategic plan. We have those farmed out to  
16 several different members of the board that are in charge of  
17 the separate issues in the strategic plan, and then we try  
18 and revisit those every couple of months; we revisit an issue  
19 and they present it. And so it's -- it's something that is a  
20 lot -- unfortunately, it's something that's known well by the  
21 board members and the staff, but it has not been well-known  
22 by -- well, by the County or the City.

23 And so that was our job this last week, was to try  
24 to -- try to maybe give the opportunity for the Council --  
25 and we met with -- also met with one of the Commissioners,

25

1 Jonathan Letz, and did the same thing with him; met with him,  
2 went over everything with the airport. And, you know,  
3 hopefully -- our goal was to get them involved. You know, we  
4 feel like -- this is one of my big problems I've had with  
5 this airport, is that the guys we have on this board are  
6 unbelievable hard workers, and they're quite talented. I  
7 mean, I'd put this board up -- I told someone last week, I'd  
8 put this board up against any council or commissioners court  
9 in the region. We have a very talented board. We have a  
10 board that was picked not on personalities and not on a  
11 popularity contest; it was picked because each member of this  
12 board has a specific expertise that they can help with at  
13 this airport.

14 You know, we picked -- Tom is basically a rocket  
15 scientist; worked for NASA. He -- he brings a wealth of

16 information as far as running large groups of people,  
17 managing a lot of people and stuff. You know, Mark brings us  
18 financial information. He's a banker; lived in this  
19 community most of his life. He knows a lot of people in the  
20 community and brings us the financial side. You know, Corey  
21 Walters we put on the board. We have a 369,000 square foot  
22 building over here that Mooney -- Mooney operates out of that  
23 is in total disrepair, as far as we're concerned. And we --  
24 we felt like we needed someone on the board that would maybe  
25 help us market that building if anything down the road ever

26

1 happened and we were asked to -- to play a part in that role.  
2 So, we've brought Mr. Walters on. He's built malls and strip  
3 centers all over the United States. His family's been in the  
4 business for years and years, and he brings that -- that  
5 expertise as far as --

6 MR. MOSER: Hey, Steve, let me add, too, that Corey  
7 brings his expertise as we look at how to develop the 528  
8 acres at the airport.

9 MR. KING: Exactly.  
10 MR. LIVERMORE: Absolutely.  
11 MR. MOSER: Things that are coming out of --  
12 MR. KING: Exactly, Tom. That's a very good point.

13 I mean, he offers us -- he builds roads and streets, you  
14 know, has to work with governments all the time. He works  
15 with city councils and commissioners courts all over Texas  
16 and the United States, so we put him on the board for that  
17 reason. I was on the board hopefully because of my business  
18 experience. I run an oil and gas company that deals with --  
19 you know, we deal with government issues. We deal with  
20 individuals; we deal with personalities. We deal with major  
21 corporations all the time. And I've been doing it for 26  
22 years, and I feel like that as a pilot also, I can bring my  
23 perspective to what this airport -- the direction we should  
24 be going in. So, we met with all these people. We hope we  
25 at least were able to sell the airport to them and give them

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1 a better idea of what we think is the best airport in Texas,  
2 and what evidently TexDOT thought was, too.  
3       And hopefully they're going to have another meeting  
4 in the coming -- before the October 1st deadline, the City  
5 will have a meeting with the County, and hopefully there are  
6 going to be grown-ups at that meeting, and we can -- you  
7 know, they can sit down and work something out. Because  
8 it's -- like I said from the beginning, if you don't work a  
9 deal out on September -- whatever it is, or October -- by  
10 October 1, you still have to work one out in a couple of  
11 months. You have to work one out in three months, four  
12 months, five months. It doesn't matter; the players are  
13 going to be the same. It's the same players. So, you know,  
14 you're just avoiding the issue, is all you're doing, if you  
15 don't work a deal. And, you know, as a taxpayer, a taxpayer  
16 in Kerr County, you know, I want a deal worked out, because I  
17 want to see this airport continue to flourish and continue to  
18 grow, and move on to the next step. So, anybody else have  
19 anything on the interlocal agreement? Tom?

20       MR. MOSER: Yeah. I think you summarized it very  
21 well. I think one of the City Council members that we met  
22 with said, "We want you to continue," and I said, "Well, you  
23 have to stop your continuing."

24       MR. KING: I agree. I agree.  
25       MR. LIVERMORE: That's right.

1       MR. KING: You know, an issue that was brought up,  
2 and it's been publicized, is that this airport, in the last  
3 two or three years, has been just -- all we've been doing is  
4 keeping the airport the same. You know, we've just  
5 maintained the airport, is what the statement was. We've  
6 been maintaining it. But, you know, I think if you really  
7 get involved in this airport and you're out here and you  
8 actually see it, and you stop -- and we've encouraged all of  
9 our owners; we've encouraged the Commissioners, the City  
10 Council, the Mayor, to stop off. We have an office over here  
11 for our Airport Manager just to the right over here, and he's  
12 in there every day from 8:00 to 5:00. And we've asked them

13 to stop in and visit and ask what's going on at the airport  
14 and what projects we have and what we have going on as far as  
15 in the future, as far as what we might have going on here.

16 And, you know, to say we've maintained this airport  
17 over the last four years is a -- it does total injustice to  
18 this airport, because we've -- we've gotten over \$10 million  
19 in TexDOT's money in the last three years. They've -- you  
20 know, we didn't ask for that money, to speak of. Actually, I  
21 was thinking about this on the way out here. We didn't  
22 really ask for that money. They saw some issues at our  
23 airport that we've had for the last 25 years, some drainage  
24 issues, and they felt like that if they didn't do something  
25 to fix the problem, that it was going to cost them a lot more

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1 than \$10 million five or ten years from now; that they were  
2 going to spend a lot more money down the road. So, they --  
3 you know, they came to us and said, "You have two problems;  
4 you have a drainage problem and you have a safety issue," you  
5 know.

6 And one thing I always try to stress at the airport  
7 is there's two things that the airport must provide. They  
8 have to provide safety for the people who use this airport,  
9 and they have to provide security. That's why we have a big  
10 fence around the airport. You know, that's for security. If  
11 you -- you know, that comes from -- from the federal  
12 government; that doesn't come from Kerr County or the City.  
13 That's -- the security measures that we have to take at this  
14 airport are basically detailed by the amount of traffic we  
15 have and the type of traffic we have here. So, security and  
16 safety are the two main things. You know, if we can't  
17 provide safety for the people landing here, and in bad  
18 weather and -- you know, and the runway surfaces and stuff,  
19 then we've just not done our job as an airport.

20 But, you know, they came to us and they wanted to  
21 spend \$10 million out here redoing it, 'cause they thought it  
22 would save them money down the road. And, you know, that  
23 project took three years. It took a lot of work. Bruce did  
24 a lot of work managing, you know, a \$10 million project, with

25 the help of TexDOT and all the people that they -- that they

30

1 brought into this thing. TexDOT's -- TexDOT gets \$15 million

2 a year from the federal government to run their -- do what?

3 Around 15 million, isn't it, Bruce?

4 MR. MCKENZIE: For aviation.

5 MR. KING: For aviation -- thank you, Bruce --

6 purposes. TexDOT's 15 million is not a lot of money.

7 It's -- if you go to one of their conferences, one of their

8 meetings, they'll tell you we are a very, very, very small

9 organization. TexDOT thought enough of this airport to give

10 us 10 million in the last three years, which is a huge

11 number. A huge number. So, when you say we just maintained

12 this airport, I think that's a little bit less than actually

13 what's happened out here. You know, we -- we want to move

14 this airport into the development stage. We're going to

15 develop it. We're going to try to develop the land, bring

16 more hangars here, hopefully. And we have a hangar going in

17 right now. Mr. Stieren's building a really nice hangar over

18 there, our first project since the water line issue came up.

19 And we detailed the water line issue to all our

20 Councilmen and the Commissioners Court. You know, they --

21 they paid for half of it, so I thought they knew about it,

22 but a lot of people didn't seem like they were, you know,

23 very up to speed on that. But we -- you know, the fire

24 marshal forced this airport, two and a half years ago, to

25 stop building and stop developing the airport. We couldn't

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1 build a hangar. If Northrop Grumman or Boeing came in here

2 and wanted to build a hangar, you couldn't build a hangar

3 because of water issues. We didn't have fire flow that was

4 adequate to support a new hangar. Everything else was

5 grandfathered, but all the new hangars had to have the fire

6 flow. So, we --

7 MR. MOSER: Steve, we couldn't even rent some of

8 the facilities we had.

9 MR. KING: Could not even rent the facilities we

10 had. We had two facilities here that the airport has  
11 available; we couldn't rent those 'cause the fire flow was  
12 inadequate. So, we looked at the issue. We sent our RFP's  
13 out; we got some proposals. We looked at those proposals.  
14 We figured out the best way to do it within our budget, or  
15 what budget we -- we'd have to ask the City and the County  
16 for. We came up with a \$660,000 project that the City and  
17 the County both put in 50 percent of. The water line belongs  
18 to the City. It doesn't belong to the County, but they put  
19 in \$330,000 to help fund it, because it had -- it had to be  
20 done. We built the water line. It's a great water system  
21 now. We gave it back to the City; it belongs to the City.  
22 And it allowed us, in January or February of this year, when  
23 we completed it, to start soliciting -- you know, we -- we  
24 sent out opportunities for people to lease our land and build  
25 a hangar here.

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1 Within 30 days, we had Mr. Stieren on board wanting  
2 to build a hangar. Of course, he wanted to build one before  
3 that, but he couldn't. We lost a couple of projects in the  
4 meantime. We lost several projects because, you know, during  
5 that two and a half year period -- two and a half year  
6 period, I tried to point out to everyone, to both of our  
7 owners, it's not that we didn't sit here -- we didn't just  
8 sit here and answer the phone. The phone rang. We had  
9 people calling us wanting to build hangars, wanting to move  
10 an airplane, wanting to move from Houston and build a hangar  
11 to put their airplane in, but we had to -- for two and a half  
12 years, we told them no. We told them we couldn't do it. You  
13 know, we were -- we had our hands tied on the fire flow  
14 issue, and we basically didn't get to build a thing out here  
15 for two and a half years.  
16 Well, now we can build, and we do have some  
17 opportunities in the works, you know, with Mr. Stieren, and I  
18 think we've contacted some other people that were previously  
19 interested in the airport, and we hope to go forward and use  
20 this airport the way it should be. It should grow. It  
21 should -- we should have more hangars here; we should have

22 more airplanes here. And more airplanes here means more  
23 airplanes on the tax roll for the city and the county and the  
24 school district, and that means more money and less taxes for  
25 the people. So, I think we're going in the right direction.

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1 I hope we get to continue. It would be nice. I think we  
2 have a good board and a good management system here. But  
3 we've done all we can do. It's in the hands of the  
4 politicians, or as someone said, the policymakers, which I  
5 always like the word "policymaker." I kind of look at -- I  
6 won't say anything about that. (Laughter.) Pass.  
7 It's in the hands of the policymakers, and we'll  
8 see what happens, if we can get a deal hammered out. I just  
9 hope that both sides look at what they have out here, and  
10 hopefully decide that they -- you know, that they can get  
11 together and -- and make a deal to let the airport grow.  
12 Because the bickering and the feuding between the City and  
13 the County is not good for the airport. It's not good for  
14 Kerr County. It's not good for Kerrville. Every time I get  
15 a call from the Express News wanting to know what's happened  
16 at the airport, Why are y'all -- why is the County yelling at  
17 y'all? Why is the City yelling at y'all? Why is the City  
18 yelling at the County? You know, that's just another --  
19 that's another bit of print written on Kerrville, and it's on  
20 the internet. And, like they say, it's not written in  
21 pencil; it's written in ink, and it's there forever. And if  
22 I was going to bring a business here and I Google  
23 "Kerrville," and I all I saw was fighting and infighting, it  
24 doesn't do a bit of good for Kerrville or Kerr County to have  
25 that kind of issues out here in the open where everyone can

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1 see. So, hopefully we'll get it done. Anything, Tom?  
2 MR. MOSER: Yeah. Steve, the only thing that I  
3 would add -- I'd just endorse everything you said; I think  
4 you said it perfectly -- is that, you know, the airport  
5 operation is a very complex operation. On a scale of 1 to  
6 10, the airport gets a 10 as far as -- far as the efficiency

7 and safety of operations. The board's and a lot of Bruce's  
8 time is spent on where we're going in the future. The  
9 operations are absolutely necessary, but not sufficient, so  
10 we're -- as I told, I think, City Council, we probably  
11 spend -- the board probably spends 95 percent of our time on  
12 moving forward in the future and development, and probably 5  
13 percent on the operations. \$12 million worth of work out  
14 there in three years; I think that's the amount. I don't  
15 know of any board member that any entity is involved in,  
16 so -- so there was some misunderstanding by some folks, and I  
17 hope that that's clearly understood by the owners.

18 MR. KING: Thanks, Tom. Now, on the budget issues,  
19 we've talked to -- Tom and Ed Livermore met with Todd Parton  
20 and one of the Council members, Stacy Keeble, and they went  
21 over the budget. And y'all -- Ed, am I correct in saying  
22 that there's really no issues on that budget that we probably  
23 can't work out?

24 MR. LIVERMORE: I think everything -- and I believe  
25 Tom will agree. The budget is not the issue.

35

1 MR. KING: Right.  
2 MR. LIVERMORE: Isn't that right, Tom?  
3 MR. MOSER: That's correct. We're talking \$20,000,  
4 something like that.

5 MR. KING: Right. You know, like I always said on  
6 the budget, it's not our money. It's not the airport's  
7 money. It's the City and the County's money, okay? As long  
8 as they will adequately fund the airport from a safety and an  
9 operational standpoint, I don't have a problem with anything  
10 you do to that budget. But, you know, you have to understand  
11 that we have safety issues out here. There's some huge  
12 safety issues. That jet that just took off out of here, you  
13 know, he's got to come back in here at some point. He's  
14 going to come back in here and land at some point, and  
15 there's just a huge responsibility. We have to keep, you  
16 know, our AWAS going, our automated weather system. You  
17 know, when the weather gets bad -- which we haven't had a lot  
18 of bad weather; you kind of forgot about it. We haven't had

19 bad weather over the last year almost, and you forget about  
20 it, but we do have bad weather here from time to time where  
21 the weather's down at 200 foot and a mile, you know, at  
22 minimums and stuff like that, or for low minimums here, at  
23 300 and whatever it is, a mile, and those pilots are relying  
24 on us to give them an adequate transmission of the weather  
25 when they come in here.

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1 And the F.A.A. is requiring -- is counting on us.  
2 In fact, we have -- we have operations that will not come in  
3 here; it's in their operating procedure. If the AWAS -- our  
4 AWAS is out here, which we maintain and we pay for, if that  
5 thing is not operational, San Antonio. They're out of here.  
6 San Antonio. They're not landing here, not dropping off  
7 passengers. So, you know, we have a huge -- the same way  
8 with lighting and stuff out here, the condition of the  
9 runway, you know, make passes. I don't know how many times a  
10 day you may monitor --

11 MR. MCKENZIE: Every morning.

12 MR. KING: Every morning to see if there's any  
13 debris out there, if a deer gets hit or something out there  
14 and it's on the runway or something like that. We -- we have  
15 a huge safety responsibility at this airport to make sure  
16 that whoever's landing here, and whether they're coming from  
17 San Francisco or Teterboro or wherever, you know, that this  
18 airport, when they get here, is in the condition that it was  
19 listed by the F.A.A. and there's no NOTAMs that have been  
20 issued. Another thing -- that's another thing people just  
21 don't understand about this airport. Any time anything  
22 changes at this airport, we have a change of any kind at the  
23 airport, whether we have men working next to the runway out  
24 here weedeating or something like that, Bruce has got to  
25 submit a NOTAM to the F.A.A. That NOTAM goes to the F.A.A.

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1 immediately, and then it comes up all over their system all  
2 over the United States.  
3 When you check NOTAMs, there's -- you check NOTAMs,

4 file your flight plan. It says NOTAM -- there's a NOTAM.  
5 They're working on the other end of the runway over here, and  
6 they've got the first 300 feet of it closed off, or something  
7 like that. That's -- that is the responsibility of our  
8 Airport Manager to submit all those NOTAMs. If you don't  
9 submit one of those NOTAMs, you're out -- you're off on  
10 vacation or something like that, and -- "Oh, man, I forgot.  
11 I forgot to get that NOTAM all fixed up." Some guy comes in  
12 here and lands, and, you know, 300 foot of the runway is not  
13 on because they're working on it out here; they had something  
14 going on. He crashes; you know, people are injured. Now,  
15 believe me, we're responsible for it. The airport's  
16 responsible for it. The City and the County are both  
17 responsible for it.

18 So, it's a huge safety issue here that we have to  
19 look at that, you know, we are committed to providing at this  
20 airport. And that's the reason we have Bruce here every day.  
21 And he monitors this thing at night also. And, I mean, it's  
22 just -- I cannot stress how important that is at this  
23 airport. And Ed and I both are pilots. You know, we go to  
24 airports, fly into it 350 miles away at night, in the middle  
25 of the night -- 11 o'clock at night. You're -- when you get

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1 the weather and that information, you're -- you're banking on  
2 the fact that that machine that told you that it was 500 feet  
3 here and a mile, that somebody calibrated that thing in the  
4 last so many days, and, you know, you don't get tricked into  
5 landing here. You know, you come in and the dang weather's  
6 down on the ground or something like that. So, huge safety  
7 issues that we have to be concerned about out here. All  
8 right, enough about that. I think we've talked about that  
9 enough. All right. Anybody else have anything on 2B?

10 MR. LIVERMORE: I would like to submit this  
11 document I have in my hand for the record, if that's  
12 possible. It is -- it delineates the money that has been  
13 acquired by our Airport Manager for the construction and  
14 refurbishing of the airport. I don't know if you've seen  
15 this or not?

16 MR. COWDEN: No.

17 MR. LIVERMORE: It's about \$1,400,000 that he has  
18 personally -- what I call those are skins on the wall. Those  
19 are money that he has personally found and brought to this  
20 airport, and that we wouldn't have had otherwise were it not  
21 for his connections at TexDOT, the respect they have for him  
22 and this airport. So, I think -- I don't know how to do  
23 that.

24 MR. COWDEN: We have to read that off, I guess.

25 MR. KING: How do we do it?

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1 THE REPORTER: I don't know; however you want to do  
2 it. We can scan it and put it on --

3 MR. KING: Let's do that. \$1,400,000.

4 MR. LIVERMORE: It's a million, 3 or a million, 4.

5 MR. KING: A million, 3 or a million, 4. Yeah,  
6 these people don't understand that you got 219 -- 219  
7 airports in Texas --

8 MR. McKENZIE: 290.

9 MR. KING: 290 airports in Texas. All 290 --

10 MR. LIVERMORE: That are not Part 139.

11 MR. McKENZIE: There's 14.

12 MR. KING: Just general aviation.

13 MR. McKENZIE: That's correct.

14 MR. KING: All 290 of those airports have their  
15 hands out. I mean, they're just like the rest of these --  
16 they're just like this -- our City and our County. They  
17 don't have any money either right now. They've got their  
18 hands out, and they're -- you wouldn't believe -- when you  
19 talk to TexDOT and that small group of them they have down  
20 here, it's unbelievable. They've got -- I mean, they're  
21 funded up through this year. Two more years after, they're  
22 already funded up. I mean, they've got so many requests for  
23 people needing money for projects, and so when it comes down  
24 to it, it's -- your relationship with TexDOT is so important.  
25 I mean, you have to have a relationship. Someone in your

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1 airport structure has got to have a relationship with TexDOT,  
2 and got to be able to pick -- you know, to be able to pick up  
3 that phone and call over there and -- and work the system.  
4 And, I mean, I hate --

5 MR. LIVERMORE: Get a warm reception.  
6 MR. KING: Get a warm reception. And you've got to  
7 work the system. I mean, it's just -- you know, a perfect  
8 example, this -- we had some paving issues over here on the  
9 corner of the airport over here. It was going to cost about  
10 \$100,000 to pave. It was concrete; it was -- the concrete  
11 was coming part. We were going to have to fix it. We  
12 probably would have used our RAMP grant. We probably would  
13 have had to use RAMP grants, which would have used up all one  
14 year -- one year worth of RAMP grant, \$100,000. RAMP grants,  
15 TexDOT puts in 50,000 and we put in 50,000, the City and the  
16 County does, and then it's like 50 -- 50 cents on the dollar  
17 you get for free. We would have probably used up all of our  
18 money over there on that -- that paving, and we have to use  
19 it for these heavy jets that are coming around that corner  
20 over there that we have in here all the time. You cannot --  
21 you just cannot have bad subsurface. I mean, some of these  
22 airplanes weigh 45,000, 50,000 pounds, and when they make a  
23 turn, there's a huge impact on the -- on the surface. And we  
24 -- you know, we've had some issues on the runway out here,  
25 and that's what -- before we did all this work, with

1 airplanes bogging down out there, making a turn and digging a  
2 hole in the runway and the taxiways. And so it's \$100,000 we  
3 were going to have to spend, you know.  
4 But we had this project out here. Bruce talked to  
5 TexDOT -- talked to TexDOT about it. They have people out  
6 here all the time looking at it. They're spending 10 or 12  
7 million dollars out here. They looked at it and said, "Let's  
8 look at the budget." They looked at their budget for this  
9 project and said, "We'll pave that for you. Throw it in on  
10 the budget." We'll just throw it in on the job. Looks like  
11 the job's under budget already. Looks like we got a pretty  
12 good bid. We're under budget. Let's just pave it for you;

13 we'll throw it in as part of the deal. \$100,000. That's  
14 50,000 the City and County got for free, basically just for  
15 free. We've had several issues. Our road out here, we  
16 just -- we just got through paving: got a brand-new road out  
17 here, \$34,000 road.

18 MR. COWDEN: It's nice.

19 MR. KING: That it looked like it was probably  
20 going to have to come out of our pocket, probably. Airport  
21 was going to try to find the money to pay for it to get it  
22 paved to the standards we wanted. But TexDOT jumped in here,  
23 did the negotiating for us. They had a meeting here with the  
24 contractor and the head of engineering for TexDOT. He  
25 basically, you know, threw it down and said, "Pave it or your

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1 life's not going to be that great down the road if you ever  
2 want to work for us, and we've got some money we're holding  
3 for you," and so he, you know, said, "Okay, I'll do it." We  
4 got it paved. It's \$35,000.

5 MR. LIVERMORE: Laurie, could you -- I imagine Mark  
6 would like to have a copy of this.

7 MR. COWDEN: I'll make a copy for everybody.

8 MR. KING: Anyway, so there's a lot of -- I mean,  
9 our relationship with TexDOT in this deal is as important as  
10 it is for our owners, we figure -- we feel like. I mean, we  
11 feel like we have three partners in this airport; we have the  
12 City, the County, and TexDOT, because those guys help us out  
13 so much. All right. Anything else on that? Tom, we done?

14 MR. MOSER: Yeah, that's good.

15 MR. KING: Okay. Item 3C, funding of the Airport  
16 Marketing Plan.

17 MR. MCKENZIE: Airport Marketing Plan. This has  
18 transpired since we last met. I -- this is part of our  
19 master plan project. We did not have a marketing plan  
20 budgeted in that. Long story short, TexDOT has now said  
21 they'll fund that. Randal Wiedemann and Associates, who's  
22 doing -- who would do the marketing aspect of this through  
23 Garver and Associates, his bid was \$37,921 to come up with a  
24 -- with our marketing plan for this airport, which would

25 include a video, marketing list/program, website, a logo,

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1 branding development, brochures, and execute -- actually  
2 execute a marketing plan. That total was \$37,000. And on  
3 top of that would be Garver's, which would not exceed 7,000.  
4 So, worst case scenario, we're at \$45,000. And TexDOT has  
5 acquiesced and said they've never done this in the state of  
6 Texas before, but they would try it on our airport. I now  
7 have that in writing. And if the board -- that's why I put  
8 this on the agenda. If the board so desires to do that, then  
9 we can certainly move forward, and we can move forward when  
10 we have our teleconference call at 10:30 this morning with  
11 Garver and with Wiedemann. If the board so desires to move  
12 forward with the marketing plan, the -- the groundwork has  
13 been set. The cornerstone is there if you -- if the board so  
14 desires to move forward with that.

15 MR. KING: How much is that going to cost us? How  
16 much is the City and County going to have to pay?

17 MR. McKENZIE: Nothing.

18 MR. KING: Nothing. So, they're going to just give  
19 you how much?

20 MR. McKENZIE: 45.

21 MR. LIVERMORE: 47.

22 MR. McKENZIE: Yeah, 46,000 bucks.

23 MR. KING: So, TexDOT's just going to give us  
24 \$45,000 to market our airport?

25 MR. McKENZIE: Yes, sir.

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1 MR. KING: And try to basically set up a plan.

2 MR. LIVERMORE: Investing in it.

3 MR. KING: They're going to invest in our  
4 airport -- thank you very much, Ed.

5 MR. LIVERMORE: Got to get you straightened out.

6 MR. KING: My terminology is not good sometimes.

7 Going to invest \$45,000 for us to come up with a marketing  
8 plan as a way to sell our airport.

9 MR. McKENZIE: Yes, sir.

10 COMMISSIONER OVERBY: Keep those relations.  
11 MR. KING: Do what?  
12 COMMISSIONER OVERBY: Keep those good relations.  
13 MR. KING: Exactly.  
14 MR. LIVERMORE: That's the point right there. And  
15 that's the point, Mr. Overby. TexDOT is our partner in this  
16 airport.

17 COMMISSIONER OVERBY: That's right.  
18 MR. LIVERMORE: They are a valuable partner, and  
19 having your induction line there is key.

20 MR. KING: Yeah. That's great. That is a good --  
21 that's a great deal. I mean, when you -- these guys that do  
22 the master plan are just unbelievable, the amount of work  
23 they do. I wouldn't -- I wouldn't do it for what they do it  
24 for. I don't know how they come out on the deal. What are  
25 we paying -- how much is the City and County paying on the

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1 master plan? What is that half share going to be?  
2 MR. McKENZIE: The master plan was \$200,000; 199,5  
3 for the entire master plan. I think we had to come up with  
4 5 percent of that.

5 MR. KING: 5 percent of how much?  
6 MR. McKENZIE: 200,000.  
7 MR. KING: 5 percent.  
8 MR. McKENZIE: Plus --  
9 MR. MOSER: \$10,000.  
10 MR. McKENZIE: Plus, in addition to that, TexDOT  
11 has never done this either, and that's do an aeronautical  
12 survey and air support airspace analysis -- airport and  
13 airspace analysis, excuse me, for this airport. And they --  
14 that is a \$100,000 project. They are letting us -- they are  
15 paying for -- they're funding that on top of the \$200,000 for  
16 this airport.

17 MR. KING: Really?  
18 MR. McKENZIE: Yes, sir.  
19 MR. MOSER: Hey, Bruce?  
20 MR. McKENZIE: Yes, sir?  
21 MR. MOSER: There's one thing I think you need to

22 make a strong point of. You just mentioned that they're  
23 going to produce the video, correct? And website as part of  
24 this marketing --  
25 MR. McKENZIE: Yes, sir, the marketing plan.

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1 MR. MOSER: Okay. So -- but the point I want to  
2 make, it's not just the plan. When you create the website  
3 for this, you create the video, that's more than a plan.  
4 That's implementation.

5 MR. McKENZIE: Yes, sir.

6 MR. MOSER: So, marketing --

7 MR. KING: Sure.

8 MR. MOSER: So, they're not just creating a plan  
9 that we've got to go implement. This \$46,000, \$45,000 is  
10 part of the implementation to market.

11 MR. McKENZIE: Correct.

12 MR. MOSER: So that -- that is an important part.

13 MR. KING: They're going to get -- actually going  
14 to get the marketing plan started for us.

15 MR. MOSER: Right.

16 MR. KING: That's a good point. How much did the  
17 City and the County put in on this -- on this -- I want to be  
18 sure. I don't want to --

19 MR. McKENZIE: As I recall, it was 5 percent.

20 MR. KING: 5 percent?

21 MR. McKENZIE: Yes, sir.

22 MR. KING: Okay. 10,000?

23 MR. McKENZIE: That's my recollection, yes, sir.

24 MR. KING: That sound right to you, Mike? You're  
25 the money guy.

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1 MR. ERWIN: Tess is the money person.  
2 MR. KING: It's your money, though.  
3 MR. ERWIN: Oh.  
4 MR. KING: Y'all seem to know where it all is.  
5 MR. ERWIN: It shows that Kerr County and City of  
6 Kerrville both put in 8,750 on the Airport Master Plan.

7 MR. KING: Okay.  
8 MR. ERWIN: That's in your --  
9 MS. MABRY: Should be Page --  
10 MR. KING: 8,750?  
11 MR. ERWIN: Page 12.  
12 MR. KING: Thanks, Mike, I appreciate it. So, we  
13 put in 17.  
14 MR. McKENZIE: 15,000.  
15 MR. KING: 17,5. Basically, 17, 5. And the total  
16 plan's now up to how much? 400,000?  
17 MR. McKENZIE: 300,000.  
18 MR. KING: 300,000.  
19 MR. McKENZIE: Yes, sir.  
20 MR. KING: So, for 17,5, we get -- it's pretty  
21 good. All right. Anyway, it's going to be -- we've had  
22 three meetings on that plan so far. We've had three meetings  
23 on that marketing -- that Airport Master Plan. We've had  
24 three meetings out here at the airport with everybody in  
25 attendance, and those have been great meetings, and we --

1 when we had those meetings, we asked for everybody who has  
2 any -- is affected by the airport in any way, you know, we  
3 asked for the F.B.O., all our tenants to show up to those  
4 meetings, and that's their chance to get their input, because  
5 that's -- you know, that's the time when we're sculpting this  
6 master plan. That's the time -- these meetings are the time  
7 to put your two cents worth in, 'cause these guys told us  
8 from the start, "It's not our master plan." It's -- it's not  
9 their plaster plan; it's our master plan. So, they -- you  
10 know, they say we're not -- this is not a master plan for  
11 TexDOT; this is a master plan for Kerrville. So, we need  
12 your input, and you guys need to tell us what you want out of  
13 the master plan. And so we've had three meetings on it.  
14 We'll have our fourth today, and as always, I invite any of  
15 our stakeholders to attend those meetings, and any of our  
16 tenants or anyone who's interested. Item 2C -- oh, excuse  
17 me, 2D. You done with that marketing plan? Okay, Tom?  
18 MR. MOSER: Yeah. That's -- yeah, that's good.

19 MR. KING: Leasing fees for T-hangars. I put this  
20 on the agenda because I don't think we've revisited this in a  
21 while.

22 MR. McKENZIE: You can -- if you want to do this  
23 marketing -- would you like -- if the board would like to  
24 move forward with this marketing plan --

25 MR. COWDEN: Do you want to move forward with that?

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1 MR. KING: They want a motion?  
2 MR. McKENZIE: They don't want; I want.  
3 MR. MOSER: So -- so, I move we move forward with  
4 that marketing plan as Bruce has described. It's a critical  
5 part of the whole economic development, and -- and it's  
6 something we've got to do some way or another, so I move to  
7 approve.

8 MR. KING: I've got a motion.

9 MR. COWDEN: Second.

10 MR. KING: I've got a second from Mr. Cowden. Any  
11 discussion? None being heard, all in favor?

12 MR. MOSER: Aye.

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

14 MR. KING: Four-zero. It passes. All right. Item  
15 2D, the leasing fees. I asked Bruce to kind of come up with  
16 -- we built these T-hangars how many years ago? Eight years  
17 ago?

18 MR. McKENZIE: Ten years ago.

19 MR. KING: Ten years ago.

20 MR. McKENZIE: Yes, sir.

21 MR. KING: And I told him I wanted to revisit from  
22 time to time the fees that we're charging people to lease  
23 those T-hangars. And I want to -- I think, you know, what we  
24 need to do, we need to look -- we need to -- I put it on the  
25 agenda. It's on the agendas as the T-hangars, but we need to

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1 move forward and look leasing rates, period. We need to put  
2 that on the agenda at our next meeting, look at our leasing  
3 rates, period, at the airport. But the T-hangars in general,

4 we need to compare those things. Did you get any  
5 information? Did you call Fredericksburg?  
6 MR. MCKENZIE: Yes, sir. I'll give you a sheet  
7 here; I'll look at Mark's. There it is right there.  
8 MR. KING: Oh, there we go. I got it right now.  
9 Yeah, Fredericksburg. Really? I was hoping those guys got  
10 more for those.  
11 MR. COWDEN: They got flat land over there.  
12 MR. KING: Man. Wow, really. So, San Marcos gets  
13 150, right?  
14 MR. MCKENZIE: Yes, sir.  
15 MR. KING: Man. Fredericksburg's 200 to 265. I  
16 guess 265 is for the new ones.  
17 MR. MCKENZIE: Newer ones and the larger ones.  
18 MR. KING: New Braunfels is 200 to 275.  
19 MR. MCKENZIE: Mm-hmm.  
20 MR. KING: And Kerrville's 250, right?  
21 MR. MCKENZIE: So we're in the median.  
22 MR. LIVERMORE: We're kind of in the high middle  
23 there.  
24 MR. KING: High middle, aren't we? Wow, okay.  
25 Well, I'll just -- we'll get -- we'll get together and talk

1 about that some more. I'd like -- that's just -- I don't  
2 know how those guys --  
3 MR. COWDEN: I bet those lower numbers are older,  
4 much older hangars.  
5 MR. KING: I told -- talking about these T-hangar  
6 rates, I told Bruce that I want to go set up a meeting with  
7 the Airport Manager at Fredericksburg, and then maybe one of  
8 those guys that's building those hangars over there, and  
9 we're going to eat lunch with them and just go eat lunch --  
10 buy their lunch and talk to them about how in the heck  
11 they're building all these T-hangars over there for \$265 a  
12 whack.  
13 MR. COWDEN: Yeah.  
14 MR. KING: They must have something there --  
15 there's something different over there going on, different

16 than what we can do here. It's a county -- a county airport,  
17 so they may have county standards that they're building them  
18 to, and not necessarily city standards. But we do need to  
19 get into their brain and find out what is going on over  
20 there, how they can build 100 hangars -- they have 100 over  
21 there now -- how they can build all those T-hangars, take all  
22 of our customers away, and we --  
23       MR. LIVERMORE: I think --  
24       MR. KING: -- we do the numbers, and it won't work.  
25       MR. LIVERMORE: I was in some of those hangars --

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1 oh, it's been five years ago. If I recall, they have a -- a  
2 concrete little -- what you'd call a little ramp.  
3       MR. KING: Yeah.  
4       MR. LIVERMORE: And the rest of it inside of the  
5 T-hangar might be gravel.  
6       MR. KING: Really?  
7       MR. LIVERMORE: And I'm also kind of thinking it's  
8 a wooden structure, not a metal structure.  
9       MR. KING: No, the new ones are metal.  
10       MR. LIVERMORE: Are they?  
11       MR. KING: They built some brand-new really nice  
12 ones. They've got some -- they've got a whole bunch of nice  
13 ones.  
14       MR. COWDEN: Ask Bob Snowden. Bob lives in a  
15 hangar.  
16       MR. KING: There's a bunch -- you know Bob?  
17       MR. COWDEN: Yeah.  
18       MR. KING: You can go over there. Your brother's  
19 over there.  
20       MR. COWDEN: Yeah. Pick his brain a little bit.  
21       MR. KING: Pick his brain. Is he financing those  
22 things?  
23       MR. COWDEN: I don't know. Surely, he is. Has to  
24 be.  
25       MR. KING: If he is, would he finance ours?

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1 (Laughter.) There's got to be an answer there. We got to  
2 figure out -- there's some answer there. Because, you know,  
3 we're sitting here; we can't build a thing. We try to build,  
4 but we -- we do the numbers, and it won't come out. The  
5 numbers are all out of whack. It's like we have to -- we  
6 have the obligation to our owners, if they're going to give  
7 us any money for this project, to get them a return on  
8 investment.

9 MR. COWDEN: Right.

10 MR. KING: And, you know, this is not even a return  
11 on investment that a government would take, much less an  
12 individual. So -- I mean, so we got to figure out what  
13 they're doing over there, 'cause they're building them, you  
14 know. It's -- I don't understand it. So, we're going to do  
15 that; we got that plan. Anything else on the T-hangar  
16 leasing? Tom?

17 MR. MOSER: Nothing from me.

18 MR. KING: Okay. All right. Item 3A, Information  
19 and Discussion. Visits to airport by members of City  
20 Council. I think we kind of discussed that already. Do you  
21 have anything you add want to add on that, Ed?

22 MR. LIVERMORE: No.

23 MR. KING: You were in on all the meetings.

24 MR. LIVERMORE: I was very impressed with Tom's  
25 preparation for those meetings, and as a new member, I got

1 to -- I was being briefed too, and learning, and Tom did a  
2 great job. We had willing participation by all four Council  
3 members. Stacy was on the phone, I think, the morning after  
4 the Council meeting, and that led to one, two, three, four,  
5 right down the line. And we had, I thought, a very  
6 productive meeting with each and every one. Tom, do you have  
7 anything to throw in on that idea?

8 MR. MOSER: That's the bottom line.

9 MR. KING: Yeah. I want to thank Ed. Ed got sworn

10 in -- when, Ed?

11 MR. LIVERMORE: Wednesday -- no. How long has that  
12 been? Maybe two weeks ago.

13 MR. KING: Two weeks ago. Ed got sworn in two  
14 weeks ago Wednesday, and he attended four meetings, five  
15 meetings --  
16 MR. COWDEN: Proud of you, boy.  
17 MR. KING: He attended six meetings in the 48 hours  
18 after he started, 48 hours after he was sworn in. So, I tell  
19 you what, that's hitting the ground running.  
20 MR. COWDEN: Yeah.  
21 MR. LIVERMORE: Well, you know, it's fun to do when  
22 you really enjoy a project.  
23 MR. KING: Yeah.  
24 MR. LIVERMORE: Dedication to it. The time passes  
25 pretty quickly.

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1 MR. KING: And you also would like to extend your  
2 tenure; is that correct? (Laughter.)  
3 MR. LIVERMORE: I introduce myself as the newest  
4 former member.  
5 MR. KING: I know you'd like to be -- yeah, no  
6 kidding. You got the maximum work out of your tenure,  
7 though. The hardest working board member we ever had, for  
8 three weeks.  
9 MR. LIVERMORE: Not sure that's right.  
10 MR. KING: For three weeks, you were on the ball.  
11 Okay, that's it. Are we going to go in executive session or  
12 not? Do we have any reason?  
13 MR. MCKENZIE: Only if the board so desires.  
14 MR. KING: What are we talking about? Oh, yeah.  
15 We don't have anything else on that. Okay, anybody have  
16 anything else before we adjourn? Anybody in the audience  
17 like to pick anything up? Any questions from our owners?  
18 COMMISSIONER OVERBY: Only thing I'll say, you  
19 know, we have -- our meeting's set tomorrow with, I know, our  
20 representatives from the County with the City tomorrow  
21 afternoon. You know, we had this on executive session on  
22 Friday.  
23 MR. KING: Yeah.  
24 COMMISSIONER OVERBY: Our meeting. We have some

25 scheduled meetings coming up tomorrow. So, again, very

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1 optimistic. And --

2 MR. KING: What players are y'all -- what's your  
3 lineup look like?

4 COMMISSIONER OVERBY: Letz and Tinley have been the  
5 ones that have been dealing with this one.

6 MR. KING: Okay.

7 COMMISSIONER OVERBY: And I will just say that I --

8 there's no doubt about it. Everything that you said today, I

9 ditto what you said about the airport out here. You guys do

10 a wonderful job. This board does. We support the board.

11 Bruce, you do a good job, all of you. I agree with you; we

12 need to move on. We've got a lot of other opportunities --

13 business opportunities for this airport down the road, and we

14 need to get this past us, move forward together and get down

15 the road. 'Cause this airport's got a tremendous amount of

16 upbeat and future for it, and a lot of positives, and I'm

17 ready to get down the road and let's move on. So, that's

18 what I hope that we will have out of tomorrow's meeting.

19 We're looking forward to hearing a good report back --

20 MR. KING: Sure.

21 COMMISSIONER OVERBY: -- from Letz and Tinley, and  
22 we'll go from that. We appreciate everything you do.

23 MR. KING: I want to add to that, you know, we --

24 we want input from our owners. I mean, we want it from the

25 City, Mike, and we want input from our County. I mean,

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1 that -- it's a little bit of -- I guess we kind of got a bad  
2 label when they formed this board and said it was an  
3 independent board. You know, it was an independent board,  
4 and the politicians were not going to be involved. You know,  
5 we're not going to have any politicians involved on the  
6 board. You know, the Attorney General -- that came from the  
7 Attorney General's ruling, and the Attorney General said that  
8 the board -- the politicians couldn't be on the board. It  
9 didn't say they couldn't be a part of the airport, and it

10 didn't say they couldn't be in the room, even. And, you  
11 know, I know that you can -- you can take this thing all the  
12 way from one -- you know, from over here to over here and  
13 say, you know, "We're not going to be involved at all," or  
14 "We're going to be involved all the time." But, you know, we  
15 -- we really, really, really appreciate input from our  
16 owners.

17 I mean, like I told you, it's not our money,  
18 especially on the budget issues. You know, this is something  
19 that I just do not understand what this -- I guess I just --  
20 I run my own business, and if I've got a problem or a  
21 question, I pick up the phone and call somebody. I mean,  
22 that's just the way I do my business. And, you know, I do  
23 this all the time, and I just don't understand, if we're  
24 running the budget or what we're doing at these meetings and  
25 stuff like that, if you've got a concern, pick up the phone

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1 and call Bruce, or pick up the phone and call me. I mean,  
2 it's not that difficult. I got a cell phone that's with me  
3 all the time. It's rang six times since I've been here.  
4 Believe me, I can get phone calls. I get phone calls. You  
5 pick up the phone and say, "Hey, I'm concerned about that.  
6 Why did y'all do that?"

7 And one of the reasons -- and I brought this up to  
8 a couple of Council members, is the reason -- the reason I  
9 really like to have a representative of the owners at these  
10 meetings is not because I want them to tell us what -- how to  
11 run our airport. It's because I like to -- I like to cut  
12 off -- some of the problems can be shut off right here in  
13 this room. We can cut some of this -- this stuff that we're  
14 deciding on and we're talking about and everything.  
15 Sometimes our owners -- we've had it before. Mike's  
16 contributed. Jeannie's contributed. You know, we've said,  
17 "Let's do this on the budget. Let's do this on the budget,"  
18 and they'll raise their hands and go, "You know, Steve,  
19 that's not the way we do it, because our deadline is here,  
20 and this has got to be done by this time," and everything.  
21 Well, if there's nobody here, we would have gone ahead and

22 made that decision.  
23 MR. COWDEN: And had to redo it next time.  
24 MR. KING: Voted on it. Next time we got to put it  
25 back on the agenda, because we didn't know. We didn't know

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1 because our owners didn't tell us. And so, you know, I don't  
2 think -- I don't think any of these meetings I've ever  
3 conducted since I've been president, and even when Roger was  
4 here, I don't think our owners have ever raised their hands  
5 and gone, you know, "We'd like to have it done this way."  
6 You know, "We want it done this way, because, you know, this  
7 is the way it should be done." It just doesn't happen in  
8 these meetings. I mean, if you attend these meetings, you  
9 see that we're open to any suggestions, and we're open to any  
10 criticism. And, you know, any of our board members, you can  
11 pick up the phone and call Ed or Mark or Tom, and -- and  
12 we're more than happy to answer any questions, and we're also  
13 willing to take criticism and try to make it better. And  
14 that's all we can do. But I can't do a thing if I don't hear  
15 from you. I mean, as far -- when I don't hear from somebody,  
16 you know, even when my guys don't call me in west Texas, --

17 MR. COWDEN: You think everything's okay.  
18 MR. KING: -- I think everything's okay. When I  
19 find out it's not okay 'cause they didn't call me, then I'm  
20 not okay. You know, I'm not real happy. So I tell them, you  
21 know, "Let's communicate." You know, I don't have to be  
22 there every day. If I -- I tell anybody, "If I've got to be  
23 there every day, then you're fired; we don't need you." But  
24 on this deal, if I -- if I don't hear anything and I don't  
25 get any feedback from our owners, then I feel like we're

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1 doing pretty good. I feel like everything must be going  
2 good. But don't give me no feedback and tell me we're not  
3 doing good. That tells me we've got a communication problem,  
4 and there's no reason. We live in a very small town. We all  
5 have cell phones. I don't think communication should be an  
6 issue in this deal. So, let's try to go forward, and I hope

7 you guys can make a deal. We'd love to work for y'all in the  
8 future. If not, we'll do something else.

9 COMMISSIONER OVERBY: We're -- we are hoping for  
10 the same, all right?

11 MR. KING: Like my daddy said, "I was looking for a  
12 job, and I found this one."

13 COMMISSIONER OVERBY: We appreciate your  
14 steadfastness.

15 MR. LIVERMORE: Are we --

16 MR. KING: I need a motion to adjourn.

17 MR. COWDEN: So moved.

18 MR. LIVERMORE: Second.

19 MR. KING: Seconded by Mr. Livermore. All in  
20 favor? Tom?

21 MR. MOSER: Aye.

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

23 MR. KING: 4-0. Thank you, Tom, for working with  
24 us.

25 MR. LIVERMORE: Give our best to Nelwyn.

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1 MR. MOSER: Okay.

2 MR. KING: Thank you, Tom, for all your help. See  
3 you down the road.

4 (Airport Board meeting adjourned at 9:45 a.m.)

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9 STATE OF TEXAS |

10 COUNTY OF KERR |

11 I, Kathy Banik, official reporter for Kerr County,  
12 Texas, do hereby certify that the above and foregoing is a  
13 true and complete transcription of my stenotype notes taken  
14 at the time and place heretofore set forth.

15 DATED at Kerrville, Texas, this 21st day of September,  
16 2011.

17 \_\_\_\_\_  
18 Kathy Banik, Texas CSR # 6483  
Expiration Date: 12/31/12  
Official Court Reporter

19 Kerr County, Texas  
700 Main Street  
20 Kerrville, Texas 78028

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