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4 KERRVILLE-KERR COUNTY JOINT AIRPORT BOARD  
5 Regular Meeting  
6 Monday, April 16, 2012  
7 8:30 a.m.  
8 Airport Terminal Conference Room  
9 1877 Airport Loop Road  
10 Kerrville, Texas  
11

12 MEMBERS PRESENT: MEMBERS ABSENT:  
Stephen King, President Corey Walters  
13 Tom Moser, Vice-President  
Mark Cowden  
14 Ed Livermore

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

17 COUNTY STAFF PRESENT:  
Guy Overby, Commissioner Pct. 2  
18 Jonathan Letz, Commissioner Pct. 3  
Jeannie Hargis, Auditor  
19

20 CITY STAFF PRESENT:  
Carson Conklin, Councilmember, Place 1  
Mike Erwin, Finance Director  
21

22 VISITORS:  
Ilse Bailey, Airport Board attorney  
Joey Kennedy, Kerrville Aviation  
23 Milton Dare, PRMC Director of Development  
Stephen Drane, private hangar owner  
24 Mark Armstrong, Kerrville Daily Times

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

6 P R O C E D I N G S

7 MR. KING: I'll call this meeting -- April 16th  
8 meeting of the Kerrville/Kerr County Joint Airport Board to  
9 order. Visitors forum. At this time, any person with  
10 business not scheduled on the agenda may speak to the Airport  
11 Board. No deliberation or action may be taken on these items  
12 because the Open Meetings Act requires an item to be posted  
13 on the agenda for 72 hours. Visitors are asked to limit  
14 presentations to three minutes. Anyone?

15 MR. DARE: Yeah, I do.

16 MR. MCKENZIE: Milton?

17 MR. KING: Yes, sir, go ahead.

18 MR. DARE: My name is Milton Dare; I'm the Director  
19 of Development for Peterson Regional Medical Center, and I  
20 asked Bruce McKenzie for the opportunity to come before the  
21 board to -- to thank y'all, and to thank Joe Kennedy,  
22 Kerrville Aviation for the opportunity to hold our recent  
23 Legacy Gala out here at the airport. It was an opportunity,  
24 I think, to open some eyes, to give people an opportunity in  
25 the community to come see the facility. And I know when we

1 talked early on with -- with Bruce and with Joe, there was a  
2 definite enthusiasm. I think he visited with the board, and  
3 I appreciate y'all's willingness to open your door and the  
4 opportunity for us to have this out here. I think the  
5 response from people that came out here was, "We had no idea  
6 this facility was here," that terminal building. "We had no  
7 idea of the types of people that are coming in and out of  
8 this community, and on a weekly basis."

9 So, as your regional medical center, we felt like  
10 it was a great opportunity to open doors and to reach out to  
11 people that -- you know, they're going to need health care,  
12 you know, at some point, either the people they employ or  
13 their families, or themselves coming here on the weekend.

14 So, we have a little token of our appreciation. We wanted to  
15 say thank you to the board. That is a -- a signed,  
16 autographed poster of the event by Chef Kent Rathbun, who was  
17 our featured chef, so we wanted y'all to have that on there,  
18 and wanted to also present one to Joe Kennedy and Kerrville  
19 Aviation for --

20 MR. KENNEDY: Thank you.

21 MR. DARE: -- for their wonderful work. And I  
22 think you're very fortunate to have the kind of team that you  
23 have out here. Bruce was great to work with, and certainly  
24 Joe and his staff just bent over backwards to make it happen.  
25 There were a lot of pieces to make this activity. It's not

1 like just coming out and having a buffet. We had fine dining  
2 in the facility next door. So -- but hoping to make a little  
3 money off of it, too. But I think the most important thing  
4 was raising awareness that health care is a critical part of  
5 our economy and a critical part of this community, and -- and  
6 the nine-county region that we serve. So, we appreciate what  
7 y'all do, all individually, and I know many of you through  
8 other sources, and some of you I've met for the first time  
9 today. So, we -- we thank you for what you do for our  
10 community, and we appreciate the opportunity to partner with

11 you on this event.

12 MR. MOSER: How many people did you have?

13 MR. DARE: We had 400 -- we had 150 for the cooking

14 school on Thursday night. We had 450 on Saturday night.

15 MR. MOSER: Fantastic.

16 MR. DARE: So I think we definitely had a wow

17 factor for --

18 MR. MOSER: Wow.

19 MR. DARE: -- the people that were there. I think

20 it's going to certainly speak -- and the flexibility of this

21 hangar was wonderful. Once the sun started going down, we

22 opened the doors, and people could watch the sunset from

23 their seat, so it was a great, great venue. So, we

24 appreciate the opportunity.

25 MR. MOSER: Good deal.

1 MR. DARE: Thank y'all.

2 MR. KING: Thank you.

3 MR. COWDEN: Appreciate it.

4 MR. KING: Thanks, Milton. Yes, sir?

5 COMMISSIONER LETZ: Just an update, and then also

6 kind of an information thing. I visited briefly with

7 Ms. Grossman's group about customs stuff, and that led to

8 more questions, which that led to more questions. And

9 where -- I think what will be helpful -- and I don't know how

10 to do this, really; that's why I'm bringing it up to y'all --

11 is that the customs is part of the issue, but the other part

12 of the issue is corporate aircraft. And I'm not sure we meet

13 the qualifications as an airport for some corporate aircraft,

14 and I think it would be helpful to find out what they need.

15 I'm talking about, like, Valero's and Ms. Grossman and some

16 of these others, because I'm not sure that we can get there,

17 or maybe we have just some other things and we can get there.

18 But I think it will be really helpful; maybe Joey knows how

19 to get this into that group. I don't know if you talk to the

20 pilots. I don't know if there's an association you can talk

21 to; I don't know if you talk to individual corporations. But

22 there's things that -- as an example, the question that was

23 brought up, "Is there a tower here?" And I said no,  
24 obviously. You know, and I don't -- you know, that's -- is  
25 that a requirement for all corporate -- and it's not a

1 requirement for NetJet, because they fly in and out of here.  
2 But I know that there are some other contacts of -- Joe  
3 Haynes, who does the insurance for Valero and on and on and  
4 on, and he could help bring some of these corporate planes  
5 here, but I'm just not sure how you go about making sure that  
6 we are offering the right package for them. So, anyway, I'm  
7 bringing it to y'all, because y'all know a whole lot more  
8 about this stuff than I do, and I think it would be helpful  
9 to visit with some -- you know, with whoever you need to talk  
10 to to find out exactly what some of these corporate in San  
11 Antonio --

12 MR. MOSER: What their needs are.

13 COMMISSIONER LETZ: What their needs are. What  
14 they want, what they have to have.

15 MR. MOSER: Right.

16 COMMISSIONER LETZ: And -- you know, and maybe, you  
17 know, the whole customs idea may be way down on the list.

18 MR. MOSER: Mm-hmm.

19 COMMISSIONER LETZ: I mean, it seemed great to me,  
20 but, you know, I don't have a jet. So --

21 MR. MOSER: A lot of them may need something else  
22 and not care about that.

23 COMMISSIONER LETZ: Right. So, anyway, it seems  
24 that we -- you know, I tossed it out to y'all to figure out  
25 how to figure that out. And I'll be glad to help, 'cause

1 I've got some contacts, but I don't know even know what you  
2 ask for.

3 MR. MOSER: Okay.

4 MR. KING: Thank you very much, Jon. Appreciate  
5 it. All right, anybody else? Okay, Item 2A -- Item 2,  
6 discussion and possible action. Item 2A, monthly financials.  
7 Jeannie?

8 MS. HARGIS: I assume you all have a copy.  
9 MR. MOSER: We do.  
10 MS. HARGIS: Page 1, which is the balance sheet for  
11 the general operating account. Total amount of assets,  
12 \$355,026.95, and assets over liabilities is the same. Page  
13 3, year-to-date revenue, 216,961.60. That's 50 percent;  
14 that's about where we need to be at this point.

15 MR. MOSER: Mm-hmm.  
16 MS. HARGIS: Page 4 --  
17 COMMISSIONER LETZ: Jeannie, that prior  
18 year-to-date was 232. What's the difference?  
19 MS. HARGIS: The leases are paid periodically.  
20 They're not paid -- and some people pay in advance, and some  
21 people pay behind, so you can't really predict the lease  
22 revenue.  
23 COMMISSIONER LETZ: Okay.  
24 MS. HARGIS: On the year-to-date expenses for  
25 salary, 69,765.11. Page 5, those are individually

1 year-to-date. I won't go over those individual amounts.  
2 MR. MOSER: I have a question, not for you, but for  
3 the board -- for Bruce. On Maintenance, on Item 800-201,  
4 land.  
5 MR. McKENZIE: Yes, sir?  
6 MR. MOSER: We have 40 percent remaining. That  
7 means we've mowed one time. And just to review, the bidding  
8 on that, we -- we cut back on that in this budget cycle, and  
9 we said we may exceed it, depending on the rain and the  
10 weather. And -- and just trying to refresh my own memory, we  
11 said if we do have to have more mowing, we would take it out  
12 of -- what did we say we were taking it out of?  
13 MR. McKENZIE: We can take it out of -- we have to  
14 come back; the board's got to agree. We can move 5 percent  
15 of our money around --  
16 MR. MOSER: Yeah, okay.  
17 MR. McKENZIE: -- if we have to. We just have to  
18 find a place.  
19 MR. KING: We have contingency.

20 MR. MOSER: Huh?  
21 MR. KING: We have 10,000 in contingency.  
22 MR. MOSER: We added contingency. That was the  
23 plan, okay. We may not need it, or -- or we may just need to  
24 not mow.

25 MR. McKENZIE: Thank you for bringing that up,

10

1 because we just finished a mowing cycle, and shortly I'm  
2 going to do another mowing cycle.

3 MR. MOSER: Right.

4 MR. McKENZIE: It needs it again, and then we're  
5 done, money-wise.

6 MR. MOSER: Yeah, okay.

7 MR. McKENZIE: And we need a couple of more cycles  
8 before October.

9 MR. MOSER: And I know you mowed this last time to  
10 try and aggressively get ahead of thistles, which were thick.

11 MR. McKENZIE: Yes, sir.

12 MR. MOSER: And I guess one thing is, it may mean  
13 that we may have to let the grass grow a little bit more  
14 higher than we would. Do we have some --

15 MR. KING: What's the criteria -- what's your  
16 criteria?

17 MR. MOSER: -- requirement?

18 MR. McKENZIE: If it gets up over 8 to 10 inches,  
19 I'm starting to get ready to mow.

20 MR. MOSER: Why?

21 MR. McKENZIE: Because the birds starts laying in  
22 the grass. The birds.

23 MR. MOSER: Okay, so there's a reason for it.

24 MR. McKENZIE: There's a lot of varmints. Skunks  
25 lay down in there, everything.

11

1 MR. COWDEN: It's a safety issue.

2 MR. McKENZIE: It's a safety issue.

3 MR. MOSER: It is a safety issue, not just an  
4 appearance.

5 MR. MCKENZIE: No, sir.  
6 MR. MOSER: Okay. All right, thank you.  
7 MR. MCKENZIE: You're welcome. Thank you.  
8 MR. KING: Have we investigated a spray for those  
9 thistles?

10 MR. MCKENZIE: We spray around the fence line, but  
11 not a gross spraying.

12 MR. KING: Like, we have an area -- we should look  
13 into that next year. Maybe we'll save us a little mowing.

14 MR. MOSER: David just sprayed his whole pasture,  
15 didn't kill anything excepts the thistles.

16 MR. KING: I think we need to look into that. I  
17 know they mowed because those thistles -- sometimes the weeds  
18 are not that high, but the thistles are 4 feet high, you  
19 know.

20 MR. MCKENZIE: Sure, okay.

21 MR. KING: Why don't we look at that to try to  
22 maybe save us on mowing, knock those thistles out at the  
23 first of the year.

24 MR. MOSER: I can get you in contact with him.

25 MR. KING: But you got a tractor with a long -- two

12

1 booms on it, and he was spraying our neighborhood over there.

2 He was driving --

3 MR. KENNEDY: Just for chemicals, \$100 for 10  
4 acres.

5 MR. KING: Is that what it is? \$100 for 10 acres.

6 MR. MOSER: That's cheap, I think.

7 MR. KENNEDY: That's just the chemicals.

8 MR. KING: But, I mean, --

9 MR. MOSER: We'll see.

10 MR. KING: -- we should look into that. I'm going  
11 to get that guy's -- he's over there working. Should be  
12 pretty easy to spray here; no trees to run over.

13 MR. MOSER: Spot spray.

14 MS. HARGIS: Page 6.

15 MR. KING: Sorry.

16 MS. HARGIS: Year-to-date expenditures there,

17 62,162.50. Page 7. This is just the terminal expenses on  
18 top. The total there, 8,583.50. Total expenditures to-date,  
19 140,511.11, with a positive variance there of 76,450.49.

20 MR. MOSER: And another "attaboy" for Bruce and  
21 Laurie on that. We have --

22 MR. McKENZIE: Thank you.

23 MR. MOSER: -- 67 percent remaining --

24 MS. HARGIS: That's correct.

25 MR. MOSER: -- in expenditures, and halfway through

13

1 the year. Good job.

2 MR. McKENZIE: Thank you.

3 MS. HARGIS: Page 8 is our capital funds. The  
4 total amount of cash in the bank, 168,379.80. Page 9,  
5 year-to-date revenue, \$50,053.62. Page 10, total amount of  
6 expenditures, 15,012.50. That is out of the RAMP grant, and  
7 we have not been reimbursed for that yet. So, the total  
8 amount of expenditures on Page 11, 15,012.50, which leaves us  
9 35,041.12 in our portion of the RAMP grant before we get our  
10 -- the money back from TexDOT.

11 (Mr. Livermore joined the meeting.)

12 MS. HARGIS: On Page 12 is the recap of the capital  
13 expenditures. There's really been no change, per se, on  
14 this. This does match with our cash. We are -- are checking  
15 in on a monthly basis with TexDOT.

16 MR. McKENZIE: I got a letter Friday.

17 MS. HARGIS: And then on Page 13 is the TexDOT  
18 projects and how much they paid out. And, again that was as  
19 of March 31 that we -- we got these -- we've got a contact  
20 there in Austin now, so they are providing us with  
21 up-to-date.

22 MR. KING: What do they lack on the second phase of  
23 that thing, Bruce? What are they doing out there now?

24 MR. McKENZIE: We're -- we're completed with it  
25 now. Everything's been closed out.

14

1 MR. KING: They've closed it out? They're done?

2 MR. MCKENZIE: Yes, sir.  
3 MR. KING: So now we're just waiting on them to  
4 decide --  
5 MR. MCKENZIE: I got a letter Friday that said  
6 they're moving forward with that now.  
7 MR. KING: How much is there in fund balance?  
8 MR. MCKENZIE: Well, they're working on sending us  
9 19,000-something dollars back now, the letter that I just  
10 got, so it's moving forward. I just got it Friday.  
11 MR. KING: That would be good parking lot money,  
12 wouldn't it?  
13 MR. MCKENZIE: Yes, sir, it would. Absolutely.  
14 MR. COWDEN: Mike's scratching his head.  
15 MS. HARGIS: Any other questions?  
16 MR. KING: Anybody have any questions? Okay.  
17 Yeah, I'd like to say thank y'all very much for working on  
18 this budget, trying to stay within our budget. I know we had  
19 a pretty drastic drop last year, but --  
20 MR. MOSER: Doing it.  
21 MR. KING: -- hey, we're doing it. That's fine.  
22 That's what it's all about. So, I appreciate you guys  
23 working within the constraints of that. Motion to approve?  
24 MR. COWDEN: So moved.  
25 MR. KING: Mr. Cowden.

15

1 MR. MOSER: Second.  
2 MR. KING: Second by Mr. Moser. Discussion? None  
3 being heard, all in favor?  
4 (The motion carried by unanimous vote.)  
5 MR. KING: Three or four?  
6 MR. LIVERMORE: Honestly, I'm trying -- are you  
7 talking about -- I know I just sat down.  
8 MR. KING: We're just approving the budget.  
9 MS. HARGIS: The financials.  
10 MR. KING: The financials.  
11 MR. LIVERMORE: The financials, not the new budget?  
12 MR. MOSER: No, the financials.  
13 MR. LIVERMORE: I approve that, yes, sir.

14 MR. KING: Four-zero, then. Thank you. Item 2B,  
15 Kerrville Aviation lease, terminal building area. Bruce?  
16 MR. MCKENZIE: Joey Kennedy has informed me in  
17 writing that he would like to extend his lease another five  
18 years. This was on the agenda in March, and was tabled until  
19 this meeting, so it's back to the pleasure of the board just  
20 how they wish to proceed with this. My recommendation is  
21 that we go back with it -- you know, I'd like to go back with  
22 five years, but if the board has a different perspective,  
23 that's -- that's fine as well.

24 MR. LIVERMORE: I move that we approve this lease  
25 for five years.

16

1 MR. KING: Discussion? Hold on.  
2 MR. COWDEN: Well, you know, we need to do  
3 something with this gate over here, and so we need to add --  
4 I guess we've talked about that, adding that duty. It needs  
5 to be added to -- if that's okay with Joey.  
6 MR. LIVERMORE: Is that agreeable with you?  
7 MR. KENNEDY: Yeah, I'm agreeable.  
8 MR. KING: I'd like to add an amendment to the  
9 motion. I'll agree to -- I would agree to approve it for  
10 five years, with -- I think we should put some sort of  
11 language in that lease, Joey, where each one of us has got an  
12 out on this deal. In case, five years from now, something  
13 changes in our structure, as far as, like, the City or the  
14 County, you know, has an idea or something like that. I'd  
15 just hate -- there's no improvements on this building. I  
16 mean, any improvements on the building are ours; we're  
17 spending the money on it. It's kind of like you're leasing  
18 an office from somebody in a downtown, you know, a commercial  
19 center or something like that. And I just think we should  
20 have a -- a 60-day notification. I think we provide for a  
21 60-day notification at the end of the -- at the end of the  
22 lease, but I think we should have a 60-day notification  
23 inside the lease, by either party. If you get disgruntled  
24 with us, or something changes, we decide to go a different  
25 direction, then we have that option to get out of it.

1 MR. KENNEDY: I think there's language in there

2 that refers to -- you know, obviously, if we're not --

3 MR. KING: Performing.

4 MR. KENNEDY: -- performing --

5 MR. KING: Yeah, I think there's a performance

6 deal. I just --

7 MR. KENNEDY: My only concern, I view us as a

8 partner to the airport and to the board, and I think we

9 operate as a good tenant and as a good partner to the

10 airport. We kind of work as an ambassador to every aircraft

11 that lands, whether they buy anything from us or not.

12 MR. KING: Sure.

13 MR. KENNEDY: So we're kind of acting in a little

14 different capacity in the terminal building than a lot of the

15 other tenants. And so, honestly, my biggest concern, what's

16 -- the question that's raised to me with that in mind is,

17 what scenario could you possibly see that I don't see on the

18 horizon that would warrant a question of whether or not we

19 would want to continue with the lease? That just raises a

20 little bit of concern to me if we're -- as to whether or not

21 we're all on the same page as a team.

22 MR. KING: I just --

23 MR. KENNEDY: But --

24 MR. LIVERMORE: Mr. Chairman, point of order. I

25 made a motion. Do I -- was it seconded?

1 MR. KING: No.

2 MR. MOSER: No, he's amending it.

3 MR. LIVERMORE: Well, it can't even be amended till

4 it's seconded.

5 MR. KING: It wasn't seconded. Anybody want to

6 second the motion?

7 MR. LIVERMORE: If not, I guess the motion fails.

8 If someone will second it --

9 MR. MOSER: I'll second it.

10 MR. KING: You'll second the motion? Okay. All

11 right. So, the motion is made and seconded.  
12 MR. MOSER: We're still in discussion.  
13 MR. KING: Now we'll discuss it. Discussion. No,  
14 Joey, I talked to Bruce about this. I've talked to Mark  
15 about it, and it's not a deal -- it's just -- we're -- we  
16 feel like we need you and you need us. It's kind of the same  
17 deal. You're providing -- you know, we're abating the rent  
18 over there to the tune of -- a lot of -- quite a bit a year,  
19 and you guys are giving us services hopefully equal or  
20 greater to those -- the value of the abatement of the rent.

21 MR. KENNEDY: Right.  
22 MR. KING: That we're abating on that thing. So, I  
23 mean, my -- my only -- and I -- there's no -- no clue in  
24 my -- in the world, but as to why -- any reasoning behind  
25 putting that in there, other than fact that I do not like to

19

1 sign five-year contracts on any property that I own, or we  
2 own 100 percent, and we're responsible for 100 percent of  
3 improvements on it, without having some sort of a "Get out of  
4 jail" card -- "Get out of jail..." --  
5 MR. MOSER: Pass.  
6 MR. KING: -- thing on it in case something happens  
7 down the road. I don't know what our -- we had our budget  
8 cut by a bunch last year, and I don't know what our budget's  
9 going to look like in five years. So, I think it's just -- I  
10 mean, I think it's just good business. If I -- if it was a  
11 private commercial building that I owned, and I had a tenant  
12 that was leasing, was not required to make any improvements  
13 to the building, which would be -- which if I was a tenant,  
14 that would be my main concern, was I don't want to put  
15 capital expenditures into the building and then have -- be  
16 able to lose those capital expenditures during the period of  
17 the five-year lease. Then I don't see that there's any  
18 real --

19 MR. LIVERMORE: Do we really have a lease if we  
20 have an out clause?  
21 MR. KING: Yeah, sure we do.  
22 MR. LIVERMORE: We still have a --

23 MR. KING: Sure. I want to go on record as saying  
24 we -- we can't do it. We looked at it. I looked at all the  
25 numbers, and we can't do -- you know, things have changed

20

1 since we did the lease to start with. Now we have two  
2 employees -- we did; we only have one employee now. But we  
3 had two employees. We had two employees. And that was the  
4 first thing I told Bruce; I said, "Look, we got two employees  
5 working out here every day at the thing. Can we supplement,  
6 you know, the services that Joey's providing in his contract?  
7 We looked at that. We couldn't do it. You know, we just  
8 can't -- we can't do it. They're too busy. Now one guy's  
9 busy. He's too busy to -- you know, to change the toilet  
10 paper or mop the floor if somebody spills water or something  
11 like that.

12 MR. KENNEDY: Yeah, and I don't have huge heartburn  
13 with the term -- with those terms, necessarily.

14 MR. KING: Yeah.

15 MR. KENNEDY: My only concern is, is there -- is  
16 there a view of the future that some people may have that --  
17 that doesn't exactly fall in line with what other people  
18 have?

19 MR. KING: No.

20 MR. KENNEDY: 'Cause I think we need to operate  
21 openly and honestly with each other as partners on the  
22 airport, because the growth of this airport is in all of our  
23 best interests, and we want to be a good team.

24 MR. KING: I agree.

25 MR. KENNEDY: In that regard. So, that's what --

21

1 and I will say also that the five-year term that was  
2 originally discussed in that, the purpose for that was, I was  
3 -- I was also going to have to make some investment in  
4 furniture and fixtures and so forth to -- to occupy that  
5 space. And so --  
6 MR. KING: Right.  
7 MR. KENNEDY: -- we wanted to see a little bit more

8 terms. So it's not a deal-breaker necessarily.

9 MR. KING: That's fine.

10 MR. KENNEDY: I just wanted to get the discussion  
11 on the table about where -- the general direction that the  
12 board goes, and if there's any thoughts. I --

13 MR. KING: No agenda, no ideas. I just feel like a  
14 five-year -- you know, in a lease agreement and everything  
15 like that, we should have a -- we should have the option down  
16 the road in five years -- I hate to be locked in for five  
17 years, and something happens that we don't know about.

18 MR. COWDEN: What happens if you get run over in  
19 the street?

20 MR. MOSER: Somebody else takes over.

21 MR. KING: The new guy takes -- some guy takes  
22 over; we have no clue who he is, and he assumes your lease.

23 MR. KENNEDY: I don't have a problem with that  
24 language, or -- or also adding some language to reference the  
25 gate operation and so forth, so long as it's not overly

22

1 cumbersome.

2 MR. KING: You know, we're trying, and any time --  
3 any time this is brought up about, you know, we're going to  
4 do something else out here, "You think we can get Joey to do  
5 it?" I always -- I always ask Bruce whether -- you know, I  
6 don't want to be -- you know, like we were talking about  
7 taking those lists of aircraft, you know, trying to --

8 MR. KENNEDY: Right.

9 MR. KING: -- get some sort of an aircraft --

10 MR. MOSER: Yeah.

11 MR. KING: -- movement log out here, you know. And  
12 that was the first thing I asked Bruce. I said I don't want  
13 to burden your people --

14 MR. KENNEDY: Yeah.

15 MR. KING: -- with our duties. Something that --  
16 just 'cause we're trying to gather information, I don't want  
17 to burden you and cause your people extra work.

18 MR. KENNEDY: Right.

19 MR. KING: Other extra work. And so -- and I'm

20 assuming you would tell us that. I would hope you would tell  
21 us that.

22 MR. KENNEDY: But we're also happy to help in any  
23 way we can.

24 MR. KING: 'Cause, I mean, it's all about trying to  
25 make the airport better.

23

1 MR. KENNEDY: Yeah.

2 MR. KING: And if this gate deal makes it better,  
3 then you -- you come and tell us if -- you know, if it's  
4 costing you too much time and effort, you come and tell us  
5 and we'll make -- we'll work something out.

6 MR. KENNEDY: Okay. I think we just -- yeah, I  
7 think we should have a plan and -- and make a workable deal  
8 and go with it. So --

9 MR. KING: Okay.

10 MR. KENNEDY: So, we're open to it.

11 MR. KING: That'll work.

12 MS. BAILEY: I'll prepare an amendment for the next  
13 agenda for approval.

14 MR. KING: Well, I haven't got my motion approved  
15 yet. I don't have a motion right now.

16 MR. MOSER: Yeah, you had an amendment.

17 MR. LIVERMORE: What you're proposing is an  
18 amendment to the motion.

19 MR. KING: I'd like to amend your motion to approve  
20 it for five years under the current terms that we're -- that  
21 we've been operating on for five years, with a 60-day clause  
22 in there just for --

23 MR. LIVERMORE: Are there any conditions to the  
24 60-day clause? I mean, are we talking about -- certainly, if  
25 Joey gets run over by a bus -- don't do that, Joey.

24

1 MR. KENNEDY: I'll try.

2 MR. LIVERMORE: That would be a condition.

3 MR. KING: Yeah.

4 MR. MOSER: Probably just be at the will of either.

5 MR. KING: Yeah, I think at the will of either. I

6 mean, I think if he decides he'd like something better, I

7 don't -- I mean, I'd like to leave it open.

8 MR. COWDEN: Does the motion include --

9 MR. LIVERMORE: Can you work with that, Joey? Are

10 you acceptable, or --

11 MR. KENNEDY: Yeah, I think so.

12 MR. LIVERMORE: Speak now, or --

13 MR. KENNEDY: Yeah, I'm open to it. It's not

14 really -- I mean, it's going to have to be something

15 relatively catastrophic for either/or, so --

16 MR. KING: I agree. I mean, I don't think

17 there's -- I just think five years is a long time to look --

18 I can't look forward six months in this deal, much less five

19 years.

20 MR. LIVERMORE: I'll accept your amendment.

21 MR. KING: Okay. Is that -- we need a second on

22 that?

23 MR. LIVERMORE: Tom's already seconded. If I

24 accept your amendment, it's acceptable.

25 MR. MOSER: Your amendment was also to add what,

25

1 Mark?

2 MR. COWDEN: The responsibility of running the gate

3 out there.

4 MR. KING: Exactly. As long as --

5 MR. MOSER: Ilse's got both. Okay. Second.

6 MR. KING: All right. Discussion? All in favor?

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

8 MR. KING: Four-zero. Hey, Joey, on that gate

9 deal, if you -- you work with Bruce --

10 MR. McKENZIE: We've been working together.

11 MR. KING: You work with Bruce on that. Y'all

12 figure out the best way. If you got a better idea on that,

13 like another way of doing that, just let me know -- let him

14 know.

15 MR. KENNEDY: Bruce and I have been openly

16 conversing about how -- the issue of how to logically do

17 it, how to make it work.  
18 MR. KING: You know what the plan is, so --  
19 MR. KENNEDY: That's right.  
20 MR. KING: Okay, that'll work. Thank you very  
21 much. Item 2C, Airport Board member appointments. That's --  
22 I don't remember putting this on the agenda, but my name's  
23 next to it. (Laughter.)  
24 MR. McKENZIE: I put it on there and put your name  
25 next to it. This is another one that last month got pushed

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1 to this month.  
2 MR. KING: Okay. So, who's quitting? Raise your  
3 hand.  
4 MR. McKENZIE: That's what I want to know.  
5 MR. MOSER: Well, the discussion was last --  
6 MR. LIVERMORE: Are you really? You're going to  
7 rotate off?  
8 MR. COWDEN: Yeah.  
9 MR. MOSER: The discussion was last month, Corey  
10 was waffling, and since we've had a couple of hit men go out  
11 and talk to him about it, I don't know where he stands.  
12 MR. KING: He's out in California; he's left the  
13 state.  
14 MR. MOSER: So, let's see. The people that were up  
15 was myself and Corey --  
16 MR. KING: Corey.  
17 MR. MOSER: And Mark.  
18 MR. McKENZIE: And Mark, yes, sir.  
19 MR. KING: Right. Right. And Mark has decided to  
20 rotate off.  
21 MR. McKENZIE: Rotate off.  
22 MR. KING: He says he is.  
23 MR. COWDEN: Yep, I'm going to rotate off. My  
24 plate's really full, professionally and privately and  
25 personally, with raising my kids. And I need to --

27

1 MR. LIVERMORE: Oh, you try and do that?

2 MR. COWDEN: I try to.  
3 MR. KING: When's your term up?  
4 MR. MCKENZIE: June 1.  
5 MR. KING: You'll agree to stay on until we can  
6 replace you?

7 MR. COWDEN: Yeah, if it's not too long.

8 COMMISSIONER LETZ: Next year?

9 MR. KING: It's kind of tradition. It's a  
10 tradition.

11 MR. COWDEN: Fred started that.

12 MR. KING: Fred started that tradition to at least  
13 stay on till a replacement was found.

14 MR. MOSER: You don't know how long we can stretch  
15 that.

16 MR. KING: We'll try to make that as quickly as  
17 possible. We'll try to find someone. It'll be hard to  
18 replace you. We'll find someone to sit in your seat.

19 MR. MOSER: What do we have with Corey's situation?

20 MR. KING: I don't know. I have a meeting with  
21 Corey when he gets back.

22 COMMISSIONER OVERBY: How many years have you been  
23 on the board?

24 MR. COWDEN: Three and a half -- over three.

25 COMMISSIONER OVERBY: Good job.

28

1 MR. KING: I'll pin him down, try to find what his  
2 deal was. He wanted to maybe leave, but he was -- Mark  
3 jumped -- beat him to the punch.

4 MR. MOSER: So --

5 MR. COWDEN: Only one person can leave at a time.

6 MR. MOSER: We need to forward this by June 1st,

7 right? The nominees.

8 MR. MCKENZIE: You can, yes.

9 MR. MOSER: That's when we need to do it?

10 MR. MCKENZIE: Yes, sir.

11 MR. LIVERMORE: So you're saying we need to approve  
12 them in the June meeting, anyone who we would select? Or how  
13 -- what happens?

14 MR. MCKENZIE: If it goes past June, it goes past  
15 June. That's circumstances beyond our control. But the  
16 interview process starts, and if you give me direction, I'll  
17 start the advertising process like we did before.

18 MR. KING: Yeah.

19 MR. MCKENZIE: Then you can vet -- the board can  
20 vet those folks, and then call the ones in that you would  
21 like to interview. We'll move forward. That's --  
22 MR. KING: We'll just do it like we did last time;  
23 put the ad in the paper, do all the -- all the advertising  
24 and stuff like that, and get a -- get a -- and get the normal  
25 suspects or whoever -- whoever to get applications. And look

29

1 at the old applications too, I guess.

2 MR. MOSER: Oh, absolutely.

3 MR. KING: Look at the old applications, 'cause --  
4 you've got all those still?

5 MR. MCKENZIE: Yes, sir.

6 MR. KING: And then we'll -- how'd we do it last  
7 time?

8 MR. COWDEN: Didn't we run the ad --

9 MR. MCKENZIE: We did an ad in the paper, and then  
10 when we gave it to the board -- I gave it to the board, and  
11 you picked out the ones that you wanted to interview, and  
12 then the interview process began.

13 MR. KING: Okay, we'll do that.

14 MR. MOSER: Well, I will agree to stay on.

15 MR. MCKENZIE: And Tom agreed at the last meeting  
16 that he would continue on for another term.

17 MR. MOSER: Okay.

18 MR. KING: Thanks for saving us from too much  
19 chaos.

20 MR. MOSER: Okay, so we have one, and potentially  
21 two.

22 MR. KING: Yeah. I think I'll talk Corey into  
23 staying at least another year.

24 MR. MOSER: Okay. Okay.

25 MR. KING: He's got a new grandbaby.

1 MR. LIVERMORE: Corey does?

2 MR. KING: Uh-huh. All right. So just -- it  
3 doesn't matter if it's one or two. Just go ahead and get the  
4 process in motion, because we'll get applications.

5 MR. MOSER: Okay.

6 MR. KING: We usually get a lot of applications for  
7 this kind of thing. All right. Item 2D, master plan.

8 MR. MCKENZIE: I put this on the agenda for two  
9 reasons. One is to inform the board that the A.L.P. is now  
10 complete and has been forwarded to Fort Worth, the F.A.A.,  
11 for their final approval, which can take up to a couple-three  
12 months. Airport Layout Plan, by the way, A.L.P. And the  
13 second reason was -- was this little marketing brochure that  
14 we talked about two meetings ago, Corey and I were going to  
15 get together and discuss how to do another brochure, and he  
16 has informed me that he would get back with me next week when  
17 he got back from California, and we're going to decide how  
18 the board would like to do it. And I'm assuming the board  
19 gave Corey the -- the go-ahead to finalize this. I know what  
20 I want to put on here.

21 MR. KING: Okay.

22 MR. MCKENZIE: If we even want to do this,  
23 gentlemen.

24 MR. KING: Tried to make it where it was less  
25 cluttered.

1 MR. MCKENZIE: We want to do this kind of paper,  
2 and --

3 MR. KING: We wanted to just kind of -- isn't that  
4 what the board said?

5 MR. COWDEN: Do we need to accept the master plan?  
6 Need a motion?

7 (Multiple speakers.)

8 THE REPORTER: One at a time, please.

9 MR. MOSER: Oh, sorry. One at a time.

10 MR. MCKENZIE: Something on that line, Tom, that

11 kind of stock -- paper stock, and something simple.  
12 MR. KING: Okay. So you'll get with him?  
13 MR. McKENZIE: Yes, sir. He said he'd get with me.  
14 MR. KING: And come up with something, and you'll  
15 present it back to us so we can take a look at it? Is that  
16 right, or do you want us to just go ahead and do it?  
17 MR. McKENZIE: It's the pleasure of the board. We  
18 can go ahead and get it moving.  
19 MR. KING: If you want to, you can just discuss it  
20 when we're through. We'll go out in the hall, and just kind  
21 of --  
22 MR. MOSER: I think that -- that Corey had some  
23 good discussions. I'd recommend that Bruce and Corey --  
24 MR. KING: Yeah.  
25 MR. MOSER: -- get together, and maybe -- and Ed's

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1 been around this kind of stuff for a long time. The three of  
2 you --  
3 MR. KING: Maybe you can proofread it.  
4 MR. LIVERMORE: Sure, I'd be glad to. It will be  
5 right.  
6 MR. MOSER: Let them decide.  
7 MR. KING: You know what I mean, for grammar.  
8 MR. LIVERMORE: Yeah, I know. I'll be glad to.  
9 MR. KING: You do that very well.  
10 MR. LIVERMORE: I'd be -- I'll be glad to do that.  
11 MR. MOSER: And then let them decide and move on.  
12 MR. KING: Okay, that will be fine. Okay, Item 2B  
13 -- or 2E. 2E, draft terminal building use agreement.  
14 MR. McKENZIE: This came back after the last board  
15 meeting as well, and there were a couple of corrections that  
16 needed to be made. I talked with our counsel, Ilse, and  
17 after speaking with the County Attorney and the City  
18 Attorney, they had suggestions. They forwarded them to Ilse.  
19 She made the corrections, and now it's back in the queue.  
20 And this is also the pleasure of the board. And Ilse, I  
21 think, had a couple of comments on it as well.  
22 MS. BAILEY: Yeah. What I did was, this terminal

23 facility use agreement is patterned after what the County  
24 already uses for renting the Ag Barn facilities. The reason  
25 for doing that is for consistency, and because if the

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1 County's happy with it from that point of view, then they're  
2 going to be comfortable with using it over here. But they  
3 have -- there were a couple of things in that agreement that  
4 I wanted to make sure would work for us and what we wanted to  
5 do. On the second page, for instance, their contract says  
6 that a person can reserve up to four dates within a 12-month  
7 period by paying one deposit, and the reservations for any  
8 date more than 12 months out can be made by payment of a  
9 nonrefundable deposit of \$500 for each date reserved. I  
10 didn't know if that was something you wanted to do. It  
11 seemed like it was pretty far out in the future for our uses.  
12 But, again, that's just something for you to think about.

13 MR. LIVERMORE: If someone -- I had a question  
14 about this, Ilse. If someone reserves, say, some three-day  
15 event, I don't know what that would be, would that be \$1,500?  
16 Or is it one incident?

17 MS. BAILEY: I think the --  
18 MR. LIVERMORE: To me, that's confusing.  
19 MS. BAILEY: Yeah. One event, I guess. It's  
20 really -- up to four -- well, up to four events. I guess  
21 probably I could change that.

22 MR. LIVERMORE: Maybe the word "dates."  
23 MR. MOSER: Right.  
24 MS. BAILEY: Yeah. Anyway, so that was one  
25 thought. Under the insurance, the City Attorney thought that

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1 the limits were a little bit high there, but that is the  
2 limits that the County uses. I think that's pretty standard.  
3 Certainly, we don't ever anticipate there being a problem,  
4 but if there was a problem, it's likely to be something of a  
5 pretty major amount. So, just think about that.

6 COMMISSIONER LETZ: Ilse, on the insurance, you  
7 just might make a note, there's -- I don't know who it is;

8 someone in San Antonio is someone that does it. There's an  
9 insurance company that write it just for a specific event,  
10 and it's very inexpensive. It's not -- they don't have to  
11 carry that liability year-round for that amount. It's  
12 event-specific, and it's -- and we refer -- they can get  
13 whoever they want, but there's someone we do a lot of  
14 business with in San Antonio. I can't remember.

15 MS. HARGIS: We changed this last year, so I don't  
16 know.

17 MR. KENNEDY: But, anyway, so it's -- the rate's  
18 good. The amount is high, but the rate is low.

19 COMMISSIONER LETZ: The rate is low.

20 MS. BAILEY: That's why I was comfortable putting  
21 it in there. I just mentioned that because the City Attorney  
22 did have that question. I think it's an appropriate amount  
23 of insurance, but it's just something for you to think about.  
24 And, again, it's in keeping with what the County already  
25 requires at the Ag Barn. On security, the City has, you

1 know, a question about whether or not we really needed to  
2 have TCLEOSE-licensed, commissioned peace officers for  
3 security. You know, if we're going to have security, we need  
4 to have legitimate security people; we don't need someone  
5 just -- you know, just a bouncer. So, I think that's  
6 appropriate. But, again, for y'all to --

7 MR. LIVERMORE: We hope we don't need that.

8 MR. COWDEN: A bouncer?

9 MR. LIVERMORE: Bouncer.

10 MS. BAILEY: Let's see. The emergency contact, I  
11 assume that that would be your number, Bruce? Call you?  
12 We'll put that in there.

13 MR. MCKENZIE: Mm-hmm.

14 MS. BAILEY: Under cancellation, I don't even  
15 remember now what the County had in theirs; I think maybe it  
16 was six months, the very last paragraph on Page 4. If you  
17 want to allow for a full refund if there's a cancellation  
18 after they've already paid a deposit, less an administrative  
19 fee, which is how the County does it, just give me some idea

20 about how much notice you want on that cancellation and I'll  
21 fill that in. Now, the -- I think you all had the additional  
22 page -- there's an additional spreadsheet page. This page  
23 really is the guts of -- of an agreement, because this tells  
24 who's wanting to rent it, who their contact is, whether it's  
25 commercial, noncommercial, not for profit. Because those --

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1 at least the way the County does it, what kind of entity it  
2 is makes a difference on how they're charged.  
3 Down in the middle part of the page where you have  
4 all rental fees are per-day, these are some -- the kinds of  
5 facilities over on the left-hand column are ones that the  
6 County has in their sheet that I thought might be applicable  
7 to us, but some of them may not be. And the -- the fees are  
8 just exactly what the County charges, and we're not bound by  
9 any of those numbers. So, that's just as a suggestion. But,  
10 for instance, if we're going to let them have food vendors in  
11 here, then we might want to charge a food vendor fee, but you  
12 might not want to. P.A. system. I don't know if we have one  
13 available, but if we're going to have one, we probably do  
14 need to charge for it. So, we might want to give a little  
15 bit more thought to that column. Or if you wanted to approve  
16 the agreement with giving Bruce the authority to make  
17 recommended changes in this part of the -- of the fee  
18 structure --

19 MR. MOSER: That's what I would like to do, is go  
20 with the intent of the -- of the lease that you've delineated  
21 here, and as far as the rates, some of them seem pretty darn  
22 high.

23 MR. LIVERMORE: They really do.  
24 MR. MOSER: And let Bruce work something out. What  
25 we want to do, the objective was just so we'd have something

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1 that was consistent with the City and the County, and so in  
2 the future, if we have people that want to lease it, we've  
3 got an agreement with which we can do it.  
4 MS. BAILEY: Right.

5 MR. MOSER: I don't think it's to -- you know, as  
6 far as the gentleman said earlier, it's a great way to let  
7 the public see what we have, okay. And that's what we want.  
8 We don't -- we're not here to -- to decrease the use of it.  
9 We want to increase the use of it. But -- so it's not the --  
10 it's not the magnitude of the dollars coming in. We want to  
11 be fair. We don't want to spend stuff that we don't need to,  
12 but -- but I'd say we let Bruce come up with something that's  
13 reasonable there, and --

14 MR. McKENZIE: On the fees?

15 MR. MOSER: On the fees, right. You know, it jumps  
16 out at me; \$350 for this conference room is pretty -- that's  
17 too high.

18 MR. LIVERMORE: Would you care to make a motion and  
19 I'll second it?

20 MR. MOSER: Yeah. I'll make a motion that we  
21 accept the lease agreement as drafted by Ilse, with the  
22 changes delineated by her that need to be updated, and that  
23 -- and that we authorize Bruce to establish what the rental  
24 rates should be.

25 MR. LIVERMORE: Second.

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1 MR. KING: Okay. Discussion? Yes, Joey?  
2 MR. KENNEDY: One thing. I got a quick question.  
3 It says that it's -- it's basically a lease for the exclusive  
4 use of the terminal building. Can you really actually lease  
5 the terminal building to someone exclusively? How do you  
6 handle the normal operations of the airport, people coming  
7 and going? Or should that be left kind of as a blank, with a  
8 caveat that this is still an active airport, and you still  
9 have to let people come and go when people are --

10 MR. McKENZIE: I make that determination.

11 MR. LIVERMORE: You know, what kind of things are  
12 we really looking at leasing here? Is this one evening, like  
13 if Mark and his wife wanted to lease this for a party?

14 MR. KENNEDY: That's what I'm --

15 MR. LIVERMORE: For one night. We're not talking  
16 about leasing it for three days for something, are we?

17 MR. MCKENZIE: We can't do that.  
18 MR. LIVERMORE: Can't do that.  
19 MR. KENNEDY: But even one night, how do you handle  
20 the in and out --  
21 MS. BAILEY: Include somehow language that says  
22 that the lessee recognizes that this airport's operation --  
23 MR. KENNEDY: Something like that. Otherwise,  
24 you're going to get somebody wanting to lease it exclusively  
25 and not have people coming and going.

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1 MR. COWDEN: There's flying instructors that use  
2 this room.  
3 MR. MCKENZIE: One evening a week.  
4 MR. COWDEN: Does that fit into this?  
5 MR. KING: I don't know. I was not at the meeting  
6 when y'all were discussing it. Was that last meeting that  
7 y'all were discussing --  
8 MR. MOSER: Well, it was before that. We -- what  
9 brought it up was the gala for the hospital that was here  
10 using the facility, and we said, you know, we ought to have  
11 something that has an agreement between the lessee and the  
12 lessor, consistent with what the County and the City have for  
13 their facilities.  
14 MR. LIVERMORE: Right.  
15 MR. MOSER: Not to make money, but just to have  
16 something that's visible and -- and somewhat legal.  
17 MR. KING: So, are y'all proposing a fee on this?  
18 MR. MOSER: There's fees in here.  
19 MR. KING: 'Cause, I mean, I was here when they  
20 built the terminal, and I think one of the selling points of  
21 the terminal was we actually offered to use -- to allow  
22 different groups to use the terminal. Do you remember that,  
23 Joey, when we were promoting the terminal?  
24 MR. KENNEDY: Yeah.  
25 MR. KING: We asked the Rotary if they wanted to

40

1 have a meeting out here. We asked the Lion's Club if they

2 wanted to have a meeting out here. You know, just on a -- on  
3 a, you know, one-up -- one-up deal. But, you know, to try to  
4 get them to --

5 MR. LIVERMORE: Come out and see it.  
6 MR. KING: -- see the building. Yeah, see the  
7 building. And so I feel uncomfortable, you know, saying  
8 that, you know, we might have a fee to use a facility that's  
9 paid for by the City and the County.

10 MR. LIVERMORE: I think my thought on it -- and  
11 maybe this was what Tom was saying. When we have -- you  
12 know, first let me say this. I think the hospital thing out  
13 here was fantastic. For those of you who were here, it  
14 couldn't have been a nicer evening. But in my thinking, that  
15 is the maximum that we would ever want to rent something out  
16 here for. I mean, that was a pretty heavy-duty event, but it  
17 was a one-day event. And anything beyond that really gets  
18 to --

19 MR. KENNEDY: Yeah, it was crowded in there. And,  
20 in fact, it was actually against my better judgment to  
21 actually have the VIP reception here. I thought it was too  
22 many people, but my understanding, that actually came from  
23 the City. Mindy Wendele really wanted to kind of show the  
24 building to the public and get those people exposed to it.  
25 It wasn't like they wanted to use the building. It was

1 something that was actually --  
2 MR. LIVERMORE: I've actually heard people say how  
3 impressed -- that hadn't been out here, how impressed they  
4 were with it, so it was a good thing. But that was about as  
5 maximum a rental deal as we would want to have.

6 MR. MCKENZIE: Absolutely.  
7 MR. KING: I would think the purpose of the  
8 agreement would be more for indemnification of the City and  
9 the County and the airport, as far as liability. I mean,  
10 that -- I just think that's probably what we would be more --  
11 what I would be more interested in, would be if somebody  
12 falls and breaks their leg out here, something happens or  
13 something like that, that -- you know, that we're just trying

14 to protect the City and the County and the airport from --  
15 and not restricting in any way their use of the -- use of the  
16 facility. Because, I mean --

17 MS. BAILEY: So, you're saying if there's a fee,  
18 maybe just a nominal fee, like \$5 or something?

19 COMMISSIONER LETZ: Steve, what the County does a  
20 lot -- and I don't know what the City does, but a lot of ours  
21 is so we don't lose money. We don't want to -- there's going  
22 to be cleanup, and there's things associated with it,  
23 utilities, and the County doesn't try to make money at the Ag  
24 Barn and all this stuff. We just don't want to be  
25 subsidizing -- we don't want taxpayers subsidizing private

1 groups.

2 MR. MOSER: Exactly.

3 COMMISSIONER OVERBY: Just trying to cover costs.

4 COMMISSIONER LETZ: That's kind of the direction  
5 that we -- the way we look at it.

6 MR. LIVERMORE: That's our thinking here, too.

7 COMMISSIONER LETZ: That makes sense, a nominal  
8 charge.

9 MR. KING: What's your thoughts on this?

10 COUNCILMAN CONKLIN: I think Jonathan's on the  
11 right track. We've had some different functions where we've  
12 leased things. I think it may even say in the City's  
13 contracts that if you -- you lease a space and you're  
14 required to hire, like, a custodian to -- you know, cleaning  
15 service afterwards, and they give you a list of several  
16 people to call.

17 MR. MOSER: Sure.

18 COUNCILMAN CONKLIN: Something to that effect. I  
19 mean, obviously, you're not going to make any significant sum  
20 of money. I understand the issue of being covered, and  
21 that's important, and to have some kind of written rules and  
22 understanding. The other thing that occurs to me is, if  
23 somebody -- if -- would you need an agreement in place, and  
24 would this mean anything if the hospital gala the other night  
25 had not involved the terminal building itself? You still use

1 the airport facility and grounds, but not the terminal  
2 building. If -- if Mindy had never come forward and said,  
3 "We want to use the terminal," you'd have had roughly the  
4 same impact on the airport. But if this building is the --  
5 you know, the kicker that throws the agreement in, then would  
6 you still have any basis of having an agreement if somebody  
7 had said, "Well, we're not going to use the terminal; we're  
8 going to use the" --

9 MR. KING: Hangar.

10 COUNCILMAN CONKLIN: -- "the airport grounds and  
11 hangar."

12 MR. KING: Let's say Brinkman wanted to have a  
13 party down at his place, or any of our other tenants had a  
14 party down there. I don't know if that's something that we  
15 even --

16 MR. LIVERMORE: Only terminal?

17 MS. BAILEY: Well, it talks about the conference  
18 room, the terminal building lobby, the terminal building  
19 outside, or the grounds and the parking lot. Those are the  
20 facilities that I identified. That's not to say that there  
21 couldn't be some other facilities identified, but that's just  
22 how I had drafted it.

23 MR. McKENZIE: The word "grounds" encompasses  
24 everything.

25 COMMISSIONER LETZ: And it should, 'cause that's

1 where the liability comes in.  
2 MR. MOSER: I think that Jonathan hit the nail on  
3 the head. I think what we're trying to do is, number one, be  
4 consistent with the City and County. Number two is not to  
5 make money, but it's also not to cause the taxpayers to lose  
6 money. That's the -- once you start this, and people are  
7 going to say, "Wow, that's a nice facility. You know, I  
8 would like to have a little reception for a party coming in  
9 for hunting," and they're going to have 100 people come out  
10 here or something and use the terminal building for that.

11 So, I think we just need to have a policy, and -- and a --

12 and an agreement.

13 MR. KING: Is there something -- you have something

14 in there it's at the discretion of the Airport Manager. I

15 mean --

16 MR. LIVERMORE: Yeah, because we can't -- we've got

17 no --

18 MR. KING: I mean, say a gun show or something.

19 Some people -- say a gun show or something. I mean, you

20 can't have that stuff. I'm just saying --

21 COMMISSIONER LETZ: I don't know how you can do it.

22 I think if you open it up, you open it up.

23 MR. MOSER: Yeah. We've already opened it up.

24 MR. KING: Steve?

25 MR. DRANE: The Ninety-Nines had one of their

1 Saturday meetings here and used this facility.

2 MR. KING: Right.

3 MR. DRANE: My wife's a Ninety-Nine. We wanted

4 some place to go Saturday to have our monthly meeting, so we

5 checked, and we had a -- had some food, and we had eight or

6 nine airplanes and 25 women.

7 MR. KING: Sure.

8 MR. DRANE: Now, in my case, where do I get the

9 million dollars worth of insurance for something like that?

10 MR. KING: Yeah.

11 MR. DRANE: I mean, that's what it's for, and we

12 used it; we cleaned up. We had cake and cookies, same thing.

13 But that's the other end of the spectrum.

14 MR. KING: Yeah, I agree. I mean, that's -- at

15 some point, you're restricting people's --

16 MR. DRANE: Because under this situation, put a

17 couple of chemical cans over at the hangar and have it over

18 there instead of here.

19 MR. KING: Exactly. So you're going to have to do

20 more research on that. What about Ron and them using the

21 thing one night a week? Are you going to make them sign a

22 contract?

23 MR. MCKENZIE: They're tenants in the building.  
24 MR. KING: Oh, they're tenants.  
25 MR. MCKENZIE: Ron uses it. Dave Bryant uses it;

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1 occasionally, not all the time.  
2 MR. KING: Well --  
3 MS. BAILEY: We'll do a little more work on it.  
4 MR. KING: Why don't you --  
5 MR. COWDEN: Maybe we need to table this.  
6 MR. KING: Why don't you do a little more work on  
7 that? Because I don't want to restrict people in, like  
8 aviation, like the Ninety-Nines or the C.A.P. or somebody  
9 like that. I hate to restrict people like that from using  
10 this building. That would -- that's why it was built, you  
11 know, why it was -- this room was built, with that -- you  
12 know, this room wasn't built to have a meeting once a month  
13 here. It was built to be used by the community. So, I  
14 understand we have to have some sort of agreement, and I like  
15 the idea. Just -- you know, don't -- maybe not a cleaning  
16 fee, but just some language in there that you leave it like  
17 you found it. You leave it like you found it, and you -- you  
18 know, you're required to do something.

19 COMMISSIONER LETZ: Differentiate between maybe an  
20 event like the hospital event, which is a --

21 MR. KING: Right.

22 COMMISSIONER LETZ: -- you know, big thing, versus  
23 a community use for a meeting, and not -- and let community  
24 use be free.

25 MR. KING: That's a good idea.

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1 MR. LIVERMORE: Then there can be aviation-related,  
2 like, that would cover the Ninety-Nines and what-all --  
3 MR. MCKENZIE: Right.  
4 MR. LIVERMORE: -- kind of category there. Well, I  
5 mean, that's what it is, is an aviation building.  
6 MR. KING: All right. Y'all work on that.  
7 MR. MOSER: Let's table it.

8 MR. KING: Item 2F, new T-hangars. Tom Moser.  
9 MR. MOSER: Let's see. An update on that, there's  
10 several things. Bruce -- and, Bruce, jump in here -- Bruce  
11 found out from TexDOT that 2014 would be the earliest on  
12 cost-share for the horizontal work associated with hangars  
13 here. We have -- we have the plan in place for the concept  
14 and where we would do it, primarily for T-hangars. We talked  
15 about starting with an initial group of 30 T-hangars, 'cause  
16 I think Bruce had a list of people that said yeah, they're  
17 candidates, and Bruce can update on that. The other thing,  
18 Mark and I visited with the people that were on over at  
19 Fredericksburg. They're in the process of building 10  
20 T-hangars right now. They have 70. They have a waiting list  
21 at all times for the hangars that they have. They are  
22 constructing new T-hangars, which is about half the rate of  
23 what we estimated. About \$40,000 per unit is what was  
24 estimated a year or so ago. They're constructing them right  
25 now at \$21,000 per hangar, based on -- based on 10 T-hangars.

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1 They're meeting the same specifications that we would have  
2 here.  
3 It's being constructed primarily by -- by an  
4 individual there, that the County receives a 5 percent  
5 gross -- a percentage of the gross on the income for those  
6 hangars. The -- the back of the envelope that I did on the  
7 thing showed that with the \$20,000 or \$21,000 of costs per  
8 unit on the hangars, that there's a good return on equity if  
9 the City and the County were to own the facilities and borrow  
10 the money to build these. Ed has -- has experience in other  
11 hangar facilities where individuals own them and then -- then  
12 sell them, and Ed's been successful in doing that. So, we  
13 still haven't gotten off the dime on moving forward on the  
14 T-hangars. It looks like 2014 is the -- is the earliest date  
15 we can do that to be economically feasible. But I personally  
16 think we need to -- we need to set up a plan. We need to  
17 bring this thing forward to the planning committee, which is  
18 going to meet --  
19 MR. McKENZIE: On the 27th of this month. Last

20 Friday of the month.  
21 MR. MOSER: -- on the 27th of this month. And --  
22 and I would like to -- to update the planning committee then,  
23 and to have some -- some plan that we move forward with, the  
24 City and County, on -- on increasing revenue. Kerrville  
25 Daily Times and Mark had a very good article in there, what

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1 the potential is out here and what the board is trying to do  
2 to increase revenue so that we can be neutral on -- on using  
3 taxpayers' funds for this. So, I think that this is the  
4 first major step we need to take, and so the purpose here was  
5 just to say an update. You know, it does look to me like  
6 that we have a -- a viable approach to this, where we can --  
7 we can increase revenue, and significantly, at the airport.  
8 And -- and one of our competitors -- and I'll call them  
9 competitors, but Fredericksburg has been extremely open. I  
10 mean, anything we want to know from them, they've been more  
11 than willing to share it with us, in a very forthright way.  
12 So, I'd -- I would say let's make this -- I don't think  
13 there's anything else that this board needs to do except  
14 bring it forward to the planning committee at the end of this  
15 month, and have a plan to move out.

16 MR. COWDEN: When is -- when is the Brinkman hangar  
17 coming back?

18 MR. KING: Next December.  
19 MR. McKENZIE: 2013, next Thanksgiving.  
20 MR. KING: November something.  
21 MR. McKENZIE: Next Thanksgiving. Maybe.  
22 MR. COWDEN: Maybe, but that's not sure?  
23 MR. McKENZIE: I was visited Friday by those folks.  
24 We had a long visit Friday afternoon.  
25 MR. KING: That's good.

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1 MR. MOSER: That's just -- that was just a status.  
2 It's not requesting any action, other than let's go.  
3 MR. KING: I was up in Weatherford over the  
4 weekend -- last weekend to do some work on wells over there,

5 and I went by there to see if I could land in Weatherford.

6 They got a 3,300-foot runway, but it was too short, but I

7 went by and visited with them. It's a private airport,

8 Parker County Airport. Kind of an interesting deal. It's

9 Parker County Airport, but it's owned by an individual.

10 MR. LIVERMORE: I didn't know that.

11 MR. KING: Or it's owned by three individuals.

12 They call it Parker County, and the County gives no money to

13 it; the City gives no money to it, so it's an individual

14 deal. I told him he should probably change the name as soon

15 as possible, get some money out of somebody. But they're

16 developing this property, developing this airport, and

17 they're building hangars on it. They're building a lot of

18 hangars. They built probably -- I think there's 20 box

19 hangars -- 20 box hangars already finished, with concrete

20 aprons and stuff like that. So, the guy was really nice.

21 You know, I wasn't interested -- he knew I wasn't interested

22 in one, but he gave me all this stuff. I was going to give

23 this to Bruce. He gave me all his layouts, his cost per

24 square foot, what it's costing him to build it and pour

25 concrete for aprons, and what's he's selling them for. And

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1 he told me -- gave me all the numbers on it and everything.

2 He's building them right now. They were pouring concrete

3 when I was there. So -- and then he also gave me an

4 agreement; he said if we ever need -- this is an agreement

5 they had their attorneys draw up for individual ownership.

6 MR. COWDEN: Condo-ing.

7 MR. KING: Condo-ing the deal, individual

8 ownership. So, he said, "Put that in your file. If y'all

9 ever do it, it might save your attorney some money and

10 everything." But they're building them for 32 bucks a

11 foot -- \$32 a square foot with the concrete. And they're

12 putting the apron in front of it. It's a 20 -- 30-foot apron

13 in front of each one, and then the -- the developer fills in

14 the other 30 feet in the middle, so they have 90 feet. It

15 includes 30 feet of apron with the box hangar, and it's

16 really nice hangars. The hangars are nice, and they're built

17 to the same specs that we would have to build, because

18 they're in the city.

19 MR. COWDEN: What kind of doors?

20 MR. KING: They have several. They have that new

21 door, the one that has the big bar across the front of it,

22 that --

23 MR. COWDEN: Bifold?

24 MR. KING: -- flips up, just flips up.

25 MR. COWDEN: Just the whole thing?

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1 MR. KING: A lot of folks are going to do that. He

2 had two different types. He had different types of hangars.

3 They had hangars big enough for a 421, for a King Air, and

4 then they had hangars for, you know, Beechcrafts and stuff

5 like that. And they're really -- they're all the same color.

6 They're all -- they all have fire code, places for fire

7 trucks to drive. And they had -- and he's got a good layout.

8 It shows how they put their road down the back of it, down

9 the back of the thing. They put a concrete road all the way

10 down the back that tees in. I got that for Bruce, just so

11 he'd have it. Here's the picture. It's kind of a neat

12 little deal to some guy actually building --

13 MR. LIVERMORE: He's doing all this for large

14 aircraft for a 3,300-foot runway?

15 MR. KING: Doing it for up to about a 421. That's

16 about all they're going to do, is a 421. They got some King

17 Airs that come in there, but they don't have jet fuel right

18 now, so that's why I wasn't going in there. But it's pretty

19 neat. He gave me all the information, said if we have any

20 questions on the construction costs and stuff like that. It

21 was pretty neat.

22 MR. MOSER: There it is, \$20,000 per unit.

23 MR. KING: Isn't that about right?

24 MR. MOSER: That's what it says right there.

25 MR. KING: And he's selling the land, too, with it.

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1 It's 8 bucks a foot he sells the land for.

2 MR. MOSER: That's good information. Well,

3 anyway --

4 MR. KING: Real nice guy. That gives you some real  
5 numbers as to what they're really -- it really kind of backs  
6 up what you found out at Fredericksburg.

7 MR. MOSER: Okay.

8 MR. KING: Okay. Anyway --

9 MS. HARGIS: Steve, I stopped by there on my --

10 when we were going to Dallas. It was so -- you know, so nice  
11 that we pulled off and really looked at it.

12 MR. KING: Yeah, the airport's right next to the  
13 interstate. He's going to pull a lot of Fort Worth people in  
14 there. One side of the airport's got all these box hangars.  
15 The other side, if you build a house over there, he's got a  
16 place for you to put a really nice hangar, a rock -- brick  
17 hangar that matches your house and stuff like that. He's got  
18 four of those already built.

19 MR. LIVERMORE: You know this fellow; I think it's  
20 a privately owned airport, this -- what's name of that  
21 airport?

22 MR. KENNEDY: Boerne Stage?

23 MR. LIVERMORE: The screwy runway with the big --  
24 big mountains in the runway. It's right over here by --

25 MR. McKENZIE: Boerne Stage?

1 MR. KING: No, I know the one. I know exactly  
2 where you're talking about. You're talking about winds --

3 MR. KENNEDY: Silver Wings?

4 MR. KING: Silver Wings.

5 MR. LIVERMORE: No, it's right over here by San  
6 Antonio. I landed there a couple years ago for fuel, and the  
7 runway was like that. Anyway, that guy is building box  
8 hangars. He's got --

9 MR. KING: That's what Bruce --

10 MR. LIVERMORE: He's got a bunch of them. It's not  
11 Boerne Stage; it's some other.

12 MR. KENNEDY: Kestrel.

13 MR. LIVERMORE: Kestrel, that's it.

14 MR. KENNEDY: Kestrel Airport.  
15 MR. KING: All right. Item 2G, Greiner art  
16 display. What was the deal there?  
17 MR. MCKENZIE: Greiner's art display, his contract  
18 that we had with him expires at the end of this month, in a  
19 couple of weeks, and I approached Max and asked him -- we've  
20 got so much positive feedback from the display out here; it  
21 fits the motif of the hill country and of this building, and  
22 I asked Max if he could leave it here six months, and of  
23 course he said yes. So, I'm asking the board -- or  
24 recommending that we let him leave it here another six  
25 months, if it's the will of the board.

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1 MR. LIVERMORE: Motion.  
2 MR. COWDEN: Second.  
3 MR. MCKENZIE: It gets a lot of positive feedback.  
4 MR. KING: Okay, Ed moved it.  
5 MR. MOSER: Well, I have a question. Why six --  
6 why only six months? Why not longer?  
7 MR. MCKENZIE: We can do it longer.  
8 MR. LIVERMORE: It's nice stuff.  
9 MR. MOSER: As long as we have an out.  
10 MR. KING: You have an agreement with him where we  
11 control what he puts in there?  
12 MR. MCKENZIE: Yes, I've got it right here.  
13 MR. KING: He's not just going to use it as  
14 storage.  
15 MR. MOSER: Is there something that says if we want  
16 to terminate this thing, we can terminate it?  
17 MR. COWDEN: I think 20 years.  
18 MS. BAILEY: It says this agreement may be  
19 terminated for any reason and for no reason at all.  
20 MR. MOSER: My only comment was, I'd do it beyond  
21 six months.  
22 MS. BAILEY: What I can do is make it six months  
23 and automatically renewable.  
24 MR. MOSER: Well, that's okay. That's fine.  
25 MR. KING: Put an evergreen on it.

1 MR. MOSER: That's good.

2 MR. KING: Okay, that'll work. Did we need a

3 motion on that? I think we had a motion.

4 MR. COWDEN: Yeah, I seconded.

5 MR. LIVERMORE: I made a motion.

6 MR. KING: Discussion? All in favor?

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

8 MR. KING: It's 4-0. Proposed new parking lot.

9 Bruce?

10 MR. McKENZIE: All right. We had a very good

11 meeting a couple weeks ago with the City and the County about

12 the new parking lot. We had the Public Works Director here

13 from the City of Kerrville. We had the head of Road and

14 Bridge here from the County, myself, the engineer of record,

15 who's Mike Wellborn, and we now have a plan. That's what the

16 board's direction was at the last meeting, was to get a plan

17 going forward, and now we have a plan. We're seven months

18 out. And the County has agreed to build the parking lot; the

19 City has agreed to pave the parking lot. We, as the airport,

20 will furnish the materials, which is the base material, the

21 hot mix, the gate for the security gate out here, and the

22 lighting for security system out there; we need lights out

23 there as well. We will furnish that. We will get those

24 funds on our part through a RAMP grant. We can do that

25 through grant money.

1 We -- I have hired a consulting/engineering firm to

2 do two things for us. One is to do a geotech out here on

3 this property. We're going to drill down 6 feet and see

4 what's there, make sure we can build on it. The second thing

5 I've asked them to do, I found base material adjacent to the

6 airport that we can use. It's not processed base, but it is

7 pit run, and I'm pretty familiar with it. I've done it

8 enough times. And we're going to save us a lot of money on

9 the haul; it's right across the road over here. But I've

10 asked the consulting firm -- engineering firm to also run

11 tests on that material to make sure that we can use that for  
12 base material out here, and if we can, we've saved a lot of  
13 money there. So, where we are now is going to do that  
14 testing.

15 MR. MOSER: Question.

16 MR. MCKENZIE: Yes, sir?

17 MR. MOSER: For a parking lot, why do we have to  
18 drill down 6 feet to see if it has sufficient base, or -- or  
19 integrity?

20 MR. MCKENZIE: I appreciate the question. I  
21 appreciate the question, and here's why.

22 MR. MOSER: And how much does that cost?

23 MR. MCKENZIE: It's going to cost us \$2,000 to test  
24 that and do the geotech out here, drill the holes out here to  
25 test this. The reason being is there's been some question as

1 to whether or not that's fill out there or not. I don't know  
2 whether that's normal soil, down into subsoil, or whether  
3 that is -- that was fill out there. If it was fill, we may  
4 need to go in there with either some cement-stabilized base  
5 or with hydrated lime.

6 MR. MOSER: I understand. Okay, I got it.

7 MR. MCKENZIE: I didn't want to do it either.

8 MR. MOSER: I think that's a good point. If it was  
9 fill, you need to know.

10 MR. MCKENZIE: I didn't want it rebounding on me.

11 MR. LIVERMORE: Is this from some earlier time?

12 MR. MCKENZIE: Yes, sir.

13 MR. MOSER: Okay.

14 MR. MCKENZIE: We don't know. I've talked and  
15 talked, and I can't get a straight answer from anybody.

16 MR. MOSER: Okay. That's -- you answered my  
17 question, thank you.

18 COUNCILMAN CONKLIN: That's a good way to save;  
19 you're going to have to have it engineered anyway. Six foot  
20 is kind of minimum. They'll do a geotech down to 20, 30 feet  
21 now on a building. If you have a parking lot, you're going  
22 to --

23 MR. MOSER: Yeah. See, we're not putting a

24 building out there.

25 COUNCILMAN CONKLIN: That's right. Right, but even

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1 a regular parking lot, if you knew what was there, 2 feet

2 might be a minimum. To do 6 is -- it's nothing; talking

3 about a hundred dollars. I mean, it's just something --

4 MR. MOSER: Okay. But if you were building a house

5 out there, you wouldn't have to do any of that.

6 COUNCILMAN CONKLIN: Well, it would be a good idea

7 to.

8 MR. MOSER: I know it'd be a good idea, but -- but

9 people don't do it. Okay. And this is much less than that.

10 So, I think this stuff has gotten out of hand as far as all

11 this coring and everything else on something like that.

12 Personal opinion.

13 MR. McKENZIE: That's true.

14 MR. MOSER: You don't need to engineer something

15 that doesn't need to be engineered. Go ahead.

16 MR. McKENZIE: That's fine. I just wanted to let

17 the board know that's where we're at with that right now.

18 The City and the County have both got it on their radar. Now

19 it's -- it's blips on their radar. They know this is coming

20 in October. And I told them that we didn't want to move

21 forward on this till after 1 October because of our new

22 funding, grant money coming in. So, that's where we're at

23 with that, and everybody seems to be real comfortable with it

24 at this point.

25 MR. MOSER: Okay.

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1 COUNCILMAN CONKLIN: One thing I'd add, Tom -- not

2 to go backwards, but the \$2,000 -- the base material, do you

3 remember what we looked at, Bruce, just when we looked at

4 some numbers that Mike had in his estimate?

5 MR. McKENZIE: I don't know right off the top of my

6 head.

7 COUNCILMAN CONKLIN: \$50,000 worth of base

8 material, I think, that you were purchasing.

9 MR. MOSER: Yeah.

10 COUNCILMAN CONKLIN: If doing a geotech finds

11 that --

12 MR. MOSER: Yeah.

13 COUNCILMAN CONKLIN: -- you have an 8-inch profile

14 instead of 10, you've saved \$10,000.

15 MR. MOSER: I agree. And I think the other thing

16 is, was it fill or not? No, I agree with that.

17 MR. McKENZIE: Tom, to be honest with you, I got

18 two -- when I threw it up, I got two rebounds that said

19 that's fill material out there. That's when I got a little

20 nervous.

21 MR. MOSER: Sure, and I agree.

22 MR. McKENZIE: If it wasn't, I would have bypassed

23 that.

24 MR. MOSER: Right, okay.

25 MR. LIVERMORE: Well, it's a good idea.

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1 MR. MOSER: Excellent.

2 MR. McKENZIE: If something does happen, it's on

3 the engineer.

4 MR. MOSER: It's good we're moving forward on it.

5 MR. KING: Do we need --

6 MR. McKENZIE: Just letting you know.

7 MR. KING: And, Carson and Jon, do we need to put

8 this thing together in, like, a little package and bring it

9 to you guys, and give you a -- a cost/benefit analysis on it

10 as far as R.O.I. or something like that on this thing, as far

11 as what the game plan on how to get our money back on the

12 thing is and where the -- where the funding is coming

13 through?

14 MR. MOSER: I'd suggest we do it at the planning

15 committee.

16 MR. KING: I mean, I don't want to -- you know, I

17 want -- I mean, we don't plan to spend any outside money. We

18 plan to do it with your guys' help and then our money that we

19 can get from RAMP grant or, you know, if worse comes to

20 worst, in some of our -- some of our money we have in our

21 funds. But, you know, from -- I don't want to surprise

22 anybody, you know.

23 COMMISSIONER LETZ: Do it at the planning committee

24 meeting, let them decide.

25 MR. KING: You think planning committee?

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1 COUNCILMAN CONKLIN: Let's handle it on the 27th.

2 MR. KING: Okay.

3 COUNCILMAN CONKLIN: With the planning committee.

4 I like the idea of what you said, you know, R.O.I./financials

5 on it. Traditionally, just planning from the point of the

6 City's going to perform what work, and the County's going to

7 do --

8 MR. KING: Right.

9 COUNCILMAN CONKLIN: -- the engineering, and just

10 really outline the thing. You know, what the anticipated

11 start date --

12 MR. KING: And where the -- where all the funds are

13 coming from.

14 COUNCILMAN CONKLIN: Kind of an overall project

15 plan.

16 MR. KING: Okay.

17 COUNCILMAN CONKLIN: In addition to the financial

18 part.

19 MR. MOSER: And the financial part.

20 MR. KING: We'll do that for the 27th, and then you

21 guys can decide whether you want us to take it to the Council

22 and the Commissioners. Or you guys --

23 COMMISSIONER OVERBY: Timeline.

24 MR. KING: -- set it up that way. That's good.

25 Yes, Ed?

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1 MR. LIVERMORE: Parenthetical remark, but on the

2 planning committee meeting, can we publish that?

3 MR. MCKENZIE: Okay. Ed's asked me that a couple

4 of times, and --

5 MR. LIVERMORE: It wasn't --  
6 MR. MOSER: It doesn't have to be.  
7 MR. LIVERMORE: I know it doesn't. I was asking if  
8 it can be.

9 MR. McKENZIE: The reason Ed's asking is he wants  
10 to attend that as well, so that would make it a quorum. And  
11 here's what's happens if we post the meeting. If we post the  
12 meeting, then we have to stay -- there's a lot of different  
13 nuances that fall into place at that point in time. You have  
14 to stay on point. You can't vary, like the committee likes  
15 to talk about everything.

16 MR. KING: Who's at the meeting? Well, besides me.  
17 MR. McKENZIE: You and Tom.  
18 MR. MOSER: And so he would make a third.  
19 MR. McKENZIE: He would like to come.  
20 MR. LIVERMORE: Well, but if it's going to inhibit  
21 the --  
22 MR. McKENZIE: Look, I'm just explaining to them --  
23 MR. LIVERMORE: Yeah. No, you're right.  
24 MR. McKENZIE: -- what the deal is. You've got to  
25 follow exact formality. You can't -- these guys like to

1 freewheel.  
2 MR. LIVERMORE: You can't put an item on there that  
3 says "general discussion"?"  
4 MR. McKENZIE: Hmm-mm.  
5 MS. BAILEY: It'd be just like this meeting. You  
6 have to have specific agenda items, and you have to stay  
7 within the agenda items.  
8 MR. McKENZIE: And we can post it if that's the  
9 will of the whole -- of the committee. That's up to y'all.  
10 MR. KING: Why don't we bring that up at the  
11 meeting? We'll talk about that.  
12 MR. LIVERMORE: Maybe I better not come.  
13 MR. KING: What did you want to discuss? We can  
14 always drop off -- one of us drop off if you want to attend  
15 it. I don't care. This one here, I wanted to present this  
16 parking lot deal, 'cause I want to try to get that lined out.

17 It's a public meeting.

18 MR. MCKENZIE: It's a public meeting.

19 MR. MOSER: It's a public meeting, so he could walk  
20 in anyway.

21 COMMISSIONER LETZ: He can't participate, though.

22 MR. MOSER: Huh?

23 COMMISSIONER LETZ: He can't participate.

24 MR. MOSER: Just can't participate.

25 MR. LIVERMORE: I can sit.

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1 MR. MOSER: But if --

2 MR. KING: Ask Buster Baldwin about that.

3 MR. LIVERMORE: I don't want to do anything that  
4 will break the law.

5 MR. MCKENZIE: So if he comes and just observes?

6 COMMISSIONER LETZ: Ask Ilse.

7 MR. MCKENZIE: Is that all right, Ilse?

8 MS. BAILEY: It gets tricky. But I guess,

9 technically, if he didn't say anything --

10 MR. MCKENZIE: What if he sat in the other room?

11 MR. LIVERMORE: Yeah, there where Steve's sitting.

12 MR. KING: All right.

13 MS. BAILEY: It would be my preference that if we  
14 have a quorum present, that it be a posted meeting.

15 COUNCILMAN CONKLIN: Post the agenda, but you also

16 -- I mean, we have, you know, workshop -- Council workshops,  
17 budget workshops that are fairly --

18 MR. MOSER: Yeah.

19 COUNCILMAN CONKLIN: You have an agenda; it's  
20 posted, 'cause you have a quorum, but it's a, you know,

21 fairly loose discussion.

22 MR. KING: Yeah.

23 MS. BAILEY: Yeah, you can post an item that -- if  
24 the -- if the item is broad enough, and you post it and you  
25 stay within that discussion parameter, then you're still

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1 going to be okay. But --

2 COMMISSIONER LETZ: Ilse, since no decisions are  
3 made at the planning committee, is it really a workshop like  
4 Carson's saying?

5 COUNCILMAN CONKLIN: It's not even a --

6 COMMISSIONER LETZ: Not even a body.

7 COUNCILMAN CONKLIN: Well, it's not a body.

8 There's no decisions made. It's informational discussion.

9 MS. BAILEY: The answer to that is a lot longer  
10 than -- it's a long, boring answer, but you probably could  
11 get away with it. It's just not -- it's not the preferred  
12 way to do things.

13 MR. MOSER: Why don't you look at it, Ilse; make it  
14 as flexible as possible, so -- well, workshop format.

15 MS. BAILEY: Well, the long answer is, even if it's  
16 not a body that is making decisions, so it wouldn't have to  
17 be posted, and you could discuss -- there have been cases  
18 where if you're -- you have a quorum in that planning meeting  
19 and you talk about stuff, you kind of have a game plan,  
20 "Here's what we want to do," and then you bring it to the  
21 deliberative body in a posted meeting and they just  
22 rubber-stamp it, it has been held that what you really did  
23 was you made a deliberation at that --

24 MR. MOSER: Sure, I got you.

25 MS. BAILEY: -- other meeting. So that's why you

1 don't really want to do it.

2 MR. MOSER: Okay. Makes sense.

3 MR. LIVERMORE: Why don't I stay home? (Laughter.)

4 Then we won't have this issue. I'll call someone and find  
5 out what happened.

6 MR. KING: Okay, we'll do that.

7 MR. LIVERMORE: What's going on?

8 MR. MCKENZIE: Doing something on the Power Point.

9 MR. KING: Item 2 --

10 MR. LIVERMORE: I thought we're saving electricity.

11 MR. KING: Item 2J -- 2I, declared distances,

12 Runway 12/30.

13 MR. MCKENZIE: Okay. Let's see, what are we

14 hitting here? Declared distances are just what they say they  
15 are. It's takeoff runway available, takeoff distance  
16 available, and accelerate/stop distance. Accelerate/stop  
17 distance, turbine drivers know that that's in direct  
18 correlation to the balanced field length. We have a  
19 situation here -- and this is not a show-stopper, guys, but  
20 you need to know about it, 'cause TexDOT brought it up. The  
21 blue lines on the top here are Runway 12. The green lines  
22 are Runway 30. You'll notice on the 12 end, the takeoff  
23 runway available, takeoff distance available, accelerate/stop  
24 distances, all 6,000 foot. That's the full length of the  
25 runway on this end, going this way. If you use Runway 30,

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1 your accelerate/stop distance and your landing distance  
2 available, you lose 1,000 feet. You go from here, and  
3 stopping right there, and it's available legally -- legally  
4 available. The reason for that is a ditch -- hit the next  
5 one, Laurie. This is the A.L.P.: go one more. There's a  
6 ditch over there.

7 Just so we know where we are, here's where we are  
8 right now. This is the truck yard across the road. There's  
9 a ditch right here that nobody ever sees unless you fly.

10 Okay, go to the next one, Laurie. Now you can really see it.  
11 See that ditch? That's why we have a displaced threshold, is  
12 because of this ditch right here. What TexDOT has asked me  
13 to do -- and I talked to them two weeks ago, at length --  
14 well, not at length. We had a good discussion about it.  
15 They want us to cover this ditch up right here. What happens  
16 is, there's a 4-inch pipe right there, and it goes under the  
17 runway, all -- and it daylights right there.

18 MR. MOSER: A 4-inch?

19 MR. MCKENZIE: I mean a 4-foot. I'm sorry, 4-foot  
20 pipe, and it daylights right here, and it goes down to Silver  
21 Creek right there, and then goes into the Guadalupe River  
22 across the road. Michelle said you guys need to cover that  
23 up -- cover that ditch up. That sounds pretty easy on the  
24 surface of it, and it is, but to cover it up, we're going to  
25 need to put a 4-foot pipe from here all the way down to here.

1 MR. MOSER: Full length.  
2 MR. KING: Was that part of their --  
3 MR. COWDEN: Why didn't we fix that the first time?  
4 MR. KING: -- 10 million dollars the spent out  
5 there? Was that part of it?  
6 MR. McKENZIE: This came up when they started  
7 looking at the A.L.P. this last time, the Airport Layout  
8 Plan. Perry's folks actually caught it at the tail end of  
9 this, and Texas Department -- actually, TexDOT saw it first  
10 when they started doing the A.L.P., and she talked to  
11 Perry -- long story. Anyway, that's where we've landed with  
12 this. Now, none of this is a showstopper. This is not a  
13 showstopper. We don't have to do this. We don't have to  
14 cover this up, but she asked us to please, if we could do it  
15 in a timely fashion. And I took from that, that that would  
16 help us get money in 2014 to do our T-hangars. Now, I could  
17 read between the lines when I was drinking coffee with her  
18 that morning that she -- that's where she was headed with it.  
19 She didn't say they wouldn't give us the money, but she said  
20 it would help our case. Now, here again, she didn't say we  
21 had to do it. And that doesn't mean we won't --  
22 MR. LIVERMORE: What is this going to cost?  
23 MR. KING: Did she dig the ditch? Who dug the  
24 ditch?  
25 MR. McKENZIE: That ditch has been there -- this

1 runway over here has been there 70 years, so --  
2 MR. KING: So that ditch was there when they did  
3 all this --  
4 MR. MOSER: \$12 million worth of --  
5 MR. KING: -- all this work here? That didn't --  
6 MR. McKENZIE: No, this ditch has been there  
7 forever.  
8 MR. COWDEN: What if we just seal off the 4-foot  
9 deal over here?  
10 MR. McKENZIE: That's the question.

11 MR. COWDEN: If you just seal it off, that water

12 goes that way.

13 MR. McKENZIE: I've got to get an engineer involved

14 in that before I start sealing off pipes.

15 MR. KENNEDY: Didn't they do all new drainage

16 there?

17 MR. McKENZIE: They did. All this is new.

18 MR. KENNEDY: I guess the question would be, is the

19 new drainage capable of handling that 4-foot -- rather than

20 sending it under the runway? She's talking about getting the

21 displacement back.

22 MR. McKENZIE: Thank you. That's the rest of the

23 story. When we do this, if -- if, indeed, we cover this up,

24 we may get half of the -- this is 700 feet. We may get half

25 of it back. We may get three-quarters of it back. Who knows

1 what we'll get back? But we will certainly get some of it

2 back for accelerate/stop distance when you're landing, going

3 this way.

4 MR. LIVERMORE: Mm-hmm.

5 MR. McKENZIE: The other thing is, if we don't have

6 to put pipes in that ditch, if the City and the County will

7 furnish the manpower and the material -- manpower and

8 equipment, we've got 3,700 yards -- dollars of material

9 stockpiled. We've got the material. That's nothing. That's

10 nothing.

11 MR. MOSER: Seems like this was not part of the

12 drainage plan.

13 MR. McKENZIE: It wasn't.

14 MR. MOSER: So it's the residual ditch that nothing

15 happened to it.

16 MR. KING: Where's that 4-inch out there? Past

17 the --

18 MR. McKENZIE: It's right on the other side here.

19 MR. KING: Other side of AWAS?

20 MR. McKENZIE: Other side of AWAS.

21 MR. LIVERMORE: Why is the ditch there? Is it just

22 a natural feature?

23 MR. MCKENZIE: No, this was dug probably 50 years

24 ago.

25 MR. MOSER: It was there before then. The whole

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1 drainage thing was redone.

2 MR. MCKENZIE: That's when water would be able to  
3 sheet across this and go across the highway way back in the  
4 day.

5 MR. KING: Is that that 4-inch over here -- the

6 4-foot over here, is that on that side of the taxiway?

7 Between the taxiway and the runway?

8 MR. MCKENZIE: It's on the other side.

9 MR. KENNEDY: Between the runway and the highway.

10 MR. MCKENZIE: Well, that is --

11 MR. KING: No, this thing here.

12 MR. MCKENZIE: There's a pipe right here. See

13 where it goes underneath?

14 MR. KING: Yeah. That's between the taxiway and

15 the runway?

16 MR. MCKENZIE: Yeah. See, this is the new -- this

17 is the new taxiway here. The old taxiway was right here.

18 That's part of the old taxiway right there.

19 MR. MOSER: And this went under the taxiway?

20 MR. MCKENZIE: Yes, sir, it went under the taxiway.

21 That's correct.

22 MR. KING: I don't think the drain looks to me like

23 the water's going that way now.

24 MR. MCKENZIE: We don't need a decision on this

25 now, but I wanted to make you aware of it, and I'm going to

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1 continue to research this and see. If we can just cover this  
2 up, this is going -- this will be a breeze.

3 MR. MOSER: Bruce, the first thing to do is see if

4 that's part of our drainage plan with all the \$12 million

5 worth of construction out here. Is that part of it? I think

6 the answer is no. If it's not -- if it isn't, then --

7 MR. MCKENZIE: Away it goes. And Tom's right.

8 MR. KING: Can Harry Hardin answer that question?

9 MR. McKENZIE: I can talk to him.

10 MR. KING: He engineered it.

11 MR. McKENZIE: Matt Jacobson in Kansas City

12 engineered it. I can talk to Matt.

13 MR. KING: Talk to Matt and find out -- is that

14 pipe still open over here?

15 MR. McKENZIE: Yeah, it's open here and it's open

16 here.

17 MR. KING: What's it look like? Does it have a

18 grate on it or something?

19 MR. McKENZIE: No, just an open 4-inch. It has

20 a --

21 COMMISSIONER OVERBY: 4-foot.

22 MR. McKENZIE: -- safety end treatment, an old one,

23 but it's there. Been there -- that concrete's probably 40

24 years old, or 50.

25 MR. DRANE: Bruce, it's older than that.

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1 MR. LIVERMORE: Does water come out of it?

2 MR. McKENZIE: I've never been over there -- when

3 it rains, we stay off of the grassy area.

4 MR. MOSER: Find out if it's needed. If it's not

5 needed, see what it takes to cover it up.

6 MR. McKENZIE: Very good.

7 MR. MOSER: And another question. What's the

8 frequency by with which it impacts us by not having that

9 700-foot capability?

10 MR. McKENZIE: Okay. It doesn't.

11 MR. MOSER: Huh?

12 MR. McKENZIE: NetJets, flight ops and everybody

13 comes in here --

14 MR. MOSER: Yeah. So, it's -- it's almost a

15 nonissue, anyway. So it's -- it would be in the -- it would

16 be in the "nice to have" category.

17 MR. McKENZIE: Exactly.

18 MR. MOSER: One way or another. Fill it or not

19 fill it or whatever.

20 MR. MCKENZIE: Not a showstopper.  
21 MR. MOSER: So, make that a strong point, that  
22 it's -- it's not necessary. Okay.  
23 MR. MCKENZIE: We're fully operational.  
24 MR. MOSER: Nice to have.  
25 MR. MCKENZIE: We're fully operational. We're

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1 fully operational if we don't do this.  
2 MR. MOSER: That's it.  
3 MR. MCKENZIE: But -- but TexDOT would like to see  
4 it. It's one of those "we wish" kind of a deal.  
5 MR. MOSER: Okay, good enough.  
6 MR. LIVERMORE: Here's a plan that you might throw  
7 in there too, is we're going to wait until nature provides us  
8 a major rainstorm, and we're going to go over there and see  
9 how much water is coming out.  
10 MR. MOSER: No, I would do it differently.  
11 MR. LIVERMORE: And that'll put it off for a while  
12 if it doesn't rain.  
13 MR. MOSER: I would do it differently. We had a  
14 whole new drainage plan, part of the whole --  
15 MR. LIVERMORE: Mm-hmm.  
16 MR. MOSER: -- \$12 million activity. That drainage  
17 plan either has that in there or not, I would suggest, so  
18 first thing to do is find out --  
19 MR. MCKENZIE: Yeah.  
20 MR. MOSER: -- if it's part of that drainage plan.  
21 It's probably just some obsolete thing. But first of all,  
22 saying it's not going to impact this operation one way or  
23 another whether we do this, TexDOT would like to see it.  
24 That's a --  
25 MR. KING: Bruce, let's get back to that displaced

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1 threshold. That ditch, that displaced threshold, is just  
2 from the --  
3 MR. MCKENZIE: Part of it's from these trees down  
4 here, but part of it's from this ditch. If you'll look at

5 your accelerate/stop distance on the charts, it stops right

6 there.

7 MR. KENNEDY: I can tell you from a practical  
8 standpoint how it affects us. A lot of the larger corporate  
9 flight departments, if they have an aircraft a certain size,  
10 and they're going into Kerrville, if they're landing in a  
11 north wind, they have their own insurance prescribed minimum  
12 landing distances and so forth.

13 MR. MOSER: Okay.

14 MR. KENNEDY: And all it would do is preclude -- if  
15 it's one of those operators -- if it's a private operator on  
16 Part 91, they're going to look at the total usable length if  
17 it's -- if they need it; Bruce is right. From a practical  
18 standpoint, all it would do is preclude someone with a very  
19 stringent set of requirements for landing from scheduling a  
20 trip in here if they happen to know that we had north winds  
21 and had to use that runway for landing, if they weren't going  
22 to be able to wait. So, the times that would actually impact  
23 a flight coming or not coming to Kerrville is hard to say,  
24 but it's probably not very often.

25 MR. MOSER: Okay, good enough. Thanks, Joey.

1 MR. KING: Thanks, Joey. Is that it?

2 MR. MCKENZIE: That's it. Thank you.

3 MR. KING: Hey, what about that house? Who owns  
4 that house up there at the top?

5 MR. MCKENZIE: I found out when Tom called me one  
6 Saturday morning; a lady in San Antonio owns it.

7 MR. LIVERMORE: As long as we're on this, you and I  
8 talked about this the other day on the phone.

9 MR. KING: Yeah.

10 MR. LIVERMORE: This may be the point for that.

11 MR. KING: I think we got to do discussion -- I've  
12 got to put that under discussion.

13 MR. LIVERMORE: Okay. All right, fine.

14 MR. KING: Let's hold it for a second. I think  
15 it's pretty limited.

16 MR. MCKENZIE: The next is the budget.

17 MR. KING: Remind me of that. Item 2J.  
18 MR. LIVERMORE: Budget.  
19 MR. KING: Budget -- the budget. Okay.  
20 MR. MCKENZIE: I need to take a quick time-out,  
21 Steve. Be right back.  
22 MR. LIVERMORE: We need to take a break?  
23 MR. KING: No, we need to keep rolling. Okay, the  
24 budget.  
25 MR. MOSER: What we did on this at the last

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1 meeting, --  
2 MR. KING: Mm-hmm.  
3 MR. MOSER: -- we didn't have sufficient review so  
4 we could discuss it in detail at the last meeting, and we  
5 talked about having a workshop or reviewing in detail the  
6 budget at this meeting, and -- and approving it, or with  
7 modifications there to send forward to the City and the  
8 County. Which has to be sent by -- Laurie, by June the 1st,  
9 we have to submit this, correct? Yeah. So, this is a  
10 workshop.  
11 MR. KING: And so Bruce has got both Carson and  
12 Jonathan -- he's got both on here, 'cause we're kind of up in  
13 the air on this management situation -- this management deal.  
14 We never have gotten to discuss that. I'm hoping at that  
15 meeting -- that's why we changed that meeting to the 27th, so  
16 that the mayor could be there, and that Jonathan could  
17 present some information that you guys hopefully would talk  
18 about there. This management agreement or not a management  
19 agreement, where are we at on that?  
20 COMMISSIONER LETZ: The information is, this  
21 changes the budget a little bit, 'cause it basically gets rid  
22 of some of the contingency that's built in and makes it a  
23 budget like you would do in any other department.  
24 MR. KING: Right.  
25 COMMISSIONER LETZ: And get rid of the contract.

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1 We're closer to that now anyway, because we -- you know, and

2 then the County has agreed to do any of the administrative at  
3 no cost.

4 MR. MOSER: Mm-hmm.

5 MR. KING: Are we going to discuss that at that  
6 meeting on the 27th?

7 COMMISSIONER LETZ: Yes.

8 MR. KING: That was my plan, is to discuss that and  
9 try to find out where both parties -- both parties are on  
10 that. But I think in this budget, that's why there's a With  
11 Management and Not Management.

12 COMMISSIONER LETZ: Right. And I think  
13 recommendation of the County is to go with a Not Management,  
14 because it's just -- really isn't needed.

15 MR. KING: Do we need to talk about that?

16 MR. MOSER: Talk about the management/not  
17 management aspect of it before we go on?

18 MR. KING: Well, we need to find out --

19 MR. MOSER: We can do that.

20 MR. KING: Well, we need Jonathan. I think we need  
21 to talk about -- that's what I told Bruce; we need to talk  
22 about that at that meeting on the 27th, because those guys  
23 need to talk about it and find out what --

24 MR. MOSER: Right.

25 MR. KING: -- what is -- what the possibilities of

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1 that and what the -- what's involved in that. And I don't  
2 have any clue what you guys are talking about on that, other  
3 than what you've told me a little bit, but I don't see how we  
4 can -- it's a little difficult for us to come up with a --  
5 that's what I told Bruce. It's going to be hard for us to  
6 come up with a budget today -- to approve a budget today when  
7 we don't know which budget to approve.

8 COMMISSIONER LETZ: Right, I agree. I think it's a

9 discussion that, you know, it's going to be --

10 MR. LIVERMORE: Did Carson leave? Oh, he moved  
11 chairs.

12 COMMISSIONER LETZ: It's up to the City, I mean, in  
13 reality. The County will do it either way. Our preference

14 is to go with no management contract.  
15 MR. KING: We have another meeting. We have  
16 another meeting between now and when we have to approve it.  
17 That's -- I'm hopeful we can tie down these numbers today,  
18 that we can tie down these numbers, and then the management  
19 contract deal basically is just -- it either --  
20 MR. MOSER: Okay.  
21 MR. KING: It doesn't affect the overall --  
22 MR. MOSER: If we have to, we can have a budget  
23 workshop like we did before.  
24 MR. KING: -- individual account numbers. So, you  
25 want to go over -- go over this budget? Y'all saw this

1 budget last month?  
2 MR. MOSER: Yeah, he -- it was sent to us.  
3 MR. LIVERMORE: We did not go over it.  
4 MR. MOSER: We did not discuss it at the last  
5 meeting.  
6 MR. KING: So, we're operating under the -- the  
7 budget that's -- this actual? Which budget are we actually  
8 running under?  
9 MR. McKENZIE: 2012 approved budget.  
10 MR. KING: Approved?  
11 MR. McKENZIE: That is correct.  
12 MR. KING: What is the actual budget?  
13 MS. DEJOHN-ERMEY: What we spent through February.  
14 MR. KING: That's what we've spent. So we're  
15 operating under the '12 approved. So, Bruce, you can  
16 probably -- let's just look at the proposed with management,  
17 which is the one just as it is right now, correct?  
18 MR. McKENZIE: Yes, sir.  
19 MR. KING: Where did you make changes from last  
20 year?  
21 MR. McKENZIE: Only change I made in that budget  
22 was in line item 47-800-104.  
23 MR. MOSER: Talk about the page.  
24 MR. McKENZIE: It's on Page 2. I increased that  
25 \$500 because of the cost of fuel.

1 MR. KING: Okay, hold on. Page 2?

2 MR. MCKENZIE: Yes, sir, Page 2.

3 MR. KING: 800-50 -- what?

4 MR. MCKENZIE: 800-104.

5 MR. LIVERMORE: Here it is right here.

6 MR. MCKENZIE: The right-hand side. \$4,500.

7 MR. KING: 104?

8 MS. DEJOHN-ERMEY: The changes are highlighted.

9 MR. MCKENZIE: 2012 approved says 4,000, and then

10 the yellow says 4,500.

11 MR. KING: But you didn't -- okay. So it's

12 highlighted on the no management; is that correct?

13 MR. MCKENZIE: Yes, sir. You said the no

14 management.

15 MR. KING: I want to talk about With Management.

16 MR. MOSER: You said let's talk about the With

17 Management.

18 MR. MCKENZIE: With Management; that's correct.

19 MR. KING: With Management. So --

20 MR. LIVERMORE: You're on the wrong page, Steve.

21 Page 2 of 7.

22 MR. KING: Oh, I see.

23 MR. MCKENZIE: Item 104.

24 MR. KING: Now we're working, okay.

25 MR. LIVERMORE: 800-104.

1 MR. KING: 104, okay. What about the first three

2 yellow ones above that on insurance? Group insurance,

3 retirement, and workman's comp.

4 MR. MCKENZIE: I'll let Jeannie address those.

5 MR. MOSER: A couple hundred dollars.

6 MR. KING: No, it's like 5,000.

7 MS. DEJOHN-ERMEY: No, look at the approved and

8 the --

9 MR. KING: Oh, approved. Sorry.

10 MR. LIVERMORE: You're in the wrong column.

11 MS. HARGIS: On group insurance, we've generally  
12 seen anywhere from a 5 to 10 percent increase, so we always  
13 budget that. This time -- this year we've changed plans. We  
14 should have a solid number in July, but it will be July. The  
15 retirement percentage has been going up, because we --  
16 because of the stock market deflation, whatever you want to  
17 call it, in 2008. We have a 10-year pay-out on that, and so  
18 our percentage kind of goes up to put back into our plan.  
19 And then the workman's comp, that's pretty close to the true  
20 number. They both have about a 5 percent increase in them.

21 MR. KING: Okay.

22 MR. MOSER: Maybe I can cut this thing a little bit  
23 short, too. If you go to -- just jump over to Page 4, okay,  
24 and look at column 2012 Approved and 2013 Proposed With  
25 Management, 433,000 versus 434,000. So, there's \$1,300,

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1 \$1,400 difference.

2 MR. KING: Right.

3 MR. MOSER: So, there's no change. And I think  
4 most of it's in what -- the stuff Jeannie just mentioned.

5 MR. MCKENZIE: Yes, sir.

6 MR. MOSER: It's in the -- in the insurance and so  
7 forth, and that's just rate increase. So, if you want to  
8 narrow it to that, it's the same. And the revenue is the  
9 same on Page 1, the 433 vs. 436. So, you know, it's  
10 basically the same.

11 MR. LIVERMORE: Basically this year's budget.

12 MR. MOSER: Right.

13 MR. KING: Except for the \$500 added for fuel and  
14 oil.

15 MS. DEJOHN-ERMEY: Changed by 1,395.

16 MR. KING: So, it's actually a -- \$1,400 higher.

17 MR. MOSER: Right.

18 MR. KING: Due to the --

19 MR. LIVERMORE: Do you need a motion, Mr. Chairman?  
20 Or where do we go with this today? I don't know how we --  
21 should we try to approve it without the staff meeting?  
22 Later?

23 MR. KING: I mean, I don't think it --  
24 MR. LIVERMORE: Planning meeting?  
25 MR. KING: Yeah. Better go to that planning

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1 meeting and see what these guys -- if they'd like anything  
2 different, and then we can approve it at the next meeting.  
3 MR. MOSER: Because if we go to the one with no  
4 management, there are a lot of changes, and we need to look  
5 at this.

6 MR. LIVERMORE: Should we make -- is it incumbent  
7 upon us to make a recommendation to the City and County as to  
8 which way we think we ought to go?

9 MR. MOSER: Oh, sure. We've got -- we've got to  
10 submit a budget.

11 MR. LIVERMORE: Should we do that now?  
12 MR. MOSER: No.

13 MR. LIVERMORE: You don't think that's timely at  
14 this point?

15 MR. KING: Unless Jonathan wants to explain it all  
16 to me, which he's going to do on the 27th also.

17 COMMISSIONER LETZ: Well, I think -- I mean, in a  
18 nutshell, there's things like uniforms that are absorbed in  
19 our current budget. And we just -- we went through all the  
20 services that we're providing under the contract; we just  
21 broke them out -- or Jeannie broke them out with Bruce and  
22 put them in line items for the airport. And when you do  
23 that, you get rid of some contingency that's built into the  
24 overall contract, and that contingency is about \$30,000,  
25 \$35,000, and that's a savings. You know, the risk is to the

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1 owners -- really, not even to the owners, because, I mean, --  
2 MR. LIVERMORE: They're putting up money either  
3 way.  
4 COMMISSIONER LETZ: -- they're putting up money  
5 either way. It just -- you know, it makes you --  
6 MR. COWDEN: More accurate cost.  
7 COMMISSIONER LETZ: More accurate.

8 MR. LIVERMORE: Clarified.  
9 COMMISSIONER LETZ: It's clarified. Rather than  
10 have uniforms included in the 158,000, now it's \$1,500 in  
11 your budget. It just breaks everything out by line item. It  
12 gives you a little bit more -- there's some, you know,  
13 professional service type things that are included in the  
14 management contract. Well, it gives you a line item for  
15 professional services. But just -- when you break out what  
16 we anticipate spending for next year, there's a savings,  
17 which is a -- you know, to me, a benefit.

18 MR. MOSER: What I'd recommend is we go to the  
19 planning committee, discuss the no management approach, no  
20 administrative contract management approach with the City and  
21 the County, come back to the board next -- the May meeting,  
22 and make -- and then establish the budget, submit it to the  
23 City and the County by the 1st of June, and that will let us  
24 get there. And it gives us more time to look at any details  
25 we want to.

1 COMMISSIONER LETZ: Another example, Steve, would  
2 be salaries, the two employees. We had to -- in our budget,  
3 in the management contract, there's two employees. Well,  
4 you're only going to have one and a part-time, the way it was  
5 changing.

6 MR. KING: Right.

7 COMMISSIONER LETZ: So there's a savings when you  
8 look at the real numbers.

9 MR. MOSER: Right.

10 MR. KING: Y'all go ahead; I got to take this call.

11 MR. MOSER: So, I think that we take no action on  
12 this -- on this item.

13 MR. LIVERMORE: I move that we table it, under the  
14 conditions we discussed.

15 MR. MOSER: Okay, tabled. And to be brought up at  
16 the May meeting, with the objective of having a recommended  
17 budget to the City and the County by 1st of June.

18 MR. COWDEN: Second. Do we need to vote on that?  
19 MR. MOSER: We're just tabling it, so do we need a

20 motion to table it?

21 MR. LIVERMORE: I don't think a motion is required.

22 MR. MOSER: Okay, does not. Okay, got it. Okay,

23 we're down to Item 2K, Mooney leases. Go into executive

24 session? So, we will go into executive session at --

25 MR. MCKENZIE: Wait a minute. Let's go do the

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1 airport updates down at 3A first.

2 MR. MOSER: Okay, let's do that. Good point.

3 MR. MCKENZIE: Then we'll go into executive

4 session.

5 MR. MOSER: Yeah.

6 MR. MCKENZIE: Only updates were, I was just going

7 tell you -- Milton already stole my thunder on the function

8 we had out here the other night, which was wonderful. And

9 then George Stieren -- I've sent all the pictures out in my

10 last report -- has just poured his taxi lane up here, so he's

11 almost to completion point up here with his new hangar, so

12 that's working out well, too. The A.L.P.'s in; I've

13 explained that to you as well. Other than that, I don't have

14 any more updates.

15 MR. MOSER: Okay. And did you have an item here?

16 MR. LIVERMORE: It's right there under your -- you

17 haven't had a chance to look at it yet, but this is something

18 I typed up. It's really a proposed news release. But as a

19 pilot, I can tell you that Bruce's efforts to get this new

20 approach approved here and get our new LPV approach, it was a

21 big deal, a big deal in several ways. And I think that we

22 ought to distribute this.

23 MR. KING: I was thinking maybe Mark -- Mark? Hey,

24 maybe we could have a -- a meeting; maybe you could come out

25 sometime and just sit down with Bruce -- Bruce and I, and

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1 we'll just explain to you what this is. It's a pretty good

2 deal for the airport. I mean, it's something that we --

3 MR. LIVERMORE: Pass that over so he'll know what

4 we're talking about.

5 MR. KING: -- we wanted five, six years ago, when I  
6 first was even around the board. You know, they were talking  
7 about spending \$20 million to get this same thing we just got  
8 for free -- basically, for free. And it's -- it's a big deal  
9 for the airport, because it brings us to -- you know, we've  
10 always had a low approach. We've had a low approach from --  
11 from this end of the airport. But the winds -- prevailing  
12 winds are out of the south, and so even if you -- if you came  
13 in on this approach and the weather's really crappy or bad,  
14 you have to meet the circling minimums. You had to meet the  
15 circling minimums to land. I mean, you couldn't -- even  
16 though you broke out at 300 and --

17 MR. LIVERMORE: 271 feet.

18 MR. KING: 271 feet.

19 MR. LIVERMORE: You can't circle.

20 MR. KING: You can't circle at 271 feet. You would  
21 have to -- if you were trying to land on 12, you had to stop  
22 at the circling minimums, which were considerably higher.

23 MR. LIVERMORE: Oh, I have the -- well, I can  
24 actually look that up.

25 MR. KING: It's A lot higher. Then you'd have to

1 circle, come back around and land on 12. So, if the weather  
2 was bad, it pretty much precluded anyone coming in here. And  
3 even though NetJets and both flight ops have said, you know,  
4 they don't really have a whole lot of -- of missed approaches  
5 in here, most of those pilots plan ahead, enroute. And if it  
6 looks like -- any pilot, as you're coming to the airport,  
7 you're coming from Kerrville, from wherever, you call the  
8 weather, and if the weather says it's 210 feet, you're  
9 probably not going to -- you're not going to shoot the  
10 approach; you're just going to go straight to San Antonio,  
11 shoot and land there.

12 MR. LIVERMORE: Circling is 800 feet.

13 MR. KING: Circling's 800. So, if you're landing  
14 over here, the weather's at 400 feet, which many times on our  
15 old localizer approach it was -- 400 feet was the minimum,  
16 and the -- and the circle was -- and the winds were out of

17 the south at 25, and you couldn't land in the south, then you  
18 had to go by the 800 foot and land at 800 foot. So, you got  
19 400 foot; you need to be 800 foot, you just go to San Antonio  
20 and land and not shoot a missed approach, to keep from  
21 shooting a missed approach here. So, by doing this, now we  
22 have a 250-foot -- 250-foot minimum at this end of the runway  
23 over here. And this end of the runway has always had a  
24 higher -- a higher minimum due to, we thought -- I always  
25 thought it was that tower they built on top of the hill out

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1 there, 'cause that tower -- that water tower is in line with  
2 the approach. But they've gotten around that somehow, and  
3 they've gotten that approach lowered, so now we have -- with  
4 a 250-foot minimum, we can -- we can get in -- that's 50 foot  
5 higher than San Antonio International and I.L.S. If they're  
6 shooting I.L.S., that's only 50 foot higher, so that's going  
7 to allow almost any aircraft to come in here any time of the  
8 year, and in any weather. Any weather that they can probably  
9 land in San Antonio -- close to landing in San Antonio, they  
10 can land here. So, it's a big deal. It doesn't cost us any  
11 money. We didn't have to move the highway; we didn't have to  
12 buy any land or anything like that. You know, they came in,  
13 and with the GPS technology, which everyone's using anyway,  
14 they lowered it down to 250, which --

15 MR. LIVERMORE: It was a great decision the board  
16 made, what, three, four years ago?

17 MR. KING: Yeah.

18 MR. LIVERMORE: Two years ago, whenever it was. I  
19 wasn't here.

20 MR. KING: To bail out of that other project with  
21 I.L.S. and go -- and stick with the GPS approach, which was  
22 471 feet at the -- it was always 471 feet off this edge of  
23 the runway.

24 MR. LIVERMORE: 571.

25 MR. KING: 571, which was really not a very

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1 feasible -- we have a lot of weather that's in the 400-foot

2 range, 350- to 400-foot range, and 571, you just never could  
3 land there. So, it's a good deal for the airport. It's -- I  
4 mean, it's going to -- I'm going to -- before we -- I'd like  
5 to, before we talk to maybe you, Mark, about it, if you'd  
6 write us a little blurb in the paper maybe, I'm going to look  
7 at Fredericksburg and Hondo and Junction. But I'm 99 percent  
8 sure we're lower than any of those guys by a bunch now. So,  
9 that's a big -- it's a big deal, a good deal for Kerrville,  
10 and it's a good deal for the airport that they're going to  
11 allow us to come down that low. All right.

12 MR. MOSER: That's all we had. Bruce just did the  
13 update, so now we'll go into executive session.

14 MR. KING: Information and discussion? Y'all  
15 already did that?

16 MR. MOSER: Yes, sir.

17 MR. KING: Man, y'all are fast.

18 COMMISSIONER OVERBY: Hey, Steve, what was the  
19 date --

20 MR. KING: What's the status on this update on that  
21 building over here for the training for B.A. Products? Where  
22 are we at on that?

23 MR. MCKENZIE: I talked to the Alamo Community  
24 College District folks, and they're still working with the  
25 City, trying to work through some situations.

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1 MR. KING: Really?  
2 MR. MCKENZIE: That's what the lady told me. And  
3 they're trying to get a -- Peter Lewis was out here last week  
4 to draw a schematic of a floor plan. I think it's just some  
5 things they had to get done.

6 MR. KING: Okay.

7 MR. MCKENZIE: But she said they should be in  
8 there, you know, by September, is what's she's telling me.

9 MR. KING: That's what they're saying? They should  
10 be able to start to see classes by September?

11 MR. MCKENZIE: That's what's she said.

12 COMMISSIONER OVERBY: I think with the grant,  
13 Steve, they're able to start doing some of the safety

14 training courses prior to that. They did close on the other

15 property across the street here last week.

16 MR. KING: They did?

17 COMMISSIONER OVERBY: So you're going to have all

18 three of these plants up potentially by October.

19 MR. KING: How long are they going to stay in the

20 one over there by the go-cart track?

21 COMMISSIONER OVERBY: They're going to keep that.

22 MR. KING: They're going to keep that one?

23 COMMISSIONER OVERBY: That's going to be the 500

24 barrel plant, the one that's building --

25 MR. KING: 400 barrel's over here?

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1 COMMISSIONER OVERBY: 400 barrel will be over

2 there, but they could be up to -- he's planning on about 115

3 people employed. The training site's going to be a very

4 important part, so --

5 MR. MOSER: So they're going to build another

6 building? Is that what they're going to do?

7 COMMISSIONER OVERBY: A 400 barrel plant, a 500,

8 and the Comfort plant will be the 300 barrel.

9 MR. KING: They're going to separate that.

10 MR. MOSER: Super.

11 MR. KING: He's building tanks over here, quite a

12 few.

13 COMMISSIONER OVERBY: Got a record month already

14 last month, and continuing to grow.

15 MR. KING: Good. One of my friends, one of the

16 local guys here, is buying 10 tanks from him -- 10 tanks a

17 month or a week from him. So --

18 MR. MOSER: Wow.

19 MR. LIVERMORE: A month or a week?

20 MR. KING: I can't remember.

21 MR. LIVERMORE: That's a lot of tanks.

22 COMMISSIONER OVERBY: That training site's real

23 important, so I appreciate everything y'all are doing to

24 support that thing.

25 MR. MOSER: Good deal.

1 MR. KING: Good job. All right, anybody else on  
2 that? Anything else? That's it. We need to go into  
3 executive session?

4 MR. MOSER: A couple things we were going to --  
5 just the Mooney lease and airport staff evaluations.

6 COMMISSIONER LETZ: Do you have any objections if  
7 Carson, Guy, and I want to stay for the Mooney lease portion?  
8 Or if Carson and Guy want to. I'm interested in what the  
9 update is.

10 MR. MOSER: On what?

11 COMMISSIONER LETZ: On the Mooney lease portion.

12 MR. KING: No, I don't --

13 MR. MOSER: I don't care.

14 MR. LIVERMORE: Is that okay, Ilse, for that to  
15 occur?

16 MS. BAILEY: Yeah, they're owners.

17 MR. KING: I don't think we can approve anybody,  
18 can we, to stay? Can we -- what's the deal?

19 MS. BAILEY: You can't -- you can't let outsiders  
20 in, or it's not executive session any longer. But if -- I  
21 can just -- I can call you to let you know when it's ready.

22 COMMISSIONER LETZ: Okay, that's fine. I just --

23 COMMISSIONER OVERBY: If you do an update, that'd  
24 be good.

25 COMMISSIONER LETZ: 'Cause Mooney's high on my

1 radar.

2 MS. BAILEY: Yeah, I'll let you know.

3 COMMISSIONER LETZ: Okay, that's fine.

4 MR. LIVERMORE: We're not trying to keep you out.  
5 We wish you could sit in.

6 MS. BAILEY: Bruce, will you call them after?

7 MR. MCKENZIE: Who all wants a call? Carson and  
8 Jonathan?

9 COMMISSIONER OVERBY: Call Letz.

10 MR. KING: What's the other thing on the agenda?

11 MR. MOSER: Airport staff evaluations.  
12 MR. McKENZIE: Airport staff evaluations.  
13 MR. KING: Okay. All right. Anything else,  
14 Carson? Steve? All right. Thank you, buddy.  
15 MR. MOSER: Thanks, guys.  
16 (Discussion off the record.)  
17 MR. KING: Well, we'll just adjourn. You can go  
18 ahead and take -- we'll take a recess at 10:13, and I'll get  
19 you the time for going in, and I'll get you the time for  
20 going out. And there'll be no decisions made in executive  
21 session. If there's any decisions made coming out, we have  
22 to do it in open session.  
23 MR. McKENZIE: Just open the session up, tell us  
24 what it was.  
25 MR. KING: I'll get you those times.

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1 (Recess taken from 10:13 a.m. to 10:25 a.m.)  
2 (The open session was closed at 10:25 a.m., and an  
executive session was held.)  
3 - - - - -  
4 MR. KING: We went back in to session at 10:25,  
5 executive session, under --  
6 MR. COWDEN: Last two there.  
7 MR. KING: Oh, yeah. Under 551.074 and 551.072.  
8 We came out of executive session at 11:05. No action was  
9 taken during regular session. Motion to adjourn?  
10 MR. MOSER: So moved.  
11 MR. COWDEN: So moved -- second.  
12 MR. KING: Motion by Mr. Moser, second by Mr.  
13 Cowden. All in favor?  
14 (The motion carried by unanimous vote.)  
15 MR. KING: Unanimous. We're out at 11:07.  
16 (Airport Board meeting was adjourned at 11:07 a.m.)  
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1 STATE OF TEXAS |

2 COUNTY OF KERR |

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

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

5 true and complete transcription of my stenotype notes taken

6 at the time and place heretofore set forth.

7 DATED at Kerrville, Texas, this 19th day of April, 2012.

8

9

Kathy Banik, Texas CSR # 6483

Expiration Date: 12/31/12

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