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4 AIRPORT PLANNING COMMITTEE
5 Quarterly Meeting
6 Friday, April 27, 2012
7 9:00 a.m.
8 Airport Terminal Conference Room
9 1877 Airport Loop Road
10 Kerrville, Texas
11

12 MEMBERS PRESENT:
Stephen King, Joint Airport Board
13 Tom Moser, Joint Airport Board
Carson Conklin, Kerrville City Council
14 David Wampler, Kerrville Mayor
Mike Erwin, Kerrville Finance Director
15 Jonathan Letz, Kerr County Commissioners Court
Guy Overby, Kerr County Commissioners Court
16 Tess Mabry, Assistant Kerr County Auditor

17 MEMBERS ABSENT:
18

19 AIRPORT BOARD STAFF PRESENT:
20 Bruce McKenzie, Airport Manager
Laurie DeJohn-Ermey, Executive Assistant
21

22

23 VISITORS:
Joey Kennedy, Kerrville Aviation
24

25
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3 CALLED TO ORDER
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5 2. T-hangar status, Phase I 9
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8 5. Airport master plan 56
9 6. Parking lot expansion 57
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1 On Friday, April 27, 2012, at 8:30 a.m., a regular
2 meeting of the Kerrville-Kerr County Joint Airport Board was
3 held in the Airport Terminal Conference Room, Louis Schreiner
4 Field, Kerrville, Texas, and the following proceedings were
5 had in open session:

6 P R O C E E D I N G S

7 MR. KING: I guess we'll call this meeting to
8 order. I didn't know who actually ran this meeting.

9 COMMISSIONER LETZ: You.

10 MR. MOSER: You.

11 MR. KING: Okay, thanks. I'll call this meeting to
12 order, Airport Planning Committee, April 27, 2012, 9:30.
13 Thank y'all for coming today. Glad we could get together and
14 discuss the airport. Items to discuss. Anybody have
15 anything before we do the agenda? Anything they want to
16 bring up? No?

17 COMMISSIONER OVERBY: I do have one, Steve.

18 Basically, about our training site across over here. I don't
19 see it on the agenda here.

20 MR. KING: Yeah.

21 COMMISSIONER OVERBY: I do know that the AACOG
22 application grant is -- was needing some funds for
23 engineering costs and things to get approved so they can go
24 ahead forward and get the Workforce grant. And I think that
25 their funding that they needed for engineering costs and

1 everything was under \$10,000. Again, they -- they do have it
2 approved, apparently, from Jo B. Tucker at Alamo Colleges,
3 over a \$300,000 grant waiting, and they were needing some
4 assistance. Of course, one of the comments that went back
5 was to E.D.C., and then also went to -- there was some
6 discussion about should it go to E.I.C. to be considered as
7 far as helping the funding to get that application going?
8 But one of the things that I've heard back, in visiting back
9 with Judge Tinley, I think, of course, as the County's
10 representative with E.D.C., was that in trying to make this
11 move forward at a more rapid pace so they can get their
12 application in and we can get this going, was to look at --
13 at our airport -- I believe that we had some funding with the
14 partners that we had through our -- our RAMP program that was
15 out here. And there was some funding that was there the that
16 we could potentially use. I think it we have it on our
17 agenda on Monday at the Commissioners' special called
18 meeting, as far as trying to allocate those funds to help
19 move that project along.

20 MR. KING: How much is it?

21 MR. MOSER: What is that?

22 MAYOR WAMPLER: \$11,000.

23 COMMISSIONER OVERBY: It's under -- they revised

24 their deal, I think. Somewhere in that area.

25 MAYOR WAMPLER: There's been some communication at

1 staff level between Judge Tinley and City staff and Todd, and
2 we're going to have it on our agenda as well. And so we're
3 planning on allocating, you know, 50 percent that.

4 COMMISSIONER OVERBY: Good.

5 MAYOR WAMPLER: We've been thinking about --

6 COMMISSIONER OVERBY: Good.

7 MAYOR WAMPLER: -- our understanding was on the

8 order of \$5,500 or so, so if it comes in under that, that

9 would be great. But it will be on our agenda, and I support

10 that.

11 COMMISSIONER OVERBY: Very good.
12 MR. MOSER: Using RAMP grant?
13 MAYOR WAMPLER: I wasn't aware that it was coming
14 out of RAMP funds.
15 COMMISSIONER OVERBY: I'm not for sure what
16 exactly -- and maybe not.
17 MR. McKENZIE: No way. No way.
18 COMMISSIONER OVERBY: It's not coming out of the
19 RAMP, but it's coming from some account. Do you have an idea
20 where it's coming from?
21 MS. MABRY: Jeannie did not tell me what account
22 that's coming from.
23 MAYOR WAMPLER: From the City's --
24 MR. McKENZIE: First I've heard of it.
25 COMMISSIONER OVERBY: Reserve funds, then.

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1 MR. KING: What's it for?
2 COMMISSIONER OVERBY: It's for the application for
3 them going into the Workforce grant. There are some
4 things --
5 MAYOR WAMPLER: There's some work that needs to be
6 done on that building. Peter Lewis has --
7 MR. KING: Yeah.
8 MAYOR WAMPLER: -- spec'd out some work that needs
9 to be --
10 COMMISSIONER OVERBY: Engineering drawings.
11 MR. MOSER: New to me.
12 MR. KING: Yeah.
13 MS. MABRY: I'll get back to you and let you know.
14 COMMISSIONER OVERBY: That's -- I just wanted to
15 know. I didn't know where it was coming, where it was going,
16 but I know we have it on the agenda on Monday to discuss and
17 consider and have action on.
18 MS. MABRY: I'll find out.
19 MR. MOSER: Planning committees are good for
20 communication. That's the first I've heard of it.
21 COMMISSIONER LETZ: I didn't --
22 MR. KING: Yeah, I don't think we can use RAMP.

23 COMMISSIONER OVERBY: It's just reserves, I guess,

24 that we have.

25 MR. KING: RAMP's got a list of, like -- I don't

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1 know, --

2 MR. MCKENZIE: Very specific.

3 MR. KING: -- 30 things that fit in this slot, that

4 have to fit right in that slot. But, I mean, let us know if

5 we can help.

6 COMMISSIONER OVERBY: Anyway, just wanted to make

7 sure it was out there.

8 COMMISSIONER LETZ: If it comes from a good spot.

9 MAYOR WAMPLER: From the City's standpoint, it's

10 basically to re-purpose the B.A. Products building for the

11 purposes of the school.

12 COMMISSIONER OVERBY: Right.

13 COMMISSIONER LETZ: I would suspect there's

14 probably money in the management contract.

15 MS. MABRY: I'm sure there is.

16 COMMISSIONER LETZ: I know that's where it would be

17 coming from. I mean, I don't know that that's where it's

18 coming from, but that's where there's excess money, 'cause

19 that's where we -- we budgeted more than we're spending.

20 COMMISSIONER OVERBY: I know you'll find it.

21 MR. KING: Well, we need to get it done.

22 COMMISSIONER LETZ: Okay.

23 MR. KING: I notice those guys are building tanks

24 over there like they're coming out of the woodwork over

25 there.

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1 COMMISSIONER OVERBY: They're going to be -- when

2 they get this other one going and we're working on the final

3 thing for them to get that under way soon, they -- they will

4 be up to 90 a week.

5 MR. KING: Out of all three, or out of these two?

6 COMMISSIONER OVERBY: Out of all three.

7 MR. KING: Out of all three.

8 COMMISSIONER OVERBY: Anyway, I just wanted to
9 bring that up. I know it wasn't on the agenda. Appreciate
10 your support for those things.

11 COUNCILMAN CONKLIN: I'd like to add one thing to
12 the end of the agenda. If we can get an update on projects
13 that have been completed over the past few years, and some
14 financials on those, and --

15 MR. KING: Okay.

16 COUNCILMAN CONKLIN: -- balance of funds left.
17 Some stuff came to our attention this week, or last week I
18 want to talk about.

19 MS. MABRY: Jeannie and I just spoke about this.

20 MR. MOSER: I think we have those in our financials
21 each month.

22 MR. KING: Yeah, we talked about that.

23 MS. MABRY: I did bring some interim financials
24 that have an update on those funds as well.

25 COMMISSIONER LETZ: Okay.

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1 MR. KING: Okay. We can do that, yeah. That will
2 be fine. All right, T-hangar status. Phase I.

3 MR. MOSER: Let me do that, if I may.

4 MR. KING: More than welcome.

5 MR. MOSER: We've been talking about the T-hangars
6 -- pass these around that way and this way, if you would,
7 please. For several years, we were held up for -- as you may
8 recall, for about three years 'cause we didn't have adequate
9 firewater flow out there. So, we've got that. We have in
10 place a master plan which shows where hangars go all over
11 this -- this facility, and the first page is -- is an update.

12 It's not a big update, from some stuff that -- that I did,
13 and I called it "back of the envelope," cause that's what it
14 is. To show we had at one time, like, 30 people that wanted
15 T-hangars that were on a waiting list. So we said, "What
16 does 30 T-hangars cost?" We had Mike Wellborn look at the
17 horizontal work; that's all the preparation, taxiways, blah,
18 blah, blah, blah, for that. That's 1.3 million.

19 The vertical construction, that's the -- the

20 vertical building itself, okay. For 30 units at \$2,100 --
21 let me give you the basis for the \$2,100 per unit. That is
22 from actuals today for what they're building them for in
23 Fredericksburg. It's actual costs; steel, erection,
24 concrete, the whole thing. So, that's \$600,000 for those 30
25 units. And then a 90/10 cost share for the horizontal work

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1 from the state would be a hundred -- this would be costs to
2 the owners of equity if the owners decide to move forward on
3 something like this. And I'll show you some options and
4 where we ought to go with this in a minute. And vertical
5 improvement, 600,000, so that's a total of, you know,
6 three-quarters of a million dollars equity into building
7 these things. The operating revenue -- jump forward down
8 there. It's a total operating expense of 52,000, and it's a
9 -- it's a net of rental income per year is 108,000, so it's a
10 net of \$56,000 per year off of those 30 units. That's --
11 that's for 30 units. If you look at what that would mean
12 for 30 years -- and this assumes that the money was borrowed
13 to build these, at 4 percent. The County got a little bit
14 better deal than that this -- this past week or so.

15 COMMISSIONER LETZ: About half.

16 MR. MOSER: 2.1 percent or something like that.

17 COMMISSIONER LETZ: 2.14.

18 MR. MOSER: Yeah, 2.144. But, anyway, I tried to
19 be conservative. Mike Wellborn's estimates for the 1.3
20 million, I think, are conservative. Mike's a typical
21 engineer; they tend to do things -- you know, if you need an
22 inch and a half steel, you might as well make it out of
23 2-inch steel. So, there's some conservatism in that. So, if
24 you just look at return on equity, you know, \$1.7 million
25 total income over that cost, that's a pretty good return on

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1 equity. Now, then, go to the next page. So, where are we
2 today? The site layout for the hangars has been established
3 in the master plan. I think y'all have a copy of the master
4 plan. It has a phase development where we can start with 10

5 or 30 or whatever we think the right number is.
6 Basis of estimates that I mentioned a while ago for
7 the hangars are the actual costs for construction of 10
8 hangars at Fredericksburg. Horizontal work's based on Mike
9 Wellborn, who's worked for the City; he's in business for
10 himself right now. TexDOT funds, Bruce checked on this last
11 week or week before. It looks like they will not be
12 available till 2014 -- FY year 2014. Fredericksburg, our
13 nearest friend, good friend and competitor, and they have
14 been really cooperative with us. They'll tell us anything we
15 want to know. I mean, they just opened their kimono to us.
16 Seventy T-hangars is what they have rented. There's a
17 waiting list for them. They don't have vacancies. They have
18 10 other hangars under construction. Their rental rate is
19 like 200 -- Mike -- I mean, Bruce, like 200-something? 220,
20 I think, for a gravel; not even --

21 MR. McKENZIE: Not concrete. Gravel floor.
22 MR. MOSER: And I think it's 250, somewhere in that
23 neighborhood for --
24 MR. McKENZIE: For concrete.
25 MR. MOSER: Yeah, for concrete. We had a list --

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1 Bruce had a list of 30 people on the waiting list. That list
2 hasn't been updated; it has some people that have come and
3 gone, and so that -- that's not current. So, it's something
4 that's needs to be revisited.

5 COMMISSIONER LETZ: How many do we have right now?
6 COMMISSIONER OVERBY: I was going to ask that.
7 MR. MOSER: Sixteen.
8 COMMISSIONER LETZ: How many T-hangars do we have?
9 MR. McKENZIE: We've got sixteen.
10 MR. MOSER: Sixteen, yeah.
11 COMMISSIONER LETZ: That's the only airport-owned
12 rental facility?
13 MR. McKENZIE: Yes, sir.
14 MR. MOSER: That's correct.
15 MR. KING: I think it throws off about --
16 MR. McKENZIE: 48.

17 COMMISSIONER LETZ: How much?
18 MR. MCKENZIE: \$48,000. 48,000.
19 MR. KING: How much? 48,000 a year we're getting
20 off those 16 in revenue? Is that -- what are our expenses on
21 those things?

22 MR. MCKENZIE: Just the lights. That's it.
23 MR. MOSER: It's -- I put -- in my estimate, I put
24 \$30 per unit per month. That's -- let me tell you what,
25 that's high. I think insurance is probably \$5 or \$6 per

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1 month per unit, and so I think I've done a conservative
2 estimate there.

3 COMMISSIONER LETZ: Before you go on, just -- on
4 current, Kerrville Aviation doesn't have any; they just have
5 their big hangars. What does Dugosh have?

6 MR. MCKENZIE: He's got a place for eight airplanes
7 over in his T-hangars, and they're full.

8 COMMISSIONER LETZ: Okay, thanks.

9 MR. MOSER: Okay.

10 MR. KENNEDY: They're not full right now.

11 COMMISSIONER OVERBY: When was the list -- this
12 list of 30, what was it -- what it was comprised of?

13 MR. MCKENZIE: Over the last two years, I've gone
14 over it. Now it's probably down to probably 26; you know,
15 we've lost four. Moving, and some pilots lost their medicals
16 and so forth and so on. But we're right in the 25, 26 range
17 right now.

18 MR. MOSER: But those aren't people that have put
19 money on the table. They've said, "Yeah, we would like to
20 have it." So, when I step back and look at it from an
21 economic development or business development thing, I say
22 there's 70 over there; they're building 10 hangars. They've
23 always had a waiting list. The thing is, we have an "I don't
24 know," okay? I'm not proposing, "Build it and they'll come."
25 In the next step, what I say is, let's -- let's define this

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1 plan in more detail so the owners can make a decision. We

2 need to get somebody to lead this thing. We need to
3 establish a detailed plan. Then we need to find out what the
4 market is, okay? I mean, Joey's got a feel. We've had some
5 people work with us on the master plan that has a feel. So,
6 to do that, you know, I would propose that we get the Airport
7 Manager and a member of the board and a consultant to try and
8 put together -- and the consultant, you know, a few hundred
9 dollars, \$1,000 or something like that to get that data and
10 see what we think the market really is. Then refine the cost
11 schedule at what the return on equity is. And to do that, we
12 ought to get somebody from the City and the County's
13 financial group, and then -- then the Airport Manager,
14 probably a board manager -- member. Then -- but move out
15 right now and apply for the TexDOT funding, okay. Put us --
16 get us -- let's get in the queue.

17 MR. McKENZIE: I'm in it. I've already applied.
18 MR. MOSER: Okay. Already done, okay. Then we'll
19 come up with a plan, present it to the owners, make a
20 recommendation, go forward, forget it. Do it. There's other
21 ways to do this too. You can do it as a condominium kind of
22 thing where the City and the County don't do anything. They
23 -- they get rental -- they get land lease, which is a
24 piddling amount. They're privately-owned in Fredericksburg.
25 I think they get -- Fredericksburg gets 5 percent of the

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1 gross income off of the -- off the rentals. So, there's
2 some -- you know, those things need to be put on the table as
3 options. Okay. So, what's the best -- what's the best deal
4 for the owners? With the objective of -- of let's get this
5 operation off the dime of the taxpayer, and let it -- let it
6 pay for itself. And I think we can get there.

7 I want to add one other thing, too. We looked at
8 -- Bruce did -- the potential of cutting an agreement with
9 Mooney. They can put about 20 aircraft over there right now,
10 okay? We could lease the space; it's ready to go. They're
11 not used. Said, "Why don't you cut a deal with us where you
12 let us use those facilities to rent, with six-month notice,
13 and we'll move them out if we have to." We could rent them

14 at a cut rate. But a couple of hiccups came up. They said,
15 "Yeah, that's feasible; we can do that, but we want to have
16 security there. We want to make sure nobody gets in our
17 facility." Insurance is going to cost the airport a lot to
18 do that, because of, you know, people banging up another
19 person's airplane, so we -- we tabled that. We said that
20 could bring in 125,000 to 150,000 a year if we could lease
21 those things. I mean, they're -- they're ready; they're just
22 sitting empty. So, I hate to see that. But -- so we tried
23 to do that, but it looked like it had some complications.
24 Probably go back and look at that, but we're going to talk
25 about Mooney here in a minute. So, anyway, that's --

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1 that's -- you know, I think we need to define this in
2 sufficient detail where the City and County can make a
3 decision on how we would like to proceed.

4 COMMISSIONER LETZ: A couple of comments. I think
5 -- I mean, I'm in favor; I think we need T-hangars. How we
6 get there, I'm not so sure.

7 MR. MOSER: Yeah.

8 COMMISSIONER LETZ: Borrowing money is difficult,
9 because we're joint owners. And I've talked to Jeannie a
10 little bit about this. For us to borrow money together
11 doesn't work very well.

12 MR. MOSER: Mm-hmm.

13 COMMISSIONER LETZ: You can't do revenue bonds,
14 something like that, so it's got to be basically a general
15 obligation bond. And I don't know what the City's
16 requirements are. I know our requirements are kind of
17 difficult on this. So, it's kind of almost -- it makes
18 almost more sense on that amount of money just to try to set
19 aside 100,000 a year to just build it. I mean, it makes a
20 whole lot more sense than borrowing money.

21 MR. MOSER: Yeah.

22 COMMISSIONER LETZ: And tax rates and all that.
23 The other part of that -- and I would really like to have a
24 public/private partnership on it. I mean, that's just a
25 personal feeling. I think that it is much easier in the

1 community to spend county tax dollars on this project if it's
2 -- if it's a -- if private money's going into it. And those
3 are just kind of the thoughts that I had, just in general.

4 MR. MOSER: I think those are great. You know,
5 that's the thing that -- there needs to be Option A, B, C, D.

6 COMMISSIONER LETZ: Right.

7 MR. MOSER: Okay? And defined. And so that's what
8 I propose. And we ought to do something like we get back to
9 you in October. We shouldn't let this thing --

10 COMMISSIONER LETZ: Right.

11 MR. MOSER: -- keep dragging out. Come back with
12 some definitive stuff.

13 COMMISSIONER LETZ: But in the analysis, I think
14 you need to take borrowing off the table. I mean, from
15 the -- for us, borrowing doesn't work very well. I
16 think it's just a matter of the money has to come from
17 somewhere. It's going to have to come from -- from our
18 standpoint, it's going to come have to come from our general
19 revenue.

20 MAYOR WAMPLER: Bruce, I was wondering, could you
21 tell us the scope and timeline on the grant application that
22 you put in? Was it specifically for T-hangars?

23 MR. MCKENZIE: Yes, I applied for two; one for the
24 T-hangars to do the vertical work, which is all the site
25 work. Then I did one also -- they have a program now for

1 hangars, so we're -- I applied for one for vertical and one
2 for horizontal.

3 MR. MOSER: See, this doesn't even assume anything
4 for hangars. That just assumes 90/10 for the flat work. But
5 now it looks like they can even help us on the vertical.

6 Well, that goes back to Jonathan's point. That helps a
7 bunch.

8 MR. MCKENZIE: They did tell me the timeline was
9 2014 when I talked to them two weeks ago, but I've got two
10 apps in.

11 MAYOR WAMPLER: So, do we have to reapply, or do
12 those -- do those applications hang out there until we hear
13 in 2014?

14 MR. MCKENZIE: No, we're on the list.

15 MAYOR WAMPLER: Okay.

16 MR. MOSER: Okay, that's all I had. Just an update
17 on that.

18 COUNCILMAN CONKLIN: Just a thought on that. If --

19 you know, the situation with Mooney, you have a waiting list.

20 They have space available; it's completely unused. And

21 TexDOT says that -- you know, we've got grant applications

22 in, which is good. It's just they're not going to do

23 anything till 2014. Why don't we try and move forward

24 expeditiously with Mooney?

25 MR. MOSER: Well --

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1 COUNCILMAN CONKLIN: The insurance and the security
2 issues can be addressed with the revenues that are
3 potential --

4 COMMISSIONER LETZ: I think the -- I was in on one
5 conversation. I think one of the biggest problems before we
6 came into it --

7 MAYOR WAMPLER: Who's going to operate it?

8 COMMISSIONER LETZ: Someone has to operate it. The
9 only way it works, in my mind, is if Joey wants to sub-lease
10 it from Mooney and take it over, and I'm not sure it would
11 ever, economically speaking, work for him. But just --
12 because you have to have somebody -- it's a big hangar, and
13 then you got to have people moving planes in and out. I
14 think y'all -- people that have planes are kind of picky
15 about that.

16 MAYOR WAMPLER: I don't want to move my own plane.

17 (Laughter.)

18 MR. KENNEDY: We actually have available space
19 right now in our hangars.

20 COMMISSIONER OVERBY: You do?

21 MR. KENNEDY: We actually have quite a bit of space
22 available at the moment.

23 MR. MOSER: Okay.
24 COMMISSIONER LETZ: So I think it's -- you know.
25 MR. KENNEDY: First time in several years.

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1 MR. MOSER: There are two types of hangars over
2 there, if you will, too. The one that Jonathan's talking
3 about is you can take 18 aircraft, okay, prop-type aircraft
4 with an aisle down the middle, and that's kind of iffy. You
5 have to be careful. But then the others are big box hangars
6 that are sitting empty, and then the paint facility -- that's
7 four hangars sitting right there that, you know, that's all
8 individual.

9 COMMISSIONER LETZ: Yeah.

10 MR. KENNEDY: But the point that you need to
11 understand is that the majority of the people that are on the
12 list -- on Bruce's list for hangars, people want T-hangars.

13 MR. MCKENZIE: Yeah.

14 MR. KENNEDY: T-hangars are what people want. If
15 it was common hangars, smaller airplanes don't generally want
16 to be in a common hangar. There's a small group of people
17 that want that. It's T-hangars that really is the focus. I
18 mean, we could fill space in some other space we have, but
19 T-hangars is really what people are looking at.

20 COUNCILMAN CONKLIN: So, the waiting list isn't
21 necessarily transferable.

22 MR. KENNEDY: The waiting list consists of a lot of
23 airplanes that are in our hangars now, that want T-hangars.
24 So it's going to create a vacuum. If you build T-hangars,
25 it's going to create a vacuum we're going to have to fill,

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1 and I'm fully aware of that. I'm still supporting the
2 T-hangars, because I think that's what the market wants.

3 MR. MOSER: Yeah, okay.

4 MR. KING: I think you're talking about a
5 public/private, I mean, partnership on that thing. I think
6 you get a public/private partnership if you can share the
7 horizontal work with the state on a grant. I mean, that's

8 the problem, is you can't --
9 COMMISSIONER LETZ: Yeah.
10 MR. KING: It's almost impossible, and I've looked
11 at it tons of times, to -- to do a private T-hangar project
12 here and get -- and get a return on investment. Even in 15
13 years, you know, because of the -- because of the site work,
14 all the site work you have to do because of the flat work.
15 There's so much flat work involved, because our -- I had this
16 map here; I forgot. From the runway over to where the
17 T-hangar side is, there's so much flat work that has to be
18 done to get from over here, and then -- and fronting the
19 T-hangars to front those things. And that's the problem.

20 MR. MOSER: That's the 1.3.
21 MR. KING: That's 1.3 million. If you could just
22 build the T-hangars, you know, on this ramp out here, 100
23 people would do it. I mean, anybody would do it. It would
24 be cost-effective. You can rent them out for 275, but it's
25 just all the flat work that's involved. Each one of those,

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1 not only what the building sits on, but you've got to have at
2 least 90 feet between them -- you got to have at least 90
3 to 100 feet between them. That's 100 foot of concrete or
4 asphalt between them.

5 COMMISSIONER LETZ: No, I'm totally -- I think the
6 first step is Bruce did the right thing, apply for that
7 grant. And the 130,000, if that's actually what the number
8 is, but that's not -- that's doable from our standpoint, I
9 would think. You know, 65,000 each. I mean, that could
10 actually come out of reserves that the airport has in their
11 own -- what they have right now. It's the -- and I think
12 the -- you know, from a business standpoint, on the
13 construction of the hangars themselves, I think you need look
14 at if it -- if they're great deals for the government to
15 build them, then we should build them. But if they're a
16 little bit iffy, maybe you should let private people build
17 them, take a lesser -- smaller return.

18 MR. MOSER: Yeah.
19 MR. KING: And TexDOT is so aware of this situation

20 here. I mean, they spent \$11 million dollars out here, and
21 they've been in this meeting. We've been meeting with them
22 10, 15 times, and they're aware that they've spent all the
23 money on this airport, and we still have a very inadequate
24 place to put aircraft. You know, these other -- the box
25 hangars we have, they want to help. Michelle Hanna is our

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1 contact. They want to help a lot. They want to do what they
2 can. It's just their funding is from the federal government.
3 I mean, it's pretty much all from the federal government, and
4 they only get 50 -- what's their total budget? It's 52
5 million or something like that a year.

6 MR. MCKENZIE: No, it's not that much.

7 MR. KING: Not even that much; it's less than 50

8 million a year. You got to spread that out among 200 --

9 MR. MCKENZIE: 90.

10 MR. KING: -- 290 airports in Texas, and
11 everybody's just like us; they got their hands out. You go
12 to that conference we go to every year, and man, there's --
13 everybody there is --

14 COMMISSIONER OVERBY: There's a line.

15 MR. KING: -- patting people on the back, trying to
16 get money. Y'all want to get money. They gave Hondo, you
17 know, four or five million, six million last year to redo
18 their runway and stuff. I mean, it's just -- everybody's,
19 you know, sticking their hand out. And so they want to help
20 us. It's just, boy, they've had a terrible funding problem
21 down there, everybody needing projects. So, I mean, I think
22 they're aware of the problem here. I know -- I know they
23 are. They come in here all the time and they see it; they
24 hear it from us. So, I think they'll do what they can for us
25 when --

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1 COMMISSIONER OVERBY: The funds are available.
2 MR. KING: They really don't want the airport of
3 the year to suffer from a lack of facilities. And that's
4 what we have, is a lack of facilities.

5 MR. MOSER: I think the bottom line is here, let's
6 -- let's go put some meat on this skeleton, and look at the
7 options, and -- and not let it drag out so much for this --
8 you know, shoot for October.

9 MR. KING: A lot of our customers are in
10 Fredericksburg. I mean, there's a ton of people in
11 Fredericksburg, the people that moved over to Fredericksburg.
12 That's why Fredericksburg -- if we say we're going to build
13 T-hangars tomorrow, 16 T-hangars, they would probably stop
14 their project over there until they saw what we did, because
15 they -- they've indicated to us many times that they're
16 taking our customers, and so if we start building T-hangars,
17 they're afraid they're going to lose customers, and they're
18 not going to build anything else.

19 MR. MOSER: Right.

20 MR. KING: And so, you know, it's been real
21 successful. I don't know. It's something we need, but
22 expensive project.

23 MR. MOSER: Right.

24 MR. KING: Thanks. All right, Mooney. Mooney
25 status? Anybody know? Who's doing that, you?

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1 MR. MCKENZIE: I was told to put it on here. Only
2 thing I've got on it is the environmental issue has been
3 closed. We know about that.

4 COUNCILMAN CONKLIN: A little ahead of schedule,
5 wasn't it?

6 MR. MCKENZIE: It was actually a little behind
7 schedule, but we got it done.

8 COUNCILMAN CONKLIN: I thought it was June.

9 MR. MCKENZIE: We actually -- actually, yeah. We
10 got it; that's the main thing.

11 COMMISSIONER OVERBY: It's officially done. Good.

12 MR. MCKENZIE: We're off the hook.

13 MR. MOSER: I think the only other thing with
14 Mooney is, we don't hear a lot going on over there except
15 through the grapevine, and I heard something from somebody
16 over there; they said something is going to happen. And they

17 put it on the good side this year. Okay? And so we'll just
18 have to -- have to wait and -- have to wait and see.
19 COMMISSIONER LETZ: I think probably the last time
20 it was on the agenda, I know Carson and myself and Guy, we
21 went on a tour --
22 MR. MOSER: Yeah.
23 COMMISSIONER LETZ: -- with them, and I think, you
24 know, just looking at it, and it's kind of like a big giant
25 over there that we better not kick.

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1 MR. MOSER: Yeah, right.
2 MR. KING: But they're working hard -- I think
3 working hard to figure out an option --
4 COMMISSIONER LETZ: Yeah.
5 MR. KING: -- or a plan to get somebody to move in
6 here.
7 COMMISSIONER LETZ: They want to solve the problem;
8 we want them to solve the problem. But we're not really a
9 player in it, other than we don't want to -- all we can do is
10 force them, which is probably not a good thing to do.
11 MR. KING: Yeah.
12 MR. MOSER: No. Just kind of stay out of the way.
13 COMMISSIONER OVERBY: Are they still down to, like,
14 six or nine employees?
15 MR. McKENZIE: Yes, sir.
16 COMMISSIONER OVERBY: Just a minimum?
17 MR. McKENZIE: Varies between six and nine,
18 exactly.
19 COMMISSIONER OVERBY: Okay.
20 MR. KING: I think they have two components to that
21 facility over there; manufacturing of the aircraft, and then
22 they have manufacturing of parts. And they're maintaining
23 all their certificates for the aircraft and the parts, and
24 they have to maintain all those types of certificates with
25 the F.A.A. That requires engineering to be kept up to date

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1 and everything. So, they're doing all that, because the

2 value in that company probably right now is not in the
3 aircraft manufacturing; it's in the parts manufacturing. And
4 I'm sure they've had -- probably had lots of people try to
5 buy the parts side of it, you know, buy the parts
6 manufacturing out of it, move it out of here or do something
7 else with it. But I think they're -- they realize that if
8 they sell off that part of the project, the other part, the
9 type of certificates are -- they're worth 100,000 or 100
10 million. Depends on who's building. If you're building the
11 airplanes, it's worth a whole lot. If you don't think it's
12 ever going to be built, then the certificate is not worth
13 much. So, I think they're trying to keep the thing all
14 together and not cannibalize the parts side of it, 'cause the
15 parts side of it will be built. That will continue to be a
16 going concern for years down the road, 'cause there's how
17 many Mooneys? 4,000 of them?

18 MR. MCKENZIE: 9,000.

19 MR. KING: 9,000.

20 MAYOR WAMPLER: I heard 11.

21 MR. KING: 9,000 or 11,000 Mooneys flying around.

22 They all need parts, and so the place to get parts is mostly

23 over there. So, six guys make 9,000 airplanes able to fly.

24 Pretty scary thought.

25 COMMISSIONER OVERBY: It is.

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1 MR. KING: Y'all need to probably sell your
2 airplane immediately if you own one. Okay, Airport
3 Management Services contract. We put this on the agenda
4 because we've talked about this -- I've talked about this
5 with Commissioner Letz, and we've talked about it at our
6 meetings. And we actually have our budget structured this
7 year -- we actually have the budget we're presenting to the
8 City and the County -- it has two lines on it, and one of
9 them is with a management contract, one's without a
10 management contract. And we don't really -- we don't have a
11 whole lot of say-so in that, unless you guys -- that's your
12 deal. So, we wanted to kind of find out what you were
13 thinking. Hopefully y'all have had some conversations, or if

14 you haven't, let's have some conversations. And, Jonathan,
15 you know more about it than I do.
16 COMMISSIONER LETZ: Okay. On the management
17 contract, the current amount is 158 and change this year.
18 And one of the -- I think the County has been advocating to
19 get rid of the management contract for two years, probably,
20 'cause it doesn't -- it's unnecessary, in our mind. And it's
21 also cumbersome. And here -- and this year is a good example
22 of the problem with the management contract. Currently,
23 there are in the management contract two full-time employees
24 out here, workers -- I mean, Roy and whoever -- the other guy
25 that was here originally. There was two of them in the

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1 contract. And the contract, the way it's written, you know,
2 we could bill the City for two employees all year. That's a
3 flat -- it's a fixed number. We're not doing that. We're
4 billing for what we're actually spending out here, because we
5 don't think it's right to bill the City for something that's
6 not being done.

7 But Bruce came up with an idea, that he needs --
8 more than one person is needed, but two people aren't needed
9 out here. And the thought that he came up with was the idea
10 to come with a part-time employee, a seasonal employee to do
11 it. Well, the problem was, he couldn't do it. He had to
12 come to the County. The Commissioners Court had to go in
13 there, change our whole position schedule around, delete a --
14 or actually, we left a spot in there, transferred the money
15 to a new part-time line item just to allow it. So it took a
16 month for them to do what everyone thought made sense to do.
17 And it was just through a -- you know, because he doesn't
18 have the authority: Airport Board doesn't have authority over
19 those employees. Get rid of the management -- and there's
20 other redundancies in the contract, and there's actually
21 actual real costs that is being passed on to the City,
22 probably, for work that isn't being done, because some of the
23 -- we can't go in and itemize everything out.
24 Salaries are pretty easy. If you get rid of the
25 management contract, it's estimated that it's going to save

1 about -- well, based on this year's budget, \$45,000 next
2 year, less. Part of that is not a real number, in my mind,
3 'cause there's some capital numbers in there that, you know,
4 you still have to carry forward. There's also a -- a truck
5 cost in the -- you know, that we spent this year that's
6 not -- and it doesn't have to be spent next year. But,
7 conservatively, there's probably \$20,000 to \$30,000 waste in
8 the management contract. And the reality is, the majority of
9 that gets paid by the City, and it's -- and, you know, we
10 don't -- just because we can't -- we're bidding for a
11 service, and you can't break out every line item. That's not
12 the way our county's set up. So, my view is to get rid of
13 it.

14 If there's a big problem out here, whether it's in
15 the management contract or not, we're the owners; we've got
16 to pay to fix it. The current budget of the airport is kind
17 of set where up where there's a little bit of reserve fund
18 out there for the -- 5 percent or something like that, that
19 the board president can access if there's a plane crash or a
20 failure in a runway or something like that. So, my
21 recommendation is just to get rid of the management contract
22 and just budget this like a department, from our standpoint,
23 and the City would be doing it the same way. We just fund --
24 the money would still go through the County. The County will
25 continue to do all of the administrative, and we'd charge

1 nothing for it. I mean, 'cause it doesn't -- it's not an
2 added cost to us to basically have four employees here.
3 MAYOR WAMPLER: You know, my initial thought on
4 that, Jon, is let's talk about it. I'd like to put a finer
5 point on what your assessment of the -- the overcharge, that
6 waste is, to try to understand what those items are and
7 what -- you know, how we're sharing those. And then also
8 match up, in the absence of a management contract, how --
9 going to a different model, using as a city/county
10 department, however you want to style it, you know, what

11 actually happens from a functionality standpoint in terms of
12 providing service out here at the airport.

13 COMMISSIONER LETZ: I mean, and we certainly can do
14 that. We just figure out a way to do that.

15 MR. MOSER: Mm-hmm.

16 COMMISSIONER LETZ: Sooner than later, from the
17 standpoint of budget, 'cause we're both in the throes of the
18 budget.

19 MR. MOSER: Yeah, I think we have to submit a
20 budget June 1st.

21 COMMISSIONER LETZ: How it operates functionally is
22 that the money just goes to the Airport Board, and, you know,
23 the accounting of it's done -- the accounting is just like it
24 is, really, right now for -- the airport has right now --
25 what's the total budget out here?

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1 MR. MOSER: 400-something.

2 COMMISSIONER LETZ: Right now, there's 400 --
3 there's \$407,000 in the budget; 158 of that's in a management
4 contract. Everything else is under the Airport Board. So,
5 it's just -- you just break out the columns, and we've done
6 that. We have it in the backup somewhere.

7 MR. KING: Y'all have a copy of this budget? Have
8 y'all seen the new budget?

9 MAYOR WAMPLER: I've not seen the new budget. It's
10 been provided to me, but I --

11 MR. KING: In the new budget, there's a -- there's
12 a column for 2013 proposed with management, and then there's
13 a column proposed with no management, and it shows you -- it
14 shows you the end -- you know, our proposed budget for next
15 year.

16 MR. McKENZIE: I sent them to you.

17 MR. KING: I want to look at that. I'd like to
18 look at the budget anyway while we're here, so we can just go
19 over this. I'd like to look at the budget anyway. I think
20 it would be helpful if everybody can look at one of these.

21 MR. MOSER: Is Laurie getting some copies?

22 MR. McKENZIE: She's going to make some real quick.

23 MR. KING: There's a difference. Jonathan, some of
24 that is like, in your management contract, you guys have set
25 aside money for dirt work, like we want to do construction

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1 out here, do some dirt work, like we need to fix -- fix a

2 road or something.

3 COMMISSIONER LETZ: Right. It's like --

4 MR. KING: Or the backhoe -- like, a backhoe out

5 here to do some work. When we had the problem with the water

6 line that burst -- when was that, last year or so?

7 MR. McKENZIE: The City came out and fixed it.

8 It's their water line.

9 MR. KING: City came out and fixed it.

10 COMMISSIONER LETZ: The thing that would be -- this

11 is what I was looking for as an example of the potential

12 waste, let's say. There is a bill in there for \$10,000,

13 something like that, for our Road and Bridge Department to

14 come out here and fix things. Incidentally, we don't keep

15 track of that. We don't keep track if Road and Bridge came

16 out here, fixed a pothole, it took 45 minutes this day, and

17 then we came out here and it took three hours to blade this

18 off, or a little work like that, 'cause it's -- they're not

19 huge projects. It's just included in that \$10,000. So, you

20 know, we could come out on the short end or y'all could come

21 out on the short end, depending on whether we spend \$15,000

22 worth of work or \$1,000 worth of work. Historically, we have

23 not -- our feeling is we have not been out here that much.

24 MR. MOSER: But the management contract, you have

25 to put something in there.

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1 COMMISSIONER LETZ: And we can't -- you have to, so

2 you bill it. And so that's the area that there's waste.

3 They're not real identifiable.

4 MR. MOSER: "Waste" is probably not the right term.

5 COMMISSIONER LETZ: I hate to use the word

6 "overcharge." It's not an overcharge.

7 MR. MOSER: It may or may not be used, so it's --

8 COMMISSIONER LETZ: Yeah. And we don't account for
9 it -- you know, Road and Bridge doesn't keep track of that;
10 we've never asked them to, because the under the management
11 contract, we weren't supposed to.

12 MAYOR WAMPLER: Well, I mean, I don't think this
13 situation is anything -- it's not unlike the when the City
14 had the management contract and we provided legal services,
15 you know. Didn't keep track of --

16 MR. KING: Exactly, how many hours.

17 MR. MOSER: Exactly. Or engineering.

18 COMMISSIONER LETZ: This is a little different,
19 though, David. The City billed on the management contract.
20 We haven't been doing that. So, if we would have billed on
21 the management contract, it would be -- the City would be
22 paying a whole lot more than they should be paying, in my
23 mind. And that was one of the reasons --
24 MR. KING: Also, aren't you billing -- the
25 management contract is 158, right?

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1 COMMISSIONER LETZ: Right.
2 MR. KING: What did y'all bill last year?
3 COMMISSIONER LETZ: Less than that.
4 MR. KING: Less than that. You didn't bill 158.
5 COMMISSIONER LETZ: We billed, basically -- like,
6 the one employee that hasn't been employed, we never billed
7 for that.

8 MR. KING: So we didn't get charged the full 158;
9 we got charged --

10 COMMISSIONER LETZ: Less.
11 MR. KING: -- a number that was less than 158.
12 COMMISSIONER LETZ: And that's largely why the
13 budget came in under last year, was because the management
14 contract came in under, 'cause we arbitrarily said we're not
15 going to bill the City for things that weren't done.

16 MR. KING: Right.
17 COMMISSIONER LETZ: David, here's that copy also;
18 you can take it with you. This shows management contract,
19 how -- where the -- what makes the 158. I think there's one

20 for Carson, too. It kind of breaks it out. And then if you
21 go with no management contract, and then this is how you
22 reallocate the dollars.

23 COUNCILMAN CONKLIN: We talked about it at the
24 Airport Board meeting two weeks ago.
25 COMMISSIONER LETZ: Yeah.

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1 MR. MOSER: Mm-hmm.
2 COMMISSIONER LETZ: Send everyone that, if you
3 would. This is the easiest thing to look at right here, of
4 the changes.

5 COUNCILMAN CONKLIN: What you're saying is, even
6 though you have a contract for -- the management contract for
7 158,000, last year you didn't --

8 COMMISSIONER LETZ: We didn't bill 158,000. And
9 this year we're not billing 158 either.

10 COUNCILMAN CONKLIN: I mean, in my frame of
11 thought, you know, we have contracts that are cost-plus,
12 where you bid something and you invoice and you charge your
13 costs, whatever they turn out to be, whether it's less risk,
14 and then you have a lump sum where you can either try to be
15 more profitable than you figured, or less profitable, and
16 that's your risk.

17 COMMISSIONER LETZ: Right.

18 COUNCILMAN CONKLIN: But it's kind of a quasi deal
19 where, because you're not -- you're not taking the 158. If
20 you're not billing the 158 complete, then you're willing
21 to --

22 COMMISSIONER LETZ: We're taking the risk.
23 COUNCILMAN CONKLIN: But what happens -- have you
24 had any years when you went over your management contract
25 amount?

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1 COMMISSIONER LETZ: It's never happened on either
2 side. I mean, the City never went over, and we've never gone
3 over. Because there's built in -- because there is a risk
4 factor in it, you know. If you don't -- and the reason our

5 management contract numbers came down lower is we always look
6 at the history, and we said, "What's going to fail out here?"
7 I mean, there just isn't that much reason why you need to
8 have a big management contract number -- a big contingency
9 number in the management contract. Now, we -- the County is
10 absorbing the risk from the standpoint that we're not billing
11 what we should, so we're not -- you know, if -- you know,
12 "profit" is not really the right number to use in government.
13 But, you know, rather than the County making a profit, which
14 the City would pay, we're splitting the difference with you.
15 If we're not spending it, we're not charging it. And that's
16 why -- you know, and we just think that's the right way it
17 should be done. Now, there are other line items that you
18 can't do that effectively. The difference would come on the
19 management -- if there's not a management contract, Bruce has
20 to put something in the budget and has to hire somebody, and
21 he can hire city, county, or a private contractor to do work
22 on fixing a pothole. I mean, there's a little bit of a
23 difference on how it works there. So, I mean, you can't --
24 that work still has to be done; someone has to do it.
25 Someone has to be compensated for it.

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1 MR. MOSER: Mm-hmm.
2 MR. KING: And do we talk about doing -- we
3 identify, like, third-party services. There's -- like, we
4 can -- like, if we did need something fixed out here, a
5 pothole or something like that, then we can just contract --
6 you know, we can just contract with you guys, either the City
7 or the County, on an hourly basis, an hourly basis for a crew
8 to come out here and fix --
9 COMMISSIONER LETZ: Right.
10 MR. KING: Do stuff like that. And then -- and
11 then use either one of you guys, or maybe, depending on
12 availability, whoever's available.
13 COMMISSIONER LETZ: Whoever has the equipment.
14 MR. KING: Or whoever has the equipment or
15 something like that. It seems like to me -- when I've looked
16 at this thing before, it seems like we're paying for -- I

17 guess we're not paying --
18 MR. MOSER: We're budgeting for.
19 MR. KING: Budgeting for stuff.
20 COMMISSIONER LETZ: And paying for some of it.
21 MR. KING: And paying for some stuff. Now, some
22 stuff, you guys -- like the \$10,000 in maintenance out here.
23 The maintenance.
24 COMMISSIONER LETZ: Some of the maintenance is
25 probably being billed. The things -- the main thing that's

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1 not being billed is going to be the employee's salary, 'cause
2 that's a -- I mean, that's trackable.
3 MR. KING: Right. Right. Right.
4 COMMISSIONER LETZ: If Tim comes out here and does
5 something from Maintenance, you know, it's just -- I mean --
6 MR. KING: But it may not equal what's in the
7 budget.

8 COMMISSIONER LETZ: It's not going to equal what's
9 in the budget, for certain. It's whether it's higher or
10 lower.

11 MR. KING: Yeah.
12 COMMISSIONER LETZ: And our experience is, you
13 know --
14 MR. KING: It's lower.
15 COMMISSIONER LETZ: -- it's probably lower.
16 MR. KING: Probably lower.
17 COMMISSIONER LETZ: But you have to -- but if
18 something breaks, we're obligated to fix it. You have to
19 build that into it, so inherently, it's going to be a little
20 bit high.

21 MR. KING: Like our guy changes the lights. He
22 changes out all the lights and stuff in the building, so we
23 don't have to do that any more. In the old management
24 contract, we pretty much had to have someone out here to do
25 stuff like that. So --

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1 COMMISSIONER LETZ: But right now, that's being

2 done under the management contract, because the employees are
3 county employees.

4 MR. KING: Exactly.

5 COMMISSIONER LETZ: So, I mean, --

6 MR. MOSER: Right.

7 MR. KING: Yeah.

8 COMMISSIONER LETZ: -- it just makes it -- from a

9 true cost standpoint, if you get rid of the management

10 contract, then we can figure out exactly what the airport

11 costs.

12 MR. KING: Yeah.

13 COMMISSIONER LETZ: We're a lot closer than we used

14 to be, but we're still not there. And I don't see that

15 there's any risk for the City or County of having a --

16 spending more money.

17 COUNCILMAN CONKLIN: When did the County take over
18 the management contract from the City? What year was that?

19 COMMISSIONER LETZ: Three years ago?

20 COMMISSIONER OVERBY: I think so.

21 MR. MCKENZIE: Two. This is -- we're in the
22 second. Two years.

23 MR. MOSER: Two years ago.

24 COUNCILMAN CONKLIN: So, 2010 would have been the
25 first --

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1 MS. MABRY: October 1, 2010.

2 COMMISSIONER LETZ: The City's amount prior to that
3 was about 240,000?

4 MR. MOSER: Two-plus.

5 MAYOR WAMPLER: I think it was 230.

6 COMMISSIONER LETZ: 230.

7 COUNCILMAN CONKLIN: And you go back and looking
8 from the budget comparison from '06 to current, and you look
9 at expenses, 47-800-307 to -309, that generally covers
10 management contract, reimburse county employee, and
11 outsourced services. And I'm just looking at the consistency
12 on those three total, combined. Between '06, it's about
13 225,000, then you're about 315, then 343, then you jump up to

14 350 something, 360. And then 2010, you're at 380 almost, and
15 then last year down to 158, and that's just a significant
16 drop-off. And if that's what we're defining as costs, and
17 saying there is still potentially \$20,000 or \$30,000 in
18 excess, I just don't want to see us go to a budget -- this
19 goes back to what I was saying a second ago, that, yes, there
20 may be some waste in that. If I'm contracting with somebody,
21 they may make a profit off of it, and I can get it done
22 cheaper somewhere if I found somebody at a different -- a
23 lower contract amount. But I'm also protected in that
24 contract, and if it goes over that, you know, I don't have to
25 pay any more. And so, you know, there's a benefit to having

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1 a stipulated sum, I guess.
2 COMMISSIONER OVERBY: What -- what years --
3 COMMISSIONER LETZ: I guess --
4 COUNCILMAN CONKLIN: From '06 to 2010, between 300
5 and -- an average of about \$330,000.
6 MR. MOSER: Which page are you on?
7 MR. KING: At some point in there, we had -- we had
8 a difference in who was paying the bills. At some point
9 there, there's -- wasn't it right in there we had the --
10 where the City was -- the County paid 100 percent one year,
11 didn't y'all?
12 COMMISSIONER LETZ: Mm-hmm.
13 MR. KING: What percentage?
14 COMMISSIONER LETZ: Oh. Yeah, there was a -- we
15 phased out who was paying the cost of the airport. There was
16 a change in there. Under a prior Council, there was an
17 agreement where the County was going to take over 100 percent
18 of it. All of a sudden, we started paying -- the City was
19 paying less, and we were paying more of a percentage. It got
20 to the point that we paid 100 percent one year, and the City
21 started going maybe only 75 percent. I'm sure we got all the
22 way to 100, then started shifting back up. That might be
23 part of the reason for the number. I guess the reason is --
24 and, you know, your true question, Carson, though, is if you
25 want the County to do it, or City wants to redo the

1 management contract to take over some of the stuff, and you
2 want one of the entities to try to make a profit off the
3 other, we can keep -- I just don't think that's the right
4 thing to do. The fact that there's not employees out here, I
5 don't think it's -- I don't look at the -- I look at y'all as
6 a partner, not trying to make money off of you.

7 COUNCILMAN CONKLIN: I'm not looking at it as
8 anybody trying to make money. I'm just saying that if
9 somebody's going to provide a service -- I'm taking the
10 government entity part out of it, and just saying, look, we
11 could hire this out privately. You know, there's just --
12 it's purely a contract, a stipulated sum. A known quantity.
13 I'm not saying necessarily I agree with staying with that
14 approach. I'm just saying that I don't want to overlook the
15 benefit of it, the fact that you can budget for an amount,
16 know that it's a fixed cost, and that you're not --

17 MR. MOSER: What you can do, Carson -- we also
18 talked about doing it per line item. If you want accounting,
19 we can go hire an accountant. If you want H.R., you can do
20 that. If you want engineering, you can do that. And the
21 airport was going to spec all those things that we needed,
22 then go out and get competitive bids on each one of them.
23 And you can do it that way, okay? And if do you that, then
24 you get a firm, fixed price on each one of them, and I
25 guarantee you, it will cost more, because somebody's going to

1 -- they have to put a pad in there to cover any --
2 COUNCILMAN CONKLIN: Each entity along the way that
3 provides that separate service.

4 MR. MOSER: Yeah. So, we -- that was -- that
5 wasn't --
6 MR. KING: What I don't understand is, if we're
7 doing 158 on the management contract, and if we just
8 eliminate the management contract and roll it back in to the
9 airport, if it costs -- if, for some reason -- which I don't
10 think it will, because I've looked at the numbers; I think

11 there's money -- there's still -- y'all are still making
12 money on the airport on services that we are not using, or we
13 just don't use enough of. I mean, we probably -- if we knew
14 what the -- the actual burn of those accounts were, we could
15 just go out here and dig holes or do something, use it all
16 up. But, I mean, we're not. I don't think y'all have
17 padded -- some of these accounts have got 8,000 or 5,000 into
18 them; we probably are not using but two or three out of it
19 and stuff like that. And if, for some reason, if it did go
20 over -- let's say we did -- we eliminated the management
21 contract and it did go over, still the overage is split
22 fifty-fifty among the City and the County.

23 MR. MOSER: Right, that's it.

24 MR. KING: So it's --

25 COMMISSIONER LETZ: My view is we can't go over.

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1 MR. KING: It's not like -- even if it did go over
2 a dollar, y'all split it fifty-fifty, so it's not like either
3 one is getting an advantage. There's no advantage on it.
4 It's -- basically, you're paying 50 cents and you're paying
5 50 cents.

6 COMMISSIONER OVERBY: Got your share.

7 COMMISSIONER LETZ: But there's really not --
8 there's no way you can go over. The budget -- the money's
9 there. You know, we're going to do the -- continue to do
10 the payroll or the check writing and all that --

11 MR. KING: Yeah.

12 COMMISSIONER LETZ: -- free.

13 MR. KING: Right.

14 COMMISSIONER LETZ: If there's no money in the line
15 item, Bruce isn't spending it. I mean, there's got to be --
16 so it's not like if -- you know, I mean, the City and County
17 are going to give "X" dollars, and that's all it's going to
18 be. And if -- you know, Bruce is going to have to come up
19 with a budget based on the experience now. And, you know,
20 there's three, four years of experience out here of what the
21 costs are, how to run it under a -- you know, with an Airport
22 Board that's in charge out here.

23 MR. KING: Yeah.

24 COMMISSIONER LETZ: So, I think these numbers are
25 pretty clear, and they're budgeted. They're budgeting all

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1 the other line items that way, so why not just roll the rest
2 of them into it, to me?

3 MR. MOSER: Yeah.

4 COMMISSIONER LETZ: You know, if the City doesn't
5 want to, we can keep it the same way. It's just -- to me,
6 it's not -- doesn't make a whole lot of sense.

7 MR. KING: And also, that's one of those deals
8 where, if you guys look at it and y'all feel the least bit
9 comfortable with it, it's something you might try for a year,
10 and you do a test program for a year. I mean, I don't think
11 the risk -- I think the risk is fairly minimal.

12 MR. MOSER: There's no risk.

13 MR. KING: I really do. I think -- well, you look
14 in the budget right here. Just from what we looked at,
15 Jonathan, our budget is -- our proposed budget is 434,533.
16 And over -- our last year's budget was 433,138. There's an
17 increase of \$1,400 or something like that over last year's
18 budget. Because of --

19 COMMISSIONER OVERBY: Gas, wasn't it?

20 MR. KING: -- fuel expense, on just what we're
21 having to pay extra for different utilities and fuel and gas.
22 But if you -- with no management -- management contract, we
23 propose 290 -- 390,000, which is a savings of about 44,000 --
24 \$44,000 difference. So we have \$44,000 to play with to get
25 all the way to what the budget would be if we didn't do it

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1 that way.

2 MR. MOSER: And just to make sure everybody's on
3 the same page, this isn't our budget yet. We haven't -- we
4 haven't passed it yet. This -- this is a draft, and I think
5 there's some puts and takes, and I think it will probably
6 even come down a little bit lower than what we have. But
7 we --

8 MR. KING: We found that -- I mean, the budget --
9 y'all gave us 110,000 a piece last year, and we, you know,
10 slashed the budget pretty -- pretty drastically. And, you
11 know, I've told Bruce and Laurie, you know, we're going to
12 live within the budget. We're going to live below that
13 budget. That's just the way it is, you know. If you don't
14 have the money, you don't spend it.

15 MR. MOSER: That's it.

16 MR. KING: If it's an emergency, we will go find
17 the money. If it's something we have to have, something
18 that's got to be fixed out here, we'll do it. But other than
19 that, we're just -- you know, we're going to spend our RAMP
20 money as best we can, you know, to take advantage of the
21 two-for-one on that. But other than that, we'll -- you know,
22 we're trying to spend as little as we can out at the airport
23 to make it run, and I think, you know, this is another
24 example. If you throw that 158 out the window, and -- and
25 the County offers to do all the H.R. -- basically, H.R. work

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1 for free, I don't see how that -- I don't see how the City
2 and the County can get messed around on this deal, either one
3 of them. And, like I say, if you do or if you don't -- you
4 guys have to make the decision, but, you know, we'll
5 implement another management contract. We'll go back at it
6 if you think -- you know, think there's money to be saved the
7 other direction. But I just -- I know that we're not saving
8 -- we don't -- there's some items in that thing that we're
9 not spending; I know we're not spending, that we're not using
10 on an annual basis.

11 COMMISSIONER LETZ: I think the other side of it --

12 MR. KING: It's kind of like Carson said; if I have
13 the management contract, I have to have those items in there,
14 because you don't want me calling you out here and saying,
15 you know, we got to redo this or redo that.

16 COMMISSIONER LETZ: I think y'all also did -- part
17 of that has to be on the table, but the County's been doing
18 the best we can to only bill -- billing under the management
19 contract every year. If the City wants us to take on the

20 risk, we're probably going to -- we'll bill the amount of the
21 management contract. I mean, 'cause -- I mean, 'cause
22 there's some risk in there. We're trying to figure out what
23 the real cost of the airport is. That's what we -- that's
24 why we keep track of it the way we have. If we're taking --
25 if the purpose of the management contract is for whoever has

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1 that to take the risk off the other partner, well, then I
2 think -- you know, then the management contract will be the
3 actual number, whether the money's spent or not. It's kind
4 of a -- you know --

5 COUNCILMAN CONKLIN: That's why I said it's a quasi
6 arrangement. Just maybe -- I'm looking at it, you know,
7 through a narrow focus of what I'm used to with contracting.
8 But, you know, in my mind, that would be fair, because you
9 can't -- it's got to be a two-way street. You can't take the
10 risk against overages if you're not also able to profit from
11 being under. So, you know, like I said -- don't get me
12 wrong; I'm just asking questions to make sure we're --

13 MR. MOSER: Yeah.

14 COUNCILMAN CONKLIN: -- looking at both sides of
15 it. Because if I'm -- you know, you're not going to tell
16 somebody to paint your house and send you a bill afterwards,
17 whatever it costs. You've got to know what it's going to be;
18 got to have an agreement with them before it gets started.

19 MR. MOSER: Kind of what it is, if you and your
20 brother own a house, and you and your brother decide to paint
21 the house, okay, and it's all coming out of your dad's money,
22 you know, nobody's going to make anything. You know, your
23 brother says, "I'll do it for \$500," and you say you'll do it
24 for 400. It doesn't matter, okay? And that's kind of the
25 way this is. For a fixed-price contract -- and I agree with

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1 Carson; if you're in business for doing something like that,
2 you want to know what it is. You usually pay more for a
3 firm, fixed-price contract, as opposed to a cost-plus. But,
4 anyway --

5 COMMISSIONER LETZ: And the problem --
6 MR. KING: We couldn't do this -- by the way, we
7 couldn't do this before, until you and David, you know,
8 renegotiated the interlocal agreement. It was not possible
9 to do this, because we had -- we had a divergence in who was
10 paying what. You know, we had a -- you know, you guys were
11 not going to pay anything; they were going to pay this. And
12 so, you know, before you guys renegotiated the interlocal
13 agreement, we couldn't do this. You really couldn't -- it
14 was not possible to do that. You know, it was only after
15 that stellar negotiations you guys put together --

16 MR. McKENZIE: Jonathan? The County billed \$20,379
17 in the first quarter. You could have billed \$39,500.

18 MS. DEJOHN-ERMEY: For the management contract.
19 MR. McKENZIE: For the management contract.
20 COMMISSIONER LETZ: So, we billed --
21 COMMISSIONER OVERBY: 19,000 -- about half of that.
22 COMMISSIONER LETZ: But that doesn't say -- because
23 there is that contract there, if there's a -- a big expense
24 coming up, --

25 MR. KING: Yeah.

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1 COMMISSIONER LETZ: -- we would bill more.
2 We'll -- you know, you may have a quarter that goes up. I
3 mean, you're capped at 158.
4 COMMISSIONER OVERBY: Right.
5 COMMISSIONER LETZ: That's the most we'd ever bill.
6 And we may bill 100; we may bill 156. It just depends on,
7 you know, best we can track it, what the costs are.

8 MR. KING: Right. But still --
9 COMMISSIONER LETZ: But it's -- historically, being
10 the last two years, we've billed less than the amount of the
11 contract.

12 MR. KING: Yeah.
13 COMMISSIONER LETZ: And part of the reason was we
14 wanted to get rid of the management contract 'cause we think
15 it's a waste of time. But if -- you know, if our partner
16 wants us to keep it, well, then, you know, we'll reevaluate

17 how we bill it.

18 COUNCILMAN CONKLIN: I'm not saying that I'll do

19 some work --

20 COMMISSIONER LETZ: But I also look at it from a

21 long-term standpoint. You have some -- there's some validity

22 to it. We were able to keep it -- you know, we weren't that

23 concerned, because everything was new, and still is pretty

24 new out here. All the roads are pretty much -- there's not a

25 whole lot of risk out there from our standpoint. And five

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1 years from now, there's going to be a lot more repairs out

2 here. And in the management contract, you know, you have to

3 start looking at those things on a long-term basis. Our

4 desire was to get rid of it, because I think it is a more

5 accurate picture of what the airport's costing us. But we

6 can do it either way.

7 MR. KING: Do we have -- we have funds in our -- in

8 our budget -- we have funds in the airport to cover -- you

9 know, we've done that in the past. We've covered engineering

10 on the water -- water system, when we did the water system.

11 We covered the initial engineering cost on that thing. It

12 was, what?

13 MR. MCKENZIE: 40,000.

14 MR. KING: \$40,000. We paid for that out of our --

15 COMMISSIONER OVERBY: Reserves.

16 MR. KING: Out of our reserves, so that the City

17 and County didn't have to come up with that. And, you know,

18 I think that there is -- I think there's probably adequate

19 money in that -- in those accounts to cover any --

20 COMMISSIONER LETZ: Normal things.

21 MR. KING: -- normal things. Any normal things

22 over and above what -- even if there was not any savings; if

23 there was 158, and we spent 158 out here.

24 COMMISSIONER LETZ: And the other thing is that

25 it's kind of convoluted to me, because the management

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1 contract covers some of the same things that the other budget

2 covers. I mean, it's kind of -- it's hard to separate what
3 is covered under the management contract and what's covered
4 under their budget. I mean, like light bulbs. Well, there's
5 a maintenance line item to cover light bulbs. There's a
6 management contract for light bulbs, and labor comes out of
7 one, and it's just --

8 MR. MOSER: Mm-hmm.

9 COMMISSIONER LETZ: -- it's just hard to -- it's a
10 whole lot of tracking that's unnecessary. But we'll do it
11 either way. To move off of this, David, do you want to sit
12 down with, you know, maybe Carson, Guy, the four of us, and
13 maybe even bring Todd in, or Mike, whoever? And --

14 MAYOR WAMPLER: Yeah. I mean, we're going to sit
15 down and do some analysis, and try to look at the points
16 y'all brought up today and --

17 COMMISSIONER LETZ: Okay.

18 MR. KING: Do you think there's a chance? I mean,
19 kind of give us some direction. Where do we need to head?
20 Because we're going to approve a budget. We didn't approve a
21 budget at the last meeting, because we --
22 COMMISSIONER LETZ: Wanted this discussion.
23 MR. KING: We wanted to talk about it.
24 MR. MOSER: We wanted to talk about it, and we
25 wanted all the board members to be able to look at each line

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1 item.
2 MR. KING: To look at each line item.
3 MR. MOSER: That's what we'll do in May.
4 MR. KING: Supposed to get a budget to you guys by
5 June 1st; that's what y'all had requested. Who -- is that
6 both of y'all want June 1st?
7 COMMISSIONER LETZ: Right.
8 MR. MOSER: That's in the interlocal agreement.
9 MR. KING: In the interlocal agreement. You know,
10 can you guys -- do you think y'all have the ability to give
11 us some direction prior to --
12 COMMISSIONER LETZ: No.
13 MR. KING: You don't have the ability to do that?

14 COMMISSIONER LETZ: Well, I mean, looking at --
15 your meeting's going to be in early May. The chances of us
16 getting together prior to that meeting are probably not real,
17 real high.

18 MR. KING: Third week of May is our meeting.
19 COMMISSIONER LETZ: Oh, third week?
20 MS. DEJOHN-ERMEY: Third Monday.
21 COMMISSIONER LETZ: We can do it by then.
22 COMMISSIONER OVERBY: We meet the 21st.
23 MR. MOSER: Yeah, 'cause we can go through it both
24 ways.

25 MR. KING: We have it both ways right now. We just

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1 would like to -- we'd rather not vote on two different
2 budgets. We were thinking about that. We didn't really want
3 to vote on two different budgets.

4 COUNCILMAN CONKLIN: Sooner rather than later.
5 COMMISSIONER LETZ: We'll get together.
6 MR. KING: Okay. Would y'all do that for us?
7 Would you also do this? Would y'all look at the budget?
8 I've asked -- I was going to ask Mike -- let's look at this
9 budget. Now that y'all have -- y'all have the budget, let's
10 look at this budget, and in 10 days -- 10 to 14 days, get
11 back to us. If you have a question or problem or situation
12 on it, get back to us, and -- and we'll kind of have, like, a
13 14-day open comment -- comment period.

14 MR. MOSER: Right. Yeah, if there's line item
15 things that --

16 MR. KING: If there's line items that you have a
17 question or something like that, could we get back on that so
18 that we when we vote on it on the 21st, when we vote on it in
19 our meeting, we have fairly good confidence that all the
20 parties have looked at this thing and there's not going to be
21 anything pop up a month later that we have to go back and
22 revote again.

23 MS. MABRY: I've already talked to Laurie about a
24 couple minor -- just minor little edits.
25 MR. KING: That's fine.

1 MR. MOSER: Yeah.

2 MR. KING: I don't have a problem in the world.

3 Also, if you see something in that budget you want separated
4 out and put in another line item, we can do that. We have
5 the ability to put -- enter another line in there, so if you
6 have some questions like that. I just would -- this year, I
7 would like to have -- like, when we vote on it the 21st, I'd
8 like to have everybody saying that they've seen the budget,
9 and everybody's -- I'm not saying you agree with it, and when
10 we get it to Council and get it to Commissioners Court, that
11 you have a complaint about it, but I'd like everybody to at
12 least say, "I've looked at it."

13 COMMISSIONER LETZ: Okay.

14 MR. KING: So I can say you have.

15 COMMISSIONER LETZ: All right.

16 (Low-voice discussion off the record.)

17 MR. MOSER: Master plan.

18 MR. KING: Thanks, Mike. Okay. Thank y'all on
19 that. Airport master plan.

20 MR. MOSER: Master plan, yeah.

21 MR. KING: Where are we at on that?

22 MR. MCKENZIE: The only thing I've got on that, the
23 A.L.P. has now been approved, forwarded to Fort Worth for
24 their review.

25 MR. MOSER: And we approved it at the board. We

1 approved the master plan contingent on that being finished.

2 MR. KING: Okay.

3 MR. MOSER: So we have the document, everybody.

4 There's a copy of it. It's a good plan.

5 MR. KING: What did it end up costing? What did

6 this thing end up costing?

7 MR. MCKENZIE: 300,000.

8 MR. KING: Golly.

9 MR. MCKENZIE: TexDOT paid.

10 COMMISSIONER LETZ: Could have bought T-hangars.

11 (Laughter.)

12 MR. KING: I know, build T-hangars instead of a
13 master plan.

14 MR. MCKENZIE: Didn't have to until we got the
15 master plan.

16 MR. KING: The master plan guys wouldn't be in
17 business if we didn't have one. Okay. Parking lot
18 expansion. All right, we've talked about this at our meeting
19 several times. This is something I put on the deal a long
20 time ago. Two reasons. I guess you guys are all -- y'all
21 know about the parking lot? Carson? Okay. Two reasons.

22 The first reason is to alleviate our parking situation we
23 have over here, where everybody parks on the side of a
24 mountain -- on the side of a hill up against the fence, and
25 then leaves their car there for a year and a half, or comes

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1 back once every six months and uses it, or whenever they come
2 into town to go to their ranch. We just -- at some point
3 during the -- during the weekends, on some weekends and
4 stuff, we have no place to park out here. People are
5 parking -- we have an overflow parking lot way down on the
6 other end down there.

7 MR. MCKENZIE: Other area.

8 MR. KING: Nobody will use it. They all want to
9 park right up against the fence.

10 MR. MOSER: Or right out here in front of the
11 building.

12 MR. KING: Or right in front of this building. We
13 have numerous people that leave cars for --

14 MR. MOSER: Days.

15 MR. KING: -- for days and weeks, right in front of
16 the building here. And so that was the first reason to do
17 it, was to alleviate a parking problem we've had out here
18 ever since they built the terminal. And the other reason
19 was -- was to possibly get some revenue off of that. I mean,
20 cities all over the U.S. do this. The larger -- you have,
21 you know, Destin, Florida -- we have a house down in Seaside,
22 Florida, and Destin is a big place for that. You know,

23 people come there, have weekend houses, like we have people
24 that have ranches here. They come there. It's a bigger
25 scale there, and there's 600 cars in the parking lot at any

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1 one time. They park 600 cars there, just to keep them for
2 people, and they charge a pretty good number, 50 bucks a
3 month there. \$50 a month for just out in the open. And
4 if -- and so we thought, well, this, would also be on a
5 smaller scale. Maybe we can put a parking lot in and charge,
6 you know, \$30, \$35 a month. What do you charge, Joey? Joey
7 left.

8 MR. MCKENZIE: He gets \$40 a month for the covered
9 parking.

10 MR. KING: Forty for those ones. But he's full.
11 He's -- there's no place to put any more, so we thought we
12 could charge \$30, and then possibly, after we built the
13 thing, if we saw the demand, we could possibly put some
14 covered parking around one side of it or something like that,
15 and charge a little extra for those people. And then, you
16 know, jack the rates up. And so --

17 COMMISSIONER LETZ: Student welders could weld it.

18 (Laughter.)

19 COMMISSIONER OVERBY: That's a good project.

20 MR. KING: Good project. I hadn't thought of that.

21 MR. MOSER: They'd all be circles, though.

22 COMMISSIONER OVERBY: That would be a good one to
23 start.

24 MR. KING: In this parking deal, there also is
25 money to extend the --

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1 MR. MCKENZIE: Eight places right here.
2 MR. KING: -- eight places over here. When we
3 built this building, they ran out of money at the end, and we
4 didn't have the money to actually build that part of the
5 parking lot over there up against where the sign is. And
6 those two parking places, they're about 12 feet long, and
7 people put 15- or 16-foot pickups in there and block the

8 whole parking lot off. We put "Small Car Parking," but still
9 they park there. And if they park them and they don't come
10 back for a week, you can't hardly get in the parking lot.
11 The Fed Ex guy can't get in. So, we're going to extend those
12 spaces 12 feet -- 12 feet back and put a small retaining wall
13 there. 'Cause that's eight parking places to be full-size
14 parking places that we can actually clear the parking lot for
15 people to drive through. And that's part of this -- this
16 whole project here. What you've gotten --

17 MR. McKENZIE: I put it in both reports that I've
18 sent out since we had a meeting with the City and the County,
19 and we've come up with a game plan. Both parties are
20 amenable to that plan. We've -- I led it seven months, so
21 everybody had plenty of time for planning. Carson and I have
22 had two good meetings about it, and the County's on board
23 with us. They've agreed to -- County would build the parking
24 lot, and the City would pave it; that's what it boils down
25 to. We furnish the material, which is the base material and

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1 the asphalt and the lights, the painting, and --
2 MR. KING: Gates. The gate -- one gate.
3 COUNCILMAN CONKLIN: Using RAMP grant?
4 MR. McKENZIE: Yes, sir, that's correct.
5 MR. KING: All RAMP grant. We're going to get 50
6 percent of that paid by TexDOT.
7 MR. McKENZIE: We're going to -- the geo-tech on
8 this, you know, that went out in the report yesterday.
9 MR. KING: How many parking places are there?
10 MR. McKENZIE: There'll be 48.
11 MR. KING: 48 parking places.
12 MR. MOSER: And what's the total cost?
13 MR. McKENZIE: Well, right now -- well, just our
14 cost is going to be about \$60,000, including the lighting.
15 MR. MOSER: That's our 50 percent?
16 MR. McKENZIE: Yes.
17 MR. MOSER: How much?
18 MR. KING: 50 percent? Or --
19 MR. McKENZIE: Going be to be about \$60,000 total,

20 30 for our half.
21 MR. KING: About 30,000.
22 MR. MOSER: 30,000, okay.
23 MR. KING: 30,000 for us. We'll take that out
24 of --
25 MR. McKENZIE: Depending on the price of oil

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1 between now and then for the hot mix.
2 COMMISSIONER OVERBY: Emulsions and oil.
3 MR. MOSER: Anybody that has any oil wells, we
4 could get it cheaper.
5 MR. KING: So, we're going to -- and we'll -- so we
6 pay for half of that -- half of that with a RAMP grant.
7 MR. McKENZIE: Yes, sir. Right now, we're just
8 waiting for the geo-tech. I found base material right across
9 the road over there that we can use. Carson's well aware of
10 that as well. We're getting that tested to make sure that
11 that'll be adequate material, surface or base material. That
12 will cut down the haul, which is extremely expensive.
13 COUNCILMAN CONKLIN: I think it's a good project.
14 You're talking about something that, if you were going to pay
15 for that privately from start to finish, is going to be a
16 \$100,000 to \$110,000 deal. And basically, by using, you
17 know, manpower and equipment that are already owned by both
18 entities, and then RAMP grant funds, you're talking about
19 actual cost of \$30,000, \$40,000 --
20 MR. KING: Yeah.
21 COUNCILMAN CONKLIN: -- for that.
22 COMMISSIONER OVERBY: What's the total number of
23 spaces again, Bruce?
24 MR. McKENZIE: 48.
25 COMMISSIONER OVERBY: Okay.

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1 MR. KING: We figured if you only rented out 35 of
2 them, you know, we could still --
3 MR. MOSER: That's \$1,000.
4 MR. KING: Could net 1,000 a month off of it. It

5 probably will be minimal, other than just like it is, and
6 we'll put electricity, just the lights that come on -- you
7 know, come on a when someone's out there. Put them on a --
8 MAYOR WAMPLER: What's access going to be?
9 MR. KING: It's going to be -- actually going to
10 put a culvert on this side over here. There will be a gate,
11 an actual -- a gate where we can put a pad.
12 MR. MOSER: Code.
13 MR. KING: A code on it, and there will be a
14 security code for them to punch a code, get in there to the
15 parking lot, and there will be a -- actually be a --
16 MR. McKENZIE: Sidewalk.
17 MR. KING: -- sidewalk for pedestrians to walk. It
18 will come off right over here. We can walk right into the
19 deal. Our hope is Kerrville Aviation, some of their
20 customers, they'll probably get their car and bring it back
21 over here, bring their cars over here to the front. They do
22 that normally right now with the parking lot there right now.
23 If someone comes in, they have his key; they go back and park
24 over there. So, we're hoping we can put some "No Parking"
25 signs up here against the fence over here, and we're going to

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1 give the people the option to -- if they don't want to pay,
2 they can go park their car in the Evac -- there's free
3 parking over there. It's not like anybody is being forced to
4 do anything.

5 MAYOR WAMPLER: So, is this going to be dedicated
6 for long-term parking, or can you use it for overflow if this
7 is full?

8 MR. KING: Yeah.
9 MAYOR WAMPLER: Say somebody's going to come fly
10 for three hours, be back the same day. Can they use it for
11 free, or do they have to pay?
12 MR. McKENZIE: That will create an issue.
13 MR. MOSER: They have to have access.
14 COUNCILMAN CONKLIN: Seems like the idea was
15 that -- that right now, what you have is long-term parking
16 all around here. It's taking the upcoming traffic, and if

17 that becomes long, you get 48 more spaces that they can park
18 in; you free up congestion here.

19 MR. MOSER: I think this will probably take care of
20 the come-and-go. And if it doesn't, then we can address what
21 we would do to let people in there for a short time.

22 MR. KING: Leaving cars here -- you look at half
23 those cars out there right now, there's nobody here. I mean,
24 there's nobody other than us. And you'll be -- you know,
25 30 -- I counted, last time I was out there, 40 cars. Forty

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1 cars parked in the back over there, and most of those are
2 ranches or people that have houses here that come here, you
3 know, once a month or something like that. Mr. Brock, he
4 leaves a car here.

5 MR. MCKENZIE: They're here October, November,
6 December.

7 MR. KING: Yeah, and they just -- they leave cars
8 there. But they don't have any other place to park them, so
9 they park them in our -- wherever they get out. And so I
10 think once we get all those -- get those guys out of there --
11 and I don't think they'll have a problem paying; most of them
12 will not. Then we can move them up there. They'll be in a
13 secure place, have lighting, and it'll -- I think it will
14 open up a lot of parking for just come-and-go parking here.

15 MR. MCKENZIE: Absolutely.

16 COUNCILMAN CONKLIN: Maybe you even need to come up
17 with a plan to block off the immediate terminal parking lot
18 and say that it's, you know --

19 MR. KING: Yeah, we thought about that. Put some
20 signs up. We thought about that too, about putting some
21 "24-hour parking" or something like that, you know. No more.
22 'Cause, I mean, that's just -- I don't think they're doing it
23 maliciously. They just -- people just -- they just drive,
24 they get out of their car, go get in the airplane and leave,
25 and we see them a month and a half later.

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1 COUNCILMAN CONKLIN: Bruce, when is the geo-tech

2 report going to be available?

3 MR. MCKENZIE: Should be back next week, Carson,
4 toward the end of the week.

5 MR. KING: Anything else on that?

6 COMMISSIONER LETZ: Looks good.

7 MR. KING: Project reports. You wanted to look at
8 that, Carson?

9 COUNCILMAN CONKLIN: Yeah. Let me jot something
10 down.

11 MR. KING: I appreciate you guys being cooperative
12 on that thing. That's a good way to do it. It's amazing
13 when both you guys have different equipment, you know, we can
14 just --

15 COUNCILMAN CONKLIN: Yeah. I mean, the --

16 MR. KING: One guy doing one, one guy doing another
17 thing.

18 COMMISSIONER OVERBY: Makes sense.

19 COUNCILMAN CONKLIN: The City's been fortunate to
20 put together a really good program with our lay-down machines
21 and overlay, and they've gotten really good at it. So, you
22 know, they -- I just think it works out really well. But the
23 County is willing to do the earth work part of it. All
24 right. What I was wanting to bring up was, we had got a
25 check in the mail from TexDOT for \$19,000. It was the

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1 close-out funds from a past project that I think was 0915KRV.
2 And that kind of led to some conversation about what that was
3 all about, and then we realized that there was still some
4 outstanding balance for another project that was prior to
5 that date, and so we just wanted to get some kind of
6 accounting on what projects were still hung out there, what
7 the -- this is all addressing the owners' shares of the
8 funds, joint City and County funds that were the matching
9 funds to get TexDOT Aviation grant money.

10 MS. MABRY: I can give you some interim financials.

11 The last two pages will sort of address what you're speaking
12 to.

13 COUNCILMAN CONKLIN: Okay.

14 MS. MABRY: I went ahead, and I had actually
15 removed -- on the TexDOT projects page, I'd actually ended up
16 removing the 0815KRV, since it had been closed for a year,
17 but in doing so, I thought about, you know, there's still
18 funds in there, so I did put it back. And so I'm showing
19 that at the moment, there's 98,196.07.

20 MR. MOSER: You're on Page 12, are you?

21 MS. MABRY: Yes, 12. Remaining in that, we have
22 that cash balance. There is a question, though. 20,000 --
23 two different expenditures since then; one for 20,000, one
24 for 14,000. I don't know anything about the 14; I'll have to
25 research it, but the 20,000, I believe, was supposed to be

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1 paid back to that account. So, there should be more funds
2 going back to that account, and it should be a larger balance
3 left. Could possibly be --

4 MAYOR WAMPLER: So, the total amount remaining
5 attributable to 0815 was 132,852.

6 MR. KING: Okay.

7 MAYOR WAMPLER: And --

8 MS. MABRY: And that's with the 20 and 14.

9 MAYOR WAMPLER: Correct.

10 MR. KING: What was the 20 and 14, Bruce?

11 MS. DEJOHN-ERMEY: When they redid the road?

12 MR. MCKENZIE: One was we redid the road.

13 MR. KING: Two different redos out here.

14 MS. MABRY: I believe the 20,000 --

15 MR. MCKENZIE: What was the road? I know what that
16 was.

17 MR. KING: We've had two different deals where the
18 contractor thought he was through. He quit. I mean, he was
19 done. He said, "I'm done; I'm through," but he didn't
20 realize that TexDOT had to come out here and give him a big
21 inspection and everything. So TexDOT -- you know, he -- one
22 of them was -- I know that under his contract, he was
23 supposed to redo our road that he destroyed out here driving
24 those trucks up and down and everything. Well, he was not
25 clear as to how good he was supposed to redo the road, and he

1 thought he was just supposed to bring the road back to a
2 state that would --
3 MR. MOSER: Passable.
4 MR. KING: -- be passable so that no one would ruin
5 their car. And so, actually, he was supposed to bring it
6 back to a state that -- what our other road was like. And so
7 he paved it and threw some chips -- chip sealed it. Chip
8 sealed it, threw some stuff down and left, and basic. So,
9 Bruce got TexDOT back out here, and brought the TexDOT people
10 out here -- engineer out here. He looked it at and said,
11 "That's not going to cut it after you spent all this money
12 out here." So, TexDOT, they met with the guy. They actually
13 got Cash Construction here, met with him, and TexDOT told him
14 that's not going to work. And he -- he didn't want to pay
15 for it. Well, TexDOT said, "We have funds from your contract
16 for contingencies, and we'll withhold the funds, and either
17 we'll pave it -- we'll have Bruce get someone to pave it, or
18 you can come out here and pave it yourself." But if you pave
19 it -- it was going to be 30 --

20 MR. MCKENZIE: He wanted 33,000, and I got a
21 contractor to do it for 20.

22 MR. KING: Yeah, right. So, that was one of the
23 things where TexDOT took money out of the contract to pay for
24 that.

25 MAYOR WAMPLER: Well, so let's -- just to be

1 clear -- and I don't -- we obviously don't have a copy of the
2 contract in front of us, but 815 was construction to relocate
3 the north parallel taxiway, Runway 12/30, install and
4 relocate signs. And so that -- that contract, we received a
5 release letter from TexDOT Aviation on April 11th of 2011.
6 So, as far as TexDOT's concerned, that project was closed a
7 year ago, sounds to me, not having been involved directly in
8 overseeing that project. But --

9 MR. KING: Yeah.

10 MAYOR WAMPLER: -- 915 sounds to me like relocate

11 west entrance road, and an airport plan. You know, so that
12 has more to do with -- that's attributable to the road
13 reconstruction.

14 MR. KING: Sure.

15 MAYOR WAMPLER: So, what I'm saying, we'd like to
16 differentiate between the contracts, identify the remaining
17 balance of 132,852.

18 MR. KING: In 815?

19 MAYOR WAMPLER: In 815.

20 MR. KING: That's the one you say you have a letter
21 that's been closed?

22 MAYOR WAMPLER: Yes, sir.

23 COUNCILMAN CONKLIN: That was the reason for the
24 question, was --

25 MR. KING: Why did we not pay that back?

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1 MR. MCKENZIE: It takes sometimes 18 months.
2 MS. MABRY: According to the letter -- I actually
3 have a copy -- there's no balance due to us. We had
4 actually -- when the change occurred, we got a lump sum from
5 the City to start the airport account on our side. And from
6 what I'm understanding now as we are going back, a portion of
7 that was kept as a cash balance in that account, and that
8 never actually was sent to TexDOT. We had it --

9 MR. KING: Okay.

10 MS. MABRY: -- as a cash balance, and so it
11 remained in the account. It's still there, minus the 20,993
12 which was used for the road work. And whatever the 14 was,
13 which I'm not aware of, was paid out of that. We need to
14 backtrack that.

15 MR. KING: Sure. Sure.

16 MS. MABRY: And I'll research that.

17 MR. KING: Yeah. Like I say, I'm not aware of
18 that.

19 COUNCILMAN CONKLIN: So, the 98,000, half of that
20 is the County's, half the City's? Or --

21 MR. KING: Where is that money?

22 MS. MABRY: We've discussed it.

23 MR. ERWIN: County's funds right there.
24 MS. MABRY: It's in the --
25 MR. KING: So we still have it in the account?

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1 COMMISSIONER LETZ: Right.
2 MR. KING: Okay. Well, then we need to get with
3 the County and find it.
4 MS. MABRY: Yeah.
5 MR. KING: But you think there's actually 130 --
6 MS. MABRY: I believe there's 132, except -- well,
7 there's 98. That's the actual cash balance.
8 MR. KING: Exactly, 132 if you take out the 20 and
9 14.

10 MS. MABRY: Now, whether these items were due to be
11 paid back, according to my notes on 9/26, I was told when I
12 let that go through, "This line will be reimbursed." I don't
13 have an indication, however, what funds will be used for that
14 reimbursement, so we still have a question of what those
15 items actually were and what moneys will be reimbursed.

16 MR. KING: Okay.
17 MS. MABRY: Before it can be --
18 MR. KING: There's a 20 and a 14?
19 MAYOR WAMPLER: A 21 and a 14.
20 MS. MABRY: It's 20,993. I'm not sure how much
21 the 14 --
22 MAYOR WAMPLER: 13,663.
23 MR. KING: Okay. All right, we'll check on that.
24 So, that may -- okay, we'll check on that.
25 MR. ERWIN: And then another question that comes up

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1 is, we received a check for \$14,949 this week. It was sent
2 to the City, because at the time of the project, we were the
3 ones who had sent the money originally. We've deposited
4 that, and I guess we're looking for direction. Do we want
5 the City to keep half of it and cut a check to the County for
6 half of it? Do we want to send it back to the Airport Board?
7 We're just asking how you want us --

8 MR. KING: That's all the project 915?
9 MR. ERWIN: Yes. When we closed 915, and they
10 closed --

11 MR. KING: Now, when we close these accounts,
12 Bruce, they close -- when they close the project, that
13 doesn't mean that they're distributing funds.

14 MR. McKENZIE: That's correct.
15 MR. KING: That just means the project is
16 officially ended, and then they will determine what funds are
17 available for the -- for the parties who put in 10 percent or
18 5 percent.

19 MR. McKENZIE: That's correct.
20 MR. KING: Is that correct?
21 MAYOR WAMPLER: In this case, they closed -- they
22 closed the project, and there were -- there were remaining
23 funds in the account attributable --
24 MR. KING: Right, that never got to TexDOT.
25 MAYOR WAMPLER: Yeah.

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1 MR. ERWIN: No, no, no. Those did get to TexDOT.
2 The 14.

3 MR. KING: The 14, yeah.
4 (Several people speaking at once.)
5 THE REPORTER: Whoa, one at a time, please.
6 MS. MABRY: 19,494.20.
7 MR. KING: Okay. That money came from TexDOT?
8 MS. MABRY: Yes, that actually was deposited.
9 MR. KING: Okay.
10 MS. MABRY: The funds were sent back.
11 MR. KING: But there's still a balance on that
12 project, isn't there?

13 MR. ERWIN: No.
14 MR. KING: That is done.
15 MS. MABRY: We received a closing letter. It's the
16 final audit letter, and in it, it details exactly how much,
17 if any, is due back to the airport.
18 MR. KING: Okay. So, now we need to know what to
19 do with the 19,000.

20 COMMISSIONER LETZ: I think -- just from my
21 personal view, --
22 MR. KING: It's not our money.
23 COMMISSIONER LETZ: -- I would like to leave them
24 at the airport for some future capital projects. I mean, I
25 look at that money, refunds for these projects, is that we

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1 budgeted for a capital project at the airport. There's
2 always capital projects at the airport. And, you know,
3 coming down the road, whether it be T-hangars or whatever,
4 put that money in a reserve account at the -- for the airport
5 so we don't have to go look for money, you know, later.

6 MAYOR WAMPLER: Well, I mean --

7 COMMISSIONER LETZ: To a point. Obviously, if it
8 gets to be a huge amount of money, yes, we want it back.

9 MAYOR WAMPLER: We talked about that during the
10 budget process last year, and my preference is that from a
11 city standpoint, we don't do that. I would prefer -- to the
12 extent that either the City or the County wanted to create
13 its own airport reserve funds for future capital
14 improvements, that would be great, but I would -- you know,
15 if the County chose to leave their half, that's obviously
16 y'all's prerogative, but I would like to see us retain our 50
17 percent within the City's budget. And also, once we find out
18 on the 132,852 amount, you know, my goal is to get half of
19 that money back in the City's budget.

20 COMMISSIONER OVERBY: Okay.

21 MR. ERWIN: We'll cut you a check.

22 MR. KING: That's fine with me. I mean, it's
23 y'all's money. We're not --

24 MR. MOSER: That's it.

25 MS. MABRY: Previously, what was done, there was

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1 \$150,000 refunded to the contributing entities previously,
2 and the County took our half and just -- the airport was able
3 to purchase equipment and such when the change-over occurred,
4 and then the other 75,000 was refunded to the City.

5 COMMISSIONER LETZ: And the City used their 75 for
6 the RAMP grant for three years.

7 MR. KING: RAMP grant program, yeah. Okay.

8 MS. MABRY: And each entity chose to do what they
9 would with their portion.

10 MR. KING: Okay.

11 COMMISSIONER OVERBY: Good.

12 MR. KING: All right. So, we're going to -- to get
13 together; we need to find out where we are on the 98 plus the
14 21 -- the 20,000 and 14.

15 MS. MABRY: I'll work on tracking down the
16 expenditures.

17 MR. KING: Yeah, okay. So, TexDOT's out of that
18 deal.

19 MS. MABRY: No, it's done.

20 COUNCILMAN CONKLIN: That's what the concern was,
21 is I thought -- I looked at it; we had a letter from April
22 11th of 2011 that said, "This is our final audit; it's
23 closed." And they said the project -- the warranty period
24 was closed in October of 2010. The project had a final
25 completion and acceptance of October of 2009.

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1 MS. MABRY: And on our end with that letter, the
2 difficulty was we never had received that letter. And so I
3 actually called yesterday to TexDOT and talked to the rep,
4 and actually got the whole packet.

5 MR. ERWIN: Did you get it from Amy? That's who I
6 talked to earlier this week to get a copy of that letter from
7 last April.

8 MS. MABRY: And I did the same.

9 MR. ERWIN: Yeah.

10 COMMISSIONER LETZ: It's been -- I mean, just
11 historically, it's been -- evidently, it is really -- in
12 Mike's department and Jeannie's department, it's difficult to
13 close out the financial side of these. But up to a couple
14 years ago, there was accounts from years ago. I mean, it
15 comes in -- it seems like there's always money coming back
16 from TexDOT, and trying to figure out where it's from and why

17 it is so late getting here; why is it being divided up now?
18 COUNCILMAN CONKLIN: I think that's what initiated
19 the whole deal, is we got a check for 19,000, and Mike called
20 TexDOT and said, "What's this for?" We get to looking back
21 at some previous correspondence and saw April, and the final
22 -- final project close-out from TexDOT, which really was
23 almost two and a half years prior is when they said, "Okay,
24 your job is done." Then we'll start a one-year maintenance
25 period, then we'll start another year before we finish our

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1 final audit. And then there's \$98,000 sitting there. And we
2 said, "Hey, we can use that."

3 MAYOR WAMPLER: Not only that. Mike asked a
4 question, I think, at the September 2011 board meeting here
5 about the status on 815, and we were told at that time that
6 the project was still open, and it wasn't closed.

7 MS. MABRY: That was our understanding, because we
8 had not received the letter.

9 MAYOR WAMPLER: The letter's addressed to Bruce,
10 and it was dated April 11 of 2011. So, six months later, I
11 mean, I --

12 MR. MCKENZIE: That's this letter right here?

13 MAYOR WAMPLER: Yes.

14 MR. MCKENZIE: For the record, I do not have that
15 letter.

16 COMMISSIONER LETZ: Well, anyway...

17 MR. KING: I mean, they're saying --

18 MAYOR WAMPLER: That letter doesn't provide the
19 accounting for the 134,000, but it says the project has been
20 closed. That's the point I'm making.

21 COMMISSIONER OVERBY: Okay.

22 MR. MOSER: There's closed, and there's closed.

23 Work stops, but all the finances are --

24 COUNCILMAN CONKLIN: Well, then you have
25 expenditures during the warranty period, like the road issue.

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1 MR. MOSER: Right.

2 MR. KING: And so this letter -- I'm looking at the
3 letter of April 11th. Where do you see it says it's closed?
4 It says the sponsors' share of project cost was estimated to
5 be 614,000. Our records indicate that we have received the
6 full amount of the sponsors' share of project costs. In
7 other words, y'all paid all of your share of your 614, but it
8 says -- I don't see where it says --

9 COUNCILMAN CONKLIN: I was looking at the first
10 one. It says it's a final audit report. Then, if you look
11 at the attached --

12 MR. KING: Is that a copy of the final audit
13 report? I don't have that, I guess.

14 COUNCILMAN CONKLIN: Yeah, the final audit report
15 says that the warranty end date was October 22nd of 2010, and
16 the final acceptance date was October 22nd of 2009.

17 MR. KING: Right.

18 COUNCILMAN CONKLIN: That's when we signed off that
19 the job's complete. Then you start a one-year warranty
20 period. It said the final amount was paid 3/31/2011.

21 MR. KING: Mm-hmm.

22 MS. MABRY: And in us tracking down, at least on
23 the 8,000 portion of it, looking at this final audit, that's
24 where I was looking, and it says billable or refundable,
25 zero. That, to me, you know, indicated that we actually had

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1 those funds in the account; that they weren't at TexDOT.
2 MR. KING: They weren't at TexDOT. Okay, we'll
3 look into it. We'll figure out what the deal is, call TexDOT
4 and talk to them, find out what -- get a -- do you have a
5 copy -- does Bruce have a copy of that sheet you just --

6 MS. MABRY: No.

7 MR. KING: Would you give him a copy for when he
8 talks to them, finds out where it is and what the deal is?

9 MR. MCKENZIE: Sure.

10 MR. KING: Okay, what else? Anything else on that?

11 Y'all figure out what you're going to do with your 19,000.

12 COMMISSIONER LETZ: Split it, looks like.

13 MR. ERWIN: We'll write a check to the County.

14 MR. KING: Okay, that's fine with me. All right.

15 What else? Anything else? All right, that'll be it. We're

16 adjourned. Thank you.

17 (Airport Planning Committee meeting was adjourned
at 10:30 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 3rd day of May, 2012.

8

9

10 _____
11 Kathy Banik, Texas CSR # 6483

12 Expiration Date: 12/31/12

13 Official Court Reporter

14 Kerr County, Texas

15 700 Main Street

16 Kerrville, Texas 78028

17 Phone: 830-792-2295

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