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4 KERRVILLE-KERR COUNTY JOINT AIRPORT BOARD
5 Regular Meeting
6 Monday, October 17, 2011
7 8:30 a.m.
8 Airport Terminal Conference Room
9 1877 Airport Loop Road
10 Kerrville, Texas
11

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

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

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

21 CITY STAFF PRESENT:
22 Mike Erwin, Finance Director

23 VISITORS:
24

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1 On Monday, October 17, 2011, at 8:30 a.m., a regular
2 meeting of the Kerrville-Kerr County Joint Airport Board was
3 held in the Airport Terminal Conference Room, Louis Schreiner
4 Field, Kerrville, Texas, and the following proceedings were
5 had in open session:

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

7 MR. KING: All right, I'll call this meeting of the
8 Kerrville/Kerr County Airport Board, October 17th at 8:30,
9 meeting to order. Visitors' forum. At this time, any person
10 with business not scheduled on the agenda may speak to the
11 Airport Board. No deliberation or action may be taken on
12 these items because the Open Meetings Act requires an item to
13 be posted on the agenda 72 hours before the meeting.

14 Visitors are asked to limit their presentations to three
15 minutes. Anybody have anything? I was going to -- I had one
16 little thing I was going to say. I attended the N.B.A.A.

17 National Business Aviation conference last week, and that was
18 in Las Vegas, and it was really a neat thing. I think we
19 should probably, next year, if -- if a couple members can
20 afford to pay their own way, go out there. There were 4,000
21 vendors. It's the largest business trade show for aviation
22 in the world.

23 MR. MOSER: Wow.

24 MR. KING: And just a great -- if it's in aviation,
25 if it's being built in aviation or if it's being sold in

1 aviation, it's there.

2 MR. MOSER: It was in Vegas?

3 MR. KING: In Vegas. A huge thing; two and a half,

4 three days -- you can barely get through it in three days.

5 MR. MOSER: Good god.

6 MR. KING: 4,000 vendors. And I met with a lot of

7 airports; there was about 20 or 30 airports there, actually.

8 Brazoria County, I met with those guys, talked to them for a

9 pretty good period, and just airports from all over the

10 United States. There was three different airports from Texas

11 that had displays there, just selling their airport and

12 selling the -- you know, the benefits of the airport. Some

13 of them kind of team up and go -- like, three airports will

14 do, like, the South Texas area, something like that.

15 Brazoria does their own, because they've got a pretty good

16 industry over there, but it was a neat deal. Saw a lot of

17 really, really neat stuff, and talked to a lot of people

18 about different airports and about different businesses and

19 stuff. So, it's -- I mean, I think it would be a good option

20 if we could look -- if we could get some guys, you know, to

21 make -- I saw the Lubbock Aero guys were there. They had

22 nine board members, not from the airport, but from their

23 company board were there, and they were -- they were there

24 two days. I talked to them. It was pretty good. So, that's

25 another option I think we have as far as development, looking

1 at maybe, you know, going out there and kind of meeting with

2 a few. 'Cause every company that would ever move here, I

3 promise you, was there. It was unbelievable. I hadn't been

4 there in about five years. It was just amazing.

5 MR. MOSER: How many people were there?

6 MR. KING: 30,000.

7 MR. MOSER: 30,000?

8 MR. KING: 30,000.

9 MR. MOSER: Good god.

10 MR. KING: I mean, it's anywhere from Boeing,

11 Airbus, down to, like, interior shops, paint shops.
12 MR. MOSER: Wow.
13 MR. KING: Amazing. They bring all their big iron
14 there. All right. Anyway, that's just a thought.
15 MR. MOSER: That's a good idea. Is it the same
16 time every year?
17 MR. KING: Yeah, pretty much same time every year.
18 MR. MOSER: Okay.
19 MR. LIVERMORE: A lot of times it's in New Orleans.
20 MR. KING: Item 2, discussion and possible action.
21 Item 2A, monthly financials. Jeannie?
22 MS. HARGIS: This is the end of your year, so on --
23 on the balance sheet, we had 284,402.29. You did have
24 \$19,000 worth of payables you can see there, so your real
25 cash balance at the end of the year is going to be

1 \$264,700.30.
2 MR. KING: Where's that?
3 MS. HARGIS: Well, that -- I just subtracted it for
4 you, so you --
5 MR. COWDEN: It's not on there.
6 MS. HARGIS: The accounts payable line is
7 19,701.99.
8 MR. KING: Okay.
9 MS. HARGIS: I had done that --
10 MR. LIVERMORE: Is -- this is my first time to
11 really read one of these, and I'm going to get together with
12 Jeannie. I mean, this is the first cycle. But we are
13 showing 90,000 under budget; is that right? In revenues?
14 MS. HARGIS: Yes.
15 MR. LIVERMORE: Okay.
16 MS. HARGIS: And total amount of revenue collected
17 was 442,337.39. The next page is just salaries only.
18 MR. MOSER: Say the page, Jeannie, so we'll know.
19 MS. HARGIS: Okay. Page 2.
20 MR. LIVERMORE: Well. There's a Page 1 and a Page
21 2.
22 MS. HARGIS: Right. Page 1 --

23 MR. LIVERMORE: The bottom number?
24 MS. HARGIS: Yes, the bottom number. We try to
25 number them on the bottom.

1 MR. KING: Where was the revenue figure?
2 MS. HARGIS: The revenue figure is on Page 2.
3 It'll be the fourth column.
4 MR. KING: Right.
5 MS. HARGIS: Bottom. Page 3 is just the salaries,
6 and so we ended up with 135,265.38. That includes all
7 benefits. The second -- the fourth page is the different
8 categories; personnel, supplies, maintenance, professional.
9 Those are each added separately as well as on Page 5, and
10 then on Page 6 is the utilities for the airport itself -- I
11 mean for the terminal here, and then the total expenditures,
12 again, the fourth column, 442,337.39. So, we basically
13 zeroed out.

14 MR. MOSER: Mm-hmm, okay.
15 MR. KING: Where are you at? Oh, you're on this
16 set.

17 MR. MOSER: Mm-hmm.
18 MS. HARGIS: And then on Page 7, this is our
19 capital account. Total amount in that fund, 163,987.77. We
20 do have some reimbursement on that one of 20,000. That will
21 be coming in -- actually, 9,000 in payables that's not shown
22 on here, and then we have the 20,000.

23 MR. MOSER: Now, who is that coming from?
24 MS. HARGIS: The paving company.
25 MR. MOSER: Okay, got you. Okay, I remember that.

1 MS. HARGIS: Remember, we had to pay it to TexDOT
2 first.
3 MR. MOSER: Mm-hmm.
4 MS. HARGIS: Okay. And Page 8 -- Ed, this is a
5 little confusing. We don't have much revenue in the capital
6 account; it's basically what cash is remaining. The revenue
7 that came in was 56,072.30. That was from RAMP grants. The

8 City and the County both give \$25,000 a year towards that.
9 Page 10, total amount of the projects this year, 397,438.60.
10 And then Page 11 shows a negative, because again, you didn't
11 have that much revenue coming in. The last page -- well,
12 it's not the last page. Page 12 is the airport capital
13 projects, and the first one, which is your re -- the 12/30
14 taxiway relocation, shows cash balance to-date of 111,859.29.
15 That -- those funds can be split between the City and the
16 County once that project is finished, but as you know, we
17 just used \$20,000 of it, so -- for the paving of the road.
18 So, this project is not finished until it's finalized out;
19 TexDOT finalizes it out. I think that, you know, as long as
20 there's money moving around, I don't want to -- as much as
21 I'd like the cash back. But the City did ask for that money
22 back.

23 MR. MOSER: We -- Bruce, do we have anything open
24 on that?
25 MR. McKENZIE: Yes, sir. On the 24th, we're going

1 to pour about 440 yards of concrete right down here, so we've
2 got about a \$70,000 issue that still hasn't been settled yet.
3 MR. MOSER: Okay, got you.
4 MR. McKENZIE: That will take about three weeks to
5 finish that project.
6 MR. MOSER: Okay.
7 MR. McKENZIE: But that should be the last punch
8 list items.
9 MR. WALTERS: On that paving, you were talking

10 about that 20,000. I thought TexDOT said they were going to
11 pay for that.

12 MS. HARGIS: They are going to reimburse us.
13 MR. McKENZIE: Reimburse us. That's all we're
14 waiting for, is the reimbursement.
15 MR. WALTERS: Okay.
16 MR. MOSER: So, 70, 50, so we ought to have about
17 \$60,000 or \$70,000.
18 MR. McKENZIE: Yes, sir.
19 MR. MOSER: When it all --

20 MR. MCKENZIE: All washes out.
21 MR. MOSER: Okay.
22 MS. HARGIS: Okay. The next project is -- the
23 water line project is finished; everyone has the funds back
24 on that, so that one will come off for this next year. The
25 RAMP grant for 2011, we spent all but 2,033.91. The master

10

1 plan was paid this year, and we'll probably take that off for
2 next year, and then we show that there is 50,000 that still
3 belongs to the City for 2012 and 2013 for their RAMP grant.

4 MR. MOSER: Mm-hmm.

5 MS. HARGIS: Okay. That leaves you a balance of
6 163,987 which goes back to your balance sheet. The next page
7 is -- for your information, is the totals that the TexDOT
8 shows that we have on the books for the projects.

9 MR. MOSER: Mm-hmm.

10 MS. HARGIS: And this is off of a ledger sheet that
11 they give us, so that's pretty much it. I think we came in
12 really well. Revenue-wise, we don't anticipate coming in at
13 100 percent, because we -- if you don't need the money, we're
14 not going to give you an extra 100,000, just like we don't
15 really have it to give to you. So, if we did, I'm not sure
16 we'd give it to you then. But -- (Laughter.)

17 MR. MOSER: Let me make an observation. Since it's
18 -- this is through September, right?

19 MS. HARGIS: Mm-hmm.

20 MR. MOSER: So it's through the end of the year.

21 We ran -- went out of the year -- and this is to Bruce --
22 went out of the year at 17 percent under budget, which is
23 fantastic. 16.7 percent under budget. We were Airport of
24 the Year, finished \$12 million worth of construction that
25 nobody had an issue with on the board. I never -- did

11

1 anybody -- any board member ever have an issue? Get called
2 at night or anything else? I think the accommodations to the
3 customers was there. We got the master plan under way,
4 strategic plan being implemented. So, Bruce, I want to say

5 thank you for a job extremely well done.
6 MR. MCKENZIE: Thank you, sir.
7 MR. KING: Thank you, Bruce.
8 MR. LIVERMORE: Absolutely.
9 MR. WALTERS: I agree.
10 MR. MCKENZIE: Thank you.
11 MS. HARGIS: Any more questions? We will be tying
12 this up now, sending it off to the auditors, 'cause we are
13 through. So, that's the next goal. And so next month,
14 everything will -- will start all over again. We may not
15 have your budget on next year next time, but I probably will,
16 because I -- I have all the payables in, and we have to copy
17 over budgets and stuff like that. But it's -- there's quite
18 a bit to closing out at the year end, but I think we came out
19 really well.

20 MR. MOSER: Good job, Jeannie. Thank you.
21 MR. KING: Thank you, Jeannie. Motion to approve?
22 MR. COWDEN: I move.
23 MR. WALTERS: Second.
24 MR. KING: Objection? None being heard, all in
25 favor?

12

1 (The motion carried by unanimous vote, 5-0.)
2 MR. KING: Unanimous.
3 MR. ERWIN: Steve?
4 MR. KING: Sure, Mike. Sorry.
5 MR. ERWIN: On Page 7, it says that we have \$48,220
6 instead of 50,000.
7 MR. KING: Yeah. Yeah.
8 MR. ERWIN: And we would just like to see that
9 corrected to reflect the 50 that we have available.
10 MR. KING: Right. Right.
11 MR. ERWIN: And --
12 MR. KING: Okay.
13 MR. ERWIN: And then also next year, with the RAMP
14 grant, that the City's money be contributed at the same pace
15 that the County's money is contributed at.
16 MR. KING: Okay.

17 MR. ERWIN: So instead of, you know --
18 MR. KING: Spending yours first.
19 MR. COWDEN: Make both --
20 MR. ERWIN: Both at equal amounts on a monthly
21 basis.

22 MR. KING: That's fine. Yeah, that sounds good.
23 Is that okay with you guys on the county?
24 MS. HARGIS: We'll probably just put it in there as
25 a whole, because it's -- it's too difficult to put in there

13

1 on a monthly basis.
2 MR. KING: Okay, that's good too. All right. All
3 right.
4 MR. WALTERS: I'm just curious. What is the reason
5 why the difference of the amount that he's referencing?
6 MS. HARGIS: There was a shortfall in the RAMP
7 grant the prior year, and so that reduced our amount and his
8 amount. But I'll have to go back and research it, but as you
9 recall, we overspent for the master plan, and so the -- and
10 for the RAMP grant, not this year, but the year before. And
11 so when we went to adjust the books, that's what we did. We
12 took some from ours and some from theirs.

13 MR. KING: Yeah, okay.
14 MS. HARGIS: So I think it ended up being, like,
15 you know, \$1,000, or about 1,500.

16 MR. WALTERS: 1,780.
17 MS. HARGIS: Between the two of us.
18 MR. KING: Okay.
19 MS. HARGIS: But I will check and make sure that's
20 correct.

21 COMMISSIONER LETZ: Jeannie, on Page 6, --
22 MS. HARGIS: Mm-hmm.
23 COMMISSIONER LETZ: -- the bottom, come up to where
24 it says revenue over/under expenditures. Why does it say,
25 under year-to-date, zero?

14

1 MS. HARGIS: Because we zeroed out. We didn't --

2 we had as much revenue as we had expenses.

3 COMMISSIONER LETZ: Okay. So, you take out --

4 okay.

5 MS. HARGIS: So it zeroed out, which is what --

6 COMMISSIONER LETZ: What was the -- so the total --

7 the deficit. What's the total deficit, the deficit being the

8 contribution from the City and the County? I mean, what was

9 the -- we contributed money.

10 MS. HARGIS: We contributed --

11 COMMISSIONER LETZ: So -- 228.

12 MS. HARGIS: 228.

13 COMMISSIONER LETZ: So that's the difference --

14 MR. COWDEN: The difference --

15 COMMISSIONER LETZ: -- the difference in what the

16 County puts in, okay.

17 MS. HARGIS: So, that's -- that was the additional

18 funds that were needed, which is a whole lot less than it's

19 been in prior years.

20 COMMISSIONER LETZ: Okay.

21 MS. HARGIS: It's been as high as 500,000, and it's

22 been coming down pretty rapidly since I've been here, in the

23 four years I've been here. So, I think that's a good amount.

24 The leases are up.

25 MR. KING: All right. Hope to see that at zero

15

1 someday.

2 MR. MOSER: Heading that way.

3 MR. KING: That is one of our goals, isn't it?

4 MR. MOSER: Yep.

5 MR. KING: Okay, just checking.

6 MR. MOSER: In our strategic plan.

7 MR. KING: Okay, good. Good. I thought it was.

8 Item 2B, fiscal year -- anybody else have anything?

9 MR. MCKENZIE: We need to approve the budget --

10 MR. MOSER: We did.

11 MR. COWDEN: We did. We had a motion.

12 MR. KING: Johnny on the spot there.

13 MR. MOSER: The financials.

14 MR. KING: All right, we've approved that. Item
15 2B, the FY 2012 budget. This -- okay. Anybody have any
16 comments on this -- on this item?

17 MR. MOSER: There's --

18 MR. KING: I'm always the guy who gets to launch --
19 who launches the missile here.

20 MR. MOSER: I've got a comment.

21 MR. KING: Wonder why people yell at me all the
22 time.

23 MR. MOSER: I've got a comment. Where are we in
24 the budget process? We submitted a budget.

25 MR. KING: Exactly.

16

1 MR. MOSER: We submitted a budget. It was approved
2 by the County; it wasn't approved by the City. The City
3 marked something up, sent it back to the County. Okay? The
4 City marked something up, sent it back to the County. The
5 City and the County voted on something that the City created.
6 I don't know how they created it. Couldn't see the basis of
7 estimate for it. So, this is what we have, so it's back here
8 for what action?

9 MR. KING: I don't know.

10 COMMISSIONER LETZ: Let me -- correction on that
11 comment.

12 MR. KING: I think Jonathan wants to clarify
13 something.

14 COMMISSIONER LETZ: The County -- the interlocal
15 agreement called only for a lump sum amount, which was
16 110,000 funding from each entity. That's all the County did.
17 The County has never taken any action on what the City has
18 done on changing line items.

19 MR. MOSER: Okay. Where's -- where'd the 110,000
20 come from?

21 COMMISSIONER LETZ: That was in the interlocal
22 agreement.

23 MR. KING: They agreed to fund the airport.

24 MR. MOSER: But that was post the submittal of our
25 budget.

1 COMMISSIONER LETZ: Right. Right.

2 MR. MOSER: So wait; don't get things out of

3 sequence there, Commissioner.

4 COMMISSIONER LETZ: Yeah.

5 MR. MOSER: Okay. The 110,000 was -- it was 175.

6 COMMISSIONER LETZ: Right. Correct.

7 MR. MOSER: And both parties agreed to that.

8 COMMISSIONER LETZ: Correct.

9 MR. MOSER: Okay. So now, all of a sudden, we got

10 110. We got some budget which is reflected here. So, I'm

11 not fussing; I'm just trying to understand the process.

12 COMMISSIONER LETZ: Okay. Well, the difference

13 that I'm clarifying is that the County never approved a line

14 item budget for the airport. We've approved --

15 MR. MOSER: Okay.

16 COMMISSIONER LETZ: In our minds, there is no line

17 item budget.

18 MR. MOSER: Sure. So, did you approve the budget

19 that we submitted?

20 COMMISSIONER LETZ: We --

21 MR. KING: I don't think you voted.

22 COMMISSIONER LETZ: I'm not sure we voted on it.

23 MR. KING: I don't think they voted on it.

24 MR. MOSER: So, there was no action taken on the

25 budget we submitted?

1 COMMISSIONER LETZ: Correct.

2 MR. MOSER: So it went to the City, and the City

3 says, "Oops, we don't like this," so they marked it up and

4 sent it back to you guys with a \$110,000 contribution on it.

5 COMMISSIONER LETZ: You -- I wouldn't -- it was

6 more complicated than that. The 110,000 was a number that

7 came up during the City and County trying to come up with a

8 new interlocal agreement.

9 MR. KING: Mm-hmm.

10 COMMISSIONER LETZ: That's where it came from.

11 The --

12 MR. MOSER: You know, it came from what the City

13 marked up.

14 COMMISSIONER LETZ: Right, came up from -- that's

15 where it -- and the County was aware of some of their -- you

16 know, we discussed some of their items, but we never approved

17 a line item. We approved an amount that we agreed to, with

18 our --

19 MR. MOSER: My only point I want to make is the

20 Airport Board never -- was never part of those budget

21 mark-ups.

22 COMMISSIONER LETZ: That's correct.

23 MR. MOSER: That's the point I want to make, okay?

24 MR. KING: And I want to make another point. This

25 is so confusing in that we submitted a budget with \$175,000

19

1 in it as a contribution from the City and the County, at --

2 we were led to believe that was the number. I was led to

3 believe that by Mike Erwin in the back of the room here. I

4 have it in the minutes. I've looked at the minutes of the

5 meeting, and in the minutes of the meeting, the City stated

6 that we came up with a budget of \$175,000 contribution. We

7 had line items for \$175,000 contribution. We proceeded in

8 the meeting -- and I have looked at the minutes -- to cut

9 that budget by approximately 45,000 originally. We cut this

10 budget by 45,000 originally, and in that meeting the City's

11 representative expressed to us that that would not be a great

12 idea to cut it by -- if we cut it, I think the actual words

13 in the minutes are, if you cut that budget -- if you -- if

14 you cut that number, you'll never -- you may never see that

15 money again. Isn't that what you told us, Mike?

16 MR. ERWIN: Yeah, I went back and read those

17 minutes also, and also gave them to both the mayor and

18 Council member Conklin so they could read those. And what I

19 said was you need to write a realistic budget. And I did say

20 that currently, we have 175,000 as part of the interlocal

21 agreement.

22 MR. KING: Mm-hmm.

23 MR. ERWIN: But the Council changed that.
24 MR. KING: But, I mean, I'm just saying the budget
25 we presented to you was based on the number that was given to

20

1 us at that meeting.
2 MR. ERWIN: Yes, sir.
3 MR. KING: \$175,000. So, I just want to make it
4 clear for the record that the \$175,000 that we put in that
5 budget as a contribution did not just come out of thin air.
6 That was a number that had been talked about by the City to
7 us. And we -- you'll also remember at that meeting that when
8 this meeting was over, I presented that budget to you, Mike,
9 and I asked you to take that budget back to the mayor and the
10 City Manager. And I believe my exact words were, if there's
11 a problem or a question about this budget, would you contact
12 myself or Bruce McKenzie. To this date, I've not had a
13 conversation with Todd, the City Manager, or I've not had a
14 conversation with the mayor about that budget or any budget.
15 The only conversations I think we've had on a budget with
16 anybody was that Ed Livermore and Tom Moser met with Stacie
17 Keeble and --

18 MR. LIVERMORE: City Manager.
19 MR. KING: -- the City Manager and went over the
20 budget.

21 COMMISSIONER OVERBY: Which budget did y'all go
22 over, the 75 or the 110?
23 MR. MOSER: We went over the one that -- yeah, the
24 175. And we went over the 175 and the 110 and compared the
25 two, and discussed a lot of different -- a lot of line items.

21

1 We didn't walk away with saying, "Okay, this is it." All we
2 did is identify --
3 MR. KING: Right. Right.
4 COMMISSIONER LETZ: Were you in that meeting, Mike?
5 MR. ERWIN: No, I wasn't in that meeting, but I do
6 have a question. When you and the manager presented -- the
7 Airport Manager presented this to Council, --

8 MR. KING: Right.
9 MR. ERWIN: -- did you present the budget to
10 Council and have a discussion with them at that point?
11 MR. KING: Oh, we did. No, we presented that
12 budget, because I was under the understanding that you guys
13 had looked at that budget. But then I was told that -- I was
14 told approximately seven minutes before the meeting that
15 Todd -- that the City Manager -- the City has never had any
16 discussions with the Council about a budget that they were
17 getting ready to talk about in an open meeting. That's what
18 Todd told me. Todd told me that. I said, "Have y'all had
19 conversations with the -- with the Council about this budget
20 and given them a recommendation?" And I was told by the City
21 Manager, "No, we did not give them a recommendation." So, I
22 was a little bit -- I was a little perplexed when we came
23 into the meeting, that I was talking to five Council members
24 who had not had any direction from the city staff about a
25 budget that they were getting ready to discuss. So, I would

22

1 assume they must have done it on their own, I guess. Maybe.
2 MR. MOSER: I've got one -- I want to comment on
3 one thing you said, Mike. It's kind of offensive. You said
4 we were to put together a realistic budget. That's what you
5 just said.

6 MR. ERWIN: Yes, sir.

7 MR. MOSER: That infers it was not realistic. I
8 find that offensive.

9 MR. ERWIN: It wasn't my intention to be offensive.
10 MR. MOSER: Well, it was offensive, because I think
11 this board and Bruce worked very hard going line item by line
12 item, cut a lot of things out of it, okay. And I think --
13 and I've put together a lot of budgets in my life, and I
14 think it was realistic, so I take issue with what you said.

15 MR. KING: I'd also like to remind the City and the
16 County that I -- I specifically told both parties numerous
17 times that I would sit down with -- we would sit down with
18 anybody. In the Council meeting that I was ambushed by --
19 ambushed by the mayor and the City Council on, with my --

20 when I was presenting the budget, which I thought they had
21 had discussions with city staff about, I -- in the meeting, I
22 stopped the meeting -- I stopped my portion of the meeting
23 and said, "Why don't we have a budget workshop?" We already
24 had a -- in fact, we had a budget workshop three weeks
25 earlier. We had a budget workshop. It was a -- it was

23

1 attended by the County; attended by you, Mike. You were at
2 that budget workshop. And we worked through -- at that
3 budget meeting, we were working off of a number of 175, okay?
4 There was no number of 110 out there. So, you know, we -- if
5 you give us -- and I've told the Council and the County we
6 would cut this budget down to zero if you guys would -- if
7 you guys would give us reassurance that if we cut the budget
8 to zero, there is ample funding -- there's a funding
9 mechanism to get -- to keep the lights on out here and to
10 keep everything running out here. If we -- you know, we put
11 the budget at 100,000 and we go over that because of the
12 expenses, you know, there's some way to fund it. We -- we
13 mentioned that many, many times, to the Council and to the
14 Commissioners Court. As of yet, the only budget workshop --
15 the budget workshop we had, the only one we've ever had, was
16 attended by you, and no other member of Council was in
17 attendance. No member of Council; no member -- the City
18 Manager wasn't here or anything. So, I guess you can see our
19 frustration is that --

20 MR. MOSER: And -- and no feedback.
21 MR. KING: And no feedback. And no feedback. No
22 feedback at all. I mean, I guess our frustration is -- a
23 little bit is that after all of those efforts in trying to
24 get together with the City and the County to discuss a
25 budget, the City took it upon themselves to make us a budget,

24

1 and here's our budget. Now, I read the interlocal agreement.
2 I've read it several times. I've read it with an attorney,
3 and the interlocal agreement says that the Airport Board will
4 present a budget to the City and the County, and in a timely

5 manner -- some timing in there -- and that the City and the
6 County will approve that budget or disapprove that budget.

7 Is that right, Mike? Is that right, Jonathan?

8 COMMISSIONER LETZ: That's correct.

9 MR. KING: Have you read that?

10 COMMISSIONER LETZ: Yes.

11 MR. KING: That -- well, is there a mechanism in
12 there where it says if we do not like your budget, we have
13 Option A of sitting down and rewriting your budget and
14 putting in the numbers that we think you should live by? Is
15 that mechanism in there?

16 COMMISSIONER LETZ: No.

17 MR. KING: I mean, I've read it a couple times, and
18 I'm just trying to find out where that is in that -- that
19 says that. Anybody on this board, have y'all read that?

20 MR. MOSER: I've read it.

21 MR. KING: What does it say? Do you see Item B
22 there?

23 MR. MOSER: It says exactly that. Submitted and
24 approved.

25 MR. KING: I couldn't find -- A or B says submit it

25

1 and approve it or disapprove. There's a mechanism if you
2 disapprove it; you go back to the previous year's budget.
3 That's been in the interlocal agreement ever since I've been
4 on this on board.

5 MR. MOSER: It's still there.

6 MR. KING: So -- so, you know, we get a budget from
7 the City that is put together by the City, without any input.

8 Did you have any input in this budget, Ed?

9 MR. LIVERMORE: None.

10 MR. KING: Corey, did you have any input on this
11 budget?

12 MR. WALTERS: None.

13 MR. KING: Mark? Tom?

14 MR. COWDEN: No.

15 MR. MOSER: No.

16 MR. KING: I had no input. No one's picked up the

17 phone and called me. So, you know, we have a budget that has
18 been put together by the City. Did you have any input in
19 this budget, Jonathan?

20 COMMISSIONER LETZ: In the total number, yes, but
21 not the line items.

22 MR. KING: Not the line items.

23 COMMISSIONER LETZ: I've discussed it with them. I
24 was aware of what was in it, but I didn't make any
25 adjustments.

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1 MR. KING: Okay. I don't have a problem with the
2 bottom line. The bottom number is not -- for me, I mean,
3 that's what it is. It is what it is. If you say your
4 contribution's going to be \$5,000, we'll live with that.
5 We'll figure out a way to make it work. The 110,000 is not a
6 problem. What my concern is, is that -- that this budget is
7 not in line with the interlocal agreement that was approved
8 by the City and the County, so how can we vote on it? I
9 don't see how we can vote on this budget. It's not our
10 budget. If we do this, we're violating the -- I feel like
11 we're violating the interlocal agreement.

12 MR. MOSER: I think there's one other thing that's
13 very significant, and I think we could -- we could work to
14 that bottom -- bottom line number, and we'd probably make it
15 based on what we did this year. Probably make it. I don't
16 know that we could. But the question is, what do we do if we
17 don't? The other thing is, it's not only the bottom line;
18 it's every line in here. We can't do anything from line item
19 to line item, so somebody knows how to run this airport
20 better than we know how to.

21 MR. KING: I think there's a mechanism there
22 for -- Mike, is it 20 percent?

23 MR. MOSER: 20 percent.

24 MR. LIVERMORE: Either 20,000 or --

25 MR. MOSER: So it's 5 percent.

27

1 MR. KING: 5 percent.

2 MR. MOSER: \$20,000.
3 MR. KING: That we can move --
4 MR. MOSER: That we can move line item to line
5 item.
6 MR. KING: Right. What is the mechanism if we
7 don't have enough money?
8 MR. MOSER: We got to go back. If you want to move
9 anything, you have to go back to the City and the County.
10 MR. LIVERMORE: If it rains next year and we have
11 to mow five times, not three times, and we're going to go
12 over that line item, that will exceed the \$20,000.
13 MR. MOSER: That's right.
14 MR. LIVERMORE: We have to go to the City Council,
15 apparently, and beg them to be able to mow the grass.
16 MR. MOSER: Well, we have to get their approval. I
17 don't know if we have to beg them.
18 MR. KING: Say the AWAS blows up. Who maintains
19 that AWAS?
20 MR. McKENZIE: Vaisala does.
21 MR. KING: Who pays for that?
22 MR. McKENZIE: Half of it is paid with the RAMP
23 grant; we pay for the other half.
24 MR. KING: Say it gets struck with lightning. We
25 have to fix it.

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1 MR. McKENZIE: It's very expensive.
2 MR. KING: Do we need -- I guess what we have to
3 do --
4 MR. MOSER: Well, what it says is if there's an
5 emergency, you've got the authority just to do it.
6 MR. KING: Okay.
7 MR. MOSER: If you -- if there's an emergency, you
8 have -- the president has the authority to do it, and then to
9 notify the City and the County.
10 MR. KING: I guess -- I guess I'm just -- my
11 concern is not over -- they may have all these numbers in the
12 right place. They all may be in the right place. Y'all may
13 all agree with them, okay? My -- I guess my problem is -- is

14 that I don't see how -- I think the proper mechanism -- and
15 I've talked to Rob about it -- Rob Henneke about it. I think
16 the proper mechanism is for us to -- we're going to have to
17 re-present a budget to the City and the County.

18 MR. LIVERMORE: Mike, are you listening?

19 MR. ERWIN: No, sir, I was talking.

20 MR. KING: Don't you think the proper mechanism,
21 Mike -- I don't know; heck, why am I asking you? I'll ask
22 our board. Is the proper mechanism is to resubmit this
23 budget to the City and the County --

24 MR. MOSER: Yes.

25 MR. KING: -- for approval?

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1 MR. WALTERS: I think we need to resubmit a budget.
2 MR. KING: A budget --
3 MR. WALTERS: A budget that the Airport Board feels
4 comfortable in submitting. Whether the City and the County
5 accept our budget is up to them.

6 MR. MOSER: Okay.

7 MR. LIVERMORE: That's right; I agree.

8 MR. MOSER: Okay. And it'll be -- it will be
9 like --

10 MR. KING: Do you have a problem with that?

11 COMMISSIONER LETZ: I don't, no. But I do want to
12 make a comment as to a little bit of the process that -- I
13 think it needs to at least be on the record. During the
14 summer, when there was a lot of meetings between the City and
15 the County, trying to -- on the interlocal agreement, the
16 County repeatedly requested that the representative from the
17 City meet with the Airport Board on the budget, and the City
18 representatives refused. So, I want that on the record,
19 that, you know, the County was not comfortable with the
20 budget process. And in retrospect, you know, what we did
21 ultimately was to get an interlocal agreement through that
22 kept this board and this Airport Manager in place.

23 MR. KING: Right.

24 COMMISSIONER LETZ: And, you know, the other thing,
25 I think the -- I want to go back to the 175,000 originally.

1 The reason the County -- and the County may have voted on
2 that budget. I have to look back at the minutes. I'm not
3 sure if we did or did not approve the budget; I can't
4 remember. But the reason the County was so -- was very
5 comfortable with going with 175,000 is because that number
6 was very similar to the previous year. It was less than the
7 previous year, but basically the same way.

8 MR. MOSER: Correct.

9 COMMISSIONER LETZ: And the owners previously, and
10 in that prior year, required a certain amount of funds be
11 allocated for things like road maintenance, engineering, and
12 things like that. So, that budget was very much in line with
13 that, and we were very confident the Airport Board would not
14 go spend the money, as shown by expenditures last year.

15 Y'all spent a hundred and --

16 MR. MOSER: \$88,000.

17 COMMISSIONER LETZ: 188?

18 MR. MOSER: No, 88,000.

19 MR. KING: 88,000 less than what was budgeted.

20 COMMISSIONER LETZ: Well, but the contribution
21 originally was 393 -- almost 394,000. We ended up
22 contributing 228,000. So, whatever that difference is is the
23 reduction, so we're very comfortable with the Airport Board,
24 the fact that -- we said if you need this much, that was
25 there, and we were committed to spend that much. But we're

1 also very confident the Airport Board was going to spend what
2 was actually necessary, and that's why it came in so much
3 less. So, that's why we had no problem with the budget,
4 'cause if it's a little bit higher, if it wouldn't be spent,
5 'cause we knew the way y'all have been operating the airport,
6 just the history side of it. We also knew when we agreed to
7 the 110,000, we knew the actual number. We were -- we had
8 the benefit of being right towards the end of the budget
9 year. We knew that, you know, 110 times two is 220, which is
10 very close to the contribution this year.

11 MR. MOSER: Yeah.
12 COMMISSIONER LETZ: That's why we came to -- agreed
13 to those total numbers. Mike made a comment, and it is
14 accurate that he and Jeannie worked on that line item budget
15 some together. I mean, 'cause, obviously, the County had the
16 records, and they did talk.

17 MR. MOSER: But for the record, Mike and Jeannie
18 have never run an airport.

19 COMMISSIONER LETZ: That's correct.

20 MR. MOSER: So, they developed the budget. I just
21 want that to be on the record, is that's where the budget --
22 how the budget got developed.

23 COMMISSIONER LETZ: Right. And the County
24 intentionally did not approve that line item budget. The
25 City did, as I understand.

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1 MR. MOSER: Yeah.
2 COMMISSIONER LETZ: The County did not. The County
3 very clearly, in the motion that I made, said we approved the
4 interlocal agreement that had a gross amount for a budget of
5 110,000, but did not approve the line item, because we don't
6 think that -- we think it needs to have input from the
7 airport. Y'all -- it's your budget.

8 MR. KING: And I don't have a problem with Mike and
9 Jeannie working on a budget. Y'all can work on a budget till
10 your fingers fall off out there if you want to, if that is
11 going to enable you to come to a bottom line. And that's
12 what I think you're doing. I mean, you got to put little
13 numbers in the slots so when they all add up, they come down
14 to a number that you -- you hopefully -- you know, that's got
15 to be your 110. Like I said, I don't have a problem with
16 110. I don't have a problem with 100, 90, 80; it doesn't
17 matter. Whatever you guys -- it's your money. So, I've
18 always told you -- I've bet I've told you at 100 meetings, or
19 100 times, it's your money, not our money. You give it to
20 us -- you fund it to us. We will spend it in the -- in the
21 best way we think to run this airport. So, if you guys need
22 to get together and you have a -- have your own little budget

23 workshop, come up with a budget, come up with your line items
24 and everything that comes up to 110,000, that's fine, okay?
25 But -- but what I don't understand is why this was not

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1 presented to us prior to the City Council voting on it. I
2 mean, why has there not been a workshop? Why have y'all not
3 come back to -- I mean, why have y'all not come back to this
4 Airport Board when you got to that 110 number? When you got
5 to that 110 number, why didn't someone pick up the phone and
6 go, "Bruce, we've come to a number. We think this is the
7 number." Mike, you talk with Todd all the time. You guys
8 knew at some point 110 was going to be the number you took to
9 the County, 'cause y'all took that number to the County. Who
10 came up with the 110 number? Did you come up with it,
11 Jonathan?

12 COMMISSIONER LETZ: No.

13 MR. KING: When's the first time you heard the 110
14 number?

15 COMMISSIONER LETZ: It was from Todd Parton.

16 MR. KING: When? In a meeting? In an e-mail?

17 COMMISSIONER LETZ: It was in a meeting or over the
18 phone.

19 MR. KING: Okay. Well, when that number -- when
20 Todd came up with that number, pick up the phone and call us.
21 Pick up the phone and call. I mean, I don't know how many
22 times I've said, "Pick up the phone." I said, "Pick up the
23 phone." The phone never rings. It never rings. So, pick up
24 the phone and call us. And then we -- if you say, "Look,
25 this looks like 110 is going to be a really good number for

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1 us to work off of," then we'll have a budget workshop and
2 we'll come up with our budget -- our line items, and the
3 bottom line will equal 110, and that's the way the mechanism
4 works. I mean, that's -- I'm -- I just -- if I'm missing
5 something here, explain to me how that can not be the proper
6 way to do that. You know, right now we're going through the
7 back door. I mean, somebody just opened the door back up,

8 and we're going to have to -- we're going to have to send a
9 budget -- we're going to have to do the same thing we would
10 have before if we would have been notified what the number
11 was at some point.

12 MR. LIVERMORE: If the phone doesn't ring, it's the
13 City.

14 MR. KING: I don't -- I just don't understand. I
15 mean, I don't understand why we -- why we can't get -- I
16 mean, we want to do everything we can to make this thing
17 work. I mean, we do. But us having to go backwards in the
18 process is not the proper way for us to manage our time. I
19 mean, we're spending a lot of time on this. And this -- you
20 know what this should have been? This should have been not
21 on the agenda, is what it should not have been.

22 MR. MOSER: Well, it has to be --

23 MR. KING: We've already approved a budget.

24 MR. MOSER: It has to be on the agenda now 'cause
25 of what we have, so let me propose something. Let me propose

1 we take the bottom line of what the City and the County have
2 produced.

3 MR. KING: Mm-hmm.

4 MR. MOSER: Let's structure a budget that's
5 consistent with that, line item by line item, in a workshop;
6 have a workshop to do it. City and County should be at the
7 workshop, and then show what our recommendation -- we show if
8 we can make it, okay? And -- and based on last year, we can
9 probably do it, but there are probably going to be risks
10 associated with it. We ought to identify a lot of what those
11 risks are, and we ought to identify, as you said, if we
12 exceed that, what is the mechanism by which we get that --

13 MR. KING: Mm-hmm.

14 MR. MOSER: -- that corrected or modified.

15 MR. KING: Right. Right.

16 MR. MOSER: Okay? So -- but I think that's what
17 we've got to do, because Bruce has got his hands tied with
18 what we have on the table. And they may not be tied too
19 tight, but he can't -- if I were Bruce, I wouldn't sign up to

20 a budget saying I'm going to live within it, and can't
21 deviate line item by line item. He can't do his job that way
22 and still be -- and still have a performance review based on
23 him managing that budget. So, Item 1, let's have a workshop.
24 Item 2, let's work on the bottom line that the City and
25 County has given us. Item 3, let's identify deviations from

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1 what we think internally within the budget, or identify risks
2 that go with it, and then resubmit that to the City and the
3 County for their approval.
4 MR. KING: Okay. Wait, Mike. I want to -- I want
5 to clarify one statement I made, Mike, was that when you --
6 when you came up with the 175 number, I know that that was --
7 that was a number that you guys thought was going to work.
8 That was the number, okay? And when we worked off of that
9 175 number, that was a number that you indicated that the
10 City -- that Todd, you know, thought would be a number that
11 we could shoot for and everything. And so, you know, it was
12 all done in good faith on your part and on our part that we
13 negotiated that budget at 175. But I guess what I'm just
14 trying to -- I'm trying to make a point of is that when y'all
15 came to the 110 number, the first guys that should have got
16 the call that 110 looked like it was going to be the number,
17 even after y'all had a meeting on the interlocal agreement --
18 when y'all had a meeting on the interlocal agreement, and
19 y'all said 110 is the number, stamped it, and so you pick up
20 the phone and say, "Hey, guys, don't y'all think you need to
21 get a new budget that's got 110 on it so we can look at it
22 and approve it?"

23 But, no, we got a budget at 110. So I think the --
24 we kind of got the cart before the horse there, in that, you
25 know, that mechanism -- there's got to be a mechanism in

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1 place where we have a -- we are notified of the number
2 that -- that you guys are going to fund, and then we can come
3 up with a budget equal to that funding. If not, we're going
4 to have to -- you guys are going to disapprove our budget,

5 and then there's no mechanism for it to come back to us and
6 be reworked. It basically goes to last year. Isn't that
7 correct, Jonathan? So, I mean, I'm just trying to make the
8 process move a little smoother next year, so that we don't
9 have this same situation come up, and that -- you know, we're
10 only, like, six miles away from the city and the county. I
11 mean --

12 MR. MOSER: No, you're in the city.

13 MR. KING: I think we're -- I mean from the
14 court -- from the city offices. So, I'm just trying to
15 figure out a way to make it work smoother so that we don't
16 have all these problems.

17 COMMISSIONER LETZ: I think one other comment there
18 is just more to -- when you do the budget workshop agenda, --

19 MR. KING: Yeah.

20 COMMISSIONER LETZ: -- just something I really
21 hadn't thought of until now, a little bit of a concern as
22 well. The management contracts needs to be on there, because
23 the management contract, we were never talked to, really. I
24 mean, we kind of -- these line item numbers were put in
25 there. The management contract was kind of -- the City never

1 asked our opinion on the management contract; it just came up
2 with a bottom line number. Things in the management contract
3 that were built in previous years when we had it, and
4 certainly when the City had it, those numbers are all out of
5 the budget this year. So, if it wasn't an identified
6 expenditure, it wasn't included. And I think that the -- the
7 County needs to clarify if there's road work that needs to be
8 done out here, there's no money in the management contract to
9 do road work out here this year, because it was taken out.
10 And I think we need to -- it's an important point, because
11 that's very different than the way the management contract
12 was done last year in the budget, and certainly very, very
13 different than the way when the City had the management
14 contract. 'Cause the City, when they had it, they took the
15 total amount that was projected, and the County paid off that
16 amount monthly. It wasn't -- there was no tie directly to

17 expenditures. So --

18 MR. KING: I thought you had a different plan on

19 that. Don't you and Mike -- I thought y'all used it.

20 COMMISSIONER LETZ: During the budgeting, the -- I

21 think the County's preference is -- and the City has no

22 objection to it, is to pretty much eliminate the management

23 contract, move the employees to the airport, and pretty much

24 have everything work, you know --

25 MR. KING: Do you know about that, Mike? Have you

1 discussed that?

2 MR. ERWIN: That would have to be a decision made

3 by our Council. That's not something I could make.

4 MR. KING: But have you heard about that?

5 MR. ERWIN: There were a lot of discussions that

6 happened between our two representatives and the County's two

7 representatives. I was not the staff member there.

8 MR. KING: Okay, you weren't there.

9 MR. ERWIN: So some of the things that are being

10 said this morning, I wasn't --

11 MR. KING: Okay. All right.

12 COMMISSIONER LETZ: That conversation has taken

13 place.

14 MR. KING: Good.

15 COMMISSIONER LETZ: In fact, there was a -- there

16 was some effort to try to work on a -- you know, the hundred

17 -- the budget that y'all ended up with to try to incorporate

18 some of those ideas into it, and it was not practical to do

19 it in the amount of time left. But from my conversations

20 with the City Manager, they're open to discussing that as a

21 concept, and probably that discussion should take place

22 before y'all rework the budget.

23 MR. KING: Well, and I think I also -- if that

24 doesn't work out, we're going to put this out on an RFP; is

25 that correct, next year? Don't we have a --

1 MR. MOSER: That's right.

2 MR. KING: We've agreed to --

3 MR. MOSER: We agreed to have a definitive request
4 for quotes.

5 MR. KING: Right.

6 MR. MOSER: Line item by line item, or -- or task
7 by task.

8 MR. KING: Right, we'll offer that to the County
9 and the City so they can both bid on it. But I'm hopeful
10 maybe before that happens, y'all can figure out a different
11 way to do it so that there's --

12 MR. LIVERMORE: To avoid that.

13 MR. KING: To avoid that. Just to avoid that. We
14 can go to a different way, because I think it -- you know,
15 the discussions I've had with you, Jonathan, is, you know, we
16 probably could save \$40,000 -- \$30,000, \$40,000, possibly, if
17 we did it -- if we did it a different way.

18 COMMISSIONER LETZ: Off the 175 number you can save
19 that much. I'm not sure you can save that much off of the
20 110, because the 110 is pretty stripped.

21 MR. KING: Yeah. No, I'm talking about -- how much
22 is your management contract in the budget?

23 MS. HARGIS: 158.

24 MR. KING: 158. Right, okay. But there's got to
25 be some stuff in that 158 that is -- that is numbers that

1 are --

2 COMMISSIONER LETZ: Like engineering.

3 MR. KING: They're in there in case we need them,
4 and if we don't need them, we still pay for it. It's in the
5 management contract.

6 COMMISSIONER LETZ: You do not pay for it.

7 MR. KING: We don't pay for it?

8 COMMISSIONER LETZ: The way the City -- the County
9 ran it, we had it in a management contract, a commitment from
10 the County, but if it wasn't spent, it wasn't -- the City --
11 I mean, last year we paid 100 percent of it, so it didn't
12 make any difference, but as we go forward this year, the
13 City's contribution will only be what is actually spent.

14 MR. KING: Okay. Okay. Well, we need to talk
15 about -- that needs to be a good discussion, because there's
16 got to be a better way to handle that management contract so
17 that everyone feels like they're being treated fairly, and we
18 can offer the same, you know, basket of eggs to one party as
19 we do another party, and a third party also, if a third party
20 wants to bid on it. Then you have the same baskets and
21 everybody can look at it.

22 COMMISSIONER LETZ: Right.

23 MR. KING: Hopefully you'll figure out a way to do
24 that better before we get there. Okay, back to this --

25 MR. MOSER: So, should we -- yeah, okay.

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1 MR. KING: So we can't --

2 MR. MOSER: So the action here will be to schedule
3 a budget workshop.

4 MR. KING: Well, I guess, first of all, is there
5 any motion to approve this budget? No, we can't approve it.

6 MR. MOSER: Can't approve it.

7 MR. KING: We didn't submit it. We didn't submit
8 it.

9 MR. MOSER: I'm not going to vote to approve
10 something I don't -- I don't know anything about.

11 MS. BAILEY: The procedure -- according to the
12 interlocal agreement, the only possible action at this point
13 is that last year's budget becomes the budget. Although you
14 understand that neither the City nor the County have approved
15 that. You've got to have some budget to operate under right
16 now, so it seems to me like you should just acknowledge that
17 the government interlocal agreement makes that last year's
18 budget in place; call that the budget so that they have funds
19 to work from, and then take the next month or two months,
20 however long it takes, to make a modification of the budget
21 that is agreeable not only to this board, but to the City and
22 the County. 'Cause otherwise, you're operating with no
23 budget at all.

24 MR. MOSER: So, no action is required.

25 MS. BAILEY: Except to make a plan for how you're

1 going to --

2 MR. MOSER: Right. So, we're operating under last
3 year's budget.

4 MS. BAILEY: That's what the interlocal agreement
5 says.

6 MR. MOSER: That's what it says, clearly.

7 MS. BAILEY: So, I think that's not funded. It has
8 not been agreed to be funded by the City and the County.

9 MR. KING: Do y'all have any opinion?

10 COMMISSIONER LETZ: The problem is that that's a
11 new interlocal agreement.

12 MR. ERWIN: It's a new interlocal.

13 MR. MOSER: I believe the new interlocal agreement
14 says the same thing.

15 COMMISSIONER LETZ: I don't think it makes -- from
16 an operational --

17 MR. MOSER: I think the new interlocal agreement
18 says the same thing.

19 MR. ERWIN: Here you go.

20 MR. KING: The new one says the same thing.

21 MR. ERWIN: Here's the copy of the new one, if you
22 want to identify where it says that.

23 MR. KING: Well, it says -- it doesn't -- didn't
24 y'all leave the language in there about reverting back to the
25 old budget?

1 MR. MOSER: I think it does, Mike.

2 MR. KING: Read it.

3 MR. MOSER: I think it does.

4 MR. KING: Mike, we're not going to -- we're not
5 going to argue with you.

6 MS. BAILEY: You got to have some money to operate
7 with; that's my concern.

8 MR. MOSER: I think it says that. I read it.

9 MR. KING: I don't know.

10 (Low-voice discussion off the record.)

11 MR. KING: I just want to -- I just want us to
12 do -- I don't want to leave here not doing the proper thing,
13 the proper procedure for continuing.

14 MR. LIVERMORE: I think, Mr. Chairman, you have
15 explained very carefully and very well how we have landed in
16 the particular corner in which we find ourselves.

17 MR. KING: Right.

18 MS. BAILEY: Should neither not approve the board
19 budget, previous year's board budget shall be automatically
20 adopted for the coming year.

21 MR. MOSER: That's what I just said. That's the
22 new interlocal agreement. I read the damn thing.

23 MR. KING: Okay. So -- so --

24 MR. MOSER: I think everybody in this room ought to
25 read the agreement.

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1 MR. KING: I read it. So -- okay. Ed, do you have
2 anything else? So I think -- I mean, I think Tom is -- I
3 don't think it's any -- this is the only way we can do it.
4 It's really the only way we can do it. We don't have the
5 budget that we -- let's go over the chronology here. The
6 budget we presented to the City and the County, the only
7 budget that we've ever voted on and presented to the City and
8 the County was not approved by the City and the County, okay?
9 And, I mean, I think it just stops there.

10 MR. MOSER: Okay.

11 MR. KING: That's it. And so, therefore, we have
12 to go with the interlocal agreement, which says that we will
13 revert back to last year's budget. However, we are -- we're
14 still not going to get funding for more than 110, so we're
15 not really --

16 MR. MOSER: Right.

17 MR. KING: -- not really jumping across any bridges
18 here.

19 MR. MOSER: But it gives him the authority to keep
20 operating.

21 MR. KING: But it gives Bruce authority to keep
22 operating, and we will set a budget workshop for as soon as

23 we can.

24 MR. MOSER: Right.

25 MR. KING: So that we can come up with a budget,

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1 and that budget will -- I am fairly certain we'll end up with
2 a number of 110, you know, as a contribution from the City
3 and the County. The contribution will be \$110,000. And,
4 however, the numbers to get there will be numbers that we
5 have come up with as an Airport Board, as required by the
6 interlocal agreement, because the interlocal agreement says
7 that the Airport Board will come up with a budget -- will
8 come up with a budget and present that budget. And we will
9 present that budget to the City and the County, and then
10 hopefully they will both approve it and we can go on about
11 our merry way.

12 MR. MOSER: That's it.

13 MR. WALTERS: I'd like to, at that budget
14 workshop -- I mean, I realize that the number is 110, but I
15 think, again, the board has to be confident that the budget
16 that we prepare is what the airport can operate under.

17 MR. MOSER: Right.

18 MR. WALTERS: So it may not be 110; it may be 114 a
19 piece.

20 MR. KING: Okay.

21 MR. WALTERS: And so I'm -- I don't know what it
22 will be.

23 MR. KING: Yeah, I agree. Okay.

24 MR. WALTERS: And I think it should be a -- it will
25 be a budget that the Airport Board feels like the airport can

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1 adequately operate, and that will be the budget that we will
2 prepare and submit to both the City and County.

3 MR. MOSER: And I agree with you. I think all we
4 need to do is say that's our mark to shoot toward, okay?
5 \$110,000 contribution from each, that's our mark, and we'll
6 do everything we can to make it fit within that. And it may
7 be a little bit less than that. Could be.

8 MR. WALTERS: Could be.
9 MR. MOSER: You know.
10 MS. BAILEY: Keep in mind, it's going to be a
11 budget amendment, not a budget. We already have a budget.

12 MR. KING: Exactly. We've already submitted a
13 budget.

14 MR. MOSER: Okay.

15 MR. KING: How's that sound to you guys?

16 COMMISSIONER LETZ: Good.

17 MR. KING: Mike, is that -- I mean, does that sound
18 like a mechanism that will work? Does that sound like the
19 only mechanism we have at this time?

20 COMMISSIONER LETZ: Yes, I would agree.

21 MR. KING: Jonathan? I don't see any other options
22 at this time. I don't see -- we can't vote on a budget that
23 we -- we can't vote -- we can only vote on budgets that we
24 submit to the City and the County. And we haven't had,
25 really, an opportunity to --

1 MR. LIVERMORE: Mr. Chairman, I just -- being the
2 new member here, just to make sure I understand, if we were
3 to do otherwise, if we were to, say, adopt the budget the
4 City has sent us, we would be in violation of -- of the
5 interlocal agreement, would we not?

6 MR. KING: We didn't prepare it, yes. If we
7 haven't prepared the budget --

8 MR. MOSER: What we'd have to do is have to agree
9 to it and send it back and say we agree, and obviously, they
10 would agree to it, and that would be that. But that would be
11 the procedure.

12 MR. KING: I mean, you know, unless you guys would
13 like to go over this budget right now --

14 MR. MOSER: No.

15 MR. KING: -- and make changes. Would anyone like
16 to go over this budget, go through it, have a budget workshop
17 now?

18 MR. MOSER: No. I think the thing -- before we do
19 that, Bruce has got to take this; Bruce has got to develop a

20 strawman. Then we have to have the budget workshop using as
21 a basis what Bruce comes up with as an operating budget. And
22 -- and we're just talking about the operating budget now.
23 We're not talking about the capital budget; let's make that
24 very clear. This is -- the 110,000 contribution by each
25 member -- each owner is for an operating budget for this

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1 year. So -- so let me make the motion that Bruce take --
2 Bruce establish a budget, okay? Modify it -- an amended
3 budget from what we submitted before. Let's set a date for
4 the -- for the budget workshop, and let's proceed to -- to
5 resubmit that amended budget to the City and the County for
6 approval.

7 MR. LIVERMORE: Second.

8 MR. WALTERS: Second.

9 MR. KING: Discussion? All in favor?

10 (The motion carried by unanimous vote, 5-0.)

11 MR. KING: 5-0.

12 MR. MOSER: Okay, let's set the date.

13 MR. KING: Wow. When can we do that? We should do
14 it real quick.

15 MR. MOSER: Yeah, we should. I don't think it's
16 going to take us long.

17 MR. KING: Anybody have any plans for next week?

18 MR. COWDEN: Next Monday, maybe?

19 MR. LIVERMORE: Monday?

20 COMMISSIONER LETZ: We have Commissioners Court.

21 MR. KING: Commissioners Court. How about the
22 afternoon?

23 MS. HARGIS: Afternoon would be good.

24 MR. KING: Afternoon. Want to do it in the
25 afternoon?

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1 MR. MOSER: That's great.

2 MR. LIVERMORE: I'm -- I'm worried about Monday.

3 MR. KING: It comes once a week.

4 MR. LIVERMORE: I know. It's a big day. We're

5 leaving the next day on a week-long trip, and I -- something
6 is -- the reason we didn't leave on that day is because
7 something else was on the calendar, and I don't remember.
8 Maybe it's on here.

9 COMMISSIONER LETZ: Monday afternoon isn't going to
10 be great for me, but I don't have to be here.

11 MR. KING: Oh, it's not? Can you come, Guy?

12 COMMISSIONER OVERBY: I can be there. I mean,
13 there's a lot going on next week. I think all my stuff --

14 MR. MOSER: Well, I think it's important to do it
15 soon.

16 MR. KING: I just don't think we need to go a whole
17 long ways.

18 COMMISSIONER LETZ: We can do it early afternoon.
19 I've got to leave town.

20 MR. KING: We can do it right after your
21 Commissioners Court. We can do it right after your
22 Commissioners Court meeting.

23 MR. MOSER: That's fine.

24 COMMISSIONER OVERBY: Set it at 1:00?
25 MR. KING: We got to wait on Ed here.

1 MR. LIVERMORE: I don't see on it here, so I must
2 be remembering something else.

3 MR. KING: Try to set it for 1 o'clock, and then if
4 something pops up --

5 COMMISSIONER LETZ: I think you need -- subject to
6 the City being able to have someone --

7 MR. KING: Mike, can you send, like, a platoon of
8 people out here this time?

9 MR. ERWIN: What I'm doing is, I'll talk to the
10 members who have been appointed to the planning committee.

11 COMMISSIONER LETZ: Good idea, yeah.

12 MR. ERWIN: And see if they're able to attend the
13 budget workshop.

14 MR. KING: I would -- I would anticipate that each
15 member will have a plan, and have some ideas.

16 MR. MOSER: Yeah. Let's have that -- have looked

17 at the budget, and Bruce would be able to send everyone your
18 ideas prior to that.

19 MR. MCKENZIE: I can do that.

20 MR. KING: Then -- and so we wouldn't be starting
21 from scratch, and just have a blank discussion to start with.
22 So, why don't we -- why don't we try and encourage each
23 member to work -- look at the numbers that Bruce had, come up
24 with some ideas on your own so that we can try to get this --

25 MR. MOSER: Right.

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1 MR. KING: -- kind of get this done in a very
2 timely manner.

3 MR. MCKENZIE: We also need to plan it around when
4 Kathy can be here, 'cause she needs to be here.

5 THE REPORTER: I can't talk and write at the same
6 time.

7 MR. KING: Okay, we can't talk any more.

8 MR. MOSER: Bruce, can you, like, have that draft
9 to us by Thursday or Friday?

10 MR. MCKENZIE: Yes, sir. I'll have it to you by
11 the middle of the day Thursday, hopefully.

12 MR. MOSER: Okay. Middle of the day Thursday,
13 good. That will give everybody a chance -- if you can't be
14 here, Ed, you can take a look at it, and we can talk --

15 MR. LIVERMORE: I think I can make it.

16 MR. MOSER: Okay, good. Cool. 1 o'clock.

17 MR. KING: Yes, Commissioner?

18 COMMISSIONER LETZ: Just to keep Bruce probably
19 from doing a whole lot of work, wouldn't it make sense to
20 have the meeting of the planning committee or budget,
21 whatever this -- whatever you want to call this meeting,
22 first to find out if we're going to try to switch how we
23 break things out with the interlocal -- with the management
24 contract, so we don't do it twice? 'Cause -- does that make
25 sense?

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1 MR. MOSER: Say that again?

2 MR. KING: Say that again.
3 COMMISSIONER LETZ: If the management contract's
4 going to be redone so the employees get shifted to the
5 airport, would it make sense to make that decision first?
6 MR. MOSER: Sure.
7 COMMISSIONER LETZ: Before we do another budget?
8 MR. KING: When are you talking about doing that?
9 COMMISSIONER LETZ: Well, could that take place
10 next Monday? Get a direction, and then the following week
11 come up with an actual budget.
12 MR. KING: Are you talking about having a planning
13 -- having a planning committee meeting?
14 COMMISSIONER LETZ: Right.
15 MR. KING: That we --
16 MR. MOSER: A planning committee for the -- the
17 planning committee? No. No. You're talking about having
18 a --
19 COMMISSIONER LETZ: Well --
20 MR. KING: I think he is.
21 COMMISSIONER LETZ: Yeah, have a planning committee
22 meeting, then have a budget workshop after that. I mean, it
23 doesn't make sense to me to do a budget once, and then have
24 it changed again. I mean, 'cause everyone -- I mean, time
25 gets invested every time.

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1 MR. LIVERMORE: You're saying have a meeting on the
2 24th to make this decision?
3 COMMISSIONER LETZ: Have a planning committee
4 meeting to see how they -- how everybody wants to go forward,
5 trying to figure out -- to get a budget.
6 MR. LIVERMORE: And then have the budget workshop
7 the 31st?
8 COMMISSIONER LETZ: Something like that.
9 MR. KING: Are you guys far enough along in that
10 idea, do you think, to -- to have -- if we had -- if we had
11 the City and --
12 COMMISSIONER LETZ: The problem is, we -- I mean,
13 we've talked about it. And Jeannie and I have talked about

14 it, and I have talked about it conceptually only, but we just
15 haven't --
16 MR. MOSER: I don't think y'all ought to put these
17 in series that way. I think we ought to go through with our
18 budget the way we have the agreement, and if the City and the
19 County change, or --

20 COMMISSIONER LETZ: Okay.

21 MR. KING: If you guys were further along with
22 that, Jonathan, I would, but that's going to be the first
23 meeting. I know that first meeting is going to be --

24 COMMISSIONER LETZ: Okay.

25 MR. MOSER: We got a bunch of things to discuss at

1 that first meeting.

2 COMMISSIONER LETZ: All right.

3 MR. KING: People jockeying --

4 COMMISSIONER LETZ: That way, at least we're
5 working towards a budget that we --

6 MR. MOSER: Let's go -- let's take what we

7 submitted; let's take this and let's do what we just said.

8 MR. KING: I don't want to -- I don't want to

9 neglect our duty of the board to submit a budget to the City

10 and the County.

11 MR. MOSER: Right.

12 MR. KING: That can be voted on. So, we need to go

13 ahead and just get --

14 MR. MOSER: I think it could take you guys a month

15 to figure out the other thing.

16 MR. KING: Took them four months.

17 COMMISSIONER LETZ: That's optimistic.

18 MR. KING: I think you're very optimistic.

19 MR. MOSER: Okay.

20 MR. KING: So, okay, we're going to try to do this

21 Monday. It'll just be a budget workshop, and we encourage

22 all to attend.

23 MR. MOSER: 1 o'clock.

24 MR. KING: As we've said in the past, everyone has

25 input.

1 MR. MOSER: Okay.

2 MR. KING: Okay. All right. Recommendation of
3 Airport Board members to serve on the planning committee.
4 Airport Board.

5 MR. WALTERS: I've -- I've thought about this and
6 the purpose of that planning board, and it seems to me that
7 the logical members would be people who have the most history
8 with the airport, and also the most history with the
9 development of the master plan. And to me, that is both Tom
10 and the president, Stephen King, and I recommend that we
11 elect Tom Moser and the Airport Board President, Stephen
12 King, to that planning committee.

13 MR. LIVERMORE: I agree.

14 MR. COWDEN: Is that a motion?

15 MR. WALTERS: I make a motion that we elect Tom
16 Moser and Stephen King to that planning committee based on
17 the most knowledge of the airport and the master plan.

18 MR. KING: What do you think, Tom?

19 MR. MOSER: Second. (Laughter.)

20 MR. COWDEN: Already got a second.

21 MR. MOSER: Oh, we got a second.

22 MR. KING: Discussion?

23 MR. MOSER: I think -- I think Corey hit the nail
24 right on the head. I think there's going to be a lot of
25 discussion about the master -- the strategic plan, what we've

1 done, the master plan, and what we've -- what we've done to
2 get to where we are today and where we want to go in the
3 future. To me, that's what planning -- that, to me, would be
4 what a planning committee would be looking at; where we've
5 been, how do we get here, and where do we want to go, and
6 then get directions from that. So I think -- I think Corey
7 said it, hit the nail right on the head.

8 COMMISSIONER LETZ: Just a general comment, 'cause
9 the -- when the discussions came up, the idea was for the --
10 that core group to include other people as they wanted. So

11 that doesn't mean -- as an example, if there's some
12 discussion around economic development, to ask Ray --
13 COMMISSIONER OVERBY: Ray Watson.
14 COMMISSIONER LETZ: Ray Watson may come in, or one
15 of the -- the City Attorney, County Attorney, Airport
16 Manager. So, it's not an exclusive group, --
17 MR. MOSER: Right.
18 COMMISSIONER LETZ: -- in my mind. It's an open
19 group. It should be open to the public to be able to come to
20 the meeting.
21 MR. MOSER: Yeah, Bruce should there. It will be a
22 public -- it will be a public meeting, correct?
23 COMMISSIONER LETZ: So I don't see --
24 MR. MOSER: Why not? Okay.
25 MR. KING: K.E.D.C.

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1 MR. LIVERMORE: K.E.D.C.
2 COMMISSIONER LETZ: Right now, the first one is
3 just that core group, I think, you know, as participants, but
4 then --
5 MR. MOSER: Right.
6 COMMISSIONER LETZ: -- let it evolve as needed.
7 MR. MOSER: So, just for clarification, it will be
8 a public meeting, so --
9 COMMISSIONER LETZ: Sure.
10 MR. MOSER: -- anybody in the public can be there,
11 and -- okay. Okay. And if there's any -- I'm not sure how
12 you take action or don't take action or whatever.
13 COMMISSIONER LETZ: No action taken. It's not a
14 decision -- I mean, it's really not set up that way.
15 MR. MOSER: Okay. Oh, yeah. All right, good. Who
16 prepares the agenda for that meeting?
17 COMMISSIONER LETZ: I presume for the first one,
18 the City and the County maybe -- well, between the three of
19 us, we'll circulate the agenda. That way everyone gets an
20 option to put on what they want.
21 MR. MOSER: Super. Good way to do it.
22 COMMISSIONER LETZ: I'll get Jody to start that.

23 Then she can --

24 MR. MOSER: Did we vote?

25 MR. KING: There's a motion on the table. No more

1 discussion? All in favor?

2 (The motion carried by unanimous vote, 5-0.)

3 MR. KING: I vote for Tom. Unanimous. All right.

4 Propose dates for planning committee to meet.

5 MR. McKENZIE: Wednesdays are the only --

6 Wednesdays mornings are the only time Kathy is going to be

7 available to take minutes at those meetings. Wednesday

8 mornings. So, whatever Wednesdays --

9 MR. KING: We have to have minutes taken at those

10 meetings?

11 COMMISSIONER LETZ: I think it would be a good

12 idea.

13 MR. KING: All right, that's fine.

14 MR. McKENZIE: We want to do that, yes.

15 MR. MOSER: Well, who set -- this is an agenda

16 item, but --

17 MR. KING: Todd wanted us to put this on here.

18 Mike, what was his thinking?

19 MR. ERWIN: Just so we get started.

20 MR. MOSER: Okay.

21 MR. KING: Okay.

22 MR. ERWIN: On the planning committee meeting.

23 COMMISSIONER LETZ: The other option is -- I mean,

24 this makes a very long day for Kathy on Mondays, but on

25 Commissioners Court days, or on the alternate Mondays,

1 there's a time, I think, Kathy, right after lunch --

2 MR. MOSER: Thinking about -- it's always good to

3 know why you're having a meeting before you have a meeting.

4 So, thinking about why we're having a planning meeting,

5 what -- we don't have any -- the budget is not going to be

6 part of that process, okay? The master plan should be part

7 of the process. The master plan will not be completed

8 until --

9 MR. McKENZIE: Thanksgiving. That's the final

10 draft.

11 MR. MOSER: Okay, that's final, so we have -- we
12 have a preliminary -- we have a preliminary copy right now.

13 MR. McKENZIE: Yes, sir.

14 MR. MOSER: Which is probably 90 percent what it
15 should be. We can use that to discuss where we are, and that
16 could be a -- a major agenda item. If we could get copies of
17 that, Bruce, to the members of the planning committee, I
18 think that would be constructive.

19 MR. COWDEN: Also, you know, the strategic plan we
20 did a year or so ago could -- could be given to these guys so
21 they're up to speed --

22 MR. MOSER: Right.

23 MR. COWDEN: -- on what we've accomplished.

24 MR. KING: Yeah.

25 MR. MOSER: So we could -- so the agenda, we could

1 talk about the strategic plan that we have. Okay. And that
2 probably needs -- those things need to be updated every year,
3 so there could be some input from the City and the County --
4 from the planning committee, and the -- the master plan as it
5 exists today. And so those two -- two items, and then if we
6 want to talk about, Commissioner, the -- you know, the
7 administrative contract at a meeting, that would be good too.

8 MR. KING: Third, we need to talk about this -- we
9 may have already gone too far on that, but we need to talk
10 about that marketing plan that TexDOT was offering to us,
11 'cause we've kind of -- we've --

12 MR. McKENZIE: Stopped it.

13 MR. KING: We stopped that, and I think it's a good
14 opportunity if -- if the mayor and one member of the
15 Council -- and, Mike, I believe you're on that committee; is
16 that correct?

17 MR. ERWIN: Yes, sir.

18 MR. KING: That -- you know, and our meeting where
19 we stopped that, we kind of just put the brakes on that. I

20 know there's been some questions with the other parties that
21 are paying for -- you know, paying for that -- TexDOT,
22 mainly -- as to what we want to do on that. So, I think we
23 should put that on the agenda, because we need to -- if we're
24 going to entertain that, then we need to do that, like,
25 A.S.A.P. That needs to -- we're going to be floating way too

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1 far down the river. I mean --
2 COMMISSIONER OVERBY: Steve, what was that amount
3 on that marketing grant they offered?
4 MR. MCKENZIE: \$47,000 total.
5 COMMISSIONER OVERBY: Okay.
6 MR. MCKENZIE: And they will -- you know the story.
7 I won't belabor the point. We've now stopped it for -- I've,
8 you know, talked to Austin; I've talked to Fort Worth, and
9 we've stopped it.

10 MR. KING: Paying for it -- half of it. We've
11 stopped it, but they'll pay for -- what they basically did
12 was that they -- that is not a RAMP grant allowable project,
13 and they have made an exception for us to move that into a
14 RAMP grant allowable project, so it will be RAMP grant
15 allowable. The question I had was, will that come -- will
16 that come out of our RAMP grant funding for this year?

17 MR. MCKENZIE: FY '12.
18 MR. KING: FY '12. So, there's really not new
19 money there. It's basically -- it's -- I mean, \$25,000 is
20 money that we're not going to get to spend on RAMP grant
21 here. It's -- they've just made it eligible. If we were
22 going to do the marketing plan, if we opted for the marketing
23 plan under normal circumstances, that would be a City/County
24 paid item.

25 MR. MCKENZIE: Yes, sir.

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1 MR. KING: With no input from TexDOT. So, I
2 guess -- I guess what we need to do is we need to talk about
3 it. That would be a great place to do that, would be at that
4 planning session, to talk about it. Do we have any

5 information on it? I mean, do we have some literature as to
6 what they're going to cover?

7 MR. MCKENZIE: Oh, yes. It's not literature; I've
8 got the line items.

9 MR. KING: You got some line items what they're
10 going to do and everything?

11 MR. MCKENZIE: Yes, sir, absolutely.

12 MR. WALTERS: That's one of the things I'd like for
13 -- I mean, since it's coming out of our RAMP grant money for
14 2012, I mean, do you have a list of items that you think,
15 okay, that we typically would use that money for these items
16 in 2012, or some anticipated items in 2012?

17 MR. COWDEN: What's the priority?

18 MR. WALTERS: Yeah, what's our priority? I mean,
19 our marketing plan in terms of these other items that you're
20 planning for RAMP grant projects in 2012.

21 MR. MCKENZIE: Without going back and referring to
22 my notes, what I would like to do is -- is add a security
23 system to this facility this year, which is going to be
24 pricey.

25 MR. KING: What kind -- what type of security?

1 MR. MCKENZIE: Cameras, gates. And in this
2 building and around this area, ramp, entrance gates --

3 MR. KING: Right.

4 MR. MCKENZIE: -- in here. Because -- I can't talk
5 too much about security, but we need to do that.

6 MR. WALTERS: I think that's something that the
7 board needs to know, and ultimately, this planning committee
8 will need to know too, is what are we sacrificing if we move
9 forward with that marketing -- you know, 'cause I don't know
10 that the board really wants to make a recommendation that we
11 move forward with that marketing plan and spend that money in
12 lieu of doing these other projects that --

13 MR. MCKENZIE: Sure.

14 MR. WALTERS: -- were anticipated for 2012. I
15 think that's really --

16 MR. KING: I agree. If it's going to -- we need to

17 know whether it's going to impact us, whether we're going to
18 come up in 2012 and go, man, I wish -- you know, glad we
19 spent it on that marketing plan, but that 25,000 really would
20 have come in handy to fix that pothole over here, or
21 something happened over here. I don't want to take away
22 anything, 'cause that is a maintenance -- RAMP grants are for
23 maintenance, for those maintenance items -- normally
24 maintenance items.

25 MR. MCKENZIE: We're also using our RAMP grants to

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1 pay for our stormwater pollution prevention planning. That's
2 allowable. We're using that this year; we're in the throes
3 of that right now.

4 MR. KING: That's something we can discuss with
5 Mike and Jonathan and the other parties. Because, I mean,
6 that -- you know, that -- that's going to be in -- that's
7 going to be something we really need input from the City and
8 County on, because marketing is something that has been
9 talked about by -- by the mayor, and -- and he's a member of
10 that committee, and some other people. And so, you know, I
11 guess if we can present that and let you guys give your input
12 into, "Hey, this sounds like a waste of money," or "This
13 sounds like a good opportunity, you know, for someone else to
14 spend half of that." And so I think that's something we got
15 to -- we need to make a decision on, at least have a
16 recommendation from that planning committee back to this
17 board so that we can vote on it.

18 MR. MOSER: Right.

19 MR. KING: And we need to do it really quick, or
20 we're going to lose that deal. They're going to finish the
21 master plan and we're not going to have it. So, when's the
22 -- when's the master plan supposed to be finished?

23 MR. MCKENZIE: Final draft to be ready around
24 Thanksgiving, first part of December.

25 MR. KING: So we're, like, right in on the tail end

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1 of that deal, so we better -- we need to do that. Okay.

2 COMMISSIONER LETZ: Another item I think would be
3 good to put on the agenda for the planning committee would be
4 Mooney.

5 MR. KING: Yeah.

6 COMMISSIONER LETZ: Just -- I mean, may not have
7 anything on it, but that's something --

8 MR. MOSER: That's included in the master plan, so
9 it could be a subset of that, but it should be, right.

10 COMMISSIONER LETZ: Okay.

11 MR. MOSER: Specifically should not be avoided.

12 MR. KING: They didn't have a presence at N.B.A.A.,
13 by the way.

14 MR. WALTERS: No.

15 MR. KING: I couldn't find them. I looked in the
16 book.

17 MR. MOSER: So we need to set a date.

18 MR. KING: Okay.

19 MR. MOSER: Or propose a date.

20 MR. KING: All right. Well --

21 MR. LIVERMORE: It's got to be a Wednesday
22 afternoon? Or Wednesday --

23 MR. MCKENZIE: Wednesday morning.

24 MR. WALTERS: Commissioner, you said you could tack
25 it onto their Commissioners Court meeting on Mondays.

1 MR. KING: Is there any discussion as to where
2 we're going to meet on these?

3 COMMISSIONER LETZ: I think meet here.

4 MR. KING: All right.

5 MR. MOSER: Good.

6 MR. KING: Well, dates? I think we need to have
7 one A.S.A.P.

8 MR. LIVERMORE: How about next Wednesday?

9 MR. KING: Next Wednesday, maybe?

10 MR. COWDEN: The 26th?

11 MR. KING: Can do you that, Tom?

12 MR. MOSER: Yep.

13 MR. LIVERMORE: Now, I'm unable to -- we are able

14 to sit in on those meetings, aren't we?

15 MR. COWDEN: Yeah, it's a public meeting.

16 MR. LIVERMORE: But I'll be out of town that week,

17 but that is the first time.

18 COMMISSIONER LETZ: Wednesdays are days --

19 COMMISSIONER OVERBY: I'm in San Antonio for AACOG

20 meetings the last Wednesday of every month.

21 MR. KING: Okay, that's bad. How often does this

22 committee meet? Someone --

23 COMMISSIONER LETZ: Quarterly.

24 MR. KING: Quarterly? Well --

25 COMMISSIONER LETZ: How about the first Wednesday

1 in November?

2 MR. MOSER: The 2nd?

3 MR. KING: Thanksgiving's right around the corner.

4 MR. MOSER: How about next Friday?

5 MR. KING: I'm just concerned; we need to make a

6 decision on that, on that marketing deal, or TexDOT's going

7 to call us up here one day and go, "Thanks -- thanks for

8 coming by."

9 COMMISSIONER OVERBY: Have they given you a

10 deadline?

11 MR. KING: Well, I think when the master plan --

12 it's included in the master plan. When they start printing

13 the master plan, it's probably too late.

14 COMMISSIONER OVERBY: Yeah. Little too late.

15 MR. MOSER: So, what other day next week can we do

16 it?

17 MR. KING: We've got a -- have you talked to them

18 lately about it?

19 MR. McKENZIE: Not since I called Michelle and told

20 her to stop.

21 MR. KING: You can call and ask them if it's still

22 on the table.

23 MR. McKENZIE: We're all right till Perry gets

24 towards the finalizing of this master plan, when he starts

25 closing it out.

1 MR. MOSER: So, what other day next week can we do
2 it?

3 COMMISSIONER LETZ: How about doing this instead of
4 a budget meeting on Monday?

5 MR. KING: Do this instead of the budget meeting?
6 Well, we could do a budget meeting --

7 MR. LIVERMORE: Do the budget -- do the budget
8 meeting the following Monday?

9 MR. COWDEN: 31st?

10 MR. MOSER: That's okay.

11 MR. KING: We could do that. I mean, we can do
12 that. I mean, I guess the -- I guess priority-wise, this is
13 probably more important right now than the budget, wouldn't
14 you think? I mean, we've got a --

15 COMMISSIONER LETZ: Got a budget.

16 MR. KING: We got a budget that's in place. So --

17 MR. MOSER: That's a good idea.

18 COMMISSIONER LETZ: Not a good budget.

19 MR. KING: Do what?

20 COMMISSIONER LETZ: May not be a good budget, but
21 it's a budget.

22 MR. KING: It's a budget.

23 MR. MCKENZIE: It's working.

24 COMMISSIONER LETZ: There's money there.

25 MR. KING: I don't want to lose -- I hate for us to

1 go too far, have a meeting, and all of a sudden, TexDOT goes,
2 "Hey, you're late."

3 MR. MOSER: If we do this next Monday, if -- then
4 we need to get copies of the master plan as it exists, Bruce.
5 MR. MCKENZIE: Okay.
6 MR. MOSER: To everybody. So, that's a big -- big
7 copying job.

8 MR. MCKENZIE: Yeah.

9 MR. KING: What time would that meeting be?
10 MR. COWDEN: 1 o'clock.

11 MR. MOSER: 1 o'clock.
12 MR. KING: I was going to the Rangers game. I can
13 get there. It's the World Series, man. I can get there by
14 7 o'clock.
15 MR. MOSER: Okay.
16 MR. WALTERS: What --
17 MS. BAILEY: 24th. And then the 31st, if you're
18 going to do --
19 MR. WALTERS: Well, I'm going to ask if we can --
20 since everybody's bringing up their schedule, can we do it
21 other than the 31st on this budget meeting?
22 MR. KING: Really? Well --
23 MR. MOSER: What is next week, the 24th?
24 COMMISSIONER LETZ: Can we take a brief recess so
25 we can talk to Kathy?

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1 MR. KING: That would be fine. Let's take a brief
2 recess.
3 (Recess taken from 9:51 a.m. to 9:55 a.m.)
4 -----
5 MR. MOSER: So the planning committee meeting, the
6 major item there is the marketing plan, okay. With the
7 background for strategic plan and the master plan. I'm just
8 trying to think here for Bruce, 'cause he's going to have
9 to -- and Laurie's going to have to reproduce that master
10 plan for everybody.
11 MS. DEJOHN-ERMEY: The first planning meeting has
12 to end at 2:30.
13 MR. MOSER: Why?
14 COMMISSIONER LETZ: 'Cause Kathy has to go.
15 MR. MOSER: Well, so it's going to be an hour and a
16 half, so we don't have to reproduce the master plan.
17 MR. KING: Why don't you bring a copy of it, pass
18 it around.
19 MR. MOSER: No, I'm talking to Bruce. Yeah, we'll
20 -- you and I will bring a copy.
21 MR. KING: All right. So, what -- I'd say just get
22 a copy.

23 COMMISSIONER LETZ: Ask them if they want to look
24 at it, which hopefully they do.
25 MR. MOSER: Okay, yeah.

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1 COMMISSIONER LETZ: Hopefully that's a good --
2 MR. KING: We're going to have a bunch of copies.
3 MR. MOSER: Here's the deal. Get a copy -- get a
4 copy, Laurie and Bruce, to the City and a copy to the County,
5 okay?
6 COMMISSIONER LETZ: Right.
7 MR. MOSER: And then that will do it.
8 MR. MCKENZIE: I was outside. A copy of what?
9 MR. MOSER: Get a copy of the master plan, a copy
10 to the City and a copy to the County, and they'll just be for
11 background. The major -- major item on the agenda is going
12 to be the marketing plan. And so what we need to do is have
13 -- we'll talk about that presentation material on the
14 marketing plan.

15 MR. KING: Okay. Anything else on that item? Item
16 2E --

17 MR. WALTERS: Are you back? Did you --
18 MR. KING: Oh. We're back in session. Item 2E,
19 wildlife exhibit. What's that?

20 MR. MCKENZIE: Okay. A local artist has offered to
21 place an exhibit in here of his work in our terminal
22 building, no cost to us. And if you'll look at your
23 brochure, the back of it, it's this big one back here that's
24 almost 5 feet long with the elk. And we'll set it out here
25 against this one vacant wall that we do have, and we'll put

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1 some of his prints above that, and it will add to the motif
2 of our building, and as well as the hill country, and I think
3 it'll enhance the looks of our building. Like I say, I told
4 him we would do this for -- through hunting season, like,
5 till February, and let's see if it's --
6 MR. MOSER: Which one is it?
7 MR. COWDEN: Have you had -- do we have some kind

8 of written agreement with --

9 MR. KING: If it gets stolen, broken?

10 MR. McKENZIE: And I told him, I said, "You're on
11 your own with this stuff." And so we've not charged John

12 Dormer anything since this building was built --

13 MR. COWDEN: I think it's a good idea.

14 MR. McKENZIE: -- to put his paintings around here
15 that are for sale.

16 MS. BAILEY: We need some kind of agreement, hold
17 harmless.

18 MR. McKENZIE: Okay.

19 MS. BAILEY: If it's damaged --

20 MR. LIVERMORE: But you will have an agreement with
21 him as to his responsibility?

22 MR. McKENZIE: I can, sure.

23 MR. KING: Yeah. Not "can." We need. If those
24 things walk off here, I don't want him coming back to us.

25 Those things are not cheap. I don't know --

1 MR. LIVERMORE: They're beautiful.

2 MR. KING: -- what he gets for that stuff. Come up
3 with some sort of simple --

4 MR. COWDEN: Hold harmless or something.

5 MR. KING: Do what?

6 MR. COWDEN: Hold harmless.

7 MR. KING: Yeah, some sort of deal. If it falls on
8 somebody, we're not responsible.

9 MR. LIVERMORE: Can -- without getting it
10 over-lawyered, can you -- could we get that done right on the
11 hold harmless?

12 MS. BAILEY: Yeah, I can do that.

13 MR. KING: And just -- yeah, in case it walks off.

14 MR. MOSER: One -- one comment. If he could --

15 does he have anything native, as opposed to elk?

16 MR. McKENZIE: Well, this is the one that he's got
17 available to bring out here. Now, what we can do, if we
18 choose to do this continuing, then we can put different
19 displays. He can put these bighorn sheep up. I mean, this

20 is just -- he's got rooms full of this stuff.

21 MR. MOSER: Yeah. All I'm saying is what you just
22 touched on. There is whitetail. We don't grow too many elk
23 around here.

24 MR. McKENZIE: He just -- he offered the elk 'cause
25 it's a bigger, more stunning display.

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1 MR. MOSER: I think it's wonderful.

2 MR. LIVERMORE: Once we start doing this, we're
3 going to have other local artists come. We need to have a
4 standard --

5 MS. BAILEY: A policy.

6 MR. LIVERMORE: -- a standard agreement to go
7 forward.

8 MR. MOSER: Good point.

9 MR. McKENZIE: So, is it your wish to let him do it
10 till first of March, for example?

11 MR. LIVERMORE: Yes.

12 MR. McKENZIE: And then we'll revisit the issue.

13 MS. BAILEY: I'll get some kind of agreement
14 drafted.

15 MR. KING: Put in there we got the right to blow it
16 out of here if we don't like it, okay?

17 MR. WALTERS: We can terminate it.

18 MR. LIVERMORE: We need to also -- in that
19 agreement, we maintain the approval of the content.

20 MR. KING: Yeah.

21 MR. LIVERMORE: So we don't get strange things in
22 here that --

23 MR. KING: Or if it's too big -- it's not too big,
24 is it, Bruce?

25 MR. McKENZIE: It's almost 5 feet long, and it's

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1 about --

2 MR. KING: Where are you going to put it?

3 MR. McKENZIE: On that wall next to the men's
4 restroom. There's a big painting up there now. We're going

5 to move the painting.
6 MR. WALTERS: Is it sitting on a pedestal?
7 MR. MCKENZIE: Yes, sir.
8 MR. KING: Kind of in the corner?
9 MR. MCKENZIE: No, it's right before you get to the
10 men's restroom door. It's that wall. Then there will be
11 prints up on the wall.
12 MR. COWDEN: It will be nice.
13 MR. LIVERMORE: I think it will be lovely.
14 MR. KING: Does he want to pay us anything?
15 MR. MCKENZIE: He said he would, but he'd rather
16 not.
17 MR. KING: Oh, pursue that. (Laughter.)
18 MR. MOSER: But he's a local guy?
19 MR. MCKENZIE: Yes, sir.
20 MR. KING: Naming rights to the building.
21 MR. COWDEN: He's the guy that did the cross up on
22 the hill.
23 MR. MOSER: Oh, is he?
24 MR. KING: Do we need to vote on it?
25 MR. COWDEN: The cross up on the hill behind Cecil.

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1 MR. LIVERMORE: He did that?
2 MR. MCKENZIE: He's the one that designed it.
3 MR. COWDEN: Designed the cross.
4 MR. KING: Do y'all want to vote on that?
5 MR. MOSER: I don't think -- I think Bruce can --
6 MR. KING: Bruce, you can take care of it. Okay.
7 Item 2F, building/property lease terms, Airport Board. We --
8 we want to talk about that? We'll talk about it in executive
9 session. What do you think? We're just going to talk about
10 a couple things. I don't know if we'll even have it on
11 there. Item 2G, discuss salaries and benefit differences in
12 the Airport Board budget recommended by Airport Board and
13 that which has been approved by the City/County. Airport
14 Board. We'll talk about that in executive session.
15 MR. MOSER: I think we make that just part of our
16 budget we're going to resubmit. That's the right way to do

17 it. We're going to redo the budget, so that's -- that should

18 be included in that. Has to be included in that.

19 MR. KING: Right.

20 MR. MOSER: So, no action.

21 MR. KING: Well, unless you want to go in executive
22 session.

23 MR. MOSER: No, that's okay.

24 MR. KING: Okay. Item 3A -- Item 3,

25 Information/Discussion. Concrete -- I want to see what this

1 was. What's rip rap?

2 MR. McKENZIE: It's concrete.

3 MR. MOSER: Busted up concrete.

4 MR. McKENZIE: We're going to pour a solid concrete
5 wall just east of the T-hangars down here on the air side,
6 right on the apex of that curve down towards the new concrete
7 ditch, because the erosion has already begun there. And I
8 asked Harry Lorton if we could get that fixed.

9 MR. LIVERMORE: We haven't had any rain.

10 MR. McKENZIE: Well, the little rain we had, I can
11 see it's going to be a problem. And they agreed to do that,
12 so we've been about four months in the planning stages in
13 designing that, so we're there now. We should start on the
14 24th. We're scheduled to start on the 24th, and it should
15 last about two and a half weeks.

16 MR. COWDEN: That's what you were talking about,
17 the \$70,000?

18 MR. McKENZIE: Yeah, down here. Yes, sir.

19 MR. MOSER: Is that the rip rap you're talking
20 about?

21 MR. McKENZIE: Yes, that's the rip rap -- concrete
22 rip rap poured on the wall.

23 MR. MOSER: I thought it was that pile of concrete
24 sitting out here.

25 MR. McKENZIE: There's two different definitions,

1 but --

2 MR. MOSER: Yeah, right.
3 MR. McKENZIE: -- in construction terms, "rip rap"
4 is the solid wall.
5 MR. MOSER: Okay. Okay.
6 MR. McKENZIE: But they will not need to get on the
7 air side except just minimally. We're going to pour it from
8 the outside --
9 MR. MOSER: Okay.
10 MR. McKENZIE: -- with a truck. We just have to
11 build the forms from the inside.
12 MR. KING: Who's paying for that?
13 MR. McKENZIE: We got it included in our project.
14 MR. KING: Okay. Item 3B, another Bruce deal.
15 MR. McKENZIE: I asked them to, and they agreed.
16 MR. KING: Item 3B, Stieren hangar.
17 MR. McKENZIE: George is -- as you've seen in the
18 weekly reports the last two weeks, they are erecting the
19 steel. They're about completed with that phase of it.
20 They'll start putting the steel on the side of -- the
21 sheeting on side of the building; so it's going to start
22 slowing down considerably now that they're --
23 MR. KING: When do you think he's going to be
24 finished with that?
25 MR. McKENZIE: Probably another 45 days, he should

1 be able to move in.
2 MR. KING: Okay.
3 MR. WALTERS: Start paying rent.
4 MR. McKENZIE: He's already given us a check,
5 before I let him break ground.
6 MR. MOSER: Don't you do your developments that
7 way?
8 MR. LIVERMORE: Can -- are we through with the
9 Stieren point?
10 MR. KING: Yeah, I guess.
11 MR. LIVERMORE: Am I allowed to bring up a comment
12 about the weekly report that -- Bruce mentioned it. I don't
13 know if -- it's not on the agenda.

14 MR. COWDEN: I think in conjunction with the
15 Stieren hangar, you can do it.
16 MR. McKENZIE: It's in the weekly reports.
17 MS. BAILEY: As long as you don't deliberate on
18 anything, you can --
19 MR. MOSER: Speaking of the weekly report...
20 MR. KING: It was in there.
21 MR. COWDEN: That's how we know about it.
22 MR. LIVERMORE: Well, all I'm going to say is that
23 I think the weekly report has -- has increased in its
24 quality, increased in the information substantially that
25 we're sending out. And what I like is that it is beginning

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1 to paint a picture of the dynamism that is happening at this
2 airport, and there's a lot of things going on, and we're
3 talking with people about it. And, Bruce, you're getting
4 there with it.

5 MR. McKENZIE: Thank you.
6 MR. KING: Thanks, Ed.
7 MR. LIVERMORE: Keep going.
8 MR. KING: Item 3C, master plan final draft.

9 Bruce?
10 MR. McKENZIE: As I previously mentioned, as Tom
11 has asked about, sometime, Perry said, around Thanksgiving,
12 we should receive the final draft of our master plan, minus
13 the marketing plan. It should come in at that point.

14 They're diligently working toward that goal.

15 MR. KING: Okay.
16 MR. McKENZIE: And one more, just, item that is not
17 on here. The MAPA Fly-in starts Thursday, Mooney Aircraft
18 Pilots Association, and I will be closing 3/21 from Thursday
19 through the -- through Sunday. We're going to park them up
20 and down that runway.

21 MR. KING: Does the Chamber know about that?
22 MR. McKENZIE: We e-mailed --
23 MR. KING: Why don't you gave the Chamber a call,
24 be sure they know about that, in case they want to send
25 anybody out here.

1 MR. MCKENZIE: Okay. But just so the board knows,
2 we're going to close 3/21. We'll put the X's up, we'll kill
3 the lights at night, and the PAPI's, so the runway will be --
4 won't be useful at night either.

5 MR. KING: Okay.

6 MR. MCKENZIE: And there -- we don't know how many
7 airplanes we're going to get this time.

8 MR. LIVERMORE: How many airplanes can you handle
9 here for a big fly-in?

10 MR. MCKENZIE: We've had upwards of 300 out here
11 before, when Mooney was -- in the past, parked up and down
12 that ramp out there. And -- no, not the ramp; the runway.

13 You know, well over 200.

14 MR. KING: He said the air show was here a long
15 time ago.

16 MR. MCKENZIE: We had an air show.

17 MR. KING: There was a lot of airplanes.

18 MR. MCKENZIE: There was a lot of airplanes here
19 for that.

20 MR. KING: Okay.

21 MR. MCKENZIE: Thank you.

22 MR. KING: Anybody have anything else? All right.

23 That concludes the meeting. Do we want to go in executive
24 session? We need to talk about something. We need to visit
25 on a couple things that we cannot discuss in that budget

1 session.

2 (The open session was closed at 10:10 a.m., and
3 an executive session was held off the record.)
3 -----

4 MR. KING: We went into executive session under
5 Item 2G -- under 2G, under Section 551.074 of the code, under
6 personnel matters. Okay. We went in at 10:10, and we came
7 out at 10:48, and we're now back in open session, and on Item
8 2G in open session. Do we want to take any action on that?

9 MR. WALTERS: No action.

10 MR. KING: No action will be taken on 2G.

11 Therefore, I need a motion to adjourn.

12 MR. WALTERS: Motion to adjourn.

13 MR. COWDEN: Second.

14 MR. KING: All in favor?

15 (The motion carried by unanimous vote, 5-0.)

16 MR. KING: 5-0.

17 (Airport Board meeting was adjourned at 10:50 a.m.)

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1 STATE OF TEXAS |

2 COUNTY OF KERR |

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

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

5 true and complete transcription of my stenotype notes taken

6 at the time and place heretofore set forth.

7 DATED at Kerrville, Texas, this 19th day of October,

8 2011.

9

10 Kathy Banik, Texas CSR # 6483

Expiration Date: 12/31/12

Official Court Reporter

Kerr County, Texas

700 Main Street

Kerrville, Texas 78028

Phone: 830-792-2295

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