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2
3 KERRVILLE-KERR COUNTY JOINT AIRPORT BOARD
4 Regular Meeting
5 Wednesday, March 20, 2013
6 8:30 a.m.
7 Airport Terminal Conference Room
8 1877 Airport Loop Road
9 Kerrville, Texas
10

11 MEMBERS PRESENT: MEMBERS ABSENT:
12 Stephen King, President Bill Wood
Corey Walters, Vice-President
13 Ed Livermore
Kirk Griffin
14

15 AIRPORT BOARD STAFF PRESENT:
Bruce McKenzie, Airport Manager
16 Carole Dungan, Executive Assistant

17 COUNTY STAFF PRESENT:
18 Tom Moser, Commissioner Pct. 2
Jonathan Letz, Commissioner Pct. 3
19 Jeannie Hargis, Auditor
James Robles, Assistant Auditor
20

21 CITY STAFF PRESENT:
Jack Pratt, Mayor
22 Sai Vongchampa, Budget and Purchasing Manager

23 VISITORS:
Sandra Braden, TexDOT Aviation Mark Mosier
24 Byron Chavez, R.W. Armstrong Floyd Walling
Joey Kennedy, Kerrville Aviation Jim Settle
25 Mark Armstrong, Kerrville Daily Times

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1 On Wednesday, March 20, 2013, 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'd like to call the meeting
8 of the Kerrville/Kerr County Joint Airport Board, March 20,
9 2013, meeting to order. Item 1, Visitors Forum. At this
10 time, any person with business not scheduled on the agenda
11 may speak to the Airport Board. No deliberation or action
12 may be taken on these items because the Open Meetings Act
13 requires an item to be posted on the agenda for 72 hours.

14 Visitors are limited to three minutes. Anyone have anything?

15 MR. McKENZIE: Steve, I'd like to introduce
16 somebody right now, if I might. I met this young man in
17 Houston three weeks ago. His name Byron Chavez; he's with
18 R.W. Armstrong. He's a registered professional civil
19 engineer, and he's with Chris Coons that comes to our meeting
20 sometimes out of Austin as well.

21 MR. KING: Okay.

22 MR. McKENZIE: So -- and, Ed, he's from Oklahoma.

23 MR. LIVERMORE: He's a good man.

24 MR. CHAVEZ: Yes.

25 MR. McKENZIE: He's an O.S.U. man.

1 MR. LIVERMORE: He's still good. (Laughter.)
2 MR. KING: All right.
3 MR. CHAVEZ: Thank you for having me.
4 MR. KING: Thank you very much for coming. All
5 right. Item 2, Kerrville/Kerr County Joint Airport Board
6 member forum. At this time, any member of the Kerrville/Kerr
7 County Joint Airport Board may speak to the public -- we
8 added all this stuff. Shorten this so we can go faster.
9 Anyway, anyone have anything -- any member have anything
10 you'd like to bring before the board that's not on the
11 agenda? Nothing. Item 3, consent agenda. All items listed
12 below within consent agenda are considered routine by the
13 board, will be enacted in one motion. So, we're going to
14 approve the minutes for February 18, 2013. Anybody have any
15 changes? Anybody looked at them?

16 MR. GRIFFIN: They look good.
17 MR. LIVERMORE: So moved.
18 MR. KING: I have a motion from Mr. Livermore.
19 Second?
20 MR. WALTERS: Second.
21 MR. KING: Mr. Walters. Discussion? None being
22 heard, all in favor?
23 (The motion carried by unanimous vote, 4-0.)
24 MR. KING: That's four-zero. Item 4, discussion
25 and possible action. 4A, the monthly financials. Jeannie?

1 MS. HARGIS: Morning. How's everybody?
2 MR. LIVERMORE: Hi, Jeannie.
3 MS. HARGIS: If you'll turn to Page 1, the February
4 balance sheet, the general funds for the airport. Total
5 amount of funds is 366,577.40. Liabilities and fund equity,
6 the same, which everybody look on Page 2. Page 3 is your
7 revenue for this month. We seem to be about on target.
8 We're at 56 percent, 173,494.69, fourth column, bottom line.
9 Any questions there?
10 MR. LIVERMORE: Are we at or pretty well on our

11 projections?

12 MS. HARGIS: I think so, pretty much. Some of them
13 are ahead; some of them are at 68, 75, so it varies a little
14 bit, but the -- the balance is 56. Again, because the leases
15 come in sporadically, it's a little hard to tell sometimes.

16 MR. LIVERMORE: Yeah.

17 MS. HARGIS: Page 4 is your employee costs for the
18 month. For year-to-date, \$71,096.06. Again, I'm focusing on
19 the fourth column. The next page is your general expenses.
20 Haven't really seen anything here that stuck out to me as far
21 as expenses. You can look down the third column; that was
22 the current month. Year-to-date seems to be fairly normal,
23 so we're in good shape there. In fact, we're really way
24 behind what, you know, is usual. Page 6 shows you utilities
25 and transfers, so the total there of expenses, 32,758.68.

1 Page 7 is the terminal expenses. Those total, year-to-date,
2 5,604.23. Total expenditures to-date, 109,458.97, leaving
3 you a balance of 64,035.72. That's very good for this time
4 of year. Page 8 is the capital account. You have 53,342.99.
5 We did get from TexDOT our -- just actually on Tuesday, the
6 RAMP grant, 18,000, came in. So, that doesn't reflect here,
7 but it is here.

8 Page 9 shows all the grant money. You can see from
9 TexDOT, we have a total of 26,000, and if we add the 18,
10 we're almost there at the 50,000 that we would be getting
11 from them. Remember, it's 25, 25, and 50, so the total there
12 is 76,205.98. And then Page 10 reflects the repairs on the
13 parking lot and the gate and everything. So far to-date,
14 91,549.66, and the gate is in there. Page 11, the total
15 remains the same, 91,549.66, which leaves you a balance of
16 15,343.68 in the hole, because, again, we have some funds
17 there and we have to kind of run behind to get the RAMP grant
18 back in the bank. So, we should be level -- pretty much
19 level by the time we put that 18 in. So, everything looks
20 good, and no -- nothing shocking for the month of February.
21 It's wintertime. Now we got to start mowing.

22 AUDIENCE: If it rains.

23 MS. HARGIS: Let's pray for rain.
24 MR. LIVERMORE: Let's don't forget that rain part.
25 MR. KING: Anybody have any questions on the

1 financials? Motion to approve?
2 MR. WALTERS: Motion to approve.
3 MR. LIVERMORE: Second.
4 MR. KING: Second by Mr. Livermore. Discussion?
5 All in favor? Aye.
6 MR. LIVERMORE: Aye.
7 MR. GRIFFIN: Aye.
8 MR. WALTERS: Aye.
9 (The motion carried by unanimous vote, 4-0.)
10 MR. KING: Four-zero. All right. Item 2C -- 4C.
11 We have Sandra Braden --
12 MR. McKENZIE: 4B.
13 MR. KING: 4B? What's that? Oh, a different
14 thing, sorry. 4B, private hangar development. Jim
15 Huddleston, Crawford, Huddleston & Company.
16 MR. McKENZIE: Jim called and said he was not going
17 to be here.
18 MR. KING: Oh, good.
19 MR. LIVERMORE: You were faster than you realized.
20 MAYOR PRATT: You knew that. That's the reason you
21 tried to skip it.
22 MR. KING: Did he say -- have a reason?
23 MR. McKENZIE: He just said he wasn't going to be
24 here today. He called me yesterday afternoon.
25 MR. KING: Dog ate his homework?

1 MR. McKENZIE: Too busy.
2 MR. LIVERMORE: Dog ate his homework?
3 MR. McKENZIE: More or less.
4 MS. HARGIS: Can I use that?
5 MR. McKENZIE: Sure.
6 MR. KING: All right. Well, perhaps at a future
7 date, we'll get to visit. Item 2 -- 4C. Sandra Braden from

8 TexDOT's Aviation Department was gracious enough to --

9 MR. LIVERMORE: Come out here.

10 MR. KING: -- come out and visit with us. Had

11 lunch with Sandra and Michelle, our -- Sandra's our airport

12 planner. She's our new airport planner for this -- for our

13 airport. And our airport planner is very important. They

14 pretty much -- if you need something, it goes through them,

15 and -- and it either goes through or stops.

16 MS. BRADEN: Yeah, more or less.

17 MR. KING: More or less. So, we -- we appreciate

18 you coming and having lunch with Bruce and I, and we

19 discussed our airport and funding mechanisms and funding

20 terminology and where the money is and where the money is

21 not, and it's a good -- had a good meeting. Bruce met with

22 her for a couple hours, so -- and she's here to kind of -- I

23 mean, should we take Sandra first? Do you think we ought to

24 go ahead and do Sandra's first to kind of -- we've -- we've

25 formed a subcommittee, sort of an ad hoc committee here about

1 a month and a half ago -- month and a half ago to talk about

2 the possibility of building some T-hangars on the airport,

3 where we'd develop them. We asked the ad hoc committee to

4 come up with some recommendations as to if it -- if it was

5 feasible to do, it looked like it was a feasible project that

6 we should take on or attempt -- or we should discuss with the

7 board. And -- and so, after meeting several times and stuff,

8 we've come up with a -- that committee's come up with some

9 recommendations to the board. And Sandra is here to kind of

10 -- we've briefed her on the project -- the proposed project

11 and the project being considered, and she's going to kind of

12 give us some -- a little overview of what it takes to fund

13 something like that, and how TexDOT is -- what the mechanism

14 is to get it in the line, and then get it through -- through

15 to the -- the building process and then complete it. So,

16 Sandra, do you want to --

17 MS. BRADEN: Where do you want me to be?

18 MR. KING: You have the floor.

19 MS. BRADEN: How about right here? How about right

20 here? Is that --

21 MR. KING: That's fine.

22 MS. BRADEN: Too many people.

23 MR. LIVERMORE: Wherever you wish.

24 MS. BRADEN: Except I've got my back to you guys.

25 Okay. I will apologize up front by saying I'm not used to

10

1 talking to this many people in an airport board meeting.

2 This is kind of exciting. I'm also new to Kerrville as the

3 planner, but I've been on and off the field for the last

4 20-hmm years, and it's been exciting for me to see the growth

5 and vitality that Kerrville has -- has continued to maintain.

6 MR. LIVERMORE: Without -- without your agency, it

7 probably wouldn't have been possible.

8 MS. BRADEN: Thank you. Thank you. We really --

9 we really are pleased that most people like to see us come in

10 the front door. And I think one of the most rewarding things

11 is to get a phone call and have a message left, and turn

12 around and phone -- to return the phone call, and the caller

13 says, are you -- "Well, I just left that message. I thought

14 you worked with the State." (Laughter.) I said, "Yes, but

15 we're trying very hard to dispel any of those ugly

16 stereotypes." I'm not exactly sure where to start, so I'm

17 going to start from the beginning as I know it. A couple

18 years ago, there was a discussion about hangars, and there

19 was a place-holding project put in our C.I.P. for T-hangars.

20 It was published in a snapshot that goes to the

21 Transportation Commission as our aviation C.I.P. once every

22 year -- once every year for a three-year projection. And

23 that's all it is, is a snapshot. As this project has

24 evolved, those costs have been refined, and they've actually

25 grown.

11

1 And the way we handle money for T-hangars has

2 changed. The moneys that are available to a community for

3 revenue production are called non-primary entitlement funds.

4 These are federal funds to be used at individual national

5 plan airports. You all -- there was a little bit of a glitch
6 in moving forward on those T-hangars, because you had that
7 R.S.A. problem, and so the funds have actually partially been
8 used most currently to fund the repairs or the relocation of
9 the ditch in the R.S.A. What we've got left is to work with
10 for 2012-13, depending on how things go with the budget
11 overall, we probably can talk about '14. But in your
12 infinite creativity, you've thrown down a gauntlet and said,
13 "Oh, let's try and do something more creative than that."
14 And in Kerrville and Kerr County, it's something that -- that
15 TexDOT -- we want to really try and work with you to
16 accomplish those goals.

17 What Bruce brought to us was an identification of
18 work that the City could do, work that the County could do.
19 If we'd just pay for the materials at 90/10, that would be
20 just ducky. Well, we don't usually do that. If you want
21 90/10 money, then we do the project. If you want to get
22 reimbursed for materials, you do that under RAMP. But each
23 entity has that capability. No doubt, it will reduce the
24 costs, and we really would like to propose taking a stab at
25 doing this so that we can also find out a little bit more

12

1 realistically, what's the bare-bones cost of hangars if you
2 don't get the government involved -- federal and state
3 government involved to the degree that we would be
4 ordinarily? So, what we're proposing to do, and we -- again,
5 we haven't worked out all of the pieces, because this is a --
6 a new stab at it -- is the engineering section will assign a
7 project manager. We'll work with whatever engineer you all
8 procure or have on -- have on staff, have under contract,
9 procure under your own processes, under local processes, to
10 provide a sealed set of plans for the structure and the
11 pavements.

12 We'll pay for materials. We'll pay for materials,
13 so the cost of the hangars, the cost of the asphalt and
14 materials that go into the pavements, and we'll work it --
15 again, these are some of the fine-tunings. We haven't worked
16 out on a technical basis on how grants will handle payment

17 and this, that, and the other. But basically, we'll
18 coordinate the whole thing. You'll use local procurement
19 processes to obtain all of the things that you need for this
20 project, and we'll move forward and get it paid for through a
21 TexDOT grant. We're contemplating -- and we have done this
22 in some other instances, and we're thinking we'll be able to
23 make the bridge to it. There's an opportunity that we can
24 ask the airport to waive their right to the non-primary
25 entitlement money, and we'll substitute state funds to

13

1 complete this project. It allows the specifications for the
2 pavements to follow TexDOT and state requirements, rather
3 than federal, and that helps a bunch. And it's -- and we've
4 made this substitution several times. Also, it enables you
5 to follow your local procurement processes instead of having
6 to follow the federal. So, we're at that moment of deciding
7 to put this creative process into play. And I think one of
8 the other things that you all were -- anybody got any
9 questions up to this point?

10 COMMISSIONER MOSER: I do.

11 MS. BRADEN: Yes, sir?

12 COMMISSIONER MOSER: May I?

13 MR. KING: Yeah, sure.

14 COMMISSIONER MOSER: Let me see if I can simplify
15 this a bit and understand what it is.

16 MS. BRADEN: Oh, please do.

17 COMMISSIONER MOSER: Let's just say that the

18 owners, the City and the County, aren't going to do any of
19 the work, okay?

20 MS. BRADEN: Okay.

21 COMMISSIONER MOSER: Let's just -- let's assume
22 that, okay? 'Cause whatever we do is going to be a small
23 part, so let's -- let me just set that aside. If we have a
24 set of plans that -- from going where we are today to a
25 complete product, that the T-hangars --

14

1 MS. BRADEN: Mm-hmm.

2 COMMISSIONER MOSER: Okay. And they're all
3 engineered plans, and we bring those to you, walk me through
4 the scenario of how that would -- we would participate with
5 TexDOT in that.

6 MS. BRADEN: If I'm -- if I'm hearing you very,
7 very clearly, you bring a set of sealed plans to us and say,
8 "We want to build this."

9 COMMISSIONER MOSER: Correct. And we can work with
10 your engineering guys to make sure that they're compatible
11 with all the requirements of TexDOT and everybody else.

12 MS. BRADEN: That's almost what we're talking about
13 doing.

14 COMMISSIONER MOSER: Okay. So then -- so -- and
15 let's just say we bring that forward to you, and our estimate
16 is, just for talk about, is \$100,000. Okay. So, we can do a
17 percentage here, so we bring -- bring forward this to you,
18 and the total turnkey thing is \$100,000, okay. So, what
19 could we anticipate coming from TexDOT?

20 MS. BRADEN: In that specific scenario, we'd work
21 it as a reimbursement. You'd pay for it 100 percent, apply
22 for reimbursement, and you'd get back 90 percent.

23 COMMISSIONER MOSER: Okay.

24 MS. BRADEN: Yeah. If you wanted us involved
25 through the process, as I'm discussing, --

15

1 COMMISSIONER MOSER: Okay.

2 MS. BRADEN: -- we -- and this is the -- these are
3 the details that have to be worked out.

4 COMMISSIONER MOSER: Mm-hmm.

5 MS. BRADEN: But in some instances, we're able to
6 receive invoices on the project.

7 COMMISSIONER MOSER: Okay.

8 MS. BRADEN: And pay 90 percent of the invoice.

9 It's up to you to pay it 100 percent.

10 COMMISSIONER MOSER: Okay. So, the -- the Approach
11 A, which we bring to us and say, "Okay, we'll reimburse you,"
12 that's Approach A. Approach B is if we work with you from
13 the very beginning; we got dirt out there now, we want to end

14 up with this final product. Then -- then, by having your
15 participation in the planning and the design and so forth,
16 then that's the incremental reimbursement, if you will, or
17 incremental paying of bills.

18 MS. BRADEN: During the process and on an ongoing
19 basis, just like a regular project.

20 COMMISSIONER MOSER: Say -- I just don't want to
21 get it too confused with what the City and the County could
22 do, because we're talking, you know, something, but it's a
23 small percentage of what the total is. It's a very small
24 percentage. But, you know, to save some money, --

25 MS. BRADEN: Absolutely.

16

1 COMMISSIONER MOSER: -- we can do it that way.

2 MS. BRADEN: And I think that's such a -- that's
3 such a good way to go about it when you have -- and that's
4 why we're so encouraged to try this out, is because you all
5 have the competencies between those two groups --

6 COMMISSIONER MOSER: Right.

7 MS. BRADEN: -- to be able to provide some
8 services --

9 COMMISSIONER MOSER: Right.

10 MS. BRADEN: -- at the airport. They're jointly
11 responsible for it. And to keep that investment and good
12 will, a lot of airports don't have that opportunity.

13 COMMISSIONER MOSER: Right. Okay, you answered my
14 question. Thank you.

15 MS. BRADEN: Mm-hmm. One of the things Bruce said
16 that you all would be curious about would be a time frame.
17 If --

18 COMMISSIONER LETZ: Sandra, before you go on, to
19 make sure I understand, I'll go off kind of what Tom said a
20 little bit.

21 MS. BRADEN: Okay.

22 COMMISSIONER LETZ: Say we do everything Tom said
23 and get reimbursed 90 percent, and then say we do -- 10
24 percent of the cost we do in-kind.

25 MS. BRADEN: No in-kind.

1 COMMISSIONER LETZ: Okay.

2 MS. BRADEN: No in-kind.

3 COMMISSIONER LETZ: So, you'll get -- we lower the
4 cost. In-kind contributions lower the total cost, but
5 doesn't --

6 MS. BRADEN: You get no credit for it.

7 COMMISSIONER LETZ: Okay. Okay.

8 MR. KING: The in-kind cost is -- is to facilitate
9 the economics of a project.

10 MS. BRADEN: Absolutely.

11 MR. KING: I mean, the project as it sits, without
12 the in-kind contribution, is not economically feasible. If
13 it was economically feasible, someone else would already have
14 done it.

15 COMMISSIONER LETZ: Right.

16 MR. KING: I would have done it. Corey would have
17 done it. We would have gone and built those things and done
18 it, but it's not done. It's not possible. I mean, when you
19 throw in -- when you get J3 to start paving all that property
20 out there and everything, the numbers go up exponentially.
21 And -- and so, you know, we've -- we've looked at projects --
22 we've looked at that project before, without any in-kind,
23 just getting estimates of prices and stuff. It's a million
24 dollar project. You know, it comes -- we were looking at a
25 million dollar project over -- you know, over on the other

1 side over there for what, 24 hangars and stuff, and, you
2 know, it was -- we got it down to a million. It was at about
3 a million --

4 COMMISSIONER MOSER: Right.

5 MR. KING: It was a million and a half or so. And
6 so, you know, this is -- this is a way that we can, you know,
7 maybe possibly -- and, like I say, it's up to our owners, up
8 to the County and the City whether we're going to bring the
9 project to you guys. If you guys want to do it in-kind, help
10 us out with it, then we're going to ask you to do that. Now,

11 TexDOT's under -- you know, as Sandra explained to me in the
12 room there, they would like to do, like, a beta -- a beta
13 test to see whether this type of project would work in the
14 state of Texas, because, you know, they have a limited number
15 of funds. I mean, the money is -- there's a limited pot of
16 money out there for them to distribute to 254 --

17 MS. BRADEN: 256.

18 MR. KING: -- 56 airports in the state of Texas,
19 and if there's a way that they can make this money go
20 further, then, you know, this might just be it. You know,
21 when we're through, if we do this project and we're through,
22 we take the 12 hangars, we divide by what we spent on it,
23 they're going to come up with a baseline for what it costs to
24 build these hangars versus what it costs to get -- get them
25 done all over the rest of the state of Texas like they've

19

1 done in the past. If it's a significant figure, I'm sure
2 they'll probably try to implement the program in other places
3 where it can be implemented.

4 MS. BRADEN: Well, and it is 'cause they're unique
5 in that regard. But I think we all -- we all work so hard to
6 honor and protect the fiduciary responsibility we have to the
7 taxpayers, any time we can be creative and maybe go through a
8 little learning curve and maybe a few bumps -- this will not
9 be bumpless, folks, but I don't think it'll be really
10 problematic, I think, because we're getting it all done at
11 the same time. Ordinarily, we pass from planning to grants
12 to engineering, and we're trying to become a whole lot more
13 integrated in getting all three of those entities together at
14 the very beginning, and this is one of those opportunities.

15 COMMISSIONER MOSER: Great.

16 MAYOR PRATT: It's great.

17 MR. WALTERS: I have a question. Under Tom's
18 Scenario A, is that where we would be asked to waive our
19 N.P.E. funds?

20 MS. BRADEN: Actually, it's going to probably be
21 there in any instance, so that the specifications can be
22 under state requirements rather than federal requirements.

23 MR. WALTERS: Okay.
24 MS. BRADEN: And to allow for local procurement
25 processes to be primary.

20

1 MR. KING: And it's not permanent.
2 MS. BRADEN: Oh, no, not permanent at all.
3 MR. KING: Just for a few years.
4 MS. BRADEN: Right.
5 MR. KING: Which we discussed if you build a
6 project like this -- Sandra, you might explain that a little
7 more. You told me at lunch if you build a project like this,
8 then they have a sort of a cooling-off period where you have
9 to wait a couple of years to come back to TexDOT to build
10 another project. I mean, it's --
11 MS. BRADEN: One of the things that -- that's very
12 -- very frustrating to try and explain, and even harder to
13 accept, is the non-primary entitlement money is entitlement.
14 It's dedicated to each NPIAS airport based on its capital
15 improvement needs that the -- that we give to the feds every
16 year. \$150,000 a year is the maximum amount, but you don't
17 get it unless you have the need. You can't just have
18 \$150,000 worth of project because you have entitlement money.
19 Those projects have to be justified. They have to be
20 eligible. And we still have to go through the same deal.
21 The other hook or requirement to use those funds is that you
22 have to maintain your air side. Your lights, your pavements,
23 all of your airplane-dependent structure has to be up to
24 snuff, and that's where the money has to be used first.
25 If you have a capital improvement project, those

21

1 moneys just go into that project. They're like the first
2 level of funds. These are just A.I.P. funds that are
3 funneled to us through our block grant, but they're set apart
4 to satisfy non-primary entitlement. When you have a project
5 like the hangars and you use non-primary entitlement, it's
6 used for so many years. As you start building up or seeing
7 another few years of non-primary entitlement money available

8 to you -- and you can amass four years; then it starts
9 expiring. Each time you come to a project, it's, "How are
10 your air side needs? How are your air side needs?" If your
11 air side needs are still fine, then we're going to get the
12 revenue production -- look at the revenue production, the
13 hangars and the fuel systems.

14 COMMISSIONER MOSER: So -- one more question, if I
15 may.

16 MS. BRADEN: Okay.

17 COMMISSIONER MOSER: Under the scenario -- the
18 current hangars that we're talking about, let's just say
19 we meet all the requirements; we cut a deal and we build
20 those.

21 MS. BRADEN: Mm-hmm.

22 COMMISSIONER MOSER: Okay? And we say, you know,
23 we'd like to move to the next step.

24 MS. BRADEN: Mm-hmm.

25 COMMISSIONER MOSER: Okay? 'Cause that worked

22

1 well; we now want to do the same thing at a different
2 location.

3 MS. BRADEN: Mm-hmm.

4 COMMISSIONER MOSER: So what you're saying is we
5 have to wait a couple of years or something like that?

6 MS. BRADEN: At least.

7 COMMISSIONER MOSER: Okay.

8 MS. BRADEN: Yeah, probably two.

9 COMMISSIONER MOSER: Several years before we, say,
10 apply for or talk to you about the next --

11 MS. BRADEN: No, talk to me right away.

12 COMMISSIONER MOSER: Okay.

13 MS. BRADEN: Say, "All right, in 2016 we want
14 another set." And I'll do just --

15 COMMISSIONER MOSER: Uh-huh.

16 MS. BRADEN: And I'll do just like Michelle did,

17 and I'll put in a project as pending or draft, and as it
18 advances through the capital improvement process, it'll pop
19 up, and we'll go, "Okay, how are the air sides? Do they

20 really want to still do this?" And we'll end up having a

21 dialogue.

22 COMMISSIONER MOSER: Okay, good. Thank you.

23 MR. KING: But that is the -- Tom, that scenario is

24 true whether it -- any way -- any time you spend the funds.

25 COMMISSIONER MOSER: Correct.

23

1 MR. KING: Any time. That's not -- that's not

2 particular to this. That's any time you spend funds.

3 MR. LIVERMORE: The air side, still the same deal?

4 MS. BRADEN: Absolutely.

5 MR. KING: Still going to have to -- there's going

6 to be a little bit of a period there?

7 MS. BRADEN: A little bit, unless it's an

8 emergency. Then we try and respond.

9 MR. WALTERS: Who makes a determination on our air

10 side, whether they're up to sufficient standards?

11 MS. BRADEN: Me first.

12 MR. WALTERS: Okay.

13 MS. BRADEN: Really, it is me first. Just over the

14 years of going, if it's just, you know, "That's minor

15 cracking, no big deal." "Where's the crack seal? Get it

16 stuffed." Me first. Then we are entering into what we hope

17 is going to be a broad pavement evaluation project jointly

18 with T.T.I. One of their pavement experts is beginning to go

19 out to our G.A. airports as we have projects, and then

20 ultimately just to get all of them in the system with a

21 pavement maintenance program and a pavement evaluation and

22 maintenance program that we're going to start incorporating

23 into planning purposes. You know, everything kind of goes

24 through a cycle. When I first started working with TexDOT,

25 the planners, as they would go out and have the regional

24

1 planning meetings, would observe where things might need to

2 be addressed, and we'd start trying to groom the sponsors to

3 send us letters of interest or say, you know, you really need

4 to do this in about three years. And we'd start plugging in

5 projects into back years in C.I.P. And then as it came
6 through, we'd call the sponsors and say, "Remember when we
7 talked about...? Well, here, it's time. Are you interested?
8 Can you do this? Can you start budgeting?" Then money got
9 to be a crunch and we stopped doing that. We waited for all
10 of those letters of interest to come in. And we're back to
11 trying to put things in and remind people about the pavement
12 maintenance responsibilities and how we can help support
13 those activities. So, that's just -- it's all evolutionary;
14 sometimes it just rolls around the circle.

15 MR. KING: Mr. Mayor?

16 MAYOR PRATT: The pavement, --

17 MS. BRADEN: Yes, sir?

18 MAYOR PRATT: -- does that go all the way up to the
19 hangar?

20 (Ms. Braden nodded.)

21 MAYOR PRATT: So that's everything?

22 (Ms. Braden nodded.)

23 MAYOR PRATT: Not just the apron or something like
24 that? It goes all the way up to the hangar?

25 MS. BRADEN: Everything that's publicly owned.

25

1 MAYOR PRATT: Okay. That's good.

2 MR. KING: Sandra, what did you say if -- if we
3 sign over those -- those funds so that we can use state
4 funds, what is the cost difference? I mean, is that -- I
5 mean --

6 MS. BRADEN: It's transparent.

7 MR. KING: No, as far as the specifications,
8 federal versus -- is it significant? I mean, you might be
9 able to speak to that.

10 MS. BRADEN: Yeah, I would say he might be able to
11 speak. It's significant there; the complexity is
12 significant. And I don't know -- Byron, can you add any more
13 to that?

14 MR. CHAVEZ: Yeah, it's really just familiarity.

15 Contractors are familiar with TexDOT standards.

16 MR. KING: Really?

17 MR. CHAVEZ: You have lots -- there's a lot of
18 airports, but they're scattered about, and, you know, it's
19 not like the roads, the highways, where there's just -- you
20 know, they're so used to the specs. So, is it really that
21 much more difficult to build? Not really, but it's just that
22 initial, "I've never seen this spec before; I'm going to
23 start cranking up that price."

24 MR. McKENZIE: And it costs more money to meet that
25 spec in the plant, because the spec's a lot tighter.

26

1 MR. KING: Is that where the difference is?
2 MR. McKENZIE: That's exactly --
3 MR. CHAVEZ: Yeah.
4 MR. McKENZIE: At the plant, when --
5 MR. CHAVEZ: Yeah, that does have an effect on it.
6 It is tighter specs.

7 MR. KING: Base material -- difference in base
8 material, or not?

9 MR. McKENZIE: It's not as much as it is the
10 surface course.

11 MR. CHAVEZ: Yeah, especially when you -- yeah.
12 And in my experience, especially like asphalt and stuff,
13 yeah. The 401 spec, which is the F.A.A. asphalt spec, yeah,
14 really starts to --

15 MR. KING: Really?
16 MR. McKENZIE: TexDOT's spec is quite adequate for
17 what we're going to do out here.

18 MR. KING: Yeah.
19 MS. BRADEN: Up to a --
20 MR. KING: How about, like, in seaming, in
21 concrete, in slab -- slab specs? Is it --

22 MR. CHAVEZ: I don't see as big of a difference
23 there, but it's still -- it still is different, and it is
24 still that familiarity thing.

25 MR. KING: Okay, thank you very much. I appreciate

27

1 that. Okay. Any more questions for Sandra?

2 MR. WALTERS: I have one more question. When you
3 were talking about under Scenario B, of we submit the invoice
4 and then TexDOT pays it, is it something that y'all then send
5 an inspector out to review the work that's been asked, you
6 know, for payment? Or do you just say, okay, we assume that
7 y'all have done your own inspection?

8 MS. BRADEN: Well, your project manager is going to
9 guide how those -- how that work is validated.

10 MR. WALTERS: Right.

11 MS. BRADEN: You will have an R.P.R., some kind of
12 a resident project representative in some fashion, whether
13 that's provided locally. Sometimes that happens. I've even
14 known TexDOT to go to -- on smaller projects, to be able to,
15 you know, drive by several times a week, and they're -- they
16 wind up being resident --

17 MR. KING: Oh, really?

18 MS. BRADEN: -- representative. But it's validated
19 in some form or fashion through your project manager.

20 MR. WALTERS: Okay.

21 MS. BRADEN: I wanted to go over real quick what
22 the schedule might be. This is where I have to say,
23 gentlemen, I really do work for the state, and yes, it really
24 does take this long. If we go forward with this project and
25 can go through all of the paperwork, all the resolutions and

1 documents that we need to have in our office, and have them
2 in during mid-to-late April, which at this point is about
3 where we have to get to meet everybody's meeting schedules
4 and everything, we'd have a public hearing the end of May.
5 There would be -- it would be on the Transportation
6 Commission approval agenda for June, and we'd have a contract
7 or a grant in place in July. Now, because of the way we're
8 trying to do this, July may mean the day you all can start
9 moving dirt or start getting things going, as soon as we've
10 got that grant in place. If we were going the other route,
11 we'd be starting to request qualifications, go through
12 consultant selection, go through fee negotiations,
13 contracting, and then we start talking about the project.

14 You're talking about six to eight months from now before --
15 MR. KING: Really?
16 MS. BRADEN: -- that will begin to happen. I think
17 once you have a -- a project -- and you'll -- Bijan will
18 assign a project manager well before we get even to
19 Commission approval, and probably have all of those kinks
20 ironed out even before we get to Commission.

21 MR. McKENZIE: So I'd be talking to Bijan? That's
22 who the project manager's assigned by? Bijan will have it,
23 and then at that point in time, we can choose our consultant/
24 engineer to do the design?

25 MS. BRADEN: Probably.

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1 MR. McKENZIE: Probably. I'm just trying to --
2 MS. BRADEN: I'm sorry to be fudgy on that, but
3 it's a new deal.
4 MR. McKENZIE: And then that is also paid for
5 90/10?
6 MS. BRADEN: Again, probably.
7 MR. McKENZIE: Probably? Okay.
8 MS. BRADEN: Probably.
9 MR. McKENZIE: That's going to be the question.
10 MS. BRADEN: Yeah.
11 MR. McKENZIE: I just want to make sure before I --
12 I got to a --

13 MS. BRADEN: Yeah, don't you jump -- where are
14 those red-hots?
15 MR. McKENZIE: They're right there.
16 MS. BRADEN: All right. I had to put him on a -- a
17 training course of every time he started to worry about
18 money, he had to go put a red-hot in his mouth. He had to
19 stop worrying about the money.

20 MR. McKENZIE: I just wanted to make sure.
21 MS. BRADEN: Yeah, and you won't actually even have
22 any contact with --
23 MR. McKENZIE: I won't have them --
24 MS. BRADEN: -- Bijan.
25 COMMISSIONER MOSER: So, would you mind saying that

1 again? Going back to April, and then through that one more
2 time?

3 MS. BRADEN: Okay. All of the resolutions, the
4 forms that we'll need from the Airport Board through the
5 County and the City, the end of April.

6 COMMISSIONER MOSER: Now, the resolutions and
7 forms, that's not any detailed design? It's just the
8 concept?

9 MS. BRADEN: Correct. This is just getting the
10 project moving.

11 COMMISSIONER MOSER: Okay.

12 MS. BRADEN: And on the Transportation --

13 COMMISSIONER MOSER: Okay.

14 MS. BRADEN: -- Commission. We'll have a public
15 hearing in our office probably toward the end of May.

16 COMMISSIONER MOSER: Mm-hmm.

17 MS. BRADEN: It is a formality. Nobody ever
18 usually shows up. The quickest one I've ever seen was six
19 seconds. If there's controversy, it's open; anybody can
20 come. We have had people show up, but it's -- it's a small
21 thing. Commission date is probably the end of June,
22 contracting during the month of July, and probably moving
23 forward rapidly in August. Because I believe --

24 COMMISSIONER MOSER: "Contracting" would mean to do
25 the detailed engineering and --

1 MS. BRADEN: No, for us, it would be the
2 contracting for the grant. For the grant, because you all
3 are going to handle the other part of it. You all are going
4 to be the contracting party for your engineer.

5 COMMISSIONER MOSER: Okay. All right.

6 MAYOR PRATT: Do you have a copy -- or do you write
7 a copy of the resolution that you'd like to have?

8 MS. BRADEN: Oh, yeah. Y'all -- they've done --
9 y'all have done a bunch of them.

10 MR. MCKENZIE: With the ditch. It's just like the

11 ditch.

12 MAYOR PRATT: Same.

13 MR. McKENZIE: Just like that one. We'll change
14 the numbers.

15 MS. BRADEN: And although we would love to just
16 accept a resolution from the board, --

17 MAYOR PRATT: You need it from the City and County.

18 MS. BRADEN: -- they've got to both be done. But
19 that's fine.

20 MR. McKENZIE: Like they did last time.

21 MS. BRADEN: Exactly.

22 MR. WALTERS: What's the difference between -- I
23 mean, I don't understand the economic difference. What's the
24 difference between -- you said under Scenario A, where we do
25 all the work and procurement and everything, we just say,

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1 "Here, would you fund this 100 percent?" Total? Didn't you
2 say 100?

3 MS. BRADEN: No, it's 90/10.

4 MR. WALTERS: Oh, it's 90/10 either way?

5 MS. BRADEN: It's 90/10. I'm looking forward to
6 it. I'm thinking it's going to be a fun, exciting project to
7 try and work out the kinks and maybe create a much more
8 responsive process for future hangar projects.

9 MR. LIVERMORE: It will be.

10 MS. BRADEN: Future folks down the state. So,
11 anticipate a few bumps and a little frustration. But Bruce
12 knows how to get hold of me.

13 COMMISSIONER MOSER: The road to success is always
14 under construction.

15 MS. BRADEN: It is. It is. But thank y'all very
16 much.

17 MR. KING: Thank you. (Applause.) Thank you very
18 much. Well, that was good, real informative. Item 4D, the
19 T-hangar development. We're not going to do that in
20 executive session; we'll do that in open session so we can
21 talk to everybody. Update. Like I said, we had a -- we had
22 a committee that the Mayor and Commissioner Moser and another

23 Mr. Mosier and I was on, and we came up with some -- and Ed

24 Livermore, sorry.

25 MR. LIVERMORE: No, I'm so little.

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1 MR. KING: And we came up -- we kind of looked at
2 some ideas, but we originally, in our -- last year we were
3 going to build these hangars across the other side of the
4 field, but had some -- some thoughts about maybe the -- one
5 of the problems with building over on the other side is that
6 TexDOT -- Sandra -- Sandra does not provide any funds for
7 infrastructure -- for infrastructure when you start laying
8 water lines and electrical lines and building roads to get to
9 you and everything. Am I correct in that?

10 MS. BRADEN: RAMP is the only thing that can help
11 with that.

12 MR. KING: Only our RAMP grants. So, when you
13 start putting in \$300,000 or \$400,000 worth of
14 infrastructure, then that comes out of your pocket. So --

15 MR. LIVERMORE: Our.

16 MR. KING: Our pocket. So, we kind of decided
17 maybe we need to find someplace that had a little -- had --
18 already had infrastructure available, so we looked at the
19 property between Mr. Stieren's hangar and Mr. Drane's hangar
20 that we had targeted for some sort of development. We -- I
21 originally thought Mr. -- you know, a hangar like
22 Mr. Stieren's over there, but there's enough room in there to
23 put one row of T-hangars. That row of T-hangars could be 4,
24 8, 12. Just -- it just goes back. It's just a matter of how
25 much dirt you want to dig out to get to it. So, we -- we

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1 looked at those. We looked at that possibility. We looked
2 at one other site over there that had a possibility over
3 there near Mr. Brinkman's hangar, but we kind of decided that
4 the place between Mr. Drane and Mr. Stieren was a pretty
5 good-looking spot to stick some T-hangars, and it would be --
6 actually have more revenue than putting a hangar like Mr.
7 Stieren's over there, where we just have a ground lease on

8 the hangar, 4,000 or 5,000 a year.
9 MR. MCKENZIE: 5,300.
10 MR. KING: 5,300 a year. This way we have some
11 T-hangars, so we kind of decided on that. And then we had to
12 look at what -- what kind of hangar we wanted to build, what
13 -- and what -- how many we wanted to build. So, the -- the
14 committee looked at that. The committee's recommendation,
15 originally we were going to build eight. We thought about
16 building eight. And then after talking to Sandra, it looked
17 like the funds might be available to go a little -- a little
18 larger than eight, and with the thinking, once we build these
19 things -- if you build four, if you build eight, it doesn't
20 matter what you build; there's going to be a period where
21 we're not going to build anything for a couple of years. And
22 so the -- the committee kind of looked at it and decided,
23 well, let's maybe -- let's look at 10. Let's look at
24 building 10 over there. So, once we kind of came up with
25 that, we stepped off; we went out there and laid it out and

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1 everything to see what 10 would look like. Then we said,
2 well, let's look at the possibility of building 12. Could we
3 actually build 12? And -- and this project -- I want to make
4 it very clear, this project is -- we don't have 12 hangars
5 filled up right now. We don't have 12 people that want a
6 hangar, but we do have interest in probably --

7 MR. MCKENZIE: Twenty on the list.

8 MR. KING: But how many people have really said
9 they will take a hangar? I said I would take one.

10 MR. MCKENZIE: About six of them were for sure.

11 MR. KING: Six -- about six people have said they
12 would take a hangar; they would be for sure to take a hangar.

13 MR. LIVERMORE: A couple of them in this room.

14 MR. KING: A couple of them in this room. So, we
15 looked at this as kind of a pilot project for this airport.
16 We've been talking about building hangars for 12 years -- 12
17 years over there. The hangars we did build over there paid
18 out --

19 MR. LIVERMORE: Handsomely.

20 MR. KING: -- paid out really well. We receive
21 40-something thousand dollars a year revenue on those, so we
22 thought, well, if we could build -- let's build a number of
23 hangars, and let's see if -- see what the demand really is
24 out there. Now, that's one of our biggest questions we've
25 asked. Will the people in Fredericksburg come over? What is

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1 the demand for hangars? So, if we -- if we think we can fill
2 50 percent of them up immediately, then let's just see where
3 the other -- what the demand is, and we'll find out over the
4 six-month period after we build them. So, we -- the
5 committee kind of recommended that we build 12. We jumped it
6 up to 12, and with those 12, we come up with some numbers.
7 And the Mayor's done a kind of a cost analysis on it, and do
8 you want to go over that, Mayor, for the board? Since
9 they're your numbers.

10 MAYOR PRATT: You want to pass out the sheet?
11 MR. KING: Yeah, there's a new sheet. And this is
12 an ever-changing, it seems like -- these numbers -- let me
13 say first of all, we got -- these numbers are -- they are
14 current numbers as far as the cost of the T-hangars, the cost
15 of materials. And in this estimate -- in these estimates
16 here, all of this is based on our two owners, the City and
17 the County -- the County would provide site work, basically
18 moving some dirt for that hill, taking that dirt, moving it
19 back into the bottom and leveling out everything, and then
20 building a pad.

21 COMMISSIONER MOSER: Got a correction. The cost
22 for hiring somebody to do that is in here.
23 MR. KING: Oh, it is in there?
24 COMMISSIONER MOSER: Yeah. We assume -- we went to
25 the conservative side and said, "Assume the County can't do

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1 it because of other obligations." So, we put the cost of
2 that in there.
3 MR. KING: Where -- which one?
4 COMMISSIONER MOSER: \$25,000.

5 MAYOR PRATT: 25 for site work. Now, originally,
6 when we -- when the committee was meeting, Steve, remember,
7 we -- we changed the word "site work" --
8 MR. KING: Yeah.
9 MAYOR PRATT: -- to "slab," and then I inserted
10 "site work."

11 MR. KING: Okay. So, that is in there.
12 COMMISSIONER MOSER: So, if the County and City can
13 do that, it reduces the cost by that 25,000.

14 MR. KING: Sure.
15 COMMISSIONER MOSER: Okay. That's what I was
16 talking to Sandra about.

17 MR. KING: And I want to make it clear, we are
18 going to request from the County to do this.

19 COMMISSIONER MOSER: Right.
20 MR. KING: I don't think it's fair for the City to
21 commit to paving a bunch of property out there, and we don't
22 ask the County to do anything on this thing. So --
23 COMMISSIONER MOSER: And let me intersect --
24 interject something. We met with Road and Bridge out
25 there -- what was it, Bruce, yesterday?

1 MR. MCKENZIE: Day before.
2 COMMISSIONER MOSER: For moving 3,000 yards --
3 MR. KING: Yeah.
4 COMMISSIONER MOSER: -- of dirt. I mean, they can
5 do it. And we just talked about the schedule, and I think
6 everything we're talking about in the schedule is compatible
7 with them.

8 MR. KING: Sure.
9 COMMISSIONER MOSER: But to be conservative, we
10 made sure we left that in there. And the City's contribution
11 is not in here either. I mean, it assumes we have to pay for
12 that.

13 MR. LIVERMORE: The dirt that you're going to move
14 out back is what we need in front.
15 COMMISSIONER MOSER: Exactly.
16 MR. LIVERMORE: Almost the same amount.

17 COMMISSIONER MOSER: It's almost -- just eyeball, I
18 mean, in measuring it the other day, it's -- all we're doing
19 is moving the hill forward, and packing it and leveling. So,
20 it's very little to move off the property -- off the site, if
21 any. Okay.

22 MR. KING: So the first item, Mayor, do you want to
23 go over this, or do you want me to?

24 MAYOR PRATT: It's up to you.

25 MR. KING: I mean, the first -- when you say apron,

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1 we're talking about materials, basically, for paving. Is
2 that correct?

3 MAYOR PRATT: That's correct. But, you know, like
4 I said, these are all very conservative numbers. And, you
5 know, depending on asphalt, that -- that could be high.

6 MR. KING: Sure.

7 MAYOR PRATT: Considerably high. And then the
8 City's labor part of doing the paving could be in there.

9 MR. KING: Sure. If we -- at some point -- just my
10 opinion. At some point, we're going to present this to the
11 City and the County, and they're going to make a decision
12 whether they're going to participate or not participate. And
13 as far as I'm concerned, that's going to be the -- that's
14 going to be the linchpin for me, whether I vote for this
15 project to go --

16 MR. LIVERMORE: What's going to be the linchpin?

17 MR. KING: I mean, you know, we've asked -- we've
18 told TexDOT that we're going to have some in-kind
19 contributions on this project.

20 MR. LIVERMORE: Right.

21 MR. KING: So, as a beta test here, as you know, at
22 some point we'll present this to the City and the County, and
23 then they'll tell us whether they're going to participate in
24 the project, as they've done in the other projects we've
25 done.

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1 COMMISSIONER MOSER: Sure.

2 MR. KING: And then we can decide, you know,
3 that -- I think what we recommend to the County and the City
4 is going to be based -- I would recommend it's going to be
5 based upon their participation. I don't know what the rest
6 of the board feels like.

7 MR. LIVERMORE: I understand your point.

8 MR. KING: You understand what I mean?

9 MAYOR PRATT: That's really how it's going to work,
10 under her -- her description.

11 MR. KING: Under her description.

12 MS. BRADEN: May I interject a couple things?

13 MR. KING: Sure.

14 MS. BRADEN: I want very strongly to get you 12
15 hangars, but we may have some limitations financially --

16 MR. KING: Sure.

17 MS. BRADEN: -- that may pull that number down.

18 MR. KING: Exactly.

19 MS. BRADEN: So, as I mentioned to Steve and Bruce,
20 we'd probably look at refining this budget with your project
21 manager before you go to either entity, so that everybody's
22 real comfortable what those numbers are, and do a scenario.
23 We're hoping that the bids will come in very, very good on
24 the hangars, for 8 or 10, with an add alt for additional
25 unit.

1 MR. KING: Sure.

2 MS. BRADEN: And the other thing, I don't know --

3 Byron, would you say that there probably needs to be some
4 money here for engineering and testing -- I mean, for
5 testing?

6 MAYOR PRATT: It's in there.

7 MR. KING: 12,500. Yeah, the 12,500 is for
8 engineering test, soil samples and stuff like that.

9 MS. BRADEN: I think we'll just have to, you know,
10 throw it up to the --

11 MR. KING: And that's the reason we --

12 MS. BRADEN: -- our refiner.

13 MR. KING: -- we kind of batted it around between,

14 you know, 10 or 12, and we decided we would just go big, and
15 then have -- if we went the other way, we can always go
16 backwards. We had -- the deciding factor was whether we
17 could dig enough dirt out of that hill over there, and so if
18 we -- if we're limited by -- constrained by the budget, then
19 we can always go backwards. It's 40 feet.

20 MAYOR PRATT: We were also looking at, you know,
21 the land availability.

22 MS. BRADEN: Right.

23 MAYOR PRATT: And if you put 10 there, you're not
24 going to go later and just add two, okay. So --

25 MR. KING: Exactly.

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1 MAYOR PRATT: -- you'd be wasting that land.

2 MS. BRADEN: Well, I'd rather be cautious now than
3 have to come back and say, "Guys, we blew this."

4 MR. KING: Sure.

5 MR. LIVERMORE: Well, and we also had a question
6 about a utility line to be determined.

7 COMMISSIONER MOSER: That's no problem.

8 MR. LIVERMORE: That's out of the parameter? So --

9 MR. KING: So, Sandra, let me -- if we -- if we --
10 if we vote to approve -- to go forward with this project, or
11 at least attempt to go forward with it, --

12 MS. BRADEN: Mm-hmm.

13 MR. KING: -- the next process we could get
14 together with -- with your people and come up with a -- and
15 see how realistic our budget is -- our actual budget would
16 be.

17 MS. BRADEN: After this conversation, I'll take
18 that back to the scopers.

19 MR. KING: Okay.

20 MS. BRADEN: And the project manager.

21 MR. KING: And we can do that prior to us going to
22 the City and the County?

23 MS. BRADEN: I'd want to go -- I'd want you to hold
24 off for a time.

25 MR. KING: That would be great, okay. The slab, we

1 -- we took estimates on what cost the slab was. It is what
2 it is. The buildings, we talked to the building supplier.
3 That's the number they've given us for the buildings with
4 sliding doors. Is that correct, Bruce? That's the number
5 with sliding doors. That's for the weld. The next item
6 there is bifold doors. We asked them what it would cost to
7 build bifold doors on the project. To add bifold doors to
8 the project, it was a little over \$4,000 per door.

9 MR. LIVERMORE: And it really changes the type of
10 building, doesn't it, Bruce?

11 MR. McKENZIE: Changes the structure.

12 MAYOR PRATT: Changes the steel front -- steel
13 structure.

14 MR. KING: Right. Electrical, there's \$12,000 in
15 there for electrical. That's inside the building. So, each
16 building had a -- under the sliding door scenario, there's a
17 light in each building.

18 MAYOR PRATT: And a plug.

19 MR. KING: And a plug, and very similar to our
20 other buildings that we already have built. We put in a
21 \$10,000 City and County implementation cost. I want to make
22 it very clear to the public, the funds that we're talking
23 about -- the 10 percent funds that we're talking about coming
24 up with on this project, whatever that cost is, the
25 airport's -- it's going to come out of their -- out of our --

1 MR. McKENZIE: Reserves.

2 MR. KING: Out of our reserves. We're not asking
3 the City or the County to pay for any of that. We think we
4 have adequate reserves to do that within -- within our --

5 MR. LIVERMORE: So no tax increase, no bonds being
6 sold, nothing.

7 MR. KING: We're going to -- we'll pay for that,
8 and that will be our contribution from the -- from our --

9 COMMISSIONER MOSER: No additional money coming
10 from the City or County for this.

11 MR. KING: No.

12 MR. LIVERMORE: Very important point.

13 MAYOR PRATT: Let me -- let me cover the next two
14 items.

15 MR. KING: Okay.

16 MAYOR PRATT: Okay. The City implementation cost
17 and the County implementation cost, I just put some figures
18 in there, because you always know that you're going to have
19 something that comes up.

20 MR. KING: Right.

21 MAYOR PRATT: So that's just a number with no
22 justification.

23 MR. McKENZIE: Right.

24 MAYOR PRATT: The next line is the reserve, and
25 it's \$25,000. I'm -- I could not take this to City Council

1 and ask for approval if we didn't escrow 25 -- or put in
2 reserve 25,000 every year, so that at the end of 20 years,
3 you need a significant amount of repairs and there's no money
4 there to repair those hangars. So, it's sort of like a
5 depreciation, so that's what that 25,000 is, so that we know
6 that 20 years from now, we'll have the money to do whatever
7 repairs are needed -- necessary. And -- and that's basically
8 the only way I can take it to City Council for approval.

9 MR. WALTERS: I'm sorry, you said you had 25,000 a
10 year?

11 MAYOR PRATT: Yeah. You take -- you take
12 present -- present value money, future value money, take the
13 current cost, extrapolate it out for 20 years, and that's
14 about what you'd have.

15 COMMISSIONER MOSER: He's looking at your
16 spreadsheet; you only have it in 2014.

17 MAYOR PRATT: I understand. I only have it in the
18 first year, but that's -- it will be throughout. Now, the
19 analysis is based on \$295 a month rental for the -- for the
20 hangar. That's an increase of what we are -- what we have
21 now. But when you see the rent for hangar there, it says
22 \$280.25, but that's with a 5 percent discount if you paid a

23 year in advance. And the revenue is based on a 90 percent

24 occupancy.

25 MR. KING: Okay.

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1 MAYOR PRATT: Okay, Steve. That -- and the A.P.I.

2 down there, Corey -- you used N.P.E. earlier. N.P.E. is now

3 A.P.I. We're using A.P.I. there. And I didn't put anything

4 in there for 2010 or 2015. So, if you look down at the

5 bottom, your payback period is less than a year, because --

6 and your return on investment or R.O.I. is 19.41 percent.

7 And I'd like to --

8 MR. WALTERS: How'd you come up with your \$25,000

9 reserve? That just seems very aggressive to me for 14,000

10 square feet of building.

11 MAYOR PRATT: You take -- you take your -- your

12 total cost, extrapolate it out.

13 MR. LIVERMORE: Just divide, straight line?

14 MAYOR PRATT: Straight line, yeah.

15 MR. KING: I think basically the replacement cost.

16 MAYOR PRATT: It's the replacement cost.

17 MS. HARGIS: It's not a percent. But would you

18 replace the concrete, though?

19 MAYOR PRATT: Over 20 years.

20 MS. HARGIS: The concrete?

21 MR. WALTERS: That's a lot.

22 MAYOR PRATT: Only for the -- only for the

23 building.

24 MR. WALTERS: I think you can take a dollar a

25 square foot and say that's ample.

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1 MS. HARGIS: Seems a little high. Because --

2 MAYOR PRATT: Like I say -- go ahead. Let's let

3 Sai -- he's the guru.

4 MR. VONGCHAMPA: 25,000 is based on the -- the

5 total project cost, 500,000 that we estimated, divided over

6 20 years, but that's about 25 --

7 MS. HARGIS: But you got concrete and stuff you

8 would not have to repair. I think you pull those items out
9 and just put structure in there to replace, 'cause you're not
10 going to necessarily replace the concrete.

11 MR. WALTERS: I don't know that you're going to
12 replace the structure. Look how old Brinkman's hangar is.

13 COMMISSIONER MOSER: Why would you replace the
14 steel -- steel structure?

15 MR. WALTERS: Absolutely.

16 MR. VONGCHAMPA: It's based on the entire project.

17 We took the simplified method, just divided by --

18 COMMISSIONER MOSER: I think we're all saying --
19 (Several people speaking at the same time.)

20 THE REPORTER: One at a time, please.

21 COMMISSIONER MOSER: We also have the --

22 MAYOR PRATT: We didn't put the C.P.I. in there and
23 all that.

24 MR. KING: Well, that's -- I mean, that's something
25 we have to deal with the City on that and the County when we

1 take it to them, if we want to look at them from the -- I
2 mean, I think the major upshot of this, we put in
3 40-something thousand dollars -- or what did we figure our
4 total cost would be?

5 MAYOR PRATT: Total cost is -- look at contingency
6 there, where it has contingency. That's our 10 percent.

7 MR. KING: You put in 47,000; you get back a
8 project that's almost \$470,000. That's -- that tells you
9 right there you know what the -- and plus and you add in the
10 revenue component of it. I think that shows you pretty
11 quickly there what the benefit to the City and the County is,
12 as far as another capital improvement. I think you got to
13 look at -- like that number we looked at when we got
14 our audit here recently, in the last year or two years, it
15 was \$5.3 million worth of improvements made to this airport
16 by TexDOT, and our total contribution was \$85,000? \$85,000.

17 We got \$5.3 million worth of capital improvements. So, I
18 just -- this --

19 MR. LIVERMORE: No-brainer.

20 MR. KING: It's a no-brainer. Same type of project
21 here, where, you know, someone else is coming in for nine
22 cents, and you're putting in a penny. So -- you know, and
23 the good thing about this project is it has revenue. There's
24 a revenue component to it. There was no revenue component to
25 the runway -- the taxiway relocation program or the drainage

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1 program. Okay. Any other questions? Thank you, Mayor.
2 Questions on that? So I guess what we need to decide is --
3 is if the board -- first of all, there is a -- there is in
4 these -- in this deal, there's -- in this estimate, there is
5 -- there's two scenarios here on these building of these
6 T-hangars. One of them has regular doors, sliding doors.
7 One of them has bifold doors. We kind of need to discuss
8 that a little bit. The committee discussed this, and they
9 looked at the pros and cons, the advantages. I mean, I guess
10 our recommendation from the committee was what? Was for
11 bifold doors?

12 COMMISSIONER MOSER: Bifold.

13 MR. KING: Yeah. The -- and I think the
14 recommendation was based on they're more salable. They're
15 more leasable.

16 MAYOR PRATT: Marketable.

17 MR. KING: They're more leasable. That was being
18 -- on the "pro" side, they're more leasable. They're --
19 they're looked upon as being a higher-end product. On the
20 other side is they have a maintenance issue; there is a
21 maintenance component to them. There's 12 electric motors
22 out there running those things. There's 12 electric motors
23 going round and round every time -- every time everybody uses
24 it, and there's the issue of when one of them doesn't work,
25 who fixes it? You know, I probably don't have the expertise

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1 to get out of bed and come out here, open some guy's door
2 when he can't get it open, but Bruce, you know, is probably
3 going to be the guy that gets called to come fix it. So,
4 we've looked at -- you know, we looked at that it's not a

5 cheap -- it's not a cheap addition. It's --

6 MR. LIVERMORE: \$56,000.

7 MR. KING: It's 10 percent. It's -- it's \$4,400 a

8 door per hangar to add to it, so it's roughly probably 10

9 percent of the overall cost of the -- 10 or 12 percent of the

10 overall cost of the project for each door.

11 MAYOR PRATT: But if you also, Steve --

12 MR. KING: Yeah.

13 MAYOR PRATT: If you don't have the bifold doors,

14 then in the analysis, you're going to have to back off your

15 rent.

16 MR. KING: You're going to have to back off what?

17 The rent?

18 MAYOR PRATT: Do you not think so?

19 MR. GRIFFIN: No.

20 MR. KING: I think the rent's -- I think the rent

21 is --

22 MR. MCKENZIE: Bring the other ones up.

23 MR. GRIFFIN: As they are.

24 MR. LIVERMORE: I think there's a letter here. I

25 don't -- shouldn't we put this into the -- what Bill Wood's

1 done? Or is that necessary?

2 MR. KING: I mean, I think everybody's read the --

3 read what Bill said.

4 MR. LIVERMORE: Should it be in our minutes?

5 MR. KING: Yeah, we can do that. We could -- I

6 don't know how you do that.

7 MR. LIVERMORE: Shall I read it?

8 MR. KING: Yeah, you could go ahead and read the

9 letter.

10 MR. LIVERMORE: This is a letter to Bruce, who

11 redistributed it out to other members of the board, from Bill

12 Wood, who's a board member, but unable to attend today. And

13 Bill's an electrical engineer, and has dealt with electrical

14 stuff his whole life. Anyway, I'll just read the letter. It

15 says, "Hi, Bruce. I had a conversation with Ed about the

16 group discussion about electric motor-driven bifold doors

17 versus sliding doors on our existing hangars. My first
18 thought is that the folks..." -- well, I don't think that's
19 relevant. Anyway, "I have reviewed the electrical
20 requirements for the motor-driven doors, and see the amount
21 of electrical equipment required. The complexity will
22 require electricians for any problem we might have with the
23 door operation. There are also liability issues for doors
24 like this regarding crushing someone if a door has bad set
25 points. Before making a decision to use this type of

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1 equipment, we need to understand the consequences to you and
2 the board for doing so. Electrical schematics of the
3 equipment required and a description of the additional
4 complexity are available on the internet. Just Google
5 'T-hanger bifold electric doors.' Thermal magnetic circuit
6 breakers and a disconnect switch are required" -- I'm sorry,
7 "are included with each door. I assume we would need to
8 supply a breaker panel for each line of hangars to feed each
9 motor, as well as any lighting for the hangars." Then he
10 regrets that he could not be here today. Share it with the
11 board.

12 MR. KING: Okay. Sandra, I mean, you guys look at
13 these projects all the time. What -- what's y'all's -- do
14 you have any opinion on those things? I mean, they're
15 expensive.

16 MS. BRADEN: They're expensive. They are becoming
17 more and more of the industry standard.

18 MR. KING: Yeah.

19 MS. BRADEN: I'd have to defer to one of the P.M.'s
20 that's more electrically knowledgeable, but certainly that's
21 a concern and subject that can be discussed.

22 MR. KING: I don't know that we can -- we --
23 considering this process has to go to TexDOT, the next step
24 has to go to TexDOT to get some estimates, some real -- to be
25 sure, you know, what our numbers are and everything, I think

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1 we probably can -- we might even forego that decision prior

2 to sending it to the City and County.

3 MR. WALLING: Mr. Chairman, may I address the
4 board? My name is Floyd Walling, and I'm a city resident and
5 also a pilot, and a potential lessee.

6 MR. KING: Mm-hmm.

7 MR. WALLING: And there's a couple things I'd like
8 to suggest. Number one, I like the idea of the bifold doors.
9 Much easier to get your plane in and out, all that. You do
10 have all those problems that Bill mentioned, and the
11 possibility of crushing and so forth, but it's much easier
12 and better getting your plane in and out of the hangar, so
13 I'd recommend that, and consider using the bifold if you can.

14 The second thing I'd like to suggest is, if the State's going
15 to pay 90 percent of this, I think you shouldn't try to
16 return -- get a 19 percent return. I'm -- I have a hangar in
17 Fredericksburg. It's a perfectly good hangar. It does have
18 a sliding door, but it's \$200 a month, and if I pay it in
19 advance, I get another month free. So, if we're talking
20 about \$295 a month, that's -- that's not -- that's too high,
21 in my judgment.

22 MR. McKENZIE: Floyd, what kind of floor does that
23 have?

24 MR. WALLING: It has a concrete floor.

25 MR. KING: It's a concrete floor?

1 MR. WALLING: Yes. And so I would suggest that we
2 don't need to amortize our \$46,000 cost in five years. Looks
3 like it's going to be paying back in a couple of years. I
4 would suggest that we do it -- this is a public -- it's not a
5 private profit-maker organization. I would suggest that we
6 -- since the State's going to provide so much, why don't we
7 adjust our rent to where it's a little more reasonable? Do
8 no more than \$250 a month, and a discount if you -- if you
9 pay it in advance. That would make it more likely for me to
10 accept a hangar and sign a one-year lease, and even pay it
11 annually in advance. I have some experience with this board,
12 because I -- several years ago, I came and made a proposal to
13 build my own hangar, and it was -- at the time, it was going

14 to cost me \$62,000 for the -- for the concrete, the building
15 and electrical and everything. So, it would be -- in my
16 recommendation, I'd consider a shorter -- longer period of
17 time. These hangars are going to last for 30 or 40 years. I
18 don't think we should try to get our money back in -- in less
19 than two and a half. And keep in mind that we're -- that
20 we're going to spend money here. We're going to be buying
21 gas and spending -- doing other things. So, my
22 recommendation is those two things. One, the bifold would be
23 better, and two, consider a more reasonable rent, and don't
24 try to make your money back in two and a half years. Thank
25 you very much.

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1 MR. KING: Did you have something, Sandra?
2 MS. BRADEN: If I could, with -- truly respecting
3 and understanding your position, let me say that several of
4 the things that are required of the sponsor accepting these
5 funds is to establish a fair market rate for these hangars.
6 MR. KING: Mm-hmm.
7 MS. BRADEN: You're absolutely right; it's public
8 money, and the City and the County and the Airport Board are
9 only going to put in their 10 percent. But at the very heart
10 of the aviation grant programs is providing the small G.A.
11 facilities an opportunity to have a revenue stream so that
12 they become self-supporting. So, although the sponsor looks
13 at what the return on their investment is, we're looking at a
14 return on investment for all the taxpayers' money, so that
15 this facility gets a revenue stream and they can become
16 self-supporting, so we're not putting more tax revenue into
17 this facility. So, please understand, I know where you're
18 coming from, but there's a -- a broader picture that attaches
19 to these funds. And the other thing that goes along with the
20 lease rate -- I know y'all were doing a very simple
21 description, but one of the things I've told Bruce and Steve
22 is, you all have to establish an escalation clause into your
23 lease. You know, we -- the feds look for an escalation that
24 keeps up with the C.P.I. or some index to maintain that fair
25 market value for those -- for those revenue production items

1 that the grant funds have gone into.
2 MR. KENNEDY: Can I make one other point also? One
3 of the issues that we're experiencing in the aviation
4 industry right now is when you got TexDOT funding 90 percent
5 of a lot of this, you've got, you know, municipal -- I've
6 seen this with lots of local airports putting in fuel
7 systems. You know, you've got a local entity who has got 90
8 percent of a fuel system put in and paid for, and you've got
9 private businesses on the same airport having to pay 100
10 percent of these things and then competing, and then you put
11 a municipality with this hugely unfair advantage over private
12 businesses who are trying to make a living, trying to keep
13 their doors open. There's no way. And that's the reason
14 lots of these smaller airports that we're having to compete
15 with in fuel sales and so forth, they're giving fuel away,
16 which they've got 10 percent of the basis covers what I've
17 had to put into a fuel system. The hangars become a very
18 similar situation when you've got competing entities, one of
19 which being a municipality. Private businesses or somebody
20 else, if you wanted to come in and build a set of T-hangars,
21 they'd have a huge hangar advantage. That's why
22 municipalities really have an obligation to establish a fair
23 market rate for those buildings, I think.
24 MR. KING: Ed, do you have something? Thank you,
25 Joey.

1 MR. LIVERMORE: We have two or three things here
2 that need to be decided. One, of course, is the question, as
3 the chairman's pointed out, the sliding versus the bifold.
4 The second is, is it going to be 8, 10, or 12? In my list of
5 priorities, if we -- and Sandra has mentioned that we need
6 to -- we're still trying to determine exactly how much money
7 could come into this project from TexDOT, which affects us
8 incredibly. I would -- I think it's -- if there is a
9 shortage of money, if we can't quite go this -- this high, I
10 would rather drop the bifold and build 12 hangars. That

11 would be where I would go. And I'd rather have 12 hangars.
12 To me, that's the bigger priority. And so as we go forward,
13 and I know that we've -- like Steve said, we probably don't
14 need to decide the doors right now, but --

15 MR. KING: Yeah.

16 MR. LIVERMORE: But if it comes down to, well, if
17 we can put in the doors, but we can only build eight hangars,
18 or we can build 12 hangars and not do the bifold, I'd go for
19 12 hangars. That would be where my priorities are.

20 MR. KING: You got something?

21 MS. BRADEN: Well, you can also use, like, the
22 number of hangars being a base bid, and then an add alt.
23 Then you can always design an add alt into your plans for
24 that bifold.

25 MR. KING: Right.

1 MS. BRADEN: You can bid them as a sliding with an
2 add alt for bifold.

3 MR. KING: Right.

4 MR. LIVERMORE: Good advice.

5 MS. BRADEN: You have a lot of options once it gets
6 down to it.

7 COMMISSIONER MOSER: Different structure.

8 MR. KING: That's fine.

9 MS. BRADEN: Sure can.

10 MR. KING: Mr. Walling, I want to address that, one
11 of the points you said. I understand where you're coming
12 from. Believe me, I don't want to -- I don't want to pay any
13 more than anybody else. I pay considerably more than you do
14 for a hangar, and -- but, you know, we also -- one thing we
15 also have to look at is that we ask the City and the County
16 for \$90,000 every year to fund this airport. Last year, we
17 asked them each for \$90,000 -- 90 or 95?

18 MR. MCKENZIE: 90.

19 MR. KING: 90,000. That's -- that covers our
20 deficit at the airport. And we came up with 90 -- \$180,000
21 we consider in our budget to be the shortfall. Now, we've
22 been tasked in our strategic plan for this airport, which

23 Mr. Moser helped us come up with, when we first were on this
24 board -- started this board, you know, one of our -- the
25 biggest part of that strategic plan is to become completely

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1 sufficient, revenue-sufficient at some point down the road.
2 And -- you know, and I think at the -- at the time that we
3 can tell the taxpayers that, you know, it's not costing you a
4 nickel -- 'cause believe me, I see it, I hear it all the
5 time, is, "I don't have an airplane at this airport." You
6 know, I don't -- "You rich guys with your airplanes, keeping
7 your airplanes out there, and -- you know, and I'm paying for
8 it."

9 Well, you know, at some point, you know, we --
10 we've been tasked to be able to say it's not costing the City
11 and the County anything. It's costing -- you know, we're
12 revenue -- we're revenue-sufficient, and we're making our own
13 way out here. And, you know, you can always throw in the
14 capital -- the contribution of what this airport does for the
15 community, which is a huge number. You know, that -- it's a
16 huge number every year, what -- you know, all these people
17 you see flying in here. You know, they wouldn't be flying --
18 they wouldn't come here to Kerrville; they'd be going to
19 Fredericksburg or Hondo or someplace else for ranches if we
20 didn't have an airport here. So, that's -- I understand your
21 position on this, but we have to take into consideration
22 that, you know, we've had 16 T-hangars over there with rents
23 at 250 a month for 12 years. You know, Corey manages real
24 estate all over the United States. I asked him, "Do you have
25 any of your leases that have 12-year non-escalations?" You

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1 know, I mean, and ours don't have any escalation at all.
2 Would you lease me some property in one of your buildings
3 for, you know, so many dollars a month, and just let me leave
4 it that way for the next 12 years? I mean, you'd go broke.
5 You'd go broke doing that.
6 And, you know, we've been very, very remiss in not
7 raising that rent over on those other hangars. You know, 16

8 people that are perfectly happy. I told Ed -- you know, Ed
9 has a hangar over there, and so does Kirk; they have a hangar
10 over there. I told them, I said, "I'm going to ask you guys
11 to raise your own rent." You know, we're going to raise the
12 rent on those hangars too. And until I see some people
13 leaving out of here and some vacancies over there, I think
14 that's the way I look at it. I think that we -- we got a
15 waiting list of people that want in a hangar, and you got 16
16 hangars full, and the rent stays the same. That doesn't make
17 any sense, so we're going to raise the rent on those hangars
18 also to increase the revenue, because at some point, we're
19 going to make this airport sufficient. It's going to operate
20 on its own money, and it's going to be -- you know, we're not
21 going to be a burden on the City or the County.

22 MR. LIVERMORE: Kind of stopped preaching and
23 started meddling, didn't you, Kirk?

24 MAYOR PRATT: Steve?

25 MR. KING: I've also said, Mr. Walling, I'll be the

1 first one to rent a hangar over here, 'cause I've got another
2 airplane somewhere.

3 MR. GRIFFIN: And just from personal experience, I
4 kept my airplane over in Fredericksburg for a while in one of
5 those hangars, and the amenities on those hangars is just
6 what -- in the quality of the hangar. Nothing against Bob
7 Snowden; he's my guy that I go fly with every two years. And
8 -- but, I mean, what those hangars are compared to what we
9 have currently here, you can't compare them. The hangars
10 here have a lot better amenities. I was very surprised when
11 I moved -- when I put my airplane over there for a couple
12 months, and realized that -- that what I had over here for
13 what I was paying for versus what Bob was charging for his
14 hangars, they're not even close. And so I think, already,
15 we're -- we well justify the \$250, and with a new build, I
16 just don't see us being able to charge anything less than
17 that.

18 MR. LIVERMORE: And to echo what these guys are
19 saying, we are going to look at rental rates on all the

20 hangars. We absolutely are. And -- but, you know, it's
21 important, I think, to note that the cooperation and the
22 interest of the City -- the City and the County just aren't
23 saying, "You got to be revenue neutral." They're in here
24 working to help us get that way. And on this planning
25 committee that we just worked, we had the Commissioner and

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1 the Mayor both on it. We had -- they're sitting here today.
2 We had another Commissioner; I guess he had to leave for a
3 different -- for another event, but they're contributing
4 their in-kind work to make these numbers work out, and
5 there's a real shared interest in getting as close to or
6 beyond revenue-neutral as we can. And so I -- as another
7 board member, I echo what you're saying, Steve.

8 MAYOR PRATT: I'd like to add to Steve's comment.
9 The City has a strategic vision of having this airport being
10 self-sufficient in three, four years.

11 MR. KING: Yeah, that's fine. We --
12 COMMISSIONER MOSER: And I want to jump on that
13 bandwagon, too. I think as we -- we're going to the
14 taxpayers in the county, as Steve said, and we feel very
15 strongly that way, that the taxpayers should not have to pay
16 for the operations at the airport, and get to that position
17 as soon as possible. And we've been pushing on this project
18 to meet that objective for the last three years, and I think
19 we can see our way to the -- a light at the end of the
20 tunnel.

21 MR. KING: Sure.
22 COMMISSIONER MOSER: And bring in another
23 sufficient amount of revenue to --
24 MR. LIVERMORE: The Mayor was our financial
25 analyst, by the way.

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1 MAYOR PRATT: Well, I'm going give credit also to
2 Sai here. Sai is -- he's the guru for the city.
3 MR. LIVERMORE: I see, okay.
4 MR. MOSIER: Steve, can I say --

5 MR. LIVERMORE: So the truth comes out; you're not
6 as smart as you thought.

7 MAYOR PRATT: I'm not as smart as him.

8 MR. KING: Go ahead, Mark.

9 MR. MOSIER: I'm Mark Mosier; I'm a local resident
10 and pilot, and I was on the ad hoc committee checking into
11 the new hangars. And I want to echo what Steve says in
12 support of the rent increase to standard. And also, Joey
13 makes a very valid point; we need to pay close attention to
14 what he's saying and support him also. And Ed made the
15 comment that if we had to decide between 12 hangars and
16 bifolds, we'd go for 12, and I agree with that also.

17 However, we do not have experience locally here with bifold
18 doors, but the experience is out there. And Sandra did
19 comment that bifold is becoming the industry standard. So,
20 if we are going to make that decision and not have bifold,
21 I'd recommend that it's an educated decision. I'll just
22 offer a couple of comments on electricity and maintenance.

23 My personal experience is they're more maintenance, actually,
24 but I'm not completely familiar with the industry. So, I do
25 recommend that it is an education -- educated decision.

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1 MR. KING: Okay. All right, let's move forward.

2 I'll make a motion that we -- let's make -- I'll make a
3 motion that we move forward with this project; we submit a
4 plan to build 12 hangars, 12 T-hangars on the site, with --
5 with the option of -- of, after receiving the actual cost
6 from TexDOT, we look at both types of doors, the bifold
7 versus the slider doors, and then we'll -- prior to bringing
8 it to the City and the County, we'll make a decision as to
9 which one we want to use.

10 MR. LIVERMORE: Are you making that motion?

11 MR. KING: I'm making that motion.

12 MR. LIVERMORE: I'll second that motion.

13 MR. KING: And at the site that we decided, the
14 site over here between Mr. Stieren's hangar and Mr. Drane's
15 hangar. And one more to add to that. In that motion, that
16 the project will include in-kind contributions from the City

17 and the County.

18 MR. LIVERMORE: And I accept that --

19 MR. KING: As proposed.

20 MR. LIVERMORE: I accept that in my second.

21 MR. KING: Okay.

22 MR. WALTERS: I have a question. That will be --

23 we'll need to go to the City and County to make a

24 presentation for their approval?

25 MR. KING: Right.

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1 MR. WALTERS: Or are we going to go ahead and

2 proceed with the resolution and form --

3 MR. LIVERMORE: We have to go to TexDOT first, I

4 believe, don't we? Or not?

5 MS. BRADEN: I would ask you to.

6 MR. KING: First we'll go to TexDOT and get the

7 numbers refined with their -- with their planner, and get it

8 refined, and see -- be sure we're on the right track with the

9 numbers. And then, once we get those back, then we'll take

10 those -- we'll probably have -- be in our next meeting, and

11 we'll decide to go ahead and take those to the County and the

12 City, and propose --

13 MR. WALTERS: I suggest that we modify your motion

14 that we move forward with the resolution forms with the state

15 for the project.

16 MR. KING: Okay.

17 MR. WALTERS: For the T-hangar project.

18 MR. KING: Say that again? Move forward --

19 MR. WALTERS: With the resolution.

20 MR. KING: -- with the resolutions, okay.

21 MR. WALTERS: Forms with the state, so that we get

22 their approval, and then present it to the City and County.

23 MR. LIVERMORE: So you're offering an amendment to

24 the motion? I accept that amendment.

25 MR. KING: Okay, that will be fine. Discussion on

66

1 that? Kirk? All in favor?

2 (The motion carried by unanimous vote.)
3 MR. KING: Four-zero. All right.
4 MS. BRADEN: Before we move on, I'm going to have
5 to leave; I've got another meeting in San Antonio, but I want
6 to say thank y'all very much for the really wonderful
7 opportunity to become a little bit more familiar with the --
8 both the airport and the players. And I'm preaching to the
9 choir, but I have to say when you are assaulted with the, "I
10 don't have an airplane out at that airport," for the folks
11 that make that argument and that complaint, ask them the last
12 time they paid for a sewer line relocation or a sewer line
13 repair or an electrical box repair, or the last time they
14 visited their park. It's the same thing. And it's an
15 admirable and wonderful goal for a move towards
16 self-sufficiency, but you know full well the community
17 benefits from you all being out here and doing the very good
18 work that you do. And just make the comparison to the public
19 parks, and maybe somebody will pay attention.

20 MR. KING: Thank you, Sandra.
21 MS. BRADEN: Thanks, guys.
22 MR. LIVERMORE: Sandra, thanks for coming.
23 MS. BRADEN: See you soon. Bye-bye.
24 MR. KING: Okay. Item 4E, proposal spec sheet for
25 Brinkman hangar. Where are we at on this?

1 MR. MCKENZIE: At the last board meeting, Corey
2 asked if we could just develop some type of a -- some type of
3 a document that we could use as we proceeded forward at our
4 April meeting, to put out -- to put forth. Corey, I didn't
5 call you on this. I tried to put something together.

6 MR. WALTERS: Yeah.
7 MR. MCKENZIE: We can tweak this any way you want
8 to do it.

9 MR. WALTERS: Yeah, I think I said I would get with
10 you, and -- and we'd develop a -- a proposal to -- to lease
11 form, or L.L.I. for our proposals. And I looked at this one,
12 and I think there's -- there is -- almost looks like a
13 proposal to actually build, rather than to lease.

14 MR. McKENZIE: Okay.

15 MR. WALTERS: And I've got some forms that -- I'll
16 put one together. I'll take some of this information and put
17 it on there.

18 MR. McKENZIE: Okay.

19 MR. WALTERS: And I'll do it, and I'll send a draft
20 to you.

21 MR. McKENZIE: We can put it on next meeting, okay.

22 That will be final.

23 MR. KING: That's very nice of you, Corey. I know
24 how busy you are. Mr. Walters.

25 MR. McKENZIE: Thanks, Corey.

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1 MR. KING: Just going to do a contract for us took
2 forever, so I appreciate you making the offer.

3 MR. WALTERS: Sure.

4 MR. KING: That's very nice. Okay, so we'll go
5 forward with that. Information on covered parking?

6 MR. McKENZIE: At the last meeting, Corey also
7 asked to look at the numbers if we decided to put some shade
8 on this new parking lot that we built. There's three
9 different prices here.

10 MR. LIVERMORE: Are these the fabric type?

11 MR. McKENZIE: Two of them are the fabric type, Ed.
12 The first one you're looking at is the fabric type. To cover
13 the entire parking lot's \$105,000, plus the installation,
14 which is going to be about 20 grand to put them up. The
15 second one is just putting a metal -- like we've got out here
16 behind Hangar 1. If we just put a metal up, that's \$31,000
17 to just cover one row of cars, cover 15 cars.

18 MR. KING: Right.

19 MR. WALTERS: So, let me --

20 MR. McKENZIE: Okay, go ahead.

21 MR. WALTERS: So. Basically, does it look like the
22 shade and the metal would be about the same? If we just did
23 shade in one row, would it be 31,000?

24 MR. McKENZIE: It would be --

25 MR. WALTERS: I don't know --

1 MR. MCKENZIE: -- about \$6,000 higher, it looks
2 like, Corey, for one -- if we went with the fabric versus the
3 metal.

4 MR. WALTERS: Okay.

5 MR. MCKENZIE: Per row.

6 MR. LIVERMORE: How long does that fabric last?

7 MR. MCKENZIE: It has a 10-year warranty on it,
8 fade warranty. It has a warranty on it for 71 miles per hour
9 wind load, so that's the two factors on the fabric.

10 MR. LIVERMORE: We had 50-some here about a month
11 ago, didn't we?

12 MR. MCKENZIE: So we would have cleared that
13 substantially with the --

14 MR. WALTERS: So, 10-year warranty, but what's the
15 actual useful life of the product?

16 MR. MCKENZIE: It just depends on the -- which part
17 of the United States it's in, but further south it's less
18 because of the UV, but about 10 to 12 years before you've got
19 to replace it. That's my understanding.

20 MR. KING: Not very long.

21 MR. WALTERS: No, it isn't, not at all.

22 MR. MCKENZIE: Like I say, it depends on what --
23 the determining factor is the weather.

24 MR. LIVERMORE: They look better, I think, but you
25 got to redo them.

1 MR. WALTERS: They do look better, but I agree; I'd
2 rather have the metal.

3 MR. MCKENZIE: We can do that, too.

4 MR. WALTERS: For the longevity.

5 MR. KING: Yeah.

6 MR. LIVERMORE: What's the wind load on the metal?

7 MR. MCKENZIE: I don't -- I didn't get that.

8 MR. GRIFFIN: I think 78 miles.

9 MR. KING: Okay.

10 MR. LIVERMORE: So, if we did that now, we're not

11 talking about any nine or ten years here; we're talking about
12 100 percent right out of our pocket.

13 MR. McKENZIE: Well, we could do RAMP on it if
14 we --

15 MR. KING: If we had the money.

16 MR. LIVERMORE: But we might want that --

17 MR. McKENZIE: But we might need that on the air
18 side. I'd like to keep that on the air side if we can.

19 MR. LIVERMORE: Yeah. Yeah. How much pressure is
20 the pressure for covering?

21 MR. McKENZIE: I haven't had any yet.

22 MR. KING: None yet?

23 MR. McKENZIE: Nobody's asked me, no, sir.

24 MR. KING: Okay.

25 MR. McKENZIE: And now we've generated \$6,375 out

1 of the parking lot. We've got 16 or 17 tenants now, and
2 they're --

3 MR. KING: What do -- we have room for what, 48?

4 MR. McKENZIE: 48 cars. So we're at 16 right now.

5 MR. KING: I'd say we revisit this when we get to
6 half full at least.

7 MR. WALTERS: I agree.

8 MR. KING: When it gets half full, and see --

9 MR. WALTERS: You know, I mean, I think -- I think
10 I mentioned to you, I have -- you know, lease a space in
11 Destin, Florida, and, I mean, it's hot down there. And they
12 have not one covered space.

13 MR. KING: Yeah.

14 MR. LIVERMORE: I think the answer to that is if
15 someone really wants a covered space is to go to Autolite and
16 buy one of those vehicle covers. I used to have one on a
17 parked vehicle outside.

18 MR. WALTERS: I did too. I had one, but they --

19 they get blown off and they get shredded, and then they just
20 kind of --

21 MR. GRIFFIN: They beat your car to death.

22 MR. WALTERS: -- they're hanging half off your car.

23 I did that down in Florida for a while, and I thought, this

24 is not worth it. So --

25 MR. KING: All right. Item 4G, we'll pass on that.

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1 Nothing to talk about there. Item 4H, a draft budget. Do

2 you have that yet, even? What do you got?

3 MR. McKENZIE: Yes, sir, you should have a copy of

4 it in your folder.

5 MR. KING: That's what I was looking at, yeah.

6 MR. McKENZIE: I'm prepared to go over this

7 line-by-line if the board so desires today.

8 MR. KING: When do we need to have it?

9 MR. McKENZIE: June 1, so at our May meeting, which

10 is two months from now, we need to have this --

11 MR. KING: What month are we in right now?

12 MR. McKENZIE: March.

13 MR. LIVERMORE: Can we have until our next meeting

14 to go over this?

15 MR. McKENZIE: This is just a draft. We have to

16 have it to the City and the County by 1 June.

17 MR. LIVERMORE: I like to study stuff like that

18 privately.

19 MR. McKENZIE: Just to cut to the chase, it

20 increased by 2 percent; that's all it increased.

21 MR. KING: Why don't we do that? Why don't we let

22 everybody look it over and everything.

23 MR. McKENZIE: That's all right.

24 MR. KING: And then we'll talk about it -- when's

25 our next meeting?

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1 MR. LIVERMORE: Very good. I'm glad you did it

2 early.

3 MR. McKENZIE: It's the third Monday in --

4 MR. KING: In April?

5 MR. McKENZIE: -- April, and it's -- Carole, what's

6 the date?

7 MS. DUNGAN: 15th.

8 MR. MCKENZIE: April 15th.

9 MR. KING: I may not be here. That's no surprise.

10 Okay, that'll work. All right. Anything else? General

11 update, Item 5A?

12 MR. McKENZIE: The County did an excellent job on
13 the ditch out there. They've almost completed moving the
14 dirt. The precast boxes are being poured this week in San
15 Antonio, so within the next 10 days, we should have boxes
16 on-site. Then we'll get those installed. Allen Keller was
17 the low quote on that.

18 MR. KING: On installing?

19 MR. McKENZIE: On installing them and pouring the
20 head walls. I've already -- they're lined up. We're ready
21 to go, just waiting for the boxes. County's about done.

22 MR. KING: I tell you what, y'all did a great job
23 on that, Tom.

24 COMMISSIONER MOSER: Not having the boxes held up
25 the whole thing.

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1 MR. KING: Yeah. Well, briefly. That project --

2 COMMISSIONER MOSER: We're ready. We'd be through.

3 MR. KING: Yeah. I tell you, they've done a good
4 job over there. I went over there and looked at it. They
5 did the work across the road, too.

6 MR. MCKENZIE: Yes, sir, downstream.

7 MR. KING: Downstream. That looks really nice.

8 MR. LIVERMORE: Great example of City and County
9 partnership.

10 MR. MCKENZIE: Exactly.

11 MR. LIVERMORE: Same kind of quality partnership I
12 know will make these T-hangars work.

13 MR. KING: That's a great job they did. We really
14 appreciate -- looking forward to the City's contribution on
15 the paving when they pave over there on top. Okay. Anything
16 else? Anybody else have an update? How's your fly-in deal
17 going?

18 MR. MCKENZIE: It looks like we're going to have
19 about 100 airplanes here.

20 MR. KING: Really?
21 MR. McKENZIE: Hopefully on the 27th of April.
22 MR. KING: Really?
23 MR. McKENZIE: So, I got a call yesterday; there's
24 a gentleman going to bring 12 Long EZ's in here.
25 MR. KING: Really?

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1 MR. McKENZIE: He and his group.
2 MR. KING: And Joey's feeding everybody?
3 MR. McKENZIE: And Joey's feeding everybody, at his
4 expense, on the 27th at 11:30 a.m. He's throwing a barbecue.
5 MR. KING: Okay.
6 COMMISSIONER MOSER: That's the 27th?
7 MR. McKENZIE: Yes, sir. And special fuel prices
8 that day.
9 MR. KING: Okay, cool.
10 MR. McKENZIE: But there's no skipping --
11 MR. LIVERMORE: From the truck or from the tank?
12 MR. McKENZIE: You'll have to talk to Joey.
13 MR. LIVERMORE: Probably be from the truck; it will
14 be too difficult.
15 MR. McKENZIE: No scheduled event that day, just
16 have the barbecue, visit and talk airplanes.
17 MR. KING: Okay.
18 MR. McKENZIE: If the weather's nice.
19 MR. KING: Anything else?
20 MR. McKENZIE: No, sir.
21 MR. KING: All right. Motion to adjourn?
22 MR. LIVERMORE: We don't need to go into executive,
23 do we?
24 MR. KING: No. Motion to adjourn?
25 MR. LIVERMORE: I so move.

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1 MR. WALTERS: Second.
2 MR. KING: All in favor?
3 (The motion carried by unanimous vote, 4-0.)
4 (Airport Board meeting was adjourned at 10:09 a.m.)

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7 STATE OF TEXAS |

8 COUNTY OF KERR |

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

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

11 true and complete transcription of my stenotype notes taken

12 at the time and place heretofore set forth.

13 DATED at Kerrville, Texas, this 25th day of March, 2013.

14

Kathy Banik, Texas CSR # 6483

15 Expiration Date: 12/31/14

Official Court Reporter

16 Kerr County, Texas

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17 Kerrville, Texas 78028

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