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4 KERRVILLE-KERR COUNTY JOINT AIRPORT BOARD
5 Regular Meeting
6 Monday, May 20, 2013
7 8:30 a.m.
8 Airport Terminal Conference Room
9 1877 Airport Loop Road
10 Kerrville, Texas
11

12 MEMBERS PRESENT: MEMBERS ABSENT:
13 Stephen King, President Corey Walters, Vice-President
Ed Livermore
14 Bill Wood
Kirk Griffin
15

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

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

21 CITY STAFF PRESENT:
22 Jack Pratt, Mayor
Mike Erwin, Finance Director
23

24 VISITORS:
Ilse Bailey, Airport Attorney
25 Jim Settle
Mark Armstrong

2

1 I N D E X
2 May 20, 2013
2 PAGE

3 CALLED TO ORDER

4 1. VISITORS FORUM -
5 2. KERRVILLE-KERR COUNTY JOINT AIRPORT BOARD
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3. CONSENT AGENDA
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1 On Monday, May 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 D I N G S

7 MR. KING: All right, I'll call this meeting to
8 order of the Kerrville/Kerr County Joint Airport Board, May
9 20th, 2013. Item 1, Visitors' Forum. At this time, any
10 person with business not scheduled on the agenda may speak
11 with the Airport Board. No deliberation or action may be
12 taken on these items because the Open Meetings Act requires
13 an item to be posted for 72 hours before the meeting.

14 Visitors are asked to limit their presentations to three
15 minutes. Anyone like to speak? (No response.)

16 Item 2, Kerrville/Kerr County Joint Airport Board
17 Forum. Any member like to speak to the board about any item
18 not scheduled on the agenda? Anyone? No. I will -- I'll
19 say that -- I've been killing weeds this morning. I'm going
20 to -- I'm going to put my -- re-up for another term on the
21 board, after great deliberation, but we have a couple
22 projects I'd like to see done before I leave this board, the
23 T-hangars and the Brinkman hangar. So, I told Bruce that
24 this morning. Anybody else? If not, consent agenda. These
25 are items considered by the board and will be enacted with

1 one motion. Item 3A, approval of the minutes from the April
2 15th, 2013 board meeting. Anybody read the minutes? Anybody
3 seen the minutes?

4 MR. GRIFFIN: Yeah.

5 MR. WOOD: Look good to me.

6 MR. GRIFFIN: No comment.

7 MR. KING: I've got to have a motion. Anybody like
8 to make a motion to approve the minutes?

9 MR. GRIFFIN: I have a motion to approve the
10 minutes from last meeting.

11 MR. KING: Second?

12 MR. WOOD: I'll second.

13 MR. KING: All in favor -- any discussion? All in
14 favor?

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

16 MR. KING: Four-zero. Item 4, discussion and
17 possible action. Monthly financials. Jeannie?

18 MS. HARGIS: Page 1, balance sheet for Fund 47.

19 Total amount of cash and receivables, 362,806.90. Payables
20 of \$57,080. Page 2, total revenue and expenses in fund
21 balance, 305,726.90. Total liabilities and equity,
22 362,806.90.

23 MR. WOOD: Jeannie?

24 MS. HARGIS: Yes?

25 MR. WOOD: Can I ask you a question? I'm sorry to

1 take up the time, but just for my own education, we have an
2 item here called capital replacement reserve.

3 MS. HARGIS: Right.

4 MR. WOOD: And it shows as a zero.

5 MS. HARGIS: Right. We have never put anything in
6 there.

7 MR. WOOD: Okay.

8 MS. HARGIS: We did in the very beginning, so
9 that's an account that was left over.

10 MR. WOOD: Yeah, okay.

11 MS. HARGIS: And because --

12 MR. WOOD: Well, this is basically operating

13 budget, I guess.

14 MS. HARGIS: Yes. This is your balance sheet, so

15 this would have been a reserve for that.

16 MR. WOOD: Okay.

17 MS. HARGIS: And it's something that you might want

18 to talk about as you go into the future now that you're going

19 to assume most of that liability as a board, rather than the

20 City and County doing it.

21 MR. WOOD: The -- say the air conditioning goes

22 out. We don't budget that. Where does that money come from?

23 MS. HARGIS: Well, you do have reserves in your

24 fund balance, so that would be where -- we don't see a lot of

25 that as much as we used to, because under the governmental

1 accounting standards that really allow some of that, they

2 don't -- it's a different terminology now, but you can do it.

3 And, you know, that's something you might want to think

4 about. You could take part of the reserve at the end of this

5 year, and -- before we get there, and put it in that capital

6 if you wanted to. But you did have, at one time, some money.

7 MAYOR PRATT: Bill, when we budgeted for the

8 T-hangars, --

9 MR. WOOD: Uh-huh --

10 MAYOR PRATT: -- we budgeted a reserve for

11 replacement.

12 MR. WOOD: Okay.

13 MAYOR PRATT: Okay? Mike, was it 25,000 a year?

14 MR. ERWIN: I remember it worked out to where, over

15 the course of 20 years, you would have a sufficient fund

16 balance built up on the T-hangars to rebuild them or

17 refurbish them or whatever.

18 MAYOR PRATT: And it would go in that line item.

19 MR. WOOD: Okay.

20 MS. HARGIS: But you didn't budget it; the City

21 did.

22 MAYOR PRATT: Yeah.

23 MR. WOOD: Yeah. One of the things that I'm --

24 where I'm coming from is, I'm one of the trustees of where I
25 go to church, and we have all the assets of the church now on

1 a list with their value and their approximate life. I don't
2 know; maybe you want to think about sometime doing that.
3 MS. HARGIS: We could do that, but it's under the
4 GASB accounting. Under fund accounting, we're not required
5 to do that. So, if you'll look at your audit, you'll see
6 that there's two sets of financials in there, and in the GASB
7 section, there is an accumulated depreciation plus a total
8 amount for your assets, and then there's a note in the
9 financials that actually lists out the financials. But fund
10 accounting doesn't require it. So -- but, I mean, we can do
11 that.

12 MR. WOOD: Well, that answered my --
13 MS. HARGIS: We can have that listing, and we can
14 give you that so that you can have that.
15 MR. WOOD: Thanks, appreciate it.
16 MS. HARGIS: Not a problem. But -- so governmental
17 accounting is a little different from enterprise, you know.
18 We have only been depreciating, believe it or not, since
19 2003; that's when it started. Page 3 is your revenue
20 statement.

21 COMMISSIONER MOSER: Hey, Jeannie, question on
22 Page 3.
23 MS. HARGIS: Yes?
24 COMMISSIONER MOSER: We're halfway through the
25 year, but we've received 40 percent of the revenue. This is

1 -- and I guess this is to Bruce. Is there any -- we're down
2 on the leases. Is that just because of when they're paid?
3 Or --
4 MR. MCKENZIE: The T-hangars are paid sometimes
5 annually, Commissioner, and we still have one office in this
6 building that's still not leased.
7 COMMISSIONER MOSER: Uh-huh.
8 MR. MCKENZIE: That's part of it, but a lot of that

9 fluctuation is because of the T-hangars. Some of these folks
10 pay us the \$2,800 at different times during the year, and it
11 just -- it ebbs and flows.

12 MS. HARGIS: So you only have 40 percent to
13 collect. This is through April, so that's about right. You
14 should be at 50 percent.

15 COMMISSIONER MOSER: That -- yeah, we should. We
16 should be at 50 percent, so we're down --

17 MS. HARGIS: No, we're up.

18 COMMISSIONER MOSER: We're at 40 percent on
19 intergovernmental revenue, so is that -- so there's no
20 concern -- I mean, it's not going to be exactly divided by
21 12; I know how you do it, but there's no issue --

22 MR. MCKENZIE: No.

23 MR. KING: That's 40 percent remaining, right?

24 MS. HARGIS: Right, yeah. So, you -- we're above.

25 MR. KING: We're 60 percent.

1 COMMISSIONER MOSER: Oh, that's 40 percent
2 remaining.

3 MR. KING: We collected 60 percent.

4 COMMISSIONER MOSER: Peace. Strike that, Kathy.

5 MS. HARGIS: Okay.

6 MR. LIVERMORE: Mid-course correction.

7 COMMISSIONER MOSER: Mid-course correction. Thank
8 you.

9 MS. HARGIS: That's what I'm just trying to tell
10 you. Page 4, these are the expenses, the salary expenses.

11 Total amount spent to date, 80,756.11. Your part-time person
12 will start showing up in May. That's when you started them.

13 It's -- nothing shows there for him. Page 5 is the breakdown
14 of personnel, supplies, maintenance, professional services.

15 There's really nothing there. Everything is -- is really
16 below budget. Then Page 6 is the total for utilities, and
17 for the expenses there, the fourth column, 68,614.97. This
18 is before the utilities in the building. Page 7, utilities
19 in the building total 6,830, so the total expenditures with
20 salaries is 176,430.13, leaving a balance of 60,952.90. So,

21 you're in good shape there. We're, again, a little bit over
22 there because of -- of some of the things that we have
23 repaired. But other than that, I think we're in good shape.
24 Any questions on the general fund?
25 The next one is our capital account. Not much

10

1 activity here. The balance sheet, Page 8, 70,115.27.
2 Liabilities there of the TexDOT reimbursement and the fund
3 balance, giving you a matching balance of 70,115.27. Page 9,
4 we have received all but about \$6,000. In the first -- first
5 line, fourth column, we still have about 6,000 we haven't
6 collected from TexDOT. So, we have finished that project,
7 94,364.56.

8 MR. LIVERMORE: Are you on Page 9 now?

9 MS. HARGIS: Yes.

10 MR. LIVERMORE: Where?

11 MS. HARGIS: The first column, first line. First
12 line, it says reimbursement from TexDOT. Fourth column, the
13 44,359.18 is the amount of money we received from TexDOT
14 to-date through April the 30th. They still owe us 5,640.82,
15 and I don't think we've sent in the final -- we haven't sent
16 in the final request for that yet. Then Page 10 shows the
17 RAMP grant expense that we spent, which is 111,924.66. And
18 then Page 11 is just a recap of the total, 111,924.66, which
19 leaves us a negative balance of 17,560.10. Keep in mind,
20 this fund doesn't have anything but the 100,000 coming in, so
21 sometimes it will show a negative balance. Part of that RAMP
22 grant is left over from last year. It's just the way it hit.
23 We got reimbursed for a prior year, so it's kind of doubling
24 up a little bit. But I will get you a listing of your
25 assets; that's not a problem. And then you can look at that

11

1 and see what you want to do.
2 MR. WOOD: Great.
3 MS. HARGIS: I know that in prior years, you -- you
4 had been putting that money back for vehicles and stuff, and
5 it was the conclusion then -- Steve, correct me if I'm

6 wrong -- that because the City and the County were buying the
7 vehicles, that you really didn't need to show a reserve.

8 MR. KING: Right.

9 MS. HARGIS: But now that you want to gear towards
10 getting your own, it might be something to think about.

11 MR. KING: Okay. Okay. Could you -- maybe next
12 time, could you jack the font up maybe one point for me so I
13 can read this? My glasses are not quite capable.

14 COMMISSIONER MOSER: Put some ink in.

15 MR. KING: Put some ink.

16 MS. HARGIS: Well, the thing -- I think the copies
17 were -- mine looks pretty good. The copies are bad. That's
18 why I pulled mine out. So, yes.

19 MR. KING: I thought it might be some sort of plan
20 so I can't read this thing or something.

21 MR. LIVERMORE: Bruce is cutting his ink budget
22 here.

23 MR. KING: I tell you what.

24 MS. HARGIS: I mean, if you'd like to have mine --

25 MR. KING: Need to get Lasik surgery or something.

12

1 MR. GRIFFIN: Thank you, Jeannie.

2 MS. HARGIS: I think it's because of the actual
3 e-mailing; it gets a little distorted.

4 MR. KING: I thought you had a dot matrix printer
5 down there or something.

6 MS. HARGIS: But, unfortunately, the software won't
7 let me...

8 MR. KING: Okay. Well, thank you. Any questions
9 on the budget? On the -- excuse me, on the financials?

10 MR. LIVERMORE: None.

11 MR. KING: Need a motion to approve.

12 MAYOR PRATT: Accept.

13 MR. GRIFFIN: So moved.

14 MR. KING: Second?

15 MR. WOOD: I second.

16 MR. KING: Mr. Wood. Discussion? All in favor?

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

18 MR. KING: Four-zero. Thank you, Jeannie.
19 MS. HARGIS: Mm-hmm.
20 MR. KING: Item 4B, proposed T-hangars -- new
21 T-hangars, excuse me. I talked to Bruce a while ago, and he
22 -- he went to the TexDOT conference this week. They talked
23 to all the powers that be that are in charge of this project
24 for us, or that are providing the funding for this project,
25 hopefully, and they're still working on cost estimates. It's

13

1 going to be a little bit -- they're working -- I mean, it's
2 their money, so they're -- it's a new project for them, and
3 the way they explained to it Bruce was that they just --
4 since it's a new type of funding for -- for this type of
5 project, that they're having to go through it pretty
6 carefully, and it's just -- it's taking a little bit longer.
7 But they're going to continue to give updates, and
8 hopefully -- probably next month, we'll have something at our
9 meeting. But we'll continue to be in a holding pattern until
10 we're cleared for the approach.

11 MR. LIVERMORE: Is -- did anything else come up at
12 the meeting last week that affects our airport?

13 MR. McKENZIE: No, sir.
14 MR. KING: We might want to discuss that in the
15 general update.

16 MR. LIVERMORE: Okay.
17 COMMISSIONER MOSER: On the subject of the
18 T-hangars, so -- so we don't know a schedule? And the reason
19 I ask is because of Road and Bridge, to sort of target a time
20 when they could do that.

21 MR. KING: Yeah.
22 COMMISSIONER MOSER: So they were asking me, "Do we
23 know what that schedule is?" And so the answer is no, we
24 don't know a schedule.
25 MR. McKENZIE: That's correct. They're hung up --

14

1 not hung up, but they're working the process and procedure
2 right now.

3 COMMISSIONER MOSER: So, Road and Bridge is going
4 to, you know, probably utilize that to do something else.

5 MR. MCKENZIE: I understand.

6 MR. KING: Hopefully in the next 30 days -- within
7 the next 30 days, at least, they'll give us an update.

8 COMMISSIONER MOSER: So, if you can get, you know,
9 some type of schedule, you know, that they can just pencil
10 in, --

11 MR. MCKENZIE: Okay.

12 COMMISSIONER MOSER: -- let me know, Bruce.

13 MR. MCKENZIE: Okay, yeah.

14 COMMISSIONER MOSER: So that they can put it on
15 their schedule. Otherwise, we may not get their services.

16 MR. KING: No, I agree. I agree 100 percent. I've
17 talked to Bruce about that. That was one thing they talked
18 to them about at the meeting, was where we are on that.

19 So --

20 COMMISSIONER MOSER: Okay.

21 MR. KING: -- we'll continue to push that.

22 MAYOR PRATT: Same thing applies for paving.

23 MR. MCKENZIE: Sure, absolutely.

24 MR. KING: They have the largest share of this, so
25 we're having to move -- move with them.

15

1 MAYOR PRATT: We if we get down to the winter
2 months, we're not going to be able to pave during the winter.

3 MR. KING: Yeah. Oh, I know.

4 MR. LIVERMORE: I want to get going. I really
5 thought there would be an approval -- you know, I hoped so --
6 today.

7 MR. KING: I was hoping, too, we would have
8 something, but it's the government. Item 4D -- no, Item 4C,
9 fiscal -- FY '14 budget amendment. I've -- I asked the board
10 to look at the budget again. I was out of the country; I was
11 gone, one of the few times I've actually not been here for
12 the budget. But I asked them to take a look at it again.
13 We -- what we were going to look at, Bruce, as far as -- I
14 looked; there was a couple of items here that we were -- that

15 I thought we might be able to --
16 MR. MCKENZIE: Correct, mm-hmm.
17 MR. KING: -- cut back a little bit to try to end
18 up with a surplus on this budget. And those items were --
19 MR. MCKENZIE: Special services and contingency.
20 MR. KING: And where is special services?
21 MR. MCKENZIE: 10,000 out of each account.
22 MR. KING: Where's that?
23 MR. LIVERMORE: Which one?
24 MS. DUNGAN: 010.
25 MR. MCKENZIE: 010, which is the third item down on

16

1 the second page.
2 MR. KING: Second page, under airport.
3 MR. MCKENZIE: Under airport.
4 MR. KING: All right.
5 MR. MCKENZIE: In red, it says, "Also known as
6 special services."
7 MR. KING: Mm-hmm.
8 MR. MCKENZIE: That's \$20,000.
9 MR. KING: We're going to chop 10 off of that.
10 MR. MCKENZIE: Yes, sir. The plan is to chop 10
11 off of that one, and the next one is Item 47-800-507 on the
12 next page has \$20,000 in it. Take 10,000 out of that, for a
13 total of \$20,000.
14 MR. KING: Okay.
15 MR. LIVERMORE: Where's the second one again?
16 MR. MCKENZIE: On the third page, contingency.
17 Item 507.
18 MR. LIVERMORE: Okay, I got it.
19 MR. MCKENZIE: Take 10,000 out of that as well.
20 MR. WOOD: Did --
21 MR. KING: I'm sure while I was gone, y'all went
22 through each one of these items and we looked at the actual
23 spent and the actual budget approved. I'm assuming that was
24 y'all's process.
25 MR. LIVERMORE: We did.

1 MR. KING: Okay.

2 MR. WOOD: We did, and those two items are the ones
3 that we had a conversation about.

4 MR. KING: Yeah.

5 MR. WOOD: And now that I see we don't have an
6 asset replacement fund, I understand why Bruce is putting a
7 little extra money in contingency, that sort of thing. You
8 can't budget air conditioners going out, things like that.

9 MR. KING: Right. We've always had -- we've always
10 had it in our reserve fund. My concern over this was, when I
11 looked at this budget, that we -- I don't know if the numbers
12 are exactly right, but last year we ran out 40 -- what did we
13 run surplus? Forty?

14 MS. HARGIS: I don't remember.

15 MR. KING: \$40,000, let's say.

16 MR. McKENZIE: Something like that.

17 MR. KING: Something like that. I hate to
18 misspeak, but somewhere in the \$40,000 range, we ran a
19 surplus. And, you know, I would hope -- I mean, our goal in
20 this budget every year, our goal in operating the airport is
21 to spend as little money as we can on the operations of the
22 airport. So, unless there's something coming up next year
23 that we -- we anticipate spending money on, you know, I'm
24 hopeful that we can reduce our budget every year, because
25 when we reduce our budget, you know, then we're able to

1 reduce the contribution by the City and the County. But if
2 we continue to run a \$40,000 surplus, I would anticipate that
3 our owners are going to come to us at some point and ask us,
4 you know, how long are y'all going to continue to make a --
5 run a profit out here off us?

6 MR. WOOD: Well, I agree with that, and I supported
7 that.

8 MR. KING: Yeah.

9 MR. WOOD: But I do think I ought to point out that
10 you have two -- you should have two budgets, one for
11 operations, one for capital.

12 MR. KING: Sure.
13 MR. WOOD: And right now, I guess you keep track of
14 it. But if, as a board, and with our own bookkeeping, we
15 don't have an asset recovery fund, then just recognizing when
16 Bruce cuts out the extra that he put in here, --

17 MR. KING: Uh-huh.
18 MR. WOOD: -- then we have to come up with 10 grand
19 for an air conditioner or something. Okay, that's not in the
20 budget.

21 MR. KING: But we -- but we have -- through the
22 interlocal agreement, we can -- (Cell phone rang.) Sorry.
23 We can go into our surplus. We can go into our surplus and
24 -- and pay for those expenses; is that correct?

25 MS. HARGIS: You have to -- well, you'll have to do

1 a budget amendment, and it has to be an emergency.
2 MR. KING: Yeah, which an air conditioner wouldn't
3 be an emergency.
4 MR. MCKENZIE: The Airport Board president can
5 declare the emergency.

6 MR. KING: What is our surplus right now? What was
7 it for this month?

8 MS. HARGIS: Well, you had 362 left in cash. You
9 have 60,000 left to spend in the budget.

10 MR. KING: 60,000 left in the budget. 300 -- how
11 much?

12 MS. HARGIS: 360 -- well, actually 359, 'cause some
13 of that is receivable. 359.

14 MR. KING: 359.
15 MR. LIVERMORE: And that's unencumbered,
16 unallocated money?

17 MS. HARGIS: That's your cash reserve. Pretty good
18 cash reserve.

19 MR. WOOD: Right now, it looks like profit, if you
20 will, or money that --

21 MR. LIVERMORE: Surplus.
22 MR. WOOD: -- that was received that didn't get
23 spent. What usually happens is you'll take that kind of

24 coverage and stick it in your capital reserve for your capital

25 assets. But I don't disagree --

20

1 MR. KING: We used to do that, I think. I mean, at
2 one point we had two -- we did have a capital account. I
3 mean, we could --

4 MS. HARGIS: The owners were not comfortable with
5 you putting too much in capital reserve, because we were
6 funding it.

7 MR. KING: Exactly.

8 MR. WOOD: Well, sure.

9 COMMISSIONER MOSER: And I think I just recall
10 historically, too, not building up a capital reserve. Both
11 the City and the County, several years ago, said okay, we
12 recognize that if there's an emergency, then we'll fund it.

13 So, therefore, Bill, that was the reason we didn't put --

14 keep building that capital reserve.

15 MR. WOOD: As long as everybody recognizes --

16 COMMISSIONER MOSER: Right. I think that was
17 pretty well delineated.

18 MR. KING: Yeah.

19 MR. WOOD: Good.

20 MR. KING: Okay.

21 MR. LIVERMORE: Do you -- do you need a motion to
22 make this budget adjustment?

23 MR. KING: Yeah, we will need one.

24 MR. LIVERMORE: Then I move that we reduce the two
25 indicated areas by \$10,000 each, thereby the total of \$20,000

21

1 reduction in our budget.

2 MR. KING: Okay. Second?

3 MR. GRIFFIN: I'll second.

4 MR. KING: Any discussion?

5 MR. LIVERMORE: I think this is the discussion.

6 MR. WOOD: Already had it.

7 MR. KING: There may be some more discussion here.

8 (Low-voice discussion off the record.)

9 MR. KING: Wait for those two guys.
10 COMMISSIONER MOSER: Sidebar going here.
11 MR. KING: Sidebar.
12 MR. LIVERMORE: Do you have anything to --
13 MR. ERWIN: No, sir.
14 MAYOR PRATT: I was trying to understand, and I got
15 an answer to Bill's -- Bill's question.
16 MR. LIVERMORE: Okay.
17 MAYOR PRATT: And that is -- is that sometimes --
18 when they had the reserve account set up, sometimes the board
19 used the reserves for something else.
20 MR. WOOD: Hmm.
21 MR. KING: Signage?
22 MR. ERWIN: That wonderful sign.
23 MR. WOOD: You don't take capital and use it for
24 operations.
25 MR. KING: I was out of town during that, by the

22

1 way.
2 MR. LIVERMORE: You were out of town.
3 MR. KING: I know that one.
4 MR. LIVERMORE: You were in Timbuktu, right?
5 MR. ERWIN: On behalf of the city budget, thank
6 y'all for the action you just took. We appreciate that.
7 MR. KING: Well, I thought we had maybe crossed
8 this river before, and so I wanted to be sure that that was
9 the opinion of both the owners.
10 MR. WOOD: Well, I would just like to add under the
11 discussion part that I think we ought to take what Jeannie
12 has, and as far as the list of all our assets, and make an
13 Excel spreadsheet and try to list the value of them and
14 somehow look at the useful life, and then get -- just get an
15 idea of what our capital exposure could be.
16 MR. KING: What do you think about that, Jeannie?
17 MS. HARGIS: That's fine.
18 MR. KING: I understand --
19 MS. HARGIS: It's in your audit.
20 MR. KING: It's in the audit. And also, I

21 understand now -- our vehicles is a perfect example of that.
22 You know, we have -- that's a depreciating asset. We have to
23 replace those at some point. Before, it was -- the City and
24 the County would help us out.

25 MS. HARGIS: Basically, we bought one and the City

23

1 bought one.

2 MR. KING: That's on us now. But I think with --
3 our surplus is what it is, and with the understanding the
4 City and the County, or the owners, you know, that they're
5 covering any emergencies that come up. We've used that
6 example of if the runway gets a hole in it all of a sudden, a
7 sinkhole, we have to fix it overnight and it costs 150,000,
8 that's something that has to come out of somebody's budget.

9 COMMISSIONER MOSER: It may be a good idea in the
10 proposed budget --

11 MR. MCKENZIE: And they vote on it, you bet.

12 COMMISSIONER MOSER: It may be a good idea in the
13 proposed budget just to put a note down there that -- Bill's
14 point is that, you know, there's not a reserve account in
15 there, and that, you know, blah, blah, blah, and
16 emergencies will be covered by -- by the owners, and
17 therefore, there's not a reserve.

18 MR. LIVERMORE: Well, I'm a little confused on this
19 point. We keep saying we'll be covered by the owners, but we
20 have 300 --

21 MR. KING: I agree.

22 MR. LIVERMORE: -- 50,000 dollars.

23 COMMISSIONER MOSER: If you had a --

24 MAYOR PRATT: I agree with you.

25 MR. LIVERMORE: I'm sorry, Tom?

24

1 COMMISSIONER MOSER: Bill's point is, you don't
2 have a reserve account to cover all the -- the capital assets
3 when there's a problem, okay. Instead of building up a huge
4 capital assets reserve account, you know, you build up
5 something that's there now which is fairly substantial, and

6 that will probably cover anything. Should an emergency
7 occur, okay, the additional funds would have to come from the
8 owners, and I think that's what you should put in there.

9 MR. LIVERMORE: Something beyond -- some real
10 emergency, not just a broken air conditioner.

11 MR. KING: We addressed this a couple years ago in
12 the interlocal agreement. We put \$25,000 capital
13 expenditure --

14 COMMISSIONER MOSER: Right.

15 MR. KING: -- wording in there, where we could not
16 take money over \$25,000 out of our reserves and use it for
17 capital expenditure. And I think the owners were under the
18 same understanding; that, you know, we couldn't -- if we had
19 an emergency out here, we would spend our money first. You
20 know, we would spend our reserve first, but it would be --
21 the understanding would be that it would be approved by the
22 City and the County to -- to do that. If it was under an
23 emergency, obviously, we'd have to do it immediately, but,
24 you know, any other -- any other expenditure we've come up
25 with -- and we've done this in the past on several things.

25

1 We've identified -- we've decided instead of asking the
2 owners for \$50,000 on a project or something, we'll just fund
3 it ourselves. Like, on the water project, I think we paid
4 for the engineering and the -- we came up with our share; we
5 came up with the owners' -- what would have been the owners'
6 share of the money, we came up with out of our budget. And
7 so, you know, I think that is something that we addressed
8 before, and I think it's something that's actually happened
9 before. So -- but I do take your point, Bill. We probably
10 should have a -- we should make a note in the budget of that,
11 that we do not have one. And possibly, you know, everyone --

12 MR. LIVERMORE: It would be good to have a list --

13 MR. KING: Everyone should be aware, you know,
14 that --

15 MR. LIVERMORE: -- of these items.

16 MR. KING: -- that there is not a capital reserve.

17 MR. LIVERMORE: Can it be distributed along with

18 the budget so I can print it off and look at it before the

19 meeting?

20 MR. KING: Okay, yeah.

21 MR. LIVERMORE: Along with. Well, now I've got

22 a -- what type of -- what is our backup here? Do we have --

23 there's no insurance. We don't -- we're self-insured; is

24 that right?

25 MR. McKENZIE: City and County both insure the

26

1 airport, one property and one liability. City, liability;

2 County, property.

3 MR. LIVERMORE: So, I mean, we don't typically have

4 tornadoes in this area, but if we had something like hit

5 Cleburne and tore this building out of here, we are insured

6 for that.

7 MS. HARGIS: But do you need a disaster plan. In

8 the last -- last week, as I was sitting through a seminar,

9 the auditor from Hood County was asking for help from all the

10 other auditors. In order to work your personnel and to get,

11 you know, for overtime, like, for exemptions and stuff like

12 that, to be able to get your money back from people, you need

13 a disaster plan that spells out you will pay these employees

14 a certain amount of time. And I'm going to recommend that

15 the County come up with that type of a plan. And so, since

16 you have your own policy -- employee policy, you need to have

17 that as well. As soon as I can stabilize and not be at a

18 conference, I will get a draft for y'all and for us. It

19 should fit both parties.

20 MR. LIVERMORE: Yeah. I was going to say,

21 typically, I would just adopt yours with maybe a tweak or

22 something.

23 MS. HARGIS: Right. But, apparently, it's very --

24 you have to be very cautious in a disaster that you have even

25 volunteers sign paperwork, sign the time they come in, all

27

1 this, to be able to get the FEMA matching grant money. And

2 so we don't -- I don't think we had that exact terminology in

3 our -- in our policy, but we might.

4 MR. MCKENZIE: That's exactly right. Plus, you

5 need to photograph every moment of every day.

6 MS. HARGIS: Right.

7 MR. MCKENZIE: Every conversation needs to be

8 either filmed, or you have to -- everything.

9 MS. HARGIS: Bastrop learned that the hard way.

10 They kind of talked about that a couple years ago. They got

11 most everything -- got a lot of volunteers out there, like

12 the firefighters and stuff that spent time. You're trying to

13 get the money back to reimburse them for foam and all kinds

14 of stuff, and if you want that, you have to be sure

15 everything's recorded. So, I think it's kind of all coming

16 to the surface because of Cleburne and that area, and so you

17 never know. Here, to me, it would be fire or flood.

18 MR. LIVERMORE: When I lived in Oklahoma, it was

19 just kind of a given that tornadoes strike mobile home parks

20 and airports.

21 MR. MCKENZIE: Two places.

22 MR. KING: What -- question. Question, Jeannie.

23 What is that -- in our budget -- in our budget, what is that

24 item, reserve for capital?

25 MS. HARGIS: It's in your balance sheet, and it was

28

1 there before. And once you -- you fill in your -- in the

2 software, it doesn't allow you to just get rid of an account

3 once you've used it, so I have to keep it on there, so it

4 comes back up. I can make it inactive and it won't show up.

5 MR. KING: We have \$5,000 in it, don't we? Yeah,

6 we have \$5,000 budgeted.

7 MR. WOOD: Where are you looking?

8 MR. KING: On the budget.

9 MS. HARGIS: On the current budget?

10 MR. KING: 2014.

11 MR. LIVERMORE: Which page are you on?

12 MR. KING: That's proposed. On the proposed budget

13 on -- next -- the third to fourth to the last item on the

14 budget.

15 MS. HARGIS: I didn't prepare this, so --
16 MR. KING: \$5,000 item in there. What is that for?
17 MS. HARGIS: I think Bruce needs to answer that.
18 MR. McKENZIE: I'm looking for it; hang on a
19 second.
20 MR. KING: Page 3.
21 MR. LIVERMORE: It was in '13 also.
22 MR. McKENZIE: That was for vehicle replacement.
23 MR. KING: Oh, vehicle -- vehicle replacement? Or
24 vehicle repair?
25 MR. McKENZIE: Repair?

29

1 MR. KING: No, repair's got --
2 MAYOR PRATT: That's under 513.
3 MR. KING: Repair has a separate vehicle --
4 MR. McKENZIE: It was for vehicles.
5 MR. KING: So you think that's for vehicles?
6 MR. McKENZIE: Lawnmowers.
7 MR. KING: For --
8 MR. McKENZIE: 'Cause it is going to wear out.
9 They're ours now. The County bought them for us initially.
10 Then when they wear out, we've got to replace them.
11 MR. KING: So you think that's what that is?
12 There's a separate line item for repair of vehicles.
13 MR. McKENZIE: Yeah. Beginning --
14 MR. KING: In vehicle repair --
15 (Multiple speakers.)
16 THE REPORTER: Stop. I'm sorry, there's just too
17 many conversations. One at a time, please.
18 MR. McKENZIE: That's what that is.
19 MR. KING: That's over. Okay, Jeannie.
20 MS. HARGIS: I believe -- and I'm going to have
21 to -- to check with your manager here on this, but I believe
22 that that 5,000 was for vehicle -- either repair or -- not
23 replacement, but repairs.
24 MR. McKENZIE: That's right.
25 MR. KING: There's a \$5,000 item.

1 MS. HARGIS: Yes, that's the --
2 MR. KING: No, there's a separate \$5,000 item
3 47-800-203, for vehicle maintenance.
4 MS. HARGIS: Right. That we still put that in
5 there for --
6 MR. KING: So, it's two separate items.
7 MR. McKENZIE: This is two, yes.
8 MR. KING: So, you think one of them is for vehicle
9 maintenance and one of them is for vehicle replacement?
10 MR. McKENZIE: That's correct.
11 MR. GRIFFIN: Mowers. "Vehicles" being mowers.
12 MR. KING: Equipment.
13 MS. HARGIS: Equipment replacement. That's what I
14 understand from Bruce.
15 MR. KING: I can just --
16 MS. HARGIS: Because the blowers and the mowers --
17 MR. KING: I didn't know what that was. I may have
18 to address that at some point.
19 MS. HARGIS: You might want to put a note for those
20 down at the bottom.
21 MR. McKENZIE: Okay.
22 MR. KING: So, you think that may be equipment
23 replacement? Okay.
24 MS. HARGIS: Equipment, your blowers and
25 weed-eaters.

1 MR. KING: I can understand that, now that we're
2 paying for that all out of our budget.
3 MR. WOOD: We might want to retitle that.
4 MR. KING: Since I wasn't here for the budget
5 discussion last month, what is item -- on Item 47-800-205,
6 instruments and apparatuses, there was \$6,000 budgeted last
7 year.
8 MR. McKENZIE: Mm-hmm.
9 MR. KING: In 2012, we spent 2,619. Y'all raised
10 it by \$1,000 to 7,000. What do y'all anticipate?
11 MR. WOOD: Didn't we talk about that? Isn't that

12 the --
13 MR. MCKENZIE: We did.
14 MR. WOOD: -- ILS?
15 MR. MCKENZIE: It's our AWAS, it's our X's,
16 anything that has to do with the safety part of the airport.

17 I mean, we have equipment out here that we have to maintain
18 and replace.

19 MR. WOOD: I understand.
20 MR. MCKENZIE: That's what it is. And in an effort
21 of full disclosure, I'm padding that as much as I can. If
22 the board wants to take it back, that's fine, but I just want
23 to make sure that we have enough to cover any contingencies
24 that we should have. That's the only reason I put that in
25 there. And you're right; we didn't use that much of it.

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1 MR. KING: Right.
2 MR. MCKENZIE: Used about half of it, but in an
3 effort of full disclosure, I'm putting it in here.
4 MR. WOOD: I can tell you from experience, it's
5 really hard to make an operating budget cover what you think
6 your capital costs are going to be next year. So, that's --
7 MR. KING: No, I agree. I don't have a -- I
8 understand the -- I understand the idea. I just don't -- in
9 the past, I've had trouble justifying -- justifying increases
10 in budget items when past performance is not indicative of an
11 increase in costs. Would that be --

12 MR. WOOD: Unless you --
13 MR. GRIFFIN: I understand what you're saying, but
14 if you go back previous, if you go to 2009, 2010 --

15 MR. KING: Where was it then?
16 MR. GRIFFIN: 83, 74.
17 MR. KING: That's a new number.
18 MR. GRIFFIN: So, I mean, it's been bouncing
19 around.

20 COMMISSIONER MOSER: Look at the average over in
21 the right column.
22 MR. GRIFFIN: Yeah. And that's where I was going.
23 MR. KING: All right. Like I say, I just wanted to

24 be sure I understood why we had raised that. Okay. That

25 question may come up at a future date.

33

1 MR. GRIFFIN: Sure.

2 MR. KING: All right. So, are we -- Mike, are you

3 guys comfortable with this reserve for capital? You guys

4 comfortable with the reserve for capital, \$5,000 on vehicle

5 expense?

6 MR. ERWIN: Yes.

7 MR. KING: Vehicle replacement?

8 MR. ERWIN: Yes. And, truthfully, I think --

9 MR. KING: Equipment. Equipment expense. I mean,

10 this is an outshoot of when all that equipment got basically

11 given to us, you know.

12 MR. ERWIN: Yes.

13 MAYOR PRATT: This is another example of -- of

14 Bill's question. And that's -- that vehicle replacement cost

15 ought to be in a capital --

16 MR. WOOD: You can make your operating budget a

17 whole lot easier to forecast and monitor and stick to when

18 you get all these little capital things out of it.

19 MR. KING: Okay.

20 MS. HARGIS: However, in fund accounting, capital

21 is -- is major structures; it is not small. And so this is

22 still considered operating. It still has to stay in the

23 operating budget.

24 COMMISSIONER MOSER: Jeannie, what is considered

25 capital, then? How much?

34

1 MS. HARGIS: Buildings.

2 COMMISSIONER MOSER: No, but there's got to be an

3 amount, so what's the amount?

4 MS. HARGIS: It's not based on an amount; it is

5 based on what you actually are purchasing. Because you are

6 supposed to -- as far as the state -- I mean the government

7 is concerned, anything you do to replace a vehicle is an

8 operation. It's not a capital.

9 COMMISSIONER MOSER: So, if you replace a building,
10 that's capital. So, it's got to be some -- so what's the
11 definition of "capital," then?

12 MS. HARGIS: The capital replacement in a capital
13 account, the capital accounts are considered construction,
14 large-item accounts. They were built for that. They are not
15 made for operations in fund accounting.

16 COMMISSIONER MOSER: I understand. So, what's the
17 definition of "capital"?

18 MAYOR PRATT: Let me reask the question. If it
19 wasn't a replacement vehicle, but a new vehicle that was to
20 be added to the fleet --

21 MS. HARGIS: It would still be operations. You
22 cannot buy operating-type equipment in a construction-type
23 capital account. If you go out and do a bond issue or
24 certificate of deposit and you purchase within that, because
25 of -- the certificate of deposit requires that it be a

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1 construction account, but it is not a construction item.
2 COMMISSIONER MOSER: So, if a --
3 MR. LIVERMORE: It's different.
4 MS. HARGIS: It's a different type accounting than
5 you guys are used to in enterprise accounting. In enterprise
6 accounting, we would set up a capital account; you would run
7 everything that was capital through there. Unfortunately,
8 that's not what a capital account is meant to be in the
9 definition of fund accounting. I will bring y'all the
10 definition and you will see. You're only allowed to have
11 certain accounts, and they are an operating account, a
12 construction account if you have construction, or a bond
13 issue. That's supposed to go away if you don't -- you have a
14 debt service fund, and that's pretty much it.

15 COMMISSIONER MOSER: Those three?
16 MS. HARGIS: Those three. And -- and GASB is tying
17 that down even more now. In fact, you can't call it
18 "reserve" any more. You have to call it a designated item.
19 It's not -- they've taken actually the term "reserve" out of
20 -- of our definitions. So -- and this coming year, we have

21 to predict -- it's something I haven't talked to y'all about,
22 because we haven't figured out exactly how we're going to put
23 it on our books. It's called inflow and outflows, so we have
24 to kind of show something new that you're going to have to
25 kind of get used to. Governmental accounting is moving

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1 towards enterprise accounting, but it's not as quick.
2 Because the reason is that most of the small cities and small
3 towns throughout the country can't deal with -- they
4 basically -- it's a cash system. And so they allowed them to
5 stay on fund accounting: that's why you have two separate
6 financial statements in your -- in your audit. You've got
7 the GASB statements, which are close to what you guys are
8 used to in regular accounting, and then you have the fund
9 statements. And what we do is convert the fund statements
10 into the GASB statements, put depreciation and all of the
11 normal things that you're used to seeing in a regular
12 financial statement, but you don't see those until the end of
13 the year. It's too massive to do that but once a year.

14 COMMISSIONER MOSER: So, Jeannie, if you had a --
15 let me just make something up. If you had a \$100,000 backup
16 electrical supply system -- just say we had that. Then if
17 you had to replace that, that would not be capital; that
18 would be operating?

19 MS. HARGIS: Mm-hmm.

20 COMMISSIONER MOSER: Right? Even though it would
21 be \$100,000.

22 MR. KING: The initial purchase would be capital.
23 MS. HARGIS: The initial purchase is capital, but
24 after that, it's not. But the initial purchase, if it is not
25 done -- if it's done out of operating funds, it's got to

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1 remain in the operating account. The construction funds were
2 meant to bring in construction items and then move it out.
3 COMMISSIONER MOSER: Yeah, but -- so my example,
4 though, that was not a construction thing, my backup
5 electrical supply system.

6 MS. HARGIS: You --

7 COMMISSIONER MOSER: So, it cost \$100,000. So, the
8 reason I was looking for an amount is, Bruce -- Bruce has
9 some instruments that are \$5,000, okay? And they have to be
10 replaced, or they have to be purchased, okay? If they have
11 to be purchased, we've never had them. Is that capital or is
12 that operating?

13 MS. HARGIS: It's operating. You're paying for it
14 out of operating funds.

15 COMMISSIONER MOSER: Okay. Now, if I have -- you
16 know, we decide we want to have a \$100,000 backup power
17 supply system, we just -- Bruce says we need to have one of
18 these things, \$100,000. Is that capital or is that --

19 MS. HARGIS: It's operating, because you didn't
20 borrow the money to do the construction purchasing.

21 COMMISSIONER MOSER: So, that -- that doesn't have
22 anything to do with construction. Even a \$100,000 item like
23 this is still operating.

24 MS. HARGIS: Mm-hmm.

25 COMMISSIONER MOSER: Okay. All right.

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1 MS. HARGIS: It still can be an asset in your
2 operating account if you're purchasing an asset. But, again,
3 the main focus, and the reason there is a construction
4 capital account -- the terminology is the same --

5 COMMISSIONER MOSER: Yeah.

6 MS. HARGIS: -- was to actually borrow funds and
7 track that -- those funds through the construction. Once
8 that's over, then the construction fund basically is supposed
9 to go away.

10 COMMISSIONER MOSER: I see. Okay.

11 MR. KING: All right, there's a motion on the
12 table. We've discussed it. Anybody else have any questions?

13 All in favor?

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

15 MR. KING: Four-zero.

16 MS. HARGIS: I'll bring y'all the definition.

17 MR. LIVERMORE: Good discussion, Steve.

18 MR. KING: Okay. Item 4D, Brinkman hangar. Do you
19 want to talk about this?
20 MR. McKENZIE: Sure. At the direction of the
21 Board, I've now taken pictures -- aerials and pictures on the
22 ground of the facility; I've come up with this with the help
23 of a print shop in town. This will be -- this has got a
24 couple of typos on it, the runway being one of them, but this
25 will be the hard copy that we're going to hand to folks that

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1 we actually see, and folks that I'm going to cold call. The
2 other piece of this will be sent out via e-mail to many, many
3 people, but this is what it will say. It's brief, it's to
4 the point, it's concise. What I did put in there was the
5 deadline that you had spoken about, that they need to submit
6 their proposals back to us by the middle of August. And the
7 rest of it's self-explanatory. I can change this, if you so
8 desire. This is the best way I determined to come up with
9 this after visiting with all you guys, and --

10 COMMISSIONER MOSER: Question. Do you need to put
11 the standard rental rate in there?

12 MR. McKENZIE: Well, that's what we can talk about.
13 COMMISSIONER MOSER: Right.
14 MR. McKENZIE: But I don't want to -- I don't want
15 to -- that's a great question, Commissioner, because I put
16 that in there -- I don't want somebody wasting my time or
17 anybody else's time in coming here and low-ball us with 50
18 cents a square foot.

19 COMMISSIONER MOSER: Just tell them no.

20 MR. McKENZIE: Well, that's true. But if I have to
21 show them the hangar and spend a lot of time, and then come
22 back -- but we can change this. I mean, that's what this is
23 for, to talk about it. So --

24 MR. KING: Are we going to advertise this?

25 MR. McKENZIE: Yes, sir, I'm going to advertise it

40

1 in several places. T-hangar -- there's all kinds of websites
2 that just -- just for hangars around the nation.

3 MR. KING: There's websites -- I get an e-mail all
4 the time on -- it's on -- I can't remember. It's an airplane
5 website that sends me stuff on airplanes for sale, but then
6 they also send out hangars, corporate hangars and stuff like
7 that. I'll try to get that. It would be a good one.

8 MR. McKENZIE: Well, HangarTrader.com,
9 HangarProperty.com, LoopNet, Barnstormers, Trade-A-Plane. We
10 are going to participate in all of those, plus just sending
11 out lots of things on the internet to folks that we all know.

12 MR. KING: Okay.

13 MR. McKENZIE: And, plus -- like I say, there's one
14 entity that has some interest in it. They've called me twice
15 and been here once to look at it. So --

16 MR. KING: Yeah.

17 MR. McKENZIE: We can't go into it right now.

18 MR. LIVERMORE: Without exposing a lot of --

19 MR. McKENZIE: West Texas.

20 COMMISSIONER MOSER: One other question. What does
21 "standard rate" mean?

22 MR. KING: That's what's in our --

23 MR. McKENZIE: That's what we've charged on our
24 buildings around here, Commissioner, that we've had that are
25 ours. And there weren't but two, and that was the building

1 at 1994 Airport Loop and 1700 Airport Loop.
2 MR. KING: It's stated in the --
3 MR. McKENZIE: That was what we charged, \$3.14.
4 MR. KING: -- minimum standards. It's in the
5 minimum standards. There's two rates that have been -- we
6 have not changed that rate in a while. We haven't rented
7 anything in a while either, according to that rate. I
8 don't -- only thing we've ever rented on it is what?

9 MR. McKENZIE: The blue building up there. Those
10 two buildings up there are the only two buildings we've ever
11 had.

12 MR. KING: Only ones we own. So we've been at that
13 rate --
14 MAYOR PRATT: So, I'm with Tom on this. That's a

15 10-year rate; we established it 10 years ago. I'd recommend

16 you not put it in there.

17 COMMISSIONER MOSER: What's comp?

18 MR. MCKENZIE: That's like we went over before. I

19 think Kirk addressed this last time. It's going to be

20 different between here and San Antonio, here and Austin.

21 COMMISSIONER MOSER: I know, but just give me some

22 values.

23 MR. MCKENZIE: Ours would probably be comparable to

24 or less than they are in the Austin area, or San Antonio.

25 MR. KING: Or San Antonio, by a lot.

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1 MR. MCKENZIE: By a whole lot in San Antonio.

2 COMMISSIONER MOSER: Like, what are they in San

3 Antonio?

4 MR. KING: A T-hangar in San Antonio is \$800 to

5 \$1,000.

6 COMMISSIONER MOSER: How much per square foot? So

7 what's a comp?

8 (Multiple speakers.)

9 THE REPORTER: One at a time, please.

10 COMMISSIONER MOSER: So, a comparable size hangar

11 in San Antonio --

12 MR. MCKENZIE: I haven't directly asked the manager

13 over there.

14 COMMISSIONER MOSER: Or just leave it blank.

15 MR. MCKENZIE: Or we can leave it. It's a

16 discussion item; we can talk about whatever the board desires

17 to do. But -- and that -- and the deadline if you want to

18 change that is the 30th of August. I picked a date and said

19 let's go for something.

20 MR. LIVERMORE: Well, do you envision that the rate

21 should be higher? Do you two guys --

22 MAYOR PRATT: I don't know, 'cause we don't know

23 what the comparables are.

24 COMMISSIONER MOSER: Unless you know a comp, how do

25 you say that?

1 MAYOR PRATT: I just hate to see a rate stated up
2 front which is an expectation, and it's off. Either way.

3 MR. KING: Why don't we get some comps? I think
4 San Antonio and Austin would be an unrealistic comp. You're
5 talking a town of 2,000,000 versus a town of 25,000.

6 MR. LIVERMORE: But as a benchmark, I would like to
7 know what they are.

8 MR. KING: I think you'd use New Braunfels, San
9 Marcos, Uvalde, Hondo.

10 MR. WOOD: You can't look at T-hangar rates there;
11 it's a different animal.

12 COMMISSIONER MOSER: That's what I said, a
13 comparable size. I don't want to look at T-hangars.

14 MS. BAILEY: Just keep in mind, if you have a
15 rental rate published in the minimum standards, we're kind of
16 tied to that.

17 MR. KING: I agree. We have to -- that is -- that
18 is the stated rate in the minimum standards. We don't have
19 to go by it. We can make exceptions to it.

20 MR. MCKENZIE: We can make exceptions to it.

21 MS. BAILEY: We're tied to it just in the sense
22 that if we change it, we have to have some articulated
23 reasons.

24 MR. KING: It's on the website; anybody can pull it
25 up.

1 MR. MCKENZIE: And, historically, when you go back,
2 that's what we leased it for, for example, to B.A. Products.
3 You remember those folks? That's what we leased to it them
4 for.

5 MR. KING: Why don't you get a couple of comps
6 from --

7 MR. MCKENZIE: San Marcos, New Braunfels.

8 MR. KING: Fredericksburg doesn't have a hangar
9 that big.

10 MR. GRIFFIN: Maybe pull from our --

11 MR. KING: Hondo doesn't have a hangar that big --

12 yeah, they do. Yeah, they do.
13 MR. LIVERMORE: They've got Corrigans.
14 MR. KING: Find out what the Corrigans are paying
15 over there, the Corrigan aircraft. Find out what they're
16 paying. Uvalde, they're all privately owned. They own those
17 things; they just have ground leases on them. Georgetown,
18 maybe. New Braunfels and San Marcos would be the two I
19 would -- that would come to my mind that would be close. Of
20 course, they're a little more --

21 MR. GRIFFIN: Stuck in between us and --

22 MR. KING: They're a little more commercial.

23 They're a little more of a metropolitan area than we are.

24 Yes, sir?

25 MAYOR PRATT: Steve, I'm just asking a question

1 here.

2 MR. KING: Yeah?

3 MAYOR PRATT: Should the purpose -- the current
4 purpose of the building be stated in this? And I'll tell you
5 why. If they intend to use it for some other purpose, then
6 the code's going to have a different effect and a much
7 different cost.

8 MR. KING: Well, I discussed this with Bruce, and
9 what we're -- all these proposals are going to be made
10 contingent upon -- they'll be made contingent upon -- with
11 the knowledge that we're going to have to go to the City and
12 find out what's in the box, what the City wants.

13 MR. GRIFFIN: There's a questionnaire that goes out
14 with this has that question on it.

15 MAYOR PRATT: Okay.

16 MR. GRIFFIN: So we ask potential lessees to state
17 what their --

18 MAYOR PRATT: Purpose is.

19 MR. GRIFFIN: Purpose.

20 MAYOR PRATT: Okay.

21 MR. GRIFFIN: I think we'll get it. Hopefully --
22 well, and then, like he said, I think we're going to end up
23 with that --

24 MR. KING: If someone is proposing to give us
25 \$75,000 or \$50,000 a year for the hangar, we're not going

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1 to -- it's obviously going to be contingent upon a visit with
2 the City to find out what the -- what code -- what code
3 requirements are going to be for that specific use of the
4 building. And then, you know, we go from there. I mean --

5 MAYOR PRATT: I understand. I just --

6 MR. KING: We've talked to the City many times
7 about that, and --

8 MAYOR PRATT: I just don't want somebody to get
9 ticked off at the City because we came up with a sprinkler
10 system.

11 MR. KING: I agree, believe me. I will be ticked
12 off at the City with them, because we -- this is something
13 we've addressed with the City for several -- you know, it's
14 an ongoing -- ongoing subject at the airport. Every time we
15 rent something, it has to go to the City, and it goes to the
16 fire marshal and we have to find out what -- what's behind
17 door number three. And so these guys are finding out what's
18 behind door number three when they make their proposal.

19 We're not going to hold them to any of that, but we're not
20 going to hold them -- it's going to all be contingent upon
21 finding out if they can --

22 MR. LIVERMORE: With what the City offers as far as
23 code requirements.

24 COMMISSIONER MOSER: Let me give you a comp. A
25 comp of a similar size building right across the road, same

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1 type of construction, not as good a construction as this.

2 \$6 a square foot.

3 MR. KING: Right. But I'd also point --

4 MR. LIVERMORE: Is that the --

5 COMMISSIONER MOSER: Just a building close by.

6 MR. KING: I agree.

7 COMMISSIONER MOSER: It's \$6 a square foot.

8 MR. KING: But you have to also -- it also has to

9 be known that this bidding is restricted to probably one of
10 the most depressed industries in the whole world, okay?
11 We're not talking --
12 MR. WOOD: Oil business.
13 MR. KING: We're not talking oil business. If we
14 could rent this thing out to the energy industry, we could
15 probably, you know, have three or four different people. But
16 we're talking about an industry that is probably beaten down
17 as bad as any industry in the world. So, you know, that
18 building across the street, you can rent it for anything. It
19 can be used for --
20 MR. LIVERMORE: Is the building across the street
21 occupied?
22 COMMISSIONER MOSER: Hmm-mm.
23 MR. KING: Not yet.
24 MR. LIVERMORE: So they haven't sold it at that
25 price?

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1 COMMISSIONER MOSER: That's what it rented for
2 before.
3 MR. KING: Look, we're limited to the aviation
4 industry, which has probably gone through the worst recession
5 of any industry.
6 MR. GRIFFIN: Well, can I make a motion that we --
7 MR. LIVERMORE: Government repression.
8 MR. GRIFFIN: Can I make a motion that we accept
9 this -- I think we ought to strike the 3.14, and let it come
10 out in the -- in the wash, because it's on our website.
11 MR. KING: Yeah. I mean, I think that during
12 inquiries, maybe Bruce -- maybe Kirk, you know, you can point
13 out we do have a minimum standard requirement, but, you know,
14 we're looking for -- we're looking for offers.
15 MR. GRIFFIN: Yeah. So, I make a motion that we
16 accept this as-is with the corrections, and strike the
17 standard rate.
18 MR. KING: Second?
19 MR. LIVERMORE: I'll second that. Did you -- were
20 you -- was that it?

21 MR. GRIFFIN: That's it.
22 MR. LIVERMORE: That's the whole thing.
23 MR. KING: All right. Discussion? Bruce, just be
24 sure when these people -- we do start getting these -- these
25 inquiries, be sure that they are aware of these several

1 items. You know, there is a -- there a stated rate in our
2 minimum standards.
3 MR. McKENZIE: I understand.
4 MR. KING: We're not bound by that, but that is --
5 and that any proposal will be contingent upon their visit
6 with the City concerning code.
7 MR. McKENZIE: I understand.
8 MR. KING: I mean, I don't want any surprises. I
9 don't want them coming back to us saying we didn't disclose,
10 you know, what was in Pandora's box over there.

11 MR. McKENZIE: The other thing we need to discuss
12 is for me -- in order for me to show that hangar to a
13 prospective tenant, the Brinkman folks are not letting me go
14 in the hangar unless we give them an insurance policy, a
15 premises liability insurance policy. Charlie's not going to
16 let me in the hangar. He'll let me, but I can't take anybody
17 with me. I've got two prices for that, and they were very
18 close, very comparable. One was \$1,300; the other was \$1,200
19 to get the premises liability policy in order to show that
20 hangar. So, my --

21 COMMISSIONER MOSER: For how long a period?
22 MR. McKENZIE: That's for one year. We can't buy a
23 policy for less than a year; I tried to.
24 MR. LIVERMORE: Are you allowed to go in and take
25 pictures inside?

1 MR. McKENZIE: He only let me take this picture the
2 other day because Corey Walters was down there with we.
3 Corey pulled his airplane out of the way. Corey helped me
4 pull this off the other day, 8 o'clock one morning, just a
5 happenstance thing, and he let me take these pictures with

6 the door open. But I didn't get in the office and take any
7 pictures. And they're doing their due diligence; I
8 understand that. This is nothing against the Brinkman folks.
9 They're just doing their due diligence. And I went back and
10 visited with Corey Walters again about this. Retail is his
11 business, and he said, "You know, to tell you the truth, I
12 probably wouldn't let you in there either without an
13 insurance policy." So, they're doing their due diligence; I
14 understand that. My question to the board is, is it your
15 desire that I buy that policy so I can show this hangar? Or
16 do you have another --

17 MR. WOOD: It's our desire that you show
18 prospective lessees the hangar. If that's what you got to
19 do --

20 MR. GRIFFIN: When we were in Austin last week, we
21 had a discussion, and I wanted to bring it up here, is that
22 one option would be to -- to approach Brink's guys and say,
23 hey, if we come to you with a signed waiver that says whoever
24 enters this building does not -- you know, hold you harmless,
25 if that meets their needs, as opposed to us spending the

1 1,300 bucks.

2 MR. McKENZIE: I don't know.

3 MR. GRIFFIN: We don't know yet. And so I think
4 what -- where we are is, we have an option to either -- I
5 think we got two things to press forward here. One is press
6 forward in getting a -- a bought insurance policy, and two,
7 ask the Brinkman folks if, you know, if we have a hold
8 harmless waiver that we make everybody sign before they want
9 to go in --

10 MR. KING: Yeah.

11 MAYOR PRATT: From the owners' perspective, they
12 would come back to us, and so we're not going to stick
13 ourselves out there for that exposure.

14 MR. GRIFFIN: The \$1,200, \$1,300 is not a great --

15 MR. KING: No, I agree. I agree. It's whatever --
16 I mean, I think that's just the cost of doing business.

17 MR. GRIFFIN: Yeah, cost of --

18 MR. LIVERMORE: There's all kinds -- this is a door
19 number three liability type thing.
20 MR. KING: Yeah.
21 MR. LIVERMORE: I one time sold an airplane, a
22 Bonanza, and in order to take the prospective people up to
23 show -- show them how they flew, I had to buy a separate
24 insurance policy. My regular insurance wouldn't cover it.
25 MR. KING: Anyway, I mean, I can --

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1 COMMISSIONER MOSER: One other thing on your
2 advertisement.
3 MR. KING: Yep.
4 COMMISSIONER MOSER: It would seem to me like it
5 would be good to identify what the restrictions are on use.
6 It has to be for aviation purposes, correct?
7 MR. MCKENZIE: That's correct.
8 COMMISSIONER MOSER: So we ought to put that.
9 MR. KING: I think that's a good idea, Tom.
10 COMMISSIONER MOSER: Second thing is, I think I
11 would also identify the clear span in there and the door
12 height.
13 MR. MCKENZIE: I've got that.
14 COMMISSIONER MOSER: So, those two things.
15 MR. KING: That's -- those are good points.
16 MR. LIVERMORE: Yeah.
17 MR. MCKENZIE: Okay, that's easy.
18 MR. LIVERMORE: Yeah, that would be a good idea.
19 COMMISSIONER MOSER: Okay.
20 MR. LIVERMORE: We have other statistics about the
21 building. We ought to do that. That's pretty important.
22 MR. KING: I think those two are good. Okay. So,
23 in your motion, do you want to add, Kirk --
24 MR. GRIFFIN: Yeah.
25 MR. KING: Under the liability insurance situation?

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1 MR. GRIFFIN: Sure.
2 MR. KING: Since it's part of this?

3 MR. GRIFFIN: Well, yeah.
4 MR. McKENZIE: To buy the policy?
5 MR. KING: To buy a policy.
6 MR. McKENZIE: Not to exceed \$1,500, something like
7 that.
8 MR. GRIFFIN: You guys okay with that?
9 MR. KING: That's fine.
10 MR. LIVERMORE: I'll add that to my second.
11 MR. GRIFFIN: So moved.
12 MR. KING: Any other discussion on this proposal?
13 How about the date? Is the date okay with you guys?
14 MR. GRIFFIN: I think it's good, 'cause it gets us
15 before a meeting mostly.
16 MR. McKENZIE: That's what I'm shooting for.
17 MR. GRIFFIN: As opposed to waiting another
18 meeting. Depending on how much traffic we get.
19 MR. KING: How much traffic we get. All in favor?
20 (The motion carried by unanimous vote, 4-0.)
21 MR. KING: Four-zero. Okay. Thank you, Bruce.
22 MR. McKENZIE: Yes, sir.
23 MR. KING: Item 4E, land acquisition, KEDF. Ilse?
24 MR. McKENZIE: I'm going to hit the light. Do you
25 want to talk first? Or --

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1 MS. BAILEY: Well, I'll talk about it until you get
2 the lights off. But you've got the printout here that we've
3 also got on Power Point. Here it is coming up.
4 MR. McKENZIE: That button right there. Do you
5 want me to do it? It's the middle one.
6 MS. BAILEY: How does that move down?
7 MR. McKENZIE: That will move it for you.
8 MS. BAILEY: I got it.
9 MR. McKENZIE: Okay. This will get brighter as we
10 go on here.
11 MS. BAILEY: All right. This -- well, there's --
12 this is to show you what we're proposing -- what KEDF is
13 proposing to donate to the owners, to the airport. But it's
14 also to ask and recommend that -- that we, in the acquisition

15 of this property, plat it instead of acquiring it by metes
16 and bounds, primarily because it took the combined efforts of
17 Kerr County Abstract and Title and the Appraisal District,
18 with Kirk's able assistance, and myself, because I've been
19 working with the airport for so long, I remember a lot of
20 these transactions. But it's a very -- the property
21 ownership is pretty complicated at this time, and if we plat
22 it, even though we're not required to, either by city or
23 county rules, it will make it better, because then in the
24 future, if somebody wants to know what property does the
25 airport own, they could just go to the plat and see it

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1 instead of all these metes and bounds descriptions. So, I
2 wanted to go through this.

3 MR. LIVERMORE: So, we're platting it simply to
4 clarify --

5 MS. BAILEY: Right.

6 MR. LIVERMORE: -- ownership?

7 MS. BAILEY: To define all the ownership.

8 MR. LIVERMORE: Not for any potential development
9 idea?

10 MS. BAILEY: No, exactly. So, if somebody says,
11 "What piece of property do you have?" you don't have to go to
12 multiple different areas. And just to show you, what I did
13 was, over here are descriptions of what the various deeds
14 from the past did and transferred, and who they came from and
15 who they went to. And to show you initially -- let's see
16 here. This one in 1962, 22.55 acres were transferred from
17 some trustees to the Kerr County Industrial Foundation, which
18 later became KEDF. So, that was this whole outlined in
19 yellow area. And then in 1964, the Industrial Foundation
20 transferred to the airport .23 acres out of this whole
21 business. I don't know if you can really see it, but that's
22 a little red circle right there. I think that's where the
23 water tower was. So, at that point in time -- right.

24 MR. MCKENZIE: That, okay?
25 MS. BAILEY: So that's the --

1 MR. MCKENZIE: It's there.
2 MS. BAILEY: -- .23 acres. And then in 1973, the
3 Industrial Foundation transferred to Kerr County Industrial
4 Development Foundation -- basically, to itself; it just
5 changed its name from Industrial Foundation to Industrial
6 Development Foundation -- transferred the whole 22.55 acres
7 to the EDF, with the exception -- sorry, Kirk -- with the
8 exception of that, that little amount. So, sub -- Number C
9 is basically A minus B, the big tract minus the small tract.
10 And then we come up though 2004, this transaction, 3.838
11 acres came out of that same 22.55-acre tract, and that was
12 the portion that we know we already have down here. And then
13 in 2005, another 3.025 acres came out of that 22.55 acres. I
14 think that shows here all right. So, that was E, which gets
15 the red line. Oh, that was this funny piece here, but it --
16 it overlaps the .23-acre circle that was taken out back in
17 1964. And then there's another whole transaction where
18 Mooney owned tract --

19 MR. GRIFFIN: The triangle.
20 MS. BAILEY: Yes, Mooney owned that orange triangle
21 here, and they transferred that to EDF. So, the KEDF owned
22 that, and now they're seeking to transfer that to us also.
23 So, you can see that the -- the history of the ownership of
24 all those pieces is pretty complicated. And what we propose
25 to do is to -- let's see. What we propose to do is basically

1 end up having that plat so that instead of looking at all
2 those transactions, you just look at a map. There's a big
3 plat there, and we own the whole thing. The reason that this
4 is an issue is -- well, you can't really see that, but I
5 asked Lee Voelkel about what it would cost to get the survey
6 done and get the platting done, and you maybe can read from
7 the very small print in the printout that the City and County
8 fees are about \$500, and survey plus the platting would be
9 about \$3,500. I don't know that it would be that much less
10 if we didn't do the platting, because you still would have to
11 do the surveying. But it's a little bit more of a tedious

12 process, so I'll need your direction on that.
13 The other part of Lee's letter which I wanted to
14 address is that he pointed out that there might be an issue
15 with putting floodplain on the plat map, which is frequently
16 required, in the area of that elevation. If it's going to be
17 required by the City that we put floodplain on the plat map,
18 that will probably increase the cost, because there will have
19 to be an engineering study to put that on the plat. So,
20 that's one of the things I've not yet clarified with the city
21 development folks about whether or not we're going to have to
22 have that on there, so we'll need to have some discussion
23 about that. Lee also discussed a concern about dedication of
24 the Al Mooney Road, but I talked to Bruce, I guess, and that
25 is already a dedicated city street, so that's not a concern.

1 So, really, the only concern we have with respect
2 to additional expenses is the issue of putting floodplain on
3 the map, and I don't -- I just -- I can't anticipate what
4 that will cost. So, what we need to discuss is, do you agree
5 with our recommendation that it be platted? I know the City
6 and the County folks both would prefer that it be platted
7 than to be done by metes and bounds, because of that
8 complicated history. Oh, and then, finally, the other thing
9 -- and then we need to talk about the -- what we need to do
10 about the interior of the floodplain, if that's an issue.
11 And then, finally in some of the deeds that I reviewed, when
12 KEDF transferred property out, it reserved half of the
13 mineral rights, and all of the mineral rights, I think, in
14 the two deeds. So, it would be my recommendation, even
15 though we haven't talked about this with KEDF, that they
16 transfer all those mineral rights to us as well so that we
17 reconsolidate surface and mineral rights back in one owner --
18 well, two owners, the City and the County.

19 MR. LIVERMORE: Do we still have half the mineral
20 rights in these -- these other individuals?

21 MR. GRIFFIN: You would.

22 MS. BAILEY: Well, for instance, when -- like, in
23 Deed B, they reserve half of the mineral rights to

24 themselves.

25 MR. LIVERMORE: Well, yeah.

1 MS. BAILEY: And so that would -- those rights
2 would remain in KEDF, which would then be a nonexistent -- or
3 only exist on paper entity, unless they transfer them to us.
4 Same thing with Deeds D and E. Those reserved 100 percent of
5 the mineral rights to KEDF, so --

6 MR. LIVERMORE: What about A, B, and C, the other
7 parties here?

8 MS. BAILEY: Well, the people who -- Philip and
9 Leona Pope, or whoever their successors are, still own their
10 half of the mineral rights. That's just going to remain
11 theirs unless they or their successors choose to donate them
12 to the City and County, but I don't know who they are. And
13 it looks like, from the deeds, that that had to do with a
14 mineral lease that they had on those pieces of property. I'm
15 sure that lease has expired by now, and I don't know that
16 they would have any particular interest in keeping them, but
17 we could -- we could try to find out their successors and
18 approach them as well. But at least the rights that KEDF
19 retains, it makes sense to ask them to also give us those
20 rights.

21 MR. LIVERMORE: Well, I think that's -- that's --
22 at least we -- you know, as long as we're focused on -- this
23 is kind of down in the weeds type stuff.

24 MS. BAILEY: Right.

25 MR. LIVERMORE: As long as we're focused on this,

1 we need to get this as clean as possible for the City and

2 County.

3 MS. BAILEY: That was my thought, is to get as much
4 of it all reconsolidated and simple, where you could look --

5 MR. LIVERMORE: So in the future, there's really no
6 question.

7 MS. BAILEY: -- you can look in the County's
8 records and say, "Oh, that's the piece of property."

9 COMMISSIONER MOSER: Is all this property in the

10 city?

11 MS. BAILEY: Yes.

12 COMMISSIONER MOSER: Even the stuff on the west

13 side of Mooney Road?

14 MS. BAILEY: Yes.

15 COMMISSIONER MOSER: Okay.

16 MAYOR PRATT: The purpose of KEDF doing this is to

17 dissolve itself.

18 MS. BAILEY: Right.

19 COMMISSIONER MOSER: I understand.

20 MAYOR PRATT: It'd be very hard to dissolve it if

21 it still owns mineral rights.

22 COMMISSIONER MOSER: I just want to make sure it's

23 all in the city.

24 MS. BAILEY: I was told, Tom, that the only part of

25 the airport that is not in the city is way over by the

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1 entrance road down --

2 MR. MCKENZIE: Peterson Farm Road.

3 COMMISSIONER MOSER: Okay. All right.

4 MS. BAILEY: And this is all, of course, way back

5 over on that side.

6 MR. LIVERMORE: Well, is it -- we still have this

7 issue of half the mineral rights out there with the Pope

8 entity. Should that be investigated and checked out? Or --

9 COMMISSIONER MOSER: I would suggest you separate

10 the variables.

11 MR. LIVERMORE: I don't want the City and County

12 to -- I don't know where it will be.

13 COMMISSIONER MOSER: Separate the variables. If

14 KEDF says we want to give you the land, why don't you accept

15 that and the mineral rights. Then go work the other mineral

16 rights if you ever want to -- or if the City and County ever

17 want to.

18 MR. KING: Are those mineral rights undivided

19 interest?

20 MS. BAILEY: Yeah, it's just half of the mineral

21 rights.

22 MR. KING: In the entire --

23 MS. BAILEY: Well, in the various little tracts.

24 That's the property.

25 MR. KING: Oh.

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1 MS. BAILEY: You've got half the mineral rights in
2 A, B, and C, and then B reserves the other half to KEDF, but
3 D and E reserve the whole thing to KEDF. And D -- and F
4 doesn't even mention mineral rights.

5 MR. KING: Any deed restriction on oil and gas
6 activity? Energy, oil and gas?

7 MS. BAILEY: I'm not sure. The City probably does
8 have some kind of --

9 MAYOR PRATT: Yeah, I wouldn't worry about Poppe's
10 mineral rights. I mean, it doesn't affect you guys at all.

11 MR. KING: It does if --

12 MR. LIVERMORE: I'm just trying to avoid future --

13 MR. KING: -- if there's a well there.

14 MR. GRIFFIN: They can't put a structure up there
15 because --

16 MS. BAILEY: Because of height.

17 MR. GRIFFIN: -- because of our restrictions.

18 MR. KING: Yeah. Because of the --

19 MR. GRIFFIN: Because of our altitude --

20 MR. MCKENZIE: The RSA, runway safety area.

21 MR. LIVERMORE: Yeah, I couldn't remember the
22 right term.

23 MR. KING: Drive up to Dallas and look at the 100
24 wells they drilled on that airport.

25 MR. GRIFFIN: But they're also defending where they

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1 are.

2 MR. KING: I agree. We don't quite have that kind
3 of --

4 MR. GRIFFIN: We don't have that real estate.

5 MR. KING: We don't have that kind of -- of people

6 to delineate that.

7 MR. GRIFFIN: Right.

8 MR. KING: Okay. I would say that if you clarify
9 with KEDF that they're giving everything -- I think they are.

10 MR. GRIFFIN: They are. They want to shut down.

11 MR. KING: They're trying to shut down the entity.

12 MAYOR PRATT: That's exactly right.

13 MR. KING: The problem is, they've got this left.

14 They're a government entity; they can't get rid of the entity
15 until it's completely empty. So, I assume that's looking at
16 everything.

17 MR. GRIFFIN: It's a default. It is.

18 MR. KING: Yeah. So --

19 MR. MCKENZIE: We need to give Ilse a direction to
20 proceed.

21 MR. KING: It needs to be platted. I think that's
22 easiest for the City and the County to go forward with it.

23 It needs to be probably platted. I assume you're going to --

24 MR. GRIFFIN: This title will be taken in the City
25 and the County jointly?

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1 MS. BAILEY: Yes. Yes.

2 MR. LIVERMORE: So, when we plat it, it gets rid of
3 all these interior lines, and the whole thing is just one
4 piece.

5 MS. BAILEY: Exactly.

6 MR. GRIFFIN: That's attached to the rest of our
7 property.

8 MS. BAILEY: Right.

9 MR. KING: Another jointly-owned property by the
10 City and the County. Y'all wouldn't be interested in
11 flipping a coin or anything, would you? (Laughter.)

12 MS. BAILEY: And if you're going to move to direct
13 me to go forward with the platting, you probably also need to
14 put an amount in there, like no more than \$5,000, or --

15 MR. LIVERMORE: Do what, now?

16 MS. BAILEY: Have to put an amount in for spending
17 on it, because we need to pay for the surveying and the

18 platting.

19 MR. LIVERMORE: So, you need a motion now?

20 MS. BAILEY: Yes.

21 MR. LIVERMORE: To authorize this board to accept
22 the property and to proceed with the platting, and to have
23 you secure the mineral rights in the name of the City and
24 County?

25 MS. BAILEY: Exactly.

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1 MR. GRIFFIN: And determine whether or not we need
2 to worry about the floodplain.

3 MS. BAILEY: Right.

4 MR. LIVERMORE: And determine whether or not we
5 need to worry about the floodplain. Did you get all that?

6 MS. BAILEY: If --

7 MR. LIVERMORE: Could you state my motion for me?

8 MAYOR PRATT: Just say, "So moved."

9 MR. LIVERMORE: That's what I'm moving.

10 MS. BAILEY: And --

11 MR. KING: Okay, go ahead.

12 MS. BAILEY: And an amount. To be able to spend an
13 amount, up to.

14 MR. GRIFFIN: Not to exceed.

15 MS. BAILEY: Not to exceed.

16 MR. LIVERMORE: 5,000.

17 MS. BAILEY: 5,000.

18 MR. McKENZIE: That's enough, I think. If it's
19 not, we'll come back.

20 MR. LIVERMORE: Do we need to restate the motion?

21 MAYOR PRATT: No.

22 MS. BAILEY: No, I got it.

23 MR. KING: She's got it. Okay, motion made by Ed.

24 Second?

25 (Mr. Griffin raised his hand.)

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1 MR. KING: By Kirk. Discussion? Any? I assume
2 that we're paying for this; is that correct?

3 MR. WOOD: That's my question. We just approved a
4 budget that doesn't have this in it, so --

5 MR. KING: But we've got money left over in this
6 year's budget in our contingency funds, which we had 20,000
7 this year which we won't have next year. That's why I want
8 to do it now.

9 MR. LIVERMORE: Should we include in the motion
10 where the source of money is, Bruce? Should we include,
11 Jeannie or Bruce, where the money comes from to pay this in
12 the motion? Is that --

13 MR. KING: I don't think so.

14 MR. McKENZIE: In our budget.

15 MAYOR PRATT: Administrative workout.

16 MR. KING: Okay. Any more discussion?

17 MR. McKENZIE: Is that good, Ilse?

18 MS. BAILEY: Yes.

19 MR. KING: We have a second. We had a second by
20 Kirk. All in favor?

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

22 MR. KING: Four-oh. Well, thank you very much,
23 Ilse.

24 MS. BAILEY: Thank you.

25 MR. LIVERMORE: You bet. Good job.

1 MS. BAILEY: You have no idea how complicated it
2 was to figure all that out.

3 MR. KING: I can imagine.

4 (Low-voice discussion off the record.)

5 MR. KING: Please be aware that your discussions
6 are being taken down for the record. Thank you. Okay.

7 MR. LIVERMORE: That was a sidebar.

8 MAYOR PRATT: And had nothing to do with the
9 meeting.

10 MR. KING: All right. Item 5 -- information and
11 discussion. Item 5A, general update. Anybody?
12 MR. McKENZIE: Yes, sir. The City is preliminarily
13 scheduled to pave Al Mooney Road where we put the new box
14 culverts in Wednesday afternoon, tentative. According to --

15 weather is a biggie. Anyway, that's scheduled for this week.
16 I spoke with F & W Electric Tuesday, when I saw those folks
17 in Austin, and our "No Outlet" sign has arrived. It's
18 shipped and is here.

19 MR. KING: Which one's that?
20 MR. McKENZIE: "No Outlet" sign we're going to put
21 on Taxiway Echo.
22 MR. KING: What does it say?
23 MR. McKENZIE: "No Outlet," big letters. And it
24 should be hopefully installed in the next 10 days.
25 MR. GRIFFIN: Lighted.

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1 MR. McKENZIE: I was promised that, so hopefully
2 that will stop the larger aircraft from ending up in Ronnie
3 Dugosh's hangar with no place to turn. That's on the way.
4 And where we built the new drainage area where the box
5 culverts are, I'm putting a new wooden fence there just in
6 that particular area, 'cause the old fence that we've torn
7 out, we actually had to tear it out, and it's not usable any
8 more. The ditch is all different. The dimensions are
9 different; the fence wouldn't fit back. So, Secor has
10 ordered the materials. That will be in in about three weeks,
11 and you'll see just a small area there that's got metal fence
12 on it. That will go away and the wood fence will go back up.
13 So -- but that won't happen for another month.

14 MR. LIVERMORE: That won't be a deer entry point?
15 MR. McKENZIE: No, that's going to be 10-foot
16 fence.
17 COMMISSIONER MOSER: Bruce, on the ditch, --
18 MR. McKENZIE: Mm-hmm?
19 COMMISSIONER MOSER: -- is there a plan to seed
20 this so it doesn't --
21 MR. McKENZIE: I have no money. I have no money to
22 seed it. I talked to Harry Lorton, who's the P.E. on that
23 project, and he said don't -- he said don't worry about that.
24 He said, "I'm not going to hold you to that."
25 COMMISSIONER MOSER: Only reason I ask that is --

1 MR. McKENZIE: And it's caliche. I can't -- I'm
2 going to have to -- here's one reason I'm not, Tom, is
3 because I'm going to have to put topsoil on that. If I put
4 topsoil, there's no way to secure the topsoil on a 3-to-1.
5 That's going to slip. Or I put the matting on it, and that's
6 expensive, and I don't have any money to put matting on it.
7 So, the indigenous -- I'm just going to let it grow back like
8 we did this out here, just let it grow back. It's caliche.

9 COMMISSIONER MOSER: Okay. As long as it keeps its
10 shape.

11 MR. McKENZIE: If it gets too bad, we'll put
12 matting on it. We'll just declare an emergency and go buy
13 Curlex.

14 COMMISSIONER MOSER: Then you got to reshape it.

15 MR. McKENZIE: To a degree. But I can't put any
16 topsoil on 3-to-1; it won't hold.

17 COMMISSIONER MOSER: Okay. Has this other ditch
18 been filled?

19 MR. GRIFFIN: Mm-hmm.

20 MR. McKENZIE: Oh, yeah.

21 COMMISSIONER MOSER: So -- okay. So that's done.

22 MR. McKENZIE: You bet you. Yes, sir, we're
23 complete except for the paving, and I talked to Kim last
24 week, and we're on the schedule to get that, so we're good.

25 MR. KING: Anyone have anything else?

1 MR. LIVERMORE: And this project is coming in under
2 our new budget. I mean --

3 MR. KING: Coming in under --

4 MR. LIVERMORE: In terms of cost.

5 MR. McKENZIE: Yes, sir.

6 MR. LIVERMORE: Came in just where we kind of
7 thought it would be.

8 MR. McKENZIE: I figured \$40,000, and it's coming
9 in 33 or 34, something like that. We're under -- we're under
10 it. We weren't planning on putting that fence back, but we
11 had to fix the fence to make it look right. So --

12 MR. KING: Is that it?
13 MR. McKENZIE: Yes, sir.
14 MR. KING: Nothing else? You got the pictures all
15 fixed after that wind blew them down?
16 MR. McKENZIE: Yeah. Y'all's pictures were
17 scattered all over the terminal building, but we have them --
18 MS. BAILEY: Except Bill's. Bill's hung up there
19 and didn't move.
20 MR. GRIFFIN: Must be a sign.
21 MR. LIVERMORE: Must be 'cause you're so handsome.
22 MR. McKENZIE: 6 o'clock in the morning, it
23 triggered both doors. They blew open, and it just looked
24 like a tornado went through right in the middle. There was
25 stuff strewn everywhere. All the pictures except Bill's were

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1 broken and scattered all over the place.
2 MR. LIVERMORE: You must have a closer connection
3 to someone above than the rest of us.
4 MR. WOOD: My picture was heavier. (Laughter.)
5 MR. KING: All right, nothing. Motion to adjourn?
6 MR. LIVERMORE: So moved.
7 MR. WOOD: Second.
8 MR. KING: All in favor?
9 (The motion carried by unanimous vote, 4-0.)
10 MR. KING: Thank you.
11 (Airport Board meeting was adjourned at 9:50 a.m.)

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14 STATE OF TEXAS |
15 COUNTY OF KERR |
16 I, Kathy Banik, official reporter for Kerr County,
17 Texas, do hereby certify that the above and foregoing is a
18 true and complete transcription of my stenotype notes taken
19 at the time and place heretofore set forth.
20 DATED at Kerrville, Texas, this 24th day of May, 2013.

21

22

Kathy Banik, Texas CSR # 6483
Expiration Date: 12/31/14
Official Court Reporter

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25 Kerrville, Texas 78028
Phone: 830-792-2295