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4 KERRVILLE-KERR COUNTY JOINT AIRPORT BOARD

5 Regular Meeting

6 Monday, November 19, 2012

7 8:30 a.m.

8 Airport Terminal Conference Room

9 1877 Airport Loop Road

10 Kerrville, Texas

11

12 MEMBERS PRESENT: MEMBERS ABSENT:

13 Stephen King, President
Corey Walters, Vice-President

14 Ed Livermore

Bill Wood

15 Kirk Griffin

16

AIRPORT BOARD STAFF PRESENT:

17 Bruce McKenzie, Airport Manager
Carole Dungan, Executive Assistant

18

19 COUNTY STAFF PRESENT:

Tom Moser, Commissioner Precinct 2

20 Jeannie Hargis, County Auditor

21

CITY STAFF PRESENT:

22 Sandra Yarbrough, Asst. Director of Finance

23

VISITORS:

24 Ilse Bailey, Airport attorney

Jonas Titas, E.I.C.

25 Steve Huser, Huser Construction

Joey Kennedy, Kerrville Aviation

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3 CALLED TO ORDER

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1 On Monday, November 19, 2012, at 8:30 a.m., a regular
2 meeting of the Kerrville-Kerr County Joint Airport Board was
3 held in the Airport Terminal Conference Room, Louis Schreiner
4 Field, Kerrville, Texas, and the following proceedings were
5 had in open session:

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

7 MR. KING: All right, I'll call this meeting of the
8 Kerr County/Kerrville -- Kerrville/Kerr County Joint Airport
9 Board, November 19th, 2012, to order. Visitors' forum. Item
10 Number 1; any person with business not scheduled on the
11 agenda may speak to the Airport Board. No deliberation or
12 action may be taken on these items because the Open Meetings
13 Act requires an item to be posted for 72 hours. Visitors are
14 asked to limit their presentations to three minutes. Anybody
15 have anything to say? Tom, are you standing up to talk or --

16 COMMISSIONER MOSER: Just getting a cookie.

17 MR. LIVERMORE: Standing up for a cookie.

18 MR. KING: No one being -- no one being recognized,
19 we'll move to Item 2; discussion and possible action. Item
20 2A, Tom Moser's resignation. Mr. Moser, our vice president
21 of the Airport Board, submitted his resignation on the 14th,
22 I think.

23 COMMISSIONER MOSER: Correct.

24 MR. KING: And we accepted it. And he is --

25 because he's now become a county commissioner. And, Tom, I

1 want to tell you we appreciate your service. You -- you did
2 a great job, and you're -- I know you'll continue to do a
3 great job as a commissioner.

4 COMMISSIONER MOSER: Well, I look forward to it, in
5 a different capacity. Important operation, but lots of
6 things to do. So --

7 MR. KING: Thank you very much.

8 COMMISSIONER MOSER: Yeah, it was a pleasure.

9 MR. KING: A lot of people don't realize, but when
10 we first -- the board was first formed, for about the sixth
11 time or so, under the new foundation, an independent board,
12 Tom was very integral in getting our strategic plan and all
13 of our -- all of the -- all of the groundwork in play for the
14 -- for the board to operate, and he's been very, very
15 diligent about us looking back at that plan and all of our
16 strategies and everything that we -- that we originally
17 founded this board on. And he's been very, very helpful on
18 that, and I don't think we could have done it without him --
19 I know we couldn't have done it without him. His expertise
20 was very, very, very beneficial to having this thing get
21 started. I really appreciate your help.

22 COMMISSIONER MOSER: Thank you.

23 MR. KING: Item 2B, Airport Board election of Kirk
24 Griffin. Kirk was -- his nomination went before the Council
25 and the Commissioners, and it was approved, and Kirk is now a

1 sitting member of the board. Welcome, Kirk.

2 MR. GRIFFIN: Thank you.

3 MR. KING: Hope you enjoy your time here.

4 Anybody -- if you have any questions, we can help you.

5 MR. GRIFFIN: I'm going to be in a big learning

6 mode here. Look forward to it.

7 MR. KING: Item 2C, monthly financials. Jeannie?

8 MS. HARGIS: All right. I hope we have a little

9 bit better luck. We got a new picture, if you don't get it

10 in color. I've switched the financials a little bit, just as
11 an experiment. I don't know that I -- our software is really
12 kind of hard to download in Excel and come out the way you
13 really want it. Page 1 -- they are numbered -- is your
14 balance sheet for Fund 47, and in the upper left-hand corner
15 it says "Airport General Fund 47 Revenues." Total amount of
16 cash in the bank and receivables, 314,115.75. You do have
17 accounts payable liabilities of 53,280, a fund balance of
18 260,835.75, for a total of 314,115.75. Page 2; this is your
19 Airport General Fund 47 revenues. The important column is
20 the fourth column. Year-to-date revenue. So far this year,
21 you have 33,887.32. Neither the City nor the County's share
22 of their monthly allocation is in here. We got a little
23 behind, both of us, and we both paid two months in November,
24 which will reflect next month.

25 COMMISSIONER MOSER: Let me ask a question on Page

6

1 2, if I might, Jeannie. The T-hangar leases, last year to
2 this year, are down by about half. I guess the question is
3 for Bruce. Is there -- is that just due to the way T-hangars
4 are paid?

5 MR. MCKENZIE: That's correct. Some pay monthly,
6 some pay quarterly, some pay annually.

7 COMMISSIONER MOSER: Okay, that's right. Thank
8 you.

9 MS. HARGIS: It's just only about -- about \$600,
10 \$700 difference between this year and last year.

11 COMMISSIONER MOSER: Prior year-to-date --

12 MS. HARGIS: 17,178 --

13 COMMISSIONER MOSER: No, I'm looking at the
14 T-hangar lease, 47-325-603.

15 MS. HARGIS: Oh, just the T-hangars.

16 COMMISSIONER MOSER: \$8,000 compared to 4,300. So
17 that's what it is.

18 MS. HARGIS: Again, they all pay differently.

19 COMMISSIONER MOSER: Okay, thanks.

20 MS. HARGIS: All right. Third page is salaries

21 only, which you know the value of your employees in this

22 category. So, the total amount of salaries, fourth column,
23 16,063.95. This is just one month; this is a new year. Page
24 4, the -- part of the expenditures. Your personnel,
25 supplies, maintenance, and professional services, those are

1 all individually categorized for you there. Page 5 is your
2 utilities, and your -- so the total for year-to-date general
3 expenses, 4,420.60, which is very low for the first month.
4 And Page 6 shows the expenditures here in the terminal, for a
5 total there of 1,935.26. Total of all expenditures,
6 22,419.81, for a positive year-to-date of 11,467.51. Page 7
7 is your Airport Capital Fund. We have 76,555.04 in cash. We
8 did not move the RAMP grant yet. We -- again, we did as of
9 November. It's for -- and we do have a little bit of the
10 TexDOT reimbursement left there, for a total of 42,672.97.

11 We are going to move that -- 17,672 is the County's
12 share; not all of it, but part of it, depending upon how much
13 it costs us to build this building out across the street.

14 Total fund balance, 33,882.07. Total fund balance in equity,
15 76,555.04. Year-to-date expenses, the capital, Page 8.

16 Fourth column, 3,387.38. I had a little interest -- this is
17 income -- of \$1.14, so the revenue for this period is
18 3,388.52. On Page 9, which is the last page, the
19 year-to-date encumbrances of 54,263.30. That is the parking
20 lot, which we haven't paid everything yet, so that put us in
21 the hole by 50,874.78, 'cause we're using the RAMP grant
22 money, so that will be coming in. As you know, that's a
23 reimbursable grant, comes in after the fact. So, that's all
24 we have. It's fairly simple. The first month, the auditors
25 are on-site at the county. They will probably be here next,

1 and hopefully we'll be done with that by December.
2 MR. WALTERS: I like your new format.
3 MR. LIVERMORE: Yeah.
4 MR. WALTERS: It's easy to read.
5 MR. KING: You only have one page number per page;
6 I always like that. (Laughter.)

7 MS. HARGIS: I was not going through what I did

8 last time again. No, no, no.

9 MR. KING: I always think that's a great practice.

10 MS. HARGIS: Yeah, that is a great practice. All

11 right, I'm glad. Thank you.

12 MR. WALTERS: Thank you.

13 MR. KING: Okay. Motion to approve the budget?

14 MR. WALTERS: Motion to approve.

15 MR. KING: Discussion? All in -- second?

16 MR. WOOD: Second.

17 MR. KING: I need a second.

18 MR. WOOD: I second.

19 MR. KING: Second by Bill Wood. All in favor?

20 Aye.

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

22 MR. KING: Five-zero, pass. Item -- Item 2D,

23 Bruce. Holiday schedule.

24 MR. MCKENZIE: I was visiting with Jeannie last

25 week after the Veterans Day holiday, I believe it was, and

1 about some other issues, and she asked me if we worked on

2 Veterans Day, and I said of course, we always did. Then I,

3 for the lack of a better word, got an education about

4 employment rules and regulations. And I will stop a minute

5 and compartmentalize that. I'm going to let Jeannie take

6 over, 'cause she is up on how that works. And so it's all

7 yours, Jeannie. We work most holidays. I mean, we just --

8 MS. HARGIS: We have approximately 12 -- I think we

9 came out with 13 holidays. Sometimes we've had as many as 14

10 at the county. The problem we run into here is an I.R.S.

11 issue. You're currently going through our payroll system.

12 You're currently residing under our Tax ID number, so if one

13 of your employees were to complain that they didn't get a

14 holiday that we got, we would all be in trouble. And I kind

15 of fought this issue the first year I went to the county, and

16 I had a little visit from the I.R.S. agent, who went through

17 an audit, which I successfully got no penalties on, but one

18 of the things -- we have a lot of agencies that we are, so to

19 speak, the accounting firm for. And he said we are the
20 primary government, and as long as we are the primary
21 government, our rules must be sustained.

22 So, you need to use our holidays, because I'm a
23 little bit concerned that those people -- you know, it's not
24 necessarily when they're happy; it's when they're not happy
25 that these things come out, and we certainly don't want an

10

1 employee liability suit on our hands. So, I know this is
2 more than you would like to do, but you really only have --
3 well, one employee that would be getting it. I mean, your
4 exempt employees can do what they want to do, and so -- but
5 the one employee that you have, you either need to pay him
6 time and a half -- or actually, it's double time on a
7 holiday -- or give him comp time if you're going to make him
8 work on a holiday. So --

9 COMMISSIONER MOSER: You can give comp time?

10 MS. HARGIS: You can give him comp time.

11 MR. WOOD: So what are the duties of this one
12 employee that we would be missing on these holidays, Bruce?

13 Would it -- would it affect the operation of the FBO or
14 affect general aviation coming in?

15 MR. McKENZIE: It's just -- that's a subjective
16 question. I mean, it could, possibly.

17 MR. KING: What's he want?

18 MR. LIVERMORE: Well, I mean, we're talking about
19 really -- of course, some of these things are going to fall
20 on a weekend anyway, probably, but we're talking about really
21 canceling out two weeks of work here if you took all of them.

22 And what -- what is the mechanism at the county that

23 establishes what these are?

24 MS. HARGIS: Our H.R. Department gives a list to

25 the Commissioners, and this has been -- and I think the City

11

1 has the same number of days that we do, or maybe one less. I

2 don't know.

3 MS. YARBROUGH: We have less.

4 MS. BAILEY: The Commissioners or the Council

5 establish the holiday schedule every year, and then it's

6 adopted.

7 MR. LIVERMORE: I mean, I see four of these on here

8 that if I were -- if I owned the business, we would not -- we

9 wouldn't celebrate. And --

10 MS. HARGIS: You're going to have to look at this

11 more in a governmental arena versus a private industry, so

12 you got to take your private industry hat off. Because I --

13 having been a -- you know, a business owner, I didn't give

14 these holidays either, 'cause I couldn't afford to do it.

15 However, in a governmental arena, where you don't necessarily

16 compete well with your salaries, this is a benefit that they

17 get. And, you know, rightly or wrongly, I think morale-wise,

18 it does help us at the county level; I think it does at the

19 city level. But, you know, we need to think about -- I'm not

20 telling you you need to necessarily do anything today, but we

21 do have Thanksgiving coming up, and I don't know what your

22 plan is to give it, whether it's just one day, or if you

23 were --

24 MR. McKENZIE: We use two.

25 MS. HARGIS: The two days.

12

1 MR. WOOD: Let me rephrase my question. You know,

2 there's a lot of flying that goes on during holidays.

3 MS. HARGIS: Right.

4 MR. WOOD: So, this is the airport management folks

5 that we're talking about? Not -- not Joey's people that run

6 the ramp, so it really won't affect --

7 MS. HARGIS: It's your -- our maintenance guy

8 mainly, 'cause he's your hourly person.

9 MR. KING: What did you do last year, Bruce?

10 MR. McKENZIE: He worked.

11 MR. KING: Every one of these days?

12 MR. McKENZIE: He worked -- no, he worked Veterans

13 Day, which is the one we're talking about.

14 MR. KING: He worked Veterans Day.

15 MR. McKENZIE: Martin Luther King Day, and he

16 worked President's Day. That's the three days Jeannie's
17 referring to. Everything else --
18 MR. LIVERMORE: I'd throw in Columbus Day on that.
19 MR. MCKENZIE: And Columbus Day as well.
20 MS. HARGIS: There's some holidays in here we had
21 to use that we couldn't use more national holidays because of
22 voting and -- and different things at the county.
23 MR. GRIFFIN: Let me -- the County takes probably
24 more holidays -- they take the maximum holidays that is
25 allowed, that's kind of the standard. A lot of the other

13

1 local entities are down to about 11 days, which more matches
2 with what Ed had brought up. And it's those three days,
3 those first three days that you talked about.
4 MS. HARGIS: You can pay them for them.
5 MR. KING: Can't you do comp time?
6 MS. HARGIS: You can give comp time, but you're
7 still going to have him off. So, you know, it's a catch-22.
8 MR. KING: I --
9 MS. HARGIS: If you give him comp time, it's got to
10 be double, because it's a holiday.

11 MR. KING: Oh.
12 MS. HARGIS: So --
13 MR. KING: So if you pay him, it's not overtime? I
14 mean, it's just figured into his salary already, right?
15 MS. HARGIS: No, you're still going to have to pay
16 him double time, because it's a holiday. But -- either that,
17 or we can have the board establish a holiday. I mean, we
18 could try to get through with I.R.S. -- I don't really want
19 to call them; it's like opening up Pandora's box when you
20 call I.R.S. But you don't have an established, written down
21 holiday schedule that I know of, and you need to establish
22 that so that he knows in advance that he's not getting them,
23 because he has been getting some of the county holidays.
24 When he was with the city, he got the city holidays. So, you
25 know --

14

1 MR. KING: What do you take, Bruce?
2 MR. McKENZIE: I don't take Columbus Day, I don't
3 take Veterans Day, I don't take President's Day, and I don't
4 take --

5 MS. BAILEY: Martin Luther King.
6 MR. LIVERMORE: Probably Good Friday.
7 MR. KING: But you're salaried, right?
8 MR. McKENZIE: I take Good Friday.
9 MR. KING: So we let them off; we just --
10 MR. LIVERMORE: Well, I don't have an objection
11 that we should be -- I mean, I understand the advice that we
12 need to be the same as the -- what did you call it? -- the
13 dominant government or whatever, whatever that phrase -- that
14 term was. But I just question -- I think the -- I think the
15 menu is pretty elaborate.

16 COMMISSIONER MOSER: Steve, a suggestion.
17 Couldn't -- after listening to Jeannie say that, when the
18 City and the County establish our holidays at the beginning
19 of the year, Airport Board could do the same thing. They
20 could establish their holidays. They may be different than
21 the City or the County, but establish them, same -- same
22 number approximately there. Say, "These are the holidays."
23 Then it sounds to me like you're out of the problem, then.
24 Just as long as you say these are --

25 MR. WALTERS: You still have an employee that's by

1 the County.
2 MS. HARGIS: Well --
3 MS. BAILEY: He's our employee now. My question is
4 would this mess up the -- the accounting from the payroll
5 point of view? Since they run on the payroll, they're going
6 to have to establish two separate --
7 MS. HARGIS: They'll just run it through as a
8 non-holiday, because that's what they've been told. But I
9 think that if you established your own, and I would suggest
10 you go ahead and do that in December, because the days that
11 are on here now, I think you're going to give them, so that
12 you don't get into those other three. But you need to give

13 him and -- and Carole those days in the beginning and say,
14 "These are your holidays." Then the employee is made aware,
15 and there's not any conflict, because he was given notice;
16 he's now an airport employee. "Here are your holidays." And
17 I think -- that's the only thing I'm saying. So perhaps at
18 the next meeting, you guys look over what you think is --
19 what you want to give, and then -- and then give him that
20 schedule in January so he knows. And --

21 MR. WALTERS: Sounds like a simple solution; we
22 establish our own holidays.

23 COMMISSIONER MOSER: Right.

24 MS. HARGIS: Because eventually, when you do go on
25 your own, then we'll get you your own Tax ID number; then

16

1 you'll go forward under that. And that's not far off. But,
2 you know, the only problem I ran into was, like, because I
3 have so many ancillary organizations that go through the
4 county payroll system. It was Adult Probation, and -- and it
5 was paying somebody overtime that -- and they really weren't
6 overtime. He worked for the county, not for the Adult, and
7 they said I can't do that. They said as long as their
8 payroll is running through your system, you become the
9 primary employer. And -- but I think this is a simple thing.
10 It's the employee that needs to be put on notice, and -- and
11 then -- and Bruce can sit down with him, give him the
12 schedule, say, you know, "You're now an employee of the
13 airport; here are our holidays," and -- and just go forward.

14 MR. KING: When can we do that?

15 MS. HARGIS: We can do that -- probably you need to
16 do it as soon as you can. I mean, I would suggest that if
17 you don't want to do it -- you can do it now. It's on the
18 agenda.

19 MR. WALTERS: I was going to suggest, since it's on
20 the agenda, why don't we go into executive session, talk
21 about the holidays, and when come out of there, then we could
22 put it on next month's agenda and vote on it.

23 MS. HARGIS: You can vote on it now, 'cause it's an
24 action item.

25 MR. KING: It's an action item, so we can vote on

17

1 it.

2 MR. WALTERS: We can vote on it?

3 MS. HARGIS: Yeah, once you come out of executive

4 session on it.

5 MR. KING: All right. Do you want to do that?

6 MR. WALTERS: Sure.

7 MR. LIVERMORE: Why do we need to go into executive

8 session?

9 MR. WALTERS: I just don't know that -- I think we

10 ought to talk about it privately.

11 MR. KING: Is that covered? It's personnel

12 matters.

13 MS. BAILEY: Personnel, 55.074.

14 MR. KING: We'll just skip it for right now and

15 come back to it. Giving me a headache. Item 2E, elect a new

16 Airport Board vice president. Tom was our vice president, so

17 we have to --

18 MS. HARGIS: Could you sign that?

19 MR. KING: -- we have to elect a new one.

20 MR. LIVERMORE: I think that Corey is the senior

21 member of the board, next probably to our chairman. And if

22 you're willing, Corey, I think you're the one in line.

23 MR. WALTERS: I appreciate that.

24 MR. KING: Make a motion.

25 MR. LIVERMORE: Well, I'd make a motion, but again,

18

1 if you wish to do that or not.

2 MR. WALTERS: Yeah, that would be fine. I'm

3 willing to take it on.

4 MR. KING: I'll outline your duties to you later.

5 MR. WOOD: I'll second.

6 MR. KING: Talk to Tom.

7 MR. WOOD: I second it.

8 MR. KING: Seconded by Mr. Wood. Discussion? None

9 being heard, all in favor? Aye.

10 (The motion carried by a vote of 4-0, with
11 one abstention.)

12 MR. KING: Four-zero, with one abstaining. Okay,

13 that's good. All right. Item 2F, Brinkman hangar lease.

14 Okay. This item has been on our agenda a couple times.

15 We've discussed it in executive session most times, but we

16 can do it in open session. So, the Brinkman hangar is this

17 22,000, 24,000 square foot hangar, something like that, down

18 here. The lease is up on --

19 MR. McKENZIE: December of '13.

20 MR. KING: December '13, and we've had discussions

21 about what we're going to do with that hangar when it comes

22 up, whether Mr. Brinkman's going to release it or what.

23 What -- what I propose is that we basically -- we're going to

24 table any -- we're going to table any discussion or -- and

25 this is what I propose; you guys can discuss. My proposal

19

1 would be we discuss -- we table any action on this lease

2 until March or April, till the spring, and in the spring

3 we're going to advertise -- I'd like to advertise the

4 building. We'll get together with -- I've already talked to

5 Jonas about it, about helping us advertise this thing, and

6 then we will take all proposals. If someone would like to

7 submit a proposal tomorrow, we'll take that proposal and

8 we'll deal with it in a timely manner, in the spring or

9 the -- March or April, and we will see what we have and

10 decide what the highest and best use and what's best for the

11 City and the County, and go from there.

12 MR. LIVERMORE: Mr. Chairman, I think that's a

13 wonderful plan. This is our one chance -- what is it, Bruce,

14 in 30 years?

15 MR. McKENZIE: 33 years.

16 MR. LIVERMORE: To have an impact on that building,

17 and I think we determine its future use. Bill and I went

18 down and kind of toured it a month or so ago, and it's -- I'd

19 never been in the building. It's a fantastic building,

20 and --

21 MR. WOOD: Got a lot of potential for possible

22 uses.

23 MR. LIVERMORE: Man. And, anyway, I -- I just
24 don't think we should get in a hurry. I think we should do
25 what you're saying, which is to be careful and deliberate,

20

1 and well-thought-out. And -- and, absolutely, this is an
2 asset that the airport has, and like I say, one chance in 30
3 years -- 33 years. It's time to get the best return for the
4 City and County.

5 MR. KING: Right. I figured up, I think, that a
6 possible -- I mean, that lease is -- it expires, and as I
7 understand, the lease goes -- the building goes back to the
8 City and the County -- the airport. Goes back to the
9 airport. There's no mandatory renewals on the building.

10 MR. WALTERS: That's correct.

11 MR. KING: There's no mandatory renewals on the
12 building. We pretty much can do what we want to with the
13 building at the time it comes up. However, our -- our
14 minimum standards -- in the minimum standards, we have a
15 lease rate for all buildings and property on this airport,
16 and that's established in the minimum standards. Therefore,
17 the lease rate for that building is established. The minimum
18 published rate for this building is established. Therefore,
19 if we re-lease that building for 60,000 a year, I think the
20 lease rate is way higher than that, 80-something thousand.
21 That's going to make up about 30 percent of our shortfall on
22 our budget on any given year; it's going to be about 30
23 percent of our shortfall. So, I think this is something
24 we've got to really look at and find out what the best use of
25 that building is. I'm not saying that Mr. Brinkman -- you

21

1 know, if he would like to re-lease it, if he would like to
2 put a lease on that building at the time, or anyone would
3 like to put one on at the time in April -- March or April,
4 we'll address that and we'll take a look at it. If we have
5 three or four proposals -- if we have one proposal, if we
6 have three or four, we'll figure out the highest and best use

7 for the airport, see what we can get out of it, and we'll go

8 from there. But I just don't think -- there's nothing -- no

9 advantage to making deals prior to --

10 MR. WALTERS: I think it's important that we put it

11 out for -- for a public proposal so that everybody feels like

12 they had an opportunity to make a lease on the building.

13 MR. KING: Okay.

14 COMMISSIONER MOSER: So, you'll go through the same

15 procedure. Advertise it in the paper --

16 MR. KING: Advertise it in the paper. We'll get

17 Jonas -- he -- I've talked to him about it a little bit. He

18 can kind of give us some ideas of where we might place that

19 and have an idea what we can do with it and see.

20 MR. LIVERMORE: Will we be obligated, Steve, in the

21 event that -- I don't know; the lease -- the published lease

22 figure is 80 grand, roughly. But --

23 MR. WOOD: Minimum.

24 MR. LIVERMORE: But let's say we only get one

25 proposal, and it's 65. Are we obligated to take that?

22

1 MR. KING: No. I don't think we are, no. No,

2 that's just a recommended lease rate, I believe. All right,

3 we'll go from there.

4 MR. LIVERMORE: Doesn't say we can; doesn't say we

5 can't.

6 MR. KING: Right. All right. So, that should

7 clear that up. Item 2G, the ditch -- R.S.A./ditch. What

8 does "R.S.A." stand for?

9 MR. McKENZIE: Runway safety area.

10 MR. KING: Runway safety ditch -- area ditch. Go

11 ahead, Bruce.

12 MR. McKENZIE: The update. The plans have been

13 submitted to the City, 'cause they've come back to our

14 engineer of record, Mike Wellborn. The City wanted some

15 questions answered. Mike is doing that currently. No -- no

16 huge changes in the plans. Actually, no changes in plans at

17 all. It was questioning calculations, the City was. When we

18 get that back, I've given you a list here, so you will have a

19 list of -- this is the steps that we need to go through if
20 we're going to use non-primary entitlement funds to rectify
21 our problem with our ditch. I'll go through this so we can
22 discuss this. Once we get plans back, hopefully within the
23 next five to seven days, then we'll need to take that to both
24 bodies, the City and the County, and they will have to pass a
25 resolution. We will have to pass a resolution as a board;

23

1 then the City and the County will both have to pass a
2 resolution saying that they're, quote, unquote, in agreement
3 with this and they're on board with this. It's their
4 airport. That's the first step that's got to be taken. We
5 have to present this to both bodies.

6 MR. LIVERMORE: But we have to approve it first?

7 MR. McKENZIE: We have to approve it first.

8 MR. LIVERMORE: Okay.

9 MR. McKENZIE: Then we will need both bodies to
10 agree to a Certificate of Project Funds. These are
11 non-primary entitlement funds, which means they're 90/10
12 funds. It's probably going to cost us no more than -- and
13 this is a high number, because I'm trying to play it real
14 safe -- \$50,000 to do the concrete work and the road work
15 over there.

16 MR. KING: Total?

17 MR. McKENZIE: Total. Now, that means that we've
18 got to come up with \$5,000, which is the City and the County,
19 \$2,500 a piece. They'll have to agree to that, and this
20 Certificate of Project Funds needs to be signed by both
21 owners. That's another step that will have to take place.
22 Then both owners -- and this is not a big deal -- will have
23 to sign a Designation of Sponsor's Authorized Representative,
24 which would be me, as Airport Manager. Then if all this
25 falls into place in the next four to six weeks, hopefully

24

1 sooner, if this is what the board decides they want to do,
2 then it goes to the Texas Transportation Commission in Austin
3 in January for their blessing. And if they bless it, then it

4 comes back to us. Then -- I've talked to Jeannie about this.
5 Then it will go out for bids. Since it's less than \$100,000,
6 TexDOT -- I visited with them at length about that -- feels
7 very comfortable with us doing this project since we just
8 completed a \$12 million job. They understand that we
9 understand how to do this. So, Becky Vick said, "You folks
10 do it. We'll go out for bids to put the culverts underneath
11 where the two head walls are; we'll handle that on this end."
12 The County has graciously agreed to help with us that
13 process. Carole and I do most of it with their direction, so
14 we don't get in trouble. I watched an airport manager almost
15 get fired over this in this room, over that. So, we'll --
16 we'll get help from them so we don't step on our foot. Then,
17 if that all goes fine, we'll let the contract. The County
18 will move the dirt work -- all the dirt for us at no charge,
19 if they still agree to do that.

20 COMMISSIONER MOSER: Mm-hmm.
21 MR. MCKENZIE: And Len said that he has -- and
22 Commissioner Letz has also agreed, and Tom's been in on the
23 whole thing. So, that's where we are. These steps need to
24 be accomplished in this order in order for this to take
25 place.

25

1 MR. KING: I see you have down the City's going to
2 help repave Al Mooney Road.
3 MR. MCKENZIE: And the City has got to agree to
4 help us repave about an 18-by-30 foot section of road; it's
5 about the size of this room, if you want to know the truth of
6 it.

7 MR. KING: Okay.
8 COMMISSIONER MOSER: Quick question, if I may. The
9 90/10, that's permissible on a city road?
10 MR. MCKENZIE: It's part of our project. It's part
11 of the airport project, and it's our property on both sides
12 of the road.
13 COMMISSIONER MOSER: Yeah, I know, but just -- so
14 that's okay?
15 MR. KING: Yeah. They paved this road out here.

16 They paved that road out there, and that was a city road.

17 MR. MCKENZIE: Yes, sir.

18 COMMISSIONER MOSER: Okay.

19 MR. KING: Right?

20 MR. MCKENZIE: Yes, sir, that's correct.

21 COMMISSIONER MOSER: Okay.

22 MR. KING: I think as they tear something up, then

23 they try to fix it.

24 MR. LIVERMORE: Bruce, I'm looking at the timeline

25 here. We've got a lot to do. It doesn't look like a lot,

26

1 but it's --

2 MR. MCKENZIE: It's a lot.

3 MR. LIVERMORE: -- it's a lot between now and

4 January. 'Cause what's the time period to get on that

5 agenda?

6 MR. MCKENZIE: We need to -- we need to be done

7 with this by the middle of December to get on the agenda for

8 the Texas Transportation Commission.

9 MR. LIVERMORE: Okay. Will this -- but we're the

10 ones that have to do the first approval?

11 MR. MCKENZIE: We have to pass it.

12 MR. LIVERMORE: So, do we need a special meeting

13 for that?

14 MR. MCKENZIE: No.

15 MR. LIVERMORE: How do we do that?

16 MR. MCKENZIE: Let me go one more step, and then

17 I'll address your question. That's a great question, but let

18 me proceed a little bit farther. That's if we use their

19 funds, the N.P.E. funds. If we decide we don't want to use

20 their money at all -- if this board decides, okay, we're

21 going to use cash that we have, and -- and if the City and

22 the County want to help us with this, we don't have to go

23 through any of these steps. We can say, "Okay, we're going

24 to go out to bid for it. If it ends up being \$22,000 to pour

25 all the concrete and put the boxes in, then we've got to come

27

1 up with \$22,000. We don't have to go through all of this --

2 MR. KING: Why 22?

3 MR. MCKENZIE: Well, I just picked a random number.

4 But this is going to be a protracted process, and it's going

5 to take a lot of -- just -- it's just busy. We've got to go

6 to both bodies.

7 MR. KING: Sounds like it will be over in January,

8 if they're going to approve it or not approve it.

9 MR. LIVERMORE: So you're saying Alternative B, or

10 whatever you want to call it, is just for us to forget the

11 90/10?

12 MR. MCKENZIE: And just pay for it, and we're done.

13 MR. WOOD: So, if we want the 90/10, we've got some

14 time restraints where we have to do some stuff quickly.

15 MR. MCKENZIE: Yes, sir.

16 MR. WOOD: If not 90/10, we can do it as soon as we

17 can.

18 MR. MCKENZIE: Yeah.

19 MR. KING: My thought on this would be to try to

20 get their money. I've always been a proponent of using other

21 people's money to do projects.

22 MR. MCKENZIE: That's fine.

23 MR. KING: Seems like a weird deal.

24 MR. WOOD: I agree. I mean, you got to answer to

25 the taxpayers, and it's our responsibility.

1 MR. KING: Looks like in January, they're going to

2 make a decision whether you get it or not. I mean, what --

3 can you give me an idea what they told you if this thing goes

4 to the Texas Transportation Commission? Is this something

5 that they would -- would be --

6 MR. LIVERMORE: Likely.

7 MR. KING: -- likely to approve?

8 MR. MCKENZIE: They're amenable to this.

9 MR. KING: They're amenable to this?

10 MR. MCKENZIE: TexDOT's recommending this, so

11 November -- November 15th; we're talking two months.

12 MR. KING: Here is what my idea would be. You guys

13 do whatever you want to do with this, but why don't we go
14 through these steps? I mean, I can probably get a couple
15 resolutions passed by the City and the County if it's going
16 to save them money.

17 MR. McKENZIE: Absolutely.

18 MR. KING: I think we can get a certificate signed
19 by both owners. I think we can get them to sign a
20 declaration, and then I bet we can -- if we can get it to the
21 transportation people, they could either tell us yes or no,
22 and then at the end of January, we could decide to spend our
23 own money if they said no.

24 MR. McKENZIE: That's correct.

25 COMMISSIONER MOSER: I think there's one point to

29

1 make. The public had the impression fixing the ditch was
2 going to cost \$200,000.

3 MR. KING: Yeah.

4 COMMISSIONER MOSER: Now we're down to \$5,000.

5 MR. KING: Right.

6 COMMISSIONER MOSER: Okay, somewhere in that
7 neighborhood. And probably your 50,000 is --

8 MR. McKENZIE: It's high.

9 COMMISSIONER MOSER: -- probably high.

10 MR. LIVERMORE: It's five if we go with

11 Alternative A.

12 COMMISSIONER MOSER: Well, it's assuming 50,000 is
13 correct, and it's probably high, okay? So, it's something
14 less than \$2,500 per owners.

15 MR. KING: Sure.

16 COMMISSIONER MOSER: Probably a couple thousand at
17 the most. So, I think that, you know, it's a no-brainer.

18 MR. KING: What do y'all think about my idea? I
19 mean, do you want to just spend our money on it?

20 MR. WALTERS: Absolutely not.

21 MR. LIVERMORE: I think we ought to go through the
22 process. But my concern is -- is that we've got -- there's a
23 step for us that's really not on here, and that's that this
24 group has to approve the engineering plans. And the question

25 is, can we approve them in advance?

30

1 MR. McKENZIE: Engineering plans are done.

2 COMMISSIONER MOSER: They're done.

3 MR. McKENZIE: They're in the can.

4 MR. KING: They got --

5 MR. LIVERMORE: I thought there was some kind of

6 machinations going on with them.

7 MR. McKENZIE: The City just -- and Tom --

8 COMMISSIONER MOSER: Bruce and I and Mike Wellborn

9 sat here for hours the other day going through every

10 calculation, every assumption, every guideline to -- to

11 whittle that thing down, and he's got a good, not overly

12 conservative plan. Took it to the city: City says, "Yea,

13 verily," except for a couple little issues. So, it's been

14 worked pretty hard. Mike's done a -- let me put it on

15 record; Mike did a very good job.

16 MR. LIVERMORE: Are they in a position, then, to

17 approve the plans now at this level so that we get past that

18 step?

19 MR. KING: Do we have to approve them?

20 MR. McKENZIE: We don't have to approve them; I can

21 approve the plans. I can approve them. The City has to

22 approve the plans. They've done 99 percent of it. They're

23 just questioning a couple of calculations, like we talked

24 about. Tom saw that the other day, and Tom -- Tom said,

25 "That's not an issue; let them look at it."

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1 MR. WOOD: I've got a question, Steve.

2 MR. KING: Can they get that done by January?

3 MR. McKENZIE: What?

4 MR. KING: Can the City get that approved --

5 MR. McKENZIE: We should get their plans back this

6 week.

7 MR. KING: Okay.

8 MR. McKENZIE: I hope.

9 MR. LIVERMORE: Bruce, I thought I heard you say

10 that this board has to approve the plans --

11 MR. MCKENZIE: We have to pass a resolution.

12 MR. LIVERMORE: -- just to go forward.

13 MR. MCKENZIE: You just have to bless it. The

14 board has to bless it.

15 MR. WOOD: The resolution that gets passed by the

16 City and the County, do they require meetings in order to do

17 that? Their regularly scheduled meetings?

18 MR. KING: Mm-hmm.

19 MR. WOOD: Have they already met this month?

20 MS. HARGIS: No, we haven't. We've got one more

21 meeting.

22 MR. WOOD: Okay. So, we got November and December,

23 then, to get that done.

24 COMMISSIONER MOSER: Put it on the agenda.

25 MS. BAILEY: Each entity, I think, can do all three

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1 things. They can do it at the same meeting. They can pass

2 the resolution, do a Certificate of Project Funds, and

3 designate Bruce as the authorized representative all in one

4 meeting, so it's really just talking about us passing a

5 resolution and then going to both of those, having them do

6 three things, and then we're ready to go.

7 MR. MCKENZIE: Correct, absolutely.

8 MR. KING: Okay.

9 MR. GRIFFIN: One question. The -- the driving

10 factor in this whole thing over the last six months has been

11 TexDOT. If we wait until January and then we decide to -- is

12 that going to cause any gaps with TexDOT and us that -- or as

13 long as we keep making a -- I know in the past couple months,

14 from things I've picked up here and from reading the minutes,

15 as long as we're making steps forward, TexDOT's not hounding

16 us or anything.

17 MR. MCKENZIE: Oh, no.

18 MR. GRIFFIN: Nothing says that we got to be done

19 by March 1st or something like that?

20 MR. MCKENZIE: There's no pressure on you. That's

21 a good question. There's no pressure. They just want us to

22 fix it. And --

23 MR. GRIFFIN: Right.

24 MR. McKENZIE: -- quite honestly, we need to fix

25 that before we move on with these T-hangars, because we've

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1 all seen that. We know that --

2 MR. GRIFFIN: I just wanted to make sure there was

3 no driving factor, we're going to get in trouble.

4 MR. McKENZIE: This is not a deal killer.

5 MR. WALTERS: That's what I was going to say. I'll

6 make a motion that we move forward with Bruce's steps to

7 complete the R.S.A. ditch as laid out.

8 MR. LIVERMORE: Second the motion.

9 MR. KING: And provide the City and the County with

10 what they need. Got that?

11 MR. LIVERMORE: Yes, and I seconded Corey's motion.

12 MR. McKENZIE: Thank you.

13 MR. WALTERS: Vote?

14 MR. KING: Is that what they need? They need a

15 resolution from us?

16 MR. McKENZIE: TexDOT does, and from the owners.

17 MR. KING: Can y'all come up with that?

18 MS. BAILEY: We'll get --

19 MR. McKENZIE: I've already got it. They sent it

20 to me.

21 MS. BAILEY: Good.

22 MR. KING: All right. Second? Ed seconded.

23 Discussion? Okay. All in favor?

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

25 MR. KING: Five-oh. This didn't seem that hard to

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1 me.

2 MR. McKENZIE: It's not. It's just I've given you

3 two ways to go.

4 MR. KING: Right, okay. Item 2H, vehicle parking

5 lot at the airport.

6 MR. McKENZIE: Okay. I brought this to the board

7 as a mode and a means for us to discuss that. This is laid
8 out in a fashion to give us a benchmark. We can change
9 dates, we can change times, we can change how we want to park
10 these cars, how we want to charge them, but this is a start
11 for a discussion for this board. Parking lot's complete,
12 except for our gate. It should be in -- our security gate
13 should be in in the next two to three weeks with the openers.
14 The rest of it's done.

15 MR. LIVERMORE: Is there striping?
16 MR. McKENZIE: It's striped. The parking stops are
17 in. It's done. Our expansion's completely finished, and
18 we've opened it up. You probably saw that this morning; it's
19 done. Retaining wall's in; that's all done. It went very
20 well. It's all in the weekly report.

21 MR. WALTERS: And it all looks excellent, by the
22 way.

23 MR. McKENZIE: Thank you very much. But this is to
24 give this board some discussion items. For example -- and
25 Ilse helped me a lot coming up with this. We've got -- we've

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1 got an agreement here that we're going to get folks to sign.
2 We've got a sign we want to put up. We've got letters we're
3 going to send out. Right now, I've got about 23 cars, which
4 is over half what that parking lot is right now, that we need
5 to move, that are parked out here on the fence and around
6 this building right now, and they need to move. They're
7 going to move; they have to. But we've written a letter and
8 drafted a letter that is very professional and kind, but
9 putting the onus on them. We're -- we're giving you -- not
10 giving you; supplying you with a secured parking lot.

11 MR. KING: For money.

12 MR. McKENZIE: For a price.

13 MR. KING: Be sure and point that out.

14 MR. McKENZIE: I'll get to that momentarily.

15 MR. KING: It's not free.

16 MR. McKENZIE: But we put this December 1st date on
17 here; we're going to -- this is not going to happen,
18 gentlemen, quickly. This is going to take us a few months to

19 get everybody moved. Probably three, I'm hoping we get
20 everybody out of here. I'm shooting for three months.
21 MR. KING: Okay.
22 MR. McKENZIE: When --
23 MR. KING: I see one problem to start with.
24 MR. McKENZIE: Okay, go ahead, then. I'll --
25 MR. KING: I'm going to be in violation of this

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1 about every week, 'cause I leave here -- a lot of times I
2 leave my car here for more than 24 hours.
3 MR. McKENZIE: That's my first discussion point.
4 MR. WALTERS: Yeah. I --
5 MR. McKENZIE: What do we call long-term parking?
6 72 hours? 48 hours? That's a weekend, is 48 hours.
7 MR. KING: Probably --
8 MR. McKENZIE: 72? 96? I mean, where do we
9 draw -- I need some help with this.
10 MR. WOOD: I think we've got to be sensitive to our
11 general aviation folks here. Before I got my T-hangar, I
12 used to be in Joey's hangar. And let's say you want to go on
13 a -- on a two-week vacation, and you have -- you know, what
14 do you do with your car? You don't want to sign a long-term
15 parking agreement for just one vacation. There's a lot of
16 things you could do. Joey could issue stickers for people
17 that are in his hangars. And then we occasionally have
18 people that come in, and in these big jets; they're here for
19 the weekend or something. There's got to be a way to monitor
20 that, because I think what we're after is that people leave
21 their car here for months, not the transients or the -- or
22 the customers.
23 MR. LIVERMORE: What I used to do when I was in
24 Joey's hangar on vacations and such, Marcia and I always
25 borrowed the airport courtesy car and took our car home, put

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1 it in the garage, came back with the courtesy car and took
2 off.
3 MR. WALTERS: And for how long of a period?

4 MR. LIVERMORE: Oh -- oh, in that case, it could be
5 a week, a couple of weeks, to three or four months. That was
6 back when we were -- but we did that every time we went out
7 of town.

8 MR. WOOD: That's a good differentiation there, is
9 if you're going to your second home, you shouldn't leave your
10 car here. But if you're just gone for a weekend or two
11 weekends, we need to provide parking for those folks.

12 MR. GRIFFIN: I have a feeling that we could
13 probably walk out in the parking lot and just -- and find the
14 cars or trucks that are here for an extended period of time
15 right now, not the ones that are here for three or four or
16 five days at this point. And I think if -- I personally kind
17 of feel that if we get those guys out, the three and four
18 days becomes moot, because there will be open parking places
19 and areas to park. And so, therefore, the guys that are gone
20 for 48 hours or 96 hours or whatever it is, it becomes kind
21 of a nonissue.

22 MR. WALTERS: I'm not -- I'm sorry, go ahead.
23 MR. GRIFFIN: And that's going to just -- I think
24 attacking the long-term guys -- or not attacking. I put --
25 working the long-term piece --

1 MR. WALTERS: Yeah.
2 MR. GRIFFIN: -- resolves the shorter-term piece.
3 MR. WALTERS: I think anything, really, over a
4 week.
5 MR. GRIFFIN: Yeah.
6 MR. WALTERS: I think a week, you know, somebody --
7 gives somebody two weekends, or -- but, you know, if you're
8 here longer than, you know, probably a week, you either need
9 to get approval or -- you know, or something. But I agree,
10 we're targeting the people who leave their cars out there for
11 months at a time. I mean, when I go to Florida, I mean, I
12 would easily go down there and stay at the F.B.O., buy fuel
13 from them, leave my car -- you know, leave a car there. You
14 know, I might be there for a week or so until I realize --
15 actually, that's not really accurate. I had a rental car for

16 a week. But when I started having a car, I purchased

17 long-term parking. And -- but I think, you know, maybe

18 something over a week is a reasonable period.

19 MR. WOOD: I don't know that we make people --

20 MR. WALTERS: It's going to be difficult to police.

21 MR. WOOD: -- sign a long-term lease for a week or

22 two, but they at least could talk to the Airport Manager's

23 staff to make arrangements.

24 MR. KING: Yeah, I think --

25 MR. WALTERS: Well, I think -- you know, and most

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1 likely, I mean, Bruce knows the people who leave their cars

2 here. And I think, generally, you know, once people hear, or

3 they -- you know, who leave a car for three weeks or a month

4 at a time, they're probably going to begin to realize that,

5 you know, they -- there is long-term parking, and we do have

6 a fee for it. Or Bruce is going to notice that somebody's

7 car has remained here for a significant period of time.

8 MR. LIVERMORE: Should we include the phone number?

9 I would include Bruce's office phone number for people that

10 have questions. And --

11 MR. WALTERS: Absolutely. I mean, I think it's a

12 notice that needs to be -- you know, they need to discuss it

13 with Bruce.

14 MR. LIVERMORE: An e-mail.

15 MR. KING: I don't think we should tell anybody

16 right now, okay?

17 MR. MCKENZIE: Oh, no, that's not -- that's not

18 now. This is --

19 MR. KING: Don't put my phone number on it.

20 MR. MCKENZIE: This is all for discussion.

21 MR. WOOD: Well, don't -- don't punish everybody

22 just to get a few that are the offenders.

23 MS. BAILEY: If I change that to 10 days, that way

24 you've got a weekend on either side, plus another day.

25 MR. WALTERS: Sure.

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1 MR. KING: Well, hold on. One problem is we're
2 going to -- I mean, as long as you understand that the people
3 who live in Houston and come here every weekend, or come here
4 every other weekend, we're going to go ahead and allow them
5 to leave their cars in the parking lot. That's the people
6 that -- we're not going to capture those people in the
7 system.

8 MR. LIVERMORE: Most of those people have a car
9 parked with Joey anyway, don't they?

10 MR. WALTERS: I think they do.

11 MR. KING: Yeah, I guess they would. I mean --

12 MR. LIVERMORE: Joey's still going to have his
13 covered area here, isn't he?

14 MR. KING: What if we didn't put a time; we just,
15 you know, put -- for the initial letter or something, we just
16 say, you know, we're targeting long-term -- you know, if you
17 leave your car here for an extended period, we'd like you to
18 move to another lot. I mean, just to see what kind of
19 reaction we get.

20 MR. WALTERS: I think that would be sufficient.

21 MR. MCKENZIE: Give them 60 days to move it.

22 MR. KING: Then what I would say, my thought was
23 that the parking places right up front out here, I would like
24 to see those as 24-hour parking slots right up front.

25 MR. WOOD: We could say short-term parking only.

1 MR. KING: Right out here, the ones right over
2 there, to keep those, 'cause those are where our daily
3 customers that come out here to pick people up, meet an
4 airplane or something like that -- you know, we have a lot of
5 parking -- a lot of cars that are parked out there that stay
6 out there, you know, a couple days, two or three days. That
7 maybe we differentiate, make this -- just this line out here
8 is a -- you know, daily parking only or something like that.

9 MR. WALTERS: If you do that and you put, you know,
10 short-term parking only, you probably, at that other lot,
11 need to put long-term contract parking.
12 MR. KING: Yeah, so people don't just go park

13 there.

14 MR. WALTERS: Exactly.

15 MR. KING: 'Cause people are going to try to park

16 there.

17 MR. WOOD: And then the people that are parking for

18 the weekend can use the further-out spots.

19 MR. KING: Yeah. I mean, do you think we ought to

20 tell them that, you know, as an option to being put into a

21 parking lot you have to pay for, that there is a free parking

22 lot available down there? Or just not mention that? Handle

23 that on a case-by-case basis due to the amount of rage

24 involved.

25 MR. MCKENZIE: Yeah, good idea. Because Corey

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1 brought up a good point. When we start this, it's going to

2 be a rumble. There's going to be a rumble for several months

3 till we get everybody --

4 MR. WOOD: We don't want to run anybody off from

5 using our airport.

6 MR. KING: Joey, you're here every day. What do

7 you think about this? I mean, do you have any ideas on this?

8 MR. KENNEDY: I think it's going to be -- I think

9 you're going to get push-back from a few people. The issue's

10 going to be policing it until everybody kind of gets into the

11 routine, gets into the -- accepting the idea.

12 MR. KING: Right.

13 MR. KENNEDY: You may have a couple that may have

14 to get towed once until they get the point. But --

15 MR. KING: Main thing --

16 MR. KENNEDY: Like I said --

17 MR. KING: Main thing is to get the ones that are

18 up against -- the ones up against the fence, not paying you.

19 They're not paying you; they're not paying anybody. You've

20 got 10 spots over there, whatever you got.

21 MR. KENNEDY: We've got covered parking, and I'm

22 not even sure where the leasehold ends. I think it's out to

23 the edge of the asphalt. We used to have all those cars

24 parked up on the asphalt. Just a little bit tight getting

25 cars in and out of the covered parking. People just kind of

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1 migrated backwards.

2 MR. KING: Do you know those people? Do you know
3 most of those people up against the fence?

4 MR. KENNEDY: We know a lot of them. Some people
5 just show up, and we -- but we know most of them.

6 MR. KING: Okay. Well, who are you going to send
7 the letter out to?

8 MR. MCKENZIE: To the owners of those cars. I
9 pulled all the license numbers already.

10 MR. WALTERS: Good. Excellent. That's what you
11 need to do.

12 MR. KING: You've already done that? You pulled
13 that, right?

14 MR. MCKENZIE: Yes, sir.

15 MR. KING: It had nothing to do with that --

16 MR. LIVERMORE: Your phone number.

17 MR. KENNEDY: We actually had that discussion. We
18 were just going to give those -- Bruce those addresses, and
19 then one person that I talked to said, "You can't give my
20 information out. I'll sue you." I said, "Oh, yeah, that's a
21 good point." So I talked to Bruce about it and said he might
22 have to look those up, because I can't give proprietary
23 information that I use in the course of business with my
24 customers out to people, or a municipality. They assume
25 you're going to try to tax them or something.

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1 MR. KING: Why don't we do this? Why don't we --

2 for the initial surge, why don't we just kind of attack -- go

3 for those people up there?

4 MR. MCKENZIE: That's what I'm going to do. I have
5 it --

6 MR. KING: On an individual basis. Let's don't do
7 any blanket letters out to people. You identify individual
8 vehicles.

9 MR. MCKENZIE: There's two or three that park out

10 here all the time. They come in here once a week, like Brown
11 out of El Paso; his is right there. Those guys I know. I
12 mean, I don't think we'll have a problem with these folks
13 that just --

14 MR. KING: Okay.

15 MR. McKENZIE: Do you know what I'm talking about?

16 MR. KENNEDY: Keep in my mind, 80 percent of those
17 people, we have keys. They -- we pull the car up for them
18 anyway. Most of these guys, instead of pulling out there and
19 parking, they'll go out there, drop it off, so a lot of
20 those, it's not going to be an issue. The people that own
21 the vehicles don't even realize where their car's at, other
22 than the fact they're getting a bill.

23 MR. KING: Exactly.

24 MR. LIVERMORE: They'll realize that part.

25 MR. KING: They'll realize it, believe me.

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1 MR. WOOD: Joey, you got a lot of general aviation
2 customers that use your big hangar; I used to be one of them.
3 If you go on a weekend trip, you got to have a place to put
4 your car.

5 MR. KENNEDY: Yeah.

6 MR. WOOD: Of course, leaving the keys with your
7 guys is a good idea, 'cause then you could manage it.

8 MR. KENNEDY: Yeah, most people do that.

9 MR. WOOD: Yeah.

10 MR. KING: Well, okay. So, just -- let's don't --

11 why don't we send them a real general letter to start with,
12 just something general. I mean, it's not specific. You
13 know, it doesn't have the word "towing." (Laughter.)

14 MR. WOOD: No, long-term parking, 'cause there is
15 going to be some overnight parking.

16 MR. KING: Yeah. 'Cause we would like them to stay
17 here.

18 MR. GRIFFIN: We haven't established a fee per
19 month yet, have we?

20 MR. McKENZIE: That's correct. That's the third --

21 MR. GRIFFIN: I'm sorry.

22 MR. MCKENZIE: This is the contract -- no, that's
23 fine. I'm recommending that we charge \$35 a month. But
24 Corey and I have talked about this before. Between 30 and
25 35, but I'll leave that up to the board. I'm just throwing

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1 that out on the table for discussion.

2 MR. WOOD: Is that based on what other people
3 charge?

4 MR. MCKENZIE: We talked to San Marcos, talked to
5 New Braunfels. Nobody has a long-term parking lot here.

6 MR. WOOD: Really?

7 MR. MCKENZIE: No, we checked. Carole called them
8 all last week, and nobody does it.

9 MR. WALTERS: I pay -- in Florida, I pay \$600 a
10 year.

11 MR. MCKENZIE: Okay.

12 MR. WALTERS: \$50 a month.

13 MR. LIVERMORE: How much is it?

14 MR. WALTERS: 50 a month.

15 MR. MCKENZIE: These folks that leave these
16 expensive vehicles parked out here, I mean, we need to make
17 this an economic generator as well. So, like you and I have
18 visited about, Corey, you know, we need to move them over
19 there and maybe charge them \$40 a month.

20 MR. WALTERS: I mean, and I find it -- personally,
21 I mean, \$50 a month, I mean, is not objectionable, because
22 it's -- it's a convenience. I like having my car there. And
23 the -- and if I -- if the lot wasn't there, I'd have to --
24 I'm trying to think; I'd probably have to park a mile away.

25 MR. WOOD: Freeing up the parking --

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1 MR. WALTERS: And be secure.

2 COMMISSIONER MOSER: Secure.

3 MR. WALTERS: Yeah.

4 MR. MCKENZIE: Yeah, there you go. What, Bill?

5 MR. WOOD: I was just going to say, freeing up the
6 parking area is the main thing. The revenue is the secondary

7 thing, I would say.

8 MR. McKENZIE: So the question is, what do you, as
9 a board, recommend we charge?

10 MR. LIVERMORE: I recommend that we take your
11 proposal of \$35 a month.

12 MR. KING: I don't -- my recommendation would be
13 \$35 a month or \$360 a year. Give them a break if they pay us
14 on a yearly basis.

15 MR. LIVERMORE: Right.

16 MR. KING: \$30 a month is kind of what you pay for
17 home security. I always think about that, a dollar a day.

18 MR. WALTERS: Actually, I think you need to charge
19 people on an annual basis.

20 MR. KING: Yeah, charge them --

21 MR. WALTERS: Annual basis. I mean, that's --

22 MR. McKENZIE: Less paperwork.

23 MR. WALTERS: Yeah, less paperwork. I think you
24 just -- you know.

25 MR. LIVERMORE: What if, for some reason or

1 another -- I can't give you an example, but that they don't
2 fit into the annual -- they're not going to be an annual
3 customer?

4 MR. WOOD: One of the things --

5 MR. WALTERS: Then they need to put their car
6 elsewhere. I think it needs to be an annual basis.

7 MR. WOOD: One of the things that we've --

8 MR. WALTERS: \$360.

9 MR. WOOD: The ranchers, if it's painful to them to
10 pay for parking, they may make arrangements for the foreman

11 to come out, pick people up, and not leave the car here.

12 MR. McKENZIE: That happens every day.

13 MR. WALTERS: And that helps too.

14 MR. WOOD: Because it's free, they say, "We'll just
15 leave it down here; it's free."

16 MR. WALTERS: If they have a car here that they're
17 leaving here, if they have a plane that they're coming in, if
18 they have a ranch they're coming to visit, \$360 isn't going

19 to make or break them.
20 MR. KING: Actually 420 if you're at 35.
21 MR. McKENZIE: What do you want to charge, 400 a
22 year?
23 MR. WALTERS: 400 a year.
24 MR. KING: That -- yeah, I think we should do a
25 flat rate.

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1 MR. McKENZIE: 400? I'm asking.
2 MR. WALTERS: I think 400 a year is a good amount.
3 MR. WOOD: That seems reasonable.
4 MR. McKENZIE: 400 a year it is.
5 MR. KING: What do you think, Steve? If you were
6 leaving your car here, would you -- what are you going to do?
7 I hope you would help us out, put your car over there.
8 MR. HUSER: I'm actually thinking about moving it
9 right now. I think that's fair. I mean, especially --
10 you're still talking about getting the car and bringing it to
11 the airplane?
12 MR. KENNEDY: Some do, some don't.
13 MR. HUSER: My comment would be just what you said,
14 would be that most of these people use the airport because
15 it's a convenience.
16 MR. KING: Sure.
17 MR. HUSER: They're not using it because it's just
18 the cheapest way to get to Kerrville.
19 MR. KING: Right. Right.
20 MR. HUSER: So I think the more personalized you
21 can make your presentation to them, the better.
22 MR. KING: I agree.
23 MR. HUSER: As opposed to sending them a letter
24 that says, you know, "If you don't do such-and-such, we're
25 going to tow your car."

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1 MR. KING: I agree.
2 MR. LIVERMORE: So, Joey, you're still going to be
3 willing to go get their car and take it to the airplane?

4 MR. KENNEDY: We're not going to have any choice.

5 But that's not that much further.

6 MR. LIVERMORE: So then, really, in addition to the

7 \$400, there should be a requirement that Joey has the keys.

8 MR. KENNEDY: I don't think you can do that,

9 because it's -- not all of them --

10 MR. GRIFFIN: Solely up to the person.

11 MR. KENNEDY: We have to be careful about keeping

12 us separate from this equation, because this is -- I mean,

13 we're not the ones generating revenue from it. We're not the

14 ones handling -- I don't want the perception out there that

15 it's us doing it.

16 MR. WALTERS: I don't think we want the keys. I

17 don't -- we don't want the liability of somebody saying

18 their, you know, car got hit, or somebody took it out for a

19 joyride or whatever. I don't want the keys.

20 MR. McKENZIE: No way.

21 MR. KING: I think, Bruce, on that letter, why

22 don't you be sure and let's emphasize the reason for this, so

23 you can have a secured parking lot. You're going to have a

24 lighted parking lot. I mean, you know, try to emphasize the

25 good things about it, not just the fact that --

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1 MR. WOOD: Well, every parking lot I've ever parked

2 at says you're responsible if anything happens, not us.

3 MS. BAILEY: We can put signs up like that in -- in

4 the parking lot itself. My suggestion would be that we

5 include a diagram of that -- this little part of the campus,

6 and sort of identify, this is short-term, this is

7 longer-term, and this is secured.

8 MR. KING: That's good, but make them realize that

9 it's only, you know, 150 feet away from where they're already

10 parking. You know, some of the people are actually going to

11 be closer than the ones down on the end of the fence down

12 here. Actually be closer.

13 MR. McKENZIE: It will be.

14 MR. KING: Emphasize we're not putting them -- it's

15 not like -- when you say "long-term parking," people

16 associate that with the airport, like in San Antonio, where
17 your car is located in, you know, another hemisphere, you
18 know. And so, you know, we might call it "extended stay
19 parking" or something like that.

20 MR. HUSER: You know, the reality, about 95 percent
21 of it's going to be just real easy. Everybody will go, "Oh,
22 yeah, sure." There's going to be the other 5 percent, and
23 you probably know who those people are, that you --

24 MR. McKENZIE: I know them.

25 MR. HUSER: -- you kind of -- I hate to use the

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1 word "patronize," but you --

2 MR. McKENZIE: Coerce.

3 MR. HUSER: You're a little more -- there you go.

4 But the vast majority of the people are going to -- you know,
5 I'm going to leave my car here for two weeks, and people come
6 and go. Makes sense. Why wouldn't I do that?

7 MR. McKENZIE: That's right.

8 MR. HUSER: And you're going to have a handful of
9 them that are going to complain, and you serve up the
10 alternate that said, look, if that's too far for you to walk,
11 make a deal with Joey: give him the keys if you want. It has
12 nothing to do with us, but they'll still do that service for
13 you if you're doing business with him.

14 MR. McKENZIE: Precisely.

15 MR. HUSER: And I don't think you're going to have
16 an issue at all.

17 MR. McKENZIE: We get them away from here, get them
18 out there.

19 MR. WALTERS: Joey, what do you charge for covered
20 parking?

21 MR. KENNEDY: 35.

22 MR. WALTERS: 35. You know, I -- for this first
23 year, I might, you know, suggest that --

24 MR. KING: 30?

25 MR. WALTERS: Well, no, that we change that and go

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1 to, like, \$375 instead of \$400 for a year.

2 MR. LIVERMORE: I think you need to make it

3 attractive.

4 MR. WALTERS: Yeah.

5 MR. KING: 375?

6 MR. WALTERS: Yeah, I think 375. Get it below 400,

7 you know.

8 MR. KING: Yeah, that's \$31. Okay, I think that's

9 a good idea. Yeah, kind of see how far it goes.

10 MR. WALTERS: 375, yeah.

11 MR. KING: I think that's a good number. Okay, why

12 don't you draft a letter that you're going to send to these

13 guys?

14 MR. McKENZIE: Okay.

15 MR. KING: Before you send it, why don't you send

16 it out to the board; let's have a comment period where we can

17 comment on that, and see what -- Ed's good at writing. He

18 can help us make it amenable.

19 MR. McKENZIE: Will do.

20 MR. WALTERS: One other thing on this long-term

21 parking that Bruce and I have talked about, and I suggested

22 to him that he -- we talked before about, you know, what

23 would it cost to provide, you know, a covered parking

24 structure.

25 MR. KING: Right.

1 MR. WALTERS: And I think that would be a good idea

2 for Bruce to, you know, get a cost to do a covered parking

3 structure similar to what you had suggested before, like you

4 see in the car lots in an automobile dealership, the canvas

5 or whatever.

6 MR. KING: Yeah.

7 MR. WALTERS: And it's not really a canvas -- I

8 think it's more of a -- almost a plastic or something.

9 MR. KING: Yeah.

10 MR. WALTERS: You know, because I do think that --

11 you know, get a -- and then we can at that point, once we get

12 the number, we could see what it would cost and what we'd

13 have to charge people, and then send out a letter to people
14 and ask them, you know, would you pay \$50 a month or
15 something to have, you know, your -- you know, or \$60 to have
16 it in a covered parking lot? I personally would, and a
17 lot -- there's a lot of nice cars out there; I think people
18 probably would pay extra.

19 MR. KING: Are you full, Joey?
20 MR. KENNEDY: Covered parking? Oh, yeah.
21 MR. KING: You stay full pretty, don't you?
22 MR. KENNEDY: Yeah, I'm always full.
23 MR. KING: That's what I thought. Okay.
24 MR. KENNEDY: If y'all are charging close to the
25 same amount, I'll always be full.

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1 MR. KING: I know. Okay. Anything else on that?
2 MR. KENNEDY: No, sir.
3 MR. LIVERMORE: When will the lot open?
4 MR. McKENZIE: We're waiting for the gates to come
5 in now. That's the last thing we're waiting for in this
6 equation, and then we're looking at two to three weeks before
7 the openers come in. They're building the gate now, this
8 week.

9 MS. BAILEY: We're talking about the middle of
10 maybe December.

11 MR. WALTERS: Is it going to be an automatic gate?
12 MR. McKENZIE: One gate, automatic gate, keypad.
13 MR. WALTERS: Okay. It's got a keypad?
14 MR. McKENZIE: Yes, sir. And you have to have the
15 combo to get in and out of the gate. Once you sign the
16 contract, you get the combination.

17 MR. WALTERS: Even better. Where I park, it's
18 lighted, but it's not secured.

19 MR. McKENZIE: Really? You got to have the keypad
20 to get in.

21 MR. WALTERS: Yeah.
22 MR. KING: I think you need to keep in mind most of
23 these people are going to be here in the next month and a
24 half because of the holiday season and the hunting season.

25 MR. McKENZIE: Oh, yeah.

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1 MR. KING: So try to target them. If you see one
2 of them moving their car around over there, you know, don't
3 wait to send a letter to Houston. You know, try to --

4 MR. McKENZIE: We'll catch them.

5 MR. KING: -- visit with them, welcome them to
6 Kerrville.

7 MR. McKENZIE: We see a lot of them.

8 MR. LIVERMORE: Give them the new program.

9 MR. KING: New program.

10 MR. McKENZIE: Okay, will do.

11 MR. KING: Because once hunting season's over,
12 you're going to have to hunt them down. They're going to go
13 back to Houston or Arkansas or Louisiana. Okay. All right.

14 Item 21 --

15 MR. WALTERS: I've got one more question. Based on
16 the amount of people that -- let's just say we get 80 percent
17 of the people that you think. How many cars is that, so what
18 kind of revenue are we looking at?

19 MR. McKENZIE: If we get 20 cars out there -- what
20 did you say, 375 a year? Whatever that is.

21 COMMISSIONER MOSER: 7,500.

22 MR. WALTERS: That's pretty good.

23 MR. McKENZIE: That's just half the parking lot.

24 MR. WALTERS: That's pretty good.

25 MR. LIVERMORE: Twenty cars? Yeah, 20.

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1 MR. WALTERS: I think --
2 MR. WOOD: I think eventually we'll need to spend
3 some money on some signage to establish what's short-term and
4 long-term.

5 MR. McKENZIE: Exactly.

6 MR. KING: About 75 a year.

7 MR. LIVERMORE: Steve, if you put up a cover for
8 half, and offer the first 10 people covered parking, I think
9 you'll sign up the other 10 pretty fast.

10 MR. MCKENZIE: Corey said that the other day,
11 exactly the same thing, about cover half of it. Those people
12 will go to the covered parking.

13 MR. HUSER: Then you offer them a deal. Hey,
14 it's -- you guys have lost me on the number, but 375 a year
15 or something for regular parking, or 500 a year for covered
16 parking, and you have a choice.

17 MR. KING: Yeah.

18 MR. HUSER: And then if you have a -- you know,
19 then if you're sitting over here against the fence, and you
20 really wish you could get into covered parking and you can't,
21 then it's an upgrade.

22 MR. KING: Right.

23 MR. MCKENZIE: Sure.

24 MR. HUSER: These little metal awning carports go
25 in real easy in your asphalt without making a big mess. You

1 just drill a hole, and they'll go up in sections. I think
2 then you're offering somebody something that's an upgrade.

3 MR. WALTERS: That's -- I think, Steve, rather than
4 leaving your car out there to bake in the sun --

5 MR. LIVERMORE: Out in the desert states like
6 Arizona, you see those kind of things everywhere.

7 MR. WOOD: It's a lot better to charge money for a
8 service than just saying we're not going to let you do it
9 free any more.

10 MR. KING: Item 21, new T-hangar project. Bruce?

11 MR. MCKENZIE: All right. Tom and Steve and myself
12 and Mike Wellborn met on this last month as well. Prior to
13 that meeting, we were down to \$934,000. After that, we
14 really got serious about it, and now we're down to \$816,000
15 for the T-hangars. This is also assuming that our two owners
16 will assist us with dirt work and paving. If our owners will
17 work with us on this, it will make it much, much, much more
18 economical. This is where we are right now, at 816,116.90.
19 Bear in mind that the cost of engineering is generally 10
20 percent of that number. You can add, for the sake of this
21 conversation, \$80,000 to that number.

22 MR. WALTERS: Bruce, let me ask you, what's the
23 difference between these two columns here?
24 MR. McKENZIE: The one on the right is the one we
25 had last month, Corey, where the bottom -- the total is

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1 \$934,000.
2 MR. WALTERS: Okay. And this one on the left?
3 MR. McKENZIE: The one on the left is after Tom and
4 I and Steve met, and we really honed it down.
5 MR. WALTERS: Okay. Revised numbers?
6 MR. McKENZIE: Revised it, with the help of Mike
7 Wellborn. You know, we got it down -- Tom's idea was, let's
8 get it down to around 800,000, real close.
9 MR. WOOD: One of the things -- biggest things you
10 cut was electricity. How did you do that?
11 MR. McKENZIE: We put -- because we're going to ask
12 the City and County to do all the trenching for us. That's
13 expensive. If they'll do the -- do the ditches for us, that
14 cuts a lot of money out.
15 MR. LIVERMORE: So that 800 number is with city and
16 county participation?
17 MR. McKENZIE: That's with everybody playing ball,
18 yes, sir. All of us.
19 MR. WALTERS: Let me ask you this. Even though
20 they do it, isn't it still a cost? I mean, isn't it still a
21 cost?
22 MR. McKENZIE: Oh, absolutely. It's coming out of
23 their own pockets. Yes, sir, you bet.
24 COMMISSIONER MOSER: Just in-kind.
25 MR. McKENZIE: Just -- right. Just like when they

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1 built the parking lot for us.
2 COMMISSIONER MOSER: That's whose budget it's
3 coming out of.
4 MR. KING: They're getting a capital improvement,
5 right.
6 MR. McKENZIE: You're right. It's a cost,

7 absolutely.

8 COMMISSIONER MOSER: They do it during the -- you
9 know, the non-pressure times in the winter and that kind of
10 stuff.

11 MR. KING: These people are working anyway.

12 COMMISSIONER MOSER: If they can work it in. And
13 if they can't, they won't.

14 MR. KING: In the proposal we came up with, we're
15 paying for all materials. If there's base material, metal,
16 steel, anything, we're paying for that. So --

17 MR. WALTERS: And how many units -- how many
18 T-hangars?

19 MR. KING: Twenty.

20 MR. WALTERS: Are we still looking at the end,
21 the -- under the synopsis of "build it and they will come,"
22 or that we have that much demand?

23 MR. KING: We --

24 MR. MCKENZIE: We -- I'm sorry, Steve. Go ahead.
25 MR. KING: We kind of think -- we feel like we have

1 some demand, but we're -- we're kind of building on it a
2 little bit of a "build it and they will come." Okay? But
3 the cost is so much cheaper now that I think we can -- I
4 mean, the whole --

5 MR. WALTERS: The risk is less.

6 MR. KING: The risk is less. And the whole deal
7 had to come down to -- you know, it doesn't matter. If you
8 got -- you're going to build 20 T-hangars, and you got 20
9 people that want to move in tomorrow, and they cost \$2
10 million, the return on your investment is not such that you
11 can even make it work.

12 MR. WALTERS: Right.

13 MR. KING: So if you -- you know, the priority in
14 this thing to start with was to try to get the number down
15 where, if you filled it up, there was at least a reasonable
16 return on investment. There is a reasonable return on
17 investment now. You know, even if we built the thing
18 straight out and didn't have any money from anybody, it came

19 all out of our pockets, you know, we still could probably do
20 an 8 percent -- you know, 8 percent return on the thing. But
21 if we can get some help from some other people, TexDOT and
22 stuff like that, you know, we can start knocking that thing
23 -- taking that 8 percent up to 12, to 15 -- you know, 14, 15
24 percent. And so I think that --

25 MR. LIVERMORE: This is a total number? This is

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1 not -- without matching --

2 MR. KING: This is just a total number. We just
3 tried to get it under a million dollars.

4 COMMISSIONER MOSER: This is the cost, okay? We --
5 there's -- we still need the other sheet showing what the
6 different ways of financing --

7 MR. KING: Right.

8 COMMISSIONER MOSER: -- this is, and what the
9 return on investment is. If you do a 90/10 or an 80/20, it's
10 -- it's really good. Or if you -- Steve can talk about some
11 of the ideas he has.

12 MR. McKENZIE: This will be a 90/10, 'cause it will
13 be N.P.E. funds.

14 COMMISSIONER MOSER: So 90/10, the return on
15 investment, okay, you're building it based on "build it and
16 they'll come," but again, like we said before, look at
17 Fredericksburg. They build them and they fill them, and
18 they've got a waiting list. So we don't have -- you can't
19 say by name who's going to be there, but with that kind of
20 investment on a 90/10 share for the City and County, it's --
21 return on investment could be really big. And --

22 MR. WALTERS: Bruce, when do we qualify for this
23 90/10 on these funds?

24 MR. McKENZIE: We're in it now.

25 COMMISSIONER MOSER: We're in the queue.

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1 MR. KING: We're in the queue. But I think
2 we're -- we got to be a little more truthful about what the
3 situation is. The odds of us -- that there's not going to be

4 a chance that we get all of this paid 90/10. I mean, do you
5 really think \$816,000, they're going to come up and want to
6 pay for flat work, the vertical, 100 percent of it straight
7 off of 90/10?

8 MR. McKENZIE: We have money.

9 MR. KING: No, no, no. I'm talking about whether
10 TexDOT is going to want to give us a 90/10 grant for
11 \$816,000.

12 MR. McKENZIE: They haven't specifically told me
13 no, but -- but she did tell me this. She said that our --
14 the money's available. She said if you folks -- and it's
15 like you and Tom discussed at our meeting last month. If you
16 could go to another entity -- whatever that entity is, I'll
17 let y'all discuss that -- and borrow that money against this,
18 she said we're a lot happier with that.

19 MR. KING: Sure.

20 MR. McKENZIE: To specifically answer your
21 question, you're right. Just what y'all were talking
22 about --

23 COMMISSIONER MOSER: She sat right here and said
24 it's feasible for the 90/10 on vertical and flat.

25 MR. KING: It is, but I don't think they have any

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1 money. I mean, if you have money, it's fine. If it's -- you
2 know, I can go buy a Gulfstream 650; it's feasible. I'm not
3 going to do it. I mean, I don't have the money. I just --
4 what I'm getting at, the money's not in the budget. If you
5 go call them up right now and ask them when they're going to
6 have enough money to fund all these other people -- all the
7 other people just like us for a 90/10 project, 100 percent
8 90/10, we have an \$86,000 -- \$81,000 contribution, will she
9 truthfully tell us that is a possibility in the next couple
10 of years?

11 MR. McKENZIE: Mm-hmm.

12 COMMISSIONER MOSER: Yeah, that's what they told
13 us.

14 MR. McKENZIE: She told me that. But --

15 MR. KING: What are the odds of it?

16 MR. MCKENZIE: Well, she's tied to Washington.

17 It's if the funds come trickling down, then we'll get it.

18 That's why she won't -- she won't commit, and she can't. I

19 understand that.

20 MR. KING: Yeah.

21 MR. MCKENZIE: But -- yeah.

22 MR. KING: No, you're right. Under the right

23 scenario, it would work. Okay.

24 MR. MCKENZIE: But she was extremely happy when I

25 told her that -- that you were discussing the possibility of

65

1 going out like they were talking about the other day. She
2 said if you could do that, that would even make life easier
3 for everybody.

4 MR. KING: Right.

5 MR. MCKENZIE: That's these N.P.E. funds you can
6 get and then repay, for example, the E.I.C., if that's,
7 indeed, who you decide to go after to get the funds -- some
8 of the funds. Not all of them, some of them.

9 MR. KING: Sure.

10 MR. MCKENZIE: So this is where we're at right now.

11 This is today's dollars. This is as of -- these are 30 days
12 old.

13 MR. KING: Mm-hmm.

14 MR. MCKENZIE: So --

15 MR. WALTERS: I think that's for a completely
16 different discussion, is E.I.C. funds.

17 MR. KING: Yeah.

18 MR. MCKENZIE: Yes. That's another --

19 MR. KING: I don't even know -- first we'd have to
20 see if it qualified, obviously. But I'm willing to have some
21 discussions with those entities. What do you want to do on
22 this thing? I guess you have -- Option A would be to say,
23 "Boy, we'd like to build these things," and get TexDOT to
24 call us when the 90/10 funds become available.

25 MR. WOOD: Steve, can I interject something?

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1 MR. KING: Yeah.

2 MR. WOOD: Part of this discussion, I think, should
3 be -- and this has to do with whether we can rent these or
4 not. You don't have access to the T-hangars except coming in
5 Al Mooney Road.

6 MR. KING: Sure.

7 MR. WOOD: And a lot of pilots -- a lot of pilots
8 like to come by the F.B.O., look at weather, stuff like that,
9 before they go to their T-hangar. It's not that it can't be
10 done, but I think we need to have some answers ready for
11 possible tenants. The other thing is availability of a
12 restroom close by. It's just -- you know, that location over
13 there has got some -- some negatives if you were --

14 MR. KING: I agree.

15 MR. WOOD: -- a T-hangar tenant.

16 MR. KING: Unfortunately, that's the location.

17 MR. WOOD: I don't think it's a deal breaker. It's
18 something we ought to address.

19 MR. KING: I know. And we've looked at that, Bill.

20 According to our master plan, everything we've done over the
21 last four years, if there's T-hangars built on the airport,
22 they will be built in that location.

23 MR. WOOD: Yeah.

24 MR. KING: They won't be built over here.

25 MR. WALTERS: Let me ask you a question.

1 MR. KING: But we can look at -- you know, we've
2 thought about, you know, putting a restroom in the building,
3 you know, with a key lock, with a combo lock or something
4 like that.

5 MR. WALTERS: I mean, if I had an experimental or
6 something, I mean, I'd probably -- you know, and I was going
7 to fly just around here local or something, I'd put it over
8 there.

9 MR. WOOD: Oh, yeah.

10 MR. WALTERS: But, I mean, you have a 182
11 single-engine. You have a Bonanza. If you didn't have that
12 hangar over there, you didn't have -- you know, would you put

13 your plane over there? I'm just --
14 MR. LIVERMORE: Mm-hmm.
15 MR. WALTERS: You would?
16 MR. WOOD: I would. But I'd have to --
17 MR. LIVERMORE: I'm going to stay where I am, but
18 yes.
19 MR. WALTERS: But you would --
20 MR. LIVERMORE: The answer to your question is yes.
21 MR. GRIFFIN: Trust me, I'm in one now, and my dad
22 and I pay for it. We've had those discussions that said
23 because we come from Hunt, it would save us --
24 MR. WALTERS: Sure.
25 MR. GRIFFIN: -- the time around. Now, it's -- on

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1 a 25-minute commute, it would save us 10 minutes.
2 MR. WALTERS: Okay.
3 MR. GRIFFIN: So, you know, there's all kinds of --
4 I've talked to several people. If you go over to use the
5 bathroom, you've got it twice.
6 COMMISSIONER MOSER: I think the master plan also
7 has, Bill, what you're talking about, having a facility over
8 there with restrooms and weather, you know, the same kind of
9 little deal you have for pilots right here; have it over
10 there. Not the initial 20 hangars, but that's what it will
11 eventually have.
12 MR. WOOD: Okay.
13 MR. McKENZIE: And one reason the price came down
14 so significantly, Bill, is because we took the sewer line
15 completely out of that line.
16 MR. WALTERS: Does this not have restrooms over
17 there at all?
18 MR. McKENZIE: No.
19 MR. GRIFFIN: It's just T-hangars.
20 MR. McKENZIE: Just T-hangars and fire hydrants.
21 MR. LIVERMORE: I don't think this is the most
22 desirable thing; I really don't, but heck, if it really came
23 down where that was a big issue, there is a thing called
24 port-a-potties. You could build a pad for it and properly

25 site it. I don't like that idea, but --

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1 MR. WALTERS: I don't either.

2 MR. LIVERMORE: But it's --

3 MR. WOOD: Well, I'm not trying to solve all those

4 things. I just wanted to bring it up to --

5 MR. WALTERS: I thought that this plan initially

6 was -- I mean, that the T-hangar -- we did talk about that we

7 would provide a restroom over there, you know, common

8 facility restroom for the T-hangars.

9 COMMISSIONER MOSER: You're not talking about that

10 much additional cost.

11 MR. KING: How much did we take out for the sewer?

12 I don't remember.

13 MR. LIVERMORE: Well, can it go to a septic tank?

14 COMMISSIONER MOSER: The sewer's there.

15 MR. MCKENZIE: It's in the city limits.

16 MR. WOOD: 235 to 186.

17 MR. WALTERS: If you're in the city, you can't do a

18 septic.

19 MR. GRIFFIN: Sewer line.

20 (Low-voice discussion off the record.)

21 MR. KING: I -- I'm kind of like Bill. I really

22 think that if we do -- if we go forward and do build those

23 things, they need a bathroom.

24 MR. WALTERS: I do too.

25 MR. KING: Need some sort of a restroom. Hey,

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1 Steve?

2 MR. HUSER: Be a lot better if you have a bathroom.

3 MR. KING: I agree.

4 MR. WALTERS: They'd rent a lot better.

5 MR. HUSER: They're going to rent a lot better.

6 MR. LIVERMORE: If you ever want your wife to go on

7 a trip with you.

8 MR. KING: Whenever I leave on a trip, about the

9 last thing I say is, "Does anybody need to go to the

10 bathroom?" That's going to be kind of inconvenient.

11 MR. WALTERS: Yeah.

12 MR. KING: So that's a good point. I think

13 there --

14 MR. WALTERS: I think you probably ought to put

15 that back in your numbers here.

16 MR. KING: I think we're going to have to figure

17 that back in. Okay.

18 MR. LIVERMORE: Well, but, I mean, if we're talking

19 about a hundred -- I don't know; he said "hundreds." I

20 thought I heard the "s" on the end of it. But even if it's

21 \$100,000 for the bathroom to hook up sewer and all that, I

22 mean, I heard that number somewhere here.

23 MR. WOOD: It's on your sheet, water,

24 infrastructure. That doesn't have the cost of a bathroom in

25 it; that's just the --

1 MR. McKENZIE: Went from 235 down to 186.

2 MR. KING: Is that when we took the sewer out?

3 MR. LIVERMORE: Oh, it's 50,000.

4 MR. McKENZIE: \$50,000.

5 MR. WOOD: That doesn't include --

6 MR. WALTERS: The facility. It's --

7 MR. WOOD: -- the facility; that's just the sewer

8 line that would let you do that.

9 MR. KING: 75,000. Still 900,000. Okay.

10 MR. GRIFFIN: But you can eventually take one of

11 these rooms that's at the end of the T-hangars, right next to

12 the end. There's plenty enough space for a restroom.

13 MR. LIVERMORE: That's where they would normally

14 place it.

15 MR. KING: What do y'all want to do? Continue

16 going forward on it?

17 MR. LIVERMORE: Absolutely.

18 MR. KING: Let's say -- even if you add \$75,000

19 back in for a bathroom, we got it -- it's down to less than

20 900.

21 MR. LIVERMORE: We're at a million, right. I mean,

22 by the time you add in engineering and the bathroom --
23 MR. WOOD: If you drive by the FBO first so you can
24 do all this stuff, then go to your T-hangar, it would be
25 fine. That's what I did in Fredericksburg. But if you're

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1 coming in another road, you need to have a way to get
2 connected over here.

3 MR. KING: Sure. I think you're still at less than
4 a million.

5 COMMISSIONER MOSER: Sanitary sewer was 35,000.

6 MR. WALTERS: Was it?

7 MR. KING: 35?

8 COMMISSIONER MOSER: Yeah. So --

9 MR. KING: It was 35?

10 COMMISSIONER MOSER: Yeah.

11 MR. KING: How much does it cost to build two
12 bathrooms?

13 MR. LIVERMORE: Build one.

14 MR. KING: Just put one of those things that
15 says --

16 MR. WALTERS: Just do a common.

17 MR. KING: How much does it cost to build a
18 bathroom in a metal building? Pretend we're going to put it
19 at the end of the metal -- probably the end of the metal
20 building. What's that cost to build that, Steve?

21 MR. HUSER: Is the building already --

22 MR. KING: Already got the building. We're just
23 going to dedicate a little bit on the end of the building for
24 a bathroom.

25 MR. WALTERS: Have to make it handicap-accessible.

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1 MR. HUSER: Yeah, you're going to -- probably going
2 to have a shower in one of them, I would say. Wouldn't you?

3 MR. WALTERS: No.

4 MR. HUSER: No shower, just two restrooms? Fifty
5 grand.

6 MR. LIVERMORE: One restroom. One common restroom.

7 MR. WALTERS: I was thinking one common.
8 MR. KING: One restroom.
9 MR. HUSER: Not going to have -- oh, yeah, sure.
10 If the sewer lines are there, 25,000.
11 MR. McKENZIE: 25.
12 MR. HUSER: You're going to want air conditioning.
13 MR. KING: Topping 75, with the sewer line.
14 MR. WALTERS: Top end.
15 COMMISSIONER MOSER: You're still under 900,000.
16 MR. GRIFFIN: How big are those spaces on the end
17 of our current deal, 8-by-10?
18 MR. McKENZIE: 14-by-8, I think.
19 MR. LIVERMORE: That's -- I've seen those, I mean,
20 out there. That's what that is.
21 MR. WOOD: Yeah.
22 MR. KING: Bruce, what else -- or Tom, you can
23 answer this question. What else has to be added into here?
24 Somebody said something about engineering or -- I mean --
25 MR. McKENZIE: Yes, engineering. You need to add

1 10 percent onto this for engineering.
2 MR. LIVERMORE: We're at a million dollars.
3 MR. KING: So, plus --
4 MR. LIVERMORE: With the bathrooms.
5 MR. McKENZIE: You're plus a million -- no, you're
6 not. 891 plus 89 is -- 979?
7 MR. LIVERMORE: Plus 25.
8 MR. KING: 75.
9 MR. McKENZIE: If the City and County does the dirt
10 work and the paving for us. That's the caveat, we must
11 remember.
12 MR. KING: Have they said no yet?
13 COMMISSIONER MOSER: Haven't asked.
14 MR. McKENZIE: Haven't asked yet.
15 MR. KING: Okay. We ought to ask them.
16 MR. LIVERMORE: So that's \$50,000.
17 MR. WOOD: Before we -- that would be another step.
18 MR. GRIFFIN: I think you have to get this step

19 long before you got get to that. So --

20 MR. KING: Maybe at 980 -- you'd be at 980. 980
21 with engineering.

22 MR. LIVERMORE: 50 grand.

23 MR. KING: So, 980, okay.

24 MR. WALTERS: We ought to proceed.

25 MR. KING: Okay. Why don't we --

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1 MR. MCKENZIE: The process needs to go just like we
2 did with the R.S.A., down this same process.

3 MR. KING: Well, I don't think we're ready to go
4 there.

5 MR. MCKENZIE: When we get to that point, we need
6 to do this, Steve; that when we -- we don't have a City rep
7 here.

8 MR. WALTERS: Just walked out.

9 MR. KING: Oh, we're not asking for money. If
10 we -- I think first we ought to -- let's -- let's maybe sit
11 down, a couple of us, and let's look at some funding
12 mechanisms, see if we can actually fund it. There's several
13 different ways with these N.P.E. funds. We'll talk to the
14 City and the County, see if they have money. We'll talk to
15 the E.I.C. and see if it qualifies for the E.I.C. Let's see
16 if we can make it qualify for E.I.C. I've had discussions
17 with one E.I.C. member about it. Y'all -- Jonas, y'all did a
18 loan -- didn't y'all do a loan deal at your E.I.C. over in --

19 MR. TITAS: I didn't hear that.

20 MR. KING: Didn't y'all have a loan program from
21 E.I.C.? On, like, your --

22 MR. TITAS: Yeah, there was a revolving loan
23 program.

24 MR. KING: You don't have a --

25 MR. TITAS: But that was -- those were federal

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1 E.D.A. dollars that started out --

2 MR. KING: What, now?

3 MR. TITAS: They were federal Economic Development

4 Administrative dollars. They weren't local.

5 MR. KING: They weren't local funds? Wonder if
6 there's anything that precludes them from doing that, from
7 loaning money versus granting money.

8 MR. TITAS: I'd have to review the statute, but it
9 -- I've never come across a situation where there has been a
10 loan.

11 MR. KING: Really? Well, seems like if I had the
12 money, I'd rather get it back than I would just give it out.

13 MR. McKENZIE: We just gave them money back.

14 MR. KING: Anyway, I think we should look at some
15 funding mechanisms, see if we can come up with 990,000
16 without the 90/10 situation, and see if we -- so we have two
17 different ways. I mean, we know the 90/10 deal, what we can
18 do there. You know, we know that that's possibly available,
19 but let's look for a Plan B on another type of funding
20 situation. Let's try to get some funding -- funding
21 mechanisms to figure out if we can fund the thing, and then
22 that way we can come up with a return on investment. And
23 then I think at that point is when we -- we can present it to
24 the City and the County and tell them that, you know, one of
25 the criteria for making this thing work is that you guys are

1 going to have to help out with some labor. Okay? What do
2 y'all think about that? Any other ideas on that?

3 MR. WOOD: That's a good idea.

4 MR. WALTERS: I think it's a good plan.

5 MR. WOOD: Yeah, I do too.

6 MR. KING: Okay. All right. General update, Item
7 3A.

8 MR. McKENZIE: The next board meeting is going to
9 be December the 17th, a week before Christmas. We have our
10 new monitors, 21-inch monitors installed in the pilots'
11 lounge.

12 MR. KING: How much did those cost?

13 MR. McKENZIE: 120 bucks a piece, I think.

14 MR. KING: Did we pay for them?

15 MR. McKENZIE: Yes, I did.

16 MR. KING: Okay.
17 MR. LIVERMORE: What was it we've installed?
18 MR. McKENZIE: The new monitors. We had those
19 old-style television set monitors in the pilots' briefing
20 area. We replaced them with flat-screen monitors.
21 MR. KING: I was in there using them one day.
22 Bruce had walked by, and I said, you know, "Why don't we
23 upgrade our facilities a little bit and offer our customers
24 something other than a cathode ray tube?" (Laughter.)
25 MR. WOOD: From the 1950's.

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1 MR. KING: If you haven't seen them, they look
2 nice. They look good. Go look at them.
3 MR. WOOD: They do.
4 MR. KING: Joey has a reasonable W.S.I. on one of
5 his systems, but we just changed out their monitor, so when
6 they take their system away, we'll keep our monitor. So --
7 MR. McKENZIE: We're still meeting every month
8 about the fly-in reunion on April the 27th, 2013. We're now
9 meeting once a month regarding that. I'm supposed to go down
10 to City Hall at 11:30 today and meet with the zoning board.
11 They want -- they're talking about doing some rezoning at the
12 airport, so I need to go see what's up with that.
13 MR. KING: Okay.
14 MR. McKENZIE: That's at 11:30. If a couple of the
15 board members want to go, that'll be great, or one of you.
16 MR. LIVERMORE: What would they be rezoning?
17 MR. McKENZIE: That's why I'm going down there.
18 MR. KING: Maybe they're zoning residential or
19 something.
20 MR. McKENZIE: No, they're not. This board has --
21 MR. KING: R-1.
22 MR. McKENZIE: -- authority -- has a say in that.
23 MR. KING: Tell them that we have some grant
24 assurances.
25 MR. McKENZIE: Other than that, there's a lot of

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1 hunters arriving in the last week and a half, a lot more than
2 last year for some reason, so that's good.

3 MR. LIVERMORE: They're hungry.

4 MR. MCKENZIE: They're arriving in larger turbine
5 aircraft, and they're buying fuel.

6 MR. KING: Great.

7 MR. WALTERS: Good to hear.

8 MR. KING: On this hunting deal on the activity at
9 the airport, do you think there's any way we could maybe find
10 it in our budget to put a sign up there that says, "Don't go

11 this way" so you don't drive up into -- drive up into --

12 MR. WOOD: Dugosh.

13 MR. KING: -- Dugosh's place? I know you put a
14 sign on the side of the ground that says 12 this way, but
15 what if we just put a sign up about 50 yards past it that
16 says "no outlet"?

17 MR. MCKENZIE: Okay, I've already got the
18 engineering drawings -- I'm ahead of you. I've already
19 got --

20 MR. HUSER: It's fun to watch them try to turn
21 around up there.

22 MR. KING: These jets --

23 MR. MCKENZIE: That happened.

24 MR. KING: I mean, the first time someone drives a
25 Gulfstream up there and can't get it turned around, --

1 MR. MCKENZIE: That happened.

2 MR. KING: -- we had to back it out with a tug and
3 everything.

4 MR. MCKENZIE: I've got the plans, the engineer's
5 drawings. I've got all that. When we finish the parking lot
6 and I see what funding we have left, that's on the agenda for
7 this year. And I've already got the -- I did see how much it
8 costs. We have electricity over there, but we don't have to
9 light that sign; we can put reflective letters. We're going
10 to put one on each side that says "No outlet."

11 MR. KING: They have to be low profile, I guess?

12 MR. MCKENZIE: Yes, sir, just like those

13 directional signs are right there.

14 MR. KING: Okay.

15 MR. McKENZIE: But I've already got the engineer --

16 he's given them to me, no charge.

17 MR. WALTERS: Can we change that and put "Toll

18 road"? (Laughter.)

19 MR. McKENZIE: Yeah, we can. That's not a bad

20 idea.

21 MR. WOOD: Entry's free. Exit costs.

22 MR. LIVERMORE: I hate to tell you, when we first

23 reopened the airport, I did that.

24 MR. KING: Taxied up there?

25 MR. WOOD: It happens.

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1 MR. LIVERMORE: I made the wrong turn.

2 MR. KING: All right. It just could save a lot of

3 trouble down the road, I have a feeling. All right. I think

4 that would be a good idea.

5 MR. McKENZIE: I've got it on there, Steve. I've

6 got the plans already.

7 MR. KING: Okay, good job. Anything else? Anybody

8 else have anything on airport --

9 MS. BAILEY: You were going to go back into session

10 on the holiday schedule.

11 MR. KING: Almost forgot the holidays. Okay, we'll

12 just go into executive session under Item --

13 COMMISSIONER MOSER: Before you do that, Steve,

14 Airport Planning Committee, Bruce, is when?

15 MR. McKENZIE: December the 7th, I think. Airport

16 Planning Committee. But we don't have anything to -- all the

17 planning is --

18 COMMISSIONER MOSER: Only thing you might -- only

19 thing you might do is discuss the T-hangars, but I don't

20 think you're going to be ready to do that, on potential

21 funding sources. So, it doesn't sound like you're --

22 MR. McKENZIE: I was going to wait, give everyone a

23 chance to participate. But if I don't get it, I'll just

24 cancel the meeting.

25 MR. LIVERMORE: Let me ask a question, Tom and

1 whoever, on that subject. Do we still need the airport
2 planning meetings?

3 COMMISSIONER MOSER: Probably not.

4 MR. MCKENZIE: No, we don't need it.

5 MR. LIVERMORE: Now that the political situation
6 has changed.

7 COMMISSIONER MOSER: Well, you have to get rid of
8 it since it's in the interlocal agreement or whatever.

9 MR. LIVERMORE: I think we ought to think about it.

10 MR. KING: I think that will be something that our
11 owners would need to discuss.

12 COMMISSIONER MOSER: Right. Right.

13 MR. KING: Between them. That would not be -- I
14 don't think that would be a request that the Airport Board
15 would be willing to make.

16 COMMISSIONER MOSER: That's correct.

17 MR. KING: Direction or a --

18 COMMISSIONER MOSER: Right.

19 MR. KING: Thank you. So, we'll adjourn -- we'll
20 adjourn, and discuss in executive session trying to get the
21 holiday schedule squared away.

22 (Discussion off the record.)

23 (The open session was closed at 10:06 a.m., and an
executive session was held off the record.)

24 -----

25 MR. KING: Okay, we went -- we're out of executive

1 session at 10:23, and we were on discussion of personnel
2 matters, which is 55.074. We do have a -- we would like to
3 have some results of that discussion. As a result of that
4 discussion in executive session, we're going to -- how about
5 we put it in a motion?

6 MR. MCKENZIE: Establish a policy.

7 MR. KING: I'll entertain a motion.

8 MR. LIVERMORE: I move --

9 MR. KING: Go ahead.

10 MR. LIVERMORE: I move that the Kerr County/
11 Kerrville Airport, for the new fiscal year, recognize the
12 following holidays: Thanksgiving Day, Thanksgiving Friday,
13 Christmas Eve day, Christmas Day, New Year's Day, Good
14 Friday, Memorial Day, Independence Day, Labor Day, plus a
15 floating holiday each employee may choose of his or her own
16 wish.

17 MR. WALTERS: One day.

18 MR. LIVERMORE: One day.

19 MR. WALTERS: I second.

20 MR. KING: Do you think we should clarify what
21 dates those are? 'Cause Thanksgiving for the fiscal year --

22 MR. LIVERMORE: I said for this fiscal year.

23 MR. KING: Okay. So, I guess that Thanksgiving
24 Friday would be --

25 MR. GRIFFIN: That motion as written.

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1 MR. KING: All right. Second?

2 MR. WALTERS: Second.

3 MR. KING: Corey Walters seconded. Discussion?

4 None being heard, all in favor?

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

6 MR. KING: Aye. Motion carries, 5-0. All right.

7 What else?

8 MR. LIVERMORE: Do you want to mention the --

9 MR. KING: Oh, yeah. And also in executive session
10 under -- under Item -- here it is --

11 MR. MCKENZIE: 071.

12 MS. BAILEY: 551.071.

13 MR. KING: -- 551.071, consultation with attorney,
14 concerning Mooney Aircraft, no action was taken. I need a
15 motion to adjourn.

16 MR. WOOD: I so move.

17 MR. KING: Second?

18 MR. GRIFFIN: Second.

19 MR. LIVERMORE: Aye.

20 MR. KING: Kirk seconded. Kirk Griffin seconded.

21 All in favor?

22 (The motion carried unanimously, 5-0.)
23 MR. KING: Aye. We're adjourned.
24 (Airport Board was adjourned at 10:25 a.m.)
25 - - - - -

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1 STATE OF TEXAS |
2 COUNTY OF KERR |
3 I, Kathy Banik, official reporter for Kerr County,
4 Texas, do hereby certify that the above and foregoing is a
5 true and complete transcription of my stenotype notes taken
6 at the time and place heretofore set forth.
7 DATED at Kerrville, Texas, this 26th day of November,
8 2012.

9
10

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Expiration Date: 12/31/14
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