

1
2
3
4
5
6
7
8
9
10
11

AIRPORT PLANNING COMMITTEE

Quarterly Meeting

Monday, October 24, 2011

1:00 p.m.

Airport Terminal Conference Room

1877 Airport Loop Road

Kerrville, Texas

12 MEMBERS PRESENT:

- 12 Stephen King, Joint Airport Board
- 13 Tom Moser, Joint Airport Board
- Carson Conklin, Kerrville City Council
- 14 David Wampler, Kerrville Mayor
- Mike Erwin, Kerrville Finance Director
- 15 Jonathan Letz, Kerr County Commissioners Court
- Guy Overby, Kerr County Commissioners Court
- 16 Jeannie Hargis, Kerr County Auditor

17 MEMBERS ABSENT:

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

- 22 VISITORS:
- Mark Cowden, Joint Airport Board
- 23 Rob Henneke, Kerr County Attorney
- Joey Kennedy, Kerrville Aviation
- 24 Stephen Drane, private hangar owner

1 I N D E X
October 24, 2011
2 PAGE

3 CALLED TO ORDER

4	1. Discussion on organization and purpose of the Airport Planning Committee	3
5		
6	2. Review Strategic Plan for Airport	6
7	4. Status on Airport Master Plan Objective and Scope Schedule	12
8		
9	5. Discussion and possible action on Marketing Plan Objective Content Cost Schedule	31
10		
11	3. Discuss RAMP Grant Projects	33
12		
13	6. Discuss administration/management structure and Mooney, Inc.	44

15
16
17
18
19
20
21
22
23
24
25

3

1 On Monday, October 24, 2011, at 8:30 a.m., a regular
2 meeting of the Kerrville-Kerr County Joint Airport Board was
3 held in the Airport Terminal Conference Room, Louis Schreiner
4 Field, Kerrville, Texas, and the following proceedings were
5 had in open session:

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

7 MR. KING: I want to say something before we start.
8 This is the first meeting of the Airport Planning Committee.
9 I hope this is a constructive process. I think it will be.
10 It's a great format, and I hope we can use this to -- I was
11 talking to the mayor this morning. I was hoping we could use
12 this to kind of like funnel ideas from the board to this
13 committee, and keep us from -- and also get feedback from the
14 committee so we can have, like, ideas and things that we
15 might want to work on or something like that. And -- and
16 hopefully we can save some -- save some Council and some
17 Commissioners Court time on some ideas and some projects that
18 we may take to them or something like that, and just a good
19 way -- I hope everybody on the committee will inform the
20 people you represent on the board -- the Council or the -- or
21 whoever you represent. And one thing -- I told the mayor
22 this -- is don't -- if you have an idea, you have a question,
23 you have a -- something on your mind about the airport, pick
24 up the phone and call me, Bruce, any of the board members,
25 and get it off your -- you know, let's find out about it.

1 Let's talk about it, 'cause communication I think is the key
2 of this whole thing. All right, Tom.

3 MR. MOSER: I thought what we'd do today is I've
4 got an agenda here; I've got a timeline for each item on the
5 agenda so we can get out of here by 2:30, hard cutoff.
6 Review some of the things that we've been doing out here, and
7 some of you have already seen it, but I'm going to go through
8 it very quickly, just the strategic plan, the master plan,
9 talk about what's proposed for a marketing plan, and then
10 we're going to talk about the RAMP grant projects. And then
11 there was an agenda item that was requested by the City
12 on discussion of administrative management structure and
13 Mooney. We're going to talk about Mooney as part of the
14 other stuff, but we'll cover that at that time. Hopefully
15 there's enough time for that, and then summary, and -- and
16 any actions that come out of it.

17 I thought it would be good to just say, so we're
18 all on the same page, what the Airport Planning Committee is,
19 is to review and discuss -- review and discuss is Item 1 and
20 Item 2, and then formulate recommendations, the membership.
21 And then it says the manager -- Airport Manager is to provide
22 a written report. I would like to suggest, okay, also that
23 the Airport Manager's office coordinate the meetings, because
24 right now, no one is doing that. So --

25 COMMISSIONER LETZ: That's good.

1 MR. MOSER: Okay? Good. Good enough. This is
2 what we're talking about. How many acres, Bruce?

3 MR. McKENZIE: 528.

4 MR. MOSER: 528 acres in the yellow line. You can
5 see the buildings. Here's where we are today. Mooney, the
6 existing buildings, we're going to talk about development of
7 all this other stuff today as part of the -- as part of the
8 master plan, what's been done, to give you a feel for the
9 depth that we've been -- gone through this. That's just
10 another breakout of the buildings. I think that there's

11 something like 310,000 square feet of buildings that are --
12 no, excuse me, I take that back. Over on the Mooney side,
13 there's 310,000 square feet. I don't know how many square
14 feet of buildings there are on the east side of the -- of the
15 airport. Need to add that up.
16 This is -- this is some of the competition that we
17 have. This is part of our -- our master plan where we looked
18 at all the other airports in the area. I'll kind of show you
19 this quickly, just to let you know, if you want to go through
20 the master plan or any of the details in the presentation,
21 you can do that. But you can see we've got one that -- the
22 6,000-foot runway's one of the longest here. We've got 168
23 based aircraft here, which is -- which take out San Antonio
24 and Stinson, and we're above everybody else. So,
25 competitively, it's -- it's right up near the top.

6

1 Going into our strategic plan, this is something
2 that we -- we developed over about a six-month period, where
3 a co-group of us with the Airport Board, all the
4 stakeholders, the City, the County, the surrounding
5 neighbors, Joey, the F.B.O., people that have airplanes here,
6 we got input from everybody on that to develop this strategic
7 plan, which we did not have one at the time. We went through
8 in a very organized way, like here, looking at what our
9 purposes are, our mission, our vision, our stakeholders, our
10 goals, objectives. And then down in the lower right, the
11 action plan. I'll show you that in a minute. We came out of
12 there with not just only what we want to do, but who's going
13 to do it and when are they going to do it. And so we review
14 that regularly to make sure that we're adhering to that --
15 those actions.

16 Quickly, what is the purpose of the airport? I
17 think we all know that. It's really -- it serves as a
18 gateway and a front door -- Sidney Baker establishes the
19 gateway to Kerrville. Well, we think there's another gateway
20 to Kerrville, and it's through the area that's right here.
21 So, we look at that as being maybe as important, if -- close
22 to being as important as Sidney Baker is. The stakeholders

23 that we have that participated in this review, all the users,
24 the neighbors; we included people that own property around
25 here. We have -- TexDOT's part of it, the F.A.A., Mooney,

7

1 the taxpayers. When we did the final draft on this, the
2 strategic plan, I think Mack Hamilton and another Council
3 member was there when we hammered this thing out, as well as
4 Bill Williams and Jonathan. That's our responsibilities to
5 the stakeholders. And one thing that's on there is manage
6 with fiscal responsibility. And I know that that's been
7 brought up a number of times, but you'll see throughout this
8 strategic plan where we're talking about fiscal
9 responsibility.

10 So, we derive -- it's always hard to come up with a
11 mission statement. This was one of the last things that we
12 did. You can read that. But safety's important, efficiency
13 is key, and being friendly to all the users and the
14 stakeholders in this airport is what our mission statement
15 is. To measure how well we're doing, this is the way we
16 measure our values. Second from the bottom is -- is our
17 fiscal responsibility, and the fact that we're continuously
18 improving the airport. We'll skip through that. There are
19 the products the airport offers; the runways, the hangar
20 space, fencing -- hi, David.

21 MAYOR WAMPLER: Sorry for being late.

22 MR. MOSER: That's okay. David, what we said is we
23 were going to -- we have a timeline, real quickly, on the
24 agenda, and we're just going through real quickly what it is
25 so we can be out of here by 2:30. So, we're talking about

8

1 the strategic plan and then the master plan, and then the
2 marketing is what we're going to do. So, we're flipping
3 through this real, real quick.

4 MAYOR WAMPLER: Okay.

5 MR. MOSER: Just to give you a sense of what we've
6 accomplished. There's a copy for you.

7 MAYOR WAMPLER: Okay.

8 MR. MOSER: What we've accomplished in the past.
9 Let's see, those are the services that the airport provides,
10 and again, with the objective of continuous improvement.
11 We're expanding on all those. I want to increase -- and I'll
12 show you here in a minute how we're going to increase the
13 capability and handle more aircraft here, and different types
14 of aircraft, and with that have an increased revenue of fuel
15 and flow. And then thirdly, okay, progress toward having an
16 annual operating expense -- this is -- this is the longer
17 version of saying revenue neutral, okay? Even -- we could
18 change this so it specifically says revenue neutral, but it
19 doesn't, but that's what Number 3 means.

20 We've got some threats. We said, okay, well, we've
21 got a plan. Well, what's going to threaten what we've done?
22 Well, we depend a lot on federal, state, and local funding,
23 okay? And the economy could hurt that, or whatever could --
24 could impact us on that. County does not have the 4B sales
25 tax like the City does, so we think that that could be a

9

1 threat to some of the revenue. And then just the general
2 economy. So, we always have to be cognizant of those things.
3 Another thing is, we've got -- we've got people waiting for
4 hangars right now. If they have to continue waiting, we
5 think that's a threat that they're going to leave this area
6 and come off of our list and go someplace else. Another
7 threat is security regulations. Right now we're pretty open.
8 People drive up, load their guns off the plane or onto the
9 plane, which is a -- it's a real benefit. And so we think
10 that's one of the unique characteristics. But that's a
11 threat to us. And then the -- we could have loss of revenue,
12 okay, and require expend -- capital expenditures which we
13 don't plan on. And then also -- so far it hasn't been a
14 threat, but it happens in a lot of airports; people build
15 close to the airport and population density increases, and so
16 we're constantly aware of that in what we're doing.

17 So, what are our strategic directions with this?
18 Develop a strategic plan, which we have. We monitor every
19 month, or every other month on how we're doing on completing

20 all of our actions on that. We -- we're making an effort to
21 communicate. We have TexDOT in here frequently, and F.A.A.
22 They come in a lot of times, not just at our board meetings,
23 but other times, and meet with Bruce. We're developing plans
24 to acquire funding and for additional airport hangars, and
25 I'm going to show you a lot in a minute on what we're doing

10

1 there. And then this is communication; this was a good idea
2 to have these planning committees enhance the communication.
3 We've got an economic impact that we've seen the first cut
4 of. We're not completely happy with it, but when we get
5 that, we're going to go around to all the entities in the
6 city and the county and show them what this airport means,
7 because a lot of people just don't realize what the potential
8 value is. And we're going to look at what's happening to
9 Mooney and our strategic direction. I'll show you a little
10 bit about that a little bit later on. And then by adding --
11 increasing revenue with hangars and fuel fee.

12 Complete. We have done that; Number 7 has been
13 completed. Support the continuing education. That's so that
14 we can, you know, have the proper management at the airport.
15 We're constantly reviewing and updating our operating
16 procedures, making sure they're all within codes and
17 standards. And documented role of the airport board. Well,
18 I think that's pretty well established; we've done that. And
19 then having, you know, logical operating plans, which we
20 review annually. There's what the airport does. It
21 evaluates needs, plans, establishes plans for how to present
22 -- I mean, and present them to the owners for capital
23 improvements and increased revenue. And then hire
24 professional staff, which we have, and maintain our policies
25 and procedures, which are critical to TexDOT and to the

11

1 F.A.A.

2 Here's examples of what we've done when we
3 developed this strategic plan. A lot of strategic plans,
4 people work hard on them, they put a binder on them, and they

5 put them in a file cabinet; no one ever sees them after that.
6 So, we didn't let that happen. We identified a board member
7 with each strategic initiative that we have, and -- and we
8 modify -- I mean, we check on the status of this. We try to
9 do it monthly, but we don't always do it monthly, but we do
10 it. So, we've -- you can read there; I'll not read it for
11 you, what we've done. And some of these things we've already
12 completed, others which are continuing in the work. Now I'm
13 going to jump through the -- so, that's our strategic plan.
14 I think there's -- that's a summary of it. It's not a long
15 document. I want to make sure that everybody gets a copy of
16 it.

17 COMMISSIONER LETZ: Tom, when was that done?

18 MR. MOSER: Pardon me?

19 COMMISSIONER LETZ: When did y'all do the strategic
20 plan?

21 MR. MOSER: We did it in '09, and we updated it in
22 '10. So, our objective is to update it every year, because
23 there's some things that -- that change, and so, it's a
24 living document. So, I think it was in --

25 COMMISSIONER OVERBY: There are a few things in

12

1 there from May.

2 MR. MOSER: May of '09. May '09, and then January
3 of '10 was the last time we updated it. Master plan. This
4 is -- we began in August of '10; we're going to complete it
5 around Thanksgiving. We've had four working sessions on
6 this, which you can see in the different colored grids there
7 of -- of the chart. We have this -- where's one of our
8 master plan documents? Right here. This is the -- this is
9 the master plan. It's not completed yet, but we'll see that
10 everybody gets a copy of that. I think everybody -- a
11 representative from the City and the County has been at the
12 meetings where we have gone through the master plan, and I'm
13 going to go through it real quickly so you'll get a pretty
14 good flavor of what's included in this plan.

15 That's our organization chart. The airport is at
16 the top. Then we've got the board, meeting with -- Garver

17 has got the contract to do this over this 14-, 16-month
18 period. And TexDOT has been here at every one of our -- our
19 working meetings that we've had. They always send a
20 representative and they've been very interactive with us on
21 it. This just shows you what the trend has been. If you'll
22 look how the -- these are aircraft shipments in the United
23 States. This is all classes. But you can see the big
24 tail-off there going from 3,000 down to about 1,500. How
25 that's going to turn, you know as well as I do. Don't know.

13

1 This is fractional aircraft ownership. It too is tailing
2 down in the -- you know, in the last couple years.
3 General aviation and hours flown, it's continuing
4 to increase, you know -- I mean, excuse me, it's down -- it's
5 down a little bit in the 2010 era. It's predicted to go up.
6 This is based on F.A.A. data. This is not from Garver; this
7 is -- this is what the F.A.A.'s predicting. Looking at the
8 -- so it says the aircraft -- number of aircraft is trending
9 down. Fractional's trending down. So, what does it look
10 like in -- as far as pilots are concerned? Bottom line,
11 average over the next 20 years, maybe a half a percent
12 increase per year, something like that, so it's not going to
13 be a big increase in the number of active pilots. And that's
14 all the classifications of the pilots. The general aviation
15 fleet is -- you know, it too looks pretty -- pretty skimp,
16 about 1 percent annual increase in growth over that same
17 period of time. So, it's not -- it's not huge.

18 And I think if you look at trends I showed you on
19 earlier charts, this may be a bit optimistic. This is --
20 this is the Kerrville airport. These are operations per
21 year, 60,000. And if we -- again, this is probably a bit
22 optimistic; it says you can double that by the year 2030.
23 But I think -- I think that you probably say, yeah, if we can
24 capture some of this stuff that looks like is available in
25 the market, and with the facilities that we could have here,

14

1 we could probably realize that. It would be -- it would be a

2 stretch to do it, but probably -- probably doable. We looked
3 at the airport. We looked at the air side and the land
4 side/terminals, with emphasis on the runways and taxiways,
5 and then we looked what do we have now and where can we
6 develop? This is the bottom line on the air side. We said
7 we're good to go. We don't really need to do anything there
8 except, you know, declare some -- what's the RPZ?

9 MR. McKENZIE: Runway protection zone.

10 MR. MOSER: Runway protection zone. We've done
11 that, okay? So, that's been accomplished. We think our air
12 side facilities are there. We don't -- we don't need to
13 spend any more money on that. Hangar development. We looked
14 at the west side and east side of the airport, a mix of
15 T-hangars and box hangars. On the east side, we looked at
16 two alternatives, about 200,000 square feet total. To get
17 you oriented, here's where we are right now, okay? So, we're
18 looking -- there's the parking area; that's where you came
19 in. So, we're looking at this area right here. That's --
20 that's Alternative 1, with box hangars primarily. There's
21 Alternative 2. I'm going to go through all this, and where
22 I'm going to take you with this is we've looked at a bunch of
23 options, and I'm going to show you the preferred option for
24 all of these areas, including a phased development for each
25 of the areas.

15

1 On the southeast side, we looked at three
2 alternatives there of, you know, about 350,000 square feet of
3 hangars. So, to get you oriented again, now, here we are at
4 the -- at the terminal again, so we're in this area right
5 now, which there's nothing there right now except some
6 propane tanks. And expanding that even beyond that area with
7 different configurations, based on what the marketing says,
8 would be the best use for that. Then the northeast side,
9 three different options there, about 150,000 square feet.
10 Now, this is -- to get you oriented here, here are the
11 T-hangars which exist right now. So --

12 MR. McKENZIE: T-hangars are down at the bottom,
13 Tom.

14 MR. MOSER: Huh?
15 MR. McKENZIE: T-hangars are down at the bottom.
16 MR. MOSER: Right --
17 MR. McKENZIE: No, down.
18 MR. MOSER: Here's the terminal.
19 COMMISSIONER LETZ: That's the Brinkman hangar.
20 MAYOR WAMPLER: T-hangars are down kind of on the
21 bottom right.
22 MR. MOSER: Okay. Oh, yeah, yeah, I'm sorry. I
23 got you. Got you. So -- okay. So, here's the terminal up
24 here, opposite Alternate 2, Alternate 3. So you can see in
25 this -- in this master plan, we've done a lot of layout,

16

1 trying to optimize what the hangar space was and the taxiways
2 and the ramps and everything else. Now we go to the other
3 side of the airport. We looked at four alternatives here.
4 This is combinations of both T-hangars and box hangars. So,
5 this is the -- one thing that's on here, there's a paint
6 hangar right here that's part of Mooney. This assumes that
7 we take this back, and we'll talk about that more with the
8 Mooney discussion. Here's some of the Mooney facilities
9 here, Peterson Farm Road coming in right here.
10 COMMISSIONER OVERBY: Tom, real quick, those
11 buildings -- I can't remember. The two buildings that are
12 just -- that have just been closed up, --
13 MR. MOSER: Yeah.
14 COMMISSIONER OVERBY: -- what buildings -- are they
15 off to the left of that?
16 MR. McKENZIE: Right there.
17 MR. MOSER: Right there. Those things --
18 COMMISSIONER OVERBY: 17?
19 MR. McKENZIE: And 18.
20 MR. MOSER: Should show a bulldozer coming in right
21 here.
22 COMMISSIONER OVERBY: I'd like to see that.
23 MR. MOSER: I think the bulldozer's parked over
24 there; you just can't see it. It's getting ready. About the
25 only thing left to do then is to build an Aggie bonfire

1 there, I guess.

2 COMMISSIONER OVERBY: Thank you.

3 MR. MOSER: You bet. So, combination of box
4 hangars and -- and that was another version that we had. So,
5 now, we looked at all those alternatives, so what is the
6 preferred for the total -- oops, going the wrong direction,
7 sorry. That's the total east side of the airport. When we
8 looked at the multiple alternatives and options, that's what
9 we think is the preferred best use of the -- of the land,
10 based on, you know, some preliminary assessments.

11 MR. KING: We have -- at this airport, we have all
12 this acreage, but what we found out real quickly working with
13 the planning guys was that we have an elevation problem. We
14 have -- we're in the hill country, unfortunately -- or we're
15 fortunately in the hill country, but there's no way to --
16 this is the Brinkman's hangar here. This is the grade, and
17 the F.A.A. tells us what grade you can go up that hill to get
18 to those -- to get to this hangar and stuff. So, it's -- it
19 was really, really difficult to get access to this land. We
20 have all this land back here and we have all this land over
21 here, and we have this land here, but there's a 30 -- how big
22 is it? 30 foot? Or 15, 20 foot --

23 MR. McKENZIE: Elevation.

24 MR. KING: -- elevation?

25 MR. McKENZIE: Almost 18 foot.

1 MR. KING: Almost 18 foot elevation change, but
2 right in here. So, that's why it looks kind of -- some of
3 the things look kind of strange as to how you get to them.
4 But it cost a fortune to move this dirt. When we built these
5 first ones here, it cost a ton of money. I think we had a
6 \$200,000 bid --

7 MR. McKENZIE: That was back in 2000.

8 MR. KING: -- to move all the dirt out of here.
9 It's practically a mountain, and so that's why we went to
10 Garver; we told them we just can't be spending that much

11 money on infrastructure to get to build hangars, so they came
12 up with this plan to come up here and access the top side of
13 this stuff, and the top side over here and the top side here.
14 So, it's --
15 MR. MOSER: So, it's all within -- we meet the --
16 COMMISSIONER OVERBY: Where is the new hangar being
17 built?
18 MR. KING: Right over --
19 COMMISSIONER OVERBY: This side here?
20 MR. MOSER: You can see it right there.
21 MR. KING: We had that planned out already; we had
22 planned those two spots. So, we kind of were -- the
23 low-hanging fruit has already been picked, to say the least,
24 and so it's a lot more difficult to get up to these areas.
25 MR. MOSER: One other thing we discussed here.

19

1 Looking at this grade like Steve's talking about, we had
2 another -- another concept where we were coming in through
3 here, but it -- and the F.A.A. says, hey, you're -- you know,
4 we couldn't meet the specs on that. But then TexDOT -- I
5 believe it was TexDOT that said, "What you might do is get
6 somebody that wants to build a hangar up there to build the
7 taxiway."
8 MR. KING: Yeah.
9 MR. MOSER: Abate the rent from them if they do
10 that, and that's -- that's, you know --
11 MR. KING: That's one of the funding mechanisms we
12 talked to TexDOT about, was we don't have -- TexDOT doesn't
13 have to be involved in building those taxiways to get up to
14 the acreage up there. And if you can find someone who wants
15 to build a hangar up there, it's about \$300,000,
16 200-something thousand to get up that hill right there. If
17 we can get those guys to maybe fund -- fund it to get up
18 there, then we can -- we'll abate their rent or figure out
19 some way to give them a break to trade something for some --
20 for some money, so that we don't have to go to the owners to
21 get straight-out development money. So, they approve all
22 that.

23 MR. MOSER: So, this is our preferred west side, to
24 get everybody oriented there. Then what we did is said,
25 okay, one of the things that we looked at on the funding

20

1 here, which -- which we came across with TexDOT being here
2 participating in this master plan development with us, they
3 will cover -- they -- what is it, about a 90/10, Bruce, that
4 they'll cover?

5 MR. McKENZIE: On the buildings, they'll cover a
6 70/30.

7 MR. MOSER: No, sir, not on buildings, but on the
8 flat work. Not the vertical.

9 MR. McKENZIE: It's 90/10.

10 MR. MOSER: 90/10. We didn't even know that they
11 would do that until recently. But all of the -- the
12 foundation for the building, all the taxiways, everything
13 else they'll do 90/10 for us. So, first order, about 18
14 months, two years ago, I -- I did a little assessment myself
15 here. I said what can we do to increase revenue here? So,
16 Bruce and I, we were the engineer/developers on this. We
17 laid this out kind of like -- kind of like this, as a matter
18 of fact. And the reason we did that is because we were
19 constrained by fire/water flow, but it exists right here.
20 So, we said, "Why don't we develop this?" So we did a first
21 order approximation; we could get 90 -- 90 hangars --
22 T-hangars in there for that, and that was going to be a
23 fairly quick thing. And also to facilitate that, we were
24 taking dirt from up here on the drainage project, so we said,
25 "Aha." So we brought all that fill and filled this area over

21

1 here, because this creek really dropped off. This was almost
2 useless land. So, we've got most all the fill that we need
3 there, but not completely.

4 MR. KING: How many yards did we end up --

5 MR. McKENZIE: Fifty -- we moved 50,000 yards.

6 MR. KING: 50,000 yards, and that was all graded
7 and -- and rolled in, rolled in and everything, so it wasn't

8 just dumped there. It was all -- and that was included in
9 the contract that TexDOT paid. They had to get rid of the
10 dirt, so we talked them into -- instead of dumping on this
11 mountain we built over here, that --

12 MR. MOSER: Yeah.

13 MR. KING: -- that hill we built up here, we talked
14 them into taking that little extra space -- and they put in a
15 bid so the contractor didn't lose any money. He bid to go
16 ahead and bring it over here, and we got the contractor to
17 throw that in. So, he brought all the dirt over there,
18 rolled -- he bladed it down, walked it all in with dozers,
19 so -- actually compacted it, and so we brought all that up to
20 grade for basically free. TexDOT paid for all that.

21 MR. MOSER: So, that's our funding. And then we
22 looked at -- well, I'm not going to talk today about what the
23 probable project costs are on this, because I think that
24 needs some more assessment, okay, from what Garver has. But
25 we looked at a phased development plan. So, there's federal

22

1 funds that are available for these from fuel and ticket;
2 that's their source of funding. And then TexDOT gets a block
3 grant from the -- from the federal government, from F.A.A.,
4 and then legislative update from -- that's -- that's a
5 federal thing, Air 21, where they're pumping money, I guess
6 through some of the stimulus funds and all into this kind of
7 stuff, which is a potential. Then the the F.A.A., both
8 facilities and equipment grants that they have. So, that's
9 what I just showed you. That's an overall there, and, you
10 know, that's about 12,000 foot altitude there.

11 And so what we've done is, we says, okay, if we do
12 the east side, this is a phased development. And it's hard
13 for you to see there, but the purple would be the early on,
14 and the orange would be the next phase, and then the blue
15 would be the final phase. So, we have it laid out where
16 we -- we do the easiest things first, and where we could get
17 the most revenue. But it's -- you know, as we build on this
18 -- this airport, we at least have a plan to build to. This
19 is what's being built right now. So, that's part of --

20 that's part of our master plan. We have room for another --
21 another hangar here. And then what we'd do is go into some
22 of the areas that you see in purple, like right in here,
23 close by without a lot of taxiway, and then you have to --
24 this is where you get into a lot higher expense.
25 MR. KING: We're going to look at all funding

23

1 mechanisms on that. We even talked to TexDOT about using
2 public/private. I mean, they're willing to -- if we were to
3 do some ground -- ground work out there with some concrete
4 and stuff like that, then they're willing to actually let
5 private guys come in there and do the rest and finish it out
6 and do public/private. So, it's not -- I mean, one of the
7 problems we've had is that it just costs a ton of money to
8 build these things, and TexDOT is a very, very, very, very
9 underfunded organization. Their total budget's what?

10 MR. MCKENZIE: 13 million.

11 MR. KING: 13 million last year, you know. Or 13
12 -- you know, they just don't have very much money. And, you
13 know, all their money comes from the federal government, and
14 so they -- I mean, every time they get a dollar, there's
15 200-something guys, 190 airports --

16 MR. MCKENZIE: 290.

17 MR. KING: 290 airports out there grabbing it. And
18 so it's very, very -- in fact, all the funding's gone for
19 '11. All the funding's gone for '12.

20 MR. MOSER: That's it.

21 MR. KING: And '13, we got in on a request on some
22 -- on the hangar program. We got in on a request on the
23 hangar program for '13; we just put our name in the hat. So,
24 that -- and Michelle Hannah, our representative, she -- she
25 said, "Well, you always need to get on there," and so we gave

24

1 her some numbers and got in -- just got in on that, so we can
2 be working on something. But at least we're in line for
3 something. Because all this stuff is just -- it gets used up
4 so quickly. And one of the good things about the airport is

5 they spent a ton of money out here on us, but they also --
6 you know, they are -- they are very aware of our problem.
7 They know the problem. We've talked to them about the
8 problem, about not having enough hangars, and they want to
9 help us and they want to work with us. But their funding is
10 just very, very, very, very limited, and they have so little
11 money to go around.

12 MR. MOSER: Yeah. Looked at the -- on the west
13 side, we did the same thing. What can we get the most
14 effective use of -- of capital improvements with? And so
15 purple is what you -- what we do first. That would be --
16 that would be hangars right here. The thing is, we wouldn't
17 need this -- this -- the taxiway here, okay? We could just
18 put -- put one across the -- across the runway here. And --
19 or it'd probably be right here, as opposed to over there.
20 And so say that -- that money that it would take to do all
21 that flat work. So, we said okay.

22 Well, now I'm going to change -- change subjects.
23 That's -- that's development for the future, okay? Well, how
24 about this 310,000 square feet of Mooney property we have
25 over there? And we call it a contingency plan. What if

25

1 there's early termination of that Mooney lease? Well,
2 there's some things that could be done early on. If they
3 just walked in here today and say, "Here are the keys,"
4 there's -- there's space for 18 single-engine aircraft over
5 there, and then also looks like area for four corporate
6 aircraft. So, there could be revenue that would be coming
7 in. There's some -- and then use some of the other stuff
8 for -- for other things, for storage space. Ignore, if you
9 will, right now this one and a quarter million dollars,
10 because that goes back to all the -- what it costs to do all
11 this development, which we need to work on a little bit more.

12 So, there is the -- there is the Mooney facility.
13 As you -- we talked about the west side development. This is
14 a paint hangar that would have to -- that would have to go.
15 This is -- these buildings here are just terrible. I mean,
16 there's nothing -- no use for those except for firewood.

17 This was their structural test facility. You know, no big
18 deal. If somebody wants that, Mooney wants it or whatever,
19 to relocate that, that's not a big deal. You know, some
20 people think it is. And then these -- these hangars over
21 here are the ones that could probably be used. If -- I would
22 really encourage you -- and probably what we ought to do --
23 and one of the suggestions is, in one of the planning
24 committee meetings, maybe in the next one, walk through.
25 Take -- take an hour or two hours and walk through this

26

1 entire facility and just see what's there. It'll scare the
2 bejesus out of you. When you get into this area here, I
3 mean, it's --

4 COMMISSIONER OVERBY: That's being nice.

5 COUNCILMAN CONKLIN: Hey, Tom, I noticed right
6 there, the condition says "good" on all those.

7 MR. MOSER: Yeah, forget that.

8 COUNCILMAN CONKLIN: Is that being updated?

9 MR. MOSER: That's a typo.

10 COUNCILMAN CONKLIN: It came from Mooney?

11 MR. KING: We thought we were good; when we went
12 over there, we took Corey Walters with us, who's a developer,
13 and he's scared to death. He -- in fact, he's the one that
14 -- he had that letter written to the City and the County here
15 recently about -- you know, one of the situations that's come
16 up, and we're trying to address it now, is that in all of the
17 leases that we make out here with tenants, it says in the
18 lease that you will bring -- you will keep the building up to
19 certain standards. And -- and that's to prevent us from
20 getting back -- in 25 years, from getting back something that
21 you really don't even want. I mean, it's -- you know, 25
22 years, they build a hangar and they just do nothing to it,
23 and 25 years later when the lease expires and it turns back
24 over to the City and the County or the airport, and it's just
25 -- it's worse than them having it. Wish they'd keep it.

27

1 And we -- we've run into this thing over here.

2 There really was no maintenance of the hangars. We should be
3 doing -- you know, in the past, should have been doing
4 inspections. When Mooney was going good and they had plenty
5 of money, we probably should have been inspecting those
6 hangars to be sure that, you know, there was -- certainly, at
7 least water was being kept from running inside of them, and
8 -- and that -- and now that's all water under the bridge, but
9 it's just that those -- it's something that we're going to
10 look at really hard with any tenants we have now, especially
11 with -- you know, with the buildings they own, that we're
12 going to own in the near future. Because most of those
13 hangars over there are just -- I mean, the roof leaks. You
14 can see --

15 MR. MOSER: And this one here, that's 110,000
16 square feet --

17 MR. KING: Yeah.

18 MR. MOSER: -- there. And all the equipment has
19 tarps over it.

20 MR. KING: Tarps over it.

21 MR. MOSER: Inside.

22 MR. KING: To keep the water from --

23 MR. MOSER: The roof leaks that bad. So, if it's
24 raining, don't go in there without a raincoat. I mean --

25 MR. KING: There are things inside the buildings --

28

1 little troughs or rain gutters inside the buildings, so when
2 it rains, it funnels water off into a different area.

3 COMMISSIONER OVERBY: Wasn't some of the equipment
4 that's there, Bruce, brought in by train, when we had a train
5 here?

6 MR. MOSER: There's, like, a 100,000-pound press.

7 COMMISSIONER OVERBY: A train that moved it in.

8 MR. MOSER: In the building right here, right.

9 MR. KING: It's 100 ton.

10 COMMISSIONER OVERBY: Yeah.

11 MR. MOSER: Yeah, right. 200,000.

12 MR. KING: I mean, you'd have to cut it in pieces
13 to get it out of there. It's in a hole. It's in a hole.

14 they put it down in a hole. They moved it in there on a
15 railroad -- I guess railroad cars, and they moved it in there
16 and they put ice -- some engineer put blocks of ice in the
17 hole, and they slid it up on top of the blocks of ice and let
18 the ice melt.

19 COMMISSIONER OVERBY: Just set it.

20 MR. KING: Put ice in there and just set it down in
21 the hole. It's the biggest thing you've ever seen in your
22 life. It's a drop press. So -- and, obviously, the -- the
23 usefulness of a lot of the equipment is -- is not here.

24 MR. MOSER: So --

25 MS. HARGIS: Just an F.Y.I. The new GASB

29

1 requirements, in the next two years, you're going to have to
2 put this on your books.

3 MR. KING: Mm-hmm.

4 MS. HARGIS: You have to put the liability, the
5 fact that -- and all on your books, and show it. That's a
6 new GASB requirement coming down the pike in two years.
7 And --

8 MR. KING: We're hopeful that they'll continue to
9 be our tenant.

10 MR. MOSER: Right.

11 MR. KING: Forever.

12 MR. MOSER: So, you know, there's some attraction
13 to corporate aviation. We're still talking about the Mooney
14 thing over here. Hangar development, public/private funded,
15 and then non-aviation property development. You know, maybe
16 part of those buildings over there would be -- we'd have to
17 do something. Say some manufacturing facility or something
18 wanted to use part of it. There's things we have to do with
19 F.A.A., things with the City and the County. We've got to
20 change some of the charter of the airport -- Bruce, help me
21 with the words here, but I think that's basically it. We
22 can't just go in there right now and do non -- non-aircraft
23 or --

24 MR. McKENZIE: Federal program assurances.

25 MR. MOSER: Yeah.

1 MR. KING: The paint hangar -- we talked about the
2 paint hangar.

3 MR. McKENZIE: Yes, they're amenable to talking
4 about that.

5 MR. KING: They're amenable to talking about giving
6 us that. I'm afraid if we ask for too much, they might give
7 it to us. They would give us that, probably, if we -- if we
8 needed it in our -- in our building area, 'cause they're not
9 using it.

10 MR. MOSER: Last part of our master plan is looking
11 at the economic impacts. This is -- we haven't really
12 scrubbed this, but this is what they showed us a couple weeks
13 ago, looking at 2010. This is direct impact. These are both
14 salaries here at the airport, other revenue that comes in
15 from the airport, and then I think they use a multiple on it
16 of, like, three to one, where they said a dollar in salary
17 here is multiplied by three to see what the economic impact
18 is on the community. So, we're somewhere, you know,
19 \$20 million per year of economic impact to the -- to the
20 community because of the airport. I did something else, too.
21 Bruce and I sat here the other day. I said, you know, the
22 thing they haven't included here are the ranches that are
23 located around here because this airport's here. The lady
24 from -- that owns the Coca Cola facility -- I mean -- what's
25 the word I'm trying to say?

1 COMMISSIONER LETZ: Distributor?

2 MR. MOSER: Of all of Mexico; she's got the rights
3 for Coca Cola there. There's a lot of people that have deep
4 pockets that have ranches here that are here because this
5 airport's here. So, I did a back-of-the-envelope thing. I
6 said, well, if 80 percent of the property around here is
7 ranches, okay, square footage, then take a percentage of
8 those which are associated with the airport. But it's
9 probably somewhere -- could be somewhere in the 50 to 100
10 million dollar value of those people being here with their

11 ranches and what they spend because this airport's here. It
12 would be somebody else on the ranch if they didn't, but some
13 of those people are probably spending a lot more money on
14 their -- their hunting and so forth. And what's the --
15 what's the drilling company?

16 MR. KING: Parker.

17 MR. MOSER: Parker. That's -- they're here because
18 of that, I imagine. Public benefits of the airport. You
19 know, about -- a small percentage public health and public
20 safety, 'cause that's probably 10 percent. Then just general
21 welfare, a little bit over 50 percent. And then the
22 commerce, about 40 percent. So that's -- that's the
23 percentage spread around for this airport of how it would be
24 distributed for the -- how it's used. Next subject on the
25 agenda is -- is the marketing plan. This is Randy -- Randal

32

1 Wiedemann has put on the table a proposal of -- to look at a
2 market analysis and branding, and what could this airport do
3 to market itself. There's some of the economic development
4 things that are already here with the health care industry
5 and -- and what percentage of the tax base.

6 He did a little bit of a cursory assessment of
7 what's going on in the area, and I -- I kind of thought it
8 was interesting. 26,000 visitors for camps and hunting?
9 That's -- that's big. I don't know where he got that number
10 from, but it's a big number. Competitive position, there are
11 nine airports in the area that you look at as competition for
12 here. This just -- in the category of mid, upper to lower
13 range, this is where the airport stands as far as fuel
14 pricing and storage and -- and facilities themselves. Third
15 longest runway, and two of the others are in San Antonio.
16 And then we're in the mid to upper range for services.
17 Here's our competition. The ones with the longer runways are
18 down here at Stinson and San Antonio. So you can say we're
19 -- you know, we got to consider all these other guys here.
20 How many hangars -- T-hangars does Gillespie County have?

21 MR. KING: I think 100.

22 MR. MCKENZIE: Close to it. Well, I don't know if

23 it's 100.

24 MR. MOSER: So, that's all marketing things. He
25 said what you need do is consider branding for the airport.

33

1 You know, there are various ways to do that. And then one of
2 the things he said you might want to consider -- or we might
3 want to consider is considering a name change. Well, he
4 doesn't know the political ramifications of that. (Laughter.)

5 MR. KING: Let him bring that up.

6 MR. MOSER: Yeah, right. That's his idea, not
7 ours. But all under the category of -- of branding, which
8 is -- which is important in any marketing endeavor, and then
9 development of the brand. He showed some things which --
10 which he has done with other airports, where they've produced
11 videos and websites and all. Very impressive, and -- and the
12 results have been pretty darn good. I think he showed some
13 in Tennessee and several other places that they've done.

14 COMMISSIONER OVERBY: And New Braunfels.

15 MR. KING: And New Braunfels.

16 MR. MOSER: Right. That's right. Okay, just more
17 of the same thing there, blah, blah, blah, blah. What it
18 comes down to is the estimated cost for this marketing plan
19 is probably about \$45,000. So, where -- if we were to choose
20 to go forward on this, what's the source of funding? The
21 airport budget, or we found out the RAMP grant can be used
22 for this. Never has been used in the past, but it can be.
23 So, with that, we're right on schedule here. Bruce is going
24 to talk about the RAMP grant priorities.

25 MR. MCKENZIE: I was asked late in the week to

34

1 prioritize some of the things that we need to do as related
2 to our RAMP grant funding we're allowed annually. What we --
3 what's mandatory that we must do in order to fit our budget
4 criteria is we have to pay for our AWAS every year, which is
5 about \$1,700. It's \$3,400 for the maintenance. We get 50
6 percent paid of that through a RAMP grant. Along with that,
7 to get that vital information out to all the pilots and

8 others around not only the nation, but around this part of
9 the world, is called NADIN. That's how this information gets
10 sent forth. We must subscribe to that in order to get that
11 information put out. That's about \$700 a year.

12 COMMISSIONER OVERBY: What's the acronym?

13 MR. McKENZIE: N-A-D-I-N. I can get you the --

14 COMMISSIONER OVERBY: All right, thank you. That's
15 good.

16 MR. McKENZIE: The other thing that came up this
17 year, because ours is now expiring, is our stormwater
18 pollution prevention plan. That's a \$3,400 item that I did.
19 That is also funded through the RAMP project, through RAMP,
20 so I'm getting half of that paid for through RAMP as well.

21 MS. HARGIS: How much did you say?

22 MR. McKENZIE: \$3,475.

23 MR. KING: Our share?

24 MR. McKENZIE: No, that's total. Our share is half
25 of that. Then annually, it's going to cost around \$1,000

35

1 annually for the inspections, all the reviews, the
2 sampling -- stormwater sampling and things like that for the
3 next five years. That's all available through RAMP. The
4 next thing is what Tom mentioned then, as we go down the
5 list, as to what we decide to do as to the marketing plan,
6 which was the \$45,000. I'd like to put a security system in
7 the airport in this terminal building, around the terminal,
8 on the ramp area, and cover these three gates out here. And,
9 just at a quick shot, Thursday and Friday I got some numbers,
10 and it's around \$45,000 to do -- put a security system in.
11 Then our airport will have cameras 24/7 around here. We
12 perhaps can get that a little cheaper. It depends on -- you
13 get what you pay for with a system like this. Beyond that,
14 we can always do crack sealing out here on our taxiways, on
15 this taxiway and on our shorter taxiway on Echo over here and
16 on Foxtrot. We can always do slurry sealing. We can do
17 concrete repair on our 7 acres of ramp out here. There's
18 some places that are going to need some attention shortly.
19 But that's the first eight that we can do with our RAMP grant

20 money. And that's what I've been doing the last three years,
21 is taking the worst and putting it first, and taking care of
22 that with the RAMP money. That's how we've been doing it.
23 COMMISSIONER LETZ: That's 50,000 a year?
24 MR. McKENZIE: Yes, sir.
25 MR. KING: A hundred.

36

1 MR. McKENZIE: It's -- they put 50, we put 50; it's
2 100,000.
3 COMMISSIONER LETZ: It's 100,000?
4 MS. HARGIS: 25 from each of us, and then 50 from
5 the state.
6 COMMISSIONER OVERBY: They match the 50.
7 MS. HARGIS: They match the 50.
8 MR. KING: What -- you know, we didn't get much of
9 a briefing on that -- on this marketing plan. What are
10 they -- I know he said he'd do something on the website.
11 They'll help us --
12 MR. McKENZIE: Help us upgrade our website.
13 MR. KING: Upgrade our website to where it
14 incorporates the website into the marketing plan and
15 everything.
16 MR. McKENZIE: That's all --
17 MR. KING: Do you think we could get Randal to
18 maybe give us a -- I mean, a presentation? I'm just a
19 little -- I feel like there's not a whole lot of information.
20 MR. MOSER: He needs to give us a definitive --
21 MR. McKENZIE: The website is \$4,300.
22 MR. KING: Extra?
23 MR. McKENZIE: No, that's in the \$45,000.
24 MR. KING: In the 45,000?
25 MR. McKENZIE: That 45 is a high number, because

37

1 Garver said their number would not exceed 7,000 as they
2 implemented this program. Randal's number is 37,9. Garver
3 said their number would not exceed 7,000. So, I told Tom to
4 use \$45,000; that would cover it, worst case scenario.

5 MR. KING: Do you have a list of what you get for
6 that?

7 MR. McKENZIE: Sure, right there.

8 MR. KING: Is that in my packet?

9 MR. MOSER: This is what he submitted, okay.

10 COMMISSIONER LETZ: I'd kind of like -- I think it
11 would be helpful.

12 MR. KING: They talked about it for about 15
13 minutes or so. Mike was here. It wasn't very long; didn't
14 talk about it very long. Weren't you here? I hope you were.
15 And, I mean, I don't really -- it would really be helpful.
16 Where's he out of?

17 MR. McKENZIE: North Carolina, I believe.

18 MR. KING: It would be helpful if we could get him
19 on a conference call or something and let him sell that idea
20 a little bit. Sell it. I mean, --

21 MR. MOSER: Be more specific.

22 MR. KING: -- what do y'all feel like? Anybody
23 have any comments on that? I'm kind of -- you know, the RAMP
24 grant deal, the way the RAMP grant deal works, it's not --
25 it's not new money. There's no new money. It's just that

38

1 they're going to redirect -- what they've done in the past
2 is, this -- this is not a RAMP grant allowable project.
3 They've got a list of RAMP grant allowable projects, and you
4 can spend your 50,000 or \$100,000 on any of those projects,
5 on any of those services, and this was not ever on that. But
6 they want to try one of these to see what -- what it does.
7 And then if it works, they'll use it and they'll move it over
8 to RAMP grants and let everybody, all the airports, when
9 they're doing their master plans, try it. But -- but, you
10 know, it's not new money; it's just money we're going to be
11 -- we're only -- instead of us, if we wanted a marketing
12 plan, paying 45, they're going to pay for half of it. But we
13 do lose, you know, 27,5.

14 MR. MOSER: You know, my thought too was we've got
15 a master plan that we're developing. It's a concept for how
16 we will develop the airport. We've got some things that we

17 could do right now. I'm not sure that the timing is right
18 for a marketing plan. You know, if somebody says, "Yea,
19 verily, I'm ready to go," we say, "Well, wait, wait, wait.
20 Wait a minute, now; we're not quite there." It's always
21 good -- I mean, it takes a while. You can't just wait till
22 you start getting the facilities ready and then try and
23 market them. It -- the first part of it would be really
24 good, 'cause it would help us understand what that market is,
25 and as we move forward, to develop additional facilities.

39

1 MR. KING: Those were kind of my questions at the
2 meeting, is what are we marketing?

3 MR. MOSER: Yeah.

4 MR. KING: I mean, I don't want -- it's kind of
5 like we don't want to advertise and get a whole bunch of
6 people down who want T-hangars. We don't have any T-hangars.
7 We don't have any box hangars. Joey can't put another
8 airplane in the hangar. If a guy walks in here with a
9 Gulfstream, there's no place to put him. So --

10 COMMISSIONER OVERBY: Is there a certain timeline
11 before you can -- I mean, you have to access the --

12 MR. KING: Maybe not. Joey might -- Joey might
13 have room.

14 MS. HARGIS: It's every year.

15 COMMISSIONER OVERBY: We have to use it during the
16 -- this fiscal year?

17 MR. KING: Yes, sir.

18 COMMISSIONER OVERBY: Okay.

19 MR. KING: Anybody have any thoughts?

20 COMMISSIONER LETZ: I think probably more -- I
21 mean, it's good to talk to the guy.

22 MR. KING: Yeah.

23 COMMISSIONER LETZ: I think --

24 MR. KING: Need to put him on --

25 COMMISSIONER LETZ: I don't know how useful it is

40

1 to have the marketing plan right yet. I mean, I think --

2 MR. MOSER: It would be good to have a better
3 marketing definition of what the potential market is, the
4 addressable market, and then whatever that we can gain now;
5 that would be useful. But then just to go out and start,
6 quote, selling it and advertising, I'm not sure we're ready
7 for that.

8 COMMISSIONER LETZ: Would TexDOT do the first part
9 of it, is figure out who is -- who you need to market to?

10 MR. MOSER: Yeah. See, that's -- that would be
11 useful.

12 COMMISSIONER OVERBY: Yeah.

13 COMMISSIONER LETZ: But not necessarily, you know,
14 trying to sell it yet.

15 MR. MOSER: Right. Right.

16 COMMISSIONER OVERBY: Makes sense.

17 MR. MOSER: So, why don't we talk to Randal and --

18 MR. KING: Yeah, why don't we -- Bruce can get him
19 on conference call, and I'll --

20 MR. MOSER: Look at phasing this marketing thing.

21 MR. KING: -- see when he can come up. We'll talk
22 to him and see if he has any new information. We might want
23 to talk to the City and the County. We can talk to you guys
24 and talk to Carson and David, and see if there's any new
25 ideas.

41

1 MAYOR WAMPLER: Not having had a chance to think
2 about it, I'm just listening carefully to what's being talked
3 about today, and I agree the Airport Board's got, I think, a
4 fairly good handle on what some of the challenges are, what
5 some of the opportunities are going forward. But, again I'm
6 not sure we have a lot to market at this point. But beyond
7 that, I'm wondering if this is a program that was sold to
8 TexDOT by an outside agency as an add-on to --

9 MR. KING: No.

10 MAYOR WAMPLER: You know, someone in North Carolina
11 does these around the country; TexDOT buys in as a
12 value-added process for these master plans, and we're going
13 to get served a bunch of boilerplate written by somebody in

14 North Carolina about what we ought to be doing here. I think
15 we have to have a pretty defined focus as to what we would
16 like our marketing plan to be before we sign on, because, you
17 know, we're getting 1,000 brochures; those go stale in about
18 six months. We're going to have a website. Who's going to
19 maintain the website, keep it updated and host it and so
20 forth? You know, what are we really buying here?

21 MR. KING: Well, that's -- they do a video and --

22 MAYOR WAMPLER: Not that we don't need a website --
23 or better website or some brochures, but I think we could
24 probably do that as effectively locally. I mean, I don't
25 mean necessarily -- you know, it could be a Kerrville person

42

1 or not a Kerrville person that builds a website. I'm saying
2 the ideas need to come locally rather than buying into a
3 boilerplate process that this kind of -- that's what this
4 looks like to me.

5 MR. MOSER: Yeah, and I agree with that. It's
6 just -- I think the thing that we don't have is a good
7 quantitative -- what's the addressable market? You know, how
8 many corporate jets do we really realistically think we can
9 bring into here? Not to go say, "Y'all come." It's just
10 what's out there that we can then begin to figure out what
11 facilities we need, and then -- then start the market -- the
12 selling. Okay?

13 COMMISSIONER LETZ: Figure out also as to what do
14 we have to do to get them here.

15 MR. MOSER: Precisely.

16 COMMISSIONER LETZ: What kind of -- is there a
17 rebate on something, or --

18 MR. MOSER: Sure.

19 MR. KING: Right.

20 MR. MOSER: Cheaper fuel or whatever, right.

21 COMMISSIONER LETZ: What's the decision process?

22 MR. KING: Just off the top of my head, I'd rather
23 spend -- if I was going to spend that kind of money, I think
24 I'd rather spend it with, like, a partnership or something,
25 like with Joey. He needs to be double-A.

1 MR. McKENZIE: Exactly.

2 MR. KING: That's a discussion Bruce and I have --

3 MR. McKENZIE: Really, a marketing plan needs to be
4 kind of an airport tenant, airport -- involvement between
5 everybody. Because if we're not all going the same
6 direction, we're just kind of going different directions, if
7 you know what I mean.

8 MR. KING: Right.

9 MR. McKENZIE: And we've done -- actually got a
10 marketing plan. The mayor -- I agree with what the mayor
11 said as far as, you know, you develop marketing locally. You
12 have to determine where your focused market -- this is a
13 destination; I don't care what anybody says. The people that
14 have airplanes here are here because they want to be in
15 Kerrville, not Uvalde. And -- and the fact that the
16 airport's here may or may not have a bearing on a decision,
17 but you got to have the airport. But there is a target
18 market, and you're not going to draw a based airplane out of
19 South Carolina to come to Kerrville because of a marketing
20 plan. That's not going to happen. There's a small target
21 area that you can look at, at places to get -- draw these
22 based aircraft from.

23 MR. KING: Yeah. I think you'd maybe use the money
24 a little better -- if we had a bunch of hangars just sitting
25 here vacant, it would be one thing, you know. But if you put

1 out a video, you do all this marketing stuff, first thing

2 they ask is --

3 COMMISSIONER LETZ: We're ready to come.

4 MR. MOSER: Or if we have a building, a half a
5 dozen or a dozen or whatever, then it's time to -- you know,
6 at least we have a plan as to what we're going to do. You
7 know, the doors will be open in 12 months or whatever. But
8 we can't say that right now.

9 MR. KING: We need to call Randal and see if
10 there's anything we missed out of that deal. Okay. Well,

11 thanks. That's good.

12 MR. MOSER: Okay.

13 MR. KING: What's your next project?

14 MR. MOSER: Next agenda item, discuss

15 administrative management structure and Mooney. And, I mean,

16 I don't know if that's something the City wanted to --

17 COMMISSIONER LETZ: I put it -- I said I thought

18 Mooney was a good topic to put on here.

19 MR. MOSER: Oh, okay. Sure.

20 COMMISSIONER LETZ: Just a general discussion,

21 really, as to what we need to be doing with that property.

22 And, I mean, I don't know -- not even sure when Mooney's

23 lease is up, what their status is. I'm not sure anyone

24 knows.

25 MR. MCKENZIE: 2033.

45

1 COMMISSIONER LETZ: Long time.

2 MR. KING: Well, we've talked about it. We had

3 some discussions with -- Corey had some discussions with

4 Bruce about the possibility of maybe using -- using some of

5 our budgeted money to try to at least evaluate the --

6 evaluate the hot spots over there; that we may need to --

7 maybe we need to go in and there and spend 10,000, \$15,000 on

8 some -- on some remedial stuff to -- you know, to prevent any

9 further decay of some of the buildings. They're obviously

10 not going to do it, and/or they can't do it, and we

11 understand that. But, you know, we just -- it might be, you

12 know, we'd have to look at -- it might be in our best

13 interest to maybe, you know, find some spots over there that

14 we can stop some of the deterioration. And, unfortunately,

15 all the buildings are so big that anything you do, especially

16 in those two big projects, is just a big number. You know

17 that, Carson. I mean, when you're talking

18 110,000-square-foot building, patching the holes in the roof

19 are big.

20 MR. MOSER: I know what that is. To fix that

21 roof -- to fix that roof with a spray-on, back of the

22 envelope, and like a 20-year guarantee, is like \$100,000.

23 MR. KING: Probably.
24 MR. MOSER: That's about what it is. That's on the
25 big, long --

46

1 COMMISSIONER LETZ: They're in compliance with
2 their lease? Sort of? Or are they not compliant?
3 MR. KING: They're compliant.
4 COMMISSIONER LETZ: They're paying?
5 MR. KING: They're paying.
6 MR. McKENZIE: Every 1st of the month, they walk in
7 with a check.
8 MR. MOSER: In compliance with cash money, but not
9 in compliance with the last 30 years --
10 COMMISSIONER LETZ: Of maintenance.
11 MR. MOSER: -- of maintenance.
12 MR. McKENZIE: They haven't been.
13 COUNCILMAN CONKLIN: What's their monthly lease
14 rate?
15 MR. MOSER: \$5,000 a year.
16 COUNCILMAN CONKLIN: They've got, like, six
17 employees over there?
18 MR. McKENZIE: I think they said nine.
19 COMMISSIONER OVERBY: Yeah, they've had nine.
20 MR. McKENZIE: Nine people.
21 MR. MOSER: So, it's \$5,000 a month, right?
22 MR. McKENZIE: 4,798.
23 MR. MOSER: \$5,000 a month for 10,000 square feet.
24 That's a pretty good deal. Of course, when they had 300
25 employees there, it was different.

47

1 MR. KING: And they've been a good tenant; still
2 are a good tenant. They pay the taxes and everything. It's
3 just -- I think we have to look at the potentials and look at
4 the scenario that if they ever do leave and we do get them
5 back, you know, we don't have to spend a big lump sum number
6 just to get them -- I mean, kind of like the B.A. Products
7 hangar over there, this hangar we have over here. That's a

8 neat little building over there, but, you know, we've been
9 trying to market that thing for the last year and a half, two
10 years, to somebody who would come in here and spend the money
11 to get it up to A.D.A. standards, you know. So you move in
12 here and you move your business in, and we'll abate your
13 rent; we'll give you a less -- lesser rent if you'll spend
14 \$50,000 on the building. Well, that's just not working.
15 People just -- they want to walk into something ready to go.

16 COMMISSIONER OVERBY: That's ready to go.

17 MR. KING: In this market, there's something across
18 the street that's ready to go, or there's something down the
19 road. And so, you know, we're going to probably put up a
20 plan to use -- to, you know, try to see what it will cost to
21 get that building up to -- up to leasable standards, where we
22 can move in on them and get it, and -- 'cause we've had some
23 lookers on the thing, but everybody's just a little scared
24 off when they walk in there and they go, "Oh, you know, I got
25 to spend this and I got to spend that." And so that's kind

48

1 of a different idea we're going to have to take. We've been
2 hoping that someone will come in and be a golden knight, have
3 them work. So, that same thing with Mooney. I mean, I don't
4 know. We'll take any suggestions or input, but something's
5 got to be done over there. At some point -- I consider it a
6 contingent liability.

7 MR. MOSER: That's what it is.

8 MR. KING: At some point it's going to be ours.
9 You know, maybe not this year, maybe not five years from now,
10 but 10 years; at some point it's going to be ours, and when
11 it is ours, it's going to cost a lot of money just to lock it
12 up, just to keep the kids from getting into it. They've got
13 security guards 24 hours a day over there.

14 MR. McKENZIE: Not any more.

15 MR. KING: Not any more? That's gone too. Well,
16 now they don't. So -- but if it was ours, it would be
17 different. Since it's theirs, --

18 MR. MOSER: It's a liability.

19 MR. KING: -- it's just a big liability. So, I

20 think we have to look at it. We've got some mold issues in
21 that building over there. I know there's mold in there.
22 MR. McKENZIE: 17 and 18.
23 MR. KING: They wouldn't let us walk through it but
24 like a minute and 30 seconds.
25 MR. MOSER: Right here?

49

1 COMMISSIONER OVERBY: That just needs to go.
2 MR. KING: Keep walking, don't stop.
3 MR. MOSER: That's nothing. I mean, that's --
4 that's trash.
5 MR. KING: Got mold and --
6 MR. MOSER: These buildings here are probably not
7 usable for anything.
8 MR. KING: Anyway, we just got to have some sort of
9 a plan to do something with it.
10 MR. MOSER: This is good. These buildings are
11 good.
12 MR. KING: 'Cause it just --
13 MR. MOSER: This one's --
14 MR. KING: It's going to be ours someday.
15 MR. MOSER: -- doable.
16 MR. KING: All right.
17 MR. MOSER: Okay. We're ahead of schedule.
18 MR. KING: Oh, good.
19 MR. MOSER: So --
20 COMMISSIONER LETZ: I guess I'm -- the last thing
21 is I want to go back to the first item on the agenda to make
22 sure -- I mean, when the City and County came up with this,
23 we really didn't have a -- other than good communication, as
24 to a format, what should be discussed in the meetings. We
25 might want to talk a few minutes about what are the kind of

50

1 topics, if any, if it's a good idea or bad idea to continue.
2 I mean, what we need to do moving forward, so we have some
3 idea as to -- I think the idea was quarterly; isn't that
4 right, Mayor?

5 MAYOR WAMPLER: Yeah.

6 COMMISSIONER LETZ: As to what we want to do at
7 these meetings. I don't have any real definite ideas, other
8 than just improve communication between all three parties.

9 MAYOR WAMPLER: I think in the interests of that,
10 there wouldn't be any need, necessarily, to restrict the
11 times we talk about it. I think as we get closer -- I don't
12 know if it's a two-week time frame or one-week time frame.
13 As we get closer to a scheduled meeting, if all the parties
14 who will be parties to that meeting put in what they'd like
15 to see on the agenda.

16 COMMISSIONER LETZ: Okay.

17 COMMISSIONER OVERBY: Good idea.

18 MAYOR WAMPLER: And, you know --

19 MR. MOSER: Before you get out of here, one of the
20 suggestions we had -- we didn't have anybody that was doing
21 the administrative thing, coordinating that, so the
22 suggestion was just to have the airport staff here at least
23 be the -- coordinate the thing, post the agenda items, make
24 sure everybody gets a chance to --

25 MAYOR WAMPLER: Okay.

51

1 MR. MOSER: If that's okay.

2 MAYOR WAMPLER: That'll be fine.

3 COMMISSIONER LETZ: Is this an appropriate venue to
4 talk about the weekly reports that come out, as to what kind
5 of information that it'd be good to have on there?

6 MR. MOSER: Sure.

7 COMMISSIONER LETZ: Or probably put it on the next
8 agenda to talk about that format.

9 MR. MOSER: Okay.

10 COMMISSIONER LETZ: And so we --

11 MR. KING: What I'd like to get out of it as a
12 board member is we'd like to get some feedback. If there's
13 feedback to be given, we'd like to get feedback from the
14 owners. I mean, that's really what I'd like to see. I mean,
15 that's the one thing we would like to -- you know, I was
16 talking to the mayor earlier today. It's just -- you know,

17 so I think we've gone a little -- you know, this board being
18 an independent board is -- you know, I think you can take
19 that to a certain level. And we don't want to be -- we want
20 to be independent, but we don't want to be left alone either,
21 completely on our own. I mean, we want to make decisions
22 that are good for the city and the county. And -- and, like
23 I say, if we can -- we can short-circuit a bad idea, then
24 that's what we'd like to have done. We'd like to have a bad
25 idea short-circuited just as much as we'd like to have the

52

1 good ideas complimented.

2 So, you know, if we can put, you know, something
3 out there that y'all think we need to discuss, or some topic,
4 we're not -- I don't consider that to be meddling or input
5 from our owners that, you know, is not required. Hey, we
6 don't have all the best ideas. We don't have a lot of the
7 ideas. But, you know, sometimes when you look at it from an
8 outside point of view, you know, you may have a suggestion.
9 And -- and I like those. I'm not going to take them as
10 criticism; I'm just going to take them as constructive ideas.
11 That's what we'd like to -- you know, if there's a timing
12 issue that we're working on, the budgets or something like
13 that, you know, I want to hear about those too, so that we
14 don't screw up and put something in our plan that we think is
15 going to work, and it's not going to work for the city, and
16 it's not going to work for the county. So, I'm kind of like
17 -- I don't believe there's any -- should be any limit on it.

18 COMMISSIONER LETZ: And the other item that I think
19 -- I haven't talked to the mayor; maybe Carson, about the
20 idea of -- on the budget, on moving towards a -- getting rid
21 of the management contract as it is. And if there's an
22 interest in doing that, I thought maybe the County would come
23 up with a proposal, and that would pretty much shift
24 employees and almost everything from the line items in an
25 airport budget, and then everyone can take a look at that.

53

1 City Manager and County Attorney can take a look at that.

2 MR. ERWIN: Along that line, could I ask a
3 question? You'd mentioned earlier in the year about going
4 back out for a management contract. Would that -- if we
5 ended the one now, would the plan still be to go back out in
6 the future for a management contract? Or would it change the
7 structure of the management of the airport?

8 MR. KING: I don't know. I mean, it depends on
9 what would be left. There's got to be something left in that
10 management contract. There's H.R. and some stuff -- there's
11 some stuff that can be left in that. And, I mean, it's
12 always been my feeling that, you know, we -- at some point, I
13 told -- I made the statement that we would put that back out
14 in an RFP.

15 MR. MOSER: And break it into packages, too.

16 MR. KING: Yeah. And --

17 MR. MOSER: You know, it doesn't have to be one --
18 one total package.

19 MR. KING: I think the plan, I think maybe I've
20 talked to Jonathan about it, would -- I think it would save
21 money. I mean, I think it would save money for everybody. I
22 think this whole thing would save money if we had a service
23 agreement instead of a -- instead of a management contract,
24 we'd have a service contract. If we need a backhoe, how much
25 do you guys want for your backhoe? You know, I've got two

54

1 backhoes; I know what I get for mine. And, you know, if we
2 need a backhoe to go come dig holes out here, we'll get your
3 backhoe, and it's listed at \$72.50 an hour for an operator,
4 and we'll get your backhoe. Don't put in the contract dirt
5 work, or -- you know, and then we don't ever use your
6 backhoe, and we pay \$6,000 in backhoe work. You know, I'm
7 just using a backhoe as an example, but, I mean, something
8 like that. I mean, I think -- I think there's a way of
9 making it work with a service -- for services and stuff,
10 engineering, you know, stuff like that. We've really found
11 that we can use engineering -- we use a lot of these
12 engineers, and we have been really fortunate. We have a lot
13 of outside work being done here; we're able to use all their

14 engineers and stuff. But, you know, I would like to get this
15 thing to run better, where it runs most efficiently
16 cost-wise. And I don't think that -- you know, I think it
17 can be better. I think it can be done a lot better. So, if
18 that works, if there's a way to do that that works -- if it
19 doesn't work, the City and County say that's a bad idea, then
20 we'll go along and we'll put out an RFP and we'll bid that
21 thing out.

22 COMMISSIONER LETZ: Okay. We'll come up with
23 something from the County and then toss it out.

24 MR. KING: Okay.

25 COMMISSIONER LETZ: Next meeting, January?

55

1 MAYOR WAMPLER: Yeah, I think that would be good.

2 COMMISSIONER LETZ: But the budget thing, we need
3 to get that going before that.

4 MAYOR WAMPLER: Okay.

5 MR. MOSER: Yeah.

6 MR. KING: On the budget deal, we're going to --

7 COMMISSIONER OVERBY: November 2nd, budget?

8 MR. KING: We're going to do a budget workshop on
9 the 2nd, and we are going to formulate an Airport Board
10 budget, and we will present that budget to the City and the
11 County as the interlocal agreement provides. And then we
12 will -- hopefully, everybody -- kumbaya and everybody's
13 happy.

14 MR. MOSER: Hopefully at the workshop, we can --

15 MR. KING: Then we can get it all worked out at the
16 workshop.

17 MR. MOSER: -- walk out of there with an agreed-to,
18 anyway.

19 MR. KING: I feel really confident it will be a
20 budget that everyone will be happy with.

21 COMMISSIONER LETZ: And the understanding that the
22 funding levels --

23 MR. KING: We know the funding level, and --

24 MR. MOSER: Right.

25 MR. KING: We're really secure with the funding

1 level, and we don't -- I don't think that that number will be
2 any different.

3 COMMISSIONER LETZ: Okay.

4 MR. KING: And I would like for the budget to equal
5 the budget that was presented with a positive -- on the
6 positive side, not the negative side.

7 COMMISSIONER LETZ: Okay.

8 MR. KING: I mean, I think that that's -- I mean,
9 that's -- I don't really like to ever do a budget where
10 you're losing money. When you know -- when you have a -- I
11 mean, when the funding level -- when you know what the answer
12 is, you should be able to get to the end of the problem.
13 And, you know, if we need more money, we'll come back to the
14 City and we'll come back to the County and we'll debate that
15 in y'all's format, and we'll explain what the issues are.
16 But there's a mechanism in the interlocal agreement to
17 provide for emergency funding, and I think that provides for
18 everything that we should need with the airport. So, we'll
19 get together; we'll get that budget workshop, and we invite
20 input from the City and input from the County on what we --
21 what we've come up with, and then we'll present that. I'll
22 probably have to present it at a Council meeting. I probably
23 have to do some more homework before I do that.

24 MR. MOSER: Is there a date for that next meeting
25 in January?

1 MR. KING: But I will be there.

2 MR. MOSER: Choose a date.

3 MR. KING: Straight up.

4 MR. MOSER: So we can --

5 COMMISSIONER LETZ: What's a -- is Monday afternoon
6 a good time?

7 COMMISSIONER OVERBY: The next meeting time?

8 MR. KING: Is January --

9 COMMISSIONER LETZ: Why don't we come up with a
10 couple of dates?

11 MR. MOSER: Okay.

12 COMMISSIONER LETZ: Do it that way.

13 MR. MOSER: Give them to Laurie or Bruce. Okay,

14 good.

15 COMMISSIONER OVERBY: That's good.

16 MAYOR WAMPLER: I guess I have a question. I'm a

17 little -- so we had discussed, I think, at our last meeting

18 when we agreed on the construct of the interlocal agreement

19 about possibly doing away with the service contract. And --

20 or the management contract. And I understood then the

21 concept, but now I'm hearing from the Airport Board that it's

22 likely that if we went away from the current management

23 agreement, that the Airport Board would go out for another

24 management agreement, so I'm wondering what -- by letting go

25 of the current one, what are we achieving if we're all

58

1 mutually --

2 COMMISSIONER LETZ: I think what Steve's saying is

3 for H.R. services, things of that nature, it makes sense for

4 that -- they don't want to take that on themselves.

5 MAYOR WAMPLER: I guess that --

6 COMMISSIONER LETZ: That's part of it. It might be

7 a much --

8 MR. MOSER: Truncated.

9 COMMISSIONER LETZ: -- smaller --

10 MR. KING: I don't know who would handle that.

11 Maybe I'm -- I'm not talking misinformed, but I don't know

12 that we can move --

13 COMMISSIONER LETZ: Yeah.

14 MR. KING: -- move retirement back and forth every

15 other year. I don't think we can move the H.R. duties -- and

16 I'm talking about a stripped down -- I'm just talking about

17 the H.R. -- basically H.R. duties and --

18 COMMISSIONER LETZ: Payroll.

19 MR. KING: -- payroll.

20 MR. MOSER: Payroll.

21 MAYOR WAMPLER: That's fine.

22 MR. KING: And that's it.

23 MAYOR WAMPLER: I didn't know if there was a
24 disconnect in terms of what that management --
25 MR. KING: No. When I call it a management

59

1 contract, I'm just talking about those duties. There will be
2 something left out of that that takes into consideration
3 those. Everything else is on the table.

4 MR. MOSER: Absolutely.

5 MR. KING: Is on the table. I was just -- I talked
6 to Bruce before, and I know that just moving that back and
7 forth is not that great, not a good deal. But everything
8 else -- that's all I was talking about.

9 MR. MOSER: Okay.

10 MR. KING: I want -- you know, if it will save
11 money and streamline things, that's what I want to do. And,
12 I mean, I think it will save some money. I hope it will.
13 So, we'll give that a shot. And then anybody could bid on
14 the services. I mean, if you want to bid on the backhoe, you
15 can. If you want to bid on cleaning out the sewers or
16 something, or -- I don't know what we do out here. Changing
17 oil, changing light bulbs. Our guy does that. You know,
18 since we did -- we come to that system where we have two guys
19 out here -- do we have two guys or one?

20 MR. MOSER: One.

21 MR. KING: One -- you know, one guy quit. But, I
22 mean, there's another -- I mean, y'all were still charging us
23 for that other guy, I guess.

24 COMMISSIONER LETZ: Hmm-mm.

25 MR. KING: Why not? I don't understand that. I

60

1 just don't understand that.

2 COMMISSIONER LETZ: We only pay -- we only charge
3 for the amount we spend.

4 MR. KING: Amount we spend? Well, what's the
5 158,000? Don't y'all get that?

6 MS. HARGIS: We did get that.

7 MR. KING: Do what?

8 MS. HARGIS: We got that, turned around and gave it
9 back to you.

10 MR. KING: Well, that was because y'all funded 100
11 percent.

12 COMMISSIONER LETZ: Yeah.

13 MR. KING: But with the 50-50 deal --

14 COMMISSIONER LETZ: We'll bill what we --

15 MR. KING: Bill what we spend. So it might not be
16 158,000.

17 COMMISSIONER LETZ: Right.

18 MR. KING: Okay. All right.

19 MR. MOSER: Cost-plus.

20 MR. KING: So it's like -- okay, that's fine.

21 MR. MOSER: The "plus" is zero.

22 COMMISSIONER LETZ: Yeah, plus is zero.

23 MR. MOSER: But still --

24 MR. KING: But, I mean, I am right on that
25 management -- on that service contract. One guy doesn't have

61

1 to get all the services.

2 COMMISSIONER LETZ: Right.

3 MR. KING: The bug treating guy -- we got a bug
4 treating guy. An independent guy could treat the bugs.

5 COMMISSIONER LETZ: Mm-hmm.

6 MR. KING: Do the pesticide program out here. So,
7 we don't have to give it all to one guy; it can be separate.
8 So, I mean, I think that would help. If we didn't have to
9 bid some of that stuff out, we'd have some competition. All
10 right.

11 MR. MOSER: Okay.

12 MR. KING: Anything else? Any other questions?

13 COMMISSIONER LETZ: Thank you.

14 MR. MOSER: Fini.

15 MR. KING: Thanks, guys.

16 (Meeting was adjourned at 2:20 p.m.)

17 -----

18
19

20
21
22
23
24
25

62

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 28th day of October,

8 2011.

9

Kathy Banik, Texas CSR # 6483
Expiration Date: 12/31/12
Official Court Reporter
Kerr County, Texas
700 Main Street
Kerrville, Texas 78028
Phone: 830-792-2295

10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25