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KERRVILLE-KERR COUNTY JOINT AIRPORT BOARD

Regular Meeting

Monday, February 18, 2013

8:30 a.m.

Airport Terminal Conference Room

1877 Airport Loop Road

Kerrville, Texas

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

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

COUNTY STAFF PRESENT:
Tom Moser, Commissioner Pct. 3
Jeannie Hargis, Auditor

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

VISITORS:
Mark Moser
Jim Settle
Mark Armstrong, Kerrville Daily Times

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1 On Monday, February 18, 2013, at 8:30 a.m., a regular
2 meeting of the Kerrville-Kerr County Joint Airport Board was
3 held in the Airport Terminal Conference Room, Louis Schreiner
4 Field, Kerrville, Texas, and the following proceedings were
5 had in open session:

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

7 MR. KING: All right. I'll call the meeting of the
8 Kerrville/Kerr County Airport Board, February 18th, 2013,
9 meeting to order. Visitors forum -- Item 1, Visitors forum.
10 At this time, any person with business not scheduled on the
11 agenda may speak with 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 on the agenda for 72 hours.
14 Visitors are asked to limit their presentations to three
15 minutes. Anybody? Nobody speaking, all right. We'll close
16 that and go to Item 2. What the heck is that?

17 MR. McKENZIE: I changed the format just a slight
18 bit, and I'll go into that when we get into the meeting. But
19 if you would read that, that's what --

20 MR. KING: At this time -- Kerrville/Kerr County
21 Joint Airport Board member forum. At this time, any member
22 of the Kerrville/Kerr County Joint Airport Board may speak to
23 the Board and/or the public present on any matter not
24 scheduled on the agenda. No formal action may be taken on

25 these items because the Open Meetings Act requires an item to

4

1 be -- an item that requires formal action to be posted on the
2 agenda 72 hours before the meeting. If formal action is
3 required, the item will be placed on the agenda for a future
4 meeting.

5 MR. McKENZIE: This was -- Kirk brought this to my
6 attention a couple months ago. This will alleviate any
7 issues about the board speaking about any subject that they
8 want to that's not on the agenda.

9 MR. KING: Okay.

10 MR. GRIFFIN: And what -- what brought it up was,
11 last meeting when you had a discussion -- you had a topic; I
12 can't even remember what it was, Ed, but you wanted to say,
13 "Hey, I want to bring something up."

14 MR. LIVERMORE: Mm-hmm.

15 MR. GRIFFIN: It is -- these are the words that are
16 accepted by the -- the Comptroller and the State. Most
17 public forums have it. It just gives the board members an
18 opportunity to say something --

19 MR. KING: Okay.

20 MR. GRIFFIN: -- that isn't on the agenda that
21 doesn't necessarily need to be addressed.

22 MR. KING: Okay. How come we don't approve the
23 minutes any more?

24 MAYOR PRATT: It's supposed to be a consent agenda.

25 MR. KING: It's not.

5

1 COMMISSIONER MOSER: No, it's not. The reason --
2 the reason is, she takes it word-for-word, so there's nothing
3 to approve or disapprove.

4 MR. KING: Because she's -- because it's
5 word-for-word?

6 MR. McKENZIE: We have the minutes. It's posted on
7 our website within a week of the board meeting.

8 COMMISSIONER MOSER: But the reason you do not
9 approve them is because Kathy's taking them verbatim. We

10 decided that when we started the new -- I decided that when
11 we started the new admin --

12 MR. KING: Is that right? I don't know. What do
13 you think, Mayor? Do you think that's not right? Do you
14 think --

15 MAYOR PRATT: Well, you're saying that she's
16 never -- never going to make an error. And that's not her;
17 it's anybody sitting at that -- in that corner. And --

18 MR. KING: I don't know. Why don't you check with
19 the City Attorney on that? We used to do that. Check with
20 Mike and see. Mike will do that probably for us.

21 MAYOR PRATT: I think the premise from the -- from
22 the State is -- is that the board has to accept
23 responsibility. You can't --

24 MR. KING: I understand that.

25 MAYOR PRATT: -- put the responsibility on her.

6

1 MR. KING: Like I say, we used to do it. When we
2 started doing verbatim minutes, we quit doing it. We used to
3 have the minutes; you could read them, look at them every
4 month. We probably ought to look at that, just to clarify.
5 Let's look at that for next meeting. Anybody have an item on
6 that Number 2?

7 MR. GRIFFIN: I'd just like to ask a question.
8 And, Mayor, in November you asked that -- you brought up if
9 we wanted a surplus police car or two.

10 MAYOR PRATT: And I told you we were getting ready
11 to buy two.

12 MR. GRIFFIN: Okay.

13 MAYOR PRATT: But we haven't bought them yet.

14 MR. GRIFFIN: I know we sent a letter, and I was
15 just wondering what the status was, so that explains it. I
16 just --

17 MAYOR PRATT: Yeah, it's going to take some time.

18 MR. GRIFFIN: Well, I understand that.

19 MR. KING: All right.

20 MR. GRIFFIN: No, good deal. Thank you.

21 MAYOR PRATT: You bet.

22 MR. KING: Okay.
23 MR. GRIFFIN: I just didn't want it to fall off in
24 some hole and disappear. Great.
25 MAYOR PRATT: And it -- because of the citizens'

7

1 patrol --
2 MR. GRIFFIN: Mm-hmm. It may not be there anyway.
3 MAYOR PRATT: You know, it may not be there because
4 of what the citizens' patrol is doing now. I mean, those are
5 free policemen working --
6 MR. GRIFFIN: Right.
7 MAYOR PRATT: -- on their own time, volunteers
8 issuing parking tickets and those kind of things.
9 MR. GRIFFIN: Absolutely, I understand.
10 MR. KING: Okay. Item 3A, monthly financials.
11 Jeannie?
12 MS. HARGIS: Do you want to do December and
13 January, or just want to do January?
14 MR. KING: Did we do December?
15 MS. HARGIS: No, we didn't have a meeting.
16 MR. LIVERMORE: Didn't have a meeting.
17 MR. KING: Well, we'd better do December.
18 MS. HARGIS: Okay. I think you each have two
19 separate packets. One is December, and one is January. Did
20 y'all get those?
21 MR. KING: All right.
22 MS. HARGIS: All right. On Page 1, the total
23 amount of assets, 328,714.90. Liabilities, the same. Page
24 3, the first page of your income statement, total revenues
25 for year-to-date, 101,000 -- it's the fourth column, bottom

8

1 line. 101,792.63. Second -- Page 4, these are all salaries.
2 That's a little bit different than you're used to. You're at
3 45,545.45. Remember, you have all of your salaries here.
4 MR. KING: Mm-hmm.
5 MS. HARGIS: All right.
6 MR. LIVERMORE: Jeannie, can I ask a question? I'm

7 trying to find that page, but anyway, just from memory, from
8 reading it previously, the fuel sales for both months show a
9 nice increase over a year ago, if I'm reading the numbers
10 correctly. In -- in December, we were \$9,100 year-to-date
11 versus 67 the year before. And then I don't know if I should
12 jump to the other report, but it also shows an increase. Do
13 you have any breakdown on that?

14 MS. HARGIS: I can give you a breakdown. I mean,
15 the deposits go directly in; I didn't -- didn't pull them.

16 MR. LIVERMORE: As far as -- I'm talking about the
17 balance between av fuel, jet fuel, self-service.

18 MR. KING: Don't we have a report on that?

19 MR. McKENZIE: We can give you that.

20 MR. KING: I thought -- don't we provide that in
21 the quarterly report?

22 MR. McKENZIE: Every quarter you see the breakdown.
23 Every three months, yes, sir.

24 MR. KING: Who was it that wanted that on a monthly
25 basis?

9

1 MR. McKENZIE: No one that I know of yet. We do it
2 every quarter.

3 MR. LIVERMORE: Well, do we have it at the end of
4 the December quarter?

5 MR. McKENZIE: We will have it, yes.

6 MR. LIVERMORE: Okay.

7 MR. McKENZIE: And it will come out at the end
8 of -- the first part of April, when the -- when the quarterly
9 report comes out.

10 MAYOR PRATT: It will also be in graph form.

11 MR. McKENZIE: Exactly. It's a nice -- you can see
12 the picture.

13 MS. HARGIS: But you should get them one for
14 December.

15 MR. McKENZIE: We can get that, sure.

16 MR. LIVERMORE: Well, it would just be --

17 MS. HARGIS: I don't get that.

18 MR. LIVERMORE: I think December -- you know what

19 I'm looking for, Bruce.

20 MR. MCKENZIE: Sure. Sure.

21 MR. LIVERMORE: I don't think it's going to be
22 really showing up by December, but it might start showing up
23 thereafter.

24 MS. HARGIS: Looks like about a \$3,000 increase.

25 Not quite, but close to it.

10

1 MR. KING: Okay.

2 MS. HARGIS: Okay. Then go back to Page 5. This
3 is the -- again, the breakdown, the personnel year-to-date,
4 spent 1,000. In supplies, 2,814.95. Maintenance -- again,
5 we're staying in the fourth column -- 14,100.58. Total
6 professional, 3,390.27. You're running 80 percent, so you're
7 really way below budget at this point, because three months
8 in. Utilities, which are on Page 6, paid to-date, 4,105.03.
9 And then the total airport expenses -- that's not the
10 building -- 25,410.83. And then if you'll go to Page 7,
11 which is the terminal, the utilities there -- no supplies.
12 Utilities, 3,856.98. So, total expenditures, bottom line,
13 74,813.26, which gives you a positive income of 26,979.37.

14 MR. LIVERMORE: Which page is that on?

15 MS. HARGIS: Page 7.

16 MR. MCKENZIE: Page 7.

17 MR. LIVERMORE: Oh, 74, okay, versus 55.

18 MS. HARGIS: So we're a little bit behind what we
19 were last year, but we took in more money last year.

20 Remember, we lowered the amount of money that -- that you got
21 from the City and the County.

22 MR. LIVERMORE: Mm-hmm.

23 MS. HARGIS: So that's probably what's making a
24 little bit of the difference there.

25 MR. LIVERMORE: Well, it looks like that our city

11

1 -- I'm trying to remember the numbers, 'cause I did them
2 earlier. I think our City/County contributions to the
3 airport through the end of -- I believe it was January, I

4 think; I got two statements in my mind -- was like 13 percent
5 less than a year ago. Looks like 260 to 220, or 252 to 220.

6 MS. HARGIS: See, last year it was 120,000. This
7 year it's only 95, so that makes a difference.

8 MR. LIVERMORE: But even with that, we're still --

9 MS. HARGIS: Still have a positive, yes.

10 MR. LIVERMORE: So this is showing good progress.

11 MR. KING: What is the -- where are we on the
12 mowing contract as far as how many times have we mowed?

13 MR. McKENZIE: This year, not any after October 1.

14 MR. KING: He hasn't mowed up to October 1?

15 MR. McKENZIE: I don't think he's mowed yet, no,
16 sir, so we're well for the rain.

17 MR. KING: We do good in the drought.

18 MR. McKENZIE: We do great.

19 MR. KING: Well, great budget when the drought's
20 going on.

21 MS. HARGIS: You don't see any mowing until this
22 time of year, usually. I think last year we had to start in
23 March, which was a little earlier than we had to --

24 MR. LIVERMORE: We had more rain last year.

25 MS. HARGIS: Mm-hmm, we did. Page 8 is the capital

12

1 account. Cash, 75,085.93. Liabilities, the same. Page 9,
2 year-to-date revenue, there, we've received 26,201.65 from
3 TexDOT so far. You have the 50,000 from the City and the
4 County, for a total of all 76,204.92. Page 10 is the RAMP
5 grant money that we spent so far this year, 68,795.36.

6 COMMISSIONER MOSER: Jeannie, on Page 10, what
7 happened to the T-hangar improvement capital funds?

8 MS. HARGIS: We didn't budget for that this year,
9 'cause the City and the County didn't --

10 COMMISSIONER MOSER: I thought we had funds in
11 there last year.

12 MS. HARGIS: Hmm-mm.

13 MR. LIVERMORE: I think -- Bruce, I might be
14 getting the two things crossed up here, but TexDOT really
15 delayed it -- that grant to us until '14, and we decided not

16 to put it in the budget. Is that -- am I thinking --

17 MR. McKENZIE: That's part of it. The rest of it

18 is non-primary entitlement funds. That doesn't go in our

19 accounting; they keep that in Austin. That's two different

20 things.

21 MR. LIVERMORE: Okay.

22 MS. HARGIS: We had the -- we did the parking lot,

23 and that was done actually before the beginning of this year.

24 COMMISSIONER MOSER: Yeah. I thought there were --

25 I thought there were funds in there, not this year, but

13

1 previously for airport -- I thought there was something on

2 it.

3 MS. HARGIS: Hmm-mm, no. Nobody agreed to that. I

4 know we didn't.

5 MR. KING: We're going to talk about that. We have

6 an agenda item on that column.

7 MS. HARGIS: That's all for December. If you --

8 and let's run through January, again. Page 1 in January, not

9 much difference in the cash balance there, 343,971.93, so you

10 kind of can tell from your constant cash throw that you're

11 kind of staying even. Page 2 is just your liabilities;

12 again, 343,971.93. Page 3, total cash, 137,180.02. And if

13 you look up at your fuel flow again, it's about -- a little

14 less than last month, about \$2,000.

15 MR. LIVERMORE: Wait a second. What is this, now?

16 MS. HARGIS: If you want to look at your fuel

17 again.

18 MR. LIVERMORE: Oh, fuel.

19 MS. HARGIS: The middle of the page, where it says

20 11,108.16. Last year it was 9,543.15.

21 MR. LIVERMORE: Mm-hmm.

22 MS. HARGIS: Okay. But -- and last year you were

23 at 147 in cash, but, I mean, in income, we're at 137 this

24 year with a lower amount of contribution from the City and

25 the County, so you are bringing in more revenue. Page 4,

14

1 salaries. Fourth column, bottom line, 59,235.51. Page 5,
2 looks like you -- this is kind of a continuation of all of
3 those. Page 6, year-to-date, fourth column, 29,568.90.
4 That's just general expenses.

5 MR. KING: Where is the vehicle maintenance? What
6 are we spending on vehicle maintenance?

7 MR. McKENZIE: Just on the two pickups out here,
8 and then our mowing equipment.

9 MR. KING: Okay. Okay.

10 MR. McKENZIE: Oil changes.

11 MR. KING: Okay.

12 MR. McKENZIE: Things like that. Flat tires.

13 MR. KING: Okay.

14 MS. HARGIS: Yeah, I think we got some tires last
15 week. Page 7, these are the terminal. Fourth column, about
16 the middle of -- 5,548.53. Total expenses, year-to-date,
17 94,352.94. And we're now at 42,835.08 as a positive.

18 MR. LIVERMORE: Wait. I was going to ask -- and I
19 think this is a pretty simple answer, probably, but on light
20 and power, are we -- do we just have more -- why is that
21 changed so much? It seems like a fairly -- like the change
22 is more than I would have expected.

23 MS. HARGIS: They went up on their rates.

24 MR. LIVERMORE: So, strictly a power rate thing,
25 okay.

15

1 MS. HARGIS: And we're also in air conditioning
2 more than we're in -- than we have been.

3 MR. LIVERMORE: With the drought, you see.

4 MR. KING: There you go.

5 MS. HARGIS: It switches from one -- one to the
6 other. But I've noticed it in my own electric bill. As I
7 think you remember, last summer they went up on their rates,
8 and then we also did that --

9 MR. LIVERMORE: I knew that was going to be the
10 answer, but I hadn't thought of that.

11 MS. HARGIS: -- fuel adjustment thing.

12 MR. KING: So, did they fill up that propane tank?

13 I see 1,070.
14 MR. McKENZIE: Mm-hmm.
15 MR. KING: They filled it up?
16 MR. McKENZIE: Yes, sir.
17 MR. KING: We're not using it much, are we?
18 MR. McKENZIE: Just when it's cold.
19 MR. KING: Just when people -- why don't you turn
20 it on right when they come in and then turn it off? Save on
21 money. (Laughter.)
22 MR. McKENZIE: We try.
23 MS. HARGIS: Page 8. Again, the capital account,
24 71,830.65. Not much change there. The revenue is 76,205.64.
25 Page 9, fourth column, bottom line -- and my pages are

16

1 sticking together. Next page, we did spend a little bit more
2 on the capital, on the RAMP grant, for a total of 73,817.36.
3 You'll see the monthly amount is 3,255. And that leaves us
4 at 2,388.28. We also run a little behind on the TexDOT
5 reimbursements. It takes them a couple months to get the
6 money.
7 MR. LIVERMORE: Mm-hmm. Jeannie, I like your new
8 page format.
9 MR. WALTERS: I do too.
10 MR. LIVERMORE: A lot better.
11 MS. HARGIS: We're trying to keep up with the page
12 numbers, and get them to you earlier as well. We're actually
13 sending them --
14 MR. LIVERMORE: You keep up with lots of things,
15 but page numbers has not escaped your attention either.
16 MS. HARGIS: No, I try to get embarrassed one time,
17 really, and then that's it.
18 MR. KING: Any questions?
19 MS. HARGIS: That's it. That's all I have.
20 MR. WALTERS: I've got a question to Bruce.
21 Revenue off of the parking lot, does that kind of go in these
22 numbers? What kind of monthly revenue do we have currently?
23 MR. McKENZIE: We charge \$375 annually, so checks
24 that we've gotten for those cars are for a 12-month period of

25 time. I think there's 13; is that right, Carole? 13 or 14

17

1 we have up there now, and another one on the way. So, we're
2 gradually -- you know, we moved the mass of them. You know,
3 we're getting one more, two more. But it's an annual --

4 MR. WALTERS: Okay.

5 MR. McKENZIE: -- lump sum, 375.

6 MR. LIVERMORE: I noticed a four-wheeler still
7 sitting over there.

8 MR. McKENZIE: Yes, sir, there's a four-door Jeep
9 Sahara sitting there, and I found him Friday morning in
10 Pearland, Texas.

11 MR. KING: When did he park it there?

12 MR. McKENZIE: A month ago. But --

13 MR. KING: Going to auction it off? I like that.

14 MR. McKENZIE: I do too. You can have it if you
15 get it before I do. But I found him.

16 MR. LIVERMORE: Is there a barrier to get in there?

17 MR. McKENZIE: No, there was no barrier there. We
18 had cones up, and he just went around it and just parked and
19 left.

20 MR. WALTERS: He snuck in?

21 MR. McKENZIE: Yes, sir. But he's the only one
22 we've got that's outstanding. I found him.

23 MR. KING: What did he say when you talked to him?

24 MR. McKENZIE: I found him through license records,
25 and have written him a letter.

18

1 MR. KING: You wrote him a letter?

2 MR. McKENZIE: Yes, sir. I gave him 10 days to
3 move it.

4 MR. KING: Okay.

5 MR. McKENZIE: We now have to await signs.

6 MR. LIVERMORE: Another question kind of on parked
7 vehicles. What about the twin that's sitting down there with
8 flat tires?

9 MR. McKENZIE: Ed, that aircraft, to my knowledge,

10 has been here about 10, 12 years, parked there with flats.
11 That's an Aztec or Apache -- I think it's an Aztec. He pays
12 his rent every month. The gentleman lives in Eagle Pass.
13 It's registered in Eagle Pass. He -- we heard word about six
14 months ago he was going to move it. That didn't -- hasn't
15 come to fruition yet. When it needs to be moved, they air
16 the tires up, move it, and park it. But he pays his rent.

17 MR. KING: Okay.

18 MR. McKENZIE: So, it's an eyesore, but --

19 MR. KING: Happy customer.

20 MR. McKENZIE: -- that's a customer.

21 MR. LIVERMORE: Better than being out in the weeds
22 with them growing up under the wings.

23 MS. HARGIS: Did you see -- I just want to bring it
24 to y'all's attention, on Page 3 of each one, we did put
25 parking lot leases as a separate line item.

19

1 MR. KING: Oh, you did?

2 MR. LIVERMORE: Which one?

3 MS. HARGIS: Page 3.

4 MR. WALTERS: Good.

5 MR. LIVERMORE: On January?

6 MS. HARGIS: In January. So, you've already
7 received 4,875, fourth column, Page 3, about the middle of
8 the page. It says parking lot leases.

9 MR. LIVERMORE: Yeah.

10 MR. WALTERS: Bruce, are we going to be able to,
11 maybe on next month's agenda, talk about the cost for the
12 covered parking structure?

13 MR. McKENZIE: I've got the data if you'd like to
14 hear it.

15 MR. WALTERS: Why don't we put it on next month's
16 meeting?

17 MR. McKENZIE: Okay.

18 MR. KING: Have you -- under the revenue for the
19 parking lot, have you scouted out all these other cars that
20 are parked in the parking lot to be sure none of those
21 guys -- so all of those guys are not --

22 MR. McKENZIE: We watch them closely now.
23 MR. KING: Okay.
24 MR. McKENZIE: I watch them closely.
25 MR. KING: Okay.

20

1 MR. LIVERMORE: Have we come up with a plan for
2 people that are just going to go somewhere for a week or so
3 and need to leave a car?

4 MR. McKENZIE: No, sir. Our intent was 10 days.
5 If you're not here over 10 days, you're okay. And we have
6 several of these corporate pilots, some of them parked here
7 now that are gone four, five, and six days at a time. Those
8 folks I've talked to, and they try not to park in front.
9 They try to park on our -- where we moved the wall back, or
10 on the side over here. So, so far everybody's been very
11 amenable with what we're trying to do.

12 MR. LIVERMORE: Good.

13 MR. KING: All right. Motion to approve the
14 financial -- motion the approve the December financials?

15 MR. LIVERMORE: So moved.

16 MR. KING: Second?

17 MR. WALTERS: Second.

18 MR. KING: Second by Mr. Walters. Discussion?
19 None being heard, all in favor?

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

21 MR. KING: Five-zero. Motion to approve the
22 January financials?

23 MR. LIVERMORE: So moved.

24 MR. KING: Second?

25 MR. WALTERS: Second.

21

1 MR. KING: Second by Mr. Walters. Discussion?

2 None heard. All in favor?

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

4 MR. KING: Five-zero. Okay. Item -- what?

5 Airport audit.

6 MS. HARGIS: Mm-hmm.

7 MR. KING: Jeannie.

8 MS. HARGIS: Yes. Keith Neffendorf is here to
9 present your audit.

10 MR. NEFFENDORF: Hello. How are y'all?

11 MR. LIVERMORE: Did we -- I didn't bring mine from
12 home. Oh he's got it.

13 MR. NEFFENDORF: I got some more. They sent you
14 some electronically.

15 MR. KING: Yeah.

16 MR. MCKENZIE: I'll pass them out.

17 MR. NEFFENDORF: You doing all right?

18 MR. GRIFFIN: Doing fine, sir.

19 MR. NEFFENDORF: How are you doing?

20 MR. LIVERMORE: Fine.

21 MR. NEFFENDORF: Good seeing you. I apologize in
22 advance, too. This -- I don't have the flu, but I do have
23 allergies, so if I get a coughing spell, bear with me a
24 minute.

25 MR. KING: That's okay.

22

1 MR. NEFFENDORF: Got enough --

2 MR. LIVERMORE: You're living in Texas. That's
3 where that comes from.

4 MR. NEFFENDORF: Well, I've been here all my life.

5 My allergies, as I get older, they get worse. Either that,

6 or as my wife tells me, it's orneriness coming out, either

7 one of them. Okay. We did the audit for the Airport Board,

8 and it's a clean audit. The airport had a good year --

9 operation last year. I'll go through and hit the high

10 points. If you have any questions, you can stop and ask me.

11 The format we used has basically been the same as the last

12 few years. We have to do two sets of financial statements.

13 The first set is what I call the governmental. That's the

14 set of financial statements that Jeannie keeps y'all's

15 records on. That's what y'all see on a monthly basis. And

16 the second set is the GASB-34 version, where we have to

17 convert to a business-type model, where we have to include

18 all your fixed assets and depreciation and come up with a

19 profit and loss, just like a business would. And then
20 there's a reconciliation between the statements.
21 And these numbers -- the airport, of course, is a
22 joint board, and we provide these financial statements to
23 both the City and the County, and they include one-half of
24 all the numbers in each of their audit records. After the
25 index on Page 1, of course, is the independent auditor's

23

1 report. That just states we have made an audit of the
2 financial statements of the Airport Board as of and for the
3 year ended September 30, 2012. In the third paragraph, there
4 we state, in our opinion, financial statements referred to
5 above present fairly the financial position of the Airport
6 Board as of September 30th, 2012, and the changes in
7 financial position for the year then ended. This is the
8 standard auditor's clean opinion letter, unqualified opinion.

9 The next section is called Management's Discussion
10 and Analysis. It's a requirement of GASB-34. We're not
11 required to audit it. That's why it's labeled "unaudited."
12 What it is, it just gives the financial highlights --
13 condensed financial statements. It's real good for your
14 readers. I'm not going to cover it; I do my own highlights,
15 but I've been told a lot of people get more out of these four
16 or five pages than they do the back 20 or 30 in an audit.
17 Page 7 is the statement of net assets for the Airport Board.
18 This is the equivalent of a balance sheet. And this is done
19 on the GASB-34 basis, so you will see all the assets and
20 include all your capital assets. Those are costs minus
21 accumulated depreciation. So, of course, your total assets
22 were 16,678,000. Liabilities, 109,000, so you had net assets
23 of 16,568,000. Of course, the biggest chunk of that's in
24 capital assets.

25 MR. LIVERMORE: I have a question.

24

1 MR. NEFFENDORF: Sure.

2 MR. LIVERMORE: Unfortunately, the one I read at
3 home is a little different format than what I'm seeing here,

4 so I'm just going to have to try to recall it. It seems like
5 that last year, our capital assets, referring to the property
6 and the building, --

7 MR. NEFFENDORF: Right.

8 MR. LIVERMORE: -- et cetera, were in the
9 neighborhood of six-something million. And this year,
10 they're 12-point-something million, I believe.

11 MR. NEFFENDORF: No, they were --

12 COMMISSIONER MOSER: Sixteen million.

13 MR. LIVERMORE: Or 16. Anyway, what I was trying
14 to put together quickly in my mind was how they jumped from
15 the six to the -- to the 16, or the nine to whatever it was.
16 It seemed like there was a big change there from year to
17 year, and the only -- we had capital -- we had the project
18 that we've been working on of, like, 3 million, and that
19 wasn't enough to fulfill the change. I thought that you
20 would take last year's and --

21 MR. NEFFENDORF: Yeah, but I have -- last year's
22 audit, we had 16 million last year. There was very little
23 activity. There was, like, 400,000.

24 MR. LIVERMORE: Unfortunately, I didn't bring that,
25 and it -- but it didn't look like that -- I'm not criticizing

25

1 the audit.

2 MR. NEFFENDORF: Right.

3 MR. LIVERMORE: I'm just asking the question.

4 MR. NEFFENDORF: Sure, I understand.

5 MR. LIVERMORE: It didn't look like that we had
6 added as much to the capital base as was shown in the numbers
7 change.

8 MR. NEFFENDORF: Mm-hmm.

9 COMMISSIONER MOSER: Go to Page 4. It shows you
10 last year to this year, 16 million to 16 million.

11 MR. NEFFENDORF: Mm-hmm. That's that where it
12 shows the -- in thousands, the condensed version.

13 MR. LIVERMORE: Well, I'm not seeing what I saw at
14 home. I --

15 MR. NEFFENDORF: I mean, over the last couple of

16 years, with the federal projects that the state has put in,

17 y'all have, what, like four or five, six million dollars.

18 That's --

19 MR. LIVERMORE: I was just wondering if there was

20 some sort of a reappraisal of some of the assets that maybe

21 we were -- they were found in a previous appraisal to be one

22 number, and then they were reappraised and found to be

23 another number.

24 MR. NEFFENDORF: No, huh-uh.

25 MR. LIVERMORE: Well, I'm going to have to go back

26

1 to my computer at home and look at it again.

2 MR. NEFFENDORF: Okay. The next statements, Page 8

3 and 9, statement of activities. This would be the equivalent

4 of an income statement. It's in the format -- doesn't look

5 like a regular income statement, but it still comes up with

6 the same bottom line. It shows your expenses. Of course,

7 last year this includes depreciation of \$682,499. You

8 subtract off your charges for services; these are all your

9 rents, your fuel fees, surcharges, 209,805. Your operating

10 grants, contributions, that's from -- the moneys from the

11 City and the County, 270,000. You add back your capital

12 funds, grants, there was the money from the state, and you

13 come up with your net income of 192,487. Then you subtract,

14 of course, the items -- or add or subtract as necessary the

15 bottom miscellaneous revenue; a little bit of interest

16 earnings, and then the return of the contributions to the

17 City, County, and E.D.C. So, it came up with a net change of

18 -- net profit for the year of \$81,117, so that increased your

19 set assets from the 16,487 to 16,568.

20 Page 10 is the governmental basis balance sheet.

21 This is the same -- same basis that Jeannie presents her

22 monthly financials to y'all. The two columns, of course, you

23 have the general fund and the capital projects fund, then the

24 total for the governmental funds. You can see the general

25 fund assets of 309,000, liabilities of 19,000; net fund

27

1 balance 289,000. Capital projects, 92,000 in cash.
2 Liabilities, 42,000. Net fund balance, 50,000. And the
3 total as a whole, 401,000. Assets, 339,469. Fund balance,
4 you take that number to the next page, add the changes to
5 reconciled from governmental to GASB-34, add back all the
6 capital assets, the costs, minus the accumulated
7 depreciation; that's the \$16 million figure. Current year
8 capital outlay's 447,000. Subtract your depreciation
9 expense, 336,000. Then the liability for the severance pay
10 for the Airport Manager, subtract 47,480. You have assets
11 under GASB-34 of 16,568,675.

12 Page 12, revenues and expenditures for the
13 governmental basis, once again just shows the general and
14 capital projects and the total. General fund last year, you
15 had 84,000 excess before you transferred out to the capital
16 projects fund 55,499, so it had a net change, positive,
17 29,000. Capital projects fund had a deficit of \$1,976 and
18 transferred in 55,000. You had a return to the City, County,
19 and E.D.C. of 111,000, so it had a net decrease of 58,000.
20 So, overall on the governmental basis, last year you had a
21 decrease in fund balance of 29,305. And the next page,
22 again, takes that number, reconciles it to GASB-34. You just
23 add back the current-year capital outlays, the 447,000,
24 subtract your depreciation expense, 336,000, coming up with
25 your net change or net income under GASB-34 of 81,000. Page

28

1 14 starts the notes to the financial statements. The first
2 part of the notes -- these are just additional disclosures
3 required by generally accepted accounting principles. The
4 first part of the notes just explain basically the use of
5 fund accounting, and then the conversion to GASB-34.

6 Page 16, the bottom of the page, starts the
7 deposits and investments. Of course, the County carries
8 y'all's deposits and investments, and they have to comply
9 with the Public Funds Investment Act, which they do. And
10 Page 18, Note B, capital asset activity, that just shows the
11 changes in your assets last year. And, of course, the state
12 put out the money for the two projects. Those projects were

13 completed. That's why you see in that construction in
14 progress the big chunk of that money moved out -- the
15 5,458,000, you know, moved out of work in progress into your
16 improvements, and we started depreciating it.

17 MR. KING: Is that what you saw, Ed?

18 MR. LIVERMORE: I may have.

19 MR. KING: That may be what you saw.

20 MR. LIVERMORE: That's probably it. It probably
21 is, yeah.

22 MR. NEFFENDORF: Yeah.

23 MR. LIVERMORE: Because those numbers look
24 semi-familiar right there.

25 MR. NEFFENDORF: Yeah. And the State had written

29

1 -- shown them as final. Then we got to move them out of
2 construction in progress and start depreciating them this
3 year.

4 MR. KING: Right.

5 MR. NEFFENDORF: And then you see the summary of
6 your accumulated depreciation accounts. In the current-year
7 depreciation, like you said, the 336,796 figure. And the
8 other notes on Page 19, that just gives a brief description
9 at the bottom; that just shows the -- the projects that were
10 with the state. The relocation of the west entrance road,
11 that was completed in 2012. The relocation of the parallel
12 taxi -- the runway, that was completed in 2012. And the
13 update of the master plan, which actually was completed in
14 2012, but the State hasn't put their final, so that can be
15 closed out in 2013. They take forever to close. I don't
16 know why that is.

17 MR. LIVERMORE: There's -- this question will
18 probably show my lack of understanding of government
19 finances, but we don't fund our depreciation, do we?

20 MR. NEFFENDORF: No.

21 MR. LIVERMORE: We don't keep any kind of funds
22 behind that?

23 MR. NEFFENDORF: No.

24 MR. LIVERMORE: In the government world, is that

25 something that's not done, as a lot of businesses do?

30

1 MR. NEFFENDORF: Yeah. I mean, basically, there's
2 some out there that do that, and some of them -- basically,
3 what they do in some entities is adopt the capital
4 improvement --

5 MR. WALTERS: Reserve.

6 MR. NEFFENDORF: -- project plan for a five-year
7 period, and they know what they're going to spend. Then they
8 start setting aside moneys in their budget each year for
9 those.

10 MR. LIVERMORE: Yeah.

11 MR. NEFFENDORF: I mean, there's two ways that
12 usually -- or the other -- like, I don't know what -- y'all's
13 situation is a little bit different since you're funded, you
14 know, a lot by -- the bulk of it comes from the City and the
15 County, so they would have to approve any kind of funding
16 depreciation.

17 MR. KING: So, on 19 there --

18 MR. NEFFENDORF: Right.

19 MR. KING: -- Page 19, where I see so as far as our
20 capital projects, we had \$5.7 million in projects, and it
21 cost us \$125,000, basically.

22 MR. NEFFENDORF: Right, mm-hmm.

23 MR. WOOD: Question.

24 MR. KING: That's a pretty good deal.

25 MR. NEFFENDORF: One of them was a 100 percent

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1 federal-funded project, and the other one was 95/5.

2 MR. KING: I think the City should take note of
3 that.

4 MR. NEFFENDORF: Yeah, you've got a good chunk of
5 assets for a little -- I'm sorry, go ahead.

6 MR. WOOD: On the update of the master plan, you
7 mentioned that the federal government hasn't paid their part?

8 MR. NEFFENDORF: No. No, they've paid it. They
9 just haven't shown it. They've paid for it; they just

10 haven't showed it.

11 MR. WOOD: Just wondering how we had it on the
12 books if they hadn't --

13 MR. KING: They haven't closed it out.

14 MR. NEFFENDORF: No, all I meant was they hadn't
15 closed it out, so it's still sitting -- we got, like, 194,000
16 left in construction in progress. That's what that is. Then
17 when they close it out, then we'll move it.

18 MR. LIVERMORE: Well, none of this includes the
19 parking lot project, 'cause that was all in the current year,
20 wasn't it?

21 MR. NEFFENDORF: Right.

22 MR. KING: Right.

23 MR. GRIFFIN: Yeah.

24 MR. KING: Okay.

25 MR. NEFFENDORF: Page 21 is the budget-to-actual

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1 comparison. That shows that y'all -- revenues, you budgeted
2 433,000, actually collected 430,000, short by \$3,000.
3 Expenditures, you budgeted 433,000, actually spent only
4 345,000, so you had a favorable variance of 87,000. After
5 your transfers out, you had planned a deficit for the year of
6 55,000. It was actually a positive 29,000, so you had a
7 favorable variance of 84,000 to the budget. Good job. The
8 two last letters in the back of yours are the letters that
9 are required. The first one is on internal control over
10 financial reporting. We had a test for internal control, use
11 of financial reporting; we found no major weaknesses. And
12 the second part of it, we had a test for compliance with
13 laws, contracts, and grants, and we found no instances of
14 noncompliance. The last letter required also the government
15 auditing standards, where we have to provide you these items
16 that are disclosed in this letter. Y'all are the governing
17 body of the Airport Board, so we have to communicate in this
18 letter to you those items that we list there.

19 Audit findings. There were no difficulties
20 encountered performing the audit, no corrected or uncorrected
21 misstatements, no disagreements with management. And then

22 there were no other issues or findings. Then at the bottom,
23 we have our recommendations. There were a nonmaterial
24 weakness, but we made that recommendation regarding the
25 TexDOT grants. You had several projects that were still --

33

1 three projects open with TexDOT. And even though the Airport
2 Board doesn't handle the money, the State actually keeps the
3 money and pays the bills, y'all are required to show those as
4 grant revenues and expenditures, and we had to make an audit
5 adjustment to record those. And that was it. Other than
6 that -- well, that's a minor one, but everything else was
7 good. Appreciate Jeannie's hard work and cooperation during
8 the audit, and Bruce and Carole.

9 MR. KING: Yes, Mayor?

10 COMMISSIONER MOSER: Bruce and Carole's good
11 management of the funds.

12 MR. KING: Yes, Mayor?

13 MAYOR PRATT: Steve, this audit covers up to the
14 end of the fiscal year ending September 30th.

15 MR. KING: Right.

16 MAYOR PRATT: Now we're in the fifth month after
17 that.

18 MR. KING: Mm-hmm.

19 MAYOR PRATT: The City's been in a holding pattern
20 to close out its audit waiting on this audit. We'd like to
21 have it in January next year.

22 MR. KING: Okay.

23 MAYOR PRATT: Can we do that?

24 MR. NEFFENDORF: Yes, sir, I plan to do that.

25 MAYOR PRATT: Thank you. Appreciate it.

34

1 MR. NEFFENDORF: My mother died in December; I lost
2 two weeks.

3 MR. KING: Okay. No problem.

4 MR. NEFFENDORF: I don't want to make excuses,
5 but --

6 MR. KING: No problem.

7 MR. NEFFENDORF: I'll get it done.
8 MR. KING: We'll get 'er done in January next year.
9 Thank you very much for the audit; you did a great job.
10 MR. NEFFENDORF: All right. Appreciate it.
11 MR. KING: It's very easy to read and --
12 MR. NEFFENDORF: Yes, sir.
13 MR. KING: -- understand.
14 MR. NEFFENDORF: Yeah. Any time you have any
15 questions, if anybody does, just --
16 MR. KING: Sure.
17 MR. NEFFENDORF: -- call. Get my -- it's -- my
18 number's there. Or get ahold of Jeannie; she'll get ahold of
19 me.
20 MR. MCKENZIE: Thank you. Appreciate it.
21 MR. NEFFENDORF: You bet. Appreciate it.
22 MR. KING: Very good.
23 MR. LIVERMORE: I, as a board member, appreciate
24 the good audit. And, Jeannie, I appreciate the great
25 bookkeeping. Really do. Really good.

35

1 MR. KING: All right. We need to approve the
2 audit, I think, don't we?
3 MR. LIVERMORE: I move it.
4 MR. GRIFFIN: Second.
5 MR. KING: I need a motion to approve.
6 MR. LIVERMORE: I make it.
7 MR. KING: Second?
8 MR. GRIFFIN: I'll do it.
9 MR. KING: Kirk seconded it. Any discussion on the
10 audit? All in favor?
11 (The motion carried by unanimous vote, 5-0.)
12 MR. KING: Five-zero, approved. Item 3C, change of
13 agenda format.
14 MR. NEFFENDORF: Appreciate it.
15 MR. KING: Thanks for coming.
16 MR. NEFFENDORF: You bet.
17 MR. LIVERMORE: Bye-bye.
18 MR. MCKENZIE: This is what we just discussed a

19 while ago. I wanted to change the format to give the board
20 members the opportunity to speak about any subject they wish
21 to at the beginning of the meeting. That keeps everybody --
22 MR. KING: Okay.
23 MR. McKENZIE: -- out of trouble.
24 MR. KING: Sure. All right. Item -- we'll go on
25 to Item 3D, the T-hangar project, NPE funds. Bruce?

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1 MR. McKENZIE: Okay. This is a two-part
2 discussion. Back in October, the minutes reflected that the
3 Board had stated that they would possibly get together one or
4 two gentlemen and go out and see if they could acquire
5 funding for the new T-hangars, since we've gone as far as we
6 can go now with the engineering, till we get our funding
7 mechanism in place. I don't -- y'all may have spoken to
8 someone. I don't know if that's happened or not, but we need
9 to discuss that part of it as to what we're going to do about
10 this. And secondly, and perhaps more germane to the subject
11 than that is, if we're not going to do that this fiscal year,
12 "that" being construct the T-hangars, then we need to
13 contact -- or I need to contact TexDOT Aviation and release
14 our portion of the NPE funds for this fiscal year so that
15 they may use those funds on other projects on other airports.
16 That does not mean we lose the funds. We just will get them
17 back in years down the road. But if we don't do that, we
18 will lose the funds. I want to make that clear. If we don't
19 release these funds, if we don't think we can pull the
20 trigger on this in the next six months, I need to tell TexDOT
21 we're going to release the funds, and we'll go back after
22 them next October, if, indeed, we're going to build next
23 October, or next fiscal year.
24 COMMISSIONER MOSER: And these are 90/10 funds?
25 MR. McKENZIE: Those are 90/10 funds, that's

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1 correct.
2 MR. LIVERMORE: How are they affected by the new --
3 MR. McKENZIE: I don't -- Michelle wasn't -- she

4 wouldn't touch that. I asked; they don't know.

5 MR. KING: So --

6 MR. McKENZIE: But we will have the funds available
7 to us down the road. That's what they're telling me. But we
8 need to play ball with them and release them now. If we
9 don't, then they won't come back.

10 MR. LIVERMORE: As a practical matter, is there any
11 way we can use the funds this fiscal year?

12 MR. McKENZIE: No, because we already went -- we've
13 got this approved. We started our RSA project now, so we're
14 using NPE funds on that.

15 MR. KING: Are those NPE funds?

16 MR. McKENZIE: Yeah, but just \$40,000.

17 MR. KING: 40,000 bucks. Well, what -- I guess my
18 question, we need to -- I mean, my opinion of this whole
19 project is, we need to move on or move out. I mean, I'm --
20 you know, we've been jerking with this for four years --
21 three years? -- three years, Mr. Moser, and we need to either
22 make -- you know, we need to present a project and determine
23 if we have funding for it. If we don't have funding for it,
24 then all these people can go to Fredericksburg and put their
25 airplanes in the hangar in Fredericksburg, and we just -- you

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1 know, we'll just go on record as saying we didn't do
2 anything, okay? But if we're going to do something, you
3 know, I'd like -- personally, I mean, I've talked to one
4 funding agency, and -- and I had some pretty good feedback
5 from them, but we need to come up with a plan as to -- first
6 of all, we need to decide if we want to move forward with
7 this project. I mean, we -- I think we've beat this horse to
8 death. I mean, we've looked at it, and Tom's done a zillion
9 hours of work on it when he was on the board, and we just
10 need to decide. I mean, we have \$400,000 in NPE funds. We
11 have -- how much do we get next year?

12 MR. McKENZIE: 2014, you'll get another 150,000.

13 MR. KING: 150,000, okay. We don't want to use all
14 of that, obviously, 'cause we need it for other projects,
15 so -- like the little ditch project out here. But we need to

16 -- I think it's time to go ahead and come up with a -- a plan
17 of, say, look, if we used \$350,000 of that -- and then we go
18 out and we know it's going to -- and we pretty much have
19 determined that the project will cost a million dollars as we
20 come up with some numbers. I mean, don't you think, Tom --

21 COMMISSIONER MOSER: Yeah.

22 MR. KING: We've -- we've tied that part down. And
23 then we just need to say, "Look, if we're going to build it,
24 let's go try to fund the other \$650,000," and talk to the two
25 owners and see whether they can -- or if we can -- whether

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1 those -- who's going to come up with the 10 percent on the
2 90/10 grant, you know, for 350, which is \$35,000. Not a big
3 problem; we probably can come up with that out of our
4 surplus, I would assume. But find out if we can come up with
5 the other 650,000, either in a loan process or something, or
6 we just push it back, and someone else can worry about this
7 down the road.

8 COMMISSIONER MOSER: Well, the 90 -- if I may, I
9 thought that we were looking multi-years for 90/10, instead
10 of two, so when we look at the return on investment, we're
11 looking at the return on a 10 percent investment. It was
12 really big, depending on what the percent occupancy was.

13 MR. KING: Obviously, if you build it and take it
14 over into the next budget year, you get another 150,000, and
15 use 100,000 out of that. What -- my other question is, what
16 happened to all -- what happened to the money in the grant we
17 applied for with TexDOT? You know, they were going to, you
18 know, use it for flat work and all this stuff and everything.
19 Where's that?

20 MR. McKENZIE: That's in this. That's in their CIP
21 currently. That's there right now.

22 MR. GRIFFIN: That's the money they're wanting --

23 MR. KING: That's approved. I thought we got the
24 NPE funds anyway.

25 MR. McKENZIE: We do get the NPE funds.

40

1 COMMISSIONER MOSER: That's what you're going to
2 lose if you don't use it.

3 MR. KING: Is it NPE funds?

4 MR. McKENZIE: We're going to lose the NPE funds if
5 we don't pull the trigger on this in this fiscal year.

6 MR. KING: Right. But is there any other grants
7 involved in this other than just our NPE funds?

8 MR. McKENZIE: No.

9 MR. KING: No.

10 MR. McKENZIE: Probably not. This is going to
11 be -- what we're going to get is going to come out of our
12 non-primary entitlement funds.

13 MR. KING: Right, but those funds are funds that we
14 get --

15 MR. McKENZIE: Anyway.

16 MR. KING: -- anyway. In other words, what I'm
17 getting at is, there's no funds -- TexDOT has not approved
18 any funds for CIP that we -- that we --

19 MR. McKENZIE: No.

20 MR. KING: -- that we ask them for?

21 MR. McKENZIE: No, it's going to come out of the
22 NPE funds.

23 MR. KING: Basically, they're saying there's no
24 funds for T-hangars, flat work, hangars, you know, these
25 other projects, these grants that they have. There's nothing

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1 there. All this is is your normal NPE funds that every
2 airport in the state of Texas gets?

3 MR. McKENZIE: They'll pull out of the NPE funds
4 first. Yes, sir, that's correct.

5 MR. KING: Okay, that's kind of what I figured.

6 So --

7 MR. LIVERMORE: Well --

8 MAYOR PRATT: Steve, I've got a question.

9 MR. KING: Yeah.

10 MAYOR PRATT: If the -- if you follow through with
11 the project of the T-hangars, how many jobs will that create?

12 MR. WALTERS: None.

13 MR. KING: I don't --
14 MR. LIVERMORE: Permanent jobs? Ongoing jobs?
15 MAYOR PRATT: Yeah.
16 MR. LIVERMORE: Probably not.
17 MAYOR PRATT: The reason I'm asking is 'cause I'm
18 trying to determine if EIC funds are available for this
19 'cause of either jobs or -- or quality of life. It's not a
20 quality of life issue, so --
21 MR. KING: No, these people will have a better life
22 if they have a place to put their airplane. (Laughter.)
23 MAYOR PRATT: Well, that's not --
24 MR. KING: If a hailstorm comes through, they
25 won't --

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1 (Multiple people speaking at the same time.)
2 MAYOR PRATT: That's far-reaching, Steve.
3 THE REPORTER: One at a time, please.
4 MR. LIVERMORE: There's an indirect benefit in that
5 if we put 15 to 16 more airplanes on this airport, there's
6 going to be more activity out here, and that'll probably
7 result in a job for someone somewhere along the line, a job
8 or two. Okay? That's an indirect effect.
9 MR. WOOD: What about construction of the
10 T-hangars? Would that be a local company?
11 MR. WALTERS: Temporary.
12 MR. KING: That's temporary. I would say probably
13 no. But we've funded -- what has EIC funded out here before?
14 What have we gotten from EIC before? Anything in the past?
15 No? No funds?
16 MR. McKENZIE: Well, part of this -- part of this
17 building.
18 MR. KING: Yeah, part of this building.
19 MR. McKENZIE: Seven years ago. Yes, we did. That
20 was all, though.
21 MR. KING: Well, I mean -- okay. I guess we've got
22 to make that determination, because, you know, that's
23 where -- I don't think the County and the City have funds to
24 come up with it. I mean, I don't think the County does;

25 they're building a new thing over here, and it's taking up a

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1 lot of their money. What do you think, Tom?

2 COMMISSIONER MOSER: Well, let's see. Let me go
3 back. When what's-her-name from TexDOT --

4 MR. McKENZIE: Michelle.

5 COMMISSIONER MOSER: -- Michelle was sitting right
6 here in this chair and we talked about the T-hangar project,
7 and she said there was 90/10 money available for
8 horizontal/vertical construction, okay, but we had to apply
9 for that. Now, that was not NPE funds, correct?

10 MR. McKENZIE: At that time, it was not.

11 COMMISSIONER MOSER: It was not.

12 MR. McKENZIE: But when I talked to her last month,
13 it was my understanding that NPE funds is where that will
14 draw from first.

15 COMMISSIONER MOSER: Okay. But -- so that may be
16 the first thing to -- to prime the pump, but there are other
17 funds that she said were available for -- for projects like
18 this.

19 MR. McKENZIE: There should be. And I've
20 written --

21 COMMISSIONER MOSER: But they have to have
22 definition.

23 MR. McKENZIE: I've given her a definition. I've
24 written her three different letters requesting -- one for the
25 flat work, one for the taxiways, as I recall, and one for

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1 horizontal. They'll do --

2 COMMISSIONER MOSER: Okay.

3 MR. McKENZIE: -- a little bit of that, not much.

4 COMMISSIONER MOSER: And their response was what?

5 MR. McKENZIE: They responded -- they accepted it.

6 They put it in their CIP. It's in there.

7 COMMISSIONER MOSER: Okay. So there is -- that's
8 what I thought.

9 MR. McKENZIE: It's in there. But it's my

10 understanding, Tom, that the first moneys will draw out of
11 the non-primary entitlement funds.

12 COMMISSIONER MOSER: Okay. But there's CIP -- see,
13 I think the confusion here is that we're thinking that it's
14 only NPE funds that are potentially available. That's not
15 the case. There's CIP funds that we got to include for, and
16 I think it was something like 2015 or something like that.

17 MR. McKENZIE: That's right.

18 COMMISSIONER MOSER: That those funds were to be
19 available, and they were -- they were 90/10. So, that's in
20 addition to the NPE.

21 MR. McKENZIE: Okay.

22 COMMISSIONER MOSER: So we don't have to --

23 MR. KING: That's what I asked Bruce a while ago.

24 COMMISSIONER MOSER: Right. That's the reason I
25 didn't want to let that lie, 'cause I don't think that that

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1 was --

2 MR. LIVERMORE: Well, we've got a project that's
3 going to be, in round numbers, a million dollars, right?

4 MR. KING: Right.

5 MR. McKENZIE: 57,000 is what's shown in CIP now.
6 Between now and 2015, \$57,000 is what is showing.

7 COMMISSIONER MOSER: Well, then, when you wrote her
8 the letter, it couldn't be asking for 57,000.

9 MR. McKENZIE: Well, that's what they've given us,
10 though, right here.

11 COMMISSIONER MOSER: Of course. So what's in the
12 queue?

13 MR. McKENZIE: The letter for the flat work, --

14 COMMISSIONER MOSER: Right.

15 MR. McKENZIE: -- the letter for the vertical, --

16 COMMISSIONER MOSER: Right.

17 MR. McKENZIE: -- and as I recall, Tom, I'm going
18 by memory, there is a letter to help us with one of those
19 taxiways that has to be built out there.

20 COMMISSIONER MOSER: Yeah, okay.

21 MR. McKENZIE: That's what I requested.

22 COMMISSIONER MOSER: Okay. And that was a total of
23 how much money?
24 MR. McKENZIE: I don't know what the total was off
25 the top of my head.

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1 COMMISSIONER MOSER: Okay.
2 MR. WOOD: Well, once that is established, what
3 money we think we can get from the State, would not the first
4 step be for us to budget our \$100,000, if it's 90/10?
5 COMMISSIONER MOSER: Sure.
6 MR. WOOD: And then -- I mean, if we don't have it
7 in our budget, how can we do it?
8 COMMISSIONER MOSER: Right.
9 MR. KING: Yeah. A little bit on the other end of
10 that that's unaccounted for. I mean, like \$600,000 worth of
11 unaccounted for funds. I mean, I don't know where you get
12 that. I mean, I don't know. How about -- why don't we -- we
13 need to -- I tell you what we need to do. Why don't we form
14 a committee? I'll be on it, and Tom -- and, Tom, would you
15 work with us on this?
16 COMMISSIONER MOSER: Yes.
17 MR. KING: Before the next meeting, let's --
18 MR. LIVERMORE: Let's you and I work on it.
19 MR. KING: Okay. Let's determine before the next
20 meeting what funds we have, what funds -- we'll go -- we'll
21 talk -- Mayor, we'll go talk to -- we'll talk to somebody
22 with the EIC. Already talked to Larry about it, and let's
23 see, just get a -- a straight yes or no right off the top,
24 whether that's even a part of it, okay?
25 MAYOR PRATT: Okay. I was just going to tell you

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1 that they're probably not going to be able to answer your
2 question until you take something concrete to them.
3 MR. KING: I know. I know. But --
4 MR. LIVERMORE: Who is that, Mayor?
5 MR. KING: EIC.
6 MR. LIVERMORE: Oh, EIC.

7 MR. WALTERS: If this is --

8 MR. KING: It's not saying yes or no. I'm saying

9 whether that's even in their -- you know, I know I've read

10 the -- what they'll fund and everything, but I don't know --

11 MR. WALTERS: Have we determined whether we have a

12 demand to do this?

13 MR. KING: We think we have some demand, what we've

14 determined.

15 MR. LIVERMORE: Here's the thing. That's a hard

16 thing to get. We tried the get our hands around that two or

17 three times, and we had a list, this the famous list out

18 here, and I'm about convinced most of the names on that list

19 are just kind of tire-kickers and very low -- low-end --

20 low-income quality. I'm not saying about their personal, but

21 I'm just saying that these were guys that were really trying

22 to find a cheap hangar.

23 MAYOR PRATT: Low revenue.

24 MR. LIVERMORE: Sir?

25 MAYOR PRATT: Low revenue.

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1 MR. LIVERMORE: That's it, yes, sir. And, anyway,

2 that list was not fruitful. The other data point seems to be

3 that even though we don't -- can't put our finger on demand,

4 every time hangars are built, they fill up. That seems to be

5 the -- the thing that happens. I don't -- I'm not

6 comfortable with that, Corey, and apparently -- I suspect you

7 might not be either, but I don't know how we get it.

8 MR. WALTERS: Like building on spec.

9 MR. LIVERMORE: Yeah, it is. It really is.

10 MR. KING: You got to believe that -- if you

11 believe there's no demand, you got to believe that we built

12 16 T-hangars and we hit demand exactly on the head, perfect.

13 These T-hangars have never been vacant since we built them.

14 They've paid for themselves. We've got all our money back on

15 them, and they haven't -- we got -- we've received all the

16 money back on them. Every one of them's been full since the

17 day we built them, so we were miraculously able to exactly

18 determine what the demand was in Kerr County. We hit it

19 exactly, 16, and that has lasted for --

20 MR. McKENZIE: This is the 12th year.

21 MR. KING: For 12 years, we were able to exactly
22 figure out what the demand was. That's unbelievable.

23 MR. McKENZIE: One thing to bear in mind was,
24 it's -- when I tell whomever is on that list -- their first
25 question is, "How much is it going to cost me?"

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1 MR. KING: Yeah.

2 MR. McKENZIE: These are \$250 a month. And I tell
3 them at least 350 -- at least 350, and probably 400, that's
4 when I lost everybody. But not -- I didn't lose them; I got
5 a negative reaction. And Ed called some of them, too.

6 MR. LIVERMORE: I helped him make those calls.

7 MR. KING: I know.

8 MR. McKENZIE: That's when they backed out --
9 backed up. And they just went, "We'd love to have a new
10 T-hangar for \$250 a month." That's like saying I want a new
11 car for \$100.

12 MR. KING: Why don't we up the rent on these guys?
13 We'd have some vacant T-hangars.

14 MR. McKENZIE: That would be the game plan.

15 MR. KING: If we did that, the rent goes up --

16 COMMISSIONER MOSER: Then they'll go -- go down the
17 road 20 miles away. The more -- every time they build
18 things, they fill them.

19 MR. KING: I know.

20 MR. McKENZIE: He's got multiple vacancies in
21 Fredericksburg today.

22 COMMISSIONER MOSER: Does he? What's his rate?

23 MR. McKENZIE: He had eight vacant the last time I
24 talked to him.

25 MR. KING: What is his rate over there?

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1 MR. McKENZIE: Out of -- I don't know how many
2 they've got, 40 or 50.

3 COMMISSIONER MOSER: Yeah, they got 40 or 50.

4 MR. McKENZIE: He's got eight that's completely
5 vacant. This was last month.
6 MR. WALTERS: 15 percent.
7 MAYOR PRATT: What do they charge in
8 Fredericksburg?
9 MR. McKENZIE: Anywhere from -- it depends, Mayor.
10 Anywhere from 200 up to 300; depends on how big the hangar
11 is.
12 MAYOR PRATT: What do they charge for the type of
13 hangar you're planning on building here?
14 COMMISSIONER MOSER: Comparable is \$300, actually
15 smaller.
16 MR. McKENZIE: They're not that big, yeah.
17 COMMISSIONER MOSER: That's the reason I'm saying
18 comparable. It's 300.
19 MAYOR PRATT: How many people have planes in
20 Kerrville -- in Fredericksburg that live in Kerrville?
21 MR. GRIFFIN: There's a bunch.
22 MAYOR PRATT: I think we got to --
23 MR. LIVERMORE: Maybe we ought to try to develop a
24 list out of that group.
25 MAYOR PRATT: Yeah, absolutely.

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1 MR. LIVERMORE: Mm-hmm.
2 MR. WALTERS: That's a good point.
3 MR. KING: I think that -- I think that information
4 is available on the internet.
5 MR. GRIFFIN: Well, you can probably get the city
6 ones. We want to get the ones that -- those are private.
7 MR. KING: There's -- I think there's a list that
8 F.A.A. -- I've seen a list here for Kerr County.
9 MR. McKENZIE: You can come up with a list of where
10 the owner lives.
11 MR. KING: I've seen a list of where the airplanes
12 are at.
13 MR. WOOD: Fredericksburg airport doesn't own any
14 of those hangars.
15 MR. KING: I know; they're all private.

16 MR. WOOD: Either Fritz or Snowden own them?
17 COMMISSIONER MOSER: No, they own them now. They
18 own them now, some of them. Just last September --
19 MR. WALTERS: Did they sell them?
20 COMMISSIONER MOSER: No, they -- because they've
21 been there for 20 years, right? So, all of a sudden, they --
22 "X" number of them are now owned by the airport.
23 MR. KING: Well, let's work on -- if that's okay
24 with you guys, me and Ed and Tom will work on this. If
25 anybody else wants to, they're more than welcome to

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1 volunteer; they can help out. But we need to come up with an
2 idea. We need to decide whether we're going to do this or
3 not do this. And then if we're not going to do it, let's
4 raise the rates to our T-hangars, okay? Let's raise the rate
5 on our T-hangars, get some more revenue off the ones we've
6 got. Let's see how much pain those guys can endure over
7 there, see where the rate goes. You probably got a T-hangar,
8 don't you?
9 MR. WOOD: Three of us.
10 MR. KING: Three? Oh, my gosh. Probably get voted
11 down on that deal.
12 MR. WOOD: We need to raise the rate on Brinkman,
13 too.
14 MR. WALTERS: That's coming.
15 MR. KING: That's coming, believe me.
16 MR. WALTERS: Bruce, how long have the rates been
17 set?
18 MR. GRIFFIN: Never been changed.
19 MR. WALTERS: In 12 years, they've never changed?
20 MR. MCKENZIE: No, sir.
21 MR. KING: Yes, Mr. Moser?
22 MR. MARK MOSER: This is d'j'? vu to me. I just
23 went through this up in Iowa, an economically depressed area.
24 And we had money and it was 90/10, and we built 10 hangars
25 with no list, and we were nervous about it. And to decrease

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1 some of that nervousness, we went out and said, okay, if you
2 give us a five-year commitment, we'll give you -- and pay all
3 of it up front, we can give you a 20 percent discount. And,
4 you know, so we had some money in the bank right off, and
5 that got us, I think, four of the ten renters. And within
6 the first three months, the other ones were filled. Some of
7 these tire-kickers we thought couldn't afford the rent saw
8 they were filling up, and they didn't want to miss out, so --
9 and we -- it was amazing how many were at other fields, you
10 know, 30, 40, even 50 miles away that all at once -- I know
11 it was the price of gas. You want to be in your back yard.

12 MR. LIVERMORE: Tell me who you are?

13 MR. MARK MOSER: My name's Mark Moser. I moved
14 here just last July, so I'm still figuring things out.

15 MR. LIVERMORE: You came from Iowa?

16 MR. MARK MOSER: Came from Iowa. Yes, I did.

17 MR. LIVERMORE: May I ask a question? What was the
18 fuel situation there in Iowa?

19 MR. MARK MOSER: Locally where we had it there, it
20 was self-serve. The City owned it. The local airport
21 manager received half the profits on it, and it controlled
22 the price of it completely, but he was responsible for
23 everything.

24 MR. LIVERMORE: Mm-hmm.

25 MR. KING: And where do you keep your airplane?

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1 MR. MARK MOSER: Right now I have one in Iowa and
2 one here.

3 MR. KING: Where are you keeping the one here?

4 MR. MARK MOSER: At Joey Kennedy's.

5 MR. KING: Joey has it, okay.

6 COMMISSIONER MOSER: He's looking for a hangar.

7 MR. KING: Are you a candidate for a T-hangar?

8 MR. MARK MOSER: Absolutely.

9 MR. KING: Let's put him down on the list.

10 (Laughter.)

11 MR. LIVERMORE: Start a new list.

12 MR. KING: We got one guy.

13 MR. MARK MOSER: Hopefully I'm still on the list.
14 MR. KING: All right, there we go.
15 MR. WOOD: I think what Mark says has a lot of --
16 makes a lot of sense. And, you know, the way I see it, it's
17 a shared risk of the City, the County, and the airport to --
18 if we decide to go ahead and build these T-hangars.
19 Personally, I think you'd fill them up. I think having to
20 charge 350 or 400 might be too high for the going rate,
21 but -- I hate to say it since I'm a customer -- I think
22 probably you need to adjust the price on the existing
23 T-hangars, and there needs to be some median value. I mean,
24 what y'all have is everybody will be on the list for the
25 existing T-hangars, and nobody on the list for the expensive

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1 T-hangars. So -- and that will be competitive with what Joey
2 charges for having an airplane in the big hangar.
3 MR. KING: Right. I'll add myself to the list,
4 too, 'cause I need a hangar for my Cub. Now I got two
5 people. I can put my Cub up here from Uvalde.
6 COMMISSIONER MOSER: Steve, add the mayor on that
7 list for people that will work on this.
8 MR. KING: Okay, I did. I did. All right, so we
9 now have two people on the list. And I'll pay for mine up
10 front. If we did something like that -- we can do something
11 like that, I'd pay --
12 MR. MARK MOSER: Five years.
13 MR. KING: -- five years rent.
14 MR. LIVERMORE: I think that it's --
15 MR. KING: That's a good thought. That's a good
16 point.
17 MR. MARK MOSER: That's why I still have a
18 hangar -- I have two hangars, actually, in Iowa.
19 MR. LIVERMORE: Well, as you all know, because I've
20 given you written reports in the past, I've been part of
21 hangars in other places also. And in all the successful --
22 I'm not saying this is across the board; there's probably
23 successful places that I don't know about, but the ones that
24 I've seen, if the fuel price is the highest in the area, you

25 have less chance of filling those hangars than if you've got

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1 something that's more in the reasonable range. And that's --
2 we have that going here right now, and I think that's an
3 important part of our -- of our consideration. I do. And
4 then I'll just throw out probably a meaningless comment. I
5 was in Chandler, Arizona a month ago, and I've never seen so
6 many T-hangars in my life. They must have 500, and then
7 there was a lot of planes parked outside. I don't know any
8 of the details, but man, they got a hangar program there.

9 MR. KING: All right. Well, let's look at -- let's
10 do that. Let's take a look at this, and we'll come up with
11 an idea. That's a good idea, Mark. I like that. That
12 raises \$14,500 per airplane if you pay up front. I think it
13 costs 50,000 to build a hangar.

14 MR. MARK MOSER: Yeah, we did 20 percent off of
15 five years.

16 MR. KING: I just did that. That's roughly 29
17 percent of the cost of the hangar you can raise if you move
18 forward -- if you paid forward on that hangar. And like I
19 said, that was based on \$300 and 20 percent off of that.

20 MR. WALTERS: I think there's a demand, but I agree
21 that your -- your demand's going to decrease dramatically at
22 \$350.

23 MR. KING: No, I agree. I don't think -- I think
24 it will, but I think at 300, it probably is not a -- there's
25 probably a demand. I mean, you're paying 250 right now, you

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1 guys are?

2 MR. WOOD: Yeah.

3 MR. GRIFFIN: I'm amazed we've gotten this far at
4 250, 'cause I've been in the same hangar for 12 years.

5 MR. KING: I think the way I look at it is, from a
6 business standpoint, if we raise your rent to 300, are you
7 going to park your airplane on the ramp? Where are you going
8 to go?

9 MR. WOOD: Staying right here.

10 MR. KING: Going to Fredericksburg?
11 MR. WOOD: Already done that.
12 MR. GRIFFIN: No, I've already committed to that.
13 MR. KING: If we can increase the revenue on the
14 existing hangars a reasonable amount, then we can use some of
15 that money, you know, to defer -- to add it to -- since those
16 are already paid off and everything, we can use some of that
17 money to, you know, bring down the cost of these other ones.
18 I think that will work.

19 COMMISSIONER MOSER: Steve, on the suggested
20 committee to look at this, you, Ed, myself, Mark, and the
21 mayor.

22 MR. KING: That's fine. I'd like Mark -- Mark, you
23 can give us some input on what you did. Okay, that's fine.
24 All right. So, we got it planned. Two people on the list, a
25 new list, and we probably should work on finding out who

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1 those people are that live in Kerrville that, you know, got a
2 hangar over in Fredericksburg. Those will be our first --
3 those will be our first guys that we should contact.

4 MR. LIVERMORE: Corey, how concerned are you about
5 the demand issue?

6 MR. WALTERS: I'm not that concerned. I'm
7 concerned when I hear numbers of \$350, \$400.

8 MR. GRIFFIN: Yeah, that's --

9 MR. LIVERMORE: Well, but I'm talking about the --
10 your core question, which is have we determined if there's a
11 demand? Do you think that is -- are you feeling a little
12 more comfortable about that question? Or just demand itself?
13 I mean, at 300, at 350, whatever?

14 MR. WALTERS: Well, I think that people who have
15 done without a T-hangar here who are not already in an
16 existing hangar, you know, there's a price where they're just
17 going to continue to do what they're doing. But if they're
18 affordable and reasonable -- I think raising \$50 a month on
19 the existing hangars, that people are going to probably pay
20 that. But -- you know, they might even go greater. But if
21 -- but I think somebody who doesn't -- isn't in an existing

22 hangar, and you start talking \$350, \$400, I think they're
23 just going to continue to do what they were doing, go
24 without.
25 MR. KING: I agree. I think it's got to be

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1 reasonable. It's got to be competitive with the area. We
2 can't compete with San Antonio, obviously, 'cause they're at
3 \$600 for a hangar down there. For a T-hangar, it costs 600
4 bucks. So -- but you can go to Stinson on the other end and
5 get a lot cheaper -- get one at Stinson for a lot cheaper on
6 the south side of town. So, we got to compete with --
7 Fredericksburg is basically our competition.

8 MR. WOOD: Castroville has a lot of T-hangars.

9 MR. KING: Hondo does too.

10 MR. WALTERS: They're really cheap, though, down
11 there at Castroville.

12 MR. KING: I pay 160 a month. I have an airplane
13 in Hondo; I pay 160 bucks a month there, but it's --

14 MR. LIVERMORE: You have a plane at Hondo?

15 MR. KING: Yeah, unfortunately, but it's not the
16 greatest hangar I've ever had in my life.

17 MR. LIVERMORE: I thought you said Uvalde. You
18 have a third plane?

19 MR. KING: I got one in Hondo too.

20 MR. LIVERMORE: Excuse me.

21 MR. WALTERS: I don't know how many people on that
22 list in Fredericksburg may be -- or where they live. I think
23 that's some consideration. I mean, like, Mike and Penny
24 Guerra have two planes over there, but they live in Kamira,
25 so it's easier, they say, to go to Fredericksburg than it is

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1 to come out here to Kerrville.

2 MR. KING: Right.

3 MR. WALTERS: So --

4 MR. WOOD: You can put your name down twice, Steve.

5 MR. KING: I'm not moving that other one; I'm going

6 to sell it. Okay, that's good. Yeah, all right. So, we've

7 beat that up, so we'll go to Item 3E --

8 MR. McKENZIE: Steve?

9 MR. KING: Yeah?

10 MR. McKENZIE: Back to one of my earlier questions,
11 if we can't do this --

12 MR. KING: When do they need to know?

13 MR. McKENZIE: She needs to know after the meeting.
14 She asked me last month; she said, "What are you guys going
15 to do? I need to know." So, realistically speaking, let's
16 assume in the next 60 days we get financing approved.

17 MR. KING: We're going to know in the next 30 days.
18 We're going to know in the next 15 days.

19 MR. McKENZIE: I'm just trying to protect our
20 interest, because if we let it go too long, you know, and we
21 don't tell them to move the funds, they're going to hold that
22 for us, and then if we don't use it --

23 MR. KING: Call Michelle and ask her if we can have
24 two weeks to come -- we need 30 days. Can we get 30 days
25 from her? Ask her if we can get 30 days. Tell her where we

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1 are. We're going to determine whether we're going to need
2 that money ever -- ever need it. Not immediately or later,
3 you know. Determine whether we're ever going to need the
4 money, you know. The other way around this thing is you wait
5 four years, then you got enough NPE funds to build the thing
6 all with NPE funds. But I --

7 MR. McKENZIE: Well, you can just --

8 MR. KING: Or three years.

9 MR. McKENZIE: You can just accrue NPE funds up to
10 \$600,000. You can't just keep accruing the funds.

11 MR. WOOD: If we're looking for ways to use it or
12 lose it, I sure wouldn't want to forget about having a
13 cut-across taxiway for general aviation out here.

14 MR. KING: Yeah.

15 COMMISSIONER MOSER: And find out what the status
16 is of the CIP letter.

17 MR. McKENZIE: Well, I'll just call her and ask
18 her.

19 COMMISSIONER MOSER: That's the big --
20 MR. KING: Ask her about that. Tell her where
21 we're heading on this, and by the next meeting we're going to
22 decide whether we're moving forward or not moving forward at
23 all.
24 MR. LIVERMORE: You know, and not to get off the
25 subject, but Bill asked a question about that cut-across

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1 taxiway. Have you ever given any -- put a pencil to that,
2 what that might cost?
3 MR. KING: Have you seen the elevation change on
4 that taxiway? The reason it's not there is because there's
5 an elevation change from the runway to the taxiway. You
6 can't build a taxiway downhill. That's why they didn't do
7 it. It's like that. When they relocated the taxiway, it's
8 about like this, and it -- when it goes up, it gets to the
9 other end of the runway almost, that's where they put the
10 cross-over. I'm not an engineer, but I have a feeling that's
11 what they did.
12 MR. McKENZIE: That's part of it. The other reason
13 is that big ditch that we go through there.
14 MR. KING: There's a ditch there, too.
15 MR. McKENZIE: But we can overcome that simply with
16 a box culvert. That can be overcome.
17 MR. LIVERMORE: Well --
18 MR. KING: I don't know.
19 MR. McKENZIE: But no, to answer your question, I
20 haven't had an engineer figure that out. I don't know what
21 that would take.
22 MR. KING: It saves your brakes; just roll in.
23 Doesn't wear out your brakes.
24 MR. WOOD: Just have to worry about getting run
25 over by a great big Aero Commander.

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1 MR. KING: All right. Let's go to item 3E,
2 employee evaluations. We'll do that in executive session.
3 Brinkman hangar, item 3F. Okay. I put that on the agenda?

4 MR. McKENZIE: No, I put it on there, but I put
5 your name on it. I'll be glad to start.

6 MR. LIVERMORE: To use a terrible, terrible
7 expression that is overused these days, we kicked that can
8 sort of down the road now, and the can's here.

9 MR. KING: Oh, this is the one -- yeah, we're not
10 going to -- we decided we were going to --

11 MR. WALTERS: I think we decided in April, we were
12 going to publish a notice --

13 MR. KING: A notice.

14 MR. WALTERS: -- for receiving bids by a certain
15 bid date.

16 MR. KING: Right. I can't remember what we
17 decided. Well, I'd like Jonas to help us out there; he's not
18 here today. But let Jonas come up, and maybe Charlie -- that
19 other guy, Charlie, and let him come up with a plan as to how
20 we should advertise that, and then put it out in an
21 advertisement and publish it, and find out what interested
22 parties we have.

23 MR. WOOD: You know, what is it interested parties
24 want to do? If it's something besides store airplanes, if
25 they want to work --

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1 MR. WALTERS: That needs to be in part of their
2 proposal.

3 MR. WOOD: But then we get into trying to find out
4 from the city inspectors about what all is required to --

5 MR. McKENZIE: We've got a pretty good idea. They
6 sent us a --

7 MR. GRIFFIN: They were going to. We've never
8 gotten anything.

9 MR. WOOD: We asked for it, never received it.

10 MR. KING: No. No. No, they sent -- didn't y'all
11 send that, Mike?

12 MR. ERWIN: I'd have to check.

13 MR. KING: Somebody sent that.

14 MR. McKENZIE: They sent us a breakdown on some
15 electrical things that need to be fixed and some fire things

16 that would need to be upgraded, but they didn't tell us what
17 would be fully encompassed if we wanted to work on aircraft,
18 for example.

19 MAYOR PRATT: If you don't change the purpose, then
20 it's pretty much the same as it is now; there's a few
21 changes. If you want to know what you have to do if you're
22 going to change the purpose, then we have to know what the
23 purpose is.

24 MR. KING: You have to know what the purpose is.

25 MAYOR PRATT: Okay. And so we can't sit here and

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1 say, "Hey, if do you this, you do this."

2 MR. KING: Right. Right. Right.

3 MAYOR PRATT: You know, go through 15 different
4 scenarios.

5 MR. KING: No, I understand. Well, I think that's
6 what the process is going to -- this process is going to come
7 up with.

8 MR. WOOD: So, our request for bid needs to say --

9 MR. KING: Going to find out what you're going to
10 use it for.

11 MR. WOOD: In detail.

12 MR. LIVERMORE: Say, working on aircraft,
13 maintenance, a turbine shop. Someone mentioned -- I think
14 mentioned that at one time.

15 MR. MCKENZIE: Yeah.

16 MR. LIVERMORE: Is that a change in purpose? Is
17 the -- is the purpose that it's being used for now aviation
18 storage and maintenance? How big is the category we're in?
19 Just -- are we just in this little -- tiny little --

20 MAYOR PRATT: You're in a storage purpose right
21 now.

22 MR. MCKENZIE: Storage right now.

23 MR. LIVERMORE: So, anything beyond storage is a
24 change.

25 MAYOR PRATT: Is going to be a change in purpose.

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1 MR. WALTERS: From the fire marshal's point of
2 view, anything that opens it up to -- for public access -- if
3 it remains storage by a private individual, no change, but if
4 you open it up to public access as a maintenance hangar, then
5 that changes the whole game.

6 MAYOR PRATT: It will even change if you open it up
7 to storage to the public rather than private individual.

8 MR. WALTERS: Yes.

9 MR. KING: Yeah, that's what Corey said. But I
10 think that's what this process is going to put forward. To
11 find out what kind of interest we have in the hangar, and
12 then, you know, if some guy comes in and says, "Hey, I want
13 to put a -- I'd like to put a maintenance hangar in there,
14 move my maintenance facility here," then we can say, "Okay,
15 what are you going to do there? What are you going to --
16 give us the parameters." Then we can go to the City and say,
17 "Here's what we have." You know, "We've got this proposal
18 and this proposal and this proposal, and we'd like you to
19 look at it, find out what that's going to entail to do to the
20 hangar, to fix up the hangar."

21 MR. WALTERS: I think also, Bruce, probably --
22 maybe -- I'll be happy to work with you as we need to, to
23 develop a kind of a spec sheet of how somebody needs to get
24 their proposal -- the form they need to do their proposal.

25 MR. McKENZIE: Okay.

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1 MR. WALTERS: I'll work with you on getting a spec
2 sheet, so if anybody says, "Okay, I'd like to, you know, give
3 a proposal," then, I mean, they need to contact the Airport
4 Manager for the form -- proposal form, and you and I can do
5 that.

6 MR. KING: And I don't think we have to really tie
7 this to a firm bid -- a bid. I mean, I think we're looking
8 for some letters of interest, aren't we?

9 MR. WALTERS: I think we're looking for a bid.

10 MR. KING: Well, we may get thrown into a corner
11 here if -- I mean, are they going to pay for all
12 improvements? The improvements might be more than the bid.

13 MR. WALTERS: Might be.
14 MR. WOOD: That would --
15 MR. WALTERS: I think you got to advertise it
16 as-is.
17 MR. KING: As-is.
18 MR. WOOD: Well, and also say that if there's major
19 renovations for your desired use, the rent may be adjusted --
20 MR. KING: Yeah.
21 MR. WOOD: -- accordingly.
22 MR. KING: I mean, I think if we had the -- I think
23 there's got to be some leeway in there, 'cause if we had the
24 right person that wanted to rent the hangar, obviously, we'd
25 be willing to -- you know, we'd have the City and the County

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1 and the community would have economic benefits to someone
2 coming in there and creating jobs. And, you know, then --
3 you know, then we're back with EIC maybe, you know, on the
4 thing as far as doing some improvements.
5 MR. WALTERS: But isn't that part of -- that's
6 going to be part of their -- I mean, if we have a company out
7 of San Antonio that comes in and says, "We're going to do a
8 maintenance shop," then, you know, I mean, Bruce can direct
9 them, but they need to go talk to EIC, see what kind of
10 things they think they can get based on the amount of
11 employees that they're bringing.
12 MAYOR PRATT: I'm going to give you one little
13 change there, Corey. Anybody that comes and approaches
14 anybody for economic development needs to go to KEDC.
15 MR. KING: Right. Right.
16 MAYOR PRATT: Kerrville Economic Development.
17 MR. KING: Yeah, go to Jonas first.
18 MAYOR PRATT: And then Jonas will take it from
19 there.
20 MR. WALTERS: I think that's when -- if we have an
21 interested party who's looking at a business, then Bruce can
22 direct them to where they need to go to talk about getting
23 some grant moneys, you know, whatever.
24 MR. KING: Right. But I don't think -- how can

25 they spend money that's not on their hangar? How can "ABC"

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1 Corporation come in here and get funds to fix up our hangar?

2 I guess offer a lease -- basically, off their lease? 'Cause

3 when these guys across the street -- that's their building.

4 They're building their own building, and they're getting

5 funds to fix that up.

6 MR. WALTERS: The leasehold rate.

7 MR. WOOD: If we have to fix it, it will cost this

8 much. If you fix it, then it's this much.

9 MR. WALTERS: I think you got to -- you know, you

10 got to be comparing apples to apples. You got to go tell

11 somebody that it's as-is, and -- and then if -- you know, and

12 if they need to -- I mean, and that's why part of their

13 use -- you know, in the letter, you -- you know, they make a

14 proposal, but, you know, you put in there, you know, "What's

15 your anticipated employment for your use?" Then the board,

16 when we get those letters, can make a determination if they

17 want to take less because of the --

18 MR. KING: Right.

19 MR. WALTERS: -- employment impact.

20 MR. KING: Okay. That's -- when I said a bid, I

21 just don't want it to be -- I don't want it to be construed

22 as if I offer \$6,000 and another guy offers \$5,000, and the

23 guy offering \$6,000 is, you know, doing an aircraft salvage

24 company here where he's tearing crap apart over there all day

25 and it's all over, it's a messy business --

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1 MR. WALTERS: Well, I don't think we advertise it

2 as an absolute bid to where the highest amount gets it.

3 MR. KING: Okay. Okay. No, that's fine.

4 MAYOR PRATT: You can advertise it, as Corey says,

5 as you require a plan of action.

6 MR. KING: Yeah, okay.

7 MAYOR PRATT: And then the plan of action we can

8 use as feedback as to what it would cost.

9 MR. KING: Right, yeah. As long as there's

10 somewhere in there that it will still be up to the board to
11 determine --

12 MR. WALTERS: Absolutely.

13 MR. KING: -- the highest and best use for the
14 property.

15 MR. WALTERS: Right.

16 MR. KING: Okay.

17 MR. WOOD: Best qualified bidder.

18 MR. LIVERMORE: Can we -- can we begin to roll that
19 going forward now? Because if we're going to advertise in
20 April, it sounds like there is going to have to be a fairly
21 well-crafted offer or request.

22 MR. WALTERS: You can advertise in April, I mean,
23 or you can advertise in May. I mean, it just depends on how
24 long you want to give somebody to get a bid together. I
25 mean, they don't have to receive the bids in April or receive

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1 bids in 30 days; you can give somebody 90 days.

2 MR. LIVERMORE: If we're going to advertise in
3 April, we need to get ready now.

4 MR. WALTERS: Mm-hmm.

5 MR. KING: Yeah.

6 MR. LIVERMORE: But this is going to be a pretty
7 complicated little request for proposals, I think.

8 MR. WALTERS: Well --

9 MR. LIVERMORE: And then we've got to have time to
10 negotiate and discuss it and form it up and do all that. You
11 know, that'll take the summer.

12 MR. WOOD: How are we going to do this? Have a
13 real estate person with commercial real estate, or we do it
14 ourselves?

15 MR. McKENZIE: Not to my knowledge.

16 MR. WOOD: If so, who's going to do it?

17 MR. KING: Then we got to pay 6 percent, or more
18 than that.

19 MR. WOOD: I'm just asking the question.

20 MR. KING: I think probably we'd use -- KEDC will
21 help us out.

22 MAYOR PRATT: KEDC.

23 MR. KING: Jonas has already said he would help us.

24 They market buildings in this town all the time that we don't

25 even know about, you know, that are -- I mean, they -- shoot,

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1 whenever we had the -- before we gave away the welding

2 building over here to the Alamo Community College, you know,

3 they were marketing that. You know, he had people looking at

4 that building and stuff like that. Even though -- he kind of

5 finds out what's available in the community, and he's out

6 looking for ways to --

7 COMMISSIONER MOSER: I have a suggestion on this.

8 MR. KING: Yes, sir?

9 COMMISSIONER MOSER: If you simply say -- if you

10 put out a request for proposal of how people would want to

11 use this building, as Corey says, as-is, okay, then you can

12 define what "as-is" is, okay? Very simple request for

13 proposal. How would you do it, and what would you propose?

14 And you could -- you could put a disclaimer in there, you're

15 not going to necessarily commit to the proposals that come

16 in, but you need to gather them up to get ideas, and then

17 have a pre-bidders conference where you open it up. I mean,

18 just advertise it, and everybody that's interested will come

19 out here and take a look at the thing; have KEDC involved in

20 it, and talk about other potential things that could be used

21 for -- for funding through -- through related jobs, EIC or

22 KEDC.

23 MAYOR PRATT: Tom, the only thing wrong with that

24 would be -- I mean, it's a good -- don't misunderstand me,

25 but if you bid only for as-is, then you're cutting out any --

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1 anybody else that has another idea.

2 COMMISSIONER MOSER: No, I didn't mean to say that.

3 MAYOR PRATT: Yeah.

4 COMMISSIONER MOSER: The building is as-is. What

5 would you propose to use it for? Their proposal would be how

6 they would use it and how they would reconfigure it or

7 improve it or whatever. That's part of their proposal.

8 MR. WALTERS: Yeah, and that's part of what Bruce

9 and I, and I think we ought to get Jonas too, you know, to

10 put this -- you know, kind of a format letter.

11 COMMISSIONER MOSER: Right.

12 MR. WALTERS: You know, with their bid.

13 COMMISSIONER MOSER: Right, yeah.

14 MR. KING: There may be an aviation use we don't

15 know about.

16 MR. WALTERS: Right.

17 MR. KING: We're thinking pretty -- you know, in a

18 pretty small box. There may be something, you know, that may

19 appeal to someone that we have no clue.

20 COMMISSIONER MOSER: Yeah. The proposals would not

21 be just to bid on the building as-is, but they propose what

22 they would plan to do.

23 MR. KING: Yeah.

24 MR. WOOD: And what the schedule is, what the

25 financing is, and blah, blah, blah.

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1 MR. WALTERS: Exactly.

2 MAYOR PRATT: It's --

3 MR. WALTERS: Proposed use.

4 COMMISSIONER MOSER: Right.

5 MAYOR PRATT: They're -- your April date is a

6 little aggressive, I think, 'cause we're already in March for

7 all practical purposes. Probably May would be more --

8 MR. WALTERS: We can do May. We got until

9 December.

10 MAYOR PRATT: Bruce, if you could get me

11 something -- or get it to Jonas. Jonas and I are headed to

12 Dallas this week for an investor's -- a P3 conference, which

13 is investors interested in business, new projects with

14 cities. So -- and that's a big conference. So, I might --

15 if I could take something with me that you kind of put

16 together --

17 MR. KING: Do we have a sketch? Do we have a floor

18 plan of that building or anything? Do we have any --

19 MR. McKENZIE: I've got the lease of the entire
20 building. I've got the drawings of the footprint of the
21 building.
22 MR. KING: Yeah.
23 MR. McKENZIE: That, I have.
24 MR. KING: Footprint.
25 MR. McKENZIE: Footprint of the property that's

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1 leased, leasehold area. I've got all that data that I can --
2 Mayor, you could have all that information, too.
3 MAYOR PRATT: Get it to Jonas.
4 MR. KING: Get it to Jonas. Maybe you could maybe
5 take a couple pictures of it, you know, a couple pictures of
6 the building. That would be probably as useful as anything.
7 MAYOR PRATT: Yeah.
8 MR. WOOD: Pictures of the office area, storage
9 space.
10 MR. KING: I'll have to go back and get the key.
11 MAYOR PRATT: Square footage, all that.
12 MR. KING: Just square footage. Get a picture of
13 the outside of the building.
14 MAYOR PRATT: And also available space outside the
15 building.
16 MR. KING: The what?
17 MAYOR PRATT: The available space up to limits, if
18 they want to add on.
19 MR. KING: Right.
20 MR. McKENZIE: Sure.
21 MR. KING: Okay. See if you can do that for me.
22 When are you leaving, Friday?
23 MAYOR PRATT: No, we're leaving Wednesday.
24 MR. McKENZIE: Today's Monday.
25 MAYOR PRATT: I'm leaving Wednesday night.

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1 MR. KING: All right. Well, we'll see what we can
2 do. All right. So, Bruce, will you -- even without that,
3 why don't you get together with -- so Jonas won't be back

4 till next week. You'll be -- how many days are you going to
5 be there?

6 MAYOR PRATT: We'll be back Monday -- I mean, back
7 in business Monday.

8 MR. KING: Back in business.

9 MAYOR PRATT: We'll be back Friday night.

10 MR. KING: So, next week, why don't you get
11 together with Jonas, tell him what we're wanting to do, kind
12 of what we're thinking to do and everything, kind of see what
13 his angle is, where they want to head on it.

14 MR. McKENZIE: Okay.

15 MR. KING: He can help us out.

16 MR. McKENZIE: Yes, sir.

17 MR. KING: All right. Anybody else on that? Item
18 3G, ditch. Bruce?

19 MR. McKENZIE: The Texas Transportation Commission
20 approved this on the 31st of January, and you can now see
21 that we're under way. The County's moved in and started
22 doing the excavation on the west end, which is the discharge
23 end, and we'll work our way back to the east as we progress
24 along. It's been -- the elevations have been staked out.
25 We're moving with the project.

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1 MR. KING: Okay, good. I saw that.

2 MR. McKENZIE: We're waiting now to get the two box
3 culverts. They're a rather unusual size, and I'm -- I've
4 found them, but they're going to have to produce them, but
5 I'm searching the state to see if somebody's got some in
6 stock. 2-by-6 box culverts are not the norm.

7 COMMISSIONER MOSER: Is there a schedule of
8 completion?

9 MR. McKENZIE: No.

10 MR. KING: Well, good. Thanks, Tom, to the County
11 for stepping up, and the City for stepping up on this
12 project. Anything else on that, on the ditch? Airport Board
13 member terms?

14 MR. McKENZIE: In your green packet, you'll see
15 this document that's got everybody's name and their term on

16 it. The terms that will expire 1 June are Steve and Ed.

17 MR. KING: Okay.

18 MR. KENNEDY: The question to be posed is, will you

19 gentlemen continue to serve -- willing to continue to serve

20 on the board?

21 MR. LIVERMORE: I don't have that document.

22 MAYOR PRATT: The last page.

23 MR. LIVERMORE: Oh.

24 MR. WALTERS: You're awful quiet. (Laughter.)

25 MAYOR PRATT: Steve said yes.

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1 MR. LIVERMORE: In my case, the answer is yes.

2 MR. KING: Okay. I'll decide here in the next week

3 or so. I'll let you know, Bruce. Item 3I.

4 MR. McKENZIE: The fly-in reunion is scheduled

5 August 27th. This is coming together quite nicely now.

6 MR. LIVERMORE: August?

7 MR. McKENZIE: I mean -- I'm sorry, April the 27th.

8 It's on a Saturday. And it's not an air show; it's just a

9 fly-in.

10 MR. KING: When is that?

11 MR. McKENZIE: April 27th.

12 MR. KING: Okay.

13 COMMISSIONER MOSER: 27th?

14 MR. McKENZIE: It's on a Saturday. We've been

15 having meetings once a month for the past four months, and

16 it's coming together nicely. There's -- there may be static

17 displays, but there probably won't be. We're just trying to

18 get folks to come to Kerrville and spend the weekend, come to

19 our airport.

20 MR. KING: Yeah.

21 MR. McKENZIE: And we will have a barbecue lunch

22 here Saturday. Joey Kennedy, who owns Kerrville Aviation,

23 has volunteered his time, money, and barbecue pit to throw a

24 barbecue if you show up at the fly-in, for free.

25 MR. WOOD: Would the Chamber of Commerce or any of

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1 the other City/County --

2 MR. McKENZIE: Charlie McIlvain's working with all
3 those folks right now.

4 COMMISSIONER MOSER: And Charlie McIlvain's
5 Convention and Visitors Bureau.

6 MR. McKENZIE: He's working that angle of it.
7 About the free lunch, there'll be a coffee can there if you
8 want to donate, but Joey's graciously stepped up to the plate
9 and said he would throw a barbecue. We've heard anywhere
10 from 50 planes to 200 airplanes. We won't know until --
11 obviously, till the day it gets here.

12 COMMISSIONER MOSER: You might add that the
13 Convention and Visitors Bureau's advertising it?

14 MR. McKENZIE: They are. It's all over the state
15 already, Tom. It has been for two months.

16 COMMISSIONER MOSER: Right.

17 MR. McKENZIE: What I'm going to do is close Runway
18 3/21 Friday morning at 7 a.m., and leave it closed till
19 Monday morning at 9 a.m. We'll park the aircraft on that end
20 of the airport, like we do when we have the MAPA fly-in, the
21 Mooney fly-in.

22 MR. WOOD: Is the Board going to have any
23 representatives there or anything?

24 MR. McKENZIE: You're certainly welcome. It's open
25 to the --

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1 COMMISSIONER MOSER: Anything less than 100 percent
2 is unacceptable.

3 MR. McKENZIE: Like I said, there's no scheduled
4 function. There's no agenda. It's just come out here, look
5 at airplanes and enjoy the day, and have barbecue.

6 MAYOR PRATT: Have we included Mooney in that?

7 MR. McKENZIE: Yes, sir, they've been in on every
8 meeting. They have, uh-huh. Robert Collier's been at every
9 meeting, and Barry Hodkin has been at a couple of them, yes,
10 sir.

11 MR. WOOD: Has there been any efforts on the Cessna
12 forum or Bonanza forum?

13 MR. McKENZIE: It's on all the forums that we can
14 get our hands on.

15 MR. LIVERMORE: I'm not sure it's on the -- well,
16 maybe it's on the Bonanza, but I haven't put it on there, but
17 I will.

18 MR. McKENZIE: Okay, good. Thank you.

19 MR. KING: That's good. I hope --

20 MR. McKENZIE: But other than that, it's just a
21 get-together. And if it -- if we have a good -- obviously, a
22 good showing, then next year we can start maybe planning a
23 couple of events.

24 MR. WOOD: A lot of airports, when they advertise
25 something like this, they say, "And we have our special fuel

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1 prices for the fly-in." All we have to do is just tell them
2 what our normal self-serve is.

3 MR. McKENZIE: That's on the -- sure, that's been
4 going on, 'cause Joey's already agreed for a special fuel
5 price for that weekend only.

6 MR. LIVERMORE: For that weekend only, just because
7 moving planes to self-service down there is going to be
8 really awkward, if -- if he could serve the planes from the
9 trucks at the self-serve fuel price, that will be a lot
10 easier on the fueling.

11 MR. McKENZIE: That's the game plan.

12 MR. KING: Is that the plan?

13 COMMISSIONER MOSER: Bruce -- oh, excuse me.

14 MR. LIVERMORE: Excuse me, Tom.

15 COMMISSIONER MOSER: Could you -- with this
16 opportunity to have "X" number of planes, and that's how
17 people come in, could the Chamber of Commerce or Visitors'
18 Bureau or something have a presentation of, "Here's
19 Kerrville, here's Kerr County"? With a Power Point
20 presentation while they're eating lunch in some hangar or
21 something?

22 MR. McKENZIE: I don't see why not.

23 MAYOR PRATT: That would be Charlie.

24 COMMISSIONER MOSER: Yeah, that would be Charlie's.

25 MR. McKENZIE: I don't see why not.

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1 COMMISSIONER MOSER: They've got to have canned
2 presentations like that.

3 MR. WOOD: Would the three golf courses have any
4 interest in --

5 COMMISSIONER MOSER: Well, I don't know. It's
6 just -- I think if you get that many people --

7 MAYOR PRATT: I think that would be all part of it.

8 COMMISSIONER MOSER: If you get that many people
9 here, I think you need to -- rather than let them see what
10 they see here, give them a visual presentation in some way.

11 MR. McKENZIE: Power Point.

12 MR. KING: Where are you going to do that?

13 COMMISSIONER MOSER: Where's the barbecue?

14 MR. McKENZIE: I don't know if he's going to do the
15 barbecue -- I don't know which hangar he's going to do it in.

16 COMMISSIONER MOSER: Okay.

17 MR. McKENZIE: We're going to have a registration
18 table hopefully underneath the Brinkman awning over here.
19 I've asked for permission; haven't been granted that yet.

20 Everybody will come this way, you know, as they get on the
21 buses or get the rent cars to go out. But we could put -- we
22 could post that on there as well, that we're going to have --
23 at lunch, for the ones that come in Friday at lunch, Tom, and
24 then the ones that come Saturday, say hey, we got you --

25 COMMISSIONER MOSER: Give them something to sell,

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1 to sell Kerrville.

2 MAYOR PRATT: Where are you getting the buses from?

3 MR. McKENZIE: Charlie said he's handling that.

4 MAYOR PRATT: Okay. AACOG will furnish the buses.

5 MR. McKENZIE: That may be where he's getting them.

6 MAYOR PRATT: So, he's already got it?

7 MR. McKENZIE: He's taken the lead on it.

8 MAYOR PRATT: AACOG will handle it.

9 MR. KING: One time before Joey did this -- I'm

10 sorry, Ed -- and he emptied out the Air Evac hangar over
11 there.

12 MR. McKENZIE: The little hangar. That's the last
13 little air show we had. That was about six years ago.

14 MR. KING: Yeah. I mean, he used that kind of
15 'cause that door goes up.

16 MR. McKENZIE: Yeah, good place.

17 MR. KING: That door opens up, and it makes a big
18 shaded area.

19 MR. McKENZIE: Sure.

20 MR. KING: And they pulled those planes out of
21 there and kind of used that as a little meeting area, as a
22 place to register people.

23 MR. McKENZIE: We also had lunch in there too.
24 It's a nice little hangar.

25 COMMISSIONER MOSER: I'd suggest that you show them

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1 a page or two on the master plan, what's planned for the
2 entire airport.

3 MR. McKENZIE: Yeah, we've got all that.

4 COMMISSIONER MOSER: I know we got it. It's got
5 a -- you got the audience. Might as well capture them.

6 MR. WOOD: Have a sign-up sheet for T-hangars if
7 anybody's interested.

8 MR. KING: I have that sheet.

9 MR. LIVERMORE: We have some businesses here on the
10 field; I guess three principally, and that'll be Kerrville
11 Aviation, Dugosh, and the avionics shop.

12 MR. McKENZIE: Aviation International.

13 MR. LIVERMORE: Aviation International.

14 MR. WOOD: And a couple of flight instructors.

15 MR. LIVERMORE: And some flight -- we may be -- I
16 wonder, because in the future, this is where it really could
17 get popular, is if we started a little industry trade

18 show/exhibit thing. For example, those three, plus the

19 flight instructors possibly could have a booth to show what

20 those activities are on the field. And we have kind of a

21 connection to Aspen Avionics here in Kerrville through Kevin

22 Williams and his brother and others. And there's a fellow
23 here that has a plane, or did have a plane -- Jim somebody,
24 whose son, I think, is one of the founders of that Aspen
25 Avionics. Do you know who I'm talking about?

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1 MR. McKENZIE: Jim Bethel.

2 MR. LIVERMORE: Jim Bethel, that's it. And I'm
3 wondering if -- and then with Kevin living here in town, he's
4 like the multi-state field service engineer and marketing
5 guy. His brother's the same thing in Florida. We have
6 Aspen --

7 MR. WOOD: We have Compton Insurance.

8 MR. LIVERMORE: Compton Insurance right here.
9 That's one of the biggest aviation insurers in the country
10 there, right here in Kerrville up on Memorial there
11 somewhere. But I -- no, they're on Water Street. If we
12 could get some people out here like that, it might be the
13 beginning of a little trade show. I mean, you know, who
14 knows where this could go?

15 MR. McKENZIE: I'll certainly bring that up. That
16 wasn't the intent this first year. The first year was to see
17 what kind of --

18 MR. LIVERMORE: We're not talking about a big
19 impact.

20 MR. McKENZIE: I'll run it by Charlie, 'cause he's
21 driving the train.

22 MR. KING: Give people something to look at.

23 MR. LIVERMORE: Yeah. You just get them coming out
24 and hanging out. Well, let's give them something to look at.

25 MR. McKENZIE: Sure.

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1 MR. KING: Falcon, all these guys have that stuff,
2 'cause they go to Oshkosh every year; they just put a table
3 out or something with a banner. A table and a banner, just
4 representing --

5 MR. LIVERMORE: Doesn't take a big deal.

6 MR. McKENZIE: Sure.

7 MR. LIVERMORE: But Aspen, to me, would be kind of
8 a natural, and they're a national company. They're out of
9 Albuquerque, but they have a big -- they have a number of
10 connections to Kerrville. And if you get them, maybe Garmin
11 might show up with a table and a banner, you know.

12 MR. KING: Good idea.

13 MAYOR PRATT: Another one you might want to look at
14 is contact Trevor because of the wine tasting event, and it's
15 big. It's a big event on July 6th.

16 MR. LIVERMORE: Mm-hmm.

17 MR. KING: Oh, yeah. That's good.

18 MAYOR PRATT: And --

19 MR. LIVERMORE: Somebody mentioned the golf courses
20 too. We ought to tie the three --

21 MAYOR PRATT: All three of them into one.

22 MR. LIVERMORE: Yeah.

23 MR. KING: That's a good point.

24 COMMISSIONER MOSER: You could probably get some of
25 these ranches around here that have year-round hunting for

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1 exotics and everything that you can think of --

2 MR. McKENZIE: Sure.

3 COMMISSIONER MOSER: -- come in and put up a booth.
4 There's one down in Comfort that he's got ranches here and
5 New Mexico. Big operation. Probably love to have exposure
6 to those people.

7 MR. KING: That's a good idea. And even if we
8 don't get all that done this year, I think if we have anybody
9 show up, I think that's a good idea for next year. If you
10 get 100 people or 150 people to show up in Kerrville, what a
11 better opportunity than to try to sell them something. Sell
12 Kerrville. You know, sell Kerrville to them, I mean, that
13 there's other stuff to do here than what they might know
14 about.

15 MAYOR PRATT: That's something we need to think
16 about doing on this first go-around, rather than waiting.
17 But you might also want to consider including the camps as
18 one, too.

19 MR. KING: Yeah.
20 MAYOR PRATT: That's big money in this area.
21 MR. WOOD: Big use of the airport, all the hunting
22 and all the camps.
23 MAYOR PRATT: Yeah. Provide a space for all the
24 camps to --
25 MR. McKENZIE: I got it down. I'll tell them.

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1 MR. KING: All right. Anything else on that? All
2 right. Item 4A, general update. Anybody have anything on
3 that?
4 MR. McKENZIE: The security gates are now up on our
5 new parking lot, and operational, the walk gate as well as
6 the big vehicle gate. Yesterday -- Friday, not yesterday.
7 Friday, we -- the A.C.C.D. had their grand opening at 1994
8 Airport Loop where the new welding shop's going to be. It's
9 a nice facility. It's a couple --
10 COMMISSIONER MOSER: Is that -- is teaching going
11 on there right now?
12 MR. McKENZIE: No. They just opened Friday
13 afternoon, so I don't know if they're up there today working
14 or not; I haven't looked.
15 MAYOR PRATT: No, they're not, 'cause they only got
16 a temporary certificate of occupancy.
17 MR. McKENZIE: Yeah, that's -- they have to put an
18 exit sign on both ends of the building.
19 COMMISSIONER MOSER: When are they scheduled to
20 start teaching?
21 MR. McKENZIE: As soon as they get the exit signs
22 up, what they told me. That's what they told me, Tom. And
23 they're waiting -- they had to order the signs.
24 MAYOR PRATT: Waiting for the signs to come in.
25 MR. McKENZIE: To come in, the exit signs. The

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1 fire marshal wanted them to have an exit sign.
2 COMMISSIONER MOSER: Okay.
3 MR. KING: So they know how to get out of the

4 building.

5 MR. LIVERMORE: The big grant, did that come from
6 the Texas government somewhere?

7 MAYOR PRATT: It came from the Texas Workforce
8 Commission.

9 MR. LIVERMORE: Yeah.

10 MAYOR PRATT: \$305,000.

11 MR. LIVERMORE: The story was pretty much
12 indicating that, but I didn't -- it didn't specifically say
13 that.

14 MR. McKENZIE: You all have a copy. Our master
15 plan is now final, and you each have a copy of it now. The
16 only thing lacking is the final ALP, and possibly some
17 declared distance issues, and that's why it's in a three-ring
18 binder, so we can add those when they come out of Austin.
19 But you have the finished product now.

20 MR. WOOD: Looks like a good job, all the work on
21 it.

22 MR. McKENZIE: It's an excellent body of work.
23 Garver did a great job. And the last thing is, I know Ed
24 can't go, but the TexDOT conference that's in May, does
25 anybody else have -- Ed, you sent me an e-mail saying you

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1 couldn't go. I sent everybody an e-mail a couple of months
2 ago.

3 MR. KING: Is that the one that used to be in
4 Austin?

5 MR. McKENZIE: It's in Austin again this year.

6 COMMISSIONER MOSER: Let me comment on that.
7 That's -- I've been a couple times, I think, and the benefits
8 from that are 10 times what you expect.

9 MR. KING: What's the date on it? May?

10 MR. McKENZIE: Look on my calendar; tell me when
11 the TexDOT conference is. Look on my desk; there's an
12 invitation on the front of my desk.

13 COMMISSIONER MOSER: You learn -- you learn a lot
14 more than you'd ever anticipate.

15 MR. McKENZIE: And you meet a lot of the right

16 people.

17 COMMISSIONER MOSER: Right.

18 MR. WOOD: Why couldn't you go? You got a
19 conflict?

20 MR. LIVERMORE: It's the weekend of my knee --

21 MR. McKENZIE: It's Monday, May the 13th and 14th.

22 MR. KING: May the 13th? Doing it on a Monday?

23 MR. McKENZIE: It's Monday and Tuesday, 13th and
24 14th.

25 MR. WALTERS: I can't go; I'm out of town.

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1 MR. McKENZIE: Corey can't. Ed can't.

2 MR. WOOD: I'll get back to you. I just got to
3 see.

4 MR. KING: 13th and 14th?

5 MR. WOOD: Got to see where I am.

6 MR. LIVERMORE: Why is it Monday? I thought it was
7 always Thursday and Friday.

8 MR. McKENZIE: It's the 13th, 14th, and ends at
9 breakfast on the 15th.

10 MR. WOOD: What do you do, go up Sunday evening and
11 come back Tuesday afternoon?

12 MR. KING: Go up there Monday morning.

13 MR. McKENZIE: Monday morning -- Monday, about
14 lunch.

15 MR. LIVERMORE: Where's it going to be over there?

16 MR. McKENZIE: In Austin at the Hilton downtown, I
17 think, Ed.

18 MR. WOOD: Fly to Austin Executive, get a cab or
19 something.

20 MR. KING: I might go to that this year. In fact,
21 I think I'm not -- I think I'm in town.

22 MR. McKENZIE: Let me know by Friday, --

23 MR. KING: I will. I'll let you know.

24 MR. McKENZIE: -- if you don't mind, please, and we
25 can make reservations before they go up.

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1 MR. KING: We should all go together. That's a
2 really good way to stay in the queue for grants and stuff.
3 Good to meet Michelle and talk to her and -- it's kind of one
4 of those little deals, out of sight, out of mind.
5 MAYOR PRATT: Complete your waiting list.
6 MR. LIVERMORE: What?
7 MAYOR PRATT: Complete your waiting list.
8 MR. LIVERMORE: Good way to complete -- because you
9 can talk to other airport operators, kind of get some ideas
10 on what they're doing and what they're -- how they're getting
11 money, and where they come up with good ideas and stuff. So,
12 nobody went last year, did they?
13 MR. McKENZIE: I did.
14 COMMISSIONER MOSER: I did.
15 MR. McKENZIE: Tom and Ed were going to go, but a
16 thunderstorm precluded them from getting to Galveston.
17 COMMISSIONER MOSER: I did not go last year.
18 MR. McKENZIE: Y'all could not make it.
19 MR. LIVERMORE: We were headed there.
20 MR. McKENZIE: A line of thunderstorms stopped it.
21 MR. KING: I'll try to work that, try to get
22 somebody to go.
23 MR. LIVERMORE: In fact, somebody -- there was
24 someone -- there was a plane crash in those thunderstorms.
25 MR. McKENZIE: There was one that day.

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1 MR. LIVERMORE: Somewhere.
2 MR. McKENZIE: Glad you didn't go.
3 COMMISSIONER MOSER: It wasn't us.
4 MR. LIVERMORE: We were smart.
5 MR. KING: Anybody else have anything else?
6 Nothing? All right, then we'll adjourn at this time.
7 Temporary --
8 THE REPORTER: Recess.
9 MR. KING: Recess. I said recess; I think that's
10 what you call it. We'll recess to go in executive session to
11 talk about our airport employee evaluations, and we'll get
12 back with you. Thank you very much for coming.

13 (The open session was closed at 10:13 a.m., and an
executive session was held off the record.)

14

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16 (The Airport Board went back into open session at
10:53 a.m.; Mr. Walters was not present.)

17 MR. KING: We'll go back into open session at

18 10:53, and in executive session we addressed Item --

19 MR. GRIFFIN: 3E.

20 MR. KING: Item 3E, and I don't know if I told you

21 that we did that in -- that was under personnel matters,

22 which is 550.74, personnel matters. And we -- we looked at

23 the employee evaluations, and we approved the employee

24 evaluations that were given for two employees that work for

25 Mr. McKenzie, and filled out an evaluation for Mr. McKenzie,

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1 our Airport Manager. That's it. And we'll -- I need a

2 motion to adjourn.

3 MR. LIVERMORE: Move we adjourn.

4 MR. WOOD: I second.

5 MR. KING: All in favor? Aye.

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

7 MR. KING: We'll adjourn at 10:54.

8 (Airport Board meeting was adjourned at 10:54 a.m.)

9

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11 STATE OF TEXAS |

12 COUNTY OF KERR |

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

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

15 true and complete transcription of my stenotype notes taken

16 at the time and place heretofore set forth.

17 DATED at Kerrville, Texas, this 22nd day of February,

18 2013.

19

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