

AGENDA
KERRVILLE-KERR COUNTY JOINT AIRPORT BOARD
Monday, August 11, 2008, 3 pm
AIRPORT TERMINAL CONFERENCE ROOM
1877 AIRPORT LOOP ROAD, KERRVILLE, TEXAS

1. Call to Order.
2. Visitors/Citizens Forum: At this time, any person with business not scheduled on this agenda, may speak to the board. No formal action can be taken on these items. Visitors are asked to limit presentations to three minutes.
- P.1 3. Approve the Minutes of July 14, 2008, Board Meeting
4. President's Remarks
5. Discussion and Possible Action
- 5A. Public presentation of the Airport Business Plan. (Michelle Hannah-TxDOT Aviation)
- 5B. Air-Evac new facility. (Stephen King)
6. Announcements and General Updates:
7. Executive Session
The Kerrville-Kerr County Joint Airport Board reserves the right to discuss any of the above items in executive closed session if they meet the qualifications in Sections 551.071 (consultation with attorney), 551.072 (deliberation regarding real property), 551.073 (deliberation regarding gifts), 551.074 (personnel matters), 551.075, 551.076 (deliberation regarding security devices) or 551.087 (deliberation regarding economic development negotiations) of Chapter 551 of the Government Code of the State of Texas.
8. Adjournment

Note: The meeting facility is wheelchair accessible and accessible parking spaces are available. Requests for accommodations or interpretive services must be made 48 hours prior to this meeting. Please contact the city secretary at 830-257-8000 for further information.

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**CITY OF KERRVILLE, TEXAS
KERRVILLE-KERR COUNTY JOINT AIRPORT BOARD**

**Board Meeting
July 14, 2008**

On Monday, July 14, 2008, the meeting of the Board Members of the Kerrville-Kerr County Joint Airport Board was called to order at 3:00 p.m. by Roger Bobertz, President, at the Airport Terminal, Louis Schreiner Field, Kerrville, Texas.

Members Present:

Roger Bobertz, President
Stephen W. King, Vice-President
Fred Vogt

Members Absent:

None

Staff Present:

Bruce McKenzie, Interim Airport Manager
Heather M. Spivey, Deputy City Secretary
Josh Selleck, Director of Finance
Paul A. Hofmann, City Manager
Mindy Wendele, Director of Business Programs

2. Visitors/Citizens Forum:

Mr. John Osborne stated that the pruning of the salvia shrubs around the terminal was needed within the next month.

3. Approval of Minutes of the June 16, 2008, Board Meeting

Mr. Vogt requested that the statement on page 2 regarding the FAA being a possible funding source be struck from the minutes. Mr. Bobertz requested that the statement "As he completes his first year of service" be added to item 4 of the minutes. Mr. Bobertz requested that the first sentence under "Airport Business Plan" be changed to read, "Michelle Hannah of TxDOT is going to set up a meeting in Kerrville between TxDOT and the consultant that developed the business plan." He also requested that the second sentence under the same subject be modified to read "A date for the meeting has not yet been set."

Mr. Bobertz moved to approve the minutes as amended. Mr. King seconded the motion. The motion passed 3-0.

4. Monthly Financials and Amendments to Fiscal Year 2009 CIP

Mr. Selleck presented the financials for June 2008. He stated that overall the operating budget was at 76% for year. He further stated that revenues were above and expenditures were below the projected amounts. The terminal budget was at 105% due to the utilities. He stated that the fiscal year 2009 budget would be more on target for the terminal.

Mr. Bobertz moved to approve the financials. Mr. Vogt seconded the motion. The motion passed 3-0.

Mr. Selleck presented an amended CIP for FY 2009, which included the water line upgrade project and Phase II of the taxiway relocation project. He explained that the

\$420,000 required for the water line project had been placed under the airport fund so that the airport could determine the source of funding, whether it be 4B funds or a city and county match. Mr. Hofmann stated that the EIC would meet on July, 21, 2008 and their FY09 budget was on the agenda. He stated the city's perception was that the projects would be an appropriate use of 4B economic development funds. Mr. Bobertz stated that the interlocal agreement should include CIP funding and thought that a determination of a funding source should wait until an agreement was reached. He asked if that would be feasible. Mr. Hofmann stated that it was possible, but waiting could impede development. Commissioner Letz asked for Mr. Hofmann to explain EIC. Mr. Hofmann gave a brief explanation of EIC, 4B funds and the funding process. Guy Overby of the Kerr Economic Development Foundation stated that the airport was a major asset to the community and that opportunities needed to be developed so that the airport was not so vulnerable to economic down turns. Mr. Bobertz again stated that he was looking for clarity of CIP funding within the interlocal agreement. Commissioner Williams stated that the tentative agreement provides that CIP be funded equally by the city and the county. Mr. Vogt asked if the funds did not come from EIC, what other source was available. Mr. Hofmann stated that EIC was the only source for funding of these projects at this time. He stated that this would be an opportunity for the airport board to make a statement regarding the value of the projects. Mr. Bobertz stated that the two projects were vital and that he believed 4B funding was entirely appropriate.

Mr. Bobertz moved to approve the amended CIP as presented with 4B as a recommended funding source. Mr. Vogt seconded the motion. The motion passed 3-0. Mr. Bobertz and Mr. Vogt agreed that they would represent the board at the upcoming meeting of the EIC on July 21, 2008.

5. President's Remarks

1. Mr. Bobertz remarked that it was a pleasure to see the back part of Airport Loop Road repaired and open.
2. Mr. Bobertz stated the past year had been an unusual year for the Airport Board, starting with the resignation of Mr. Pearce. Then the determination that the elected officials were not properly seated on the board resulting in their resignation, took the number of board members from seven to three. The strategic and business plans were up in the air, while awaiting a decision by the Attorney General regarding governance of the airport. Governing bodies waited for all these issues to blossom before beginning work on the issue of the airport board. City and county officials met and drafted an interlocal agreement. Then the city recently served notice that they would discontinue the management contract on September 30, 2008. Mr. Bobertz stated that the city and county needed to approve a new interlocal agreement and repopulate the airport board. It was his opinion that the new airport board should then determine the airport contractor and recruit or install an airport manager.

6. Discussion and Possible Action

6A. Selection of Management Contractor

Mr. Bobertz stated that he had requested Mr. McKenzie to make a list of commercial airport operators. The conclusion reached from that exercise was that the airport was not large enough to attract commercial operators and the city and county would have to be the contractor or contractors. Mr. Bobertz suggested new contract only be an amendment of the old contract.

Mr. Bobertz moved that the city arrange for a temporary extension of the current contract until a new board was in place. The motion died for lack of a second.

Mr. King asked why the city was not continuing the contract. Mr. Hofmann stated that the board should not interpret the city council's decision to terminate the contract as a discontinuation of services. It was simply a matter of managing the contract. Mr. King stated that the termination was a positive move and that it would cause a move forward in the process. Mr. Vogt stated that the city and county are the owners of the airport and that they could take off the contractor's hat, but could not take off the owner's hat. He further stated that whether the contract was allowed to terminate or not, the owners were obligated to continue servicing the airport. He said that the interlocal agreement needed to be fleshed out. He expressed that what the board could do right now is encourage the owners of the airport to work through an agreement with the board. Mr. Hofmann stated that the city council had directed that a full meeting of the city council and county commissioners be held to discuss this issue and all joint projects. He said that the meeting had been scheduled for August 6, 2008. Commissioner Letz expressed that the airport governance issue should be discussed separately from the financial issues. Mr. King suggested a workshop between two city officials, two county officials and one airport board member be held prior to August 6th to work out the agreement. He stated that an agreement should be able to be reached in one meeting. Commissioner Letz expressed that funding seemed to be the most recent issue. Mr. Bobertz agreed that a new local funding agreement needed to be reached. Commissioner Williams stated that the primary issue was the governance agreement. He agreed that before the full city-county meeting, two city and two county representatives should meet regarding the governance agreement. Mr. Bobertz stated that he would attend such a meeting once a date was agreed upon. Mr. Vogt suggested the board should move to urge the city and county to meet. Commissioner Letz stated that the county wanted to meet. Mr. Hofmann again stated that the city council's plan was a full meeting of the city council and county commissioners to discuss this issue and all related items.

Mr. Bobertz moved that the airport board urge the governing bodies to have a two-on-two meeting with a representative of the airport board in order produce a working document for the full city-county meeting scheduled on August 6, 2008. Mr. Vogt seconded the motion. The motion passed 3-0.

6B. Premise Insurance

Scott Belt of Learn 2 Fly addressed the board and asked if the current airport code was sufficient to operate the airport? He stated that his business was compliant, but was concerned about the efficacy and fairness of the code. Mr. Vogt stated that no document had everything you needed, but that it was a document that had been and could continue to be modified as necessary. He said that there were items in minimum standards that could be addressed. Mr. Belt then asked how do you know who is and isn't compliant with minimum standards? Mr. Bobertz stated that the airport manager surveys the businesses and ensures that they are compliant. Mr. Belt asked whether there was documentation and if there was an application that had to be completed and filed by the businesses. Mr. McKenzie stated that a new application had been written to include minimum standard requirements. He further stated that minimum standards have been in place, but have not always been enforced. The new documentation and application will enforce the standards. Mr. King asked who was required to fill out the application. Mr. McKenzie stated that all tenants of the airport are required to complete an application. Mr. King asked if independent contractors and flight instructors were also required to fill out the application and obtain premise insurance. Mr. McKenzie stated that instructors and contractors who were not paying tenants and did not have premises on the field could not obtain premise insurance. Mr. Kennedy pointed out that free-lance instructors don't have a premise at the airport. Mr. Belt stated that he believed there were a lot of items within the minimum standards that needed modification to level the playing field. Mr. King noted that the airport must be available to the public. Mr. Bobertz stated that there were areas of the minimum standards that needed to be addressed. Mr. Belt again stated that he had played by the rules, but that the playing field should be level. Mr. Bobertz stated that his concerns were duly noted. Mr. Vogt stated that changes had been made recently to the minimum standards and that they needed to be updated and posted on the airport website.

6C. Airport Land Use and Development Plan

Mr. McKenzie presented the Airport Land Use and Development Plan which included the proposed \$420,000 project to upgrade a portion of the water lines. The project would upgrade some lines to 12 inches and complete a water loop. The quadrant within that loop would have a flow of 1500 gallons per minute as required by the fire code. Mr. McKenzie stated that further upgrades would be needed in the future to bring the entire property up to the fire code and make it developable, but that this initial project would get the process started.

7. Announcements and General Updates

• Airport Business Plan

- Michelle Hannah expressed to Mr. McKenzie that she was satisfied with the Airport Business Plan in its current state was interested in addressing members of the board at an upcoming board meeting in order to answer any questions regarding the document. She stated that the authors of the plan may or may not be present at the meeting as well. Mr. McKenzie asked the members if they agreed. Several members of the board inquired what value would be added by such a meeting. Mr. Hofmann explained that it would be a public presentation

of the plan and any questions they had regarding the document could be discussed. Mr. Bobertz directed Mr. McKenzie to speak with Michelle Hannah and schedule the presentation for an upcoming meeting. Commissioner Williams asked if a draft of the plan had been received by Mr. McKenzie and if so that he had not received a copy. Mr. McKenzie stated that he had received a draft approximately 3 weeks ago and had distributed via email. Mr. Hofmann asked Mr. McKenzie to distribute the draft again.

- Mr. Vogt announced that he would not be at the next board meeting.

8. Adjournment

Mr. King moved to adjourn. Mr. Vogt seconded the motion. The motion passed 3-0 and the meeting adjourned at 4:46 p.m.

APPROVED: _____

Roger Bobertz, President

Heather M. Spivey, Deputy City Secretary