

AGENDA
KERRVILLE-KERR COUNTY JOINT AIRPORT BOARD
Monday, March 9, 2009, 3:30 p.m.
AIRPORT TERMINAL CONFERENCE ROOM
1877 AIRPORT LOOP ROAD, KERRVILLE, TEXAS

CALL TO ORDER

1. VISITORS FORUM:

At this time, any person with business not scheduled on the agenda may speak to the airport board. No deliberation or action can be taken on these items because the Open Meetings Act requires an item be posted on an agenda 72 hours before the meeting. Visitors are asked to limit presentations to three minutes.

2. CONSIDERATION AND POSSIBLE ACTION:

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|-----|--|-------|
| 2A. | Approve the minutes of the February 9, 2009 meeting | P. 1 |
| | Approve the minutes of the February 25, 2009 Vision/Mission Statement Workshop | P. 5 |
| 2B. | Review the February 2009 financials (Josh Selleck) | P. 8 |
| 2C. | Granger MacDonald Lease Agreement (Granger MacDonald) | |
| 2D. | Steve Drane Lease Agreement (Bruce McKenzie) | |
| 2E. | Dugosh Lease Agreement (Bruce McKenzie) | |
| 2F. | Motion to approve \$75,000.00 budget amendment previously approved by the Kerr County Commissioners and Kerrville City Council (Roger Bobertz) | |
| 2G. | Engineering RFQ's for Fire Flow Water (Tom Moser) | P. 13 |
| 2H. | Vision/Mission Statement Update (Fred Vogt) | |
| 2I. | Bonding of Airport Construction Projects (Roger Bobertz) | |
| 2J. | Financial Policy Status Report (Mark Cowden) | |
| 2K. | City of Kerrville Airport Management Contract (Bruce McKenzie) | |
| 2L. | Airport Code Changes (Updates) (Bruce McKenzie) | |
| 2M. | Change Date of May Airport Board Meeting (Roger Bobertz) | |
| 2N. | Quarterly Report (Roger Bobertz) | P. 16 |
| 2O. | Airport Manager Review Process (Roger Bobertz) | |

3. INFORMATION AND DISCUSSION:

3A. Stimulus Funding for Phase II

3B. Phase I Progress Report

4. 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.

5. ACTION ON ITEMS DISCUSSED IN EXECUTIVE SESSION.

6. ADJOURNMENT

The facility is wheelchair accessible and accessible parking spaces are available. Requests for accommodations or interpretive services must be made 48 hours prior to this event. Please contact the City Secretary's Office at 830-257-8000 for further information.

I do hereby certify that this notice of meeting was posted on the bulletin board at the city hall of the city of Kerrville, Texas, and said notice was posted on the following date and time: _____ at _____ and remained posted continuously for at least 72 hours preceding the scheduled time of the meeting.

City Secretary, City of Kerrville, Texas

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

**Board Meeting
February 9, 2009**

On Monday, February 9, 2009, the meeting of the Board Members of the Kerrville-Kerr County Joint Airport Board was called to order at 3:30 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
Tom Moser (Arrived 3:39 p.m.)
Fred Vogt

Members Absent:

Mark Cowden

Airport Board Staff Present:

Bruce McKenzie, Airport Manager

City Staff Present:

Josh Selleck, Director of Finance
Kristine Ondrias, Director of General Services
Charlie Hastings, Director of Public Works
Dorothy Miller, Secretary to Director of General Services

1. Visitors/Citizens Forum:

No one spoke.

2. Consideration and Possible Action:

2A. Approve the minutes of the December 8, 2008, December 11, 2008 and the January 12, 2009 meetings.

Mr. Vogt requested that "1500 gallons per minute per hour" be changed to "1500 gallons per minute for two hours" under item 3A of the December 8, 2008 meeting minutes.

Mr. Vogt moved to approve the minutes as amended. Mr. Moser seconded the motion. The motion passed 4-0.

2B. Review the December 2008 financials.

Mr. Selleck presented the December 2008 financials. Mr. Selleck stated though the financials show the County as being one month behind, they are not delinquent. This is an issue with bookkeeping and how the City is receiving funds. Mr. Selleck stated they are still working to resolve this issue. Mr. Bobertz stated he noticed leases had not been paid. Mr. Selleck explained those get paid annually and usually in January. Regarding expenditures, Mr. Selleck brought the Board's attention to 47-800-206, Instruments and Apparatus, that is budgeted for \$16,600 and the airport has already spent \$7,166. Mr. Selleck stated those expenditures were primarily expenses related to X's. Mr. Selleck also reported under airport terminal expenses, line item 47-801-304, Water and Sewer expenses, those expenditures were primarily due to a major water leak. Mr. Selleck stated the water and sewer collections department has a policy that says if you have a major leak, you pay for all of the water, but if you can prove you had a leak, they will change the scale and bring it down to the normal level of billing. Mr. Selleck stated this will significantly affect the airport's billing. It will never show up in the financial report until the airport actually spends down the credit. The City has already calculated it and it's between \$800 and \$1,000 so the airport will be over budget in this line item. Mr. Bobertz moved to approve the financials. Mr. Vogt seconded the motion. The motion passed 4-0.

2C. Airport financial management policies.

Mr. Selleck stated, due to the interlocal agreement not fully determining how things are done financially, a financial policy needs to be developed. Mr. Selleck stated in managing the airport's

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financials, the City is current following their own internal policies to make sure everything is legal. Mr. Selleck stated a list of financial management policy categories has been developed as an outline for the creation of an airport financial management policy statement. Mr. Selleck stated the list has been reviewed by Jeannie Hargis, County Auditor, and they agree that it is a good general representation of the areas that should be considered when creating this document. If the board concurs that this list is appropriate, City staff recommends the appointment of a sub-committee which would be tasked with the completion of the policy statement. Mr. Selleck stated there are certain things the Board would want to consider such as who has the authority and what process is used to move funds between line items, who has purchasing authority, etc. Mr. Selleck stated that currently the City is the airport's contractor through the end of this fiscal year and suggested they bid out their financials. Mr. Bobertz stated that Mr. Selleck is very knowledgeable regarding stimulus funds and the airport should continue using him. Commissioner Letz stated Mr. Selleck does a great job and agrees with Mr. Bobertz. Mr. Selleck suggested the Board decide whether to adopt the City's or County's financial policy and then add and/or delete what applies to the airport. Mr. Selleck suggested the sub-committee be made up of himself, Mrs. Ondrias, Mr. McKenzie, and a County Commissioner and look at both City and County financial management. Mr. Bobertz stated he had been in communication with Mr. Cowden via email regarding being on and heading up the sub-committee. Mr. Cowden agreed via email response. Mr. Bobertz moved to appoint Mr. Cowden as the initial representative for the sub-committee along with Mr. McKenzie to work with Mr. Selleck and others. Mr. Moser seconded the motion. Mr. Bobertz amended the motion to add that the first progress report is due at the April Airport Advisory Board meeting. The motion passed 4-0.

2D. Request for Qualifications for fire flow requirement solutions engineering.

Mr. Hastings addressed the Board and briefly went over what was discussed at the last meeting. Mr. Hastings stated that at the request of the Airport Board, an engineering analysis was performed by Public Works to identify viable options to increase the fire flow to a minimum of 1500 gallons per minute. The results of the study were shared at the last board meeting and included a recommendation to install a twelve inch water main under runway 12/30 to loop the system to a twelve inch main located under State Highway 27, as well as upgrading the existing six inch mains around the main hangars to twelve inch. Mr. Hastings stated his recommendation is for the airport to reject the RFQ for an engineering analysis and create a new RFQ for the design of a twelve inch water main as presented. Mr. Moser stated he thought other items needed to be included in the RFQ. Mr. Moser stated he believes other options should be considered. Mr. Hastings stated he recommends the Board reject the RFQ and go straight to hiring an engineer. Mr. King stated the Board should ask TXDot Aviation, if they can show immediate need for this project, if it can be completely funded through the stimulus package. Mr. Moser objected stating just because there's stimulus money doesn't mean the Board has to request it. Mr. Hastings stated the recommendation previously made meets the approval of the City Engineer, Utility Manager, and Public Works Director who are responsible for the operation, maintenance, and reliability of the water system. Mr. Moser asked what was necessary to get the process in the stimulus package. Mr. Selleck answered the Board would need to have construction ready documents within 120 days of the bill passing or the actual appropriations. They would then need to commit that money by contract within six to nine months. Mr. Hastings stated bidding plans were also needed. Commissioner Letz addressed the Board, stating since the City will maintain the water system then it needs to be completed according to their recommendation. Mr. Bobertz designated Mr. Moser as airport board representative to work with Mr. Hastings on this project. Mr. Hastings said the Board needs to identify funds before submitting another RFQ. Mr. Bobertz asked what Mr. Hastings needed to go forward. Mr. Hastings replied he wants to change the RFQ to what was discussed today and that it will be ready by this Board's next meeting. Mr. Selleck stated if the Board was comfortable with Mr. Hastings and Mr. Moser putting together a modified RFQ, there's a chance the appropriations process could take less time.

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2E. Authorize the airport board president to request "Supplemental Appropriation of Airport Fund Cash" for the purpose of funding engineering for airport water line upgrades.

Mr. Selleck stated the Board should be able to complete upgrading the water mains for under \$75,000. Mr. Vogt asked where the funding is coming from. Mr. Selleck explained the difference between budget and fund account and told the Board there is currently a \$230,000 cash balance, which is enough to fund the cost of hiring an engineer as recommended by Mr. Hastings. Mr. Selleck believes the City and County can pass a simple resolution approving appropriating \$75,000 for an engineer. Mr. Moser asked if the Board has the authority to spend the fund balance from last year's budget. Mr. Selleck replied that it was not in the budget and the money has to be appropriated. Mr. Selleck added that the City and County had to approve spending more than what's already been approved. Mr. Bobertz asked if it was the Board's desire to authorize the airport board president to request supplemental appropriation of airport fund cash. Mr. Vogt moved to authorize the airport board president to request supplemental appropriation of airport fund cash for the purpose of funding engineering for airport water line upgrades. Mr. Moser seconded the motion. The motion passed 4-0. Mr. Bobertz amended the motion asking that the funding request not exceed \$75,000. Mr. Moser seconded the amended motion. The amended motion passed 4-0.

2F. Airport management contract itemized breakdown.

At the last Board meeting, the Board requested a breakdown of what is currently being charged for airport maintenance and service contracts. Mrs. Ondrias addressed the Board and stated she wanted to point out two things in the contract which are building maintenance and vehicle maintenance on the new truck, which are not being charged back to the management contract. A handout and memo from Mr. Selleck were distributed to the Board. Mr. Selleck stated the chronology listed in the memo explains how the current budget for the management contract has been developed over time, using the FY 2007 analysis as a foundation. For the FY 2007 budget, the airport had a three-part budget that was all awarded to the City: \$223,134 for the City's portion of the contract; \$95,151 of services and equipment was to be bid out; and \$5,454 was included in the contract as a contingency. The FY 2008 contract price was developed by adding 3% to the FY 2007 budget plus \$10,000 for a part-time assistant to the Airport Manager. The FY 2009 contract price added 3% to the FY 2008 budget. The total was split between two components that pay for the services provided by the City, as well as the personnel services provided through the County. Mr. Bobertz asked when the City needed to know if the airport was going to continue with their services. Mr. Selleck answered by the end of June to get the budget together. Mr. Bobertz stated he will work with Mr. McKenzie to see which services need to be bid out and which should be left with the City. Mr. King requested individual Board members be allowed to submit recommendations to Mr. McKenzie.

2G. Federal stimulus package information.

This item was discussed under item 2D.

2H. Vision/mission statement progress update.

Mr. Vogt stated there are two meetings scheduled, one on February 18th at 1:00 p.m. in the airport conference room and the second on February 25th at 9:00 a.m. at Security State Bank. On the 25th the stakeholders will be present. The meetings will also include two County Commissioners, two City Councilmembers, and Joey Kennedy. At the February 18th meeting, they will decide whether to meet on the 25th or develop strategy on airport issues and how to address them. Mr. Vogt asked if the Board wants to look at concerns and strategies or develop a vision/mission statement.

2I. Granger MacDonald new lease agreement.

Mr. McKenzie reported that back in January the Board approved extending Mr. MacDonald's lease for 90 days. Mr. McKenzie asked the Board if a first right of refusal should be given to Mr. MacDonald and stated he would like to let Mr. MacDonald's current lease expire and rewrite it

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with the exception that Mr. McKenzie can show the property and give Mr. MacDonald first right of refusal. Mr. McKenzie also stated there needs to be a time frame for this as to how many times Mr. MacDonald can use the first right of refusal. Mr. Selleck suggested amending the current lease since Mr. MacDonald's grandfathering expires March 31st unless the current lease is extended. Mr. King stated Mr. MacDonald should be asked if he wants to build or not and added he could attend next month's board meeting to state his case. Mr. Bobertz said the Board is not comfortable giving right of refusal without payment.

2J. Procedure for annual performance review of the airport manager and staff.

Mr. Bobertz stated the Board needs to come up with a budget by the end of June and needs to look at the airport manager's performance review and decide on salary. This needs to be completed by April 30th. Mr. Bobertz stated the County Commissioners, City Council, mayor, key City staff and County staff should also have a chance to comment. Mr. Moser asked if there was a position description and said airport tenants and businesses should have a chance to comment as well. Mr. Moser stated the Board may also want to invite contacts at TXDot and FAA and suggested sending an email to all these people. Mr. Moser also suggested creating a handout that gives people something to evaluate on with a rating scale of 1 to 10 and then have it returned to Mr. Bobertz. Mr. Moser stated it would just be source information to see how others view the airport manager. Mr. Moser asked if the entire Board evaluates the airport manager or just the president and added that Mr. McKenzie should do a self evaluation as well.

3. Information and Discussion:

3A. Drainage/Taxiway project update.

Mr. McKenzie reported the Al Mooney Road was complete Wednesday, 03/21 and 12/30 runways completion date was pushed backed from May to the end of summer and added they have until the end of August to complete the project.

3B. Air-Evac Lifeteam building update.

Mr. McKenzie reported slab, walls, installation and structure are complete. Work is moving along rapidly. Building should be ready to move into within 60 days.

3C. Presentation to the Kerrville Economic Improvement Corporation on February 17, 2009.

Mr. McKenzie reported the Board is giving a presentation to the EIC on February 17th at 4:00 p.m. at City Hall. Mr. Bobertz and Mr. Vogt will make the presentation. The same presentation will be given the first Monday of March for the pilot's club.

3D. Vision/mission statement workshops.

This item was discussed under item 2H.

4. Adjournment

Mr. Moser moved to adjourn the meeting. Mr. Vogt seconded the motion. The motion passed 4-0. The meeting adjourned at 5:54 p.m.

APPROVED: _____

Roger Bobertz, President

Dorothy Miller, Recording Secretary

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

**Vision Statement Workshop
February 25, 2009**

On Wednesday, February 25, 2009, a vision statement workshop of the Board Members of the Kerrville-Kerr County Joint Airport Board was called to order at 9:02 a.m. by Fred Vogt at the Security State Bank, 1130 Junction Highway, Kerrville, Texas.

Members Present:

Roger Bobertz, President
Stephen W. King, Vice-President (Arrived 9:09 a.m.)
Mark Cowden
Tom Moser
Fred Vogt

Airport Board Staff Present:

Bruce McKenzie, Airport Manager

City Staff Present:

Kristine Ondrias, Director of General Services
Dorothy Miller, Secretary to Director of General Services

Visitors Present:

Chuck Coleman, City Councilmember
MacK Hamilton, City Councilmember
Bill Williams, County Commissioner, Precinct 2
Jonathan Letz, County Commissioner, Precinct 3
Joey Kennedy, Kerrville Aviation
Ladd Gardner, Gardner Aviation Insurance Agency
Robert Collier, Executive Staff, Mooney Aircraft
Eldon Sheffer, Consultant; Director of Church Relations, Schreiner University

1. Discussion of Vision/Mission Statement:

Mr. Vogt introduced all who were present, including Mr. Sheffer who facilitated two planning meetings that were held with the Kerrville-Kerr County Joint Airport Board on December 8, 2008 and February 18, 2009. Mr. Sheffer presented the results of these discussions at this meeting so that any who is present can:

- Listen and learn
- Endorse the directional content of the materials
- Recommend specific changes where appropriate
- Suggest that further work is needed where there is uncomfortably without a specific recommended change

A handout of the results being presented entitled, "Kerrville-Kerr County Airport at Louis Schreiner Field, Discussion of Draft Plans" was distributed and included the names of those present at the discussion meetings. Mr. Sheffer stated that woven into the plans is the business aspect of the airport but also the idea that says it wants its visitors to have a positive attitude towards Kerrville. The topics discussed during today's meeting included:

- Purpose of the Kerrville-Kerr County Airport
- Stakeholders (who they are)
- Responsibilities to Stakeholders
- Mission
- Vision
- Products and Services

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- Goals
- Issues, Concerns and Threats
- Strategies
- Example Roles of the Airport Board
- Next Steps

While discussing stakeholders, Mr. Sheffer stated during the previous planning meetings with the Airport Board he noticed they are genuinely concerned about the citizens of Kerrville and Kerr County and care about how they spend taxpayer's dollars.

On page seven under Responsibilities toward Stakeholders, Mr. Hamilton suggested changing item 3 to read, "Meet the stakeholders' needs" instead of "their needs".

Mr. Letz stated he noticed a group of stakeholders was missing from the list, which would be those users who are outside of the community (non-residents and non-business). Mr. Letz and Mr. Williams suggested calling this group personal recreational users.

Mr. Sheffer read the draft mission statement, which says, *"The mission of the Kerrville-Kerr County Joint Airport Board is to plan, construct, and operate an excellent aviation gateway to Kerrville, Kerr County and the Texas Hill Country. The airport provides safe, convenient, efficient, and genuinely friendly operations for privately owned aircraft, corporate aircraft, air service and flight training businesses, and emergency air service providers"*. Mr. Sheffer reiterated that this is a draft statement only.

Mr. Hamilton stated the values discussed at the previous meetings were not shown in the handout that had been distributed. Mr. Hamilton stated there was some value statements listed, but no value chart. Mr. Sheffer said values were listed in the original document entitled, "Kerrville Airport Board, Results of the December 8, 2008 and February 18, 2009 Facilitated Planning Discussion", which was also distributed, and apologized for not having them on the slides. Mr. Sheffer read the values as follows:

- Safety
- Communications
- Integrity
- Efficiency
- Competence
- Consistency
- Fiscal Responsibility
- Continuous Improvement

Under discussion of Vision, Mr. Vogt stated one of the things that have been very helpful in communicating the airport's vision is having the opportunity to brief City Council, County Commissioners, EIC (Economic Improvement Corporation), Chamber of Commerce and others. Mr. Vogt stated this type of briefing can't be done on a weekly basis, but dialog needs to continue. He noted a lot of airports have open houses and that could be something to consider. Mr. Coleman asked if Mr. Sheffer could consider something broader than "hangar spaces" as listed in number 6 under Vision, such as "services and facilities". Mr. Sheffer stated hangars are specifically highlighted since they are the bottle-neck and the other facilities were in good condition. Mr. Hamilton stated hangar space is more of a project instead of a vision, which is broader and long-term, and agreed with Mr. Coleman.

Under the discussion of Issues, Concerns, and Threats, Mr. Williams stated he does not believe item two, which says, *"Kerr County does not have in place an effective mechanism for funding capital improvements comparable to Kerrville's access to a "4b" sales tax funds through its*

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Economic Improvement Corporation. This may make it difficult to get required joint approval of capital funds, to be a threat because the airport is still owned by the City and County so if it's a valuable and viable project that requires making an application to EIC for funding, then it benefits both of the owners. Mr. King stated the City has two mechanisms for funding, whereas the County has one. Mr. King went on to say the proper funding method for capital improvements is through each one's Capital Improvement Projects (CIP). Mr. King stated the Board gives their CIP to the City and County five to ten years in advance for planning so the burden doesn't have to be placed on EIC.

Mr. Sheffer continued discussing Issues, Concerns and Threats. Mr. Hamilton stated security regulations would be applied at the federal level or at least at the state level and therefore item six, which reads, *"Security regulations may increase costs or make us less attractive to potential customers"*, is incorrect. Mr. Hamilton stated it's a national regulation so it hurts all aviation nationally and this item should read as such. Mr. Kennedy stated San Antonio airport has different security requirements than Kerrville, which makes Kerrville more attractive because customers who are flying in and out of San Antonio frequently and who don't wish to deal with the extra security measures wouldn't have to deal with it in Kerrville. Mr. Hamilton suggested item six could read *"Application of large airport security regulations to small airports may increase costs..."*

While discussing Strategic Directions, Mr. Hamilton suggested changing item 10 to read, *"Annually, develop timely, accurate, and logical operating plans"* opposed to *"...defensible plans"* for a more positive effect.

During the Next Steps Discussion, Mr. Letz stated the airport should look at other funding alternatives, such as user fees, looking at tax structure such as ad valorem tax, etc. Mr. Williams stated they may be able to get the County Attorney to research the tax issue because state law does allow formation of special taxing districts, one of which may apply to airports. Mr. Coleman asked how Mooney's hibernation impacts TXDot Aviation's perception of monies that they're supporting the airport with. Mr. King stated Mooney is an insignificant resource of revenue for the airport. Mr. Vogt added if the airport lost Mooney, it would not lose its FAA (Federal Aviation Administration) funding.

In closing minutes, Mr. Sheffer asked if this meeting accomplished what we set out to accomplish today. Everyone agreed it had. Mr. Hamilton stated the next step is to take this presentation and turn it into a strategic plan.

2. Adjournment

The meeting adjourned at 10:00 a.m.

APPROVED: _____

Roger Bobertz, President

Dorothy Miller, Recording Secretary

CITY OF KERRVILLE
 FINANCIAL STATEMENT
 AS OF: FEBRUARY 28TH, 2009

47 -AIRPORT FUND
 REVENUES

	ANNUAL BUDGET	CURRENT PERIOD	Y-T-D ACT & EN C	% OF BUDGET	BUDGET BALANCE
INTERGOVERNMENTAL REVENUE					
47-6306 TKDOT-REIMBURSEMENT	0.00	0.00	1,832.99	0.00	(1,832.99)
47-6322 KERR COUNTY - PROJECT MATCH	25,000.00	(5,166.68)	12,499.98	50.00	12,500.02
47-6347 KERR COUNTY - MGT CONTRACT	162,000.00	40,500.00	81,000.01	50.00	80,999.99
47-6361 CITY - PROJECT MATCH	25,000.00	2,083.33	10,416.65	41.67	14,583.35
47-6362 CITY - MANAGEMENT CONTRACT	162,000.00	13,500.00	67,500.00	41.67	94,500.00
TOTAL INTERGOVERNMENTAL R	374,000.00	50,916.65	173,249.63	46.32	200,750.37
INTEREST AND MISCELLANEOU					
47-6901 LEASES	128,050.00	10,646.25	34,196.68	26.71	93,853.32
47-6902 FUEL FLOW FEES	36,000.00	1,379.70	13,026.96	36.19	22,973.04
47-6903 TERMINAL LEASE	13,145.00	1,448.37	9,762.05	74.26	3,382.95
47-6904 T-HANGAR LEASE	44,000.00	6,137.50	20,537.50	46.68	23,462.50
47-6905 VEHICLE RENT-SURCHARGE	3,500.00	150.61	1,469.35	41.98	2,030.65
47-6906 STORAGE RENTAL	1,300.00	0.00	0.00	0.00	1,300.00
47-6908 DAILY RENT T- HANGAR	0.00	0.00	0.00	0.00	0.00
47-6911 INTEREST REVENUE	7,000.00	0.00	1,513.73	21.62	5,486.27
47-6989 MISCELLANEOUS REVENUE	0.00	0.00	0.00	0.00	0.00
TOTAL INTEREST AND MISCEL	232,995.00	19,762.43	80,506.27	34.55	152,488.73
TRANSFERS IN					
47-7001 TRANSFER - GENERAL	0.00	0.00	0.00	0.00	0.00
47-7040 TRANSFER IN	0.00	0.00	0.00	0.00	0.00
47-7070 TRANSFER IN	0.00	0.00	0.00	0.00	0.00
TOTAL TRANSFERS IN	0.00	0.00	0.00	0.00	0.00
*** TOTAL REVENUES ***	606,995.00	70,679.08	253,755.90	41.81	353,239.10

CITY OF KERRVILLE
FINANCIAL STATEMENT
AS OF: FEBRUARY 28TH, 2009

47 -AIRPORT FUND
00-NON-DEPARTMENTAL
DEPARTMENT EXPENSES

	ANNUAL BUDGET	CURRENT PERIOD	Y-T-D ACT & EN C	% OF BUDGET	BUDGET BALANCE	
PERSONNEL						
47-800-001	SALARIES AND WAGES	0.00	0.00	0.00	0.00	
47-800-002	OVERTIME	0.00	0.00	0.00	0.00	
47-800-003	TEMPORARY EMPLOYEE	0.00	0.00	0.00	0.00	
47-800-004	LONGIVITY	0.00	0.00	0.00	0.00	
47-800-005	SOCIAL SECURITY	0.00	0.00	0.00	0.00	
47-800-006	RETIREMENT	0.00	0.00	0.00	0.00	
47-800-007	GROUP INSURANCE	0.00	0.00	0.00	0.00	
47-800-008	WORKER'S COMPENSATION	0.00	0.00	0.00	0.00	
47-800-010	PROFESSIONAL DEVELOPMENT	0.00	0.00	0.00	0.00	
47-800-011	LOCAL MEETING EXPENSE	0.00	0.00	0.00	0.00	
	TOTAL PERSONNEL	0.00	0.00	0.00	0.00	
SUPPLIES						
47-800-101	OFFICE SUPPLIES	1,540.00	0.00	1,426.85	92.65	113.15
47-800-102	SMALL TOOLS AND EQUIPMENT	700.00	0.00	401.30	57.33	298.70
47-800-103	CHEMICAL AND MEDICAL SUPP	4,000.00	0.00	26.38	0.66	3,973.62
47-800-104	FUEL AND OIL SUPPLIES	0.00	52.67	178.61	0.00	(178.61)
47-800-105	FOOD SUPPLIES	400.00	0.00	(292.36)	73.09-	692.36
47-800-106	JANITORIAL SUPPLIES	800.00	174.94	621.14	77.64	178.86
47-800-110	POSTAGE/UPS/FED-EX	750.00	0.00	89.90	11.99	660.10
47-800-111	COMPUTER UPGRADE	0.00	0.00	0.00	0.00	0.00
47-800-112	COMPUTER SOFTWARE PURCHAS	0.00	0.00	0.00	0.00	0.00
47-800-132	SCD, SEED, PLANTING	0.00	0.00	0.00	0.00	0.00
	TOTAL SUPPLIES	8,190.00	227.61	2,451.82	29.94	5,738.18
MAINTENANCE						
47-800-201	LAND	45,500.00	0.00	5,847.00	12.85	39,653.00
47-800-202	BUILDINGS AND STRUCTURES	34,000.00	256.25	4,590.30	13.50	29,409.70
47-800-203	MAINTENANCE - CITY GARAGE	0.00	0.00	0.00	0.00	0.00
47-800-204	PARTS @ CITY GARAGE	0.00	0.00	147.94	0.00	(147.94)
47-800-205	OFFICE EQUIPMENT	1,680.00	137.20	530.27	31.56	1,149.73
47-800-206	INSTRUMENTS AND APPARATUS	16,600.00	0.00	7,165.99	43.17	9,434.01
47-800-207	STREETS	0.00	0.00	0.00	0.00	0.00
47-800-208	TRAFFIC CONTROL DEVICES	100.00	1,216.33	(1,493.00)	1,493.00-	1,593.00
47-800-209	TAXIWAYS/RUNWAYS	0.00	0.00	0.00	0.00	0.00
47-800-212	REPAIRS-NOT CITY GARAGE	0.00	0.00	250.40	0.00	(250.40)
47-800-214	RAMP GRANT MATCH	0.00	0.00	0.00	0.00	0.00
	TOTAL MAINTENANCE	97,880.00	1,609.78	17,038.90	17.41	80,841.10
SERVICES						
47-800-301	PHONE SERVICE	1,068.00	120.60	301.94	28.27	766.06
47-800-302	LIGHT AND POWER	9,500.00	721.57	2,743.86	28.88	6,756.14
47-800-303	NATURAL GAS	0.00	0.00	536.25	0.00	(536.25)
47-800-304	WATER & SEWER	750.00	36.18	153.87	20.52	596.13
47-800-305	LEGAL SERVICE	0.00	0.00	0.00	0.00	0.00
47-800-306	SPECIAL SERVICES	30,000.00	0.00	4,358.37	14.53	25,641.63
47-800-307	INSURANCE	12,000.00	0.00	0.00	0.00	12,000.00

CITY OF KERRVILLE
FINANCIAL STATEMENT
AS OF: FEBRUARY 28TH, 2009

47 -AIRPORT FUND
00-NON-DEPARTMENTAL
DEPARTMENT EXPENSES

	ANNUAL BUDGET	CURRENT PERIOD	Y-T-D ACT & EN C	% OF BUDGET	BUDGET BALANCE
47-800-311 NETWORK SERVICES	1,300.00	0.00	0.00	0.00	1,300.00
47-800-313 HIRE OF EQUIPMENT	3,100.00	0.00	1,103.87	35.61	1,996.13
47-800-316 ADVERTISING	1,000.00	0.00	0.00	0.00	1,000.00
47-800-347 MANAGEMENT CONTRACT	353,851.35	23,044.34	121,901.16	34.45	231,950.19
47-800-347-01 REIMBURSE COUNTY - EMP CO	0.00	11,850.45	37,827.90	0.00	(37,827.90)
47-800-348 OUTSOURCED SERVICES	0.00	0.00	0.00	0.00	0.00
47-800-350 CONTINGENCY-OUTSOURCED SE	0.00	0.00	0.00	0.00	0.00
TOTAL SERVICES	412,569.35	35,773.14	168,927.22	40.95	243,642.13
<u>OTHER EXPENSES</u>					
47-800-401 CERTIFICATES, AWARDS, ETC	0.00	0.00	130.54	0.00	(130.54)
47-800-402 DUES AND SUBSCRIPTIONS	0.00	0.00	0.00	0.00	0.00
47-800-405 OTHER CHARGES	4,800.00	0.00	2,665.00	55.52	2,135.00
47-800-410 CONTINGENCY	15,000.00	0.00	0.00	0.00	15,000.00
47-800-430 DEPRECIATION EXPENSE	0.00	0.00	0.00	0.00	0.00
47-800-435 OTHER EXPENSE	0.00	0.00	0.00	0.00	0.00
TOTAL OTHER EXPENSES	19,800.00	0.00	2,795.54	14.12	17,004.46
<u>CAPITAL OUTLAY</u>					
47-800-501 LAND	0.00	0.00	0.00	0.00	0.00
47-800-502 BUILDINGS AND STRUCTURES	0.00	0.00	0.00	0.00	0.00
47-800-503 MOTOR VEHICLE	0.00	0.00	0.00	0.00	0.00
47-800-505 OFFICE EQUIPMENT	0.00	0.00	0.00	0.00	0.00
47-800-506 INSTRUMENTS AND APPARATUS	0.00	0.00	0.00	0.00	0.00
47-800-508 TRAFFIC CONTROL DEVICES	0.00	0.00	0.00	0.00	0.00
47-800-510 WATER SYSTEM IMPROVEMENTS	0.00	0.00	0.00	0.00	0.00
47-800-513 GRANT MATCH	0.00	0.00	0.00	0.00	0.00
47-800-514 DRAINAGE IMPROVEMENTS	0.00	0.00	0.00	0.00	0.00
47-800-515 GRANT MATCH T-HANGAR 2001	0.00	0.00	0.00	0.00	0.00
47-800-516 TXDOT REIMBURSE 2000-2001	0.00	0.00	0.00	0.00	0.00
47-800-517 CITY T-HANGAR 2001	0.00	0.00	0.00	0.00	0.00
47-800-518 KERR COUNTY T-HANGAR 2001	0.00	0.00	0.00	0.00	0.00
47-800-519 GRANT MATCH LIGHTING IMPR	0.00	0.00	0.00	0.00	0.00
47-800-520 TXDOT REIMBURSEMENT LIGHT	0.00	0.00	0.00	0.00	0.00
TOTAL CAPITAL OUTLAY	0.00	0.00	0.00	0.00	0.00
<u>TRANSFERS OUT</u>					
47-800-901 TRANSFER - GENERAL	0.00	0.00	0.00	0.00	0.00
47-800-902 TRANSFER OUT	0.00	0.00	0.00	0.00	0.00
47-800-928 TRANSFER OUT	0.00	0.00	0.00	0.00	0.00
47-800-940 TRANSFER OUT	0.00	0.00	0.00	0.00	0.00
47-800-942 TRANSFER OUT	0.00	0.00	0.00	0.00	0.00
47-800-970 TRANSFER OUT	0.00	0.00	0.00	0.00	0.00
47-800-974 TRANSFER OUT - AIRPORT CA	50,000.00	4,166.67	20,833.35	41.67	29,166.65
47-800-975 TRANSFER OUT	0.00	0.00	0.00	0.00	0.00
47-800-990 TRANSFER - INSURANCE	350.00	29.17	145.85	41.67	204.15
TOTAL TRANSFERS OUT	50,350.00	4,195.84	20,979.20	41.67	29,370.80

CITY OF KERRVILLE
FINANCIAL STATEMENT
AS OF: FEBRUARY 28TH, 2009

47 -AIRPORT FUND
00-NON-DEPARTMENTAL
DEPARTMENT EXPENSES

	ANNUAL BUDGET	CURRENT PERIOD	Y-T-D ACT & EN C	% OF BUDGET	BUDGET BALANCE
TOTAL 00-NON-DEPARTMENTAL	588,789.35	41,806.37	212,192.68	36.04	376,596.67
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CITY OF KERRVILLE
 FINANCIAL STATEMENT
 AS OF: FEBRUARY 28TH, 2009

47 -AIRPORT FUND
 01-TERMINAL
 DEPARTMENT EXPENSES

	ANNUAL BUDGET	CURRENT PERIOD	Y-T-D ACT & EN C	% OF BUDGET	BUDGET BALANCE
SUPPLIES					
47-801-118 SIGN MATERIALS AND SUPPLI	0.00	0.00	0.00	0.00	0.00
TOTAL SUPPLIES	0.00	0.00	0.00	0.00	0.00
SERVICES					
47-801-301 PHONE SERVICE	900.00	30.86	45.10	5.01	854.90
47-801-302 LIGHT & POWER	9,600.00	681.44	3,143.28	32.74	6,456.72
47-801-303 PROPANE GAS	7,200.00	0.00	825.00	11.46	6,375.00
47-801-304 WATER & SEWER	1,800.00	0.00	2,007.46	111.53	(207.46)
TOTAL SERVICES	19,500.00	712.30	6,020.84	30.88	13,479.16
TOTAL 01-TERMINAL	19,500.00	712.30	6,020.84	30.88	13,479.16
*** TOTAL EXPENSES ***	608,289.35	42,518.67	218,213.52	35.87	390,075.83

**REQUEST FOR QUALIFICATIONS
FOR
THE KERRVILLE / KERR COUNTY MUNICIPAL AIRPORT
FIRE WATER FLOW ENHANCEMENT PROJECT**

The City of Kerrville is seeking Requests for Qualifications from qualified civil engineering firms for the Kerrville/Kerr County Municipal Airport Fire Water Flow Enhancement Project.

The background for this project consists of the following: The airport domestic and fire flow water system is comprised of a six inch water main that is connected to a ten inch main via a six inch pipe under runway 03/21. The existing pressures range from 80~95 pounds per square inch (psi) and corresponding working fire flow volumes range from 650~900 gallons per minute (gpm) at 20 psi. An engineering analysis was performed by Kerrville Public Works to identify viable options to increase the fire flow to a minimum target of 1500 gpm. The results of that study included a recommendation by the Public Works Director to install a twelve inch water main under runway 12/30 looping the system to an existing twelve inch main located in State Highway 27, as well as upgrading the existing six inch mains around the main hangars to twelve inch. This recommendation would provide working fire flow pressures in a range of 1600~1850 gpm without the need to increase existing system pressures that are already high (80~95 psi).

The scope of engineering services being requested for this project consists of: utilizing the city's computer water model, H2O Map, the selected engineering firm will conduct value engineering and a recommendation for the most cost effective option to achieve the minimum targeted fire flows listed in the background information above; it is anticipated that through the value engineering conducted by the selected firm, the proposed limits of construction detailed in the background information above can be reduced, thus multiple construction options will be recommended by the selected firm with engineer's opinion of probable cost for each option; the final element of the scope is preparation of plans, specifications and bidding documents with an engineer's opinion of probable cost for the selected construction option.

COMPANY INFORMATION

The respondent will provide information concerning: the name of the company(ies) involved; any prime, joint venture, or sub-contractor relationships; key service offered; areas of work responsibilities by company, office location(s) where the work will be performed; company size (number of offices and employees per each office); information on the project team; the lead engineer and experience; and brief company history.

RELEVANT PROJECT EXPERIENCE

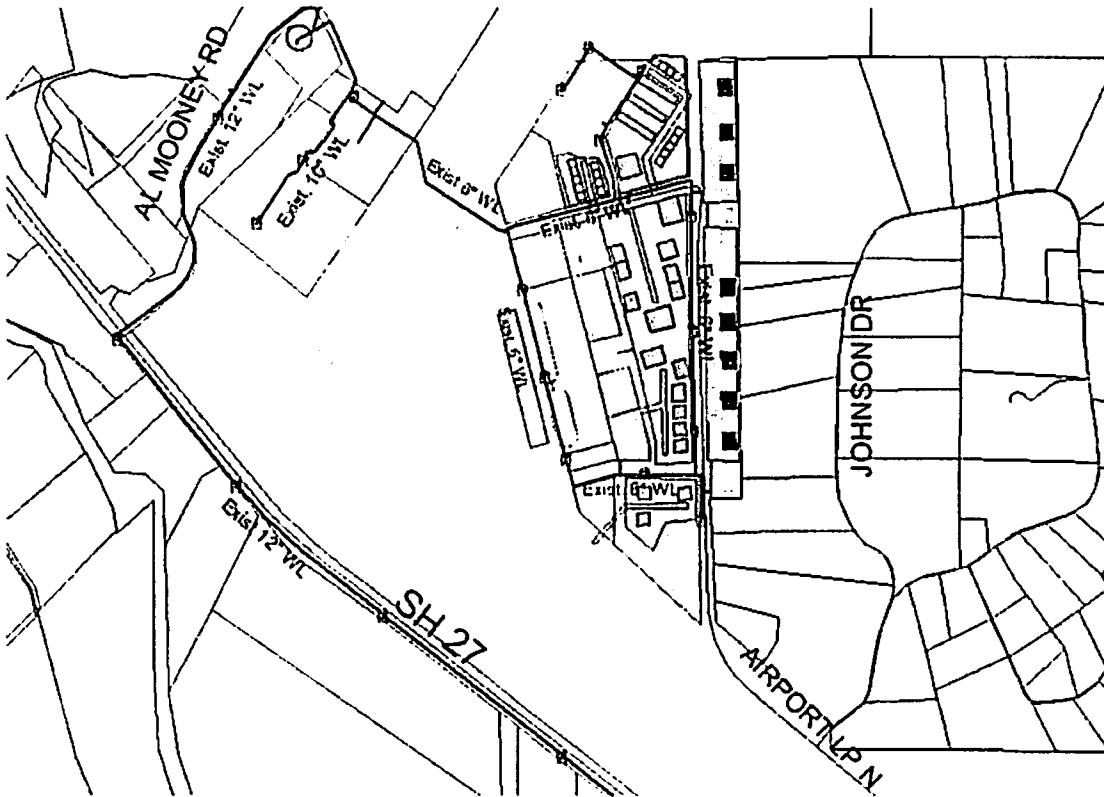
The respondent will provide a list of relevant planning, engineering, and project experience accomplished within the last 5-years by its company. Experience relative to airport utility projects in a TxDOT Aviation environment is required. A brief narrative shall accompany each project describing the nature of the work and listing client contact information (name, title, and phone number) for the project that may be contacted for references.

EVALUATION CRITERIA

The City will consider the following evaluation criteria and weighting in reviewing the Requests for Proposal.

- 5% Respondent's responsiveness to the RFQ
- 15% Respondent's overall qualifications/experience of the firm
- 20% Respondent's qualifications/experience with projects of various size and complexity for water utility projects
- 30% Respondent's project team overall qualifications/experience
- 20% Respondent's project team qualifications/experience with and references for airport utility projects in a TxDOT Aviation environment
- 10% Respondent's available staff time for individual projects

MAP OF EXISTING AIRPORT WATER SYSTEM



CONTACT INFORMATION

The following person can be contacted for further information.

Cheri Halford
CIP Manager
City of Kerrville
Phone: 830-792-8314
E-mail: cheri.halford@kerrvilletx.gov

SUBMISSION REQUIREMENTS

Each respondent shall submit three (3) bound copies of its response to the Request for Proposal by 3:00 pm, April 30, 2009 to the address below. The City will not accept late submittals.

Cheri Halford
CIP Manager
City of Kerrville
800 Junction Highway
Kerrville, TX 78028

SCHEDULE

Advertising	March 13, 2009
" "	March 20, 2009
Deadline for submission	April 30, 2009
RFQ Selection	May 8, 2009
Present to Airport Board	May 11, 2009
Award by City Council	May 26, 2009

DRAFT

KERRVILLE/KERR COUNTY JOINT AIRPORT BOARD QUARTERLY REPORT

MARCH 2009

EXECUTIVE SUMMARY

- Work is continuing on the development of an Airport Board vision statement, which will provide the foundation for a strategic plan for the airport.
- A presentation covering both phases of the taxiway-drainage project and basic airport economics has been made to both governing bodies and to four other groups of leading and interested citizens.
- Work has started on developing Airport Board financial policies – an important aspect of establishing itself as an independent entity.
- Groundwork is underway leading to airport budget requests for FY2010.
- T-Hangars and terminal offices are fully leased. Lease to a medical helicopter service has been executed, and their building is under construction.
- Mooney Airplane Company is in “hibernation”, but is meeting lease obligations.
- Commandant of U.S. Coast Guard praised our airport during a recent visit.
- Phase I of Drainage-taxiway relocation project is 45% complete, completion expected in July. Phase II is a strong candidate for Economic Stimulus Plan funding – should know answer this month.
- Fire fighting water supply needs to be upgraded to meet new fire code. Airport Board has approved need for engineering study, and has received authorization to use up to \$75,000 from available cash balance for this purpose. Construction funding, estimated at \$495,000, is not yet resolved.

ADMINISTRATION

Work continued with Eldon Sheffer, a volunteer consultant on the staff of Schreiner University, on the development of a vision statement for the Airport Board, which will lead to a strategic plan for the Airport. The Airport Board has met twice with Mr. Sheffer, and a third meeting was also held with

various Airport stakeholders to gain their input. The vision statement is near completion at the time of this report.

At their invitation, a presentation was made to the Kerr Economic Development Foundation's Board that explained what was being done in Phase I of the Taxiway – Drainage project, and what remained to be done in Phase II, including funding needs. Both the County Judge and Mayor were present, and respectively agreed that also making the presentation to the Commissioners' Court and City Council would be in order. This was done. Subsequently, the presentation was made to both the Economic Improvement Corporation and the Chamber of Commerce. Also, at their request, the presentation was also made to a group of local pilots. Making these presentations provided a welcome opportunity to explain the nature and funding of this huge project to a fairly large and influential audience, and to better acquaint them with the basic economics of our airport. We will continue to seek other opportunities to make the presentation to interested parties.

The Airport Board continues working toward establishing itself as an independent entity. A necessary part of this process is the establishment of its own financial policies. A special committee has been formed for this purpose under the direction of an Airport Board member and consisting of the Airport Manager and City and County staff. Two committee meetings have been held as of this writing.

At its March 9 meeting, the Airport Board intends to determine which administrative services it will request the City to provide for FY 2010, and at what cost. This will begin the process of developing the Airport Board's FY 2010 budget request to the Commissioners' Court and the City Council. Also, the process will be determined for reviewing the performance of the Airport Manager, and determining the appropriateness of a salary adjustment.

AIRPORT FINANCES

It was discovered during this quarter that the Airport had accumulated a cash balance of approximately \$230,000 over the past few years as a result of under spent appropriations, and excess revenues. Part of this balance has been designated as a reserve for the Airport Manager's severance pay. Also, a target 10% fund balance is reserved, leaving approximately \$110,000 available for appropriation. Of that amount, \$75,000 was appropriated by action of the Commissioners' Court and the City Council to cover the cost of an engineering study leading to bringing the availability of fire-fighting water up to current fire code requirements. (See Capital Improvements)

Airport Operating and Maintenance expense, and Airport revenues are close to plan, and no major variances are envisioned at this time.

OPERATIONS

LEASES

The T-Hangars and Terminal office space are fully leased.

The medical helicopter service has executed their lease, and their building is under construction.

A land lease is still pending for a parcel facing Runway 3-21. At the March Airport Board meeting the potential tenant will discuss the status of his plans to construct a sub-divided, multi-aircraft hangar on the site.

Both of the existing buildings on Airport Loop Road that are owned by the Airport remain vacant at this time with little prospect of leasing them until the supply of fire fighting water is brought up to fire code requirements. (See Capital Improvements)

Mooney Airplane Company continues minimal operations, and continues to meet lease obligations. The term "hibernation" seems apt for the balance of the current downturn in the general economy.

OTHER OPERATIONS ITEMS

The Commandant of the U.S. Coast Guard together with some of his staff flew into our airport a few weeks ago. They said that our airport was "the best they've ever visited", citing the Airport Manager and the Kerrville Aviation staff for their cooperation and demeanor.

CAPITAL IMPROVEMENTS

DRAINAGE – TAXIWAY RELOCATION PROJECT

Phase I (roughly \$6 million – fully funded) is approximately 45% complete. Completion is now estimated for July. Completion had been estimated for May, but delays have occurred due to (a) a large and unexpected area of rock that had to be blasted rather than excavated, and (b) misalignment of culvert sections which had to be removed and realigned.

Phase II (roughly \$8 million) appears to be a likely candidate for Economic Stimulus Plan funding. If this happens, Phase II will start in FY2009 rather than FY2010. It is not clear, if this happens, to what extent the stimulus funding will cover local matching fund requirements. This should all become clear this month.

FIRE FIGHTING WATER SUPPLY

The availability of fire fighting water to most of the airport land available for lease must be improved from about 900 gpm to 1500 gpm to meet current fire code requirements. Without such improvement, the land is unlikely to be leased. Alternative ways to accomplish this have been discussed, and the Airport Board concluded that an engineering firm should be engaged to determine the optimal solution, and to design it. The Airport Board requested, and received from Commissioners' Court and City Council, approval for a supplemental appropriation of up to \$75,000 from the Airport's available cash balance for this purpose. City staff has initiated the RFQ process, and expects to present the results at the Airport Board's May meeting.

Construction funding, which has been estimated at \$495,000 (including the supplemental \$75,000), has not yet been established. However, it is included in the City's Economic Stimulus Plan request, and the City has also made a funding application the Texas Water Development Board. Additionally, a special federal grant has been discussed. When this will be resolved is not clear at this time