

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

**Board Meeting  
July 12, 2006**

On Thursday, July 12, 2006, the regular meeting of the Board Members of the City of Kerrville, Kerrville-Kerr County Joint Airport Board, was called to order at 4:03 p.m. by Dr. John Davis, President, at the City of Kerrville City Hall, 800 Junction Highway, Kerrville, Texas.

**Members Present:**

Dr. John Davis, President (arrived at 4:31 pm)  
Commissioner Letz, Vice President  
Commissioner Williams  
Councilperson Coleman  
Mayor Gene Smith  
Stephen W. King

**Members Absent:**

Roger Bobertz

**Staff Present:**

Paul A. Hofmann, City Manager  
Mindy Wendele, Business Programs Director  
David Pearce, Airport Manager  
Jeannie Hargis, Finance Director  
K. Irene Stone, Executive Assistant to City Manager  
Micah Grau, Intern to City Manager

**2. Visitors/Citizens Forum** No one spoke.

**3 Approval of Minutes of the June 22, 2006 Meeting:**

Commissioner Williams moved to approve the June 22, 2006, Meeting Minutes as amended. Councilmember Coleman seconded, and the motion passed 6 to 0. However, as Agenda stated June 6, 2006 Meeting Minutes be approved, Dr. Davis asked that the approval of the June 22, 2006, be officially approved at the next Airport Board meeting in accordance with the Open Meetings Act.

**4. Approve Resolution and act upon TxDOT grant to fund an Airport Business Plan:**

David Pearce reviewed resolution and request to Airport Board to approve the TxDOT grant to fund an Airport Business Plan. The Board will contribute \$8,000 and receive a 90/10 grant from TxDOT to fund the remaining \$72,000. Commissioner Letz was concerned about creating a plan that could actually be utilized on a day to day basis. Mr. Pearce explained that the Board has the ability to pick the criteria, limit the scope, and choose the consultant locally. Councilmember Coleman was pleased that the Business Plan would not be a "cookie-cutter" plan, and Chair Dr. Davis felt selecting a local consultant would help. Mr. Pearce answered Commissioner Letz's question that the Board may choose not to proceed anytime before the contract is signed.

Mr. Pearce noted to the Board that a Business Plan will help all the entities involved at different times. He explained how the Master Plan is used all the time even though it

contains a lot of information. Mr. Pearce further explained how the Business Plan may be used in the same way – different items at different times. Commissioner Williams stated he favored the concept, but was concerned about whether the Airport should be further down the road with respect to the Hwy 27 resolution. Mr. Pearce felt that could be accommodated very easily through the scope and priorities of the Business Plan. Mayor Smith stated he was wary of consultants and asked if we could use another airport's plan as a guide. Mr. Pearce replied that most airports do not have a Business Plan, and that it would be best to develop a plan tailored to Kerrville's needs, market, and potential.

Commissioner Letz moved to approve the resolution as presented. Councilmember Coleman seconded. A brief discussion ensued. Mr. Pearce stated that the funds would come out of the Entitlement Grant and were available. Commissioner Letz asked if the City saw the Business Plan fitting in the Economic Development Plan. Mr. Hofmann, City Manager, stated that yes it did; that was how you "nail down" what the Airport does. The motion passed 6 to 0.

**5. Appoint a committee to select a professional services consultant to develop an Airport Business Plan:**

The Board discussed appointing a consultant selection committee and who would serve on it. Besides a representative of each entity, the Board felt it was important to have a representative involved with Economic Development.

Commissioner Williams moved that the Board elects the option to locally select the consultant and define the scope of work and identify the Airport's goals and objectives. Committee members shall be Commissioner Williams as chairman, Mayor Smith, and Guy Overby of Kerrville Development Foundation. Mayor Smith seconded, and the motion passed 6 to 0.

**6. Recommend approval of the Airport Budget that includes the operational, capital, and management contract line items to the Commissioners Court and City Council:**

Paul A. Hofmann gave a brief PowerPoint presentation that depicted how the Board was developed and how the Budget and Management Contract were derived. He noted to the Board that their direction to him as Contractor was to be competitive and eliminate any City subsidy.

Commissioner Letz explained that the Airport Board did not know the true cost of running the Airport so the intent of the contract at the time was to create a way the County or a private entity could bid on services to save costs. In the third year the intent of the contract has not changed. Commissioner Williams agreed with Commissioner Letz and explained that particular language was not to memorialize the City subsidy. Mr. Hofmann stated the Board could structure a new contract or could have a contract that covered all costs. Commissioner Letz handed out a proposal outlining scope of work to seek bids for and asked if the Contractor could move some services under the Operational Budget. Mr. Hofmann thought it would work if you could keep the contract the same, but it had the potential to be cumbersome.

Commissioner Letz asked that the scope of work to seek bids be limited to street maintenance, legal, and grounds and building maintenance to help keep the contract simple, and, per Mr. Hofmann's request, remove the word "all." Language would be included for Mr. Pearce to be able to get work done in the advent of an emergency. Mayor Smith stated personally, and not as the Mayor or Board Member, that in his 40 plus years experience he felt that the Board was creating a monster. He believed somebody would have to be in control, and a management plan, like a business plan, would be necessary. Commissioner Letz replied that this would be similar to the County bidding out the Town Creek project.

Mr. King asked what the goal of this change would be. Commissioner Letz stated he wanted to save money, help the County on funding the Airport, and insure in his mind that the Airport was being run efficiently. Commissioner Williams replied that the goal was to find a way for the City and County to avoid subsidy. Mr. King felt the Board had just increased costs \$93,000. He noted that he was not paying this, but the County and City were, and looking at the man-hour costs, he does not believe the Board is able to get legal help, for example, at \$26.00 an hour.

Several members of the audience addressed the Board. Scarlet Kennedy, Kerrville Aviation, asked if the County would consider giving the Airport to the City to reduce their cost share. Commissioner Letz replied he could not answer for the County. Jim Bethal asked why the Airport Board doesn't hire the Airport Manager directly and then bid out services. Commissioner Williams stated he was trying to get that point across to the Board.

Mr. Hofmann asked for more time to review the approach Commissioner Letz is suggesting and report back at a special meeting. Councilmember Coleman asked how this proposal would work. Mr. Hofmann explained that the City would look at the contract in more detail and make a distinction in the contract. There may be another line item in the budget, one for the contract which would be something less than \$318,000. That contract would be the City's recommendation for what the City absolutely does, with a contingency, and the rest would be budgeted as services to be bid out on an annual basis. Mr. Hofmann wanted to think about how to do this efficiently so as not to create the "monster" the Mayor has warned about. State bidding laws would be followed. Regarding legal services, Mr. Hofmann suggested that a situation where the City Attorney and the County Attorney were competing against one another would not be productive. He would like to speak with the City Attorney and see how much of that work could be done outside and see if can get proposals.

Dr. Davis asked if it was the sense of the Board if wanted Mr. Hofmann to come back with a revised budget and contract before July 30<sup>th</sup>. The Board agreed. Commissioner Williams then moved that the Board authorize the City Manager and the Airport Manager to prepare the necessary amendments to the budget in preparation for advertising for bids in the public and private sector for the five categories as listed. Commissioner Letz amended the motion and limited the categories to the first three items, minus the adverb "all": (1) work performed by City of Kerrville Streets Department, (2) legal work, and (3) grounds and buildings maintenance; except which is currently under contract. Mayor Smith seconded, and the motion passed 6 to 0. Dr. Davis stated he did not know where that left them with the Management Contract. Mr. Hofmann replied that means the City brings it back at the next

meeting.

**Discussion: Airport Management Contract:** Discussed in conjunction with the '07 Budget.

**Announcements and General Updates:**

David Pearce made the following announcements:

**Taxiway Relocation Project:** The evaluation of a precision approach has been completed. This will assist with the exact placement of the new Taxiway. Mr. Pearce had not seen the analysts, but it was to have been shared with TxDOT at the close of the business day and will allow the preliminary engineering report (PER) to be completed for the final location of the Taxiway.

**Airport Terminal Project:** Huser Construction is moving forward rapidly and working on the plumbing and foundation.

**Groundbreaking Ceremony for Airport Terminal:** July 21<sup>st</sup> at 4pm. Invitations to EIC, Airport Board, and City Council, plus other dignitaries.

Commissioner Williams thanked the EIC and Mr. Hofmann for preparing and requesting the EIC funding for the proposed Airport projects. Mr. Hofmann stated that the EIC would have the chance to approve the budget at their monthly meeting on July 17, 2006.

Smith announced that he had met with Senator John Cornyn at another political session, and when Senator Cornyn asked if there was anything we needed, he mentioned the Highway 17 Relocation. Senator Cornyn said to give the particulars to his District Office Manager in San Antonio. The Mayor would like to visit with the District Office Manager with Commissioner Williams in the future. Commissioner Williams said he was ready.

**Adjournment**

Motion moved for adjournment; Commissioner Letz seconded, and the motion passed 6 to 0. Meeting was adjourned at 5:43 p.m.

APPROVED: \_\_\_\_\_

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Dr. John Davis, President

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K. Irene Stone, Executive Assistant to  
the City Manager