

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

**Board Meeting
September 14, 2007**

On Friday, September 14, 2007, the meeting of the Board Members of the Kerrville-Kerr County Joint Airport Board was called to order at 9:05 a.m. by Interim Airport Manager, Bruce McKenzie, at the Airport Terminal Building, Louis Schreiner Field Airport, 1877 Airport Loop Road, Kerrville, Texas.

Members Present:

Fred Vogt
Roger Bobertz
Stephen W. King

Members Absent:

Staff Present:

Paul A. Hofmann, City Manager
Mindy Wendele, Business Programs Director
Bruce McKenzie, Interim Airport Manager
Josh Selleck, Finance Director
Mike Hayes, City Attorney
K. Irene Stone, Executive Assistant to the City Manager

2. Visitors/Citizens Forum

Former President Jonathan Letz informed the Board that the Business Plan Consultant thought the plan would be ready in November. No one else from the audience spoke.

3. Elect President and Vice-President

With the recent resignations of President Jonathan Letz, Council Member Coleman, Council Member Gross, and Commissioner Williams, the Board moved to appoint a new President and Vice-President.

Mr. King moved to nominate Roger Bobertz for President of the Airport Board; Mr. Vogt seconded the nomination. The Board voted 2 to 0 for Mr. Bobertz to serve as President of the Airport Board.

Mr. Vogt moved to nominate Stephen King for Vice-President of the Airport Board; President Bobertz seconded the nomination. The Board voted 2 to 0 for Mr. King to serve as Vice-President of the Airport Board.

President Bobertz wanted to recognize and thank the elected officials for their service on the Kerrville-Kerr County Joint Airport Board. He suggested the current Board not schedule regular meetings until the interlocal agreement was renewed and the Board was fully staffed (five to seven members). The Board would meet as necessary for special items until such time.

4. Approve the Minutes of August 13, 2007, Board Meeting.

Vice-President King moved to approve the Minutes of August 13, 2007, Board Meeting, as amended. President Bobertz seconded the motion; and the motion passed 2-0. Mr. Vogt abstained from voting on the Minutes as he was absent at the last Board meeting.

5. Approve Monthly Financials. (Josh Selleck)

Mr. Selleck presented the monthly financial statement to the Board and explained that an available \$15,000 in the contingency fund resulted in the budget being only 88.73% funded. Mr. Vogt moved to approve the financial statement as presented. Vice-President King seconded the motion; and the motion passed 3-0.

6. Presentations

6A. T-hangar lease for Trip DuPerier

Mr. DuPerier was represented by Trey Hallmark, who gave a brief history of Mr. DuPerier's efforts to lease the airport hangar. He stated that Mr. DuPerier was particularly upset because he thought he had complied with all the requests from David Pearce, the former airport manager, only to learn that he still needed Board approval before he could secure the lease and build his hangar. Mr. DuPerier wished he had known what the exact

procedure was before he invested time and extensive funds into the building's design. The Board, likewise, was concerned that Mr. Pearce had not informed them of Mr. DuPerier's interest from the very beginning. Mr. Hallmark stated that his client was present to agree with the lease and build "a very nice facility," and he complimented Mr. McKenzie for his assistance in following the correct procedure. The Board reviewed the maps and blueprints of the proposed facility. Mr. Hallmark stated once approved, they would be ready to proceed within two weeks with stake-outs and begin construction of the multi-plane facility in 30 days.

Vice-President King expressed his concern that their site was the last piece of viable commercial property and wanted to know where the Airport would store the tie-down planes that were kept on that site currently. He also asked Mr. Hallmark if they would be willing to extend the taxiway. Mr. Hallmark stated his client would be willing to spend more money if it were a long-term lease. Vice-President King then asked about the economic benefit to community, and Mr. Hallmark explained Mr. DuPerier's firm would bring in money from people buying property in the area – 80% of the buyers bought their property in Kerr County. The hangar will benefit not only Mr. DuPerier, but the buyers (75 % of who are from Harris County, the rest from the west and east coasts) who flew in their own planes to Kerrville. Mr. Vogt felt the tie-down planes could be secured elsewhere at the Airport and was glad Mr. DuPerier's business would be bringing in the kind of planes the Airport wanted – big fuel users. The Fixed Based Operator, Joe Kennedy, noted that this type of business would create jobs for local pilots and other Airport businesses.

The Board asked that Mr. Hayes move forward with writing the lease and bring it back to the Board for approval.

6B. Ground lease for Rick Conrad and Chris Woods.
Item pulled from agenda per applicants' request.

7. Discussion and Possible Action

7A. Consideration of Ground Lease for Granger MacDonald. (Bruce McKenzie)

Mr. McKenzie introduced the lease request from Granger MacDonald and stated that the outstanding issue from the previous Board Meeting was whether Mr. MacDonald needed a performance, payment, or bid bond to secure the lease project. Staff's research showed there was no need for any of the three bonds as this was not a federal project and no money would be borrowed to complete the project. The Airport Codes may need to be amended in the future. President Bobertz restated for the Minutes that it is the sense of the Board that Mr. MacDonald need not be bonded, and the Board will amend the Airport Code and Minimum Operating Standards to allow.

Mr. MacDonald asked the Board to approve the lease according to the form Mr. Hayes and Mr. McKenzie wrote. He was concerned about the cost going from 10 cents a foot to 18 cents, and because of that, he may have to scale back from building ten hangars to only four as cost of excavating the dirt at the back of the land was expensive. Former Airport Manager David Pearce had also promised him help with the excavation. Mr. McKenzie told the Board he had looked at the maps, and 18 cents was the figure he came up with. He would like to approve the lease as to form and see about the dirt as needed. He stated that Mr. Pearce believed it was a benefit to have all the airport hangars at the same level so Mr. Pearce would try to assist them with their excavations. Mr. MacDonald said he did not need the excavation help, but he agreed with Mr. Pearce's idea for all hangars to be at the same height.

Mr. Vogt asked Mr. MacDonald if he would be willing to develop the taxiway that tied into the parallel taxiway as the developer is responsible for putting in that 40-foot section tie-in. Mr. MacDonald agreed. Mr. Vogt felt open hangars were beneficial for small planes and would save good land on the ramp. Mr. MacDonald told the Board he was allowing 30 days for engineering plans, 30 to 60 days for bids and paperwork, and was looking at 90 days for construction to begin.

Mr. Vogt moved to approve the lease as presented, and Mr. King seconded. Mr. McKenzie asked about the cost. President Bobertz said he assumed the cost is 18 cents. The motion passed 3 to 0.

7B. Consideration of lease for 1700 Airport Loop Rd. for Nelson Happy.

Mr. Happy told the Board that the lease was in order and that he and the Fixed Base Operator, Joe Kennedy, had both met, and "everything was good." Mr. Happy also added that he may eventually put in a car wash.

Vice-President King moved to approve Mr. Happy's lease as presented. Mr. Vogt seconded; and the motion passed 3 to 0.

7C. Discuss adopting policy concerning defining aviation activities to assure compliance with TxDOT and FAA grants.

Mr. McKenzie asked the Board to combine Items 7C and 7D (Compliance issues of Nelson Happy airport office space lease). The Board agreed in the need to use the FAA policy, but Commissioner Letz asked that the Board and leases use the terminology "aeronautical activities" and not "aviation activities." Mr. Hayes explained that the term aviation activity was broader and more encompassing than aeronautical. Mr. Vogt thought aeronautical was broader, and discussion ensued on the definitions.

President Bobertz suggested that the Board ask Mr. Hayes to work on the terminology issue for clarity and bring it back to Board. The Board wanted to know how definitions affect leases; meanwhile Mr. Happy could continue to use the offices. Vice-President King asked if the Board could get affidavits from lessees that they are in compliance and keep the affidavits on record. President Bobertz reiterated that first the Board needed definitions. Mr. Vogt felt that the Board must follow the compliances or they would have to open the door for other businesses who were not aeronautical or aviation (ex: kennel and hair salons). If that happened, the FAA would then step in and handle the situation. Mr. Vogt also asserted that the compliance issues most certainly applied to Mr. Happy's office lease as his offices were at the Airport Terminal, which is public and built with taxpayer money and TxDOT/FAA grant funds.

Vice-President King asked Mr. Happy directly "What do you do in those offices?" Mr. Happy stated his company sold aircraft insurance with the focus being on Warbirds. In addition, he was in the process of buying a new airplane that would be stored and operated at the Airport. He handles sales and leases of large aircraft (nothing smaller than a corporate jet). Finally, Mr. Happy explained to the Board the he had another business based in Bridgeport, Texas, that was not aviation (rock/aggregate business), but it was difficult to not discuss that business when here.

President Bobertz asked Commissioner Letz if he wanted to add anything to the discussion. Commissioner Letz said he agreed with Vice-President King that maybe all lessees should present an affidavit that they are in compliance annually. He also wanted to know if businesses were limited to only aviation or if non-aviation business could also be conducted in conjunction with aviation.

President Bobertz stated that Board was finished with both Items 7C and 7D.

7D. Discussion of compliance issues for Nelson Happy airport office space lease.
Board discussed in conjunction with Item 7C: Discuss adopting policy concerning defining aviation activities to assure compliance with TxDOT and FAA grants.

7E. Consideration of procedural and administrative items.

Mr. McKenzie presented a plan on how to keep Airport business flowing, and Mr. Vogt applauded his direction. President Bobertz asked him to please proceed. The Board then reviewed email from Commissioner Letz on the subject, and President Bobertz thought they should consider it when the new Board gets in order. Vice-President King agreed and stated that he did not like receiving the agenda on the Friday before a Monday Joint Airport Board meeting. He would like more open communication between all parties.

Commissioner Letz thought the new interlocal agreement would not be completed until the beginning of next year. Vice-President King encouraged the City Council and County Commissioners to quickly move forward because the Open Meetings Act restricted a three-man board from communicating and briefing one another as a larger board could legally do.

Mr. Vogt commented if any interest of the three members hiring legal counsel to develop the interlocal agreement and give back to the County Commissioners and City Council. Vice-President King mentioned he was approached by three attorneys who had asked him the same thing. President Bobertz thought the Joint

Airport Board would be overstepping their bounds if they hired legal counsel to develop a proposed new interlocal agreement.

Mr. Hayes stated to the Board that the interlocal agreement was between the City and the County and not between the Joint Airport Board, the City, and the County. Commissioner Williams agreed. Mr. Vogt wanted the opportunity to give suggestions, one being to have a five-member board rather than a seven-member board.

President Bobertz considered the discussion of Item 7E to be a discussion of Item 7F also (Consideration of management contract including amendments, termination, or other action as appropriate).

7F. Consideration of management contract including amendments, termination, or other action as appropriate. Board discussed in conjunction with Item 7E: Consideration of procedural and administrative items.

7G Discussion concerning letter from Mr. Ed Hamilton regarding EIC funding and airport improvements.

Mr. Hamilton had to leave before his item was discussed, but President Bobertz thought it had good points that needed to be addressed when the new Joint Airport Board was in place. He especially agreed with Mr. Hamilton's point about better communication between the Economic Improvement Corporation and the Joint Airport Board. Mr. Vogt felt there should be "almost a formal tie-in" between the two entities.

No action taken.

7H. Report on status of repairs to Hangar #4 and any other storm-related damage to airport property (Bill Williams).

Fixed Base Operator, Joe Kennedy, told the Board that repairs were proceeding on Hangar #4. Mr. McKenzie stated the washouts under the Airport fences had been repaired, but no significant damage elsewhere at Airport.

No action taken.

7I. Consideration of performance review of City of Kerrville under Airport Management Contract.

Commissioner Letz told the Board that he had a draft of suggestions for the contract, but felt it would not be appropriate to discuss until the new Joint Airport Board was in place. President Bobertz agreed, and thought the contract would best be reviewed in conjunction with the interlocal agreement.

7J. Consideration of repairs to Schreiner Field sign and determine location for new placement.

Commissioner Letz told the Board that someone needed to be appointed to pick out a location for the sign. There was concern about the size of the sign and the original pedestal design supporting the sign's weight. Mr. Happy said he was lining up a contractor. Commissioner Williams said the sign was in a bad state and needed to be repaired. Commissioner Letz thought maybe the Board could use the contingency fund for the repairs.

President Bobertz moved that the Board authorize Bruce McKenzie, the acting Interim Airport Manager, to locate a provider who can repair and renovate the airport sign, and he is authorize to spend up to \$15,000, for this purpose, from the contingency fund. Mr. Vogt seconded. Mr. Happy asked if he could consult with whoever did the restoration. The motion passed 3 to 0.

The second item to discuss was the location of the sign placement. President Bobertz moved that the Board appoint the Interim Airport Manager to provide the Board with alternative sites for the airport sign and bring back to the Board as soon as possible. Vice-President King seconded, and a discussion ensued.

Mr. Vogt stated there may be not be a place the sign will fit and the Board needed to be careful about spending more money than necessary to make it fit when it might not. He was also not sure about the sign's historical significant. Commissioner Williams said it had historical significance because of the field and name (Captain Louis Schreiner), plus the ironwork was done by one of the most notable metal artesian in America. Mr. Vogt wondered if that could be put on a memorial instead. Commissioner Letz said it was important that the sign would be used, but felt there were lots of options. He felt it was good for the Board to "think outside the box." The way originally envisioned by Mr. Happy may not work.

The motion passed 3 to 0.

7K. Informational items from Board Members

President Bobertz asked if the Board had any informational updates. Hearing none, he asked to move to Item 8, Announcements and General Updates.

8. Announcements and General Updates:

Mr. McKenzie provided the Weekly Operations Report and discussed in detail the following:

Taxiway Relocation Project:

Mr. McKenzie informed the Board that the price of taxiway cost relocation is now \$14 million instead of the original estimation of \$6.2 million and recommended phasing the project out and repairing the existing taxiway first given its bad shape. In order to achieve this and tie into the Master Plan, a considerable amount of drainage and dirt work must be done. The first part of the project should be completed in nine to ten months with good weather. Mr. McKenzie told the Board that if they will give the green light today, TxDOT can begin the project in May 2008. Currently, they need to finish the last part of the design phase as the drainage has become more complicated and caused the price to raise. Also adding to the cost is 300,000 cubic yards of dirt to be moved because of topography. Mr. McKenzie concluded that implementing the first phase of the plan will enable the City and County to have more time to raise their portion of the 90/10 grant: \$800,000.

Mr. Happy asked if the Board could get a waiver from the FAA regarding the project. Mr. Vogt explained since the Little Rock International Airport incident where an airplane went off the runway, no one from FAA would want to sign off on a waiver for fear of similar incident. In response to Mr. Vogt's question on whether Mooney Aircraft had been briefed, Mr. McKenzie said yes, but they have not seen plan yet. He continued that a taxiway would be opened to enable their planes to get to runway.

Commissioner Letz commented that the removed dirt had value and could generate some of the \$800,000. Mike Lowe agreed and stated that that amount of dirt is very significant. Mr. Vogt felt the increase in cost was disappointing but a "no-brainer." The Board asked if they had to vote in order to change the scope. City Attorney Hayes stated that the project did need authorization from the Board as it had changed, but the item was not posted for action at this meeting. The Board agreed to reconvene at a special Airport Board meeting on September 17, 2007, at 4:00 p.m., City of Kerrville City Hall.

Fire Hydrants

The Airport has seven new flush mounted fire hydrants.

9. Adjournment.

Mr. Vogt motioned to adjourn. Vice-President King seconded, and the motion passed 3 to 0. The meeting adjourned at 11:04 a.m.

APPROVED: _____

K. Irene Stone, Executive Assistant to the City Manager

Roger Bobertz, President