

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

**Board Meeting
November 12, 2007**

On Monday, November 12, 2007, 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:

Staff Present:

Bruce McKenzie, Interim Airport Manager
K. Irene Stone, Executive Assistant to the City Manager
Josh Selleck, Finance Director
Mike Hayes, City Attorney

2. Visitors/Citizens Forum No one spoke.

3. Approve the Minutes of September 14, 2007, and October 8, 2007, Board Meetings.

Mr. Vogt voted to approve the Minutes of September 14, 2007, Board Meeting as amended. Vice-President King seconded the motion; and the motion passed 3-0.

Fred Vogt moved to approve the Minutes of October 8, 2007, Board Meeting. Vice-President King seconded the motion; and the motion passed 2-0, with President Bobertz abstaining as he was absent at that meeting.

4. Approve Monthly Financials

Mr. Selleck presented the October financial statement to the Board and explained that as these financials were the first for the fiscal year, staff was still closing out the previous fiscal year. Therefore, the October financial statements were not 100% complete, but at the next Airport Board Meeting, the November financial statements will be. Fred Vogt moved to approve the financial statement as presented. Vice-President King seconded the motion; and the motion passed 3-0.

5. Discussion and Possible Action

5A. President's Remarks (President Bobertz)

President Bobertz wanted to use this opportunity to discuss airport business as the quorum issue (on a three member board, two members are a quorum) prevented him from discussing airport business outside the board meetings. He felt this was an interim period, and the Board was waiting on the Airport Business Plan and, then, the government agencies. He explained that during this interim period, he had been working closely with the interim airport manager, Bruce McKenzie, to open the lines of communication between the "stakeholders", i.e. Airport Board, the Airport Manager, Airport lessees and business operators, and the public (taxpayers). One item of interest was the newly established "Airport News" bulletin board in the Airport Terminal. This bulletin board displayed the Airport Board agendas and minutes, among other airport news. They are also working on other options to improve communications, which President Bobertz felt was important because of the economic impact of the Airport.

Commissioner Jonathan Letz stated that the Airport Business Plan would give the Board a range of options. He acknowledged that the County has two representatives ready to discuss the Interlocal Agreement with the City, but the City has not responded to the County as of yet.

Mr. Vogt stated that the Airport Business Plan had more to do with economics than the Board's structure, and that the Airport Board would be given "models" of other airports as examples. He agreed with President Bobertz that the limitation of the Board was a problem. His plea to the

government agencies was that a partial or addendum be added to the current Interlocal Agreement to enable them to “flesh the Board out.” He did not feel it conducive for the agencies to wait for the Airport Business Plan or a new Interlocal Agreement before restructuring the Board.

Vice-President King asked that Commissioner Bill Williams and a representative of the City give the Board a progress report on the next agenda. He would personally talk to City Council Members and encourage public involvement (i.e. letters to the editor) to get this issue moving. He felt it was a “disservice to the public” to wait.

President Bobertz responded that it was his understanding that the City was waiting for the Airport Business Plan before moving forward on the Interlocal Agreement. Commissioner Williams agreed with Commissioner Letz that the Airport Business Plan would have a range of options. The County was ready to meet with the City and had two representatives ready, but the City had not selected anyone yet to meet with them. His realistic expectation was that this would “take awhile.” Currently the issue was at the Attorney’s General’s doorstep and an answer from his office could take up to six months.

No action was taken.

5B. Discuss Airport Board Meeting Schedule (President Bobertz)

President Bobertz recommended continuing the monthly meetings as that was the only way to follow the Open Government Meetings Act and discuss airport business. He asked Mr. Selleck if the current day of the month would help the financial statements. Mr. Selleck replied that the current day worked as well as any other time of the month. Commissioner Letz agreed. President Bobertz then asked the Board if the 3:00 p.m. time was acceptable. The Board affirmed it was a good time.

President Bobertz stated that the Airport Board would continue to meet on the second Monday of the month at 3:00 p.m. at the Airport Terminal. The next meeting would be December 10, 2007.

No motion was required.

5C. Discussion and action regarding defining the terms “aviation use” and/or “aeronautical use” (Mike Hayes)

Mr. Hayes addressed the Board and stated this was a confusing issue. The issue stems from the Airport grant assurances and the need to pen down the terminology. The term “aeronautics” is more specific to “flying a plane.” “Aviation use” has added services that the public uses while engaging in aeronautics. Mr. Hayes had personally asked TxDOT and the FAA on how the Airport should use the terminal –aviation use or aeronautical. They were hesitant to answer his specific question on which definition to use. In fact, Mr. Hayes explained, they would not answer the question, but stated they prefer to do a case by case basis because of political implications.

That being the case, Mr. Hayes recommended to the Board that they “get comfortable” with a definition for their own facility, the Airport Terminal, and, if TxDOT or the FAA questions the tenants, in some form or fashion, how the tenants’ activities relate to the operations of the Airport. If the Airport Board allows non-aviation uses for hangars, and an aeronautical business wants to come in, the non-aviation users have to vacate their hangar leases. Mr. Hayes explained that currently there is that clause in the Airport lease agreements. He concluded his report by stating that the Airport Terminal is a facility at the Airport that is held to a higher standard.

President Bobertz restated Mr. Hayes’ comments that there were two sets of definitions, which were not completely compatible; none of the sources will give the Airport Board a definitive definition; so the Airport Board would have to decide on which definition they will work with and how they are going to apply it; and the Board needs to be comfortable that whichever definition used will “pass muster” if the Airport is ever investigated by FAA or TxDOT for compliance in grant assurances.

Mr. Vogt thought part of the issue dealt with compliance issues. TxDOT or the FAA would have guidelines for the Airport, but they would not police the issue. The Airport Terminal is clearly within the context of "anybody's" definition of aeronautic building and would be subject to taxpayers' money that was used to be put in it. Mr. Vogt felt the Board does not have it defined properly in the minimum standard so they need to decide on the definition. He recommended the Airport Board use the TxDOT definition and that will take the burden off of the Board. The Board needs to get their minimum standards "up to speed."

President Bobertz asked Mr. Vogt be the "point guy" and work on a project where end point would be a suggested entry into the minimum operating standards. The product would be what the Airport Board needs to do to the Airport Code to accommodate the definition and what administrative procedures should be in place, i.e. ask every tenant to certify they are compliant, etc... Mr. Vogt said that Mr. Hayes would have to help him with that. Mr. Hayes stated that once definition was decided and the Airport Code was updated accordingly, all tenants would have to provide assurances that they are in compliance with the definition. Vice-President King asked if it would help to have the tenants provide an affidavit, and Mr. Hayes said it would.

5D. Discuss lease of 1994 Airport Loop Road to Mr. Kendall Burluson

Mr. McKenzie informed the Board that Mr. Burluson was still interested in the lease but had moved the date from February 2008 to March 2008.

No action taken by the Board.

5E. Discuss location of "Louis Schreiner Field" sign

Mr. McKenzie explained to the Board that the final placement of the sign was at the end of the sidewalk, up on the left of the parking lot. He had TxDOT review the site to be sure its placement would not violate any airport rules. The sign will be at a good focal point for the Airport, have a matching rock façade and set on two short pedestals. Mr. McKenzie has Nelson Happy's letter in hand stating Mr. Happy's willingness to pay for the sign's mounting.

The Board asked about possibility of also placing a sign by Highway 27. Mr. McKenzie explained that TxDOT would only allow a frangible (breakable) sign to be placed. There will be signs announcing the Airport at Hwy 27 and Hwy 173. Commissioner Letz commented that he would like to see an entrance sign when drive up to Airport.

Mr. McKenzie then asked if the verbiage proposed for the sign, "Kerrville-Kerr County Airport" was agreeable. That was the verbiage on the Airport Terminal's plaque. The Board agreed to the use of the verbiage with either a hyphen or slash separating Kerrville and Kerr County.

5F. Discuss cost of developing new taxiways

Mr. McKenzie announced that Mr. Walling was no longer considering building his own hangar at the Airport, but was now looking at leasing one of Granger McDonald's proposed hangars. Consequently, the Airport will not have to be concerned about a connecting him to the taxiway. Mr. McKenzie then reviewed the taxiways map with the Board. He believed the Airport was going to receive \$90,000 from the Economic Improvement Corporation. If so, those funds would take care of areas 2, 3, and 4 (\$80,000 total, which leaves \$10,000 for "fluff"). The Board asked where he received the financial information, and he replied that URS Corporation provided the figures.

The Board asked why he did not apply for a new grant to cover areas 2, 3, and 4. Mr. McKenzie stated that he was concerned about the \$6 million in grants that the Airport had already tied up with TxDOT. Mr. Vogt suggested Mr. McKenzie apply for a grant to cover the whole project as the project would be a good use of Airport Improvement Program money. There may be a chance, if the grant was approved by TxDOT, that it would not be received until next fiscal year.

President Bobertz moved to authorize the Airport Manager to contact TxDOT regarding a possible grant to cover the cost of this project. Mr. Vogt seconded; and the motion passed 3-0.

6. Announcements and General Updates

□ Mr. McKenzie and Mr. Vogt met with TxDOT in Austin on September 10, 2007. Mr. Vogt explained the meeting to the Board and stated that the discussion centered mostly on Highway 27. The real purpose of the meeting, though, was to introduce Bruce McKenzie to TxDOT. As Mr. Vogt did not attend the meeting as a representative of the Airport Board, there was no set agenda. Mr. Vogt and Mr. McKenzie also took opportunity at the meeting to see how TxDOT felt about the Airport and what the future is like for the Airport. They were well-received by Dave Fulton, met his all senior staff and saw a Power Point presentation. After that was over, the discussion did lead itself to development here at the Airport.

□ Meeting with TxDOT regarding Highway 27 – (President Bobertz)
Mr. Vogt continued his discussion of the TxDOT meeting on September 10, 2007. They addressed 1) Highway 27 and the Object Free Zone, and 2) the runway extension from 1,000 feet to 7,000 feet. He stated that TxDOT was amazed the Airport would consider moving Highway 27 with respect to the cost to fix it. TxDOT cannot see the relocation plan passing the cost analysis benefit where it's the "benefit" to move the highway. Currently, Mr. Vogt noted, TxDOT has no plan to spend funds on Highway 27. They do want the Airport to not put anything up in the Object Free Zone. There is a telephone pole that will have to be removed when the road is repaired in the future. The same applied to the runway extension. TxDOT did not see the Airport needing a 7,000 foot runway (outside the planning scope), unless the Airport had commercial aircraft landing here. In Mr. Vogt's opinion, that is good news for the Airport as it frees up some of the economic money for other projects and there is not a safety issue.

Mr. Vogt continued to explain that he, Mr. McKenzie, and TxDOT discussed the Airport using the Instrument Landing System (ILS) approach, but this was a discussion to bring up at another time. In Mr. Vogt's estimation, thought, the existing GPS approach and the minimum is not that bad. He did not see anyone, whether it is flight standards, penalizing the Airport for not having an ILS approach. He realized this goes against some of the previous conversations this Board has held. To conclude his report, Mr. Vogt felt TxDOT was happy the Airport Board was coming to them as their "entry point" into this whole process.

Mr. McKenzie noted that Mike Coward of TxDOT says he and his engineers will spend two months to see what the cost will be to lower Highway 27, and then the Board can get a good picture on the cost benefit analysis.

Mr. Selleck explained to the Board that the Highway 27 Relocation project was in the City of Kerrville's Capital Improvement Plan in conjunction with TxDOT 's transition in widening Highway 27 from two lanes to four lanes

Mr. McKenzie briefly mentioned to the Board that the Taxiway project was moving along nicely.

7. Adjournment.

Mr. Vogt moved to adjourn; Vice-President King seconded the motion. The meeting adjourned at 4:15 p.m.

APPROVED: _____

Roger Bobertz, President

K. Irene Stone,
Executive Assistant to the City Manager