

**Minutes**  
**Airport Advisory Board**  
**May 28, 2009**

On this 28<sup>th</sup> day of May 2009, at 6:00 p.m., the Airport Advisory Board of the City of Devine convened in a meeting, and the following members thereof, being present:

C.E. (Curly) Brehm, Airport Manager  
Glen Dale Estep, Chairman  
Bill Bain  
Russ Pumphrey  
Tony Crosby  
Hap Squires  
Bruce McWhorter  
Greg Coyne

Thus, constituting a quorum.

Personnel Present: Jerry Beck, Mayor; David Espinosa, Councilman-District 3; Dora V. Rodriguez, City Administrator; and Ofilia Pedroza, Assistant City Secretary.

Others present: None

Chairman Glen Dale Estep called the meeting to order.

The first order of business was to discuss and consider approval of Minutes for January 26, 2009.

The Airport Advisory Board reviewed the minutes.

In reviewing the minutes, Mayor Jerry Beck inquired if the federal aviation people are the ones who set the rates on the leases. Mr. Hap Squires explained this probably comes from the Federal Aviation funding a good portion of the improvements at the airport, and as a result of that, they do have some say in it; but, they do not set the amount on the leases.

City Attorney Tom Cate stated that the Federal Aviation's concern was that there was no escalation clause for the rent on the leases.

Motioned by Hap Squires, seconded by C.E. (Curly) Brehm to approve the minutes for January 26, 2009.

Ayes	--	All
Nays	--	None

Motion carried.

The second order of business was to discuss and consider changes in Lease Contracts.

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Hap Squires expressed some confusion since the last airport meeting. He mentioned they had met in Curly's office after the last meeting and he understood that Curly and Glen Dale were going to meet with the City, but he was confused on whether they did or not. Curly explained he was confused also because the City never called them back; he suspected it was due to Elections going on. In his letter to Mr. Glen Dale Estep, Mr. Hap Squires stated that the only provision he would like to see changed is that instead of one ten-year option to renew, he would like it changed to two ten-year options.

Mr. Curly Brehm agreed with Mr. Squires. He stated that if this is adopted, we should have an original 10-year and then two 10-year options for a total of 30 years. He said that's what they all agreed on in his office that night after the last airport meeting. Mr. Brehm stated that the problem with the First item on the Airport Lease is that there is no provision for the current leaseholder to have "A Right of First Refusal" when all these lease options are exhausted at the current lease price and conditions; he thinks that should be added. He also stated that we need a cap on the amount of money the City can raise the rents, and in what increments of time they can do this. He wants a better description in the leases of what can and cannot be done.

Mr. Bill Bain arrived at 6:10 p.m.

Mr. Curly Brehm also stated that in the Sixth item of the Airport Lease, the City has a right to purchase their properties if someone else makes an offer at 10% less than the offer. He said that there is no time limit addressed upon the City to make this. He stated that there needs to be a drop dead time period where the City can do this; time is of the essence. Mr. Brehm also stated that there are some other nuts and bolts issues that probably need to be looked at, but they're minor.

Mr. Curly Brehm stated that Russ Pumphrey wants clarification on the sub lease provision. He said Mr. Estep has hangars that are rented month to month. He explained that they've kind of gotten away with doing that; the lease says the City has to approve that. So, they need something defined there. He also said the definition of construction is not very clear.

In the Third item of the Airport Lease, Mr. Brehm stated he's not sure what we mean by Rules and Regulations. Bill Bain also stated that they need to know what the Rules and Regulations are. Mr. Russ Pumphrey added that the Airport Lease refers back to the Rules and Regulations in several places. He also inquired if the City Ordinance is in effect today, or if it would be grandfathered if the City comes up with a new city ordinance two months from now. He said we should just leave that reference out of the lease because they are all going to abide by the rules and regulations of the ordinance.

Mr. Curly Brehm asked the board if they were all in agreement on the 10-year initial period plus two more 10-year renewal periods. Everyone agreed. He then asked if everyone was in agreement that there needs to be a clause with the current lease holder given the "right of first refusal" at the end of all of these options.

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Mr. Hap Squires stated that he thought they had already agreed to all of this. Discussion was held on whether it had been presented to the City already. Mr. Brehm stated that the City never asked him or Glen Dale Estep to come down. City Administrator Dora V. Rodriguez clarified that Mr. Glen Dale Estep did come in to her office and had provided her with the changes after they had all met. She explained that City Attorney Tom Cate has these changes but it was just a matter of setting up a meeting to make sure that he understood everything that they are asking in order to be able to implement it into the lease.

Mr. Hap Squires then asked City Attorney Tom Cate for a response from the City's side.

City Attorney Tom Cate stated that he's received everything that was submitted to him in writing, and stated that this is an opportunity to go over everything they had to present, and now he will work it in to the lease.

Bill Bain asked City Attorney Tom Cate if the Airport Advisory Board could take one last look over the lease before he presents it to City Council for approval. He was told yes; that it would only be right for us to do that.

Mr. Brehm inquired about the cap on the CPI per 10-year lease. Discussion was held on the annual CPI adjustment. Discussion was also held on inflation. Mr. Hap Squires pointed out that when they were meeting; they weren't so much concerned about adjusting the CPI annually, but rather on "how much". Mr. Bill Bain stated that he didn't think that "annual" is the problem; he thinks we should put a cap on the largest amount of increase in any one year. The board held discussion on a 3% cap, and whether it could also decrease by 3%. Mr. Bill Bain suggested wording it as "CPI may go up or down, not to exceed 3% in any one year."

City Attorney Tom Cate mentioned that the reason for doing this is because FAA regulators had talked to us about the CPI; the main thing is the CPI. Mr. Bruce McWhorter asked if the FAA would have to approve the new leases. City Attorney Tom Cate said they really don't; they only make suggestions, but they do have an influence on the airport.

Discussion was held on the FAA.

Chairman Glen Dale Estep asked if anyone had anything else to discuss regarding the leases.

City Attorney Tom Cate asked the board if everyone would be willing to sign a new lease once it meets everyone's approval. He was asked if he meant approval from each individual. City Attorney Tom Cate said that what he's hearing is that the majority of the board is saying "Yeah, let's do that."

Chairman Glen Dale Estep inquired if they were to sign a new lease, if the first 10-year period would start at that time. According to City Attorney Tom Cate, yes, everyone's initial 10-year period would start at that time. Discussion was held on this.

Motion was made for meeting to be adjourned.

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Hap Squires commented that he wanted to address something first. He then told Curly Brehm that he was surprised with the change of the airport manager's position without the airport advisory board being involved.

Mr. Brehm responded that the advisory board has nothing to do with the airport manager's position; he said that was strictly Council's prerogative. Mr. Squires stated that you would think the airport advisory would have some kind of an input. Curly stated, "No." Discussion was held on this, and it was directed to Mayor Jerry Beck.

Mayor Beck said he would address that, but first had a question regarding the rules and regulations that Mr. Pumphrey had mentioned. He asked what kind of rules and regulations would be set forth for the airport to comply with; would it be city ordinances?

City Attorney Tom Cate responded that the City doesn't have any rules and regulations, as far as we can tell. Mr. Russ Pumphrey said all they have is reference to the speed limit at the airport on city ordinance. Tom Cate told the board that according to the City Administrator, Dora V. Rodriguez, she has a whole file drawer that she hasn't gone through yet. He said she may find something, but she hasn't been able to find anything yet. Discussion carried.

Mayor Beck referred back to the airport manager's position. He explained that City Council voted to approve all the current appointments, with the exception of the airport manager.

Mr. Hap Squires stated that he didn't have a problem with it; he was just surprised and curious about the procedure.

Mayor Beck said the only he could suggest is that the next time we have an appointment like that, if they have any concerns or something they want to look at, by all means to contact the Council.

Mr. Tony Crosby addressed Chairman Glen Dale Estep regarding the Devine Municipal Code, under Article IV. Boards, Committees and Commissions. He said Sec. 2-261 states that the airport advisory board of the city shall consist of five members. He asked if it's been amended because we've appointed more members. He was told that the Article will be amended to reflect this.

Chairman Glen Dale Estep wanted to address a couple of things. First, he said he agreed with Russ Pumphrey's recommendation in that the diagram for the airport is not very accurate and needs to be redone. He said it's kind of misleading as to how big the hangars are. Discussion was held on the map and things not adding up. Bruce McWhorter suggested aerial pictures. Secondly, Chairman Glen Dale Estep said he feels that Russ Pumphrey did a fine job managing the airport, and felt he deserved our thanks because it is a "thankless" job. Discussion was held that City Council should recognize Russ Pumphrey for all his years of service.

Mr. Hap Squires thanked Curly Brehm for stepping up to the plate because he couldn't have done it. Mr. Brehm stated that he'd like to get gas at the airport, and Mr. Squires offered to help; Mr. Russ Pumphrey offered to help also. He said he wanted to make this a simple and easy transition.

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According to Mr. Brehm, the only thing he'd like to do is move the monitor in Russ's hangar and get it moved to his hangar.

City Administrator Dora V. Rodriguez asked if this is something that Public Works can do, or if she would need to contact Mr. Larry Cerovski. Mr. Pumphrey said it would have to be done by Mr. Larry Cerovski because it can only be done by someone who is licensed by the FCC. City Administrator Dora V. Rodriguez will contact Mr. Larry Cerovski.

Curly Brehm requested for everyone's email addresses.

Chairman Glen Dale Estep asked if there was anything else.

There being no further business to come before the governing body, motion was made by C.E. (Curly) Brehm, Airport Manager, to adjourn the meeting.

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Mayor

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City Secretary

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Airport Manager