

MINUTES OF EXECUTIVE SESSION MEETING
OF THE BOARD OF COMMISSIONERS OF THE
ST. LOUIS REGIONAL AIRPORT AUTHORITY

March 20, 2025

An executive session of the Board of Commissioners of the St. Louis Regional Airport was held on Thursday, March 20, 2025.

We, the undersigned, being all of the Commissioners of the St. Louis Regional Airport, hereby called an executive session of the Board of Commissioners of the St. Louis Regional Airport to be held without further notice on Thursday, March 20, 2025, at the approximate time of 4:56 P.M. On call of the roll, the following commissioners answered present: Amber Baileygaines, Steve Futrell, Chris Herzog, Brian Keister, Matt Kelly, and Robert LaMarsh. Commissioner Dave Wilson was absent. Also present were Airport Director Danny Adams and Airport Attorney James Sinclair.

Being the Commissioners of the
St. Louis Regional Airport Authority

The purpose of the executive session was to discuss the following items in accordance with 5ILCS120/2(c)(1) of the Illinois Open Meetings Act:

Item 1. Discussion on Airport Director Annual Performance Review.

Chairman Kelly called the executive session to order and identified that it seems appropriate to have Director Adams present; however, if at any point in time it seemed conducive to discussions, he may be asked to remove himself. He continued by identifying that, by in large, Director Adams has exceeded his expectation on most every account and that he feels the airport is moving in the right direction in terms of being fiscally responsible and appropriately updating equipment; however, he noted that there have been some roadblocks, due to recent union contract negotiations, that presented some obstacles. For the most part, he feels that Director Adams has exceeded expectations and that his performance warrants more than the contractual 3% performance increase and suggested an additional 2%; as based on his own personal observations.

Chairman Kelly asked if there were any questions and/or comments for Director Adams. (Long pause)

Commissioner LaMarsh asked the Director how he thinks he has done over the past year. "What's your assessment?"

Director Adams started by identifying that a list of overall goals and objects was provided in January of 2024 and while all items were not completed in a calendar year, a majority were accomplished within the fiscal year; such as: the updating of airport policies and procedures, updating airport rules and regulations, increasing T-hangar rental rates, additional ground leases via new construction, facility leases with Piston Aviation, increased fuel flow fees and initiated new fuel storage fees; thus increasing revenue. Also accomplishing several projects in conjunction with Hanson Engineering and other contractors, such as: rehabilitations of parking lot and apron, the water drainage basin improvement, Ameren lighting upgrades, and various other projects that were funded by outside sources.

Commissioner Keister indicated that, in most areas, Director Adams has exceeded his expectations. And highlighted the positive turnaround and improvements that have taken place in terms of overall operations and budgeting; however, he noted that as things progress, his expectations will get higher. He indicated that there are areas that he personally would like to see the airport address and/or head in a different direction. He acknowledged the benefit of hiring Assistant Director Blackwell and restated that, overall, Director Adams has performed well.

Chairman Kelly asked if there were any further questions or comments. (Long pause) He then asked if there is any interest in further discussing the matter without Director Adams being present. (Long pause) Hearing no responses, he questioned whether it is necessary to have a motion/vote to return back into open session. To which, Attorney Sinclair indicated that is not necessary.

Commissioner Herzog stated that he has a couple of questions. Across the other taxing bodies, does anyone know what their typical pay increases are and/or do any of the Board members know the salaries for the Governors, local mayors, the Chairman of the Madison County Board are, or the county Teamsters contract and what it entailed; as negotiated with the same business representative.

Commissioner Keister responded by stating that he/we have those number; however, he could not recall them off the top of his head.

March 20, 2025

Chairman Kelly stated that he has some knowledge, per prior discussions, on what other unions have done, as revealed during the course of the airport's contract negotiations.

Commissioner Herzog commented that with the 3% increase, that amounts to almost \$10,000 more than the County Board Chairman receives. He pointed out that the union contract, that was accepted by the county, occurred via the same Teamsters union and the same Teamsters business manager; representing 29 individuals, with the county's salary increases being 3.75%, 3.75%, 2%, and included that they already pay for medical. He continued by raising the question as to why the taxpayers should pay more for the airport as compare to any other taxing bodies.

Director Adams asked for clarification as to whether Commissioner Herzog is referencing strictly the salaries or other items. And whether it is just his salary or those within the airport's union contract. To which, Commissioner Herzog indicated; all of them.

Commissioner Keister questioned how the negotiations of the airport's union contract affect Director Adams' performance. To which, Commissioner Herzog expressed his expectation and the fairness to the taxpayers as he compares the county's contract and the airport's contract, which were negotiated by the same business manager. He recapped the expense for Employment Attorney Berry (\$35,000) and duration of the negotiations, thus estimating a total \$50,000 expenditure.

Commissioner Keister clarified that the airport hired Attorney Berry to do the negotiations and to update the language within the outdated contract. And that the Board acted on said attorney's recommendations. He continued by stating that the reason he votes for the latest version of the contract, was to avoid any further legal expenses and potential for a strike and what that would do. He acknowledged that he is not pleased with the contract, but felt it was in the best interest to approve it.

Commissioner Herzog expressed concerns regarding decision on prior airport issues and referenced the former airport restaurant and contracts.

Director Adams explained that, based on early comments by Board members, it became his objective to get concessions on the healthcare insurance. And as Attorney Berry explained; offers will need to be made to offset any concessions, which equates to the percentage increases in salaries. He stated that he would be interested to see what else was included in the county's contract. He reiterated that there were also needed language changes in airport's contract. He expressed his confidence that; had the airport simply offered salary increases without any other changes, the union would have accepted it; however, the emphasis was to get the contract language changed and to obtain some degree of buyback on the healthcare coverage.

Commissioner Herzog reiterated that it was the same business manager from the same union. To which, Director Adams responded by identifying the business manager may signed both contracts, but that the business manager did not sit-in on any airport negotiations. The business agent did, but not the business manager.

Chairman Kelly asked if the county employees gave up healthcare insurance benefits. Note: Blended and undistinguishable conversation ensued between Chairman Kelly, Commissioner Herzog, and Director Adams.

Chairman Kelly expressed that he felt the airport was successful in achieving insurance concessions within the negotiation process. To which, Commissioner Herzog commented; "not until long into the future." He went on to express his thoughts/reservations about someone (Director Adams) negotiating benefits when that person receives the same benefits.

Director Adams identified the option of bringing in someone, like Attorney Berry, to perform the task.

Commissioner Keister commented; that was the reason for hiring Attorney Berry. To help mitigate that situation and to negotiate on behalf of the Board. To which, Commissioner Herzog expressed his opinion that he didn't think the airport got a good deal.

Director Adams responded that Commissioner Herzog was given the opportunity to express his opinions and that he voted on the contract, which was documented. Also, the Board has the opportunity revisit and discuss the union contract over the next three years. And that, at the end of the day; the goal was to get buyback on the insurance and, in a way, we did. Maybe not to the levels of everyone's expectations, but we got the amount of insurance buybacks that we could. (Long pause)

Commissioner Herzog commented that the reasons for contracting an agreement with Benefit Compliance Solutions is because nobody else has a situation like this. And that the airport is now having to pay more so someone can police what's going on. To which, Director Adams commented that the alternative is to sit here, twiddling our thumbs, and simply do nothing.

Chairman Kelly identified the need for Benefit Compliance Solutions, which is to address a problem that existed prior to Director Adams tenure. Note: Debate ensued between Chairman Kelly and Commissioner Herzog as to where fault may lay, perceived expectations, the duration before realizing any healthcare savings, and the condition that with the new contract; a starting point has been established.

Commissioner Keister stated that it is incredibly difficult to take things away from people. And that the union employees have had the healthcare benefit well before the tenure of the current Board. He acknowledged that the union members may have had this benefit for twenty or more years, which reflects on the discretion of prior Boards and that the current director is trying to move in a new direction, which the current Board has identified. He continued by defining that Director Adams should not be held accountable for past practices, as he did not contribute to the existing condition. He identified that past political practices within the county and the current economic conditions makes it very difficult to take things away and that it's going to be a process.

Commissioner Herzog rebutted by commenting: "that it's not how it works with the rest of the world."

Commissioner Keister asked Commissioner Herzog to identify one bargaining agent or organization that has taken something away without having to offset it with some other benefit and to blame Director Adams for past oversights does not make sense.

Note: General exchange ensued between Chairman Kelly, Commissioner Futrell, and Commissioner Herzog regarding the use of the word "blame or blaming".

Commissioner Herzog identified that for spending upwards of \$50,000, he did not feel that the airport got a good deal and that is a part of his evaluation. To which, Commissioner Keister offered a personal comment regarding the waste of taxpayer money that occurs within the county, the state, and the federal government.

Commissioner Herzog challenged Commissioner Keister's comment regarding "waste" and then suggested that the Board move on.

Chairman Kelly asked if there were any further questions or comments.

Commissioner Keister asked if the Board is considering compensation. To which, Chairman Kelly identified that we are, but any action will need to take place in open session. He went on to state that, within open session, his plan is to request or introduce a motion to grant the Director a raise over and above the 3% given within his contract and that he supports an additional 2%, which would not only be compatible with the staff's compensation, but would keep a Director in place to keep the airport moving in the right direction. He reiterated his intent, once back in open session.

Commissioner LaMarsh asked for time to speak; referencing comments that are periodically made about being just and fair to the taxpayers. He stated that in 1946, a referendum was passed by taxpayers, thus signifying that they would financially support the airport and that yes, since that time, the taxes have increased. He identified that he has been on the Board since 2017 and during this time, only two people (Mike Babcock and Joe Case) have ever appeared at a Board meeting to discuss anything to do with taxes. He acknowledged that there was one taxpayer that inquired about how her annual twenty dollars tax assessment was being spent. He continued by acknowledging that he is also a taxpayer and that within the county there are entities that he does not use, such as: the public parks or the Belk Park golf course; and yet his taxes continue to support them. He raised the question of how many taxpayers show up at the Madison County Transit Board meetings where the 2023/2024 budget was thirty-six and one-half million dollars; with the estimation that bus rider fees/profits would generate a half million dollars. "Talk about an imbalance." He cited that, yes, the airport is consuming taxpayer dollars; however, at least the airport can boast that it's supporting itself, fifty to fifty-five percent, via ground leases. He continued by acknowledging the taxpayer dollars that Madison County has wasted resulting from poor business decisions and legal fees, as associated with the prior County Board Chairman. He asserted that the county has "pissed away" hundreds of thousands of dollars on legal fees and questioned where the taxpayers are on these issues. How many taxpayers are showing up at County Board meetings to say "this is ridiculous; you're throwing money away". And yet, we (the Board) are always concerned about the taxpayers. He stated that he would love to see the airport completely off the tax rolls and thinks that would be a "kudos" for any board to accomplish. It seems that it's always about the taxpayers and yet, none of them show up and issue any complaints, except for the two and he surmised that they were probably invited to attend.

Chairman Kelly asked if there were any further comments before adjourning back into open session. Hearing none, he asked for a motion to adjourn. Motion by Commissioner LaMarsh, seconded by Commissioner Baileygaines. Motion carried.

Executive session recessed/adjourned at approximated 5:23 PM.
Transcribed by Robert D. LaMarsh-Secretary.

Matt Kelly

Amber Baileygaines

Steve Futrell

Chris Herzog

Brian Keister

Robert LaMarsh

Dave Wilson