

**MINUTES OF THE SPECIAL MEETING OF THE BOARD OF DIRECTORS  
OF THE INDIAN WELLS VALLEY AIRPORT DISTRICT  
FEBRUARY 17th, 2023 @ 9:00 AM (Held via Teleconference)**

**1. CALL TO ORDER AND ROLL CALL**

Jim Paris called the meeting to order at 9:00 AM. Present were: Jim Paris, Richard Bruce, Russ Bates, Chip Holloway, General Manager Scott Seymour, Assistant General Manager Joseph Foster, and by teleconference: Paul Valovich, Airport District Counsel Scott Nave via teleconference

**2. PLEDGE OF ALLEGIANCE TO THE FLAG WAS LED BY**

**3. CONSENT CALENDAR:**

- A. APPROVAL OF MINUTES OF THE REGULAR BOARD MEETING 1-20-23 AND WAIVE FURTHER READING OF MINUTES
- B. APPROVAL/RATIFICATION OF PAYMENT REGISTER FOR JANUARY 2023
- C. APPROVAL/RATIFICATION: UNION CREDIT CARD STATEMENTS JANUARY 2023

Motion was made by Director Bruce, Seconded by Holloway  
TO APPROVE CONSENT CALENDAR ITEMS

Motion was passed by roll call vote: 5 ayes

**4. BUSINESS ITEMS:**

**A. DISCUSSION/APPROVAL: GENERAL MANAGER RETENTION BONUS**

- Scott Nave explains that there is an employment agreement draft in the boards packet and that it has a few blanks to be filled by the board during this meeting but that it is an otherwise accurate reflection of what was discussed by the board at the last meeting. Director Valovich addresses an error he heard in the last meeting where he says a statement was made during discussion that Scott Seymour hadn't received a pay raise in 8 years, and that is not correct. Director Bates says it seems as though he has had at least a small raise each year, and Scott Seymour explains that he received a raise last year, but before that there was a gap of maybe 3-4 years with no raise given. Director Holloway says that he would like to add verbiage to the contract that says that the board has the right to refuse the bonus if the board feels the airport cannot financially support giving the retention bonus. Scott Nave says that it would be possible to add in something saying that payment will only be made if funds are available. Director Bates confirms that what is being proposed is a \$50,000 bonus on top of a \$50,000 pay raise, and asks why? And if Scott Seymour is leaving or being sought by another employer. He also asks if its \$10,000 a year for five years. Scott Seymour confirms that it is \$50,000 a year for 3 years that is being proposed. Director Paris says Scott Seymour has done an amazing job with the airport and Director Bates says that Scott is making what a PP4 makes. Director Paris says that this is not the government and Director Bates rebuts that it is the people's money. Director Paris explains that Scott Seymour brings the military and filming here and if we did not have those revenues the airport would be a "ghost town". Director Bates says \$50k is a shock to him, he could support a bonus if the year went well, but \$50k is out of the question. He says this is not LAX. Director Paris says the point is to retain Scott, if he leaves with all of his connections, he thinks the airports runs the risk of losing

business. Scott Seymour reminds the board that the airport does not provide a retirement to its employees. Director Bates says he thought that the airport had set up annuities for the employees, Director Paris says that they did but it didn't work out that well. Scott Seymour explains that he had a simple Roth IRA and that his was depleted like everyone else's, and he lost money. Director Bates confirms that the bonus would be paid out at the end of a year of Scott's employment and says that he looked up Wall Street Journal stuff about "retention bonuses" and found that they are not tied to performance and usually have to do with mergers at a company or an employee being taken by another employer. He also says that a pay raise is and at 40% is significant. Director Valovich says that his problem with this is that there is currently a \$5000 retention bonus in place, increasing it to \$50,000 per year is a 1000% increase and that there is no way anyone can justify a 1000% increase on anything. He says his recommendation is \$30k a year for five years and that he will not agree with \$50k for 3 years. Scott Seymour asks District Council how Mojave Air and Space Port bases their "stay-put" bonuses, and District Council replied that all of Mojave's bonuses are performance based. Director Valovich explains that he brought in a \$250 million contract for his company and he will probably be getting about a \$25k bonus for doing so and with that perspective \$50k does not make sense. Director Holloway says that he feels that the way this can be looked at is that Scott Seymour has been with the airport for 30 years, he is proactive, he has put in the time, he's built relationships, built the airport, put things in place that is he left would not all be able to be maintained. He says that Scott has relationships with people, that if he were to leave the airport could see that \$150k evaporate. He explains that if you get wrapped up in the percentages and comparing to the Navy base and that he has dealt with things like this with being on the City Council and it's just not comparable with the airport. He also says that yes, the percentage is high but that is due to the fact that the right amount hasn't been paid to Scott in the last 30 years and the airport now has to play catch up. He says the airport has the money, he is on the finance committee, and that the only reason the airport has the money is because of Scott and he does not see a problem with it if that's the case. Director Holloway goes on to explain that it is not really tax payer money, the airport generates its own money other than grants for airport improvements. Director Valovich explains that he agrees with everything that Director Holloway has said about Scott Seymour's performance and that the only thing he does not agree on is the \$50k, he believes \$30k a year is sufficient. Director Bates agrees with Director Valovich, \$30k a year for five years is the same amount and it covers Seymour for the 5 years he says he will likely work. Scott Seymour adds in that the bonuses will be taxed at 43% percent. Director Valovich says it should be around 32%, but Scott Seymour says that 32% is federal and there is also California State Tax. Director Bruce says he likes what Director Holloway said and also understands what Director's Bates and Valovich have said so he would like to find a compromise. Director Paris suggests \$42k over 4 years as a compromise. Director Bruce asks if he can keep from paying tax on the bonuses by having the airport put the money into a retirement account and Director Paris explains that that would not then be a true retention bonus. Director Bates says that the idea of calling it a "stay-put" bonus is what lost him, and that if Scott Seymour wants to go somewhere he can just go. Director Bates says that he himself has had a lot of jobs and some high-level jobs and he has never known anybody to be indispensable and that "the show goes on". Director Holloway says he agrees, but that the show does not go on the same way. Director Holloway says that what the airport is looking to do is not "conventional" but what is conventional is to reward performance and it hasn't been rewarded in the past. Director Bates says he has been on the board for 30 years and has supported Scott all along, and that the board has rewarded performance, he doesn't feel that director Holloway is correct to say the board has not done so. He also explains that he believes the raise amount that the board has already approved is appropriate and he would have been happy to stop at that. He says he can sympathize with not having a retirement account but \$50k just seems too much. Director Holloway says that he doesn't make anywhere near what Scott makes but that it costs the fairgrounds \$60,000 a year to pay into CalPERS and based off of Scott's income it would cost the airport approximately 30% on the dollar to get him a state pension and based on that this is actually a bargain. Director Bates says that this is a good point and that he likes the idea of spreading it over five years. He also says the

finance/personnel committee should look to get something set up for retirements. Director Valovich says that he will support 4 years at \$42k a year and that Scott will have to face the tenants and the public with what is being done and if the airport cannot financially support a match for a project or something that the airport will have to stand behind the decision. Scott Nave says that he added in language to reflect the board wishes. Director Valovich asks what impact this will have when Scott Seymour is gone and a new general manager is asking for similar treatment. District Council explains that the board will have no obligation to offer anything of this sort to a new employee. District Council confirm that the agreement will be written to have the first payment to be paid 3/1/24, and that the \$150,000k divided over 4 years is \$37,500 per year

Motion was made by Director Bates, Seconded by Bruce

TO APPROVE GENERAL MANAGER RETENTION BONUS OF 4 EQUAL PAYMENTS  
TOTALING \$150K

Motion was passed by roll call vote: 5 ayes

5. COMMITTEE REPORT:

6. PUBLIC COMMENT:

7. MANAGERS REPORT:

-Joseph Foster, assistant general manager, says that he would like to comment on the retention bonus. He says it is extremely crucial that Scott be here at the airport to pass along as much of his knowledge as possible to him and that he does a great job establishing important relationships. He agrees that the retention bonus is the right thing for the board to do.

8. BOARD COMMENT ON ITEMS NOT ON THE AGENDA:

-director Bates says that he thinks the board converged to a good place and that he is happy with the outcome, he goes on to tell the board that he is probably Scott's "biggest fan" and that he tells people all the time about the phenomenal things Scott does. That the way he deals with the FAA and military is much appreciated and that he had a visceral reaction to the dollar amount. Director Bruce said that he apologizes to the airport for thinking the employees were covered with retirement plans. The board discusses looking into CalPERS as a possible retirement benefit to employees.

9. CLOSED SESSION:

10. DISTRICT COUNSEL:

11. ADJOURNMENT: TO ADJOURN THE MEETING AT 9:41 AM

Approved at the March 17<sup>th</sup> meeting of the board of directors of the Indian Wells Valley Airport District

Board Clerk: 