

MINUTES

Virginia Port Authority (VPA) Board of Commissioners Annual Meeting – Session 400

Electronic Meeting (Zoom Video Conference)

Tuesday, July 28, 2020 – 9:00 AM

This electronic meeting was assembled during a declared state of emergency, as a result of the COVID-19 pandemic, when it was impracticable or unsafe to assemble a quorum in a single location to discuss or transact the business statutorily required or necessary to continue operation of the public body in accordance with Item 4-0.01.g of Chapter 1283 of the 2020 Amendments to the 2019 Appropriation Act.

The Board of Commissioners (“Board”) of the Virginia Port Authority (“VPA”) held an electronic meeting via the Zoom platform, on July 28, 2020. VPA Board Chairman John G. Milliken called the annual meeting to order at 9:00 a.m. and Mrs. McNulty confirmed that the public line was connected. The Chairman then asked Mrs. McNulty to conduct a roll call of VPA Board members, colleagues with Virginia Port Authority (“VPA”) and Virginia International Terminals, LLC (“VIT”), guests, and members of the public who were electronically present, who identified themselves as follows:

Commissioners:

John G. Milliken, Chairman
F. Blair Wimbush, Vice Chairman
John C. Asbury
Jennifer D. Aument
J. William Cofer
Manju S. Ganeriwala, State Treasurer
Eva Teig Hardy
Joni L. Ivey
Val S. McWhorter
Faith B. Power
Louisa M. Strayhorn
Deborah C. Waters

Guests:

Hon. Shannon Valentine, Secretary of
Transportation
W. Brice Fiske, Office of the Attorney General
David White, Virginia Maritime Association
JoAnne Carter, PFM Group
Kristy Choi, PFM Group
Bryant McGann, Vandeventer Black LLP
Anne Bibeau, Vandeventer Black LLP
Angus Cooper, Cooper T. Smith
George Brown, CP&O
Louis Ferrer, Ocean Network Express
Kurt Mittenzwei, CMA-CGM
Gordon Rago, *The Virginian-Pilot*

Commissioners Absent:

Stephen Moret

VPA Staff:

John F. Reinhart, CEO and Executive Director
Matthew Barnes-Smith, Chief Administration
Officer
Sarah McCoy, General Counsel and Acting Human Resources Officer
Rodney W. Oliver, Chief Financial Officer
Joseph P. Ruddy, Chief Innovation Officer
James (Jay) Stecher, Chief Marketing Officer
Cathie Vick, Chief Development and Government Affairs Officer
Daniel Hendrickson, Vice President, Strategic Planning and Analytics

VPA Staff (continued):

Marissa Blanco, Director, Supply Management

Carla Welsh, Director, Production

Jodie L. Asbell, Sr. Executive Administrative Asst. and Assistant Secretary to the Board

Debra J. McNulty, Secretary to the Board

VPA-Information Technology Support:

Mark Thorsen, Chief Information Officer

Lung Cheng, Director, Information Technology

Kelly Taylor, Information Technology Technician

Charles Cannon, Information Technology Specialist

Virginia International Terminals, LLC (VIT) Staff:

Thomas D. Capozzi, Chief Sales Officer

Kevin Price, Chief Operations Officer

I. Motion to Convene an Electronic Meeting

At 9:00 a.m., Vice Chairman Wimbush made a motion to convene an electronic meeting as permitted by Virginia Law [pursuant to the requirements of Item 4-0.01.g of Chapter 1283 of the 2020 Amendments to the 2019 Appropriation Act, to discuss or transact the business statutorily required or necessary to continue operation of the Virginia Port Authority.]

Chairman Milliken then explained the factual basis for convening an electronic meeting. Law states:

“Pursuant to Item 4-0.01.g of Chapter 1283 of the 2020 Amendments to the 2019 Appropriation Act, this Board is convening to discuss statutorily required information that will cover budget, operations reports, and vital resolutions that are necessary to transact the business of the Virginia Port Authority.”

Chairman Milliken affirmed that the motion to convene an electronic meeting carried and was seconded by Commissioner McWhorter. The Chairman then asked Mrs. McNulty for a roll call vote of the Board, as follows:

Ayes: 12 (Milliken, Wimbush, Asbury, Aument, Cofer, Ganeriwala, Hardy, Ivey, McWhorter, Power, Strayhorn, Waters)

Nays: 0

Absent During Vote: 1 (Moret)

Absent During Meeting: 1 (Moret)

II. Election of Officers

Report of the Nominating Committee and Election of Officers for the year July 1, 2020 through June 30, 2021.

Nominating Committee

Val. S. McWhorter, Chair

Faith B. Power

Deborah C. Waters

Pursuant to Article III, Section 3.3, of the Bylaws of the VPA, the Board elects a Chair and a Vice Chair and may elect from its membership or appoint from the staff a Secretary and a Treasurer. The Board may also appoint from the staff an Assistant Secretary and an Assistant Treasurer.

Mr. McWhorter reported that the Nominating Committee met by conference call on Monday, July 27, 2020, and unanimously recommended reappointment of the following slate of officers for the year ending June 30, 2021:

Chairman	John G. Milliken
Vice Chairman	F. Blair Wimbush
Treasurer	Rodney W. Oliver
Secretary	Debra J. McNulty
Assistant Secretary	Jodie L. Asbell

Action: On behalf of the Nominating Committee, Mr. McWhorter made a motion for the Board to approve the Nominating Committee's recommendation to reappoint the current slate of officers. The motion was seconded by Ms. Waters. The Board closed the floor for nominations and, by an affirmative vote (10-0), with the exception of Chairman Milliken and Vice Chairman Wimbush, reappointed Board officers for the fiscal year ending **June 30, 2021**.

III. Appointments to Standing Committees

Chairman Milliken announced that appointments for FY21 have been made for the following Standing Committees and he suggested that commissioners contact him before the September meeting, if they wish to change their committee appointment (with the exception of the Investment Committee membership). The Chairman also mentioned that commissioners are invited to attend all committee meetings.

Executive Committee

John G. Milliken, Chair
F. Blair Wimbush, Vice Chair
Jennifer D. Aument
Faith B. Power
Val S. McWhorter

Finance and Audit Committee

Faith B. Power, Chair
Louisa M Strayhorn, Vice Chair
John C. Asbury
Eva Teig Hardy
Manju S. Ganeriwala (State Treasurer)

Growth and Operations Committee

Val S. McWhorter, Chair
Jennifer D. Aument, Vice Chair
J. William Cofer
Joni L. Ivey
Stephen Moret
Deborah C. Waters

NOTE: Under the By Laws (Article XII), the Chair and Vice Chair of the Board are ex officio members of all committees of which they are not a regular member.

Resolution 14-12, which includes formation of an Investment Committee, was adopted by the Board on November 18, 2014 – Delegation of Fiduciary and Administrative Duties Under

Pension, Defined Contribution and Deferred Compensation Plans of the Virginia Port Authority, Virginia International Terminals, LLC and HRCPII, LLC (Hampton Roads Chassis Pool):

Investment Committee

Chair of the Board

Chair, Finance and Audit Committee

CEO/Executive Director

Chief Financial Officer

Chief Human Resources Officer

IV. Other Business, Opportunity for Public Comment, and Adjournment

There was no other business to report and no comments from the public. The annual meeting adjourned at 9:07 a.m.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Debra J. McNulty". The signature is fluid and cursive, with the first name "Debra" and last name "McNulty" clearly distinguishable.

Debra J. McNulty
Secretary to the Board

MINUTES

Virginia Port Authority (VPA) Board of Commissioners – Public Session 401

Electronic Meeting (Zoom Video Conference)

Tuesday, July 28, 2020

The Board of Commissioners (“Board”) of the Virginia Port Authority (“VPA”) held its regular meeting via the Zoom platform on July 28, 2020, immediately following the annual meeting. VPA Board Chairman John G. Milliken called the meeting to order at 9:07 a.m.

All attendees from the annual meeting, held previously, were present (see Annual Meeting minutes).

I. Approval of Minutes

Action: Minutes of the VPA Board’s (Zoom) electronic meeting held May 19, 2020 were approved as circulated.

II. Reports of Committees

A. Investment Committee – John G. Milliken, Chairman

Chairman Milliken provided the following report:

The Investment Committee met on July 27th and received presentations from the port’s investment advisors, SageView, on the performance of the retirement plans of VPA and VIT through June 30, 2020, and from the port’s actuary, Mass Mutual. At the meeting:

- The Committee approved lowering the planned rate of return on plan assets from 7% to 6.75%.
- No investment management changes were recommended. Six investment managers were placed on “watch” for closer scrutiny going forward, and one investment manager was removed from the watch list:
 - Harbor Capital Appreciation – remove from qualitative watch list
 - T Rowe Price New Horizons I - continue on qualitative watch list
 - JP Morgan Core Bond – continue on qualitative watch list
 - DFA Emerging Markets Core Equity – placed on quantitative watch list
 - Mass Mutual Core SAGIC II – continue on qualitative watch list
 - Vanguard Midcap Growth fund – continue on qualitative watch list
 - Fidelity Puritan Global Equity fund – continue on qualitative watch list
- The Committee was advised by the actuary that, as of June 30, 2020, the VIT pension plan was 97.15% funded and the VPA pension plan was 77.0% funded per GAAP (Generally Accepted Accounting Principles).
- In addition, the VIT and VPA defined benefit plan investments rank in the top

21% of SageView's average plan rankings, with both retirement plans outperforming their relative benchmarks for the past fiscal year.

B. Executive Committee – Chairman Milliken

Chairman Milliken reported that the Executive (Search) Committee met in closed session on July 27, 2020, via conference call to discuss personnel issues and the Executive Director's results of CY2019 metrics (goals). The Chairman explained that Mr. Reinhart's incentive compensation for metrics achieved in CY2019 would not go into effect immediately as Mr. Reinhart had put a freeze on all incentives for employees due to the financial downturn in business. The Chairman reported that when the freeze is lifted, the incentive package for Mr. Reinhart and others who are eligible will receive incentive compensation.

Chairman Milliken referred to Resolution 20-10, which had been provided to the Board previously, and explained that when Mr. Reinhart is eligible to receive the incentive compensation, he will be awarded compensation based on achieving 90 percent of CY2019 goals. The Chairman commented that 2019 was a very good year and, on behalf of the Board, he congratulated Mr. Reinhart for his stewardship and leadership and for "putting the Port in an exemplary position". The Chairman added that the Board appreciated the work that Mr. Reinhart and the team have done and that they look forward to the remainder of 2020 with Mr. Reinhart at the helm.

Action: Upon motion by Chairman Milliken, seconded by Vice Chairman Wimbush, the Board unanimously adopted Resolution 20-10 (12-0), approving the incentive compensation for John F. Reinhart, CEO and Executive Director of the Virginia Port Authority, based on CY2019 Management Incentive Metrics.

C. Finance and Audit Committee – Faith Power, Committee Chair

1. Report of Finance and Audit Committee

Commissioner Power provided the following report:

The Finance and Audit Committee held an electronic meeting on Monday, July 27, and received presentations from management on a Commonwealth Port Fund Bond refunding, a master equipment lease borrowing, the procurement of container handling equipment, financial performance through May 31, 2020, compliance activities, an Asset Management Program, inventory management, and Small Women and Minority-owned (SWaM) business spending.

With regards to the Commonwealth Port Fund Bond refunding:

- The Committee was informed a successful bond sale took place on July 21st with the sale of \$97.6 million in refunding bonds.
- Net Present Value savings on the refunding transaction totaled \$9.49 million, or 10.96% of the refunded par value of the bonds, with savings in fiscal years 2021 to 2040 between the ranges of \$245 thousand to \$830 thousand annually.

- JP Morgan served as the Senior Underwriter on the transaction. Bank of America, Morgan Keegan, and Davenport & Company also served as Underwriters
- PFM Financial Advisors represented and advised the Authority.

With regards to Inventory Management:

- The centralization of inventory management is in its final stages, demonstrating accurate results thus far in the year-end financial audit.
- RFID tag technology has been piloted in the central warehouse with great success, and over the next six months management will implement throughout the entire inventory management system.

The Finance and Audit Committee discussed Resolutions 20-11, 20-12, and 20-13 and, after deliberation and consultation, the Committee unanimously recommended approval of the resolutions as stated.

At this time, Commissioner Power asked Chairman Milliken for the Board's consideration of the following resolutions:

2. Resolution 20-11, authorizing a contract for the acquisition of shuttle carriers.

Mr. Reinhart explained that POV is adding 20 new shuttle carriers to Virginia International Gateway (VIG) to continue with the modernization and reliability of equipment at the terminal.

Action: Upon motion by Commissioner Power, on behalf of the Finance and Audit Committee, seconded by Vice Chairman Wimbush, the Board unanimously adopted Resolution 20-11 (12-0), authorizing a contract for the acquisition of shuttle carriers (20) for VIG.

Commissioner Waters remarked that "the port cannot get the cargo-handling equipment on the terminals fast enough" and that she wanted the record to reflect that she "vehemently supports both resolutions".

3. Consideration of Resolution 20-12, authorizing the Virginia Port Authority to exercise an existing contract option for the acquisition of two (2) additional ship-to-shore cranes and related equipment and systems for Norfolk International Terminals (NIT)

Mr. Reinhart advised that the STS cranes will finish out NIT to compliment the new yard with RMGs to handle the larger vessels and to also take advantage of some of the grant funds from the Volkswagen settlement recently announced by the Governor that will be reported by Ms. Vick.

Action: Upon motion by Commissioner Power, on behalf of the Finance and Audit Committee, seconded by Vice Chairman Wimbush, the Board unanimously adopted Resolution 20-12 (12-0), authorizing the Virginia Port Authority to exercise an existing

contract option for the acquisition of two (2) additional ship-to-shore cranes and related equipment and systems for NIT.

4. Consideration of Resolution 20-13, authorizing financing under the Commonwealth Master Equipment Lease Program

Mr. Oliver reported that the borrowing intends to utilize the Commonwealth's MELP and the financing solicitation is scheduled to close the end of this week.

Action: Upon motion by Commissioner Power, on behalf of the Finance and Audit Committee, seconded by Vice Chairman Wimbush, the Board unanimously adopted Resolution 20-13 (12-0), authorizing financing under the Commonwealth Master Equipment Lease Program (MELP).

5. Presentation of Administrative Services and Compliance Reports – Matthew Barnes-Smith, Chief Administration Officer

It was reminded by Mr. Barnes-Smith that the Board adopted the VPA Compliance Charter last September. He described the POV Code of Ethics that were recently completed for each of the three port entities (VPA, VIT, HRCPII), internal policies that had been developed and are housed in one centralized data base, and the creation of the Compliance Committee. Mr. Barnes-Smith advised that the Code of Ethics were developed to make sure POV is in compliance with its values-based business decisions and will be rolled out to colleagues on July 29. He reported that POV will also focus on Compliance Week which is the first week in November.

Mr. Barnes-Smith described two features in the Code of Ethics – an Ethics and Compliance Hotline and an email for confidential submissions, similar to the State's hotline.

Mr. Barnes-Smith reviewed activities planned for FY21 that includes Compliance and Ethics week (November 1-7), training and education, and development of an organizational wide auditing schedule. He then reviewed year one accomplishments in the Asset Management division and briefly described each of the following:

- Principles of Asset Management
- Strategic Asset Management Plan
- Capital Expenditure Manual
- Vehicle Plan and Information Strategy
- IT Plan and Information Strategy

Mr. Barnes-Smith then reviewed next steps in developing a new capital decision model - execution of IT and vehicle information plans for better data, begin lifecycle refresh of pickup trucks, detail analysis of lifecycles of forklifts and hustlers, and assessment of reliability and state of all assets.

Mr. Barnes-Smith then reviewed SWaM expenditures (small, women-owned, and minority) and reported that POV achieved a target of 40 percent spending with SWaM

businesses and DBE (disadvantaged business enterprise) for COVID-19 related purchases. He reported that FY20 resulted in 43.5 percent SWaM expenditures – over \$53 million on total SWaM spend and over \$123 million on discretionary spend. He then described the breakdown of categories and pointed out that the minority expenditures increased to 35 percent. He compared FY19 to FY20 and advised that the decrease in discretionary spending was due to the completion of VIG and near completion of NIT projects. Mr. Barnes-Smith presented a four-year comparison of SWaM spending and goals achieved that reflected a considerable increase in FY19 and FY20, having exceeded the Governor's goal of 42 percent.

Mr. Barnes-Smith also described the team's efforts in providing networking opportunities for SWaM vendors to connect with the port's primary vendors.

6. VPA and Virginia International Terminals LLC (VIT) Consolidated Financial Reports for the month ended May 31, 2020, and FY20 year-to-date (July-May) – Rodney W. Oliver, Chief Financial Officer

Mr. Oliver reported that the pandemic has depressed volume levels which affected the port's operating revenues, however, the addition of 2,300 containers over the projected forecast that was done in mid-May was good news.

Mr. Oliver explained that operating revenues and expenses for the month of May were almost in alignment with each other which was attributed to the team's management through the pandemic by holding down expenses. Mr. Oliver reported a \$687,000 operating loss for the month of May which was an improvement from an operating loss of \$1.8 million forecasted last month.

Mr. Oliver reported change in net position for the month ended May 31 was a positive \$6.5 million compared to \$8.9 million budgeted.

For the full 11 months ending May 31, volumes for March through May were depressed from the pandemic and operating expenses were lower than operating revenues. He noted that efficiencies from the VIG II expansion and additional stacks coming online at NIT South expansion were paying significant dividends for POV. Mr. Oliver reported that FY2020 year-to-date (July-May) resulted in \$20.4 operating income. Change in net position for the 11-month fiscal year period was \$46.3 million, compared to budget of \$149.1. He noted that net position was affected by a decrease in operating grant revenues due to the early completion of VIG II and South NIT construction winding down.

Mr. Oliver announced that POV finished the fiscal year on June 30 with operating cash and operating reserves higher than they were in July 2019 and also higher than they were in February 2020.

A copy of Mr. Oliver's presentation is attached.

Commissioner Strayhorn commended Mr. Oliver and his team as well as the positive SWaM numbers that were presented by Mr. Barnes-Smith and his team's outreach

efforts. She affirmed that the procurement team has worked very hard to increase SWaM opportunities and she expressed appreciation to all colleagues involved in the positive results that were presented.

Commissioner Power admitted that she had expected results to be much bleaker than they are which, she said, is a good news story that speaks to the skills of the finance team and executive leadership. She expressed her appreciation to the team for managing through the uncertainties of the pandemic and for making the difficult decisions to freeze salaries, hiring, and bonuses which demonstrated that POV colleagues worked for the good of the port.

D. Growth and Operations Committee – Val S. McWhorter, Committee Chair

1. Report of Growth and Operations Committee

Commissioner McWhorter reported the following:

The Growth and Operations Committee held a special virtual meeting on July 21st to discuss confidential operational and terminal productivity matters. It was a very informative two-hour session and I would like to thank the senior leadership for their excellent presentations.

The Committee held its regularly-scheduled meeting yesterday (July 27) via Zoom, and first heard from Sarah McCoy, General Counsel, who is also Acting Chief Human Resources Officer in the interim. Ms. McCoy provided an update on The Port of Virginia's efforts relating to COVID-19. On behalf of the Board, we commend every colleague for their diligence in adhering to the requirements and recommendations in order to keep our Port and community safe during the coronavirus pandemic.

Tom Capozzi, Chief Sales Officer, provided a sales report that included an update on ARREFF Terminals' transload operation at NIT, beneficial cargo owners (BCO) update, pre-peak season efforts, new weekly services, ACL contract extension, blank sailing effects, and non-container updates, such as the three Norwegian cruise vessels that are lay berthed at PMT.

Cathie Vick, Chief Development & Public Affairs Officer, then reported on the latest negotiations on the off-shore wind project planned for PMT, the Governor's press conference at NIT announcing the Port's share of grant monies from the Volkswagen settlement, and the latest economic development news.

Kevin Price, Chief Operations Officer, wrapped up the meeting with a safety report on Lost Work Days (LWD) and the total recordable incident rate reflecting improvements in each area. On the operations side, Mr. Price reviewed COVID-19 efforts, new services, blank sailings, and peak season preparations for Walmart. Mr. Price then reviewed vessel productivity, rail dwell, gate activities, turn-times, missed reservations, HRCP chassis fleet renewal, POV cost per lift, and an update on the South NIT expansion project.

Commissioner McWhorter turned the meeting over to Mr. Price at this time.

2. Report on Safety/Operations – Kevin Price, Chief Operations Officer, Virginia International Terminals, LLC (VIT)

Mr. Price reported that FY20 ended with a 1.97 OSHA LWD rate that was favorable to the 2.2 industry average rate and a 26 percent improvement over last year.

Mr. Price reviewed POV rail versus gate/barge volume and reported that, while there was a reduction in total rail volumes compared to last June, POV is currently at 33 percent rail volume which is about the same as last year. He then reviewed POV rail volume and reported that rail dwell is down due to the use of CRMG cranes (cantilever rail mounted gantry) and equipment put in place at the terminals.

Mr. Price reported that gate turn times are considerably lower and are the best on the East Coast, which proves that the reservation system is working. He then reviewed a graph of traditional turn times for June and noted that POV is working with the motor carriers to address the 2 to 4 hours that trucks are waiting outside the gate (0.52 percent=about 3,000 trucks).

Mr. Price reported that missed reservations are averaging below 7 percent and he advised that operations is running well in the areas of gate turn-times, rail dwell, and the reservations system.

3. Sales Report – Thomas D. Capozzi, Chief Sales Officer

Mr. Capozzi presented a review of fiscal year-to-date (July-June) volumes (see attached). He reported that total TEUs (20-foot equivalent units) were down 6.2 percent and total containers down by 6.9 due to the pandemic and subsequent actions by ocean carriers with blank sailings (loss of 113,000 containers for the year).

Mr. Capozzi reported that AARREF Terminals, a third-party transload operation that is owned by Fornazer International, have built a \$2.5 million facility at NIT by Pier 3 and they receive rail hopper cars of agricultural products that are transloaded into ocean containers. He advised that transload cargo coming out of the Midwest, combined with business from Amazon and Walmart, POV should have an increase in business based on projections for peak season.

Mr. Capozzi explained the 11 percent decrease in total rail containers was impacted by blank sailings, particularly in the transatlantic trade, that are normally heavy with rail boxes. He reported that total barge containers increased by 8 percent and Richmond Marine Terminal (RMT) had an increase of 22.5 percent in barge containers. Mr. Capozzi noted that the increases at RMT are attributed to the increase of businesses such as Scoular, Brother and Bissell. He mentioned several opportunities for revenue that include the lay berth of cruise ships at PMT and long-term lay berth with Military Sealift Command.

Mr. Capozzi reported that truck containers were down 5.0 percent and ships calls down by 8.4 percent, due to the 82 blank sailings.

Mr. Capozzi described the following new services and cargo projections:

- Weekly Service – EMA(AL8) - Connecting Mediterranean with U.S. East Coast- First service starts May 20
- EC2 Service-Existing Asia service that added POV-First weekly call July 9
- Maersk adding new TP23/USEC weekly service (updated from bi-weekly)- scheduled for September 2

III. Report by Chief Development and Public Affairs Officer – Cathie Vick

Ms. Vick presented the following statewide Virginia business investments for FY20:

- Total economic development announcements – 38
- Dollars invested - \$1.465,003,000
- Square-feet created – 9,315,239 (215 percent increase)
- Job created – 5,411 (90 percent increase)

For the first six months of CY20:

- 22 businesses announced they were locating or expanding business
- 6,900,000 square feet built or under development
- \$832 million invested
- 2,910 Jobs

Ms. Vick announced that the Norfolk Harbor and Channels deepening is ahead of schedule and is about 29 percent completed on the first constructible element of the project. She explained the dredging delay that occurred due to an emergency project in Puerto Rico. Ms. Vick announced that two additional dredges will be put in place the beginning of August and will stay through mid-November even during the window from September-November when the hopper dredges are paused due to sea turtle migrations.

Ms. Vick advised that the first constructible element is scheduled for completion in August 2021, almost a year ahead of schedule.

Ms. Vick reported that POV began environmental sampling of Thimble Shoals East in preparation for the second constructible element project. She described some of the meetings with stakeholders on the project and discussions held with the cities of Norfolk and Virginia Beach about the beneficial use of some of the dredged material for beach replacement. Ms. Vick advised that POV could save approximately \$2 million on the project.

Ms. Vick reported that POV completed the design for the cover that is required for the Chesapeake Bay-Bridge Tunnel (CBBT) and is coordinating with the CBBT Commission to make sure the project does not conflict with the tunnel expansion.

Ms. Vick announced that POV continues to work on the federal side for a New Start designation for the next constructible element of the dredging project. She explained if the new start designation and funding were approved, POV would start the Inner

Channel dredging and the Thimble Shoals East projects concurrently as they would use two different types of dredges.

Ms. Vick announced that POV has hired a new lobbying firm, Becker & Poliakoff, principals Alfozo Lopez (member, House of Delegates) and Anthony Bidell (formerly with U.S. Secretary of Transportation), and they will assist POV with the dredging project and federal grants. She then described the current legislative status on new start designation and funding.

Ms. Vick provided a review of NIT's comprehensive dredging contract for combined maintenance dredging and NIT South access basin widening (Phase 2). Contract was awarded and the low bid came in at \$10.2 million – approximately \$5 million in cost savings for the projects. Work will start in July and scheduled for completion in March 2021.

Ms. Vick reported that POV received an emergency request from the Town of Tangier for up to \$130,000 in grants funds from the Port's Waterway Maintenance Grant Program. She described the project as outlined in Resolution 20-14, which was presented at this time. Chairman Milliken asked for a motion at this time.

Action: Upon motion by Commissioner McWhorter, seconded by Vice Chairman Wimbush, the Board unanimously adopted Resolution 20-14 (12-0), authorizing an appropriation of up to \$130,000 of Waterway Maintenance Grant Funding (FY21) to the Town of Tangier.

Ms. Vick provided an update on the bulkhead repairs at Richmond Maritime Terminal. She reported that the project is wholly funded by the Regional Surface Transportation Program for a total cost of \$1 million and work is now 50 percent complete. It was reminded by Ms. Vick that the port also secured additional funds for the expansion of the gate complex at RMT and application of a drop-lot at the terminal which was fully designed and submitted.

Ms. Vick announced that the full recertification audit of the ISO 14001 Environmental Management System is underway, however, due to COVID-19, POV's certification has been extended to November. The audit has been divided into two parts with the remote portion conducted via video conference in late April and field portions are rescheduled for the first two weeks of August.

Ms. Vick announced recent grant awards:

- Diesel Emissions Reduction Act (DERA) - to purchase hybrid shuttle carriers - \$2.5 Million
- Volkswagen Settlement Funding – to offset cost of STS cranes - \$10 million and an additional \$4 million for a pilot program for all electric yard tractors at RMT
- Port Security Grant Program/FEMA - to purchase new radar/AIS systems for local response vessels to enhance security, navigation, and search and rescue capabilities and accountability for maritime vessels (\$445,500) and purchase of terminal based cameras, mobile equipment for STS cranes, new shuttle trucks and UTRs, and associated maintenance fees (\$609,000)

IV. Report by Acting Chief Human Resources Officer – Sarah McCoy (General Counsel)

Ms. McCoy announced that the port reacted strong and quick in response to the COVID-19 pandemic on March 16, 2020, by first developing a Pandemic Policy that provides procedural information for colleagues port-wide should they come into contact with the virus. She then described how POV went into a staggered ad hoc telework situation when the pandemic first began that turned into a long-term Telework Policy, followed by a personal appearance or “dress for your day” policy (for virtual meetings/professional appearance) and a flexible and compressed work hours policy.

Ms. McCoy advised it was important for POV to provide a competitive and flexible work environment given the uncertainty of how the schools across the Commonwealth will deal with the pandemic.

Ms. McCoy advised that it has been a challenge to keep colleagues engaged who are in multiple locations throughout the Commonwealth. She described the surveys that were emailed to colleagues throughout the organization in April, May, and June that asked if there were any impediments to performing duties, or any concerns by colleagues.

Ms. McCoy announced that colleague focus groups were formed at the end of June to prepare for Phase 3 in accordance with the Governor’s directive. She described some of the virtual sessions that were held for colleagues for continuous development such as the laptop and learn sessions, developing programs that are relevant for the virtual environment such as hosting Zoom sessions, how to participate and contribute in Microsoft Teams, balancing roles at home with mental wellness. Ms. McCoy announced that POV invested in a virtual training programs that includes over 60,000 courses for colleagues.

In August, Ms. McCoy reported that POV will deploy a required training session on diversity, inclusion, and equity.

On behalf of the Board, Chairman Milliken thanked Ms. McCoy for taking on additional responsibilities in the absence of a Chief Human Resources Officer.

V. Report by Chief Innovation Officer – Joseph Ruddy

Mr. Ruddy explained when the customer service team was transferred to the innovation division last September it was determined that improved service could be achieved by using the experience of POV’s customers and use of analytics. He then described the customer experience – identifying touchpoints, customer expectations, and modes of communication (email, websites, gate, terminal, events, etc.)

Mr. Ruddy explained the analytics used for the customer service experience and he outlined five key elements that he briefly described:

- Increased visualization

- Flexibility throughout the organization
- Constant communication
- Consistency
- Transparency

Mr. Ruddy announced that John Jackson, Director, Customer Service, and Lauren Creech, Manager, Sales Support, are co-sponsoring the program and received affirmation from the senior leadership team to move forward and put together a cross-divisional team. He added that the customer experience program will be integrated into POV's Strategic Growth Plan.

Mr. Ruddy presented a new analytics tool developed by the Strategic Planning and Analytics team that was requested by Rob Cannizzaro, VIT's Vice President, Operations. The interactive product tracks ship line services as far out as four weeks in order to plan for volumes due to arrive at The Port of Virginia. Mr. Ruddy explained that the tool, which is still in production, tracks location of vessels and estimated times of arrival to aid in berth planning, maintenance/equipment needs, and decisions on terminal operations.

Mr. Ruddy then described the Stowage Scorecard developed by Strategic Planning and Analytics with assistance from the operations team that describes eight key elements of what makes a vessel successful to aid in productivity.

Mr. Ruddy concluded with a progress report on South NIT. He announced that the contractor, Allan Meyers, has vacated the property and all of the stacks are now in operation. He presented a photo of the nearly completed terminal and pointed out the area at the berth where the two STS cranes will be positioned. They are due to arrive later this year. Mr. Ruddy advised that there is a potential delay on the ZPMC cranes that Mr. Rich Ceci reported in the Growth and Operations Committee meeting.

Mr. Ruddy congratulated Mr. Ceci and the team for delivering the build-out of South NIT under-budget and on-time.

VI. Report by Chief Marketing Officer – James (Jay) Stecher

Mr. Stecher announced that POV began the new fiscal year with the release of refined mission and vision statements, a project that began in late 2019, to provide more concise and memorable statements. He reported that a video featuring Mr. Reinhart was released to colleagues on July 1st introducing the new mission and vision statements. The video was followed by a gift mailed out to colleagues that contained a handwritten note from John, a POV branded mug made of sustainable materials, a badge containing the mission/vision, and a bag of locally sourced coffee.

Mr. Stecher described the value videos that were released featuring six POV colleagues who were recognized by their peers representing each of the values. He announced that posters of the values colleagues were produced and hang in the various offices and also banners advertising the values are displayed at the terminals. He announced that more information would be released over the coming months.

Mr. Stecher then described the new POV Brand Standards Guide that was recently released to colleagues in early July, and the launch of the newly designed and reconstructed POV website. He presented several sample pages from the website and described some of the content. Since the site has been up, Mr. Stecher reported that they have received very good feedback and that the marketing team is currently working on a calendar of events.

Mr. Stecher commended the team for their work on these projects and he mentioned several new projects in the works such as the POV Annual Report, the Sustainability Report, and Mr. Reinhart's annual State of the Port presentation that will take place in October.

Mr. Stecher reported that the port's advertising campaign for FY21 will kick off in about a month and, he said, it will be more focused and sophisticated than ever before.

VII. Report by CEO and Executive Director – John F. Reinhart

Mr. Reinhart made the following closing remarks:

"Mr. Chairman, Commissioners, Colleagues, and Guests,

We have closed fiscal year 2020 and it was a year of significant challenges with tariffs, COVID-19, and managing through the pandemic. The volume in FY20 was down by 181,000 TEUs or 6.2% from FY19. Our team responded with professionalism and, consistent with our values, we kept our facilities operating safely, protecting our colleagues, ILA workforce, motor carriers and stakeholders.

We continued our infrastructure improvements and improved service delivery at our gates and rail and vessel operations while reducing costs. We began the dredging to make the POV the widest, deepest port on the East Coast and work is progressing ahead of schedule and will be complete in 2024!

During the current crisis our efforts on economic development delivered strong results across Virginia with 38 announcements, almost \$1.5 billion invested, generating 9.3 million square-feet, and 5,411 jobs. We are working on further diversification and made inroads in the off-shore wind market which is a focus for the Commonwealth.

We end FY20 with positive operating income, good cash reserves, a strong team and a nearly finished NIT. All of our debt coverage ratios are above requirement and cash flow is positive. I am extremely grateful for our team across the organization for their fantastic work and professionalism during the year and how they performed during the pandemic.

We have learned new ways to work, engage our customers, partners and stakeholders maintaining transparency and trust in the POV. We did a lot of things right this past year and keeping each other and our labor partners safe while maintaining the flow of cargo was among the most important accomplishments. The cargo will come back, but it is

going to take effort and patience. We are working with our customers and cargo owners to understand their needs to ensure we are ready to meet them. There is a lot of work ahead and we are up to the task.

As we enter FY21 we are focused on safely delivering great service across the POV. We will manage our expenses and reforecast our budget for FY21 in advance of the September board meeting. Today, the board approved resolutions to allow us to contract for two ship-to-shore cranes for NIT, 20 shuttles for VIG, a MELP financing for container handling equipment, Waterway Maintenance Grant Funds, which all support our efforts to be a leading port on the East Coast, operating safely, efficiently and attracting new business to the Commonwealth of Virginia.

We started FY21 with a refresh of our mission and vision statements, a new website and communications on our values. We continue to innovate and strengthen our brand and colleague engagement.

We will complete NIT this fall and continue our dredging program, our team is aggressively pursuing business, economic development and diversification. We will not slow down and will work to make the most during this crisis. We will remain vigilant to keep our colleagues, partners and facilities safe and operating. Our challenges are significant and I believe our team will continue to be great stewards and will come through this stronger and more competitive.

I want to thank our colleagues for their fantastic work during the crisis and for their continued professionalism. We are entering FY21, which is uncharted territory, because the economic impacts of the pandemic are uncertain.

Thank you all and stay safe.”

Chairman Milliken thanked Mr. Reinhart and the team for “an exemplary job during a very difficult and awkward time” in dealing with business turmoil from tariffs and the pandemic. The Chairman said it was a tribute to Mr. Reinhart and the staff that POV has been able to sustain the operation effectively during these unprecedented times.

Secretary Valentine expressed her appreciation for all of the materials that had been covered over the last two days and she said the consistent focus on health and safety is very important and that the Governor appreciates the port’s efforts. The Secretary said the port has been a leader in safety and commended the staff on compliance and ethics, commitment to SWaM and disadvantaged businesses, particularly during this time of COVID-19.

The Secretary addressed Mr. Barnes-Smith and said the SWaM report he presented was inspiring. She advised that she will take it to the Cabinet to show the progress that POV has made. The Secretary said the reactions of Board members and comments they made said a great deal about the Board. To Chairwoman Powers, the Secretary said she appreciated her comments in her report about following up with SWaM businesses to measure the impact of the outreach efforts.

Secretary Valentine also complimented the operations team on their commitment to drive down turn-times at the terminals and also the sales team for their efforts in attracting new services and opportunities while experiencing the blank sailings, and seeing the additional capacity at the terminals. The Secretary mentioned that it was inspiring to hear Ms. Vick's report after Mr. Capozzi's sales report. She complimented the port's commitment to employees and customers, communications, transparency, and creating value across the entire spectrum.

Secretary Valentine expressed appreciation to Mr. Reinhart and to everyone on the entire team and wanted everyone to know how important they are to the mission of the port and the Commonwealth during these challenging times.

Chairman Milliken then expressed appreciation to the Secretary for her leadership and for being able to attend the VPA Board meetings.

VIII. Unfinished Business

There was no unfinished business to report.

IX. New Business

There was no new business to report at this time.

X. Other Business, Opportunity for Public Comment, and Adjournment

There being no further business and no public comments, the meeting adjourned at 10:56 a.m.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Debra J. McNulty", written in a cursive style.

Debra J. McNulty
Secretary to the Board

Following are the remaining 2020 meeting dates for the VPA Board of Commissioners Public Sessions (9:00 a.m. start time and subject to change):

September 22

November 17(Thanksgiving Holiday November 26)

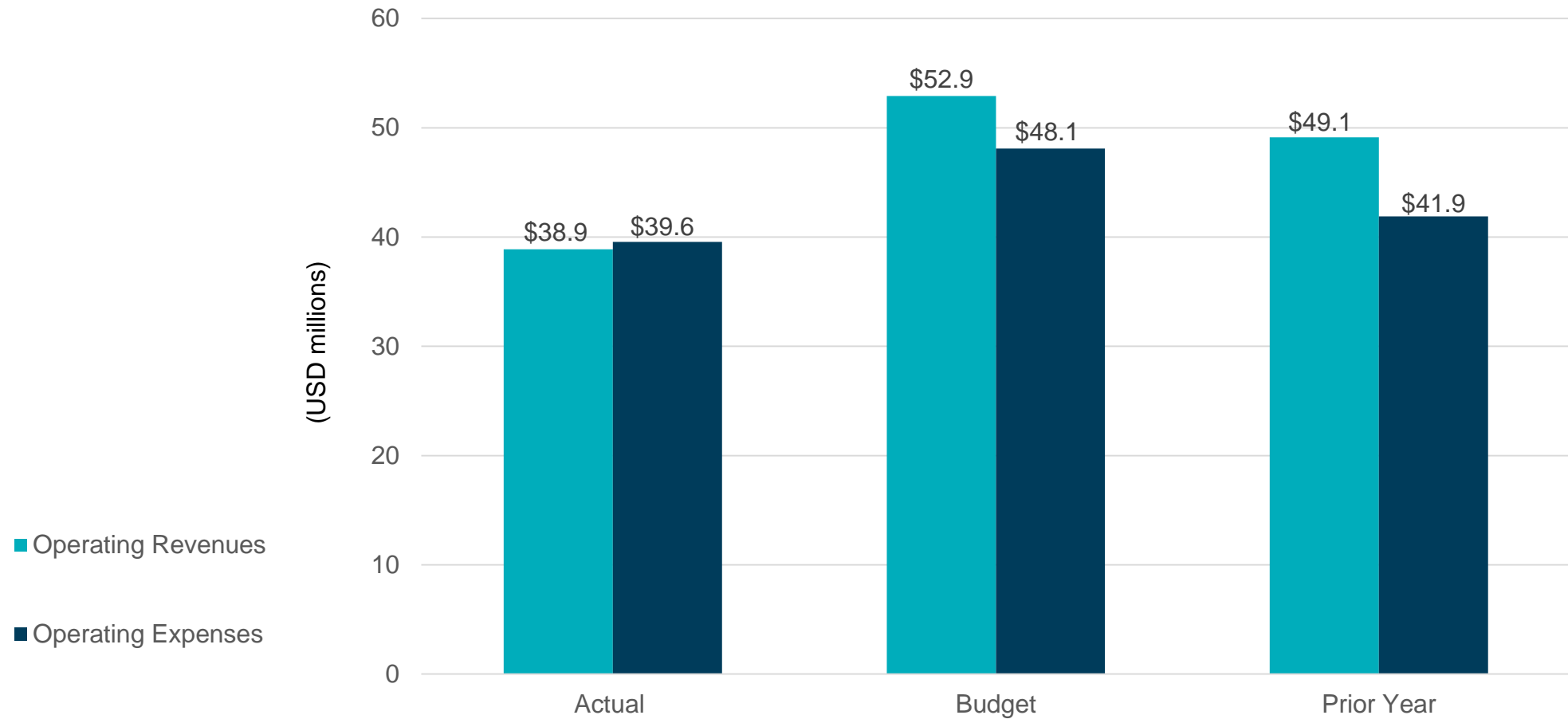
Committee meetings are scheduled the day before the Public Session.



May 2020 Financial Report

Operating Revenues and Expenses:

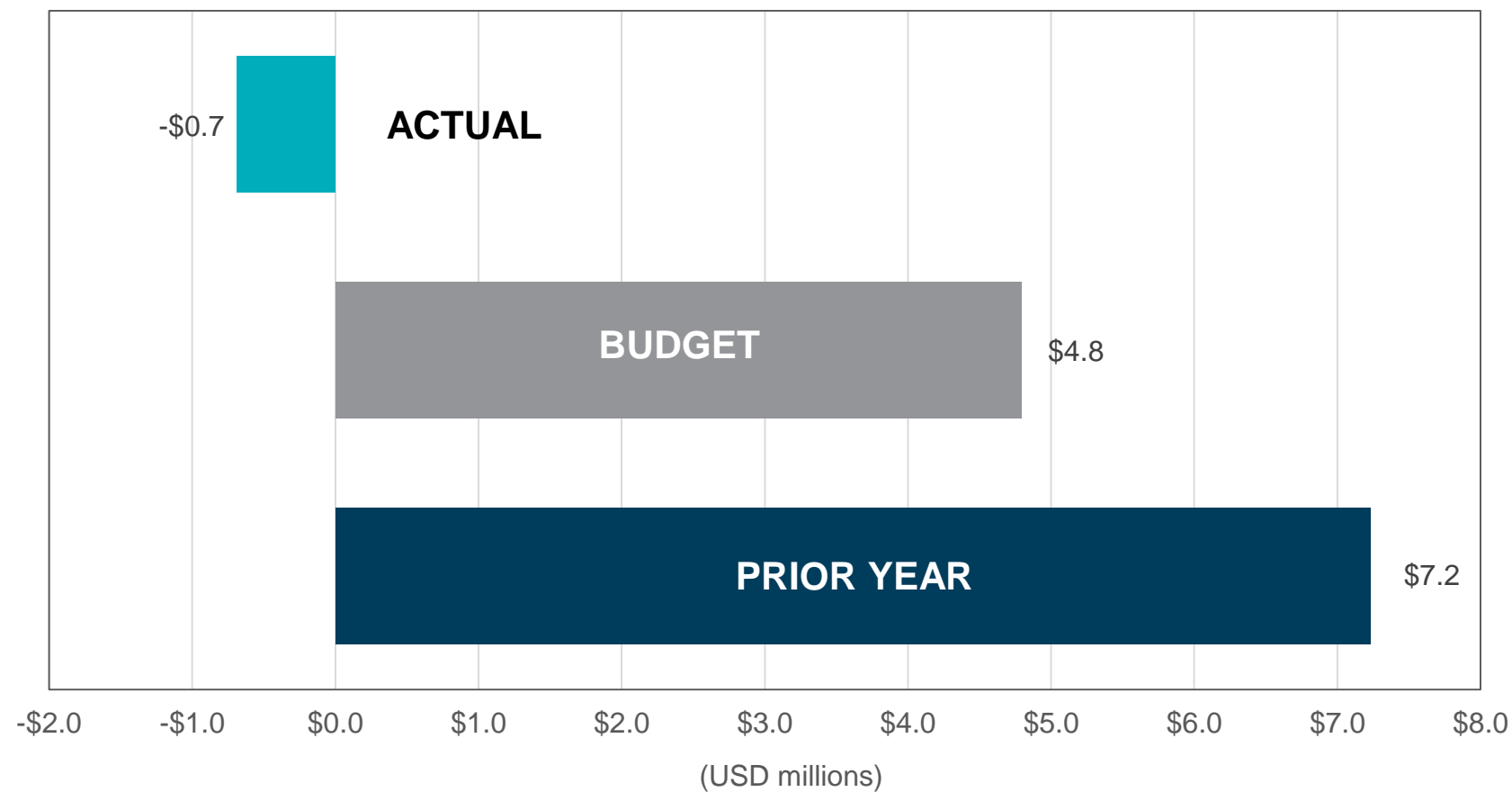
For the Month Ended May 31, 2020



Operating Income (Loss):

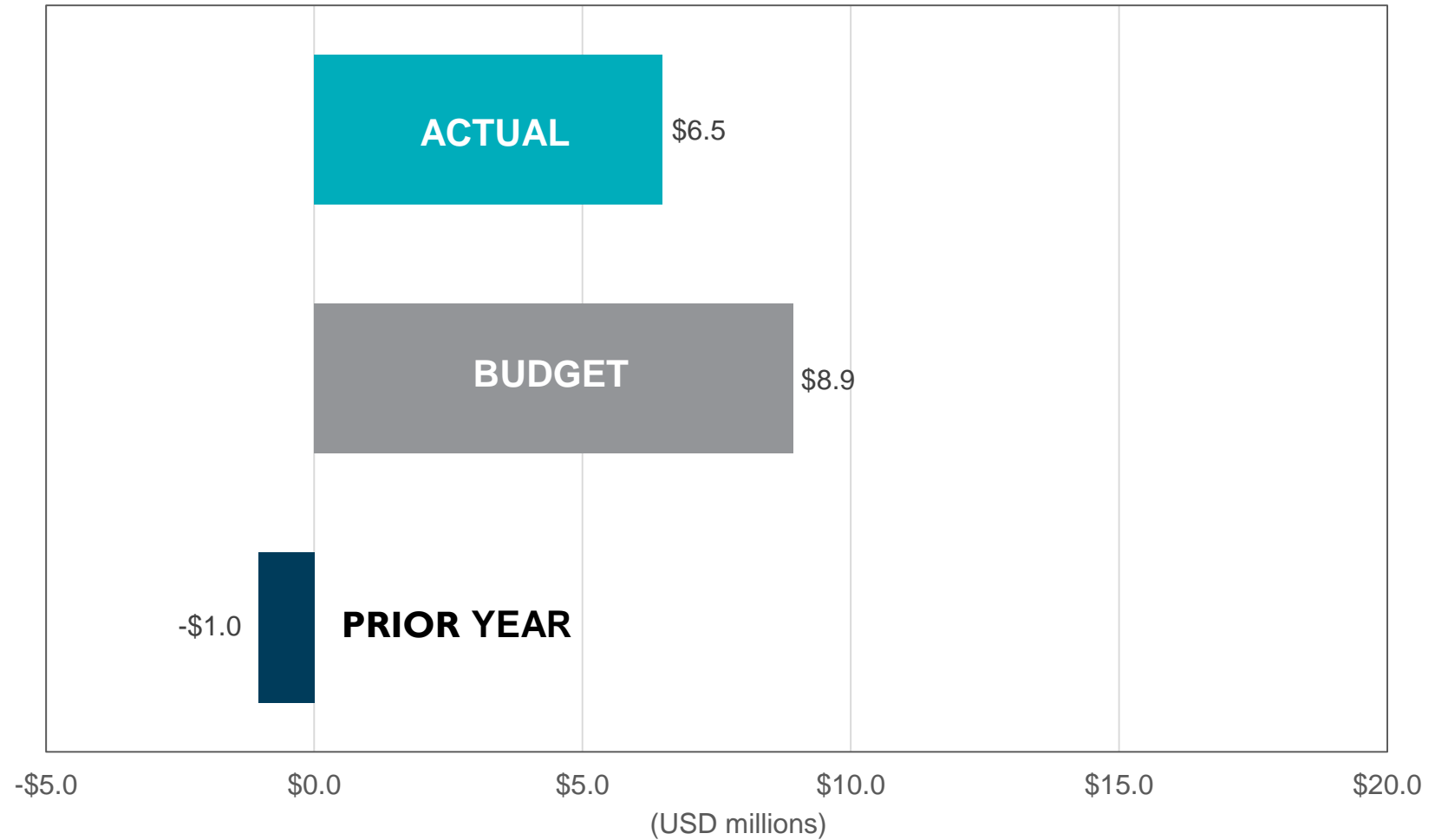
For the Month Ended May 31, 2020

(\$ in millions)



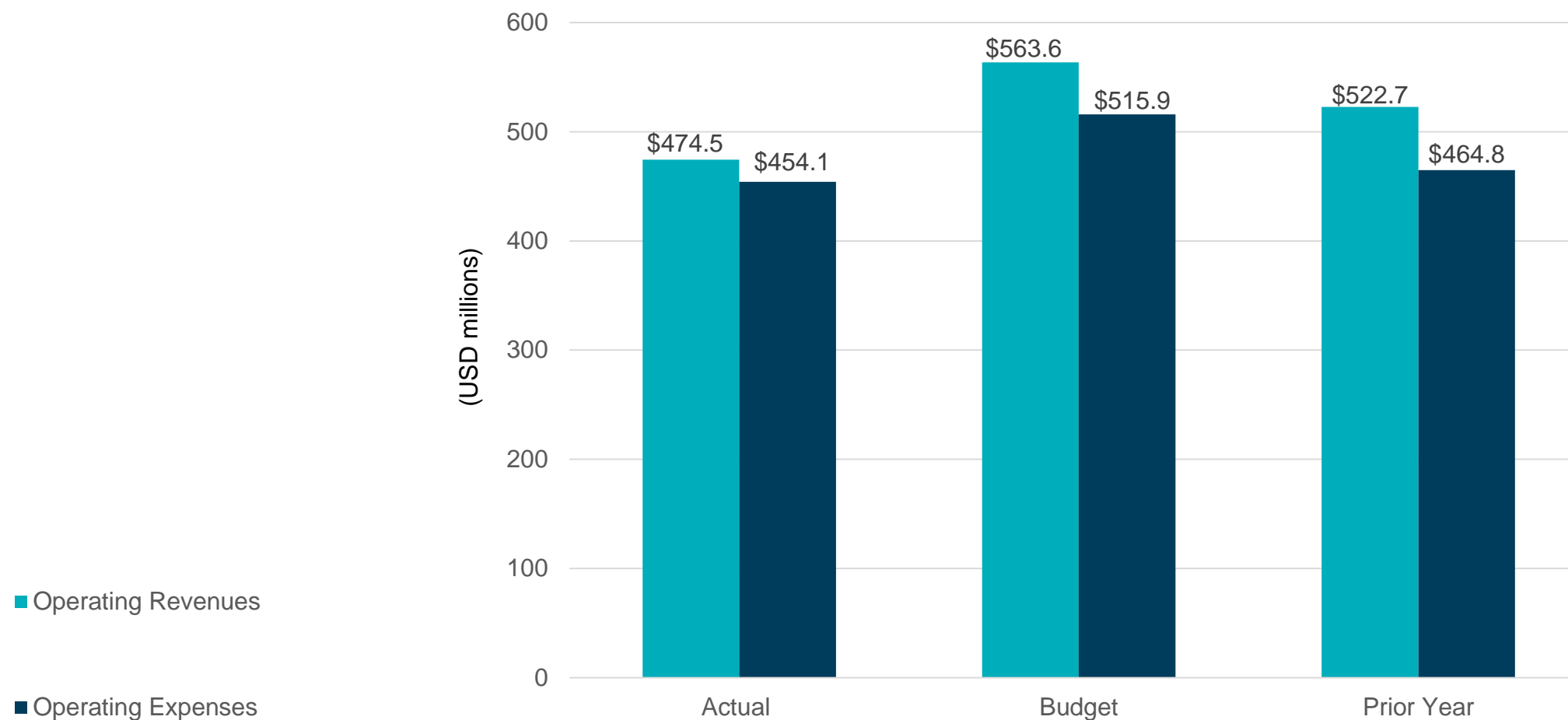
Change in Net Position:

For the Month Ended May 31, 2020



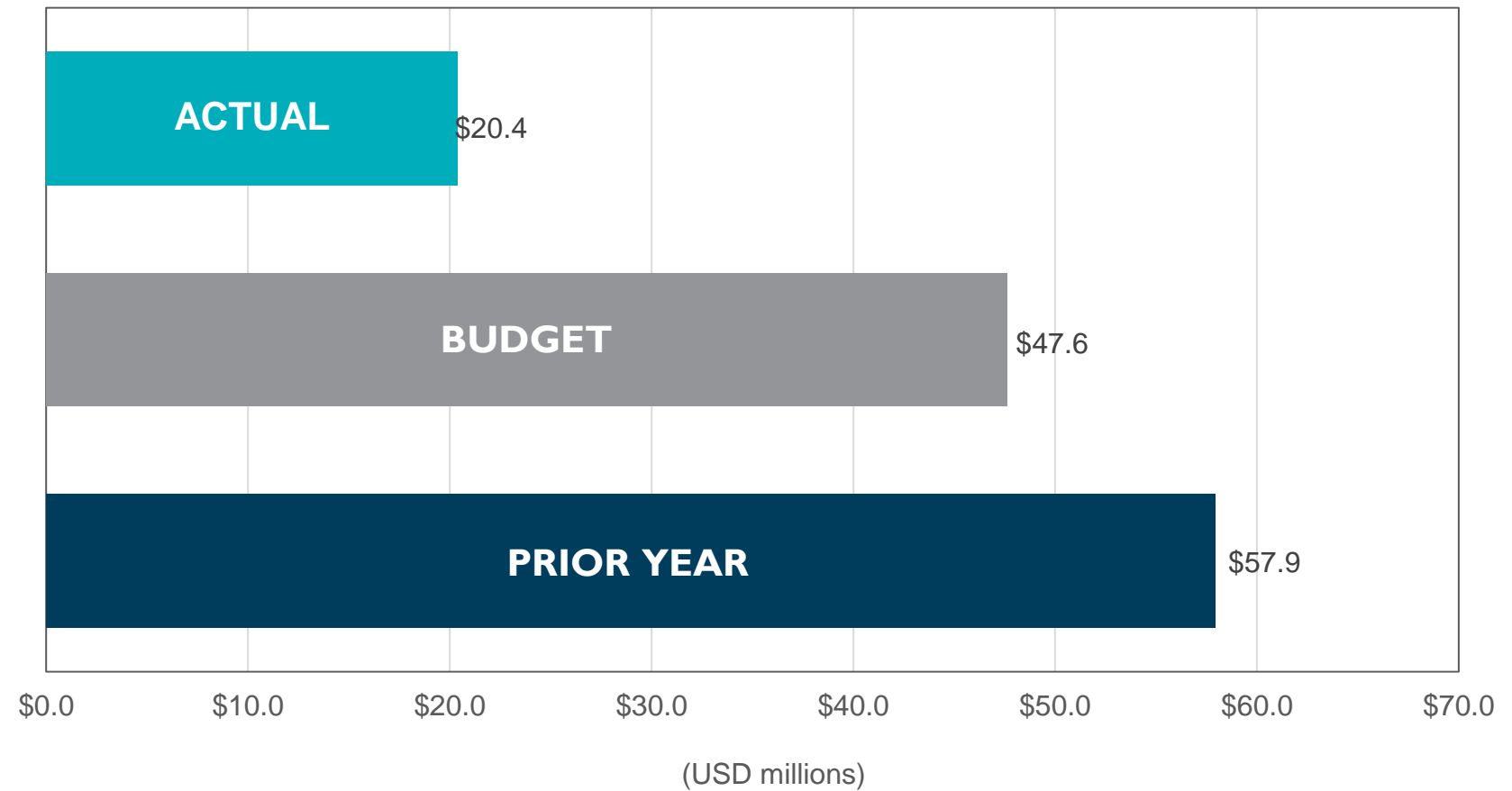
Operating Revenues and Expenses:

For the Eleven Months Ended May 31, 2020



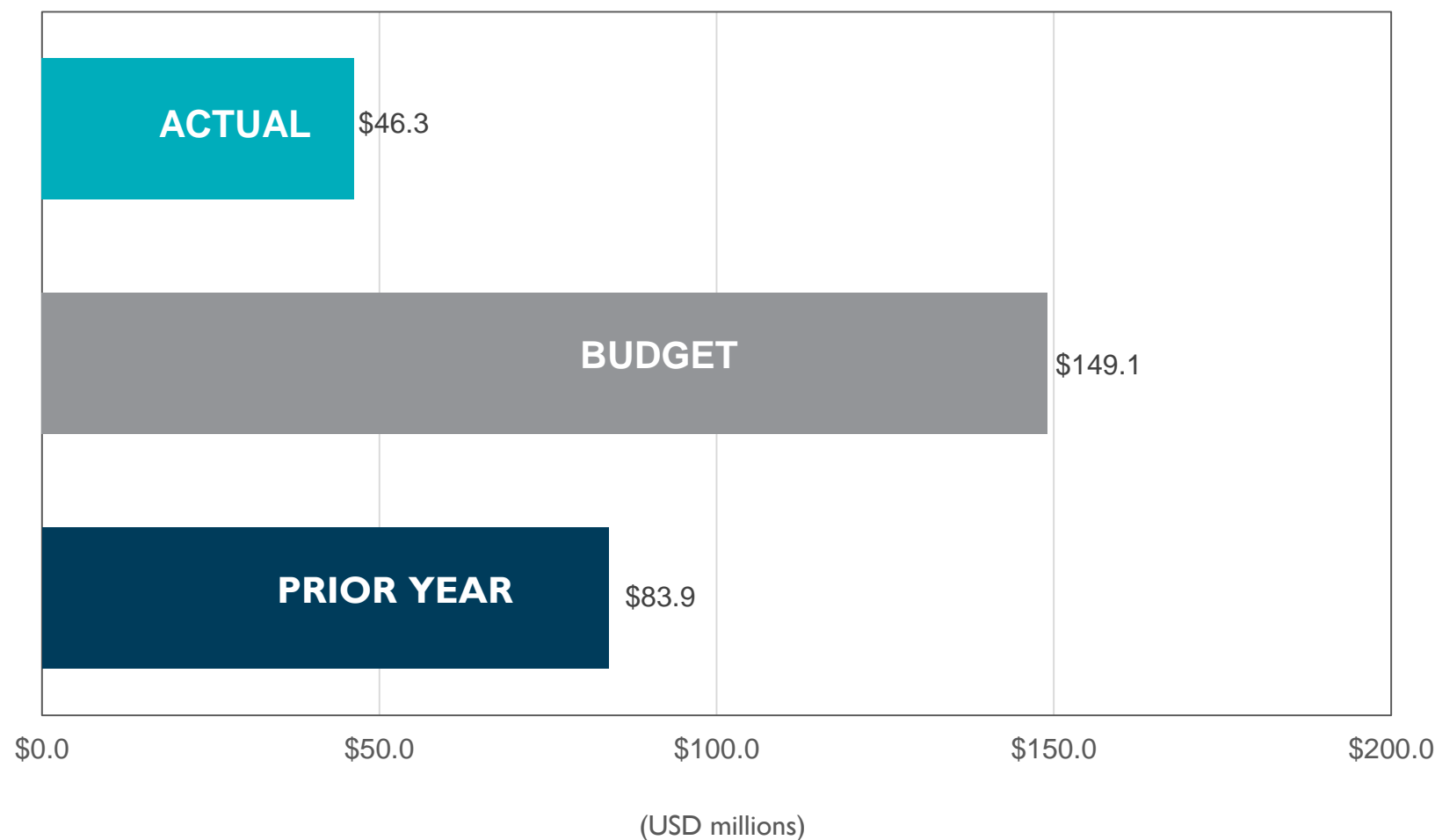
Operating Income (Loss):

For the Eleven Months Ended May 31, 2020



Change in Net Position:

For the Eleven Months Ended May 31, 2020



FY TO DATE JULY 2019 – JUNE 2020

	FY 2019	FY 2020	Change	% Change
Total TEUs	2,938,856	2,757,625	(181,231)	-6.2%
Export Loaded TEUs	962,586	938,085	(24,502)	-2.5%
Export Empty TEUs	583,044	513,445	(69,598)	-11.9%
Import Loaded TEUs	1,371,289	1,281,761	(89,528)	-6.5%
Import Empty TEUs	21,937	24,334	2,397	10.9%
Total Containers	1,651,491	1,538,169	(113,322)	-6.9%
General Cargo Tonnage	22,080,857	20,890,358	(1,190,498)	-5.4%
Container Tonnage	21,908,166	20,762,179	(1,145,987)	-5.2%
Breakbulk Tonnage	172,691	128,180	(44,511)	-25.8%
Total Rail Containers	565,179	498,563	(66,616)	-11.8%
VIP Containers	37,940	28,730	(9,210)	-24.3%
Total Barge Containers	54,303	59,087	4,784	8.8%
RMT Containers	33,484	41,019	7,535	22.5%
Total Truck Containers	1,032,009	980,519	(51,490)	-5.0%
Ship Calls	1,570	1,438	(132)	-8.4%
Vehicle Units	22,810	17,340	(5,470)	-24.0%

RESOLUTION 20-10

A RESOLUTION APPROVING THE INCENTIVE COMPENSATION FOR JOHN F. REINHART, CEO AND EXECUTIVE DIRECTOR OF THE VIRGINIA PORT AUTHORITY, BASED ON 2019 MANAGEMENT INCENTIVE METRICS

WHEREAS, §62.1-129 of the Code of Virginia states that the Virginia Port Authority Executive Director's compensation shall be fixed by the Virginia Port Authority Board of Commissioners in accordance with law; and

WHEREAS, §62.1-129 further states that the compensation shall be established at a level which will enable the Virginia Port Authority to attract and retain a capable Executive Director; and

WHEREAS, the Board of Commissioners and John F. Reinhart, Executive Director of the Virginia Port Authority ("Mr. Reinhart") entered into an Employment Agreement dated October 31, 2013 ("Employment Agreement"), which Employment Agreement was approved by the Governor on November 14, 2013; and

WHEREAS, a First Amendment to the Employment Agreement, approved on January 27, 2015, provides that the additional incentive compensation may be contributed to the Supplemental Defined Contribution Plan and Qualified Governmental Excess Benefit Arrangement (referred to as the 415(m) Plan)) established pursuant to the Employment Agreement; and

WHEREAS, the Board of Commissioners and Mr. Reinhart entered into a Second Amendment to the Employment Agreement, dated July 25, 2017, extending Mr. Reinhart's employment for up to five additional years, which was approved by the Governor on September 7, 2017; and

WHEREAS, Mr. Reinhart's Employment Agreement with the Virginia Port Authority provides that the Board of Commissioners may grant Mr. Reinhart additional incentive compensation to a maximum amount of fifty percent (50%) of his then-effective Annual Base Salary, as defined in the Employment Agreement, provided Mr. Reinhart achieves certain performance goals and metrics set by the Board; and

WHEREAS, the Board of Commissioners established and approved the Management Incentive Metrics for Calendar Year 2019 for Mr. Reinhart on March 25, 2019; and

WHEREAS, the Board of Commissioners has determined that Mr. Reinhart has achieved ninety percent (90%) of his Management Incentive Metrics for Calendar Year 2019; and

WHEREAS, as a result of the COVID-19 pandemic, the Virginia Port Authority has temporarily suspended merit based compensation increases and incentive based compensation (hereafter "Compensation Suspension") for all employees until such time as it is deemed financially appropriate to reinstate same;

NOW, THEREFORE, BE IT RESOLVED, that effective immediately upon the repeal of the Compensation Suspension, the Board of Commissioners of the Virginia Port Authority grants the Chairman of the Board the authority to approve payment of additional incentive compensation in the amount of ninety percent (90%) of fifty percent (50%) of Mr. Reinhart's Annual Base Salary, as defined in the Employment Agreement, effective on the next pay period following the repeal of the Compensation Suspension.

BE IT FURTHER RESOLVED, that the Chairman is authorized to determine the amount of the payment described above that will be contributed to the Supplemental Defined Contribution Plan and Qualified Governmental Excess Benefit Arrangement (referred to as the 415(m) Plan) established pursuant to the Employment Agreement, and the remaining amount that will be paid to Mr. Reinhart.

PASSED AND ADOPTED this 28th day of July, 2020.



John G. Milliken
Chairman

Attest:



Debra J. McNulty
Secretary to the Board

VIRGINIA PORT AUTHORITY

RESOLUTION 20-11

RESOLUTION AUTHORIZING THE VIRGINIA PORT AUTHORITY TO ENTER INTO CONTRACT DOCUMENTS FOR THE ACQUISITION OF SHUTTLE CARRIERS

RECITALS:

WHEREAS, the Virginia Port Authority (the “Authority”), a body corporate and a political subdivision of the Commonwealth of Virginia, has been established pursuant to Chapter 10, Title 62.1 of the Code of Virginia of 1950, as amended (the “Act”).

WHEREAS, pursuant to the Act, the Authority is empowered to rent, lease, buy, own, acquire, construct, reconstruct, and dispose of harbors, seaports, port facilities and such property, whether real or personal, as it may find necessary or convenient and issue revenue bonds therefore without pledging the faith and credit of the Commonwealth.

WHEREAS, pursuant to the Act, it is the duty of the Authority to foster and stimulate the commerce of the ports of the Commonwealth and related facilities by serving as the United States Eastern Seaboard gateway for the global import and export of freight throughout the world, to promote the shipment of freight through the maritime and inland ports, to seek to secure necessary improvements of navigable tidal waters within the Commonwealth, and in general to perform any act or function that may be useful in developing, improving, or increasing the commerce, both foreign and domestic, of all maritime and inland ports of the Commonwealth and related facilities.

WHEREAS, in furtherance of this duty, the Authority is making significant capital improvements to Virginia International Gateway terminal (hereinafter “VIG”). These improvements include the purchase of equipment, namely shuttle carriers, to support terminal operations at VIG.

WHEREAS, pursuant to its Procurement Manual, the Authority issued a single source justification identifying Kalmar USA, Inc. for the procurement of up to twenty (20) shuttle carriers at VIG with an option for a separate future contract for the purchase of shuttle carriers and related equipment and systems for other terminals. Subject to negotiation of final contract terms, the Authority intends to award a contract to Kalmar USA, Inc. for the provision of up to twenty (20) shuttle carriers. The contract for the shuttle carriers and related equipment and systems shall not exceed nineteen million nine hundred fifteen thousand three hundred and twenty-four dollars (\$19,915,324), which could fluctuate depending on the U.S. Dollar to Euro exchange rate on the date of contract execution.

WHEREAS, the Board has determined that it is necessary and appropriate to delegate to the Executive Director the authority to negotiate, approve and amend the terms of the Kalmar USA, Inc. contract (hereinafter the “Kalmar Contract”) consistent with the foregoing Recitals.

NOW THEREFORE, IT IS RESOLVED by the Board of Commissioners of the Virginia Port Authority, as follows:

Section 1. Approval of Kalmar Contract. The execution and delivery of the Kalmar Contract by the Authority consistent with the foregoing Recitals are hereby authorized. The Board hereby authorizes the Executive Director to approve the form and content of, and to execute and deliver, the Kalmar Contract on behalf of the Authority. The execution of the Kalmar Contract by the Executive Director shall be conclusive evidence of the Authority’s approval of the Kalmar Contract. The Board hereby authorizes the Executive Director to execute and deliver all ancillary documents which he deems necessary to further the intent of this Resolution.

Section 2. Ratification; Further Action. All actions previously taken by the Commissioners, officers, and staff of the Authority in furtherance of the Kalmar Contract are hereby ratified and confirmed. The officers and employees of the Authority are hereby authorized to take such actions, and deliver such additional documents and certificates, as they may in their discretion deem necessary or proper in furtherance of the Kalmar Contract and the transactions described herein and therein.

Section 3. Effective Date. This Resolution shall take effect immediately upon its adoption. The Secretary to the Board shall file this Resolution with the books and records of the Authority maintained according to Section 3.11 of the Authority’s Bylaws.

[END OF RESOLUTION]

PASSED AND ADOPTED this 28th day of July, 2020.



John G. Milliken
Chairman

ATTEST:



Debra J. McNulty
Secretary to the Board

RESOLUTION 20-12

RESOLUTION AUTHORIZING THE VIRGINIA PORT AUTHORITY TO EXERCISE AN EXISTING CONTRACT OPTION FOR THE ACQUISITION OF TWO (2) ADDITIONAL SHIP-TO-SHORE CRANES AND RELATED EQUIPMENT AND SYSTEMS FOR NORFOLK INTERNATIONAL TERMINALS (NIT)

RECITALS:

WHEREAS, The Virginia Port Authority (the "Authority"), a body corporate and a political subdivision of the Commonwealth of Virginia, has been established pursuant to Chapter 10, Title 62.1 of the Code of Virginia of 1950, as amended (the "Act").

WHEREAS, Pursuant to the Act, the Authority is empowered to rent, lease, buy, own, acquire, construct, reconstruct, and dispose of harbors, seaports, port facilities and such property, whether real or personal, as it may find necessary or convenient and issue revenue bonds therefore without pledging the faith and credit of the Commonwealth.

WHEREAS, Pursuant to the Act, it is the duty of the Authority to foster and stimulate the commerce of the ports of the Commonwealth and related facilities by serving as the United States Eastern Seaboard gateway for the global import and export of freight throughout the world, to promote the shipment of freight through the maritime and inland ports, to seek to secure necessary improvements of navigable tidal waters within the Commonwealth, and in general to perform any act or function that may be useful in developing, improving, or increasing the commerce, both foreign and domestic, of all maritime and in land ports of the Commonwealth and related facilities.

WHEREAS, In furtherance of this duty, the Authority has made, and continues to make, significant capital improvements to Norfolk International Terminals ("NIT") and Virginia International Gateway ("VIG"). These improvements include, among others, the purchase of additional Ship-to-Shore Cranes and associated spare parts to support terminal operations in the VIG Phase II Expansion and South NIT Optimization projects.

WHEREAS, In Resolution 17-11, adopted July 25, 2017, the Board authorized the Executive Director to negotiate and approve the terms of a contract for the procurement of four (4) Ship-to-Shore Cranes at VIG (the "VIG Cranes") from Shanghai Zhenhua Heavy Industries Co. Ltd. ("ZPMC"), with an option for the purchase of two (2) additional Ship-to-Shore Cranes at NIT (the "NIT Cranes"). In the same Resolution, the Board further authorized the Executive Director the authority to negotiate and approve the terms of the contract exercising the option for the NIT Ship-to-Shore Cranes' procurement.

WHEREAS, On May 10, 2019, the Executive Director on behalf of the Authority executed Contract # 2019-37 with ZPMC exercising the option to purchase the NIT Cranes (the "First Option Contract"). The terms and conditions of the First Option Contract included a second option to purchase two (2) additional STS Cranes and associated spare parts at NIT (the "Second Option NIT Cranes"). Pursuant to the terms of the First Option Contract, the Second Option NIT Cranes, if purchased, shall be delivered and installed for a price up to U.S. \$19,918,462.50.

WHEREAS, The Board has determined that it is necessary and appropriate to delegate to the Executive Director the authority to negotiate and approve the terms of a contract exercising the option contained in the First Option Contract for the procurement for the Second Option NIT Cranes from ZPMC (hereinafter, the "Second Option Contract") consistent with the foregoing Recitals.

NOW THEREFORE, IT IS RESOLVED by the Board of Commissioners of the Virginia Port Authority, as follows:

Section 1. Approval of the Second Option Contract. The Authority's exercise of the option contained in the First Option Contract to procure two (2) additional STS Cranes for NIT from ZPMC consistent with the foregoing Recitals is hereby authorized. The Board further authorizes the Executive Director to negotiate and approve the terms of the Second Option Contract, and to execute and deliver the contract on behalf of the Authority. The execution of the Second Option Contract by the Executive Director shall be conclusive evidence of the Authority's approval of the Second Option Contract. The Board hereby authorizes the Executive Director to execute and deliver all ancillary documents which he deems necessary to further the intent of this Resolution.

Section 2. Ratification; Further Action. All actions previously taken by the Commissioners, officers, and staff of the Authority in furtherance of the Second Option Contract are hereby ratified and affirmed. The officers and employees of the Authority are hereby authorized to take such actions, and deliver such additional documents and certificates, as they may in their discretion deem necessary or proper in furtherance of the Second Option Contract and the transactions described therein if and when they are approved and executed.

Section 3. Effective Date. This Resolution shall take effect immediately upon its adoption. The Secretary to the Board shall file this Resolution with the books and records of the Authority maintained according to Section 3.11 of the Authority's Bylaws.

PASSED AND ADOPTED THIS 28th day of July, 2020.



John G. Milliken
Chairman

ATTEST:



Debra J. McNulty
Secretary to the Board

VIRGINIA PORT AUTHORITY

RESOLUTION 20-13

RESOLUTION AUTHORIZING FINANCING UNDER THE COMMONWEALTH MASTER EQUIPMENT LEASE PROGRAM

WHEREAS, the Virginia Port Authority (the “Authority”) acting by its Board of Commissioners (the “Board”) has heretofore adopted Resolution No. 16-9 (the “Bond Resolution”), which in Section 510 authorizes the issuance of Subordinate Obligations; and

WHEREAS, the Authority has determined that in connection with the optimization of Virginia International Gateway (VIG) it is necessary to contract to purchase certain equipment including up to twenty (20) shuttle carriers for the Fiscal Year 2021 capital budget, eight of which may also be used as needed at Norfolk International Terminals, Portsmouth Marine Terminal, Richmond Marine Terminal and/or Virginia Inland Port; and

WHEREAS, the Authority has entered into an Amended and Restated Deed of Facilities Lease Agreement and an Installment Sale Contract, each dated September 21, 2016, with Virginia International Gateway, Inc. (the “Senior Documents”); and

WHEREAS, the Senior Documents obligate the Authority to make payments of Senior Obligations to Virginia International Gateway, Inc.; and

WHEREAS, the Authority has issued and there are currently outstanding in the aggregate principal amount of \$261,145,000, multiple series of its Port Facilities Revenue Refunding Bonds (the “Outstanding Bonds”) and \$60,692,849 in subordinate obligations; and

WHEREAS, the Authority has requested and the Treasurer to the Commonwealth of Virginia has determined that twelve million dollars (\$12,000,000) of financing can be made available for the purchase of twelve (12) shuttle carriers, of the twenty (20) that were approved in the Authority’s Fiscal Year 2021 capital budget, through the Commonwealth’s master equipment leasing program (the “Commonwealth MELP”) as a Subordinate Obligation under the Bond Resolution and will be considered to be a taxable obligation for federal income tax purposes; and

WHEREAS, twelve (12) of the shuttle carriers will be acquired pursuant to a financing program evidenced by a Master Equipment Lease Agreement and subsequent equipment lease schedules (the “Agreement”), between the Authority and the Commonwealth of Virginia to be dated the closing date thereof; and

WHEREAS, payments made by the Authority pursuant to the Agreement will be Subordinate Obligations under the Bond Resolution and as such, subordinate as to payment from the Authority’s Net Revenue to Senior Obligations, the Outstanding Bonds and any other Bonds outstanding from time to time under the Bond Resolution; and

WHEREAS, the Board has determined that it is necessary to delegate to the Executive Director the authority to approve the form of the Agreement, execute the Agreement and approve the aggregate principal amount, the term, the interest rates, the repayment provisions and other details thereof that have not yet been finalized, but subject to the parameters established hereby.

NOW THEREFORE, BE IT RESOLVED by the Board of the Authority, as follows:

Section 1. Authorization of the Commonwealth MELP as Subordinate Obligations. (a) Pursuant to Section 510 of the Bond Resolution, the Authority is hereby authorized to acquire twelve (12) shuttle carriers through an Agreement with the Commonwealth and pay the costs incident thereto in an aggregate principal amount not to exceed twelve million dollars (\$12,000,000).

(a) The Agreement with the Commonwealth and the related obligations of the Authority will be Subordinate Obligations.

Section 2. Terms of Agreement. The Executive Director is hereby authorized to accept an offer of the Commonwealth to provide financing for the twelve (12) shuttle carriers whereby such Agreement:

- (i) Shall be for a term not to exceed January 1, 2031; and
- (ii) Shall provide for the interest portion of the payments made thereunder to be calculated using a rate per annum not to exceed 4.50% for taxable lease payments.

Section 3. Approval of Agreement. The Executive Director is hereby authorized to approve the form of the Agreement. The execution and delivery of the Agreement in accordance with Section 2 hereof by the Authority is hereby authorized, and if the Executive Director shall accept the offer of the Commonwealth of Virginia.

Section 4. Ratification; Further Action. The actions previously taken by the officers and staff of the Authority are hereby ratified and confirmed. The officers and staff of the Authority are hereby authorized to take such actions, and deliver such additional documents and certificates, as they may in their discretion deem necessary and proper in connection with the Agreement.

Section 5. Other Definitions. All capitalized terms not otherwise defined herein shall have the meanings given to them in the Bond Resolution.

Section 6. Effective Date. This Resolution shall take effect immediately upon its adoption.

[END OF RESOLUTION]

PASSED AND ADOPTED this 28th day of July, 2020.



John G. Milliken
Chairman

Attest:



Debra J. McNulty
Secretary

**VIRGINIA PORT AUTHORITY
RESOLUTION 20-14**

**RESOLUTION AUTHORIZING APPROPRIATION OF WATERWAY
MAINTENANCE GRANT FUNDING (FY21) TO THE TOWN OF TANGIER**

WHEREAS, in May 2018, the Virginia General Assembly established the Virginia Waterway Maintenance Grant Program in order to support shallow draft dredging projects throughout the Commonwealth; and

WHEREAS, the Board of Commissioners of the Virginia Port Authority adopted a Policy on Grants to Local Governments for Financial Assistance Policy for dredging activities (Virginia Waterway Maintenance Grant Program) on July 24, 2018; and

WHEREAS, the Town of Tangier has submitted a request for the maintenance dredging of the channel East of the Town's harbor (hereafter "Tangier Project"), which is a vital waterway required for the transportation of residents and supplies to the Town of Tangier;

WHEREAS, in accordance with the Virginia Waterway Maintenance Grant Policy, the Town of Tangier has submitted documentation confirming that these funds will be used in accordance with Section II.A.2 (iii) of the policy which permits funding for the, "...Commonwealth's maintenance of shallow-draft navigable waterway channel maintenance dredging and the construction and management of areas for the placement of dredged material"; and

WHEREAS, the Town of Tangier has submitted a statement as required by Section II.A.8, declaring the need for why the regular schedule for review set forth in the policy could not be met;

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Virginia Port Authority that the requested Waterway Maintenance Grant funding, up to the amount of one hundred thirty thousand dollars (\$130,000), shall be appropriated for the dredging of the Tangier Project.

PASSED AND ADOPTED this 28th of July, 2020.



John G. Milliken, Chairman

Attest:



Debra J. McNulty, Secretary