

Virginia Port Authority Board of Commissioners
Finance Committee Meeting Minutes
March 24, 2014

The Virginia Port Authority (“VPA”) Finance Committee (“Committee”) met in Open Session at 2:00 p.m. on March 24, 2014, in the conference room of Virginia International Terminals, LLC (“VIT”), 601 World Trade Center, Norfolk, Virginia; Craig P. Coy, Chair, presided.

The following were then in attendance:

Finance Committee Members:

Craig P. Coy, Committee Chair
Kim Scheeler
Manju S. Ganeriwala, State Treasurer

VPA Board Members:

Scott R. Bergeron, Vice Chairman

VPA Staff:

Rodney W. Oliver, Chief Financial Officer
James Bibbs, Chief Human Resources Officer
Wendy King, Vice President, Finance
Jodie L. Asbell, Deputy Clerk to the Board/Executive Assistant to the CEO/Executive Director

VIT Staff:

Thomas D. Capozzi, Chief Commercial Officer
Matthew Barnes-Smith, Vice President, Financial Planning & Analytics

Guests:

JoAnne Carter, PFM Group (VPA Financial Advisor)
Kevin Rotty, PFM Group
William Harrison, Jr., Williams Mullen (VPA Bond Counsel)

The following Finance Committee members were absent:

Ting Xu, Committee Vice Chair
Juliann J. Clemente*
John N. Pullen

*Ms. Clemente called into the meeting, but did not count for quorum purposes, and was not able to participate or transact public business.

Chairman Coy called the meeting to order and asked Mr. Oliver to conduct the safety briefing.

The following was presented:

1. Approval of the First Amendment to the Defined Contribution Plan, adopted on January 28, 2014, to address part-time employees, forfeitures, and vesting upon an active employee’s death.

Mr. Oliver reported that there were several changes subsequent to the adoption of the (new) Defined Contribution Plan that were outlined in the First Amendment, which he presented for discussion. He advised that there are currently no participants in the Plan, which was effective January 28, 2014. Mr. Oliver reviewed the following changes/inclusions to the Plan:

- Exclusion of Part-Time Employees from the Plan (Section 1.13 added)
- Vesting upon an active Participant's death while employed by Employer (Section 6.01(b) amended)
- Use of forfeitures and allocation of funds in active Participants' accounts (Section 6.03 amended)

A discussion ensued with regard to 100% vesting for participants who die during service (Section 6.01). Mr. Coy suggested a clause to define non-eligibility for 100% vesting in particular causes of death. A discussion ensued.

There was further discussion regarding the application of forfeitures towards administrative expenses. Ms. Ganeriwala commented on the applicability of forfeiture fees toward administrative expenses and the importance of transparency through the budgetary process. She also suggested that this language should be compared to VPA's Defined Benefit Plan or other public sector plans.

Mr. Coy concurred. He asked Mr. Oliver to investigate and come back with revisions in those two areas in order to have a revised resolution for Board approval at its full meeting (March 25).

2. Consideration of Resolution 14-3, authorizing the VPA to enter into a contract to purchase a mobile harbor crane for the Port of Richmond

Mr. Oliver presented Resolution 14-3 and reported that funding for the purchase of a mobile harbor crane would involve a federal grant and matching grant from the City of Richmond and would require no funding from VPA. He advised that the federal grantor needed authorization approval from VPA (the Board) prior to the purchase. Mr. Coy approved and asked for a motion from the Committee.

Action: Upon motion by Mr. Bergeron, seconded by Mr. Scheeler, the Finance Committee agreed to recommend adoption of Resolution 14-3 to the full Board on March 25, thereby authorizing the VPA to enter into a contract to purchase a mobile harbor crane for its operations at the Port of Richmond (copy attached hereto).

At this time, Mr. Coy asked for a motion to go into closed session.

Motion for Closed Session

At 2:20 p.m., the Finance Committee went into closed session and Mr. Bergeron read the following motion:

"I move that the Finance Committee convene a closed meeting in accordance with the Virginia Freedom of Information Act, Code §2.2-3711(A)(38), and the provisions of §62.1-132.4, to discuss proprietary budget information and data furnished to the Virginia Port Authority in confidence relating to targeted savings and a review of FY14 year-to-date results and forecasts."

The motion was seconded by Mr. Coy. Ms. Asbell and Mr. Capozzi left the meeting at this time.

End of Closed Session

At 3:50 p.m., the Finance Committee came out of closed session and the following resolution was read by Mr. Bergeron:

“Whereas, the Virginia Port Authority Finance Committee had convened a closed meeting on this date pursuant to an affirmative recorded vote and in accordance with the provisions of The Virginia Freedom of Information Act; and

Whereas, Section 2.2-3712 of the Code of Virginia requires a certification by the Committee members that such closed meeting was conducted in conformity with Virginia law;

Now, therefore be it resolved, that the Finance Committee hereby certifies that, to the best of each member's knowledge, (i) only public business matters lawfully exempted from open meeting requirements by Virginia law were discussed in the closed meeting to which this certification resolution applies, and (ii) only such public business matters as were identified in the motion convening the closed meeting were heard, discussed or considered by the Committee.”

The resolution was seconded by Ms. Ganeriwala and passed by a roll call vote of the Finance Committee members and Vice Chairman as follows:

Ayes: 4 (Bergeron, Coy, Ganeriwala, Scheeler)

Nays: 0

Absent During Vote: 3 (Clemente, Pullen, Xu)

Absent During Meeting: 3 (Clemente, Pullen, Xu)

There were no public comments and the meeting adjourned.

Respectfully submitted,



Jodie L. Asbell

Deputy Clerk to the Board

Executive Assistant to the CEO/Executive Director

Revisions from Finance Committee Meeting – 3/24/14

**FIRST AMENDMENT TO
VIRGINIA PORT AUTHORITY
DEFINED CONTRIBUTION PLAN
(As Restated Effective January 28, 2014)**

Pursuant to section 10.02 of the Virginia Port Authority Defined Contribution Plan (formerly the Virginia Port Authority Matching Plan) (as restated effective January 28, 2014) (the “Plan”), the Plan is hereby amended as follows, effective April 1, 2014 or as otherwise expressly provided herein:

1. Section 1.13 of the Plan is added, effective April 1, 2014, to read as follows:

1.13 Employee means any employee employed by the Employer, subject to the following:

- 1.13(a) The term "Employee" shall exclude any person who is a Leased Employee.
- 1.13(b) The term "Employee" shall exclude any employee who is a part of a collective bargaining unit for which benefits have been the subject of good faith negotiation unless and until the Employer and the collective bargaining unit representative for that unit through the process of good faith bargaining agree in writing for coverage hereunder.
- 1.13(c) The term "Employee" shall exclude any person who is classified by the Employer as an independent contractor.
- 1.13(d) Effective April 1, 2014, the term “Employee” shall exclude employees who are not full-time, salaried, permanent employees.

When used with an initial lower case letter, the term "employee" shall mean a person employed by the Employer, as the context requires, without regard to the limitations contained in this Section.

2. Section 6.01 of the Plan is amended, effective April 1, 2014, to read as follows:

6.01 Vesting –

- 6.01(a) A Participant shall be one hundred percent (100%) vested in his Account upon attaining his Normal Retirement Age or upon the occurrence of a Disability while employed by the Employer.
- 6.01(b) If a Participant dies while employed by the Employer (other than by suicide or during the commission of a felonious act), he shall be one hundred percent (100%) vested in his Account.

6.01(c) At any time when a Participant is not fully vested in his Account under subsections (a) or (b), he shall have a non-forfeitable interest in accordance with the following:

(i) A Matching Plan Participant shall be vested in his Matching Account and Discretionary Account in accordance with the following table:

<u>Years of Service</u>	<u>Non forfeitable Percentage</u>
Less than 5 years	0%
5 years or more	100%

(ii) An Enhanced Matching Plan Participant shall be vested in his Base Account, Matching Account and Discretionary Account in accordance with the following table:

<u>Years of Service</u>	<u>Non forfeitable Percentage</u>
Less than 2 years	0%
2 years	25%
3 years	50%
4 years	75%
5 years or more.....	100%

3. Section 6.03 of the Plan is amended, effective April 1, 2014, to read as follows:

6.03 Use of Forfeitures. Forfeitures shall be used or reallocated to the remaining active Participants' Accounts in the following manner:

- (a) Forfeitures from an Enhanced Plan Participant's Base Account shall be allocated to the remaining Enhanced Plan Participants' Base Accounts in proportion to their Compensation.
- (b) Forfeitures from an Enhanced Plan Participant's Matching Account shall be allocated to the remaining Enhanced Plan Participants' Matching Accounts in proportion to their Deferred Compensation.
- (c) Forfeitures from a Matching Plan Participant's Matching Account shall be allocated to the remaining Matching Plan Participants' Matching Accounts in proportion to their Deferred Compensation.
- (d) Forfeitures from a Participant's Discretionary Account shall be allocated to the remaining Participants' Discretionary Accounts in the same manner as the Discretionary Contribution that gave rise to the forfeiture.

- (e) In the event that there are no remaining Participants in a category to receive an allocation of the forfeitures as described above, forfeitures shall be used to reduce the next due Employer contribution of any type or to pay reasonable administrative expenses of the Plan no later than the end of the second plan year following the forfeiture, as directed by the Administrator.

IN WITNESS WHEREOF, the Virginia Port Authority has caused its name to be signed to this Amendment by its Chair, as of the 25th of March, 2014.

VIRGINIA PORT AUTHORITY

By: _____

Jeffrey D. Wassmer

Its: Chairman

Attest:

By: _____

Debra J. McNulty
Clerk to the Board/Secretary
Virginia Port Authority

RESOLUTION 14-3

**RESOLUTION AUTHORIZING THE VIRGINIA PORT AUTHORITY TO
ENTER INTO A CONTRACT TO PURCHASE A MOBILE HARBOR CRANE
FOR THE PORT OF RICHMOND**

WHEREAS, the Virginia Port Authority's Procurement and Surplus Property Manual provides that procurements over one million dollars require approval by the Board; and

WHEREAS, the Virginia Port Authority secured a Congestion Mitigation and Air Quality (CMAQ) grant from the Richmond Metropolitan Planning Organization (MPO); and

WHEREAS, the CMAQ grant is in the amount of \$4.2 million; and

WHEREAS, no additional funding will be sought from the Virginia Port Authority to cover the cost of the purchase of the new crane;

NOW THEREFORE BE IT RESOLVED, the Virginia Port Authority Board of Commissioners, pursuant to the requirements of the Virginia Port Authority's Procurement and Surplus Property Manual, hereby authorizes the Executive Director to publicly solicit proposals for a new mobile harbor crane for the Port of Richmond, and to enter into a contract with the selected offeror for an amount not to exceed the CMAQ grant total of \$4.2 million.

PASSED AND ADOPTED this 25th day of March 2014.

Jeffrey D. Wassmer
Chairman

Attest:

Debra J. McNulty, Clerk