

MINUTES

ANNUAL MEETING - Board of Commissioners - Session 352

Virginia Port Authority
600 World Trade Center
Norfolk, Virginia
July 31, 2013

The Board of Commissioners (Board) of the Virginia Port Authority (VPA) held its annual meeting on July 31, 2013, in the VPA's Conference Room located at 600 World Trade Center, Norfolk, Virginia. Chairman Fralin called the meeting to order at 9:30 a.m.

The following were then in attendance:

Commissioners:

The Hon. William H. Fralin, Jr., Chairman
Jeffrey D. Wassmer, Vice Chairman
James M. Boyd
Scott R. Bergeron
Martin J. Briley
Juliann J. Clemente
Craig P. Coy
Frank E. Laughon, Jr.
Robert M. Stanton
Ting Xu

Commissioners Absent:

Jennifer D. Aument
Manju S. Ganeriwala, State Treasurer
John N. Pullen

Staff:

Rodney W. Oliver, Interim Executive Director
Jeffrey Florin, Deputy Executive Director, Operations and COO
Russell Held, Deputy Executive Director, Senior Vice President, Business Development
Linda G. Ford, Director, Port Promotion
David James, Director, Contracts and Real Estate
Elizabeth Saxby, Director, Human Resources
Gregory Edwards, Interim Deputy Executive Director, External Affairs
Wendy King, Director of Finance
Nina Malone, Vice President, Business Analysis & Sales Support
Carla Welsh, Manager, Creative Services
Joe Harris, Media/Public Relations Manager
Mike Brewer, VPA Port Police Chief
Bill Burket, Director, Maritime Incidence Response Team (MIRT)
Debra J. McNulty, Clerk to the Board
Jodie Asbell, Senior Executive Assistant and Deputy Clerk to the Board
Rebecca Killen, Quality Assurance Manager

Staff (continued):

Jodie Love, Customer Relations Manager
Bevan Calo, Web Designer/Social Media Coordinator
Melissa Fularon, Executive Assistant
Mary Riley, Accounts Payable Manager
Elizabeth Saxby, Director, Human Resources
Terri Campbell, Executive Secretary
Erika Snow, Training, Development & Recruitment Manager
Sgt. Jason Snow, VPA Port Police

Guests:

David Tyeryar, Deputy Secretary of Transportation
J. Kennerly Davis, Jr., Deputy Attorney General
James W. Noel, III, Assistant Attorney General
Sam Lyddan, Summer Intern, Office of the Attorney General
Col. Paul Olsen, U.S. Army Corps of Engineers (USACE), Norfolk District
Richard Klein, USACE
Robert Davenport, USACE
Patrick Bloodgood, USACE
Art Moye, Executive Vice President, Virginia Maritime Association (VMA)
David White, Vice President, VMA
John Garrett Kemper, Kemper Consulting
Evelyn Traub, Troutman Sanders LLP
Carrie Hileman, Virginia Economic Development Partnership (VEDP)
Steven Bain, On Course Solutions
Joseph P. Ruddy, President and Chief Executive Officer, VIT
Thomas Capozzi, Chief Commercial Officer, VIT
Robert Nestor, Manager, Pricing and Strategic Planning, VIT
Shawn Tibbetts, Vice President, Operations and Maintenance, VIT
Mark Thorsen, Chief Information Officer, VIT
Robert McCabe, *The Virginian-Pilot*
Michael Shapiro, *The Daily Press*

INTRODUCTIONS

Ms. Linda Ford introduced guests in attendance. Members of the press in attendance included Mr. Robert McCabe, *The Virginian-Pilot*, and Mr. Michael Shapiro, *The Daily Press*.

Chairman Fralin welcomed Mr. Martin Briley, President and CEO of the Virginia Economic Development Partnership (VEDP), to the Board. The Chairman noted that, as a result of recent statutory changes, the President and CEO of VEDP now serves as a voting Board member. Chairman Fralin stated that he looked forward to Mr. Briley's service on the Board given his economic development experience.

CHAIRMAN'S PRESENTATION OF W. WRIGHT HARRISON AWARD

Chairman Fralin announced that Ms. Erika Snow, the VPA's Training, Development and Recruitment Manager, was chosen as the 23rd recipient of the W. Wright Harrison Award.

Chairman Fralin read some of Ms. Snow's accomplishments and responsibilities as a member of the VPA Human Resources Department, and congratulated Erika on receiving the award.

CHAIRMAN'S REMARKS

Chairman Fralin announced his intent to no longer serve as Chairman of the Board. He expressed his gratitude and appreciation to the Board, the Virginia Attorney General's Office, the port community, and VPA and VIT staff.

Chairman Fralin commended Mr. Ruddy and the staff of VIT for their professionalism during the restructuring process. Chairman Fralin thanked Mr. Oliver for his leadership and guidance and expressed his appreciation to Mr. Oliver for the VPA's accomplishments during Mr. Oliver's tenure as Interim Executive Director.

In closing, Chairman Fralin remarked on the Port's competitive advantages and reiterated the importance of a unified port community.

I. ELECTION OF OFFICERS

Report of the Nominating Committee and Election of Officers for the year July 1, 2013 through June 30, 2014.

Nominating Committee

Craig P. Coy

Frank R. Laughon, Jr.

Robert M. Stanton

Pursuant to Article III of the Bylaws of the VPA, the Board shall elect a Chairman and a Vice Chairman and may elect from its membership or appoint from its staff a Secretary and a Treasurer. Officers for the year ending June 30, 2013 were:

Chairman	- William H. Fralin, Jr.
Vice Chairman	- Jeffrey D. Wassmer
Treasurer	- Rodney W. Oliver
Secretary/Clerk	- Debra J. McNulty
Assistant Secretary/Deputy Clerk	- Jodie L. Asbell

Mr. Coy thanked Chairman Fralin for his service as Chairman of the Board. On behalf of the Nominating Committee, Mr. Coy submitted the following nominations to the Board: Mr. Wassmer, for Chairman, and Mr. Bergeron, for Vice-Chairman. Mr. Coy reported that the Committee also recommended the reappointments of Mr. Oliver, Ms. McNulty, and Ms. Asbell to serve as Treasurer, Secretary/Clerk, and Assistant Secretary/Deputy Clerk, respectively.

Action: Mr. Coy made a motion to nominate Mr. Wassmer as Chairman, and Mr. Bergeron as Vice Chairman, and further moved that Mr. Oliver, Ms. McNulty, and Ms. Asbell be reappointed to their respective positions. The motion was seconded by Mr. Laughon. The Board closed the floor for nominations and, by an affirmative vote (10-0), elected the following officers for the fiscal year ending **June 30, 2014:**

Chairman	- Jeffrey D. Wassmer
Vice Chairman	- Scott R. Bergeron
Treasurer	- Rodney W. Oliver
Secretary/Clerk	- Debra J. McNulty
Assistant Secretary/Deputy Clerk	- Jodie L. Asbell

Chairman Wassmer thanked the Board for his appointment. Chairman Wassmer noted the Port's significant economic impact on the Commonwealth of Virginia. Chairman Wassmer mentioned that the Board's Strategic Planning Session was held the previous day. He highlighted a message that was introduced during the Session: "booms down," noting that when crane booms are down or level, business is up and the VPA is creating jobs in Virginia.

II. APPOINTMENTS TO STANDING COMMITTEES

Chairman Wassmer announced that he and Mr. Bergeron would review the Standing Committee assignments and committee structures and report back to the Board at the September Board meeting.

III. OTHER BUSINESS

There was no other business to report.

IV. ADJOURNMENT

There being no further business, the annual meeting adjourned at 9:45 a.m.

Respectfully submitted,

Debra J. McNulty
Clerk to the Board

MINUTES

Board of Commissioners - Session 353

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The following were then in attendance:

Commissioners:

Jeffrey D. Wassmer, Chairman
Scott R. Bergeron, Vice Chairman
James M. Boyd
Scott R. Bergeron
Martin J. Briley
Juliann J. Clemente
Craig P. Coy
The Hon. William H. Fralin, Jr.
Frank E. Laughon, Jr.
Robert M. Stanton
Ting Xu

Commissioners Absent:

Jennifer D. Aument
Manju S. Ganeriwala, State Treasurer
John N. Pullen

Staff:

Rodney W. Oliver, Interim Executive Director
Jeffrey Florin, Deputy Executive Director, Operations and COO
Russell Held, Deputy Executive Director, Senior Vice President, Business Development
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Mike Brewer, VPA Port Police Chief
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Guests:

David Tyeryar, Deputy Secretary of Transportation
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Thomas Capozzi, Chief Commercial Officer, VIT
Robert Nestor, Manager, Pricing and Strategic Planning, VIT
Shawn Tibbetts, Vice President, Operations and Maintenance, VIT
Mark Thorsen, Chief Information Officer, VIT
Robert McCabe, *The Virginian-Pilot*
Michael Shapiro, *The Daily Press*

PRESENTATIONS

Chairman Wassmer presented a shadowbox to former Chairman Fralin commemorating his service as Board Chairman. Chairman Wassmer noted Mr. Fralin's accomplishments during his six-month tenure as Chairman and thanked him for his many significant contributions to the VPA.

Chairman Wassmer introduced Col. Paul B. Olsen, Norfolk District, U.S. Army Corps of Engineers. Col. Olsen's presentation was on a report entitled "U.S. Ports and Inland Waterways Modernization - Preparing for Post-Panamax Vessels." The presentation can be viewed on VPA's website. Col. Olsen explained that the full 184-page report summarizes the Corps' view on the importance of ports in the era of post-Panamax vessels.

After Col. Olsen's presentation, there was a brief question and answer session with Board members with regard to off-shore sea lanes, safety issues and the need for a 55-foot channel, funding constraints, priorities for harbor deepening, and the importance of Craney Island. Col. Olsen reported that the Port meets his "four Cs" rating – good for the Country, good for the Commonwealth, good for the Corps, and good for the Community. The Colonel confirmed that Craney Island and the 55-foot channel are two of his top priorities.

Chairman Wassmer thanked Col. Olsen for his service and presentation to the Board.

I. APPROVAL OF MINUTES

Action: At the request of Chairman Wassmer, Ms. Clemente made a motion to approve the minutes of the meeting held May 28, 2013. The motion was seconded by Mr. Laughon. The minutes of the regular meeting held May 28, 2013, were unanimously approved.

II. REPORTS OF COMMITTEES

A. Executive Committee – Mr. Jeffrey D. Wassmer, VPA Chairman

There was no report from the Executive Committee.

B. Search Committee – Mr. Wassmer, Committee Chair

On behalf of the Board, Chairman Wassmer commended Mr. Oliver's leadership as Interim Executive Director. The Chairman reported that the Search Committee has been actively engaged in the process of interviewing candidates. Chairman Wassmer also expressed his appreciation to Mr. Bergeron, Mr. Pullen, and Mr. Stanton for their valued input to and service on the Search Committee.

C. Finance/Planning Committee – Mr. Scott R. Bergeron, Committee Chair

1. VPA/VIT Combined Financial Reports

Ms. King reviewed the VPA and VIT combined statement of revenues, expenses and changes in net assets (actual vs. budget and prior year) as outlined in the financial highlights for the eleven (11) months ending on May 31, 2013. June statements were not available due to fiscal year-end closing.

Ms. King reported that net assets increased \$6.3 million, but were \$4.6 million lower than budgeted.

2. Discussion of proposed revisions to VPA Purchasing Policies and Procedures Manual (Purchasing and Surplus Property Manual)

Mr. Oliver announced that the proposed revisions to the Purchasing and Surplus Property Manual were still being developed and will be addressed at the September Board meeting.

D. Facilities Committee – Mr. Frank E. Laughon, Jr., Committee Chair

Mr. Florin presented the Capital Outlay Program and Facilities Maintenance Overview, on the following projects:

- NIT Gate Improvements:
 - o Customs Border Patrol Screening Area
 - o Optical Character Recognition (OCR) Portals
 - o Truck Canopy – New Lane
 - o Truck Canopy – Gate Automation

- PMT Rail Upgrades
- APMT Trench Drain Repairs
- APMT Reefer Plugs
- Craney Island Eastward Expansion

Mr. Florin reported that the bid package for a \$4 million prefabricated vertical drains installation on the cross dikes for Craney Island would be advertised this September.

E. Marketing/Business Development Committee – Mr. Bergeron, Committee Vice Chair

Mr. Held presented FY2013 results (July-June) and reported a 10% increase in total twenty-foot-equivalent units (TEUs) from FY12. He noted that the Port had 10.9% growth in 2005. FY13 container units and a comparison of U.S. East Coast ports show the Port as the fastest growing port on the East Coast for the fiscal year period.

Mr. Held advised that Port growth is a combination of new business, cargo diversions from New York/New Jersey, the South, and the West Coast, and changing trade-lane patterns. Mr. Held reported CY2013 year-to-date results that reflect an increase of 6% in total TEUs. Mr. Held reported that rail grew 14% in CY13 and 17.4% in FY13 (from FY12 year-to-date), that reflect rail diversions from New York and Canadian ports.

Mr. Held reported the following economic development announcements:

- Republic National Distributing Company – Ashland
- Hyosung Cord – Port Norfolk Commodity Warehouse
- Lead Global Group – Container Port Group, Norfolk
- Canon Virginia, Inc. expansion – Newport News
- PRUFREX Innovative Power Products – Virginia Beach
- Atomized Products Group – Chesapeake
- Cosentino - Hampton

F. Security/Safety Committee – Mr. Robert M. Stanton, Committee Chair

Chief Brewer provided a report on the following in-progress security enhancements:

- Biometrics - APMT Truck Gates
- Escort Procedures - Tours versus All Others
- Port Identifications - One-Card Philosophy

Chief Brewer reported that APMT is the testing environment for Transportation Worker Identification Credential (TWIC) cards used inside of the building and that the port police are in the process of enrolling truck drivers into the system to avoid problems with mass enrollment at NIT. Chief Brewer advised that the VPA will eventually eliminate Port IDs and will require TWIC at APMT and NIT. He reviewed TWIC escort rules and the training program that will be provided to employees using the automated system.

Mr. Burket reviewed lost work days for May 1st and June 5th that were based on CY13 data through June 30. He credited Mr. Babski and the Transportation Safety Units, and VPA/VIT staff for their efforts.

Mr. Burket reviewed the Injury Mishap and Property Damage Mishap Reports. He reported that the Safety Management Team and core work group is making significant progress on Occupational Health and Safety Advisory Services (OHSAS) 18001 preparations and he will report back to the Board at its September meeting.

Mr. Burket reported that VPA's Continuity of Operations Plan was updated in March and he announced that there is an alternate worksite exercise planned at the Inland Port on August 8-9, 2013, to strengthen recovery planning.

Mr. Boyd announced that some of the security/safety programs designed by the Port have been adopted by ports throughout the country and he congratulated staff on their work.

III. REPORT OF EXECUTIVE DIRECTOR

Mr. Oliver provided an update on the VPA/VIT restructuring plan. Mr. Oliver also reported on the voluntary early retirement plan. Mr. Oliver stated that the revisions to VPA's procurement manual will be reviewed at the September Board meeting.

Mr. Oliver thanked Mr. Fralin for his service as Board Chairman and specifically, for his contributions and leadership during the PPTA process and his legislative initiatives.

(Ms. Clemente left at this time.)

IV. UNFINISHED BUSINESS

There was no unfinished business to report.

V. NEW BUSINESS

There was no new business to report.

VI. MOTIONS FOR CLOSED SESSIONS

MOTION FOR CLOSED SESSION

At 11:35 a.m., Mr. Coy read the following motion to go into closed session:

"I move that the VPA Board of Commissioners convene a closed meeting pursuant to the provisions of the Virginia Freedom of Information Act (FOIA), Code §2.2-3711(A)(1), for the discussion of personnel matters, and pursuant to §2.2-3711(A)(38), and the provisions of §62.1-132.4, to discuss VPA retirement plan changes as they affect certain employees of the VPA and as it relates to the Port's restructuring plans."

The motion was seconded by Ms. Xu.

END OF CLOSED SESSION

At 12:34 p.m., the Board came out of closed session and the following resolution was read by Mr. Coy:

“WHEREAS, the VPA Board has 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, §2.2-3712 of the Code of Virginia requires a certification that such closed meeting was conducted in conformity with Virginia law; NOW, THEREFORE, BE IT RESOLVED, that the VPA Board certifies that, to the best of each member’s knowledge, (i) only public business matters lawfully exempted from open meeting requirements under this chapter 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 by which the closed meeting was convened were heard, discussed or considered by the Board.”

The resolution was seconded by Ms. Xu and passed by a roll call vote of the Board as follows:

Ayes: 9 (Bergeron, Briley, Boyd, Coy, Fralin, Laughon, Stanton, Wassmer, Xu)

Nays: 0

Absent During Vote: 4

Absent During Meeting: 3

MOTION FOR CLOSED SESSION

At 12:35 p.m., Mr. Coy read the following motion to go into closed session:

“I move that the VPA Board of Commissioners convene a closed meeting pursuant to the provisions of The Virginia Freedom of Information Act, §2.2-3711(A)(38), to discuss proprietary budget information gathered by or for the Virginia Port Authority, pursuant to §62.1-132.4; to discuss results of the Due Diligence Review of Virginia International Terminals, Inc.”

The motion was seconded by Mr. Laughon.

END OF CLOSED SESSION

At 12:53 p.m., the Board came out of closed session and the following resolution was read by Mr. Coy:

“WHEREAS, the VPA Board has 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, §2.2-3712 of the Code of Virginia requires a certification that such closed meeting was conducted in conformity with Virginia law;

NOW, THEREFORE, BE IT RESOLVED, that the VPA Board certifies that, to the best of each member's knowledge, (i) only public business matters lawfully exempted from open meeting requirements under this chapter 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 by which the closed meeting was convened were heard, discussed or considered by the Board."

The resolution was seconded by Ms. Xu and passed by a roll call vote of the Board as follows:

Ayes: 9 (Bergeron, Briley, Boyd, Coy, Fralin, Laughon, Stanton, Wassmer, Xu)

Nays: 0

Absent During Vote: 4

Absent During Meeting: 3

VII. ADJOURNMENT

There being no further business and no public comments, the meeting adjourned at 12:54 p.m.

Respectfully submitted,

Debra J. McNulty
Clerk to the Board

All open session presentations have been posted to VPA's website at:
<http://www.portofvirginia.com/about/board-room.aspx>