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To: Members of VPA Finance and Audit Committee

From: Rodney W. Oliver ^{RWO}
CFO and Treasurer to the Board

Date: May 24, 2016

Subject: Virginia International Terminal, LLC (VIT)
Proposed Budget FY 2017

The attached proposed VIT budget for FY 2017 is provided for your consideration. The VPA Finance team recommends that the Finance and Audit Committee request the VPA Board of Commissioners approve this budget at its June 7, 2016 Board meeting.

As you may recall, the Service Agreement between VPA and VIT sets certain provisions for the preparation of the VIT budget. These revisions have been met as follows:

1. Section 9.5 of the agreement requires that VPA and VIT colleagues meet to develop a basis for the proposed budget. Joint meetings were held throughout the months of March, April, and May.
2. Section 9.5 of the agreement also requires that VPA and VIT colleagues calculate the transfer payment from VIT to VPA. This calculation was completed during the month of May and is included in the budget package.
3. Section 9.6 of the agreement requires that VIT submit a proposed budget 30 days prior to the beginning of the applicable fiscal year. This requirement was met with the delivery of the attached budget to the VPA on May 16, 2016.
4. Section 9.6 of the agreement also requires that VIT and VPA approve and adopt the proposed budget. Consideration of this budget at your May 23, 2016 and June 6, 2016 Committee meeting with recommendation to the full Board of Commissioners meets this requirement.

Please do not hesitate to contact me if you have any additional questions.

cc: VPA Board of Commissioners
John Reinhart
Shawn Tibbetts
Tom Capozzi