

**MINUTES**  
**Virginia Port Authority Board of Commissioners**  
**Finance and Audit Committee Meeting**  
**May 20, 2019**

The Virginia Port Authority ("VPA") Finance and Audit Committee ("Committee") held a meeting on May 20, 2019, at Virginia Port Authority, 600 World Trade Center, 101 West Main Street, Norfolk, Virginia.

Chairwoman Power called the meeting to order at 3:20 p.m. and asked Mr. Ruddy to conduct the safety briefing. The following were then in attendance:

Finance and Audit Committee Members Present:

Faith B. Power, Chair  
Kim Scheeler, Vice Chair  
John N. Pullen  
Louisa M. Strayhorn

Committee Members Absent:

Manju S. Ganeriwala, State Treasurer

Board Members Present:

John G. Milliken, VPA Board Chairman  
F. Blair Wimbush, VPA Board Vice Chairman  
Jennifer D. Aument  
Alan A. Diamonstein  
Val S. McWhorter  
Deborah C. Waters

VPA Staff:

John F. Reinhart, CEO and Executive Director  
Rodney W. Oliver, Chief Financial Officer  
Cathie Vick, Chief Public Affairs Officer  
Sarah McCoy, General Counsel  
Matthew Barnes-Smith, Senior Vice President, Administration Services & Compliance  
Daniel Hendrickson, Vice President, Strategic Planning & Analytics  
Mark Thorsen, Vice President, Technology/Chief Information Officer  
Nina Malone, Director, Financial Planning & Analysis  
Anja Sparenberg, Director, Management Reporting & Analytics  
Carla Welsh, Director, Creative Services  
Bevan Calo, Manager, Digital Media & Traffic  
Kelly Taylor, Information Technology Technician  
Debra J. McNulty, Secretary to the Board

Virginia International Terminals, LLC (VIT) Staff:

Shawn Tibbetts, President and Chief Operations Officer  
Kevin Price, Senior Vice President, Operations

Guests:

The Hon. Shannon Valentine, Secretary of Transportation  
W. Brice Fiske, Office of the Attorney General

Guests (continued):

JoAnne Carter, PFM Financial Advisors, LLC  
Kristy Choi, PFM Financial Advisors, LLC  
Nelson Bush, PFM Asset Management  
Michael Garber, PBMares

At this time, Ms. Power asked Mr. Thorsen to address the Board regarding instructions to view electronic documents.

For the benefit of Board members who were not present during the Growth and Operations Committee meeting held at 2:00 p.m., Mr. Thorsen reiterated the following:

Mr. Thorsen directed everyone's attention to the ipads that were in place at each seat of the table. He announced that board presentations would be viewed on ipads rather than the usual copied materials and he instructed Board members how to swipe back and forth to view the slides. Mr. Thorsen explained that the Port would be migrating to a cloud-based program – BoardEffect – that will be implemented in time for the July 22-23 board meetings.

Ms. Power then announced that the Finance and Audit Committee members would discuss the Virginia Port Authority's Residual Fund and consider a motion to sign an agreement assigning a portion of the fund to Principal Financial Group, as a result of the sale of Wells Fargo's Institutional Retirement & Trust.

Ms. Power asked Mr. Oliver to provide an explanation of the transaction. Mr. Oliver reported that Wells Fargo's Institutional Retirement & Trust business currently serves as custodian for a portion of the Port's Residual Fund. He explained that the Residual Fund is the only account impacted by the sale of Wells Fargo's Institutional Retirement & Trust business to Principal Financial Group and that the sale will take place this summer. Mr. Oliver explained that, according to the VPA Bylaws, the Finance and Audit Committee is authorized to approve all depositories used by the Authority. He added that the same sales team and customer service team would be moving over to Principal Financial Group. Mr. Oliver advised that the VPA would need the Finance and Audit Committee's approval to assign the funds to Principal Financial Group, before the sales becomes final.

Mr. Diamonstein questioned how long VPA has had a relationship with Wells Fargo and if VPA is comfortable with the institution given the problems they have had. Mr. Oliver advised that VPA has had a good four to five-year business relationship with Wells Fargo and that their problems were primarily related to the credit card division for which VPA was not involved. He added that Wells Fargo Institutional Retirement & Trust handled the Residual Fund for about 18 months.

Chairman Milliken questioned Principal Financial Group's affiliation and Mr. Oliver explained that they are a stand-alone public entity and that the rating agencies think very highly of the institution and the pending transaction.

At this time, Ms. Power asked for a motion to approve the assignment of a portion of the Authority's Residual Fund to Principal Financial Group.

**Action:** Upon motion by Mr. Scheeler, seconded by Ms. Strayhorn, the Finance and Audit Committee approved the assignment of the Virginia Port Authority's Residual Fund to Principal Financial Group.

Ms. Power assured Mr. Diamonstein that the Finance and Audit Committee had done their due diligence on the matter. **Chairman Milliken suggested that the Finance and Audit Committee receive a progress report on the transaction at the January 2020 meeting.**

#### **Motion for Closed Session**

At 3:30 p.m., Ms. Power asked for a motion to go into closed session. The motion was read by Ms. Strayhorn as follows:

"I move that the Finance and Audit Committee convene a closed meeting in accordance with The Virginia Freedom of Information Act, pursuant to the requirements of §2.2-3711(A)(37), and the provisions of §62.1-132.4, to discuss proprietary data furnished to the VPA in confidence by Virginia International Terminals, LLC (VIT) and the Hampton Roads Chassis Pool II, LLC (HRCP II) with regard to FY19 year-to-date financial results for March, review of preliminary FY20 budget for The Port of Virginia, preparations for FY20 audit, investment management program, approval for procurement of shuttle carriers, risk management and contractual results; and pursuant to §2.2-3711(A)(3), for the discussion of the disposition of publicly-held real property, where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the public body."

The motion was seconded by Mr. Scheeler.

#### **End of Closed Session**

At 5:06 p.m., the Finance and Audit Committee came out of closed session and the following resolution was read by Ms. Strayhorn:

"Whereas, the Virginia Port Authority Finance and Audit 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 Committee members that such closed meeting was conducted in conformity with Virginia law;

Now, therefore be it resolved, that the Finance and Audit 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 Mr. Scheeler and passed by a roll call vote of the Finance and Audit Committee members and Chair and Vice Chair of the VPA Board (ex officios) as follows:

Ayes: 5 (Power, Pullen, Scheeler, Strayhorn, Milliken, Wimbush)

Nays: 0

Absent During Vote: 2 (Ganeriwala)

Absent During Meeting: 2 (Ganeriwala)

There were no public comments and the meeting adjourned at 5:06 p.m.

Respectfully submitted,

A handwritten signature in cursive script that reads "Debra J. McNulty". The signature is written in black ink and is positioned to the right of the typed name.

Debra J. McNulty  
Secretary to the Board