Thursday, December 9, 2021
1:00 p.m.
Human Resources Conference
Room A

Norfolk International Airport
2200 Norview Avenue
Norfolk, Virginia 23518
BOARD OF COMMISSIONERS
NORFOLK AIRPORT AUTHORITY
December 9, 2021
AGENDA

CALL TO ORDER

REGULAR AGENDA

- Approval of Board Meeting Minutes October 28, 2021

- Becker / Capital Results Legislative Update
  (Anthony Bedell, Clarence Williams, Robert Shinn)

- Presentation of 2021 Strategic Plan
  (Susan E. Winslow, P.E., President, Tela Vuota, PLLC)

  R-1 Recommendation to Approve the 2021 Strategic Plan
  (Mekbib Gemeda, Member, and Michael Burnette, Member, Strategic Plan Committee)

  R-2 Recommendation to Approve the 2021 Employee Bonus Plan
  (Deborah H. Painter, Chair, Finance Audit Committee)

EXECUTIVE DIRECTOR’S REPORT

CHAIRMAN’S REPORT

OLD BUSINESS

NEW BUSINESS

CLOSED MEETING (Required)

RECONVENE OPEN MEETING (Required)

ADJOURNMENT
Regular Agenda
The Norfolk Airport Authority (NAA) Board of Commissioners Meeting was held on Thursday, October 28, 2021, at the Norfolk International Airport (NIA), Human Resources Conference Room A, Main Passenger Terminal. Malcolm P. Branch, Chair, presided.

Commissioners Present:
Malcolm P. Branch
Michael B. Burnette, CCIM
Peter G. Decker III, Esquire
Paul D. Fraim, Esquire
Mekbib Gemeda
William L. Nusbaum, Esquire
Deborah H. Painter
Bruce Smith
Dr. Harold J. Cobb, Jr., Emeritus Commissioner

Commissioners Absent:
John R. Broderick

Staff Present:
Robert S. Bowen, A.A.E., Executive Director
Charles Braden, Director Market Development
Jarred Roenker, Director of Finance
Anthony E. Rondeau, Deputy Executive Director Engineering and Facilities
Steven C. Sterling, Deputy Executive Director Administration and Operations
Sheri Watts, Executive Administrative Assistant and Assistant Secretary of the Board
Others Present:

Anthony Bedell, Federal Co-Lead Lobbyist, Becker & Poliakoff
Jessica Dennis, Management Analyst, City of Norfolk
Paul Feagan, CPA, Manager, Cherry Bekaert, LLP
Eric Mercado, Chief Executive Officer, ACS Firm
Greg Miller, CPA, Cherry Bekaert, LLP
Anita O. Poston, Esquire, General Counsel
Robert Shinn, State Lobbying Lead, Capital Results
Cyndi Strafford, Human Resources & Recruitment, ACS Firm
Clarence Williams, Federal Co-Lead Lobbyist, Becker & Poliakoff
Susan E. Winslow, P.E., President, Tela Vuota, PLLC

Welcome, and Call to Order (Malcolm P. Branch, Chair):
Malcolm P. Branch, Chair, determined that a quorum was present as noted above and called the meeting to order at 1:00 p.m.

REGULAR AGENDA

Approval of Minutes of Board of Commissioners Meeting on September 23, 2021:
Chairman Branch entertained a motion by Vice Chair Painter to approve the minutes for the meeting on Thursday, September 23, 2021; the motion was seconded by Treasurer Gemeda and unanimously approved.

Becker & Poliakoff/Capital Results Lobbying Team Introduction (Anthony Bedell, Clarence Williams, and Robert Shinn):
The new lobbying team introduced the individual members who will be working on the Authority account and provided an overview of their team. They opined that their diverse approach to lobbying and their personal relationships will improve the Authority’s presence in the government and private funding platforms.

Cherry Bekaert, LLP, Presentation of the Fiscal Year 2021 Auditor’s Report (Greg Miller and Paul Feagan):
Greg Miller, CPA, Director, and Paul Feagan, CPA, Manager, from Cherry Bekaert LLP, provided a detailed review of the Fiscal Year 2021 Audit. The audit was a “clean” audit and no modifications will be required. Regarding the Government Auditing Standards, there were no reportable instances of noncompliance and no control deficiencies identified as material. Lastly, Mr. Miller discussed the new accounting and reporting changes that were summarized in the material presented to the Commissioners.
**R-1 Recommendation to Accept the Fiscal Year 2021 Auditor’s Report**  
(Deborah H. Painter, Chair Finance Audit Committee):
Committee Chair Painter welcomed questions or comments. On behalf of the Finance Audit Committee, Ms. Painter recommended accepting the Fiscal Year 2021 Auditor’s Report that was distributed to the Board before the meeting. Chairman Branch called for a vote. The Commissioners unanimously accepted the report.

**R-2 Recommendation to Approve an Employee Bonus from the Fiscal Year 2021 Surplus**  
(Deborah H. Painter, Chair, Finance Audit Committee):
Mr. Bowen presented a recommendation to pay a bonus to the 206 active Authority employees for their performance during the pandemic. The estimated cost to the Authority is $230,000, which was not included in the approved Fiscal Year 2022 Budget. The cost will either come from the share of the estimated Fiscal Year 2021 surplus or the remaining balance of the Authority’s Federal COVID relief funds.

Vice-Chair Painter moved that the Authority convene in a closed meeting pursuant to the personnel exemption of Virginia Code Section 2.2-3711.A.1 to discuss the performance and compensation of certain specific individual employees of the Authority. The motion was seconded by Treasurer Gemeda and unanimously approved.

At the conclusion of the Closed Meeting, the Authority continued the public meeting.

The Chairman recognized Ms Painter for the following motion to certify the Closed Meeting:

Now, therefore, be it resolved that the Board of the Norfolk Airport Authority hereby certifies that to the best of each member’s knowledge (i) only public business matters lawfully exempted from open meeting requirements under the Virginia Code, 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 in the closed meeting.

The motion was duly seconded and a roll call was taken to certify the Closed meeting as follows:

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<tr>
<th>Name</th>
<th>Attendance</th>
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<tbody>
<tr>
<td>Malcolm P. Branch</td>
<td>Yes</td>
<td>Deborah H. Painter</td>
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<tr>
<td>Mekbib Gemeda</td>
<td>Yes</td>
<td>John R. Broderick</td>
<td>Absent</td>
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<tr>
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<td>Yes</td>
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<td>Yes</td>
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<td>Bruce Smith</td>
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Thereafter, Vice-Chair Painter made a motion to authorize the Executive Director to pay a one-time bonus to the 206 active Authority employees to be based on performance and employment during the COVID-19 pandemic. The bonus will include a claw-back provision for employees who leave the employment of the Authority immediately upon receipt. The amount of the bonus will be a minimum of $1,000 and a maximum of $2,500 for each employee with a total cost to the Authority of $600,000.

The motion was seconded by Treasurer Gemeda and unanimously approved.
Executive Director’s Report (Robert S. Bowen, A.A.E.):
Mr. Bowen supplemented the Capital Projects Updates for October 18, 2021, distributed prior to the meeting, and announced that Garage D will officially open next week. Mr. Bowen offered a tour of the Garage D after the meeting.

Mr. Bowen acknowledged the last report from Two Capitols Consulting and provided an overview of the October 20, 2021 Air Service review prepared by Mr. Braden. Mr. Bowen welcomed questions.

Chairman’s Report: None

Old Business - Strategic Plan Update (Susan E. Winslow, P.E., President, Tela Vuota, PLLC):
Ms. Winslow provided an update of the Strategic Plan and reported that 3 of the 5 phases of the process have been completed. Currently, the Committee is addressing Phase 4, Implement the Plan. The remaining tasks include:
- Develop Implementation & Tracking Plan
- Final Presentation to the Board During the December 9, 2021, Meeting
- Rollout - Internal
- Rollout - External

New Business:
The Board unanimously agreed to combine the November and December meetings on Thursday, December 9, 2021, at 1:00 p.m.

Closed Meeting (1:55 p.m.):
Treasurer Gemeda moved that the Board of the Norfolk Airport Authority convene in a closed session, pursuant to the following provisions of the Virginia Code:
(i) Virginia Code Section 2.2-3711.A. 3: To discuss and consider the disposition by lease of Authority owned real property, where discussion is an open meeting would adversely affect the bargaining position or negotiating strategy of the Authority;
(ii) Virginia Code Section 2.2-3711.A. 8: To consult with legal counsel retained by the Authority regarding specific legal matters involving the concession agreements at the Norfolk International Airport requiring the provision of legal advice by such counsel;
(iii) Virginia Code Section 2.2-3711.A.29: To discuss the award of a public contract involving the expenditure of public funds and to discuss the scope and terms of the contract where discussion in open session would adversely affect the bargaining position or negotiating strategy of the Authority; and
(iii) Virginia Code Section 2.2-3711.A.8, to consult with legal counsel regarding legal matters pertaining to the contract with the search consultant and perspective candidates for employment.

The motion was duly seconded by Vice-Chair Painter and unanimously approved.

Reconvene Open Meeting (2:15 p.m.):
Chairman Branch reconvened the Open Meeting. Treasurer Gemeda moved for adoption of the following resolution:
Now, therefore, be it resolved that the Board of the Norfolk Airport Authority hereby certifies that to the best of each member’s knowledge (i) only public business matters lawfully exempted from open meeting requirements under the Virginia Code, 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 in the closed meeting. The motion was duly seconded by Vice-Chair Painter.

A roll call vote was taken to approve the motion as follows:

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Commissioner Nusbaum then made a motion to approve the recommendation of the staff regarding the Main Lobby concession now utilized as a Starbucks. The motion was seconded by Commissioner Decker III and unanimously approved.

**Adjournment:**
There being no further business, Treasurer Gemeda moved that the meeting adjourn. The motion was seconded and unanimously approved. The meeting was adjourned at 2:25 p.m. The next regular meeting of the Board will be held on Thursday, December 9, 2021, at 1:00 p.m.

___________________________
Malcolm P. Branch
Board Chair

___________________________
Robert S. Bowen, A.A.E.
Executive Director
R1 - Recommendation to Approve the 2021 Strategic Plan

Treasurer Mekbib Gemeda
Commissioner Michael Burnette
Strategic Plan Committee
December 2, 2021

Mr. Mekbib Gemeda, Member, Strategic Plan Committee
Mr. Michael B. Burnette, Member, Strategic Plan Committee

Re: Recommendation to Approve the 2021 Strategic Plan

Dear Mekbib and Michael,

Please find attached information regarding the final draft of the 2021 Strategic Plan. It is my recommendation that the 2021 Strategic Plan be approved by the Board of Commissioners.

Please let me know if you have any questions. I will place this matter on the agenda for Board action at its meeting scheduled for December 9, 2021.

Sincerely,

Robert S. Bowen, A.A.E.
Executive Director

Attachment

Copy w/attach: Commissioners
   Anita O. Poston, Esquire
STRONGER TOGETHER. LET’S FLY

Mission: Connect our community with the world by safely, reliably, and efficiently operating Norfolk International Airport.

Vision: Strengthen and grow our region while serving as an industry leader, recognized for our professionalism and excellence.

OUR VALUES

WE TAKE PRIDE IN WHAT WE DO AND HOW WE DO IT

P R I D E

We value and embody professionalism - individually and as an Authority.

We are highly responsive to our stakeholders through proactivity, forethought, & diligence.

We foster a culture of innovation within our organization, empowering us to deliver an enhanced customer experience and a contemporary facility.

We embrace diversity and respect our differences.

We pursue excellence – every day, in every way.

Diversity-Equity-Inclusion: Making the Connection

We promote diversity and inclusion for our employees, passengers, and community by embracing uniqueness, respecting differences, celebrating fairness, and cultivating equity.

We arrive from different origins and may have different destinations – but our journeys are richer when we fly together.

Our People: Support and develop our staff; maximize organizational and employee efficiency and performance.

Our Customers: Grow our Traffic and Provide a World-Class Customer Experience

Our Commitment: Create and maintain a welcoming and safe environment for our employees, patrons, and stakeholders.

Our Facility: Optimize and modernize our physical facilities and assets to create and sustain growth, expand economic development opportunities, and diversify our revenue sources.
R2- Recommendation to Approve the 2021 Employee Bonus Plan

Deborah H. Painter
Finance Audit Committee Chair
December 2, 2021

Mrs. Deborah H. Painter, Chair, Finance Audit Committee
Mr. Paul D. Fraim, Vice Chair, Finance Audit Committee

Re: Recommendation to Approve Revision to the 2021 Employee Bonus Plan

Dear Deb and Paul,

At its October 28, 2021, meeting, the Board of Commissioners authorized an employee bonus with a maximum amount of $2,500 and a minimum amount of $1,000 per employee based on job longevity, with a “claw back” provision. The number of employees eligible to receive the maximum $2,500 bonus is 170, with 10 employees eligible to receive from $1,100 to $2,000, and 18 employees eligible to receive the minimum $1,000 bonus, for a total of 198 employees. The Authority will also be paying the federal, state, Social Security and Medicare taxes for each employee, as well as the fees of our payroll services provider for this special payroll.

The Board approved a budget not to exceed $600,000 which was estimated during the meeting. Following the meeting we were advised by ADP, our payroll services provider, that the total costs for the bonus, payroll taxes and fees was in the amount of $767,250. We calculated that the total cost of a plan with the maximum bonus reduced to $2,000 to be $625,905.

As I stated in my recommendation letter dated October 21, 2021, the Authority’s share of the Fiscal Year 2021 Surplus is $2.5 million, and the remaining amount of our Federal COVID-19 grants is $15.2 million. Employee wages, salaries, benefits and retainage costs are specifically eligible for the Federal COVID-19 grants.

Despite the higher cost, it is my recommendation that the 2021 Employee Bonus Plan maintains the maximum bonus of $2,500 and a minimum bonus of $1,000 based on job longevity, with the Authority paying the full costs of federal, state, Social Security and Medicare taxes as well as payroll processing fees at a total budget cost of $770,000.

A revised 2021 Employee Bonus Plan is attached for your review. We plan to distribute the bonus checks on or about December 16, 2021, so we need to provide the amounts of the bonus to ADP for processing as a special payroll.
Please let me know if you have any questions. I will place this matter on the agenda for Board action at its meeting scheduled for December 9, 2021.

Sincerely,

Robert S. Bowen, A.A.E.
Executive Director

Attachment

Copy w/attach: Commissioners
Anita O. Poston, Esquire
2021 Employee Bonus Plan

Purpose

The purpose of this 2021 Employee Bonus Plan (the “Plan”), is to provide rewards for the employees of the Norfolk Airport Authority (the “Authority”). The Plan aims to provide all full-time and part-time employees of the Authority with a one-time reward for long term employment with the Authority and to thank them for their hard work and sacrifices during the pandemic.

Effective Date and Payment Date

The Plan shall be effective as of November 16, 2021. Benefits under the Plan are expected to be paid on December 16, 2021 (the “Payment Date”) or as soon as administratively possible after that date.

Eligible employees

All full-time and part-time employees of the Authority who meet either of the following criteria are eligible for allocation of bonuses under the Plan:

- (1) Employees that were employed by the Authority on September 30, 2021; AND: (a) are employed by the Authority as of the Payment Date or (b) had been employed by the Authority for a period of more than one year as of their date of separation.
- (2) Employees that were hired after September 30, 2021 through November 30, 2021, if they are employed as of the Payment Date.

Continuation of Employment

Employees receiving a Bonus must remain employed with the Authority for a period of thirty days after the Payment Date, with exceptions granted for employees eligible for retirement under Virginia Retirement System guidelines or for health reasons. Separated employees that do not meet these exceptions must repay the Authority in full for payments under the Plan.
Allocation of Bonuses

Bonuses shall be allocated to Eligible Employees based on the following criteria:

- $1,000 shall be allocated to all employees.
- Units of $100 for each full month employed prior to July 1, 2021 with a maximum of 15 additional units, for a maximum Bonus of $2,500.

Bonus Pool

In no event should the total cost of the Plan exceed $770,000. If after allocation of all Bonuses the total is calculated to exceed $770,000, awards to all employees shall be reduced on a pro-rata basis to limit the total expense to $770,000.

Payment of Bonus

Bonus payments shall be deemed additional compensation to the employee. However, the Authority will cover payroll taxes calculated to be withheld from said payments in accordance with all applicable federal, state, and local laws.

Termination of Employment

This Plan does not create a contract of employment between the Authority and any employee. This Plan does not limit the right of the Authority to discharge or terminate an employee for any reason, or for no reason. The award of any bonus under this Plan is completely discretionary to the Authority and no person shall have any claim to be granted or to receive any bonus. No director, officer, employee, or another person shall have the authority to enter into any agreement with any person for the award or payment of any bonus or to make any representation or warranty with respect thereto.

Amendment or Termination

The Authority reserves the right to amend or terminate the Plan at any time, and no such amendment or termination shall entitle any employee to a claim under this Plan. The Plan does not commit the Authority to Bonus Payments in future years.

Revised November 29, 2021
Declaration

I have read, understand, and acknowledge receipt of the Employee Bonus Plan.

______________________________   ______________________
Employee Name      Date
Executive Director's Report
Robert S. Bowen, A.A.E.
Parking Revenue Control System Replacement
- General Contractor – HUB Parking Technology USA
- This project will replace the entry and exit terminals at all the public parking lots and garages.
- All Authority employees, tenants and Non-Domiciled Airline Employees have been issued the new parking access card for the new system.
- All lanes in Garage complex are operational.
- The online prebooking/reservation platform is anticipated to go live in December, 2021. This feature will enable patrons to pay in advance for parking and to enter/exit the parking facilities using QR code technology.

General Aviation Fuel Farm Replacement
- General Contractor – Oil Equipment Sales and Service Co., Inc. (OESSCO)
- Project will replace the Underground Aviation Fuel Tank at the General Aviation Facility with an above ground tank at the fuel farm.
- Tank is scheduled to be delivered in December. Contractor will set the construction schedule once all materials are on site.

HVAC Renovation
- General Contractor - Virtexco
- Project started September 1st with completion scheduled for June 2, 2022.
- This project will replace a cooling tower, an air handler, two tug bay heaters and provide duct cleaning in the Departures building.
- Replacement of this equipment will increase the reliability of our HVAC system and provide additional energy efficiencies.

Garage 'A' Elevator Modernization
- Contractor - Thyssenkrupp
- The existing elevators will have their electronic controls, motors and cabling modernized.
- This will allow for increased reliability since the major components will be better supported by the manufacturers after the update.
- The effort will be completed one elevator at a time to minimize disruptions, project is currently scheduled to be completed by the end of December.

Taxiway 'C' North Rehabilitation
- General Contractor - Branscome
- This project will rubblize and overlay Taxiway 'C' from Taxiway 'H' to the approach end of Runway 5/23.
- Project is scheduled for completion on December 3, 2021.
Garage D
- General Contractor – Hourigan Construction – SWaM Certified in Virginia
- The parking garage opened to the public on November 2, 2021.
- Project Budget is $70M. Currently projecting project to finish at a cost of $68M.
- Surplus funds to remain in the Parking Reserve Fund for future parking projects.

FUNDING SUMMARY
- 32 total projects in various stages of planning, design and construction

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U.S. domestic airlines continue to adjust their network schedules to align with passenger demand, and pandemic-related crew shortages. As we are ending the calendar year, seat/departure capacity and passenger reports below have been edited to reflect fiscal year activity so the reader can look forward. (Fiscal year is July 1 – June 30.)

PLEASE NOTE: Southwest Airlines has not released their May and June 2022 schedules and Breeze has not released their June 2022 schedule. As a result, May and June 2022 metrics below are understated for those months. The recovery pace of seats is ahead of departures which are anticipated to correct by March 2022.
Closed Meeting
(Required)
Code of Virginia

I move that the Board of the Norfolk Airport Authority convene in a closed session, pursuant to:

(i) the personnel exemption of Virginia Code Section 2.2-3711. A 1, for the purpose of discussion and consideration of the retirement of the Executive Director, the employment and possible salary of a successor, prospective candidates for employment, and the selection and engagement of a search firm;

(ii) the public contract exemption at Section 2.2-3711. A. 29, for the purpose of discussion of the award of a public contract involving the expenditures of public funds and discussion of the scope and terms of the contract where discussion in open session would adversely affect the bargaining position or negotiating strategy of the Authority; and

(iii) Section 2.2-3711. A. 8, for the purpose of consultation with legal counsel regarding legal matters pertaining to the contract with the search consultant and perspective candidates for employment.
Reconvene Open Meeting (Required)
SCRIPT:

Now, therefore, be it resolved that the Board of the Norfolk Airport Authority hereby certifies that to the best of each member’s knowledge (i) only public business matters lawfully exempted from open meeting requirements under the Virginia Code, 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 in the closed meeting.
I, MOVE THAT THE BOARD ADJOURN AND THAT THE NEXT REGULAR PUBLIC SESSION OF THE BOARD BE HELD AT 1:00 P.M., ON JANUARY 27, 2022 IN THE HUMAN RESOURCES CONFERENCE ROOM A, MAIN PASSENGER TERMINAL, NORFOLK INTERNATIONAL AIRPORT OR AS OTHERWISE DETERMINED AND NOTICED.