

# Board of Commissioners Meeting Packet

Thursday, September 28, 2023, 1:00 p.m.

# 2023

## Norfolk Airport Authority



**2200 Norview Avenue**  
**NAA Board Room**  
**Norfolk, Virginia 23518**  
**(757) 857-3351**

**Peter G. Decker III, Esquire**  
**Chair**

**Mark A. Perryman, Assoc.**  
**AIA, President & CEO and**  
**Board Secretary**

# **Norfolk Airport Authority**

Board of Commissioners Meeting

Thursday, September 28, 2023

1:00 p.m.

## **AGENDA**

- 1. CALL TO ORDER**
- 2. APPROVAL OF PREVIOUS BOARD MEETING MINUTES**
  - Tuesday, July 27, 2023
- 3. PUBLIC COMMENTS**
- 4. ANNUAL INVESTMENT REPORT FROM PFM**
- 5. CEO & STAFF REPORT**
- 6. NAA BOC CHAIR REPORT**
- 7. COMMITTEE REPORTS**
  - Facilities Development Committee
    - Departures Terminal Design Theme
- 8. OLD BUSINESS**
  - Diligent Books
- 9. CLOSED MEETING**
- 10. NEW BUSINESS**
  - Airport Hotel
- 11. ADJOURNMENT**



# **Regular Agenda**

**Board Meeting Minutes  
Thursday, July 27, 2023**

# Norfolk Airport Authority

Board of Commissioners Meeting Minutes | Thursday, July 27, 2023, 1:00 pm.

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The Norfolk Airport Authority (NAA) Board of Commissioners Meeting was held on Thursday, July 27, 2023, at the Norfolk International Airport (NIA), the NAA Board of Commissioners Room, Main Passenger Terminal. Mekbib Gemed, Acting Chair presided.

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**Commissioners Present:** Michael D. Burnette, CCIM  
Peter G. Decker, III, Esquire  
Paul D. Fraim, Esquire  
Mekbib Gemed  
Peggy H. Newby, RN, BSN, CAOHC, CPC-A  
Joel A. English  
Susan C. Pilato (via remote participation pursuant to Va. Code § 2.2-3708.3)

**Commissioners Absent:** Bruce B. Smith  
Charles “Chip” W. Rock, Rear Admiral, USN, Retired

**Staff Present:** Cathy Sutherland, Parking Department Manager  
Charles W. Braden, Associate Vice President, Market Development  
Mark A. Perryman, Assoc. AIA, President & CEO and Board Secretary  
Jarred M. Roenker, CPA, Vice President & Chief Financial Officer  
Anthony Rondeau, Executive Vice President & Chief Development Officer  
Steven C. Sterling, Executive Vice President & Chief of Staff and Board Assistant Secretary  
Shelia D. Ward, Ph.D., Vice President & Chief Operations Officer  
Mark A. Trank, Senior Vice President & General Counsel

**Others Present:** Jessica Dennis, City of Norfolk, Management Analyst & Lobbyist  
Anita O. Poston, Esquire, Woods Rogers Vandeventer Black, Counsel

**Welcome and Call to Order (Mekbib Gemed, Acting Chair):**

Mekbib Gemed, Acting Chair, determined that a quorum was present and called the meeting to order at 1:03 pm. In addition, he welcomed the newest member of the Board of Commissioners, Joel A. English.

## **REGULAR AGENDA**

### **Approval of Minutes:**

Acting Chair Gameda entertained a motion by Treasurer Decker to approve the minutes of the meeting held on May 23, 2023. Commissioner Burnette seconded the motion, which was then unanimously approved.

### **Election of FY24 Officers:**

On behalf of the Nominating and Strategy Committee, Commissioner Paul D. Fraim, Esquire, Committee Chair, offered the following Officer nominations for election for Fiscal Year 2024:

Chair: Peter G. Decker, III  
Vice-Chair: Susan C. Pilato  
Secretary: Mark A. Perryman

In addition, Commissioner Fraim on behalf of the Committee offered the appointment of Steven C. Sterling and Mark A. Trank as Assistant Secretaries. Acting Chair Gameda entertained a motion by Commissioner Fraim to approve the slate of Officer nominations offered by the Nominating and Strategy Committee, as well as other appointments. The motion was unanimously approved.

Following the vote, Chairman Decker presided over the remaining portion of the meeting.

### **Public Comments:**

No one from the public requested to comment.

### **CEO Report (Mark A. Perryman, President & CEO):**

Mr. Perryman's presentation included the following:

#### **New Executive Staff Employee:**

Mr. Perryman introduced Mark A. Trank, Senior Vice President and General Counsel, as the newest member of the NAA Executive Management Team. Mr. Trank has been hired to serve as in-house counsel for the Authority, and will be providing legal review and counsel for all aspects of the Authority's operation, including contract review and personnel matters, and will also be responsible for coordination of outside legal counsel as needed for specialized matters.

#### **Featured Department Manager:**

Mr. Roenker introduced Mrs. Cathy Sutherland, Parking Department Manager, and briefly summarized her background and primary role at the Authority.

#### **Air Service/Marketing:**

ORF is still leading the market with scheduled seats and continues to grow. April 2023 was the best in the Airport's history for scheduled seats. Due to growth in large hub airport traffic, and based on the FAA's methodology for classifying airports. ORF may be reclassified as a small hub airport, despite the increase in passengers. This will make additional funding available to ORF. Breeze Airlines has added another flight, and ORF is currently serving 41 destinations.

#### **Capital Projects included:**

- Runway 5/23 Concrete Extensions Project: The design and construction will be completed in two phases. Phase 1 began on April 1. The anticipated completion date is November 2023. Phase 2 project timeline is April - November 2024. The projected total construction and design cost for both phases is \$30 million.
- Moving Sidewalk Project: Bids were opened on May 19. The construction period is January 1 – June 30, 2024. The estimated project cost is \$6M. The Authority received \$5.4M in funding with the discretionary Bipartisan Infrastructure Law Airport Terminal Program.
- Alpha Gate Addition Project: The addition includes three common use holdrooms, four gates, and additional restrooms. The construction period is January 1, 2024 – January 31, 2025. The estimated design and construction cost is \$33M.
- Terminal Development: The project consists of a linear ticket lobby, a consolidated check baggage inspection system, an expanded baggage make-up area, new shipping and receiving area, and a consolidated checkpoint. The design phase will begin in FY 2024. The anticipated construction timeline is FY 2025 – FY 2027. The estimated cost is \$260M. Funding will come from Passenger Facility Charges (PFCs) and general airport revenue bonds.
- Airport Hotel RFP: The presubmission meeting was held on Thursday, May 18, 2023, and proposals were due June 30, 2023. A selection will be made by August 31, 2023, and presented to the Board for final approval.
- Federal Inspection Services Facility Project: The project will allow passengers access to their baggage before screening. Staff is considering two options: (i) to redesign the existing FIS facility or (ii) to build a new stand-alone facility adjacent to the existing facility.

#### Finance/Administration:

Financial highlights include:

- The January 2023 Financial Report: Operating Revenues are over budget, and Expenses are under budget.
- New Airline Use & Lease Agreement: The current agreement expired on June 30, 2023. Two airlines have signed the new agreement, and other airlines are expected to sign shortly.

#### Strategic Plan and FBO Update:

Mr. Sterling provided a current overview of the Strategic Plan and each of the four goals. In addition, Mr. Sterling provided an update on the issuance of the request for proposals for the Fixed Base Operator (FBO) at the Airport.

#### Board Chair Report: none

## **Committee Report:**

### **Facilities Development Committee:**

- Addition of Federal Inspection Services (FIS) Facility to Alpha Concourse CMR:

Based on a detailed letter from the Authority's Architect dated June 30, 2023 detailing the project complexities for the FIS Facility project, Staff presented a recommendation to the Board to add the FIS project to the previously approved Construction Manager-at-Risk (CMR) procurement effort for the Alpha Concourse Expansion. The Alpha Concourse Expansion project was unanimously approved by the Board to utilize the CMR procurement process at the May 23, 2023 Board Meeting.

Commissioner Burnette, a representative of the Facilities Development Committee, discussed the advantages of the CMR procurement process and justifications for using such a process. Anthony Rondeau discussed the advantages of adding the FIS project to the Alpha Concourse Expansion project CMR process. Commissioner Burnette welcomed comments and questions from the Board.

Hearing none, Commissioner Burnette made the following motion:

Due to the complex nature of the project as detailed by the Architect and Staff, it has been determined that the use of competitive sealed bidding is an operational and financial disadvantage to the Authority. Therefore, I motion that the Board approve Staff's recommendation to utilize the Construction Manager-at-Risk procurement process for the Alpha Concourse Expansion and Federal Inspection Services Facility projects.

Commissioner Fraim seconded the motion.

A vote was taken, and the motion was passed unanimously.

**Old Business:** The Board discussed the proposed Airport Exhibit Recognizing Hampton Roads Entertainment Headliners and Sports Legends.

### **Closed Meeting (1:52 p.m.):**

Commissioner Gameda moved that the Board of the Norfolk Airport Authority convene in a closed meeting pursuant to Section 2.2-3711.A. of the Code of Virginia for the following business:

***Subsection 3:*** Discussion of the acquisition of real property by the Authority for the benefit of Norfolk International Airport and the related disposition of real property owned by the Authority, where discussion in an open meeting would adversely affect the bargaining position and negotiating strategy of the Authority;

***Subsection 7:*** Consultation with legal counsel and briefings by staff members pertaining to probable litigation, where such consultation or briefing in an open meeting would adversely affect the negotiation or litigation posture of the Authority; and.

***Subsection 8:*** Consultation with staff and with legal counsel employed and retained by the

*Authority regarding specific legal matters requiring the provision of legal advice by such counsel.*

Commissioner Fraim seconded the motion, and the vote to approve was unanimous. Following the vote, the Authority convened in a closed meeting as authorized by Virginia law.

**Reconvene Open Meeting (2:44 p.m.):**

Following the closed meeting, Chair Decker reconvened the open meeting. Commissioner Gameda moved for the adoption of the following Resolution and Certification:

*Now, therefore, be it resolved that the Board of the Norfolk Airport Authority hereby certifies that to the best of each Commissioner'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.*

Chair Decker seconded the motion. The motion was approved by roll call vote as follows:

Commissioner	Response	Commissioner	Response
Michael B. Burnette	Yes	Peter G. Decker III	Yes
Paul D. Fraim	Yes	Mekbib Gameda	Yes
Peggy H. Newby	Yes	Joel A. English	Yes
Susan C. Pilato	Absent	Charles 'Chip' W Rock	Absent
Bruce B. Smith	Absent		

**New Business:**

- Board Photos
  - September 28, 2023 Board Meeting
- Digital Board Platform
  - Diligent Board Books
  - The Authority has chosen to move forward with an all -digital board collaboration platform
  - Initial use of platform will focus on the distribution and receipt of Board Meeting materials

**Adjournment (2:52 pm):**

There being no further business, Chair Decker moved that the meeting adjourn. Commissioner Gameda seconded the motion, which was unanimously approved. The next meeting is scheduled for Thursday, September 28, 2023, at 1:00 pm.

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Peter Decker  
Chair

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Mark A. Perryman, Assoc. AIA  
President & CEO and Board  
Secretary



June 30, 2023

Anthony E. Rondeau, P.E., C.M.  
Executive Vice President  
& Chief Development Officer  
Norfolk Airport Authority  
Norfolk International Airport  
2200 Norview Avenue  
Norfolk, VA 23518-5807

**Subject: Concourse A Expansion & FIS Complex Project Description  
Norfolk International Airport**  
Project No.: 45804.03

Mr. Rondeau,

Please find the complex project description for the Concourse A Expansion and Federal Inspection Service (FIS) for your use.

The Code of Virginia defines a "Complex project" as a construction project that includes one or more of the following significant components: difficult site location, unique equipment, specialized building systems, a multifaceted program, accelerated schedule, historic designation, intricate phasing and or some other aspect that makes competitive sealed bidding not practical. See Va. Code § 2.2-4379.

Based on that definition it is appropriate to describe the Norfolk International Airport Concourse A Expansion and FIS as Complex for various reasons including those listed below:

*Accelerated Schedule:*

All gate positions with Passenger Boarding Bridges at the Airport are in use, therefore, the Airport needs these three additional gates as soon as possible in order to accommodate existing ground-based operations. Specifically, the gates will convert operations which ground board to operations which utilize passenger boarding bridges. The existing FIS is outdated and undersized per Customs and Border Protection (CBP) standards therefore a renovation or new facility needs to be provided to receive international flights. Utilizing Construction-Manager-At-Risk delivery method (CMAR) will allow for acceleration of the schedule. The CMAR method will allow for longer lead items to be procured sooner and allow for early phasing of construction to deliver a faster project. The pace of construction directly impacts the Authority's ability to provide the airlines and its passengers with adequate facilities from which to operate.

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*Difficult Site Location:*

The concourse expansion and FIS projects will be executed on the post-security airside of the Airport facility. Any project being executed in this area of an airport campus is complex because the contractors must be familiar with both the required logistics for working and staffing on the post-security side of the TSA security checkpoints as well as on the active airfield, limiting the likely pool of qualified contractors.

In addition, the aviation facility specific security and safety protocols that the Contractor will have to incorporate into their management of the project adds further complexity to the Project. The Air Operations Areas (AOA), where the new construction will be located, requires that safety rules be followed in the Aircraft Movement Areas where the contractor will be transporting materials and equipment across the airfield. The contractor's and subcontractor's staffs will be required to be badged for security purposes as they will be operating in the Security Identification Display Area (SIDA) in compliance with Transportation Security Administration (TSA) requirements in CFR 49 1542.205. An identification system must be used by construction personnel in this area and the badging of construction personnel managed by the contractor. Before allowing unescorted access to the SIDA area, a person must be trained, and their background investigated. CBP will also require another layer of security review of all construction personnel working within the boundaries of the FIS project. This will require the Contractor to coordinate with CBP and ensure that all personnel pass the required screening prior to being on the jobsite.

Because the concourse expansion project is at the end of the existing concourse in the AOA movement area, Contractor and Owner must engage in heightened communications and coordination throughout the project to not impact airline operations as all aircraft will be passing the construction site to their respective gate. The FIS is at the opposite end of the existing concourse from the concourse expansion, it will be both airside and landside. In addition to the heightened communications and coordination, it requires temporary measures to ensure the landside and airside spaces are kept secure from one another while construction is occurring.

Further, because the construction will occur on an active airfield, the FAA places certain aviation construction requirements on the contractor which require unique familiarity with airport construction. For example, the project will require the issuance of an FAA 7460 as a notice of proposed construction to the FAA. With this submission, in addition to building height limitations, the FAA may limit the heights of cranes and other such building equipment that the contractor is able to utilize as part of its means and methods, adding limitations and complexity to the project.

*Unique Equipment/Specialized Building Systems:*

The subject project includes multiple passenger boarding bridges, associated ground power units, baggage handling equipment and packaged air conditioning units. These assemblies require significantly long lead times and the coordination of their installation requires specific unique knowledge and experience in aviation construction. The use of CMAR as a procurement method facilitates earlier procurement of these items and better coordination for their installation.

The FIS will require careful coordination with CBP and their associated entities for the installation of their specialized systems. During construction, review of products and systems will be required by CBP. CBP will also have designated inspection points throughout construction. Due to this added complexity, a Contractor must be able to handle the elements of incorporating the CBP requirements into their equipment and systems installation as well as managing the schedule to accommodate the required inspections.



*Intricate Phasing:*

Phasing is a critical aspect to running the job effectively. The Airport is a 24 hours a day, 365 days a year facility which requires new construction to not impact daily operations. The new utility systems will require phased shutdowns to minimize downtime to the existing facility. Work associated with the life safety systems will also require to be phased so they can be extended to the new concourse while minimizing impact to the existing concourse. Tying the new utilities into existing utilities is required as part of the project. The contractor will need to be knowledgeable in how to minimize downtime of operating utilities to limit impact to Airport operations. Some of this work will require careful coordination as it may occur within the active public areas of the existing concourse.

To the greatest extent reasonable the Contractor will separate construction personnel from the travelling public and maintain security of tools and equipment in post security areas. The contractor will also need to be familiar with the associated management protocols, such as constructing and maintaining physical barriers segregating work areas and public areas.

Regarding aircraft gate operations, phasing is required for two existing gates near the expansion project, which will require the contractor to work closely with the Owner to minimize the downtime and associated impact to passengers and airlines.

*Multifaceted Program:*

The Airport is currently planning to embark on what will be a significant investment in their campus with the construction of new facilities and significant expansions. The Concourse A Expansion and FIS projects are a significant first step in a program of large complex capital improvement projects. The execution of the CMAR delivery method for the subject project will assist in the coordination and ability to better execute the planned portfolio of projects in an integrated and consistent manner.

Based on the foregoing, we consider this to be a complex project and a project where competitive sealed bidding is not practicable nor fiscally advantageous, and a project more appropriate for the use of CMAR as a procurement method. Please let me know if you have any questions or comments on the description of the Concourse A Expansion and FIS project as a complex project.

Sincerely,

Krystal Anderson, AIA  
Aviation Architect

Copy      Wilson Rayfield  
             Matt Amos  
             Grant Clifford



# **Annual Investment Report from PFM**

# Norfolk Airport Authority

## Economic Update & Portfolio Review

September 28, 2023

717.654.7632

**pfmam.com**

*PFM Asset Management LLC*

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# Current Market Themes



- ▶ The U.S. economy is characterized by:
  - ▶ Headline inflation numbers trending lower, but the Fed's current focus, "supercore inflation," is showing little sign of slowing
  - ▶ A labor market that has proven to be exceptionally strong
  - ▶ A more optimistic sentiment around economic growth due to resilient consumer spending



- ▶ Fed temporarily pauses rate hikes
  - ▶ The most aggressive series of interest rate hikes in recent history has come to a temporary pause in June
  - ▶ The Fed's most recent dot plot shows the potential for two additional rate hikes for the second half of 2023 (one  $\frac{1}{4}\%$  increase occurred in July)
  - ▶ Rates have moved up due to the Fed's rate trajectory shifting higher, the economy remaining stronger than expected, persistent inflation, and the market's "higher-for-longer" mindset

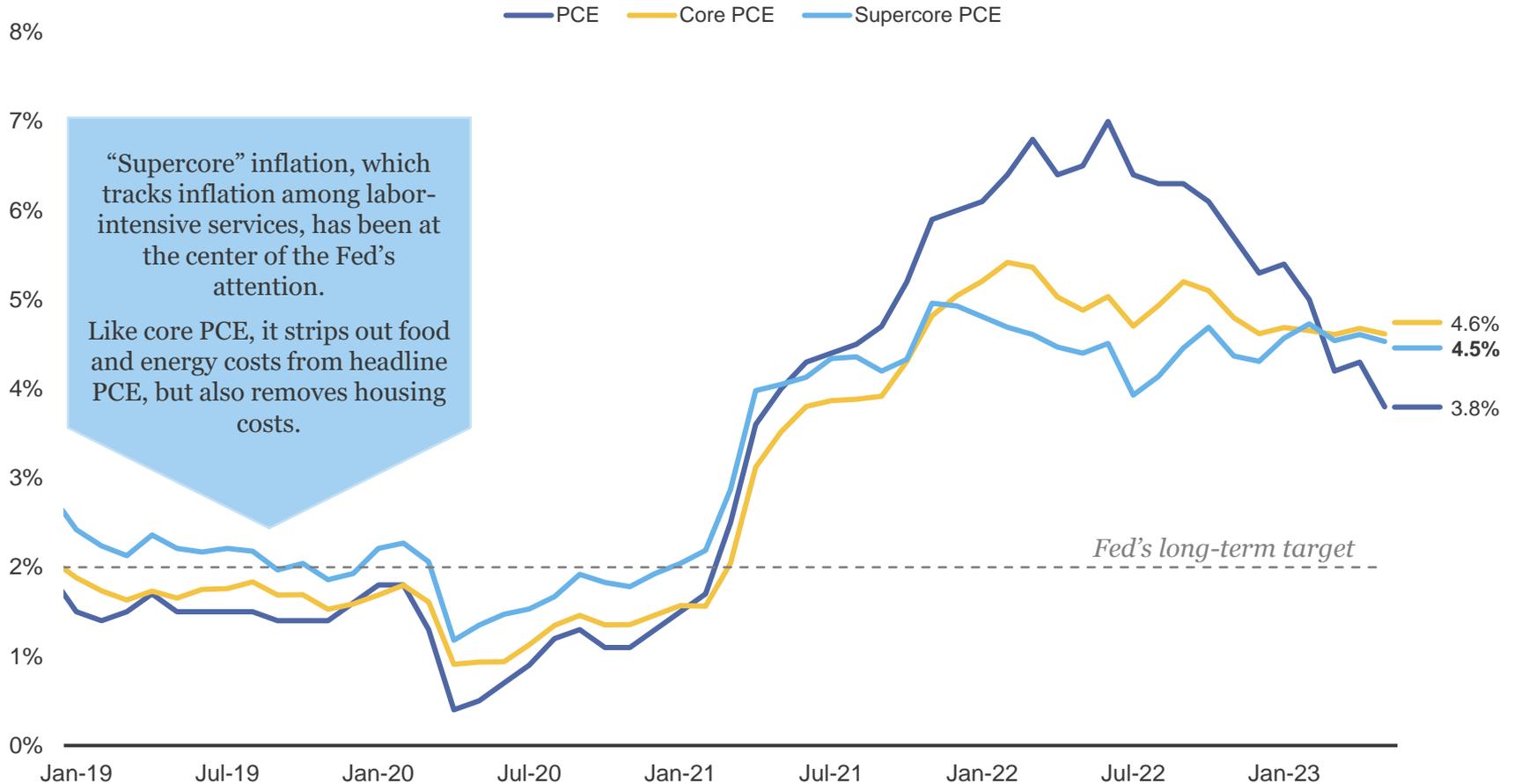


- ▶ Bond markets see continued volatility
  - ▶ The debt ceiling saga incited a separate spate of market volatility due to concern about a potential U.S. default
  - ▶ After plummeting at the end of Q1 due to volatility in the banking sector, short and medium-term yields steadily climbed throughout the quarter, with the 2-year rising over 100 basis points

# Inflation Measures Remain Above Fed's Target

## The Fed's Key Inflation Rate

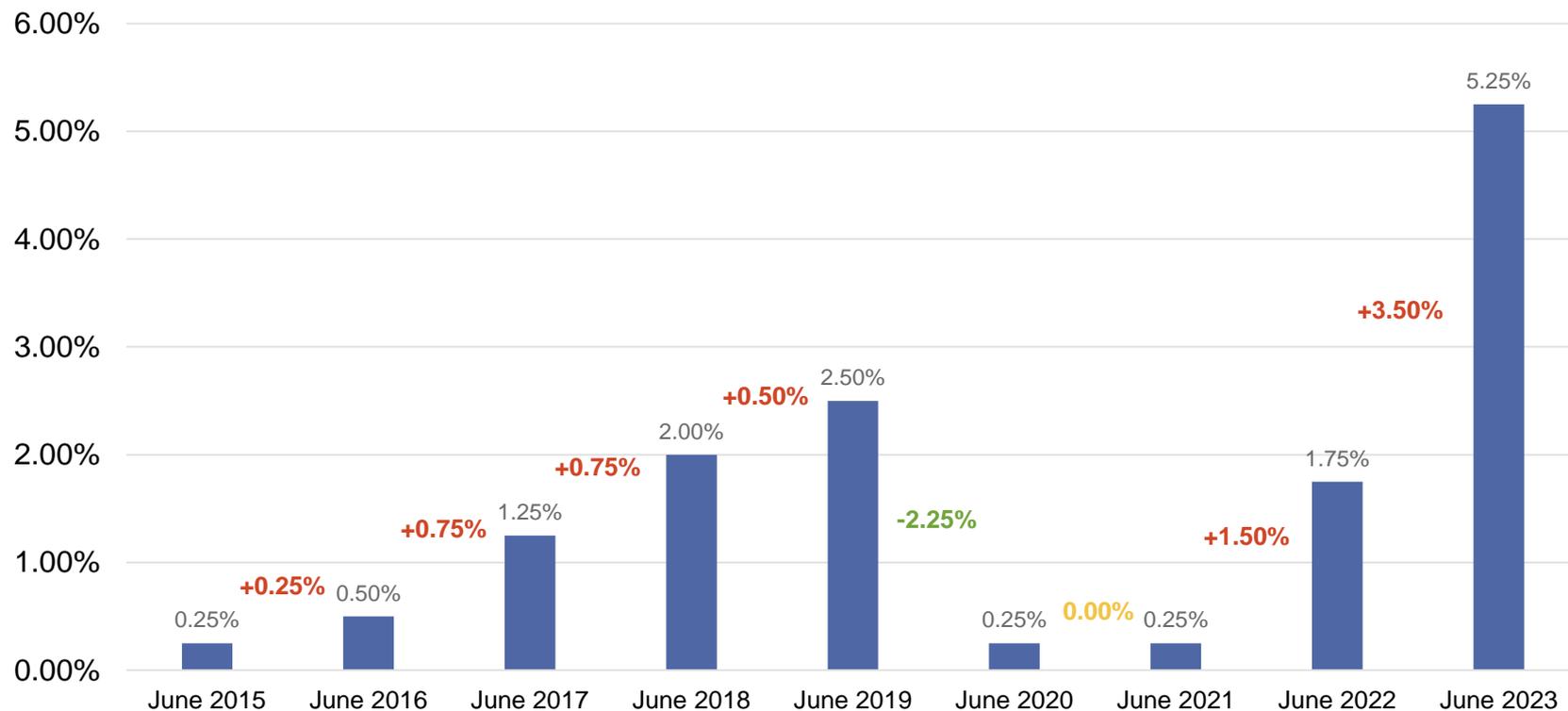
Personal Consumption Expenditure Price Index, Year-over-year



Source: Federal Reserve, Bloomberg, Bureau of Economic Analysis as of May 2023.

# Federal Funds Target Rate

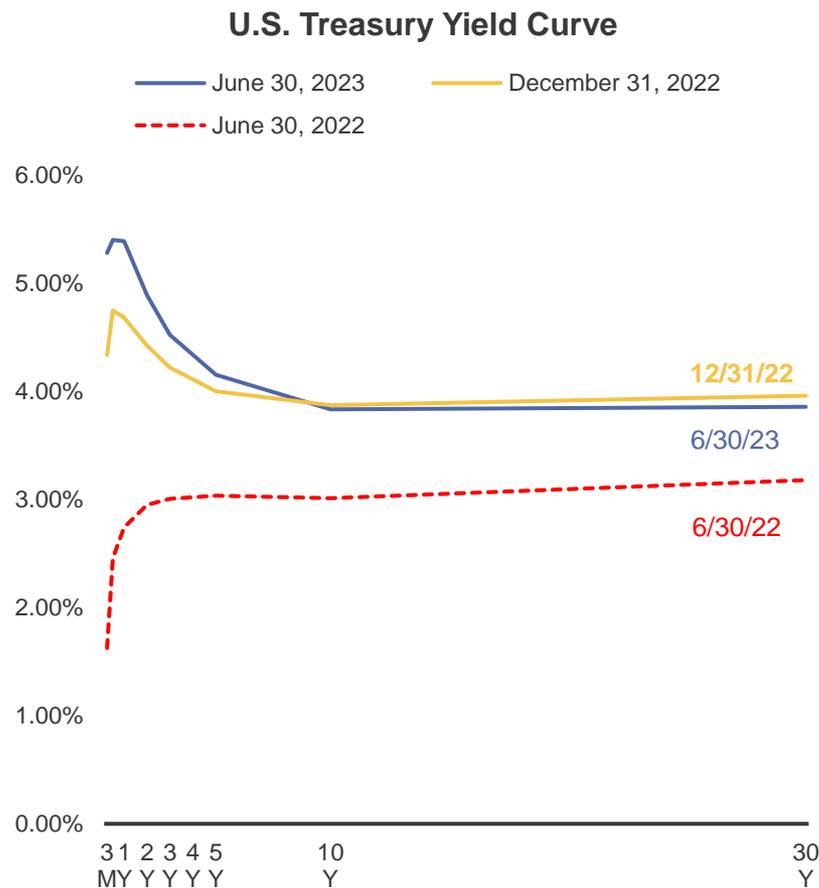
Federal Funds Target Rate  
June 2015 to June 2023



Source: Bloomberg

# Treasury Yield Curve

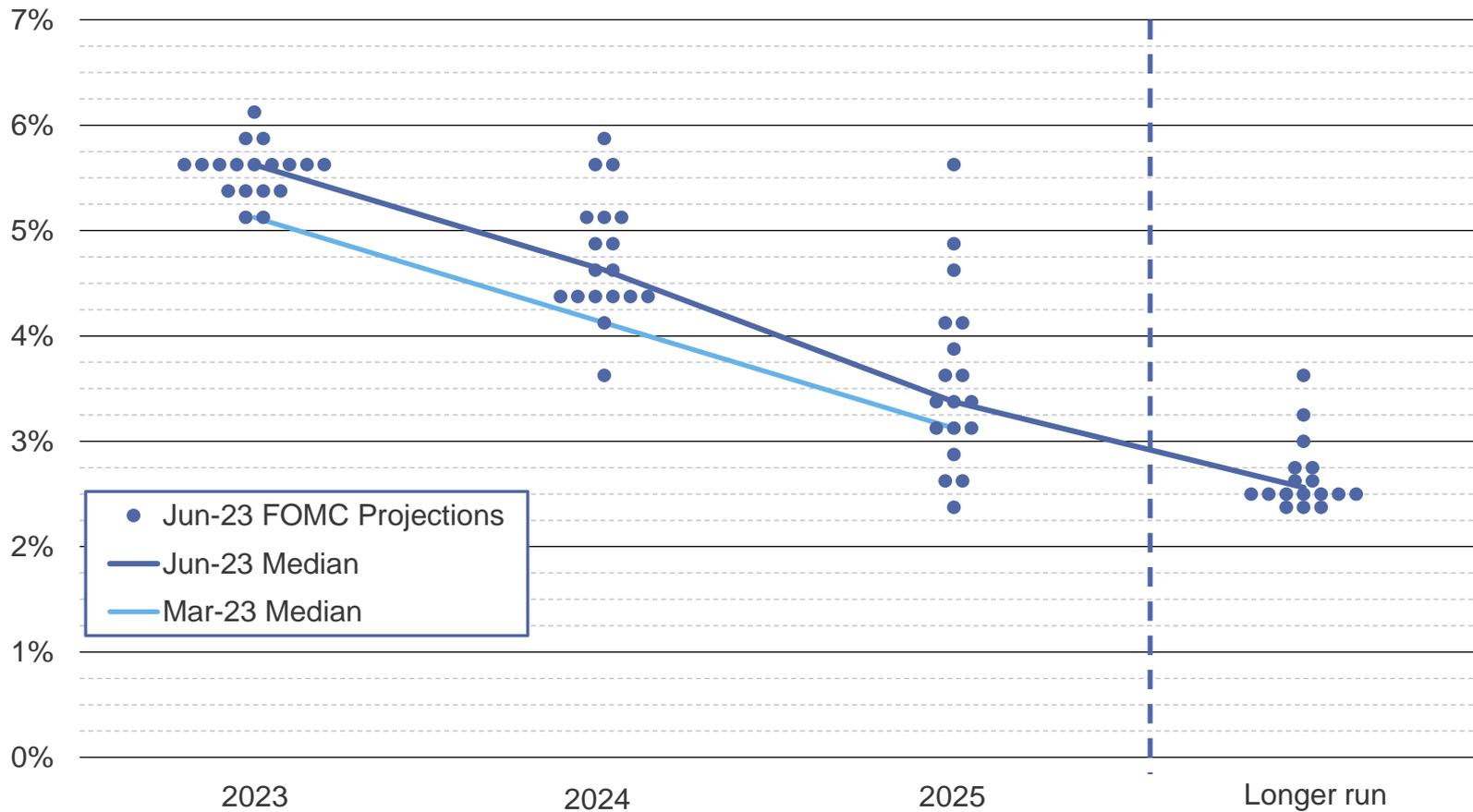
Tenor	June 30, 2022	December 31, 2022	June 30, 2023
3 month	1.63%	4.34%	<b>5.28%</b>
1 year	2.74%	4.69%	<b>5.39%</b>
2 year	2.95%	4.43%	<b>4.90%</b>
3 year	3.01%	4.22%	<b>4.53%</b>
5 year	3.04%	4.00%	<b>4.16%</b>
10 year	3.01%	3.87%	<b>3.84%</b>
30 year	3.18%	3.96%	<b>3.96%</b>



Source: Bloomberg, as of June 30, 2023.

# Fed's "Dot Plot" Shows We Are Nearing Sufficiently Restrictive Territory

## Fed Participants' Assessments of 'Appropriate' Monetary Policy



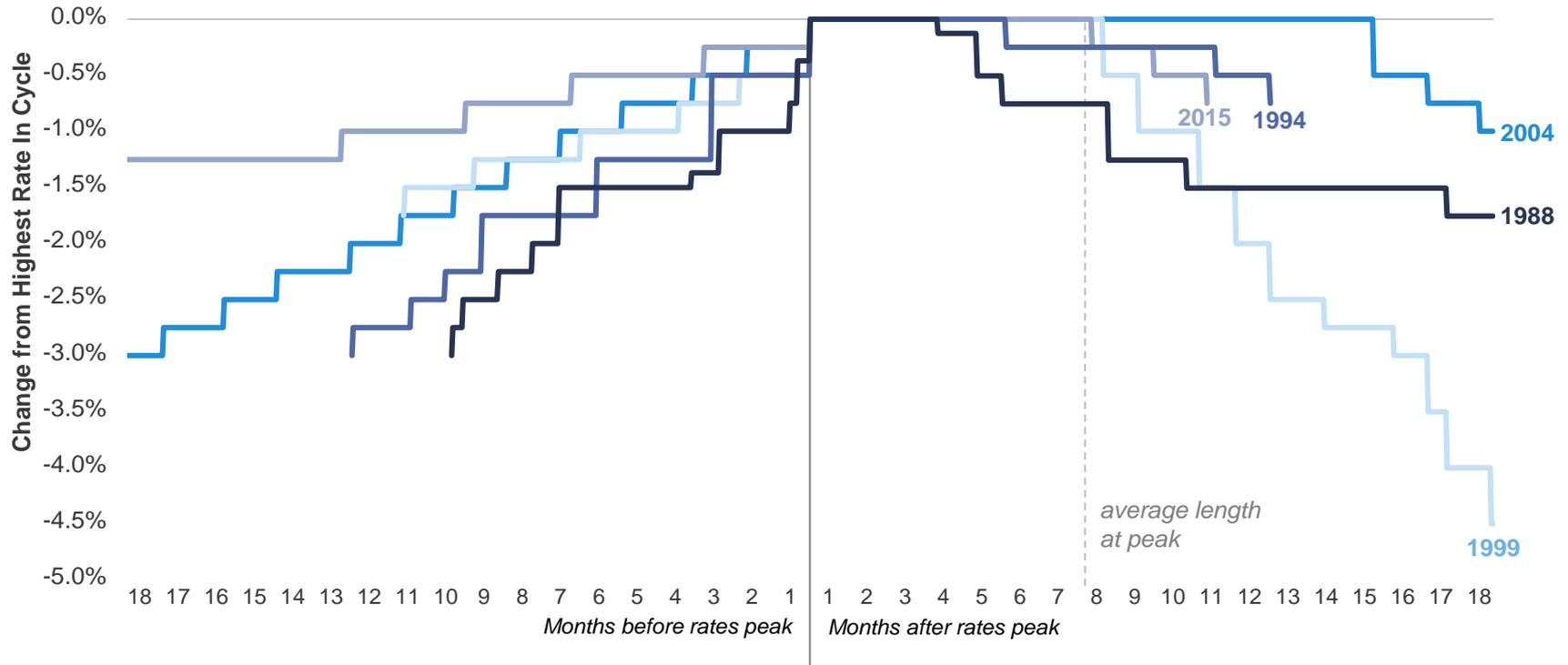
Source: Federal Reserve and Bloomberg. Individual dots represent each Fed members' judgement of the midpoint of the appropriate target range for the federal funds rate at each year-end.

# How Long Have Rates Stayed at the Peak?

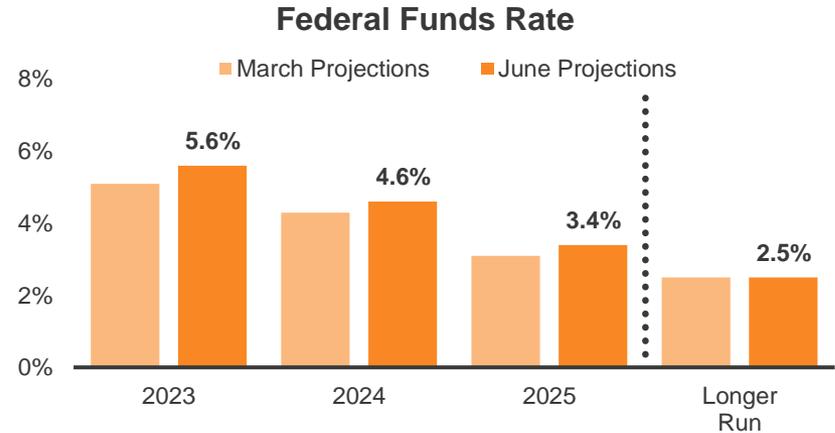
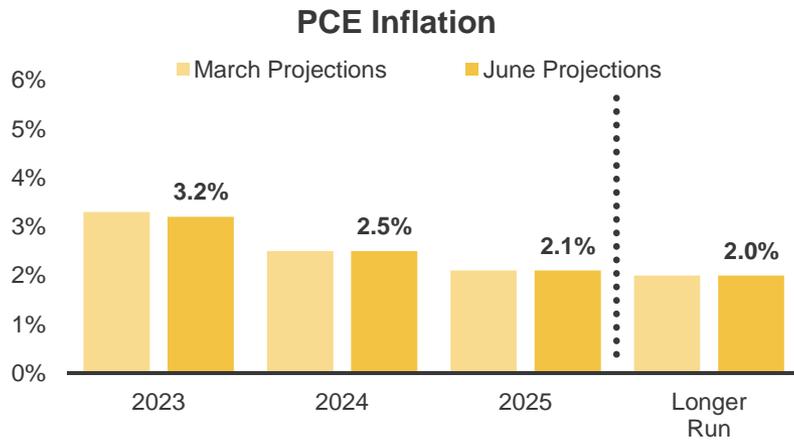
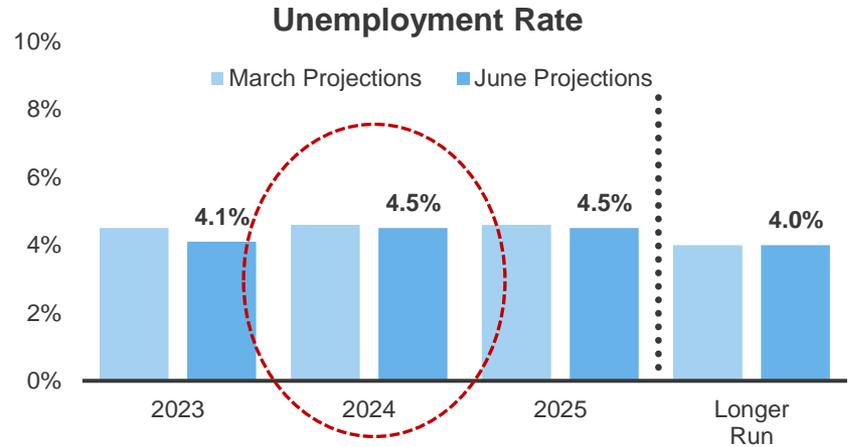
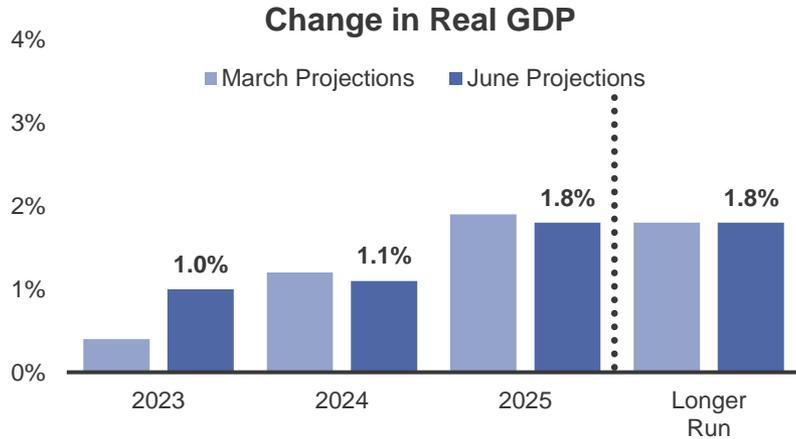
## Federal Funds Rate Cycles

Peaks of previous Fed rate cycles, indexed to 0%

Once the Fed reaches their peak Fed Funds rate, they have historically held rates at that level for around **8 months**



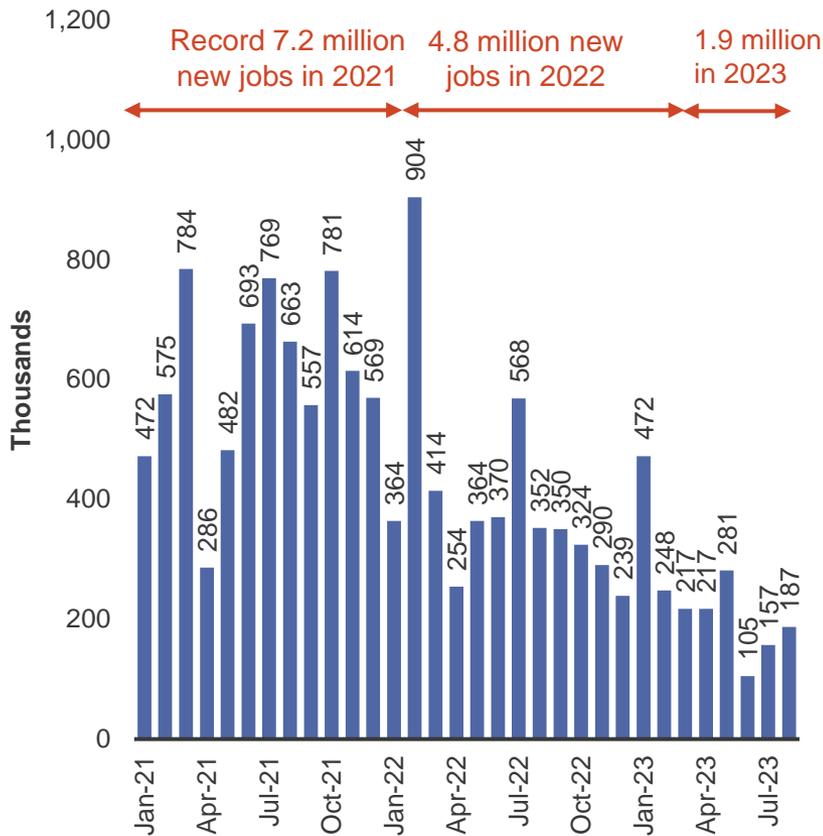
# Fed's Updated June Projections Reflect Stronger Economic Expectations for 2023



Source: Federal Reserve, latest economic projections as of June 2023.

# 187,000 Jobs Created in August, Unemployment Rate Ticks Higher to 3.8%

## Monthly Change In Nonfarm Payrolls



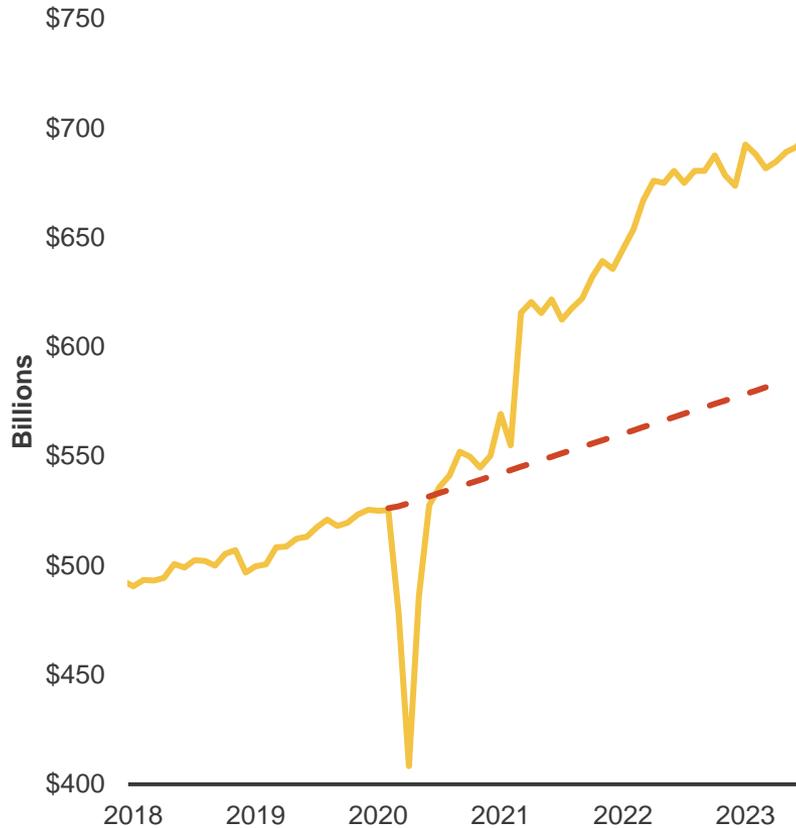
## Labor Force Participation Rate



Source: Congressional Budget Office July 2023 economic projections, Bureau of Labor Statistics. Bloomberg, as of August 2023. Data is seasonally adjusted.

# Consumers Remain Resilient

## Retail Sales (Monthly)



## Retail Sales (Year over Year)

July 2023



Source: Bloomberg, as of July 2023.

# Historical Perspective of Yields

Interest rates are at multi-decade highs

## 2-Year Treasury Yield



Source: Bloomberg, as of June 30, 2023. Month-end yields shown.

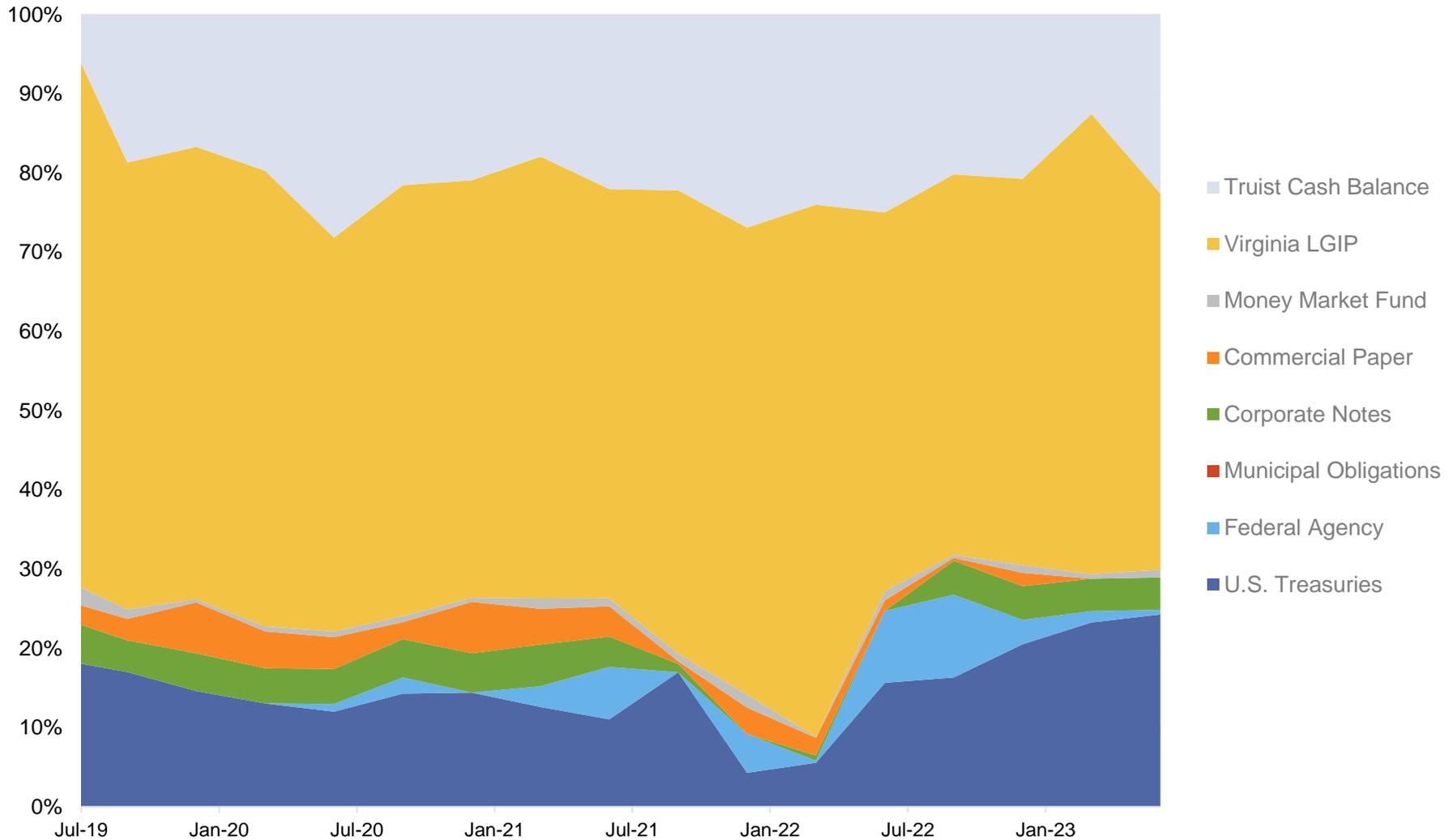
# Portfolio Balances

Market Value	June 30, 2023	June 30, 2022	Change in Market Value
<b>Truist Cash Balance</b>	19,553,145.37	18,990,332.05	562,813.32
<b>Funds Invested with the Virginia LGIP</b>			
FBO Improvements	1,552,026.93	1,307,927.47	244,099.46
City Payment	104.54	100.80	3.74
Renewal	18,712,382.25	14,825,670.08	3,886,712.17
State Block	12,189,927.59	12,876,504.66	(686,577.07)
PFC	3,176,976.13	1,742,364.62	1,434,611.51
CFC	5,279,457.74	3,311,815.04	1,967,642.70
Capital Reserve Expenditure	247,535.48	2,253,911.18	(2,006,375.70)
<b>Total</b>	<b>41,158,410.66</b>	<b>36,318,293.85</b>	<b>4,840,116.81</b>
<b>Funds Managed By 1919 Investment Counsel</b>			
Parking Escrow	5,438,489.94	5,691,074.21	(252,584.27)
Growth Fund	20,476,291.17	15,009,141.59	5,467,149.58
<b>Total</b>	<b>25,914,781.11</b>	<b>20,700,215.80</b>	<b>5,214,565.31</b>
<b>Total Operating Funds</b>	<b>86,626,337.14</b>	<b>76,008,841.70</b>	<b>10,617,495.44</b>
<b>Held by U.S. Bank as Trustee</b>			
2011/2019 DSRF	6,941,073.36	6,810,532.74	130,540.62
2021C DSRF	234,805.88	227,213.86	7,592.02
<b>Total Bond Proceeds</b>	<b>\$7,175,879.24</b>	<b>\$7,037,746.60</b>	<b>\$138,132.64</b>
<b>Aggregate Total</b>	<b>\$93,802,216.38</b>	<b>\$83,046,588.30</b>	<b>\$10,755,628.08</b>



End of quarter trade-date market values of portfolio holdings, including accrued interest.

# Historic Portfolio Diversification



(1) Excludes the Debt Service Reserve Fund, 2019 Project Fund, and 2019 Capitalized Interest Fund

# Issuer Diversification

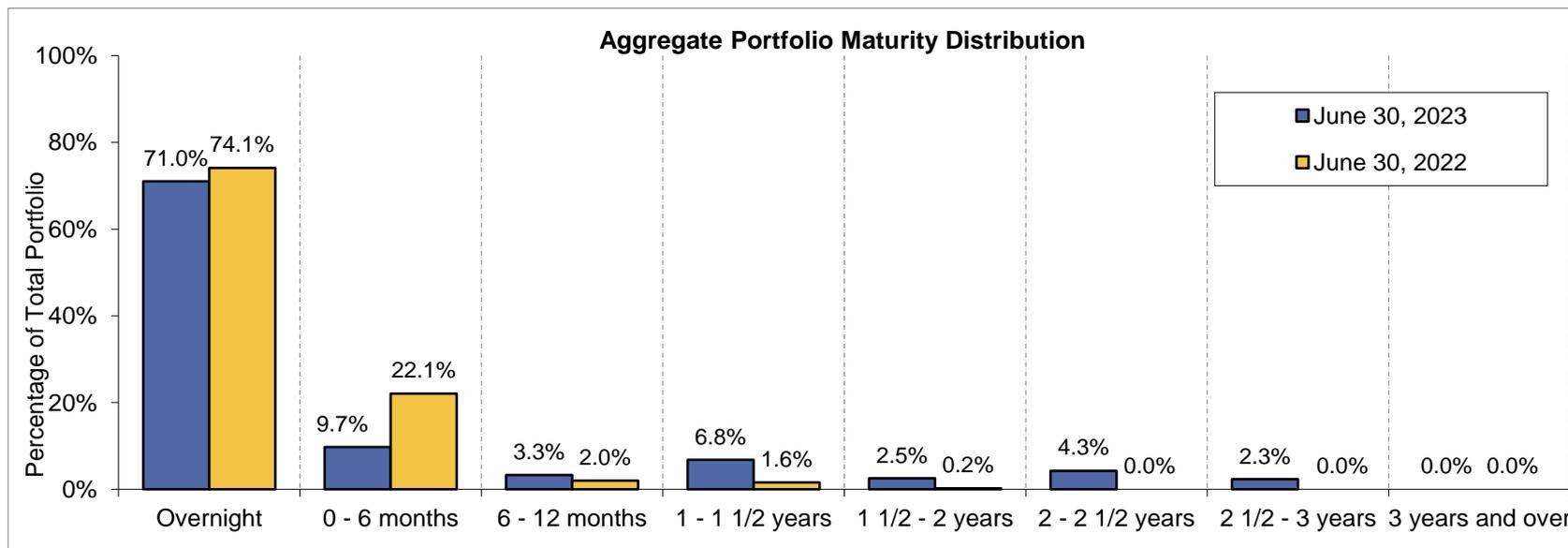
Security Type/Issuer <sup>1</sup>	Credit Rating	June 30, 2023 <sup>2</sup>	% of Portfolio	Permitted by Policy
<b>Truist Cash Balance</b>		<b>19,553,145.37</b>	<b>22.6%</b>	<b>50%</b>
				<b>100%</b>
				<b>100%</b>
<b>U.S. Treasury</b>	ST: A-1+ / P-1 LT: AA+ / Aaa	<b>21,037,325.02</b>	<b>24.3%</b>	<b>100%</b>
<b>Federal Agency</b>				
Freddie Mac Notes	A-1+ / P-1	499,642.62	<b>0.6%</b>	35%
		<b>499,642.62</b>	<b>0.6%</b>	<b>100%</b>
<b>Corporate Notes</b>				
CME Group Inc	AA- / Aa3	484,961.17	<b>0.6%</b>	5%
Colgate-Palmolive Co.	AA- / Aa3	633,335.37	<b>0.7%</b>	5%
Chevron Corp.	AA- / Aa2	545,510.44	<b>0.6%</b>	5%
Exxon Mobil Corp.	AA- / Aa2	878,169.33	<b>1.0%</b>	5%
Wal-Mart Stores Inc.	AA / Aa2	1,004,910.42	<b>1.2%</b>	5%
		<b>3,546,886.73</b>	<b>4.1%</b>	<b>20%</b>
<b>Virginia LGIP</b>				
Virginia LGIP	AAAm	41,158,410.66	<b>47.5%</b>	85%
		<b>41,158,410.66</b>	<b>47.5%</b>	<b>85%</b>
<b>Money Market Mutual Fund</b>				
Money Market Mutual Fund	AAAm	830,926.74	<b>1.0%</b>	75%
		<b>830,926.74</b>	<b>1.0%</b>	<b>100%</b>
<b>Totals</b>		<b>\$86,626,337.14</b>	<b>100.0%</b>	

(1) Excludes the Debt Service Reserve Fund, 2019 Project Fund, and 2019 Capitalized Interest Fund

(2) Summary statistics are based on market values from PFMAM pricing sources. Market values include accrued interest.

# Maturity Diversification

Maturity Distribution <sup>1</sup>	June 30, 2023	June 30, 2022
Overnight	<b>\$61,542,482.77</b>	\$56,765,024.77
0 - 6 months	<b>8,429,948.00</b>	16,918,717.27
6 - 12 months	<b>2,871,537.00</b>	1,518,459.87
1 - 1 1/2 years	<b>5,893,665.00</b>	1,190,269.95
1 1/2 - 2 years	<b>2,182,150.00</b>	179,183.16
2 - 2 1/2 years	<b>3,694,588.00</b>	0.00
2 1/2 - 3 years	<b>2,011,968.00</b>	0.00
3 years and over	<b>0.00</b>	0.00
<b>Totals</b>	<b>\$86,626,338.77</b>	<b>\$76,571,655.02</b>



- (1) Callable securities in portfolio are included in the maturity distribution analysis to their stated maturity date, although they may be called prior to maturity. Excludes the Debt Service Reserve Fund, 2019 Project Fund, and 2019 Capitalized Interest Fund
- (2) Summary statistics are based on market values from PFMAM pricing sources. Market values include accrued interest.

# Parking Escrow

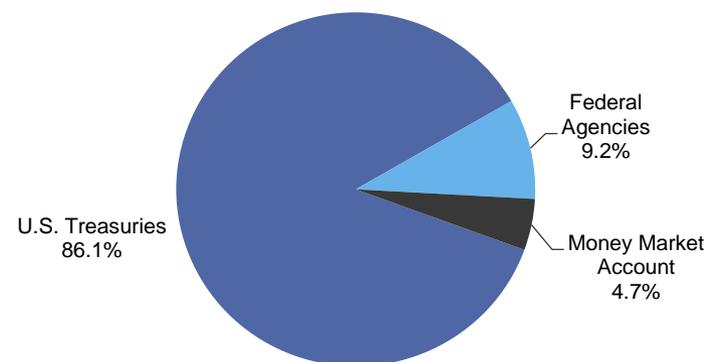
## Portfolio Recap

- As of June 30, 2023, the duration of the Parking Escrow account was 0.08 years.

Maturity Distribution <sup>1</sup>	June 30, 2023	June 30, 2022
Overnight	<b>\$254,692.60</b>	\$160,567.43
Under 6 Months	<b>5,183,797.34</b>	5,163,800.75
6 - 12 Months	<b>0.00</b>	366,706.03
1 - 1 1/2 Years	<b>0.00</b>	0.00
1 1/2 - 2 Years	<b>0.00</b>	0.00
2 - 3 Years	<b>0.00</b>	0.00
3 - 4 Years	<b>0.00</b>	0.00
<b>Totals</b>	<b>\$5,438,489.94</b>	\$5,691,074.21

Statistics <sup>1</sup>	June 30, 2023	June 30, 2022
Duration	0.08	0.14
Yield at Market	4.95%	1.62%
Yield at Cost	4.79%	1.48%

Security Type <sup>2</sup>	June 30, 2023	% of Portfolio
U.S. Treasuries	\$4,684,154.72	86.1%
Federal Agencies	499,642.62	9.2%
Commercial Paper	0.00	0.0%
Certificates of Deposit	0.00	0.0%
Municipal Obligations	0.00	0.0%
Corporate Notes/Bonds	0.00	0.0%
Money Market Account	254,692.60	4.7%
Virginia LGIP	0.00	0.0%
<b>Totals</b>	<b>\$5,438,489.94</b>	<b>100.0%</b>



(1) End of quarter trade-date market values, including accrued interest

# Growth Fund

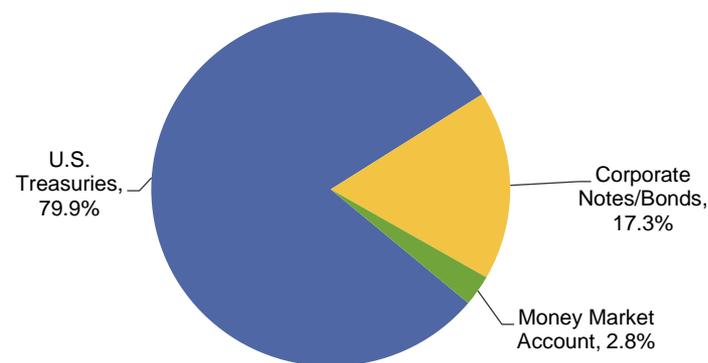
## Portfolio Recap

- During the 2nd quarter, 1919 purchased \$2.6 million of U.S. Treasuries maturing less than 1 year, \$298k of 1 ½- to 2-year U.S. Treasuries, \$748,000 of Federal Agencies maturing less than 1 year, and \$599,000 of Treasury bills.
- As of June 30, 2023, the duration of the Growth Fund account was 1.25 years.

Maturity Distribution <sup>1</sup>	June 30, 2023	June 30, 2022
Overnight	\$576,234.14	\$733,018.12
Under 6 Months	3,246,149.85	11,879,650.30
6 - 12 Months	2,871,536.57	1,027,020.06
1 - 1 1/2 Years	5,893,665.40	1,190,269.95
1 1/2 - 2 Years	2,182,149.57	179,183.16
2 - 3 Years	5,706,555.64	0.00
3 years and over	0.00	0.00
<b>Totals</b>	<b>\$20,476,291.17</b>	<b>\$15,009,141.59</b>

Statistics <sup>1</sup>	June 30, 2023	June 30, 2022
Duration	1.25	0.21
Yield at Market	5.14%	1.21%
Yield at Cost	4.17%	1.52%

Security Type <sup>2</sup>	June 30, 2023	% of Portfolio
U.S. Treasuries	\$16,353,170.30	79.9%
Federal Agencies	0.00	0.0%
Commercial Paper	0.00	0.0%
Certificates of Deposit	0.00	0.0%
Municipal Obligations	0.00	0.0%
Corporate Notes/Bonds	3,546,886.73	17.3%
Money Market Account	576,234.14	2.8%
Virginia LGIP	0.00	0.0%
<b>Totals</b>	<b>\$20,476,291.17</b>	<b>100.0%</b>

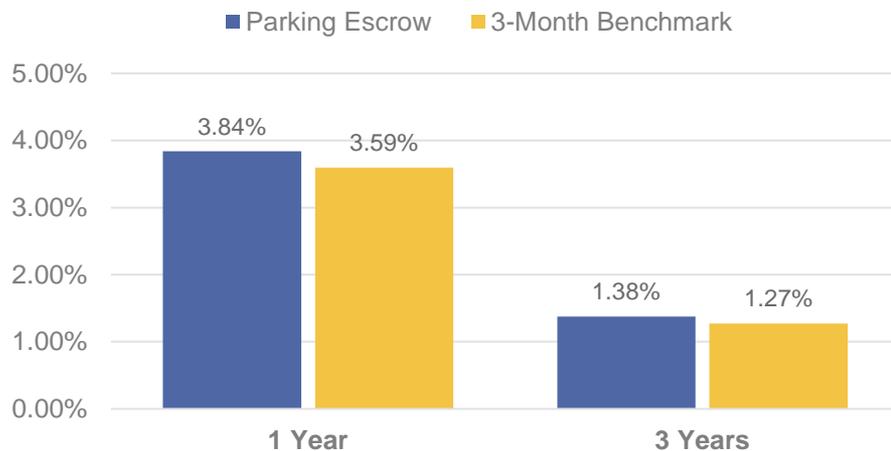


(1) End of quarter trade-date market values, including accrued interest

# Individual Portfolio Performance

Total Return <sup>1, 3, 6</sup>	Last 12 Months	Last 36 Months
Parking Escrow	3.84%	1.38%
ICE BofA 3 Month U.S. Treasury Bill Index	3.59%	1.27%

Total Return <sup>1, 3, 6</sup>	Last 12 Months
Growth Fund	2.33%
ICE BofA 1-3 Year U.S. Treasury Index	0.13%



- (1) Performance on trade-date basis, gross (i.e., before fees) in accordance with the CFA Institute's Global Investment Performance Standards (GIPS).
- (2) Merrill Lynch Indices provided by Bloomberg Financial Markets.
- (3) Includes money market funds in performance and duration computations.
- (4) The annualized return assumes the quarterly report is compounded at the same rate for four quarters and is presented for reference only.
- (5) Fiscal year performance is calculated from July 1<sup>st</sup>
- (6) Portfolio performance is computed using the transaction information obtained from the bank custodian



# Debt Service Reserve Fund

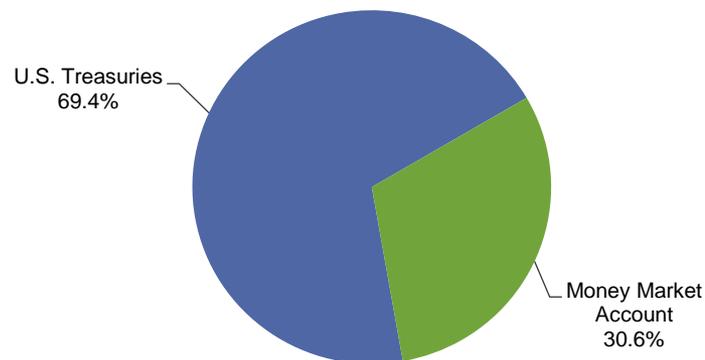
## Portfolio Recap

- The Debt Service Reserve Fund is invested in U.S. Treasuries maturing in June 2024 and June 2025, and the money market fund.
- We are planning on locking up the liquid cash in a longer-term investment in the next month.

Maturity Distribution <sup>1</sup>	June 30, 2023	June 30, 2022
Overnight	<b>\$2,126,937.26</b>	\$2,508,271.05
Under 6 Months	<b>0.00</b>	0.00
6 - 12 Months	<b>2,454,463.12</b>	1,812,504.38
1 - 1 1/2 Years	<b>0.00</b>	0.00
1 1/2 - 2 Years	<b>2,359,672.98</b>	2,489,757.31
2 - 3 Years	<b>0.00</b>	0.00
3 years and over	<b>0.00</b>	0.00
<b>Totals</b>	<b>\$6,941,073.36</b>	<b>\$6,810,532.74</b>

Statistics <sup>1</sup>	June 30, 2023	June 30, 2022
Duration	1.45	0.95
Yield at Market	5.19%	2.20%
Yield at Cost	1.70%	0.57%

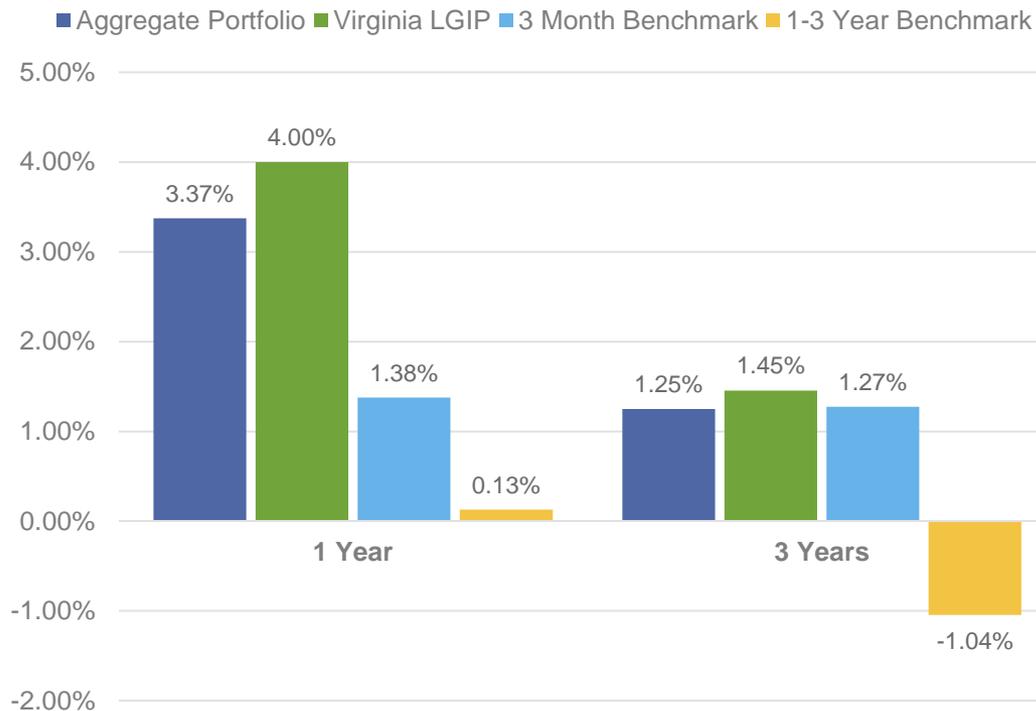
Security Type <sup>2</sup>	June 30, 2023	% of Portfolio
U.S. Treasuries	\$4,814,136.10	69.4%
Federal Agencies	0.00	0.0%
Commercial Paper	0.00	0.0%
Certificates of Deposit	0.00	0.0%
Municipal Obligations	0.00	0.0%
Corporate Notes/Bonds	0.00	0.0%
Money Market Account	2,126,937.26	30.6%
Virginia LGIP	0.00	0.0%
<b>Totals</b>	<b>\$6,941,073.36</b>	<b>100.0%</b>



(1) End of quarter trade-date market values, including accrued interest

# Aggregate Portfolio Performance

Total Return <sup>1, 3, 6</sup>	Last 12 Months	Last 36 Months
Aggregate Portfolio	3.37%	1.25%
Virginia LGIP	4.00%	1.45%
ICE BofA 3 Month U.S. Treasury Bill Index	3.59%	1.27%
ICE BofA 1-3 Year U.S. Treasury Index	0.13%	-1.04%



(1) Performance on trade-date basis, gross (i.e., before fees) in accordance with the CFA Institute's Global Investment Performance Standards (GIPS).

(2) Merrill Lynch Indices provided by Bloomberg Financial Markets.

(3) Performance covers all of the funds, except for the Debt Service Reserve Fund, 2019 Project Fund, and 2019 Capitalized Interest Fund. Includes money market funds in performance and duration computations.

(4) The annualized return assumes the quarterly report is compounded at the same rate for four quarters and is presented for reference only.

(5) Fiscal year performance is calculated from July 1<sup>st</sup>

(6) Portfolio performance is computed using the transaction information obtained from the bank custodian

(7) Performance for the Blended Benchmark is computed by weighting the respective benchmarks by actual allocation between the Short-Term and Long-Term Portfolios on a monthly basis.



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# Adjournment

# **Norfolk Airport Authority**

## **Board of Commissioners Meeting**

**Thursday, September 28, 2023**

### **Adjourn Meeting**

#### **Adjourn Meeting:**

I move that the Board adjourn, and the next regular public meeting of the Board will be held at

**1:00 p.m.**

on

**Thursday, November 30, 2023**

in the

**NAA Board Room,**

Main Passenger Terminal,

Norfolk International Airport

or as otherwise determined and noticed.