

Virginia Port Authority Board of Commissioners
Compensation Committee Meeting – May 23, 2006

Open Session Minutes

Committee Members Present:

John G. Milliken, Chairman
E. Massie Valentine, Jr., Vice Chairman
Mark B. Goodwin, Chairman, Finance/Planning Committee

Board Members Present:

William M. Grace
Virginia M. Murphy
Ranjit K. Sen
Deborah K. Stearns
J. Braxton Powell

Staff:

J. Robert Bray, Executive Director
J. J. Keever, Deputy Executive Director
Linda G. Ford, Director, Port Promotion
Debra J. McNulty, Clerk

Guests:

James W. Hopper, Senior Assistant Attorney General
John D. Padgett, VPA Special Counsel, McGuireWoods LLP

Members of the Press

Gregory Richards, *The Virginian-Pilot*

Chairman Milliken convened an open session meeting at 9:45 a.m. The Chairman reported that the Compensation Committee met in closed session in Richmond on May 10, 2006, to review the Executive Director's Incentive Supplement for FY06 results and the Compensation Plan for FY07. He reported that the Committee held a lengthy discussion with Mr. Bray.

The Chairman remarked that the Compensation Committee is very pleased with Mr. Bray's performance and he stated that Mr. Bray provides "exemplary leadership to this organization as in the years past and years preceding".

The Chairman reported that the Committee approved the total compensation of \$69,437, in accordance with the FY06 Plan. He noted that the Executive Director's goal fell short of the TEU forecast and he was, therefore, entitled to 87.5% achievement of Goal #1. The memorandum dated May 8th, described each of the results of the FY06 Compensation Plan.

The Chairman stated that Mr. Bray's leadership continues to be first rate and that the Committee is pleased with the Executive Director's record.

Action: Upon motion by Chairman Milliken, seconded by Mr. Valentine, the Executive Director's Incentive Supplement for FY06, in the amount of \$69,437, was approved unanimously by the Compensation Committee as set forth in the memorandum dated May 8, 2006.

Mr. Goodwin agreed with Chairman Milliken's remarks and he also commended Mr. Bray for his leadership. Mr. Goodwin advised that the incentive supplement was reduced slightly in conjunction with the Plan's formula. He reported that the Committee also looked at competitive data from other ports. Mr. Goodwin advised that Mr. Bray's compensation is in line with other port directors and that his compensation is completely justified. Mr. Sen agreed.

Ms. Stearns added that Mr. Bray is an active member in many areas of the Hampton Roads business community and that his leadership is highly respected by everyone.

The Compensation Committee also reviewed the Executive Director's Compensation Plan for FY07 (Third Draft-May 15, 2006), that includes the revision that was discussed in the meeting held May 10. The Plan notes that Goal #3 – Transition Activities – is "Subject to recommendations of a Transition Committee". The Chairman remarked that the transition to a new Executive Director is one of the most important steps that the Committee needs to undertake over the course of the next 18 months, prior to the retirement of Mr. Bray.

Chairman Milliken explained that the Board had welcomed a new Deputy Executive Director, Mr. Jeff Keever, to serve as Mr. Bray's principal assistant with the expectation that he would become a very strong candidate to succeed the Executive Director.

The Chairman announced that he will, before the full Board, request that the Board's Executive Committee meet in mid-June to discuss transition plans and to consider if any kind of search for an Executive Director should be undertaken. He said he would also ask that the Executive Committee present their report at the July 25th meeting of the VPA Board.

Chairman Milliken explained that the transition activities in the compensation plan outline a transition to Mr. Keever and that some of the items in Goal #3 of the FY07 Plan are subject to revision as the Executive Committee moves through some of its deliberations.

Action: Upon motion by Mr. Valentine, seconded by Mr. Goodwin, the Compensation Committee (3-0), and members of the Board who were present, unanimously agreed to recommend adoption of the Executive Director's FY07 Compensation Plan to the full Board, as set forth in the third draft of the document dated May 15, 2006.

There were no public comments and the meeting adjourned at 9:55 a.m.

Respectfully submitted,

Debra J. McNulty
Clerk to the Board