

TRANSFORM

THE FUTURE OF ORF

Board of Commissioners Meeting

September 17, 2025



Agenda

1. Call to Order
2. Approval of Previous Board Meeting Minutes
 - Thursday, May 22, 2025
3. Public Comments
4. CEO & Staff Report
5. NAA BOC Chair Report
6. Committee Reports
 - None
7. Old Business
 - None
8. New Business
 - Consolidated Rental Car Facility Bond Resolution
 - PFM Annual Investment Report
9. Adjournment

2. Approval of Meeting Minutes

Norfolk Airport Authority
Board of Commissioners Meeting

September 17, 2025



3. Public Comments

Norfolk Airport Authority
Board of Commissioners Meeting

September 17, 2025



4. CEO & Staff Report

Norfolk Airport Authority
Board of Commissioners Meeting

September 17, 2025



New Executive Employee

- Melinda Montgomery
Chief Operations Officer
 - Comes to us from Trenton-Mercer Airport with over 25 years experience
 - Her duties will include oversight of our Operations, Field Maintenance and Security & Public Safety departments



New Executive Employee

- Kanama Bivins
Chief Financial Officer
 - Comes to us from NASA Langley where she most recently served as its CFO and was responsible for managing its financial resources
 - She was also Acting Associate Director of the research center where she managed its daily operations



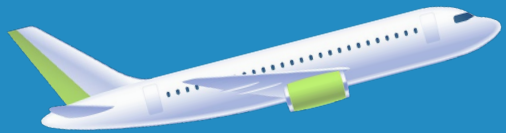
Executive Staff Retirements

Steve Sterling



Shelia Ward





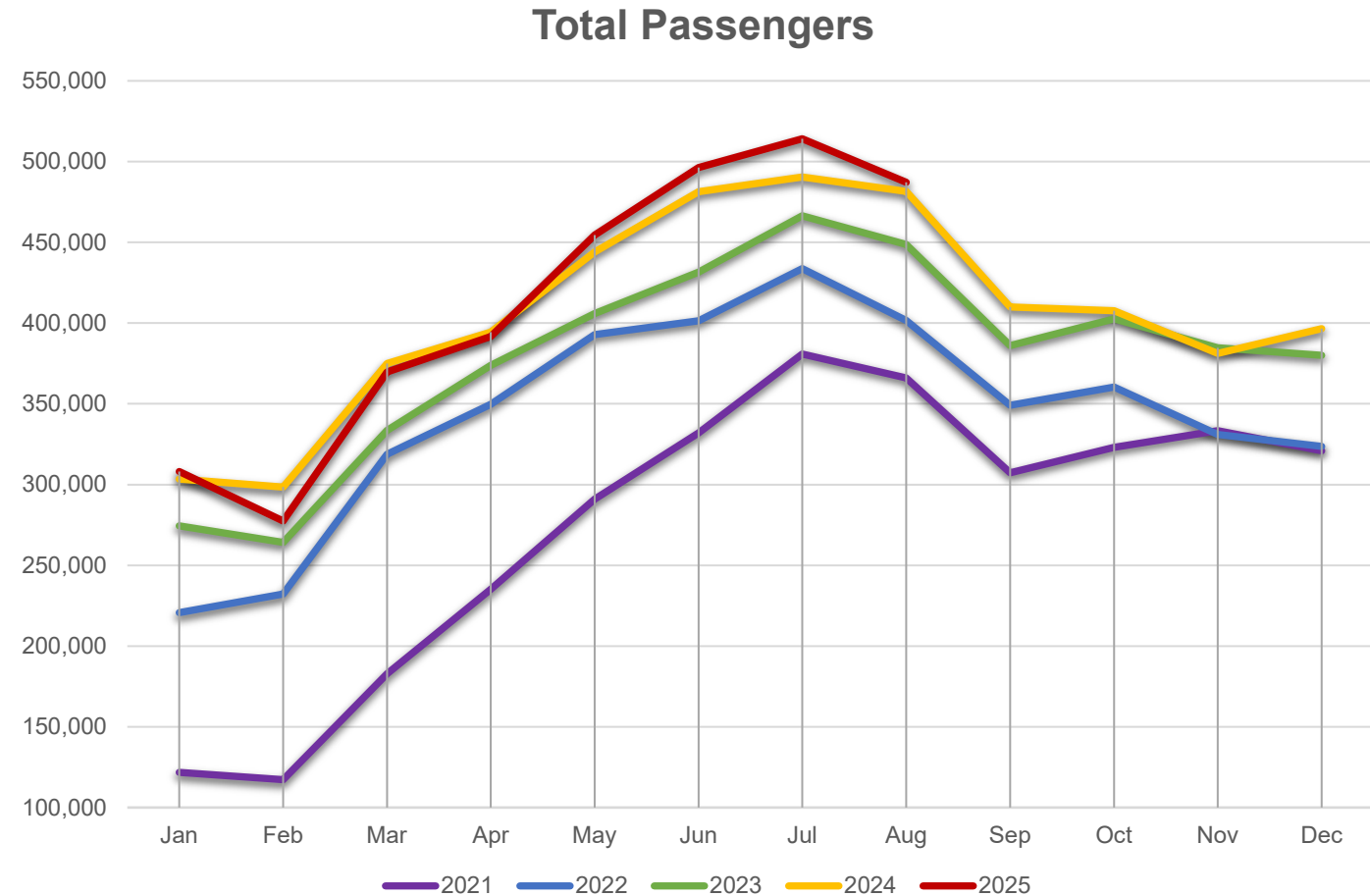
Air Service

September 17, 2025

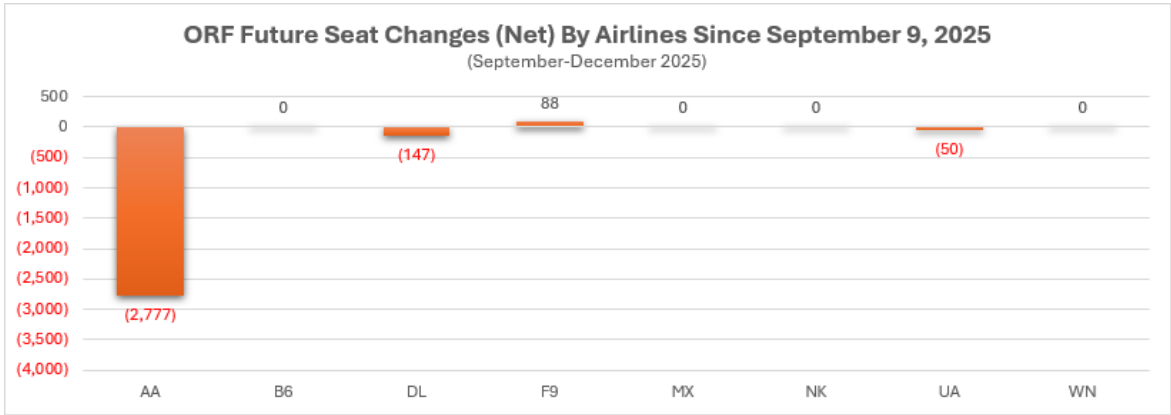
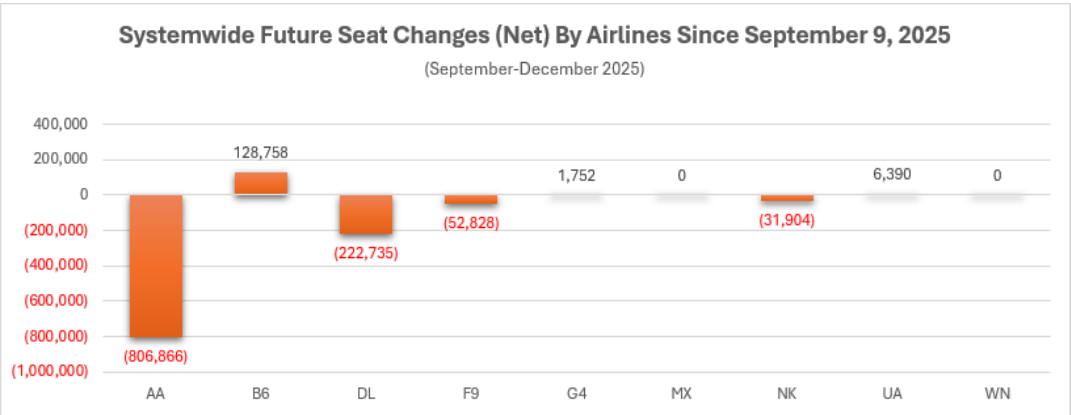
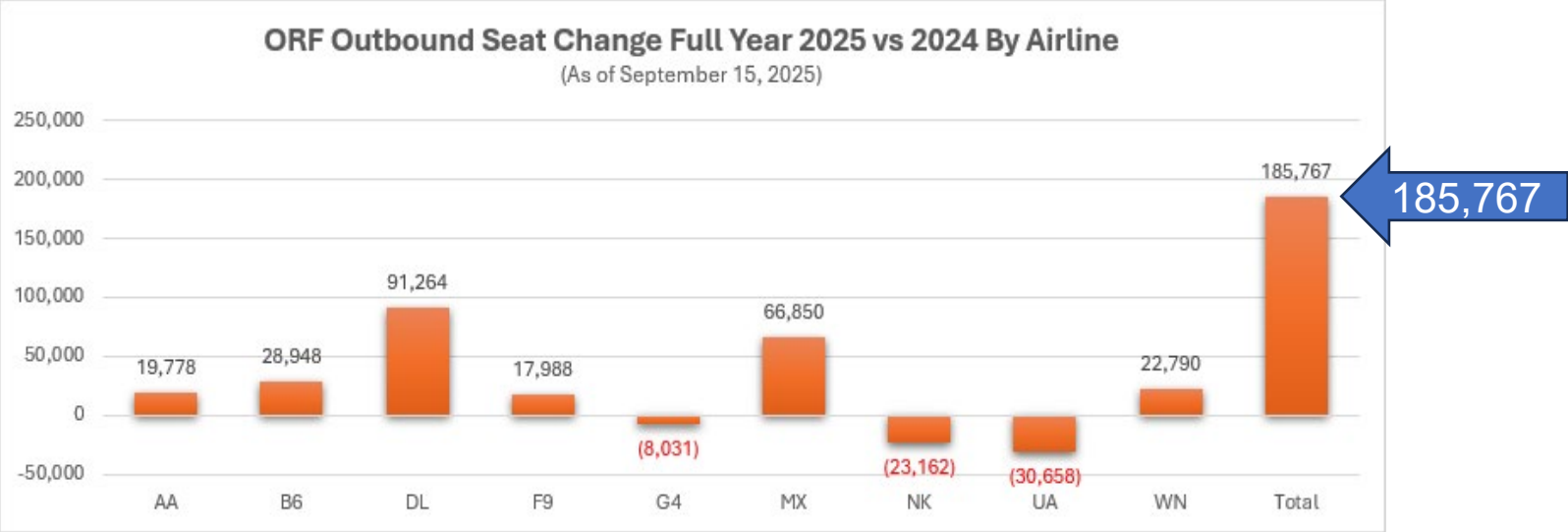


Our Market Strength Continues to Grow

- JUL 2025 was the busiest month in the history of the airport
- YTD CY2025 is up 1.0%



ORF Future Seat Outlook Still Good





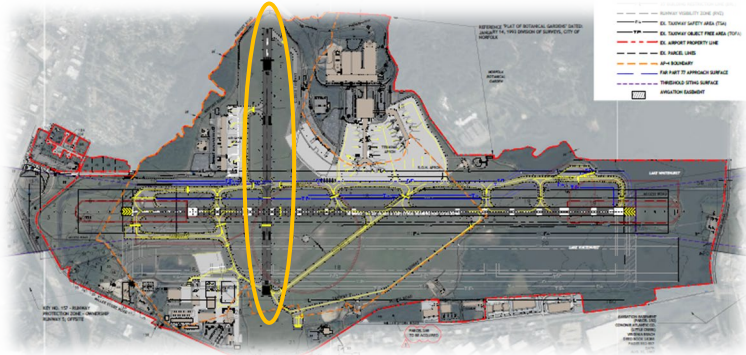
Capital Development Program

September 17, 2025



Recently Completed Capital Projects

R/W 14/32 Closure



- Runway NOTAM closed on July 15, 2025
- Opens up approx. 100ac of off-airport land for redevelopment

Moving Walkways



- Completed AUG 2025
- Cost: \$2.5M

On-going Capital Projects

Interior Wayfinding



- 70 percent complete
- Estimated Cost: \$3.0M

Alpha Expansion



- Completion: JAN 2026
- Estimated cost: \$25M

CBP FIS Facility



- Completion: JAN 2026
- Estimated cost: \$25M

Recently Started Capital Projects

Entrance Intersection



- Construction started JUL 2025
- Estimated cost: \$22M
 - Awarded \$14.7M in BIL ATP funds

CONRAC



- Overall structure 438,000 sf
- Increased capacity
 - 1,488 total spaces
- Anticipated opening November 1, 2027

Departures Terminal



- CMaR under contract Summer 2025
- Construction start Summer of 2026
- Construction complete end of 2028



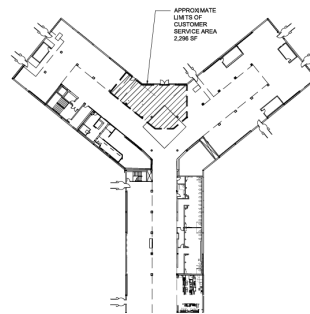
Business/Commercial

September 17, 2025



Concessions RFP – Short-term

- Issued an RFP for a full-service, sports-themed bar and restaurant on Concourse B
- Intent is to use an existing under-utilized area on Concourse B to bring in a new concession to begin the refresh and revitalization of our concessions program
- Selected Norfolk ORF, LLC
 - A Playmakers Company
 - Bruce Smith's 200 Sack Club



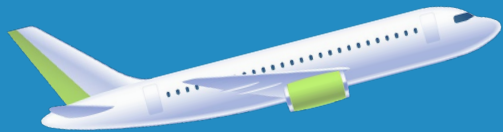
Concessions RFP – Long-term

- Released June 2 / pre-bid on June 17
- Proposals due on September 15
- Internal selection panel on September 23
- October 15 – Interviews with short-listed respondents
 - Invite Board Business/Commercial Committee as observers
- December 4 – Selection Presentation to the Board/Announcement of Award
- 2 packages (including airport club/lounge concept)
 - New FBRV concessions agreements to start on July 1, 2026

RAC RFP

- Released on July 1 / pre-bid on July 16
- Proposals came in on August 27
- Accepted 5 companies and 10 brands
 - Up from 4 companies and 8 brands today
- New entrant – Sixt and Hertz added Thrifty
- Finalizing concessions agreement and facility lease over next 2 weeks for November 1 execution
- CFCs increase from \$8 to \$10 on November 1
- MAG bid with new agreement up \$1.34 MM from current year MAGs





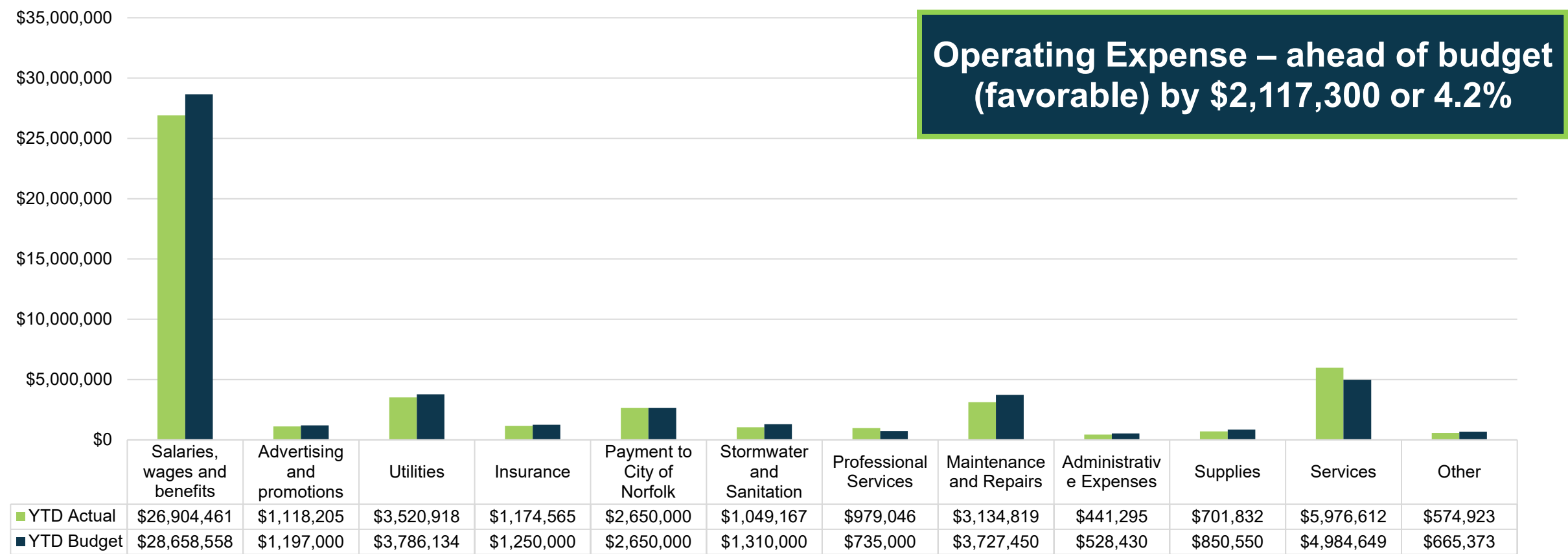
Finance/Administration

September 17, 2025



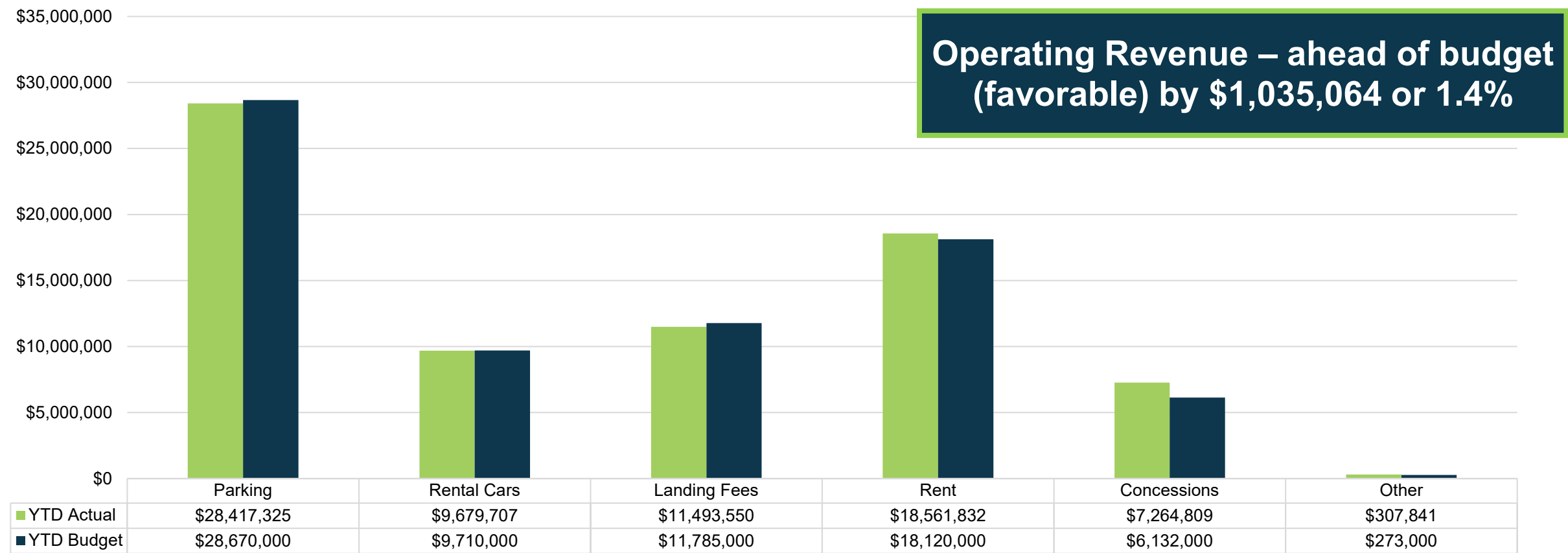
June 2025 Operating Expenses

Year to Date Budgeted vs Year to Date Actual - Operating Expenses

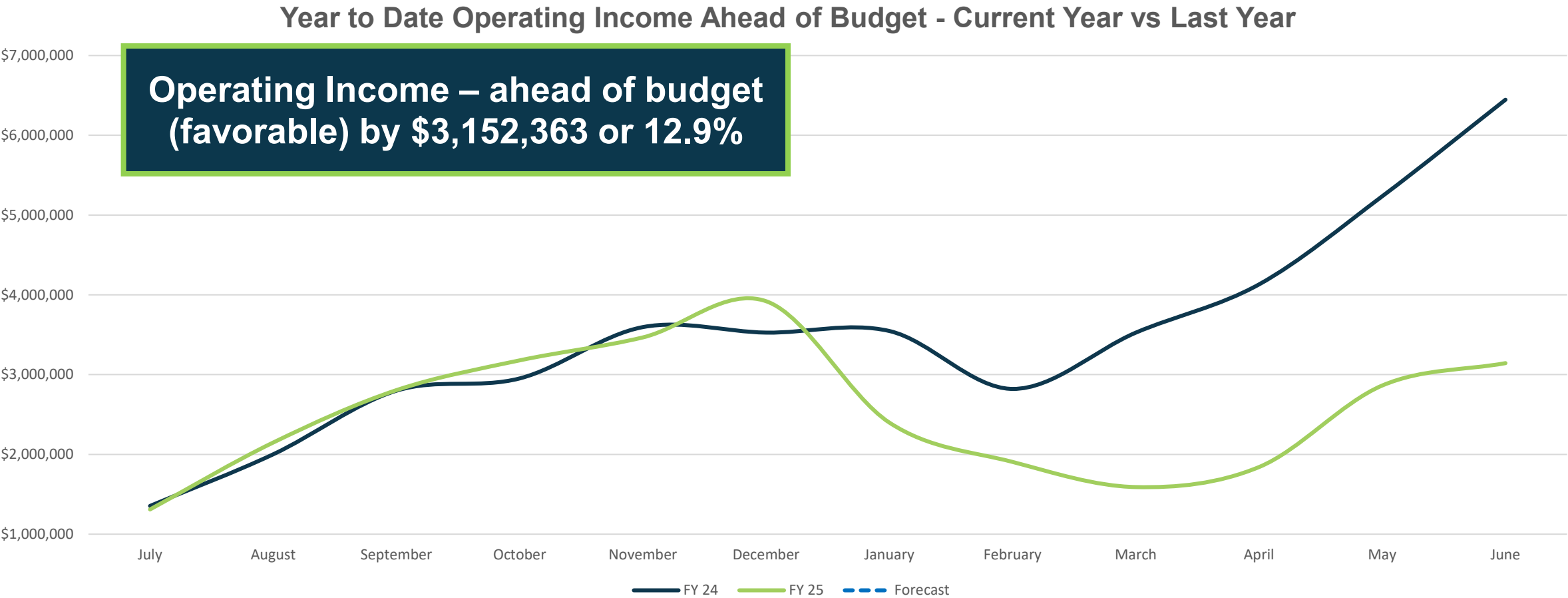


June 2025 Operating Revenues

Year to Date Budgeted vs Year to Date Actual - Operating Revenue



Year to Date Operating Income



2026 Board Calendar

Current – 6x per year

- January 22
- March 26
 - Preliminary Budget Approval
- May 21
 - Final Budget Approval / Election of Officers
- July 23
- September 24
 - Annual Investment Report
- December 3
 - Annual Audit Acceptance

Revised – 4x per year

- March 26 (Q1)
 - Preliminary Budget Approval
- May 21 (Q2)
 - Final Budget Approval / Election of Officers
- September 24 (Q3)
 - Annual Investment Report
- December 3 (Q4)
 - Annual Audit Acceptance

5. Chair Report

Norfolk Airport Authority
Board of Commissioners Meeting

6. Committee Reports

Norfolk Airport Authority
Board of Commissioners Meeting

Committee Reports

- None

7. Old Business

Norfolk Airport Authority
Board of Commissioners Meeting

Old Business

- None

8. New Business

Norfolk Airport Authority
Board of Commissioners Meeting

New Business

- Consolidated Rental Car Facility Bond Resolution
- PFM Annual Investment Report



Consolidated Rental Car Facility Bond Resolution

September 17, 2025



Consolidated Rental Car Facility Bond Resolution

- Consolidated Rental Car Facility Bond Resolution



PFM Annual Investment Report

September 17, 2025





Norfolk Airport Authority

Review of Investment Strategy & Performance

September 2025

David Calvert, CFA
717.654.7632

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Current Market Themes



- ▶ U.S. economy is resilient but showing signs of cooling
 - ▶ Headline employment data belies underlying weakening
 - ▶ Inflation remained rangebound but does not yet reflect the full impact of tariffs
 - ▶ Fiscal policy uncertainty and volatile tariff rollouts weigh on consumer sentiment



- ▶ Through July Fed remains on hold with cuts anticipated later this year
 - ▶ The Fed's June "dot plot" implies 50 bps of cuts in the back half of 2025 but members are split between 0 and 2 cuts this year
 - ▶ Fed Chair Powell stated the effect, size, and duration of tariffs are all highly uncertain making staying on hold the appropriate thing to do as they wait to learn more



- ▶ Treasury yields whipsawed by tariff announcements in Q2
 - ▶ Concerns over the budget bill, debt ceiling, and monetary policy added to volatility
 - ▶ The yield curve continued to steepen between 2 years and 10 years
 - ▶ Credit spreads widened sharply following tariff fears but tightened to levels near historic tightness by quarter end



Source: Details on market themes and economic indicators provided throughout the body of the presentation. Bloomberg Finance L.P., as of June 30, 2025.

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Factors to Consider for 6-12 Months

Monetary Policy (Global):



- The Fed held rates steady in Q2 amid healthy labor markets and tariff-driven inflation concerns.
- The “dot plot” still signals 50 bps in cuts for 2025 but views have diverged as seven members are calling for no cuts in 2025.
- Other major central banks (except Japan) continued cutting rates as global inflation cools, though tariffs pose inflation risks and cloud the outlook.

Economic Growth (Global):



- U.S. growth turned negative in early 2025, driven by a historically high trade deficit and weaker consumer spending. Strong inventory build and fixed investment helped offset this weakness.
- The drag to GDP from net exports is expected to reverse, but declining consumer confidence may dampen spending and investment.
- Escalating trade and geopolitical tensions create the potential for slower global growth.

Inflation (U.S.):



- Inflation has moved closer to the Fed’s 2% target, but tariff-driven price pressures may emerge as businesses deplete pre-tariff inventories.
- Fed Chair Powell said that he does expect tariffs to impact inflation but that the size, duration, and time of tariff effects are highly uncertain.

Financial Conditions (U.S.):



- Financial conditions swung sharply during the quarter as the tariff rollout caused equities to sell off, credit spreads to widen, and heightened Treasury volatility.
- The announcement of tariff pauses sparked a risk-on trade resulting in equities near record highs and credit spreads tightening beyond long-run averages.
- The evolving fiscal landscape and persistent uncertainty may lead to tightening financial conditions over the next 6-12 months.

Consumer Spending (U.S.):



- Consumer sentiment remains subdued due to expectations of higher prices, weaker labor markets, and tepid growth. Sentiment has improved slightly since April amid tariff negotiation progress but remains low.
- A sharp labor market downturn remains the biggest threat to consumer spending.
- Tariff-driven inflation increases present additional risks such as slower real wage growth and reduced spending.

Labor Markets (U.S.):



- The labor market remains healthy, though early signs of cooling are emerging, particularly in rising jobless claims.
- Monthly job gains have slowed but still match labor force growth. Slower population growth may lower the job creation rate needed to maintain stable unemployment.
- With hiring and quits rates low, any acceleration in layoffs may result in job seekers remaining unemployed for longer.

● Current outlook

○ Outlook one quarter ago

Stance Unfavorable
to Risk Assets



Stance Favorable to
Risk Assets



Statements and opinions expressed about the next 6-12 months were developed based on our independent research with information obtained from Bloomberg Finance L.P. and FactSet. The views expressed within this material constitute the perspective and judgment of PFM Asset Management at the time of distribution (6/30/2025) and are subject to change. Information is obtained from sources generally believed to be reliable and available to the public; however, PFM Asset Management cannot guarantee its accuracy, completeness, or suitability.

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Portfolio Balances

Market Value	June 30, 2025	June 30, 2024	Change
Truist Cash Balance	1,215,351.97	17,471,484.24	(16,256,132.27)
Townbanke Cash Balance	21,165,634.49		21,165,634.49
Funds Invested with the Virginia LGIP			
FBO Improvements	922,465.28	1,141,003.46	(218,538.18)
Renewal	37,617,764.69	30,391,562.06	7,226,202.63
State Block	4,419,924.15	8,935,474.01	(4,515,549.86)
PFC	92,375.25	2,202,636.23	(2,110,260.98)
CFC	10,838,096.79	6,144,847.59	4,693,249.20
Capital Reserve Expenditure	307.00	292.59	14.41
Total	53,890,933.16	48,815,815.94	5,075,117.22
Funds Managed By 1919 Investment Counsel			
Growth Fund	27,698,631.78	21,486,819.92	6,211,811.86
Total Operating Funds	103,970,551.40	87,774,120.10	16,196,431.30
Held by U.S. Bank as Trustee			
2011/2019 DSRF	7,030,032.08	7,180,166.30	(150,134.22)
Total Bond Proceeds	7,030,032.08	7,180,166.30	(150,134.22)
Aggregate Total	\$111,000,583.48	\$94,954,286.40	\$16,046,297.08

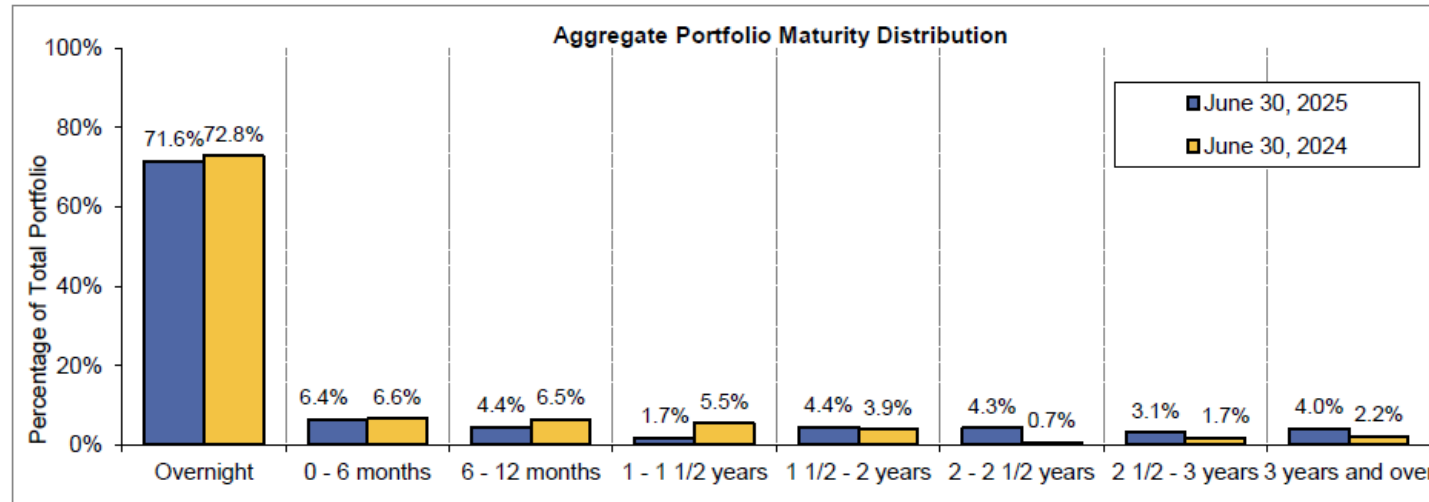


End of quarter trade-date market values of portfolio holdings, including accrued interest.

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Maturity Distribution

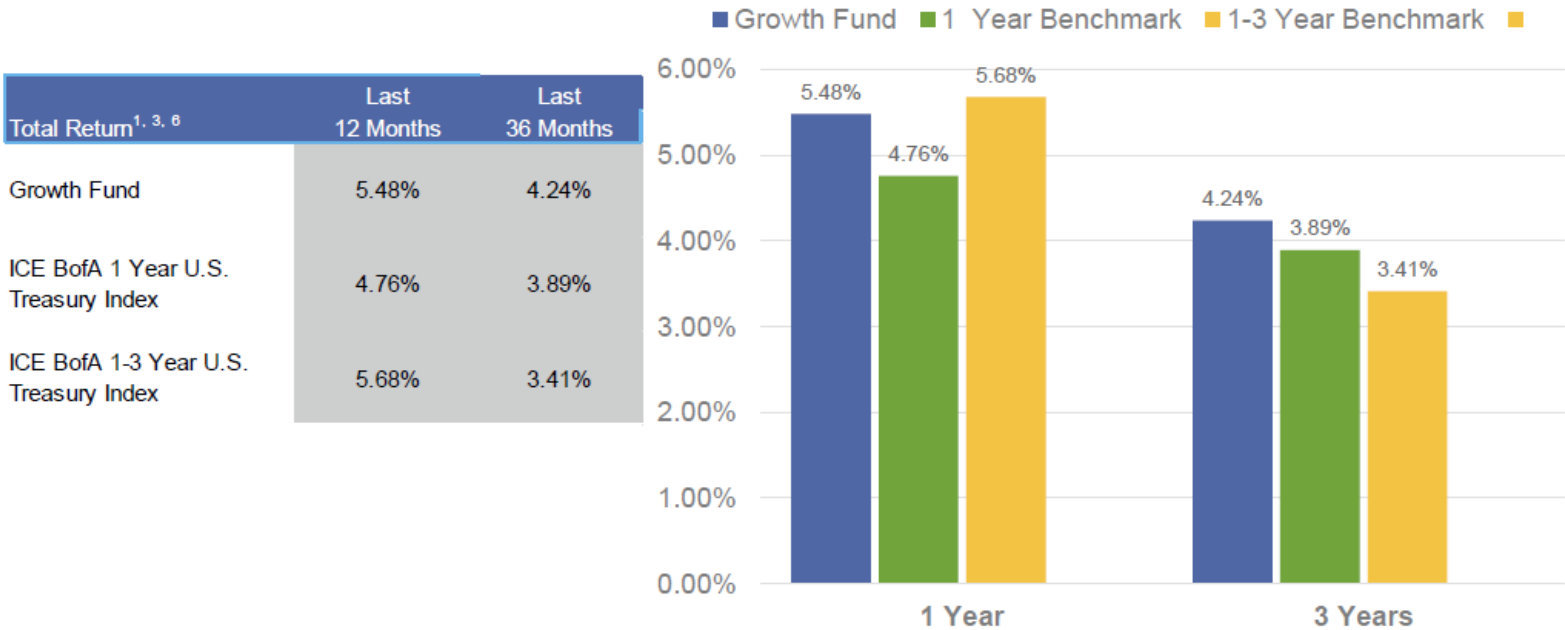
Maturity Distribution ¹	June 30, 2025	June 30, 2024
Overnight	\$79,432,141	\$69,161,154
0 - 6 months	\$7,141,527	\$6,269,303
6 - 12 months	\$4,872,600	\$6,174,739
1 - 1 1/2 years	\$1,936,265	\$5,217,062
1 1/2 - 2 years	\$4,904,306	\$3,701,391
2 - 2 1/2 years	\$4,748,643	\$660,656
2 1/2 - 3 years	\$3,473,070	\$1,646,649
3 years and over	\$4,492,031	\$2,123,332
Totals	\$111,000,583	\$94,954,286



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

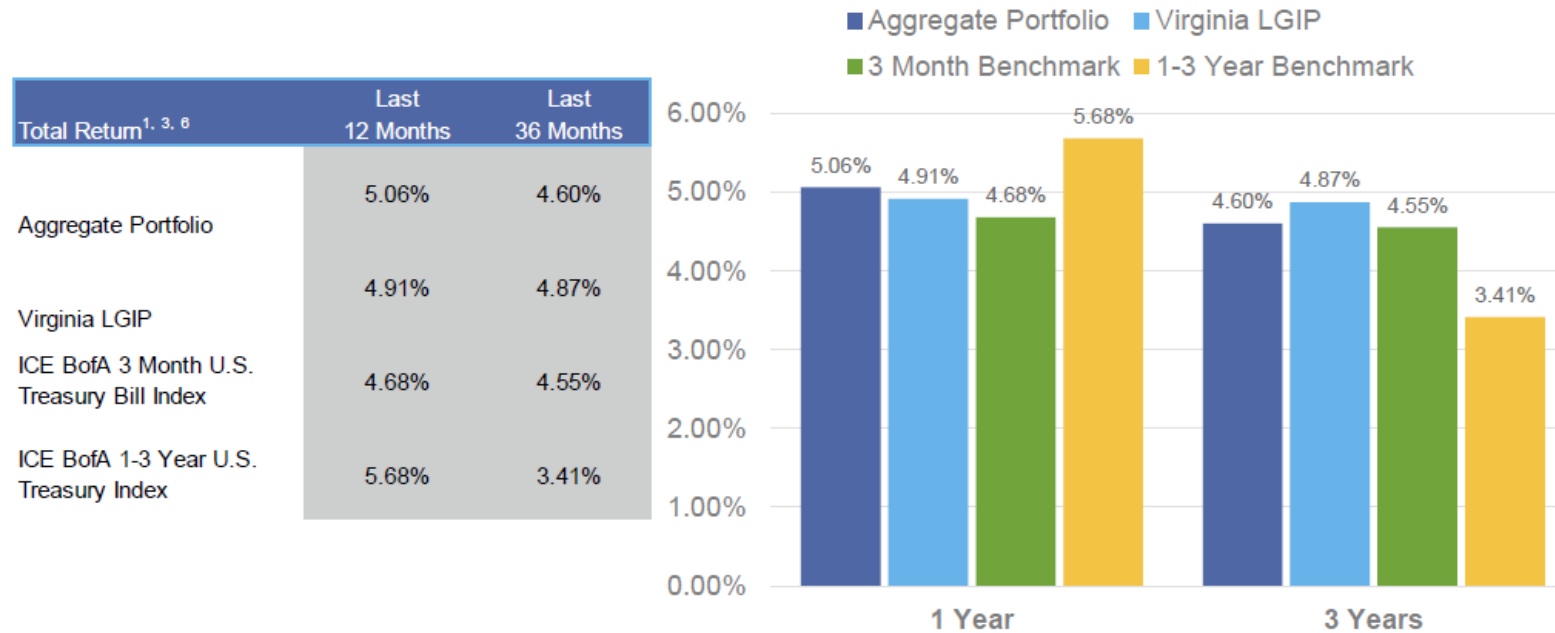
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Individual Portfolio Performance Through June 30, 2025



(1) Performance on trade-date basis, gross (i.e., before fees) in accordance with the CFA Institute's Global Investment Performance Standards (GIPS).
(2) ICE Bank of America Indices provided by Bloomberg Financial Markets.
(3) Includes money market funds in performance and duration computations.
(4) Fiscal year performance is calculated from July 1st
(5) Portfolio performance is computed using the transaction information obtained from the bank custodian

Aggregate Portfolio Performance Through June 30, 2025



- (1) Performance on trade-date basis, gross (i.e., before fees) in accordance with the CFA Institute's Global Investment Performance Standards (GIPS).
- (2) ICE Bank of America 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) Fiscal year performance is calculated from July 1st
- (5) Portfolio performance is computed using the transaction information obtained from the bank custodian

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9. Adjournment

Next Meeting:

Thursday, December 4, 2025

Lunch: 12:30pm

Meeting: 1:00pm