

## BOARD OF DIRECTORS ANNUAL MEETING

Minutes of November 15, 2017

The Annual Meeting of the Board of Directors was held in the Fifth Floor Conference Rooms at Two Potomac Yard, 2733 Crystal Drive, Arlington, VA. The Chairman called the meeting to order at 8:43 a.m. Sixteen Directors were present during the meeting:

William Shaw McDermott, Chairman  
Warner H. Session, Vice Chairman  
Earl Adams, Jr.  
Anthony H. Griffin  
Katherine A. Hanley  
Barbara B. Lang  
Robert W. Lazaro, Jr.  
Caren Merrick

A. Bradley Mims  
Thorn Pozen  
David G. Speck  
William E. Sudow  
J. Walter Tejada  
Mark E. Uncapher  
Nina Mitchell Wells  
Joslyn N. Williams

The Secretary and Executive Management were present:

John E. Potter, President and Chief Executive Officer  
Margaret E. McKeough, Executive Vice President and Chief  
Operating Officer  
Jerome L. Davis, Executive Vice President and Chief Revenue  
Officer

### I. ELECTION OF CHAIRMAN, VICE CHAIRMAN AND SECRETARY

Ms. Merrick reported that at the day's Nominations Committee Meeting, the following slate of nominees was advanced: Warner H. Session for Chairman, Earl Adams, Jr. for Vice Chairman, and Monica R. Hargrove for Secretary. Consistent with the Airports Authority's tradition and the Bylaws, Chairman McDermott stated that each nominee would be offered individually. He then asked if there were other nominations for Chairman. Hearing none, a motion to approve the nomination presented



by the Nominations Committee was offered. Mr. Session was elected as the Chairman. Chairman McDermott extended congratulations to Mr. Session, who received a round of applause. The Chairman stated that it had been a pleasure working with Mr. Session over the last two years. He then asked if there were other nominations for Vice Chairman. Hearing none, a motion to approve the nomination presented by the Nominations Committee was offered. Mr. Adams was elected as the Vice Chairman. Chairman McDermott extended congratulations to Mr. Adams, who received a round of applause. The Chairman stated that he knew it would be a pleasure to have Mr. Adams as a part of the leadership of the organization. Chairman McDermott then asked if there were other nominations for Secretary. Hearing none, a motion to approve the nomination presented by the Nominations Committee was offered. Ms. Hargrove was elected as the Secretary. Chairman McDermott extended congratulations to Ms. Hargrove, who received a round of applause. The Chairman thanked Ms. Hargrove for her efforts, and wished her luck in the future. He stated that Ms. Hargrove had done a fantastic job as Secretary of the Airports Authority, which would be discussed later that day [in executive session].

## II. MINUTES OF THE OCTOBER 18, 2017 BOARD OF DIRECTORS MEETING

The Chairman called for the approval of the Minutes of the October 18, 2017 Board of Directors Meeting, which were unanimously approved.

## III. COMMITTEE REPORTS

### a. Executive and Governance Committee – Shaw McDermott, Chair

Chairman McDermott reported that the Executive and Governance Committee had met on October 18. The Committee had received the results of the Audit of Travel and Business Expenses.

### b. Finance Committee – Earl Adams, Jr., Co-Chair

Mr. Adams reported that the Finance Committee had last met on October 18. The Committee had concurred with the issuance of a limited competition Request for Proposals (RFP) within the underwriter pool to select the Underwriting Syndicate for the Airports System Revenue and Refunding Bonds, Series 2018. Mr. Adams stated that the RFP had been

issued on October 30. Staff had also presented the draft 2018 Budget, and the Committee would consider the recommended 2018 Budget later that morning. The Financial Advisors' Reports and September Financial Reports for both enterprises had also been presented.

c. Human Resources Committee – Anthony Griffin, Co-Chair

Mr. Griffin reported that the Human Resources Committee had last met on October 18. The Committee had approved the recommendation to exercise an option year for the medical, dental, and prescription drug benefit plans for employees and retirees. The Board had subsequently approved the recommendation on October 18.

d. Risk Management Committee – Joslyn Williams, Co-Chair

Mr. Williams reported that the Risk Management Committee had last met on October 18. In regular session, staff had presented the Internal Assessment of the Office of Audit Quality Assurance and Improvement Program (QAIP) and audit reports on the Capitalization Process and Accounting for Fixed Asset and three Information Technology (IT) General Controls' audits. Other specifics of the QAIP and confidential information for all four audit reports had been discussed in executive session, pursuant to Article IX, Section 3(c) of the Authority bylaws which permits the Board and Committees to move into executive session to discuss existing contracts and business legal relationships in order to protect confidential information of the Authority or third parties.

#### IV. INFORMATION ITEMS

a. President's Report

Since the day's meeting was Chairman McDermott's final meeting on the Airports Authority Board, Mr. Potter began his remarks by thanking him for his exemplary service and leadership. He stated that his tenure on the Board, particularly the last two years as Chairman, had included a number of significant issues that the Airports Authority successfully navigated under his guidance. Mr. Potter further stated that Chairman McDermott's experience, expertise and wise counsel had been instrumental as the Airports Authority worked to protect the Ronald Reagan Washington National Airport (Reagan National) slot and perimeter rules in Congress; advance the non-airline revenue strategy; hold down Costs per Enplanement (CPE) at Washington Dulles

International Airport (Dulles International); manage activities in the bond market; recruit more airlines and destinations to both Airports; upgrade the concessions and other Airport services; manage construction of the Silver Line project; prepare for the major improvements to Reagan National with Project Journey; and establish the new Airport Workers Wage Policy. He stated that Chairman McDermott provided a thoughtful strategic focus and direction which helped give Reagan National and Dulles International a stronger competitive position and a stronger reputation for quality, integrity and customer service among elected officials, business partners, and the traveling public. Mr. Potter noted that he would personally miss Chairman McDermott's insightful advice; extensive knowledge of business, the law and politics; and his masterful management of the Airports Authority's meetings. He stated that the Airports Authority is a better institution because of Chairman McDermott's presence. Since Chairman McDermott has only served one term, Mr. Potter stated that he is eligible to serve another one and that he was hopeful that he would get the opportunity. On behalf of himself, the senior management team, and all the employees across the organization, Mr. Potter thanked Chairman McDermott for his leadership, wisdom, friendship and dedication to service. He wished Chairman McDermott and his family all the best in their future endeavors. Mr. Potter and Ms. McKeough presented Chairman McDermott with framed pictures of Reagan National and Dulles International. Chairman McDermott thanked the senior staff and extended a personal expression of gratitude to Mr. Potter, Ms. McKeough, Mr. Davis, and other staff with whom he had worked closely. He stated that it had been an enormous pleasure, and that the Airport pictures would be displayed in a prominent place.

On behalf of the entire Airports Authority staff, Mr. Potter congratulated Warner Session, Earl Adams and Monica Hargrove on the elections. He stated that the organization is on a path of success and that everyone is committed to stay the course to continue on the path and to get the job done.

Mr. Potter reported that the interim Vice President and Airport Manager, Dulles International, Brian Leuck, is retiring after 29 years with the Airports Authority. Mr. Leuck, who is a Registered Professional Engineer, had served as Manager, Dulles Engineering and Maintenance, immediately before assuming his current position as a result of the retirement of Chris Browne. Mr. Potter stated that Mr. Leuck had served in roles in increasing responsibility across the organization and at both

Airports and had demonstrated the highest level of professionalism and customer focus. During 2018, Mr. Leuck demonstrated great skill and leadership in a number of areas, including managing the additional air traffic for the [2017] Presidential Inauguration, the several weeks of protest at Dulles International surrounding the President's executive order on immigration, the continuing upgrade of concessions at Dulles International, accommodating new airlines and destinations, working with local government offices on land use and roadway issues and working with the Rail Office and construction contractors on bringing the Silver Line project onto the Dulles campus. Mr. Potter reported that Mr. Leuck would be working with another company in the aviation business so there may be an opportunity to see him in the future. On behalf of everyone at the Airports Authority and the passengers served, Mr. Potter thanked and congratulated Mr. Leuck for a job well done and wished him well in the next chapter of his career. Mr. Leuck received a round of applause.

Mr. Potter reported that Ms. McKeough had been elected President of the Aero Club of Washington (Aero Club) at the prior day's annual meeting. Due to a conflict, he had been unable to attend the meeting, and he learned about the election after the meeting ended. Mr. Potter advised that the Aero Club is one of the oldest and most influential groups in the aviation and aerospace industry dating back to the Wright Brothers in the early 1900s. He noted that many of the key leaders in the industry are members of the Aero Club. Mr. Potter congratulated Ms. McKeough and stated that he knew that the historic organization would benefit from her leadership in the coming year. Ms. McKeough received a round of applause.

Mr. Potter congratulated the winners in the prior week's elections in the Commonwealth of Virginia where Democratic Lieutenant Governor Ralph Northam was elected Governor, Democrat Justin Fairfax was elected Lieutenant Governor, and Attorney General Mark Herring was re-elected. He reported that there are several new members representing Northern Virginia in the Virginia House of Delegates, including Wendy Gooditis and David Reid from Loudoun County and Kathy Tran and Kerrie Delaney from Fairfax. Mr. Potter extended congratulations to Bill Sudow whose wife, Kathy Murphy, was re-elected to the Virginia House of Delegates representing parts of Fairfax and Loudoun counties. Mr. Potter stated that the Airports Authority looks forward to working with the new Governor and his Administration as well as other members of the Virginia General Assembly who won election or re-election. Since a

number of significant legislative and regulatory issues in Virginia can affect the Airports Authority's business, the Government Affairs team is already working to schedule meetings with new colleagues in the Legislature and Administration to brief them on Airport-related issues and ensure their understanding of the Airports Authority's role in state and regional economies.

In addition to the prior week's local and state elections, Mr. Potter reported that the Airports Authority is closely monitoring pending retirements by some congressional members on Capitol Hill that could change the leadership structure of committees that oversee the aviation business. He advised that the Chairman of the House Transportation and Infrastructure Committee, who has been very supportive of the Airports Authority's efforts to protect Reagan National's slots and perimeter rules, had announced his upcoming retirement. Mr. Potter stated that a new Committee Chair could be less supportive on the Airports Authority's position regarding slots and perimeter, or even be among those members of Congress seeking to modify or eliminate the perimeter rules or relax slot controls which could present enormous challenges for the Airports Authority. He further stated that staff would keep the Board informed as it learned more about the changes on Capitol Hill that could affect the Airports Authority's business.

Mr. Potter also reported that staff is closely monitoring the current debate on tax reform. He stated that a number of proposals are under discussion in Congress, some of which contain provisions that could have a profound impact on the Airports Authority's financial situation. Mr. Potter further stated that in early November, the House Ways and Means Committee released details of a proposed bill titled "Tax Cuts and Jobs Act," which has implications for private activity bonds that the Airports Authority uses in its financing activities. He explained that the private activity bonds are attractive to investors because a partial tax exemption could be repealed under this bill, which would impact the Airports Authority's use of bonds for new financings and refunding existing debt. Mr. Potter further explained that it would be a major concern because the Airports Authority planned to use private activity bonds for its debt refinancing efforts and as a major part of its financing for the \$1.8 billion Project Journey at Reagan National. He reported that as staff considered the potential implications for repealing the partial tax exemption for private activity bonds, it is estimated that more than \$300 million in financing costs could be added over the life of the Project Journey bonds or \$140 million on a net present value basis. The

additional costs would make infrastructure improvements more expensive and would potentially delay future development projects. Over the long-term, repealing the partial tax exemption for private activity bonds could have negative impacts on the traveling public by increasing passenger congestion and reducing efficiency at already overcrowded airports.

With respect to debt refinancing opportunities, Mr. Potter reported that the Airports Authority is planning a refunding in 2018. If the refunding is achieved with taxable bonds, the debt cost savings could be reduced by as much as \$13 million on a net present value basis if done with taxable bonds. He advised that losing the tax exemption for such bonds would hinder capital improvements at Airports across the nation which are presently working with limited financial resources to modernize their outdated and overcrowded facilities. Mr. Potter noted that the provision is not included in the existing bill proposed by the Senate.

Mr. Potter reported that the Federal Government affairs team is closely monitoring the tax debate issue and is working to assure that members of Congress are aware of the implications of the bill for airports and other entities that finance their major projects using this type of bond. He stated that staff would keep the Board apprised of the progress in this critical area.

Mr. Potter also reported that a recent issue of *Northern Virginia Magazine* included a list of venues across the area that are great places for birthday festivities, such as a bakery where kids can make their own cakes and cookies, a firefighter museum, an animal park, a roller skating rink, and Dulles International. He stated that the article advises that an airport party might be the best next thing to being airborne for children who have a fascination with flying. The article notes that private party room packages with activities such as Transportation Security Administration (TSA) and K-9 demonstrations, an Airport scavenger hunt, or games of Airport bingo, as well as an optional 30-minute guided tour, are available at Dulles International. Mr. Potter thanked and congratulated the Dulles team for the creation and management of such a great activity. He stated that he hoped that it would be a source of fun for youngsters, and perhaps even a small amount of [non-airline] revenue.

Mr. Potter extended Happy Thanksgiving wishes to everyone.

Chairman McDermott congratulated Ms. McKeough on her recent accolade. Ms. McKeough stated that she believed that her recent election as President of the Aero Club is a recognition of the great work the Airports Authority does within the aviation business and that she was pleased to represent the organization. As Mr. Potter had reported, Ms. McKeough stated that staff is preparing for the busiest time of year as the Thanksgiving holiday travel season would begin later that week. She noted that reports indicate that the United States aviation industry is expecting an extremely busy holiday season, which she characterized as a very protracted ten-day experience. Ms. McKeough reported that the Airlines for America is predicting a 3 percent growth rate over the 2017 holiday season compared to prior years. With the year-to-date growth activity of almost 1 percent at Reagan National and approximately 4 percent at Dulles International, Ms. McKeough reported a busier Thanksgiving holiday travel week was expected, as well.

Ms. McKeough reported that the Airports Authority is particularly focused to ensure that passengers at both Airports are well aware of the new TSA rules for screening that affect passengers who travel through the regular TSA lines. Passengers who do not use Pre-Check are required to take out electronics larger than a cell phone and place them in a separate bin for screening. Additionally, TSA is also advising that passengers traveling with food take it out of their luggage so it could be separately screened. Ms. McKeough reported that the new security protocols would be included in all of the public service announcements, and staff working the TSA lines at both Airports would also make passengers aware of the new requirements to ensure that the lines move freely during the holiday season.

Ms. McKeough also reported that staff is focused to ensure that it is able to appropriately manage the traffic volume at Reagan National, which is already challenging with the increased activity, in addition to the peaked demand expected over the next ten days. She stated that the travel traffic management personnel and public safety personnel on the Airport's roadways would be working with the Operations Center to help monitor traffic and apply the appropriate protocols.

Ms. McKeough reported that the marketing and Airports' teams had collaborated to develop a nice offering of entertainment, including appearances from local area schools, inside the terminals at both Airports. She stated that there would also be a number of promotional



concession opportunities throughout the remainder of the year for holiday travelers.

Ms. McKeough also reported that the Airports Authority had begun the transition to a new parking system at Dulles International, similar to the process that occurred at Reagan National a couple of years ago. She stated that the parking technology platform at the airports needs to be upgraded and improved periodically. The multi-month process, which would continue until the spring of 2018, would begin with lane closures in the west parking garage, known as Garage 2. Ms. McKeough reported that the holiday season is a suitable time to upgrade the technology since Garage 2 is least utilized during that time. Once the transition of the new parking system is complete at Dulles International, customers will be able to swipe their credit cards when they enter and exit the parking garages if they choose to use a credit card as form of payment. Ms. McKeough stated that cash and full-service lanes would continue to be available for the Airport's customers.

Ms. McKeough extended her personal and professional thanks and recognition to Mr. Leuck. As a member of the executive team, staff is often asked to take on different responsibilities or provide assistance, when needed. However, Ms. McKeough acknowledged that it is rare that when someone assumes an interim position the person is faced with as many new issues in the industry, as what occurred with Mr. Leuck. She stated that Mr. Leuck met every challenge and excelled at handling each issue that unexpectedly occurred in the industry and at Dulles International. Ms. McKeough further stated that Mr. Leuck has been a tremendous asset to the Airports Authority throughout his 29-year tenure, but especially in the last couple of months. Mr. Leuck received a round of applause.

Mr. Davis reported that the Revenue Office continues to make great progress toward its performance for the full year. He stated that the year-to-date results are on track to make 2017 a very productive year, compared to a record performance in 2016. On a year-to-date basis, Mr. Davis reported that non-airline revenue was up approximately \$14.3 million, or 4.5 percent over the prior year. At three quarters through 2017, the non-airline revenue and airline revenue contributions were 54 percent and 46 percent, respectively. Mr. Davis stated that the Airports Authority had made substantial progress against its goal. For the month of October, he reported that revenue was up about 6.4 percent or \$2.1 million over the prior year. Mr. Davis noted that a negative impact had

occurred to enplanements and concessions revenue related to the hurricanes in September, particularly at Reagan National. He stated that the passenger count at Reagan National had decreased by approximately 5 percent. At Dulles International, the passenger count had decreased about 0.3 percent, but Mr. Davis stated that staff believes that the Airports Authority can rebound and continue to finish the year with strong results.

As discussed numerous times, Mr. Davis stated that the key driver of the revenue results is customer service, the reason the Airports Authority's actions are aimed at enhancing the quality of service and facilities. He reported that an important initiative underway in the customer service area is the Airports Authority's partnership with 1776, which began earlier this year. Mr. Davis reported that the Airports Authority has been collaborating with 1776 on identifying and developing new ways to make the Airport experience more convenient and efficient for passengers. He reminded everyone that 1776 is headquartered in downtown D.C. with additional campuses in Crystal City, as well as in Dubai, New York City and San Francisco. Under a recent merger with a similar organization called Benjamin's Desk, 1776 is adding campuses in Philadelphia and Wilmington, Delaware, making it the largest network of entrepreneurial incubators in the northeastern United States. Mr. Davis reported that 1776 serves hundreds of startup companies and institutions worldwide through its innovation curriculum, mentorship, investment, and programming. It also hosts more than 500 international events per year which attract heads of state, Fortune 500 CEOs, influential investors and a large amount of global press. Mr. Davis stated that the Airports Authority had just announced a major step forward in this effort when it launched the Airport Innovation Challenge, which is a competition for startup firms to create and deploy new products and services to enhance the airport passenger's experience. He noted that the challenge would be an opportunity for companies to pitch their ideas for new products and services with the goal of winning \$15,000 in prizes and travel to the Airports Authority's Innovation Lab, located at the 1776 campus in Crystal City, to spend three months developing and testing their innovations, which may occur at Reagan National or Dulles International, to move them toward commercial viability and a potential longer term relationship with the Airports Authority through the form of strategic partnership. Mr. Davis advised that the companies would pitch their ideas in December, and the three-month lab period would begin in January 2018. He explained that during the test period, the Airports Authority's subject matter experts would join the 1776 staff in advising

and evaluating the offering from the winning competitors. Mr. Davis stated that the Airports Authority believes that Reagan National and Dulles International need to be committed to being leaders in developing the next generation of airport technologies and services. Its partnership with 1776, which specializes in discovering and developing promising technology-based companies, is the perfect forum for introducing game-changing innovations to help to take Reagan National and Dulles International and the entire air traveling industry into the future. Mr. Davis explained that competitors in the Airport Innovation Challenge must be for-profit businesses developing new ways to connect with passengers and enhance airport services. He stated that emerging technologies may include artificial intelligence, biometrics, robotics, or virtual or augmented reality. With the rapid pace of innovation in today's world, it makes teaming with 1776 a perfect relationship for the Airports Authority and its mission of providing world-class transportation services to the National Capital Area. As previously noted, Reagan National and Dulles International are the only Airports to have a relationship with 1776. An example of the potential benefits working with the important organization can already be seen at Dulles International where a 1776 affiliate called Airside Mobile has developed the Automated Passport Control devices that are in use to streamline Customs' processing for passengers arriving on international flights. Mr. Davis stated that staff would continue to keep the Board apprised of the progress that the Airports Authority intends to make with 1776 over the next several months.

Mr. Davis thanked Chairman McDermott for his service on the Board. He stated that he measured three things when he met someone – technical competency, relationships and character – each of which he stated that Chairman McDermott possessed in abundant quantities. Mr. Davis expressed his appreciation to the Chairman for making the Airports Authority a better organization. He also congratulated Mr. Session, Mr. Adams and Ms. Hargrove on the results of the day's elections.

Chairman McDermott stated that he appreciated Mr. Davis' personal reference and that it had been a pleasure working with him and Ms. McKeough.

## V. NEW BUSINESS

Chairman McDermott reported that pursuant to Article IX of the Authority Bylaws, the Board is entitled to consider an act on matters if nine or more Directors vote to waive the notice provision that is associated with the preparation and distribution of the agenda. Once an appropriate motion was offered and made, Chairman McDermott stated that he would request the Board to consider an action relating to the vacant position of Vice President and Airport Manager, Dulles International. The motion was offered to waive the notice provision, and it was unanimously approved. As reported earlier, Mr. Potter reported that Mr. Leuck is retiring from the Airports Authority. He sought the Board's approval that Mike Stewart, Vice President for Airline Business Development, assume the position as Vice President and Airport Manager, Dulles International. Mr. Potter reported that Mr. Stewart has done a great job in his current role and has a long history of experience in the aviation industry with several positions at Dulles International, and with Independence Air and Piedmont Air prior to joining the Airports Authority. He noted that Mr. Stewart's resume had been shared with the Board, and that he, Ms. McKeough and Mr. Davis believed that he is the right person for the position. Mr. Potter stated that he believed that Mr. Stewart would help strengthen the relationship between the Revenue Staff and the Operations team going forward. If approved, Mr. Davis and Tony Vegliante, Vice President for Human Resources and Administrative Services, would lead the charge to fill the position of Vice President for Airline Business and Development as quickly as possible. Chairman McDermott observed that all of the Directors were familiar with Mr. Stewart. Although Mr. Stewart is currently a vice president, Chairman McDermott explained that the Board is still required to approve Mr. Potter's recommendation to place him in the position as Vice President and Airport Manager, Dulles International. Chairman McDermott stated that it had been an enormous pleasure working with Mr. Stewart and he extended well wishes. Ms. Merrick observed the bench strength of the organization that the soon-to-be vacant position was able to be filled with an existing employee. She stated that the Airports Authority had undergone a search to fill the position of Vice President and Airport Manager, Dulles International. Ms. Merrick observed that Mr. Leuck had done an amazing job in an interim capacity. She requested that Mr. Potter provide an update. Mr. Potter stated that as a result of a 10-month active search, several candidates, both external and internal, were identified. He further stated that the strengths of the internal candidates had outweighed those of the external candidates. Mr. Potter explained

that two factors that impacted the search are that the position is a little different than a traditional airport manager's job in the sense that Dulles International is part of the Airports Authority and the very high expectation regarding the salary. He advised that the Airports Authority is very fortunate to have several internal candidates that are more than capable of performing the job. As a result of the external candidates that were identified, Mr. Potter noted that discussions had occurred with regard to the search firm, which would be addressed in the future. He stated that similar discussions would occur in an attempt to perfect not only succession planning internally but the entire recruitment process. Mr. Stewart was approved as Vice President and Airport Manager, Dulles International. He received a round of applause.

Mr. Potter advised that the Airports Authority would go through a transition period as Mr. Leuck and Mr. Stewart worked together. He stated that Mr. Leuck would continue in his position through December 8, at which time Mr. Stewart would assume the position. Mr. Potter noted that Mr. Davis would determine who would serve as Interim Vice President for Airline Business Development, and the process to recruit candidates would begin.

## VI. UNFINISHED BUSINESS

Chairman McDermott expressed total sincerity as he stated that it had been an honor and a pleasure to serve with each Director to achieve diverse and interesting opinions to the Board's collaborations and deliberations. He stated that he believed that the Board had worked diligently and very well together. Chairman McDermott further stated that he wanted the public to understand that the Directors "have put some innings in what appears at a Board Meeting, which is only a small representation of the preparation that has been done before hand. I think we have achieved some significant success in getting to sound decisions because the ground has always been well prepared."

Chairman McDermott stated that the Airports Authority was fortunate that persons of distinction were appointed by the Governors [of Maryland and Virginia], the Mayor [of the District of Columbia], and the President of the United States to comprise the Board of Directors. He observed that he believed that the Board has coalesced to understand that it is focused on the present and future business interests of the Airports Authority. Chairman McDermott stated that he believed that the Board had done a very good job in that respect which is a credit to all of the

Directors. He further stated that it was a pleasure to witness, as it had not always occurred in the past. Chairman McDermott observed that when [negative] articles do not appear on the front page of a newspaper, it is indicative of a mark of success. He stated that it was great to have the Airports Authority cast in a positive light for the good work that it accomplished. To have the Airports Authority recognized as a major contributor for economic development for the good fortune of the region is rewarding when it is done as a collective effort, but not the case when individual or collective members of the Board appear as the headliners. Chairman McDermott stated that he believed that the Board had done a good job in that respect, and he applauded the Directors for their contributions and referenced the [2012] Office of Inspector General audit report which illustrated occasions when opportunities had gone wrong.

Chairman McDermott wished Mr. Session the very best as Chairman in 2018. Mr. Session repeated what he had said privately at the prior night's reception honoring Chairman McDermott. He stated that it had been a delight to work alongside the Chairman, particularly for the last two years. Mr. Session further stated that everyone had come to respect and appreciate the Chairman's Shakespearean eloquence, Mark Twain wit, and his overall good nature that has helped to facilitate a Board that is very different than the one in 2011 when he joined the Board. He observed that the Airports Authority had evolved tremendously in a short period of time, with Mr. Potter joining the organization, attracting new talented staff, and the appointments of new Directors. Mr. Session stated that he enjoyed being a part of the Board. As he assumed leadership in 2018, he stated that the persistent and compelling question that he would ask himself is "What would Shaw do?" Mr. Session expressed confidence that things would be good if he can answer the question correctly. He thanked the Chairman for his leadership. Chairman McDermott thanked Mr. Session for this comments and stated that it had been a pleasure to work with him and all of the other Directors.

Mr. Lazaro stated that he has been quite fortunate during his career to work for good leaders, and the Chairman had been no exception. He thanked Chairman McDermott for his patience, guidance and great work that he had accomplished. Mr. Lazaro also thanked his lovely family for giving the Airports Authority the opportunity to borrow him for the last five years as many understand that public service is filled with dedicated individuals who have family waiting for them at home. He stated that most of the Directors know that there are four commonwealths in the

United States: Kentucky, Pennsylvania, Massachusetts and Virginia. Since Chairman McDermott had spent time in Virginia as a student at the University of Virginia, the Virginia delegation presented him with a small token of affection and appreciation to thank him. Chairman McDermott thanked the Virginia delegation for the beautiful cufflinks. He stated that he felt compelled to confess that having attended the University of Virginia Law School, in his heart he believed that there really are two principal commonwealths - Virginia and then, of course, the first one, Massachusetts. He received a round of applause.

On behalf of the Marylanders, Mr. Adams observed that time had passed quickly, not because of the lack of activity, but largely due to the ease with which Chairman McDermott had dedicated himself to the Board. First as a member and now as the Chairman for the last two years, Mr. Adams noted that he had shared with the Chairman many times about the closeness of their bonds with regard to the time he had spent in the first Commonwealth, which set him on his current path for which he was appreciative.

Mr. Adams stated that his wife had studied as a new lawyer under the Chairman, who had shared a picture of her as a first-year associate more than 20 years ago. When he mentioned it to his wife, Mr. Adams stated that she had very graciously commented that the Chairman was a nice guy. He observed that everyone who knows about being a first-year associate understood that is sometimes the best thing that you can say about the partners for whom you worked. Mr. Adams thanked the Chairman for all that he had done. Although Maryland may not have delivered a token that day, Mr. Adams commented that it would be in the mail.

## VII. OTHER BUSINESS & ADJOURNMENT

The Meeting was thereupon adjourned at 9:40 a.m.

Respectfully submitted:



Monica R. Hargrove  
Vice President and Secretary

Approved December 13, 2017