

Virginia Port Authority Board of Commissioners, Session 379, May 23, 2017

Aid to Local Ports Grant Projects

Chris Gullickson
Economic Development Manager



Aid to Local Ports FY18

Community	Total Project Cost	Amount Requested	Proposed Allocation	Carryover Request
Accomack- Greenbackville Harbor Phase III* and Quinby Harbor Bulkhead Replacement and Drainage Improvements	Greenbackville- \$705,000 Quinby Harbor- \$200,000	Greenbackville- \$230,000 Quinby Harbor- \$150,000	Greenbackville- \$0 Quinby Harbor- \$0	Greenbackville- \$300,000
Cape Charles- Additional Breakwater and Jetty Rehabilitation*	\$875,000	\$423,250	\$0	\$233,000
Hampton- Seafood Initiative	\$10,000,000	\$500,000	\$50,000	
Newport News- SIP Outer Harbor Repairs/ Modifications	\$809,253	\$606,940	\$404,627	
Norfolk- Nauticus* and Elizabeth River Trail	ERT- \$250,000	ERT- \$187,500	ERT- \$82,500	Nauticus- \$74,830
Northampton- Morley's Wharf and Willis Wharf dredging*	Morley's Wharf- \$35,000 Willis Wharf- \$250,000	Morley's Wharf- \$26,250 Willis Wharf- \$100,000	Morley's Wharf- \$26,250 Willis Wharf- \$0	Willis Wharf- \$114,075.57
Onancock- Wharf Area Improvements*				\$224,347.81
Poquoson- Messick Point Breakwater Phase 2	\$269,500	\$202,125	\$202,125	
Portsmouth- Paradise Creek Nature Park and Portside	Paradise Creek- \$1,341,000 Portside- \$731,000	Paradise Creek- \$100,000 Portside- \$548,250	Paradise Creek- \$25,000 Portside- \$109,650	
Richmond- Intermediate Terminal	\$309,000	\$231,750	\$81,848	
Saxis*				\$173,394.71
Town of Tangier*				\$57,925
Wachapreague- Town Marina	\$47,500	\$38,000	\$38,000	
Totals	\$15,822,253	\$3,344,065	\$1,020,063	\$1,177,573.09

FY18 ALP PROJECTS



NEWPORT NEWS SEAFOOD INDUSTRIAL PARK

BEFORE



AFTER



Newport News Seafood
Industrial Park

POQUOSON – MESSICK POINT

Messick Point Breakwater Phase 1



NORFOLK – PLUM POINT PARK ON THE ELIZABETH RIVER TRAIL



March 2017 Financial Report

Rodney W. Oliver
Chief Financial Officer



Agenda

- March Results
- FY18 Budget
 - Executive Summary
 - Volume
 - Revenue
 - Expenses
 - Operating Income
 - Capital Outlay
 - Debt Service Coverage



March Results

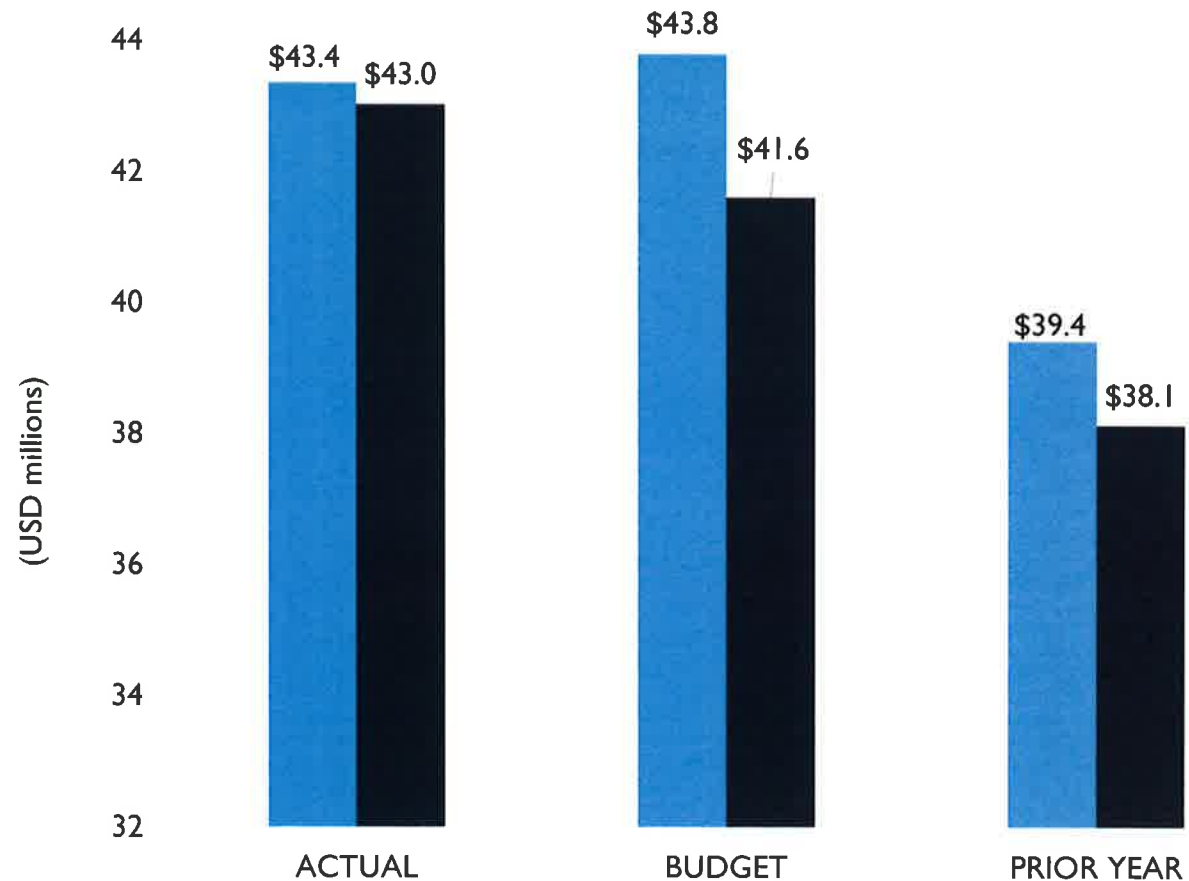
OPERATING REVENUES AND EXPENSES:

For the Month Ended March 31, 2017

Revenues
unfavorable to
Budget and
favorable to **Prior**
Year; Expenses
unfavorable to
Budget and Prior
Year

NOTE: For purposes of comparability the effects of accounting for the amended lease and debt defeasance have been excluded from Actual

■ Operating Revenues
■ Operating Expenses

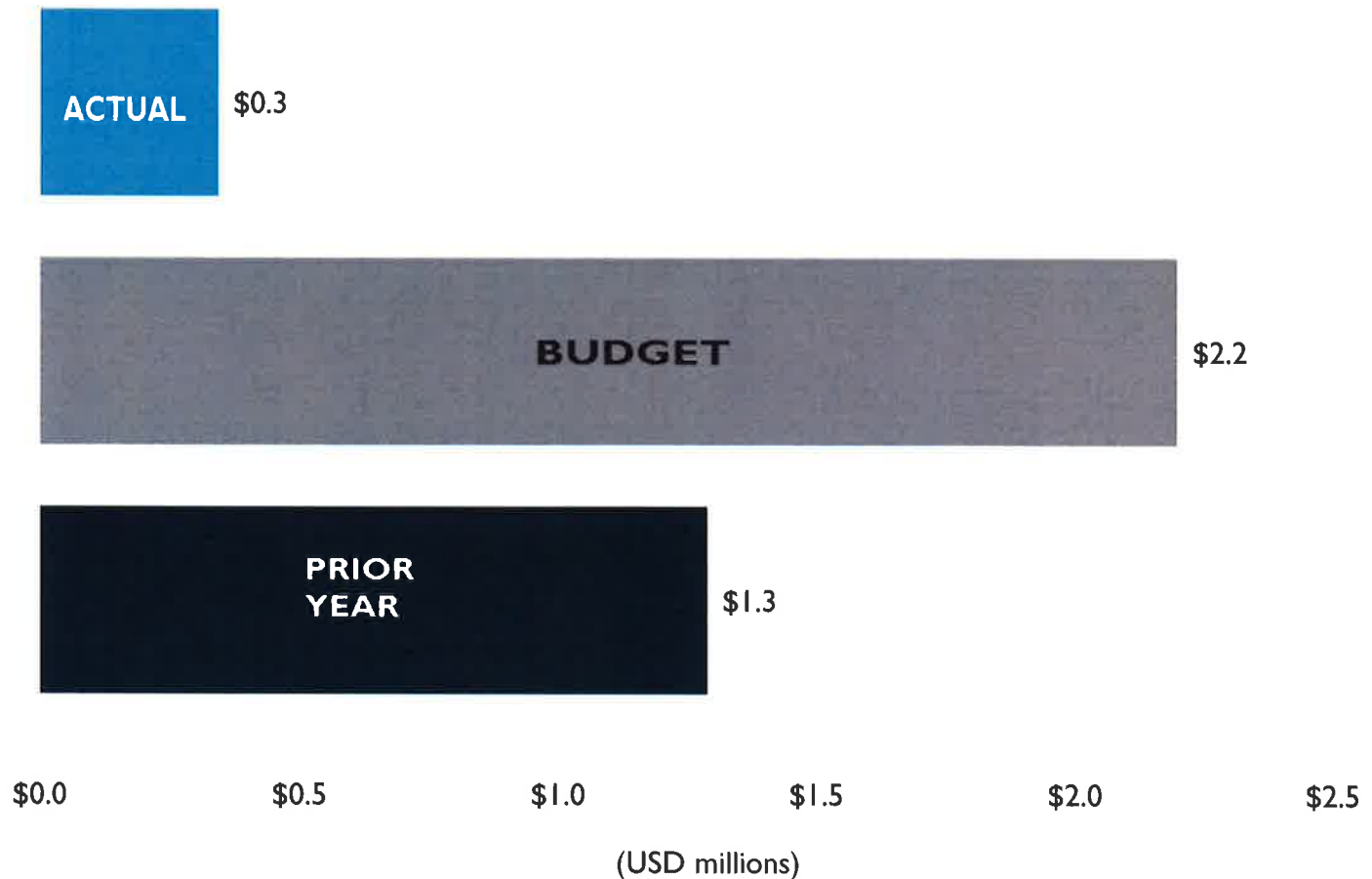


OPERATING INCOME:

For the Month Ended March 31, 2017

**Unfavorable
variances to
Budget and
Prior Year**

NOTE: For purposes of comparability the effects of accounting for the amended lease and debt defeasance have been excluded from Actual

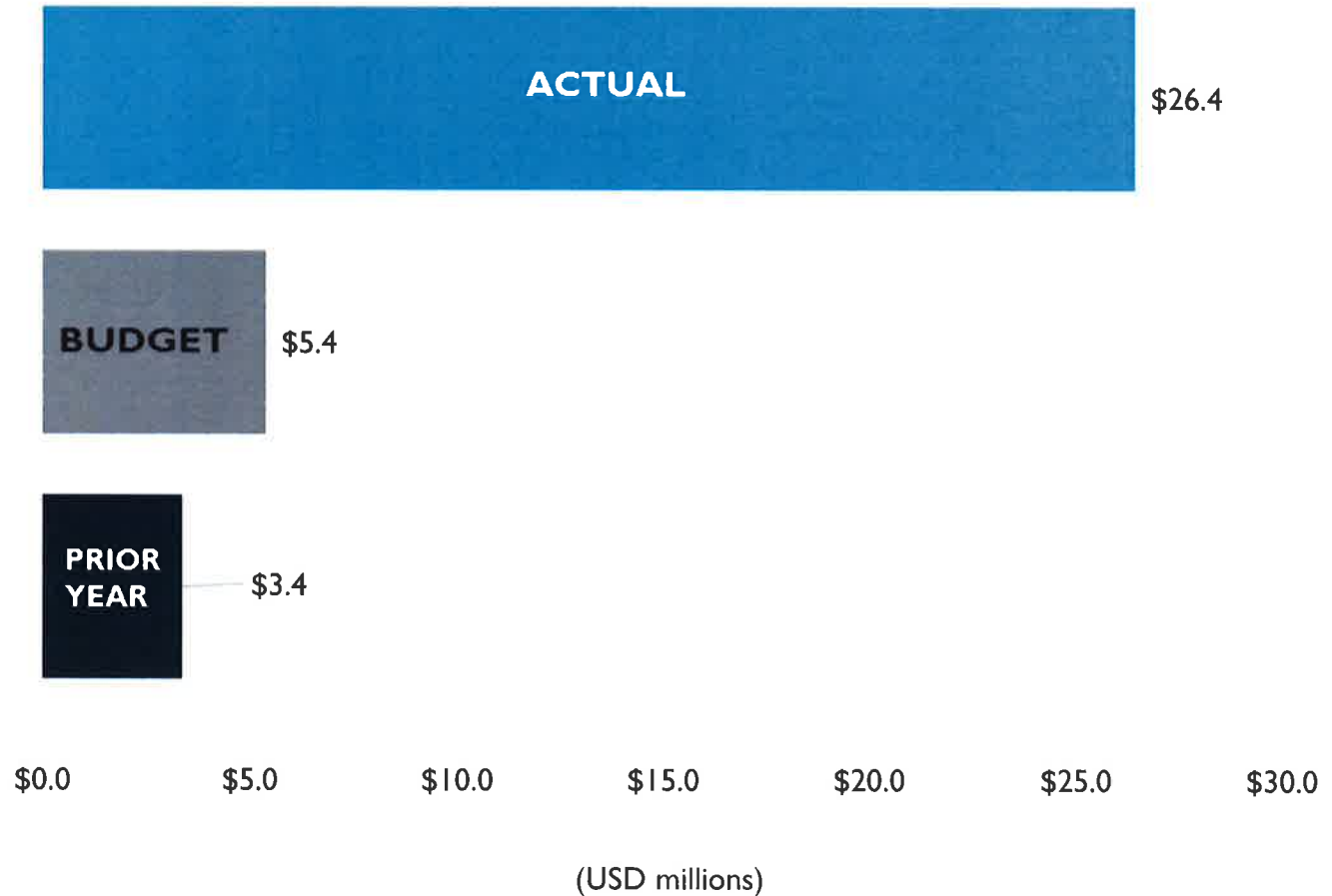


CHANGE IN NET POSITION:

For the Month Ended March 31, 2017

Favorable to
Budget and
Prior Year

NOTE: For purposes of comparability the effects of accounting for the amended lease and debt defeasance have been excluded from Actual



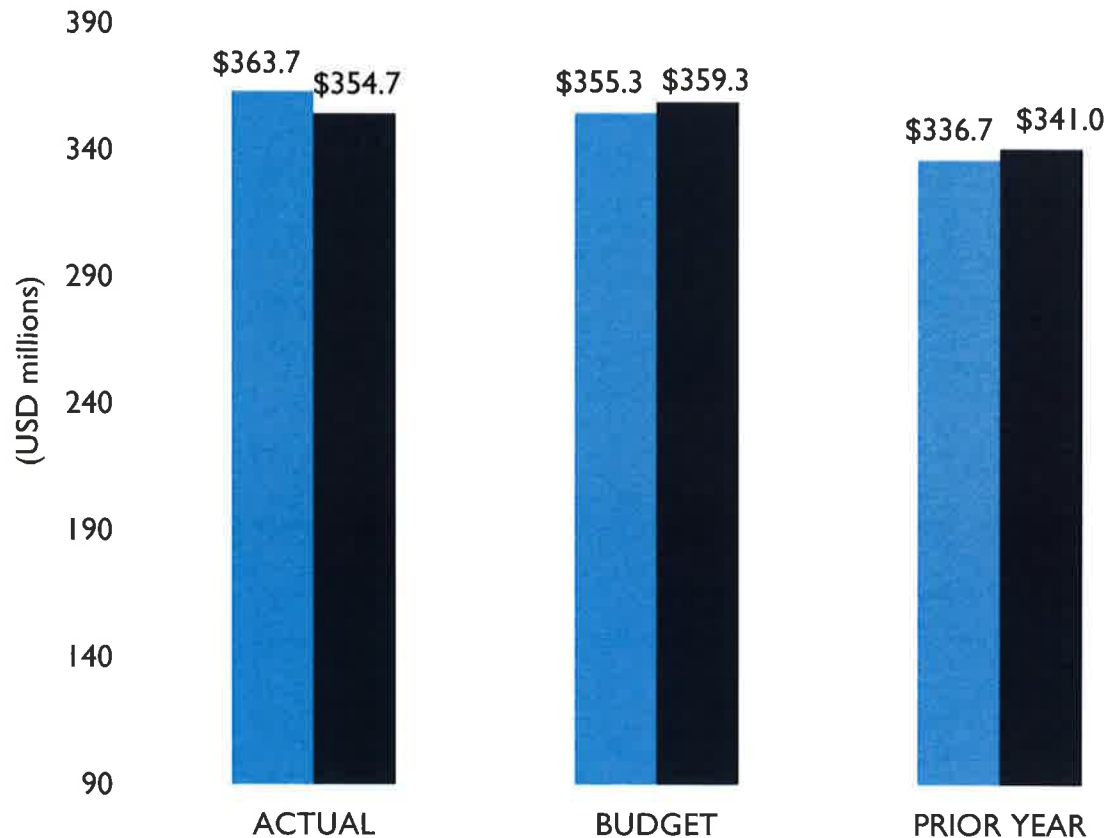
OPERATING REVENUES AND EXPENSES:

For the Nine Months Ended March 31, 2017

Revenues favorable to Budget and Prior Year
Expenses unfavorable to Budget and favorable to Prior Year.

NOTE: For purposes of comparability the effects of accounting for the amended lease and debt defeasance have been excluded from Actual

■ Operating Revenues
 ■ Operating Expenses

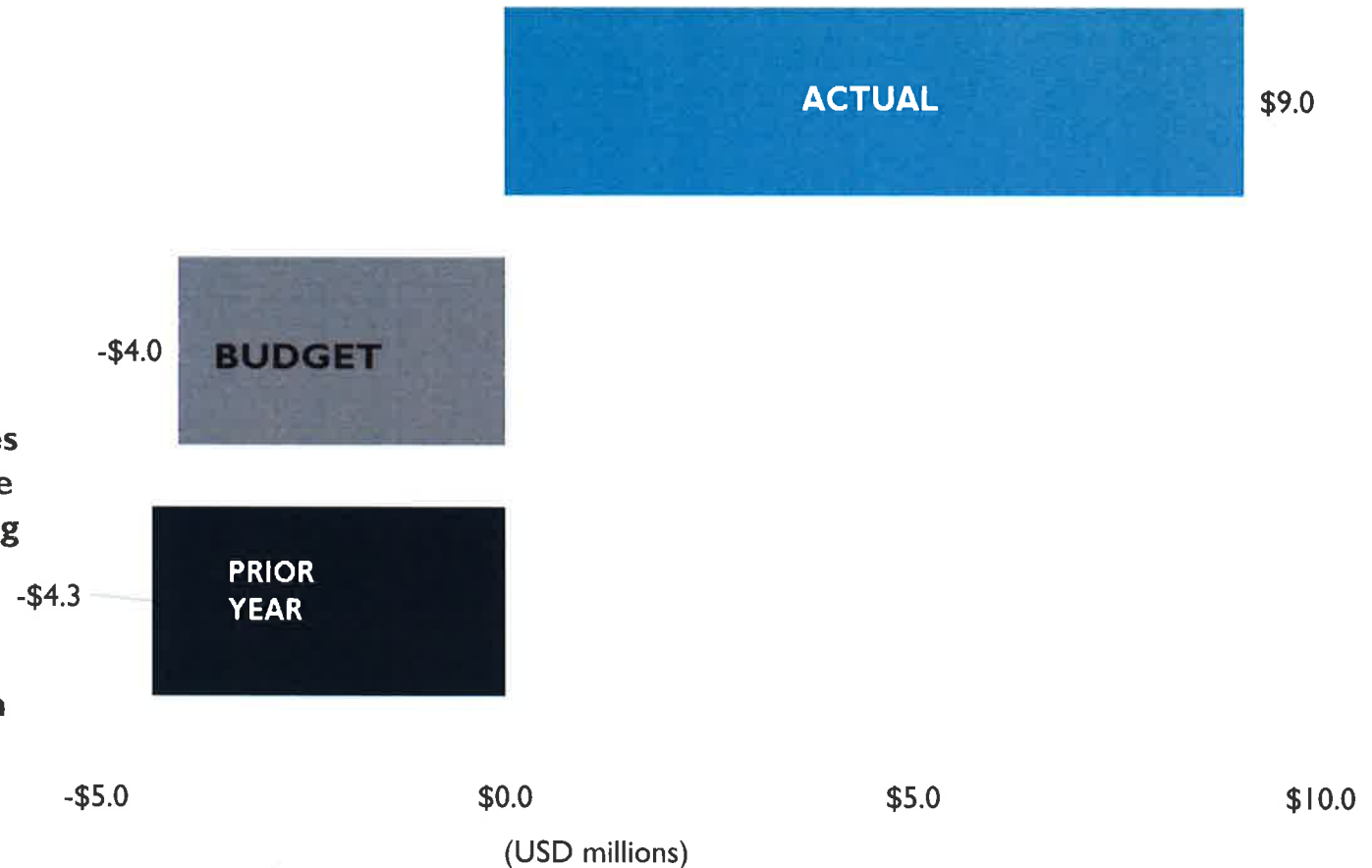


OPERATING INCOME(LOSS):

For the Nine Months Ended March 31, 2017

Positive
Operating
Income with
favorable
variances to
Budget and
Prior Year

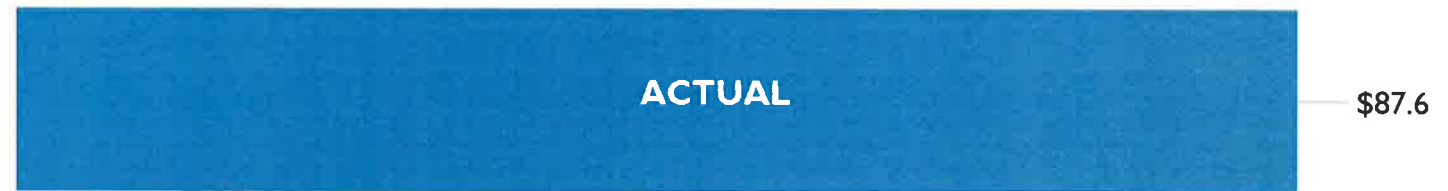
NOTE: For purposes of comparability the effects of accounting for the amended lease and debt defeasance have been excluded from Actual



CHANGE IN NET POSITION:

For the Nine Months Ended March, 31 2017

**Favorable
variances to
Budget and
Prior Year**



**NOTE: For purposes
of comparability the
effects of accounting
for the amended
lease and debt
defeasance have
been excluded from
Actual**



\$0.0 \$10.0 \$20.0 \$30.0 \$40.0 \$50.0 \$60.0 \$70.0 \$80.0 \$90.0

(USD millions)



FY18 Budget

Executive Summary

\$000's	Budget FY 2017	Forecast FY 2017	Budget FY 2018 (including lease)	Budget FY 2018
Operating Revenues	\$485,020	\$493,011	\$543,146	\$543,146
Operating Expenses	\$482,810	\$484,731	\$489,765	\$537,312
Operating Income	\$2,210	\$8,280	\$53,381	\$5,834
Increase Net Position	\$40,015	\$131,543	\$108,450	\$163,611

- 5.4% volume increase (from FY 2017 forecast)
- Operating Income of \$5.8 million
- \$164 million increase in net position
- \$38.3 million capital expenditure plan

Volume

- Volume for FY 2018 is forecasted at 1,639,396 containers, an increase of 5.4% from an estimated 1,555,934 containers for FY 2017
- Developed based on U.S. and global economic conditions; forecast consistent with 2016 Consulting Engineer's Report
- Growth is expected for rail at 10.3%, barge at 4.1%, and truck at 2.4%

Terminal	Rail	Barge	Truck	Total
NIT	327,041	19,723	382,761	729,525
PMT	54,664	0	155,207	209,871
VIG	200,305	26,608	473,087	700,000
Total	582,010	46,331	1,011,055	1,639,396

Revenue

\$000's	Budget FY 2017	Forecast FY 2017	Budget FY 2018
Terminal Revenues	\$469,040	\$481,677	\$531,053
Other Revenues	\$10,181	\$10,091	\$10,660
Grants	\$5,800	\$1,243	\$1,433
Total Operating Revenue	\$485,020	\$493,011	\$543,146

- Overall terminal operating revenue will increase by \$49.4 million or 10.3% from the FY2017 forecast
- Volume will increase by approximately 5.4%
- Schedule of Rates (SOR) will increase by 2.5%
- Includes all new ship line contracts negotiated in FY 2017 through March 31, 2017
- Includes increased stevedoring revenue due to increase in volume at PMT

Expenses

\$000's	Budget FY 2017	Forecast FY 2017	Budget FY 2018
Terminal Operations	\$209,164	\$207,727	\$229,361
Terminal Maintenance	\$103,151	\$102,287	\$110,267
General & Administrative	\$59,708	\$59,031	\$64,977
Facility Rental	\$61,154	\$62,141	\$75,649
Depreciation	\$49,633	\$53,545	\$57,058
Total Operating Expenses	\$482,810	\$484,731	\$537,312

- Expenses are estimated to be \$537 million in FY 2018, or 10.8% higher than FY 2017 forecasted expenses
- \$229.4 million in costs are specific to terminal operations
- \$75.5 million in costs are specific to VIG rent excluding capital lease accounting

Operating Income

- Operating income excluding lease accounting for FY 2018 for The Port of Virginia is budgeted at \$5.8 million, a decrease of \$2.4 million from the forecast for FY 2017 but an increase of \$3.6 million from the FY 2017 budget

Capital Budget Projects

Item	Total Cost
Container handling equipment	\$ 15,380,000
NIT South Entrance Channel and Berth Widening	7,000,000
N4 related	6,900,000
Acosta Build-Out	2,500,000
IT, excluding N4	1,707,500
PMT Dredging	1,600,000
VIG Portal Upgrades	750,000
Financial System Replacement (FY18 portion)	500,000
NNMT Racking system	260,000
Miscellaneous other	1,707,000
Total	\$ 38,304,500

Capital Budget Sources of Funds

Funding Source	Amount
MELP	\$ 13,000,000
VIT pay-as-you-go	10,942,500
CPF Bond	5,465,000
Grant funds	4,287,500
18245 (State \$350m)	2,500,000
Reserve Maintenance	1,547,000
Craney Bond	500,000
Security operating	62,500
Total Sources	\$ 38,304,500

Debt Service Coverage

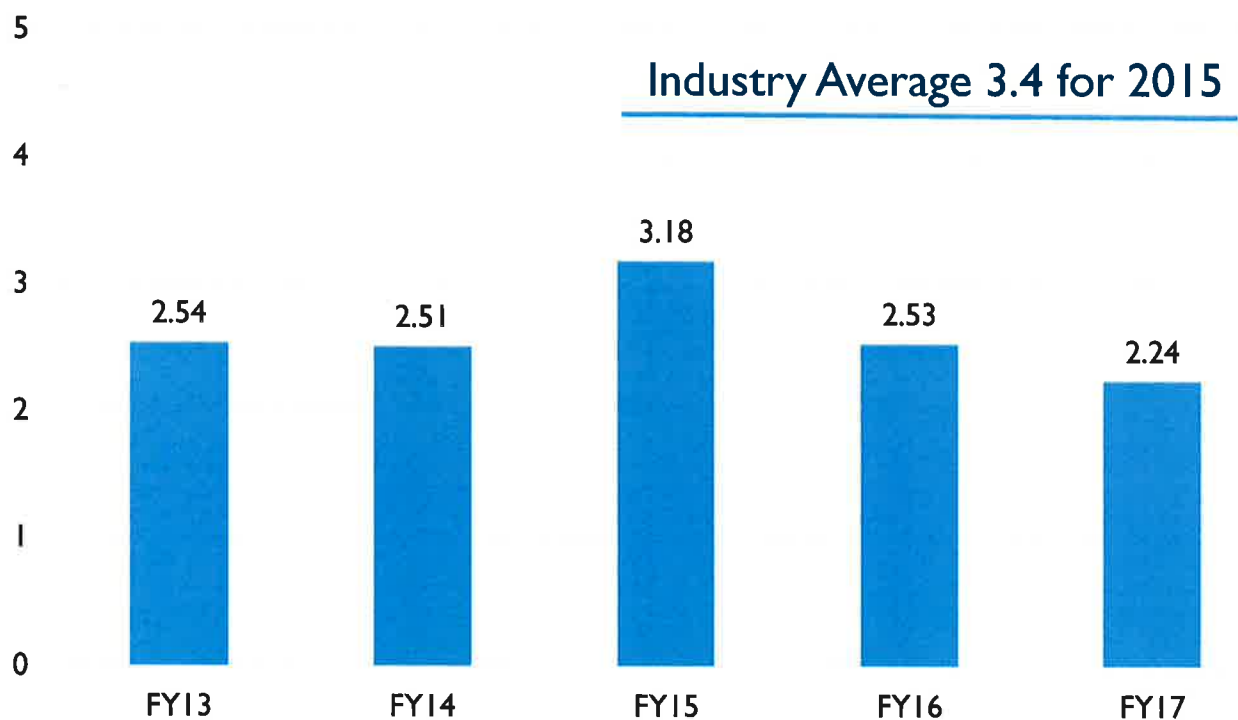
Debt Service Coverage	Forecasted 2017	CE Report 2017	Budgeted 2018	CE Report 2018
Agg Net Revenue Coverage (1.1x test)	2.48	1.76	1.47	1.27
Agg Adjusted Net Revenue Coverage (1.25x test)	2.76	2.04	1.70	1.42
Net Revenue Coverage (1.0x test)	2.18	1.66	1.24	1.19

Virginia Port Authority Board of Commissioners, Operations Report

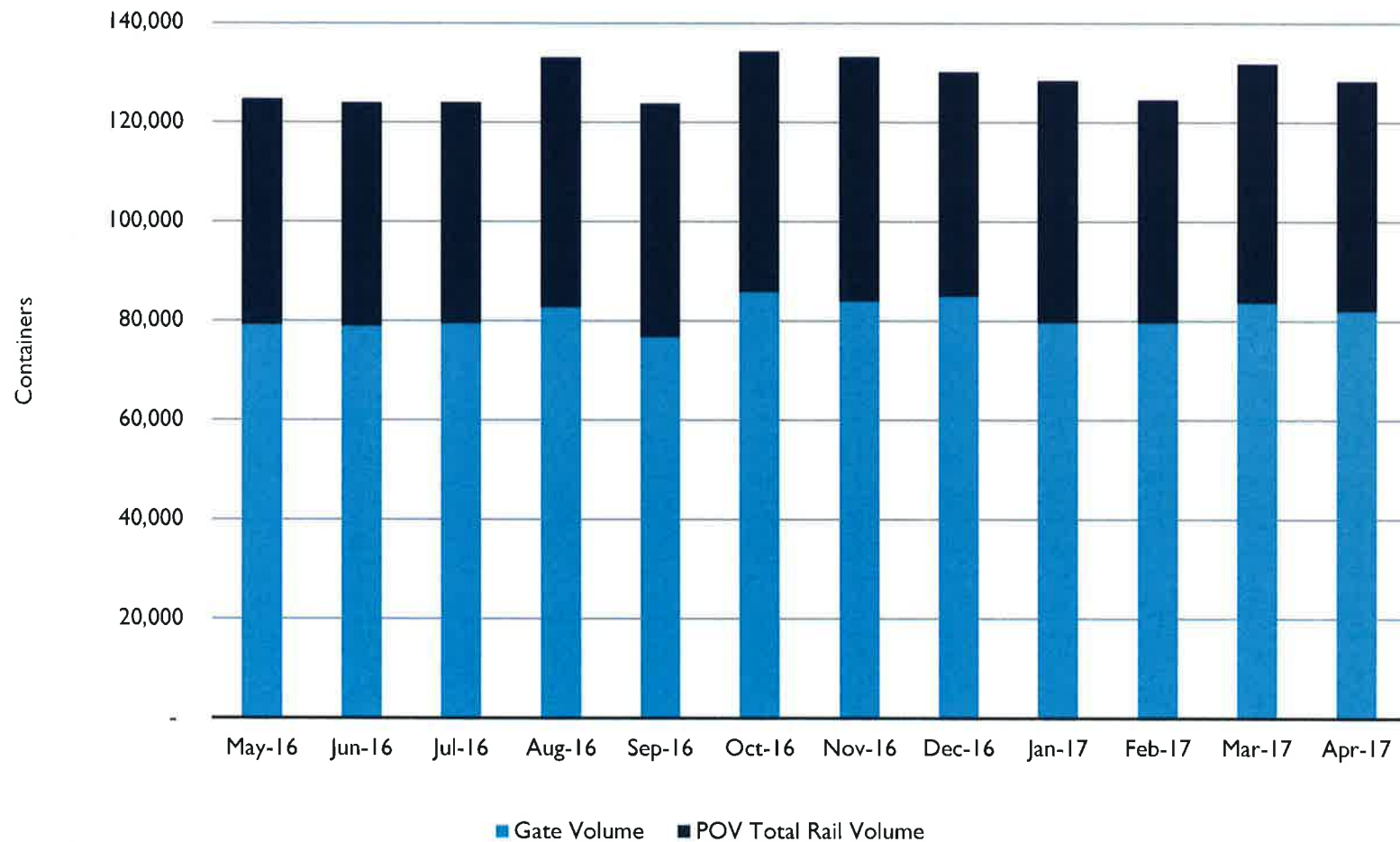
Shawn Tibbetts
Chief Operations Officer



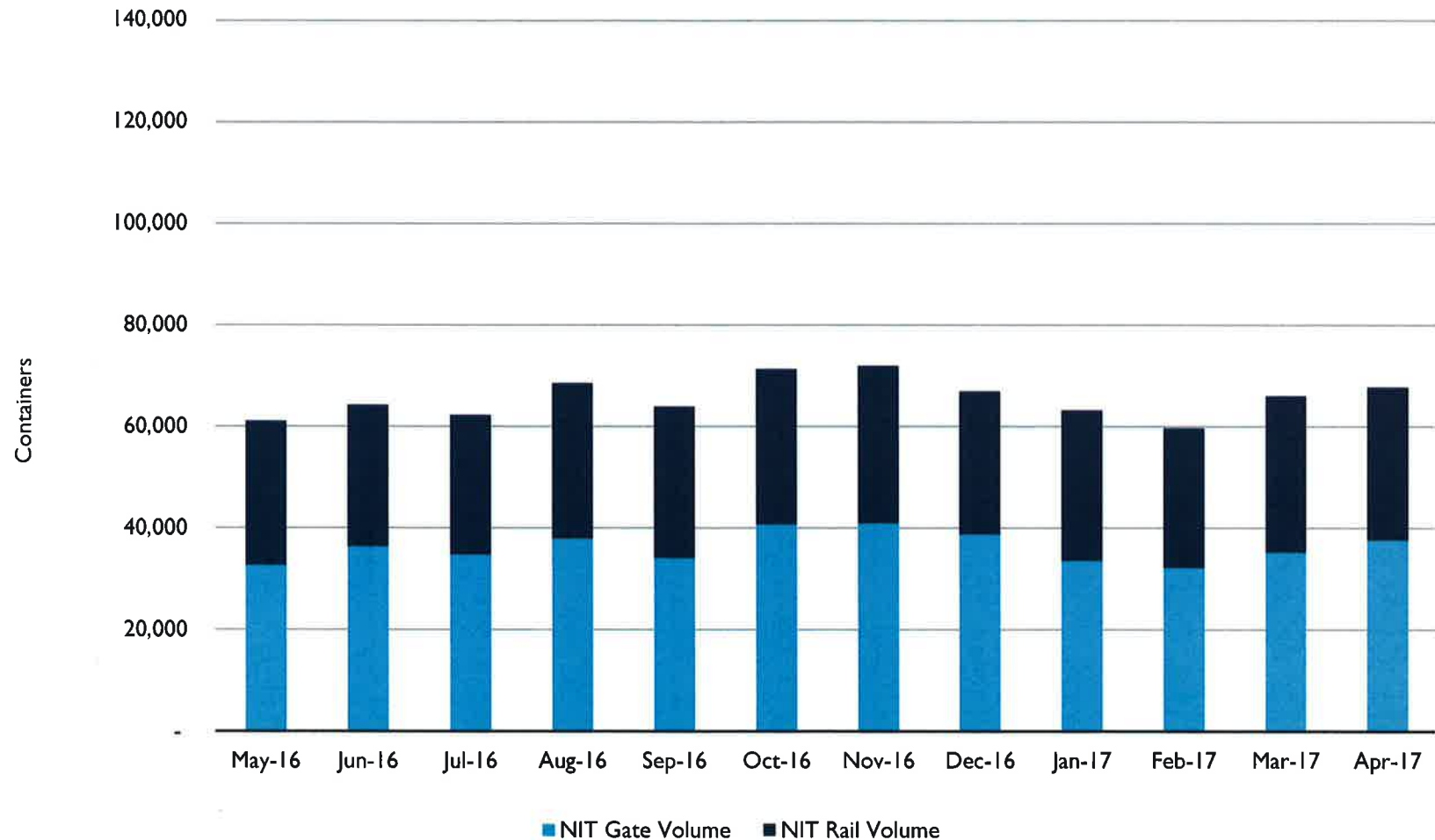
OSHA Lost Work Day Rate for POV (As of 4/30/2017)



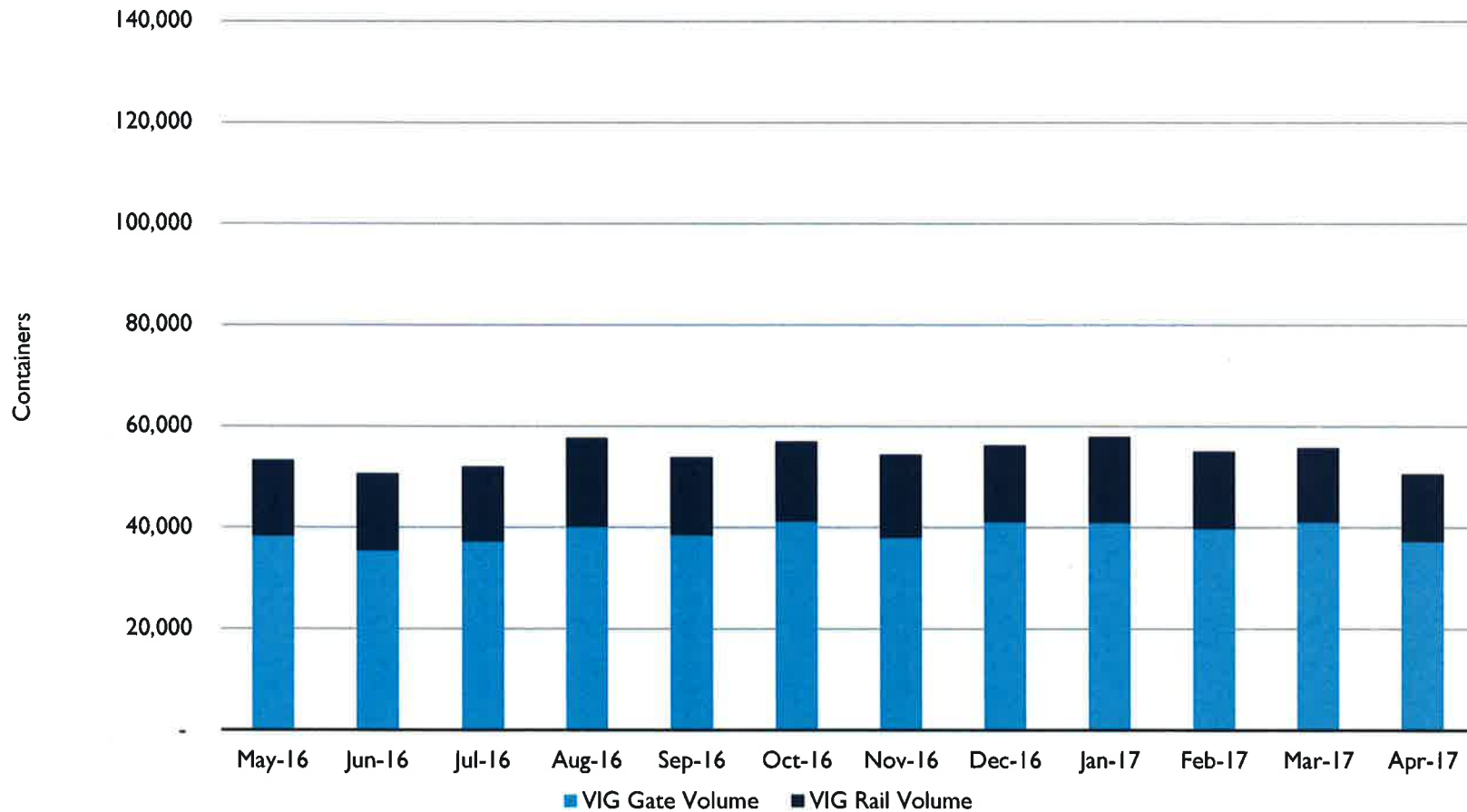
POV Rail vs. Gate/Barge Volume



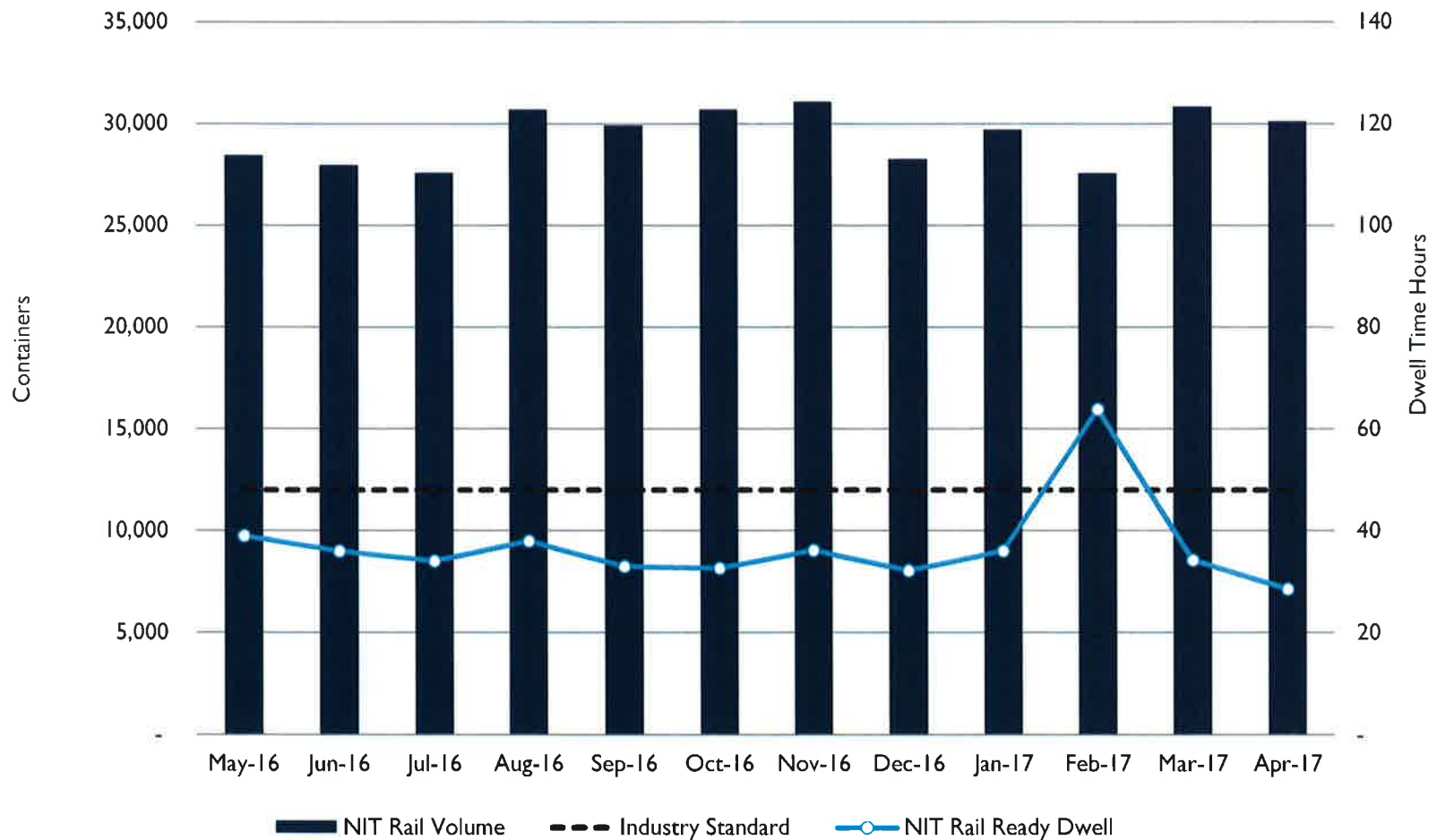
NIT Rail vs. Gate/Barge Volume



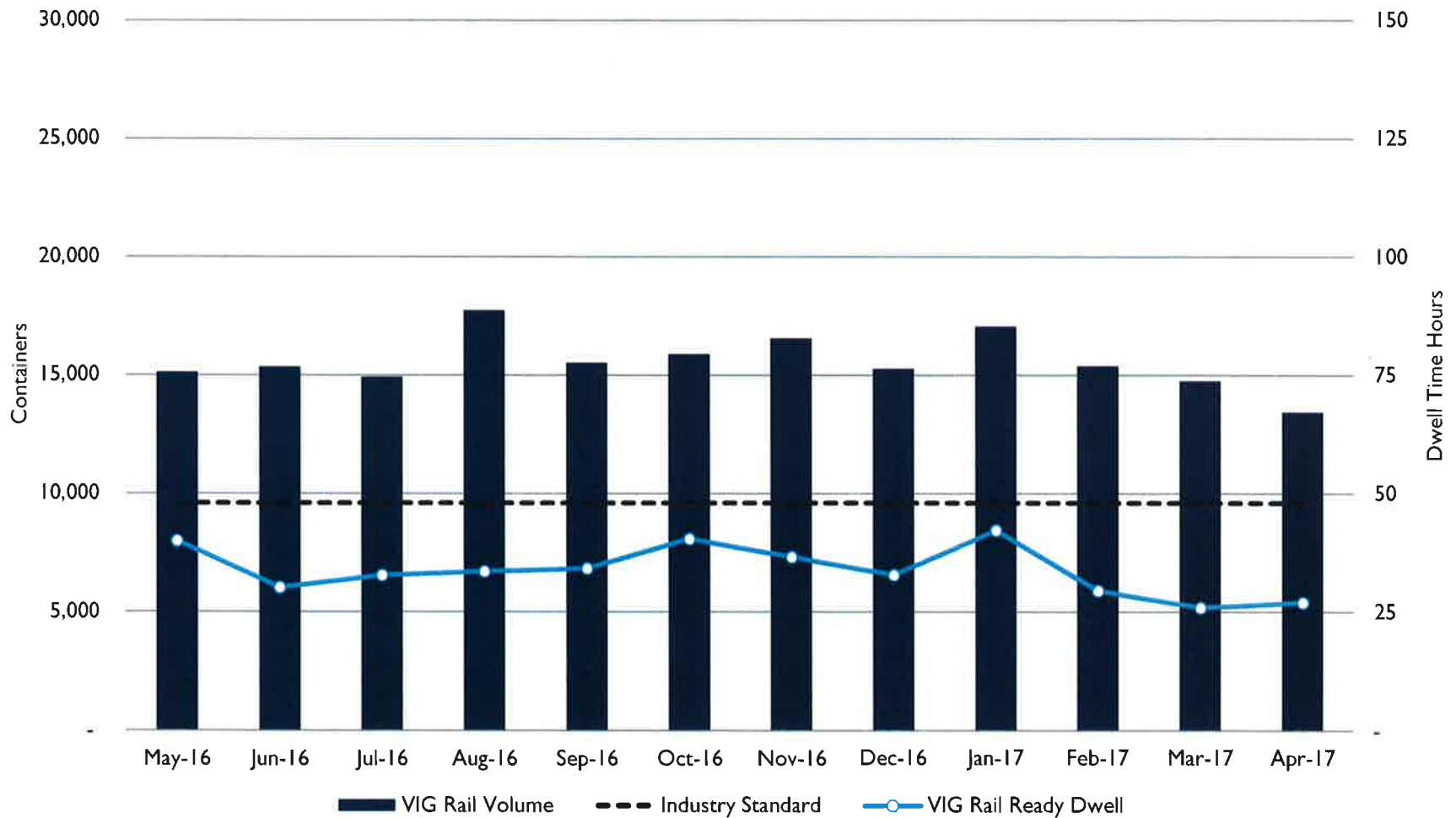
VIG Rail vs. Gate/Barge Volume



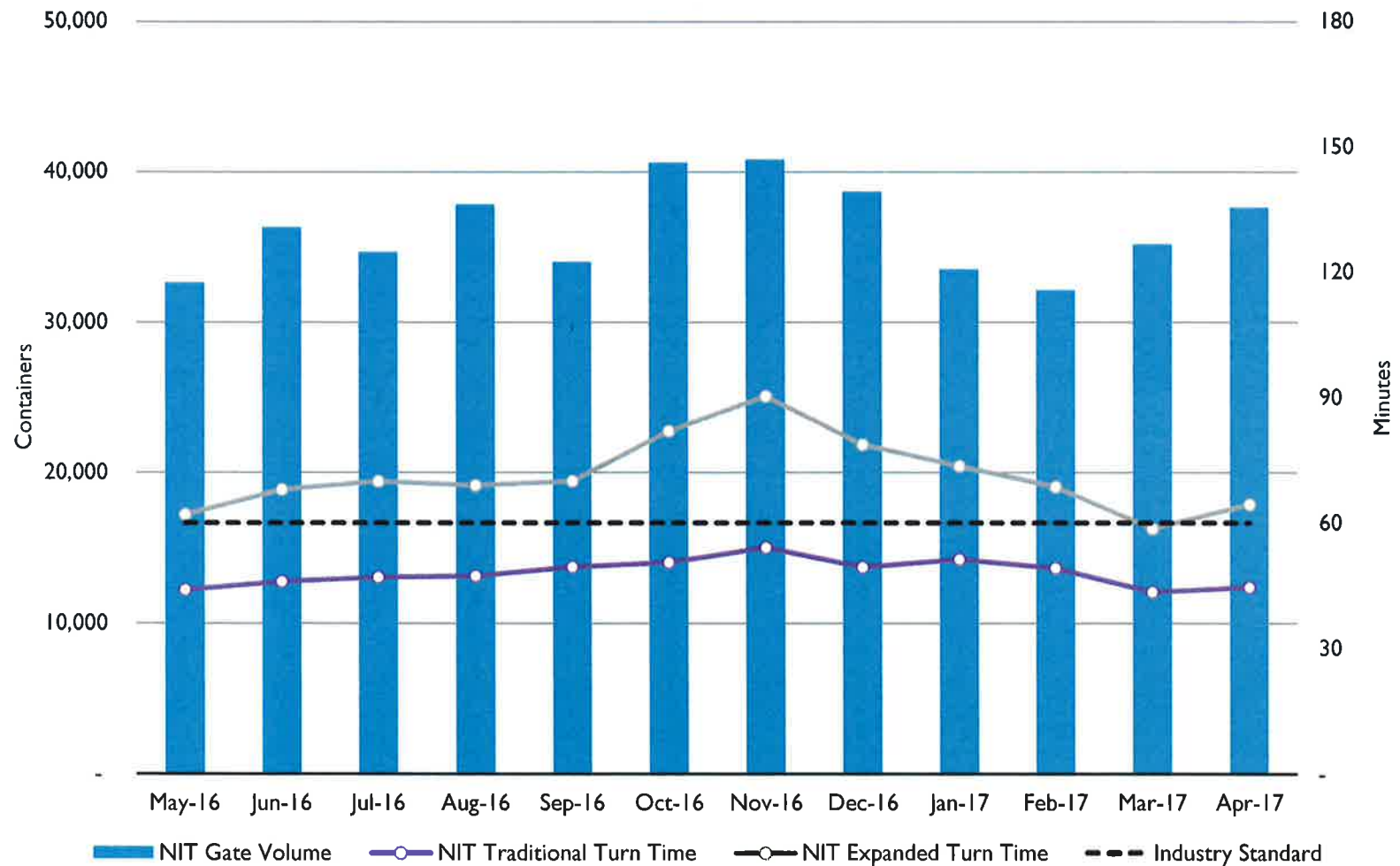
NIT Rail Volume



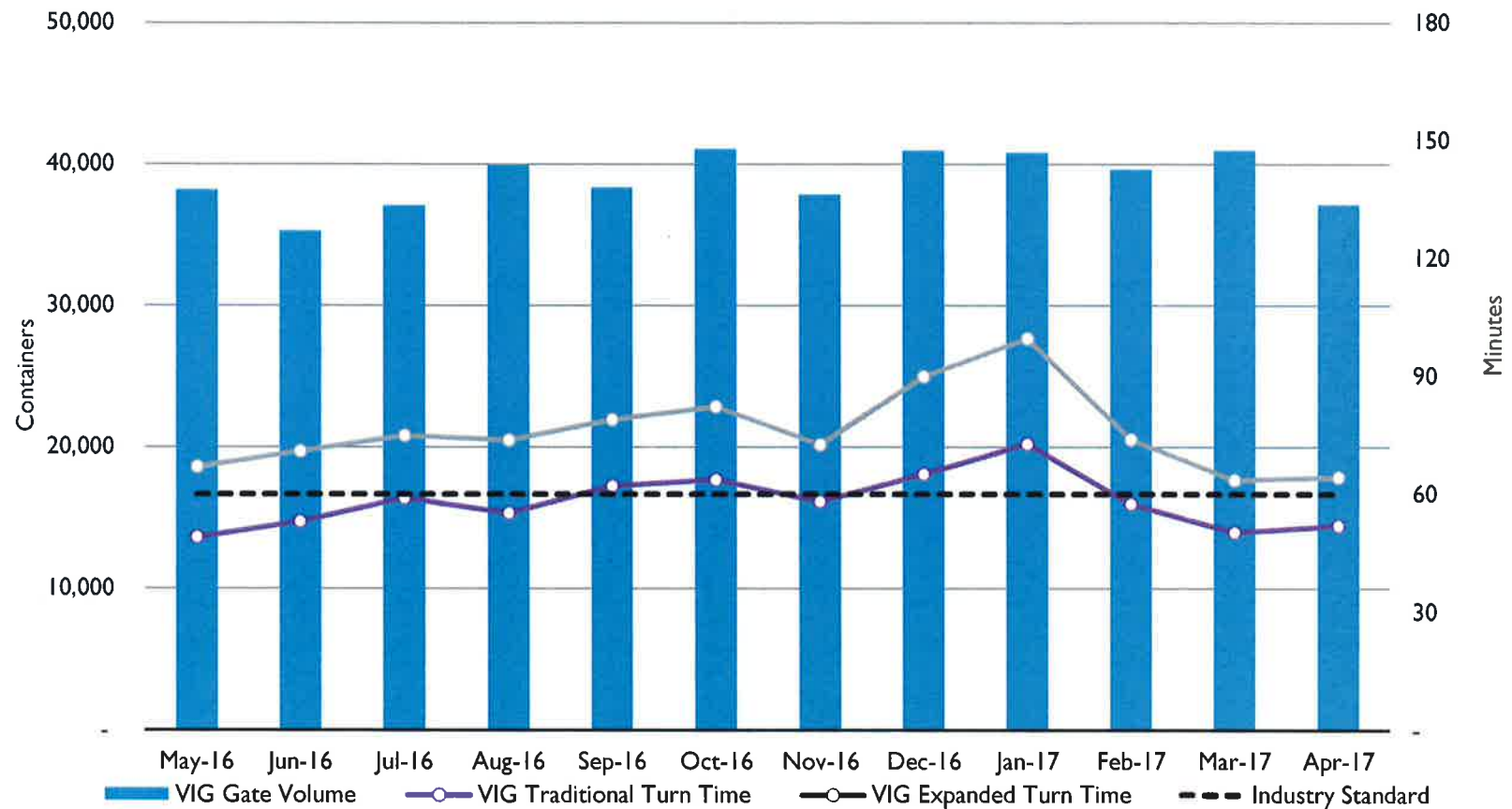
VIG Rail Volume



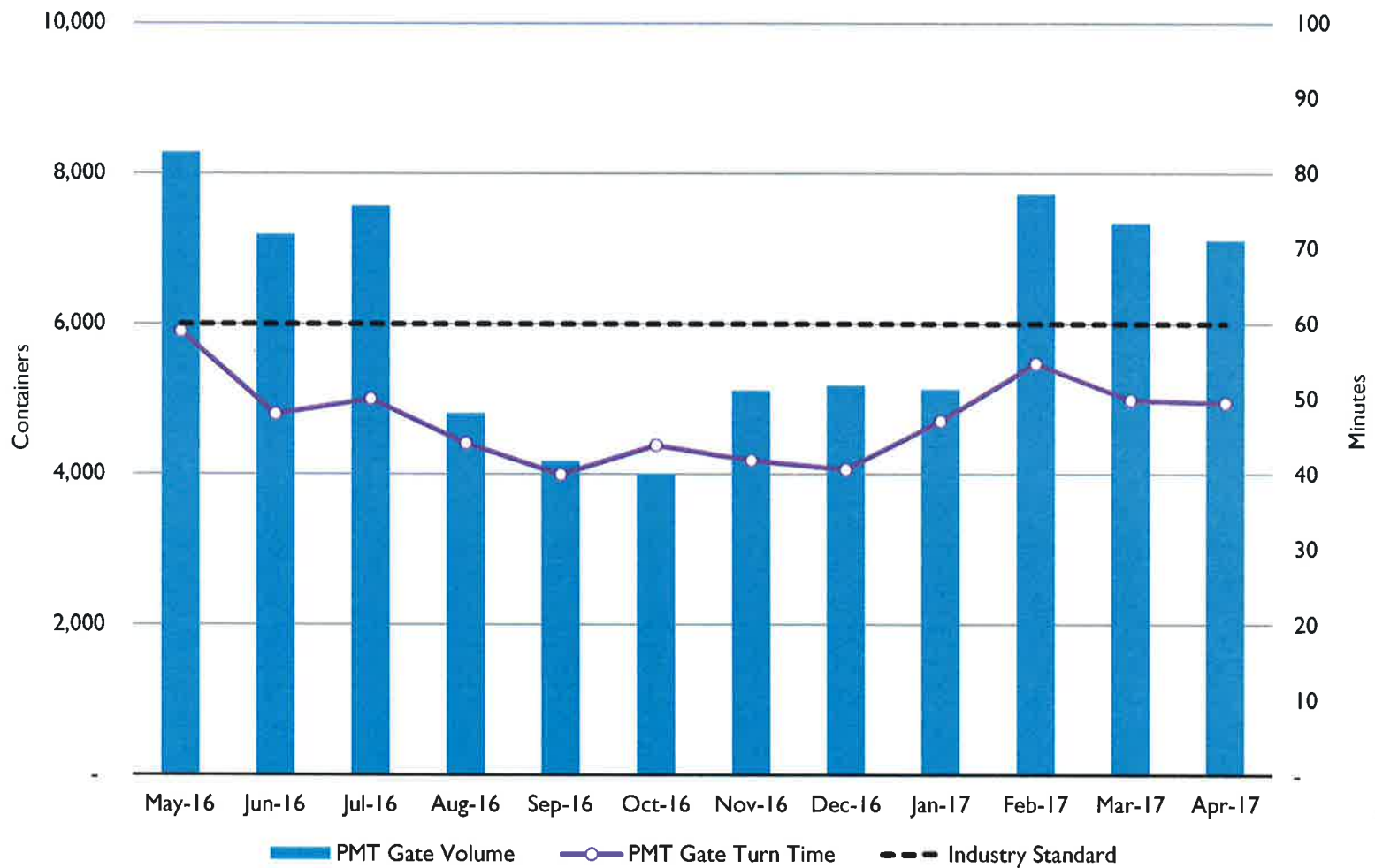
NIT Gate Turn Times



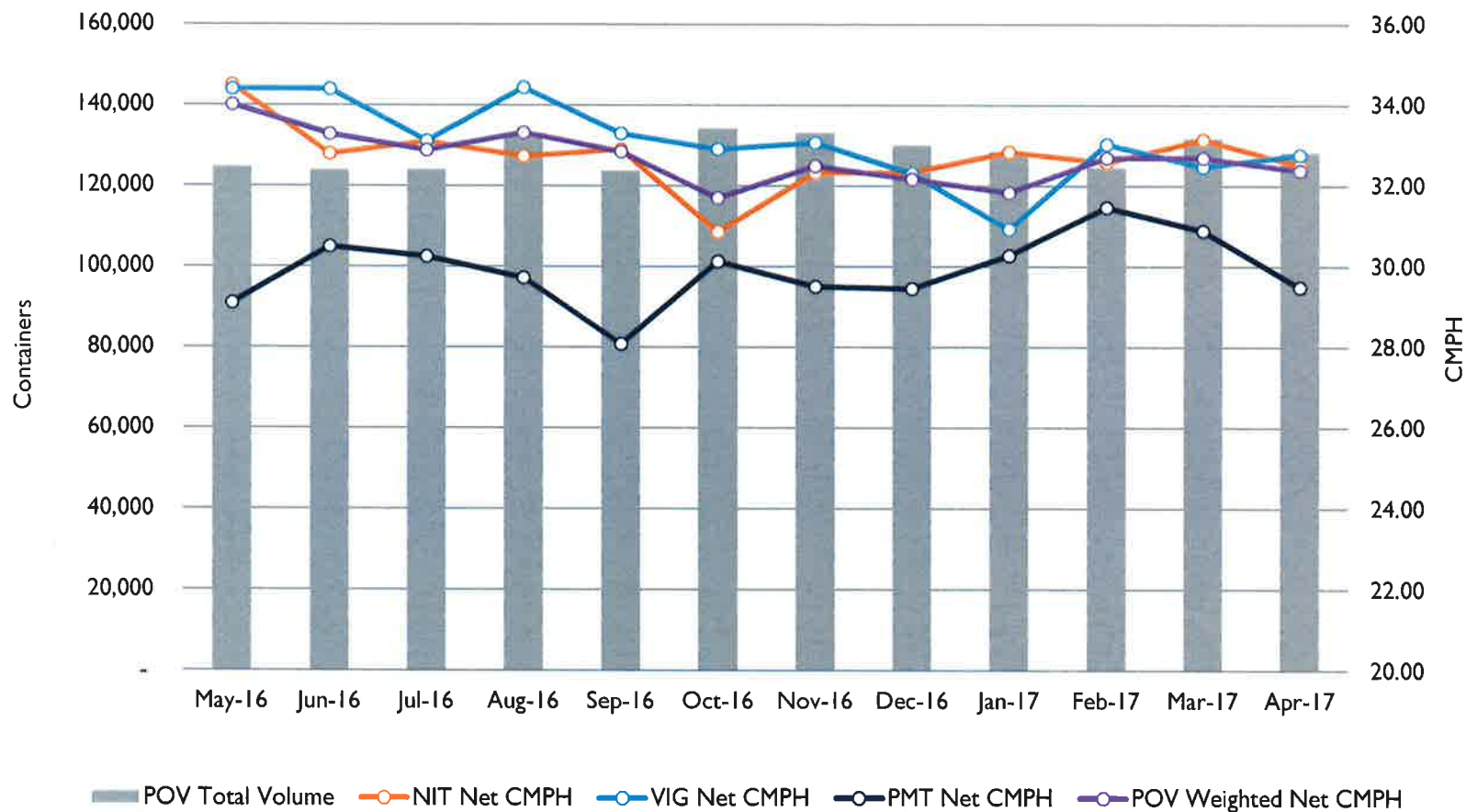
VIG Gate Turn Times



PMT Gate Turn Times



Net Crane Moves per Hour



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Sales Report

Tom Capozzi
Chief Sales Officer



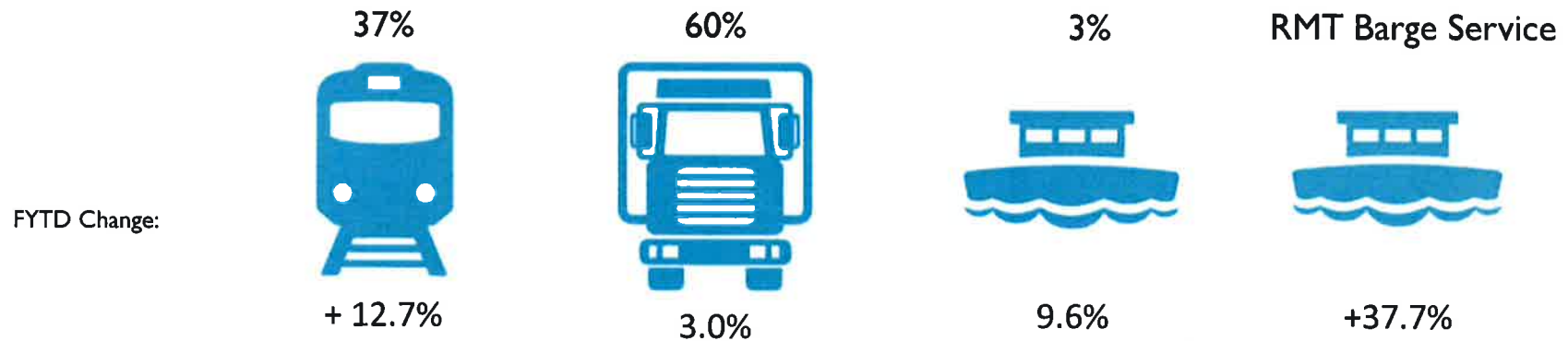
POV STATISTICS

Fiscal Year-to-Date: Jul - Apr FY 2017

	FY 2016	FY 2017	Change	% Change
Total TEUs	2,137,565	2,283,861	146,296	6.8%
Export Loaded TEUs	806,234	866,979	60,745	7.5%
Export Empty TEUs	365,867	350,253	(15,614)	-4.3%
Import Loaded TEUs	918,867	1,020,270	101,403	11.0%
Import Empty TEUs	46,598	46,360	(238)	-0.5%
Total Containers	1,211,977	1,291,817	79,840	6.6%
General Cargo Tonnage	16,371,707	18,137,538	1,765,831	10.8%
Container Tonnage	16,163,696	17,979,730	1,816,034	11.2%
Breakbulk Tonnage	208,012	157,808	(50,203)	-24.1%
Total Rail Containers	420,398	473,881	53,483	12.7%
VIP Containers	34,864	28,789	(6,075)	-17.4%
Total Barge Containers	35,421	38,828	3,407	9.6%
RMT Containers	13,861	19,092	5,231	37.7%
Total Truck Containers	756,158	779,108	22,950	3.0%
Ship Calls	1,683	1,510	(173)	-10.3%
Vehicle Units	31,513	29,098	(2,415)	-7.7%

HOW WE MOVED CARGO: FYTD 2017

1.29 million containers



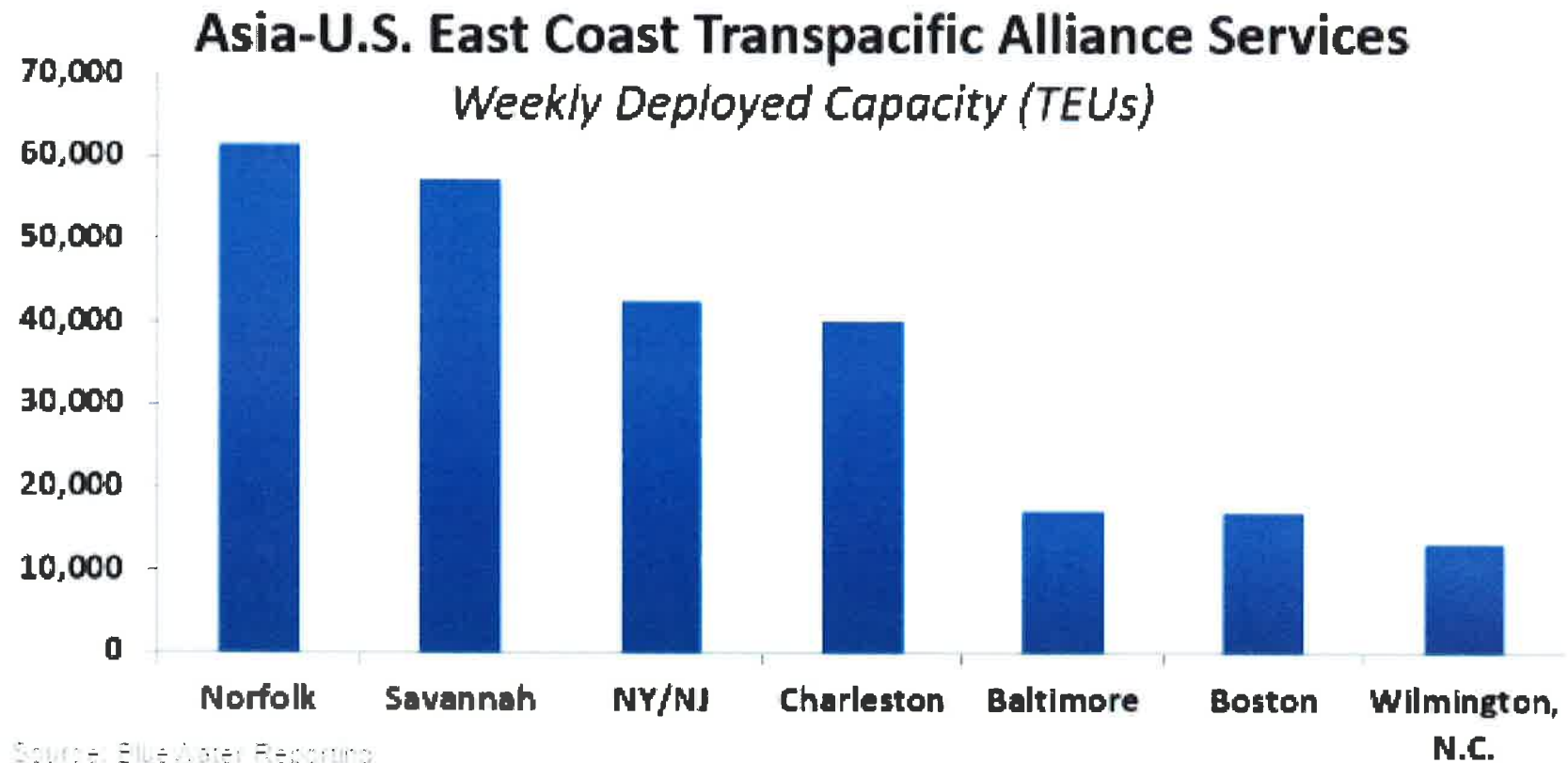
6.6% growth FYTD

Preliminary April Volume Data as of 5/5/17

BREKBUK EUPRE



TOP USEC PORT FOR ASIA TRADE



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Joseph P. Ruddy
Chief Innovation Officer



PROJECTS OVERVIEW

PROJECT	BUDGET	SCHEDULE
VIG Phase II	●	●
VIG N4 Conversion	●	●
NIT North Gate	●	●
NIT PDS (HOLD)	○	○
NIT Optimization	●	●
Business Intelligence	●	●
IT Business Continuity	●	●

VIG STACK YARD



- Clearing and Grubbing activities are ongoing
- Continuing to haul top soil offsite
- Soil Screening process began
- Soil Density Testing requested
- Manhole installation began
- Installation of duct bank working toward completion
 - 90% complete

VIG – WHARF EXTENSION



Preparing for the installation of soil anchors

- Piles will be delivered by barge the week of May 9.
- Pile driving to begin shortly thereafter.
- Soil Anchor process continues

VIG – RAIL YARD



- Storm water drain installation continues
- Clearing and Grubbing activities are ongoing
- Asphalt demolition in Rail Buffer Area began
 - Demolition asphalt milled and hauled offsite

NIT – NORTH GATE UPDATE

- Rapid progress continues to be made on North Gate.
- OCR Portals ILA Feedback and Tuning.
- Comprehensive North Gate Pre-Launch Check List created.
- Gate Lane System Configuration underway.
- Functional testing currently being conducted.
- Schedule remains on track for production truck traffic on June 30, 2017.

NIT NORTH GATE/OPTIMIZATION

MARCH 8, 2017

May 5, 2017

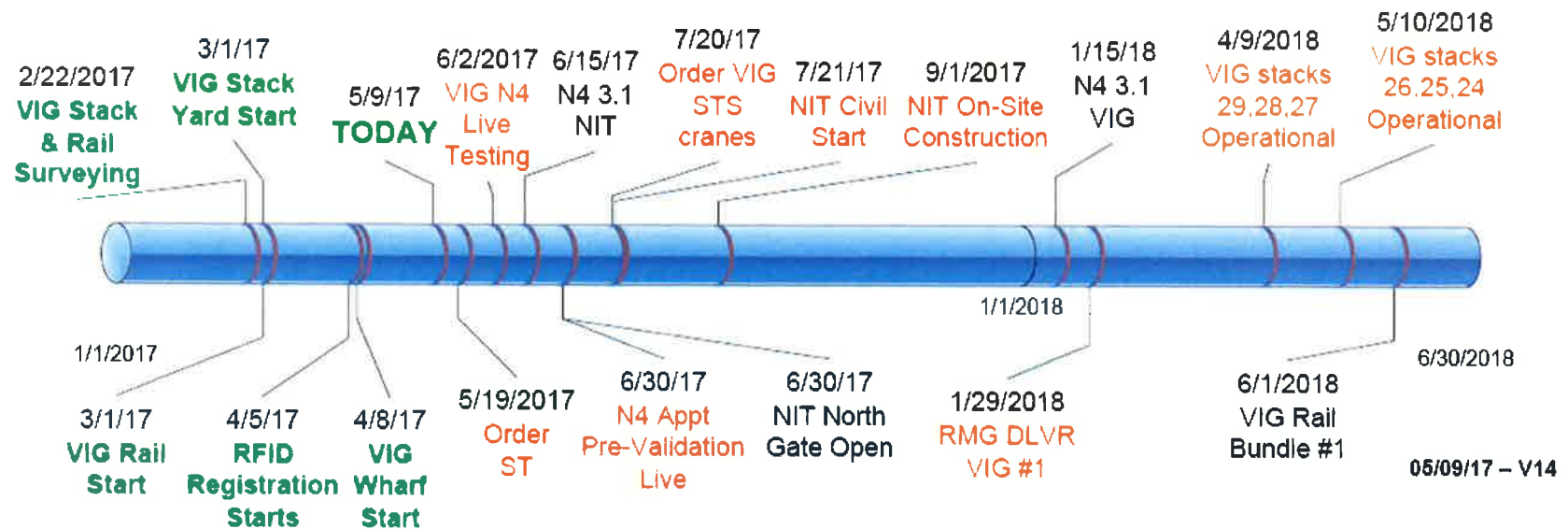


PROJECT UPDATES

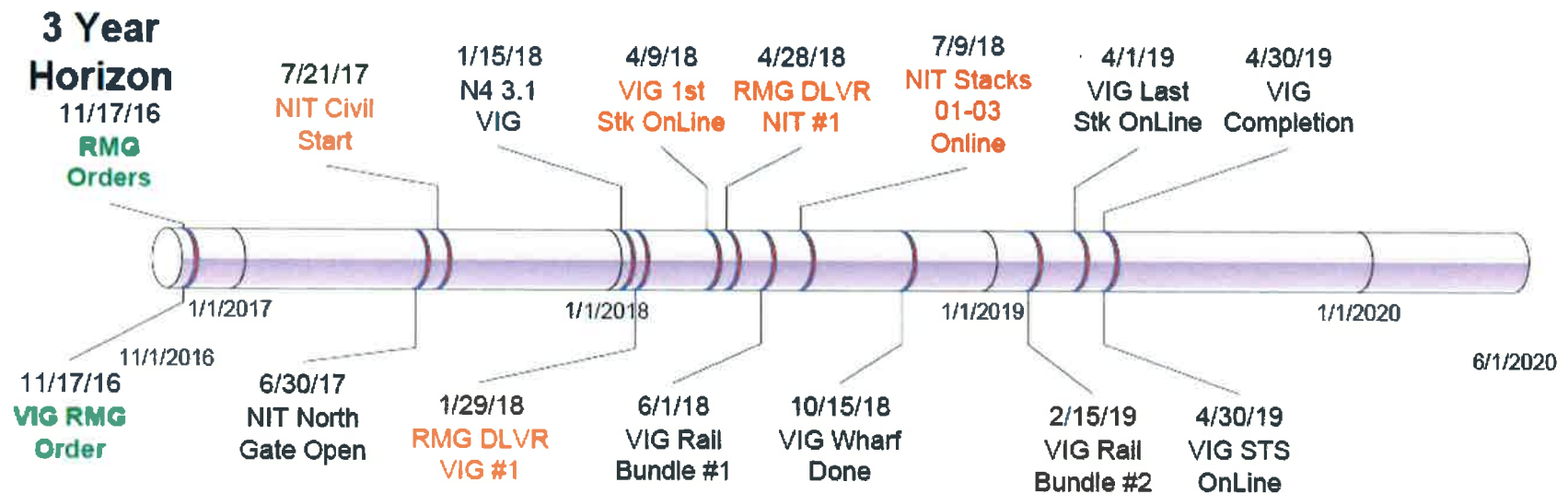
- South NIT
- N4 Conversion
- Pro Pass - RFID Tag Replacement
- Truck Reservation System

TIMELINES

18 Month Horizon



TIMELINES - continued



05/09/17 - V14

Virginia Port Authority Board of Commissioners, Session 379, May 23, 2017

Human Resources Report

Jim Bibbs

Chief Human Resources Officer



Stewards of Tomorrow

HR HIGHLIGHTS



- 2017 Colleague Engagement Survey
- Internship Program
- Performance Reviews
- Recruitment/Training Metrics
- ADP Migration
- Organizational Development

COLLEAGUE ENGAGEMENT SURVEY

- Engagement Survey sent out via email on April 3, 2017
- Consisted of approximately 30 questions, and administered by Kantar TNS
- Survey was completed on May 2, 2017, and achieved a 97.4% completion rate.



2017 SUMMER INTERNSHIP PROGRAM



- Internship interviews are complete, with 12 offers extended and accepted.
- Interns represent 9 different colleges/universities, 6 of which are in-state.
- Intern Leader Orientation will be conducted during the week of May 15th.
- Internships begin on June 8, 2017

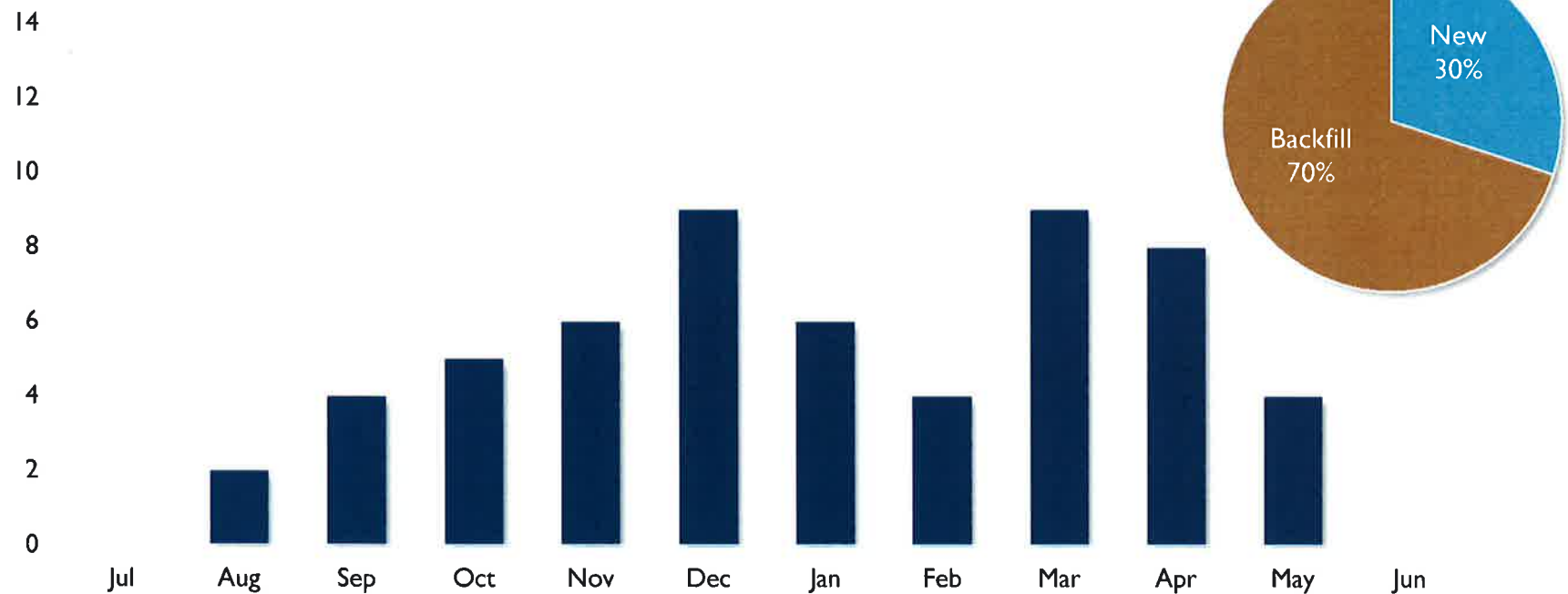
PERFORMANCE REVIEWS

- Year-end performance reviews will begin in July 2017.
- Additional details, including timelines and templates, will be sent out in June 2017
- Performance reviews will be completed as before, with Pilot Program participants completing the reviews in ADP



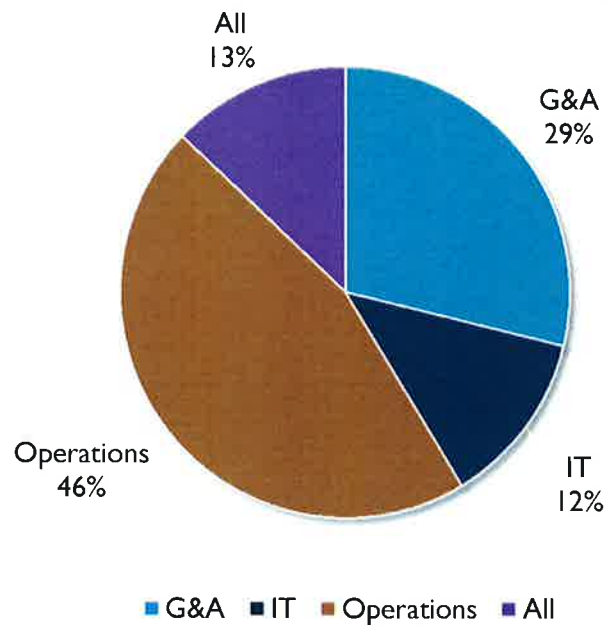
RECRUITMENT METRICS

FYTD17 Total Port of Virginia Hires

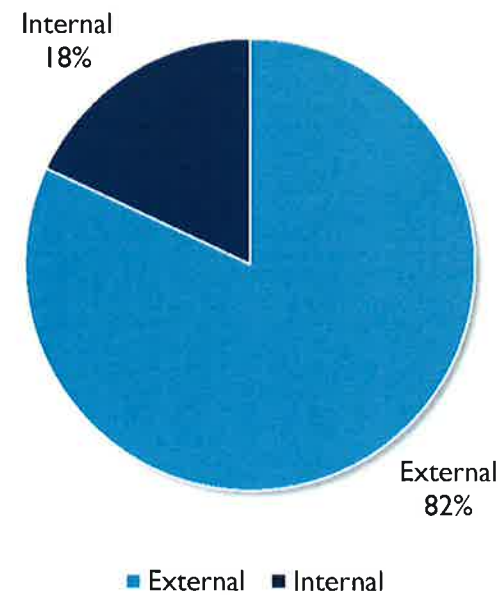


TRAINING METRICS

FYTD17 Port of Virginia Training Type

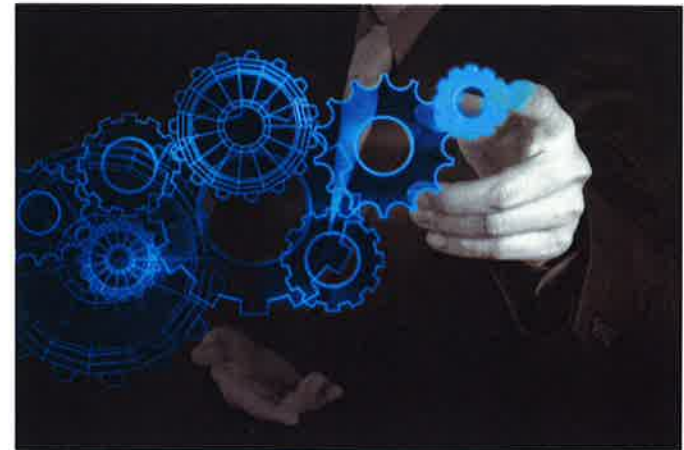


FYTD17 Port of Virginia Training Source

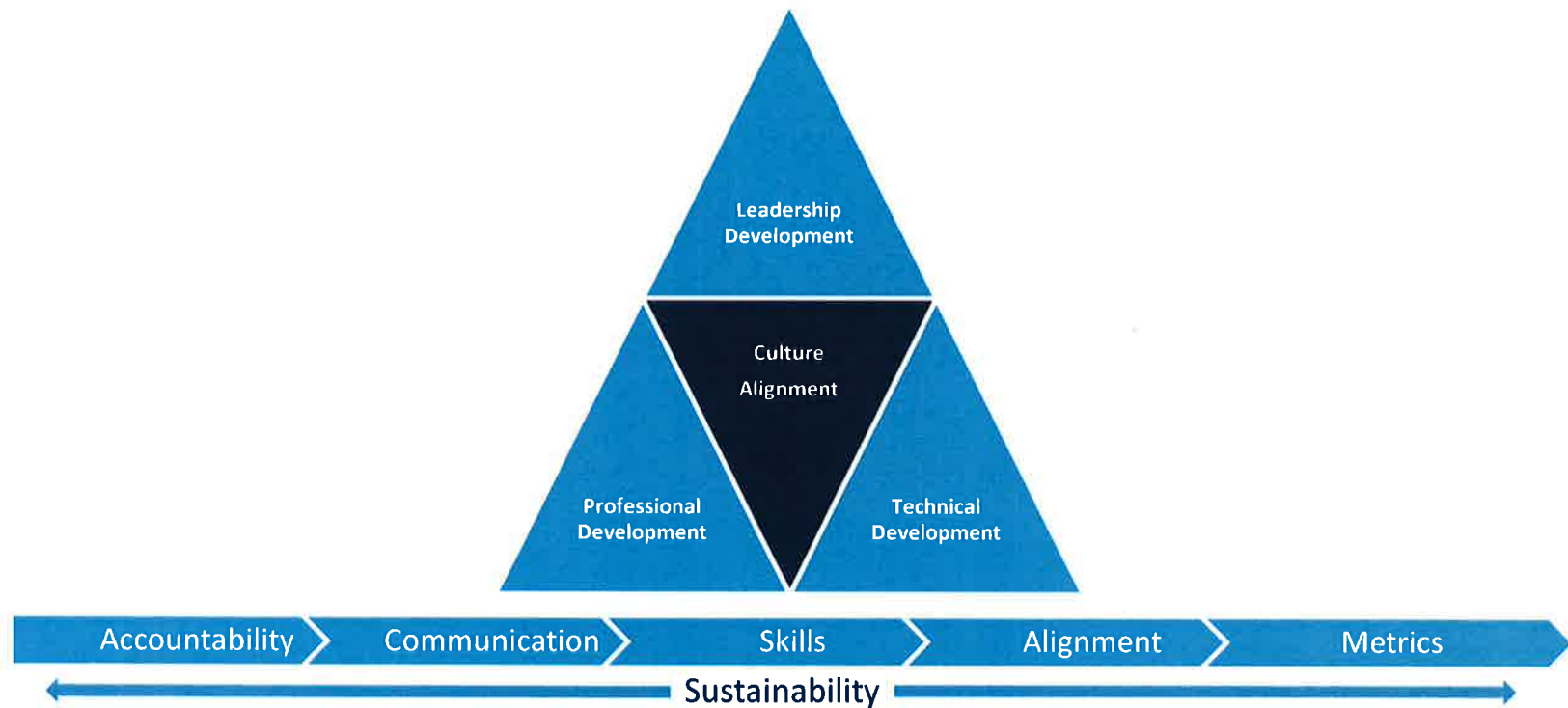


ADP MIGRATION

- ADP migration was a joint effort between Finance and HR, designed to consolidate VIT, VPA, and HRCP colleagues under one HRIS and payroll system.
- Phase I completed on April 28th, with the first pay checks issued in the new system. Phase II estimated completion date is May, 19th.
- After successful pilot program, additional time clocks ordered for Facility and Vehicle Maintenance Departments to improve accuracy and productivity.



ORGANIZATIONAL DEVELOPMENT (OD) MODEL



THE PORT OF
VIRGINIA

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Public Affairs Update

Cathie Vick
Chief Public Affairs Officer



FEDERAL ACTIVITIES



GRANTS



LEGISLATIVE UPDATES

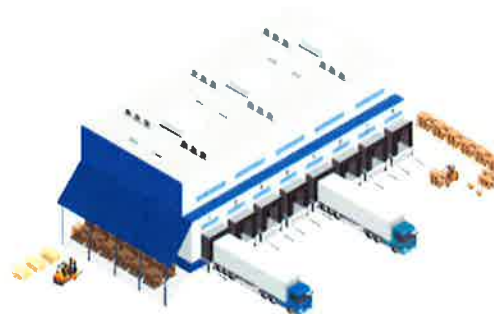


THE PORT OF
VIRGINIA

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FYTD 2017 ECONOMIC DEVELOPMENT TOTALS

32 ANNOUNCEMENTS



**MORE THAN 2,512,000 SQ. FT.
OF SPACE**



**INVESTED MORE
THAN \$708 MILLION**

**CREATED
3494 JOBS**



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SINCE LAST BOARD MEETING



Amazon, Frederick County



Hershey, Stuarts Draft



**We are here to help you grow
Be Different!**

Phoenix

Our ability to supply your ideal package is limited only by your creativity!

We are able to either find or create most packaging components.

From bottles, jars to pumps, sprayers, airless containers and closures to the latest advancements in anti-counterfeiting technology.

We providing a wide variety of options to help you achieve your perfect package by working with materials such as: glass, plastics, ceramics, metals, wood.

Phoenix has been providing packaging components since 1960, with roots in the packaging industry stretching back nearly 100 years.

Phoenix Packaging Operations,
Pulaski County

SITE SELECTORS



Marketing and Communications

EFFECTIVE MESSAGING CONTINUES

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COACH ALLEGEDLY ASSAULTED @ PASTOR PAYS LUNCH DEBT @

PORTS & RAIL

Port of Virginia is steadily positioning itself for era of bigger ships, top exec says

By Robert McCabe
The Virginian-Pilot
Apr 25, 2017



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PREPARING THE WAY FOR A
NEW ERA



THE PORT OF VIRGINIA

OCEAN ALLIANCE • COSCO DEVELOPMENT
INAUGURAL CALL TO THE U.S. EAST COAST • MAY 8, 2017

- From April 10 – May 12:**
- 104 featured media articles
 - Earned Media coverage = \$1,127,445 in advertising equivalency
 - Social Media: 80,000 people liked, commented or shared our posts



Stewards of Tomorrow

NEW TOOLS ARE IN DEVELOPMENT



Augmented Reality App will **bring the port to our customers.**
PR Measurement software **quantifies true brand impact.**
A new customer insight tool to **maintain proactive communication.**

Top Shared Links

- LA Times: "Nestle USA to move headquarters from Glendale to Virginia, offering 1,200 jobs"
- The Sacramento Bee: "With pension reform looming, these California departments went on a hiring spree"
- CalWatchdog.com: "New CA bills push 'fake news' education"
- Daily Republic: "Should the Fairfield City Council OK the proposed 254-unit housing development off Interstate 80?"

Business Community Ego Frequency



- Two events drove engagement across many Business entities: the Golden State Warrior's Groundbreaking event on January 17th and the SF Chamber of Commerce Advocacy Day at San Francisco City Hall.

Power Players



Top Shared Links

- SF Chamber: "San Francisco Chamber of Commerce Names Talia Hart as President and CEO"
- Constant Contact the Silicon Valley Organization: "Weekly News"
- Small Business Exchange: "Hey Bay Area: You Really Are Diverse"

MIRT & EMERGENCY OPERATIONS



Training

26th Annual Hampton Roads Marine
Firefighting School
May 8-13, 2017

- 105 attendees
- Domestic and International Participants
- Netherlands
- Hong Kong
- Singapore
- Panama (Canal Zone)

MIRT & EMERGENCY OPERATIONS



Response / Planning

- Coordinated search for sunken Buoy 20
- Cyber Planning
 - USCG Annex
 - State Cyber TTX

STEWARDS OF TOMORROW

INNOVATION

HELPFULNESS

ACCESSIBILITY

MINDFULNESS

FORTITUDE

SUSTAINABILITY

