

AID TO LOCAL PORTS FY19



THE PORT OF
VIRGINIA

Stewards of Tomorrow

AID TO LOCAL PORTS FY19

City	Total Project Cost	Amount Requested	Proposed Allocation-	Carryover Request
Accomack- Greenbackville Harbor Phase III	\$260,000.00	\$195,000.00	\$97,500.00	\$300,000.00
Accomack-Quinby Harbor Bulkhead	\$220,000.00	\$165,000.00	\$82,500.00	
Cape Charles-Installation of 4 th breakwater	\$875,000.00	\$428,750.00		\$227,501.40
Chesapeake-Fendering system for Gilmerton Bridge	\$2,400,000.00	\$400,000.00		
Chincoteague-Floating finger piers (Curtis Merritt Harbor of Refuge)	\$125,000.00	\$93,750.00	\$93,750.00	
Hampton*				\$50,000.00
Isle of Wight – Jones Creek Boat Ramp	\$200,000.00	\$150,000.00		
Newport News- SIP East Bulkhead refurbishment & improvements to North travelway	\$885,374.00	\$664,031.00	\$332,016.00	\$136,380.29
Norfolk* (Elizabeth River Trail)				\$82,500.00
Norfolk* (Nauticus)				\$47,252.00
Northampton- Dredging (Willis Wharf)	\$401,861.00	\$241,815.80	\$140,138.00	\$59,580.20
Onancock-Wharf Area Improvements	\$193,546.00	\$145,159.50	\$145,159.00	\$105,161.00
Poquoson*				\$202,125.00
Portsmouth- Paradise Creek Nature Park	\$50,000.00	\$37,500.00	\$37,500.00	
Portsmouth*-Portside				\$109,650.00
Richmond* Intermediate Terminal				\$81,848.00
Saxis*				\$117,513.00
Smithfield-Clontz Park boat ramp	\$75,250.00	\$56,437.50	\$56,437.00	
Tangier*				\$57,925.00
Wachapreage- Marina repairs	\$20,000.00	\$15,000.00	\$15,000.00	\$38,000.00
Totals	\$5,706,031.00	\$2,592,443.80	\$1,000,000.00	\$1,615,435.89 2

NEW ALP PROJECTS FY19

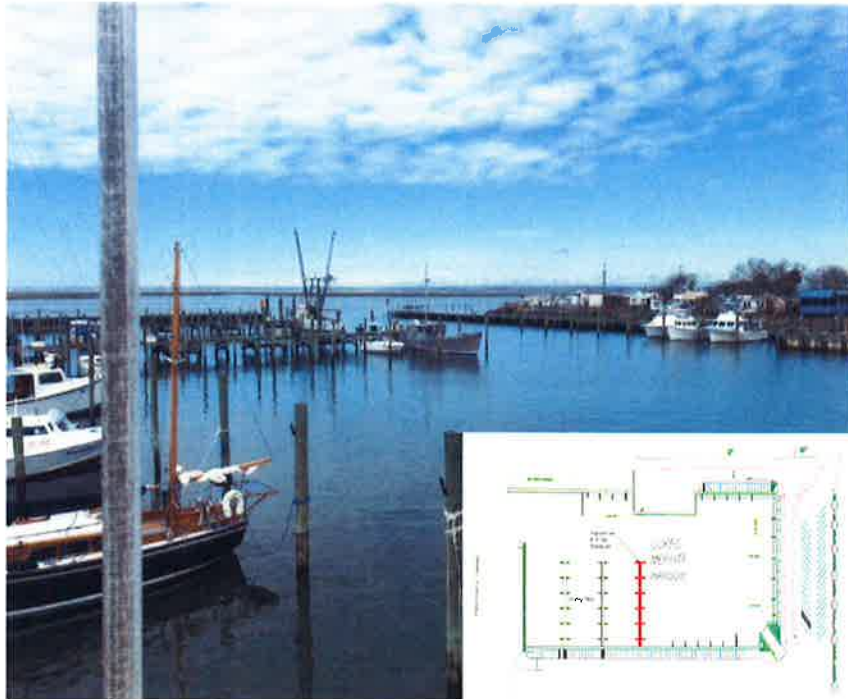


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FY19 NEW ALP PROJECTS

Chincoteague- Floating Finger Pier



Onancock- Wharf Area Improvements



COMPLETED ALP PROJECT- NEWPORT NEWS SEAFOOD INDUSTRIAL PARK



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COMPLETED ALP PROJECT-NORTHAMPTON COUNTY-MORLEY'S WHARF

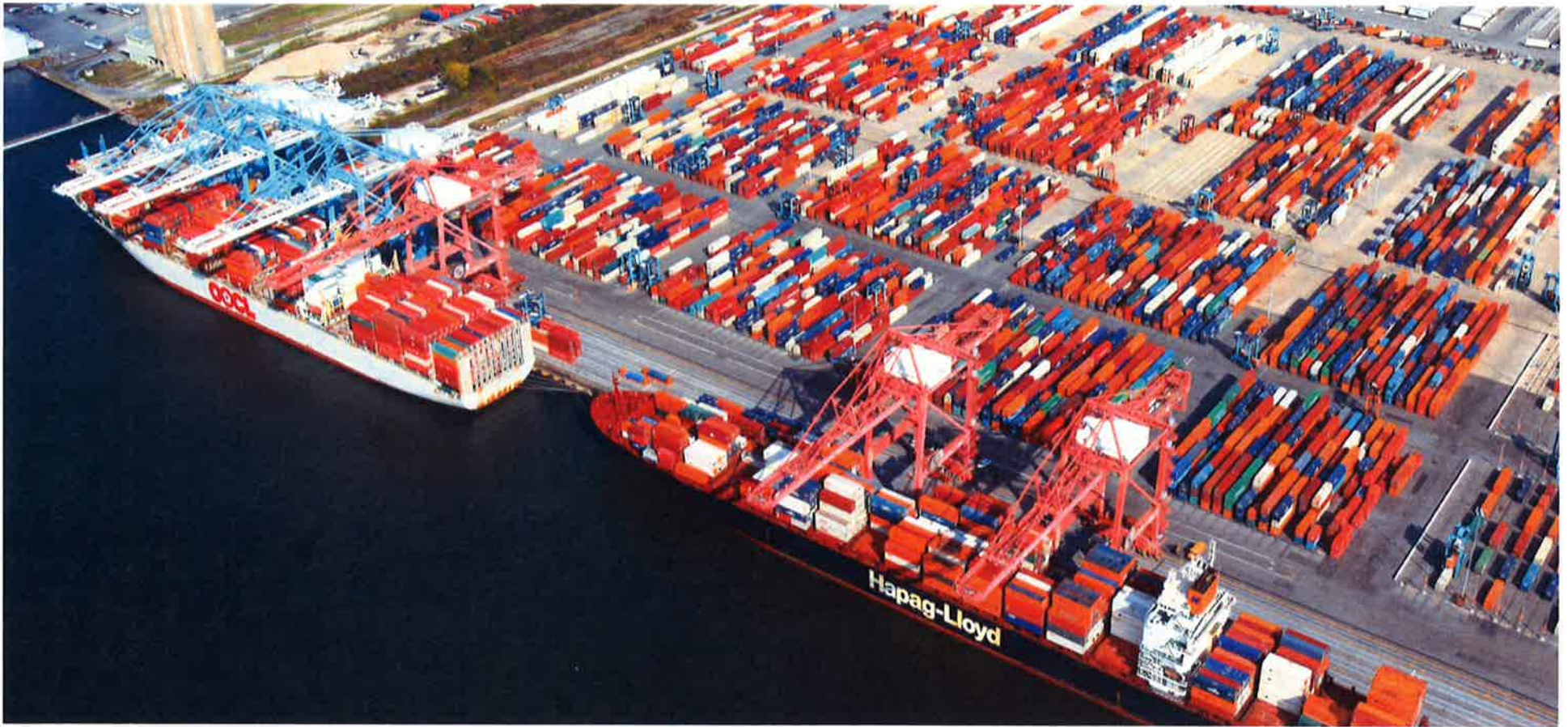


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**March 2018
Financial Report**

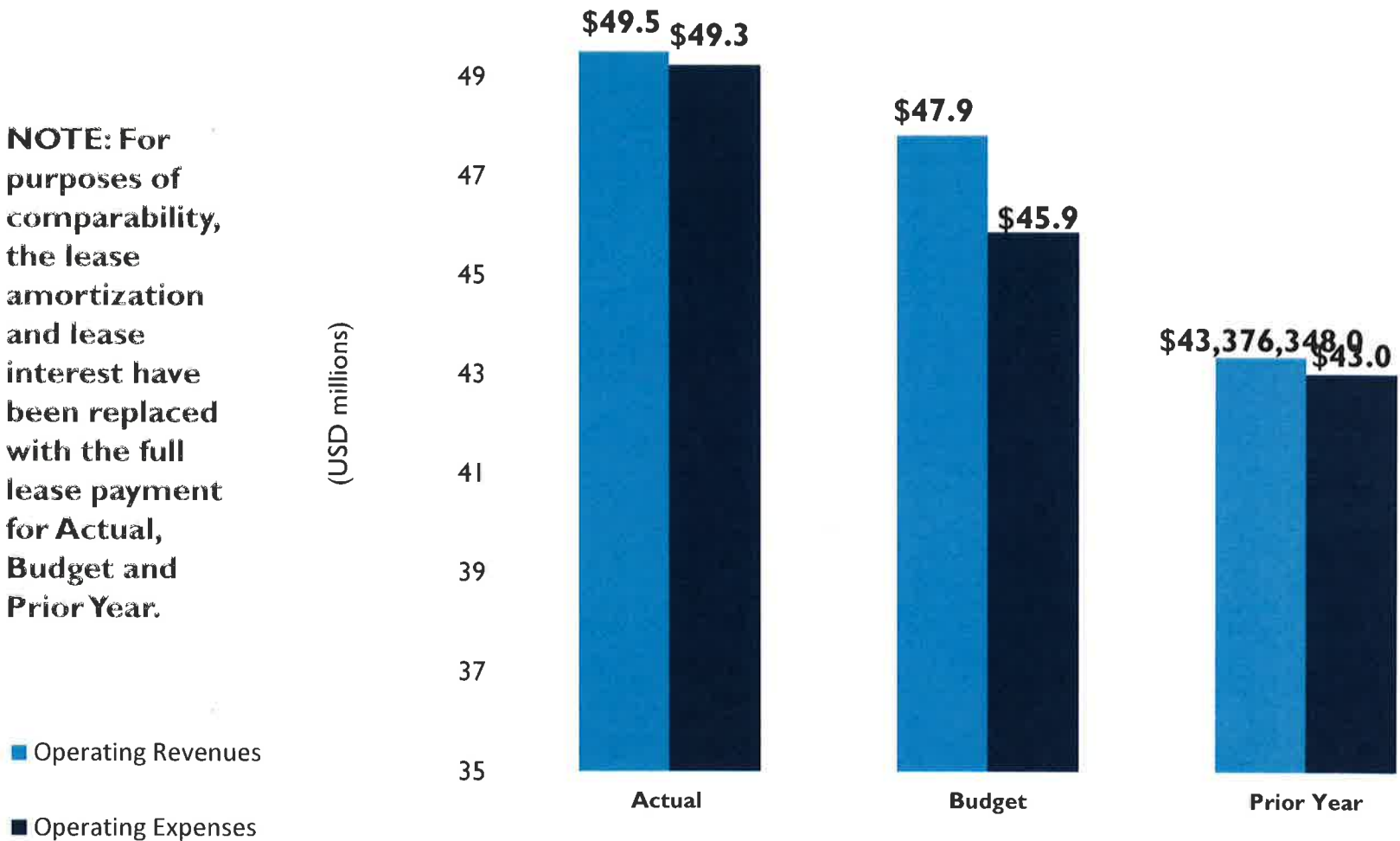
Rodney W. Oliver
Chief Financial Officer



OPERATING REVENUES AND EXPENSES:

For the Month Ended March 31, 2018

NOTE: For purposes of comparability, the lease amortization and lease interest have been replaced with the full lease payment for Actual, Budget and Prior Year.



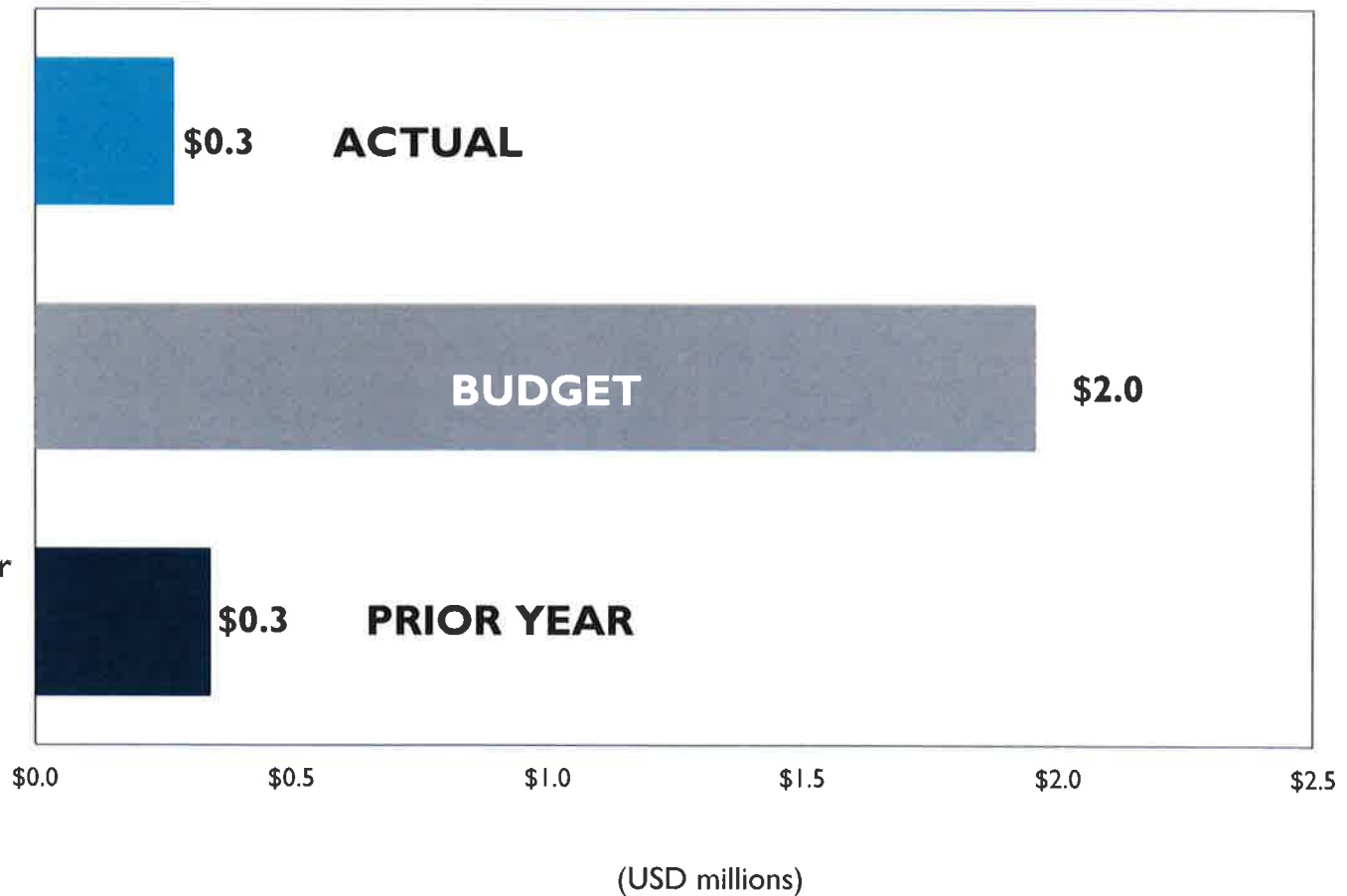
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OPERATING INCOME (LOSS):

For the Month Ended March 31, 2018

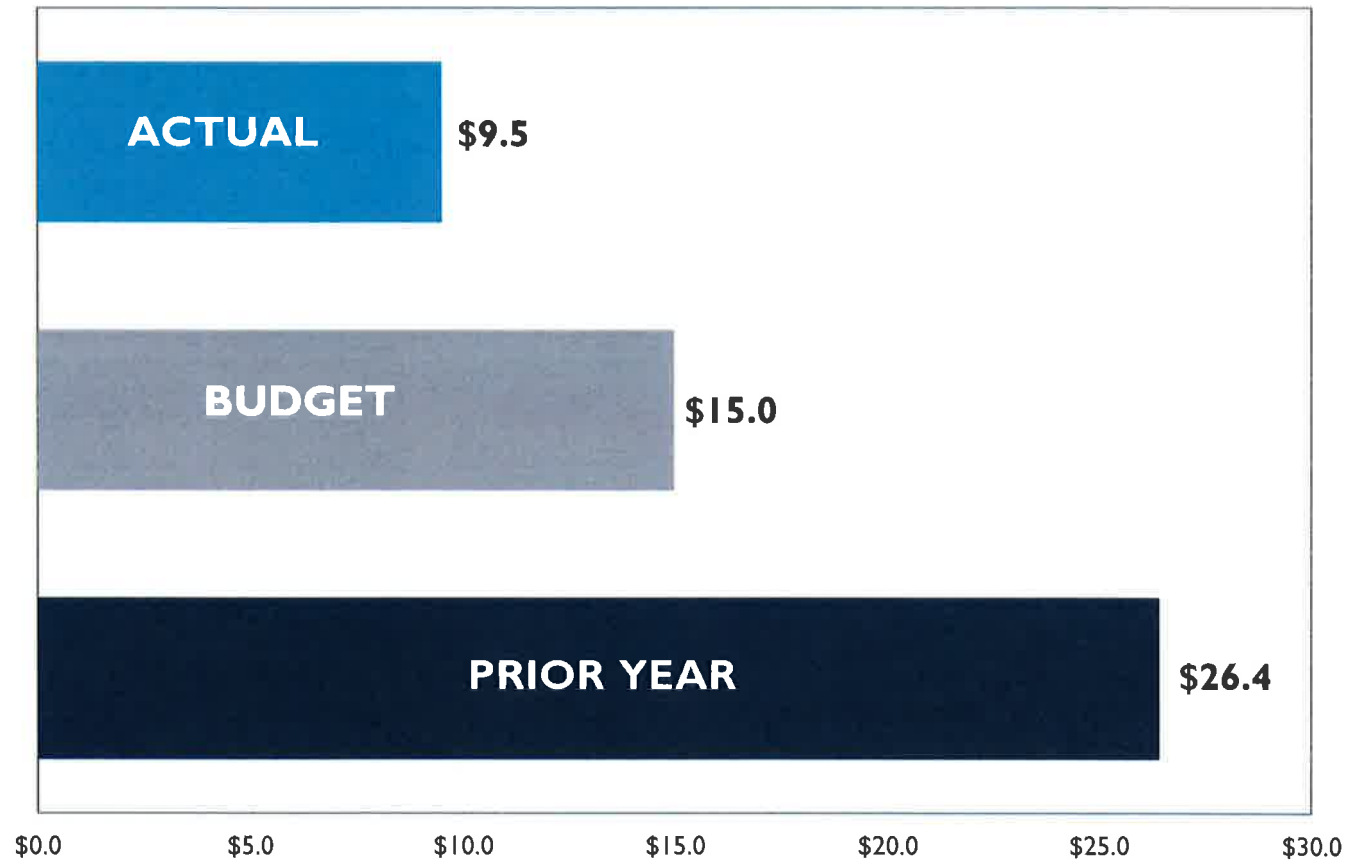
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CHANGE IN NET POSITION:

For the Month Ended March 31, 2018

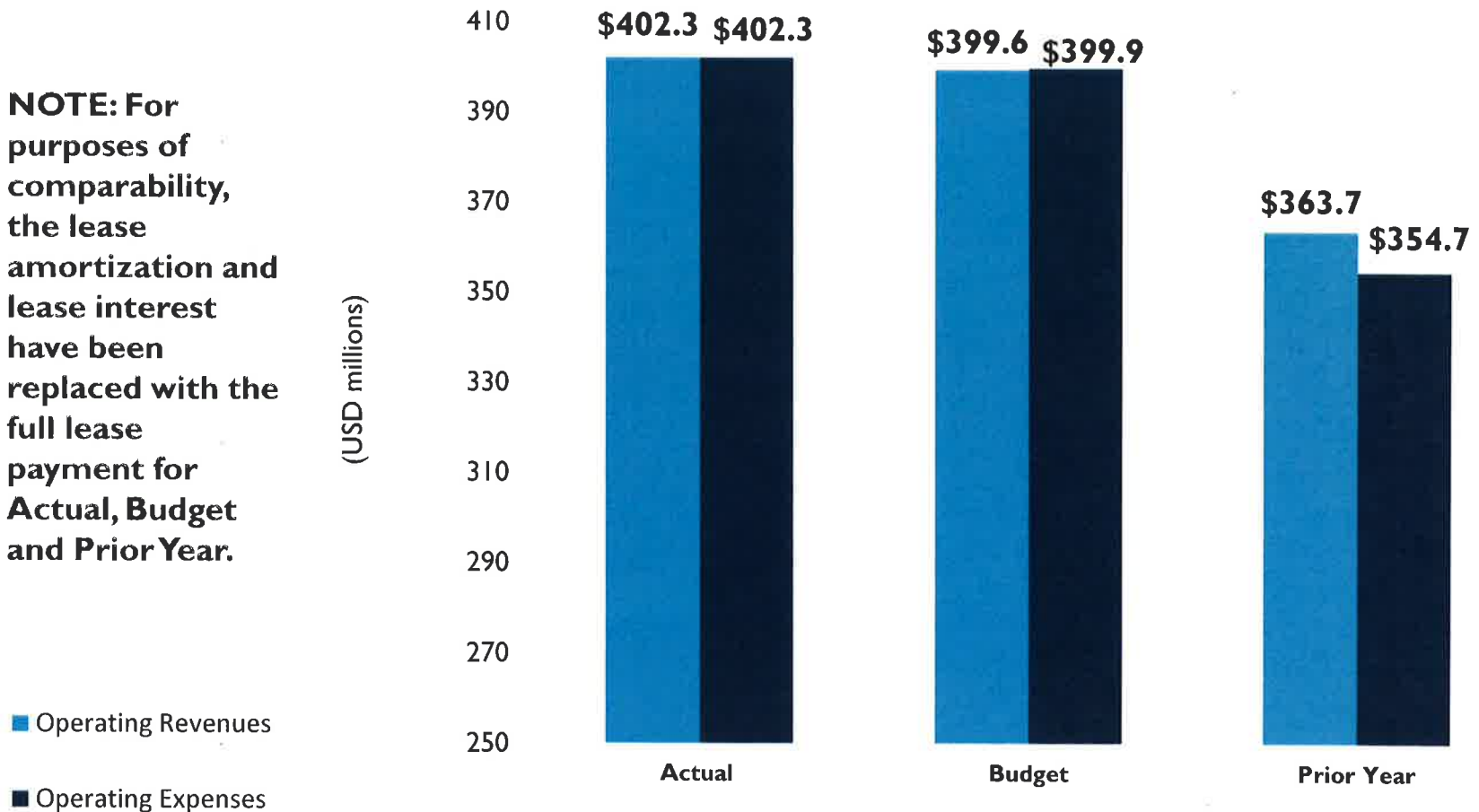
NOTE: For purposes of comparability, the lease amortization and lease interest have been replaced with the full lease payment for Actual, Budget and Prior Year.



OPERATING REVENUES AND EXPENSES:

For the Nine Months Ended March 31, 2018

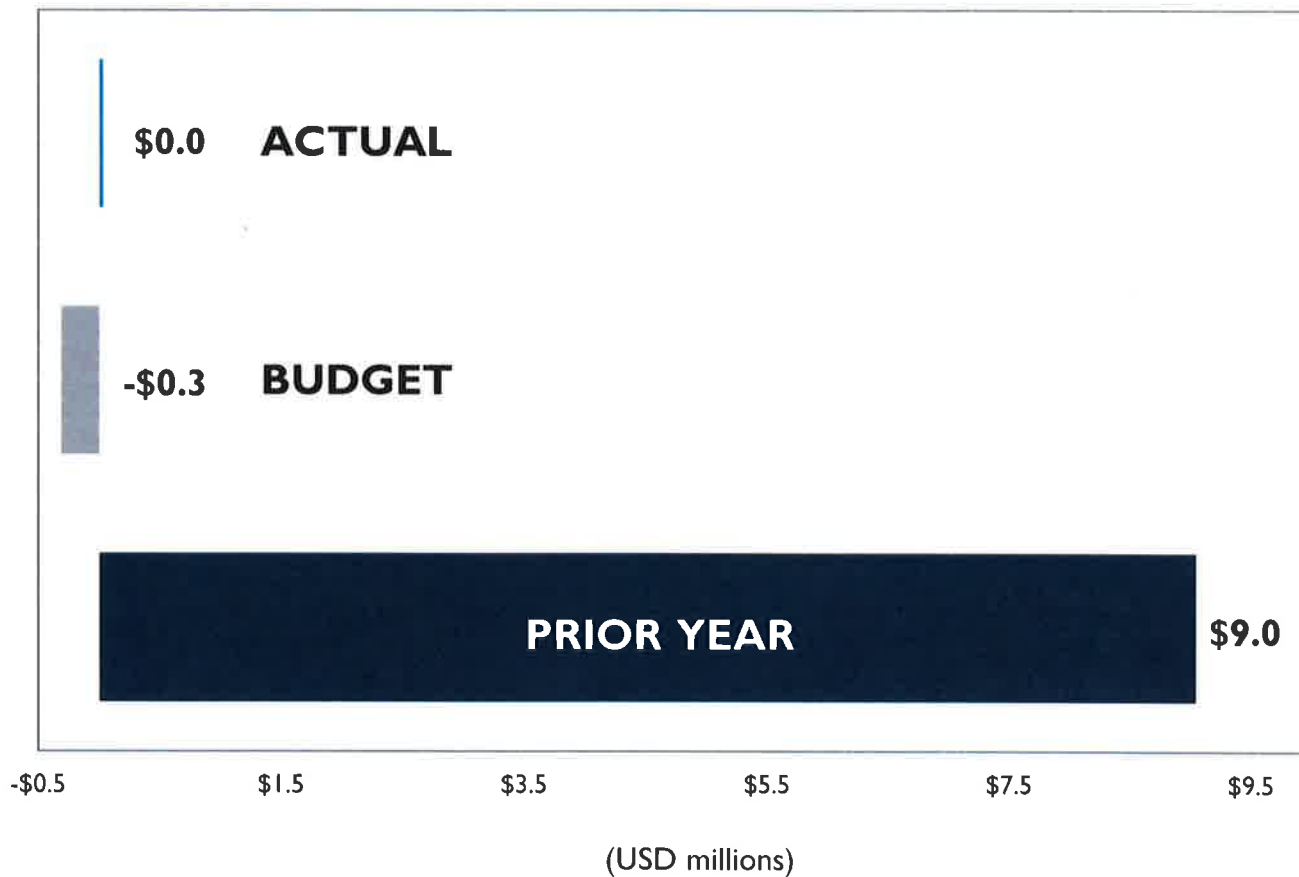
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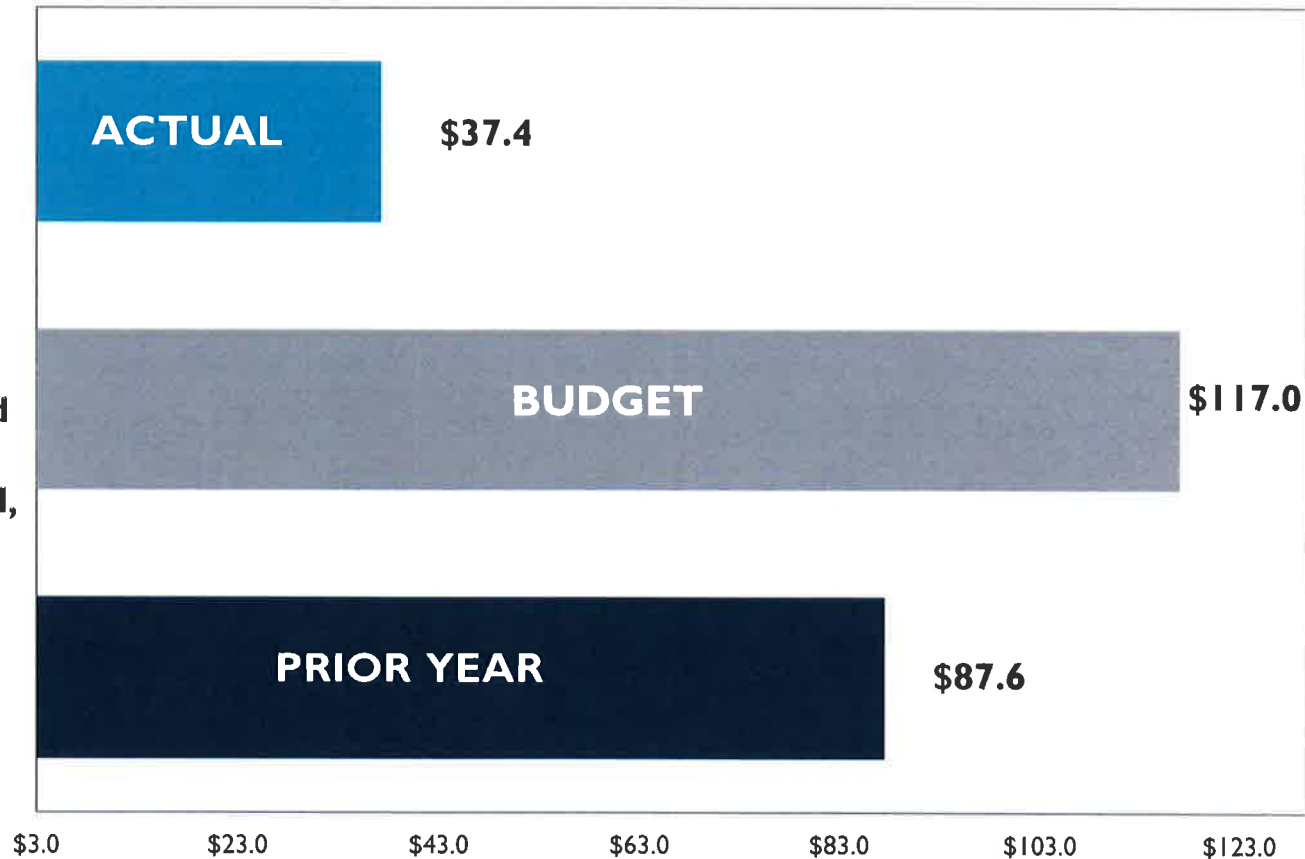
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For the Nine Months Ended March 31, 2018

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The Port of Virginia FY19 Budget

May 22, 2018



Stewards of Tomorrow

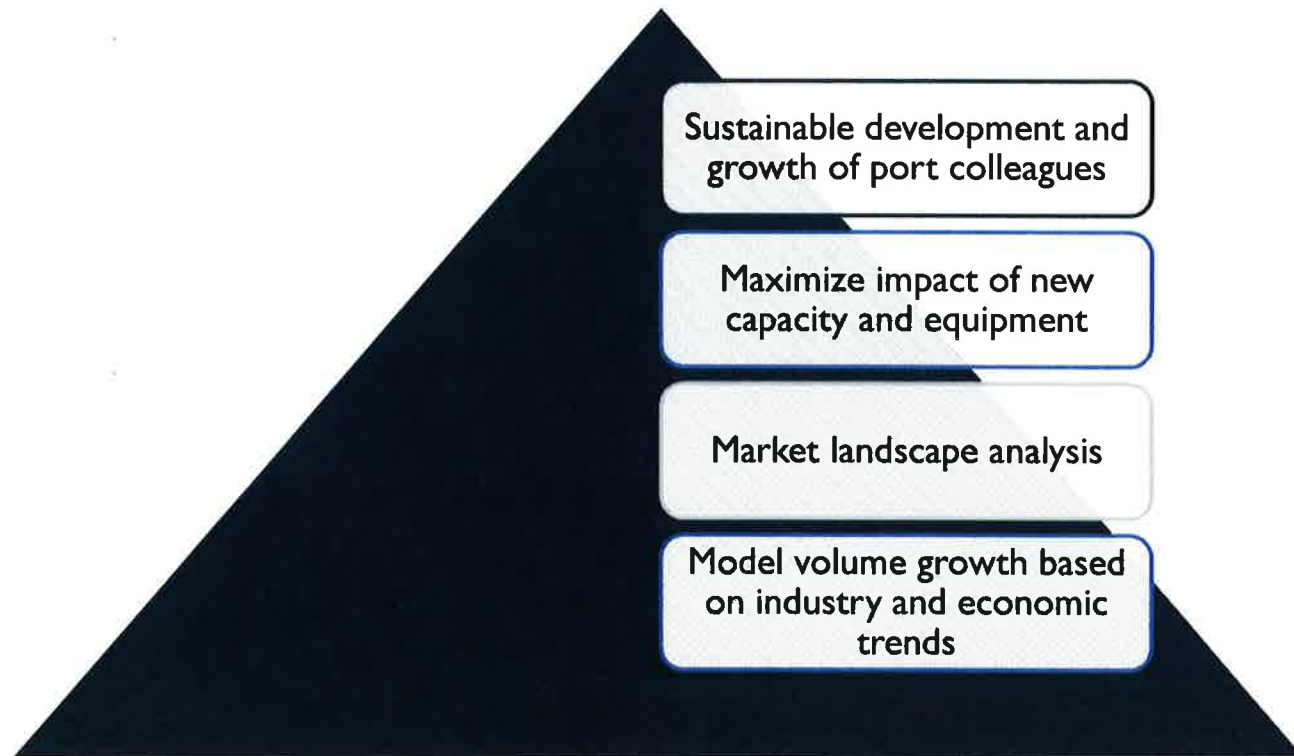


FY 2019 Budget

AGENDA

- Mindful Approach
- Executive Summary
- Our Budget and Plans

MINDFUL APPROACH TO THE PROCESS





FY 2019 Budget

EXCEEDING OUR BOND REQUIREMENTS

Measure	Minimum Requirement	FY2018			FY2019	
		2016 Masterplan Projection for FY2018	Budget FY2018	FY2018 Current Forecast	2016 Masterplan Projection for FY2019	Budget FY2019
Aggregate Net Revenue Coverage	1.10	1.27	1.47	1.30	1.32	1.36
Aggregate Adjusted Net Revenue Coverage	1.25	1.42	1.70	1.49	1.46	1.56
Net Revenue Coverage	1.00	1.19	1.36	1.19	1.25	1.26

FY 2019 Budget

FY19 INCOME STATEMENT WITH EBITDA

	FY18 Budget	FY18 Forecast <i>as of April 23, 2018</i>	FY19 Budget <i>as of May 8, 2018</i>	FY19 Budget vs FY18 Forecast	
				<i>Change</i>	<i>% Change</i>
Container volume	1,639,411	1,641,080	1,730,450	89,370	5.4%
Total operating revenues, \$000s	\$543,146	\$543,318	\$594,225	\$50,908	9.4%
Total operating expenses, \$000s	\$537,313	\$542,700	\$593,889	\$51,190	9.4%
Operating income / (loss), \$000s	\$5,834	\$618	\$336	-\$282	-45.6%
EBITDA, \$000s	\$62,892	\$58,982	\$67,467	\$8,485	14.4%
EBITDA %	11.6%	10.9%	11.4%		
EBITDA (Before Lease Rental), \$000s	\$138,361	\$131,784	\$154,867	\$23,083	17.5%
EBITDA %	25.5%	24.3%	26.1%		

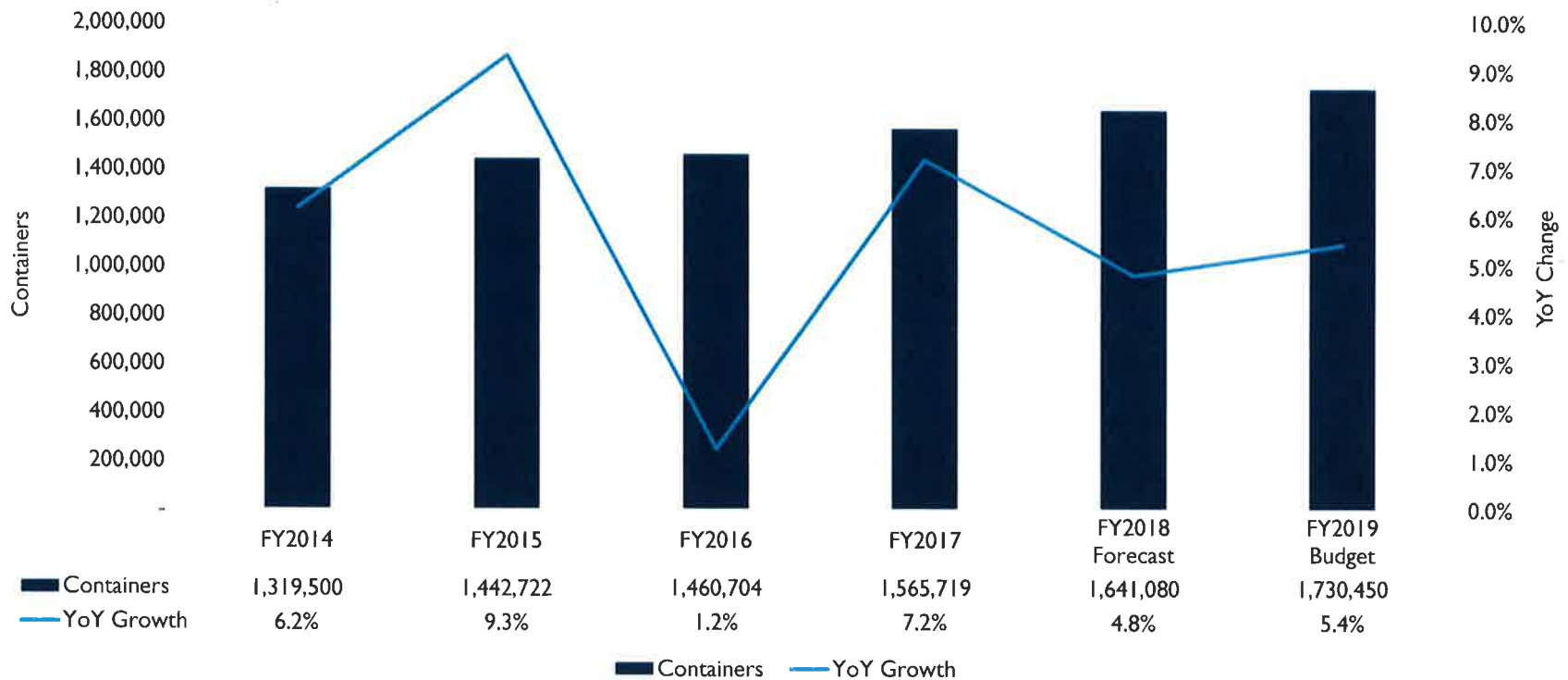
ASSUMPTIONS AND BUDGET



PROJECTED VOLUMES

Terminal	FY 2018 projected as of 04/23/18	FY 2019	Percent Change
NIT	787,732 containers	748,310 containers	-5.0%
VIG	667,819 containers	805,548 containers	20.6%
PMT	185,530 containers	176,592 containers	-4.8%
Total Container volume	1,641,081	1,730,450	+5.4%
NNMT	36,188 vehicles	55,000 vehicles	+52.0%
VIP	36,634 containers	38,374 containers	+4.75%
RMT	25,593 containers	34,229 containers	+33.7%

STEADY GROWTH IN CONTAINER VOLUMES





FY 2019 Budget

REVENUES ASSUMPTIONS

- Revenue will increase by 9.4%
- Volume will increase by 5.4%
- Schedule of Rates (SOR) will increase by 3.3%
- Includes new shipline contracts negotiated in FY18 through March 31
- Rate increases in line with market data including chassis rates and empty container storage rates

FY 2019 Budget

FY19 INCOME STATEMENT

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Terminal operating revenues, \$000s	\$531,053	\$529,102	\$577,791	\$48,690	9.2%
Other revenues	\$10,660	\$10,702	\$11,939	\$1,237	11.6%
Operating Revenues - Grants	\$1,433	\$3,514	\$4,495	\$981	27.9%
Total operating revenues	\$543,146	\$543,318	\$594,225	\$50,908	9.4%

FY 2019 Budget

REVENUE TRENDS CONTINUE IN A POSITIVE DIRECTION





FY 2019 Budget

EXPENSES ASSUMPTIONS

- Estimated CPI increase of 2.6%
- Labor rate increase in October of 4.0%
- Expansion projects arrive per plan
- Major drivers include additional chassis, new assets deployment, a second RMT barge, and increases in facility rent

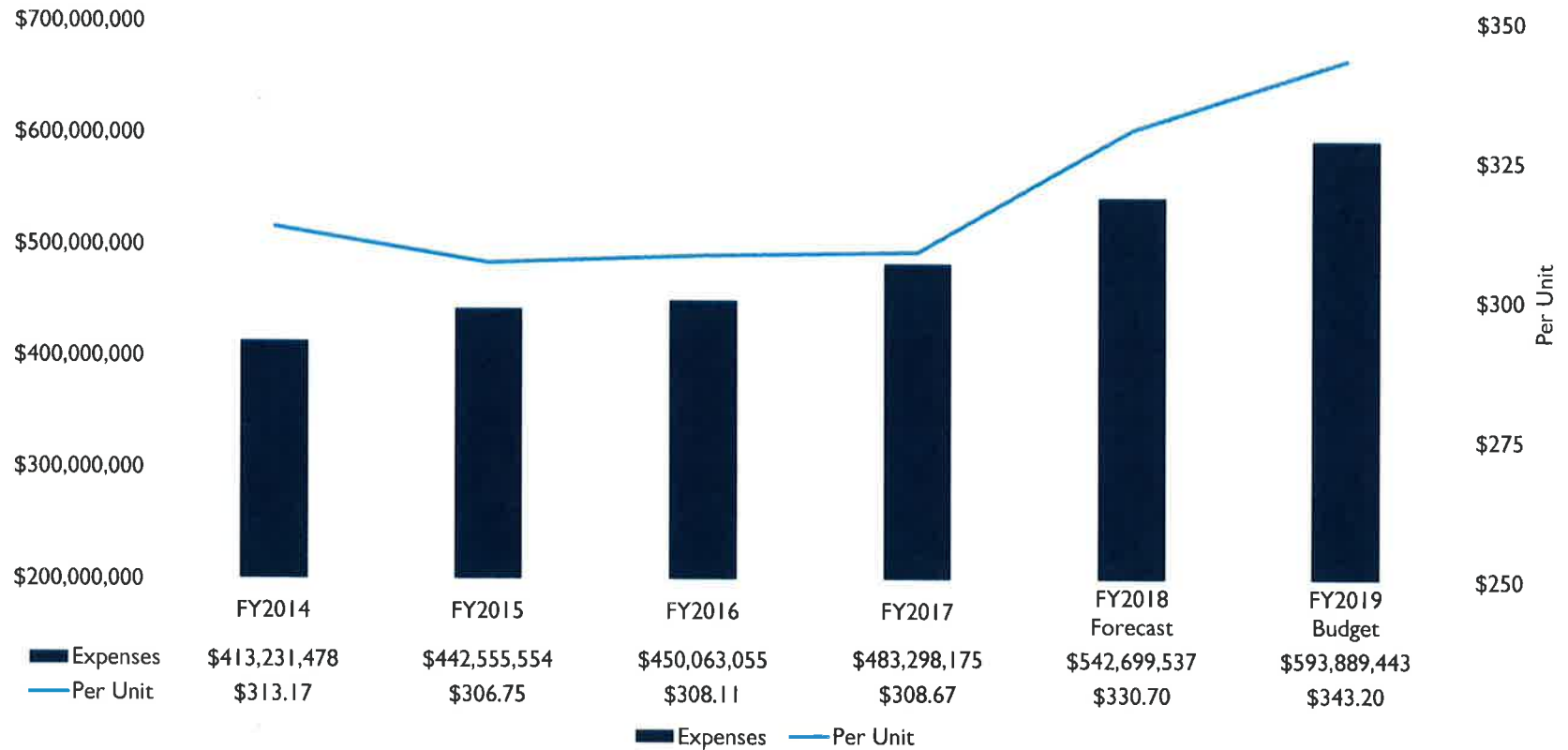
FY 2019 Budget

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Terminal labor	\$136,439	\$140,610	\$147,282	\$6,672	4.7%
Terminal expenses	\$92,879	\$100,294	\$113,020	\$12,726	12.7%
Terminal maintenance	\$109,850	\$108,850	\$115,294	\$6,444	5.9%
General and administrative	\$65,438	\$61,600	\$63,583	\$1,983	3.2%
Facility rental	\$75,649	\$72,982	\$87,580	\$14,598	20.0%
Depreciation and amortization	\$57,059	\$58,364	\$67,131	\$8,767	15.0%
Total operating expenses	\$537,313	\$542,700	\$593,889	\$51,190	9.4%

FY 2019 Budget

EXPENSE TRENDS



FY 2019 Budget

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FY 2019 Budget

RUN RATE OPERATING INCOME TRENDS





FY 2019 Budget

CAPITAL OUTLAY BUDGET

VPA Project	Project Cost
Container Handling Equipment	\$24,589,700
NIT Expansion	\$13,200,000
55 ft Dredging - FY19 portion	\$10,000,000
NIT Dredging	\$9,000,000
Improvements to Container Handling Facilities	\$8,940,236
Financial System Replacement	\$8,000,000
IT, excluding N4	\$6,423,500
VIP Rail Expansion	\$5,700,000
Miscellaneous other	\$1,961,000
Total	\$87,814,436

VIT Project	Project Cost
N4 Related	\$4,950,000
IT, excluding N4	\$1,870,000
Container Handling Equipment	\$1,828,000
Billing System	\$1,400,000
Miscellaneous other	\$152,642
Total	\$10,200,642

CAPITAL BUDGET SOURCES OF POV FUNDING

Funding Source	
\$39,559,928	Terminal Revenue Paygo
\$28,861,075	State Grants
\$12,820,000	2015 Bond
\$8,209,700	MELP
\$6,108,375	CPF Paygo
\$2,456,000	Federal Grants
\$ 98,015,078	Total



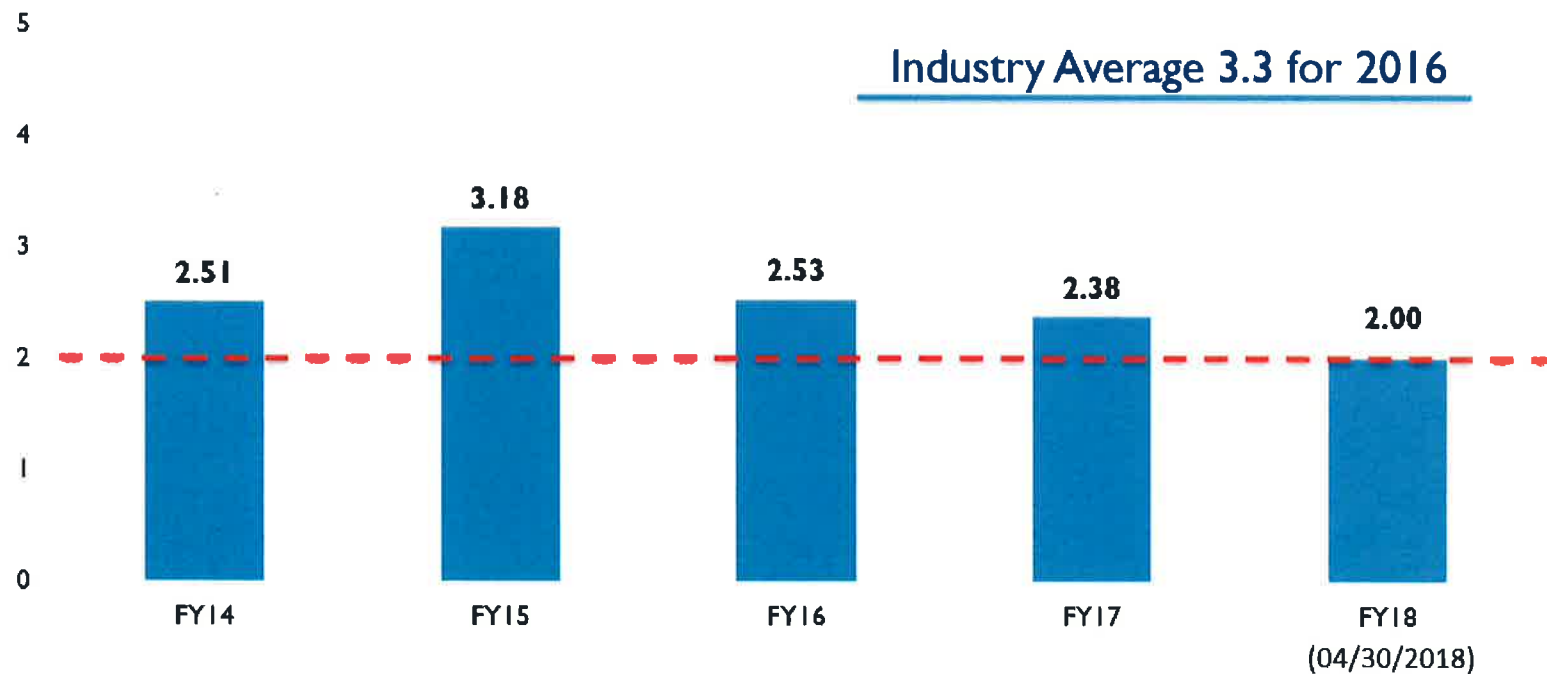
FY 2019 Budget

SUMMARY

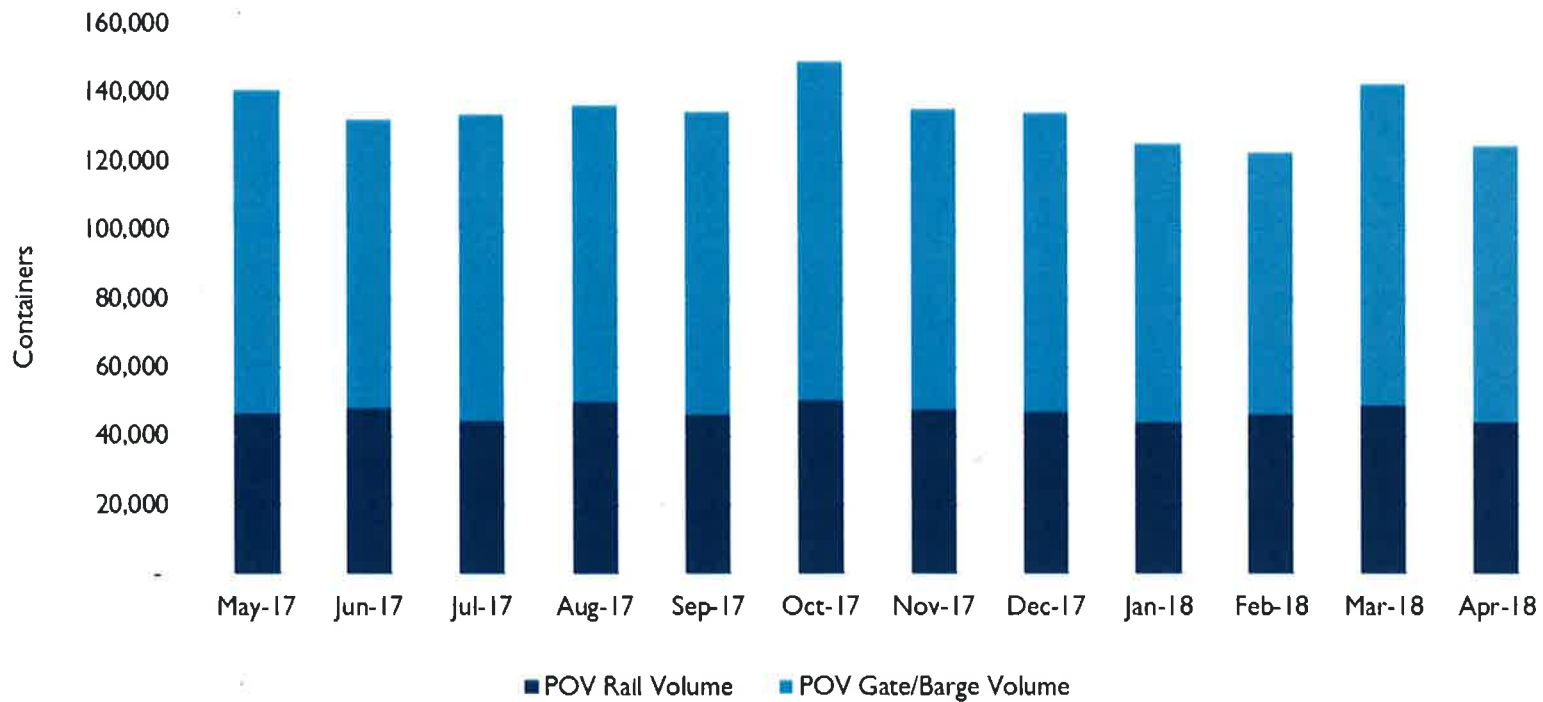
- Exceeding our bond requirements
- Maximizing use of new capacity
- Making sustainable investments



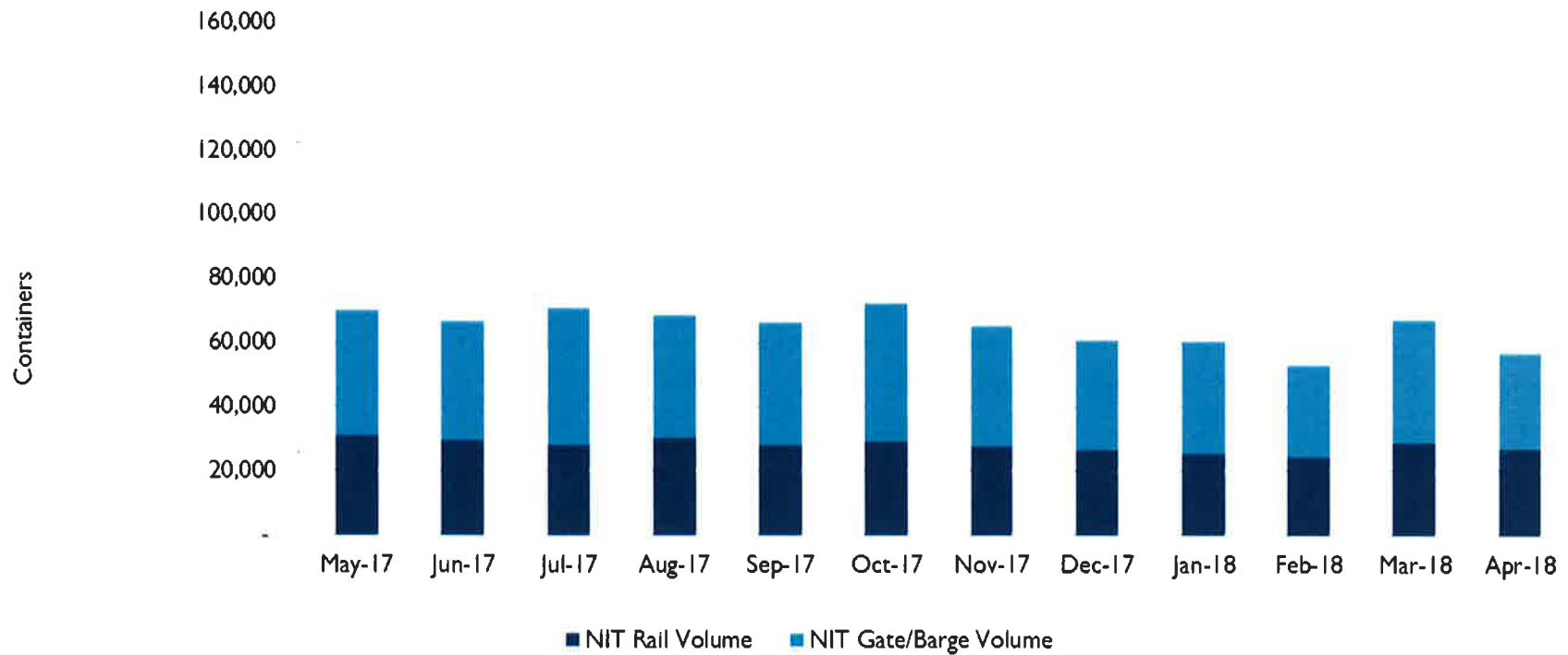
POV OSHA LOST WORK DAY RATE



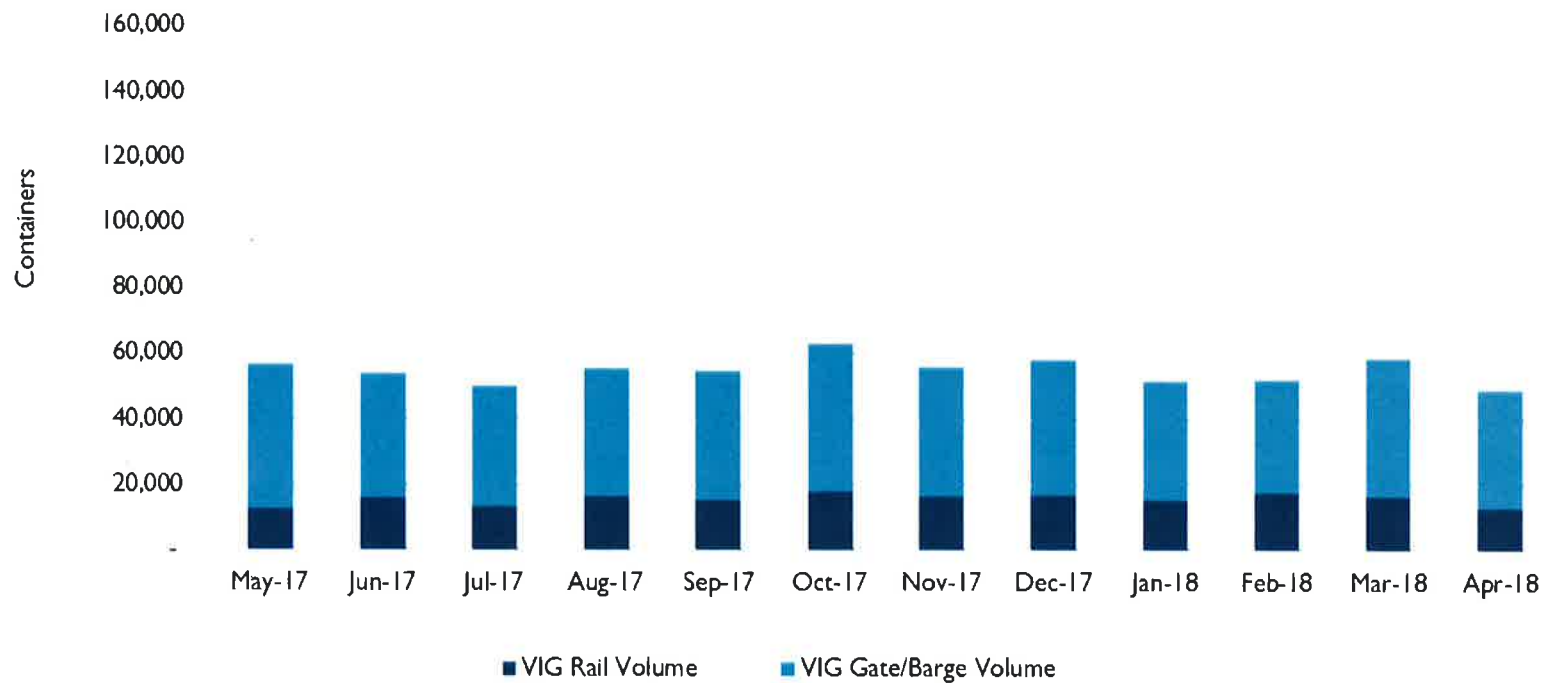
POV RAIL VS GATE/BARGE VOLUME



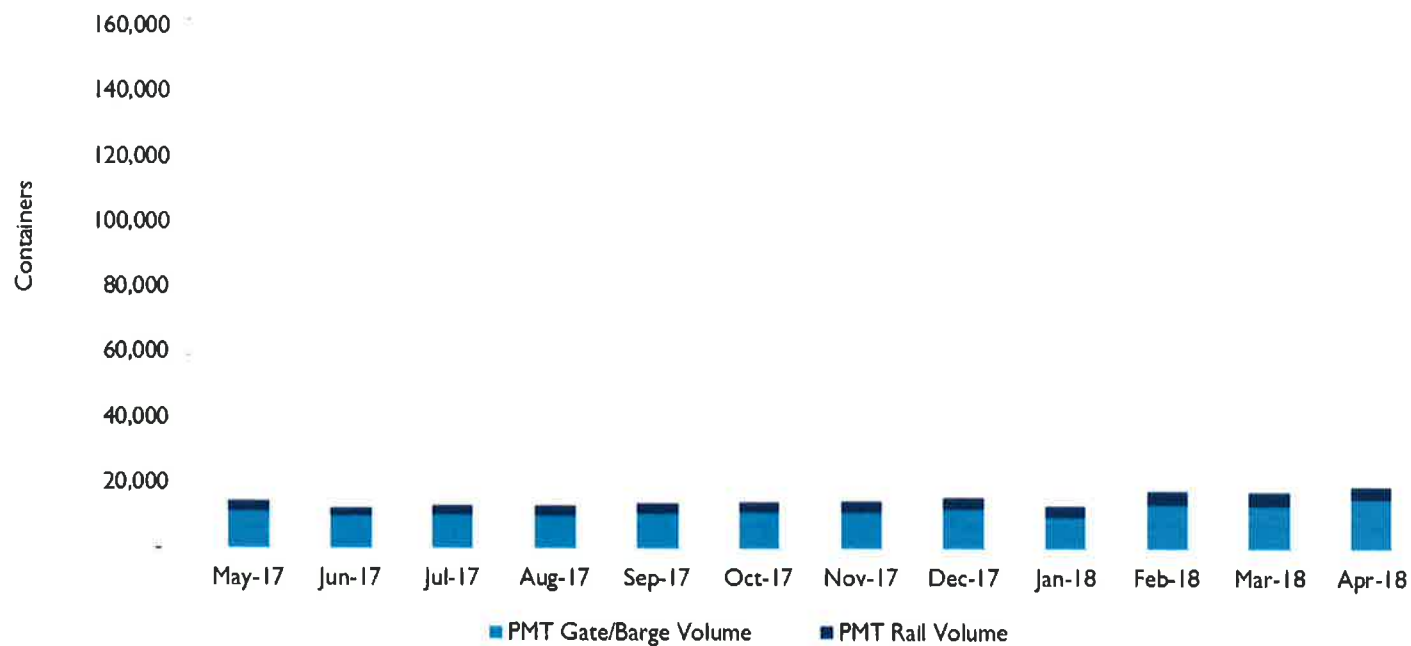
NIT RAIL VS GATE/BARGE VOLUME



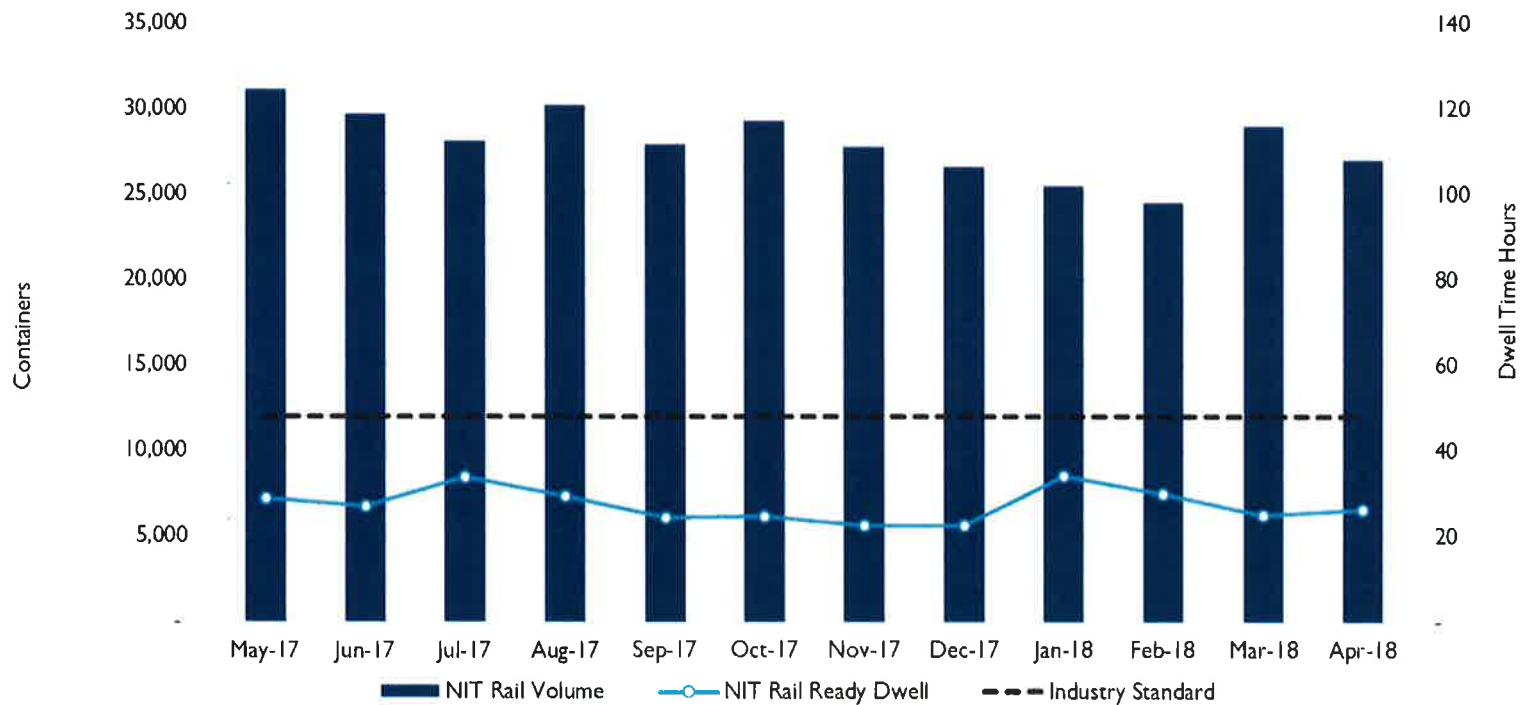
VIG RAIL VS GATE/BARGE VOLUME



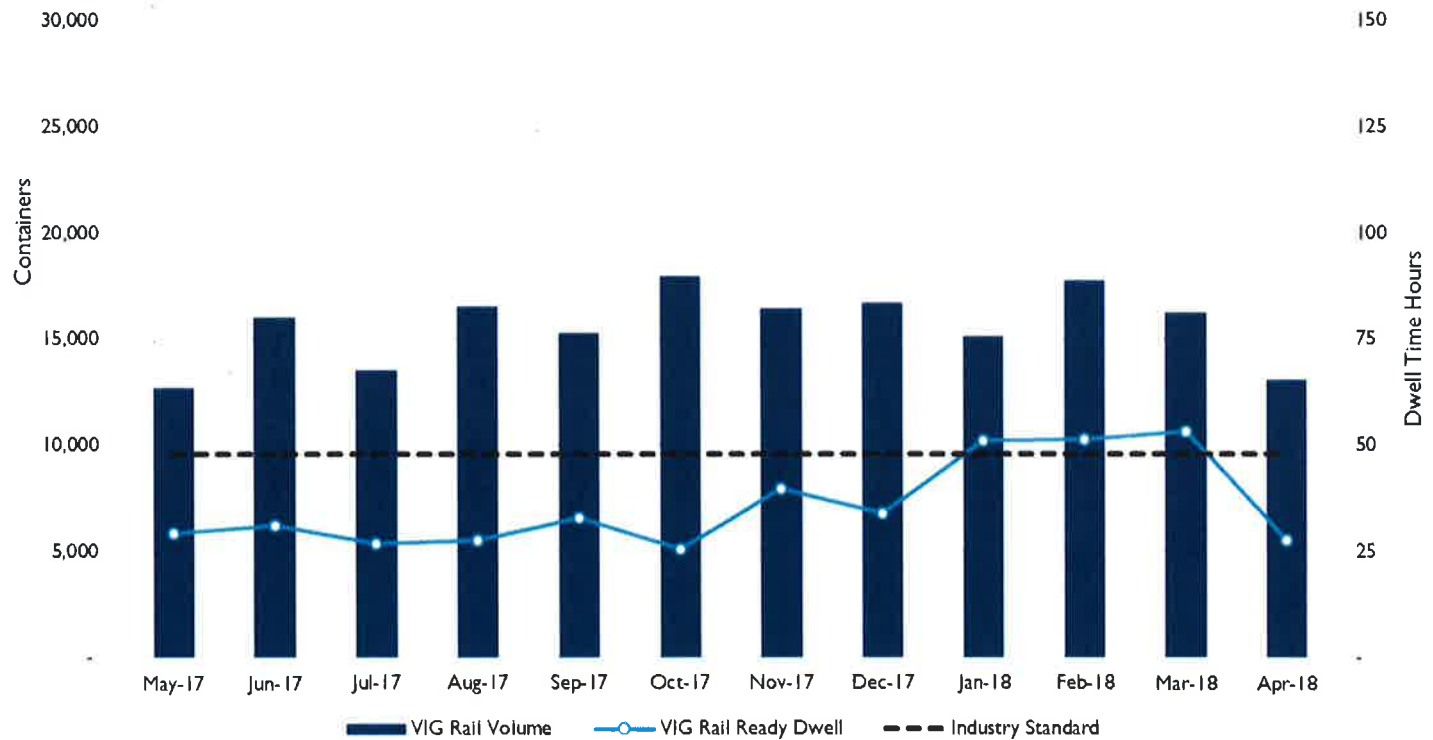
PMT RAIL VS GATE/BARGE VOLUME



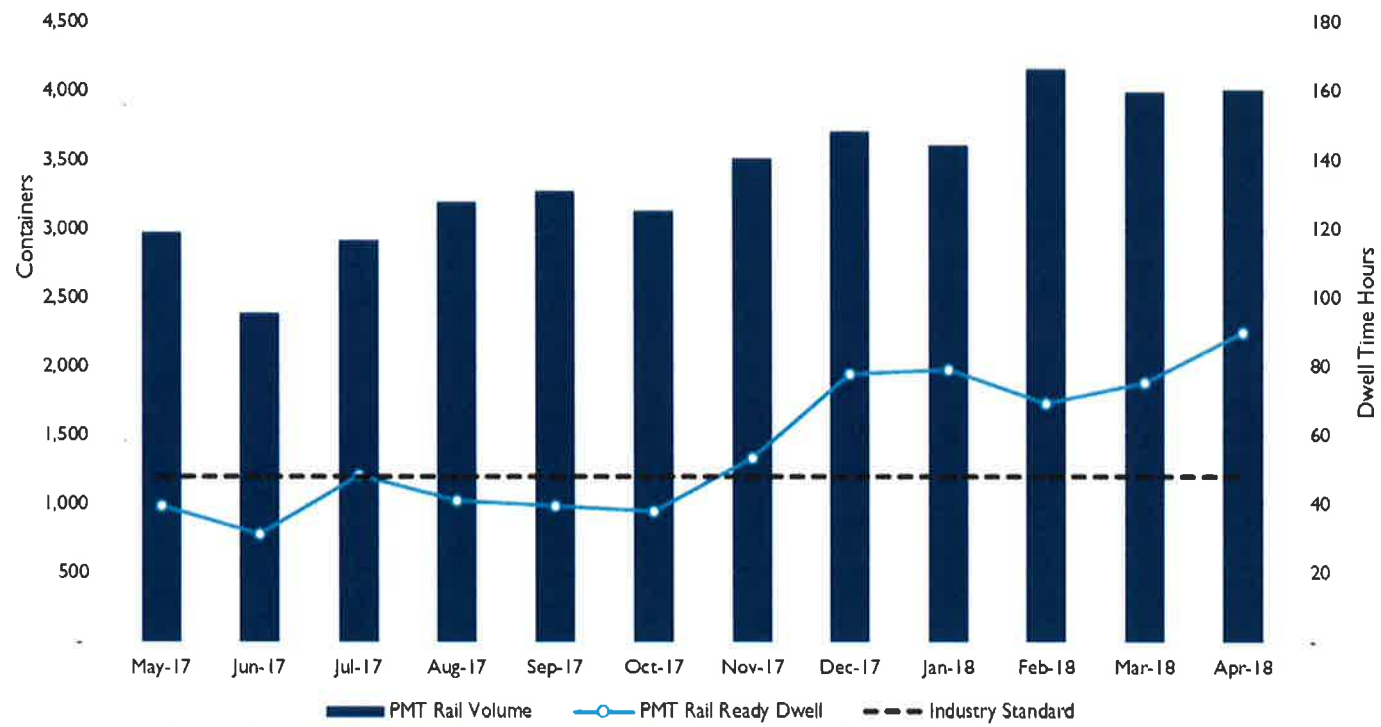
NIT RAIL VOLUME



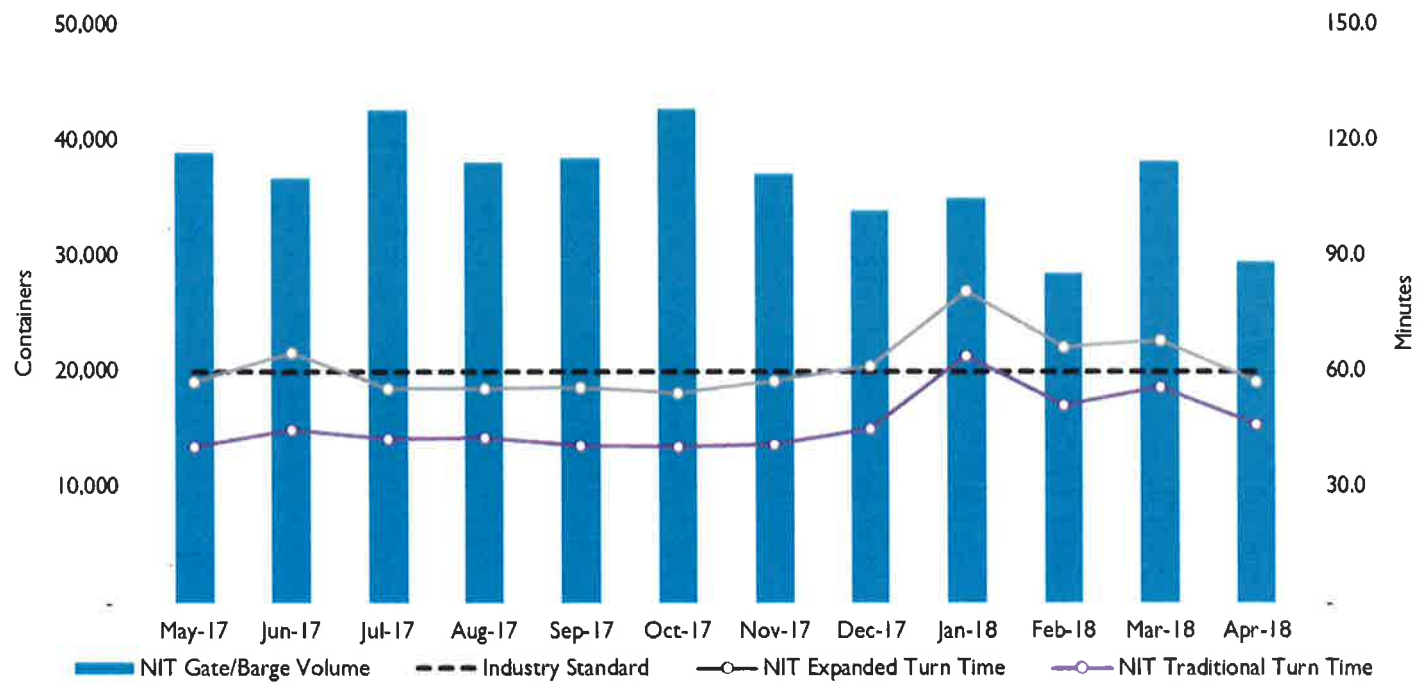
VIG RAIL VOLUME



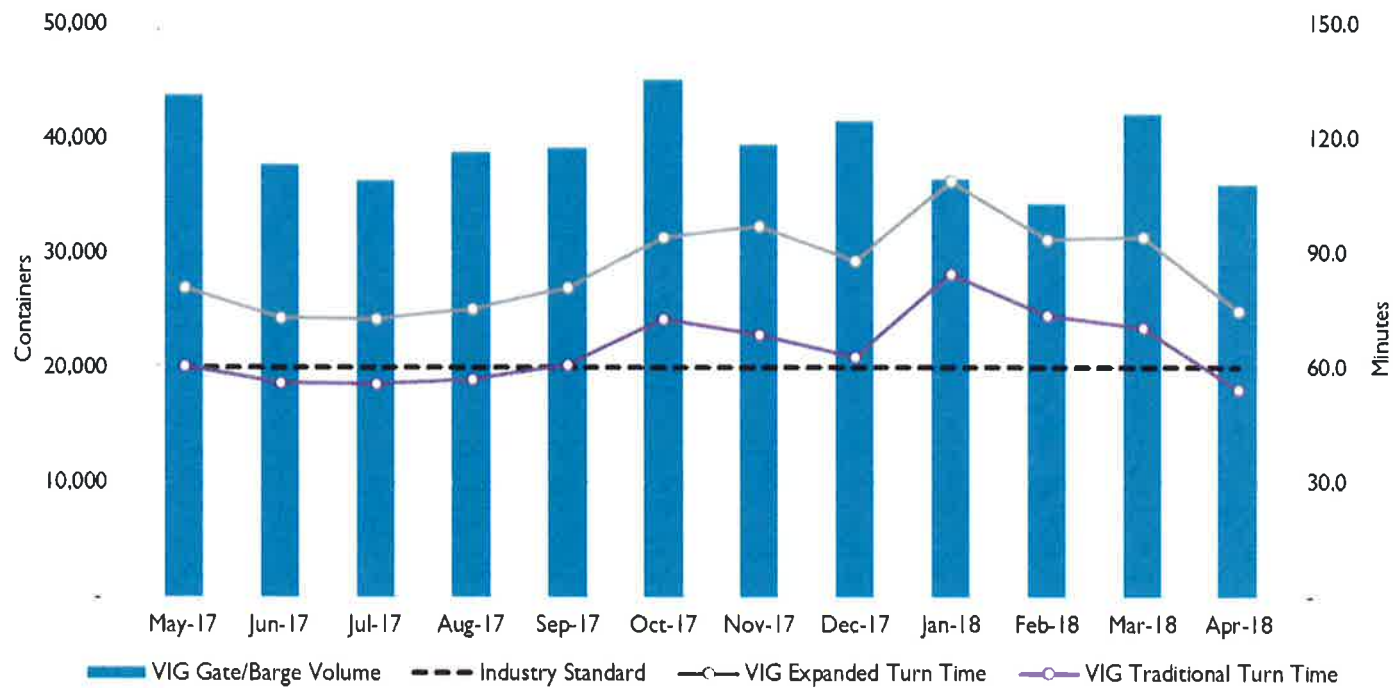
PMT RAIL VOLUME



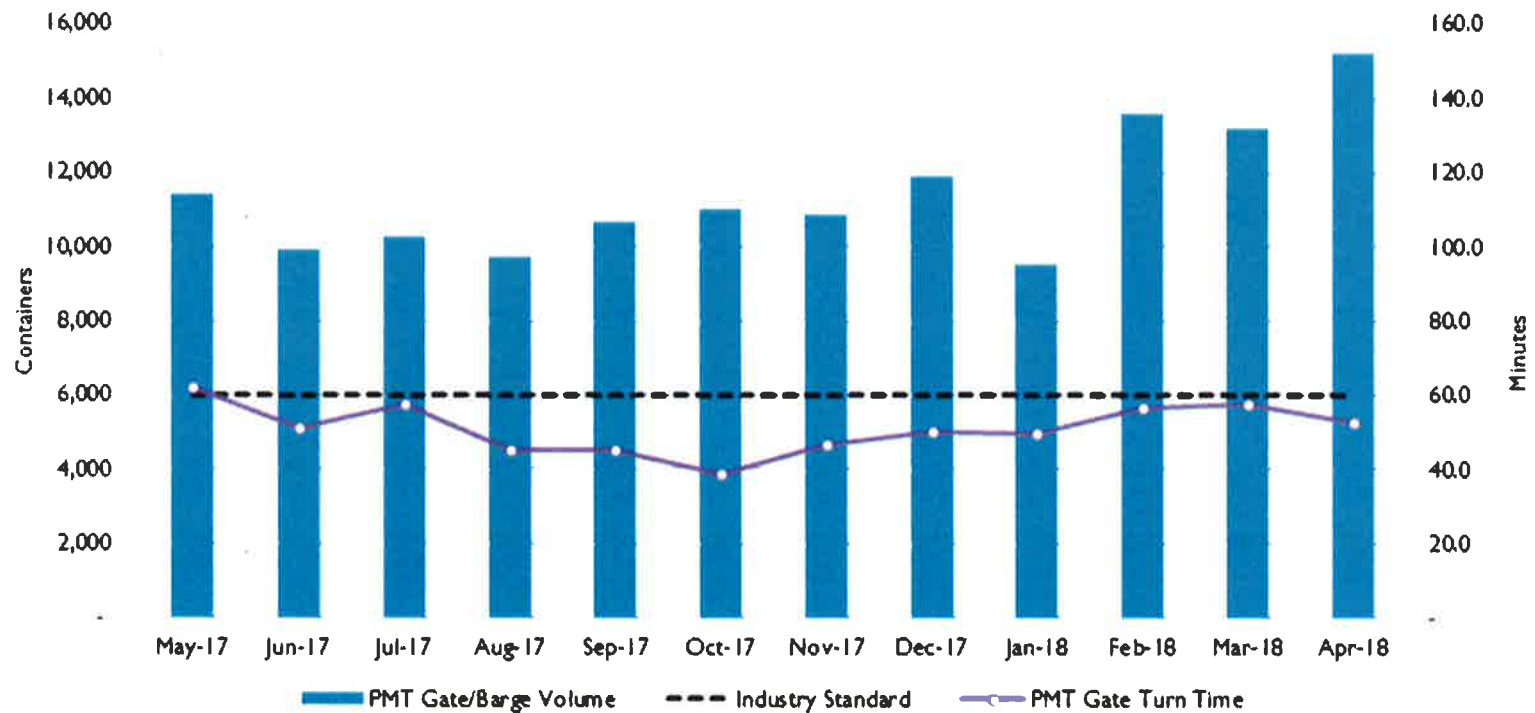
NIT GATE TURN TIMES



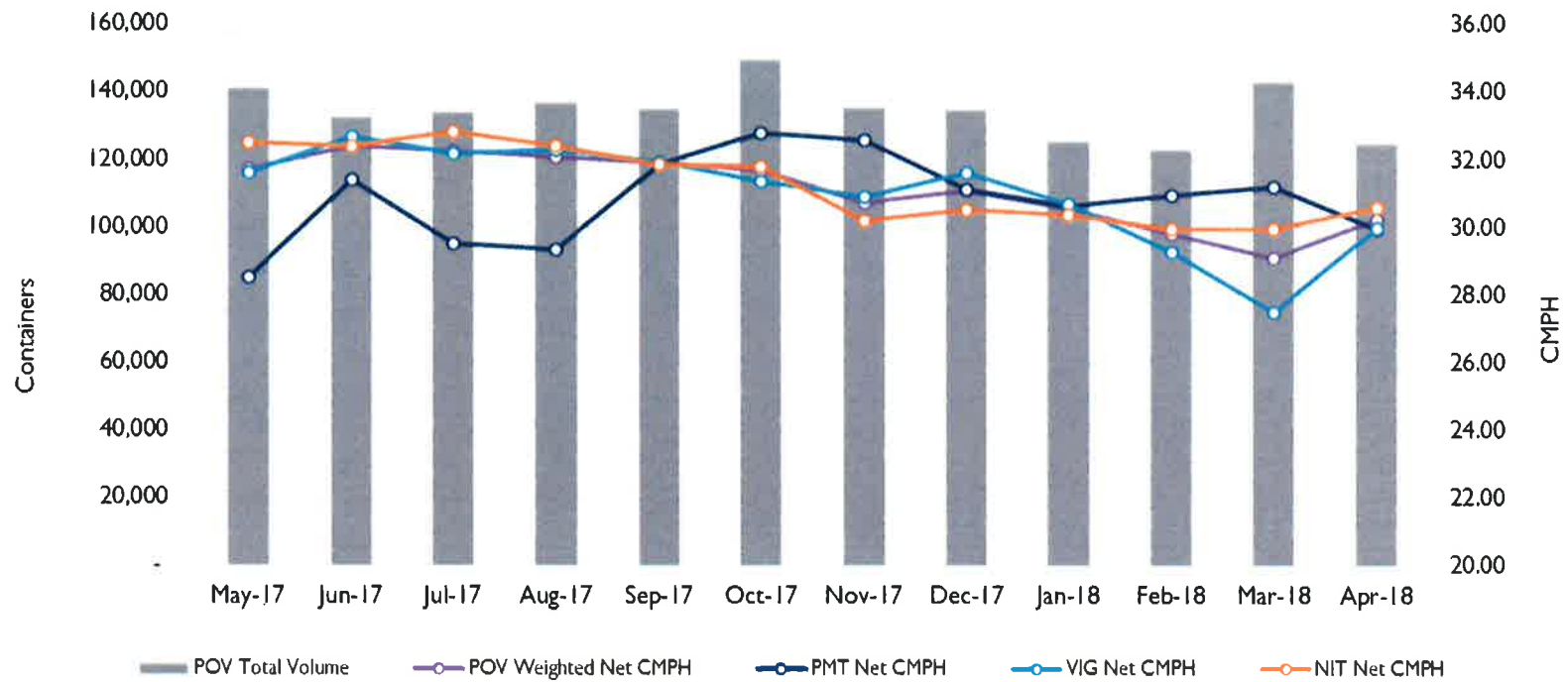
VIG GATE TURN TIMES



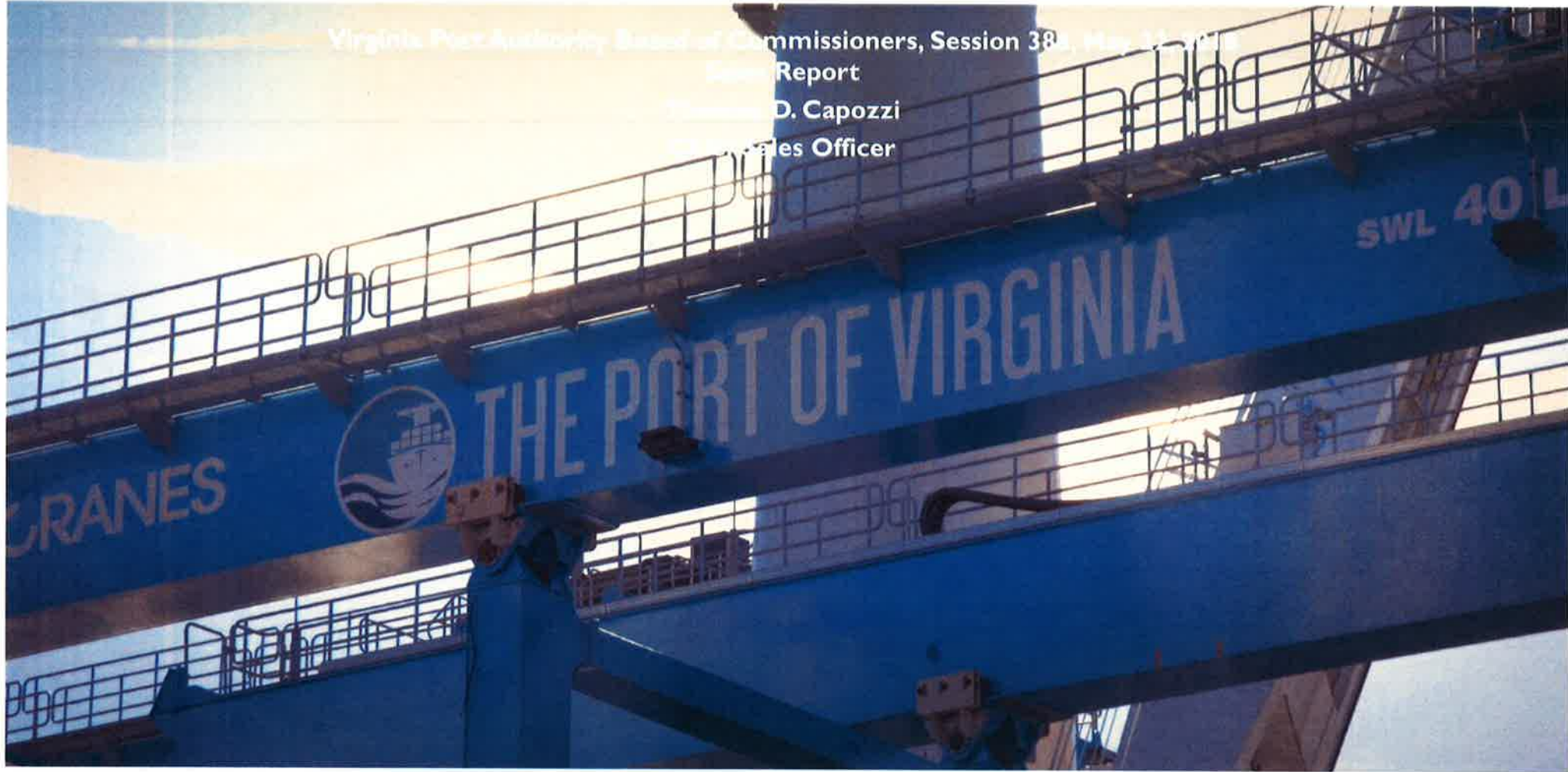
PMT GATE TURN TIMES



NET CRANE MOVES PER HOUR



Virginia Port Authority Board of Commissioners, Session 381, May 12, 2014
Topic: Report
Presented by: D. Capozzi
Title: Sales Officer



POV VOLUMES: FYTD July-April 2018

	FY 2017	FY 2018	Change	% Change
Total TEUs	2,283,861	2,367,006	83,145	3.6%
Export Loaded TEUs	866,979	836,909	(30,069)	-3.5%
Export Empty TEUs	350,253	420,868	70,615	20.2%
Import Loaded TEUs	1,020,270	1,088,981	68,711	6.7%
Import Empty TEUs	46,360	20,249	(26,111)	-56.3%
Total Containers	1,291,817	1,341,723	49,906	3.9%
General Cargo Tonnage	18,137,538	18,430,325	292,786	1.6%
Container Tonnage	17,979,730	18,269,869	290,139	1.6%
Breakbulk Tonnage	157,808	160,456	2,648	1.7%
Total Rail Containers	473,881	470,575	(3,306)	-0.7%
VIP Containers	28,789	29,881	1,092	3.8%
Total Barge Containers	38,828	40,941	2,113	5.4%
RMT Containers	19,092	22,293	3,201	16.8%
Total Truck Containers	779,108	830,207	51,099	6.6%
Ship Calls	1,511	1,431	(80)	-5.3%
Vehicle Units	29,098	27,005	(2,093)	-7.2%

CUSTOMER SERVICE UPDATE



LME UPDATE



TARIFF UPDATES

- Steel
- Aluminum
- Solar Energy
- Forced Technology Transfer



MAIDEN VOYAGE – DRIVE GREEN HIGHWAY



PORT OF VIRGINIA EVENTS



Furniture Market



Midwest Foreign Commerce Club



CONNECT Conference



Stewards of Tomorrow



Virginia Port Authority Board of Commissioners, Session 386, May 22, 2018

Joseph P. Buddy
Chief Information Officer



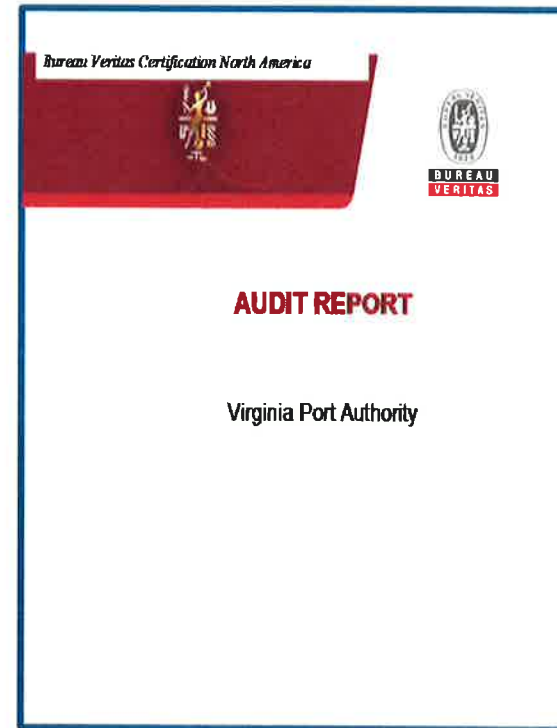
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AGENDA

- ISO 9001 Audit Results
- Marketing and Communications Update
- Projects Update

ISO 9001 QUALITY MANAGEMENT AUDIT

- Surveillance Audit
- 0 Non Conformances
- 7 Areas noted for Best Practices
- 1 Area Noted for Improvement



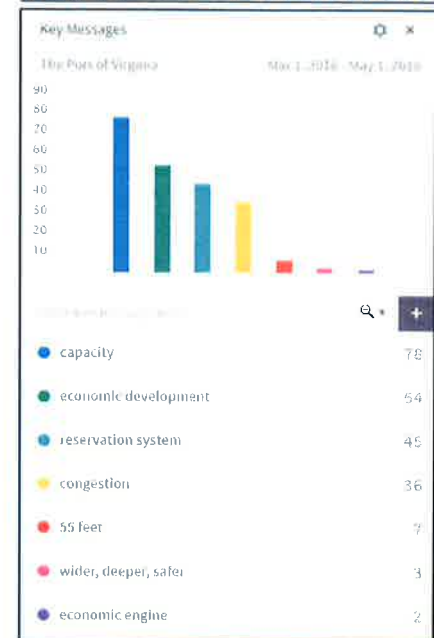
EFFECTIVE MESSAGING CONTINUES

FROM MARCH 1 to MAY 1

531 MENTIONS

\$1.09 MILLION IN AD EQUIVALENCY

KEY MESSAGE MENTIONS



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RECENT HIGHLIGHTS – THE STATE OF THE PORT



Moving from Rendering to Reality:
2018 State of the Port
April 11, 2018



Stewards of Tomorrow®

PROJECT STATUS - UPDATE

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

N4 CONVERSION

PRE LAUNCH PREPARATION

- GATE - Gate System changes have been delivered. There have been 5 partial live tests with constant expected progress.
- STACK YARD- Landside Buffer Management Software complete – tested 4/8/18
- VESSEL - Software Upgrade – completed
- VIG N4 Data Migration continues – READY TO GO
- Express Contingency Plan – tested in production 5/4/18

Launch date FIRM 5/12/18

N4 CONVERSION

- Launch date adhered to!
- Gate and Rail both successful launches
- Vessel operations successful, with some anticipated stand-by time
- Users continue to adapt to process and appropriate protocols



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STACK YARD

STACKS 18-20

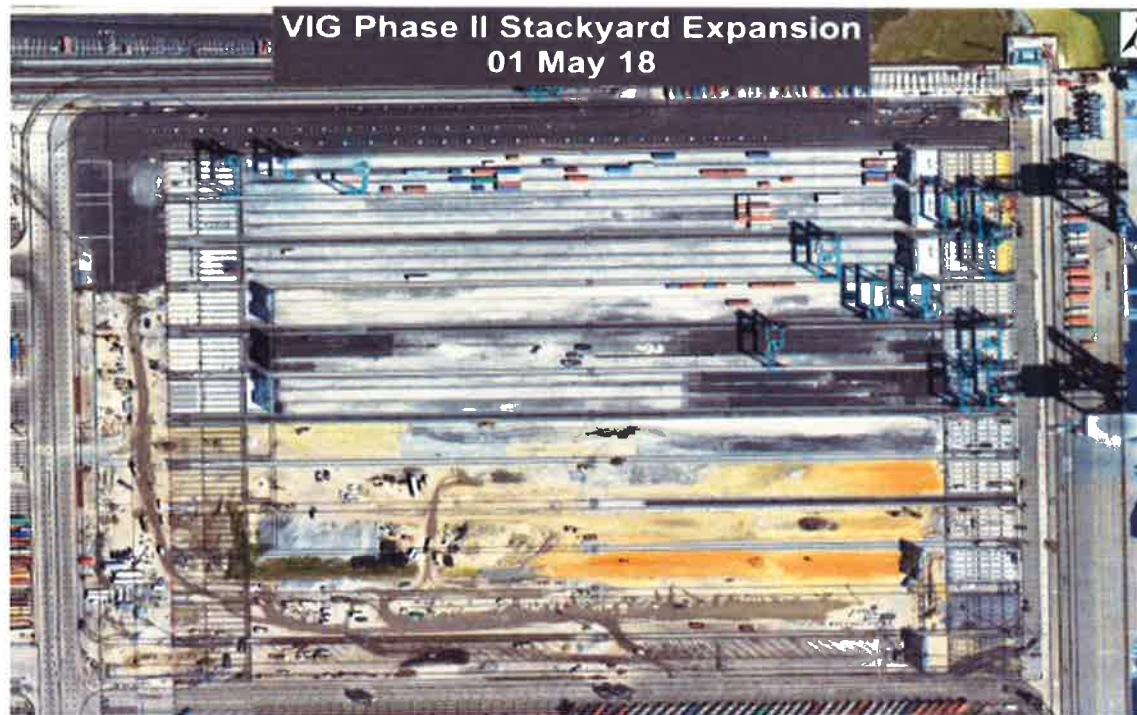


ASC SHIPMENT 3

MAY 3, 2018



STACK YARD



WHARF EXTENSION



ABOVE: MOORING DOLPHIN

RIGHT: DECKING PLATFORM PLACEMENT



WHARF EXTENSION



SOUTH RAIL BUNDLE CROSSING



Rail Yard



Stewards of Tomorrow®

RAIL YARD



STS CRANE CONSTRUCTION

APRIL 2018



Stewards of Tomorrow®



SNIT PROJECT



Stewards of Tomorrow

SNIT PROJECT – TRUCK QUEUING AREA



SNIT PROJECT | RAIL CURB REBAR



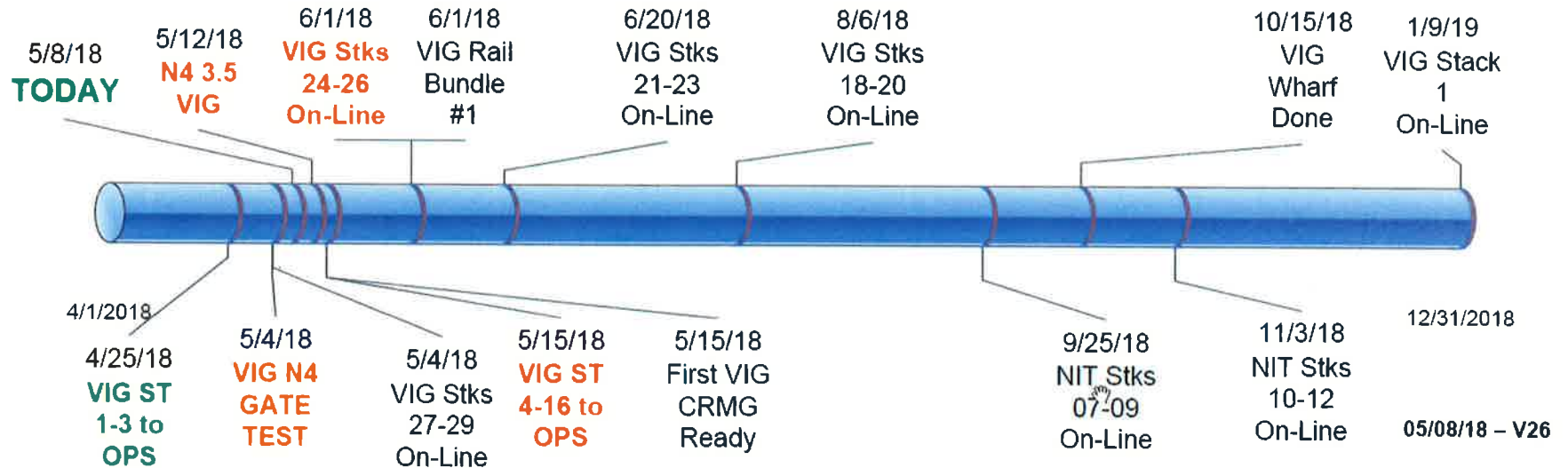
SNIT PROJECT | WATERSIDE TRANSFER ZONE



Stewards of Tomorrow

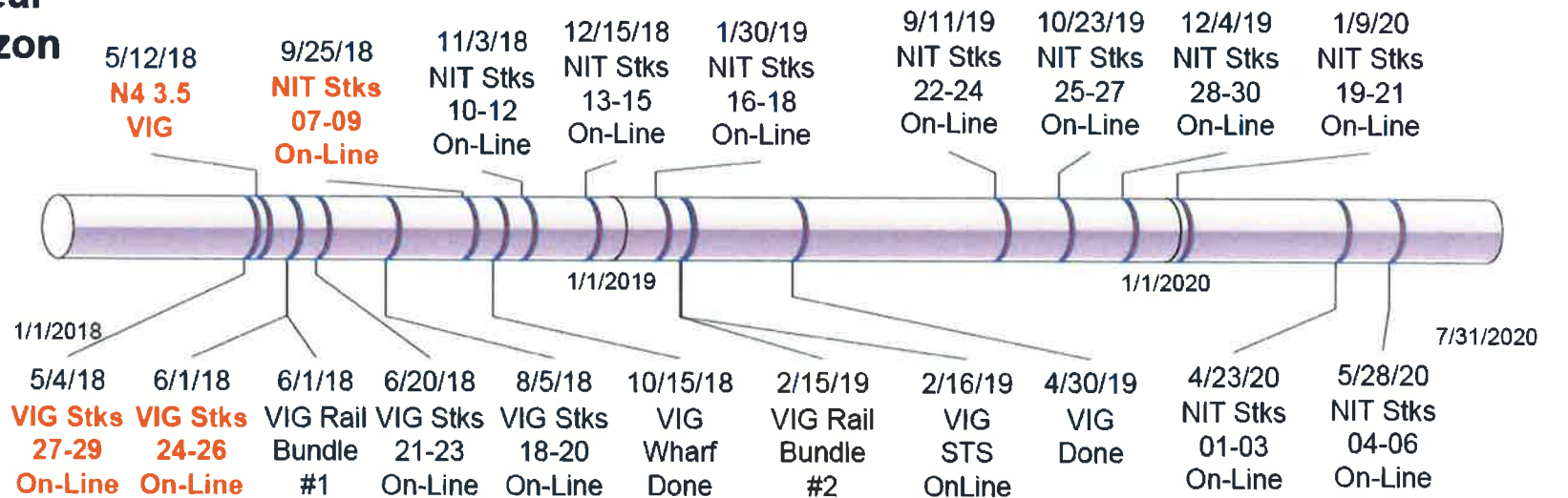
Timelines

2018 Milestones



Timelines - continued

3 Year Horizon



05/08/18 – V26

Virginia Port Authority Board of Commissioners, Session 386, May 22, 2018
Human Resources Report

Jim Bibbs, Chief Human Resources Officer



Stewards of Tomorrow

HR Updates

- Summer Internship
- On the Job Training Internship
- V3 Certification
- SmartDollar
- Engagement Survey
- Digital Monitors
- HR Metrics



2018 Summer Internship Program

- 12 Interns for 2018
- 8 Week Program
- June 4 – June 27



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On the Job Training Program

- Began May 14th
- 12 Week Program
- 10 Crane Maintenance Interns
- 5 will be selected to continue into the OJT Program and partnership with TCC

V3 Certification

- Virginia Values Veterans recognized company
- Committed to attract, hire and retain veteran talent
- Support the Commonwealth by investing in our workforce with Veterans thereby energizing Virginia's economy
- Target to hire at least 6 veterans next fiscal year, of budgeted headcount



Financial Wellness

173

TOTAL PARTICIPANTS

550

ELIGIBLE PARTICIPANTS

31%

PARTICIPATION RATE

\$4,839

AVERAGE PARTICIPANT
FINANCIAL TURNAROUND



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2018 Engagement Survey



95% of colleagues participated

Digital Monitors

30 monitors
around POV

First monitor
installed on
March 5



The digital monitor displays a promotional graphic for the Spring Family Festival. The background is a light wood-grain texture. At the top left is the Port of Virginia logo. At the top right, it shows the date 'Tuesday May 1, 2018' and 'TODAY 64°F/77°F' with a sun icon. The main text reads 'Spring Family Festival' in a large, blue, cursive font, followed by 'MAY 6TH, 1-4 P.M.' in a bold, blue, sans-serif font, and 'VIRGINIA INTERNATIONAL GATEWAY' in a smaller, bold, black, sans-serif font. Below this, a list of activities is shown: 'SAUSAGES | HOT DOGS | FRIES | DJ', 'BUS TOURS | CAR SHOW | BOUNCE HOUSE', 'EQUIPMENT DEMOS | HAYRIDES | MAGICIAN', and 'SNOW CONES | COTTON CANDY | POPCORN'. At the bottom left is the Port of Virginia logo again. At the bottom right, it says 'CALL FOR VOLUNTEERS' in blue, followed by 'IF YOU'D LIKE TO HELP WITH THE EVENT CONTACT:' and two contact options: 'MELISSA FULARON: MFULARON@PORTOFVIRGINIA.COM' and 'WINA GIDDENS: WGIDDENS@PORTOFVIRGINIA.COM'. A collage of small, colorful photos of people and activities is on the right side of the graphic.

THE PORT OF VIRGINIA

Tuesday May 1, 2018 | TODAY 64°F/77°F

Spring Family Festival
MAY 6TH, 1-4 P.M.
VIRGINIA INTERNATIONAL GATEWAY

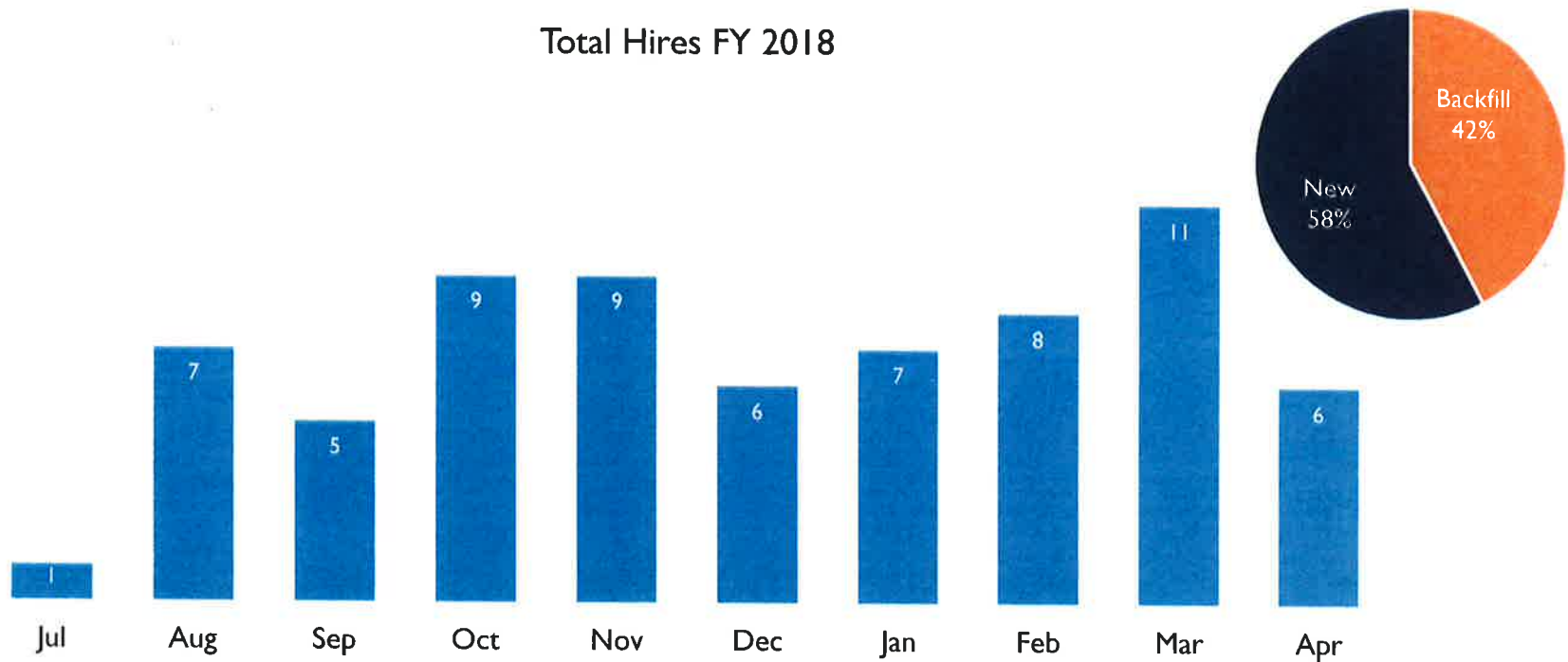
SAUSAGES | HOT DOGS | FRIES | DJ
BUS TOURS | CAR SHOW | BOUNCE HOUSE
EQUIPMENT DEMOS | HAYRIDES | MAGICIAN
SNOW CONES | COTTON CANDY | POPCORN

THE PORT OF VIRGINIA

CALL FOR VOLUNTEERS
IF YOU'D LIKE TO HELP WITH THE EVENT CONTACT:
MELISSA FULARON: MFULARON@PORTOFVIRGINIA.COM
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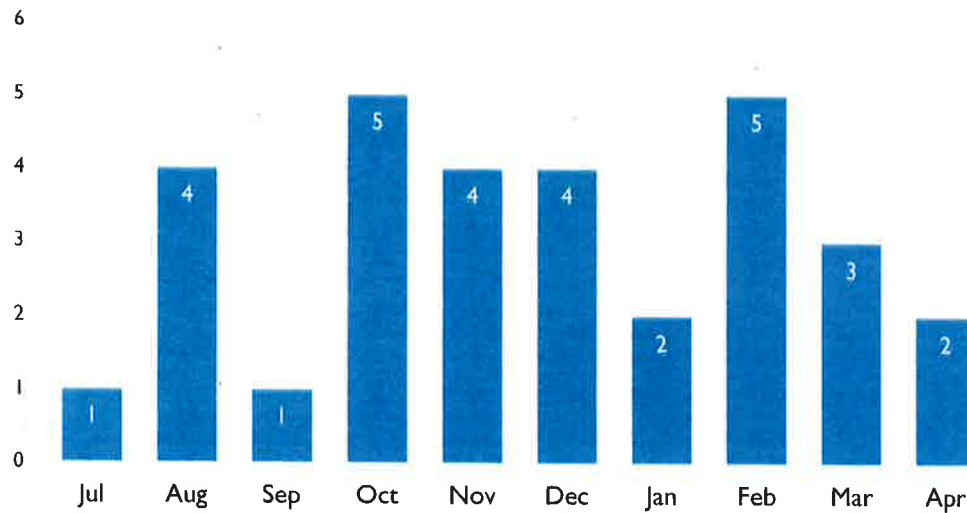
Recruitment Metrics

Total Hires FY 2018



Recruitment Metrics

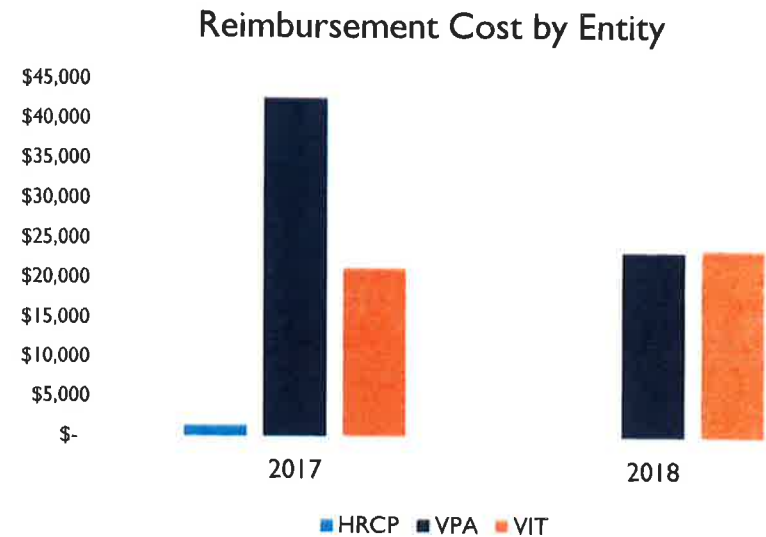
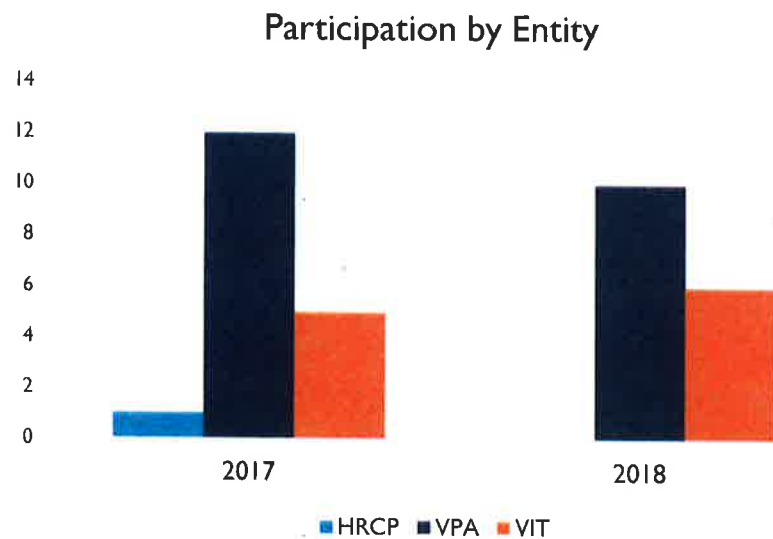
Total Attrition FY 2018



Total YTD
Attrition
5.11%

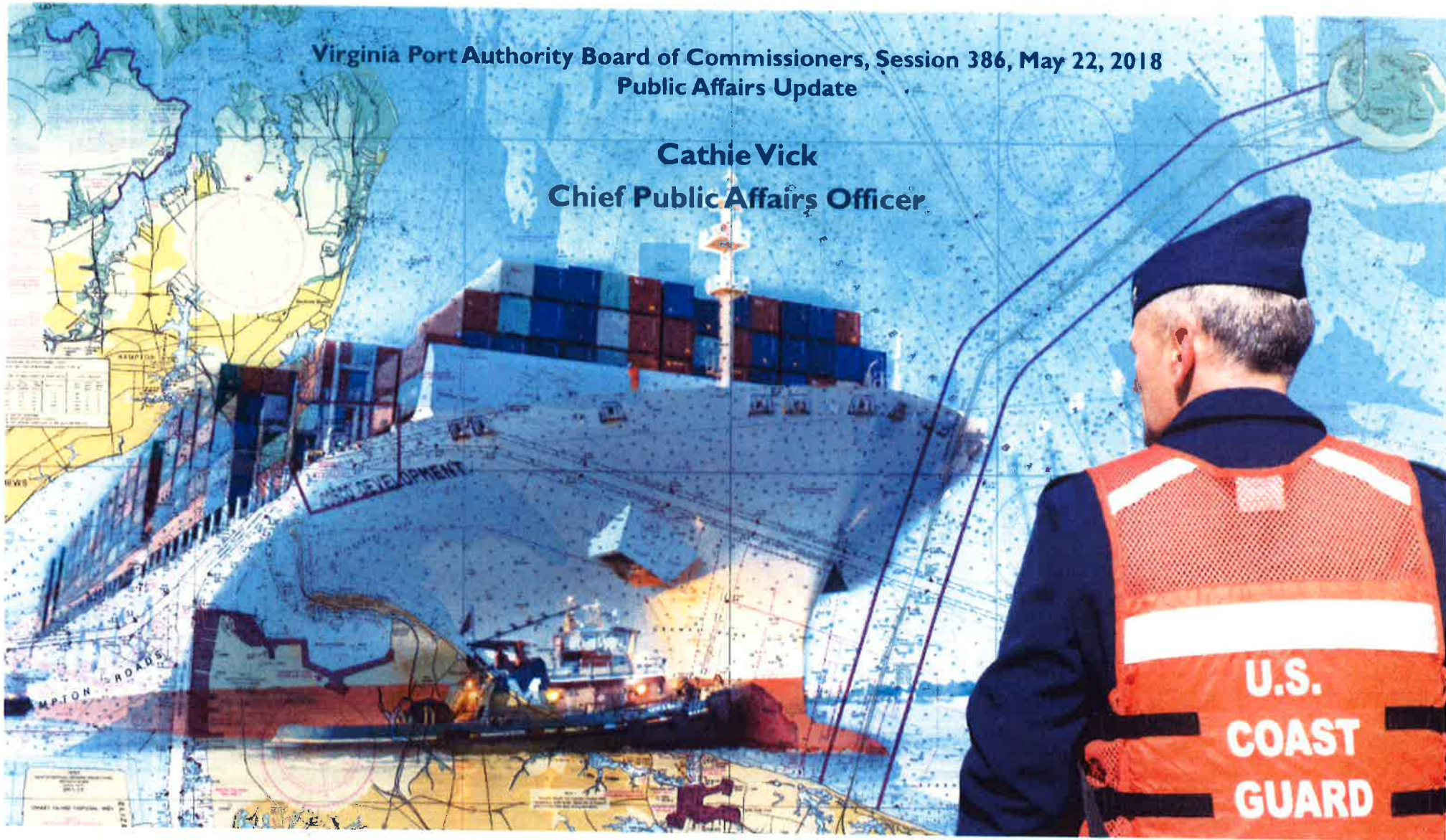
Training Metrics

College Reimbursement Data

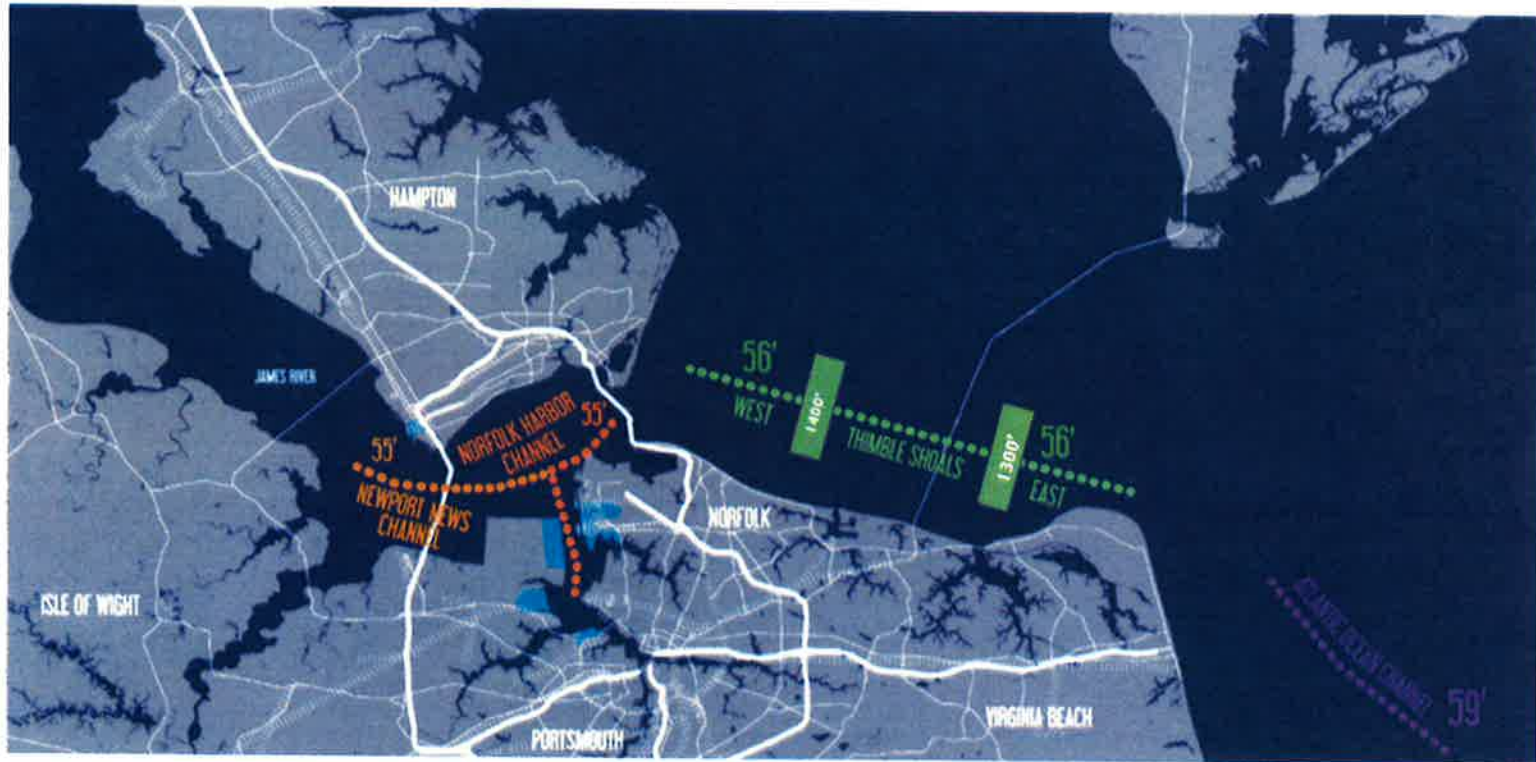


Virginia Port Authority Board of Commissioners, Session 386, May 22, 2018
Public Affairs Update

Cathie Vick
Chief Public Affairs Officer



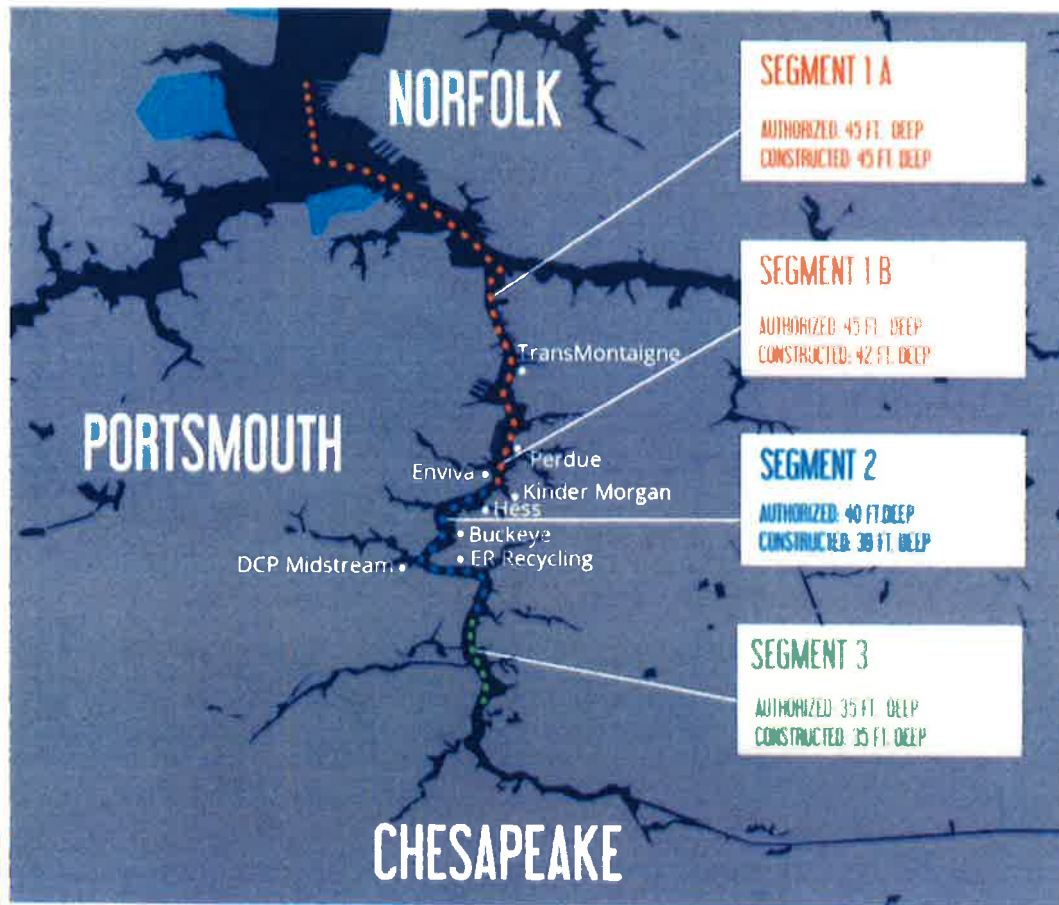
TSP NORFOLK HARBOR



THE PORT OF
VIRGINIA

Stewards of Tomorrow

NORFOLK HARBOR DEEPENING STUDY



STATE BUDGET

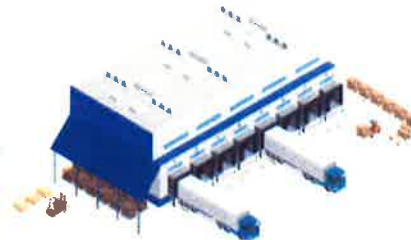


LOCAL GOVERNMENT PRESENTATIONS



FY18 ECONOMIC DEVELOPMENT TOTALS

42 ANNOUNCEMENTS



MORE THAN 2,500,000 SQ. FT. OF SPACE



CREATED
4,347 JOBS

INVESTED MORE THAN
\$1.3 BILLION



Source: POV Economic Development 5/2018

SINCE LAST BOARD MEETING



- Announcements: 10
- Square Footage: Over 500,000
- Investment: Over \$68 Million
- Jobs Created: 360

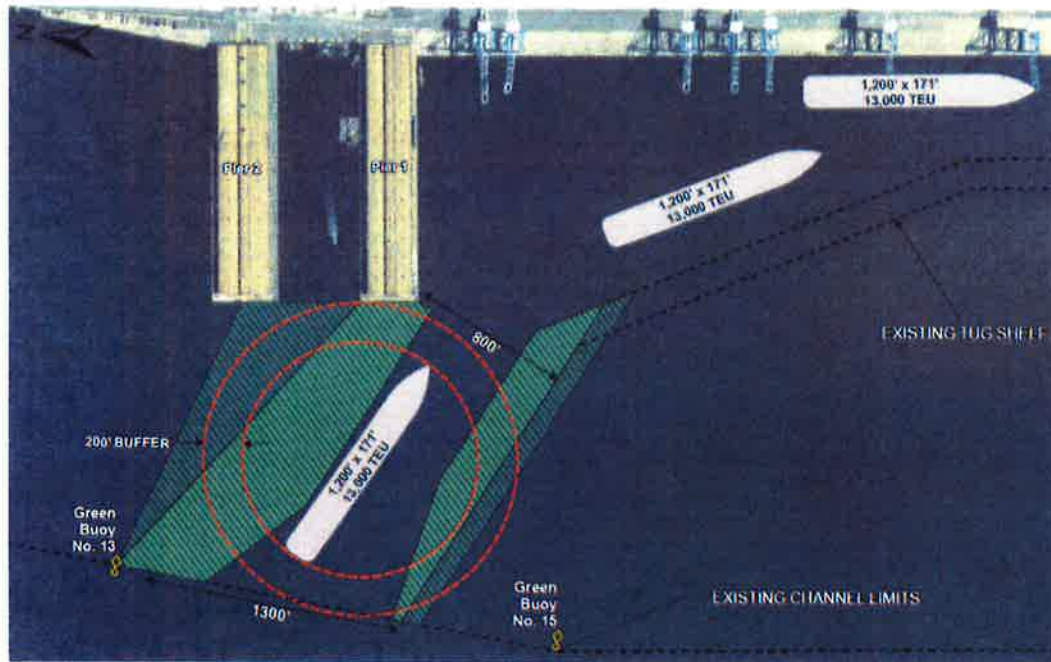
Renderings of the Liebherr USA expansion
of its Newport News, VA facility

ENVIRONMENTAL MANAGEMENT SYSTEM

- Recertification and migration to 2015 standard for ISO 14001
- Audits completed in April
- Auditor commented on this having been the best audit to date for our terminals



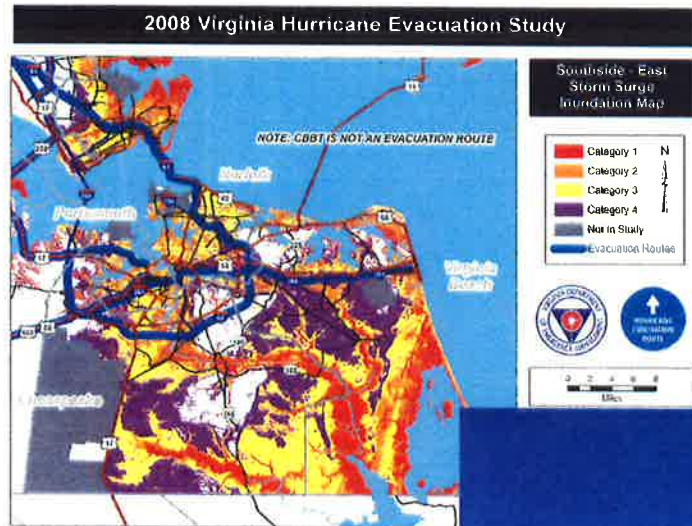
PMT & NIT DREDGING



- PMT Maintenance Dredging
 - Completed in May
- NIT South Channel Widening (Phase I)
 - Provides 13K TEU (1200' LOA) vessels safe entrance and turning basin
 - Bids opened and contract awarded to Norfolk Dredging
 - Complete NLT September

[illegible]

10



MIRT & EMERGENCY OPERATIONS

- Conducted POV 2018 TTX
 - Focused on recovery from a Category 3 Hurricane
- Priorities
 - Colleagues
 - Terminals
 - Operations



SPRING FAMILY FESTIVAL



STEWARDS OF TOMORROW

INNOVATION

HELPFULNESS

ACCESSIBILITY

MINDFULNESS

FORTITUDE

SUSTAINABILITY

