

Virginia Port Authority Board of Commissioners Session 403



Agenda

- Approval of minutes
- Reports of committees
- Unfinished business
- New business
- Other business, opportunity for public comment, and adjournment



Finance and Audit Committee Report

Agenda

- PBMares on Fiscal Year 2020 Audits
- September Financial Performance



Virginia Port Authority and Virginia International Terminals

Presentation to the Board of Commissioners

Overall Results of the Audits of VPA and VIT

- Audits performed
 - In accordance with our audit plans and completed well before the APA deadline
 - Without restrictions placed on the scope of our work
 - Unmodified audit opinions issued on the Financial Statements; Compliance and Internal Control; and Federal Awards

Significant Communications

- Audit Adjustments – VIT and VPA
 - None
- Uncorrected Misstatements – VIT and VPA
 - None

Significant Communications

- Disagreements with Management – None
- Consultation with Other Accountants – None
- Significant Issues Discussed with Management – None
- Significant Difficulties Encountered in Performing the Audit – None

Additional Communication

- Newly Adopted Statements
 - Adopted Governmental Accounting Standards Board Statement 84,
Fiduciary Activities

Additional Communication

- We want to thank the VPA Finance Team for all their upfront prep work and diligence in preparing for this year's audit. Having remote access to perform the audit under these conditions was no small undertaking. Without forethought and planning, the timely completion and delivery would not have been possible.

Thank you!



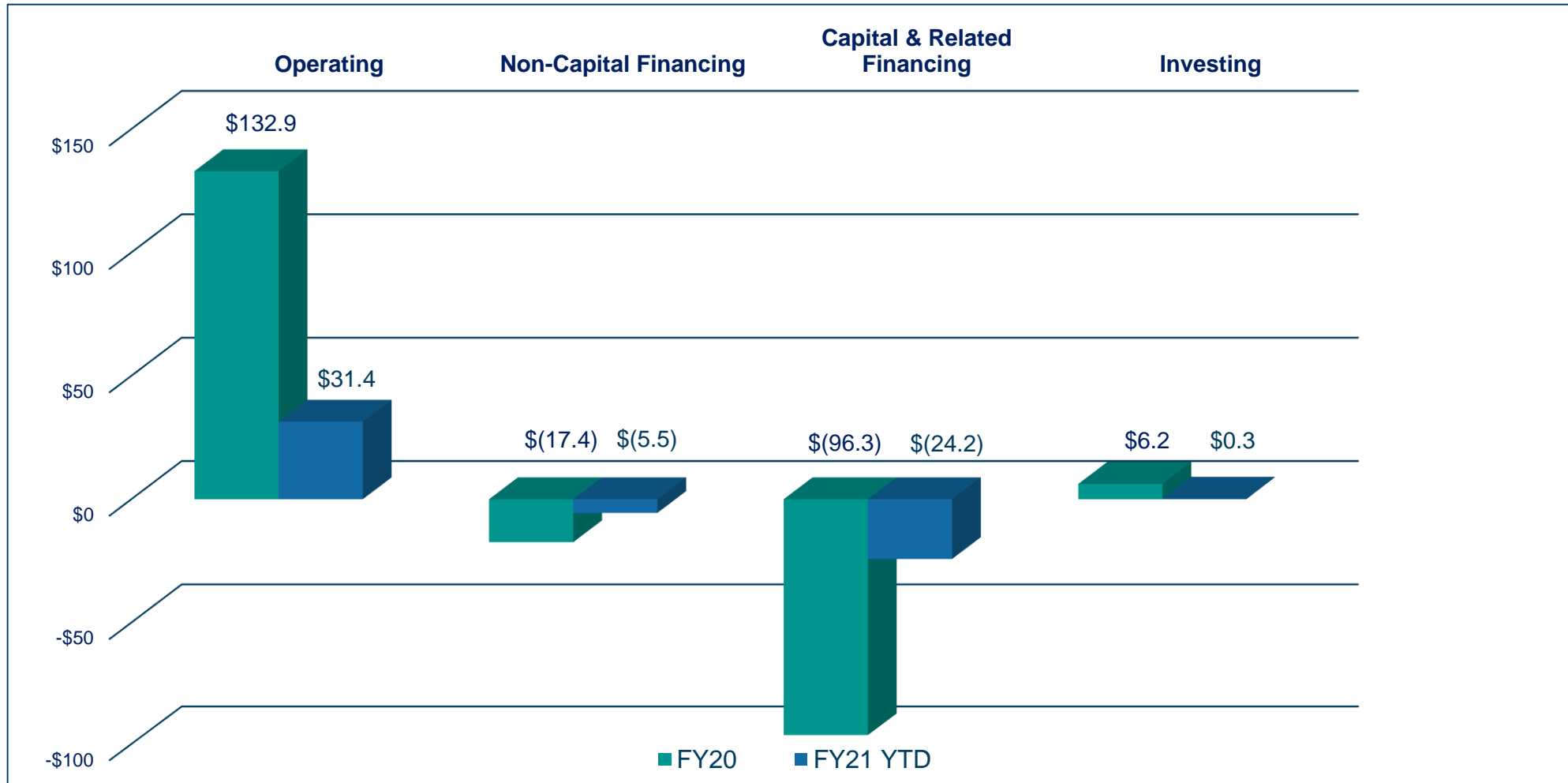
We appreciate your time and attention.

We are happy to answer any
questions you have at this time.

Fiscal Year 2021 YTD Highlights

		Category	Budget	Actual
July - September		Volume	385,147	399,226
		Operating Revenues	\$130.0 million	\$132.9 million
		Operating Expenses	\$125.3 million	\$120.0 million
		Operating Income	\$4.7 million	\$12.9 million
		EBITDA	\$33.5 million	\$42.0 million
October				
		Volume	138,825	149,675
		Operating Income	\$4.8 million	In-Process

Cash Flow FY20 vs FY21 YTD – USD millions



Cash and Investments as of 9/30/2020: \$339.1 million
Residual Fund and Operating: \$201.0 million

Capital and Related Financing Activities – USD millions

Category	FY20	FY21 YTD
Net refunding proceeds	-	9.9
CPF contribution	44.0	9.5
Acquisition of capital assets	(165.7)	(18.0)
Transfer from primary government	106.9	14.6
Facility capital lease payments	(88.9)	(21.9)
Proceeds from MELP financing	37.1	-
Principal paid on long-term debt	(18.5)	(18.7)
Interest paid on long-term debt	(22.6)	(11.4)
Other	11.4	11.8
Total	(96.3)	(24.2)



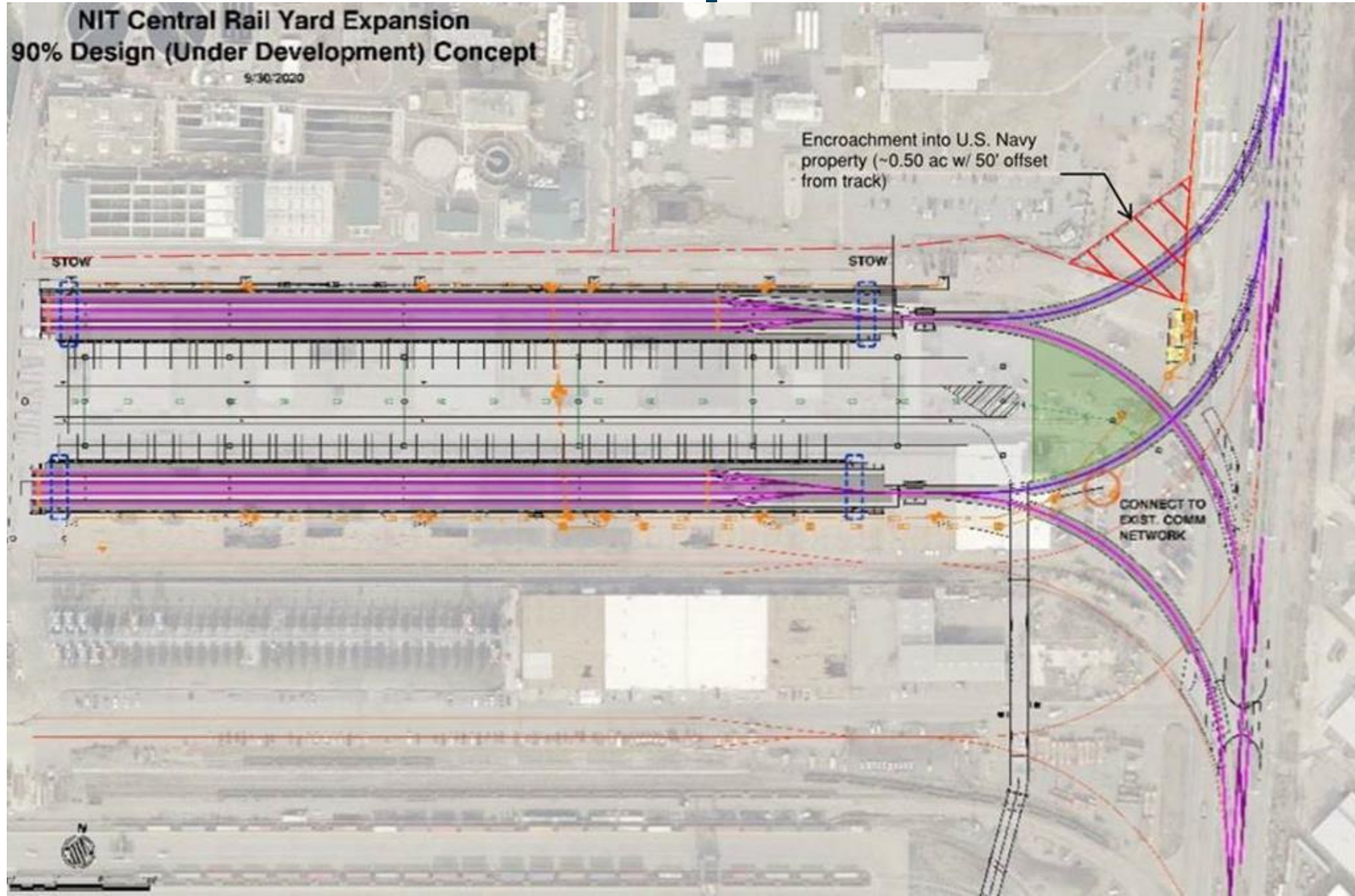
Development and Government Affairs Report

Federal Government Affairs



Port Infrastructure Development Grant Award

NIT Central Rail Yard Expansion



General Assembly 2021 Special Session

60 Day Special Session – Adjourned on October 16



Governor's Budget Signature Delayed

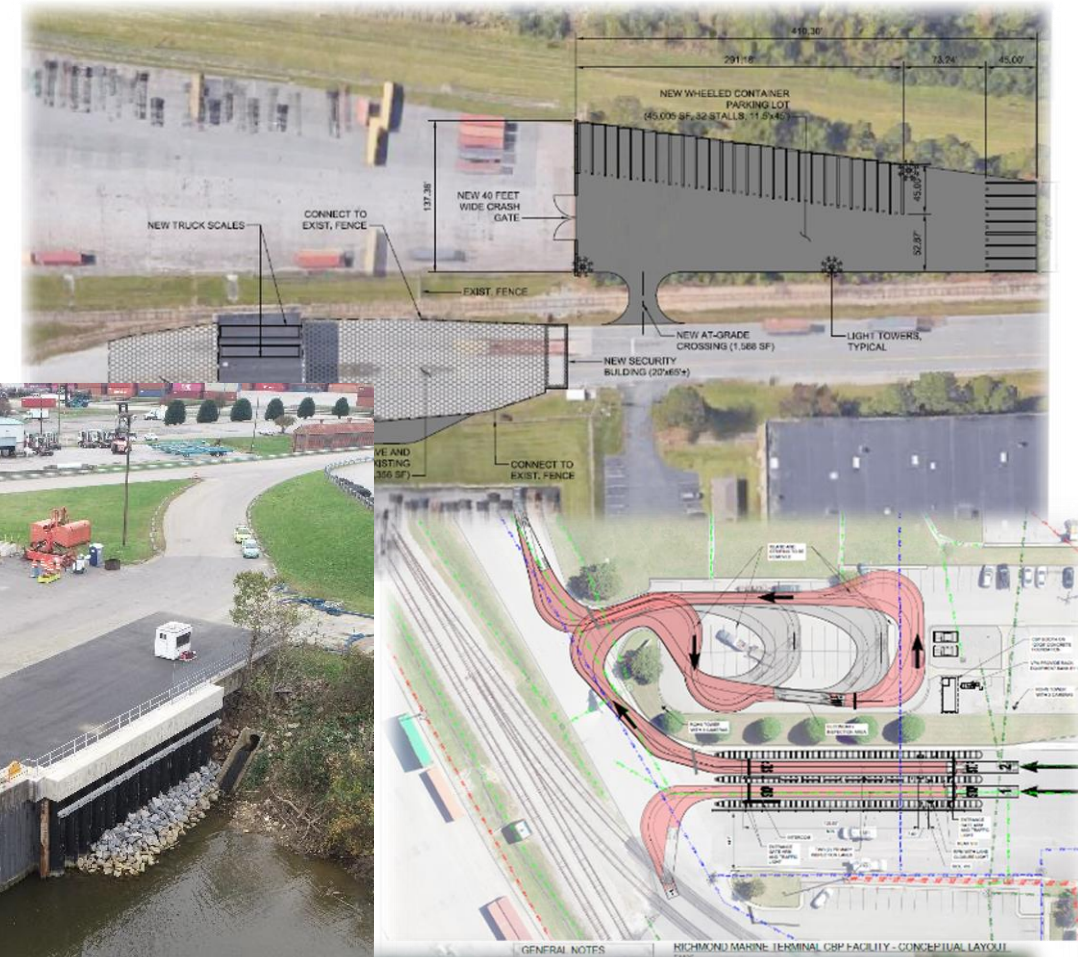
Projects Inland

- RMT

- Bulkhead project complete
- Drop Lot final design complete
- CBP RPM project underway

- VIP

- BUILD Grant Agreement Signed; Design Underway
- Completion: 2022



Geographic Information System (GIS)

- Developed over the past three years
- Entering implementation of advanced capabilities across our organization
- Goal of becoming our "Digital Twin"



Spill Clean-up
N/A Un satisfactory Satisfactory Above Satisfactory

Material Storage
N/A Un satisfactory Satisfactory Above Satisfactory

Inspection Comments

Photo 1



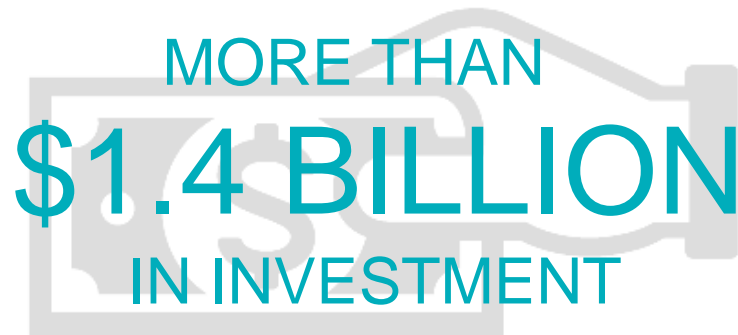
CYTD 2020 Economic Development Totals



ANNOUNCEMENTS



JOBS CREATED





Growth and Operations Committee Report



Sales Report

Building on Momentum

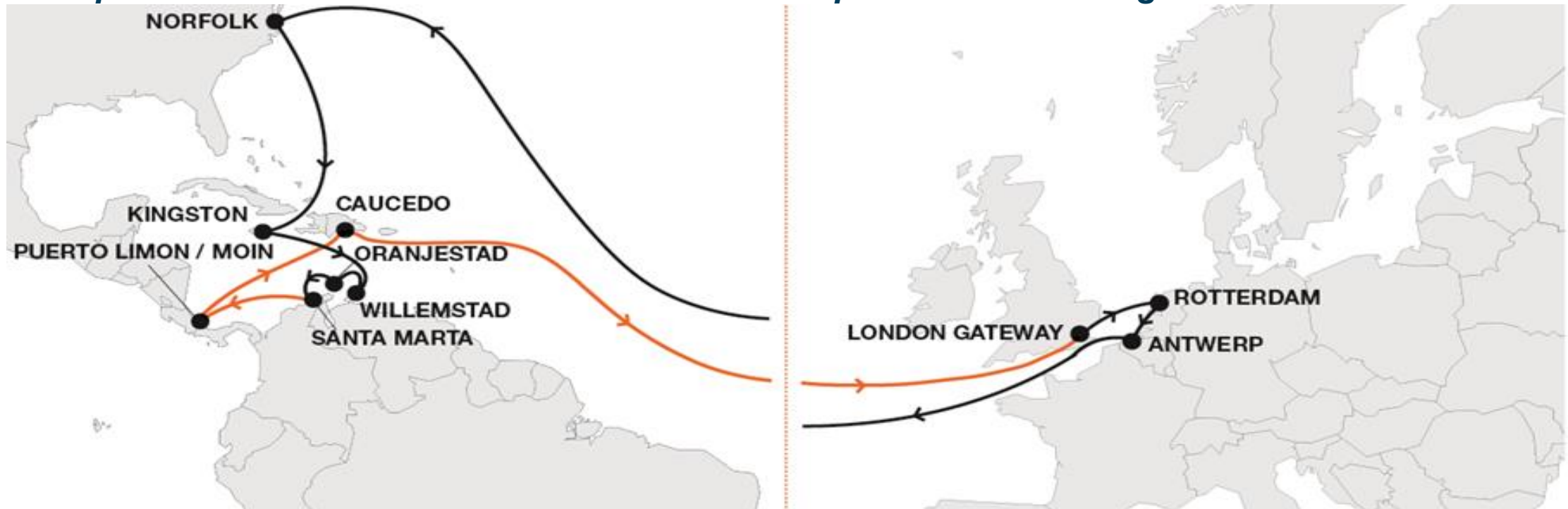
POV Volume Comparison

	FY 2020 (July-Oct)	FY 2021 (July-Oct)	Change	% Change	FY 2020 (Sep-Oct)	FY 2021 (Sep-Oct)	Change	% Change
Total TEUs	1,031,626	999,030	-32,596	-3.20%	508,392	530,654	22,262	4.38%
Export Loaded TEUs	316,727	303,150	-13,577	-4.30%	155,118	159,231	4,113	2.65%
Import Loaded TEUs	485,587	479,490	-6,097	-1.30%	238,785	252,885	14,100	5.90%
Total Rail Containers	185,094	175,694	-9,400	-5.10%	89,349	92,492	3,143	3.52%
Total Truck Containers	368,687	350,100	-18,587	-5.00%	183,113	185,854	2,741	1.50%

New Hapag Lloyd service, Caribbean Express Service (CES) – POV first-in/last out

First vessel ETA at POV December 5th

Competitive first-in transit to POV from North Europe and new coverage to Latin America



Rotation: London Gateway – Rotterdam – Antwerp – Norfolk – Kingston – Willemstad – Oranjestad – Santa Marta – Puerto Limon – Caucedo – London Gateway

Extra Loaders in November



- Alexander Bay
- Grete Maersk
- AS Pamira
- San Amerigo
- Maersk Brintan



- Agios Dimitrios
- MSC Fiammeta

Webinars



US General Consulate / US Commercial Services
September 29
Presented by Antonio Amado



Council of Supply Chain
Management Professionals

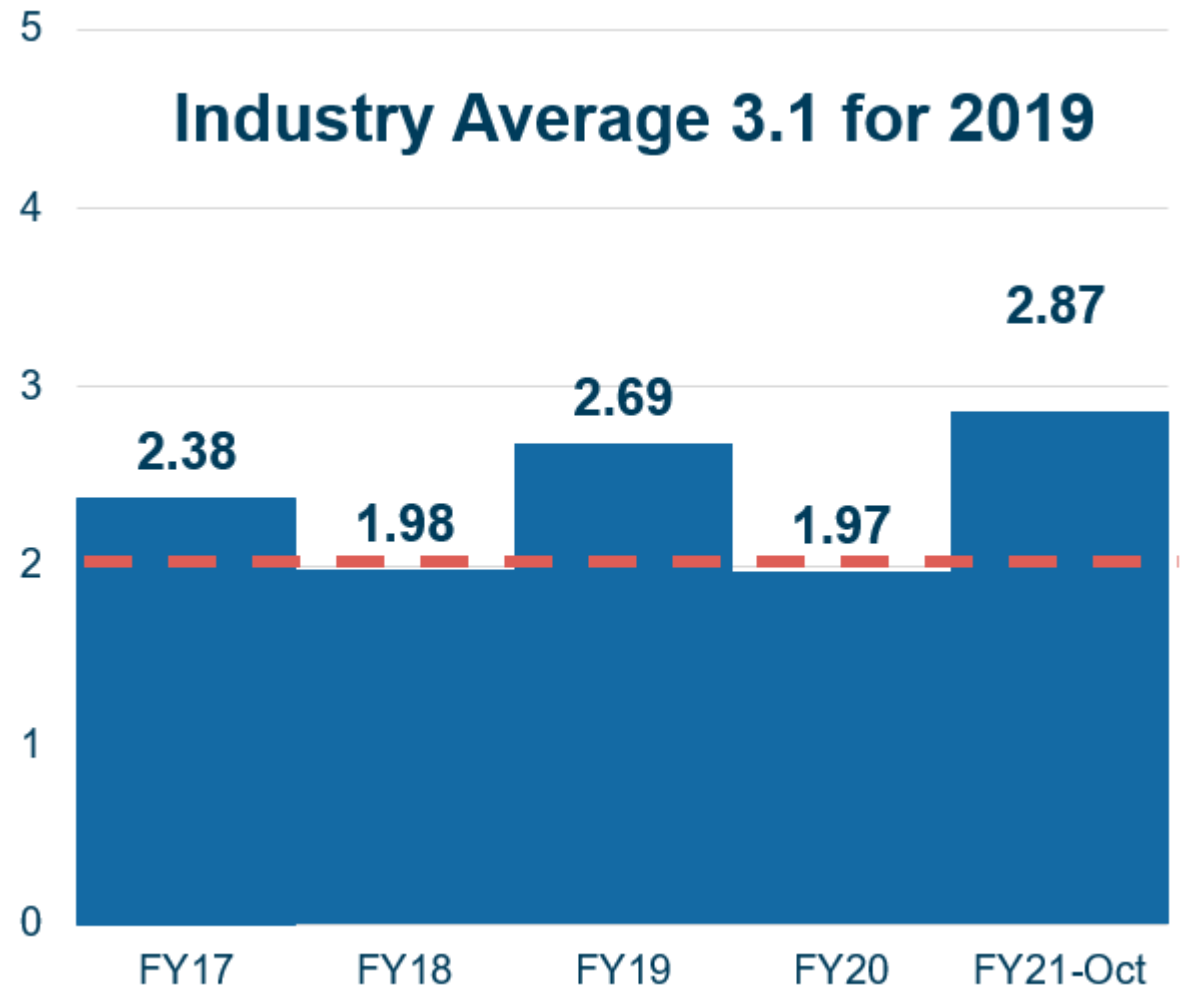
Technology Transformation
September 30
Presented by Cary Hagen and Mark Higgins



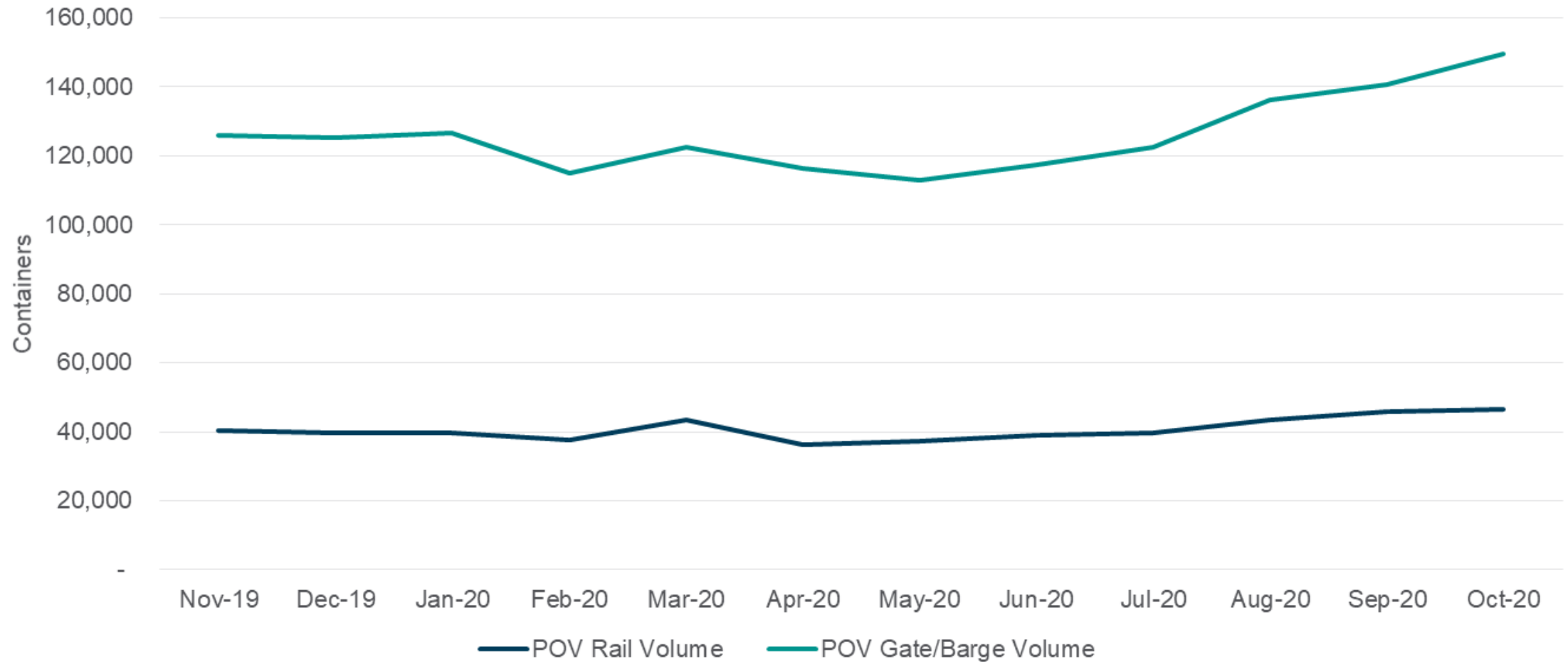
Operations Report

POV OSHA Lost Work Day Rate

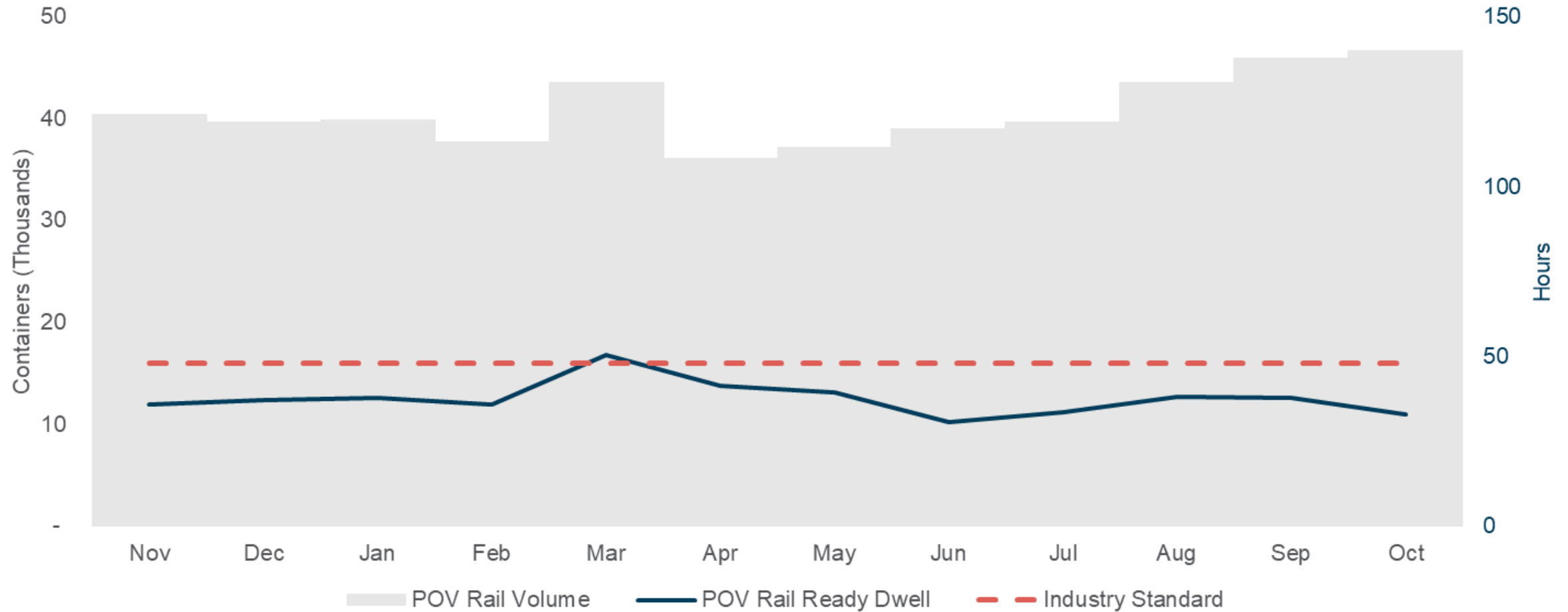
As of October 31st the POV
FY21 LWD rate of 2.87 is
45.7% increase from FY20
6.7% increase from FY19
FY21 year end goal is 1.9



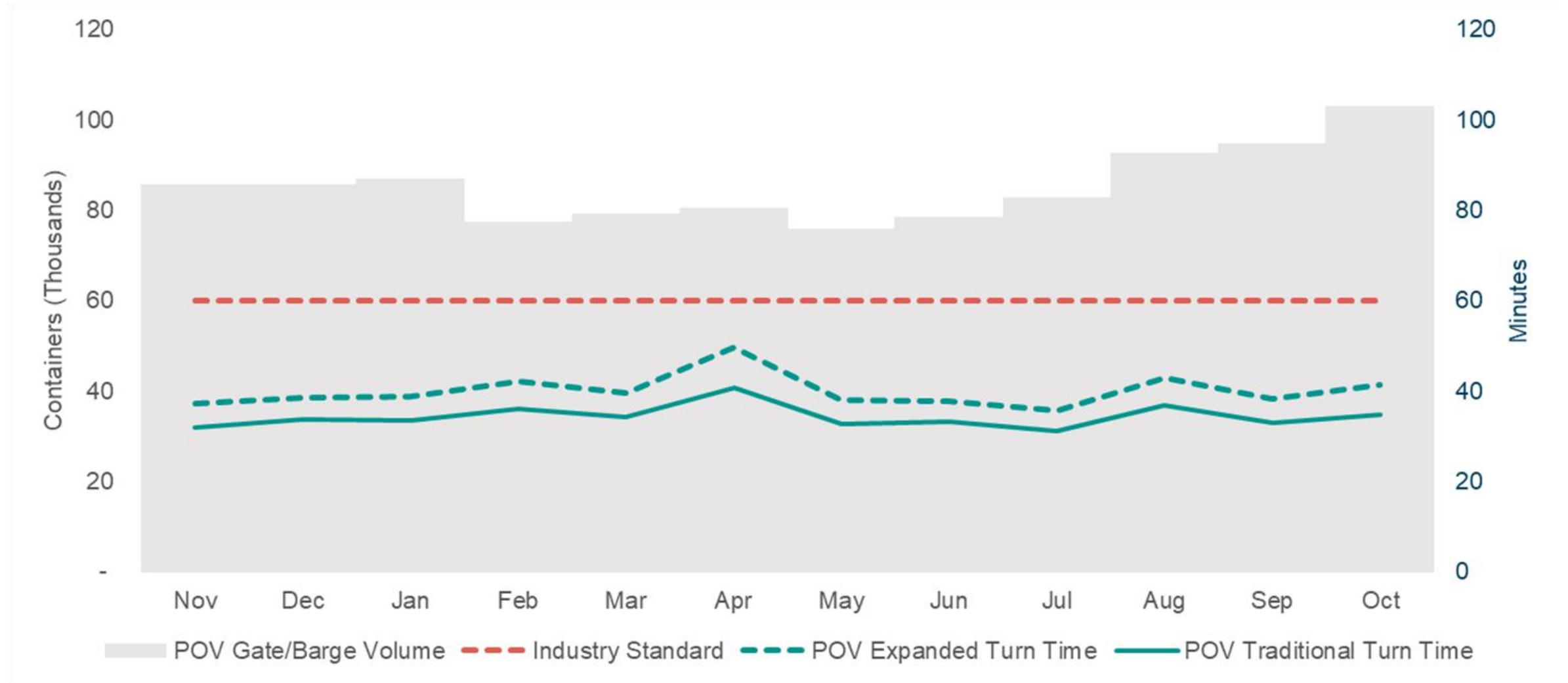
POV Rail vs Gate/Barge Volume



POV Rail Volume

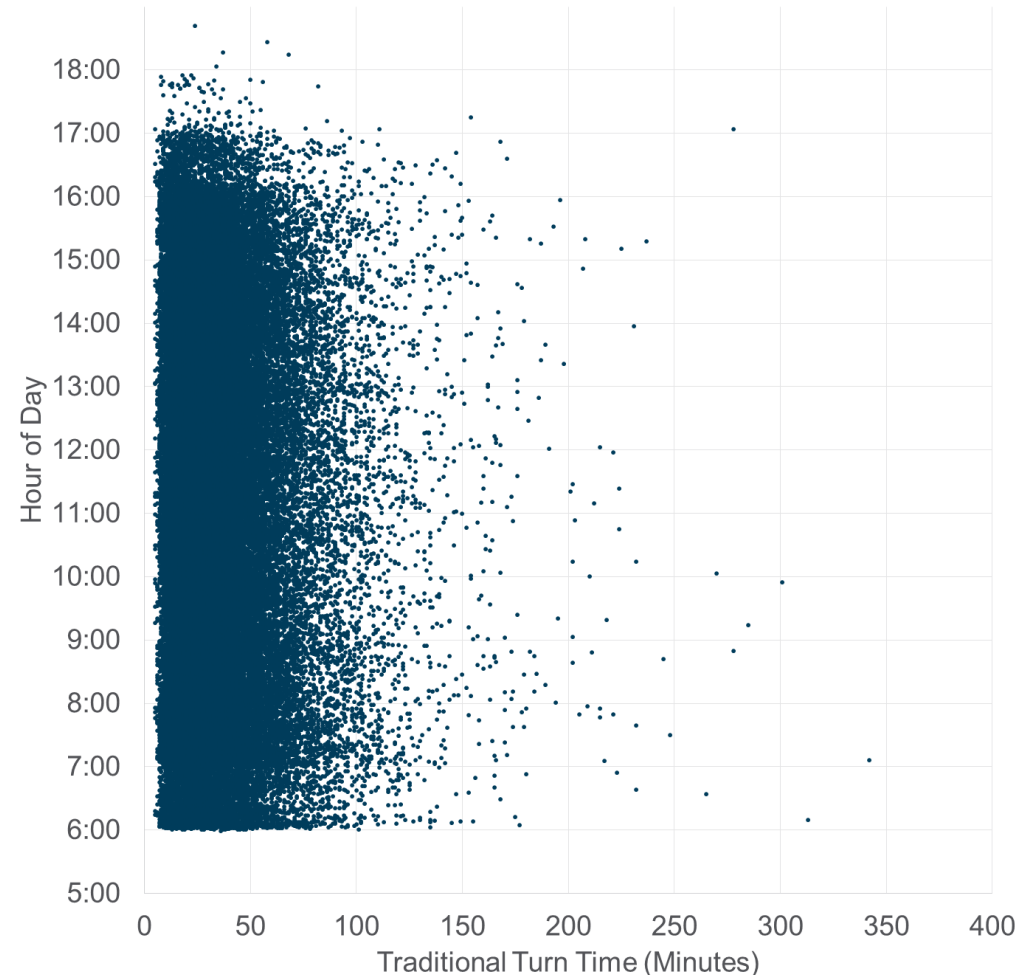


POV Gate Turn Times

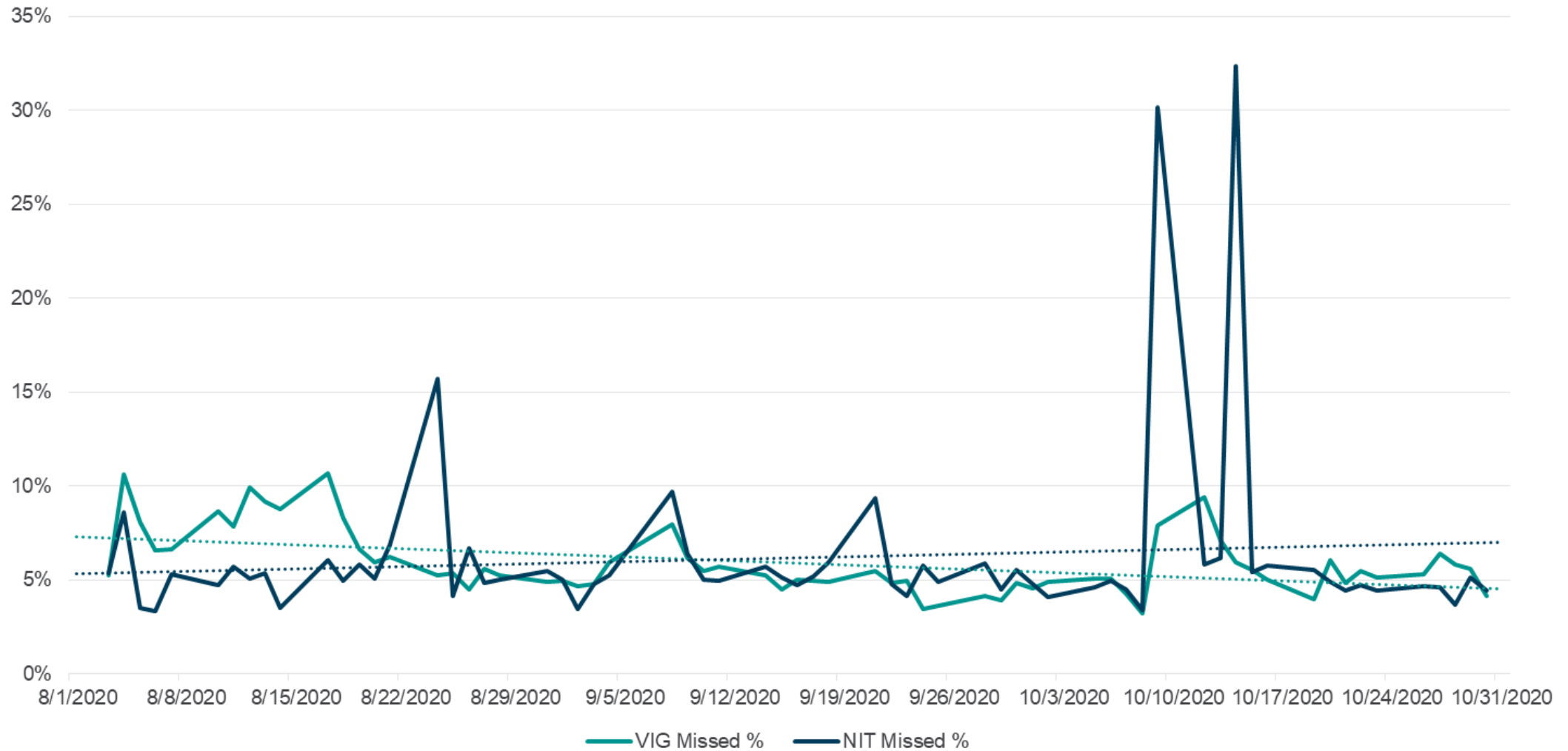


Traditional Turn Time – Oct 2020

- In October POV handled 78,876 truck visits:
 - 36,301 at NIT
 - 42,575 at VIG
- 89.7% under 1 hour
- 9.7% in 1-2 hours
- 0.6% or 487 visits in 2-4 hours
- 0.06% or 44 visits over 4 hours



Missed Reservations





Innovation Report



SWaM FY21 Q1

\$25,553,835.63

















Total Discretionary Spend

\$5,084,173.13

Total SWaM Spend

20.63%

Major Port Projects

PROJECT	BUDGET	SCHEDULE
NIT Optimization		
Finance Projects – Billing		
IT Business Continuity		
NIT CRY Expansion Phase I		
Asset Management		
HRCP Business System Re-write		
HRSA Labor Ordering System		
Maintenance Inventory Management		

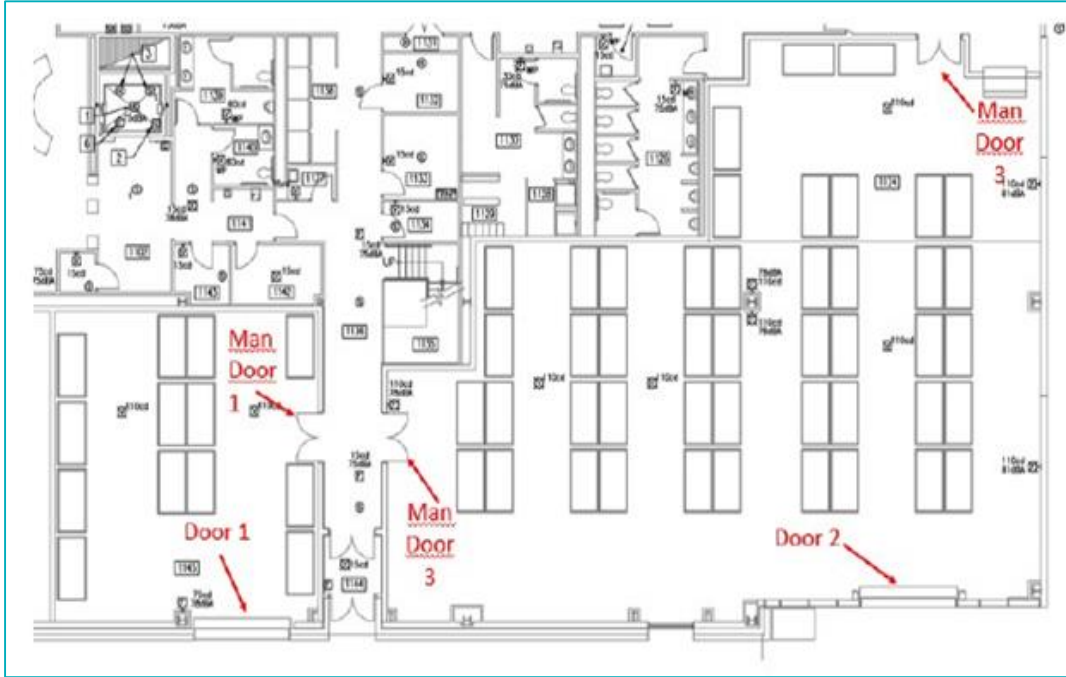
South NIT Optimization Update



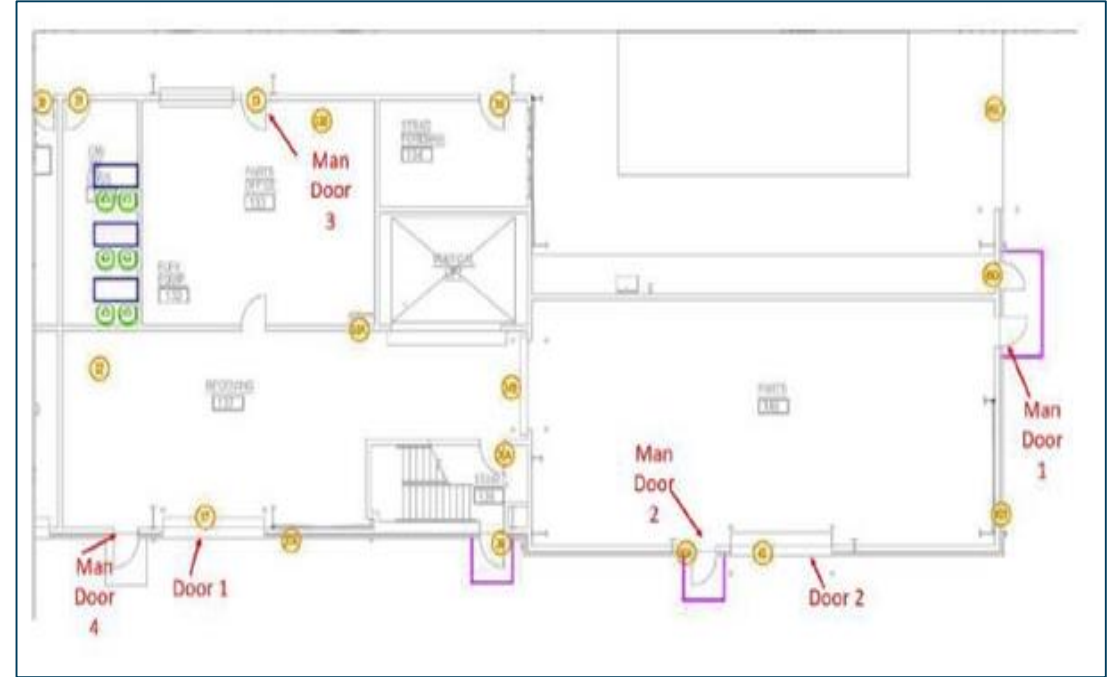
NIT Ship-to-shore Crane Delivery



Supply Management



VIG PARTS ROOM



NIT PARTS ROOM

RFID Portal Installation





Human Resources Report



Our Vision:

The Port of Virginia's diverse talent, agile use of technology, and command of our ever-changing industry sets the pace for the supply chain of today, while plotting the course for its tomorrow.



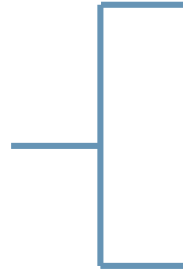
Our Breakthrough Objective:

Create an employee experience that would make colleagues want to rate us such that we would be on a Top 25 employers list.



Trust / Empowerment

The organization will develop bench strength through professional expression of ideas and problem solving.



Initiative 1

Colleague improvement ideas will be cultivated, vetted, and supported.

Initiative 2

Pilot project: Success criteria for professional growth / advancement will be transparent and colleagues will be evaluated against standardized criteria to include an opportunity for stakeholders to provide input.



Home / Being Connected

Self-awareness, situational awareness, and social capital contribute to the Colleagues' success and sense of belonging.



Initiative 3

Colleagues will understand the value of their individual contributions and have a shared understanding of how to support each other in the achievement of the organizations strategic intent and mission.

Initiative 4

Colleagues will be seen as people and benefits and policies will mirror what's important to our colleagues.



Legal Report



Compliance and Ethics Week

November 2 – 6, 2020



Featured
Departments



Events and
Activities



Fast
Facts



Marketing Update

Earned and Owned Media: 1 + 1 = 3

The Port of Virginia
8,865 followers
1w • Edited •

It's no trick: 2 new 17-story tall ship-to-shore cranes, aboard the Zhen Hua 25, are arriving at our Norfolk International Terminals mid-day Thursday (previously scheduled for Wednesday but changed due to windy conditions). Times ...see more

Giants on the Horizon

0:04 / 0:15

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America's largest cranes arrive at NIT increasing the Port of Virginia's® ability to handle ships of the future

By: AJOT | Nov 05 2020 at 04:14 PM | Ports & Terminals

The Port of Virginia today welcomed a pair of massive container cranes to Norfolk International Terminals (NIT), the final pieces of equipment needed to complete the \$450 million, two-a-half-year-long renovation of the terminal's South Berth.



The largest of their kind in the United States, these cranes will be able to accommodate ultra-large container vessels, or ULCVs, that make regular stops in Virginia and even higher-volume ships of the future.

"It's a landmark moment for The Port of Virginia because it signals the completion of the overall expansion of this port that started back in 2016," said John F. Reinhart, CEO and executive director of the Virginia Port Authority. "With these units we'll have significant lift capacity in the harbor and the ability to handle multiple ULCVs [ultra-large container ships] at once at both NIT and Virginia International Gateway [VIG]. This benefits the port's users and it says, very clearly, to the ocean carriers and the industry that we are prepared to handle big ships and growing cargo volumes safely, swiftly and sustainably for decades to come."

- Report from CEO
- Unfinished business
- New business
- Other business, opportunity for public comment, and adjournment

