

MINUTES

Virginia Port Authority (VPA) Board of Commissioners

Public Meeting – Session 403

Electronic Meeting (Zoom Video Conference)

Tuesday, November 17, 2020 – 9:00 AM

This electronic meeting was assembled during a declared state of emergency, as a result of the COVID-19 pandemic, when it was impracticable or unsafe to assemble a quorum in a single location to discuss or transact the business statutorily required or necessary to continue operation of the public body in accordance with Item 4-0.01.g of Chapter 1283 of the 2020 Amendments to the 2019 Appropriation Act.

The Board of Commissioners (“Board”) of the Virginia Port Authority (“VPA”) held an electronic meeting via the Zoom platform, on November 17, 2020. VPA Board Chairman John G. Milliken called the meeting to order at 9:00 a.m. and Mrs. McNulty confirmed that the public line was connected. The Chairman then asked Mrs. McNulty to conduct a roll call of VPA Board members. Colleagues with Virginia Port Authority (“VPA”) and Virginia International Terminals, LLC (“VIT”), guests, and members of the public who were electronically present, were identified as follows:

Commissioners:

John G. Milliken, Chairman
F. Blair Wimbush, Vice Chairman
John C. Asbury
Jennifer D. Aument
J. William Cofer
Manju S. Ganeriwala, State Treasurer
Eva Teig Hardy
Joni L. Ivey
Val S. McWhorter
Stephen Moret
Faith B. Power
Louisa M. Strayhorn
Deborah C. Waters

Guests:

Hon. Shannon Valentine, Secretary of
Transportation
John Lawson, Deputy Secretary of
Transportation
Bryant McGann, Vandeventer Black LLP
David White, Virginia Maritime Association
JoAnne Carter, PFM Group
Kristy Choi, PFM Group
Bryan Jeffries, CMA CGM
Michael Garber, PBMAres

VPA Staff:

John F. Reinhart, CEO and Executive Director
Sarah McCoy, General Counsel
Rodney W. Oliver, Chief Financial Officer
Joseph P. Ruddy, Chief Innovation Officer
James (Jay) Stecher, Chief Marketing Officer
Monica Sturgis, Chief Human Resources Officer
Cathie Vick, Chief Development and Government Affairs Officer
Daniel Hendrickson, Vice President, Asset Management and Special Projects
Barbara Nelson, Vice President, Government Affairs and Transportation Policy
Joe Harris, Senior Director, Media Relations
Andrew Sinclair, Director, Federal Government Affairs
Carla Welsh, Director, Production

VPA Staff (continued):

Debra J. McNulty, Secretary to the Board

Jodie L. Asbell, Sr. Executive Administrative Asst. and Assistant Secretary to the Board

VPA-Information Technology Support:

Lung Cheng, Director, Information Technology

Kelly Taylor, Information Technology Technician

Matt Dudley, Helpdesk Technician

Virginia International Terminals, LLC (VIT) Staff:

Thomas D. Capozzi, Chief Sales Officer

Kevin Price, Chief Operations Officer

Rob Canizzarro, Vice President, Operations

Tony Salino, Director, Ocean Carrier Sales

I. Motion to Convene an Electronic Meeting

At 9:00 a.m., at the request of Chairman Milliken, Vice Chairman Wimbush made a motion to convene an electronic meeting as permitted by Virginia Law pursuant to the requirements of Item 4-0.01.g of Chapter 1283 of the 2020 Amendments to the 2019 Appropriation Act, to discuss or transact the business statutorily required or necessary to continue operation of the Virginia Port Authority.

Chairman Milliken then explained the factual basis for convening an electronic meeting. Law states:

"Pursuant to Item 4-0.01.g of Chapter 1283 of the 2020 Amendments to the 2019 Appropriation Act, this Board is convening to discuss statutorily required information that will cover budget, operations reports, and vital resolutions that are necessary to transact the business of the Virginia Port Authority."

Chairman Milliken affirmed that the motion to convene an electronic meeting carried and was seconded by Commissioner Hardy. The Chairman then asked Mrs. McNulty for a roll call vote of the Board, as follows:

Ayes: 13 (Milliken, Wimbush, Asbury, Aument, Cofer, Ganeriwala, Hardy, Ivey, McWhorter, Moret, Power, Strayhorn, Waters)

Nays: 0

Absent During Vote: 0

Absent During Meeting: 0

II. Approval of Minutes

Action: Minutes of the VPA Board's (Zoom) electronic meetings held September 22, 2020 and October 28, 2020 (special meeting) were unanimously approved as circulated (13-0).

III. Reports of Committees

A. Executive Committee – Chairman Milliken

Chairman Milliken reported that the Executive Committee met in closed session on November 16, 2020, via Zoom to discuss personnel matters and there was no action taken.

Chairman Milliken announced the following dates for the 2021 meetings of the VPA Board of Commissioners. Mondays are committee days and Tuesdays are the public sessions which begin at 9:00 a.m. The Chairman affirmed that Mrs. McNulty would circulate the following schedule by email:

January 25-26
March 22-23
May 24-25 (Memorial Day 5/31)
July 26-27 (Annual Meeting)
September 27-28
November 15-16 (Thanksgiving holiday-11/25 & 11/26)

B. Investment Committee – Chairman Milliken

Chairman Milliken reported that the Investment Committee met yesterday afternoon and discussed Resolution 20-20 and the contracts of SageView and Mass Mutual. The Committee also received a report from management on the performance of the VPA and VIT retirement plans through September 30, 2020. The Chairman reported the following:

- The Committee concurred with management's plan to address the SageView and Mass Mutual contracts.
- No investment management changes were recommended. Six investment managers continue on "watch" for closer scrutiny going forward.
 - T Rowe Price New Horizons – Continue Qualitative Watch
 - JPMorgan Core Bond – Continue Qualitative Watch
 - DFA Emerging Markets Core Equity – Continue Quantitative Watch
 - MassMutual Core Sagic – Continue Qualitative Watch
 - Fidelity Puritan – Continue Qualitative Watch
 - Vanguard Mid-cap Growth – Continue Qualitative and Quantitative Watch
- The Committee was notified that, as of September 30, 2020, the VIT pension plan was 100% funded and the VPA pension plan was 80% funded on a GASB (Government Accounting Standards Board) basis.
- In addition, the VIT and VPA defined benefit plan investments rank in the top 21% of SageView's average plan rankings, with both retirement plans outperforming their relative benchmarks during the quarter and for the trailing one year.

- The Committee also discussed the need for approval of Resolution 20-20, which is primarily to modify and provide clarification to Resolution 14-12, the resolution that established the Investment Committee, and to delegate certain administrative duties to the Chief Human Resources Officer.

Chairman Milliken announced that the Investment Committee agreed unanimously to recommend approval of Resolution 20-20 by the Board.

Action: Upon motion by Chairman Milliken, on behalf of the Investment Committee, seconded by Commissioner Power, by roll call, the Board unanimously approved Resolution 20-20 (13-0), delegating fiduciary and administrative duties under the pension, defined contribution, and deferred compensation plans.

C. Finance and Audit Committee – Faith Power, Committee Chair

1. Report of Finance and Audit Committee

Commissioner Power reported that the Finance and Audit Committee met on November 16th, via electronic meeting and received presentations from management on fiscal year 2021 financial performance to date, fiscal year forecast for the remainder of the year, Finance Division initiatives, and Small, Women, and Minority (SWaM) results to date.

Commissioner Power announced that presentations related to the materials presented by management to the Committee on the fiscal year 2021 financial results will be presented at today's meeting along with comments from Michael Garber, Audit Partner for PBMAres. She explained that Mr. Garber will provide an overview of results from the fiscal year ended 2020 financial audits. In addition, she mentioned that the SWaM results will be presented during the Innovation report later in the meeting.

At this time, Commissioner Power turned the meeting over to Mr. Garber.

2. Overall Results of the FY20 Audits of VPA and VIT

Mr. Garber advised that he did not present at the Finance and Audit Committee meeting held November 16 as they had been briefed at the last meeting. He congratulated the team for completing the audits before the Auditor of Public Accounts deadline of October 1, especially during the pandemic and working remotely. Mr. Garber noted that the audit reports are dated September 30, 2020, which was one of the earliest timeframes for completing the audit.

Mr. Garber reported on the overall results of the audits of VPA and VIT. He credited Mr. Oliver with adding additional members to the Finance team over the years since PBMAres had begun conducting the audits for the Authority.

Commissioner Power advised that she and Mr. Garber had discussed the audit independently of staff and she also complimented the finance team.

Mr. Oliver thanked Mr. Garber and his audit team and confirmed that the audit reports had been mailed to the commissioners.

A copy of Mr. Garber's presentation is attached.

3. VPA and Virginia International Terminals LLC (VIT) Consolidated Financial Reports for the month ended September 30, 2020 – Rodney W. Oliver, Chief Financial Officer

Mr. Oliver presented fiscal year 2021 year-to-date highlights for July-September and reported that volume increased 3.7 percent for the first quarter from budget, which, he noted, was the second revised budget forecast approved in September. Mr. Oliver reported that the reforecast budget was better than the original budget approved by the Board in May. He reported that operating expenses are down by \$5.3 million and down across the board in every category except for depreciation and amortization, due to the operating efficiencies at the terminals.

Operating income was up by \$8.2 million for first three months of the fiscal year and EBITDA increased by \$8.5 million. Mr. Oliver reported that the month of October also had significant volume increases and he announced that the month closed out at \$10.25 million operating income over \$4.8 million budgeted. He advised that October was the best operating performance the port has had in the three years since the Virginia International Gateway Terminal (VIG) transaction.

Mr. Oliver presented a statement of cash flows for FY20 compared with FY21. He described each of the four categories and noted that non-capital financing was for the 55-foot channel deepening project which will increase significantly this fiscal year from \$5.5 million in FY20. Mr. Oliver advised that the investing category reflected \$6.2 million for FY20 which was the best investment year at the port due in part to interest rates and the investment management program that was established two years ago.

(There was a slight pause in the meeting to determine if the presentation slides were available for public participants who were on the conference line. Mrs. McNulty confirmed that open session presentations were previously posted to POV's website for the public to follow along.)

Mr. Oliver then reviewed capital and related financing activities comparing FY20 to FY21 year-to-date. He reported that Commonwealth Port Fund contributions are down from last year attributed to the effects of COVID-19. Acquisition of capital assets are not expected to be as high as last fiscal year due to the completion of the terminal expansions but will increase over the next couple of months this fiscal year.

Mr. Oliver explained that the line item, transfer from primary government, is related to the \$350 million from the state for the build-out of South Norfolk International Terminals (NIT) which will decrease this fiscal year. Facility capital lease payments are related to the VIG lease.

Mr. Oliver reported that several MELP financings will be taking place over the next

couple of months. He announced that the statement of cash flows will be included in the Organizational Performance Report (OPR) that is provided to the Board each month.

A copy of Mr. Oliver's presentation is attached.

D. Growth and Operations Committee – Val S. McWhorter, Committee Chair

1. Report of Growth and Operations Committee

Commissioner McWhorter reported the following:

"The Growth and Operations Committee held its regularly-scheduled meeting yesterday via Zoom, and we first heard an update on the Port's COVID-19 efforts from Cathie Vick, Chief Development & Public Affairs Officer who also co-chairs the COVID-19 Task Force. On behalf of the commissioners, we sincerely thank you and your team for their efforts to protect colleagues and customers during this crucial time.

Tom Capozzi, VIT Chief Sales Officer, provided a sales report that was full of good news that included October volume statistics, announcement of several new services, rail diversions from the northeast, cargo highlights, future opportunities, and webinars presented by several members of the Sales Team.

Cathie Vick then provided an update on the Central Rail Yard expansion at NIT and an update on negotiations with CSX regarding PMT.

Kevin Price, VIT Chief Operations Officer, reviewed OSHA Lost Work Days and the Recordable Incident Rate, announced the arrival of the Port's two new ship-to-shore cranes, blank sailings, peak season, and business news at the Richmond and Newport News Marine Terminals. Mr. Price then reviewed operational metrics on vessel productivity, rail dwell, gate volumes and schedule for November, turn-times, missed reservations, and cost per lift results for September.

Rich Ceci, VIT Senior Vice President, Technology and Projects, provided a construction update on major projects, berth preparations for arrival of the ship-to-shore cranes, and reported on the Cyber Component Commanders Conference held at VIG by US Coast Guard officials in March. The Port of Virginia was selected by USCG as a best practice example of cooperative working in cybersecurity. Rich also provided a cybersecurity update and reported progress on the DeLoitte Cyber Security Roadmap that was undertaken as a result of the PBMAres audit of POV's information security environment, which was part of their financial audit."

Commissioner McWhorter turned the meeting over to Ms. Vick at this time.

2. Report by Chief Development and Public Affairs Officer – Cathie Vick

Ms. Vick announced that the Government Relations team has been very busy and she described some of the activities and meetings held with port partners. She explained how POV, in collaboration with Virginia Maritime Association (VMA), is working with congressional leaders in other states such as Tennessee and West Virginia to emphasize the importance of moving freight to and from those regions.

Ms. Vick reported that a continuing resolution was put in place by Congress until December 11th and that once a full year budget has been passed for energy and water the Army Corps will have 60 days to put together a work plan for a new start up to \$78 million for the completion of the inner harbor and work concurrently on Thimble Shoals east.

Ms. Vick reported that the “work horse” dredge will be in place end of November and the port is scheduled to finish the first element of the project a year ahead of schedule next August. She announced the port is planning to go out for bid for the next two elements of the project in July 2021.

Ms. Vick reported on the meeting at NIT with General Scott Spellmon, new ACOE Commanding General and the meeting that was held with a new commanding General for Civil Works, Butch Graham, who was the North Atlantic Regional Commander and is familiar with the port's dredging project. She reported that POV also hosted a District Commander School for all of the ACOE district commanders in the United States.

Ms. Vick reported that Secretary Chao announced the Port Infrastructure Development (PID) grant awards and the VPA was the highest award in the U.S. category of \$20 million for the NIT Central Rail Yard (CRY) expansion – two new four-track bundles, similar to VIG. She provided a schematic showing the rail outline and described the project.

Ms. Vick reported developments in the General Assembly's Special Session. She advised that all of the port-related budget items remained intact. She mentioned that VEDP had some of their funds reallocated for their investment jobs program and POV will be working with them to improve site readiness and other programs.

Ms. Vick provided a photo of the completed bulkhead project at Richmond Marine Terminal (RMT) and reported that the drop lot final design was complete. She advised the port is also working with Customs Border Patrol on a permanent radiation portal at RMT. Ms. Vick then reported on progress at Virginia Inland Port (VIP) on the BUILD (Better Utilizing Investments to Leverage Development) grant agreement which was signed and the design is underway and slated for completion in 2022.

Ms. Vick described the port's new Geographic Information System (GIS) that involves engineering, operations, and the project team divisions with a goal to provide a single source that is readily accessible for everyone to use across the organization. Ms. Vick announced POV has hired a fulltime GIS manager who oversaw the Tennessee Airport Authority's GIS system and she also mentioned that the port formed a GIS Users Group.

Ms. Vick announced the following economic development results for calendar year 2020:

- 33 announcements
- 3,967 job created
- More than \$1.4 billion in investment
- More than 9.0 million square feet

Since the last meeting, nine announcements resulted in 783 more jobs and \$546 million invested and that seven of the announcements were manufacturing. Ms. Vick advised that the port is continuing to see the trend of PED and pharmaceuticals and she emphasized the port's readiness for refrigerated cargo.

Chairman Milliken asked Ms. Vick about the ACOE leadership during the Presidential transition and she advised that the current leadership would stay in place until a replacement is nominated. Ms. Vick advised that her team will be discussing the transition with ACOE leadership next week.

3. Sales Report – Thomas D. Capozzi, Chief Sales Officer

Mr. Capozzi attributed the improved efficiencies and volume increases to the infrastructure expansions of VIG and NIT South. He thanked the commissioners for their support and approval of both projects.

Mr. Capozzi reported that the port has received compliments from its largest importers through this year's peak season and they are saying that POV is the top performing gateway. He provided a volume comparison (see attached) and reported that total TEUs are down by 3.20 percent for FY21 (July-October) yet volumes increased by 4.38 percent during September-October, year-over-year. He also reviewed export and import loaded TEUs for FY21 which were all down for FY21 year-to-date yet increases were reported for the period September-October, from the same period last fiscal year.

Mr. Capozzi reviewed rail containers and truck containers with both reflecting increases for the period September-October, from last year. He mentioned Chairman Milliken's question from the Growth and Operations Committee regarding how POV compares to other ports. Mr. Capozzi read the following excerpt from a Journal of Commerce article that appeared November 17:

"Asia import volumes in October through Norfolk rose 19 percent to 75,250 TEU, volume increased 16 percent at Savannah to 166,370 TEU, and rose 11 percent to 47,832 TEU at Charleston. The Port of New York and New Jersey saw Asia volume rise 10 percent to 203,840 TEU."

The Port of Virginia had outperformed our East Coast competitors in the Asia import trade lane last month.

Mr. Capozzi announced a new Hapag Lloyd Caribbean Express Service (CES) with POV as the first-in/last-out port, and the first vessel arrival is scheduled for December 5. He explained that the Caribbean service is a first for POV for poultry shipments and that

it is a competitive first-in transit from North Europe and new coverage to Latin America. POV is the only East Coast port in the string. He mentioned that POV has had four new business announcements since May.

Commissioner Waters asked if POV had facilities to handle chicken products and Mr. Capozzi explained that most of the product through the port is now shipped in refrigerated (reefer) containers and the break-bulk "chicken boats" do not call POV as we do not have the warehouse facilities.

Mr. Capozzi reported on the extra loader vessels (Maersk and MSC) that were scheduled to call POV in November and that he noted that volume is up 27.1 percent over last November, to date.

Mr. Capozzi described several webinars that were conducted by sales team members in order to stay in touch with customers. Antonio Amado presented to the U.S. General Consulate/U.S. Commercial Services seminar in Brazil and Cary Hagen and Mark Higgins presented to the Council of Supply Chain Management Professionals. Mr. Capozzi advised that a webinar with the Agricultural Transportation Coalition is scheduled for December.

Secretary Valentine complimented Mr. Capozzi on his presentation and she asked what drove imports for September-October. Mr. Capozzi explained that the lockdown during COVID-19 is fueling consumer buying for home projects and people are buying more goods. He talked about the shift in transit from west coast to east and predicted the flow of cargo through east coast ports would continue through Chinese New Year until about February 2021.

4. Report on Safety, Operations, and Update on Projects – Kevin Price, Chief Operations Officer, Virginia International Terminals, LLC (VIT)

Mr. Price announced that Rich Ceci is scheduled to attend three webinars in the month of December, one of them with Journal of Commerce based on semi-automation and POV's productivity with the new technology. He advised that POV is a leader in the industry on terminal operations.

Mr. Price presented the OSHA Lost Work Day (LWD) rate that reflected a rate of 2.76 compared to the FY21 year-end goal of 1.9 – a 45.7 percent increase from FY20 and 6.7 percent increase from FY19. The effects of COVID-19 and physical distancing has suspended safety classes held in person. Mr. Price emphasized that POV is focusing on the Terminal Safety Infraction Policy (TSIP) and conducting virtual sessions effective October 1, with port personnel and ILA partners to mitigate the situation and aggressively improve the safety record.

Mr. Price reviewed POV rail versus gate/barge volumes through October which he reported are trending up as Mr. Oliver mentioned earlier. He reported rail dwell is currently at 32 hours and explained that POV is well below the industry average of 50 hours.

Mr. Price reported POV gate turn times continue to flow smoothly with 34 minutes in the month of October, which was the heaviest volume month to date, compared with the industry average of 60 minutes. He then reported traditional turn times for October that reflect 89.7 percent of trucks were in and out of the port under one hour and 99 percent are out in less than two hours.

Mr. Reinhart asked Mr. Price to describe the improvements from last year's peak season to this year. Mr. Price explained how in prior years the hours were extended with early openings and late closures and that this year, the terminals were able to process peak season volumes of cargo with a shorter work-day due to operational efficiencies.

Mr. Price reported missed reservations have decreased to under five percent compared to the goal of seven percent.

IV. Report by Chief Innovation Officer – Joseph Ruddy

Mr. Ruddy announced that the Governor's Executive Order 35 calls for a goal of 42 percent for Small, Women-owned, and Minority (SWaM) expenditures for fiscal year 2020. He reported that POV's SWaM expenditures for FY20 came in at 42.54 percent for discretionary spend.

Mr. Ruddy reported that the state goal for FY21 is 35 percent and he advised that POV is on its way to meet the commitment by working with SWaM vendors and completing more set-asides. He presented the following SWaM FY21 Q1 results:

- \$25,553,835.63 – Total discretionary spend
- \$5,084,173.13 – Total SWaM spend
- 20.63 percent

Mr. Ruddy announced that on February 21, 2021, the port will conduct its second Annual SWaM workshop (virtually) that will allow vendors to become familiar with upcoming port-wide projects and activities and how to do business with POV.

Mr. Ruddy presented an update on major port projects that were all coded 'green' trending on budget and on time with a special mention about the NIT CRY Expansion Phase 1 project. The CRY project is in the early stages and is at the 90 percent development phase.

Mr. Ruddy reported the South NIT optimization project is nearly complete with all 30 stacks in operation. He indicated in the photo slide two new ship-to-shore (STS) cranes on the ZPMC vessel at berth that arrived on November 2nd from Shanghai, China. Mr. Ruddy reported that two more STS cranes are scheduled to arrive at South NIT for installment in early 2022. He noted that South NIT and VIG will have the largest cranes in the world to handle the ultra-large container vessels (ULCV).

Mr. Ruddy described the Supply Management project and showed a map of the VIG and NIT parts rooms. He announced that the project is a collaboration headed up by

Marissa Blanco, Director, Supply Management; Travis Hill, VP, Multi User Terminal Operations; and Rich Ceci, VP, Technology and Project Management. Mr. Ruddy described the phased project and explained how the RFID (radio-frequency identification) portal operates to expedite material management.

Mr. Ruddy announced the Asset Management division, headed up by Daniel Hendrickson, VP, Asset Management and Special Projects, and includes several senior leaders and other POV team members, manages assets received over the last five years that will include a matrix to score capital projects according to the Master Plan and to ensure future needs at the port. He noted that the port is in partnership with KPMG on the project.

Commissioner Strayhorn commended the team on the transition of responsibilities after Mr. Barnes-Smith left the port and for increasing opportunities at the port for SWaM vendors.

V. Report by Chief Human Resources Officer – Monica Sturgis

Ms. Sturgis announced that the port introduced its new Vision and Mission statements in September and, in addition, goals and objectives were set and the port established a new Breakthrough Objective (BTO). She reported that there will be more BTOs over the next couple of years.

Ms. Sturgis reported that the first BTO is to further develop a culture of engaged colleagues and that the Human Resources division has been working to attract, develop, engage and retain colleagues. She advised that fiscal year goals and initiatives that support the breakthrough objective had many levels of participation from across the organization which is a collaborative effort at all different levels.

Ms. Sturgis announced that the Process Excellence team, led by Ron Green, worked with the senior leadership team to champion an approach to foster colleague engagement, collaboration, and a spirit of continuous improvement.

Ms. Sturgis described the four initiatives as outlined in the attached diagram. She explained that each initiative has a formal charter, a project lead, a team of colleagues who volunteer to participate, and a pair of senior leadership sponsors. Ms. Sturgis advised that Board members will receive periodic progress reports on this project.

VI. Report by General Counsel – Sarah McCoy

Ms. McCoy provided an update on the Port's Compliance and Ethics Program. It was reminded that the Board approved Resolution 19-9 last year approving the Compliance Charter for the port and the Board also received a report in July from Colleen Mollison, Compliance Chair, on efforts the port has taken in furtherance of the charter.

Ms. McCoy described the activities that took place for National Compliance and Ethics Week (November 2-6), with a daily program showcasing several departments, daily events and activities to engage colleagues, and competitive challenges and fast facts.

Ms. McCoy thanked the senior leadership for their support for what was a very successful Compliance and Ethics week at the port.

VII. Report by Chief Marketing Officer – James (Jay) Stecher

Mr. Stecher reported that since the last Board meeting in October, the port had more than 450 earned media mentions worth \$1.2 million in advertising and double-digit engagement across every platform in social media. He advised that the port is seeing the coordinated effort in what we are saying to our journalists and how we are saying it to the wide audiences with earned media is starting to pay dividends with that earned consistency.

Mr. Stecher said with the completion of the infrastructure projects, the Marketing and Communications division is shifting its messaging for the port from talking about capacity and equipment to messaging how the equipment pays dividends for our customers with words like consistency, productivity, size, speed, service, etc.

Mr. Stecher announced that the new advertising campaign (owned media) is almost entirely digital which will be launched in January and will strengthen our port and our brand as the premier global gateway on the East Coast.

VIII. Report by CEO and Executive Director – John F. Reinhart

Mr. Reinhart made the following closing remarks:

“Mr. Chairman, Commissioners, Colleagues, and Guests,

We have been very busy since our last board meeting on September 22nd.

October 1st was our virtual State of the Port address which was well attended and positively received. Working with HRGCC and sponsors we raised \$15,000 for the Federation of Virginia Food Banks.

We have had record volumes in September and October. October set a new monthly volume record with 274,215 TEU's which was 3,700 TEUs higher than our previous record and up 2.7% over prior year.

VIT began to stevedore at NIT and VIG on October 1st. The team is doing a great job since the start. The Port of Virginia now has 3 stevedores and we are improving productivity and service to our customers.

The POV is handling the increased volume efficiently and providing great service at our gates, rail, and berths. A tribute to our operating team, labor partners, motor carrier partners and the infrastructure we have invested in and delivered as promised. We were awarded a \$20 million Port Infrastructure grant from USDOT to support our modernization of the Central Rail Yard at NIT. Project will cost \$44 million and is also receiving \$16.7 million from DRPT with balance funded by VPA.

On October 28 we held a special board meeting where Stephen Edwards was introduced as the next CEO/Executive director starting on January 19, 2021. We welcome Stephen and are planning a smooth transition at the start of 2021.

On November 7 we received 2 ship-to-shore cranes at NIT. They are being commissioned and we will see them in service in January. This completes the NIT project which our team has completed on time and under budget. We have ordered 2 more STS cranes for NIT which will arrive in early 2022.

Finance has completed the audit for FY20 in record time even with restrictions due to COVID-19. A clean audit. MELP financing continues to be well managed. The Finance team has performed at a high level and continues to improve processes.

Economic Development has had 33 announcements this CY representing \$1.4 billion invested, 9 million square feet and 3,967 jobs.

Dredging continues ahead of schedule and the project is being managed very well by VPA and ACOE.

Sales has continued to stay connected in a virtual world. We have added 2 new services, had 10 extra vessels and return of vessels which were blanked earlier due to COVID-19.

Our team has been effectively managing all areas of responsibility safely and responding to the challenges of the COVID-19 pandemic. We are staying focused as we are seeing a significant resurgence. We have experienced strong volumes which look to continue through year end. We have risks going into the New Year and will remain nimble to respond as good stewards.

Today is my last board meeting as CEO/Executive Director. When we meet in January we will welcome Stephen Edwards as the next CEO/Executive Director. Stephen and I will be working together to ensure a smooth and effective transition. It has been a privilege to serve the last 7 years with the support of the Board, Governor, Secretary Valentine, the legislature, our colleagues, customers and partners.

The Port of Virginia has become a modern, competitive gateway and economic engine for the Commonwealth. The team is very strong and capable, facilities are world class, and the brand respected. We are sustainable and competing to win. We did this together, guided by our values and the future is very bright for The Port of Virginia. I wish all of you and your families a safe and joyous holiday season."

IX. Unfinished Business

There was no unfinished business to report.

X. New Business

There was no new business to report at this time.

XI. Other Business, Opportunity for Public Comment, and Adjournment

Chairman Milliken thanked Mr. Reinhart for an “extraordinary term of service” over the last seven years as Executive Director. The Chairman mentioned the difficulties that Mr. Reinhart experienced when he first began his employment with Virginia Port Authority in 2014, in the wake of efforts to sell the port and the aftermath of the significant financial downturn in the economy.

Chairman Milliken remarked that Mr. Reinhart “succeeded in picking it back up off the deck and righting the fiscal ship first then laying out a plan for long-term growth and prosperity at the port and, as a consequence, additional growth and economic development for the Commonwealth”.

To Mr. Reinhart, Chairman Milliken stated, “We owe you, the port owes you, the maritime community owes you, and the Commonwealth of Virginia owes you a great debt of gratitude”. The Chairman advised that the Board will have more to say on this subject at Mr. Reinhart’s last meeting on January 26, 2021.

Secretary Valentine thanked the senior leadership for their presentations and also thanked Chairman Milliken for his leadership in managing the challenges. The Secretary complimented Mr. Reinhart for the genuine person and leader that he is and she added that “you not only picked up the port, you picked up all of us”.

Secretary Valentine also thanked Commissioner Strayhorn for her efforts to bring in equity and inclusion into the port and making those efforts priority.

There being no further business and no public comments submitted by email to: PublicComments@portofvirginia.com the meeting adjourned at 10:35 a.m.

Respectfully submitted,



Debra J. McNulty
Secretary to the Board

The next VPA Board of Commissioners Public Session is scheduled for 9:00 a.m. on January 26, 2021. Committee meetings are scheduled the Monday before the Public Session.

Please note: Open session presentations have been posted to The Port of Virginia’s website at: <http://www.portofvirginia.com/who-we-are/our-board/>

RESOLUTION 20-20

DELEGATION OF FIDUCIARY AND ADMINISTRATIVE DUTIES UNDER PENSION, DEFINED CONTRIBUTION AND DEFERRED COMPENSATION PLANS

WHEREAS, pursuant to certain enabling statutes, the Virginia Port Authority ("VPA") and Virginia International Terminals LLC ("VIT"), a participating employer of VPA in accordance with Treas. Regs. Section 1.414(c)-5, have established certain pension, retirement, and deferred compensation plans for the benefit of their employees, set forth on Appendix A hereof, as amended from time to time (each, a "Plan" and collectively, the "Plans"). This Appendix A may be modified by the Investment Committee, or its designee, without a separate resolution.

WHEREAS, the Board of Commissioners of VPA (the "Board") has broad powers, authority, and responsibilities with respect to each of the Plans for both VPA and VIT, and any other existing or future VPA or VIT pension, retirement, or deferred compensation plans, including any amendments or successor plans to the Plans.

WHEREAS, the Board wishes to modify and provide clarifications to Resolution 2014-12.

WHEREAS, Virginia law requires that when a local government or political subdivision, such as VPA and VIT, establishes a retirement plan, then any funds segregated or designated for the retirement plan shall be invested with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in like capacity and familiar with such matters would use in the conduct of an enterprise of like character and similar aims. Such investments shall be diversified so as to minimize the risk of large losses unless under the circumstances it is clearly improper to do so. Collectively these duties are referred to as "Fiduciary Duties."

WHEREAS, the Board has determined that the assets of each of the Plans must be invested under the standard described above. With respect to the Plans that qualify as defined contribution plans, participants are permitted to direct the investment of their own account balances among the investment funds made available under the respective defined contribution plan.

WHEREAS, in order to fulfill its Fiduciary Duties with respect to the Plans, the Board has determined that it shall appoint an Investment Committee to oversee the operation of the Plans and act as each Plan's Plan Administrator and to oversee the investment of the assets of the Plans, including (1) the appointment and removal of the trustees for the plans; (2) the appointment of various investment managers as the Investment Committee deems appropriate for the Plan; and (3) with respect to the defined contribution plans, to review and select the investment funds to be made available for investment direction by participants.

WHEREAS, under each Plan, the Board has delegated to the Investment Committee, or its designee, the right to modify, alter, amend, or terminate the Plan in whole or in part to make any technical modification, alteration or amendment which in the opinion of counsel for VPA or VIT, as applicable, is required by law and is deemed advisable by the Investment Committee and to make any other modification, alteration or amendment which does not, in the Investment Committee's view, substantially increase costs, contributions or benefits and does not materially affect the eligibility, vesting or benefit accrual or allocation provisions of the Plans.

WHEREAS, in addition, under Virginia law, the Board is authorized to set the policy and procedures for the administration of the Plans. This includes making determinations with respect to the interpretation of the terms of the Plans and their application to various situations as they arise. While the staff of each of the VPA and VIT, respectively, will generally perform the day-to-day tasks of plan administration, with the assistance of third parties hired for that purpose, there will be instances where the staff and its third party assistants are unable or are not empowered to make a decision or interpretation. Collectively these duties are referred to as "Administrative Duties."

WHEREAS, the Board desires to delegate the Administrative Duties with respect to the Plans for both VPA and VIT to the Chief Human Resources Officer of VPA. The Board has determined that it would be desirable to permit such a delegation and empower the Chief Human Resources Officer of VPA to accept the delegation of such duties.

NOW, THEREFORE, BE IT RESOLVED, the Board hereby appoints an Investment Committee consisting of the Chairman of the Board, the Chairman of the Finance & Audit Committee of the Board, and the following officers of the VPA: The Executive Director/CEO, the Chief Financial Officer, and the Chief Human Resources Officer, until such time as the Board determines otherwise.

BE IT FURTHER RESOLVED, that the Board hereby delegates to the Investment Committee, or its designee, its Fiduciary Duties with respect to the Plans, including (1) the duty and responsibility to oversee the investment of the assets of the Plans; (2) the appointment and removal of the trustees for the plans; (3) the appointment of various investment managers as the Investment Committee deems appropriate; and (4) with respect to the defined contribution plans, to review and select the investment funds to be made available for investment direction by participants.

BE IT FURTHER RESOLVED, that the Board hereby delegates to the Investment Committee, or its designee, authority to amend the Plans to the extent that such amendment does not, in the Investment Committee's view, substantially increase costs, contributions or benefits and does not materially affect the eligibility, vesting or benefit accrual or allocation provisions of the Plan.

BE IT FURTHER RESOLVED, that the Board hereby delegates to Chief Human Resources Officer of VPA the Administrative Duties with respect to the Plans for both VPA and VIT.

BE IT STILL FURTHER RESOLVED, that a copy of this Resolution be attached to the minutes of the Virginia Port Authority Board Meeting of November 17, 2020.



John G. Milliken
Chairman

Attest:



Debra J. McNulty
Secretary

APPENDIX A

Virginia Port Authority Deferred Compensation Plan
Virginia Port Authority Defined Benefit Pension Plan
Virginia Port Authority Defined Contribution Plan
Virginia Port Authority Supplemental Defined Contribution Plan
Virginia International Terminals, LLC Deferred Compensation Plan
Virginia International Terminals, LLC Matching Savings Plan
Virginia International Terminals, LLC Pension Plan
Virginia International Terminals, LLC Executive Supplemental Retirement Plan
Virginia International Terminals, LLC Supplemental Executive Benefit Plan



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!



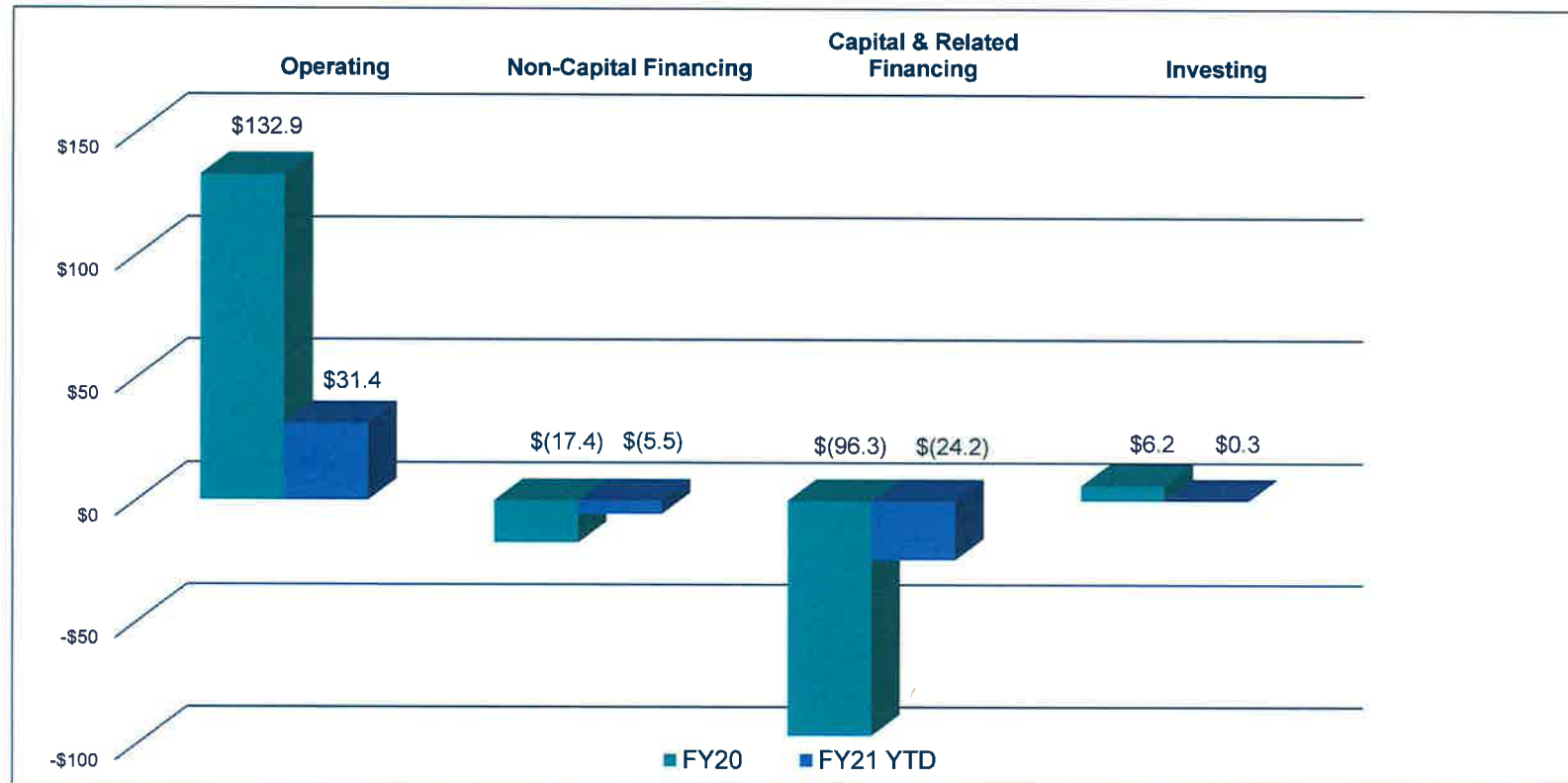
We appreciate your time and attention.

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) |

Building on Momentum

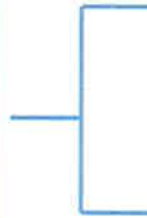
POV Volume Comparison

| | 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% |



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.