

# Virginia Port Authority Board of Commissioners Session 409

September 28, 2021





# Agenda

- Approval of minutes
- Reports of committees
- CEO & Executive Director Report
- Other business, opportunity for public comment, and adjournment





# Investment Committee Report

Chairman Milliken

A man with a shaved head and a slight smile, wearing a dark polo shirt, stands with his arms crossed in an office environment. The background shows office cubicles and fluorescent lighting, all overlaid with a semi-transparent blue filter.

# Finance & Audit Committee Report

Chair Strayhorn



# Financial Update

Rodney Oliver, Chief Financial Officer



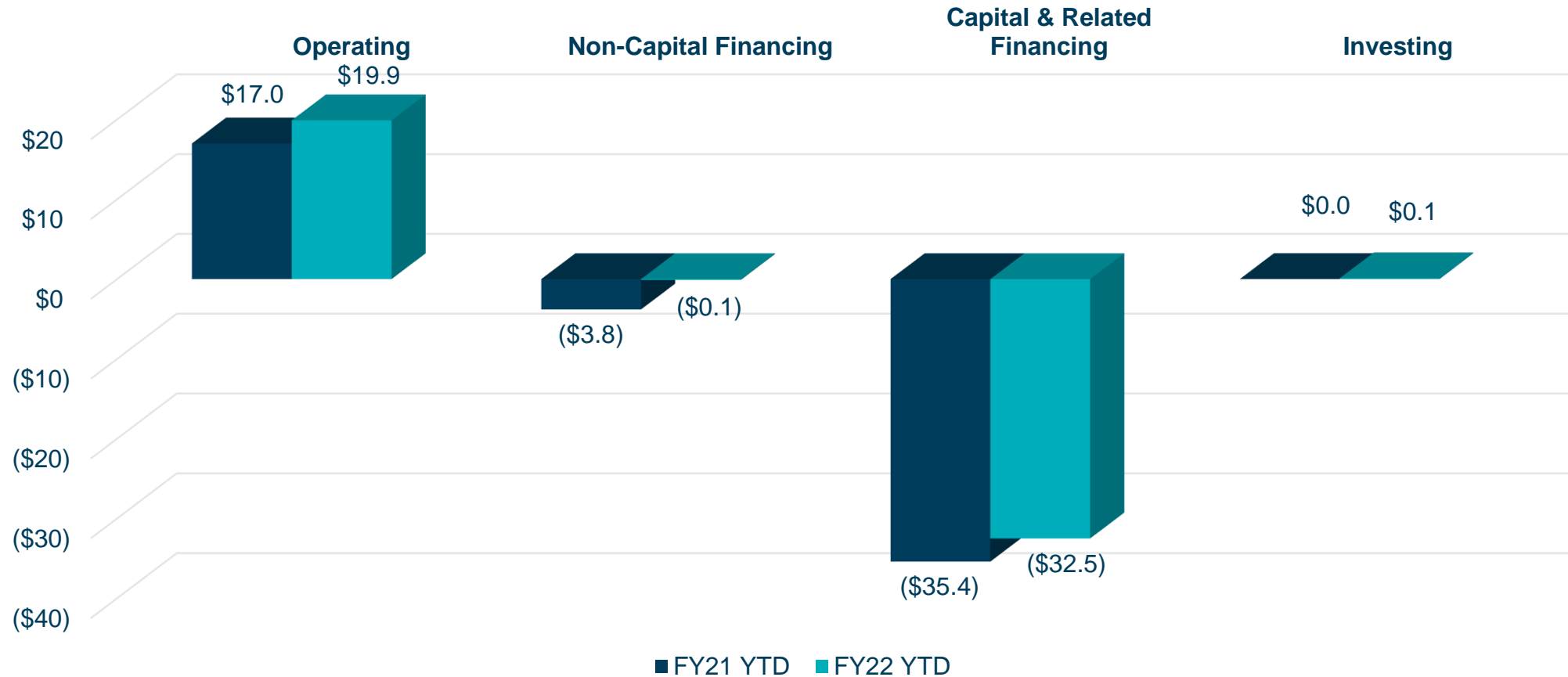
# Agenda

- July YTD Financial Performance
- VIG Lease Accounting

# Fiscal Year 2022 YTD Highlights

	Category	Budget	Actual
July	Volume	144,378	164,227
	Operating Revenues	\$47.9 million	\$58.4 million
	Operating Expenses	\$46.5 million	\$51.7 million
	Operating Income	\$1.4 million	\$6.8 million
	EBITDA	\$15.8 million	\$25.7 million
Aug	Volume	149,207	In-Process
	Operating Income	\$3.4 million	In-Process

# Cash Flow FY21 YTD vs FY22 YTD – USD millions



**Cash and Investments as of 7/31/2021: \$431.7 million**

**Residual Fund and Operating as of 7/31/2021: \$324.5 million**



# Capital & Related Financing Activities – USD millions

Category	FY21 YTD	FY22 YTD
Net refunding proceeds	\$-	\$-
CPF contribution	\$6.3	\$6.5
Acquisition of capital assets	\$(5.1)	\$(1.9)
Transfer from primary government	\$7.2	\$0.7
Capital lease payments - VIG	\$(7.5)	\$(7.9)
Capital lease payments – Other	\$-	\$(1.3)
Proceeds from MELP financing	\$-	\$-
Principal paid on long-term debt	\$(18.4)	\$(20.7)
Interest paid on long-term debt	\$(10.7)	\$(10.1)
Other	\$(7.2)	\$2.4
Total	\$(35.4)	\$(32.5)

## VIG Lease – lease accounting adoption – USD millions

Accounting treatment	FY21 (June 30) Actual	FY22(July 1) Budget	FY22 (July 1) Actual
Lease asset, gross	\$2,048	\$3,634	\$4,049
Lease liability, gross (incl. ISC debt)	\$2,267	\$3,769	\$4,184
Increase to net position		\$84	\$233
Amortization expense – annual	\$43	\$82	\$91
Interest Expense –	\$104	\$133	\$149
Cash requirement	FY21 Actual	FY22 Budget	FY22 Actual
Scheduled lease payments	\$90	\$93	\$95



# Growth & Operations Committee Report

Chair McWhorter

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# Operations Report

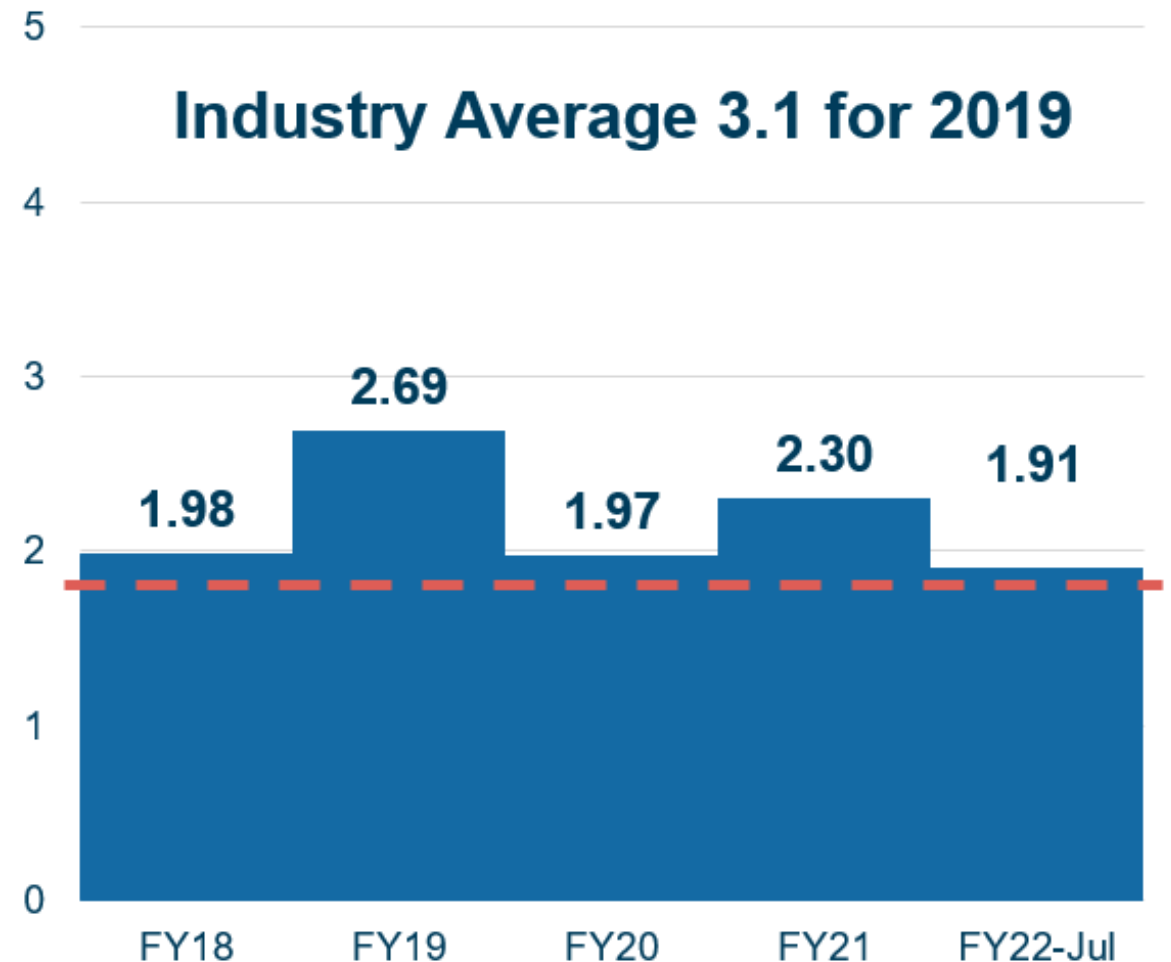
Kevin Price, Chief Operations Officer



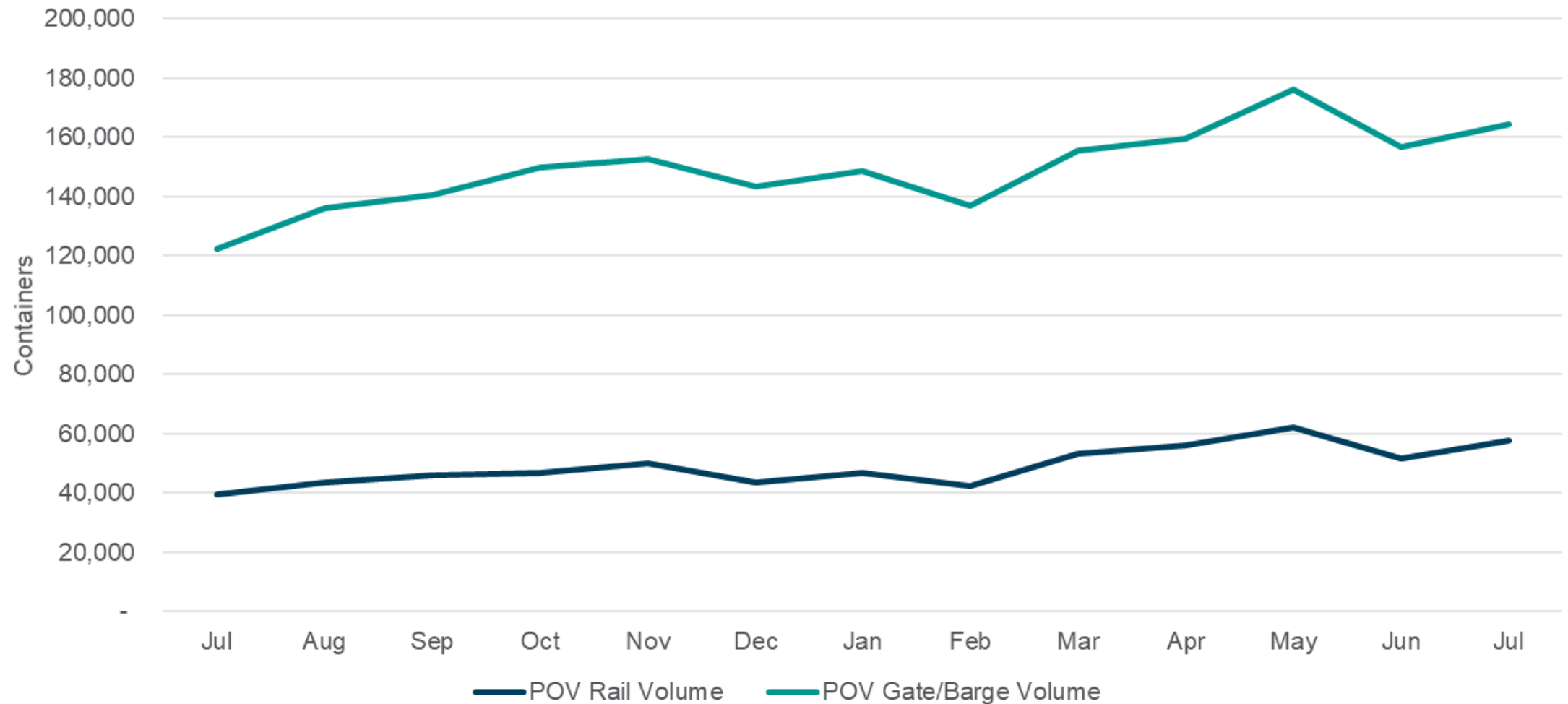


# POV OSHA Lost Work Day Rate

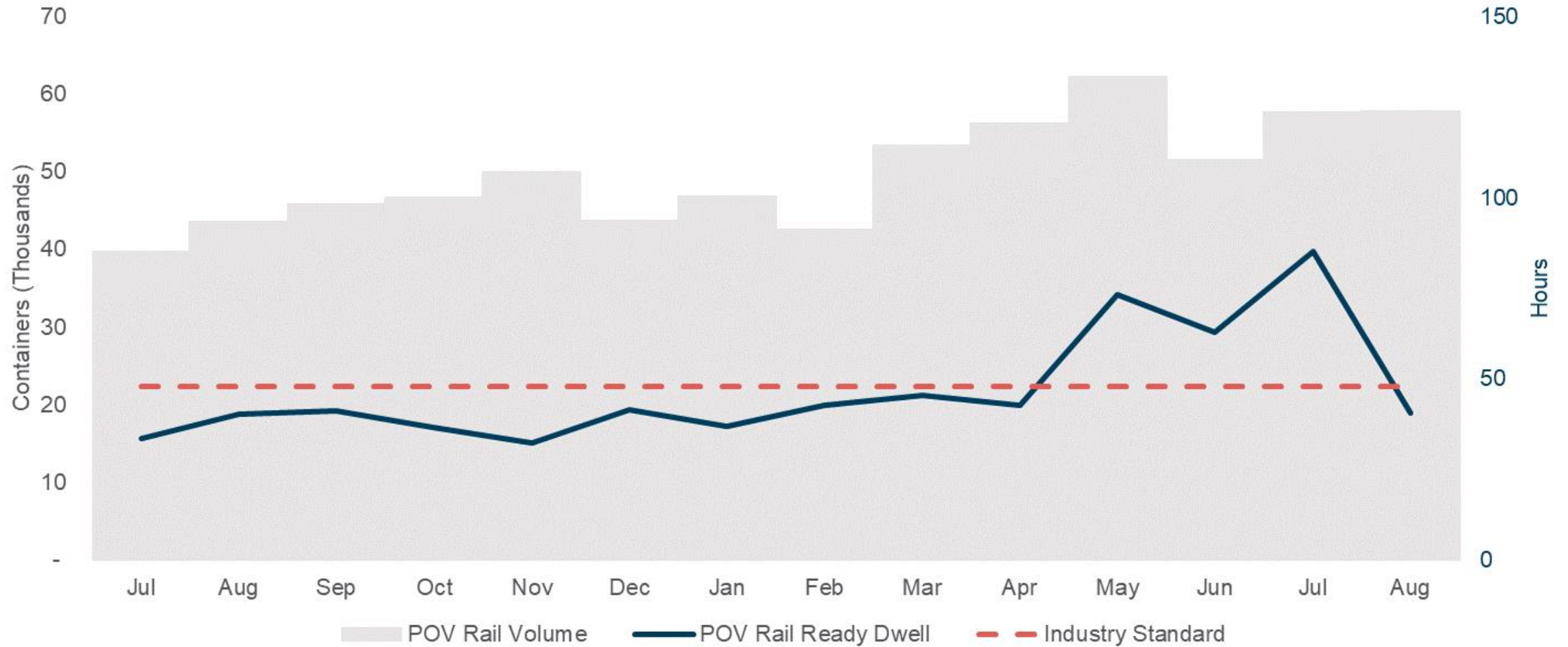
As of July 31st the POV  
FY22 LWD rate of 1.91 is:  
17.0% decrease from FY21  
3.1% decrease from FY20  
FY22 year end goal is 1.9



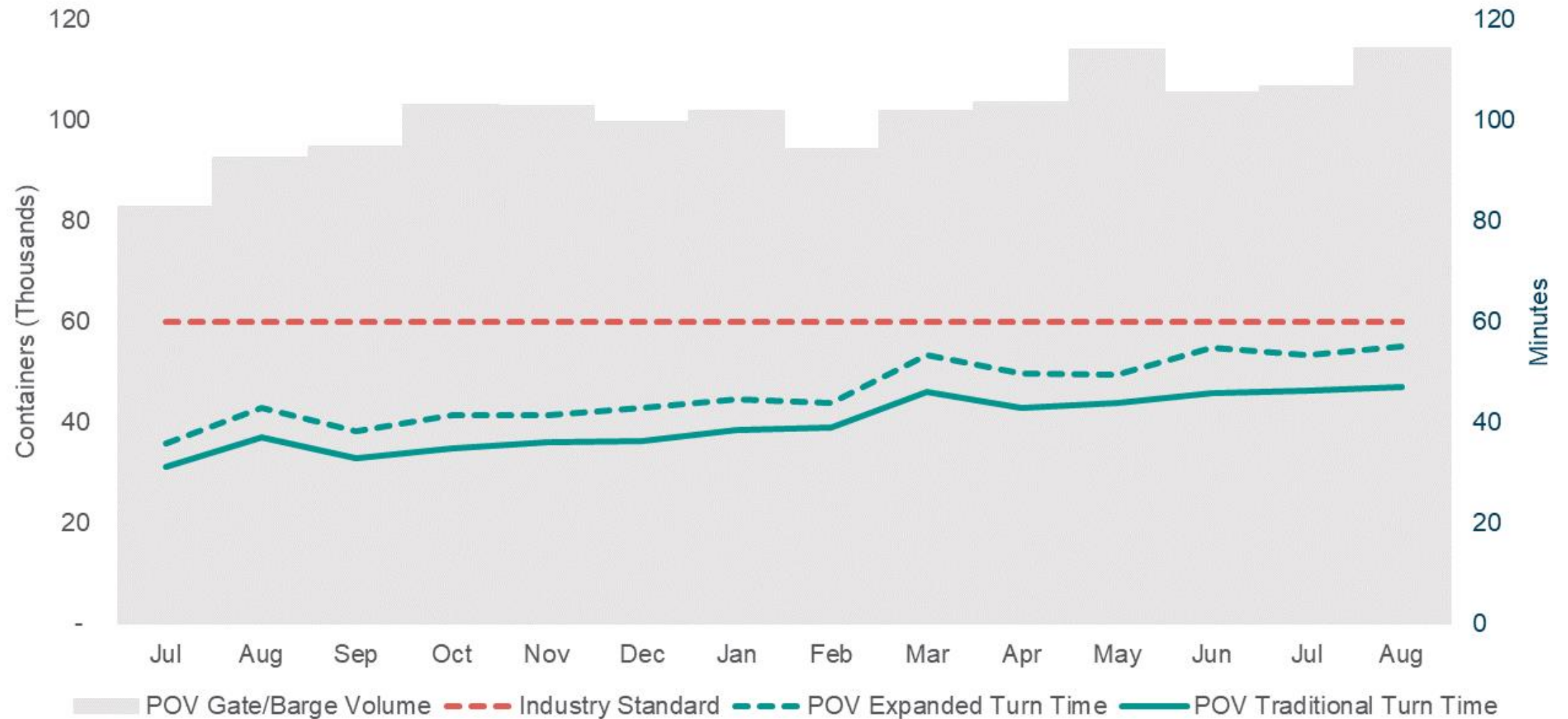
# POV Rail vs Gate/Barge Volume



# POV Rail Volume

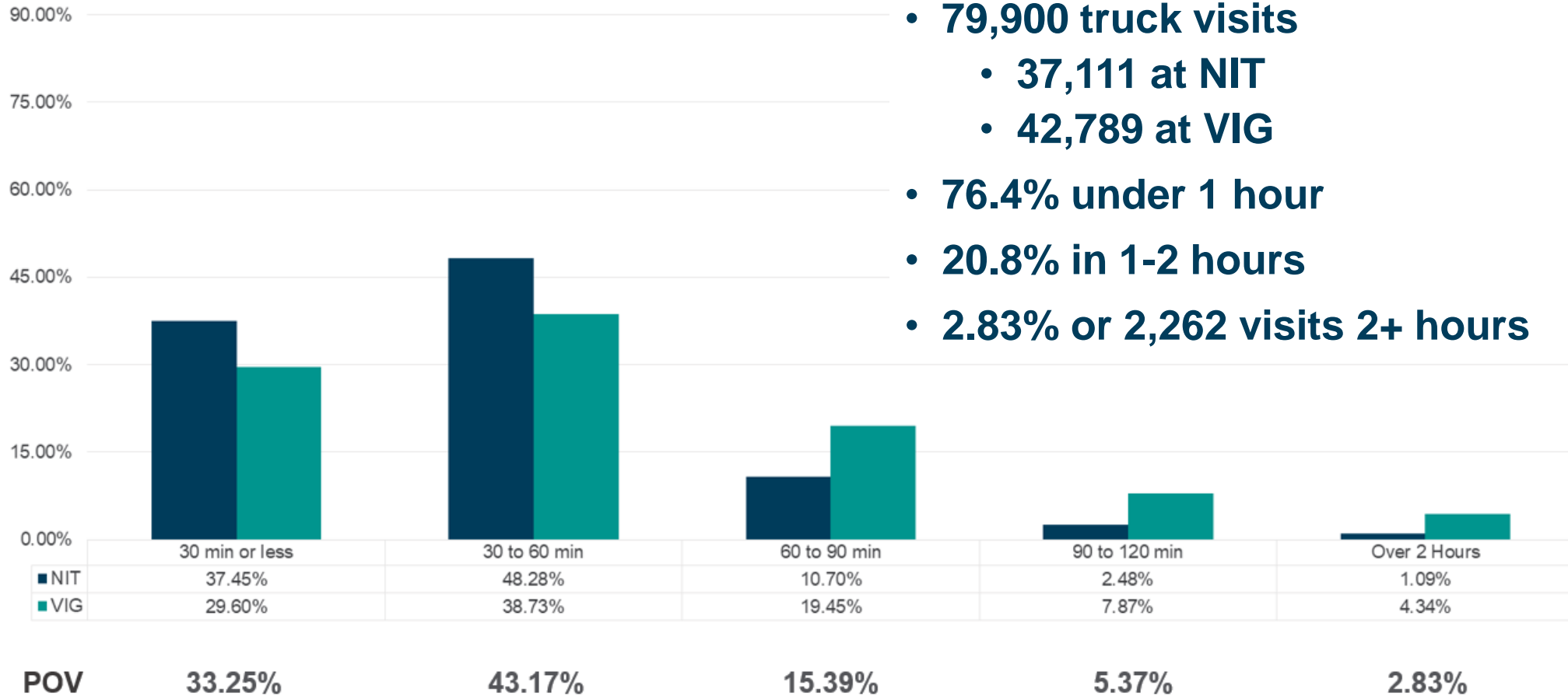


# POV Gate Turn Times

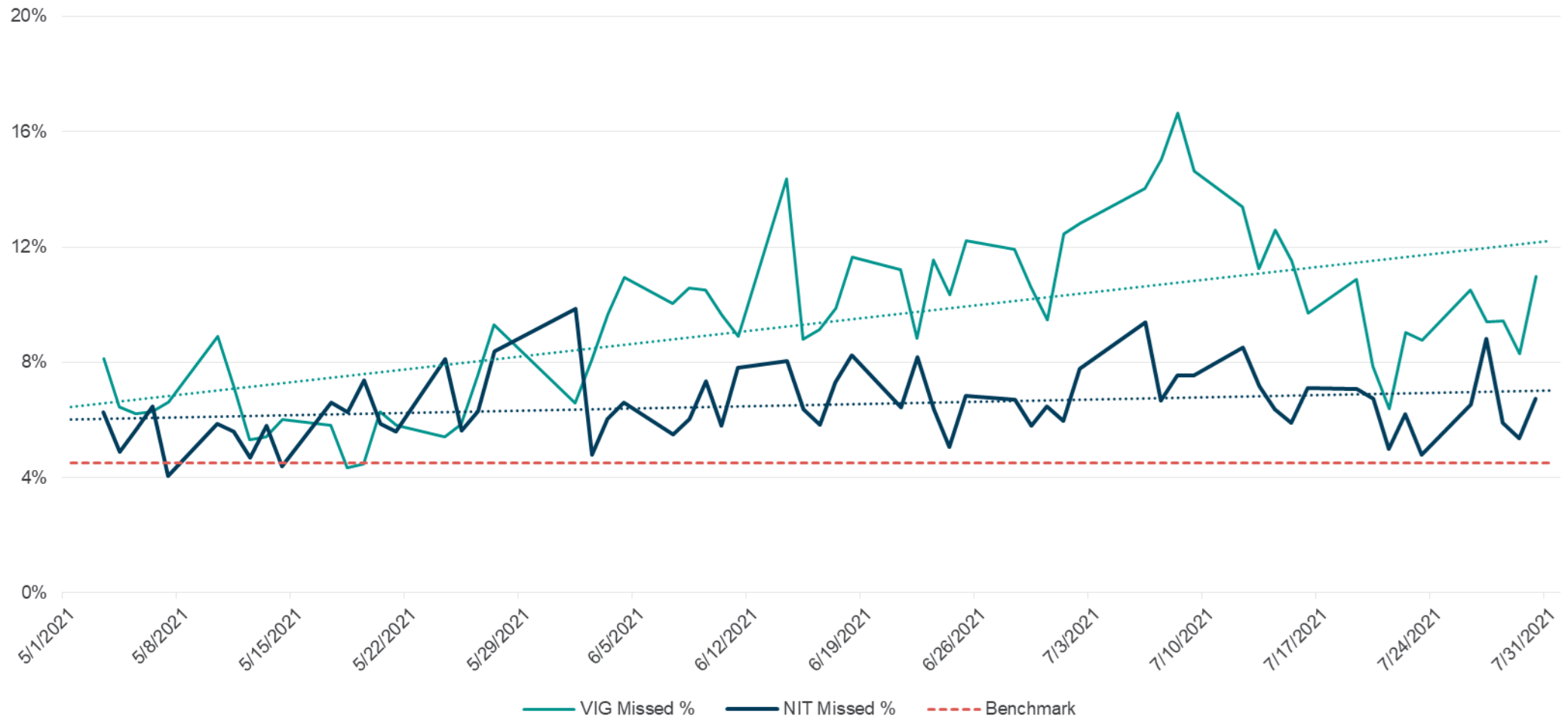




# Traditional Turn Time – July 2021



# Missed Reservations



# Sales and Volume Report

Tom Capozzi, Chief Sales Officer



# June – July 2021 Volumes

	2020	2021	Change	% Change
<b>Total TEUs</b>	<b>431,697</b>	<b>574,472</b>	<b>142,775</b>	<b>33.1%</b>
Export Loaded TEUs	140,185	159,921	19,736	14.1%
Export Empty TEUs	87,224	128,211	40,987	47.0%
Import Loaded TEUs	201,194	281,700	80,506	40.0%
<b>Total Rail Containers</b>	<b>78,703</b>	<b>109,094</b>	<b>30,391</b>	<b>38.6%</b>
Front Royal Containers	3,787	5,870	2,083	55.0%
<b>Total Barge Containers</b>	<b>9,518</b>	<b>13,216</b>	<b>3,698</b>	<b>38.9%</b>
Richmond Containers	6,172	6,558	386	6.3%
<b>Total Truck Containers</b>	<b>151,750</b>	<b>198,774</b>	<b>47,024</b>	<b>31.0%</b>
<b>Ship Calls</b>	<b>219</b>	<b>259</b>	<b>40</b>	<b>18.3%</b>



# August (Actual) – September (Forecasted) 2021 Volumes

	2020	2021	Change	% Change
<b>Total TEUs</b>	<b>503,787</b>	<b>613,545</b>	<b>109,758</b>	<b>21.8%</b>
Export Loaded TEUs	150,851	170,373	19,523	12.9%
Export Empty TEUs	107,864	151,726	43,862	40.7%
Import Loaded TEUs	242,029	288,217	46,188	19.1%
<b>Total Rail Containers</b>	<b>89,389</b>	<b>115,584</b>	<b>26,195</b>	<b>29.3%</b>
VIP Containers	6,216	5,583	-633	-10.2%
<b>Total Barge Containers</b>	<b>12,601</b>	<b>15,581</b>	<b>2,980</b>	<b>23.7%</b>
RMT Containers	8,004	5,881	-2,123	-26.5%
<b>Total Truck Containers</b>	<b>174,790</b>	<b>212,742</b>	<b>37,952</b>	<b>21.7%</b>
<b>Ship Calls</b>	<b>245</b>	<b>270</b>	<b>25</b>	<b>10.1%</b>

# New Service OOCL / COSCO AW 6

Tradelane	Service Names/Codes	Terminal	Port Rotation	Notes - Internal Use Only
Asia	AW6/AWE6/VCE - Asia/USEC	NIT - S	Lianyungang-Qingdao-Shanghai-Ningbo-Yantian-Ho Chi Minh-Singapore-Piraeus-Savannah-Norfolk-New York-Piraeus-Singapore-Lianyungang	New service - first vessel (Cosco America ETA NIT 9/9

- 10K TEU vessels now
- 14K TEU vessels upgrade Jan
- **USEC rotation:** Savannah – Norfolk – New York
- **First vessel:** Cosco America - NIT 9/9
- They are interested in first-in Norfolk – to be confirmed
- Norfolk move count 1200+ per vessel



# New First-in Service

## Hapag Lloyd / CMA CGM INDAMEX 2

Tradelane	Service Names/Codes	Terminal	Port Rotation	Notes - Internal Use Only
Indian Subcontinent	EIS2/INDAMEX2/IN2	NIT - S	Port Qasim-Mundra-Nhava Sheva-[Suez Canal]-Norfolk-Savannah-New York-[Suez Canal]-Port Qasim	<ul style="list-style-type: none"> <li>• Changing from fortnightly service to weekly service</li> <li>• CMA to participate and contribute 3 of the 8 vessels – POV first-in</li> </ul>

- **Rotation:** 8 vessels (56 days) | Port Qasim - Mundra - Nhava Sheva - *Suez* - Norfolk - Savannah - New York
- **Transit time WB:** Nhava Sheva to Norfolk: 21 days
- **First sailing WB:** ETD 25/10 Port Qasim
- **First sailing EB:** ETD 21/11 New York
- **CMA /POV volume:** 800+ lifts a vessel





# Executive Committee Report

Chairman Milliken





# CEO & Executive Director Report

Stephen Edwards, CEO & Executive Director



**Thank you**