

Virginia Port Authority Board of Commissioners Session 403

November 16, 2021



loyd

Agenda

- Approval of minutes
- Presentation and announcement
- Opportunity for public comment
- Reports of committees
- CEO & Executive Director report
- Other business and adjournment





Executive Committee Report

Chairman Milliken

An aerial photograph of a port terminal, showing a large yard filled with stacked shipping containers and several gantry cranes along the waterfront. The image is overlaid with a semi-transparent blue filter.

Growth & Operations Committee Report

Chair McWhorter

18

1

2

3

Safety and Operations Report

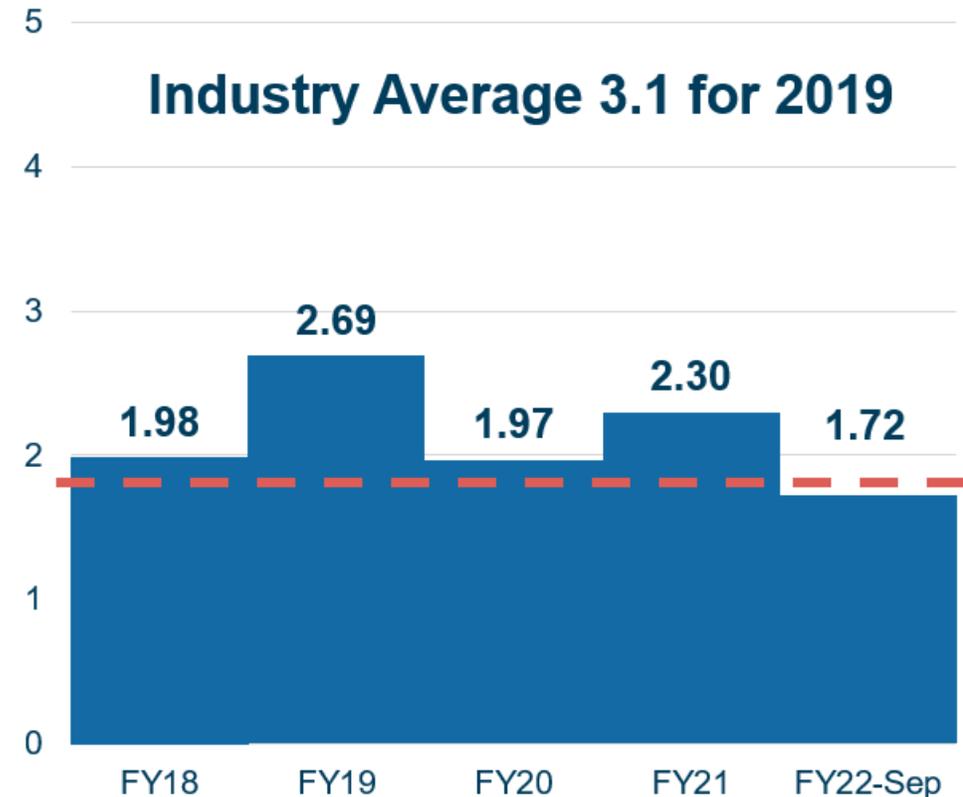
Kevin Price, Chief Operations Officer



POV OSHA Lost Work Day Rate

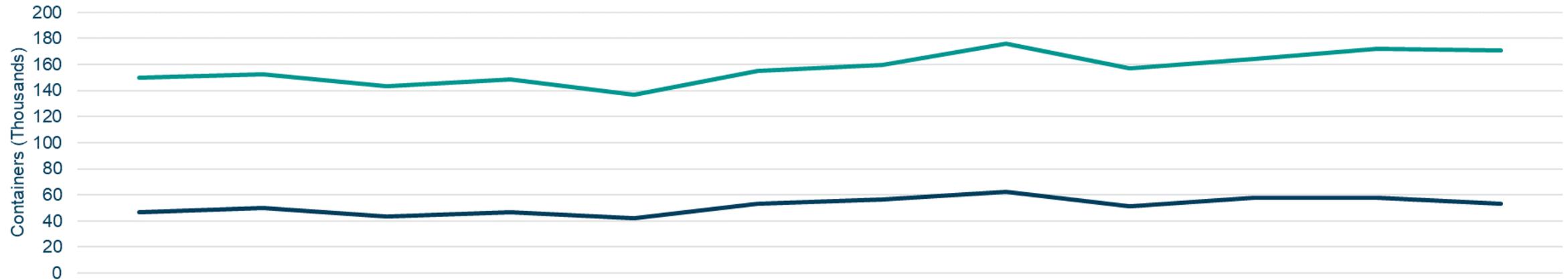
As of September 30th the POV FY22 LWD rate of 1.72 is:

- 25.2% decrease from FY21
- 12.7% decrease from FY20
- FY22 year end goal is 1.9



POV Rail vs Gate/Barge Volume

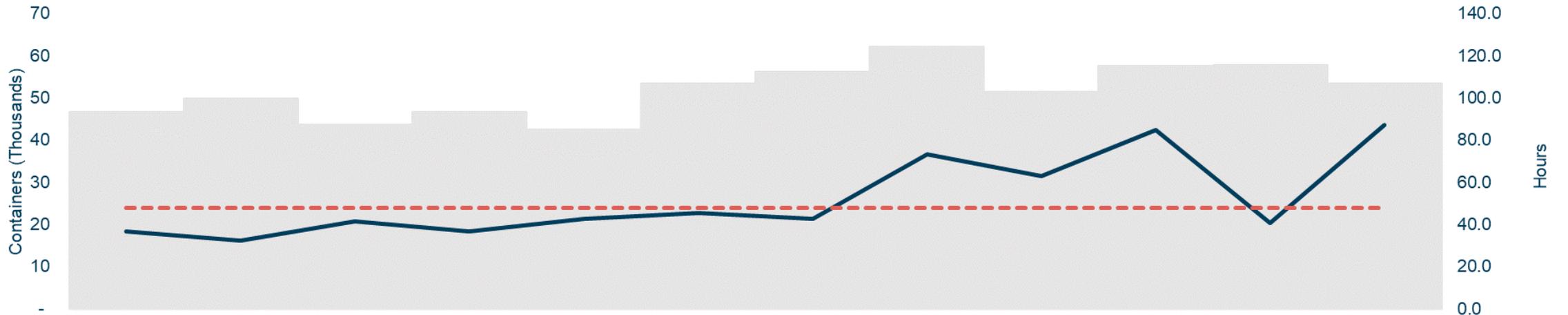
- **Best Sep on record across all modes – overall, rail, barge, and truck:**
 - 170,998 containers, up 21.6% year over year and up 29.7% calendar year to date
- Rail is 31.2% of the total volume



	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21
Rail %	31.2%	32.7%	30.5%	31.5%	31.1%	34.4%	35.2%	35.3%	32.8%	35.1%	33.6%	31.2%
POV Gate/Barge Volume	103,051	102,805	99,580	101,704	94,306	101,885	103,465	113,872	105,416	106,575	114,258	117,594
POV Rail Volume	46,624	49,950	43,682	46,746	42,497	53,426	56,223	62,209	51,441	57,652	57,836	53,404

POV Rail Volume

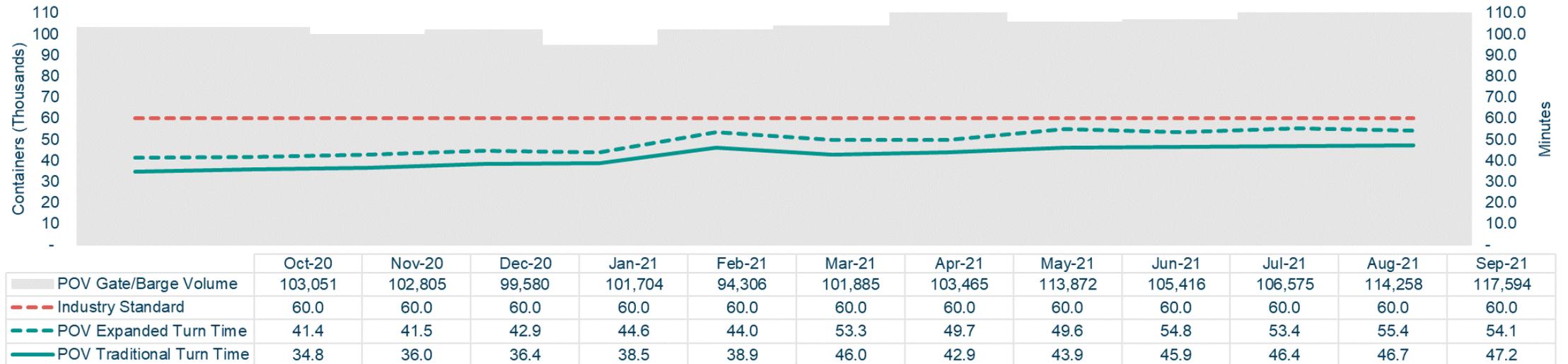
- 53,405 rail containers in Sep, up 16.4% year over year and up 32.8% for calendar year to date
- Rail ready dwell up to 87.2 hours
 - NIT 84.8 hours
 - VIG 89.2 hours
- Rail represents 31.2% of our total container volume



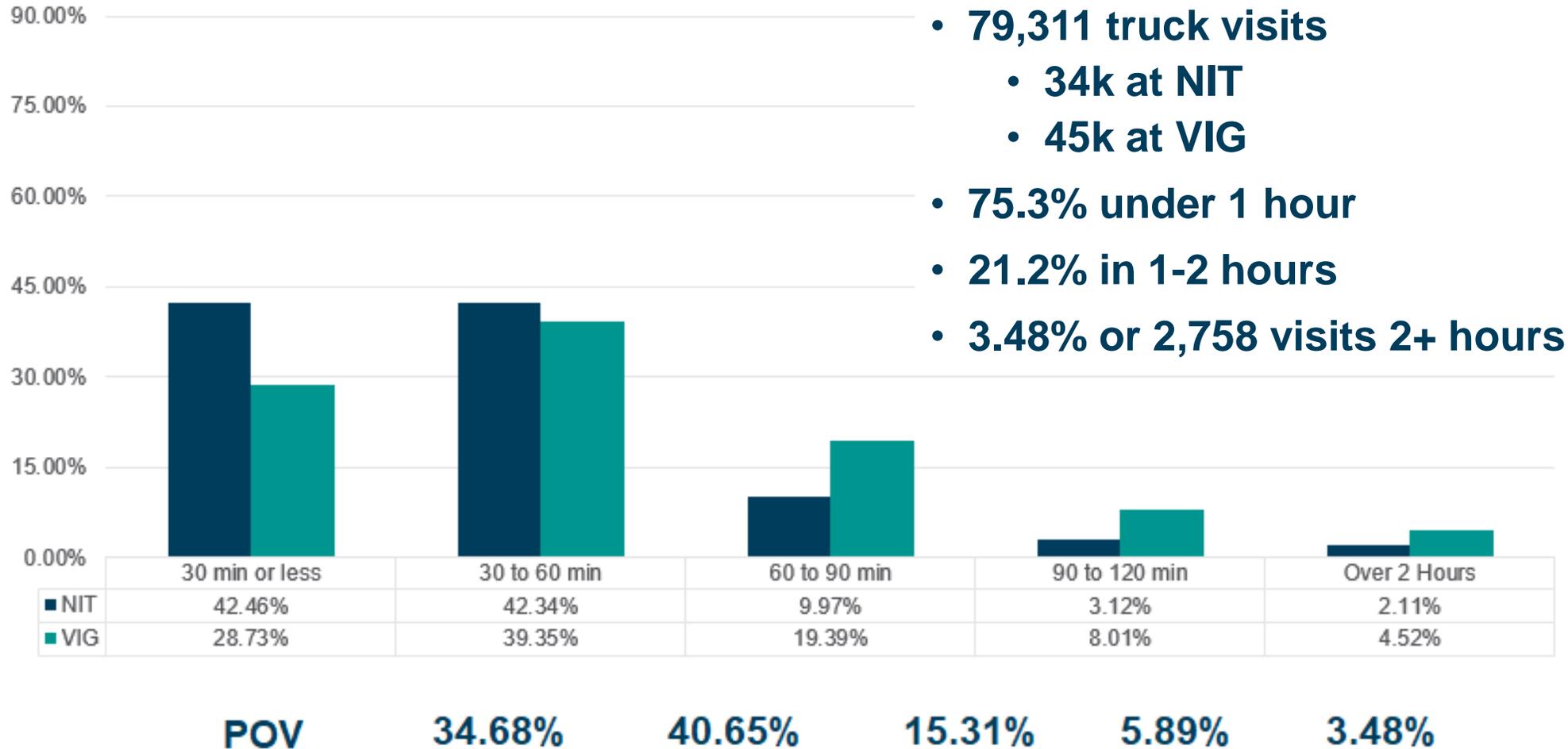
	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21
POV Rail Volume	46,624	49,950	43,682	46,746	42,497	53,426	56,223	62,209	51,441	57,652	57,836	53,404
POV Rail Ready Dwell	36.7	32.3	41.5	36.8	42.7	45.5	42.7	73.2	62.9	85.0	40.7	87.2
Industry Standard	48	48	48	48	48	48	48	48	48	48	48	48
Rail %	31.2%	32.7%	30.5%	31.5%	31.1%	34.4%	35.2%	35.3%	32.8%	35.1%	33.6%	31.2%

POV Gate Turn Times

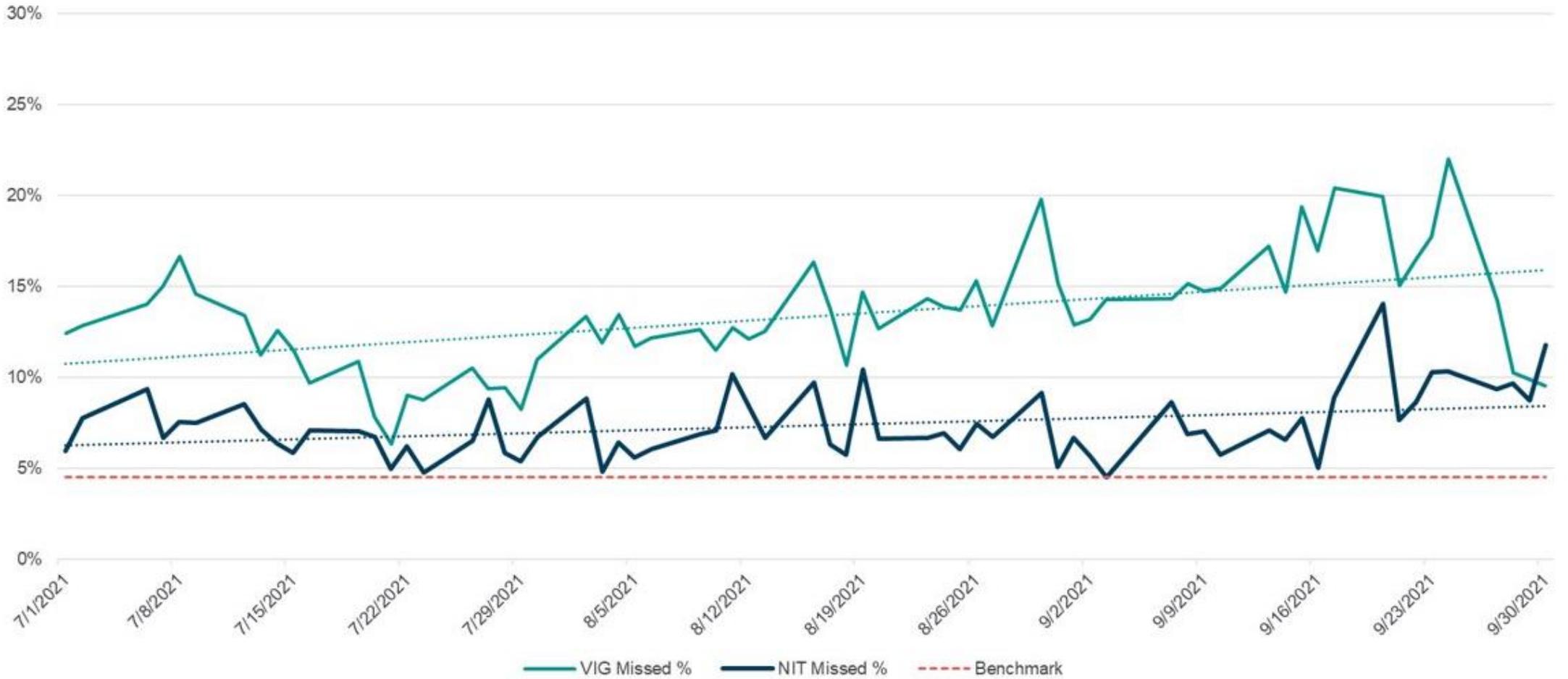
- Gate volume up 24.1% in Sep and 28.2% for calendar 2021 to date
- POV overall 47.2 minutes traditional and 54.1 minutes expanded turn times
 - NIT 40.4 minutes traditional and 46.8 minutes expanded
 - VIG 52 minutes traditional and 59.1 minutes expanded



Traditional Turn Time – Sep 2021



Missed Reservations





Sales and Volume Report

Tom Capozzi, Chief Sales and Marketing Officer

August – September 2021 Volumes

	2020	2021	Change	% Change
Total TEUs	503,787	613,239	109,452	21.7%
Export Loaded TEUs	150,851	165,953	15,102	10.0%
Export Empty TEUs	107,864	146,853	38,989	36.1%
Import Loaded TEUs	242,029	296,423	54,394	22.5%
Total Rail Containers	89,389	111,244	21,855	24.4%
Front Royal Containers	6,216	5,091	-1,125	-18.1%
Total Barge Containers	12,601	14,938	2,337	18.5%
Richmond Containers	8,004	5,438	-2,566	-32.1%
Total Truck Containers	174,790	216,910	42,120	24.1%
Ship Calls	245	266	21	8.6%

October (Actual) – November (Forecasted) 2021 Volumes

	2020	2021	Change	% Change
Total TEUs	530,654	615,514	84,861	16.0%
Export Loaded TEUs	159,231	171,446	12,215	7.7%
Export Empty TEUs	115,348	152,843	37,495	32.5%
Import Loaded TEUs	252,885	286,441	33,557	13.3%
Total Rail Containers	92,492	107,208	14,716	15.9%
VIP Containers	6,081	5,002	-1,079	-17.7%
Total Barge Containers	11,965	13,486	1,521	12.7%
RMT Containers	8,120	6,581	-1,539	-19.0%
Total Truck Containers	185,854	221,316	35,462	19.1%
Ship Calls	251	257	6	2.4%

Market Share Comparison

USEC Ports Loaded Containers

Timeframe: January - August

Source: PIERS - Loaded Containers

Total Loaded Containers	CY19	CY20	CY21	CY20/CY19 YOY%	CY21/CY19 YOY%	CY21/CY20 YOY%
TOTAL EAST COAST PORTS	11,357,149	10,530,634	12,577,902	(7.3%)	10.7%	19.4%
NEW YORK/ NEW JERSEY	3,488,303	3,251,653	3,926,142	(6.8%)	12.6%	20.7%
SAVANNAH	2,445,352	2,330,522	2,758,931	(4.7%)	12.8%	18.4%
PORT OF VIRGINIA	1,490,229	1,331,020	1,698,624	(10.7%)	14.0%	27.6%
CHARLESTON	1,258,683	1,148,719	1,378,073	(8.7%)	9.5%	20.0%
BALTIMORE	494,662	460,376	486,613	(6.9%)	(1.6%)	5.7%
WILMINGTON NC	157,470	154,072	169,056	(2.2%)	7.4%	9.7%

*Total East Coast Ports includes: NY/NJ, Philadelphia, Wilmington, DE, Baltimore, Port of Virginia, Wilmington, NC, Charleston, Savannah, Jacksonville, Port Everglades and Miami

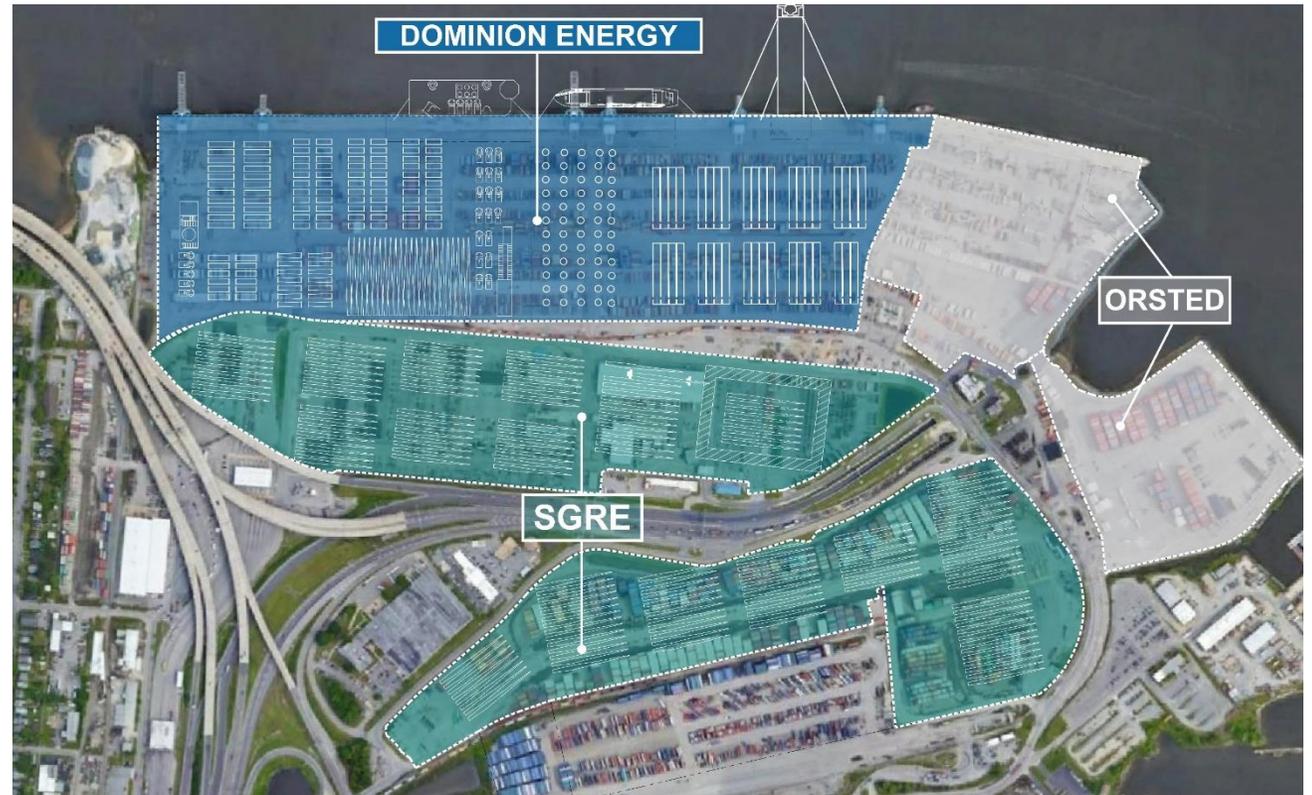
The background of the slide is a photograph of a wind farm, showing several wind turbines in a row across a body of water. The image is overlaid with a semi-transparent teal color. The text is positioned on the left side of the image.

Development Update

Cathie Vick, Chief Development and Public Affairs Officer

SGRE Lease Agreement

- Area 1: 44.81 acres, plant premises, (\$3500/acre/month)
- Area 2: 44.19 acres, storage area, (\$3000/acre/month)
- Area 3: 17.1 acres, storage area, (\$3698/acre/month)
- 10 year term, with 4 five year extensions
- MEI grant - \$17.1M for site readiness improvements
- 120 day inspection period
- Build to Suit to be executed by March 21, 2022

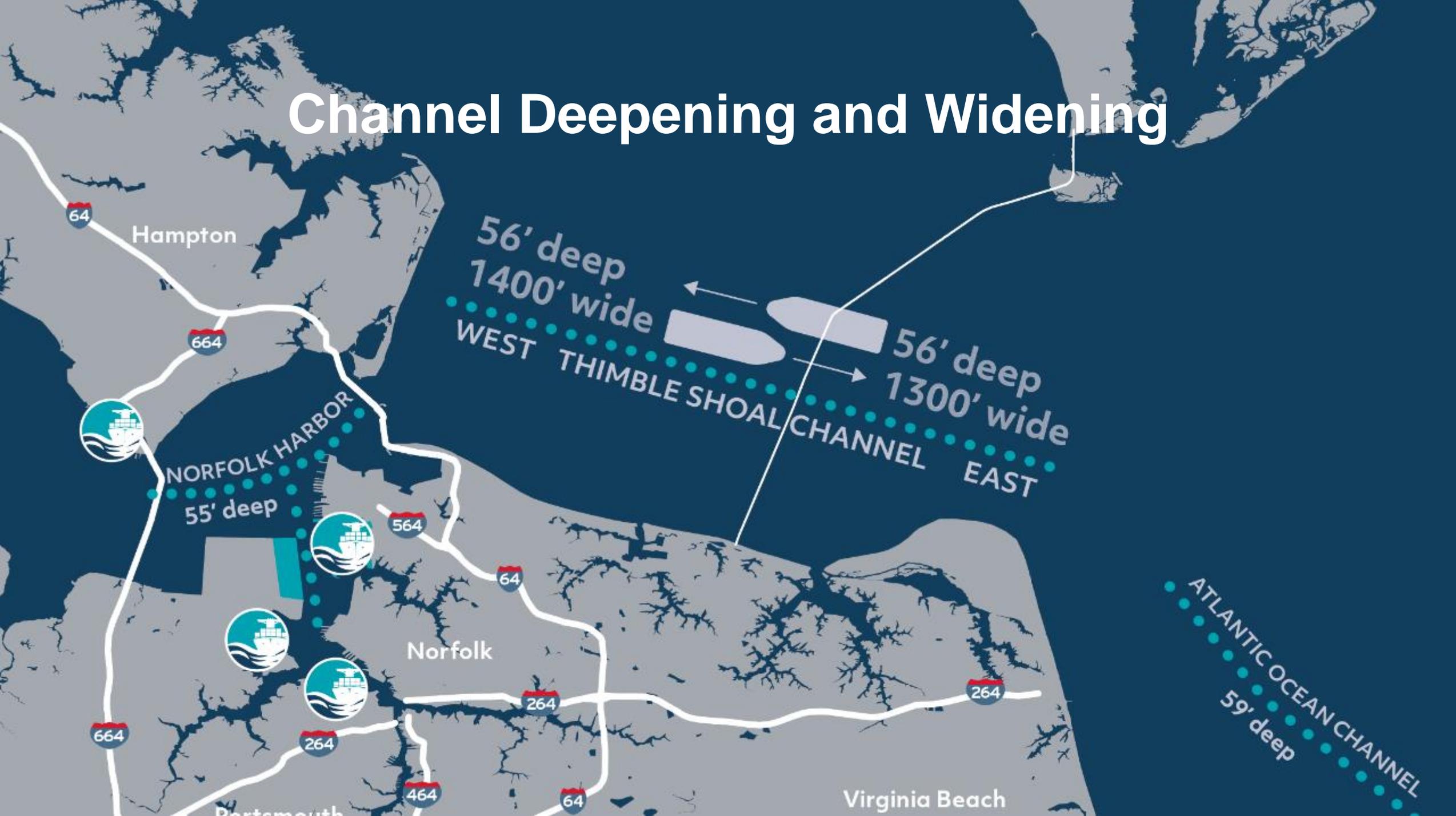


PMT Dominion Project Timeline

- 100% Submittal: February 14, 2022
- Advertise for Bid: February 28, 2022
- Construction award/beginning: June 2022
- MP Wharf Required Complete – Sep 1, 2023
- TP/Delivery Wharf Required Complete – Apr 1, 2024
- Installation Wharf Required Complete – Apr 23, 2025



Channel Deepening and Widening





NIT Central Rail Yard (CRY)

Rodney Oliver, Chief Financial Officer

A man with a shaved head, wearing a dark polo shirt, stands with his arms crossed in an office environment. The background shows cubicles and office equipment, all rendered in a monochromatic blue tint. The text is overlaid on the left side of the image.

Finance & Audit Committee Report

Chair Strayhorn

Financial Update

Rodney Oliver, Chief Financial Officer



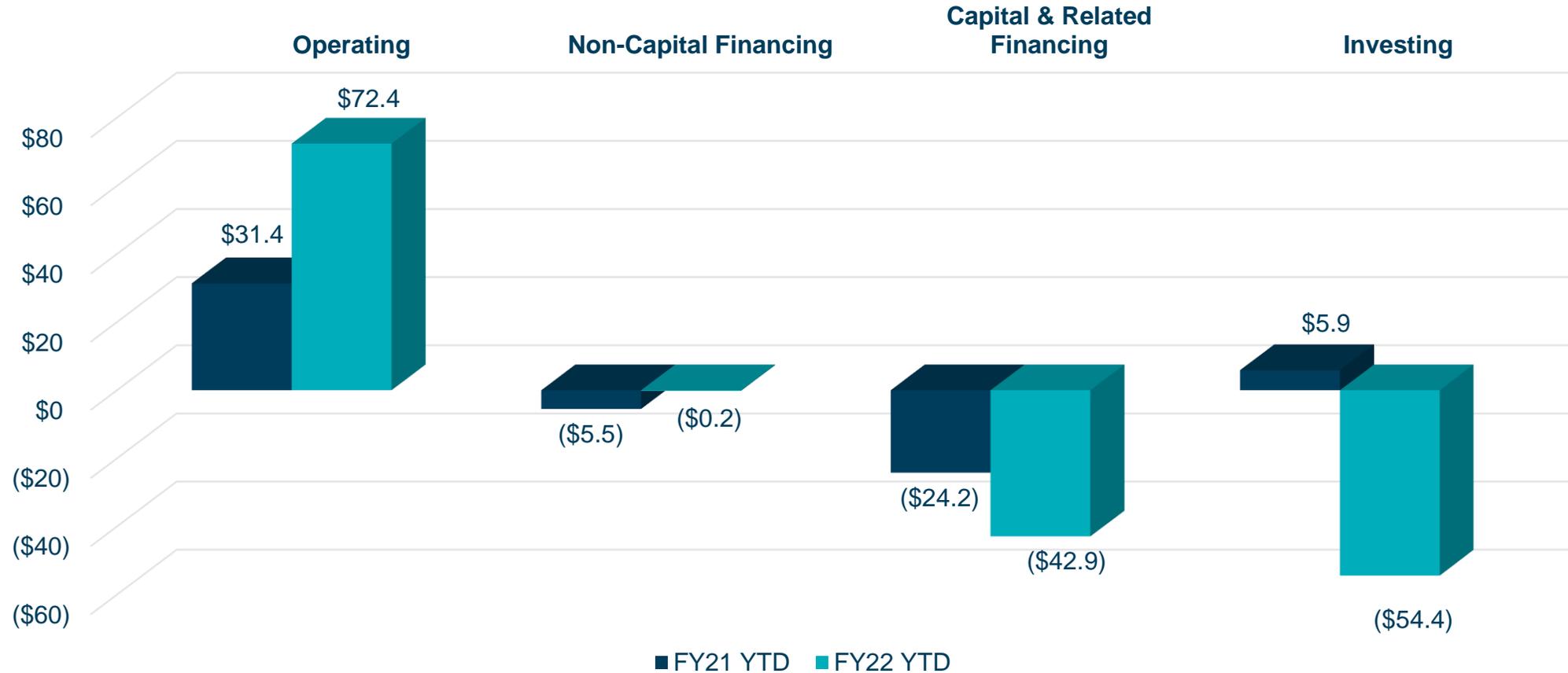
Agenda

- September YTD Financial Performance
- FY21 Financial Audits

Fiscal Year 2022 YTD Highlights

	Category	Budget	Actual
July – Sept.	Volume	436,677	507,319
	Operating Revenues	\$146.2 million	\$182.6 million
	Operating Expenses	\$142.3 million	\$144.6 million
	Operating Income	\$3.9 million	\$38.0 million
	EBITDA	\$47.1 million	\$83.4 million
Oct.	Volume	155,037	In-Process
	Operating Income	\$6.0 million	In-Process

Cash Flow FY21 YTD vs FY22 YTD – USD millions



Cash and Investments as of 9/30/2021: \$473.5 million
Residual Fund and Operating as of 9/30/2021: \$356.2 million

Capital & Related Financing Activities – USD millions

Category	FY21 YTD	FY22 YTD
Net refunding proceeds	\$9.9	\$-
CPF contribution	\$9.5	\$12.6
Acquisition of capital assets	\$(18.0)	\$(8.4)
Transfer from primary government	\$14.6	\$9.2
Capital lease payments - VIG	\$(21.9)	\$(23.6)
Capital lease payments – Other	\$-	\$(3.9)
Principal paid on long-term debt	\$(18.7)	\$(21.5)
Interest paid on long-term debt	\$(11.4)	\$(10.8)
Other	\$11.8	\$3.5
Total	\$(24.2)	\$(42.9)



Virginia Port Authority and Virginia International Terminals

November 16, 2021

Overall Results of the Audits of VPA and VIT

- Audits performed
 - We issued Unmodified “clean” audit opinions on the Financial Statements and clean Internal Control and Compliance reports

- Significant estimates were: useful lives of capital assets; pension and OPEB liabilities and costs; fair value of investments; allowance for doubtful accounts
- There were no audit adjustments nor any passed adjustments

- Disagreements with Management – None
- Consultation with Other Accountants – None
- Significant Issues Discussed with Management
– *Change in fiscal years presented of fiduciary activities to match audit year presented*
- Significant Difficulties Encountered in Performing the Audit – None

- Newly Adopted Statements
 - None in the year under audit.

Additional Communication

- We want to thank the VPA Finance Team for all their preparation and diligence for this year's audit. Having remote access to perform the audit under the continued COVID conditions, kept both our teams distanced and safe.

Thank you!



Questions, comments, and observations.

An aerial photograph of a port facility, showing a large yard filled with stacked shipping containers and several gantry cranes along the waterfront. The image is overlaid with a semi-transparent blue filter.

CEO & Executive Director Report

Stephen Edwards, CEO & Executive Director



Thank you