

# Virginia Port Authority Board of Commissioners Session 403

November 16, 2021





# 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





# Growth & Operations Committee Report

Chair McWhorter

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# Safety and Operations Report

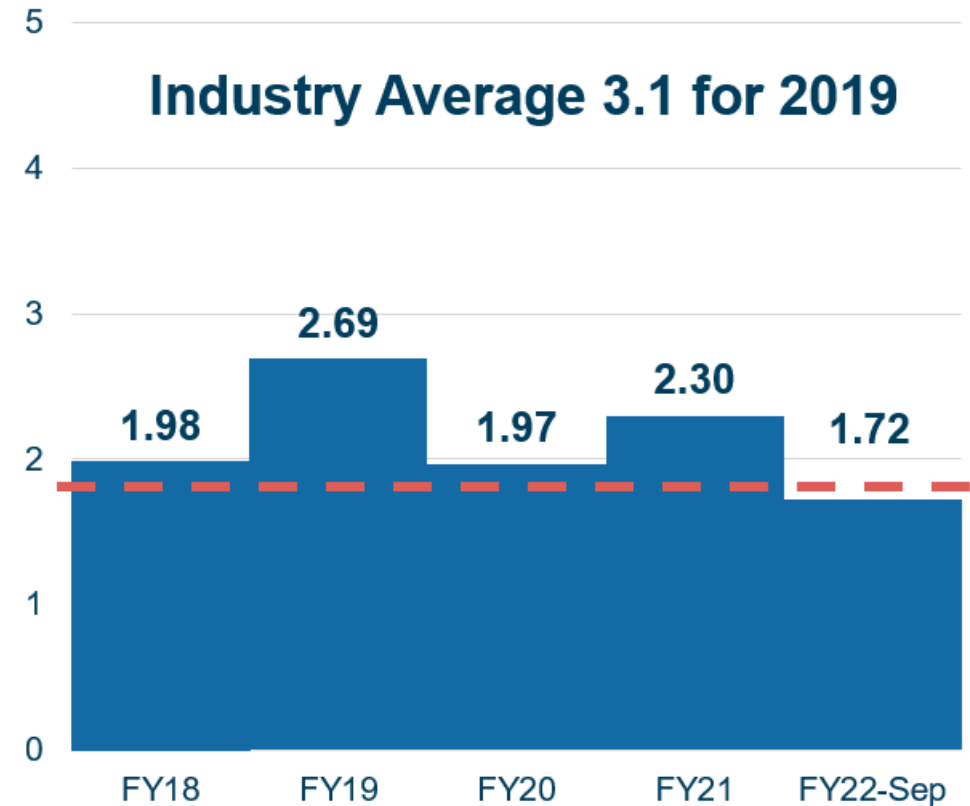
Kevin Price, Chief Operations Officer



# POV OSHA Lost Work Day Rate

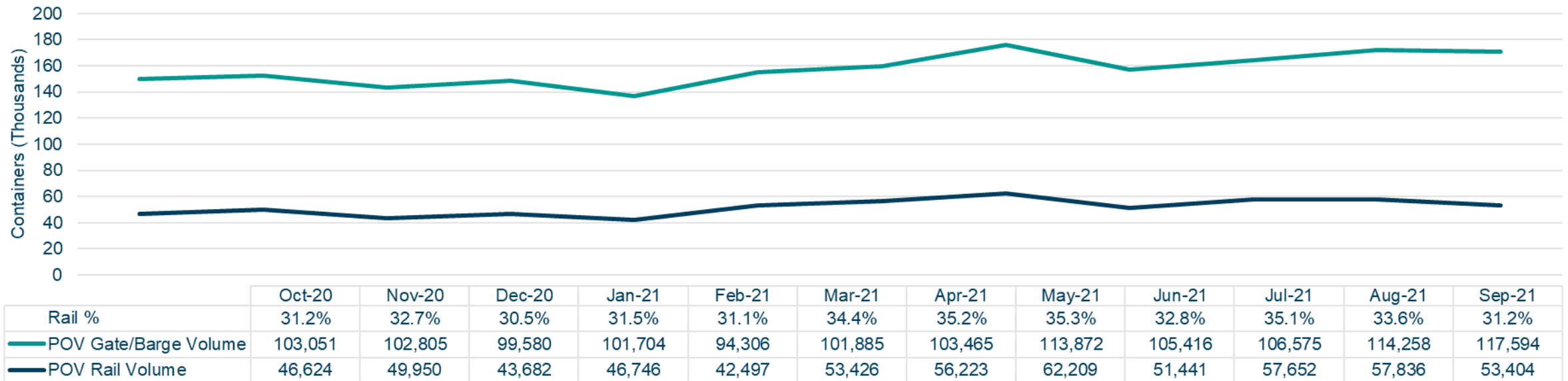
As of September 30th the POV  
FY22 LWD rate of 1.72 is:

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



# POV Rail vs Gate/Barge Volume

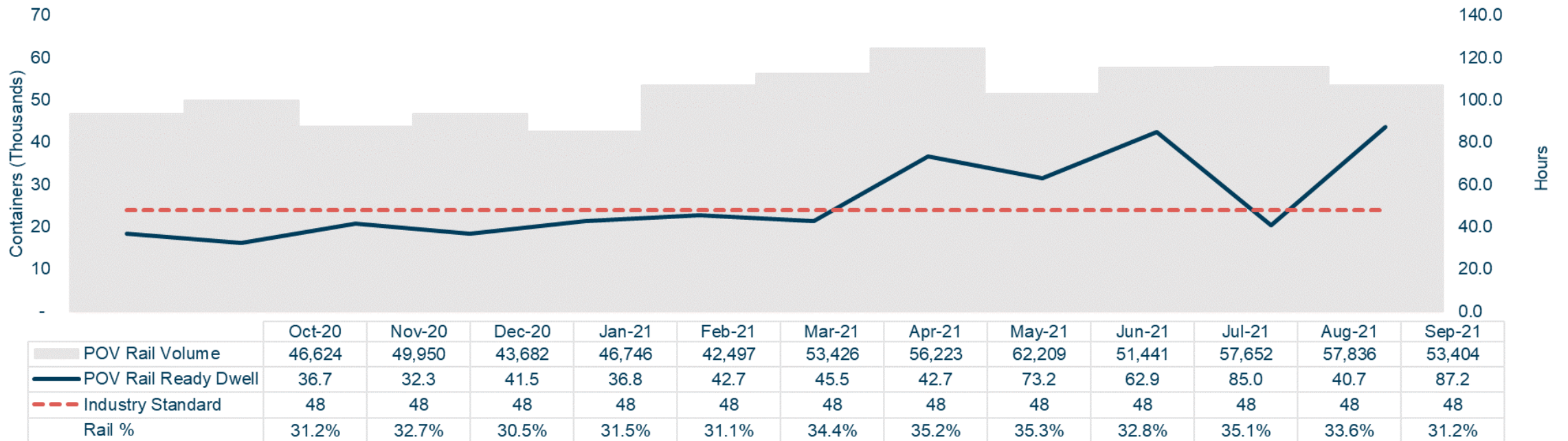
- **Best Sep on record across all modes – overall, rail, barge, and truck:**
  - 170,998 containers, up 21.6% year over year and up 29.7% calendar year to date
- Rail is 31.2% of the total volume





# POV Rail Volume

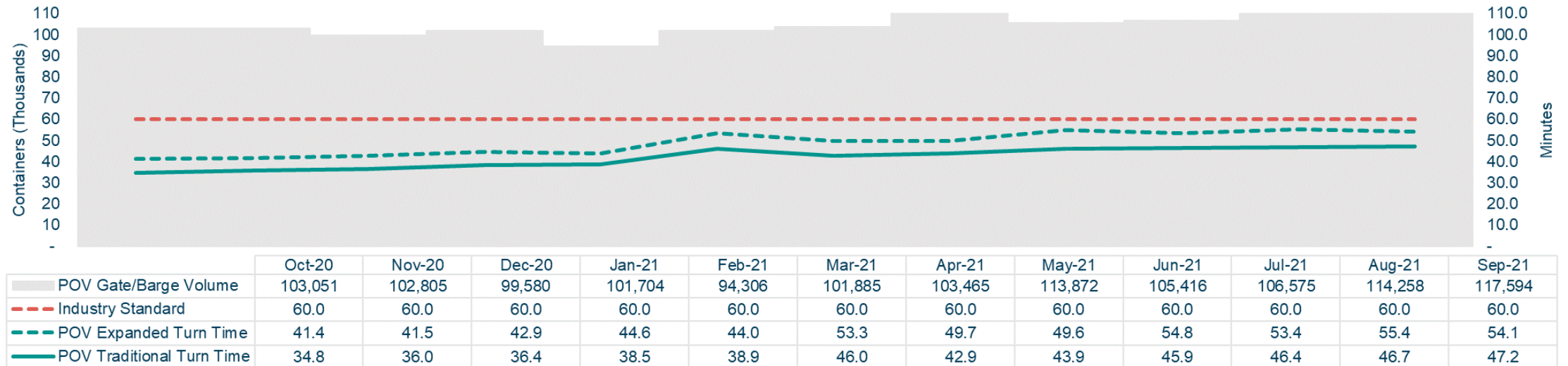
- 53,405 rail containers in Sep, up 16.4% year over year and up 32.8% for calendar year to date
- Rail ready dwell up to 87.2 hours
  - NIT 84.8 hours
  - VIG 89.2 hours
- Rail represents 31.2% of our total container volume



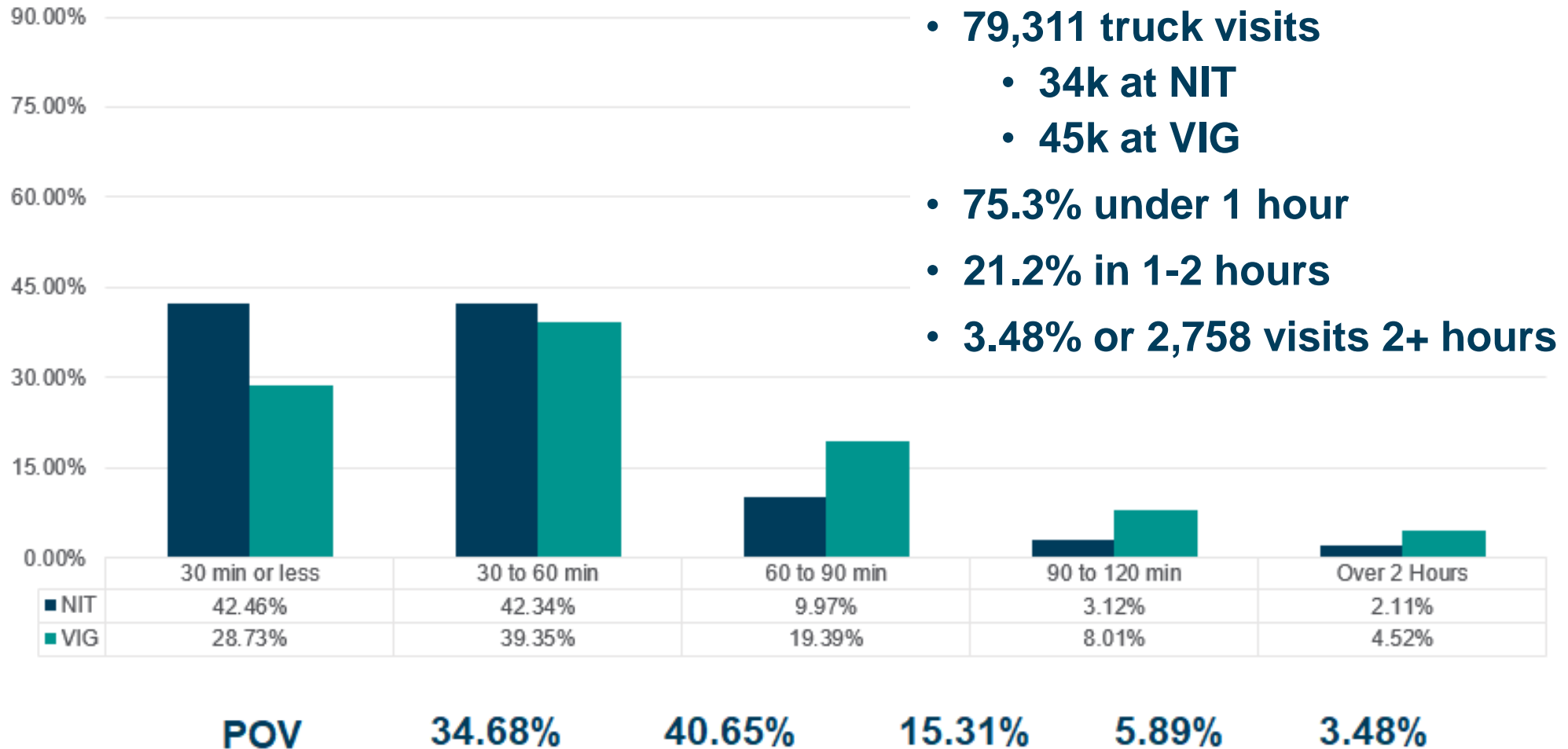


# POV Gate Turn Times

- 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

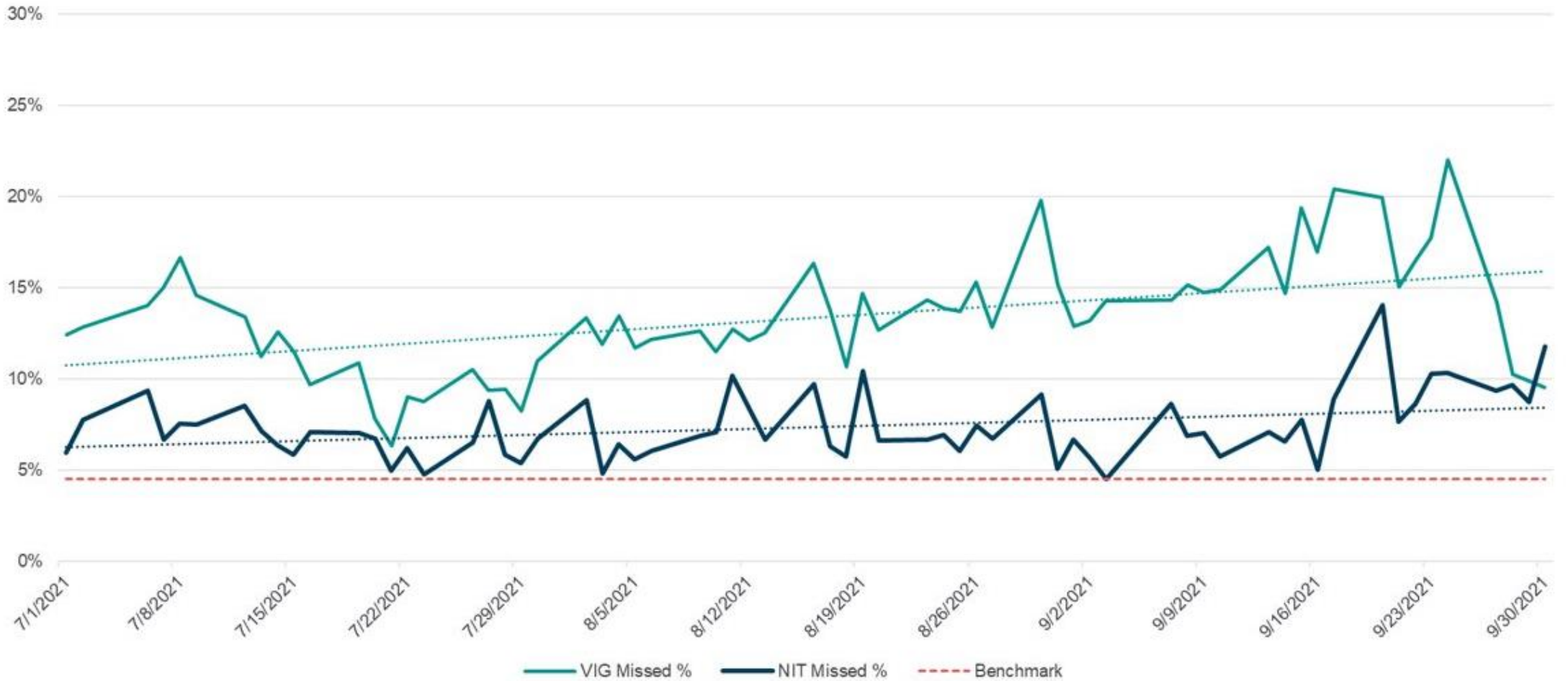


# Traditional Turn Time – Sep 2021





# Missed Reservations



A woman with long blonde hair is smiling and looking towards the camera. She is wearing a dark top and a light-colored jacket. The background is a large window with multiple panes, showing a bright, out-of-focus view. The entire image has a blue tint.

# Sales and Volume Report

Tom Capozzi, Chief Sales and Marketing Officer



# August – September 2021 Volumes

	2020	2021	Change	% Change
<b>Total TEUs</b>	<b>503,787</b>	<b>613,239</b>	<b>109,452</b>	<b>21.7%</b>
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%
<b>Total Rail Containers</b>	<b>89,389</b>	<b>111,244</b>	<b>21,855</b>	<b>24.4%</b>
Front Royal Containers	6,216	5,091	-1,125	-18.1%
<b>Total Barge Containers</b>	<b>12,601</b>	<b>14,938</b>	<b>2,337</b>	<b>18.5%</b>
Richmond Containers	8,004	5,438	-2,566	-32.1%
<b>Total Truck Containers</b>	<b>174,790</b>	<b>216,910</b>	<b>42,120</b>	<b>24.1%</b>
<b>Ship Calls</b>	<b>245</b>	<b>266</b>	<b>21</b>	<b>8.6%</b>

# October (Actual) – November (Forecasted) 2021 Volumes

	2020	2021	Change	% Change
<b>Total TEUs</b>	<b>530,654</b>	<b>615,514</b>	<b>84,861</b>	<b>16.0%</b>
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%
<b>Total Rail Containers</b>	<b>92,492</b>	<b>107,208</b>	<b>14,716</b>	<b>15.9%</b>
VIP Containers	6,081	5,002	-1,079	-17.7%
<b>Total Barge Containers</b>	<b>11,965</b>	<b>13,486</b>	<b>1,521</b>	<b>12.7%</b>
RMT Containers	8,120	6,581	-1,539	-19.0%
<b>Total Truck Containers</b>	<b>185,854</b>	<b>221,316</b>	<b>35,462</b>	<b>19.1%</b>
<b>Ship Calls</b>	<b>251</b>	<b>257</b>	<b>6</b>	<b>2.4%</b>



# 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%
<b>PORT OF VIRGINIA</b>	<b>1,490,229</b>	<b>1,331,020</b>	<b>1,698,624</b>	<b>(10.7%)</b>	<b>14.0%</b>	<b>27.6%</b>
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

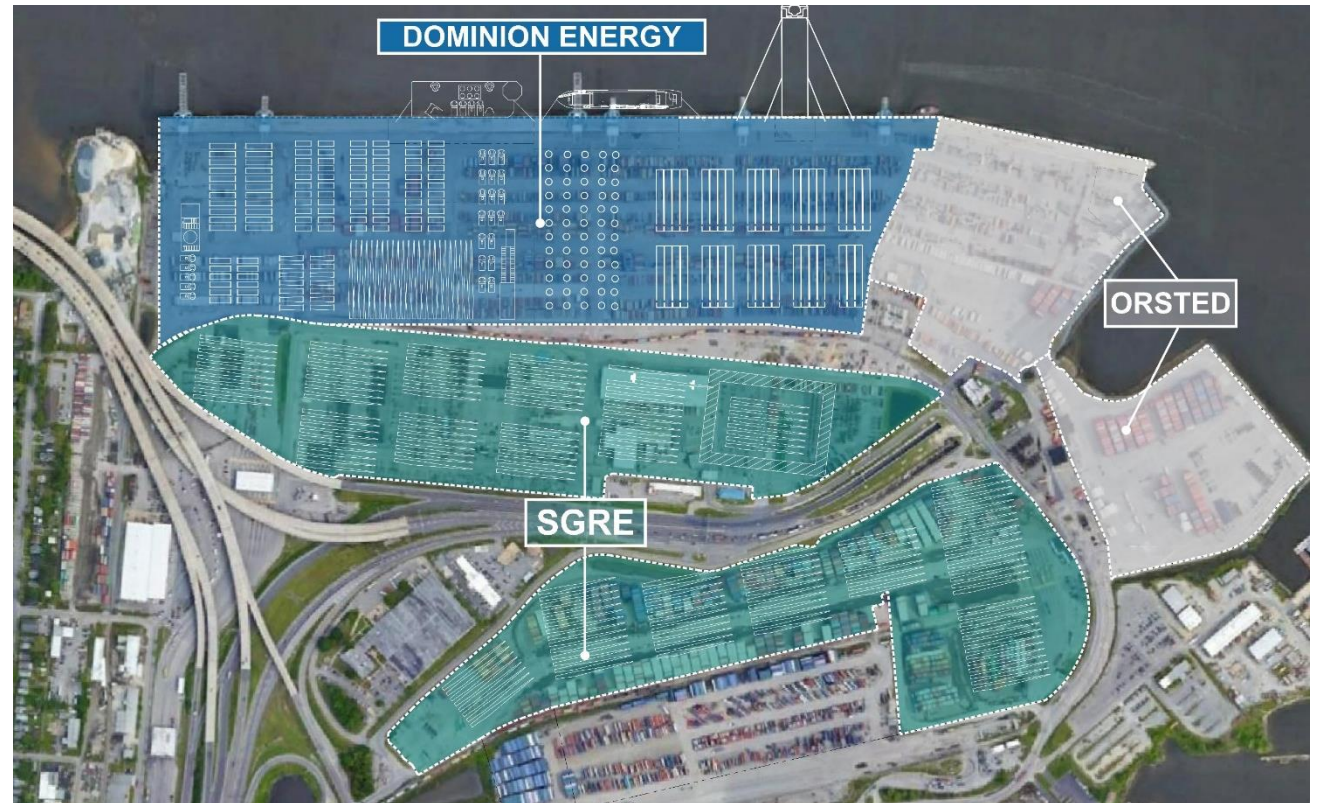


# Development Update

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



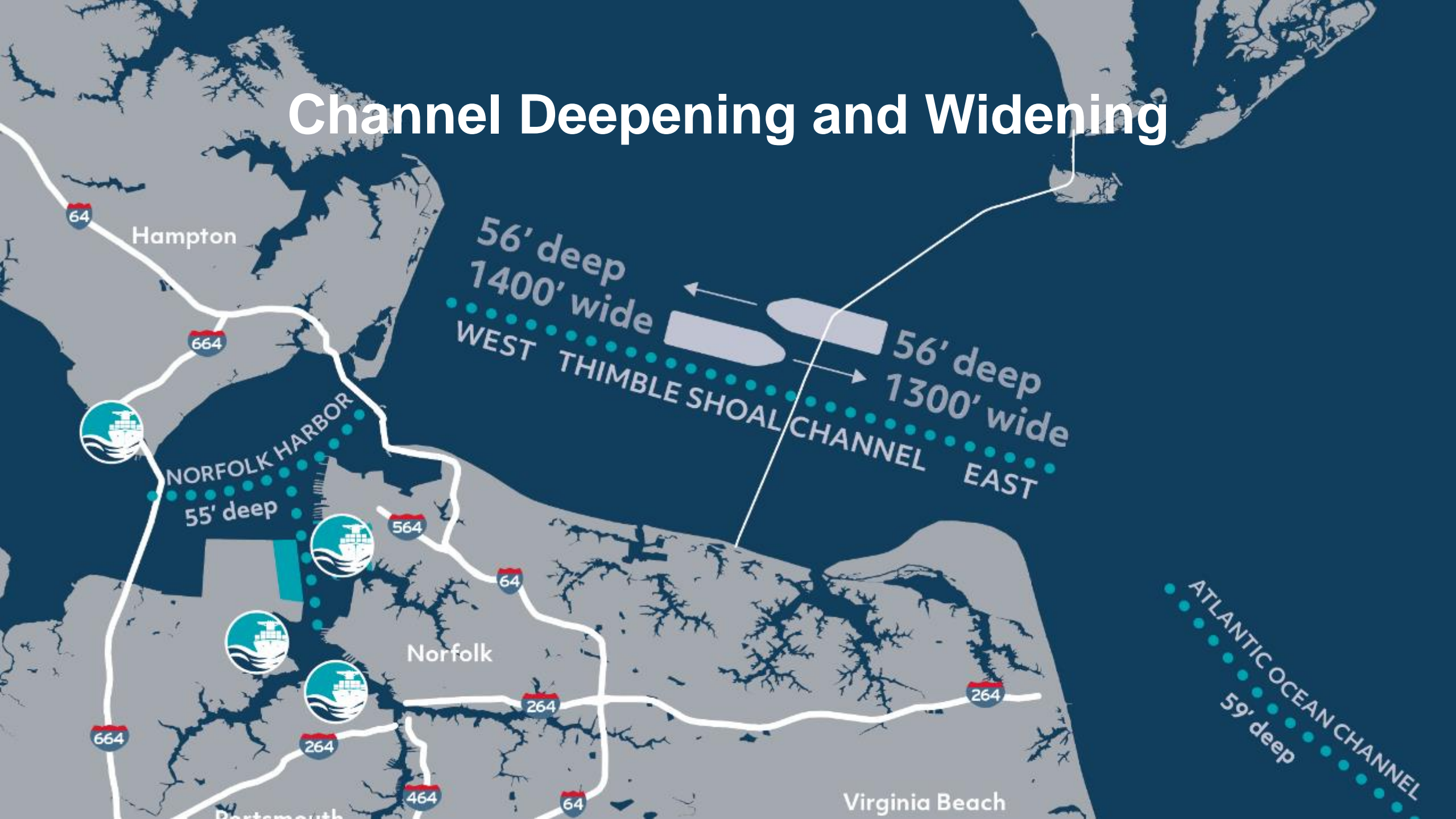


# PMT Dominion Project Timeline

- 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 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

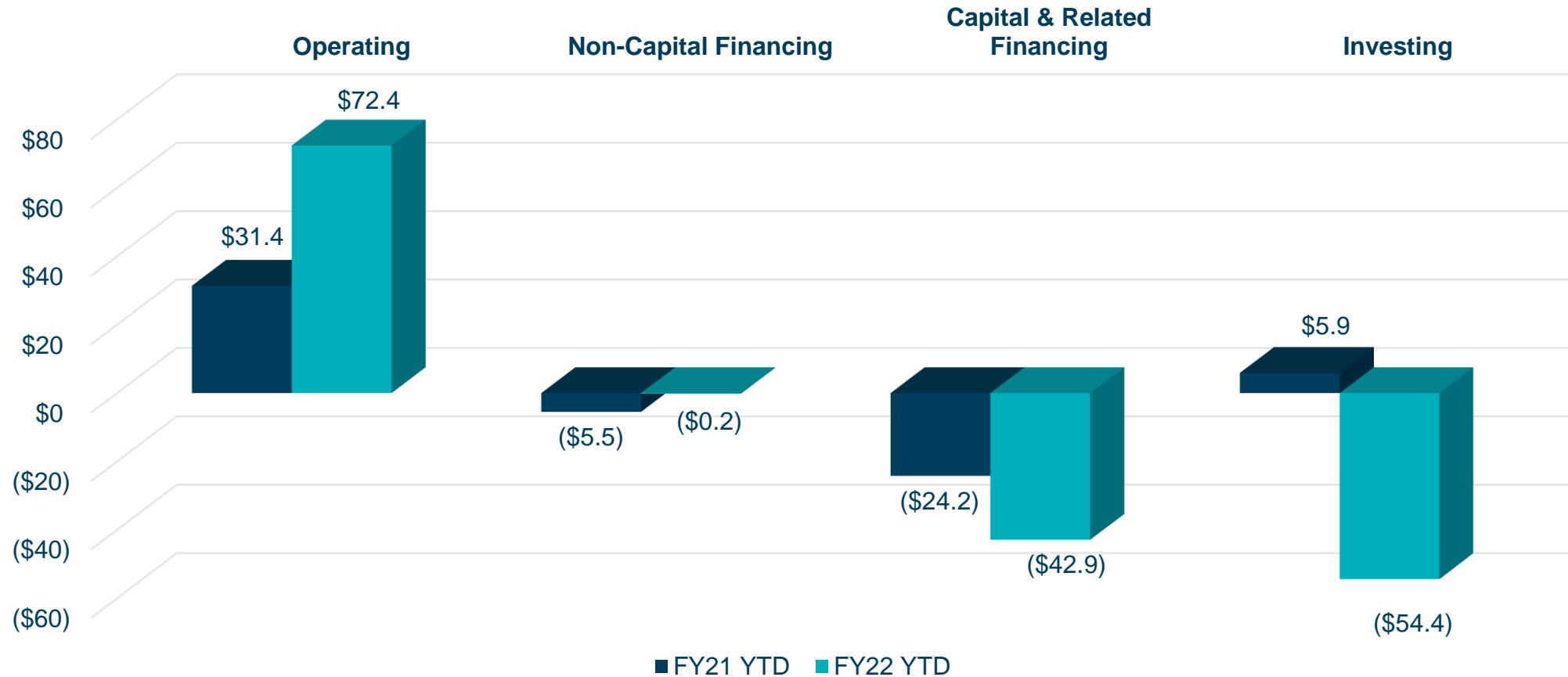
- September YTD Financial Performance
- FY21 Financial Audits



# 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 large port facility, likely a container terminal. The foreground and middle ground are dominated by a vast yard filled with thousands of stacked shipping containers, organized in neat rows. Several large gantry cranes are positioned along the waterfront, used for loading and unloading cargo from ships. The port is situated next to a body of water, with a curved shoreline visible. The background shows more of the port infrastructure and some distant land. The entire image is overlaid with a semi-transparent blue filter.

# CEO & Executive Director Report

Stephen Edwards, CEO & Executive Director



**Thank you**