

**MINUTES**  
**Virginia Port Authority Board of Commissioners**  
**Regular Public Meeting, Session 410**  
**November 15, 2022**

The Virginia Port Authority (“VPA”) Board of Commissioners (“Board”) held its regular meeting on **November 15, 2022** in the VPA Boardroom, 600 World Trade Center, 101 W Main St, Norfolk, Virginia.

**Commissioners Present:**

Faith B. Power, Vice Chair  
Shaza L. Andersen (arrived 9:01am)  
John C. Asbury  
James C. Burnett  
Michael W. Coleman  
Jason El Koubi  
Eva Teig Hardy  
John W. Kirk III  
Edward F. O’Callaghan  
David L. Richardson  
Deborah C. Waters

**VPA Staff Present:**

Stephen A. Edwards, CEO and Executive Director  
Rodney W. Oliver, Chief Financial Officer  
Cathie J. Vick, Chief Development and Public Affairs Officer  
Sarah J. McCoy, General Counsel  
Joe Harris, Senior Director, Communications  
Ryenne A. Shields, Secretary to the Board  
Jodie Asbell, Sr. Executive Administrative Assistant and Assistant Secretary to the Board  
Ron Green, Vice President, Business Optimization and Analytics  
Jackie Campbell, IT Support  
Matt Dudley, IT Support  
Tyaja Johnson, IT Support  
Scot Stratton, IT Support  
Andrew Sinclair, Director, Federal Government Affairs

**Virginia International Terminals, LLC (VIT) Staff Present:**

Thomas D. Capozzi, Chief Sales Officer  
Joseph P. Ruddy, Chief Operations Officer  
Amanda Nelson, Vice President, Growth  
Samantha Taylor, Manager, Growth  
Christina Chung, Director, Project Management Office

**Guests:**

Mike Garber, PB Mares  
David White, Virginia Maritime Association  
Anne Bibeau, Woods Rogers Vandeventer Black  
Brian Jeffreys, CMA CGM  
Anne Bibeau, Woods Rogers Vandeventer Black  
JoAnne Carter, PFM  
Kristy Choi, PFM  
Larry Bachtell, International Longshoremen’s Association  
Ray Singleton, International Longshoremen’s Association  
Paul Olson, Old Dominion University  
Charlie Westbrook, Resource Environmental Solutions

**Commissioners Absent:**

Aubrey L. Layne, Chair  
Maurice A. Jones

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**I. Call to Order**

Vice Chair Power called the meeting to order at 9:00am

**II. Safety Briefing**

A safety briefing was conducted by Joseph P. Ruddy, Chief Operations Officer, VIT.

**III. Approval of Minutes**

Upon motion by Commissioner Kirk and seconded by Commissioner Hardy, the minutes of the meeting held September 13, 2022 were approved unanimously.

**IV. Introductions and Opportunity for Public Comment**

At this time, Vice Chair Power requested a moment of silence in honor of those impacted by the tragic event at the University of Virginia.

Following the moment of silence, Vice Chair Power welcomed the opportunity for public comment.

**V. Committee Reports**

**a. Executive Committee Report – Vice Chair Faith B. Power**

Vice Chair Power reported that the Executive Committee did not meet as scheduled on November 14, 2022.

At this time, the 2023 meeting dates for the VPA Board were announced and reported that all dates would be posted on the Port of Virginia website.

- January 10, 2023
- March 14, 2023
- May 9, 2023
- July 11, 2023 (Annual Meeting and Election of Officers)
- September 19, 2023
- November 14, 2023

**b. Investment Committee Report – Commissioner James C. Burnett**

Commissioner Burnett reported that the Investment Committee met on Friday, November 4th and received presentations from management, the Port's Investment Advisors, Compass Financial Partners, and the Port's Actuary, Transamerica Retirement Solutions. Commissioner Burnett reported that Committee received training materials for a review of fiduciary responsibilities as well as a brief on the performance of the retirement plan investments where no investment management changes were recommended.

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During the Committee, discussions were initiated on recommended amendments to the Investment Policy Statements and the Committee unanimously accepted the recommended amendments. Commissioner Burnett reported that the Actuary advised Committee that, as of June 30, 2022, the VIT pension plan was 98% funded and the VPA pension plan was 74% funded on a GASB basis.

**c. Finance and Audit Committee Report – Commissioner James C. Burnett**

Commissioner Burnett reported that the Finance and Audit Committee met on Monday, November 14, 2022 and received presentations from PBMares on the results of the VPA audit, and from management on fiscal year 2023 financial performance to date, trended financial performance, infrastructure approval requests, economic trade outlook, and an overview of Newport News Marine Terminal. During Committee, management reviewed economic and industry conditions, discussed volume and financial outlook, and received a brief on upcoming fiscal year 2023 committee topics.

**i. VPA Audit Results – Mike Garber, PFM**

M. Garber reviewed the documents that the Board received, including VPA Financial Statements and audit reports and an overview of the contents within, M. Garber noted that the VPA had a positive financial report for Fiscal Year 2022.

M. Garber reported that PB Mares issued an unmodified opinion with no findings in internal control and compliance. M. Garber thanked the Finance team for continuing to partner in preparation and efficiency allowing the audit to be completed a week earlier than expected.

Vice Chair Power complimented the audit results, the port colleagues involved in the audit, as well as PB Mares.

Commissioner Burnett noted the accelerated schedule and audit performance was indicative of efficiency within the port.

R. Oliver thanked the PB Mares team for collaborating to accelerate the deadline and the efficiency in audit completion.

**ii. VPA Consolidated Financial Reports for Fiscal Year 2023 to Date  
Ending September 30, 2022 – Rodney Oliver**

R. Oliver reported very positive financial results for the fiscal year-to-date. With regards to cargo volume, R. Oliver reported that the results were ahead of budget and demonstrated a positive trend. R. Oliver reviewed that operating revenue was ahead of budget largely contributed to cargo volume, chassis revenues, as well as a tailwind

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from loaded container storage. With operating expenses below budgeted cost and cargo volume ahead of budget, R. Oliver noted the success of the operations management team in managing costs effectively. R. Oliver reviewed the ports Earnings Before Interest Taxes, Depreciation and Amortization (EBITDA) against budget, with strong performance attributed to cargo volume, operating efficiencies, and loaded container storage.

R. Oliver reported the cash flow basis for the first quarter of Fiscal Year 2023 also demonstrates positive results and is ahead of prior year performance. With regards to non-capital financing, the figures were attributed to the channel dredging projects' timeline adjustments. R. Oliver noted that the figures for investing were the result of the movement of cash into investment accounts that are managed by the ports' investment advisor as well as interest income.

R. Oliver reported that capital related financing activity was in line with the forecasted projection. R. Oliver noted that the transfer from Primary Government figure reflected the amount awarded for NIT North Optimization Project, a transfer of funds for the Maintenance Fund, and engineering work on the channel dredging project. The line item titled "Other" primarily attributed to Dominion's first deposit to commence work on improvements to Portsmouth Marine Terminal.

With regards to the infrastructure project funding approvals for consideration by the Board, R. Oliver reported that the Virginia Inland Port Civil Works project was included in the ports' previously approved capital budget and the winning bid was provided by Allen Myers. The winning bid for the acquisition of Ship-to-Shore Cranes was provided by ZPMC and the winning bid for the Richmond Marine Terminal Civil Works project to expand truck gates for efficiency and make improvements to the drop lot, was provided by Southwest Building Systems.

At this time, Commissioner Burnett reported that the Finance and Audit Committee unanimously recommended approval of Resolution 22-13, Authorizing the Acquisition of Ship-To-Shore Cranes, Resolution 22-14, Authorizing the Acquisition of Civil Works for Improvement to Virginia Inland Port (VIP), and Resolution 22-15, Authorizing the Acquisition of Civil Works for Improvement to Richmond Marine Terminal (RMT).

Vice Chair Power requested consideration by the Board of the Resolutions.

**Action:** Upon motion by Commissioner Richardson and seconded by Commissioner Kirk, Resolutions 22-13, 22-14, and 22-15 were unanimously (11-0) approved by a roll call vote of the Board.

Ayes: 11 (Andersen, Asbury, Burnett, Coleman, El Koubi, Hardy, Kirk, O'Callaghan, Power, Richardson, Waters)

Nays: 0

Abstention: 0

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Absent During Vote: 0

Absent During Meeting: 2 (Jones, Layne)

**d. Operations and Infrastructure Committee – Committee Chair Deborah C. Waters**

Commissioner Waters reported that the Operations and Infrastructure Committee met on November 14, 2022 in Newport News and received an overview presentation on Newport News Marine Terminal (NNMT) where staff briefed on changes and operations at the terminal as well as the year-over-year growth. Staff then presented on the nature of the berth space, warehouse, open lot space, gate rail, and layberth utilization at NNMT. Committee also received presentation from J. Ruddy on safety, operations, and cost advantages of technology and optimization. Commissioner Waters noted that the report received indicated efficient and economic operations, and best-in-class cargo handling. Committee also received report from R. Ceci on infrastructure projects at the NIT Central Rail Yard and North NIT Optimization, as well as a report of the three additional infrastructure improvements at RMT, VIP, and acquisition of ship-to-shore cranes. Commissioner Waters reviewed that P. Kinsman reported the status of the offshore wind development projects at PMT followed by presentation provided by on the status of the channel dredging project.

**i. Safety Report – Joseph P. Ruddy, VIT**

J. Ruddy reported strong safety figures consistently under the port's Lost Work Day (LWD) rate goal and noted a decrease from Fiscal Years' 2022 and 2021. J Ruddy noted that safety at the port was a collective effort alongside the ILA and motor carrier partners to ensure a culture of safety. J. Ruddy reported that the safety programs at the port are robust and demonstrate results.

**ii. Operations Report – Joseph P. Ruddy, VIT**

J. Ruddy reported strong numbers in truck gate performance and reviewed the percentage of motor carriers on terminal over two hours was steady through July despite an increased cargo volume at the gate. J. Ruddy reported that rail performance continued to improve and normalize as rail cargo metering began to resolve and the operations of railroads began to normalize.

While vessel productivity did not meet the port's goal of 35 moves per hour, the port seeks to operate all vessels as quickly as possible, J. Ruddy reported that all Stevedores and ILA partners were committed to the goal.

Commissioner O'Callaghan noted that, for the trucking community, it is encouraging that the port has begun to issue reports on success and failure of cancelled appointments and recognize the system as a key feature of truck gate performance. As the trucking community moves closer to achieving its appointments, it is a positive impact to both the trucking community and the port.

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J. Ruddy reported a record month in October for successful gate appointments and thanked the trucking community for embracing the process.

**iii. Infrastructure Projects Update – Cathie J. Vick**

C. Vick reported that the four major infrastructure projects were on track, on time, and on budget. With the buffer of time at CRY in partial utilization, the management team ensures oversight to maintain productivity through any possible winter weather but remains confident it will continue to go well. With regards to the North NIT Optimization, the project reached 95% completed design approximately one month early. In the design for ship -to-shore crane placement, C. Vick reported that the port had engaged with the U.S. Navy to ensure compliance with all flight path considerations prior to submitting application to the Federal Aviation Association (FAA).

C. Vick reported the first pilings have been installed for the offshore wind development at PMT and are being load-tested. With regards to the channel deepening and widening, C. Vick reported that an intact schedule despite delays due to weather and differing conditions found requiring different equipment utilization. C. Vick reviewed the completion dates for each channel dredging section, indicating the accommodation of two-way vessel traffic through the channel approximately one year ahead of the projected schedule.

**e. Growth Committee – Committee Chair John C. Asbury**

Commissioner Asbury reported that the Growth Committee met on November 14, 2022 and received presentations from staff on cargo volumes, port-centric growth, port landscape across the US East Coast, legislative updates, as well as an overview on Newport News Marine Terminal operations. Tom Capozzi, Chief Sales and Marketing Officer of Virginia International Terminals, presented a report to the Committee on the port's year over year comparison of cargo volumes as well as a comparison of cargo volumes across the U.S. East Coast Ports market. Amanda Nelson, Vice President of Growth for VIT presented a report of announcements and opportunities within the areas of port-centric development and Barbara Nelson, Vice President of Development and Transportation Policy reported on the Port 460 project. Committee then received an update on the port landscape across the U.S. East Coast from Ashley Fisher, Vice President of Strategy for VIT. Finally, Committee received presentation from Cathie Vick, Chief Development and Public Affairs Officer, on grants and recommendations from the Joint Legislative Audit and Review Commission.

**i. Sales and Volume Report – Thomas C. Capozzi, VIT**

T. Capozzi reported the port's cargo volume for the months of August and September 2022 that demonstrated an increase driven by import containers and associated export containers. T. Capozzi noted a shift in import cargo due to overstock from large retailers with import cargo trending down after record cargo volumes documented over the past two years. T. Capozzi reported a strong rebound in export cargo volumes now

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demonstrating significant growth. T. Capozzi noted that rail cargo remains robust and indicated cargo volume growth, with discretionary freight electing to move through Virginia. Barge cargo volume demonstrated an increase of year-over-year performance, primarily serving the discretionary market electing to move through Virginia. T. Capozzi reported that the port experienced moderate growth in truck container volume and tremendous growth with non-containerized volume.

T. Capozzi reviewed the comparison with ports across the U.S. East Coast, reporting growth of 4.7% for July – September 2022 that tripled the U.S. East Coast average. While the port slightly performed under the growth of Savannah and New York / New Jersey, the previous fiscal year growth performance surpassed the growth of both Savannah and New York / New Jersey. T. Capozzi reported very positive growth performance over the two year time period.

Commissioner Coleman thanked staff for the tour of NNMT and remarked that while containerized cargo is largely the focus of discussion, the brief on breakbulk and bulk cargo operating through NNMT was valuable. Commissioner Coleman thanked staff for increasing that cargo volume growth and capitalizing the opportunity.

Commissioner Asbury queried the driving factor of export growth with agriculture. T. Capozzi attributed the volume increase to better crop growth and strength of the U.S.

**VI. CEO/Executive Director Report – Stephen A. Edwards**

S. Edwards acknowledged the audit with clean findings was a positive report. S. Edwards reported strong results of the first quarter and the demonstrated action by the Board to invest back into the port with the Resolution approvals. S. Edwards reported that the ship to shore crane acquisition is an important capability issue, as customers and ship lines experienced significant earnings, investments were made in new vessels that require larger cranes and the port is ensuring it is ready to handle larger vessels. S. Edwards reported that Ultra Large Container Vessels are now in Transatlantic trade lanes and the action approved by the Board will allow the port to upgrade performance. S. Edwards reported strong performance operation and reviewed that as industries monitor the news and incur higher interest rates and inflation, the significant amount of retailers carrying inventory will impact import cargo volumes. S. Edwards noted the difference in cargo experience of U.S. East Coast terminals and U.S. West Coast terminals and reported the goal of the port is to continue to serve our customers well and maximize the opportunity of increased cargo volume to prepare for the cargo volume correction forecasted next quarter. S. Edwards reported that the port will stay ahead of growth, while the announcements of development builds the pipeline of cargo capacity. S. Edwards reported that the port will continue its capital investments and will gradually work through any economic downturn and recovery. S. Edwards noted that the port is in a great position to move forward, concentrate on capital program delivery, and support a pipeline of development. The port will continue to manage margins and core business while progressing its core infrastructure projects.

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Commissioner Hardy requested a detailed report on marketing be presented in a future meeting regarding the ports efforts to bring business into Virginia and efforts to promote the port. Commissioner Asbury noted the topic for discussion by the Growth Committee.

Vice Chair Power remarked that regardless of economy and uncertainty, the Board is confident in the foundation built during the previous years and the port will remain strong to manage whatever comes forward.

**VII. Unfinished Business**

There was no unfinished business to report.

**VIII. New Business**

There was no new business to report.

**IX. Other Business**

There was no other business to report.

**X. Adjourn**

There being no further business or comments from the public, the meeting adjourned at **9:47am**.

Respectfully submitted,

Ryanne A. Shields  
Secretary to the Board