

MINUTES
Virginia Port Authority Board of Commissioners
Regular Public Meeting, Session 418
January 30, 2024

The Virginia Port Authority (“VPA”) Board of Commissioners (“Board”) held its regular meeting on January 30, 2024 in the VPA Boardroom, 600 World Trade Center, 101 W Main St, Norfolk, Virginia.

Commissioners Present:

Aubrey L. Layne, Chair
Faith B. Power, Vice Chair
John C. Asbury
James C. Burnett
Maurice A. Jones
Edward F. O’Callaghan
Michael W. Coleman
Deborah C. Waters
Shaza L. Andersen
John W. Kirk III
Jason El Koubi
David L. Richardson

Commissioners Absent

Eva Teig Hardy

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 and Chief Administrative Officer
Jodie Asbell, Sr. Executive Administrative Assistant and Assistant Secretary to the Board
Joe Harris, Senior Director, Communications
Barb Nelson, VP, Government Affairs & Transportation Policy
Erika Snow, VP, Human Resources
Russell Young, VP, Port Centric Logistics
Ron Green, VP, Optimization and Warehouse Operations
Lisa S. Nelson, Executive Administrative Assistant and Secretary to the Board

Virginia International Terminals, LLC (VIT) Staff Present:

Joseph P. Ruddy, Chief Operations Officer
Ashley Fisher, VP, Strategy
Jessica Gaskins, Manager, Strategic Communications

Guests:

Granville Hogg - Citizen
Karen Valesquez - Citizen
Eric Cisco – Virginia International Gateway, Inc.
Brian Jefferson – CMA CGM
Christi Choi – PFM
Jeremy Bridges – Hampton Roads Shipping Association
David White – Virginia Maritime Association
Anne Bibeau – Woods, Rogers, Vandeventer, Black
Jim Ford – CP&O
Larry Bachtell, VP ILA Local 1624/Atlantic Coast District Vice President
Jonathan Coley, President ILA Local 970/President of Hampton Roads District Council
Brandon Edwards, Business Agent, ILA Local 970
Monte Bivens, President, ILA Local 1970
Rick Harrell, Vice President, ILA Local 1970

MINUTES
Virginia Port Authority Board of Commissioners
Regular Public Meeting, Session 418
January 30, 2024

I. Call to Order

Chair Layne called the meeting to order at 9:00 am.

II. Safety Briefing

A safety briefing was conducted by Joseph P. Ruddy, Chief Operations Officer, Virginia International Terminals, LLC (VIT).

III. Approval of Minutes

Following a motion by Commissioner Kirk, seconded by Commissioner El Koubi, the minutes of the Board meeting held November 7, 2023 were approved unanimously.

IV. Introductions and Opportunity for Public Comment

At this time, Chair Layne requested introductions of guests from Joe Harris. Joe Ruddy also introduced the ILA guests in attendance. Chair Layne welcomed the opportunity for public comment. There were no public comments made.

V. Reports of Committees

A. Executive Committee – Aubrey L. Layne, Chair

The Executive Committee met at 5:00 pm on January 29, 2024. At the conclusion of committee meetings, Commissioners gathered for the Executive Committee Meeting to discuss closed matters that needed further dialog.

Chair Layne reported on the Memorandum of Board Action authorizing the Executive Director to execute a contract for significant improvements to the wharf, to include berth dredging, located at North Norfolk International Terminals (NIT). The written consent of the Chair of the Board and the Chair of the Finance and Audit Committee was granted on December 7, 2023.

B. Executive Session – Aubrey L. Layne, Chair

Stephen Edwards and the Executive Team presented on the Port of Virginia's Draft Strategic Plan. The Board received a very detailed report on this topic including updates and projections for various areas of the business.

C. Finance and Committee – James C. Burnett, Committee Chair

Commissioner Burnett asked that Stephen Edwards speak on the current impact of the Red Sea disruption. Slides were shown depicting transit times for Bab el-Mandeb Strait and the Cape of Good Hope. Another graph was shown that demonstrated that Drewery's World Container Index (WCI) increased 5% the week of January 25th vs the prior week and was up 94% compared to the same week last year. Mr. Edwards shared that this week's WCI of \$3,964 is the highest since October 2022 and is 179% more than average 2019 (pre-pandemic) rates of \$1,420.

MINUTES
Virginia Port Authority Board of Commissioners
Regular Public Meeting, Session 418
January 30, 2024

Commissioner El Koubi asked what we are expecting if this Red Sea matter persists. Mr. Edwards stated longer transit times will be realized. Costs will go up and likely favor the west coast routes. We will not know all of the impacts until all the schedules settle in and get back to “normal.” The floor was then turned back over to Commissioner Burnett.

Commissioner Burnett reported that the Finance and Audit Committee met on January 29, 2024 at 1:00 pm. The Finance and Audit Committee was presented with updates by management. The presentations included a review of the fiscal year 2024 financial performance to date, forecasts for the remaining fiscal year, updates on the North NIT Wharf Project, and discussions on the Commonwealth Port Fund and Port Facilities Revenue Bond Refunding Resolutions.

Regarding the North NIT Wharf Project:

- Management reviewed the Memorandum of Board Action which encompasses the scope of the wharf improvements, the selected winner, associated cost, and identifies funding sources.

Regarding the Refunding Bond Resolutions:

- Management provided an overview of the key provisions of each resolution and explained the reasons for the requests.
- The Refunding Resolutions, Resolutions 24-1 and 24-2, grant management the authority to refund outstanding debt obligations throughout the calendar year 2024, contingent upon favorable savings and market conditions, and meeting specific parameters outlined in the State Treasury guidelines.

Consideration of Resolution 24-1 Approving resolution supplementing resolution 02-4, as previously amended and supplemented, authorizing the issuance of Commonwealth Port Fund revenue refunding bonds in calendar year 2024, granting authority to the Executive Director of Virginia Port Authority to approve the issuance of such bonds and related matters.

Consideration of Resolution 24-2 - Approving resolution supplementing resolution 16-0, as and supplemented, authorizing the issuance of port facilities revenue refunding bonds in calendar year 2024, granting authority to the Executive Director of Virginia Port Authority to approve the issuance of such bonds and related matters.

- Commissioner Burnett reported that the Finance and Audit Committee unanimously recommended approval of Resolutions 24-1 and 24-2.
- **ACTION:** Upon motion by Commissioner Burnett, seconded by Commissioner El Koubi, Resolutions 24-1 and 24-2 were approved unanimously (10-0) by a vote of the Board.
- Ayes: 10 (Burnett, Layne, Asbury, O’Callaghan, Power, Waters, Andersen, Richardson, Coleman and Jones)
- Nays: 0
- Abstention: 0

MINUTES
Virginia Port Authority Board of Commissioners
Regular Public Meeting, Session 418
January 30, 2024

- Absent During Vote: 1 (Hardy)
- Absent During Meeting: 1 (Hardy)

Rodney Oliver went on to share the Port's recent financial results. He reported that cargo volumes are down 6% below budget for fiscal year. Year to date highlights were discussed. Virginia has fared better than others on the east coast.

Loaded container storage was also discussed along with operating expenses that continue to trend below budget across the board. We had a strong first six months of the fiscal year.

Cash flow charts were detailed FY23 vs FY24 as well as a Capital and Related Financing chart. Funds/Grants for the improvement project at North NIT were detailed and the Off Shore Wind Staging Port project at PMT was specifically discussed with regard to status and progress made since the last board meeting.

The floor was opened for questions. No questions were asked.

D. Safety and Operations Report – Deborah C. Waters, Committee Chair

Commissioner Waters shared that the Operations and Infrastructure Committee did not meet yesterday. Commissioner Waters said that she and Joe Ruddy met last week for appropriate updates. Joe Ruddy was asked to give the report for Safety and Operations.

Joe provided updates on the operational status of the NIT Central Rail Yard and Off Shore Wind projects.

Joe Ruddy gave the Safety Results as of December 31, 2023. There was a 20.8 % decrease from FY23 and a 23.0% decrease from FY22 in lost work day incidents. The FY24 year-end goal is 1.61%. Joe Ruddy then moved into the Operations Report as it relates to Gate Performance, Rail Performance and Net Productivity. These positive results were said to be a group effort from all involved, both port management and the ILA employees. Rail numbers are up due to a great performance record. The port continues to service freight from the west coast that never returned after the pandemic due to high service provided in Virginia. During this time, the port is taking advantage of lower volumes to improve gate maintenance.

Chair Waters asked Cathie Vick to report on the Infrastructure Projects currently underway at the Port of Virginia. Cathie shared the progress that has been made on each of the following projects; NIT Central Rail Yard (CRY), North NIT Optimization, PMT Offshore Wind Staging Port and Channel Deepening and Widening. Each project was updated with regard to design, construction and overall percentages of completion. All projects are currently on track.

Cathie Vick also provided a sustainability update. She reported that an analysis was completed in the 4th quarter of 2023 to facilitate an amendment to the Power Purchase Agreement (PPA) for 100% clean energy at all terminals, to include inland facilities. The amendment to the PPA agreement was signed in December 2023.

MINUTES
Virginia Port Authority Board of Commissioners
Regular Public Meeting, Session 418
January 30, 2024

E. Growth Committee – John C. Asbury, Committee Chair

Commissioner Asbury shared that the Growth Committee did not meeting yesterday. Commissioner Asbury turned the floor over to Stephen Edwards who detailed the slides for Sales and Volume report. An update was given with regard to total TEUs, non-containerized tonnage and vessel calls. These numbers for FY24 Q2 were compared to the same categories in FY23 Q2. Non-containerized tonnage and vessel calls, both showed an increase, while total TEUs were down slightly.

The USEC Ports Market Comparison for FY 2024 was compared to FY 2023 results. The Port of Virginia saw a 2.7% decrease while Savannah had an 11.2% decrease.

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

Stephen Edwards thanked all of the Commissioners for their time and input over the last couple of days. He pointed out that very little time was spent on operations as all is going well. Mr. Edwards said the port has budgeted well, therefore its finances continue to be positive. He stated that he is pleased with cargo volume performance, however, is concerned about the impact of the Red Sea disruptions. The Red Sea matter is a headwind along with the Panama Canal not being able to take on more cargo. Longer term risks were also discussed.

Overall, the port's messaging is very positive with a great story to tell.

Chair Layne explained why the VPA regular public board meetings are sometimes short in length. He advised that committee meetings are held the day before and much of the confidential and business sensitive discussion is done in these closed sessions. He further stated that the Port is in good shape and is operating well, which gives the Board the opportunity to look forward and project future items and ideas.

Chair Layne thanked the Commissioners for their time on both days of these meetings.

Chair Layne also thanked the entire Port team with regard to normalizing volumes and managing through all of the infrastructure projects..

VII. Other Business

Cathie Vick shared information on upcoming Port related events as follows:

VMA Port Day – Wednesday, February 7, 2024 in Richmond

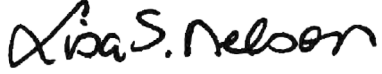
Small Woman nd Minority-Owned Business Event – Thursday, March 28, 2024 being held at the Virginia Beach Convention Center

VIII. Adjournment

The meeting adjourned at 9:42 am.

MINUTES
Virginia Port Authority Board of Commissioners
Regular Public Meeting, Session 418
January 30, 2024

Respectfully submitted,

A handwritten signature in black ink that reads "Lisa S. Nelson". The signature is written in a cursive, flowing style.

Lisa S. Nelson
Secretary to the Board

AGENDA

Virginia Port Authority (VPA) Board of Commissioners Regular Meeting – Session – 418

Tuesday, January 30, 2024 – 9:00 a.m.

Meeting Location:

VPA Boardroom, 101 W. Main Street, 600 World Trade Center, Norfolk

1. Call to Order

2. Safety Briefing – Joseph P. Ruddy, Chief Operations Officer, Virginia International Terminals, LLC (VIT)

3. Approval of Minutes

A. Approval of the minutes of the VPA Board of Commissioners meetings held November 7, 2023

4. Introductions and Opportunity for Public Comment

5. Reports of Committees

A. Executive Committee – Aubrey L. Layne, Chair

1. Report of Executive Committee
2. Report of Executive Session
3. Memorandum of Board Action – NNIT Wharf Contract Approval

B. Finance and Audit Committee – James C. Burnett, Committee Chair

1. Report of Finance and Audit Committee
2. Impact of Red Sea Disruption – Stephen A. Edwards, CEO/Executive Director
3. Financial Performance: FYTD ending December 30 – Rodney W. Oliver, Chief Financial Officer
4. Resolution 24-1 Blanket Commonwealth Port Fund Refunding
5. Resolution 24-2 Blanket Port Facilities Refunding Resolution

C. Safety and Operations Update – Deborah C. Waters, Operations and Infrastructure Committee Chair

1. Report on Safety and Operations – Joseph P. Ruddy, Chief Operations Officer, Virginia International Terminals, LLC (VIT)
2. Infrastructure Projects Update – Cathie J. Vick, Chief Development and Public Affairs Officer
3. Sustainability Update - Cathie J. Vick, Chief Development and Public Affairs Officer

AGENDA

Virginia Port Authority (VPA) Board of Commissioners Regular Meeting – Session – 418

Tuesday, January 30, 2024 – 9:00 a.m.

D. Sales Update – John C. Asbury, Growth Committee Chair

1. Report on Sales and Volume – Thomas C. Capozzi, Chief Sales and Marketing Officer, VIT
2. USEC Ports Market Comparison - Thomas C. Capozzi, Chief Sales and Marketing Officer, VIT

6. Report of CEO/Executive Director – Stephen A. Edwards

7. Other Business

8. Adjourn

The next meeting of the VPA Board of Commissioners will be held on April 30, 2024.