

## **Agenda**

### **Virginia Port Authority (VPA) Board of Commissioners Regular Meeting – Session – 423**

**Tuesday, October 29, 2024 – 9:00 AM**

#### **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 Annual Meeting and Public Session Meeting, both held July 30, 2024
- 4. Introductions and Opportunity for Public Comment**
- 5. Reports of Committees**
  - A. **Executive Committee – Aubrey L. Layne, Chair**
    1. Report of Executive Committee
      - 2025 VPA Board Meeting Dates
  - B. **Investment Committee – Aubrey L. Layne, Chair**
    1. Committee Report from October 24, 2024 Investment Committee Meeting
  - C. **Finance and Audit Committee – James C. Burnett, Committee Chair**
    1. FY24 External Audit Presentation – Mike Garber, PB Mares
    2. Report of Finance and Audit Committee – Committee Chair Burnett
    3. 1<sup>st</sup> Quarter Financial Statement – Rodney Oliver, Chief Financial Officer
    4. FY25 Budget Revision - Rodney Oliver, Chief Financial Officer
    5. Consideration of Resolution 24-14 – Approval of FY25 Budget Revision, Rodney Oliver, Chief Financial Officer
    6. Consideration of Resolution 24-15 – Approval of Engineering Equipment and Services Purchase – TMEIC, Rodney Oliver, Chief Financial Officer

- D. Operations and Infrastructure Committee – John W. Kirk, III, Committee Chair**
  - 1. Report of Operations and Infrastructure Committee
  - 2. Report on Safety and Operations – Joseph P. Ruddy, Chief Operations Officer, Virginia International Terminals, LLC (VIT)
  - 3. Infrastructure Projects Update – Joseph P. Ruddy, Chief Operations Officer, Virginia International Terminals, LLC (VIT)
  
- E. Growth Committee – John C. Asbury, Committee Chair**
  - 1. Report of Growth Committee
  - 2. Report on Sales and Volume – Thomas C. Capozzi, Chief Sales Officer, Virginia International Terminals, LLC (VIT)
  - 3. USEC Ports Market Comparison - Thomas C. Capozzi, Chief Sales Officer, Virginia International Terminals, LLC (VIT)
  
- 6. Report of CEO/Executive Director – Stephen A. Edwards**
  
- 7. Other Business**
  
- 8. Adjourn**

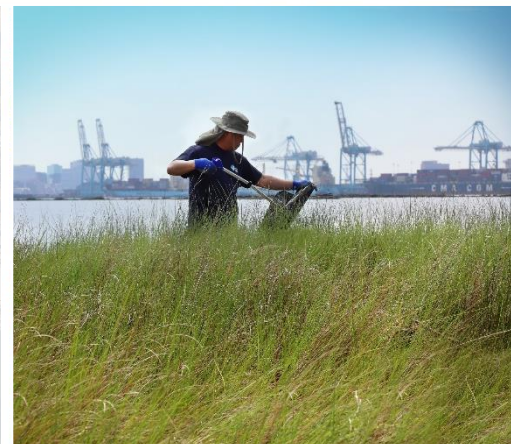
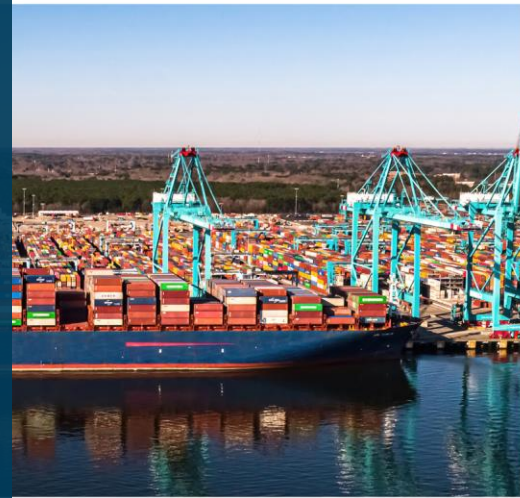
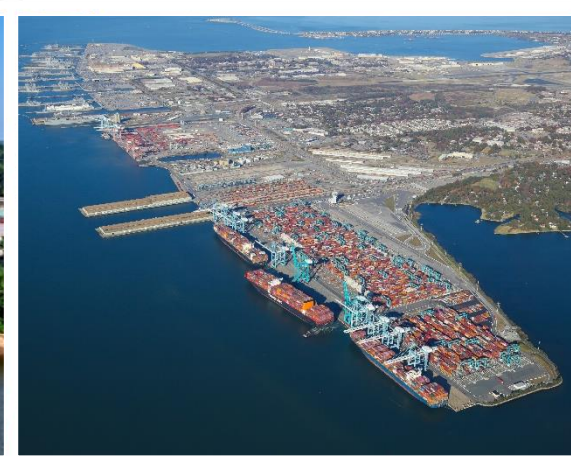
The next meeting of the VPA Board of Commissioners will be held on January 28, 2025.








# Virginia Port Authority Board of Commissioners Regular Meeting

Session 423

October 29, 2024



-  Approval of Minutes - July 30, 2024 (Annual and Public Meetings)
-  Introductions and Opportunity for Public Comment
-  Committee/Regular Reports
-  CEO / Executive Director Report
-  Other Business and Adjournment



# Executive Committee Report

Chair Layne

# 2025 VPA Board Public Meeting Dates



- **January 28, 2025**
- **April 29, 2025**
- **July 29, 2025**
- **October 28, 2025**



# Investment Committee Report

Chair Layne



# Finance and Audit Committee Report

Committee Chair Burnett



# **FY24 External Audit Presentation**

Mike Garber, PB Mares

# **Finance & Audit Committee Report**

Committee Chair Burnett

# 1st Quarter Financial Results

Rodney W. Oliver, Chief Financial Officer

# Fiscal Year 2025 YTD Highlights



<b>July - September</b>	<b>Actual</b>	<b>Budget</b>	Fav. (Unfav.) <b>% Variance</b>
Volume	505,965	496,515	1.9%
Operating Revenues	\$204.3m	\$194.2m	5.2%
Operating Expenses	\$171.5m	\$174.7m	1.8%
Operating Income	\$32.8m	\$19.5m	68.2%
EBITDA	\$82.0m	\$69.7m	17.6%

# Cash Flow FY24 YTD vs. FY25 YTD – USD millions



	FY24 YTD	FY25 YTD
Net cash provided by operating activities	\$ 59.9	\$ 93.8
Net cash (used in) provided by noncapital financing activities	(30.6)	2.1
Payments made on VIG lease	(27.0)	(27.9)
Payments made on long-term debt and other leases	(38.7)	(44.0)
Acquisition of capital assets	(101.9)	(80.0)
Other cash provided by financing activities	40.5	56.5
Net cash used in investing activities	(5.4)	(51.1)
<b>Net change in cash and cash equivalents</b>	<b>\$ (103.2)</b>	<b>\$ (50.6)</b>

# **FY25 Budget Revision and Board Resolution 24-14**

Rodney W. Oliver, Chief Financial Officer

# Budget Assumptions

## Global

- CPI:
  - VIG – 3.6%
  - Other – 3.0%
- Labor Rate\* – 11.3%
- Revenue SOR\* – 7.1%
- Personnel Costs:
  - Merit and Promotion – 5.0%
  - Incentive Compensation – 100%
  - Vacancy – 6.0%

## Terminal Operations

- Volume Growth = 2.1% increase from FY24 F'cast
- Shipline Contracts renewed at Avg. CUR + SOR
- LCS based on FY24 YTD average
- CVOW Operations based on delivery schedule from Dominion
- Avg. Chassis Fleet Size of 16,577 and 64% utilization

*\*Assumption to be revised upon conclusion of labor negotiations*

# Consolidated Results



	FY25 Budget (Original)	FY25 Budget (Amended)	Favorable (Unfavorable) \$	Favorable (Unfavorable) %
NIT Volume	1,029,597	1,018,658	(10,939)	-1.1%
VIG Volume	924,668	913,778	(10,890)	-1.2%
<b>Container Volume</b>	<b>1,954,265</b>	<b>1,932,436</b>	<b>(21,829)</b>	<b>-1.1%</b>
<b>CVOW Component Pieces</b>	<b>524</b>	<b>524</b>	<b>-</b>	<b>0.0%</b>
Terminal operating revenues	\$ 760,136	\$ 776,680	\$ 16,544	2.2%
Other revenues	19,054	19,524	470	2.5%
Operating revenues - Grants	2,103	2,103	-	0.0%
<b>Total operating revenues</b>	<b>\$ 781,293</b>	<b>\$ 798,307</b>	<b>\$ 17,014</b>	<b>2.2%</b>
Terminal Operations	291,180	307,497	(16,317)	-5.6%
Terminal Maintenance	148,583	152,138	(3,555)	-2.4%
General and Administrative	62,453	63,007	(554)	-0.9%
Facility Rental	5,466	5,466	-	0.0%
Depreciation and Amortization	204,520	204,520	-	0.0%
<b>Total operating expenses</b>	<b>\$ 712,202</b>	<b>\$ 732,628</b>	<b>\$ (20,426)</b>	<b>-2.9%</b>
<b>Operating income</b>	<b>\$ 69,091</b>	<b>\$ 65,679</b>	<b>\$ (3,412)</b>	<b>-4.9%</b>
<b>Change in Net Position</b>	<b>\$ 142,093</b>	<b>\$ 138,681</b>	<b>\$ (3,412)</b>	<b>-2.4%</b>
<b>EBITDA</b>	<b>\$ 273,611</b>	<b>\$ 270,199</b>	<b>\$ (3,412)</b>	<b>-1.2%</b>
<b>EBITDA Margin</b>	<b>35.0%</b>	<b>33.8%</b>		<b>-1.2%</b>

Confidential proprietary information and data pursuant to §2.2-3705.6(1) and §62.1-132.4 of The Virginia Freedom of Information Act



# Capital Budget



## Summary by Asset Type

Container Handling Equipment	\$33,446
Facility Improvements	28,636
Light Equipment & Vehicles	14,765
Information Technology	12,221

**TOTAL** **\$89,068**

## Summary by Funding Source

TR PAYGO	\$59,786
CPF PAYGO	11,262
VIT	16,020
Federal/ State Grants	2,000

**TOTAL** **\$89,068**

Reflects reduction in capital budget due to elimination of ship-to-shore crane tariffs.

# Continuing Strong Debt Service Coverage



Measure (Minimum Requirement)	Average 2018-2020	Average 2021-2023	FY2024 Actual	FY2025 Budget - Original	FY2025 Budget - Amended
Aggregate Net Revenue Coverage (1.10)	1.41	3.20	2.32	2.18	<b>2.14</b>
Aggregate Adjusted Net Revenue Coverage (1.25)	1.60	3.33	2.44	2.34	<b>2.30</b>
Net Revenue Coverage (1.00)	1.31	3.11	2.24	2.10	<b>2.06</b>
Fixed Obligation Coverage (1.00)	1.21	2.93	2.10	1.98	<b>1.93</b>



# Questions / Comments



# Ops and Infrastructure Committee Report

Committee Chair Kirk

# Safety Dashboard

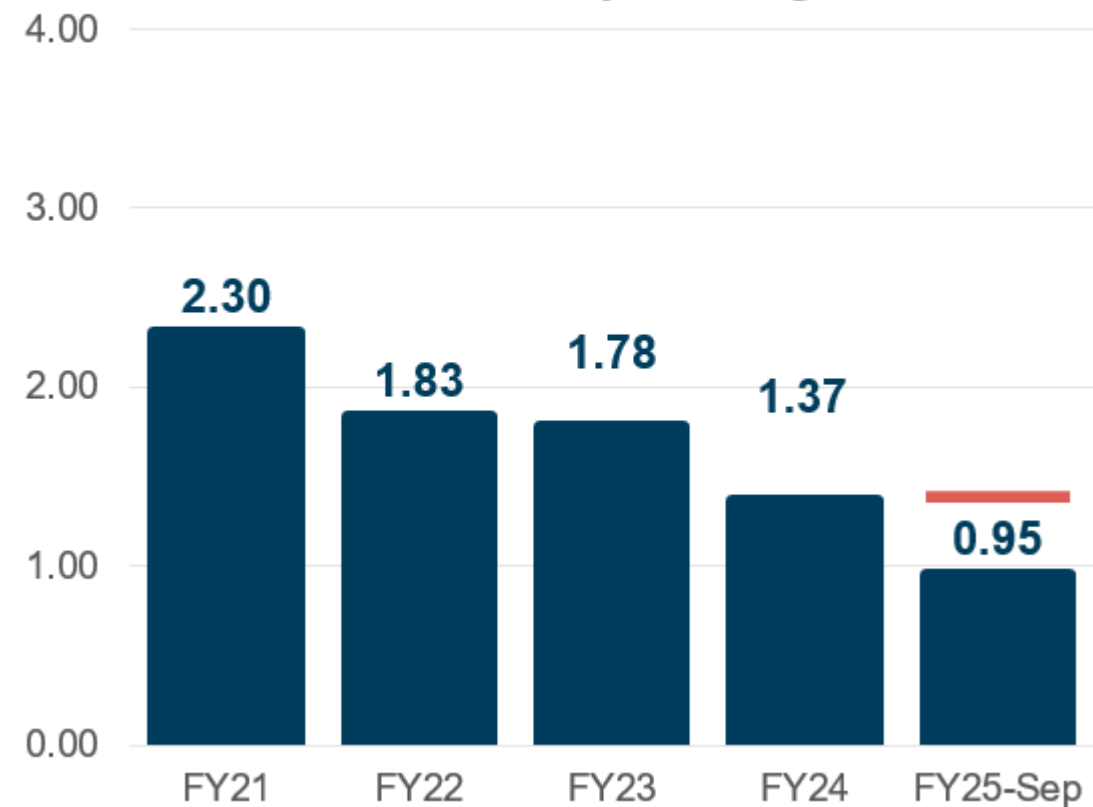
Joseph P. Ruddy, Chief Operations Officer, VIT

As of Sep 30th the POV FY25  
Lost Work Day (LWD) rate of **0.95** is:

- 30.7% decrease from FY24
- 46.6% decrease from FY23
- FY25 year end goal is 1.36

### POV LWD Rate

OSHA Industry Average 2.4



# Operations Dashboard

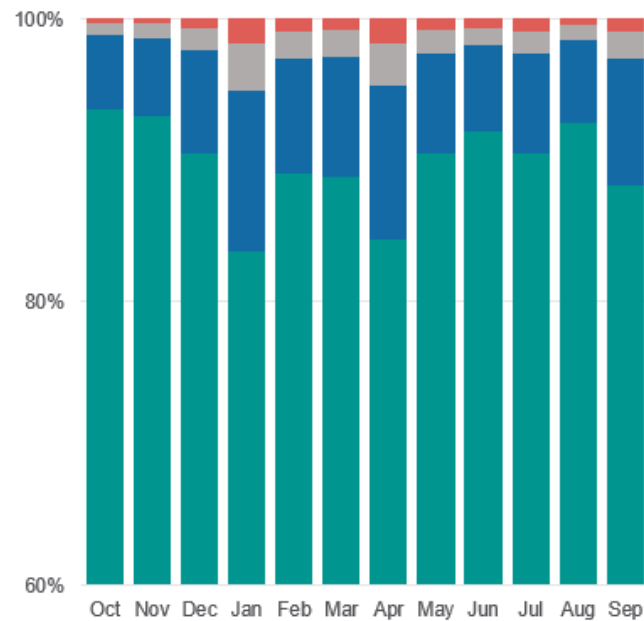
Joseph P. Ruddy, Chief Operations Officer, VIT

# Operations



## Gate Performance

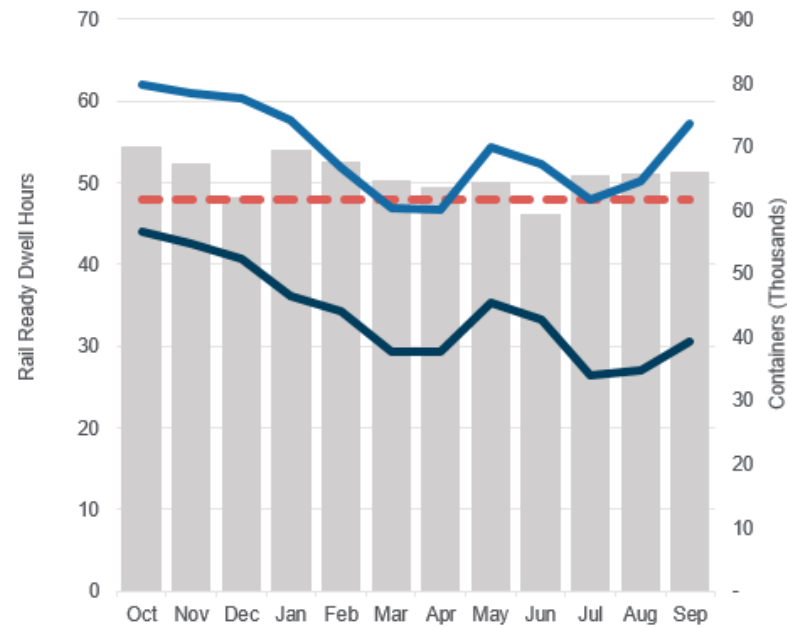
- 60 or less
- 90 or less
- 120 or less
- 2+ hours



**77,705 truck visits, 88% under 1 hour**  
**0.9% or 685 truck visits over 2 hours**  
**Traditional Turn Time: 37.0 min**  
**Expanded Turn Time: 43.8 min**

## Rail Performance

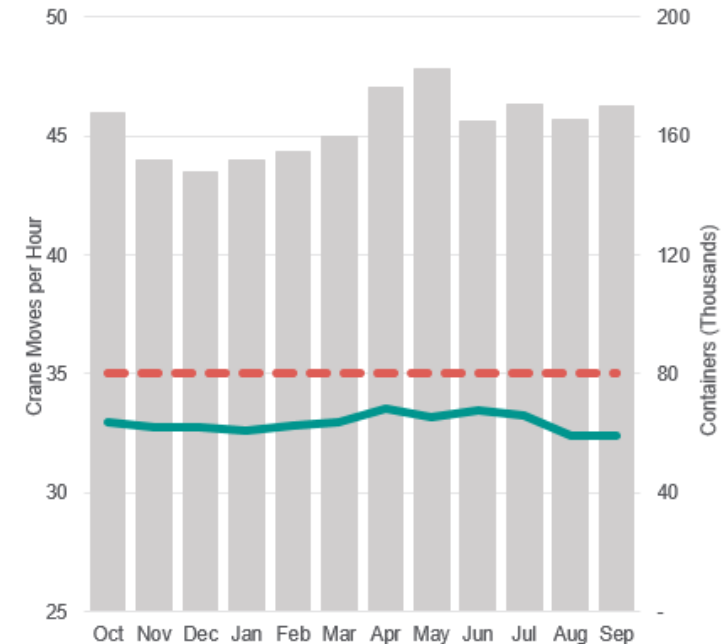
- Rail Vol
- Rail Ready Dwell
- Industry Standard
- Rail Dwell



**65,974 rail containers, up 7.1% YOY**  
**Rail Ready Dwell: 30.4 hours**  
**Rail Dwell: 57.3 hours**

## Net Productivity

- POV Vol
- Goal
- POV Net



**Net Productivity: 32.4 crane moves per hour, 0.4% higher year over year**



# Infrastructure Projects Update

Joseph P. Ruddy, Chief Operations Officer, VIT

# Infrastructure Projects Dashboard



## NIT Central Rail Yard (CRY) Expansion

Design



Complete

Construction



Complete

Overall



On-Time

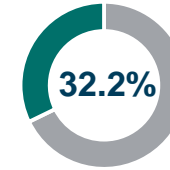
## North NIT Optimization

Design



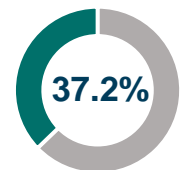
Complete

Construction



On-Time

Overall



On-Time

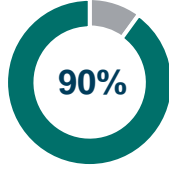
## PMT Offshore Wind Staging Port

Design



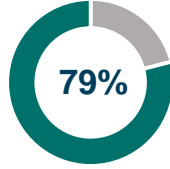
Land design complete Mar 22  
Dredging design complete Apr 23

Construction



In Progress

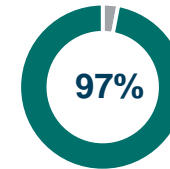
Overall



In Progress

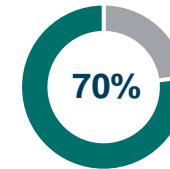
## Channel Deepening and Widening

Design



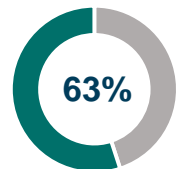
In Progress

Construction



In Progress

Overall



In Progress



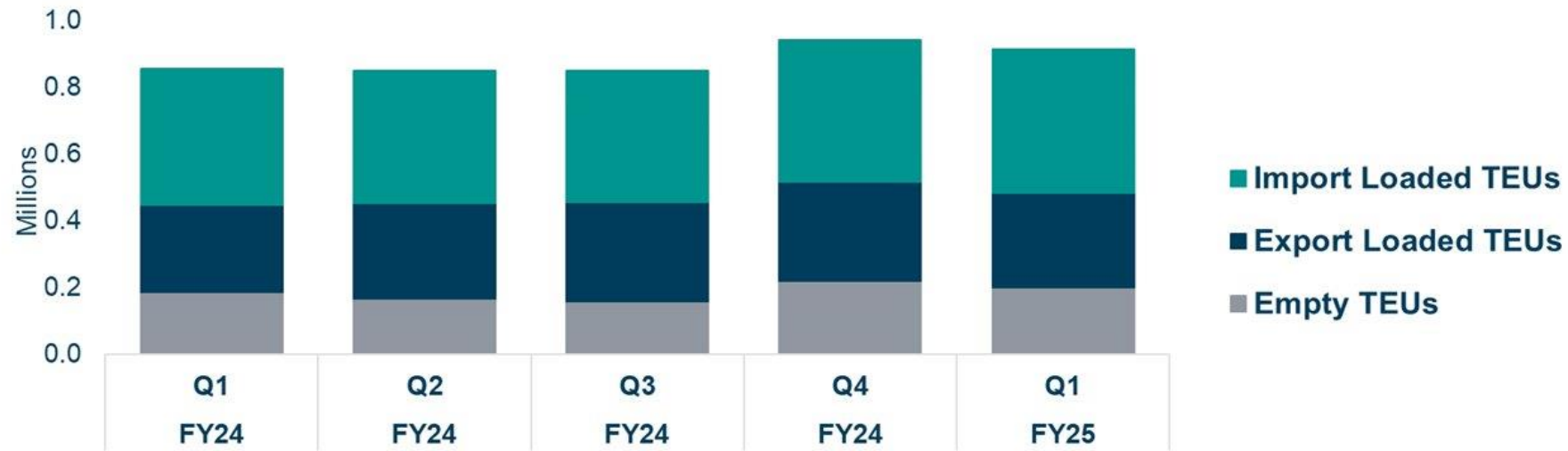
# Sales Report

Thomas C. Capozzi, Chief Sales Officer, VIT

# **Sales and Volume Report**

Thomas C. Capozzi, Chief Sales Officer, VIT

# Volumes: Q1 FY25



	FY25 Q1	FY24 Q1	Change	% Change
<b>Total TEUs</b>	<b>915,113</b>	<b>856,413</b>	<b>58,700</b>	<b>6.9%</b>
Export Loaded TEUs	281,705	260,415	21,290	8.2%
Import Loaded TEUs	431,601	408,435	23,166	5.7%
Empty TEUs	201,808	187,563	14,244	7.6%
<b>Non-Containerized Tonnage</b>	<b>146,959</b>	<b>21,362</b>	<b>125,596</b>	<b>587.9%</b>
<b>Vessel Calls</b>	<b>457</b>	<b>450</b>	<b>7</b>	<b>1.6%</b>

# USEC Ports Market Comparison



	FY 2024	FY 2023	Change	% Change
New York / New Jersey	5,568,041	5,473,095	94,946	1.7%
Savannah	3,963,391	3,943,408	19,983	0.5%
<b>The Port of Virginia</b>	<b>2,765,192</b>	<b>2,662,093</b>	<b>103,099</b>	<b>3.9%</b>
Charleston	1,941,749	1,939,416	2,333	0.1%

\*Source: Reported Actuals – Loaded TEUs

\*Fiscal period included: July 2023 through July 2024



# CEO/Executive Director Report

Stephen Edwards, CEO/Executive Director



# Other Business

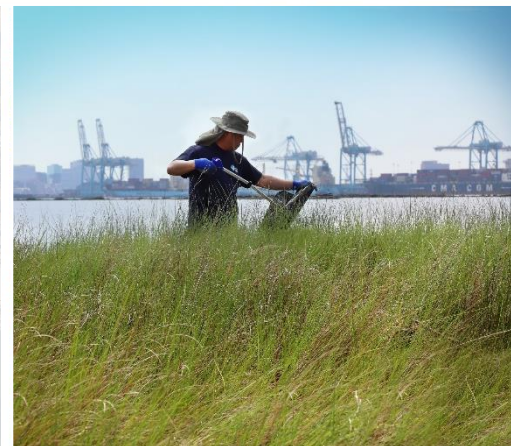
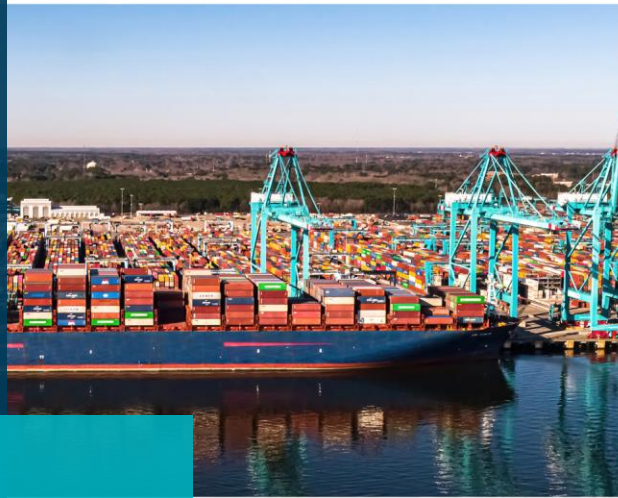
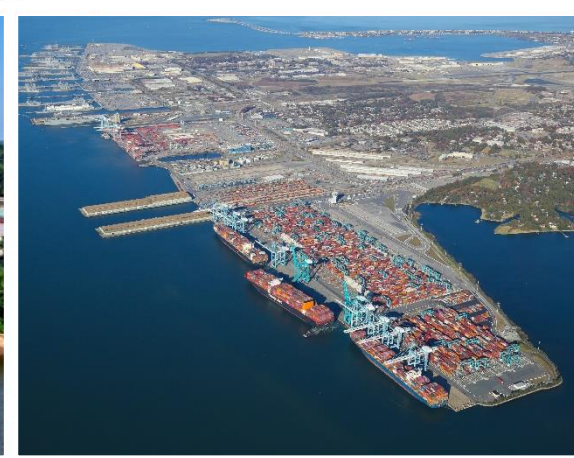
Chair Layne





# Virginia Port Authority Board of Commissioners

# Thank You



**RESOLUTION 24-14**

**APPROVING VIRGINIA PORT AUTHORITY'S  
AMENDED CONSOLIDATED ANNUAL BUDGET FOR  
FISCAL YEAR ENDING JUNE 30, 2025**

**WHEREAS**, the Chief Financial Officer of the Virginia Port Authority (the "Authority") has proposed the amended annual consolidated budget for the Authority for Fiscal Year Ending June 30, 2025 and has submitted same to the Board of Commissioners (the "Board") of the Authority for their review and consideration; and

**WHEREAS**, the Chief Financial Officer has also made available to the Board such other information as the Board has reasonably requested in connection with the preparation of such amended annual budget.

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Commissioners of the Virginia Port Authority approves the following:

Section 1. Approval of the Amended Fiscal Year 2025 Budget. The Board does hereby approve the Authority's amended annual consolidated budget for Fiscal Year Ending June 30, 2025.

Section 2. Supersede and Replace. This consolidated budget for Fiscal Year Ending June 30, 2025 as presented does hereby supersede and replace the previously approved Fiscal Year 2025 budget previously approved on June 6, 2024.

Section 3. Ratification; Further Action. The actions previously taken by the officers and staff of the Authority in furtherance of this Resolution are hereby ratified and confirmed. The officers and staff of the Authority, any of whom may act, are hereby authorized to take such actions, and deliver such additional documents and certificates, as they may, in their discretion, deem necessary or proper in connection with the adoption of this Resolution.

**PASSED AND ADOPTED** this 29<sup>th</sup> day of October, 2024.

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Aubrey Layne  
Chairman

Attest:

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Lisa S. Nelson  
Secretary

## RESOLUTION 24-15

### RESOLUTION AUTHORIZING THE VIRGINIA PORT AUTHORITY TO ENTER INTO CONTRACT DOCUMENTS FOR THE ACQUISITION OF CRANE ENGINEERING EQUIPMENT AND SERVICES

**WHEREAS**, the Virginia Port Authority (the "Authority"), a body corporate and a political subdivision of the Commonwealth of Virginia, has been established pursuant to Chapter 10, Title 62.1 of the Code of Virginia of 1950, as amended (the "Act");

**WHEREAS**, pursuant to the Act, the Authority is empowered to rent, lease, buy, own, acquire, construct, reconstruct, and dispose of harbors, seaports, port facilities and such property, whether real or personal, as it may find necessary or convenient and issue revenue bonds therefore without pledging the faith and credit of the Commonwealth;

**WHEREAS**, pursuant to the Act, it is the duty of the Authority to foster and stimulate the commerce of the ports of the Commonwealth and related facilities by serving as the United States Eastern Seaboard gateway for the global import and export of freight throughout the world, to promote the shipment of freight through the maritime and inland ports, to seek to secure necessary improvements of navigable tidal waters within the Commonwealth, and in general to perform any act or function that may be useful in developing, improving, or increasing the commerce, both foreign and domestic, of all maritime and inland ports of the Commonwealth and related facilities;

**WHEREAS**, in furtherance of this duty, the Authority has made significant capital improvements to the container terminals. These improvements include ship-to-shore cranes to support operations at Norfolk International Terminals ("NIT") and the associated equipment and system support services;

**WHEREAS**, pursuant to its Procurement Manual, the Authority issued a single source justification identifying TMEIC Corporation Americas as the source for the procurement of equipment and engineering services as well as installation supervision, commissioning, and site support by a TMEIC Corporation Americas field engineer for the modernization of three (3) ship-to-shore cranes at North NIT. The contract for the purchase of the such equipment and services shall not exceed Three Million, Five Hundred Forty-Eight Thousand Seven Hundred Twelve Dollars ((\$3,548,712.00) (hereinafter the "Purchase Price"); and

**WHEREAS**, the Purchase Price will be funded by terminal revenue approved by the Authority's Board of Commissioners in Resolution 24-5; and

**WHEREAS**, the Board has determined that it is necessary and appropriate to delegate to the Executive Director the authority to approve the final terms, and execute and deliver the contract with TMEIC Corporation Americas (hereinafter the "TMEIC Contract") consistent with the foregoing Recitals.

**NOW THEREFORE, IT IS RESOLVED** by the Board of Commissioners of the Virginia Port Authority, as follows:

**Section 1. Approval of TMEIC Contract.** The execution and delivery of the TMEIC Contract by the Authority, consistent with the foregoing recitals is hereby authorized. The Board hereby authorizes the Executive Director to approve the form and content of, and to execute and deliver, the TMEIC Contract on behalf of the Authority. The execution of the TMEIC Contract by the Executive Director shall be conclusive evidence of the Authority's approval of the TMEIC Contract. The Board hereby authorizes the Executive Director to execute and deliver all ancillary documents which he deems necessary to further the intent of this Resolution.

**Section 2. Ratification; Further Action.** All actions previously taken by the Commissioners, officers, and staff of the Authority in furtherance of the TMEIC Contract are hereby ratified and confirmed. The officers and employees of the Authority are hereby authorized to take such actions, and deliver such additional documents and certificates, as they may in their discretion deem necessary or proper in furtherance of the TMEIC Contract and the transactions described herein and therein.

**Section 3. Effective Date.** This Resolution shall take effect immediately upon its adoption. The Secretary of the Authority shall file this Resolution with the books and records of the Authority maintained according to Section 3.11 of the Authority's Bylaws.

**PASSED AND ADOPTED** this 29<sup>th</sup> day of October, 2024.

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Aubrey L. Layne  
Chairman

ATTEST:

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Lisa Nelson, Secretary to the Board