



Virginia Port Authority Board of Commissioners, Session 364, March 24, 2015

## January 2015 Financial Update

Rodney Oliver  
Chief Financial Officer



Stewards of Tomorrow



Virginia Port Authority/Virginia International Terminals, LLC  
CONSOLIDATED INCOME STATEMENT FOR THE MONTH ENDED  
January 31, 2015

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	<u>Actual</u>	<u>Budget</u>	<u>\$ Variance</u>	<u>% Variance</u>
<b>Operating Revenues</b>	<u>\$37,660,970</u>	<u>\$35,679,690</u>	<u>\$ 1,981,280</u>	<u>5.6%</u>

- Actual container volume was 111,322 vs. 101,954 budgeted, a 9.2% increase over budget
- Operating Revenue was 5.6% ahead of budget, primarily due to volume

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**January 31, 2015**

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<b>Operating Revenues</b>	\$37,660,970	\$35,679,690	\$ 1,981,280	5.6%
<b>Operating Expenses:</b>				
Terminal operations	17,544,031	15,726,067	(1,817,964)	-11.6%
Terminal maintenance	8,114,369	6,898,360	(1,216,009)	-17.6%
General and administrative	4,224,901	4,567,854	342,953	7.5%
Facility Rental	4,878,791	4,603,768	(275,023)	-6.0%
Depreciation and amortization	3,895,140	4,286,681	391,541	9.1%
<b>Total operating expenses</b>	<b>38,657,232</b>	<b>36,082,730</b>	<b>(2,574,502)</b>	<b>-7.1%</b>

- Terminal operating expense was \$1.8 million (11.6%) over budget primarily due to increased volume and higher rail mix
- Terminal maintenance expense was \$1.2 million (17.6%) over budget primarily due to volume and the costs to repair aging equipment
- Overall, operating expenses were \$2.6 million (7.1%) over budget

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<b>Operating income (loss)</b>	<b>(996,262)</b>	<b>(403,040)</b>	<b>(593,222)</b>	<b>-147.2%</b>

- Higher than budgeted revenues netted against higher than budgeted operating expenses resulted in an operating loss of \$996.3 thousand for January

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<b>Non-operating revenues (expenses)</b>	<b>(1,069,571)</b>	<b>(1,140,478)</b>	<b>70,907</b>	<b>0.8%</b>
<b>Capital contributions and transfers</b>	<b>3,589,742</b>	<b>3,391,097</b>	<b>198,645</b>	<b>5.9%</b>

- Non-operating revenues (expenses) were \$70.9 thousand below budget
- Capital Contributions and transfers were \$198.6 thousand ahead of budget

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<b>Capital contributions and transfers</b>	<b>3,589,742</b>	<b>3,391,097</b>	<b>198,645</b>	<b>5.9%</b>
<b>Increase (decrease) in Position</b>	<b>\$ 1,523,909</b>	<b>\$ 1,847,579</b>	<b>\$ (323,670)</b>	<b>-17.5%</b>

- Increase in Net Position was \$1.5 million, \$323.7 thousand (17.5%) below Budget

Virginia Port Authority/Virginia International Terminals, LLC  
CONSOLIDATED INCOME STATEMENT FOR THE SEVEN MONTHS ENDED  
January 31, 2015

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	<u>Actual</u>	<u>Budget</u>	<u>\$ Variance</u>	<u>% Variance</u>
<b>Operating Revenues</b>	\$257,598,682	\$ 249,718,291	\$ 7,880,391	3.2%

- Operating Revenue was \$7.9 million (3.2%) ahead of budget primarily due to increased volumes

Virginia Port Authority/Virginia International Terminals, LLC  
**CONSOLIDATED INCOME STATEMENT FOR THE SEVEN MONTHS ENDED**  
**January 31, 2015**

	<b>Actual</b>	<b>Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
<b>Operating Revenues</b>	<b>\$257,598,682</b>	<b>\$ 249,718,291</b>	<b>\$ 7,880,391</b>	<b>3.2%</b>
Terminal operations	110,919,804	109,850,638	(1,069,166)	-1.0%
Terminal maintenance	52,734,337	48,551,599	(4,182,738)	-8.6%
General and administrative	28,765,040	30,854,434	2,089,394	6.8%
Facility Rental	32,604,905	32,226,378	(378,527)	-1.2%
Depreciation and amortization	27,417,419	28,699,871	1,282,452	4.5%
<b>Total operating expenses</b>	<b>252,441,505</b>	<b>250,182,920</b>	<b>(2,258,585)</b>	<b>-0.9%</b>

- Terminal operating expenses were \$1.1 million over budget partially due to the increase in container volume, but controlled by efficiencies
- Terminal maintenance expense was \$4.1 million over budget primarily due to the increased volume, increased utilities costs, and the costs to repair aging equipment
- We continue to take a conservative approach with general and administrative expenses
- Total Operating expense was \$2.3 million (0.9%) over budget

Virginia Port Authority/Virginia International Terminals, LLC  
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General and administrative	28,765,040	30,854,434	2,089,394	6.8%
Facility Rental	32,604,905	32,226,378	(378,527)	-1.2%
Depreciation and amortization	27,417,419	28,699,871	1,282,452	4.5%
<b>Total operating expenses</b>	252,441,505	250,182,920	(2,258,585)	-0.9%
<b>Operating income (loss)</b>	5,157,177	(464,629)	5,621,806	1210.0%

- Higher than budgeted revenue combined with operating expenses in line with budget resulted in an operating income of \$5.2 million, \$5.6 million (1210%) ahead of budget for the first seven months of the fiscal year

Virginia Port Authority/Virginia International Terminals, LLC  
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<b>Total operating expenses</b>	<b>252,441,505</b>	<b>250,182,920</b>	<b>(2,258,585)</b>	<b>-0.9%</b>
<b>Operating income (loss)</b>	<b>5,157,177</b>	<b>(464,629)</b>	<b>5,621,806</b>	<b>1210.0%</b>
<b>Non-operating revenues (expenses)</b>	<b>(10,239,479)</b>	<b>(10,535,882)</b>	<b>296,403</b>	<b>2.8%</b>
<b>Capital contributions and transfers</b>	<b>21,803,189</b>	<b>21,926,738</b>	<b>(123,549)</b>	<b>-0.6%</b>

- Non-operating expense were \$296 thousand (2.8%) below budget
- Capital contributions and transfers were \$124 thousand (0.6%) below budget

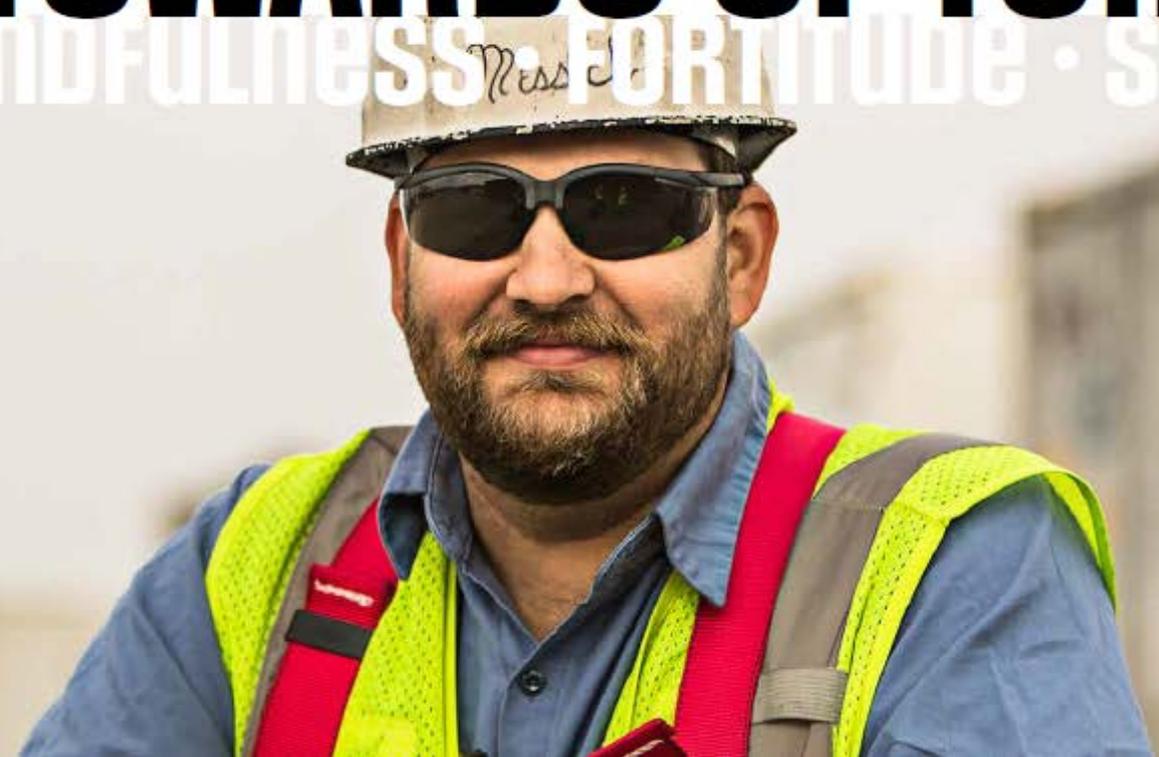
Virginia Port Authority/Virginia International Terminals, LLC  
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**January 31, 2015**

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<b>Operating income (loss)</b>	<b>5,157,177</b>	<b>(464,629)</b>	<b>5,621,806</b>	<b>1210.0%</b>
<b>Non-operating revenues (expenses)</b>	<b>(10,239,479)</b>	<b>(10,535,882)</b>	<b>296,403</b>	<b>2.8%</b>
<b>Capital contributions and transfers</b>	<b>21,803,189</b>	<b>21,926,738</b>	<b>(123,549)</b>	<b>-0.6%</b>
<b>Increase (decrease) in Net Position</b>	<b>\$ 16,720,887</b>	<b>\$ 10,926,226</b>	<b>\$ 5,794,661</b>	<b>53.0%</b>

- The overall results show an increase in Net Position of \$16.7 million through the first seven months of the fiscal year



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Virginia Port Authority Board of Commissioners, Session 364, March 24, 2015  
Operational Update

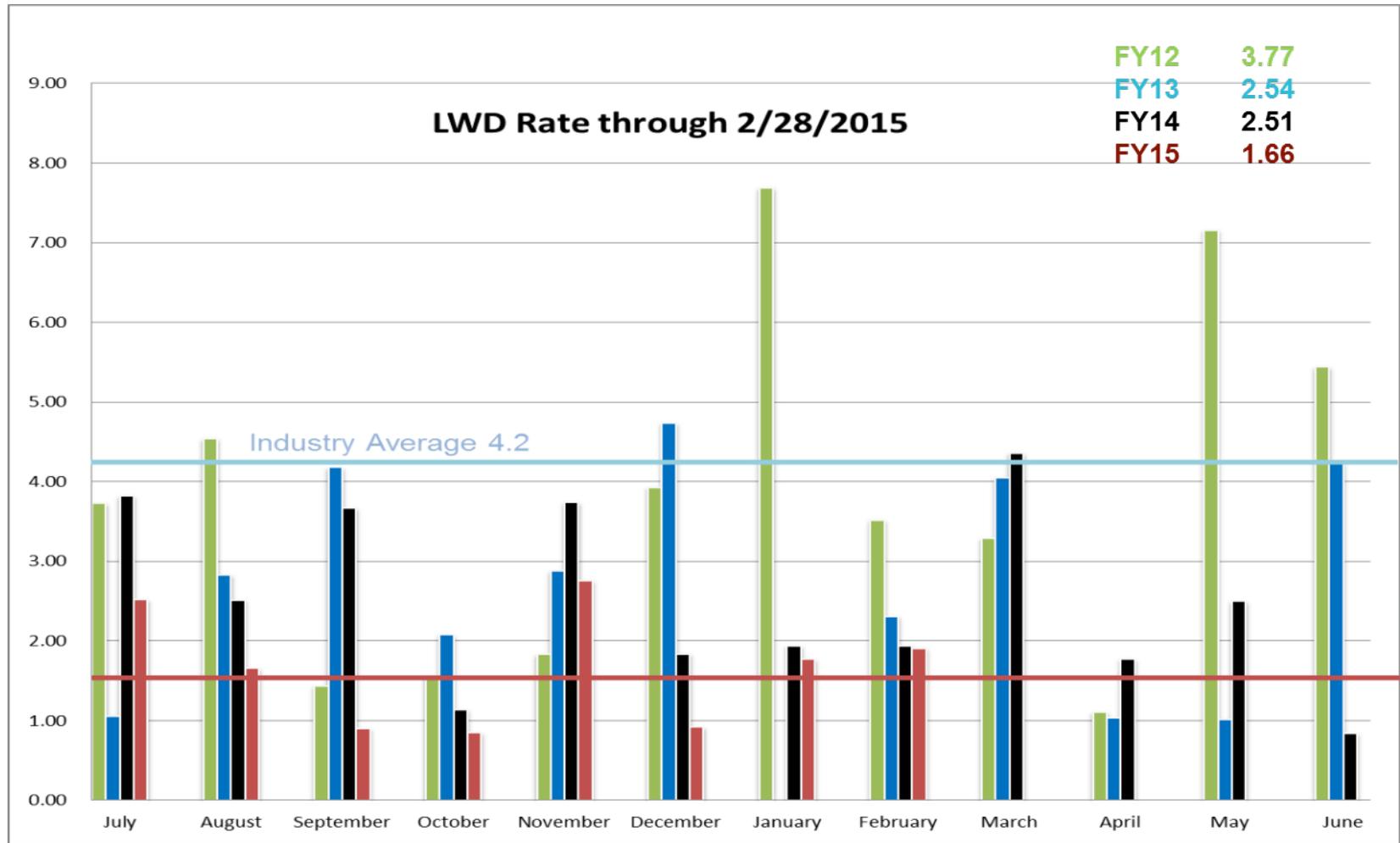
Shawn Tibbetts  
Chief Operating Officer



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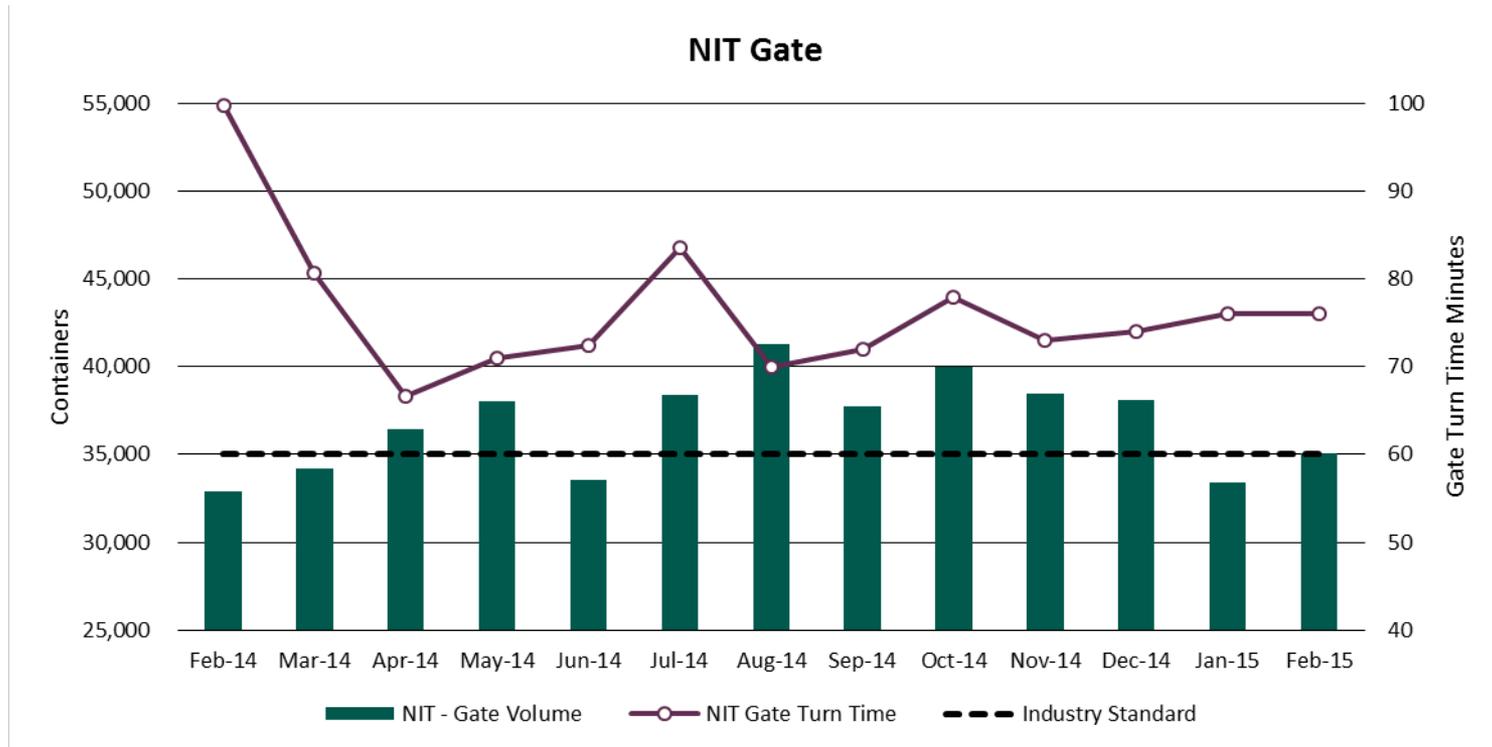
# Safety Report



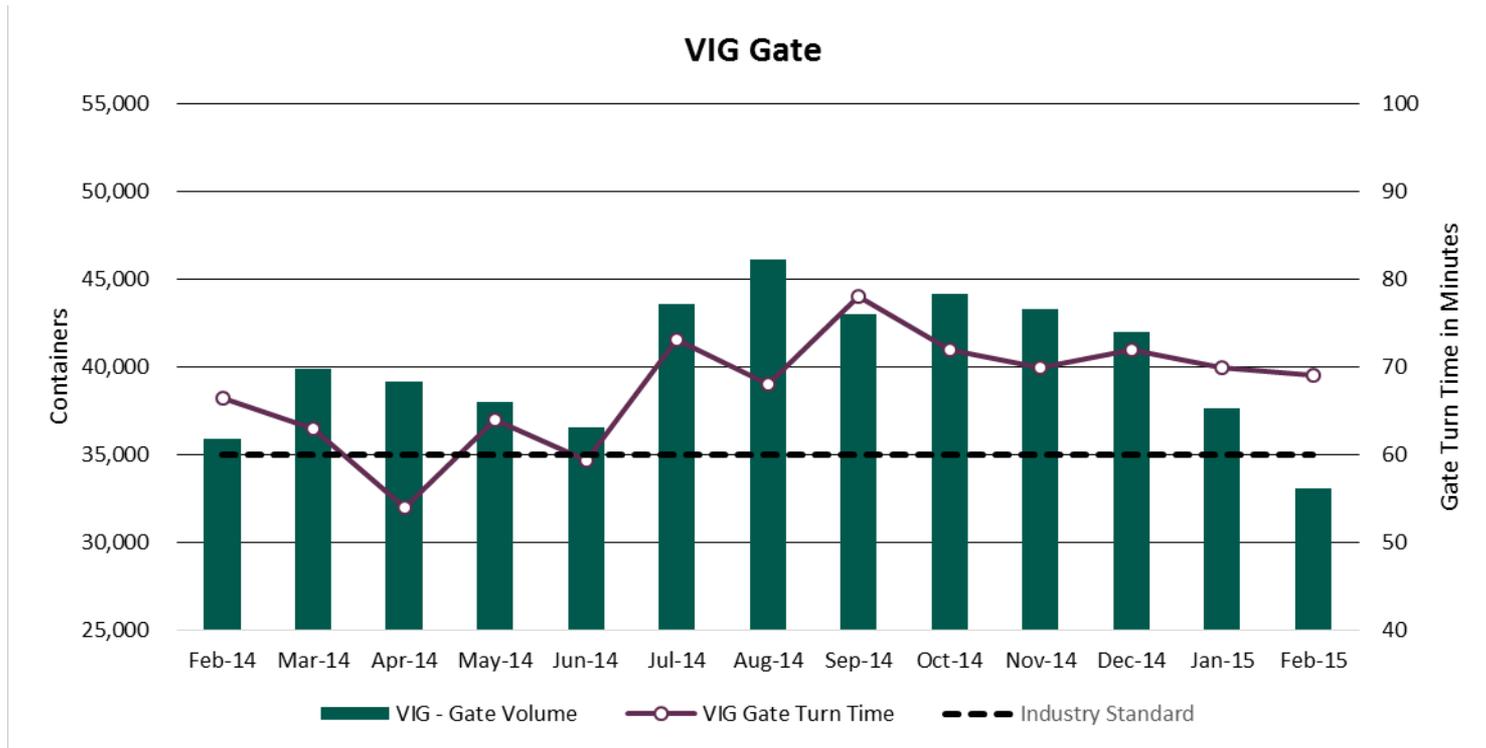
# Growth and Congestion



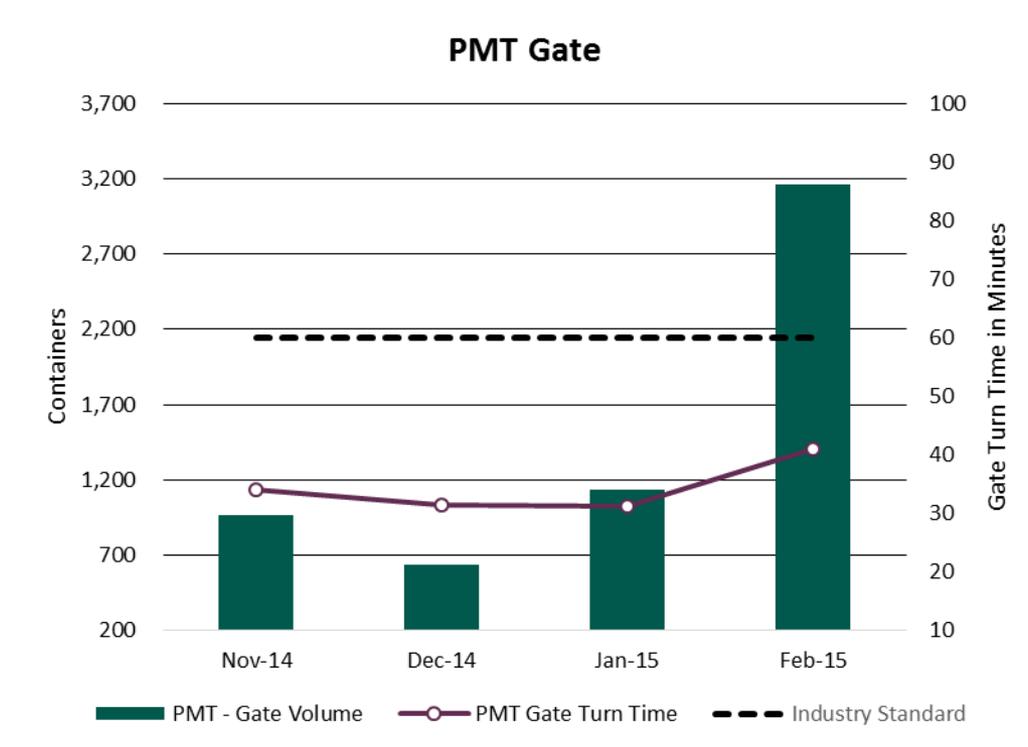
# NIT Gate Turn Times



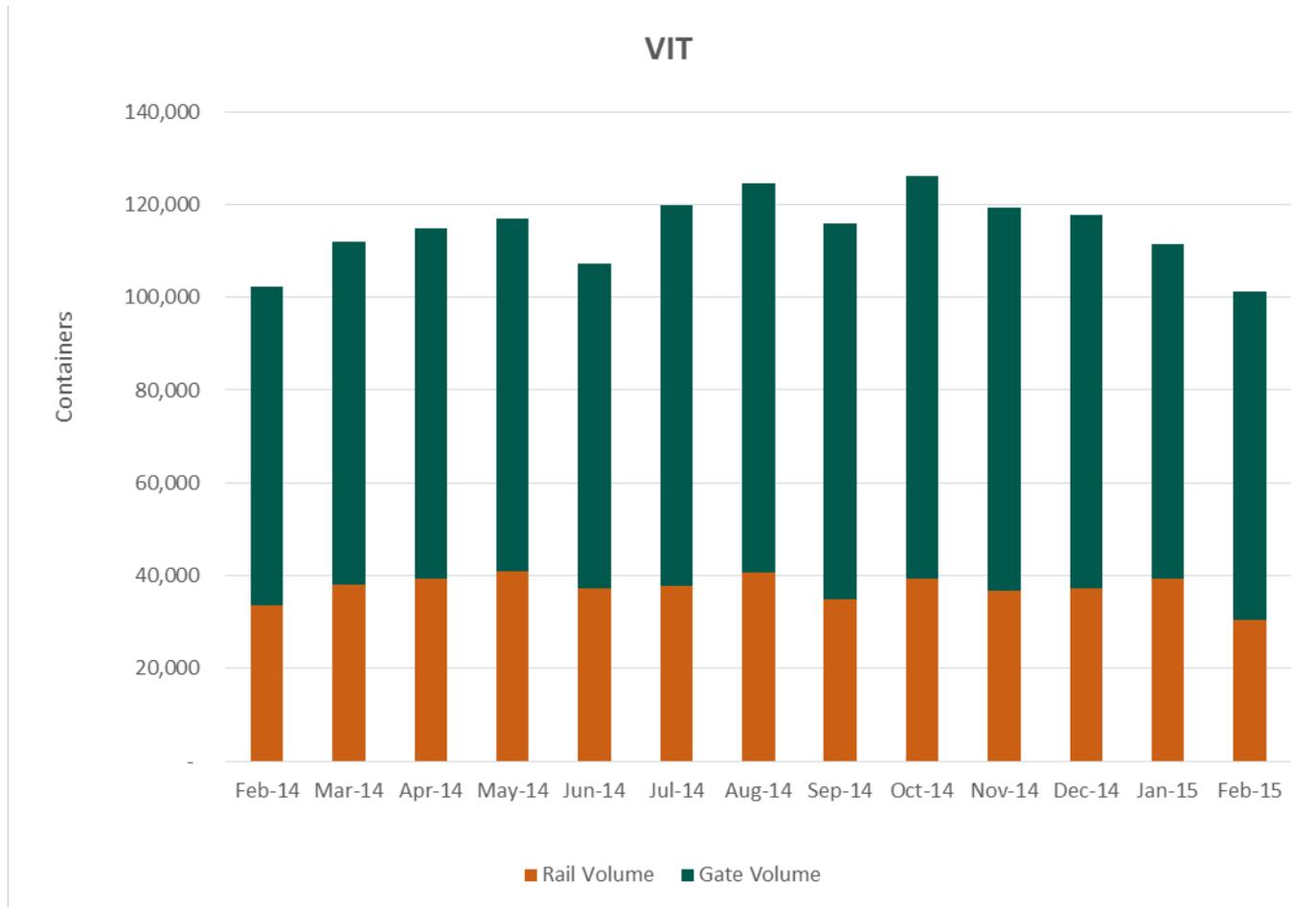
# VIG Gate Turn Times



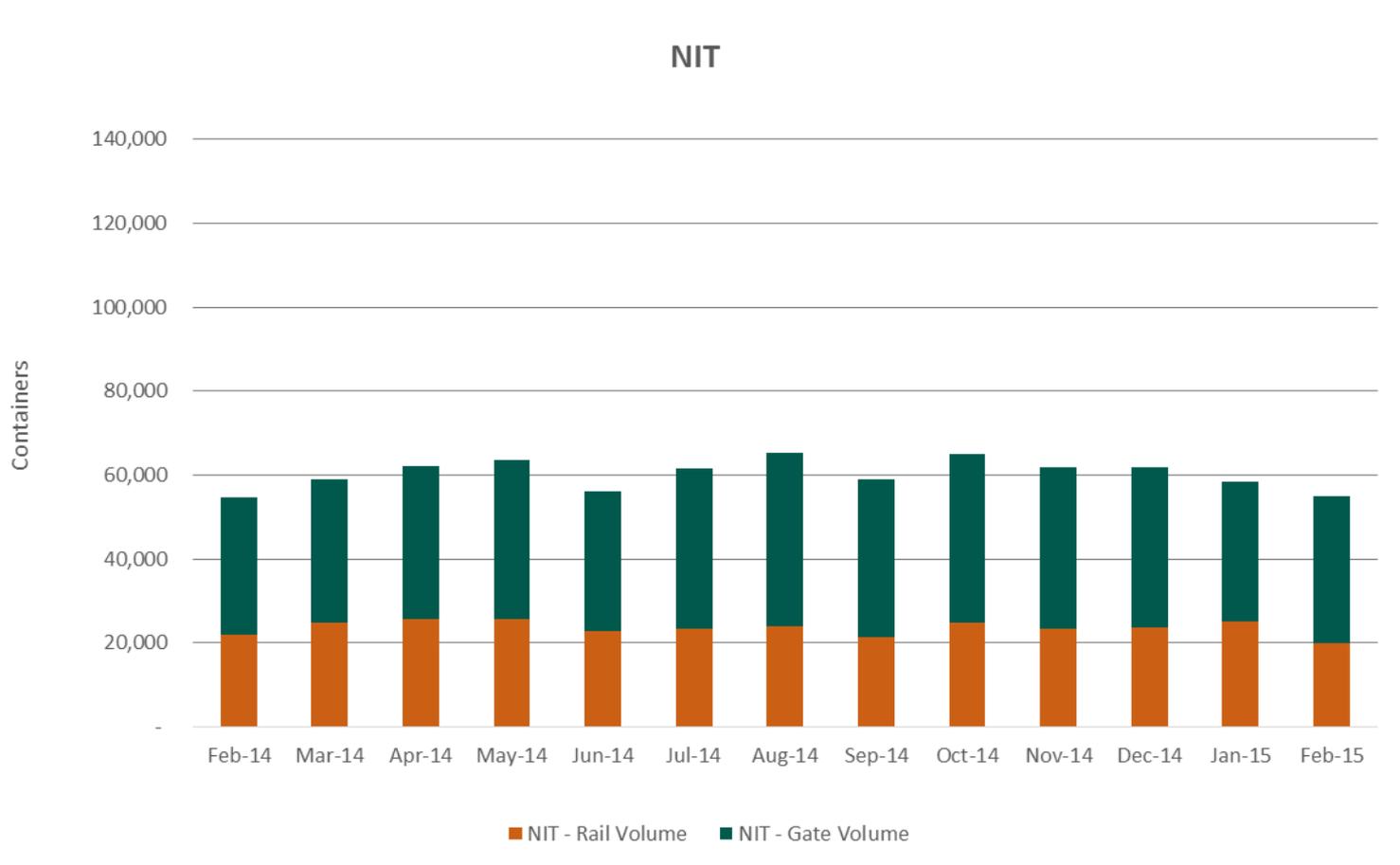
# PMT Gate Turn Times



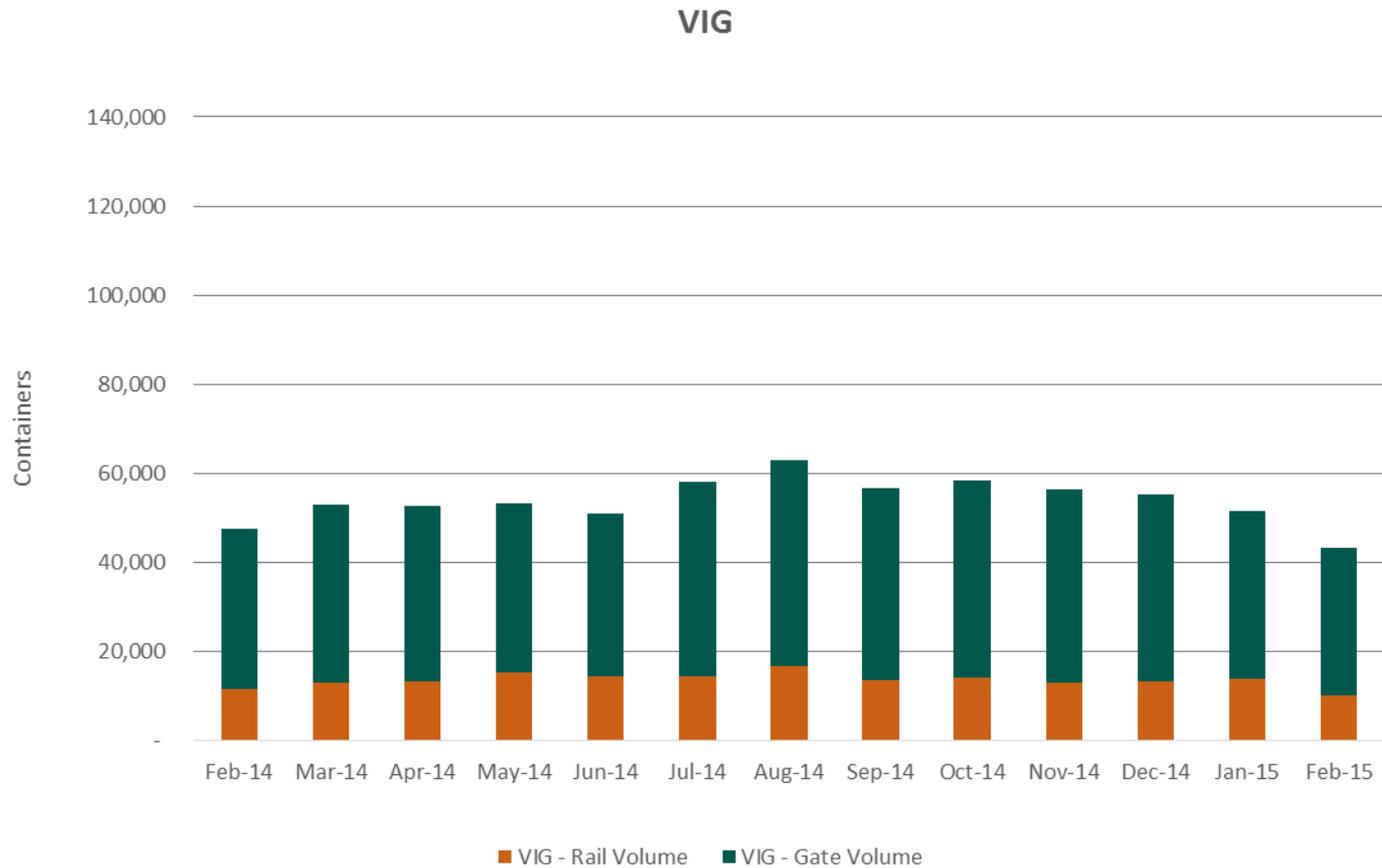
# VIT Rail vs. Gate/Barge Volume



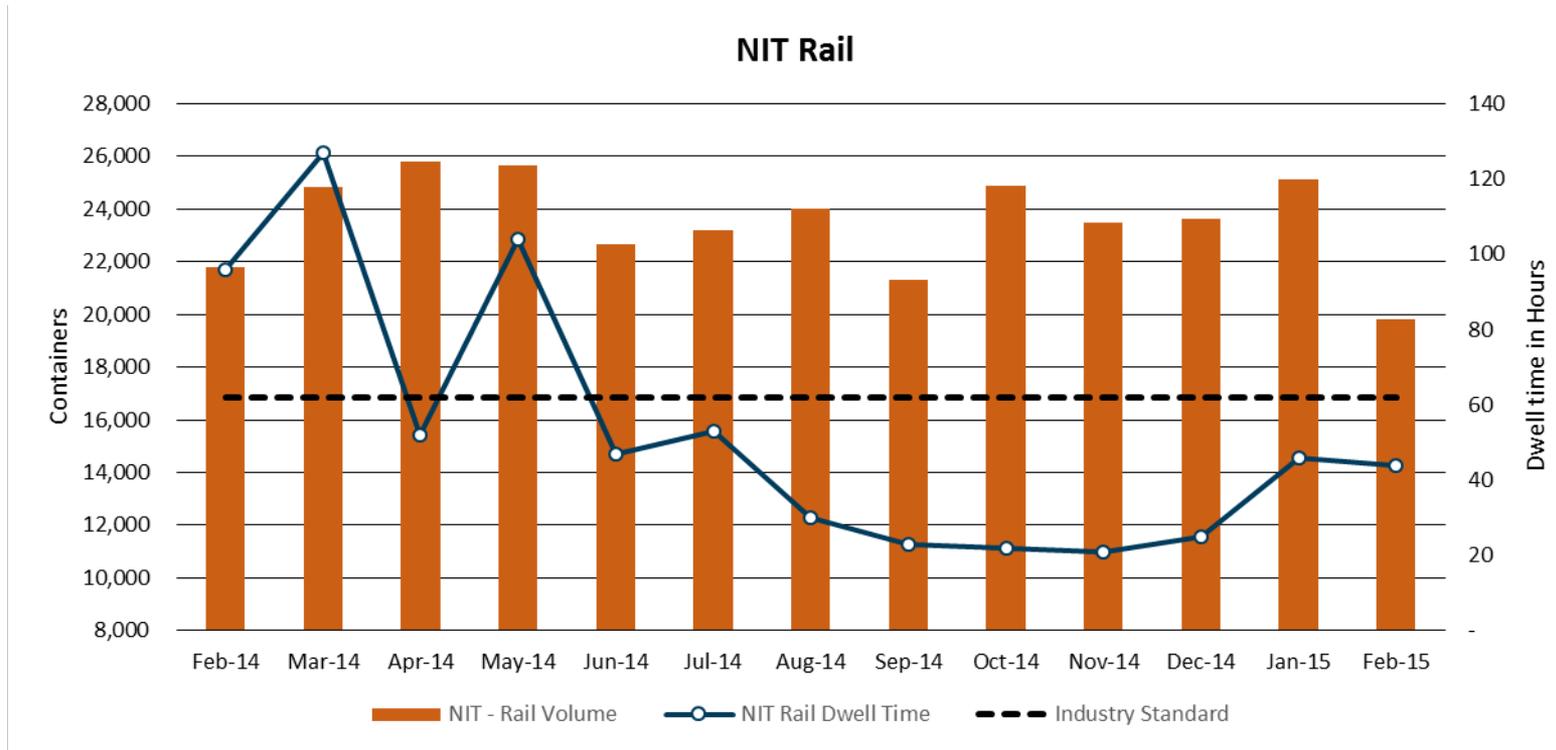
# NIT Rail vs. Gate/Barge Volume



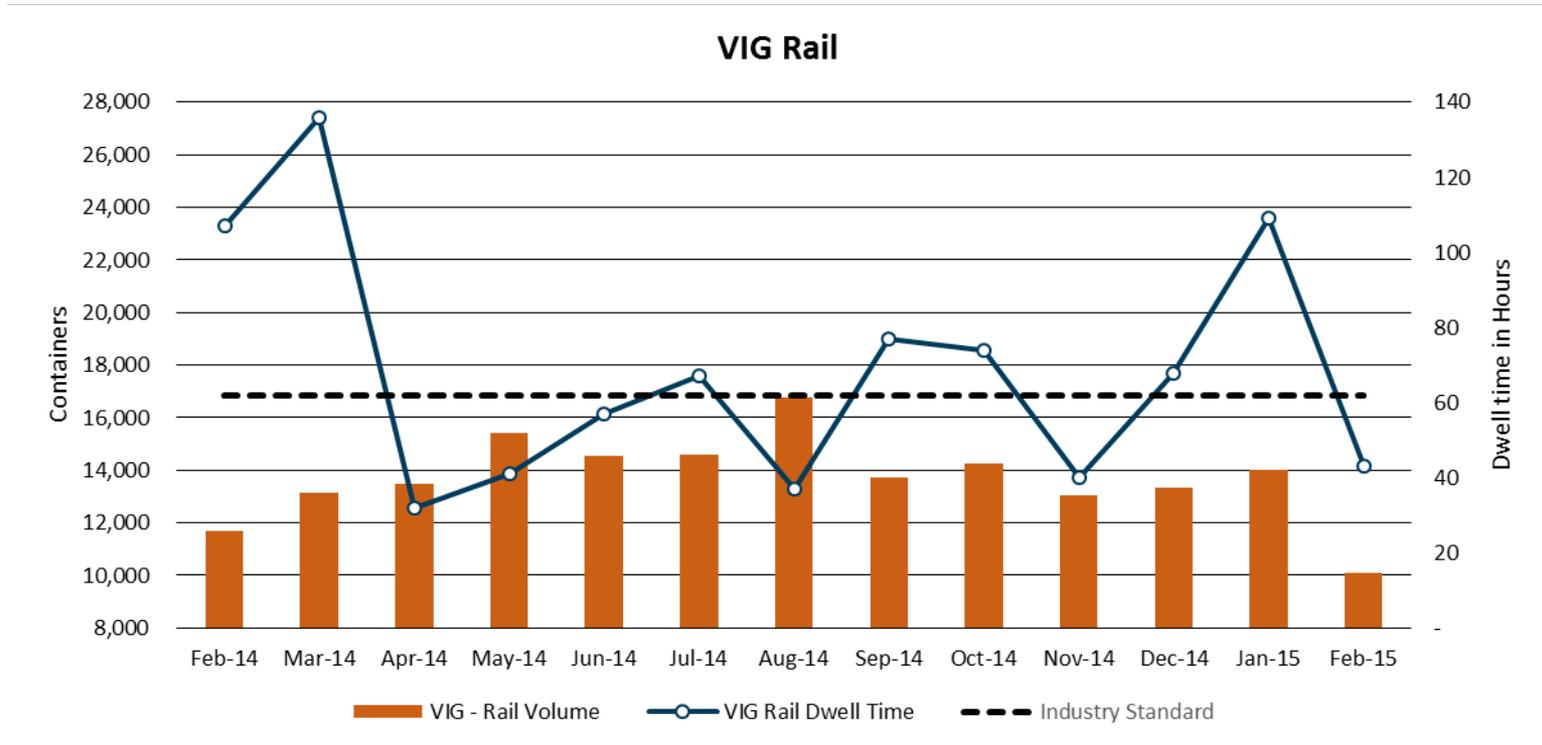
# VIG Rail vs. Gate/Barge Volume



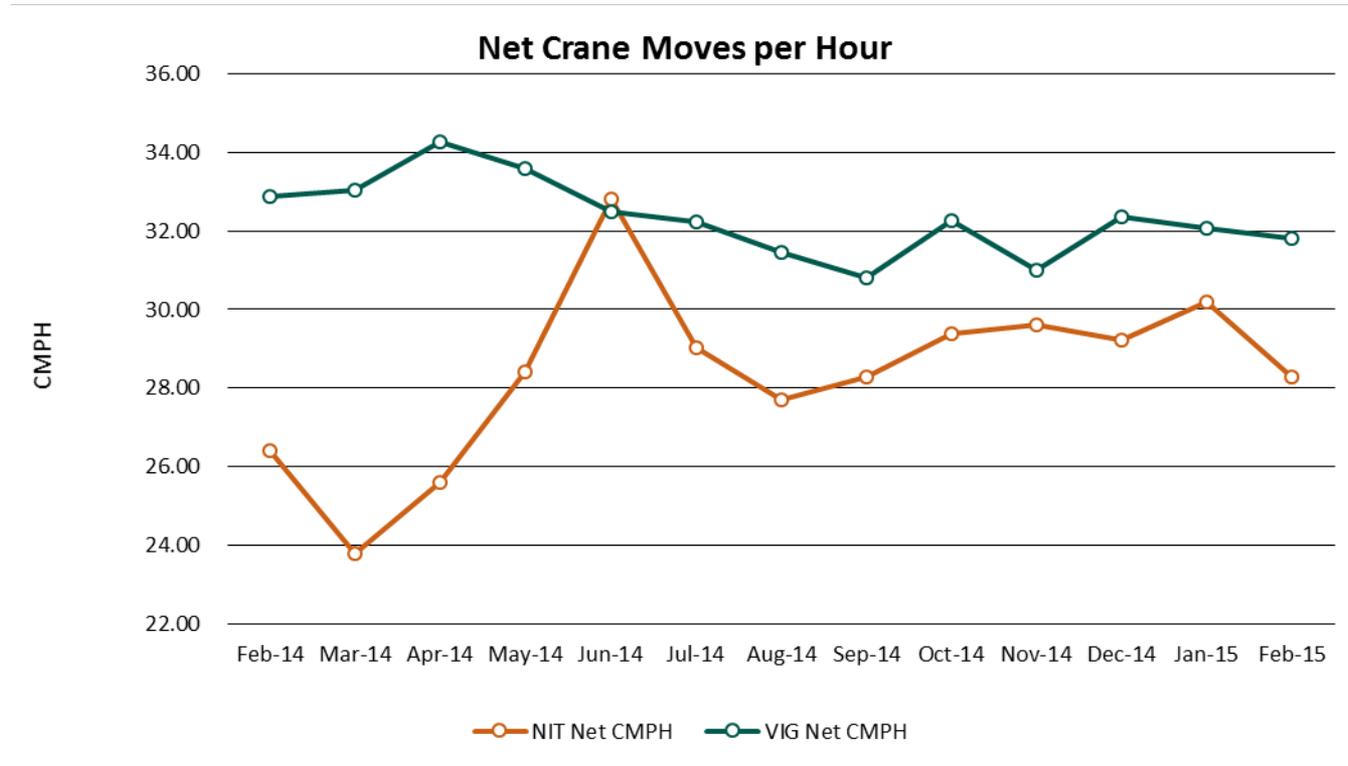
# NIT Rail Volume



# VIG Rail Volume



# Net Crane Moves per Hour



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Virginia Port Authority Board of Commissioners, Session 364, March 24, 2015  
Growth and Operations Committee

Joseph P. Ruddy  
Chief Innovation Officer



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# Agenda

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- Strategic Planning and Analytics
- Customer Survey
- Port Development
- Information Technology
- Sustainability





# Strategic Planning

The following analyses were performed in support of the organization:

- Budget FYE 2016 Forecast analysis including Volume, Revenue, and Expense
- VIG II build out analysis
- Service Movement to PMT
- Analysis of Winter Storm financial effect
- Customer Service Survey

# Port Development

- **I-564 Intermodal Connector Update (\$169M)**
  - Notice to Proceed Issued 3/14
  - Final Design Approval 3/15
  - Construction 6/15 – 6/17
- **NIT North Gate Complex (\$31M)**
  - NIT North Container Yard earthwork 10/14 – 3/15
  - NEPA CATEX – MARAD/FHWA 10/14 – 1/15
  - TIGER Grant Agreement Review/Execution 1/15 – 3/15
  - IFB Container Yard expansion 3/15 – 4/15
  - NIT North Container Yard construction 5/15 – 2/16
  - Final Gate Design/MARAD Approval 7/15 – 9/15
  - IFB for Gate 9/15 – 10/15
- **Port of Richmond Mobile Harbor Crane**
  - Cost \$4.2M CMAQ Grant
  - FHWA approval to issue RFP 12/14
  - RFP 1/15 – 2/15
  - Crane manufacture/delivery (6-12 months)
- **Update to include Suffolk Rail Study and VIG Temp Pavement**



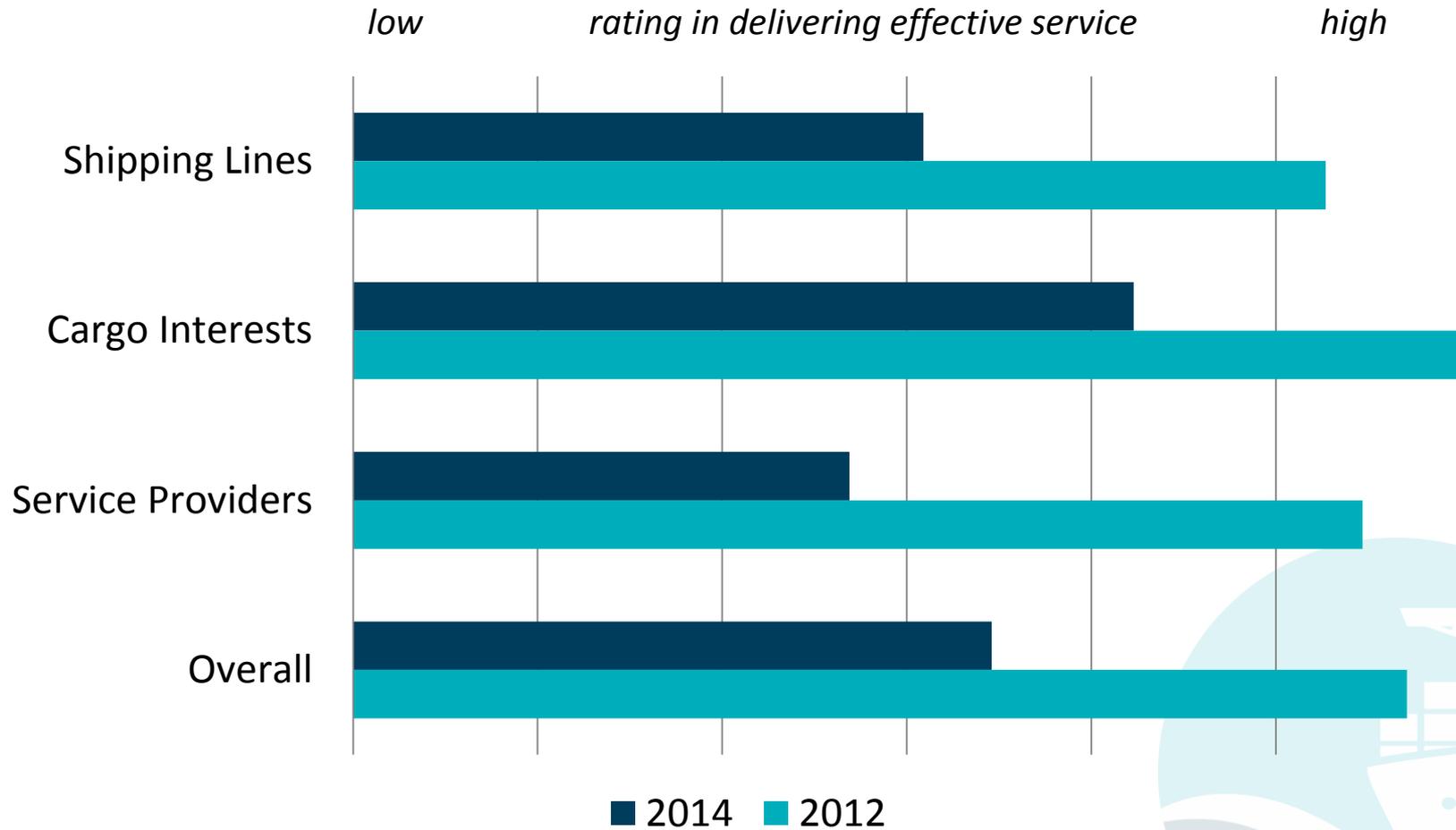
# Customer Service Initiative Survey

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- Survey conducted by Dalhousie University-based research team, an independent third party
- Survey focused to identify performance gaps on service criteria that are most important to customers
- Port customers surveyed include shipping lines, cargo owners, and supply chain partners
- Survey responses collected from early November to mid-December 2014

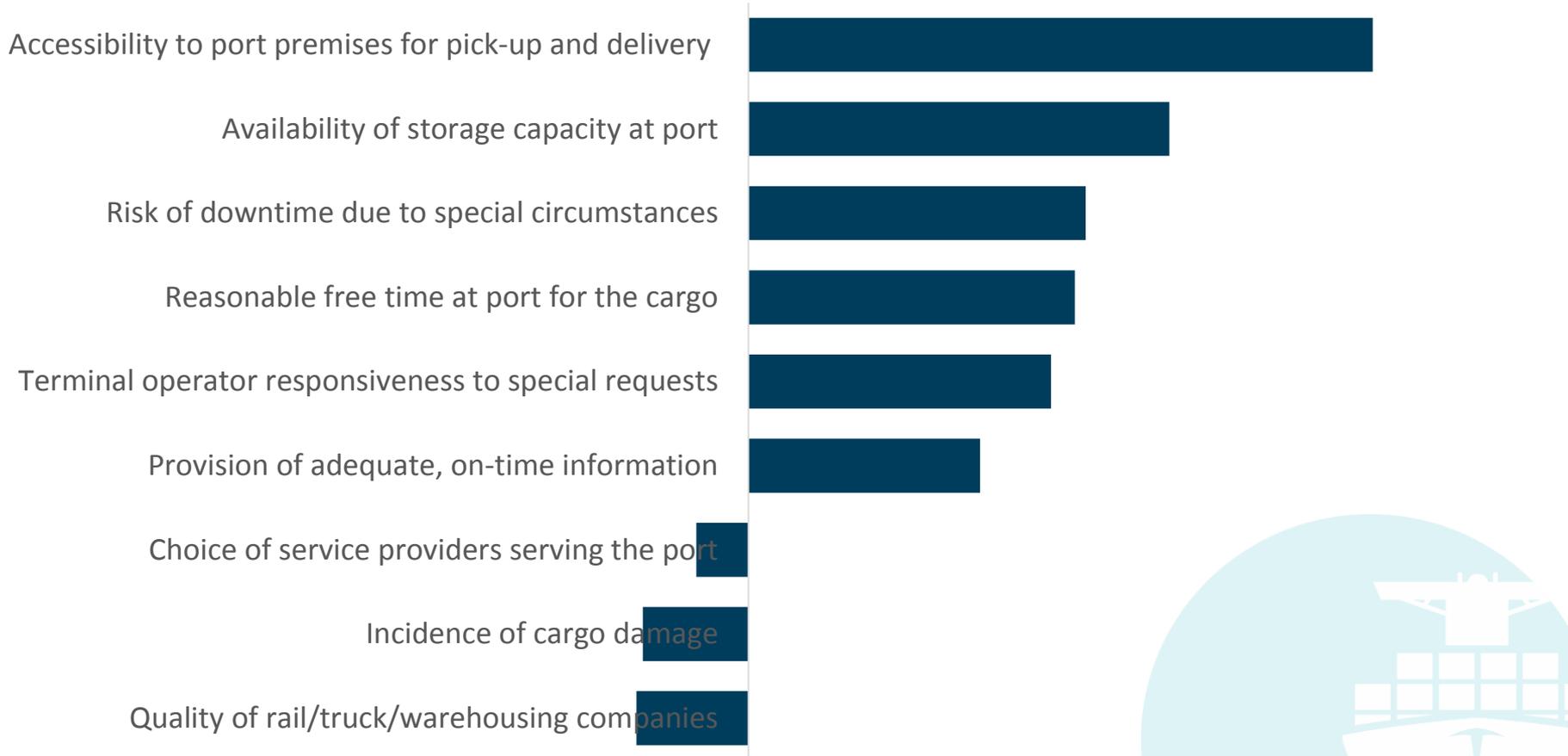


# Overall Ratings



# Areas most important to our customers

*meets customer expectations* ← *port performance* → *needs improvement*

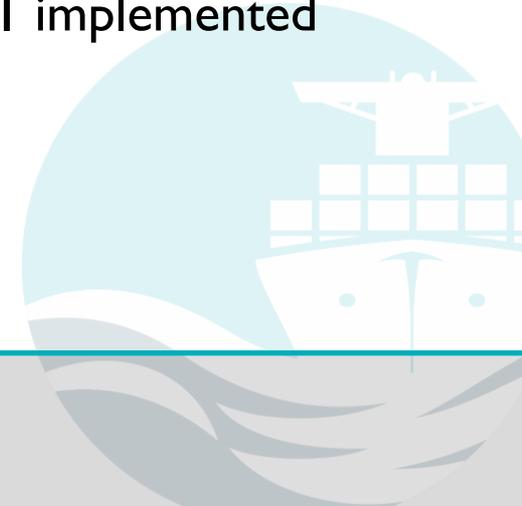


# Information Technology

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- 10 day rule for delivery of exports implemented March 1<sup>st</sup>
- Implemented queue time measurement for both VIG and NIT implemented on March 1<sup>st</sup>
- NIT Transfer Zone Automation completed, including trouble notification Motor Carriers
- Cyber Security Project awarded to IBM
- Customer Service Resource Management Program Software – Phase I implemented





# Sustainability

## Sustainability Program Planning (ISO 14000/9001)

- Development of a Business Operating System to merge Environment and Quality Programs into structure for the Sustainability Program.

## Air Emissions Inventory Update via Moffat and Nichol

- Inventory performed every 3 years





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Growth & Operations Committee  
March 24, 2015

Thomas Capozzi  
Chief Sales Officer



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## Fiscal Year-to-Date: July - February

	FY14: Jul-Feb	FY15: Jul-Feb	Change	% Change
<b>Total TEUs</b>	<b>1,516,052</b>	<b>1,626,484</b>	<b>110,433</b>	<b>7.3%</b>
Export TEUs	804,921	879,586	74,665	9.3%
Import TEUs	711,131	746,898	35,767	5.0%
<b>Total Containers</b>	<b>868,260</b>	<b>935,890</b>	<b>67,630</b>	<b>7.8%</b>
<b>General Cargo Tonnage</b>	<b>12,944,925</b>	<b>12,543,605</b>	<b>(401,320)</b>	<b>-3.1%</b>
Container Tonnage	12,718,775	12,355,976	(362,799)	-2.9%
Breakbulk Tonnage	226,150	187,629	(38,521)	-17.0%
<b>Total Rail Containers</b>	<b>291,803</b>	<b>296,637</b>	<b>4,834</b>	<b>1.7%</b>
VIP Containers	22,586	24,095	1,509	6.7%
<b>Total Barge Containers</b>	<b>32,449</b>	<b>39,111</b>	<b>6,662</b>	<b>20.5%</b>
<b>Total Truck Containers</b>	<b>544,008</b>	<b>600,142</b>	<b>56,134</b>	<b>10.3%</b>
<b>Ship Calls</b>	<b>1,234</b>	<b>1,323</b>	<b>89</b>	<b>7.2%</b>
<b>Vehicle Units</b>	<b>21,681</b>	<b>16,093</b>	<b>(5,588)</b>	<b>-25.8%</b>

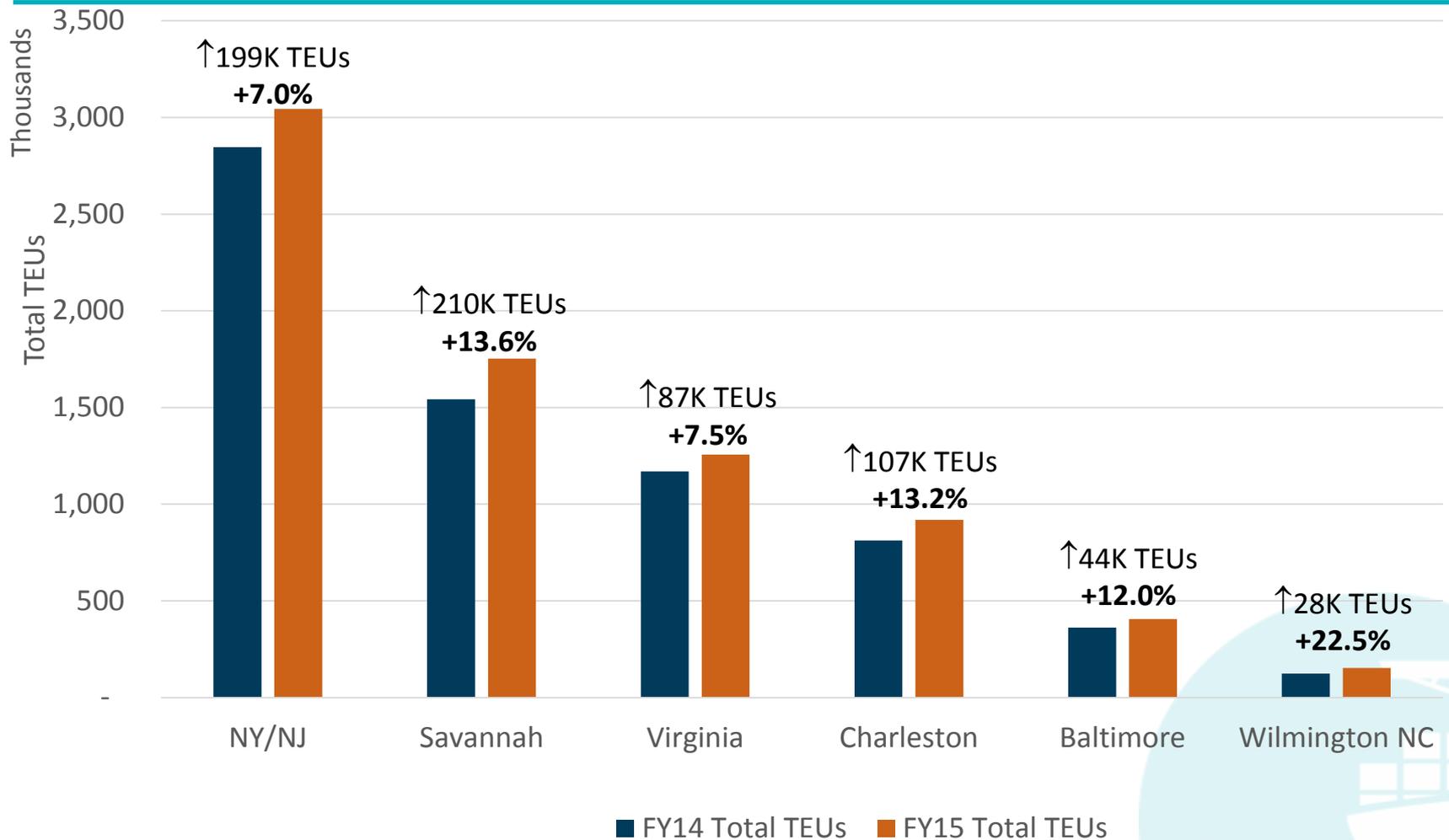
Compiled by The Port of Virginia Strategic Planning Department.

## Calendar Year-to-Date: January - February

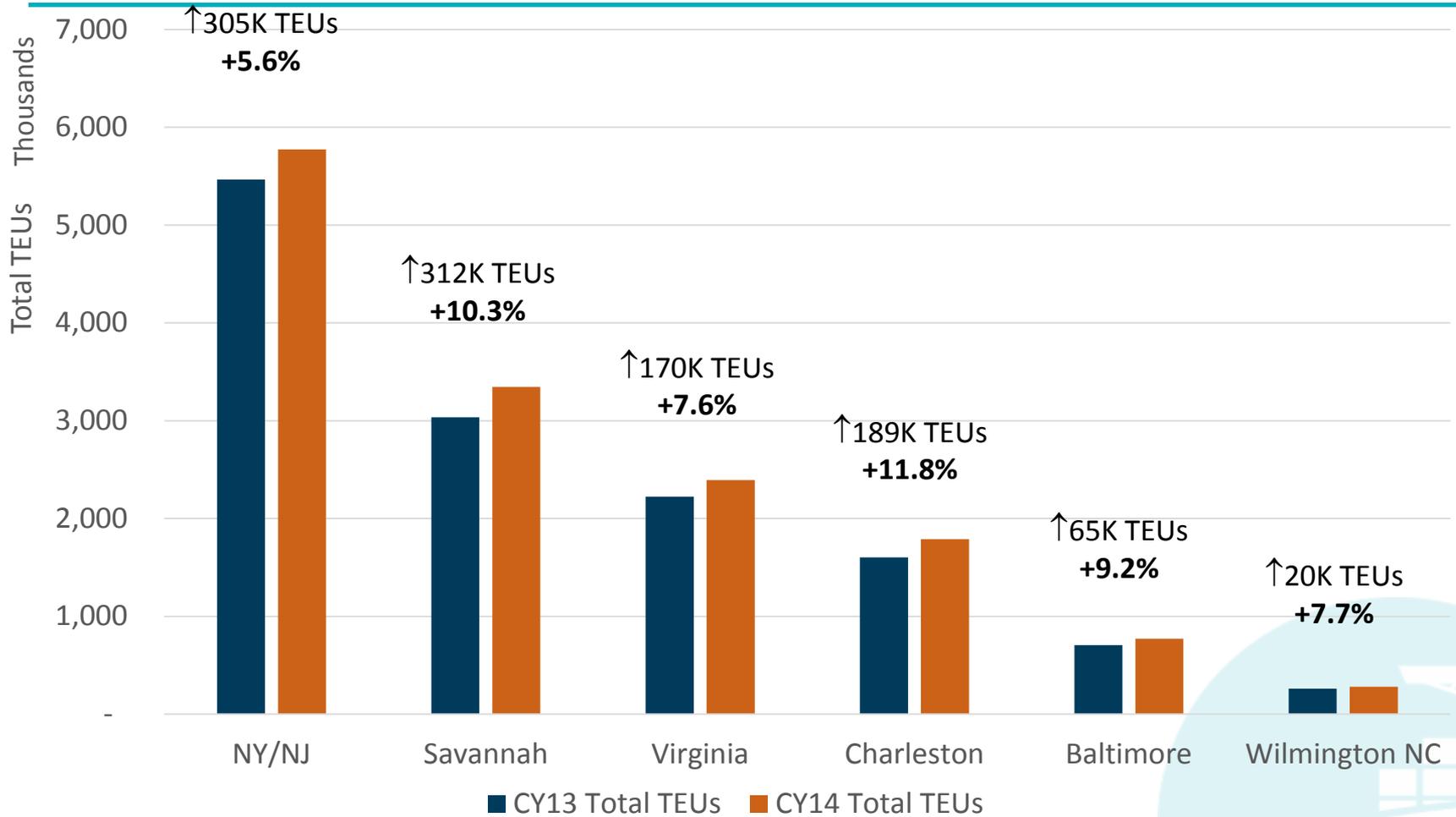
	CY14: Jan-Feb	CY15: Jan-Feb	Change	% Change
<b>Total TEUs</b>	<b>346,795</b>	<b>370,101</b>	<b>23,306</b>	<b>6.7%</b>
Export TEUs	185,958	199,871	13,913	7.5%
Import TEUs	160,837	170,230	9,393	5.8%
<b>Total Containers</b>	<b>198,514</b>	<b>212,506</b>	<b>13,992</b>	<b>7.0%</b>
<b>General Cargo Tonnage</b>	<b>3,043,385</b>	<b>3,101,664</b>	<b>58,279</b>	<b>1.9%</b>
Container Tonnage	2,989,522	3,053,880	64,358	2.2%
Breakbulk Tonnage	53,863	47,784	(6,079)	-11.3%
<b>Total Rail Containers</b>	<b>65,800</b>	<b>69,823</b>	<b>4,023</b>	<b>6.1%</b>
VIP Containers	5,078	5,051	(27)	-0.5%
<b>Total Barge Containers</b>	<b>7,874</b>	<b>7,635</b>	<b>(239)</b>	<b>-3.0%</b>
<b>Total Truck Containers</b>	<b>124,840</b>	<b>135,048</b>	<b>10,208</b>	<b>8.2%</b>
<b>Ship Calls</b>	<b>296</b>	<b>307</b>	<b>11</b>	<b>3.7%</b>
<b>Vehicle Units</b>	<b>6,483</b>	<b>7,199</b>	<b>716</b>	<b>11.0%</b>

Compiled by The Port of Virginia Strategic Planning Department.

## Major US East Coast Port TEU Volumes and Growth FYTD 2015 vs. 2014, July - December



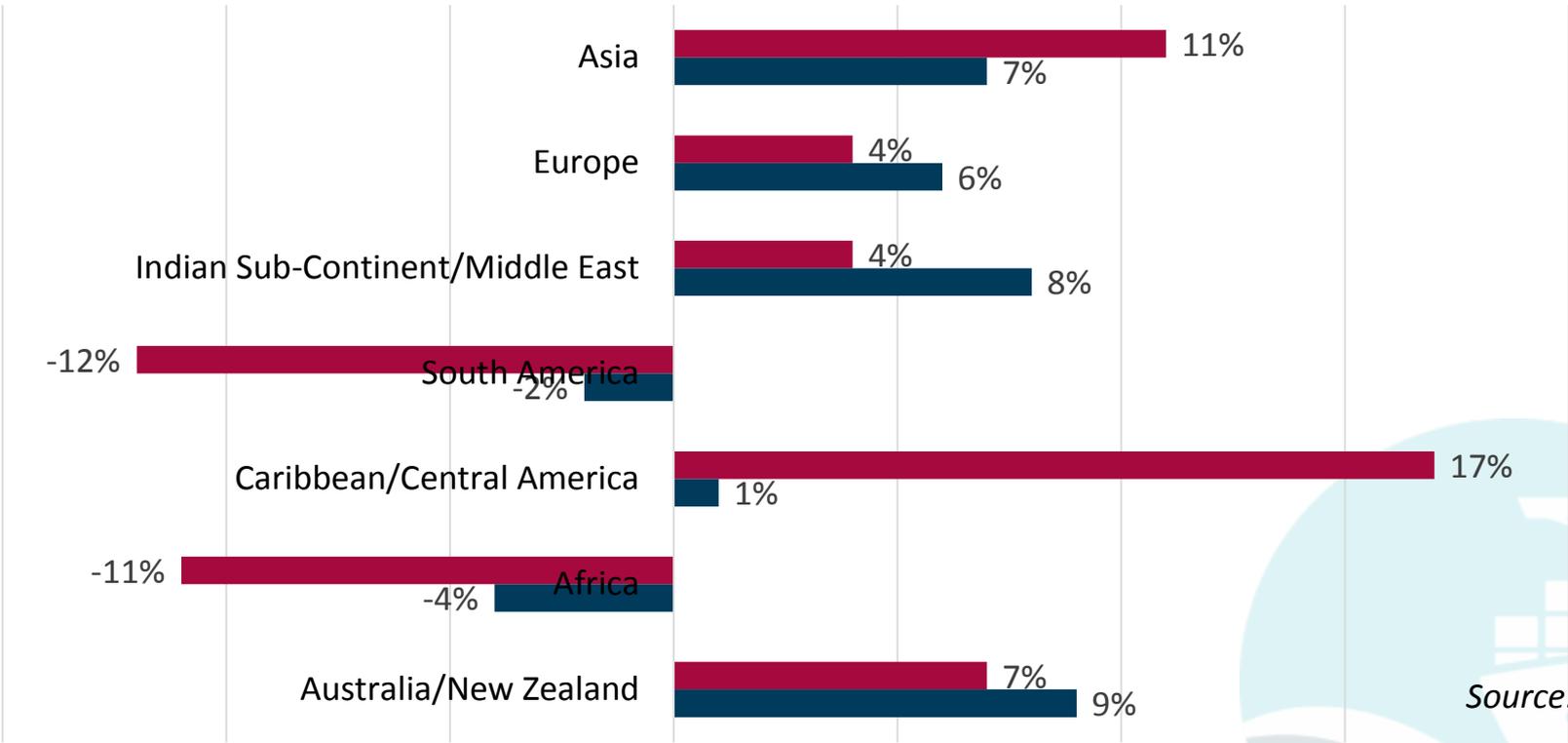
# Major US East Coast Port TEU Volumes and Growth CY 2014 vs. 2013, January- December



# Tradelane Growth

CY 2014 vs. CY 2013, Loaded TEUs

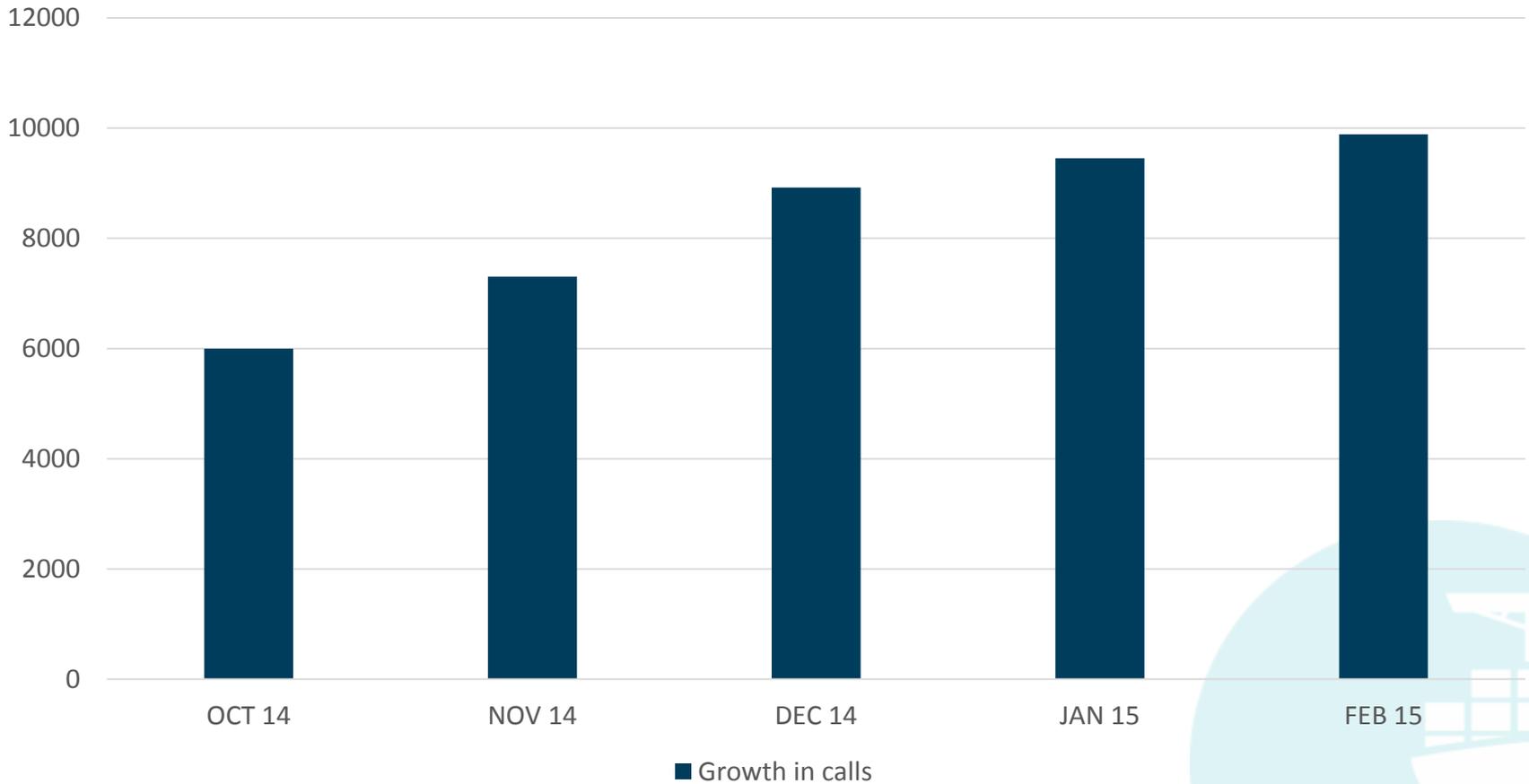
■ Port of Virginia ■ U.S. East Coast



Source: PIERS

# Customer Service

Growth in interactions



# Customer Service

Customer Service Interactions							
Month	CS Emails	VACIS Emails	Rate Emails	CS Calls	Rate Calls	N4 Help Desk	Totals
<b>FEB 15</b>	5215	955	1627	1575	389	126	<b>9887</b>
<b>JAN 15</b>	4845	1146	1565	1365	335	198	<b>9454</b>
<b>DEC 14</b>	4878	975	1694	910	317	145	<b>8919</b>
<b>NOV 14</b>	3630	842	1559	690	360	224	<b>7305</b>
<b>OCT 14</b>	2645	1103	1232	606	298	112	<b>5996</b>
<b>Totals</b>	21213	5021	7677	5146	1699	805	<b>41561</b>
<b>%</b>	52%	12%	18%	12%	4%	2%	<b>100.0%</b>

# Carrier Sales

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New Service

Upgraded Service - CKYHE



ACCESSIBILITY • HELPFULNESS • INNOVATION  
**STEWARDS OF TOMORROW**  
SUSTAINABILITY • FORTITUDE • MINDFULNESS



THE PORT OF  
**VIRGINIA**



Virginia Port Authority Board of Commissioners, Session 364, March 24, 2015  
Public Affairs Update

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Cathie J. France  
Chief Public Affairs Officer



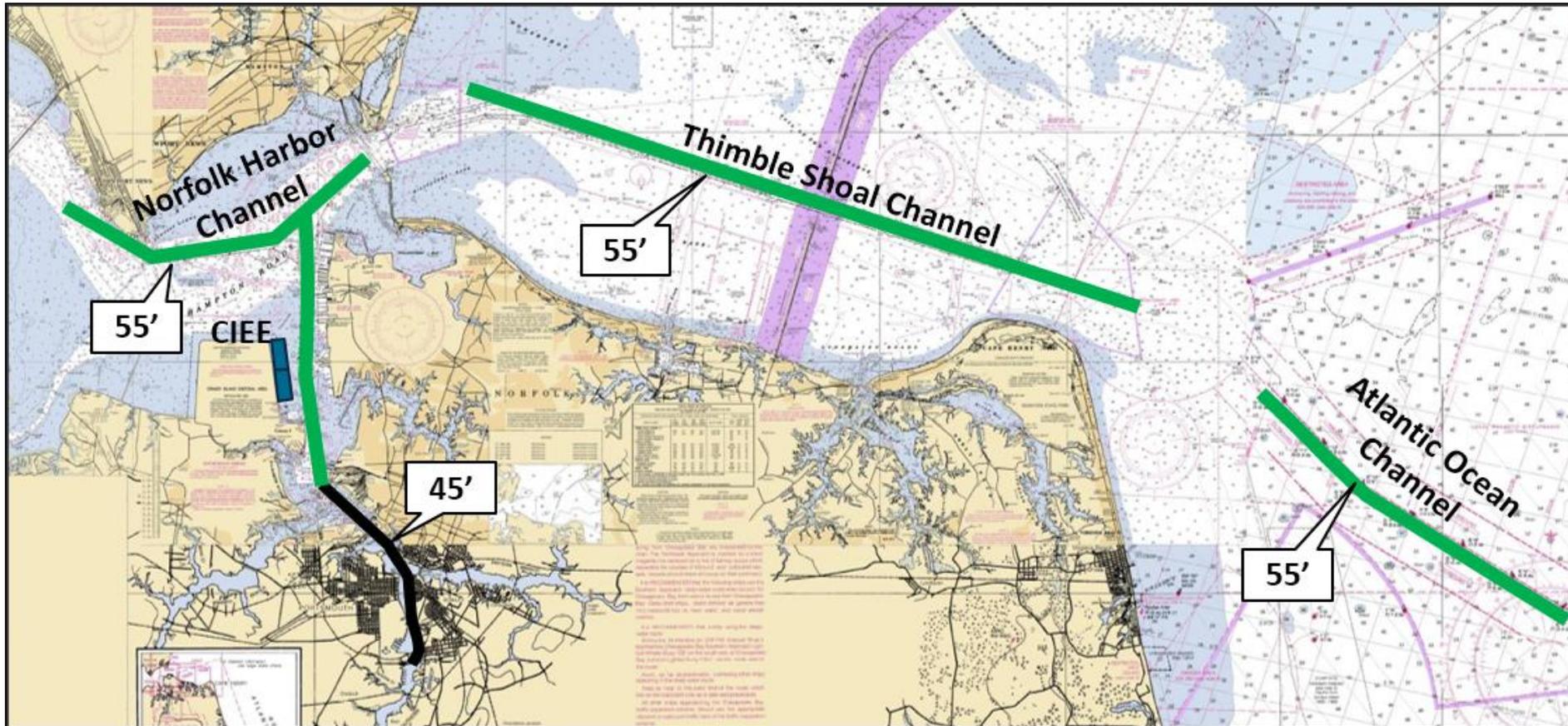
Stewards of Tomorrow



# Federal Activities



# Navigation Projects





# 559 Reimbursable Services Program

- 2014 Appropriations Act created a program wherein ports can request and reimburse Custom and Border Protection for extended services
- Submitted application to participate in the program beginning as early as April 1, 2015
- Requested authorization through the end of FY16 (through June 30, 2015)
- Will allow us to request services during extended hours of operation and weekends
- Potential investment of up to \$1.7 mm



# General Assembly

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- Fully Implement VPA/VIT Reorganization
- Fiscal Responsibility – Efficient Operations and Smart Investment
- Economic Development





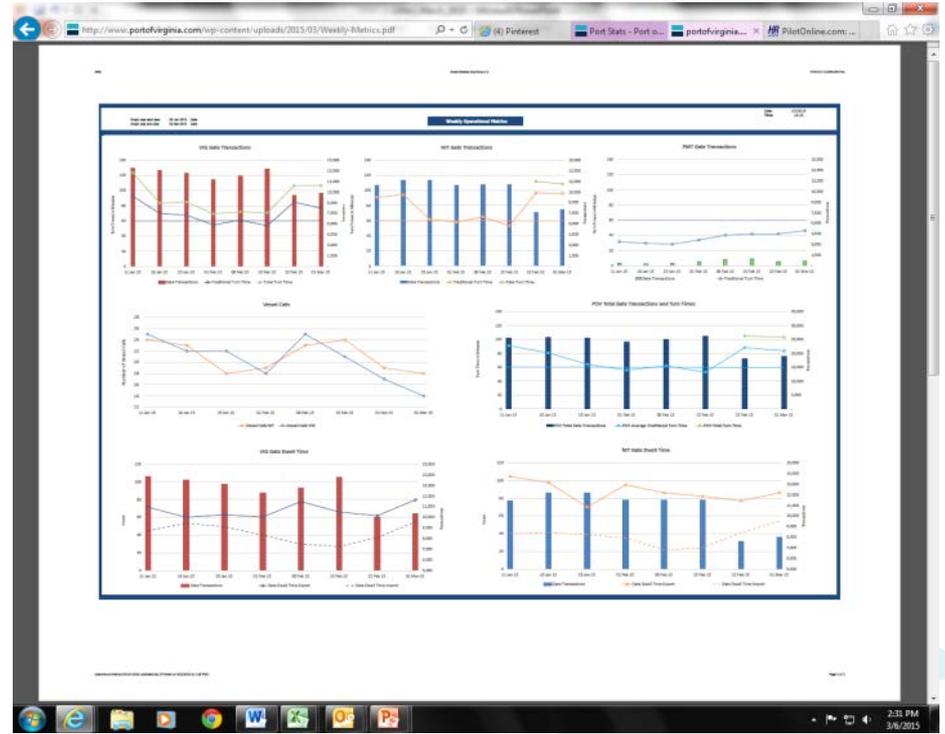
# Community Relations

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- Virginia Inland Port
- Military to Maritime Career Fair



# Communications



# Economic Development Announcements

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**OAK HALL CAP & GOWN**  
Oak Hall ♦ C.E. Ward ♦ Bentley & Simon  
E.R. Moore ♦ Cotrell & Leonard



# Mega-Site Development



- The City of Chesapeake is working to designate the Frank T. Williams Farms properties as a mega-site
- The potential commercial and industrial development would be 4,000 acres in south Chesapeake near the state line

# MIRT and Emergency Operations



2015 Search and Rescue Forum  
March 2-6, 2015



131 Participants  
31 Federal, State and Local Agencies  
26 Emergency Response Vessels

# MIRT and Emergency Operations

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- POV IMT
- Ebola Planning
- Update of POV Continuity Plan
- Port Risk Assessments
- 2015 DHS Grants
- 24<sup>th</sup> Annual Marine Firefighting School
- Responses
  - Fire aboard USS Gunston Hall
  - Aircraft crash



HELPFULNESS · ACCESSIBILITY · INNOVATION  
**STEWARDS OF TOMORROW**  
FORTITUDE · SUSTAINABILITY · MINDFULNESS



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Virginia Port Authority Board of Commissioners, Session 364, March 24, 2015

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Jim Bibbs  
Chief Human Resources Officer



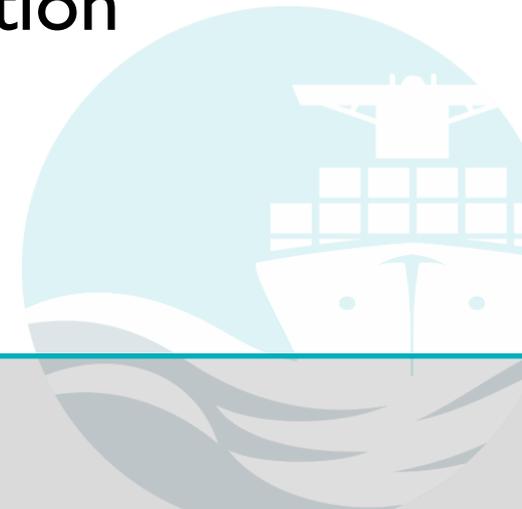
Stewards of Tomorrow



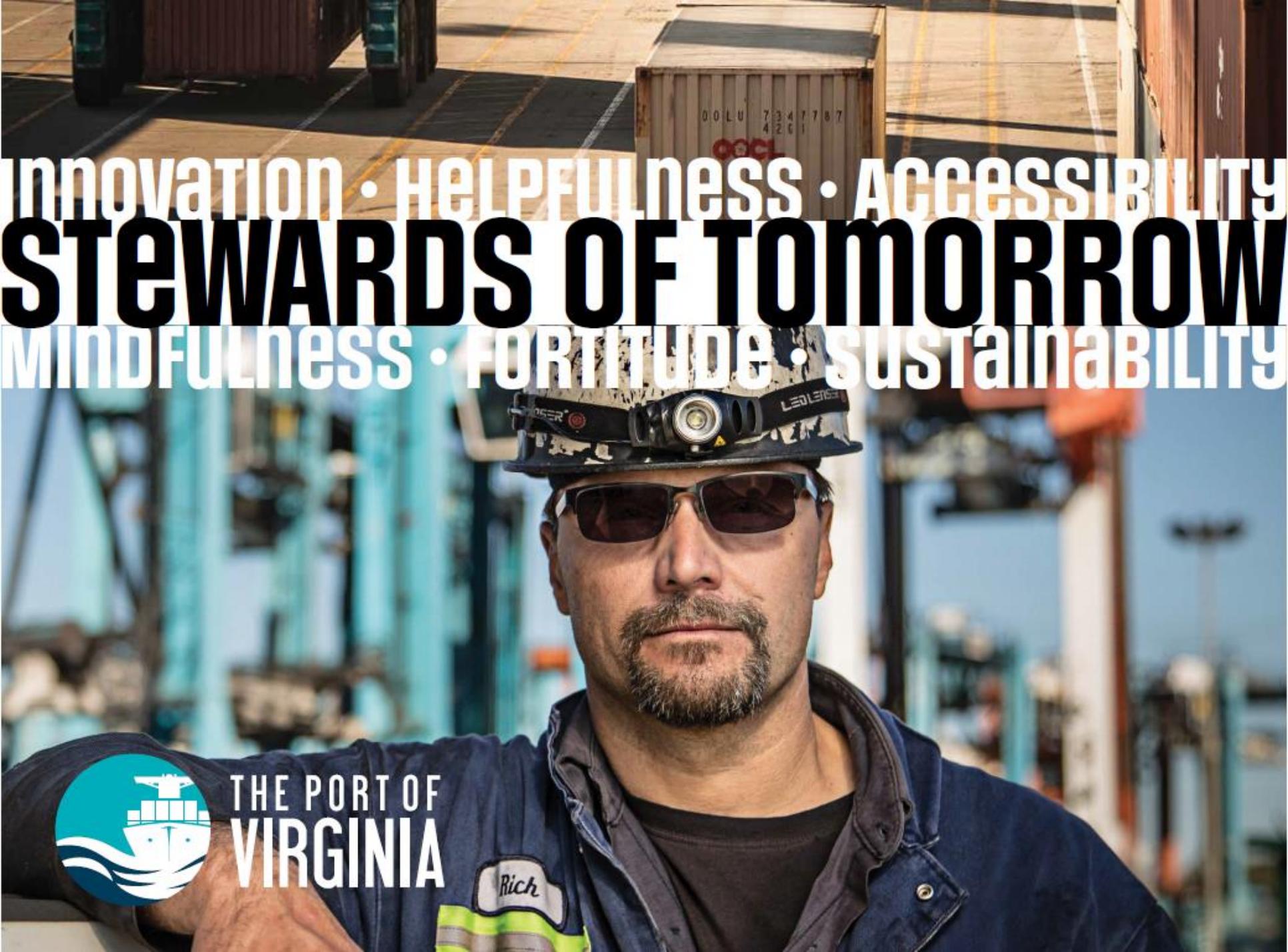
# Our Colleagues

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- Systemic update of ADP for new PTO policy
- Selected vendor for first annual Port of Virginia Colleague Engagement Survey
- Phase II of Benefit Open Enrollment for colleagues, April (VPA employees)
- Finalizing policy harmonization
- Summer Intern Program
- March 16, 2015 first new hire orientation program



Innovation • Helpfulness • Accessibility  
**STEWARDS OF TOMORROW**  
Mindfulness • Fortitude • Sustainability



THE PORT OF  
VIRGINIA

Rich