

AGENDA

Virginia Port Authority (VPA) Board of Commissioners Regular Meeting - Session 412

Tuesday, March 14, 2023 – 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, VIT**
- 3. Approval of Minutes**
 - A. Approval of the minutes of the VPA Board of Commissioners meetings held January 10, 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. Memorandum of Board Action – Agreement with Southwood Building Systems for Civil Works Improvement to Richmond Marine Terminal Drop Late and Truck Gate
 - B. Investment Committee – Aubrey L. Layne, Chair**
 1. Report of Investment Committee
 - C. Finance and Audit Committee – James C. Burnett, Committee Chair**
 1. Report of Finance and Audit Committee
 2. Consideration of Resolution 23-04 Authorizing the Issuance of Commonwealth Port Fund Revenue Bonds in Calendar Year 2023
 3. VPA Consolidated Financial Reports for Fiscal Year 2023 to Date Ending January 30, 2023 – Rodney W. Oliver, Chief Financial Officer
 4. SWaM Report – Rodney W. Oliver, Chief Financial Officer
 - D. Operations and Infrastructure Committee – Deborah C. Waters, 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 – Cathie J. Vick, Chief Development and Public Affairs Officer

AGENDA

Virginia Port Authority (VPA) Board of Commissioners Regular Meeting - Session 412

Tuesday, March 14, 2023 – 9:00 AM

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

1. Report of Growth Committee

2. Report on Sales and Volume – Thomas C. Capozzi, Chief Sales and Marketing Officer, VIT

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

7. Unfinished Business

8. New Business

9. Other Business

10. Adjourn

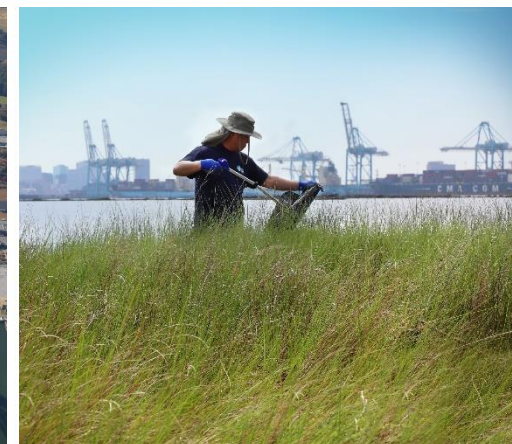
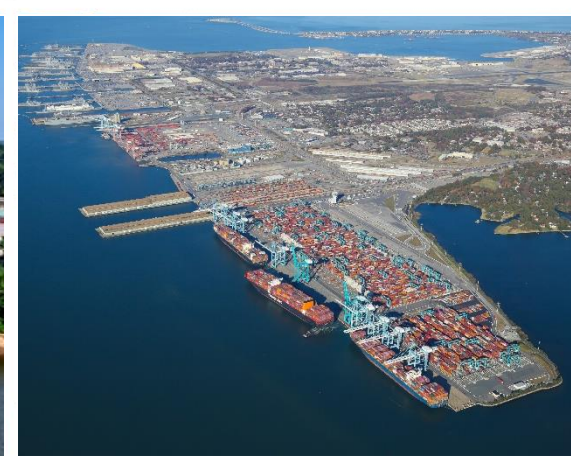
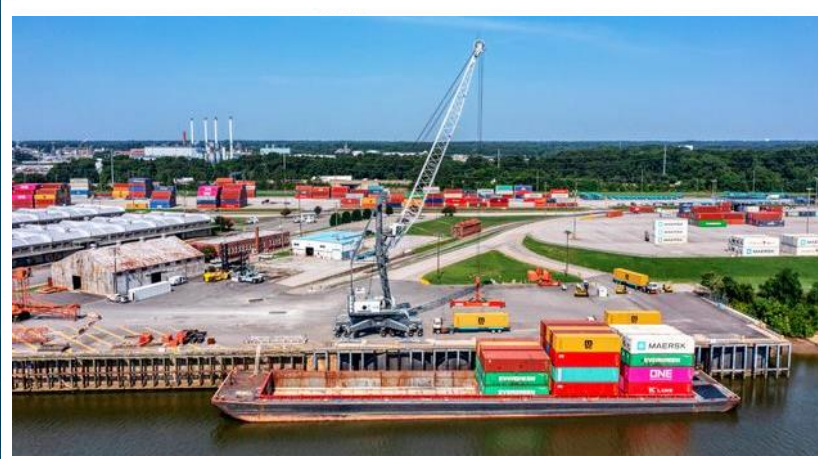
The next meeting of the VPA Board of Commissioners will be held on May 9, 2023.



Virginia Port Authority Board of Commissioners Regular Meeting

Session 412

March 14, 2023



Agenda



Approval of Minutes



Opportunity for Public Comment



Committee Reports



CEO / Executive Director Report



Other Business and Adjournment



Executive Committee Report

Chair Layne



Investment Committee Report

Chair Layne



Finance and Audit Committee Report

Committee Chair Burnett

Approval Requests

Rodney W. Oliver, Chief Financial Officer

Financial Results for FY23 YTD Ending January 31, 2023

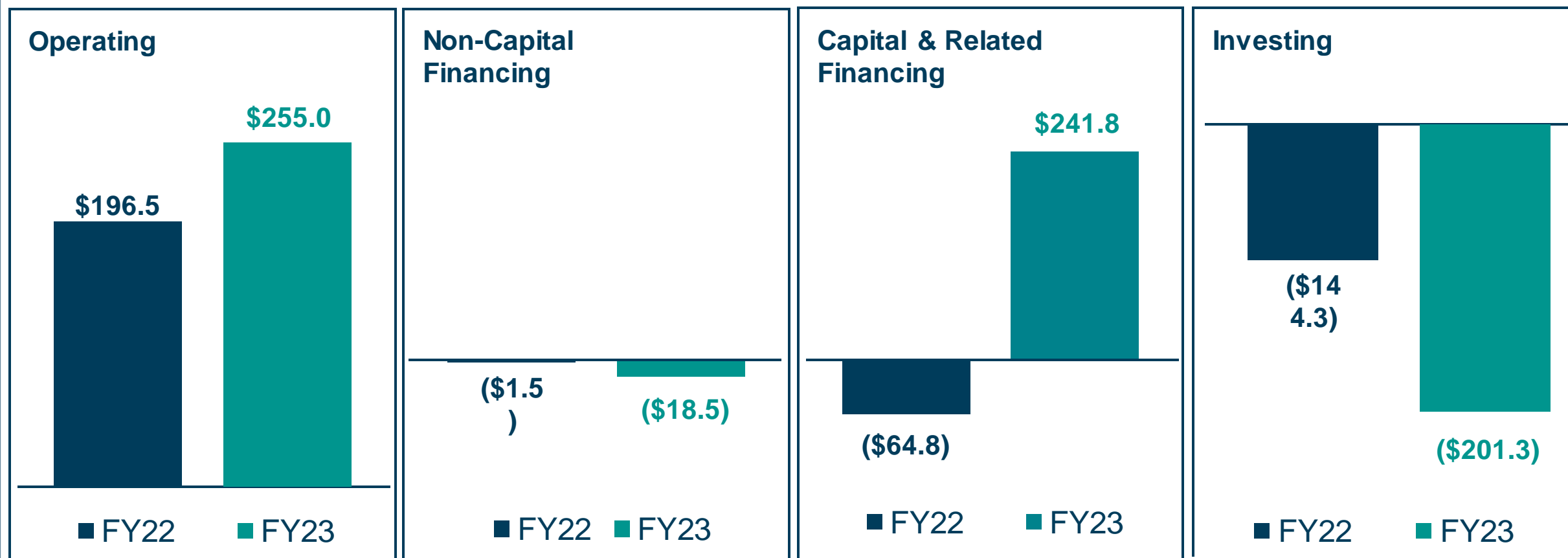
Rodney W. Oliver, Chief Financial Officer

Fiscal Year 2023 YTD Highlights



July - January	Budget	Actual	Fav. (Unfav.) Change	Fav. (Unfav.) % Change
Volume	1,200,216	1,188,507	(11,709)	(1.0%)
Operating Revenues	\$470.0 m	\$511.9 m	\$41.9 m	8.9%
Operating Expenses	\$381.6 m	\$383.1 m	(\$1.5 m)	(0.4%)
Operating Income	\$88.4 m	\$128.8 m	\$40.4 m	45.7%
EBITDA	\$203.0 m	\$243.2 m	\$40.2 m	19.8%

Cash Flow FY22 YTD vs. FY23 YTD – USD millions



Capital & Related Financing – USD millions

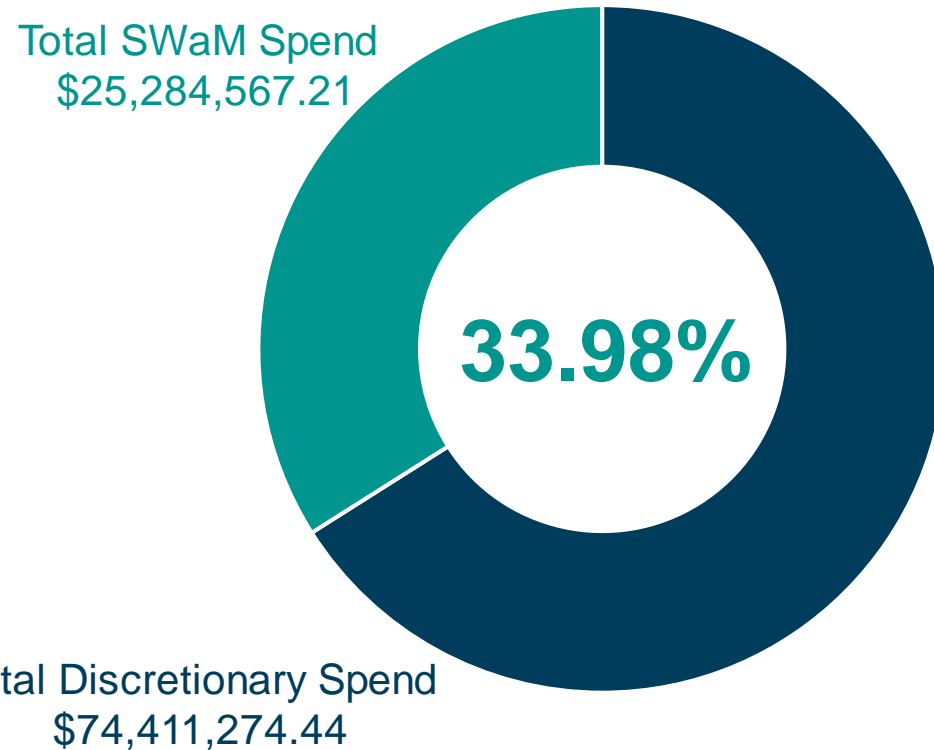


	FY22 YTD	FY23 YTD
CPF contribution	\$33.7	\$30.2
Acquisition of capital assets	(\$15.9)	(\$92.5)
Transfer from primary government	\$26.6	\$334.2
VIG lease payments	(\$55.5)	(\$60.6)
Other lease payments	(\$12.8)	(\$16.2)
Principal paid on long-term debt	(\$24.7)	(\$24.3)
Interest paid on long-term debt	(\$20.7)	(\$19.2)
Net transfers from agencies	\$3.7	\$90.2
Other	\$0.8	\$0.0
Total	(\$64.8)	\$241.8

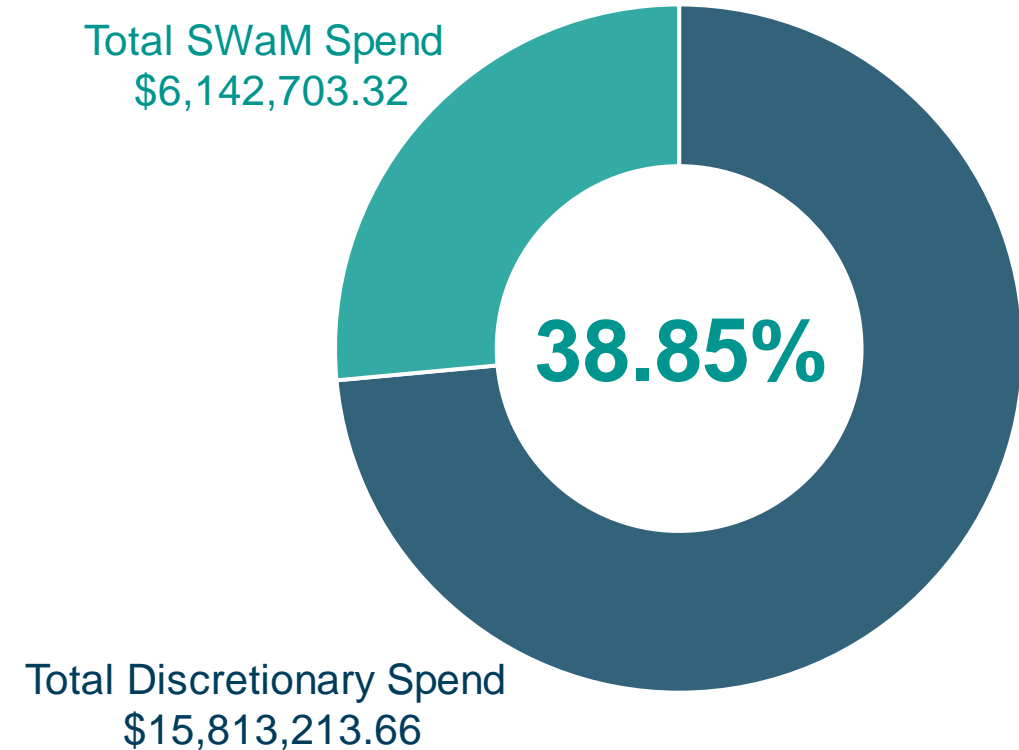
SWaM Report

Rodney W. Oliver, Chief Financial Officer

FY23 Q1 – Q2



FY22 Q1 – Q2



2023 Annual SWaM Event



Supplier Diversity: Growing Businesses, Growing Virginia



Save the Date

March 30th, 2023

9:00am-11:30am

The Virginia Port Authority's 2023

Small, Women-Small, Women-Owned & Minority-Owned
Business (SWaM) & Disadvantaged Business Enterprise (DBE)

In Person Networking & Information Event

Half Moone Center (located in the Nauticus Museum)
One Waterside Drive, Norfolk, VA 23510

SWaM Prime Guest Speaker:

Mandy Schindhelm, P.E., D.PE,
Vice President, Marine Solutions

- Women-Owned, Small Business
- Recently awarded Contract 2023-15-VPA for Professional Waterfront Structural Engineering Services



Operations and Infrastructure Committee Report

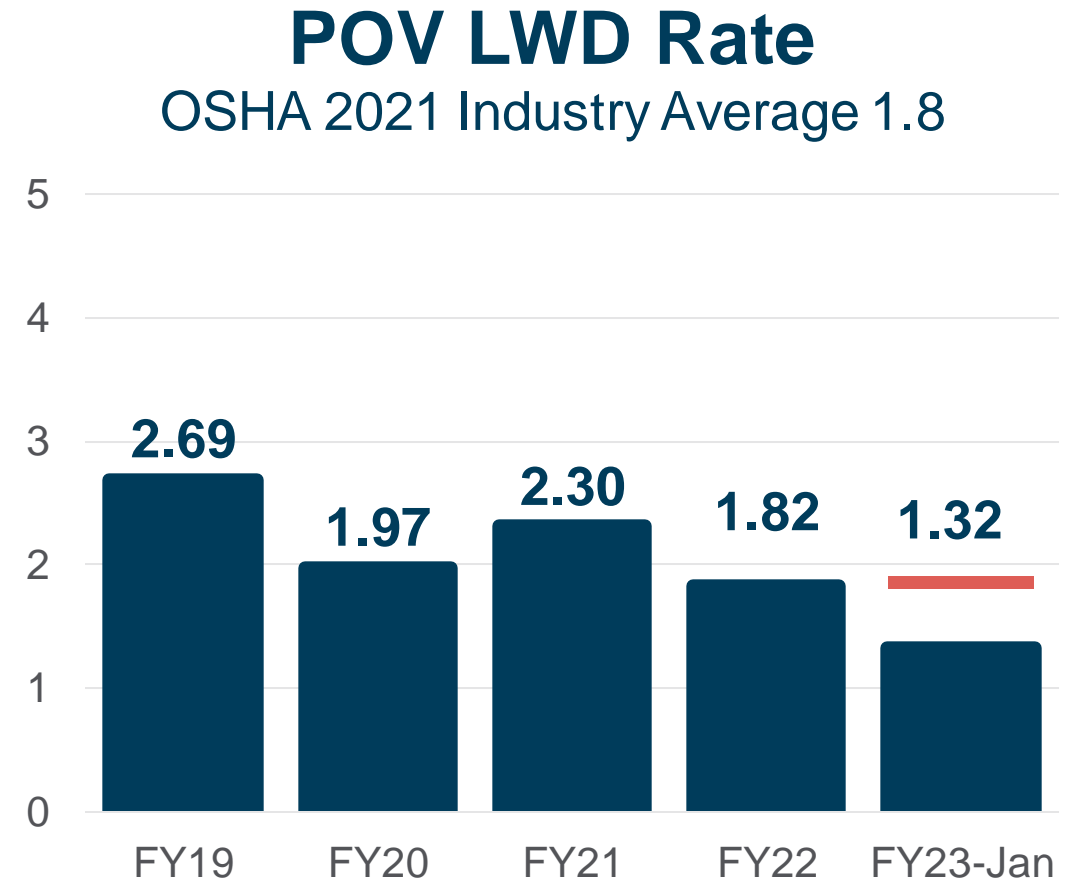
Committee Chair Waters

Safety Dashboard

Joe Ruddy, Chief Operations Officer, VIT

As of January 31st the POV FY23
Lost Work Day (LWD) rate of **1.32** is:

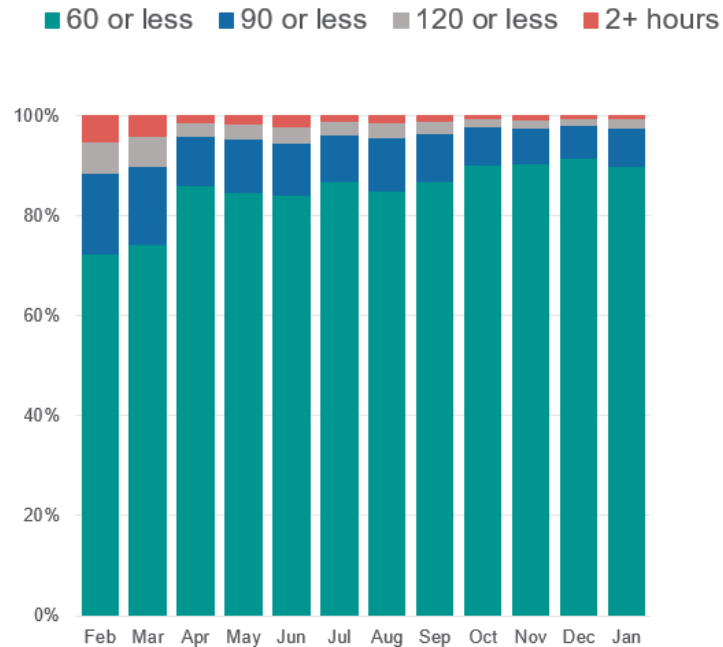
- 27.5% decrease from FY22
- 112% decrease from FY21
- FY23 year end goal is 1.8



Operations Dashboard

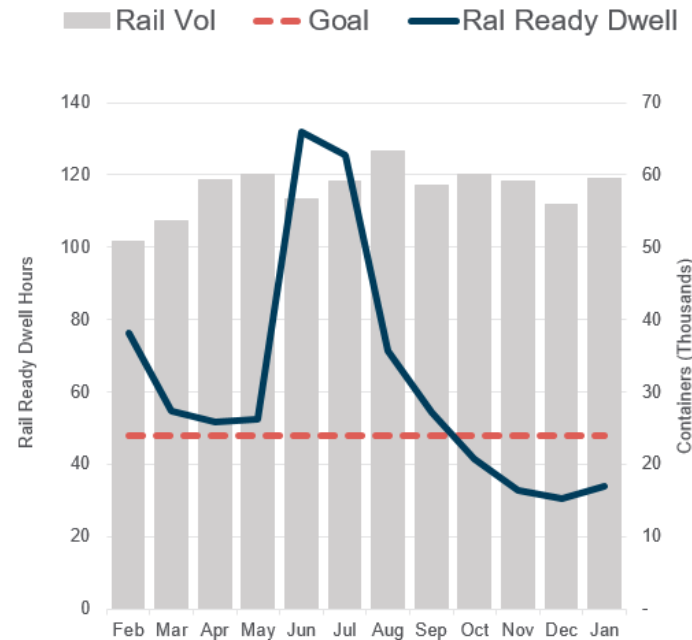
Joe Ruddy, Chief Operations Officer, VIT

Gate Performance



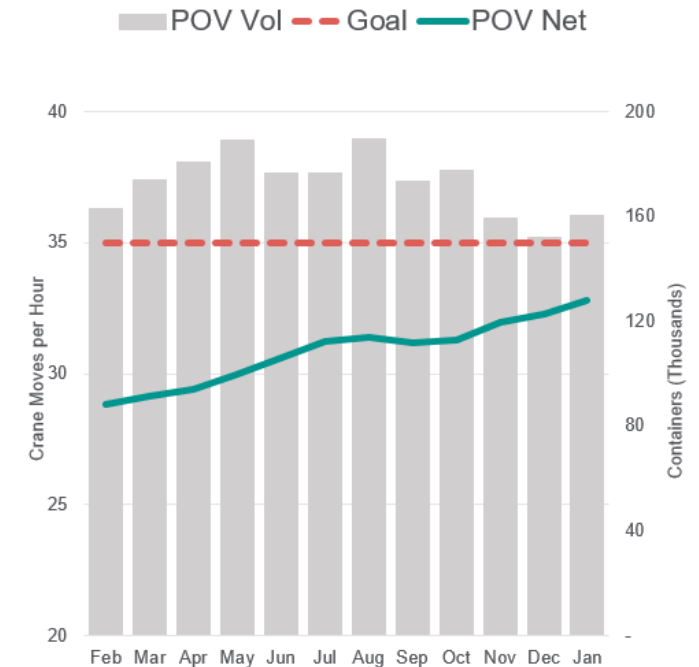
84,399 truck visits, **90%** under 1 hour
0.7% or **567** truck visits over 2 hours
 Turn Time: **34.6 min** traditional
 and **39.8 min** expanded

Rail Performance



59,562 rail containers, up **38.1%** YOY
 Rail Ready Dwell: **34** hours

Net Productivity



Net Productivity: 32.8 crane moves per hour, **8.4%** higher than in Jan 2022

Infrastructure Projects Update

Cathie J. Vick, Chief Development and Public Affairs Officer

Infrastructure Projects Dashboard



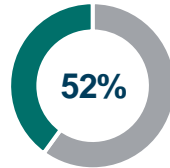
NIT Central Rail Yard (CRY) Expansion

Design



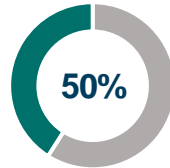
Complete

Construction



In Progress

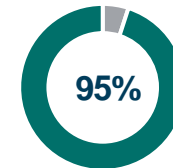
Overall



In Progress

North NIT Optimization

Design



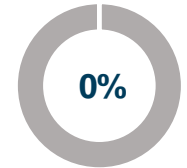
In Progress

Construction



Waiting

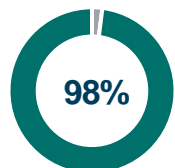
Overall



In Progress

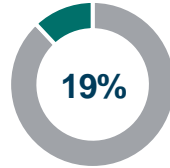
PMT Offshore Wind Hub

Design



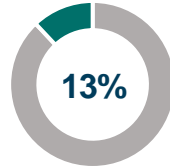
Land design complete 03/2022
Dredging on-going

Construction



In Progress

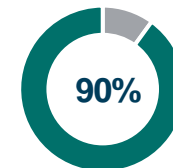
Overall



In Progress

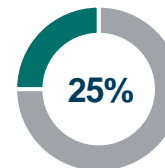
Channel Deepening and Widening

Design



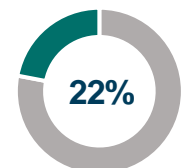
In Progress

Construction



In Progress

Overall



In Progress



Growth Committee Report

Committee Chair Asbury

Sales and Volume Report

Tom Capozzi, Chief Sales and Marketing Officer, VIT

Volumes: Two Previous Months Comparison



	Dec 2022 - Jan 2023	Dec 2021 - Jan 2022	Change	% Change
Total TEUs	562,344	587,547	(25,203)	(4.3%)
Export Loaded TEUs	187,268	158,256	29,012	18.3%
Export Empty TEUs	107,826	135,980	(28,155)	(20.7%)
Import Loaded TEUs	260,314	285,187	(24,873)	(8.7%)
Total Rail Containers	115,551	96,897	18,654	19.3%
VIP Containers	4,693	4,786	(93)	(1.9%)
Total Barge Containers	14,690	11,364	3,326	29.3%
RMT Containers	7,090	5,847	1,243	21.3%
Total Truck Containers	182,186	216,595	(34,409)	(15.9%)
Non-Containerized Tonnage	19,028	48,953	(29,925)	(61.1%)
Vessel Calls	274	227	47	20.7%

USEC Ports Market Comparison



	FY 2023	FY 2022	Change	% Change
New York / New Jersey	2,924,267	3,005,287	(81,020)	(2.7%)
Savannah	2,128,539	2,079,736	48,803	2.3%
The Port of Virginia	1,385,645	1,395,203	(9,558)	(0.7%)
Charleston	991,239	1,070,825	(79,586)	(7.4%)

*Source: Reported Actuals - Loads

*Fiscal period included July through December



CEO/Executive Director Report

Stephen Edwards, CEO/Executive Director



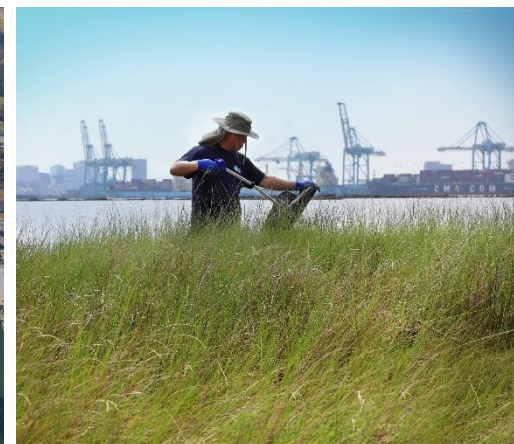
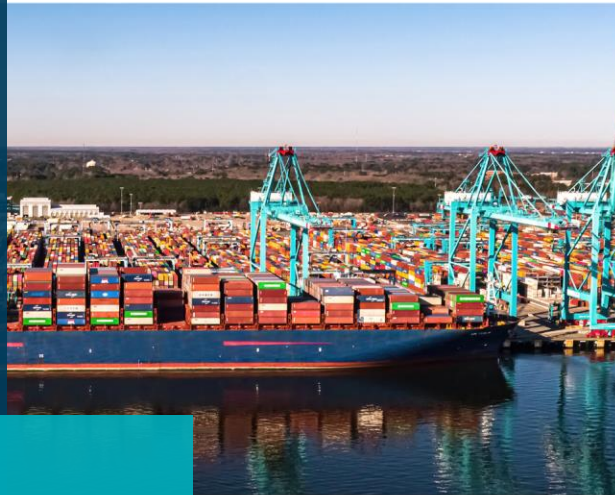
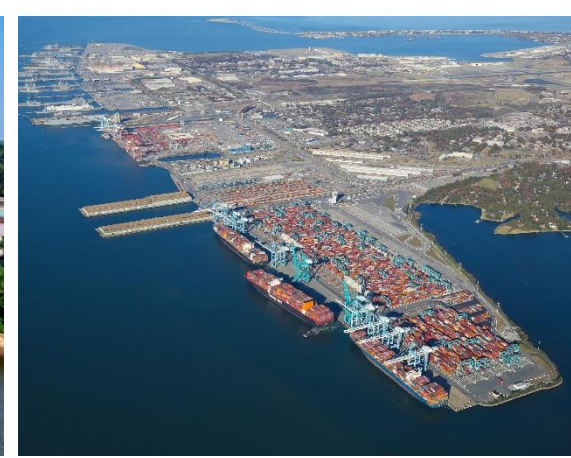
Other Business

Chair Layne



Virginia Port Authority Board of Commissioners

Thank You



Resolution No. 23 - 04

RESOLUTION SUPPLEMENTING RESOLUTION 02-4, AS PREVIOUSLY AMENDED AND SUPPLEMENTED, AUTHORIZING THE ISSUANCE OF COMMONWEALTH PORT FUND REVENUE BONDS IN CALENDAR YEAR 2023, GRANTING AUTHORITY TO THE EXECUTIVE DIRECTOR OF THE VIRGINIA PORT AUTHORITY TO APPROVE THE ISSUANCE OF SUCH BONDS AND RELATED MATTERS

WHEREAS, the Virginia Port Authority (the "Authority") acting by its Board of Commissioners (the "Board") adopted Resolution No. 02-4 on May 28, 2002 (as previously amended and supplemented, the "Bond Resolution"), which in Section 2.09 permits the issuance of bonds of the Authority for the purpose of, among other things, providing funds for various improvements to Norfolk International Terminals owned and operated by the Authority ("NIT"), including (i) certain costs associated with the acquisition and installation of equipment expected to consist of low height ship to shore cranes, additional stacking cranes and replacement parts, together with improvements that will result in an enhanced container stack area, extension to the wharf area and associated upgrades to the stack yard facilities, docks, and other structures, and (ii) the payment of certain expenses incurred in connection with such financing and costs of issuance in connection with respect to the bonds (the "Series 2023 Project").

WHEREAS, the Authority intends to issue Bonds under the Bond Resolution pursuant to the Series Resolution adopted on the date hereof, which are collectively referred to as the "Bonds." The Bond Resolution is to be designated as the "Virginia Port Authority Commonwealth Port Fund Revenue Bonds, Series 2023A" (the "Series 2023A Bonds"), which Series 2023A Bonds may be issued in one or more series throughout calendar year 2023 and shall be appropriately designated to differentiate one series from another. The Series 2023A Bonds shall be issued as tax-exempt or taxable issue(s) subject to certain Financing Conditions, herein defined. The aggregate par principal amount of the Series 2023A Bond shall not exceed \$166,000,000 except as hereinafter described in Section 1(i) of this Series Resolution.

WHEREAS, in Item 464 of the 2022 Appropriations Act, Chapter 2, Special Session I, Virginia Acts of Assembly (H.B. 30), the General Assembly of the Commonwealth of Virginia has authorized the Authority to issue the Series 2023A Bonds (the "General Assembly Authorization").

WHEREAS, the Board also hereby authorizes the Authority to obtain Treasury Board approval of the Series 2023A Bonds and the associated plan of finance.

WHEREAS, the Board has found and determined that the issuance and sale of the Series 2023A Bonds on the terms contemplated hereby are in conformity with the purposes of the Authority set forth in Title 62.1, Chapter 10 of the Code of Virginia

inclusive of Sections 62.1-128 to 62.1-147.2 thereof (the "Act") and are in the public interest and otherwise beneficial to the Commonwealth of Virginia.

WHEREAS, Section 2.09 of the Bond Resolution contemplates that in a Series Resolution supplementing the Bond Resolution the Board will authorize the issuance of its bonds, fix the amount and the details thereof. The definition of "Series Resolution" in the Bond Resolution states that if the Board shall delegate to the Finance and Audit Committee of the Board or the Executive Director the power to determine specifically the matters generally authorized by a Series Resolution of the Board, the resolution of the Finance and Audit Committee, or one or more certificates of the Executive Director (the "Officer's Certificate"), as the case may be, in furtherance of such Series Resolution and shall be deemed to be part of the Series Resolution.

WHEREAS, the Board has determined that it is necessary to delegate to the Executive Director the authority to approve the form and content of any preliminary official statement, final official statement, continuing disclosure agreement, bond purchase agreement and any other documents deemed necessary by the Authority's bond counsel to consummate the issuance of the Series 2023A Bonds (collectively, the "Financing Documents"). As the actual terms of the Series 2023A Bonds and the identity of the Bonds to be issued cannot be determined until the time the Authority enters the market, the Board has determined that it is necessary to delegate to the Executive Director the power to approve the issuance of the Series 2023A Bonds, and the details thereof, subject to any conditions herein set forth, by the execution and delivery of one or more certificates of the Executive Director which shall be deemed to be part of this Series Resolution.

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

Section 1. Authorization of Bonds. (a) The Authority is authorized to issue the Series 2023A Bonds on a tax-exempt or taxable basis, in one or more series, throughout calendar year 2023 pursuant to Section 2.09 of the Bond Resolution, as determined by the Executive Director, subject to the approval of the Treasury Board, for the purpose of providing funds, together with such other funds as may be available therefor from the Commonwealth of Virginia or otherwise, for financing all or a part of one or more series of the Series 2023A Bonds, including the payment of costs of issuance of the Series 2023A Bonds; and as necessary, funding reserves for the payment of principal of and interest on the Series 2023A Bonds, subject, however, to the following conditions (the "Financing Conditions"):

(i) The aggregate principal amount of the Series 2023A Bonds shall not exceed \$166,000,000, together with any "net original issue premium" allowable in accordance with Section 2.2-5002.1 of the Virginia Code, in accordance and consistent with the General Assembly Authorization;

(ii) If issued in more than one series, the Series 2023A Bonds shall be appropriately designated to differentiate one series from another;

(iii) The final maturity of any series of the Series 2023A Bonds shall be not later than December 31, 2048; and

(iv) The true interest cost on the Series 2023A Bonds shall not exceed 5.75% if such Series 2023A Bonds are issued on a tax-exempt fixed rate basis. If any portion of the Series 2023A Bonds are issued on a taxable fixed rate basis, the true interest cost on such portion of the Series 2023A Bonds shall not exceed 6.75%.

(b) The Series 2023A Bonds will be issued in fully registered form and may be sold in a public offering or a private placement. Any such issue of the Series 2023A Bonds offered in a public sale shall be issued in the name of Cede & Co., a nominee of the Depository Trust Company, New York, New York ("DTC"), and immobilized in the custody of DTC or otherwise as may be permitted by DTC's rules. One Series 2023A Bond in each series will be issued for the original principal amount of each maturity. Unless any such issue of the Series 2023A Bonds is offered in a private placement, beneficial owners will not receive physical delivery of the Series 2023A Bonds. Unless any such issue of the Series 2023A Bonds is offered in a private placement, individual purchases of the Series 2023A Bonds may be made in book-entry form only in original principal amounts of \$5,000 and integral multiples of \$5,000.

Unless any such issue of the Series 2023A Bonds are offered in a private placement, payments of the principal of and premium, if any, and interest on the Series 2023A Bonds will be made to DTC or its nominee as registered owner of the Series 2023A Bonds on the applicable payment date.

So long as Cede & Co., or its successor, as nominee, is the registered owner of the Series 2023A Bonds, references in the Bond Resolution or this Series Resolution to the Holders of the Series 2023A Bonds shall mean Cede & Co. and shall not mean the beneficial owners of the Series 2023A Bonds.

Replacement Series 2023A Bonds (the "Replacement Bonds") will be issued directly to beneficial owners of Series 2023A Bonds rather than to DTC, or its nominee, but only in the event that:

(1) DTC determines not to continue to act as securities depository for the Series 2023A Bonds;

(2) the Authority has advised DTC of its determination that DTC is incapable of discharging its duties;

(3) the Authority has determined that it is in the best interests of the beneficial owners of the Series 2023A Bonds not to continue the book-entry system of transfer; or

(4) the Series 2023A Bonds being replaced were originally issued in a private placement.

Upon occurrence of the events described in clause (1) or (2), the Authority will attempt to locate another qualified securities depository. If DTC makes the determination described in clause (1) and the Authority fails to locate another qualified securities depository to replace DTC, the Authority will execute, and the Bond Registrar will authenticate and deliver to the Participants (as defined in DTC's rules), the Replacement Bonds to which such Participants are entitled. In the event the Authority makes the determination described in clause (2) or (3) (the Bond Registrar has no obligation to make any investigation to determine the occurrence of any events that would permit the Authority to make any such determination), and if the determination under clause (2) has also been made, and the Authority has failed to locate another qualified securities depository and has made provisions to notify the beneficial owners of the Series 2023A Bonds by mailing an appropriate notice to DTC, the Authority will execute, and the Bond Registrar will authenticate and deliver to the Participants, the appropriate Replacement Bonds to which Participants are entitled. The Bond Registrar is entitled to rely on the records provided by DTC as to the Participants entitled to receive Replacement Bonds.

The Series 2023A Bonds will be issued substantially in the form set forth in Section 2.02 of the Bond Resolution, with appropriate variations, omissions and insertions as may be permitted or required by the Bond Resolution, this Series Resolution and any Officer's Certificate of the Executive Director deemed a part of this Series Resolution. There may be endorsed on the Series 2023A Bonds such legend or text as may be necessary or appropriate to conform to any applicable rules and regulations of any governmental authority or any usage or requirement of law.

(c) Subject to the Financing Conditions, the Series 2023A Bonds shall be issued in such principal amount; shall be dated a date that is on or before the date of their delivery; shall be Current Interest Bonds, Serial Bonds and/or Term Bonds or Variable Rate Bonds as defined in the Bond Resolution; shall mature, subject to mandatory sinking fund redemption with such Amortization Requirements and to the right of prior redemption in accordance with the Financing Conditions and Section 2 hereof; and shall bear interest payable on January 1 and July 1 in each year commencing on such date, at such rates per annum, as may be determined by a certificate of the Executive Director delivered at the Closing.

(d) If any issue of the Series 2023A Bonds are to be offered in a public offering, the Authority delegates to the Executive Director the authority to appoint the underwriting syndicate for such series of the Series 2023A Bonds to be offered at public sale, and to designate the senior manager and co-senior manager, if any, of such underwriting syndicate.

Section 2. Optional Redemption. The Series 2023A Bonds may be subject to the right of prior redemption at the option of the Authority upon such terms as the Executive Director shall determine with the advice of the Authority's financial advisor.

Section 3. Terms of Purchase; Approval of Bond Purchase Agreement. The Executive Director is hereby authorized, subject to the prior approval of the Treasury Board, if the Authority's Financial Advisor shall so recommend, to accept an offer of the underwriters in a public offering or an offer of an institutional buyer in a private placement, in the form of the Bond Purchase Agreement, to purchase all of any issue of the Series 2023A Bonds at the price stated therein. Multiple Bond Purchase Agreements may be executed by the Executive Director to consummate the sale of more than one issue of Series 2023A Bonds. The Executive Director's execution and delivery of the Bond Purchase Agreement(s) shall constitute conclusive evidence of his acceptance of the purchase price of an issue of Series 2023A Bonds and his approval of the form and content of any Bond Purchase Agreement.

Section 4. Approval of Official Statement. In any public offering of an issue of Series 2023A Bonds, the form and content of the Preliminary Official Statement shall be approved by the Executive Director. Subject to the approval of its form and content by the Executive Director, the use and distribution by the underwriters selected by the Executive Director of the Preliminary Official Statement in connection with the offering of the Series 2023A Bonds, prior to the availability of the Official Statement, are hereby authorized. The Executive Director is hereby authorized to deem the Preliminary Official Statement final for purposes of Rule 15c2-12 of the Securities and Exchange Commission, and the distribution of such Preliminary Official Statement shall be conclusive evidence that the Authority has deemed such Preliminary Official Statement final. The Chairman or Vice-Chairman of the Board and the Executive Director of the Authority are hereby authorized and directed to execute and deliver to the underwriters for their use and distribution in making a public offering of an issue of the Series 2023A Bonds (but only upon the terms and conditions set forth herein and in the Bond Purchase Agreement applicable thereto) a final Official Statement, together with any amendment or supplement to such final Official Statement as may be necessary to comply with the Bond Purchase Agreement, which in the case of such final Official Statement shall be substantially in the form of the Preliminary Official Statement approved by the Executive Director, with such changes, insertions and omissions as the Chairman or Vice-Chairman of the Board and the Executive Director of the Authority may approve, and which in the case of any such amendment or supplement shall be in such form as the Chairman or Vice-Chairman of the Board and the Executive Director of the Authority may approve. The execution and delivery by the Chairman or Vice-Chairman and the Executive Director of the final Official Statement or any such amendment or supplement thereto shall be conclusive evidence that the Authority has approved any such changes, insertions and omissions, amendment or supplement, as the case may be.

Section 5. Approval of Other Financing Documents. The Executive Director shall approve the form and content of the other Financing Documents and is hereby

authorized to execute and deliver the other Financing Documents, his execution of such Financing Documents to be conclusive evidence of such approval.

Section 6. Execution of the Bonds. The Series 2023A Bonds shall be executed with the original or facsimile signature of the Executive Director and the original signature of the Secretary of the Authority, and the seal of the Authority shall be impressed, or a facsimile of the seal of the Authority shall be imprinted, on the Series 2023A Bonds. The Series 2023A Bonds shall be authenticated by the Bond Registrar and shall be delivered by the Trustee to or for the account of the underwriters in the case of a public offering or to or for the account of the institutional buyer in the case of a private placement upon receipt of the purchase price set forth in the Bond Purchase Agreement accepted by the Executive Director.

Section 7. Application of Proceeds. The proceeds of the Series 2023A Bonds shall be transferred by the Trustee to the Authority upon the submission of a requisition of the Authority signed by an authorized representative and applied by the Authority, together with other available funds, for use by the Authority for the payment of Project costs and to pay costs of issuance of the Series 2023A Bonds.

Section 8. Tax Covenant. If a tax-exempt issuance of any series of the Series 2023A Bonds is pursued, the Authority covenants that it will comply with the provisions of the Internal Revenue Code of 1986, as amended, so that interest on the Series 2023A Bonds will remain exempt from existing federal income taxes to which they are subject on the date of the issuance of such Series 2023A Bonds.

Section 9. Treasury Board Approval. The Authority requests the Treasury Board of the Commonwealth to approve the terms and conditions and structure of each issue of the Series 2023A Bonds in accordance with the provisions of Section 2.2-2416.5 and 2.2-2416.7 of the Code of Virginia of 1950, as amended. After reasonable notice duly given to the Chairman and Vice-Chairman of the Board, and the Chairman of the Finance and Audit Committee, the Authority is authorized and directed to make application(s) for such approval(s) to the Treasury Board and to furnish such materials and do such things as may be required to obtain such approval(s).

Section 10. Reimbursement. On January 10, 2023, the Authority adopted Resolution 23-01 regarding its intent to reimburse itself for certain qualified expenditures with proceeds from the Series 2023A Bonds (the "Prior Reimbursement Bond Resolution"). Those statements and facts are hereby ratified and affirmed. As set forth in the Prior Reimbursement Bond Resolution, officers of the Authority have represented to the Board that it may be necessary to proceed with the establishment of certain contracts and other actions related to the acquisition, construction, rehabilitation and equipping of the Series 2023A Project. The Board hereby ratifies and affirms that the officers and staff of the Authority may proceed with such plans and enter into contracts, advance monies and take such other steps as it may deem necessary and appropriate therefor. The Authority hereby again declares its intention to be reimbursed from the proceeds of the Series 2023A Bonds for all qualified costs expended by it prior to the

issuance of the Series 2023A Bonds within sixty (60) days prior to the date the Prior Reimbursement Bond Resolution was adopted with respect to the planning and the acquisition, construction, rehabilitation and equipping of the Series 2023A Project (the "Expenditures"). The Authority reasonably expects to reimburse itself with up to \$24,395,998 in proceeds of the Series 2023A Bonds for Series 2023A Project costs. The declaration and expectations stated in this Section 10 are intended to be further evidence of official intent within the meaning of Treasury Regulation Section 1.150-2 promulgated under the Internal Revenue Code of 1986, as amended. Each Expenditure will be, unless otherwise approved by Bond Counsel, (a) of a type properly chargeable to a capital account under general federal income tax principles (determined in each case as of the date of such Expenditure), (b) a cost of issuance with respect to the Series 2023A Bonds or (c) a nonrecurring item that is not customarily payable from current revenues. The Authority intends to make a reimbursement allocation, which is a written allocation by the Authority that evidences the Authority's use of proceeds of the Series 2023A Bonds to reimburse the Expenditures no later than eighteen (18) months after the later of the date on which the Expenditures are paid or the Series 2023A Project is placed in service or abandoned, but in no event more than three (3) years after the date on which the Expenditure is paid. The Authority recognizes that exceptions are available for certain "preliminary expenditures," cost of issuance, certain de minimus amounts, expenditures by "small issuers" (based on the year of issuance and not the year of expenditure), and expenditures for construction projects of at least five (5) years.

Section 11. Ratification; Further Action. The actions previously taken by the officers and staff of the Authority are hereby ratified and confirmed. The officers and staff 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 connection with the issuance of the Series 2023A Bonds.

Section 12. Other Definitions. All terms not otherwise defined herein shall have the meanings given to them in the Bond Resolution.

Section 13. Series Resolution. This Resolution supplements the Bond Resolution and constitutes, together with the Officer's Certificates, a Series Resolution as defined therein.

Section 14. Effective Date; Termination of Effectiveness. This Series Resolution shall take effect immediately upon its adoption. If no Series 2023A Bonds are issued by the Authority in accordance with the terms hereof prior to midnight on March 31, 2024, this Resolution shall expire and terminate.

PASSED AND ADOPTED this 13th day of March, 2023.

Aubrey L. Layne, Board Chair

Attest:

Ryanne A. Shields, Secretary

To: Virginia Port Authority Board of Commissioners

From: Aubrey Layne, Chair of the Board of Commissioners
Jim Burnett, Chair of the Finance and Audit Committee

Date: March 14, 2023

Subject: Action taken pursuant to Bylaws Section 3.4.1: The Executive Director's authority to execute an agreement with Southwood Building Systems for civil works improvement to Richmond Marine Terminal

Legal Authority:

The Virginia Port Authority (the "Authority"), a body corporate and a political subdivision of the Commonwealth of Virginia, was established pursuant to Chapter 10, Title 62.1 of the Code of Virginia of 1950, as amended (the "Act"). 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.

Section 3.4.1 of the Authority's Bylaws states that upon obtaining prior written approval by the Chairman of the Board and the Chair of the Finance and Audit Committee, the Executive Director may enter into a contract, agreement or arrangement on the Authority's behalf in excess of \$2,500,000.

Action(s) Taken:

- Pursuant to the Authority's Procurement and Capital Outlay Manual, the Authority issued an Invitation for Bids for the acquisition of civil works improvement to Richmond Marine Terminal drop late and truck gate.
- Upon evaluation of the proposals submitted in response to the Invitation for Bids, the Authority determined that the proposal of Southwood Building Systems, Inc represented the best value based on the criteria.
- Pursuant to the Authority's Bylaws, Section 3.4.1, on January 20, 2023, the Executive Director/CEO requested the written approval of the Chairman of the Board and Chair of Finance and Audit Committee to authorize the Executive Director to execute an agreement with Southwood Building Systems, Inc for civil works improvements to Richmond Marine Terminal. The written consent of the Chairman of the Board and the Chair of the Finance and Audit Committee was granted. See *attached* communications granting authorization.

Conclusion:

- Upon obtaining the written approval of the man of the Board and the Chair of the Finance and Audit Committee, the Executive Director executed contract 2023-18-VPA on February 10, 2023.



VIRGINIA PORT AUTHORITY

600 World Trade Center, Norfolk, VA 23510
(757)683-8000

Attachment:

Electronic Correspondence dated January 20, 2023 between Chair Layne, Chair Burnett, and
Ryanne A. Shields

From: [Jim Burnett](#)
To: [Aubrey Layne, Board Chair](#); [Ryenne Shields](#)
Cc: [Stephen Edwards](#); [Rodney Oliver](#)
Subject: Re: Approval Requested: Authorization of Executive Director to Execute Contract - RMT Civil Works
Date: Friday, January 20, 2023 4:07:57 PM
Attachments: [image001.png](#)
[image004020.png](#)
[image452114.png](#)
[image019889.png](#)
[image865594.png](#)
[image149789.png](#)
[image281123.png](#)
[image409964.png](#)
[image818637.png](#)

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Approved



Jim Burnett, CPA
Vice President, Chief Financial Officer
757.596.6341
757.572.3764
jburnett@wmjordan.com
Licenses: VA 2701-004636A, NC 29260, SC G116926

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From: AUBREY L LAYNE <ALLAYNE@sentara.com>
Sent: Friday, January 20, 2023 3:19:03 PM
To: Ryenne Shields <rshields@PortofVirginia.com>; Jim Burnett <jburnett@WMJordan.com>
Cc: Stephen Edwards <sedwards@PortofVirginia.com>; Rodney Oliver <roliver@PortofVirginia.com>
Subject: Re: Approval Requested: Authorization of Executive Director to Execute Contract - RMT Civil Works

Approved.
Aubrey

Get [Outlook for iOS](#)

From: Ryenne Shields <rshields@PortofVirginia.com>
Sent: Friday, January 20, 2023 3:10:30 PM
To: AUBREY L LAYNE <allayne@sentara.com>; Jim Burnett, Commissioner <jburnett@WMJordan.com>
Cc: Stephen Edwards <sedwards@PortofVirginia.com>; Rodney Oliver <roliver@PortofVirginia.com>
Subject: Approval Requested: Authorization of Executive Director to Execute Contract - RMT Civil

Works

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Board Chair Layne and Finance and Audit Committee Chair Burnett,

The VPA is requesting the action of the chairs in accordance with the authority granted in section 3.4.1 of the Bylaws to approve a contract in excess of \$2.5M.

Context:

- In November the Board passed Resolution 22-15, authorizing the contract for civil works at Richmond Marine Terminal (RMT) to expand the truck gate and cargo drop lot capacity.
- The project is largely funded by Federal Highway funds administered through VDOT.
- Following the approval of the Board, VDOT took issue with VPA's bidder negotiation process, and required the contract to be put back out to bid. Additional Build America requirements implemented during that time resulted in a price increase from the previous solicitation and contract approval of \$2,908,522.
- Contract 2023-18-VPA RMT Drop Lot & Gate Improvements closed on December 14, 2022 with two (2) bids received. The contract was awarded to the lowest bidder, Southwood Building Systems, in the amount of \$3,071,250.

Request:

The VPA is writing to request your approval to authorize the Executive Director to execute this new contract for the acquisition of civil works improvement to Richmond Marine Terminal for a total contract price of \$3,071,250.

Authority:

Pursuant to Section 3.4.1 of the Amended and Restated Bylaws of the VPA, in the interim of a Board Meeting, approval of the Chairman of the Board and Chair of the Finance and Audit Committee may authorize the Executive Director to execute the contract. The action will be memorialized in a Memorandum of Board Action to be briefed and published at the March 2023 Board of Commissioners meeting.

If you have any questions, please do not hesitate to reach out to me. If you could respond by e-mail of your concurrence with this request, it would be greatly appreciated.

Best Regards,

Ryanne A. Shields

Secretary to the Board

Virginia Port Authority

600 World Trade Center

Norfolk, VA 23510

Office: (757) 683-2102

Cell: (757) 604-4434

www.portofvirginia.com



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**CONSOLIDATED VPA
COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the Month Ending 01/31/2023**

	Actual	Budget	Prior Year	Favorable (Unfavorable) Variance Actual/Budget
Operating Revenues:				
Terminal operating revenues	66,578,879	61,246,276	65,896,196	5,332,603
Other revenues	1,506,472	1,521,135	1,439,567	(14,663)
Operating revenues - Grants	67,506	79,375	14,483	(11,869)
Operating revenues from component unit	-	-	-	-
Total operating revenues	68,152,857	62,846,786	67,350,246	5,306,071
Operating Expenses:				
Terminal operations	22,237,949	21,576,766	20,280,312	(661,183)
Terminal maintenance	11,522,033	10,411,122	9,804,960	(1,110,911)
General and administrative	4,900,982	4,859,952	4,768,041	(41,030)
Facility Rental	380,296	187,050	(13,250)	(193,246)
Depreciation and Amortization	16,825,135	16,568,366	16,870,098	(256,769)
Payments due to Authority	-	-	-	-
Total operating expenses	55,866,395	53,603,256	51,710,161	(2,263,139)
Operating income (loss)	12,286,462	9,243,530	15,640,085	3,042,932
EBITDA	29,111,597	25,811,896	32,510,183	3,299,701
EBITDA Margin	42.7%	41.1%	48.3%	12.8%
Non-operating revenues (expenses)				
Investment income	4,036,808	736,668	(756,111)	3,300,140
Interest expense	(14,767,026)	(14,982,680)	(14,834,294)	215,654
Revenues from federal sources	7,685,404	2,173,383	183,977	5,512,021
Revenues from state sources	2,271,665	8,587,575	40,375	(6,315,910)
Revenues from private sources	6,448,385	-	-	6,448,385
Other income (expense)	(214,537)	(214,059)	(104,000)	(478)
Gain/(loss) on disposals	(532)	-	84,187	(532)
Income (loss) before capital contributions and transfers	5,460,167	(3,699,113)	(15,385,866)	9,159,280
Capital contributions and transfers				
Commonwealth Port Fund allocation	5,241,461	4,924,194	5,442,167	317,267
Operating transfers to Authority	-	-	-	-
Payments to federal government - channel dredging	(3,273,949)	(5,163,333)	(38,301)	1,889,384
Capital contributions (to) from component unit	-	-	-	-
Capital contributions (to) from other state agencies	-	-	-	-
Proceeds (to) from primary government	3,273,949	5,163,333	53,324	(1,889,384)
Increase (decrease) in Net Position	22,988,090	10,468,611	5,711,409	12,519,479
Net Position - Beginning of Period	1,340,356,101	1,317,410,572	1,117,520,061	22,945,529
Net Position - End of Period	1,363,344,191	1,327,879,183	1,123,231,470	35,465,008



CONSOLIDATED VPA
STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET POSITION
For the Month Ending 01/31/2023

	Virginia Port Authority	Consolidated VIT	VPA Eliminations	Consolidated VPA
Operating Revenues:				
Terminal operating revenues	-	66,578,879	-	66,578,879
Other revenues	1,551,221	(44,749)	-	1,506,472
Operating revenues - Grants	67,506	-	-	67,506
Operating revenues from component unit	885,011	-	(885,011)	-
Total operating revenues	2,503,738	66,534,130	(885,011)	68,152,857
Operating Expenses:				
Terminal operations	280	22,237,669	-	22,237,949
Terminal maintenance	91,526	11,430,507	-	11,522,033
General and administrative	1,661,045	3,239,937	-	4,900,982
Facility Rental	380,296	-	-	380,296
Depreciation and Amortization	13,775,965	3,049,170	-	16,825,135
Payments due to Authority	-	885,011	(885,011)	-
Total operating expenses	15,909,112	40,842,294	(885,011)	55,866,395
Operating income (loss)	(13,405,374)	25,691,836	-	12,286,462
EBITDA	370,591	28,741,006	-	29,111,597
EBITDA Margin	14.8%	43.2%	0.0%	42.7%
Non-operating revenues (expenses)				
Investment income	3,907,564	129,244	-	4,036,808
Interest expense	(14,287,492)	(479,534)	-	(14,767,026)
Revenues from federal sources	7,685,404	-	-	7,685,404
Revenues from state sources	2,271,665	-	-	2,271,665
Revenues from private sources	6,448,385	-	-	6,448,385
Other income (expense)	(214,537)	-	-	(214,537)
Gain/(loss) on disposals	(532)	-	-	(532)
Total non-operating expenses, net	5,810,457	(350,290)	-	5,460,167
Income (loss) before capital contributions and transfers	(7,594,917)	25,341,546	-	17,746,629
Capital contributions and transfers				
Commonwealth Port Fund allocation	5,241,461	-	-	5,241,461
Operating transfers to Authority	-	-	-	-
Payments to federal government - channel dredging	(3,273,949)	-	-	(3,273,949)
Capital contributions (to) from component unit	-	-	-	-
Capital contributions (to) from other state agencies	-	-	-	-
Proceeds (to) from primary government	3,273,949	-	-	3,273,949
Increase (decrease) in Net Position	(2,353,456)	25,341,546	-	22,988,090
Net Position - Beginning of Period	1,249,782,210	90,573,891	-	1,340,356,101
Net Position - End of Period	1,247,428,754	115,915,437	-	1,363,344,191



**CONSOLIDATED VPA
COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the Seven Months Ending 01/31/2023**

	Actual	Budget	Prior Year	Favorable (Unfavorable) Variance Actual/Budget
Operating Revenues:				-
Terminal operating revenues	501,040,197	457,577,542	448,947,423	43,462,655
Other revenues	10,026,573	11,890,633	10,557,516	(1,864,060)
Operating revenues - Grants	909,063	540,625	2,386,174	368,438
Operating revenues from component unit	-	-	-	-
Total operating revenues	511,975,833	470,008,800	461,891,113	41,967,033
Operating Expenses:				
Terminal operations	156,921,457	158,005,928	144,235,794	1,084,471
Terminal maintenance	77,581,538	72,825,544	62,759,185	(4,755,994)
General and administrative	31,590,852	34,850,972	30,331,501	3,260,120
Facility Rental	2,652,460	1,309,353	3,250	(1,343,107)
Depreciation and Amortization	114,383,232	114,633,815	109,310,884	250,583
Payments due to Authority	-	-	-	-
Total operating expenses	383,129,539	381,625,612	346,640,614	(1,503,927)
Operating income (loss)	128,846,294	88,383,188	115,250,499	40,463,106
EBITDA	243,229,526	203,017,003	224,561,383	40,212,524
EBITDA Margin	47.5%	43.2%	48.6%	19.8%
Non-operating revenues (expenses)				
Investment income	11,315,621	5,168,362	387,741	6,147,259
Interest expense	(102,638,618)	(103,661,941)	(101,279,178)	1,023,323
Revenues from federal sources	14,996,558	33,364,883	1,075,232	(18,368,325)
Revenues from state sources	19,736,447	31,992,825	3,278,964	(12,256,378)
Revenues from private sources	13,011,324	6,925,000	5,498,941	6,086,324
Other income (expense)	(1,495,587)	(2,010,411)	(2,316,611)	514,824
Gain/(loss) on disposals	(90,700)	-	546,221	(90,700)
Income (loss) before capital contributions and transfers	(45,164,955)	(28,221,282)	(92,808,691)	(16,943,673)
	83,681,339	60,161,906	22,441,809	23,519,433
Capital contributions and transfers				
Commonwealth Port Fund allocation	35,920,996	34,469,357	31,375,236	1,451,639
Operating transfers to Authority	-	-	-	-
Payments to federal government - channel dredging	(40,601,285)	(55,008,333)	(1,532,197)	14,407,048
Capital contributions (to) from component unit	-	-	-	-
Capital contributions (to) from other state agencies	-	-	-	-
Proceeds (to) from primary government	50,620,221	54,533,333	367,369	(3,913,112)
Increase (decrease) in Net Position	129,621,271	94,156,263	52,652,217	35,465,008
Net Position - Beginning of Year	1,233,722,920	1,233,722,920	1,070,579,253	-
Net Position - End of Period	1,363,344,191	1,327,879,183	1,123,231,470	35,465,008



CONSOLIDATED VPA
STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET POSITION
For the Seven Months Ending 01/31/2023

	Virginia Port Authority	Consolidated VIT	VPA Eliminations	Consolidated VPA
Operating Revenues:				
Terminal operating revenues	-	501,040,197	-	501,040,197
Other revenues	10,098,865	(72,292)	-	10,026,573
Operating revenues - Grants	909,063	-	-	909,063
Operating revenues from component unit	207,771,395	-	(207,771,395)	-
Total operating revenues	218,779,323	500,967,905	(207,771,395)	511,975,833
Operating Expenses:				
Terminal operations	755,467	156,165,990	-	156,921,457
Terminal maintenance	2,093,144	75,488,394	-	77,581,538
General and administrative	8,963,268	22,627,584	-	31,590,852
Facility Rental	2,652,460	-	-	2,652,460
Depreciation and Amortization	96,306,854	18,076,378	-	114,383,232
Payments due to Authority	-	207,771,395	(207,771,395)	-
Total operating expenses	110,771,193	480,129,741	(207,771,395)	383,129,539
Operating income (loss)	108,008,130	20,838,164	-	128,846,294
EBITDA	204,314,984	38,914,542	-	243,229,526
EBITDA Margin	93.4%	7.8%	0.0%	47.5%
Non-operating revenues (expenses)				
Investment income	10,603,886	711,735	-	11,315,621
Interest expense	(99,770,338)	(2,868,280)	-	(102,638,618)
Revenues from federal sources	14,996,558	-	-	14,996,558
Revenues from state sources	19,736,447	-	-	19,736,447
Revenues from private sources	13,011,324	-	-	13,011,324
Other income (expense)	(1,495,587)	-	-	(1,495,587)
Gain/(loss) on disposals	(96,818)	6,118	-	(90,700)
Total non-operating expenses, net	(43,014,528)	(2,150,427)	-	(45,164,955)
Income (loss) before capital contributions and transfers	64,993,602	18,687,737	-	83,681,339
Capital contributions and transfers				
Commonwealth Port Fund allocation	35,920,996	-	-	35,920,996
Operating transfers to Authority	-	-	-	-
Payments to federal government - channel dredging	(40,601,285)	-	-	(40,601,285)
Capital contributions (to) from component unit	637,850	(637,850)	-	-
Capital contributions (to) from other state agencies	-	-	-	-
Proceeds (to) from primary government	50,620,221	-	-	50,620,221
Increase (decrease) in Net Position	111,571,384	18,049,887	-	129,621,271
Net Position - Beginning of Period	1,135,857,370	97,865,550	-	1,233,722,920
Net Position - End of Period	1,247,428,754	115,915,437	-	1,363,344,191



**CONSOLIDATED VPA
STATEMENT OF CASH FLOWS**
For the Seven Months Ending 1/31/2023

	Virginia Port Authority	Consolidated VIT	VPA Eliminations	Consolidated VPA
Cash flows from operating activities:				
Receipts from customers and users	276,093,910	518,517,603	(278,389,067)	516,222,446
Reimbursement from (to) component unit	14,566,338	(14,566,338)	-	-
Other receipts	10,098,865	-	-	10,098,865
Receipts from operating grants	909,063	-	-	909,063
Payments for operating expenses	(15,271,612)	(83,221,929)	-	(98,493,541)
Payments to employees	(20,405,966)	(153,281,677)	-	(173,687,643)
Net cash provided by operating activities	265,990,598	267,447,659	(278,389,067)	255,049,190
Cash flows from noncapital financing activities:				
Transfer from (to) primary government	22,103,444	(278,389,067)	278,389,067	22,103,444
Channel dredging	(40,601,285)	-	-	(40,601,285)
Net cash used by noncapital financing activities	(18,497,841)	(278,389,067)	278,389,067	(18,497,841)
Cash flows from capital and related financing activities:				
CPF contribution	30,181,956	-	-	30,181,956
Acquisition of capital assets	(89,083,876)	(3,420,239)	-	(92,504,115)
Transfer from primary government	334,187,529	-	-	334,187,529
Capital lease payments - VIG	(60,644,276)	-	-	(60,644,276)
Capital lease payments - other	(1,199,872)	(15,026,593)	-	(16,226,465)
Principal paid on long-term debt	(24,267,263)	-	-	(24,267,263)
Interest paid on long-term debt	(19,215,524)	-	-	(19,215,524)
Issuance costs	(18,270)	-	-	(18,270)
Net transfers (to) from other state, federal or other private agencies	30,226,600	-	-	30,226,600
Net transfers (to) from private agencies - Offshore Wind	60,000,000	-	-	60,000,000
Proceeds from sale of capital assets	27,538	10,118	-	37,656
Net cash used in capital and related financing activities	260,194,542	(18,436,714)	-	241,757,828
Cash flows from investing activities:				
Net change in investments	(210,244,744)	-	-	(210,244,744)
Interest received and other	8,762,991	151,467	-	8,914,458
Net cash provided by (used in) investing activities	(201,481,753)	151,467	-	(201,330,286)
Net increase (decrease) in cash and cash equivalents	306,205,546	(29,226,655)	-	276,978,891
Cash and cash equivalents, beginning of year	277,338,656	46,336,654	-	323,675,310
Cash and cash equivalents, end of period	583,544,202	17,109,999	-	600,654,201



**CONSOLIDATED VPA
STATEMENT OF CASH FLOWS**
For the Seven Months Ending 1/31/2023

	Virginia Port Authority	Consolidated VIT	VPA Eliminations	Consolidated VPA
Reconciliation of operating income to net cash provided by operating activities:				
Operating income	108,008,130	20,838,164	-	128,846,294
Adjustments to reconcile operating income to net cash provided by operating activities:				
Payments to Authority		207,771,395	(207,771,395)	-
Depreciation and amortization	96,306,854	18,076,378	-	114,383,232
Other income (expense)	301,077	560,267	-	861,344
Change in assets and liabilities:				
Decrease (increase) in accounts receivable	(1,590,845)	17,465,524	-	15,874,679
Decrease (increase) in inventories		(2,178,072)	-	(2,178,072)
Decrease (increase) in due from component unit	70,722,164	473,107	(70,723,004)	472,267
Decrease (increase) in due from VIT	-	-	-	-
Decrease (increase) in prepaid expenses	750,502	(605,896)	-	144,606
Increase (decrease) in accounts payable and accrued expenses	676,138	6,670,003	-	7,346,141
Increase (decrease) in due to VPA	-	(105,332)	105,332	-
Increase (decrease) in other accrued expenses	(8,823,863)	(471,785)	-	(9,295,648)
Change in leases	(808,804)	(476,094)	-	(1,284,898)
Change in pension and deferred outflows	449,245	(570,000)	-	(120,755)
Net cash provided by operating activities	265,990,598	267,447,659	(278,389,067)	255,049,190



**CONSOLIDATED VPA
STATEMENT OF NET POSITION**
For the period ended 01/31/2023

	Virginia Port Authority	Consolidated VIT	VPA Eliminations	Consolidated VPA
ASSETS				
Current assets:				
Cash and cash equivalents	159,286,798	17,109,999	-	176,396,797
Investments	555,051,433	-	-	555,051,433
Restricted assets:				
Cash and cash equivalents	330,487,322	-	-	330,487,322
Investments	-	-	-	-
Investments held by Treasurer of VA	-	-	-	-
Accounts receivable, net	1,728,340	56,173,361	(44,254)	57,857,447
Due from other governments	51,463,749	-	-	51,463,749
Due from component unit	2,752,603	-	(2,752,603)	-
Inventories, net	-	21,921,466	-	21,921,466
Prepaid expenses and other	160,000	3,850,752	-	4,010,752
Leases receivable, current portion	43,047	696,295	-	739,342
Total current assets	1,100,973,292	99,751,873	(2,796,857)	1,197,928,308
Noncurrent assets:				
Restricted assets:				
Cash and cash equivalents	93,770,082	-	-	93,770,082
Investments	48,283,035	-	-	48,283,035
Leases receivable, noncurrent portion	42,344,578	13,914,051	-	56,258,629
Non-depreciable capital assets	321,457,466	7,845,095	-	329,302,561
Depreciable capital assets, net	927,825,890	29,902,888	-	957,728,778
Lease assets, net	3,921,740,583	158,050,040	-	4,079,790,623
Other	-	5,735,901	-	5,735,901
Investment in Subsidiary	-	-	-	-
Total noncurrent assets	5,355,421,634	215,447,975	-	5,570,869,609
Total assets	6,456,394,926	315,199,848	(2,796,857)	6,768,797,917
DEFERRED OUTFLOWS OF RESOURCES				
Bond refunding, net	21,846,301	-	-	21,846,301
Pensions and OPEB, net	7,756,653	25,509,053	-	33,265,706
Total deferred outflows of resources	29,602,954	25,509,053	-	55,112,007
Total assets and deferred outflows of resources	6,485,997,880	340,708,901	(2,796,857)	6,823,909,924



**CONSOLIDATED VPA
STATEMENT OF NET POSITION**
For the period ended 01/31/2023

	Virginia Port Authority	Consolidated VIT	VPA Eliminations	Consolidated VPA
LIABILITIES				
Current liabilities:				
Accounts payable and accrued expenses	14,663,143	34,903,705	(45,094)	49,521,754
Interest payable	1,691,816	-	-	1,691,816
Retainage payable	1,870,153	-	-	1,870,153
Long-term debt, current portion	26,509,660	-	-	26,509,660
Lease liabilities, current portion	655,952	9,791,706	-	10,447,658
Obligations under securities lending	6,173,463	-	-	6,173,463
Due to Parent Member	-	2,751,763	(2,751,763)	-
Total current liabilities	51,564,187	47,447,174	(2,796,857)	96,214,504
Noncurrent liabilities:				
Long-term debt, noncurrent portion	643,878,732	-	-	643,878,732
Lease liabilities, noncurrent portion	4,142,717,110	150,970,715	-	4,293,687,825
Pension and OPEB liabilities, net	9,260,795	(1,116,384)	-	8,144,411
Other noncurrent liabilities	353,956,044	1,849,068	-	355,805,112
Total noncurrent liabilities	5,149,812,681	151,703,399	-	5,301,516,080
Total liabilities	5,201,376,868	199,150,573	(2,796,857)	5,397,730,584
DEFERRED INFLOWS OF RESOURCES				
Bond refundings, net	86,714	-	-	86,714
Leases	34,009,328	13,415,646	-	47,424,974
Pensions and OPEB, net	3,096,216	12,227,245	-	15,323,461
Total deferred inflows of resources	37,192,258	25,642,891	-	62,835,149
Total liabilities and deferred inflows of resources	5,238,569,126	224,793,464	(2,796,857)	5,460,565,733
NET POSITION				
Net investment in capital assets	377,151,920	35,705,633	-	412,857,553
Restricted for:				
Debt service	471,429,576	-	-	471,429,576
Unrestricted	398,847,258	80,209,804	-	479,057,062
Total net position	1,247,428,754	115,915,437	-	1,363,344,191
Total liabilities, deferred inflows of resources and net position	6,485,997,880	340,708,901	(2,796,857)	6,823,909,924

MINUTES
Virginia Port Authority Board of Commissioners
Regular Public Meeting, Session 412
March 14, 2023

The Virginia Port Authority ("VPA") Board of Commissioners ("Board") held its regular meeting on March 14, 2023 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
Jason El Koubi
Maurice A. Jones
John W. Kirk III
Edward F. O'Callaghan
Michael W. Coleman
Deborah C. Waters
Eva Teig Hardy
Shaza L. Andersen – electronic participation

Commissioners Absent:

David L. Richardson

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
Joe Harris, Senior Director, Communications
Ryanne A. Shields, Secretary to the Board
Jodie Asbell, Sr. Executive Administrative Assistant and Assistant Secretary to the Board
Jackie Campbell, 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
Christina Harris, Director, Project Management Office

Guests:

David White, Virginia Maritime Association
Wayne Fingleton, International Longshoremen's Association
Katie Pifer, PFM
Kevin Rotty, PFM
Anne Bibeau, Woods Roger Vandeventer Black

In accordance with the VPA Board of Commissioners Electronic Participation Policy, Commissioner Andersen participated by electronic connection from her personal residence in McClean, Virginia due to a medical condition that prevented physical attendance.

I. Call to Order

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

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Regular Public Meeting, Session 412
March 14, 2023

II. Safety Briefing

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

III. Approval of Minutes

Following a motion by Commissioner Kirk, seconded by Commissioner Asbury, the minutes of the Board meeting held January 10, 2023 were approved unanimously with one minor correction to the spelling of Stephen Walton's name.

IV. Introductions and Opportunity for Public Comment

At this time, Chair Layne requested introductions of guests from Joe Harris and welcomed the opportunity for public comment.

V. Committee Reports

a. Executive Committee Report – Chair Aubrey L. Layne

Chair Layne reported that the Executive Committee met on Monday, March 13, 2023 where the Committee received an update on the General Assembly from Cathie Vick. Chair Layne acknowledged the work Ms. Vick and her team did during the session and noted that Ms. Vick briefed on upcoming elections. The Committee had a brief discussion about the general direction of the port and noted the port is doing very well on its day-to-day operations and ability to generate economic activity in the Commonwealth and discussed opportunities for terminal capacity and future economic development opportunities.

Chair Layne reported on the Memorandum of Board Action authorizing the Executive Director to execute an agreement with Southwood Building Systems for the acquisition of civil works improvements at Richmond Marine Terminals. The written consent of the Chairman of the Board and the Chair of the Finance and Audit Committee was granted on January 20, 2023.

Commissioner El Koubi commented that he wanted to add that the updates on the General Assembly from Thomas Cross, Director of State Government Affairs, were excellent and helpful.

Chair Layne further reported that the Investment Committee met on March 6 and received briefs from management and Compass Financial Partners on the performance of the VIT and VPA retirement plans through December 31, 2022. No changes to existing investment managers were recommended. Five investment managers are under "watch".

Discussions were initiated on the topic of Pension Risk Transfer and the Investment Committee engaged the services of BCG Pension Risk Consultants to analyze future considerations and plan management.

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b. Finance and Audit Committee Report – Committee Chair James C. Burnett

Commissioner Burnett reported that the Finance and Audit Committee met yesterday and discussed a number of topics. In light of recent events, the Committee discussed the safety and security of the Port's cash and cash equivalent investments. The Committee also discussed the financial performance to date, and an update on the budget development process, and a brief on the Port's efforts to increase SWaM business participation as compared to prior year. The Committee concluded with a report from Bond Counsel on the planned issuance of Commonwealth Port Fund Bonds. The Counsel walked the Committee through the provisions of Resolution 23-04 which authorizes the issuance of Commonwealth Port Fund Revenue Bonds in calendar year 2023 for the North NIT Project.

At this time, Commissioner Burnett reported that the Finance and Audit Committee unanimously recommended approval of:

- Resolution 23-04, Authorizing the Issuance of Commonwealth Port Fund Revenue Bonds in Calendar Year 2023

Chair Layne reported that there was some discussion yesterday, brought up by Commissioner Waters. The Resolution was amended to include a notification clause that Mr. Edwards, Executive Director, is to notify the Board, through Mr. Burnett, Chair of Finance & Audit, that he has executed the Bond Purchase Agreement in accordance with the parameters set forth in Section 3 of Resolution 23-04. We believe this is good governance.

Chair Layne requested consideration of the Resolution 23-04 by the Board.

Action: Upon motion by Commissioner Burnett and seconded by Commissioner Hardy, Resolution 23-04 was approved unanimously (9-0) approved by a vote of the Board.

Ayes: 9 (Asbury, Burnett, El Koubi, Jones, Kirk, Layne, O'Callaghan, Power, Waters)

Nays: 0

Abstention: 0

Absent During Vote: 2 (Andersen, Richardson)

Absent During Meeting: 2 (Andersen, Richardson)

iii. VPA Consolidated Financial Reports for Fiscal Year 2023 to Date Ending January 30, 2023 – Rodney Oliver

R. Oliver provided a follow up on the conversation at yesterday's Finance and Audit Committee meeting regarding cash and cash equivalents and the Port's deposits at various financial institutions. VPA uses Bank of America and deposits are required to be 100 percent collateralized by state statute.

R. Oliver reported on the first seven months of the fiscal year cargo volume is down one percent as compared to budget, and 1.5 percent ahead of prior year. The Port is seeing a headwind with the economy and its impact on trade and have planned and forecasted this.

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R. Oliver noted operating revenues are 8.9 percent above budget through January. Operating Expenses are holding and are very much in line with budget. The Port expected some headwind with regards to maintenance and have a team working on maintenance spend and a comprehensive plan to address that area. Operating Income and EBITDA are very positive.

R. Oliver reviewed the statement of cash flow and noted that FY23 figures are substantially ahead as compared to FY22. This will start to change as a result of the volume headwinds that are expected. R. Oliver reviewed figures for non-capital financing that included the channel dredging project and investing activities.

R. Oliver reviewed the capital and related financing activities and noted the acquisition of capital assets for FY23 is substantially higher as compared to FY22. This will continue for FY24 and FY25 due to the expenditures related to the North NIT infrastructure optimization project.

R. Oliver reviewed the major components included in the financial transfers from the primary government line item were the contributions of the Commonwealth for North NIT optimization, channel dredging projects and Central Rail Yard. Net transfer from agencies were received from Dominion for the infrastructure improvements to Portsmouth Marine Terminal for the offshore wind staging, a Volkswagen grant, and port security grant.

R. Oliver reported that Marissa Blanco provided an update to the Finance & Audit Committee yesterday on the VPA's SWaM spend. For the first half of FY23 the actual spend is more than four times as compared to FY22. On March 30th the Port is hosting its annual SWaM Supplier Conference which is a good opportunity for businesses to learn about the Port's operational and capital needs and how they can add value.

At this time, Committee Chair. Burnett congratulated Mr. Oliver and his team on the excellent reports that were given at the Finance and Audit Committee meeting.

c. Operations and Infrastructure Committee – Committee Chair Deborah C. Waters

Commissioner Waters reported that the Operations and Infrastructure Committee met on March 13, 2023. Joe Ruddy gave the safety report and status of operations, including gate, rail, stevedore services and overall production in the current market. Rich Ceci, VIT Senior VP Technology and Projects, provided an in-depth look of the status of the Central Rail Yard (CRY) Project and North NIT optimization. Pat Kinsman, VP Offshore Wind Development, gave an update on the offshore wind project at PMT. Sigifredo Huerta, VIT Manager Offshore Wind, gave a report on the various components of the offshore wind turbines.

iii. Safety Report – Joseph P. Ruddy, VIT

J. Ruddy reported a positive trend in safety metrics and noted the current incident rate is 28 percent below Fiscal Year 2022, and noted the FY23 year-end goal benchmark is 1.8.

J. Ruddy reported that in February, OSHA requested that a couple of their compliance and safety officers be allowed to visit the port to observe how the Port conducts its annual crane inspections. Following the

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visit, Michael Rivera, Regional Administrator, sent a letter of appreciation which Mr. Ruddy read and is attached hereto.

At this time, Chair Layne emphasized the importance and focus on safety and that it is key to our overall success.

Commissioner Waters thanked the VIT Operations team and ILA partners for all they do to make sure everyone remains safe.

iv. Operations Report – Joseph P. Ruddy, VIT

J. Ruddy reported strong numbers in truck gate performance and with 90 percent under one hour and is trending well.

J. Ruddy reviewed rail performance with cargo dwell time remaining well below industry standard and is accretive to the Port's railroad partners and both are performing well.

J. Ruddy reviewed net crane productivity metrics and noted an effort to maximize crane productivity with stack capacity while working with ILA partners to maintain a high level of productivity and customer satisfaction.

Commissioner O'Callaghan reported that his sources in the trucking community are very satisfied with the gate turn-times and appreciate when there was a recent system issue, service was recovered promptly.

Commissioner O'Callaghan further noted that the Tidewater Motor Truck Association was very pleased to have Mr. Stephen Edwards speak at their monthly meeting in February.

v. Infrastructure Projects Update – Cathie J. Vick

C. Vick reported on the progress of the Central Rail Yard (CRY) expansion project. The design is 100 percent complete and construction is halfway done. There have been no contingency issues for the last six months. The cantilever rail mounted gantry cranes will arrive in July and will take three months to get them erected and tested and expect to be fully operational by January.

C. Vick reported that the construction start date for the North NIT Optimization project has shifted to July 1 (from April) and this will allow time to value engineer some of the electrical components needed for the project that have been in short supply. The design includes four or five new low-profile cranes on the first 1500 feet of the 2400 foot berth to accommodate the flight path for the Navy while still providing the capacity increases anticipated. In preparation for the new low-profile ship-to-shore cranes, the Port is removing three of the current ship-to-shore cranes on the north berth and that work will start this spring.

C. Vick reported on the Portsmouth Marine Terminal Offshore Wind hub. The project is slightly behind schedule due to some challenges removing the old piles. However, PMT will be ready to receive the first monopiles in October 2023 and have been sequencing the construction so the Port is able to turn over part of the berth in the first phase to accommodate receiving those components.

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C. Vick provided an update on the Channel Deepening and Widening Project. Design is 95 percent complete for the Atlantic Ocean Channel, second phase. The Army Corps of Engineers will award the contract for Phase 1 by the end of the month and construction will start this summer. Thimble Shoals West is 99 percent complete and will come on line this fall. Thimble Shoals East is 90 percent complete and will be finished in May. All elements are expected to be completed by December 2024.

At this time, Commissioner Waters commended Mr. Ruddy and his team for being data driven and constantly monitoring the gate, rail and operations in general to keep everything flowing and acknowledged that they do a fantastic job.

Commissioner Waters also expressed appreciation to Ms. Vick and her team and Mr. Ceci for the professionalism, knowledge and execution of these complicated construction projects and for keeping them on time and on budget.

d. Growth Committee – Committee Chair John C. Asbury

Commissioner Asbury reported that the Growth Committee met on March 13, 2023 and received presentations from staff on cargo volumes, port-centric development. Tom Capozzi, VIT Chief Marketing and Sales Officer, presented a report to the Committee on the port's year- over-year comparison of cargo volumes as well as a comparison of primary cargo volumes across the U.S. East Coast Ports market. T. Capozzi also reported to Committee on the ports sales and marketing strategies. Amanda Nelson, VIT Vice President of Growth, presented a report of announcements and opportunities within the areas of port-centric development.

iii. Sales and Volume Report – Thomas C. Capozzi, VIT

T. Capozzi reported on cargo volume for the months of December 2022 and January 2023 and while total TEUs were down, demonstrated the positive results in the areas of loaded exports and strong rail volumes. T. Capozzi noted that the Port has built a good reputation with its excellent service levels and has been able to attract discretionary cargo. T. Capozzi reported that as a result of some changes in the market place with the ocean carriers, the cargo volume through Richmond Marine Terminal and Virginia Inland Port has rebounded and are showing positive results.

T. Capozzi reviewed the US East Coast Market Comparison statistics for the fiscal year period July – December and we are slightly down by 0.7% as compared to NY/NJ, Savannah and Charleston. The most recent report through January demonstrates positive growth for Virginia of 1.5 percent.

T. Capozzi reported that market conditions are expected to remain low for the next six months and believes the Port is well positioned going forward to take advantage of the recovery.

At this time, a conversation ensued regarding the Chinese New Year which was longer this year than normal and the impacts on volumes on both the east and west coasts.

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

S. Edwards reported there is a high focus on safety within the transportation industry given the recent events with Norfolk Southern and FAA. Safety will remain a high priority for the Port of Virginia.

S. Edwards reported that the ocean carriers had their best results for 2022; however, due to cargo volumes on the decline, are now expecting cash loss in Q1 and Q2. The Port expects to see changes in their mindset and there will be more competition around discretionary cargo.

S. Edwards noted that the Port's construction cost risks and lead times for infrastructure projects are much more significant than they were and there are shortages on certain supplies which could slow progress down. As reported at yesterday's Finance & Audit Committee, the Port anticipates that prior to the May Board meeting, the Port will make requests of the Board Chair and F&A Chair to authorize the CEO and Executive Director to enter into three contracts relative to the North NIT Optimization Project in order to keep the project moving.

S. Edwards reported the Port continues its reinvestment and expansion efforts, and the market is responding with strong interest for supply chain diversification. The Port's core focus is to keep service levels high, reinvest in the business, and expand appropriately in order to attract business to Virginia and for this, the Port is well positioned.

At this time, Chair Layne asked Mr. Edwards to address the topic of cranes manufactured in China that has recently been in the news.

Mr. Edwards reported that consistent with the majority of the port and marine terminal industry, the Port of Virginia purchases cranes which are manufactured and fabricated in China. New crane orders are subject to a detailed forensic cyber analysis which is undertaken by a federal agency. This analysis is performed prior to cranes being placed into production. Prior to clearance from the analysis, the cranes are isolated with dedicated firewalls to ensure no contact with Port networks or the internet. Within the Port of Virginia, we undertake regular cybersecurity exercises with federal agencies and the US Coast Guard.

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 10:00 am.

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The next meeting of the VPA Board will be May 9, 2023.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Jodie L. Asbell". The signature is fluid and cursive, with the first name "Jodie" being more prominent.

Jodie L. Asbell

Assistant Secretary to the Board

U.S. Department of Labor

Occupational Safety and Health Administration
Philadelphia Regional Office
1835 Market Street
Mailstop OSHA-RO/19
Philadelphia, PA 19103-2968
Phone: (215) 861-4900
Fax: (215) 861-4904



February 27, 2023

Joseph P. Ruddy
Chief Operations Officer
Virginia International Terminals, LLC
601 World Trade Center
Norfolk, VA 23510

RE: OSHA Compliance Officer Observation of Quadrennial Crane Inspections

Dear Mr. Ruddy,

I would like to extend my sincere appreciation for your hospitality in allowing Compliance Safety and Health Officers (CSHOs) from the Norfolk Area Office to observe the structural inspections of the cranes at Virginia International Gateway February 22nd and 23rd, 2023. I was told that the doors you opened allowed for a significant learning opportunity not only for the CSHOs to gain a deeper understanding of the inspection process and its importance, but for OSHA to understand how a key employer and economic stabilizer in the Hampton Roads area assures safe working conditions for so many workers.

OSHA is committed to enlisting stakeholders, employers, and employees in the identification and correction of workplace hazards. I very much appreciate employers who provide values-driven leadership in safety and health and aim to create genuine conditions of well-being at work. This effort is rooted in holding safety as a core value, and I am pleased to hear that the Port of Virginia and the Norfolk Area Office can capitalize on this foundation to ensure those working in terminals and other facilities have a safe and healthy environment.

Yours in safety and health,

A handwritten signature in blue ink that reads "Michael J. Rivera".

Michael J. Rivera
Regional Administrator

Cc: Brian Rizzo, Norfolk Area Office

