2020 BY THE NUMBERS

$1,517,104
Association reserves have steadily increased over the last decade.

VAA has diversified its revenue stream to be less dependent on any one area:
- Tonnage: 27%
- Member Fees: 9%
- Meetings: 6%
- VECAT: 7%
- Scholarship: 4%
- VAAES Income: 4%
- Other: 43%

1,600
VECAT Students Served

80
Proficiency Exams Given

16
MCS Classes Taught

900
VDOT Credentials Awarded

The VECAT partnership has served students both online and in the classroom using the latest in technology and innovation.

20
Committees

35
Virtual & In Person Events

VAA represents and advocates for the asphalt industry tirelessly throughout the year.

$55,000
Awarded in scholarships.

124
Companies

VAA is proud to count many asphalt industry companies as members.

400
Connected Live

100,000
Reached Through Virtual Meetings, Digital, & Print Media

In 2020, VAA hosted multiple events, produced a magazine and newsletter, and hosted a website and News Center. All were geared toward connecting members and providing the most current and innovative training and information.

President’s Message

When I was a teenager, I looked forward to each new birthday—another year older. Whether that was turning 16 to drive legally, 18 to vote, or 21 to—well, you know. But now, pushing 50, I want life to slow down. My kids are grown and moving on to bigger and better things. Time is precious, and it becomes more evident every day. However, this past year seemed to be one that would not end! A year that made me look forward to 2021, not with the excitement and anticipation of my youth—but praying 2021 would please be better than 2020. As we finished 2020, the national and state elections were behind us, and new COVID-19 vaccines were rolling out, glimmers of hope for the upcoming year.

Last year, we issued our first VAA Annual Report to add transparency to our activities and inform our members, partners, and others. As you read our second annual report, you will see the impact COVID-19 had on the Association’s finances and activities. Besides canceling many of the planned VAA events, members were impacted by the amount of work available. VECAT had to cancel in-person classes and move to remote learning. But regardless of the negatives, VAA staff were determined to fulfill the Association’s mission and found new avenues to provide services to members and the transportation community at large. This Annual Report will summarize the year that was and give a glimpse into 2021.
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VAA relies on several revenue streams to support the mission of the Association. These streams include annual membership dues, producer member tonnage fees, training and education services, and events. At the start of 2020, these revenue streams were full, and the funds would be available to offset the expenses inherent in operating a non-profit association. However, by March, many of these streams were reduced to a trickle and by late 2020 had completely dried up. Even with those fiscal setbacks, VAA stands on firm financial ground going into 2021.

**Association Reserves**

From 2011 to 2019, the Association’s reserves have steadily increased by over $400,000. The jump in reserves from 2017 to 2018 can be attributed to the launch of VECAT and the initiation of an expo to accompany the fall technical conference. However, in 2020 the reserves jumped over $500,000! This jump was due to the sale of 6900 Patterson Avenue and investment income.

The VAA Finance Committee set several goals for VAA in 2017. One goal was to reduce the budget’s dependence on tonnage fees. A second goal was to reduce the tonnage fee when a reserve target was met. Based on the 2018 projections on association reserves, the Board of Directors voted to reduce the tonnage fee by $0.01 for 2019. This fee reduction did not adversely impact the VAA finances in 2019 or 2020.

The primary impact on finances was the COVID-19 pandemic. VAA canceled several in-person revenue-generating events, including the Virginia Pavement Research and Innovation Symposium, Annual Members Meeting, and MAAE 2020. Additionally, the pandemic saw more than a 10% reduction in tonnage produced by members. Fortunately, VECAT saw a slight increase in enrollment even as all classes moved online. By the last quarter of 2020, VAA provided virtual and hybrid events, and some students were returning to VECAT. Overall, through careful financial management and other fiscal measures, the Association is financially healthy while not retaining excess member funds.
Association Revenue Streams

Diversification of VAA’s revenue streams required analyzing all aspects of VAA’s existing operations and investigating potential new sources.

In general, most revenues for VAA in 2015 came from tonnage fees (60%), meetings and conferences (18%), and membership dues (16%). By the end of 2019, the revenue sources and percentages had shifted to be more balanced, with tonnage fees only making up 38% of the revenue. However, the pandemic turned VAA back to a reliance on tonnage fees and membership dues to provide most of the revenue. Fortunately, VECAT provided some funding along with the sale of the Patterson Ave asset and investment income, as shown in Figure 1 (asset & investments included in “other”).

The changes in revenue can be seen in Figure 2, along with the impacts of COVID-19 in 2020. While VAA expects to be still facing the pandemic’s challenges in the first half of 2021, implementing new approaches to regaining revenue lost will include launching a series of educational and information webcasts and webinars. Nearly all VECAT training will be online until May or June 2021. This may continue to impact the revenue for the first half of the year through lower than expected enrollment.

![Combined Revenue - 6 Year Trend](image1)

![Figure 1: Revenue Stream](image2)

![Combined Revenue](image3)
Membership

As the technical Association for the asphalt industry in Virginia, VAA and members have worked to expand the number of member companies. A concerted effort was made to attract not only asphalt producers and associate contractors (i.e., placement, pavement marking, preventive maintenance, etc.) but also affiliate members. This was done by providing incentives for companies to join the Association, primarily through reduced fees at events and end of the year membership sales.

For 2020, VAA had five companies resign from the Association and six companies join the Association and one member who shifted categories. Overall, VAA gained a net of one member. Given the fiscal impacts felt by many companies, staying steady on membership was considered a success.

In the future, VAA will continue to focus on increasing membership size—including contractor and associate contractor prospects. However, VAA expects membership numbers to drop in the first half of 2021 due to companies trimming expenses until their markets rebound. By the end of 2021, VAA anticipates returning to current or higher membership levels due to MAAE 2021 and other new offerings by the Association.

The pandemic challenges affected all of us in one way or another. Our industry is resilient and the hardworking, dedicated people are the backbone. I take pride in the fact we are all in this together, and I am hopeful, we will see the light at the end of the tunnel this year.

Mike Rounds, General Manager/Asphalt Division, Fort Myer Construction Corporation

Number of Members Over Time
2014–2020

![Graph showing the number of members over time from 2014 to 2020.](image-url)
MAKING A DIFFERENCE
Operating under the Association’s Vision and standing on the firm foundation of its Mission, VAA strives every day to carry out the Four Pillars of the Strategic Plan.

**VISION**
To be the leading Association for the Asphalt Industry.

**MISSION**
To promote the increased use and quality of asphalt pavement in Virginia.
Position Statements

Unlike previous years where much time was spent on collaborating and developing new specifications and special provisions, 2020 was focused on transitioning special provisions to supplemental specifications and Balanced Mix Design specifications. For the transition to supplemental specifications, VAA and VDOT worked to clarify and simplify the language. Regarding BMD, VAA staff and members reviewed and commented on special provisions. In August, VAA proposed a draft special provision to VDOT for Section 211. The draft SP was tailored to production level testing and acceptance. While not adopted by VDOT for 2021 pilot projects, it did serve as an example specification for discussions.

VAA staff and members met with VDOT to review the paperwork submission process for paving schedule contracts. The goal was to streamline the process, reduce redundant actions, and improve efficiencies for contractors and VDOT. These meetings lead to recommendations that will be developed further in 2021.

VAA provided input on non-materials division related specifications, primarily traffic engineering related specs. While 2019 saw the development of special provisions related to plastic inlaid markers and shoulder wedge, 2020 focused on pavement marking materials and pilot sections for 2021.

Non-VAA Committees & Events

To stay abreast of changes and potential changes that may impact the asphalt industry, VAA is heavily involved in state, national, and international organizations. VAA participated in VTRC research advisory committees and sub-committees related to pavements and asphalt. VAA also maintains a presence on committees run by the Transportation Research Board, NAPA, SEAUPG, and NCAT. These committees touch on topics such as BMD, rejuvenators, sustainability, and life cycle cost analysis.

Outside Events

With the depth and talent of VAA staff, employees were asked to participate in events outside the Association. In 2020, VAA represented the asphalt industry in the following ways:

- NAPA’s Mid-Year Meeting on Virtual Proficiency Testing
- Utah’s Chapter of the American Public Works Association on Pavement Design

VAA is proud to be the asphalt industry’s technical Association in Virginia. We are the unified voice of the Association members. VAA works on developing position statements regarding VDOT specifications and policy and represents members on the state, national, and international levels.
• Pennsylvania State Association of Township Superintendents on Pavement Design
• Idaho Asphalt Conference on Pavement Design
• Asphalt Pavement Alliance on PaveXpress Enhancements
• Participate in the FHWA Pavement Research Stakeholder’s meetings as a State Association Representative

These events focused on promoting asphalt and improving asphalt quality, which ties directly into VAA’s Mission Statement. We experienced the same quality representation from VAA when we were family-owned that we now have as a publicly-traded company. This Association has always provided an operative seat at the table for the betterment of our program.

Ken Arthur, Director of Asphalt Plants & Development, Boxley Materials Company
In a typical year, VAA hosts multiple opportunities for members, customers, and clients to connect. These range from technical conferences to members-only meetings to charity outings. However, the pandemic canceled many of the scheduled events or changed the event format. Therefore, VAA used various media forms (i.e., social, website, magazines, newsletters, and email) to stay in touch and inform our membership and the public at large. Along with media, VAA expanded the use of virtual meeting and webinar platforms.

**Technical Conferences**

Entering 2020, VAA planned to host or co-hosted three technical conferences. In March, VAA and VDOT partnered to host a single statewide Asphalt Seminar. This seminar focused on outlining new specifications and procedures and reinforcing best practices before the commencement of the paving season. The Asphalt Seminar attracted nearly three hundred individuals from VDOT and industry. This was the last in-person technical conference held in 2020. While always popular and well-received by attendees, the 2021 seminars will be held in a virtual format for attendee safety. The two identical sessions will utilize a combination of prerecorded presentations and live question and answer sessions.

VAA, VTRC, and Germanna Community College partnered to hold VPRIS (Virginia Pavement Research and Innovation Symposium) in March. Unfortunately, VPRIS was canceled due to the pandemic. In a typical year, VAA hosts multiple opportunities for members, customers, and clients to connect. These range from technical conferences to members-only meetings to charity outings. However, the pandemic canceled many of the scheduled events or changed the event format. Therefore, VAA used various media forms (i.e., social, website, magazines, newsletters, and email) to stay in touch and inform our membership and the public at large. Along with media, VAA expanded the use of virtual meeting and webinar platforms.

For 2021, VAA is launching the Innovation Connection webcast—a virtual version of VPRIS, to allow members to communicate and demonstrate their innovations to a large, online audience of VAA, VDOT, locality, and other customers.

The final technical conference planned for 2020 was the Mid-Atlantic Asphalt Expo and Conference (MAAE). In 2019, MAAE had more than 600 registered attendees, and the VAA planning team expected to eclipse that mark in 2020. However, the large technical conference and expo was canceled and moved to a smaller virtual event. With over 150 attendees participating in a Zoom webinar, MAAE Lite included a session on changes to the 2021 VDOT program, 2019 paving awards luncheon, and a VDOT Town Hall. With the hope for an effective vaccine, VAA is planning for a hybrid MAAE 2021 where people can attend in person or virtually.

Presentation of the Golden Lute Paving Award to Superior Paving Corp. for Their 2019 Scotts Run Project

400

Connected face to face.

100,000

Reached through virtual meetings and media.


**VAA Annual Meeting & Webinar Series**

The VAA 69th Annual Meeting was scheduled to be held at Kingsmill Resort in Williamsburg. Initially, the meeting was planned to be hosted in April and then was rescheduled to June. Due to the ongoing pandemic, VAA canceled the in person event. To share the information that was to be provided in the annual meeting sessions, VAA hosted a series of webinars for members. These webinars covered topics from the 2019 General Assembly Session and a VDOT Town Hall.

**Discussion with the Department**

One of the major VDOT-VAA meetings during the year is the Discussion with the Department. This meeting was initiated in 2017, bringing together VDOT Senior Leadership, FHWA, VAA Board of Directors, and other VAA members. The purpose of the meeting is to discuss future funding, plans, and initiatives by VDOT and FHWA with VAA members. All entities are encouraged to share concerns so that they made be addressed. Fortunately, by October, Virginia’s COVID-19 cases had declined, and larger groups were allowed to meet. This meeting was held in a hybrid format where nearly 50 people attended in person and over 60 participated remotely.

**Media**

Communication of our mission to members, customers, and the public is why VAA exists. Staying abreast of current trends in information and evolving with changes in generations is an ongoing process. With the launch of a reformatted website in 2018, visits have increased dramatically. During the 2020 calendar, vaasphalt.org had over 176,000 page views by 50,000 users. Along with the website, VAA increased activity on Facebook and Linkedin. Initial efforts on social media focused on ways the industry was performing work safely. Later, VAA posted position openings for members. By the end of the year, VAA was spotlighting winners of the 2020 Paving Awards ceremony. By boosting posts, VAA reached thousands of new people not historically contacted by the asphalt industry.

VAA’s monthly e-newsletters (Asphalt News) was circulated in 2020, along with a semi-annual magazine (Virginia Asphalt). Digital formats of both publications are distributed to over 1,400 individuals in the asphalt industry. The print version of the magazine is distributed to over 800.

VAA promotes advertising on several media platforms and has used this as part of its revenue stream diversification.

**Charitable Outings**

With the initiation of the Richard J. Schreck Scholarship Program in 2016, VAA has used golf and other outings to aid the scholarship program’s funding. Three scholarship tournaments were held in August, October, and November of 2020. The first tournament planned for April was moved to November due to gathering restrictions and safety concerns. The 2020 tournaments had the largest turnout ever and raised over $60,000. This, along with other donations during 2020, will fund more than 16 scholarships.

While no official count was made, clearly, VAA connected well over 100,000 people through conferences, meetings, media, and charitable outings. 

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Discussion with the Department

Jacob Dodson and Scot Shorb Recorded an Interview About Their 2019 Main Street Town of Culpeper Paving Project

VAASPHALT.ORG
As a technical association, training members and non-members is a large part of the Association’s mission. VAA hosts meetings and workshops, partners with Germanna Community College (GCC) and Virginia Department of Transportation (VDOT) on VECAT, provides one-on-one support, and trains on new technologies. VAA also works to educate the public and other entities on the sustainability and resiliency of asphalt.

Meetings & Workshops
Starting in 2019, the main buzz in the asphalt industry was Balanced Mix Design (BMD). In 2020, VAA held numerous formal and informal meetings with members and VDOT to learn and share information. VAA staff and members worked on the VDOT BMD Technical Committee and served on the BMD Executive Oversight Committee. In December, VAA hosted a free BMD virtual seminar for members. The meeting included a presentation by VTRC on the Round Robin Phase 1 results and step by step instruction on IDEAL CT procedures by three VAA equipment testing members. More than 60 people participated in this event. Through this workshop and other activities, VAA supported contractors’ education to aid in their future mix design efforts.

One-on-One Support
2020 presented a unique challenge to providing one-on-one in person support. In previous years, dropping by an office or slipping into a lab was common. However, the pandemic severely limited those opportunities. VAA staff did strive to provide telephone and virtual meeting support to members. VAA was involved in the BMD round robin offering technical support on testing and the HVS paving at VTTI. Staff also visited project sites and a limited number of labs during the summer and fall months. While less in person one-on-one support was provided, VAA continued to be available for members in other ways.

New Technologies
In 2020, most of the focus on new technology revolved around balanced mix design (BMD) testing equipment and plastic inlaid markers equipment. VAA staff spent time learning the different BMD technologies and participating in pilot projects, lab testing, and the round robin. With the switch from snow plowable recessed markers to PIMs, VAA and members worked together and learned the installation approach.

Educating members and others has been the trademark of VAA. During 2020, VAA formal and informal events provided services to more than 500 people.

Virginia Education Center for Asphalt Technology (VECAT) was officially launched in 2016, and a new agreement was signed in 2020. VECAT is a partnership between Germanna Community College (GCC), Virginia Department of Transportation (VDOT), and Virginia Asphalt Association Educational Services (VAAES).

As a model partnership between the community college system and industry, VECAT generates income to sustain and expand its workforce-focused program. It’s one of the most innovative partnerships in the United States. VAAES was started specifically to handle VECAT and is a Limited Liability Company solely owned by VAA. Since its inception, VECAT has provided certification services to more than 6,000 students through live and online learning environments. VAA staff served as subject matter experts in numerous live classes and two virtual classes. During the 2020 calendar year, VECAT had:

* Nearly 1,600 classroom & online students
* Over 80 Plant & Mix Design proficiencies
* Over 900 credentials awarded through the end of November

VECAT uses prerecorded presentations with a subject matter expert at each class site. Online classes are offered through a learning management system operated by GCC. VECAT worked to provide all ten MCS classes in 2020, and all prerecorded presentations were available on YouTube for study. By the end of 2020, most students had completed one or more of the VECAT classes online.

Finally, VAA staff and members participate and chair the VECAT Steering Committee. This committee works together to monitor and discuss new initiatives related to the program. In 2021, work will begin revising the original seven MCS classes in terms of study guides and presentations. The effort is anticipated to take two years.
RJ Schreck Scholarship

The Richard J. Schreck Scholarship is one of VAA’s proudest accomplishments and shows our commitment to our members and the asphalt industry’s future.

VAA established the scholarship to assist dependents of VAA member companies in furthering their education beyond high school. This program is managed under the auspices of the NAPA Research and Education Foundation (NAPAREF) Scholarship Program, a 501(c)3 organization. Only dependents/spouses/employees of VAA member companies are eligible to apply. Eligibility includes all incoming freshmen and first-year attendees at a post-high school institution (i.e., trade school, colleges, universities). Also, those students currently enrolled in post-high school institutions may apply. In 2020, VAA awarded $55,000 in scholarships.
VAA provides leadership and resources to benefit members and the asphalt industry in Virginia. This leadership encompasses the various committees established and led by staff, investigating new opportunities, expertise, research resources, and monitoring local, state, and national health, safety, and environmental issues.

Committees

VAA played a significant role in more than 20 committees during 2020. In some instances, VAA staff lead or co-lead the committee; for other committees, VAA played an active role. For committees outside of VAA, staff lead or co-lead the VDOT-VAA Statewide Traffic Engineering Co-Op committee, VDOT Statewide Asphalt Co-Op committee, VECAT Steering Committee, and Paving Leadership Group.

Investigate

Through involvement with numerous national and international committees and the input of VAA members, staff continually investigate new opportunities and applications for asphalt. The primary focuses nationally have been sustainability and resiliency. Asphalt materials and pavements are both sustainable and resilient. VAA staff has provided tremendous input on revising Cold...
Pavement Recycling specifications and use guidelines with VDOT. Final specifications and guidelines were issued in 2020, along with the VECAT MCS classes.

**Expertise & Research Resource**

As mentioned previously in this report, VAA staff are resources for technical expertise and research. During 2020, resources were provided to members, VDOT, and others in the industry. Additionally, VAA staff field numerous phone calls and emails from the public related to driveways, parking lots, and porous asphalt. In conjunction with UVA’s Transportation Training Academy, VAA staff provided a one-day training course on asphalt maintenance. Additionally, VAA staff met with Roanoke City to discuss various sustainability and resiliency opportunities pertaining to asphalt.

**Health, Safety, & Environmental**

VAA teams with third parties such as the National Asphalt Pavement Association (NAPA) and consultants to tackle some functions that impact the asphalt industry. For Health and Safety issues, VAA established a Safety and Health Committee in 2018. Since then, VAA has held committee meetings and sponsored efforts to collect and disseminate information for members. VAA hired Troutman Pepper to monitor legislative and regulatory environmental issues in Richmond and Washington, DC. They provide quarterly reports to VAA as well as special alerts to keep members informed.

Leading the asphalt industry is a vital role that VAA strives to excel at every day. Efforts by staff, members, and partners have resulted in VAA being recognized as a national leader.
In 2020, VAA endeavored to meet the Association’s mission by focusing on the core functions—technical services, member services, and training/education. This was challenging with the ongoing pandemic. The first half of the year was dedicated to supporting the industry regarding COVID. VAA provided numerous updates from VDOT, NAPA, and other procedural changes to keep workers and the public safe. VAA partnered with VDOT to advertise position openings within the industry to attract workers and put Virginians back to work.

Numerous changes and adjustments to planned activities and functions were made throughout the year to serve the Association members. The business plan of the Association, which was established based on the core functions of VAA, was modified continually. The business plan reflected the Strategic Plan adopted by the Board of Directors in 2019—represent, connect, educate, and lead the asphalt industry in Virginia and nationally.

Going into 2021, VAA has embarked on a longer-range strategic planning effort—Vision 2030. Using the skills and knowledge of board members and associate contractor members, the Long-Range Strategic Planning Committee will address one fundamental question—What should VAA look like in 2030?

While 2020 was difficult, the pandemic challenges resulted in new and better ways to perform services—both by members and the Association. The future of VAA and the asphalt industry is bright. This is due to a dedicated staff and extremely supportive members who are focused on outcomes and volunteer their time to advance the industry. Your membership allows VAA to be active in and out of Virginia to ensure the asphalt industry is at the leading edge of technology and research.

Virginia Asphalt Association is its members. This is their organization. Their desired plans for improving and moving the Association forward is what excites me.

Trenton M. Clark, P.E., President, VAA