

2016 2nd Quarter Reforecast

Port of Houston Authority
August 1, 2016



Foreword

- In November 2015, a proposed operating budget and capital plan was developed to guide staff in the operation and management of Port Authority facilities and activities for Fiscal Year 2016. It was presented to the Port Commission for consideration at a budget workshop open to the public.
- The Port Commission approved the 2016 Operating Budget and Capital Plan at an open meeting on November 17, 2015.
- This latest 2016 Budget Reforecast was prepared by staff as of June 2016, and was provided to the Port Commission.
- Note that the operating budget does not include tax revenues. Property tax receipts are maintained in a separate account and used exclusively for principal and interest debt service payments due on the Port Authority's outstanding general obligation *ad valorem* tax bonds.
- While the capital plan may be approved as to maximum annual amount of capital expenditures, individual operating and capital projects exceeding \$50,000 will continue to be presented separately to the Port Commission for approval in accordance with statutory requirements.

2016 2nd Quarter Reforecast Revenue (000's)

	<u>2015 Budget</u>	<u>2015 Audited</u>	<u>2016 Budget</u>	<u>2016 Actual Jun YTD</u>	<u>2016 Reforecast</u>
Container Terminals	\$174,452	\$201,759	\$208,725	\$104,219	\$211,616 1.4%
Turning Basin Terminals	57,638	61,580	58,889	25,108	47,572 (19.2%)
Lease Revenues	15,826	15,891	15,877	8,361	16,447 3.6%
Harbor Fees	6,880	6,464	6,880	3,251	6,461 (6.1%)
Channel Development	5,178	3,724	2,683	959	2,301 (14.3%)
Other Revenues	3,601	3,694	2,812	2,078	2,235 (20.4%)
Total Operating Revenues	\$263,575	\$293,112	\$295,866	\$143,976	\$286,632 (3.1%)
Non-Operating (Federal Grants, Insurance, Interest Income)	3,475	2,727	5,595	8,572	11,425 104.2%
Total Revenue	\$267,050	\$295,839	\$301,461	\$152,548	\$298,057 (1.1%)

2016 2nd Quarter Reforecast Revenue (000's)

2016 Budget

\$301,461

Container Terminals

Full Container Receipt/Delivery	(8,213)	
Storage	(1,794)	
Wharfage - Loaded Containers	7,676	
Container Refrigeration Services	1,580	
Empty Container Receipt or Delivery	1,175	
Rent/Lease	1,015	
Wharf Crane Rental	979	
Other Container Terminal Revenues	472	2,891

Turning Basin Terminals

Wharfage-Import	(5,585)	
Dockage	(4,320)	
Security Fees	(911)	
Other Turning Basin Terminals Revenue	(502)	(11,318)

Lease Revenues

Usage Fees	(235)	
Rent/Lease	826	
Other Lease Revenues	(22)	569

Harbor Fees

Harbor & Barge Fees	(424)	
Other Harbor Fees	5	(419)

Channel Development

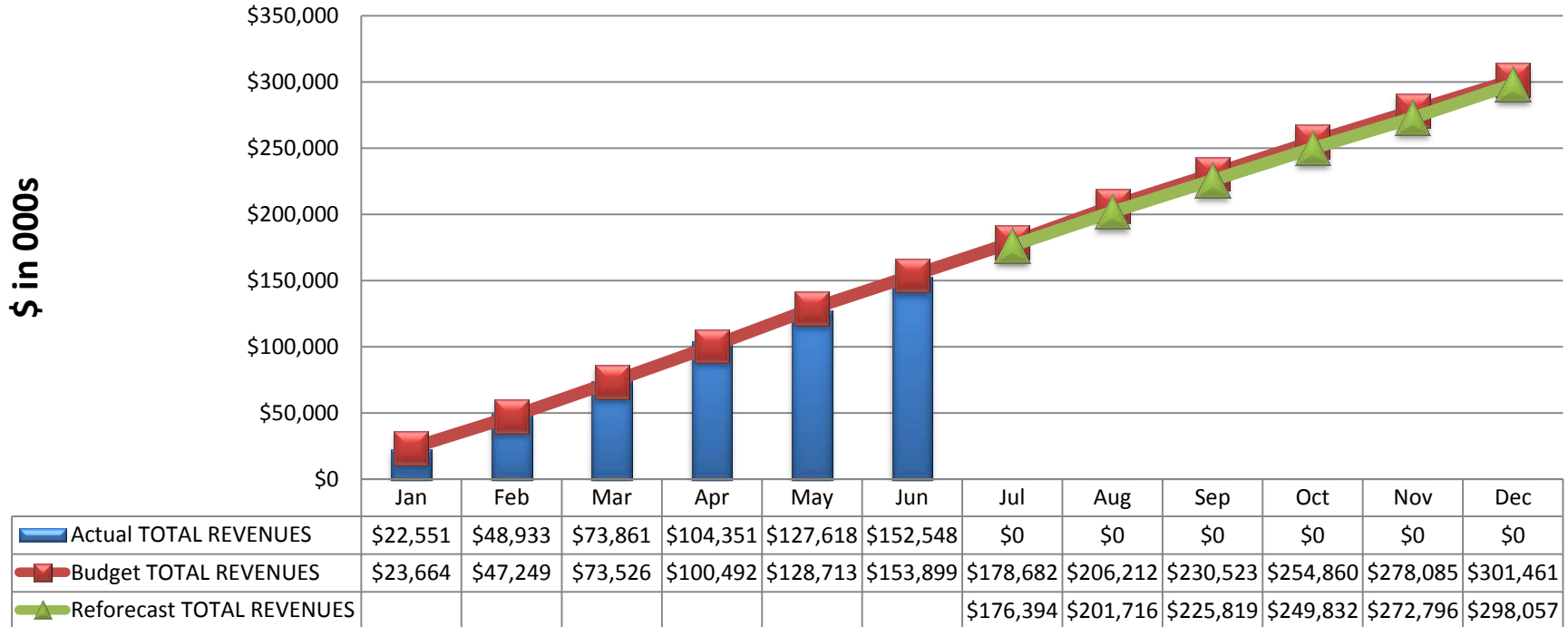
DMA Fees	(600)	
Pipeline License Fees	209	
Other Channel Development Revenue	8	(383)

2016 2nd Quarter Reforecast Revenue (cont.) (000's)

Other Revenue			
Passenger Terminal Charge	(441)		
Security Fees	(225)		
Parking Lot Fees	100		
Other Revenue	(9)	(574)	
Non-Operating			
Income from Federal Funds	(1,527)		
Sale of Assets-Gain or Loss	4,639		
Refund of Expenses	1,969		
Interest Income-Securities Current Fund	1,295		
Other Non Operating Revenues	(545)	5,830	
2016 Reforecast			<u>(3,404)</u>
			\$298,057

2016 2nd Quarter Reforecast Revenue (000's)

PHA Total Revenues



2016 2nd Quarter Reforecast Total Expense (000's)

	<u>2015 Budget</u>	<u>2015 Audited</u>	<u>2016 Budget</u>	<u>2016 Actual Jun YTD</u>	<u>2016 Reforecast</u>
Salaries	\$63,825	\$69,702	\$72,791	\$37,111	\$73,771 1.3%
Benefits	23,006	\$25,067	\$28,007	\$15,534	28,638 2.3%
Retirement Benefits	12,400	\$9,069	\$11,173	\$6,094	11,471 2.7%
Depreciation & Amortization	60,884	\$59,925	\$68,655	\$31,797	65,576 (4.5%)
Terminal & Asset Maintenance	19,859	\$16,094	\$18,284	\$6,940	16,663 (8.9%)
Fees & Services	13,614	\$13,893	\$14,867	\$6,236	14,804 (0.4%)
Insurance	4,823	\$4,661	\$5,157	\$2,470	4,982 (3.4%)
Utilities	4,367	\$4,458	\$4,649	\$1,947	3,923 (15.6%)
Fuel	4,020	\$2,514	\$3,017	\$1,014	2,378 (21.2%)
Consulting Fees	4,142	\$4,939	\$4,776	\$1,418	4,450 (6.8%)
Discretionary Expenses	15,243	\$16,986	\$13,005	\$6,478	12,138 (6.7%)
Allocations	(920)	(\$433)	(\$499)	(\$192)	(464) (7.0%)
Total Expenses Operations and G&A	\$225,263	\$226,875	\$243,882	\$116,847	\$238,330 (2.3%)
Non-Operating Expenses	4,650	2,747	2,826	416	1,508 (46.6%)
Net Expense	\$229,913	\$229,622	\$246,708	\$117,263	\$239,838 (2.8%)

2016 2nd Quarter Reforecast Total Expense (000's)

2016 Budget**\$246,708****Salaries & Benefits**

ILA Labor Due to Increased Volume	1,225	
Increase in PHA Overtime	530	
Increase in Pension Contribution	500	
All Other Salaries & Benefits	(345)	1,910

Depreciation & Amortization

Decrease in Depreciation	(2,415)	
Decrease in Amortization (Includes Amortization of Long Term Agreements)	(664)	(3,079)

Terminal & Asset Maintenance

Prop and Equip Demo-Contractor	(823)	
Building Maintenance - Contractors	(692)	
Wharf Maintenance - Contractors	(633)	
DMDA Maintenance	(586)	
Machinery and Equipment Maintenance	962	
All Other Terminal & Asset Maintenance	152	(1,620)

Fees & Services

Consulting Fees	(326)	
Legal Fees	(253)	
Software License Fees	112	
All Other Fees & Services	78	(389)

Utilities & Fuel

Fuel	(640)	
Electricity	(571)	
All Other Utilities & Fuel	(155)	(1,366)

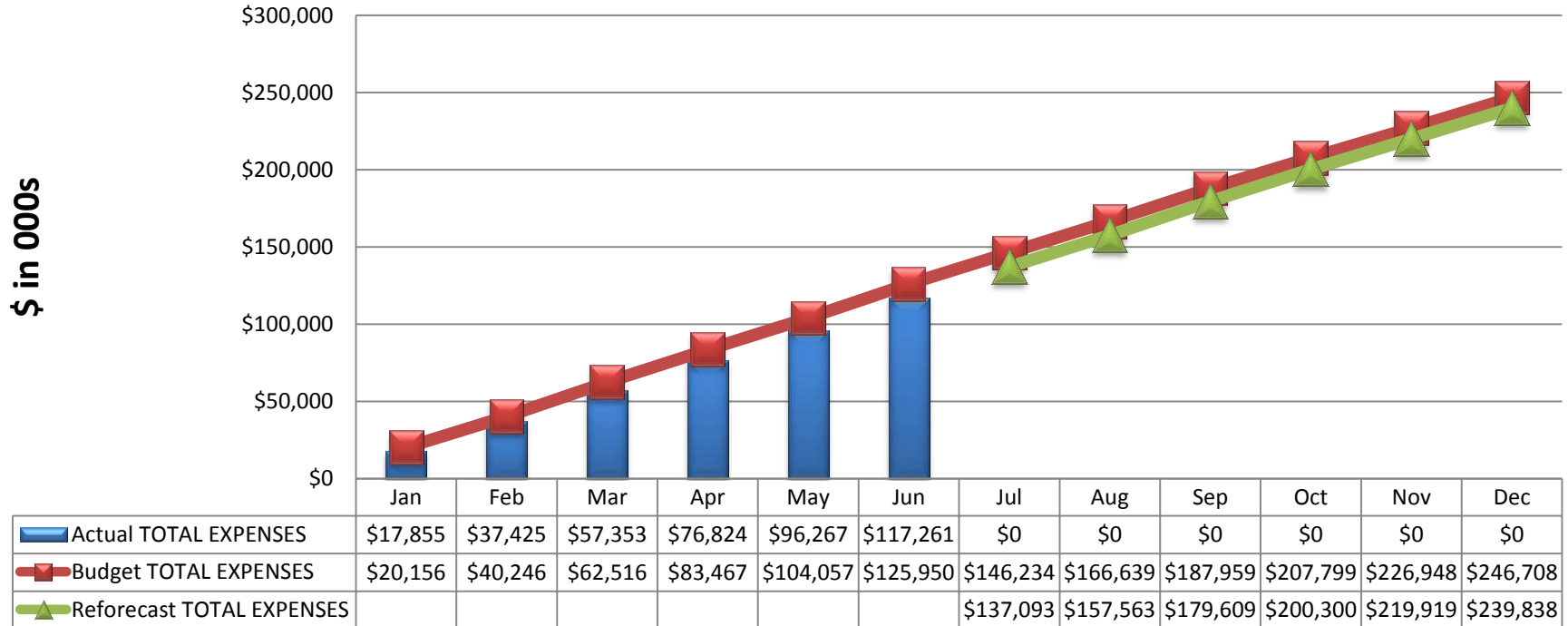
2016 2nd Quarter Reforecast

Total Expense (cont.) (000's)

Discretionary Expenses		
Market Development Funding	(420)	
Art and Production	(346)	
Economic Development Support	(276)	
Advertising Media	(226)	
Operations of Facilities-Contractors	(218)	
Judgments and Settlements	764	
All Other Discretionary Expenses	(146)	(867)
Non-Operating		
Unrealized Gain on Investments	(1,204)	
All Other Non-Operating	(114)	(1,318)
All Other Expenses		
All Other	(141)	(141)
		<u>(6,870)</u>
2016 Reforecast		\$239,838

2016 2nd Quarter Reforecast Total Expense (000's)

PHA Total Expenses



2016 2nd Quarter Reforecast Operations Expense (000's)

	<u>2015 Budget</u>	<u>2015 Audited</u>	<u>2016 Budget</u>	<u>2016 Actual Jun YTD</u>	<u>2016 Reforecast</u>
Salaries	\$47,401	\$53,909	\$55,439	\$28,507	\$56,735 2.3%
Benefits	17,306	19,327	21,557	11,675	21,917 1.7%
Retirement Benefits	5,215	3,896	4,579	2,617	5,001 9.2%
Depreciation & Amortization	57,363	56,958	65,125	30,116	62,004 (4.8%)
Terminal & Asset Maintenance	18,863	14,946	17,723	6,733	16,165 (8.8%)
Utilities & Fuel	8,053	6,713	7,352	2,858	6,058 (17.6%)
Insurance	4,245	4,051	4,456	2,133	4,323 (3.0%)
Allocation to Others	1,142	942	1,399	579	1,159 (17.2%)
Fees & Services	8,432	9,302	9,597	4,858	10,076 5.0%
Discretionary Expenses	7,518	11,219	6,097	4,157	6,102 0.1%
Total Operating Expenses	\$175,538	\$181,263	\$193,324	\$94,233	\$189,540 (2.0%)

2016 2nd Quarter Reforecast Operations Expense (000's)

2016 Budget**\$193,324****Salaries**

ILA Labor Expenses	1,225	
PHA Overtime	588	
Other Salaries & Benefits	(157)	1,656

Retirement Benefits

Increase in Pension Contribution	361	
Other Retirement Benefits	61	422

Depreciation & Amortization

Decrease in Depreciation	(2,457)	
Decrease in Amortization (Includes Amortization of Long Term Agreements)	(663)	(3,120)

Terminal & Asset Maintenance

Decrease in Prop and Equip Demo-Contractor	(823)	
Decrease in Building Maintenance – Contractors	(692)	
Decrease in Wharf Maintenance – Contractors	(633)	
Decrease in DMDA Maintenance	(586)	
Increase in Machinery and Equipment Maintenance	974	
Other Maintenance Items	202	(1,558)

Utilities & Fuel

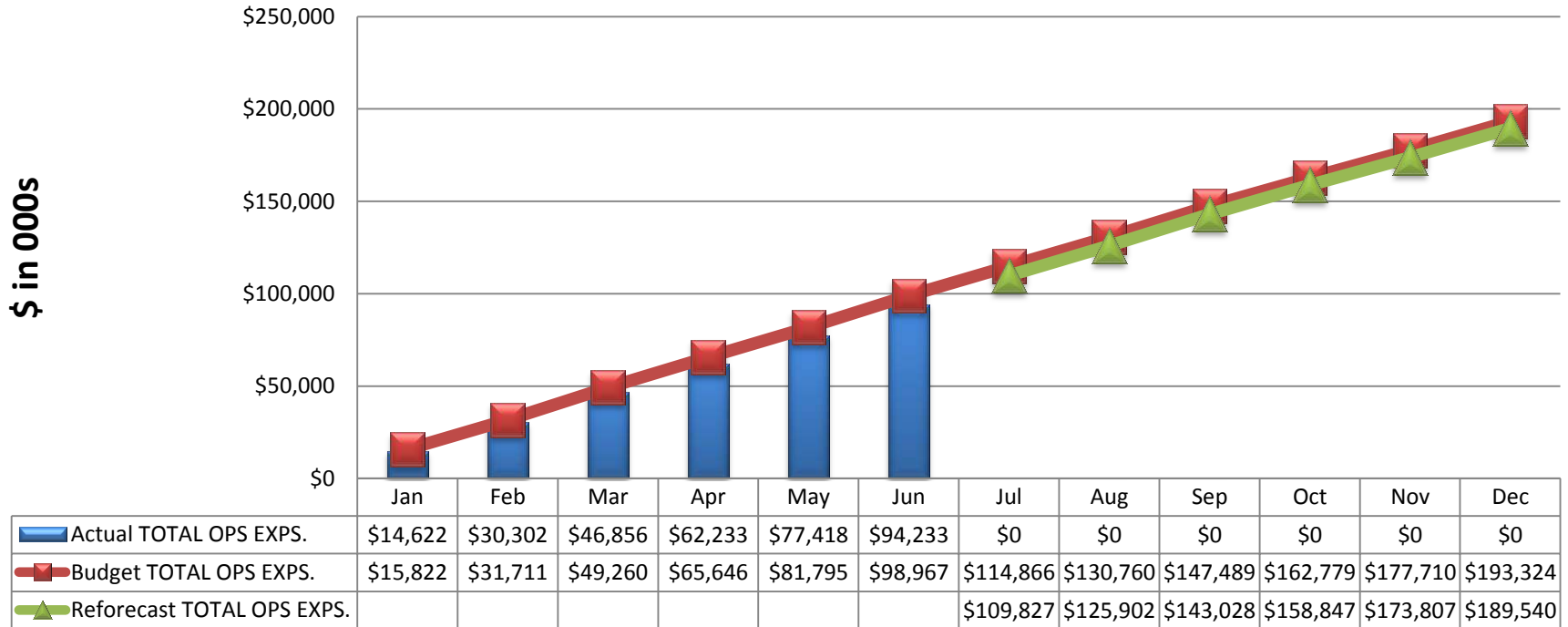
Decrease in Fuel Expenses	(624)	
Decrease Utilities - Electricity	(518)	
Other Utilities & Fuel	(153)	(1,295)

2016 2nd Quarter Reforecast Operations Expense (000's)

Consulting Fees			
Increase in Consulting Fees	428	428	
Allocations			
Environmental Allocation	(244)		
Other Allocations	3	(241)	
Other Expenses			
Other	(76)	(76)	
			<u>(3,784)</u>
2016 Reforecast			\$189,540

2016 2nd Quarter Reforecast Operations Expense (000's)

PHA Operating Expenses



2016 2nd Quarter Reforecast G&A Expense (000's)

	2015 Budget	2015 Audited	2016 Budget	2016 Actual Jun YTD	2016 Reforecast
Salaries	\$16,424	15,793	17,352	8,604	\$17,036 (1.8%)
Benefits	5,700	5,739	6,450	3,859	6,722 4.2%
Retirement Benefits	7,185	5,172	6,593	3,477	6,470 (1.9%)
Fees & Services	9,324	9,531	10,046	2,796	9,177 (8.6%)
Depreciation & Amortization	3,521	2,967	3,530	1,680	3,572 1.2%
Terminal & Asset Maintenance	996	1,148	560	206	498 (11.0%)
Utilities & Fuel	335	259	314	103	243 (22.7%)
Insurance	577	611	701	336	659 (6.0%)
Discretionary Expenses	7,725	5,767	6,908	2,322	6,036 (12.6%)
Gross G&A Expenses	\$51,787	\$46,987	\$52,454	\$23,383	\$50,413 (3.9%)
Allocations	(2,062)	(1,375)	(1,898)	(771)	(1,622) (14.5%)
Net G&A Expenses	\$49,725	\$45,612	\$50,556	\$22,612	\$48,791 (3.5%)

2016 2nd Quarter Reforecast G&A Expense (000's)

2016 Budget**\$50,556****Salaries & Benefits**

Decrease in Salaries	(316)	
Increase in Medical Insurance	268	
Increase in Unemployment Compensation	111	
Other Salaries & Benefits	(107)	(44)

Retirement Benefits

Decrease Retiree Benefits	(183)	
Increase Pension Contribution	139	
Other Retirement Benefits	(79)	(123)

Fees & Services

Decrease in Legal Fees	(253)	
Increase in Software License Fees	135	
Other Fees & Services	3	(115)

Consulting Fees

Decrease in Consulting Fees	(754)	(754)
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Discretionary Expenses

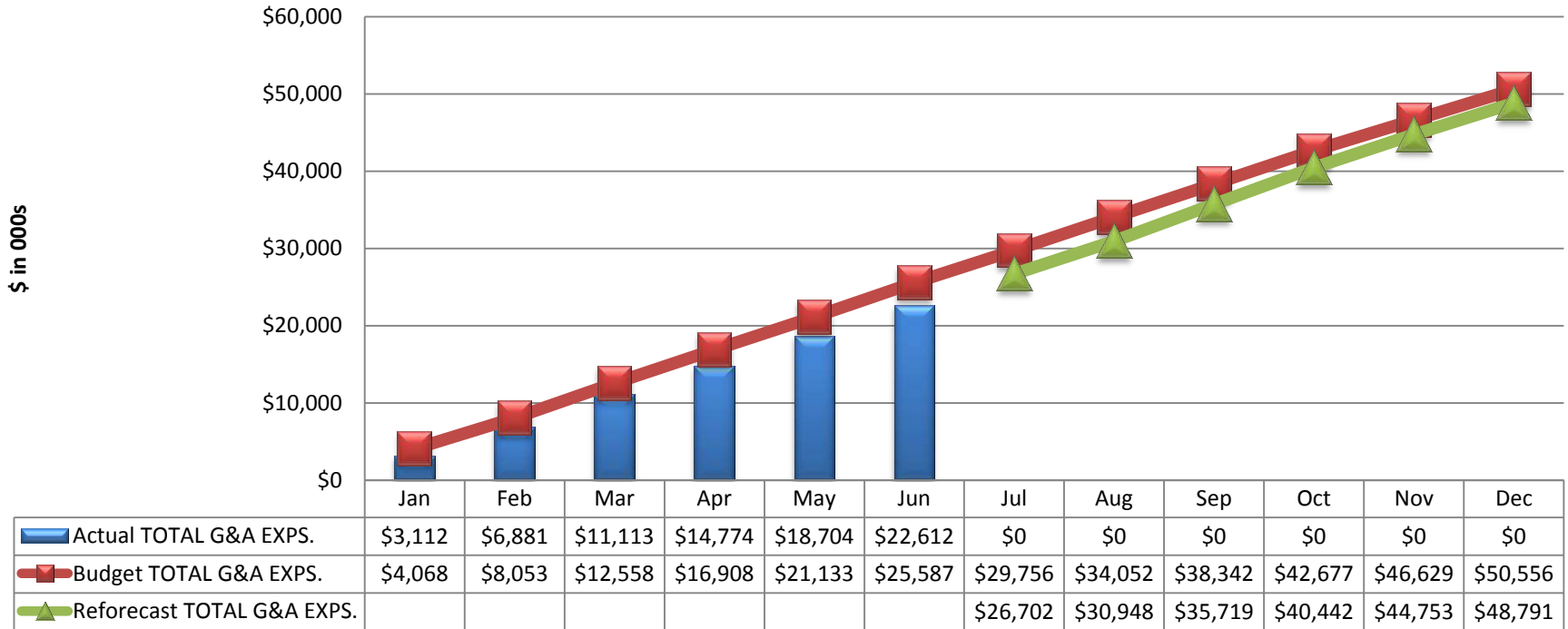
Decrease in Art & Production	(346)	
Decrease in Economic Development Support	(276)	
Decrease in Advertising Media	(226)	
All Other Discretionary Expenses	(24)	(872)

2016 2nd Quarter Reforecast G&A Expense (000's)

Allocations			
Environmental Allocation	244		
All Other Allocations	32	276	
Other Expenses			
Other	(133)	(133)	
			(1,765)
 2016 Reforecast			 \$48,791

2016 2nd Quarter Reforecast G&A Expense (000's)

PHA G&A Expenses



2016 2nd Quarter Reforecast Income Statement (000's)

	2015 Budget	2015 Audited	2016 Budget	2016 Actual Jun YTD	2016 Reforecast	2016 Budget vs 2016 Reforecast	%
Operating Revenue*	\$263,575	\$293,112	\$295,866	\$143,976	\$286,632	(\$9,234)	(3.1%)
Less: Operating Expense	175,538	181,263	193,324	94,233	189,540	(3,785)	(2.0%)
Operating Income	\$88,037	\$111,849	\$102,542	\$49,743	\$97,092	(\$5,449)	(5.3%)
Less: General & Administrative Expenses	49,725	45,612	50,556	22,612	48,791	(1,765)	(3.5%)
Net Operating Income	\$38,312	\$66,237	\$51,986	\$27,131	\$48,301	(\$3,684)	(7.1%)
Non-Operating Revenue (Expense)	1,390	2,010	(288)	9,042	8,336	8,624	-----
Income before Contributions & Transfers	\$39,702	\$68,247	\$51,698	\$36,173	\$56,637	\$4,940	9.6%
Contributions (to)/from Federal/State Agencies	(2,565)	(2,030)	3,057	(886)	1,581	(1,477)	(48.3%)
Net Income	\$37,137	\$66,217	\$54,755	\$35,287	\$58,218	\$3,463	6.3%
Cash Flow	\$97,021	\$128,028	\$123,410	\$61,251	\$117,967	(\$5,443)	(4.4%)

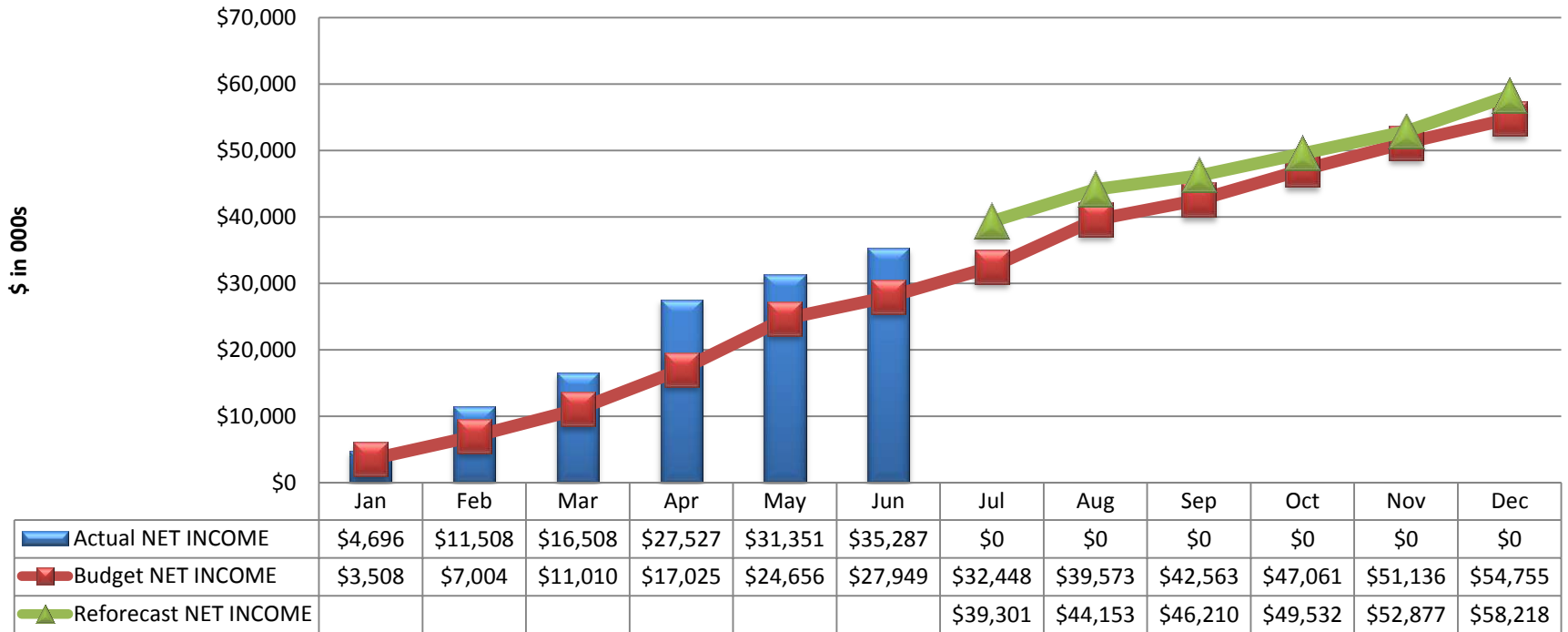
*Includes G&A Revenues

2016 2nd Quarter Reforecast Income Statement (000's)

2016 Budget			\$54,755
	Full Container Receipt/Delivery	(8,213)	
	Wharfage-Import	(5,569)	
	Dockage	(4,481)	
	Storage	(1,753)	
	Income from Federal Funds	(1,527)	
	ILA Terminal Maintenance-Labor	(1,189)	
	Non-Exempt Maintenance Overtime	(1,036)	
	Wharfage - Loaded Containers	7,676	
	Sale of Assets-Gain or Loss	4,639	
	Depreciation & Amortization	3,253	
	Refund of Expenses	1,969	
	Container Refrigeration Services	1,580	
	Rent/Lease	1,506	
	Interest Income-Securities Current Fund	1,295	
	Unrealized Gain on Investments	1,204	
	Empty Container Receipt or Delivery	1,175	
	Wharf Crane Rental	979	
	Prop and Equip Demo-Contractor	823	
	Other	1,133	
		3,463	3,463
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2016 Reforecast			\$58,218

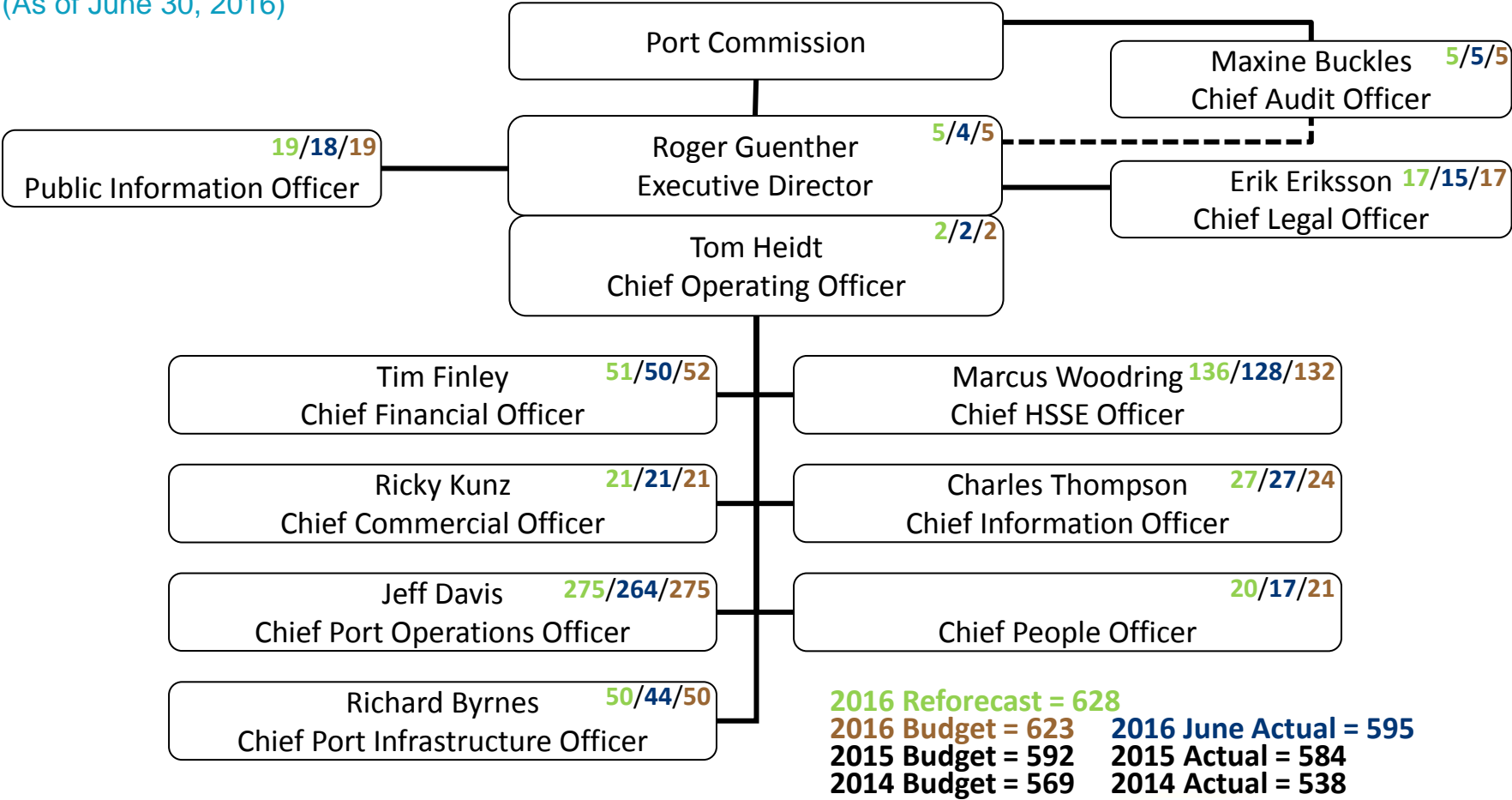
2016 2nd Quarter Reforecast Net Income (000's)

PHA Net Income



2016 Reforecast ORGANIZATIONAL STRUCTURE

(As of June 30, 2016)



2016 2nd Quarter Reforecast Capital (000's)

	2016 Budget	2016 Reforecast
Bayport Terminal	\$119,568	\$101,033
Barbours Cut	73,693	65,030
Channel Development	64,455	19,859
TBT	33,630	20,371
Bayport Railroad	9,539	23,989
HSSE	5,028	4,573
IT	3,312	3,711
Real Estate	2,049	2,918
Other	2,461	946
Total Capital	\$313,735	\$242,430
Grant Reimbursements	(75)	(616)
Net Capital	\$313,660	\$241,814

2016 2nd Quarter Reforecast Executive (000's)

	2015 Budget	2015 Audited	2016 Budget	2016 Actual Jun YTD	2016 Reforecast	Variance	Variance %
Salaries	\$1,195	\$1,199	\$1,328	\$650	\$1,304	(\$23)	(1.8%)
Benefits	\$382	\$376	\$466	\$251	\$432	(\$34)	(7.3%)
Retirement Benefits	\$312	\$218	\$280	\$159	\$309	\$29	10.4%
Depreciation & Amortization	\$0	\$5	\$5	\$3	\$5	\$0	0.0%
Fees & Services	\$261	\$185	\$9	\$42	\$155	\$147	1,622.2%
Insurance	\$11	\$8	\$11	\$13	\$31	\$20	181.8%
Consulting Fees	\$300	\$1,104	\$138	\$10	\$46	(\$92)	(66.7%)
Discretionary Expenses	\$330	\$245	\$543	\$66	\$266	(\$278)	(51.0%)
Net Expense	\$2,791	\$3,340	\$2,780	\$1,194	\$2,548	(\$231)	(8.3%)

2016 2nd Quarter Reforecast Legal (000's)

	2015 Budget	2015 Audited	2016 Budget	2016 Actual Jun YTD	2016 Reforecast	Variance	Variance %
Salaries	\$1,584	\$1,628	\$1,631	\$810	\$1,596	(\$35)	(2.1%)
Benefits	\$514	\$520	\$559	\$326	\$558	\$0	(0.2%)
Retirement Benefits	\$419	\$309	\$380	\$218	\$399	\$18	5.0%
Depreciation & Amortization	\$110	\$0	\$121	\$0	\$94	(\$27)	(22.3%)
Terminal & Asset Maintenance	\$20	\$0	\$0	\$0	\$0	\$0	0.0%
Fees & Services	\$2,194	\$1,732	\$1,852	\$244	\$1,569	(\$283)	(15.3%)
Insurance	\$3	\$7	\$13	\$4	\$8	(\$5)	(38.5%)
Consulting Fees	\$906	\$758	\$635	\$246	\$669	\$35	5.4%
Discretionary Expenses	\$356	\$220	\$353	\$109	\$303	(\$49)	(14.2%)
Gross Expense	\$6,106	\$5,174	\$5,544	\$1,957	\$5,196	(\$348)	(6.3%)
Allocations	\$0	\$0	\$0	\$5	\$5	\$5	0.0%
Net Expense	\$6,106	\$5,174	\$5,544	\$1,962	\$5,201	(\$343)	(6.2%)

2016 2nd Quarter Reforecast Public Information (000's)

	2015 Budget	2015 Audited	2016 Budget	2016 Actual Jun YTD	2016 Reforecast	Variance	Variance %
Salaries	\$1,621	\$1,253	\$1,337	\$651	\$1,260	(\$77)	(5.8%)
Benefits	\$565	\$422	\$461	\$262	\$452	(\$9)	(2.0%)
Retirement Benefits	\$389	\$284	\$281	\$159	\$292	\$11	3.9%
Depreciation & Amortization	\$164	\$163	\$159	\$80	\$159	\$0	0.0%
Terminal & Asset Maintenance	\$224	\$196	\$41	\$0	\$28	(\$13)	(31.7%)
Fees & Services	\$127	\$61	\$93	\$26	\$97	\$3	4.3%
Insurance	\$69	\$62	\$67	\$32	\$64	(\$3)	(4.5%)
Utilities	\$20	\$14	\$20	\$6	\$16	(\$4)	(20.0%)
Fuel	\$48	\$19	\$45	\$8	\$29	(\$16)	(35.6%)
Consulting Fees	\$206	\$105	\$65	\$8	\$33	(\$32)	(49.2%)
Discretionary Expenses	\$2,511	\$1,478	\$1,273	\$407	\$1,130	(\$143)	(11.2%)
Gross Expense	\$5,944	\$4,057	\$3,842	\$1,639	\$3,560	(\$283)	(7.3%)
Allocations	\$0	\$0	\$1	\$0	\$1	\$0	0.0%
Net Expense	\$5,944	\$4,057	\$3,843	\$1,639	\$3,561	(\$283)	(7.3%)

2016 2nd Quarter Reforecast Finance (000's)

	2015 Budget	2015 Audited	2016 Budget	2016 Actual Jun YTD	2016 Reforecast	Variance	Variance %
Salaries	\$3,033	\$3,126	\$3,554	\$1,770	\$3,532	(\$22)	(0.6%)
Benefits	\$1,011	\$1,122	\$1,336	\$781	\$1,387	\$51	3.8%
Retirement Benefits	\$810	\$656	\$828	\$471	\$826	(\$2)	(0.2%)
Depreciation & Amortization	\$0	\$0	\$0	\$0	\$0	\$0	0.0%
Terminal & Asset Maintenance	\$0	\$0	\$0	\$34	\$34	\$34	0.0%
Fees & Services	\$661	\$781	\$795	\$309	\$848	\$53	6.7%
Insurance	\$19	\$15	\$26	\$10	\$20	(\$5)	(23.1%)
Utilities	\$0	\$0	\$0	\$0	\$0	\$0	0.0%
Fuel	\$1	\$0	\$0	\$0	\$0	\$0	0.0%
Consulting Fees	\$30	\$19	\$68	\$20	\$163	\$95	139.7%
Discretionary Expenses	\$171	\$346	\$197	\$66	\$203	\$6	3.0%
Gross Expense	\$5,736	\$6,065	\$6,804	\$3,461	\$7,013	\$210	3.1%
Allocations	\$0	\$0	\$0	\$0	\$0	\$0	0.0%
Net Expense	\$5,736	\$6,065	\$6,804	\$3,461	\$7,013	\$210	3.1%

2016 2nd Quarter Reforecast People (000's)

	2015 Budget	2015 Audited	2016 Budget	2016 Actual Jun YTD	2016 Reforecast	Variance	Variance %
Salaries	\$1,123	\$1,287	\$1,627	\$651	\$1,345	(\$282)	(17.3%)
Benefits	\$421	\$677	\$640	\$508	\$796	\$156	24.4%
Retirement Benefits	\$3,349	\$2,333	\$3,007	\$1,431	\$2,800	(\$207)	(6.9%)
Fees & Services	\$180	\$225	\$221	\$169	\$249	\$28	12.7%
Insurance	\$18	\$13	\$21	\$6	\$12	(\$9)	(42.9%)
Consulting Fees	\$215	\$133	\$208	\$90	\$198	(\$10)	(4.8%)
Discretionary Expenses	\$359	\$332	\$494	\$226	\$559	\$65	13.2%
Net Expense	\$5,665	\$5,000	\$6,218	\$3,081	\$5,959	(\$259)	(4.2%)

2016 2nd Quarter Reforecast Technology (000's)

	2015 Budget	2015 Audited	2016 Budget	2016 Actual Jun YTD	2016 Reforecast	Variance	Variance %
Salaries	\$1,816	\$1,705	\$1,753	\$1,057	\$2,079	\$326	18.6%
Benefits	\$663	\$623	\$691	\$435	\$789	\$97	14.2%
Retirement Benefits	\$430	\$313	\$466	\$270	\$451	(\$15)	(3.2%)
Depreciation & Amortization	\$2,216	\$2,072	\$2,181	\$997	\$2,175	(\$6)	(0.3%)
Terminal & Asset Maintenance	\$436	\$722	\$501	\$163	\$409	(\$92)	(18.4%)
Fees & Services	\$1,898	\$1,768	\$1,872	\$695	\$1,972	\$100	5.3%
Insurance	\$276	\$261	\$360	\$146	\$299	(\$61)	(16.9%)
Consulting Fees	\$45	\$414	\$231	\$5	\$191	(\$40)	(17.3%)
Discretionary Expenses	\$1,692	\$1,113	\$1,206	\$488	\$1,204	(\$1)	(0.2%)
Gross Expense	\$9,472	\$8,991	\$9,261	\$4,256	\$9,569	\$308	3.3%
Allocations	(\$548)	(\$395)	(\$994)	(\$452)	(\$979)	\$14	(1.5%)
Net Expense	\$8,924	\$8,596	\$8,267	\$3,804	\$8,590	\$322	3.9%

2016 2nd Quarter Reforecast HSSE (000's)

	2015 Budget	2015 Audited	2016 Budget	2016 Actual Jun YTD	2016 Reforecast	Variance	Variance %
Salaries	\$7,974	\$8,251	\$8,300	\$4,052	\$7,861	(\$439)	(5.3%)
Benefits	\$3,123	\$3,119	\$3,415	\$1,874	\$3,384	(\$31)	(0.9%)
Retirement Benefits	\$1,771	\$1,287	\$546	\$307	\$1,031	\$484	88.8%
Depreciation & Amortization	\$3,548	\$3,297	\$3,206	\$1,539	\$3,104	(\$102)	(3.2%)
Terminal & Asset Maintenance	\$417	\$531	\$384	\$35	\$343	(\$41)	(10.7%)
Fees & Services	\$6,017	\$6,260	\$6,682	\$3,242	\$6,762	\$80	1.2%
Insurance	\$297	\$334	\$446	\$184	\$377	(\$69)	(15.5%)
Utilities	\$99	\$83	\$117	\$31	\$95	(\$23)	(18.8%)
Fuel	\$241	\$124	\$246	\$46	\$94	(\$152)	(61.8%)
Consulting Fees	\$168	\$90	\$135	\$43	\$168	\$33	24.4%
Discretionary Expenses	\$1,223	\$910	\$1,167	\$391	\$1,244	\$76	6.6%
Gross Expense	\$24,878	\$24,286	\$24,644	\$11,744	\$24,463	(\$184)	(0.7%)
Allocations	(\$9,495)	(\$9,212)	(\$9,670)	(\$4,666)	(\$9,419)	\$251	(2.6%)
Net Expense	\$15,383	\$15,074	\$14,974	\$7,078	\$15,044	\$67	0.5%

2016 2nd Quarter Reforecast Commercial (000's)

	2015 Budget	2015 Audited	2016 Budget	2016 Actual Jun YTD	2016 Reforecast	Variance	Variance %
Salaries	\$1,534	\$1,698	\$1,793	\$930	\$1,820	\$27	1.5%
Benefits	\$536	\$589	\$667	\$404	\$714	\$47	7.0%
Retirement Benefits	\$398	\$284	\$495	\$285	\$492	(\$2)	(0.6%)
Depreciation & Amortization	\$1,001	\$702	\$1,002	\$585	\$1,115	\$113	11.3%
Terminal & Asset Maintenance	\$502	\$289	\$19	\$7	\$26	\$7	36.8%
Fees & Services	\$340	\$462	\$1,021	\$406	\$906	(\$115)	(11.3%)
Insurance	\$163	\$168	\$175	\$86	\$174	(\$1)	(0.6%)
Utilities	\$266	\$267	\$291	\$166	\$240	(\$51)	(17.5%)
Consulting Fees	\$458	\$588	\$593	\$221	\$517	(\$75)	(12.8%)
Discretionary Expenses	\$1,613	\$1,364	\$2,456	\$810	\$1,972	(\$484)	(19.7%)
Gross Expense	\$6,811	\$6,411	\$8,512	\$3,900	\$7,976	(\$534)	(6.3%)
Allocations	\$0	\$123	\$100	\$8	\$30	(\$70)	(70.0%)
Net Expense	\$6,811	\$6,534	\$8,612	\$3,908	\$8,006	(\$604)	(7.0%)

2016 2nd Quarter Reforecast Infrastructure (000's)

	2015 Budget	2015 Audited	2016 Budget	2016 Actual Jun YTD	2016 Reforecast	Variance	Variance %
Salaries	\$4,154	\$3,559	\$4,039	\$1,936	\$3,832	(\$208)	(5.1%)
Benefits	\$1,477	\$1,305	\$1,547	\$840	\$1,505	(\$41)	(2.7%)
Retirement Benefits	\$961	\$695	\$811	\$458	\$848	\$36	4.6%
Depreciation & Amortization	\$807	\$747	\$782	\$374	\$740	(\$42)	(5.4%)
Terminal & Asset Maintenance	\$1,116	\$675	\$1,030	\$235	\$445	(\$585)	(56.8%)
Fees & Services	\$521	\$373	\$414	\$192	\$465	\$51	12.3%
Insurance	\$104	\$150	\$103	\$76	\$125	\$22	21.4%
Consulting Fees	\$1,808	\$1,689	\$2,704	\$702	\$2,389	(\$315)	(11.6%)
Discretionary Expenses	\$556	\$781	\$315	\$124	\$340	\$25	7.9%
Gross Expense	\$11,504	\$9,974	\$11,745	\$4,937	\$10,689	(\$1,057)	(9.0%)
Allocations	(\$1,494)	(\$983)	(\$886)	(\$324)	(\$644)	\$241	(27.3%)
Net Expense	\$10,010	\$8,991	\$10,859	\$4,613	\$10,045	(\$816)	(7.5%)

2016 2nd Quarter Reforecast Operations (000's)

	2015 Budget	2015 Audited	2016 Budget	2016 Actual Jun YTD	2016 Reforecast	Variance	Variance %
Salaries	\$39,791	\$45,997	\$47,428	\$24,604	\$49,142	\$1,715	3.6%
Benefits	\$14,315	\$16,315	\$18,225	\$9,855	\$18,621	\$396	2.2%
Retirement Benefits	\$3,561	\$2,689	\$4,077	\$2,335	\$4,023	(\$54)	(1.3%)
Depreciation & Amortization	\$53,038	\$52,940	\$61,198	\$28,218	\$58,183	(\$3,015)	(4.9%)
Terminal & Asset Maintenance	\$17,146	\$13,679	\$16,310	\$6,465	\$15,378	(\$932)	(5.7%)
Fees & Services	\$1,415	\$2,046	\$1,908	\$910	\$1,780	(\$128)	(6.7%)
Insurance	\$3,861	\$3,644	\$3,936	\$1,913	\$3,873	(\$64)	(1.6%)
Utilities	\$3,982	\$4,094	\$4,221	\$1,744	\$3,573	(\$648)	(15.4%)
Fuel	\$3,731	\$2,371	\$2,726	\$960	\$2,255	(\$471)	(17.3%)
Consulting Fees	\$6	\$39	\$0	\$76	\$76	\$76	0.0%
Discretionary Expenses	\$6,433	\$10,198	\$5,002	\$3,792	\$4,919	(\$83)	(1.7%)
Gross Expense	\$147,279	\$154,012	\$165,031	\$80,872	\$161,823	(\$3,208)	(1.9%)
Allocations	\$10,616	\$10,035	\$10,950	\$5,237	\$10,543	(\$407)	(3.7%)
Net Expense	\$157,895	\$164,047	\$175,981	\$86,109	\$172,366	(\$3,615)	(2.1%)