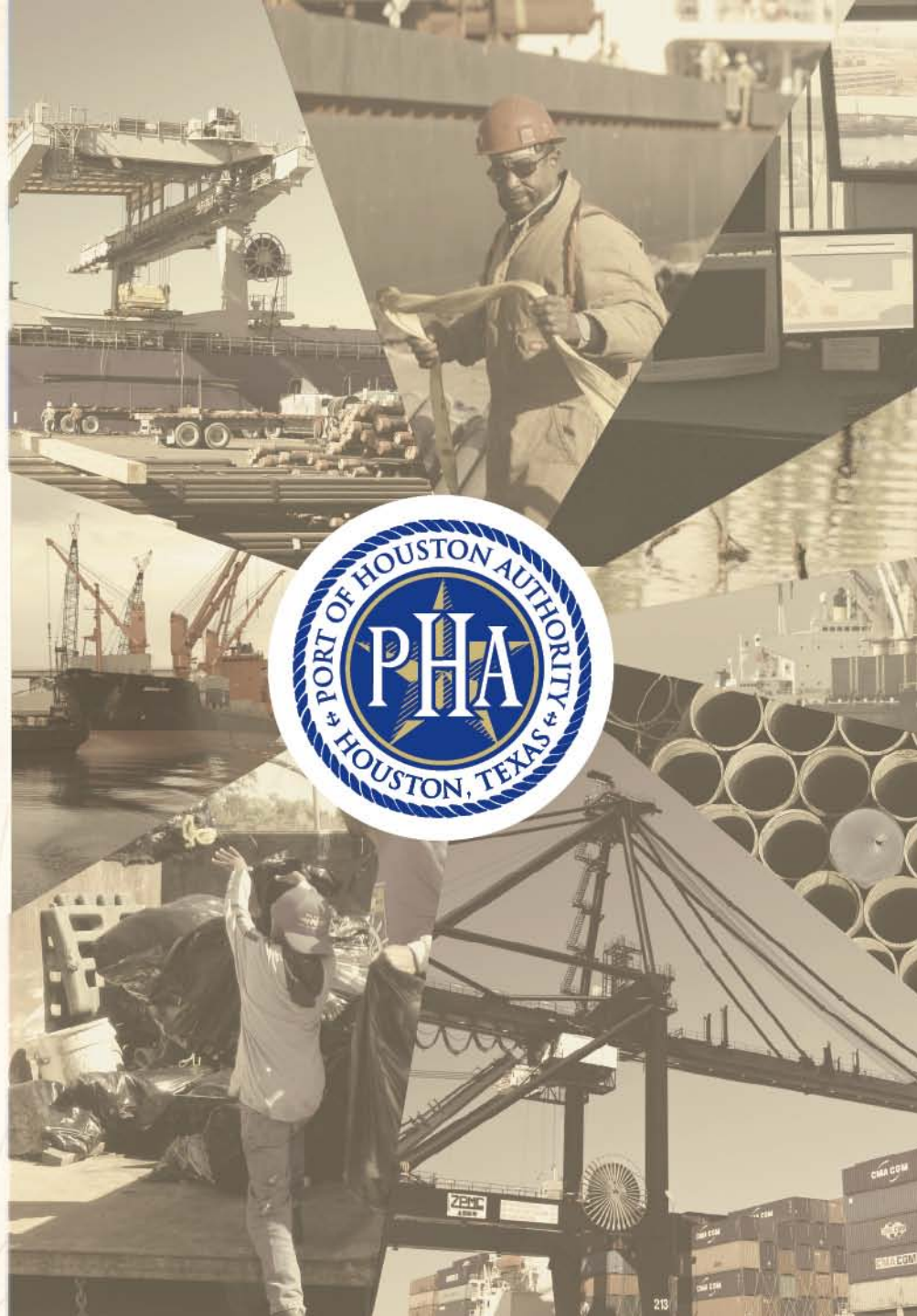


E PLURIBUS UNUM

# 2009 Operating Budget





E PLURIBUS UNUM

# Port of Houston Authority 2009 Budget

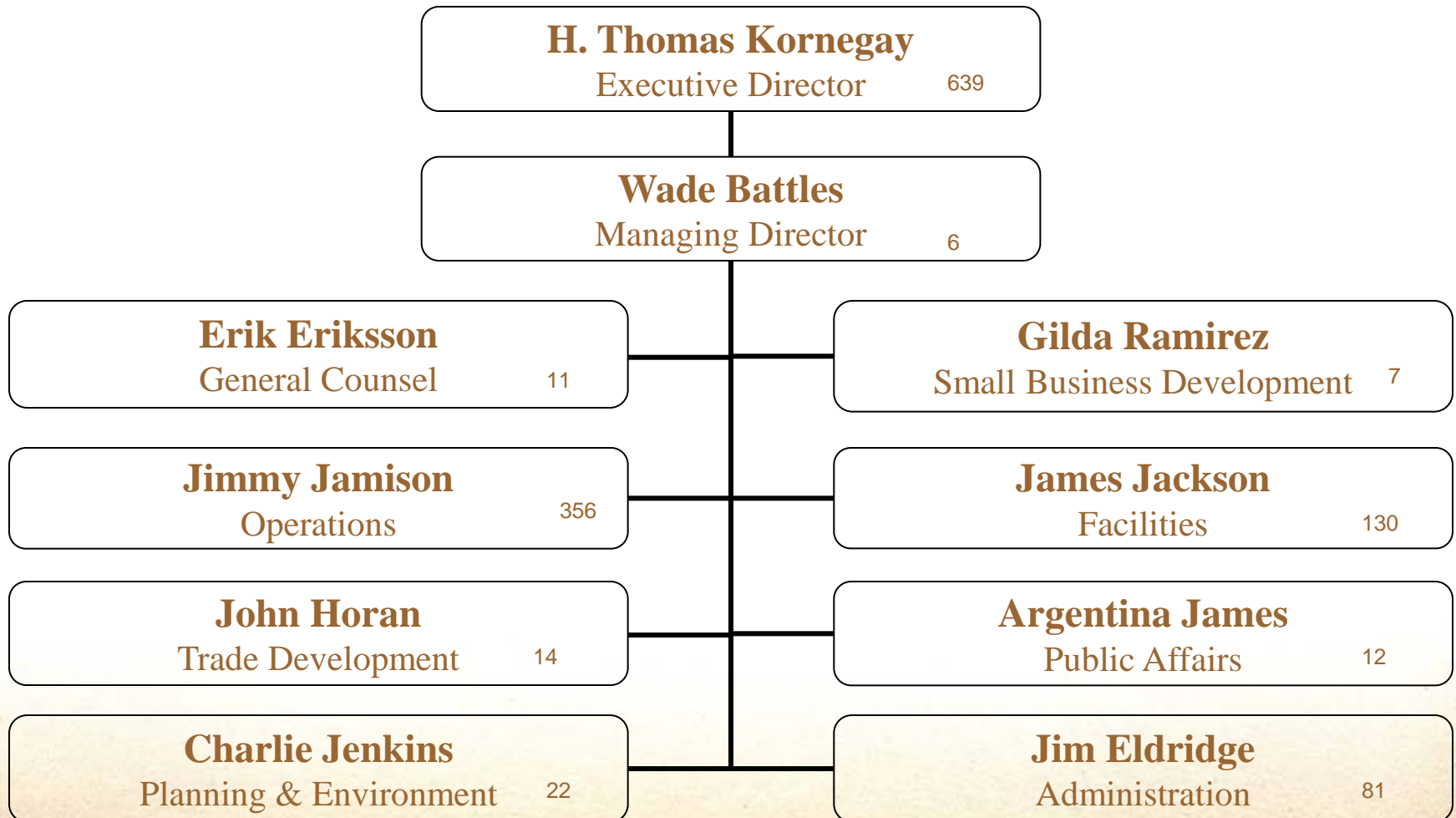
Presented by

H. Thomas Kornegay  
Executive Director

Port of Houston Authority  
November 19, 2008



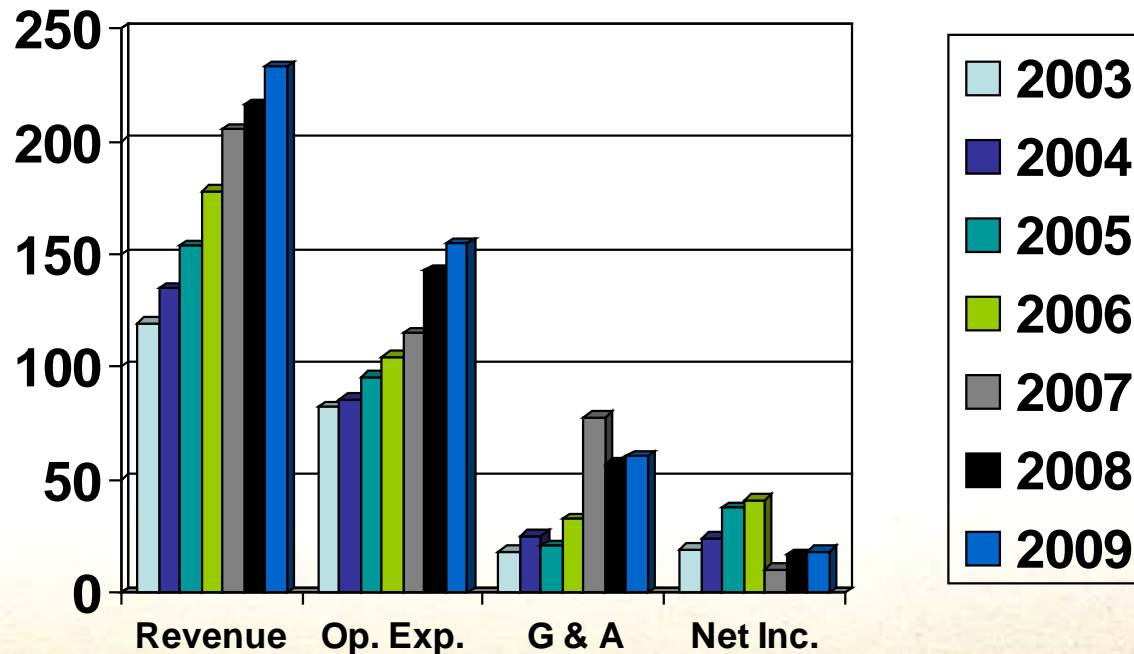
# Executive 2009 Budget



# PHA Revenue, Expenses & Net Income

(\$ Thousands)

Millions





# PHA–Financials (\$Millions)

	2009 Budget	2008 Budget	2008 Forecast
<b>Revenue</b>			
Operating Revenue	\$ 218	\$ 202	\$ 204
<b>Expenses</b>			
Operating Expenses	\$ 151	\$ 143	\$ 136
G&A Expenses	<u>\$ 61</u>	<u>\$ 67</u>	<u>\$ 63</u>
Total Expenses	<u>\$ 212</u>	<u>\$ 210</u>	<u>\$ 199</u>
Net Operating Income	\$ 6	\$ (8)	\$ 5
Non Operating Income	<u>\$ 12</u>	<u>\$ 12</u>	<u>\$ 12</u>
Net Income	<u>\$ 18</u>	<u>\$ 4</u>	<u>\$ 17</u>

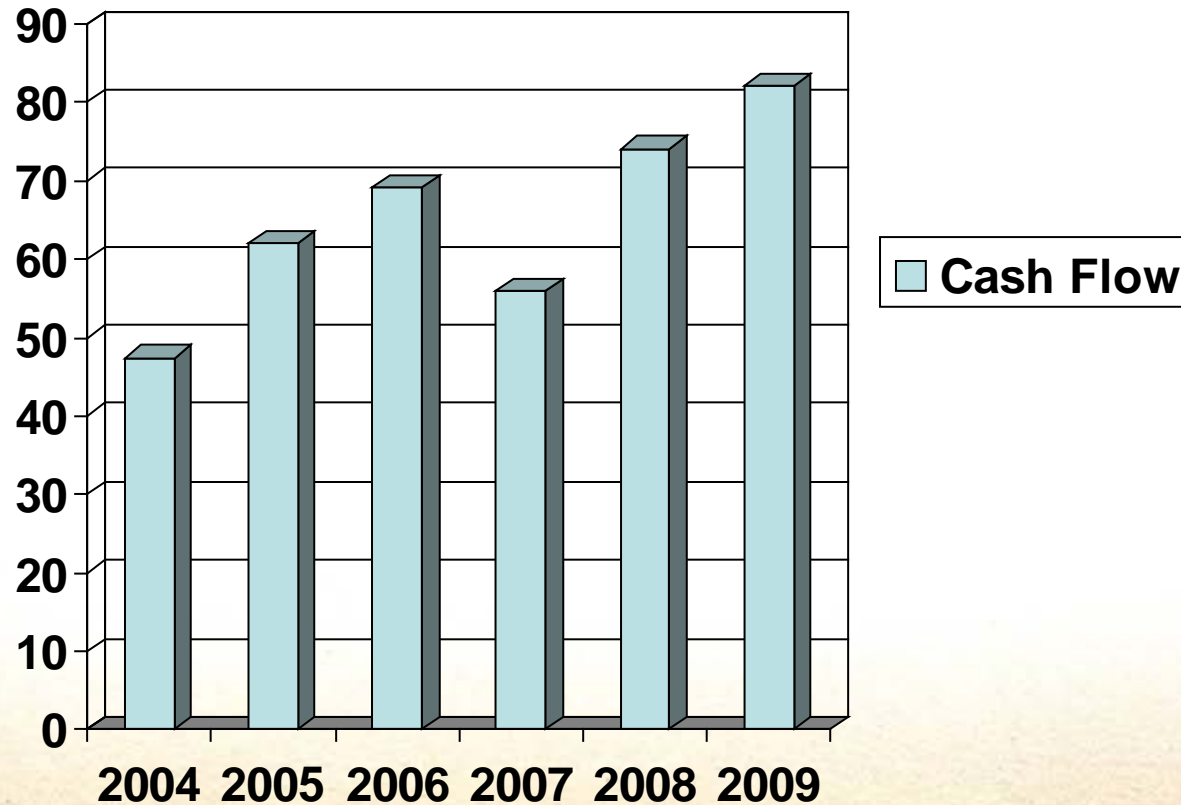


# PHA–Growth (2004–2009)

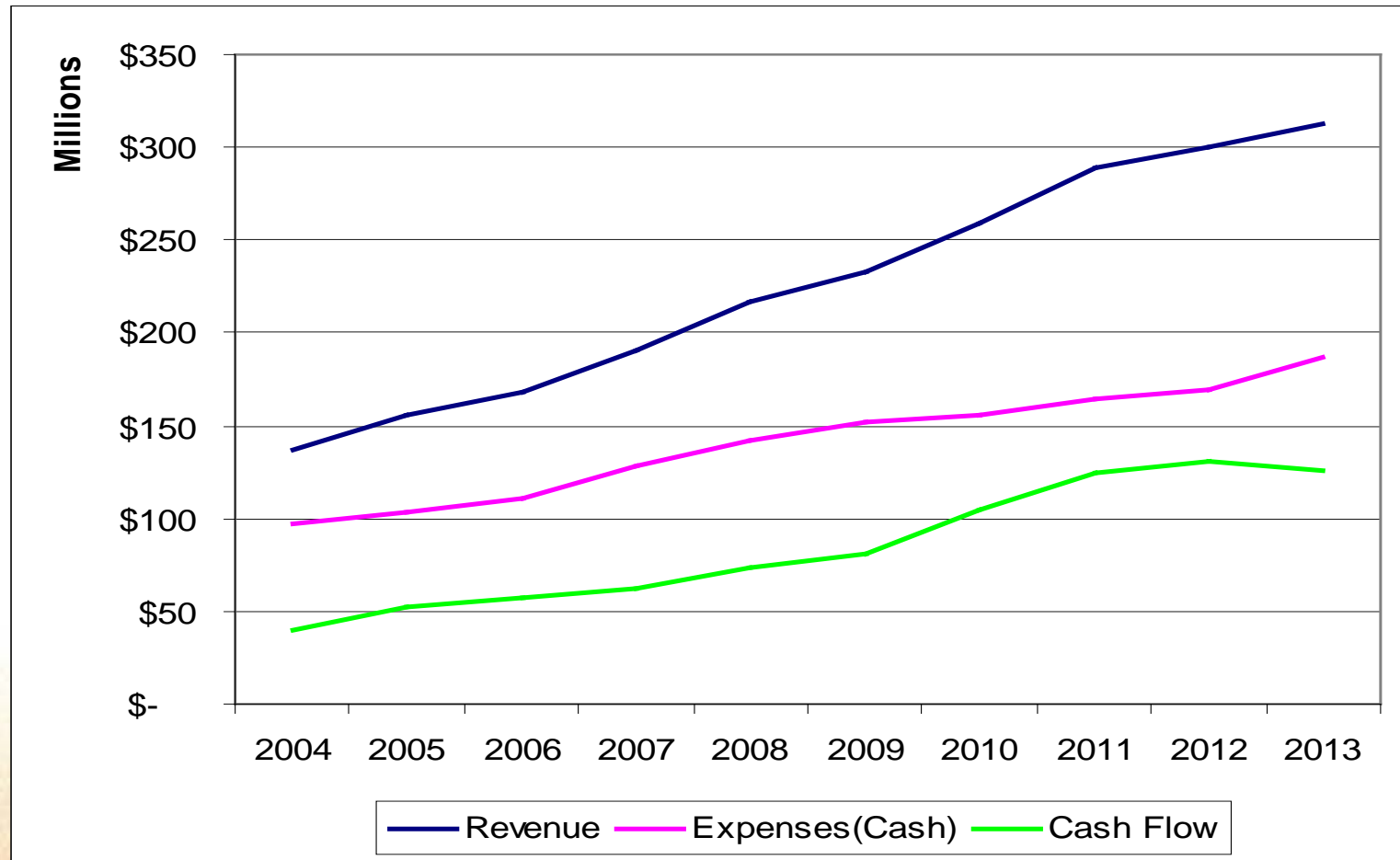
	2004	2005	2006	2007	2008*	2009*
<b>Revenue (OP &amp; Non Op)</b>	<b>\$ 147</b>	<b>\$ 175</b>	<b>\$ 185</b>	<b>\$ 214</b>	<b>\$ 216</b>	<b>\$ 233</b>
<i>Growth Rate</i>		<i>19.3%</i>	<i>5.6%</i>	<i>15.5%</i>	<i>1.2%</i>	<i>7.8%</i>
<b>Expenses (Op, G&amp;A &amp; Non Op)</b>	<b>\$ 123</b>	<b>\$ 138</b>	<b>\$ 144</b>	<b>\$ 201</b>	<b>\$ 200</b>	<b>\$ 215</b>
<i>Growth Rate</i>		<i>12.0%</i>	<i>4.8%</i>	<i>39.6%</i>	<i>-0.8%</i>	<i>7.6%</i>
<b>Net Income</b>	<b>\$ 24</b>	<b>\$ 38</b>	<b>\$ 41</b>	<b>\$ 12</b>	<b>\$ 17</b>	<b>\$ 18</b>
<i>Growth Rate</i>		<i>56.4%</i>	<i>8.8%</i>	<i>-69.7%</i>	<i>33.8%</i>	<i>10.1%</i>
<i>Return on Sales</i>	<i>16.4%</i>	<i>21.5%</i>	<i>22.1%</i>	<i>5.8%</i>	<i>7.7%</i>	<i>7.8%</i>
<b>Add Back Depreciation</b>	<b>\$ 23</b>	<b>\$ 24</b>	<b>\$ 28</b>	<b>\$ 34</b>	<b>\$ 48</b>	<b>\$ 54</b>
<i>Growth Rate</i>		<i>4.0%</i>	<i>15.8%</i>	<i>20.3%</i>	<i>41.5%</i>	<i>13.2%</i>
<b>Add Back OPEB</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>\$ 10</b>	<b>\$ 9</b>	<b>\$ 9</b>
<i>Growth Rate</i>					<i>-1.0%</i>	<i>0.0%</i>
<b>Cash from Operations</b>	<b>\$ 47</b>	<b>\$ 62</b>	<b>\$ 69</b>	<b>\$ 56</b>	<b>\$ 74</b>	<b>\$ 82</b>
<i>Growth Rate</i>		<i>30.6%</i>	<i>11.5%</i>	<i>-19.1%</i>	<i>32.5%</i>	<i>10.8%</i>



# PHA – Cash Flow (2004–2009)



# PHA (Revenue, Exp. & Cash)





E PLURIBUS UNUM

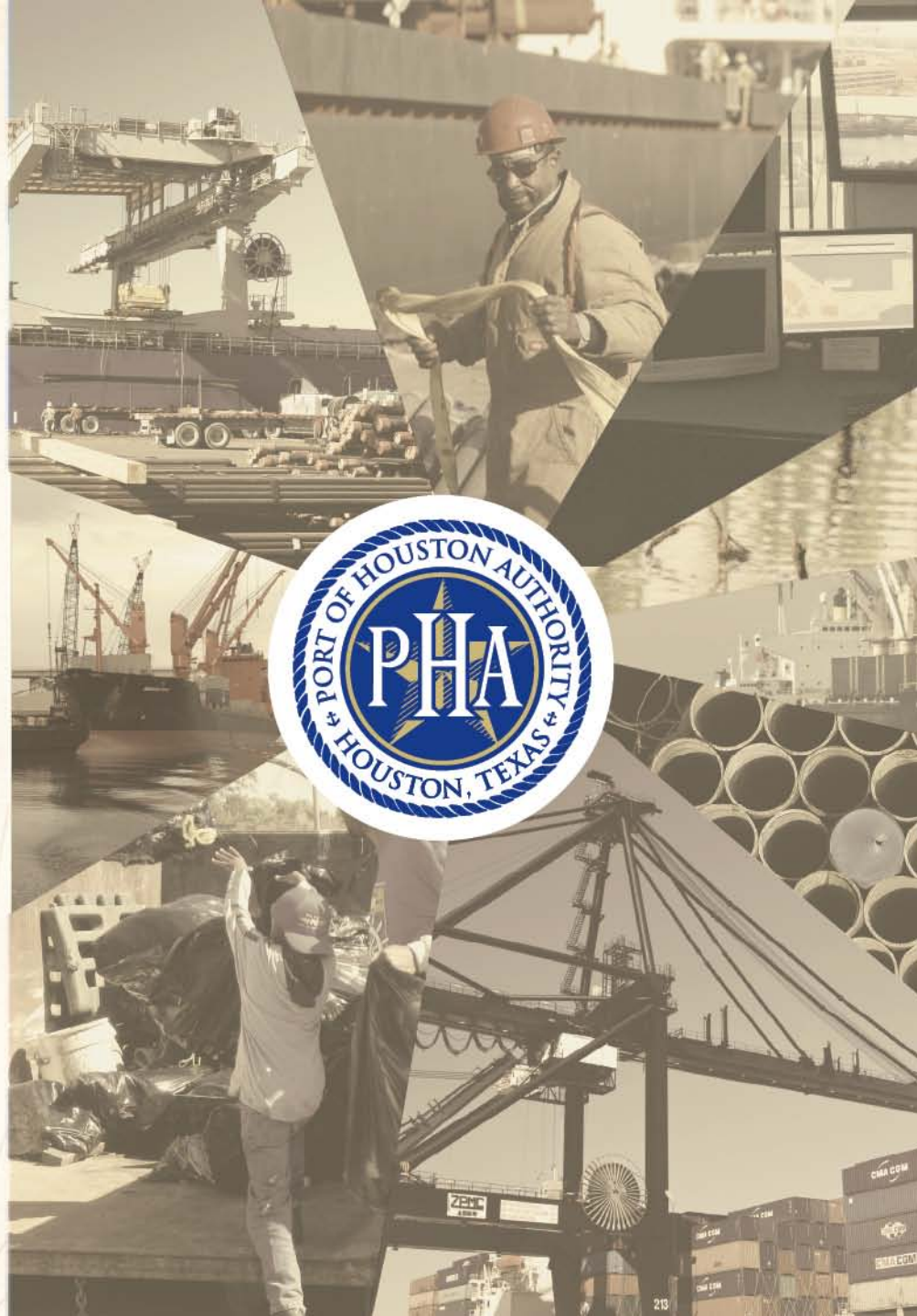
# Capital Projects

Presented by

H. Thomas Kornegay  
Executive Director

Port of Houston Authority

November 19, 2008



# Capital Projects – \$ Millions

	2009 Budget	2008 Budget	2008 Forecast
<b>MAJOR PROJECTS</b>			
Bayport	150	164	182
Barbours Cut	43	48	4
Beneficial Use Site/Channel Development	20	4	6
Security	15	3	4
Turning Basin	8	7	4
Jacintoport	7	0	0
Bayport Cruise	5	4	3
Woodhouse	4	5	2
Engineering	3	0	0
Other	7	18	20
Grant Reimbursement	(2)	(7)	(12)
<b>TOTAL</b>	<b><u>260</u></b>	<b><u>246</u></b>	<b><u>213</u></b>



# Location–Bayport (\$Millions)

<b>MAJOR PROJECTS</b>	<b>2009 Budget</b>
Container Yard 48 Acs	51
RTG Cranes	20
CFS #1	10
Dredge Material Plan	8
Program Management	8
Pipeline Relocation	6
Empty Container Yard Preparation	5
Other	42
Total	150





# Location–Barbours Cut (\$Millions)

<b>MAJOR PROJECTS</b>	<b>2009 Budget</b>
Wharf Cranes	20
Permanent Road West of Rail Ramp	4
Resurface RORO	2
Annual Pavement Replacement	2
Other	15
Total	43



# Location–Beneficial Use/ Channel Development (\$Millions)

<b>MAJOR PROJECTS</b>	<b>2009 Budget</b>
USACE Hurricane Ike Cost Share	11
HSC Cost Share	6
DAMP Management	3
Total	20



# Location–Security (\$Millions)

<b>MAJOR PROJECTS</b>	<b>2009 Budget</b>
Fiber Optic Cable Installation Turning Basin – Round 7	4
TWIC Card Implementation – Round 7	2
Intelligent Signage for Port Signage Deterrent System – Round 7A	2
Targeted Development of Port Information Network linkages – Round 7A	2
Towed Sonar Arrays for Underwater Detection Capability – Round 7A	1
Geo-Reference Data for Pipelines – Round 7	1
Other	3
Total	15





# Location–Turning Basin (\$Millions)

<b>MAJOR PROJECTS</b>	<b>2009 Budget</b>
Structural Rehab to Wharf 10/11	2
Maintenance Dredging	2
Ramp Road Access	1
Landside Container Crane Rail Replacement	1
Other	2
Total	8



# Location–Jacintoport (\$Millions)

MAJOR PROJECTS	2009 Budget
Concrete Replacement & Drainage Improvement	7
Total	7



# Location–Bayport Cruise (\$Millions)

<b>MAJOR PROJECTS</b>	<b>2009 Budget</b>
Cruise Terminal #1 – Passenger Bridge #2	3
Cruise Terminal #1 – Parking Lot Expansion	1
Other	1
Total	5





# Location–Woodhouse (\$Millions)

<b>MAJOR PROJECTS</b>	<b>2009 Budget</b>
Replacement of Sheet Pile Bulkhead @ RORO	2
Rehabilitation of Backup Area Pavement @ Wharf 1	2
Total	4



# Location–Engineering (\$Millions)

<b>MAJOR PROJECTS</b>	<b>2009 Budget</b>
Cathodic Protection Portwide	2
Engineering Services	1
Total	3



# Location–Reimbursement (\$Millions)

<b>MAJOR PROJECTS</b>	<b>2009 Budget</b>
Access Control Exec. Off. Bldg. & BCT Admin. Bldg.	(1)
Access Control Woodhouse Terminal & “The Point” @ Morgan’s Point	(1)
Total	(2)









E PLURIBUS UNUM

# Executive

Presented by

Wade Battles

Managing Director

Port of Houston Authority

November 19, 2008



# Executive Roll-up - (\$ Thousands)

	2009 Budget	2008 Budget	2008 Forecast
<b>EXPENSES</b>			
Salaries & Benefits	1,232	1,156	1,156
Economic Development	635	824	824
Fees & Services	270	260	260
Dues & Memberships	175	205	205
Freight Rail	0	50	50
Other	520	595	654
<b>Total Expenses</b>	<b><u>2,833</u></b>	<b><u>3,090</u></b>	<b><u>3,099</u></b>



Executive – (Thousands)

Economic Development Support \$635

- Bay Area Houston Economic Partnership
- Economic Alliance – Houston Port Region
- GHP Economic Development
- GHP Opportunity Houston
- GHP World Trade Association





# Executive – (Thousands)

## Fees & Services \$270

- Greater Houston Port Bureau
- Houston International Seafarers Center



Executive – (Thousands)

Dues & Memberships \$175

- AAPA
- IAPH
- Gulf Coast Mobility Partners
- Tex-21







E PLURIBUS UNUM

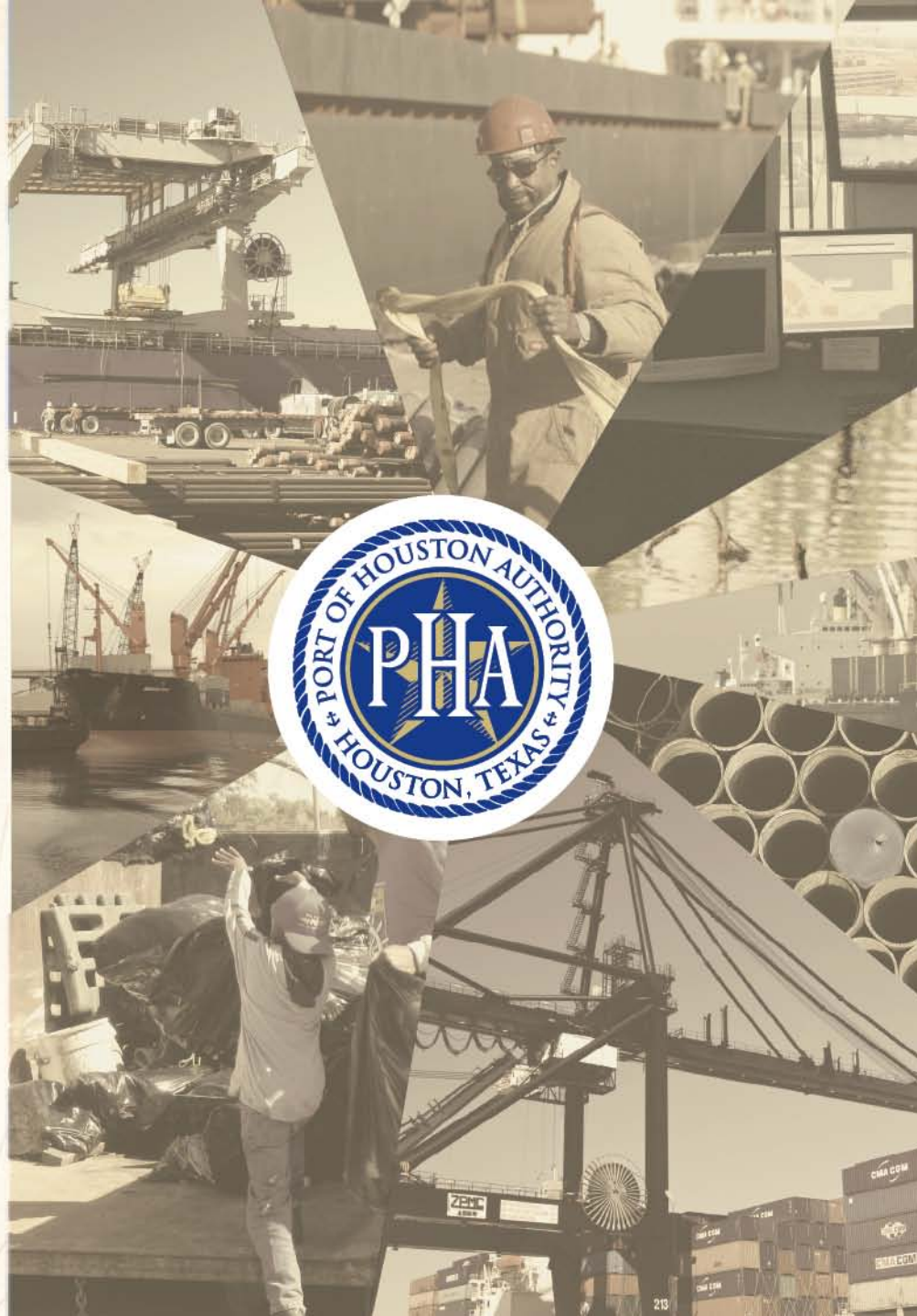
# Legal Division 2009 Budget

Presented by

Erik Eriksson  
General Counsel

Port of Houston Authority

November 19, 2008





# Legal Division

**Erik A. Eriksson**  
General Counsel

**Thomas G. Schroeter**  
Associate General Counsel

**Linda P. Henry**  
Assistant General Counsel

**Margot S. Campbell**  
Assistant General Counsel

**Elizabeth Vinluan Bernal**  
Counsel



# Legal Division – (\$ Thousands)

	2009 Budget	2008 Budget	2008 Forecast
<b>EXPENSES</b>			
Salaries and Benefits	1,612	1,629	1,640
Legal Fees	6,000	5,000	3,933
Other	181	398	131
<b>Total Expenses</b>	<b><u>7,793</u></b>	<b><u>7,027</u></b>	<b><u>5,704</u></b>
<b>G&amp;A Allocation</b>	<b>610</b>	<b>666</b>	<b>609</b>
<b>NET INCOME</b>	<b><u>(7,183)</u></b>	<b><u>(6,361)</u></b>	<b><u>(5,095)</u></b>



# Legal Division – (\$ Thousands)

Legal Fees 6,000

- Zachry v. PHA
- Other Major Litigation
- Bayport Terminal Development
- Open Records Requests
- Employment Matters
- FMC/Tariff Questions
- Commission Representation
- Environmental Representation
- Damage Claims
- Personal Injury Claims



# Legal Division -

## Primary Outside Firms and Attorneys

- Andrews Kurth
- Harless Benthul
- Brown & Kornegay
- W. Allyn Hoaglund
- Jackson Walker
- Kelly Hart & Hallman
- Amy Loeserman Klein
- Vinson & Elkins





# Legal Division – (\$ Thousands)

## All Others (\$181)

- Contract Labor
- Equipment Purchases and Rentals
- Law Library and Online Research
- Office Build-out
- Professional Licensing and Organizations
- Training/Seminars/Conferences







E PLURIBUS UNUM

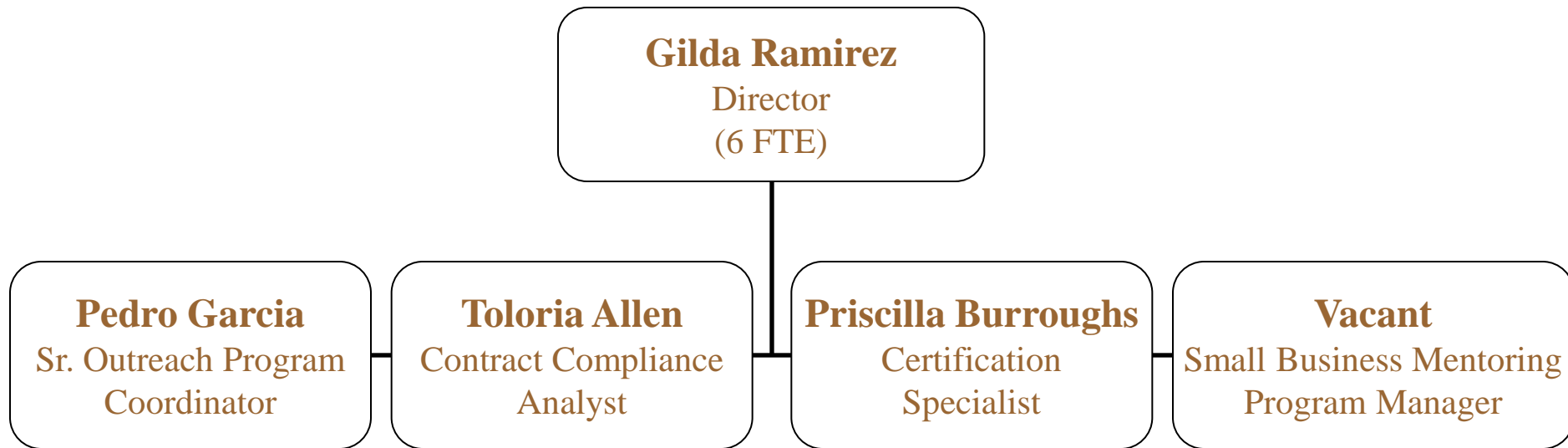
# Small Business Development 2009 Budget

Presented by  
**Gilda Ramirez**  
Director

Port of Houston Authority  
November 19, 2008



# Small Business Development





# Small Business Development Division – Roll-up ( \$ Thousands)

	2009 Budget	2008 Budget	2008 Forecast
<b>EXPENSES</b>			
Salaries, Salaried Employees	449	349	349
Receptions/ Special Events	83	79	79
Consulting Fees	25	25	25
Table Sponsorships	22	21	21
Art and Production	20	20	20
Business Entertainment	16	16	16
All Others	491	426	424
<hr/>			
<b>TOTAL EXPENSES</b>	<b><u>1,106</u></b>	<b><u>936</u></b>	<b><u>934</u></b>



# Receptions / Special Events – \$83,000

Costs associated with promotion and development

- Anniversary Celebration
  - Venue Rental, Set-Up, Catering, Florist and Equipment Rental
- Various Business Expos –  
Including, but not limited to:
  - HMBC Bundle
  - WBEA Bundle
  - Economic Alliance Houston Port Region
  - Fort Bend, Pearland, Clear Lake, League City and Baytown Chamber of Commerce



# Consulting – \$25,000

Costs associated with outsourced consulting services for the following projects:

- Vendor Information System Upgrades
- Trainers for Small Business Vendor Classes and Mentoring Programs





# Table Sponsorships – \$22,000

Costs associated with promotion and development

- Asian Chamber of Commerce
- Deer Park Chamber of Commerce
- Government Procurement Connections
- Hispanic Contractors Association
- La Porte Chamber of Commerce
- Native American Chamber of Commerce
- Pasadena Chamber of Commerce
- Women Contractors Association



# Art and Production – \$20,000

Costs associated with graphic design and production of the following projects:

- Various Graphic Design Projects
  - Small Business Tri-Fold Updates
  - Small Business Brochure
  - Expo Pop-ups
  - Postcards



# Business Entertainment – \$16,000

Costs associated with the following:

- Monthly Meetings
  - Alliance of Minority Contractors of Houston
  - Latina Women Round Table
- “How to Do Business” Events with Local Chambers and Organizations
- One-on-One Sessions with Local Chambers
- Mentoring Workshops
- Port’s Small Business Monthly Networking Forums
- Small Business Development Advisory Council Meetings





# All Others – \$491,000

- Benefits Expenses
- Equipment Purchases
- Materials and Supplies
- Print and Production
- Travel
- Training / Seminar / Registration / Conference
- Uncompensated Leavetime Benefits







E PLURIBUS UNUM

# Operations Division

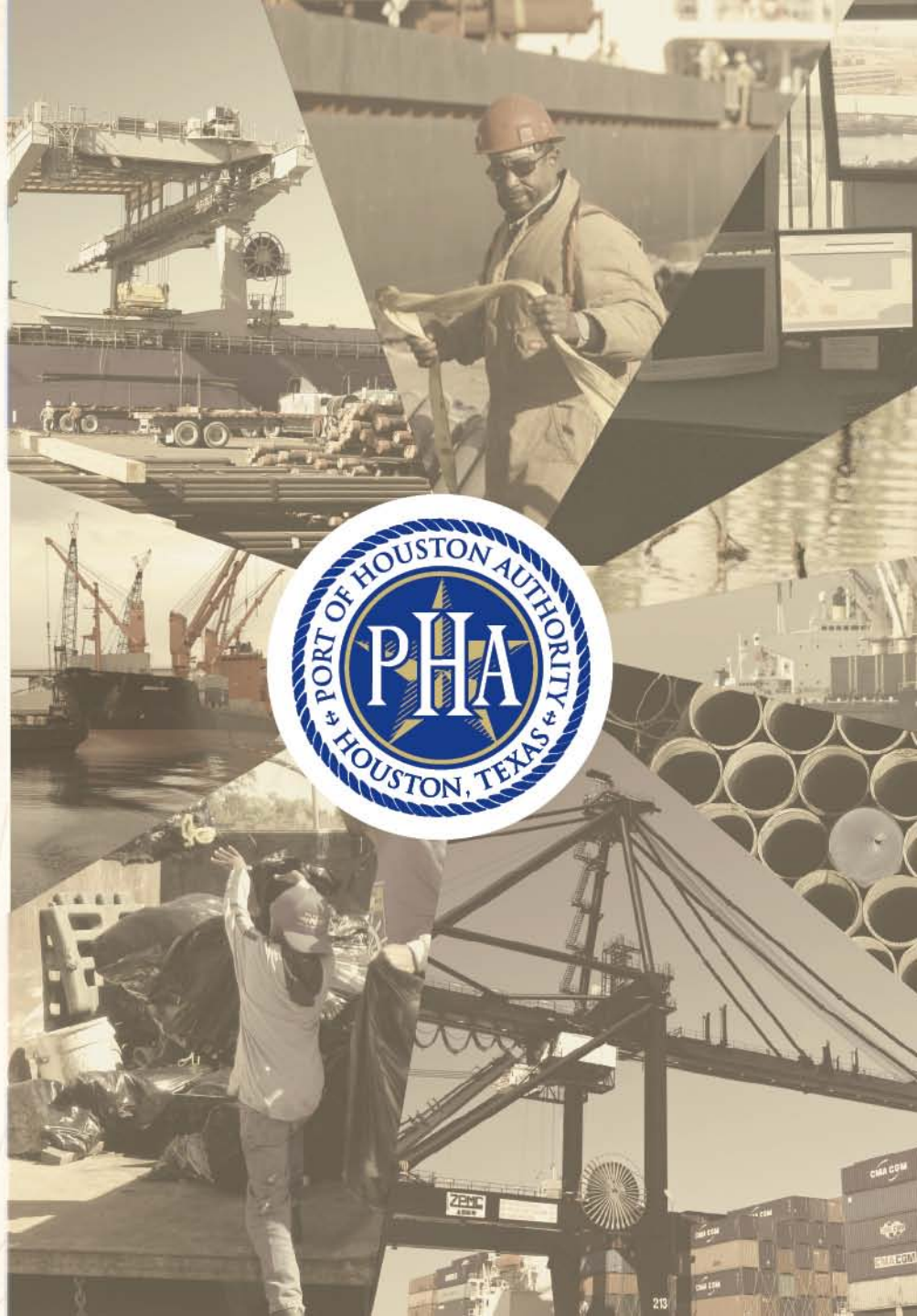
Presented by

Jimmy Jamison

Director of Operations

Port of Houston Authority

November 19, 2008





# Operations Division

**Jimmy Jamison**  
Director of  
Operations  
(3 FTE)

**Roger Guenther**  
Container  
Terminals  
(188 FTE)

**Walt Kleczkowski**  
Turning Basin  
Terminals  
(21 FTE)

**Bill Crews**  
Port Security  
& Emergency  
Operations  
(81 FTE)

**Ruben  
Arredondo**  
Marine  
(62 FTE)

**Kay Adams**  
Bayport Cruise  
Terminal  
(1 FTE)



**PORT OF HOUSTON AUTHORITY**



# Operations Division Roll-up—(\$ Thousands)

	2009 Budget	2008 Budget	2008 Forecast
<b>REVENUE</b>			
Wharfage	62,897	55,057	56,843
Container Receipt/Delivery	44,685	41,939	41,191
All Other	92,362	86,291	83,301
<b>Total Revenue</b>	<b><u>199,944</u></b>	<b><u>183,287</u></b>	<b><u>181,335</u></b>
<b>EXPENSES</b>			
Salaries & Benefits	69,565	68,398	67,215
All Other	86,414	82,075	75,737
<b>Total Expenses</b>	<b><u>155,979</u></b>	<b><u>150,473</u></b>	<b><u>142,952</u></b>
<b>NET INCOME</b>	<b><u>43,965</u></b>	<b><u>32,814</u></b>	<b><u>38,383</u></b>

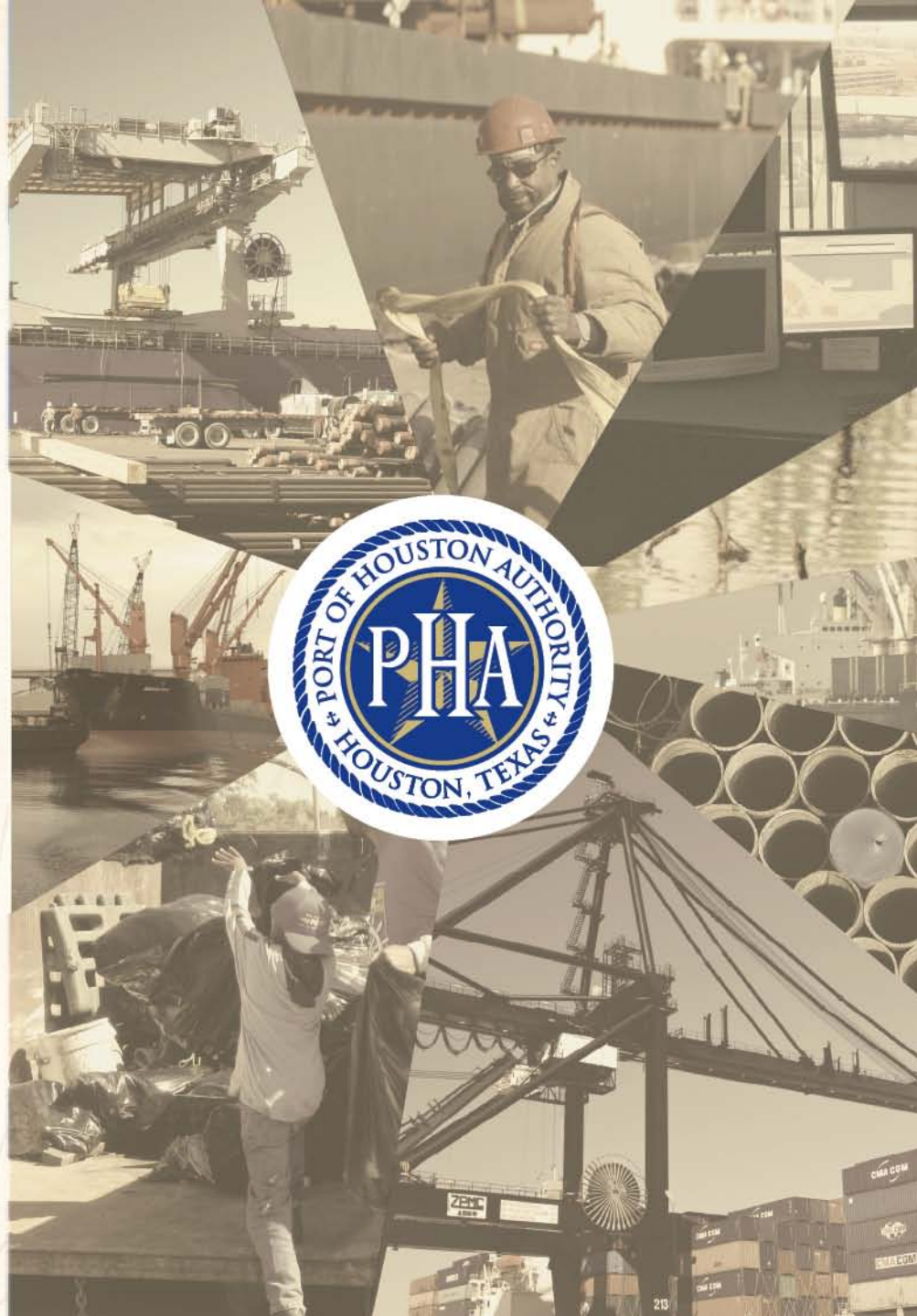


E PLURIBUS UNUM

# Container Terminals

Presented by  
**Roger Guenther**  
General Manager

Port of Houston Authority  
November 19, 2008





# Container Terminals Roll-up – (\$ Thousands)

	2009 Budget	2008 Budget	2008 Forecast
<b>REVENUE</b>			
Container Thruput	44,686	41,939	41,191
Wharfage	42,249	37,971	37,456
Crane Rental	20,876	19,056	18,000
Storage	11,500	12,798	10,304
Dockage	9,915	9,960	9,456
All Other	12,842	11,545	11,333
<b>Total Revenue</b>	<b><u>142,068</u></b>	<b><u>133,269</u></b>	<b><u>127,740</u></b>
<b>EXPENSE</b>			
Salaries & Benefits	52,787	51,057	49,087
Depreciation & Amortization	31,491	27,237	23,737
All Other	22,710	20,395	21,493
<b>Total Expense</b>	<b><u>106,988</u></b>	<b><u>98,689</u></b>	<b><u>94,317</u></b>
<b>NET INCOME</b>	<b><u>35,080</u></b>	<b><u>34,580</u></b>	<b><u>33,423</u></b>



# Container Terminals

## 2009 Tariff Increase

Assuming No Growth	08 Forecast	%	09 Forecast	Additional Revenue
Dockage	\$9,456,219	5%	\$9,929,030	\$472,811
Wharfage - Lds	\$34,803,636	5%	\$36,543,818	\$1,740,182
Wharfage - Mty (incl Direct Mty)	\$2,060,000	5%	\$2,163,000	\$103,000
Wharfage - Breakbulk	\$592,739	5%	\$622,376	\$29,637
Loaded Thruput	\$39,640,560	5%	\$41,622,588	\$1,982,028
Empty Thruput	\$1,550,000	5%	\$1,627,500	\$77,500
Transshipment	\$68,000	5%	\$71,400	\$3,400
Inspections	\$1,533,998	5%	\$1,610,698	\$76,700
Reefer Elec.	\$1,225,000	5%	\$1,286,250	\$61,250
Rehandles	\$1,905,912	5%	\$2,001,208	\$95,296
Ramp Gate Fee	\$520,000	5%	\$546,000	\$26,000
Wharf Crane Rental	\$18,000,000	5%	\$18,900,000	\$900,000
Other Equipment Rental	\$220,000	5%	\$231,000	\$11,000
Storage	\$10,304,000	5%	\$10,819,200	\$515,200
Security Fee	\$2,033,302	10%	\$2,236,632	\$203,330
Tenant Assessment	\$1,800,000	5%	\$1,890,000	\$90,000
Other Misc. Income	\$2,026,227	5%	\$2,127,538	\$101,311
	\$127,739,593	5.1%	\$134,228,238	\$6,488,645



PORT OF HOUSTON AUTHORITY



# Maersk Lease – (\$ Thousands)

	2009 Budget	2008 Budget	2008 Forecast
<b>REVENUE</b>			
Rent / Lease	5,098	4,894	5,098
<b>Total Revenue</b>	<b><u>5,098</u></b>	<b><u>4,894</u></b>	<b><u>5,098</u></b>
<b>EXPENSES</b>			
Depreciation	2,865	3,075	2,700
All Other	206	57	53
<b>Total Expenses</b>	<b><u>3,071</u></b>	<b><u>3,132</u></b>	<b><u>2,753</u></b>
<b>NET INCOME</b>	<b><u>2,027</u></b>	<b><u>1,762</u></b>	<b><u>2,345</u></b>





E PLURIBUS UNUM

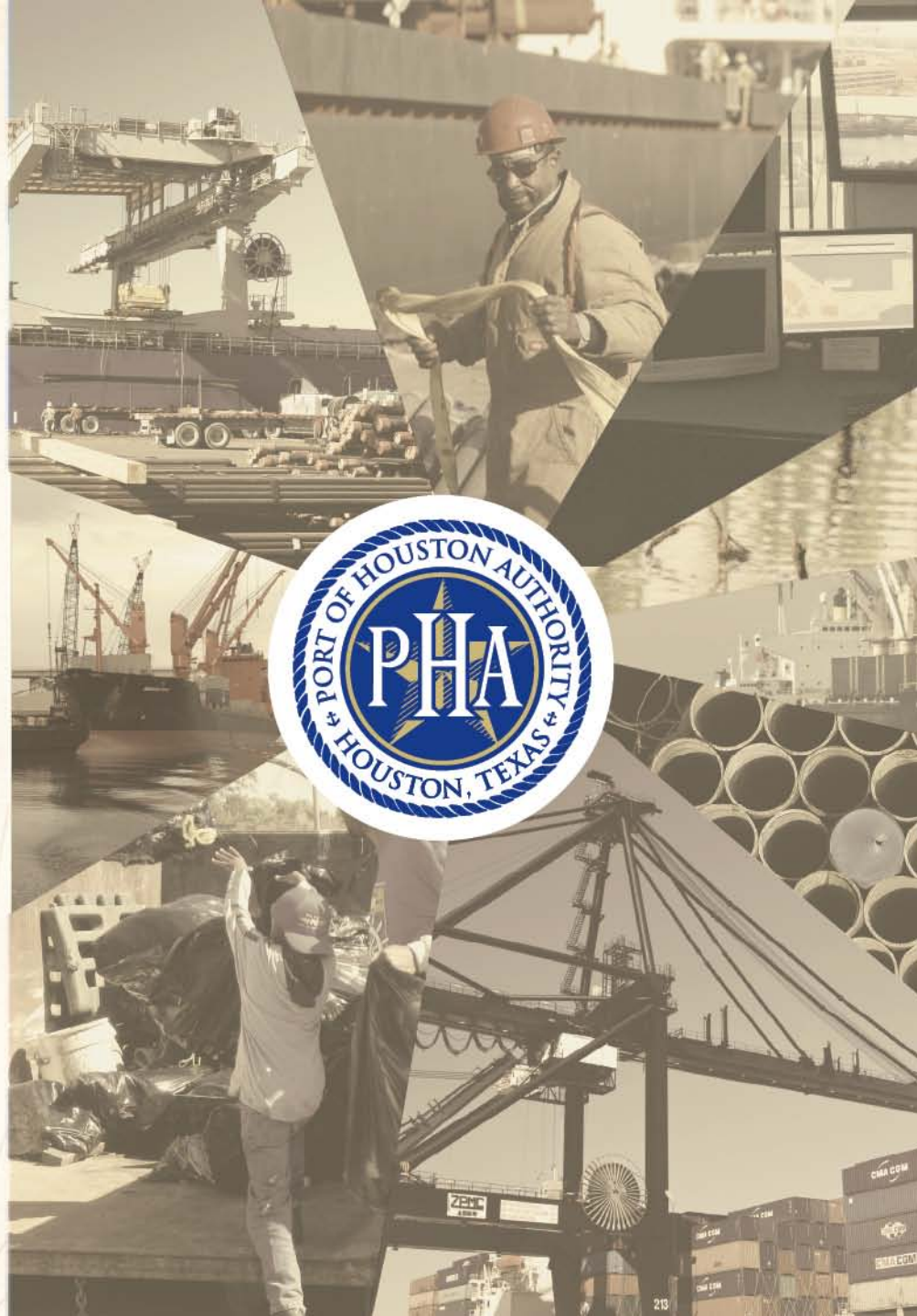
# Turning Basin Terminals

Presented by

Walt Kleczkowski  
Manager

Port of Houston Authority

November 19, 2008



# Turning Basin Terminals Roll-up

## — (\$ Thousands)

	2009 Budget	2008 Budget	2008 Forecast
<b>REVENUE</b>			
Dockage	13,730	11,940	12,515
Wharfage	20,648	17,086	19,386
Rent and/or Lease	6,822	4,190	4,598
All Other	6,274	5,892	6,000
<b>Total Revenue</b>	<b><u>47,474</u></b>	<b><u>39,108</u></b>	<b><u>42,499</u></b>
<b>EXPENSES</b>			
Depreciation & Amortization	11,515	11,728	10,218
Salaries and Benefits	3,718	3,534	3,516
Security	2,911	1,991	2,283
All Other	6,199	6,715	6,177
<b>Total Expenses</b>	<b><u>24,343</u></b>	<b><u>23,968</u></b>	<b><u>22,194</u></b>
<b>NET INCOME</b>	<b><u>23,131</u></b>	<b><u>15,140</u></b>	<b><u>20,305</u></b>



# Turning Basin Terminals

## ADDITIONAL REVENUE WITH RATE INCREASE 2009

	2008 Annualized Revenue	Proposed % Increase	Estimated 2009 Revenue (No Growth)	2009 Additional Revenue (No Growth)
Dockage	\$13,706,997	5.00%	\$14,392,347	\$685,350
Shed Hire	\$2,445,075	5.00%	\$2,567,328	\$122,254
Wharfage - Import	\$12,534,509	5.00%	\$13,361,235	\$826,725
Wharfage - Export	\$6,298,539	5.00%	\$6,613,466	\$314,927
Security Fees	\$1,719,209	10.00%	\$1,891,130	\$171,921
Wharfage - Coastwise	\$1,298,933	5.00%	\$1,363,880	\$64,947
Cleaning Berth	\$692,880	5.00%	\$727,524	\$34,644
Wharf Demurrage	\$645,719	5.00%	\$678,005	\$32,286
Container Crane Hire	\$273,584	5.00%	\$287,263	\$13,679
Terminal Charge (Autos)	\$200,263	5.00%	\$210,276	\$10,013
Permit Fee	\$56,784	5.00%	\$59,623	\$2,839
Vehicle Equipment Rental	\$55,083	5.00%	\$57,837	\$2,754
Equipment Washdown Fac.	\$3,627	5.00%	\$3,808	\$181
Storage TB	\$1,547	5.00%	\$1,624	\$77
	\$44,256,465		\$46,539,063	\$2,282,598

Net Percent Increase

5.16%



**PORT OF HOUSTON AUTHORITY**





E PLURIBUS UNUM

# Port Security & Emergency Operations

Presented by  
**Bill Crews**  
Manager

Port of Houston Authority  
November 19, 2008



# Port Security & Emergency Operations

## Roll-up – (\$ Thousands)

	2009 Budget	2008 Budget	2008 Forecast
<b>REVENUE</b>			
Gate Pass Fees	15	15	15
Miscellaneous Income	45	32	32
<b>Total Revenue</b>	<b><u>60</u></b>	<b><u>47</u></b>	<b><u>47</u></b>
<b>EXPENSES</b>			
Salaries & Benefits	8,013	7,415	7,473
Fees & Services	4,929	3,968	3,968
Consulting Fees	326	150	120
Maintenance Agreements	816	688	688
All Other	3,320	6,396	6,551
<b>Total Expenses</b>	<b><u>17,404</u></b>	<b><u>18,617</u></b>	<b><u>18,791</u></b>
<b>Security Overhead Allocation</b>	<b>(7,899)</b>	<b>(5,136)</b>	<b>(5,680)</b>



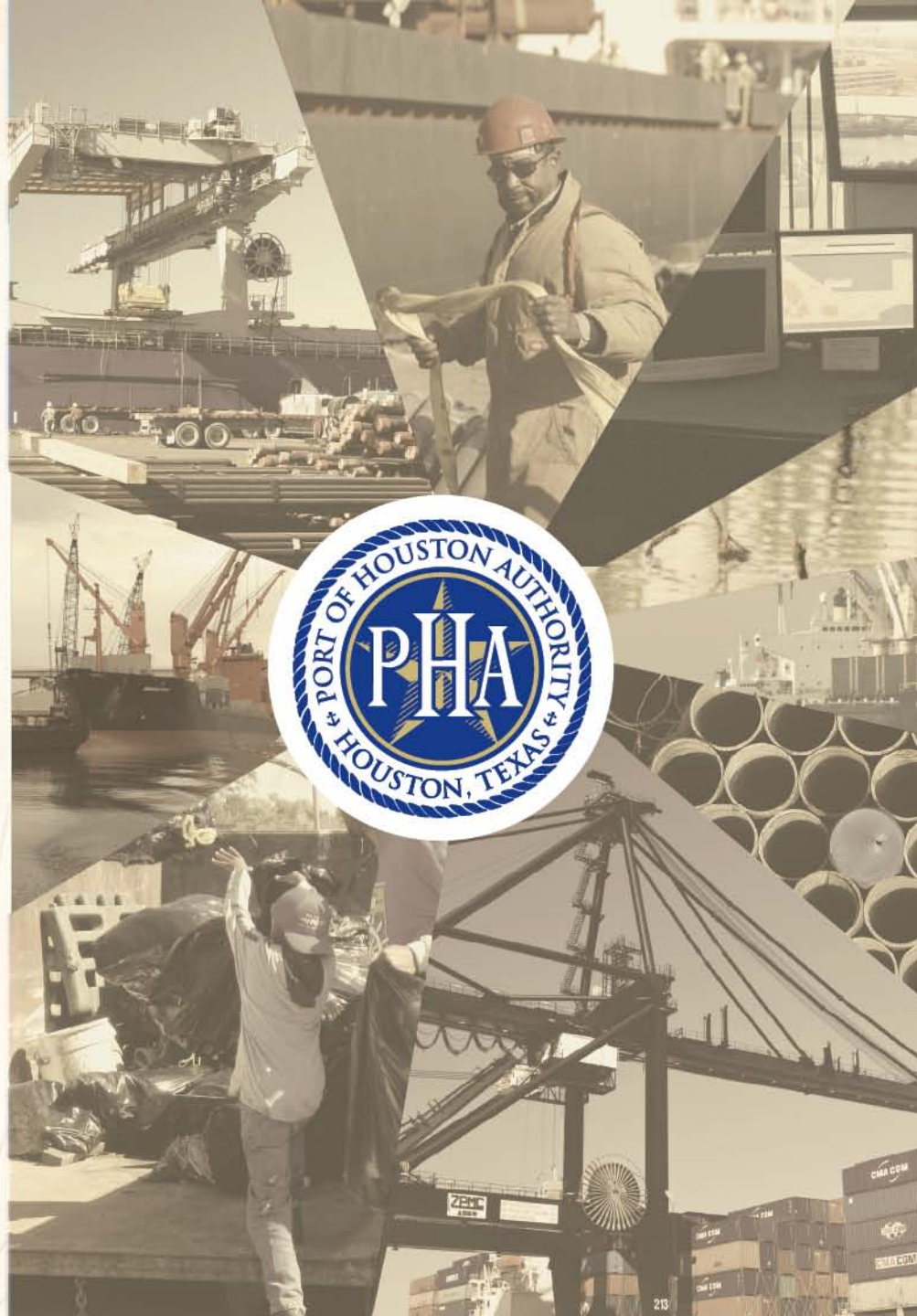


E PLURIBUS UNUM

# Marine Department

Presented by  
Ruben Arredondo  
Manager

Port of Houston Authority  
November 19, 2008





# Marine Department Roll-up – (\$ Thousands)

	2009 Budget	2008 Budget	2008 Forecast
<b>REVENUE</b>			
Harbor Fees	4,436	3,876	3,875
Barge Fees	775	720	703
<b>Total Revenue</b>	<b><u>5,211</u></b>	<b><u>4,596</u></b>	<b><u>4,577</u></b>
<b>EXPENSES</b>			
Salaries & Benefits	5,983	5,938	5,696
All Other	1,565	1,298	946
<b>Total Expenses</b>	<b><u>7,548</u></b>	<b><u>7,236</u></b>	<b><u>6,642</u></b>
<b>NET INCOME</b>	<b><u>(2,337)</u></b>	<b><u>(2,640)</u></b>	<b><u>(2,065)</u></b>





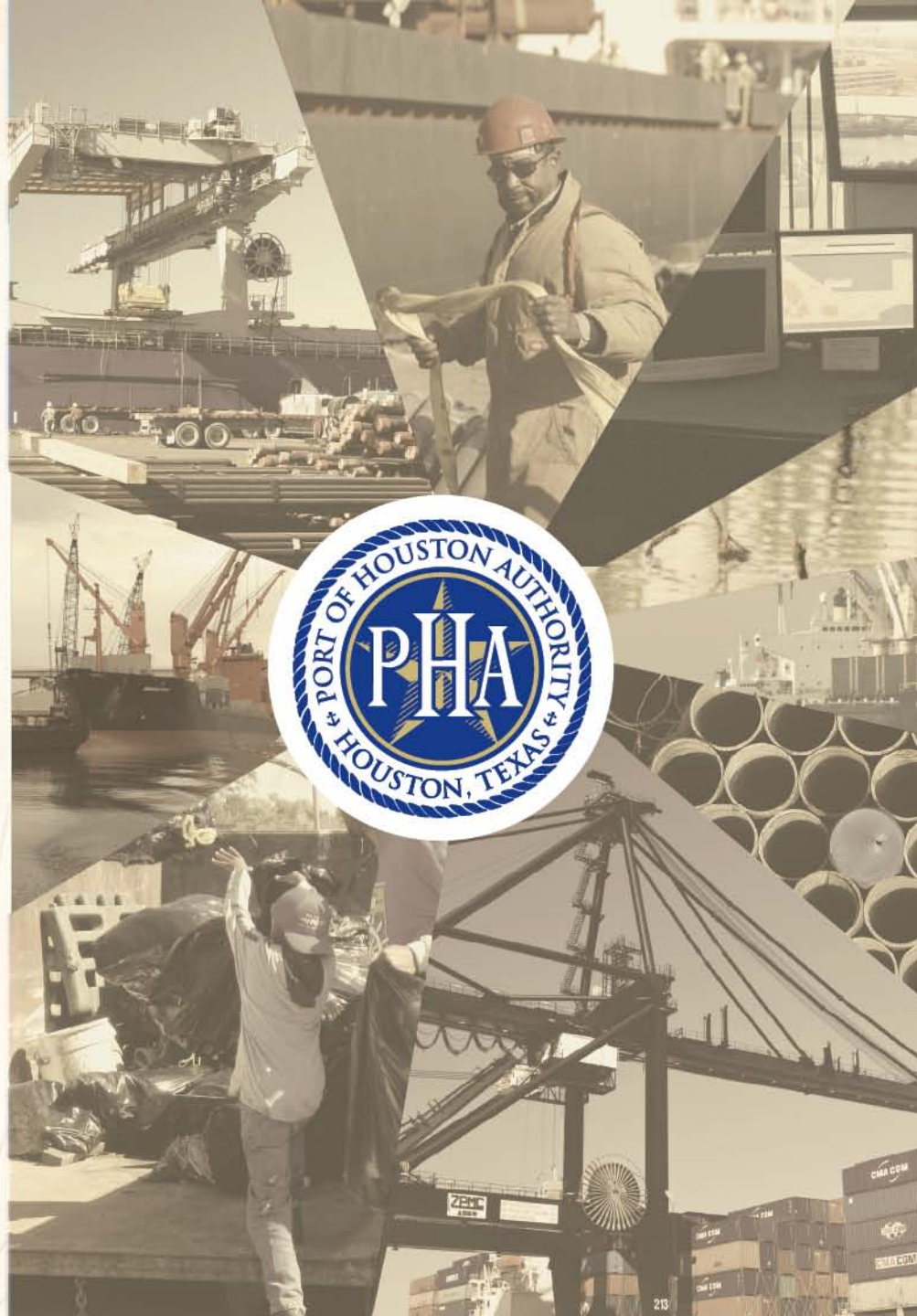


E PLURIBUS UNUM

# Facilities Division

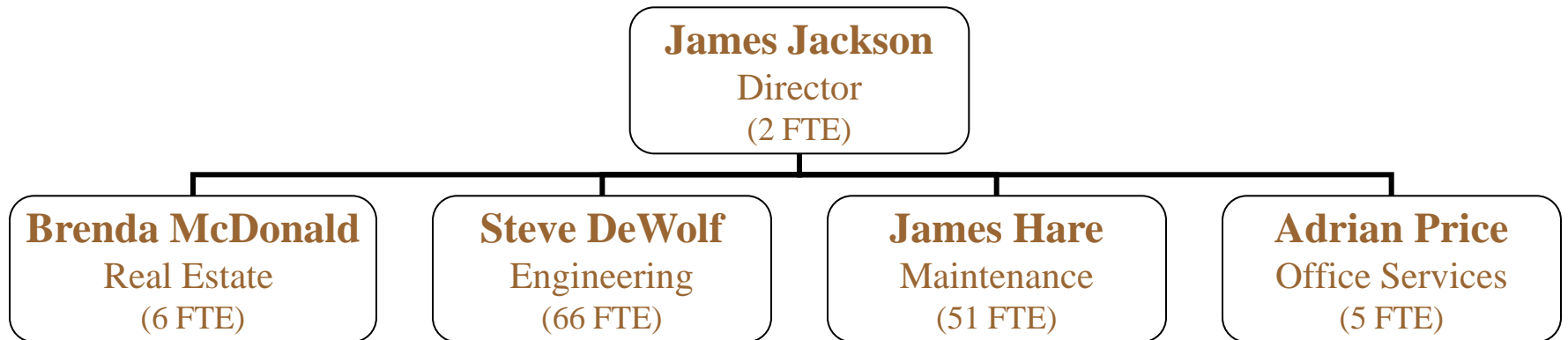
Presented by  
James B. Jackson  
Director

Port of Houston Authority  
November 19, 2008





# Facilities Division



# Facilities Division Roll-up – (\$ Thousands)

	2009 Budget	2008 Budget	2008 Forecast
<b>REVENUE</b>			
Rents and Leases	14,592	14,650	14,147
Wharfage and Dockage	1,080	1,205	1,039
<b>Total Revenue</b>	<b><u>15,672</u></b>	<b><u>15,855</u></b>	<b><u>15,186</u></b>

## EXPENSES

Wages, Salaries & Benefits	16,268	16,211	15,498
Depreciation & Amortization	2,728	2,648	2,665
Maintenance & Materials	1,516	1,900	1,620
Others	4,471	4,215	4,053
	<b><u>24,983</u></b>	<b><u>24,974</u></b>	<b><u>23,836</u></b>

## Total Expenses

## Facilities Allocation

7,550	7,154	6,948
-------	-------	-------

## NET INCOME

(1,761)	(1,965)	(1,702)
---------	---------	---------



# Facilities - (\$ Thousands)

## Maintenance & Materials \$1,516

- Materials & Supplies for Offices
- Vehicles
- Buildings
- Roads & Parking Lots
- Machinery





# Facilities - (\$ Thousands)

Others \$4,471

- Environmental
- Security
- Fees and Services
- Utilities
- Insurance



# Engineering - (\$ Thousands)

	2009 Budget	2008 Budget	2008 Forecast
<b>EXPENSES</b>			
Salaries & Benefits	8,864	9,008	8,670
Depreciation	183	112	130
Others	950	1,001	1,059
<b>Total Expenses</b>	<b><u>9,997</u></b>	<b><u>10,121</u></b>	<b><u>9,859</u></b>
<b>Engineering Allocation</b>	<b>4,630</b>	<b>4,321</b>	<b>4,158</b>
<b>NET INCOME</b>	<b><u>(5,367)</u></b>	<b><u>(5,800)</u></b>	<b><u>(5,701)</u></b>



# Real Estate - (\$ Thousands)

	2009 Budget	2008 Budget	2008 Forecast
<b>REVENUE</b>			
Rents and Leases	14,562	14,620	14,117
Wharfage and Dockage	1,080	1,205	1,039
<b>Total Revenue</b>	<b><u>15,642</u></b>	<b><u>15,825</u></b>	<b><u>15,156</u></b>

## EXPENSES

Depreciation & Amortization	1,823	1,963	1,963
Environmental	1,097	1,233	1,233
Salaries & Benefits	803	744	744
Security	771	599	497
Others	1,270	1,327	1,047

## Total Expenses

**5,764**      **5,866**      **5,484**

## NET INCOME

**9,878**      **9,959**      **9,672**







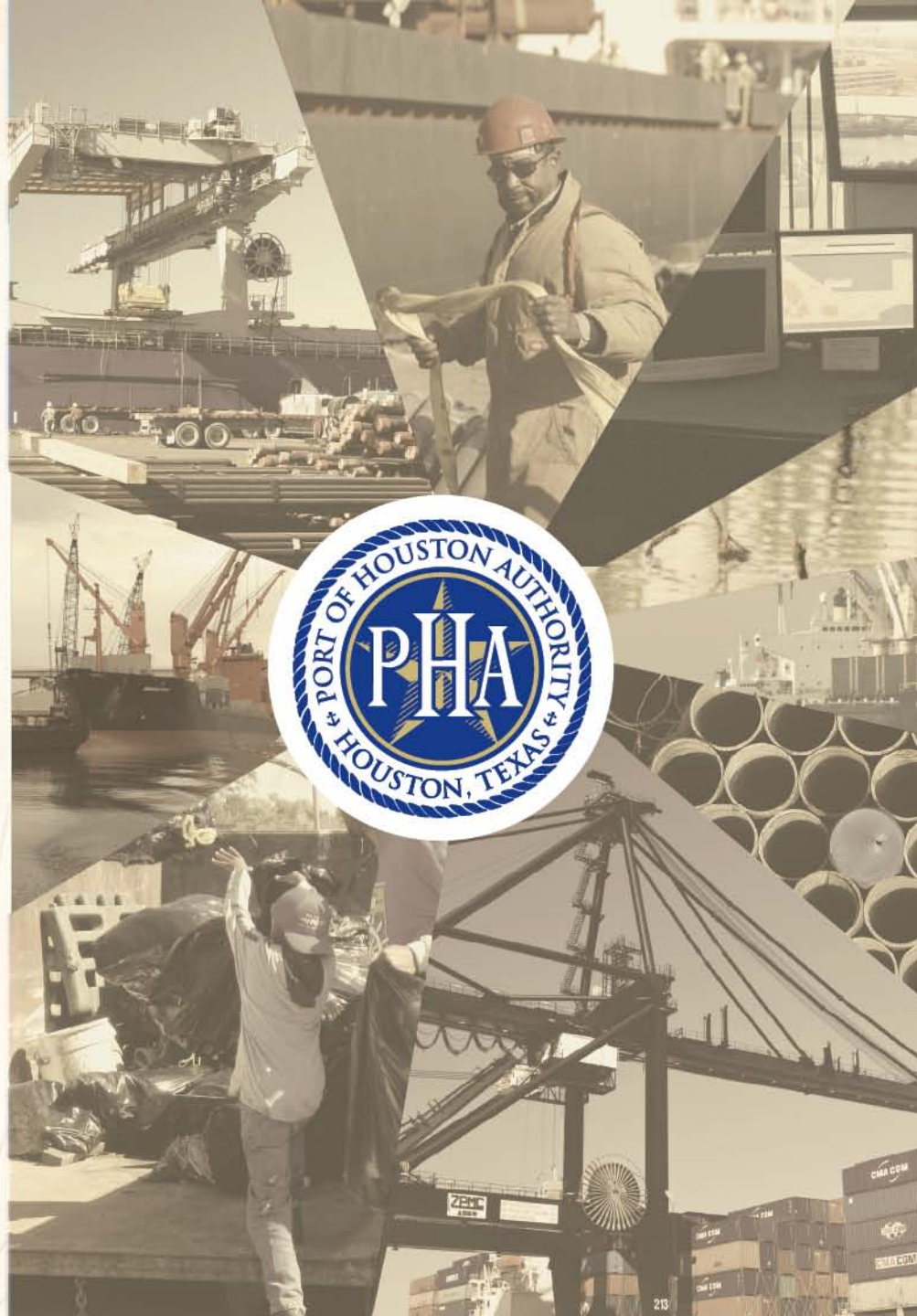


E PLURIBUS UNUM

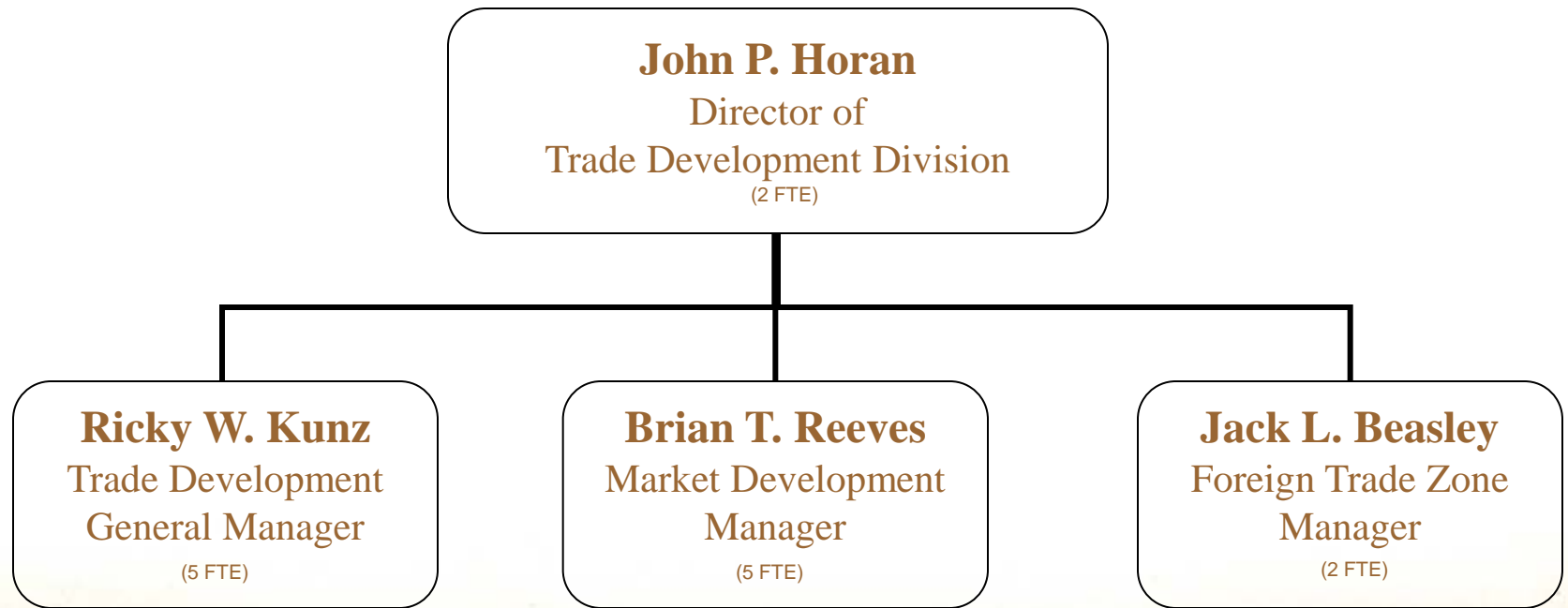
# Trade Development Division

Presented by  
John P. Horan  
Director

Port of Houston Authority  
November 19, 2008



# Trade Development Division





# Trade Development Division Roll-up -

(\$ Thousands)

	2009 Budget	2008 Budget	2008 Forecast
<b>REVENUE</b>			
FTZ Base Fees	269	274	274
<b>Total Revenue</b>	<b><u>269</u></b>	<b><u>274</u></b>	<b><u>274</u></b>
<b>EXPENSES</b>			
Salaries & Benefits	1,909	1,876	1,876
Trade Missions	408	423	423
Consulting Fees	390	572	422
Sponsorships & Events	353	326	266
Business Development	199	214	194
Other	328	392	433
<b>Total Expenses</b>	<b><u>3,587</u></b>	<b><u>3,803</u></b>	<b><u>3,614</u></b>
<b>NET INCOME</b>	<b><u>(3,318)</u></b>	<b><u>(3,529)</u></b>	<b><u>(3,340)</u></b>



# Trade Development – (\$ Thousands)

## Trade Missions \$408

- Panama Reception
- South America
- Brazil
- Mexico Receptions
- New York Luncheons



# Trade Development – (\$ Thousands)

## Consulting Fees \$390

- Richard Schiefelbein
- Arturo Gamez
- Portal Commerce (John Cuttino)
- Strategic Optimization Projects





# Trade Development – (\$ Thousands)

## Sponsorships & Events \$353

- Customer Rodeo and Sports Outings
- Houston Customer Reception
- PHA Customer Golf Tournament
- Consular Ball
- Consular Corps Reception
- Trade Show Marketing



# Trade Development – (\$ Thousands)

## Business Development \$199

- Business Travel
- Business Entertainment
- Promotional Items
- Dues & Memberships



# Trade Development – (\$ Thousands)

## Other \$328

- Online Service Bureaus
- Cell Phone and Auto Allowance
- Training / Seminars / Conferences
- NJ Office Rental
- Telephone
- Materials & Supplies







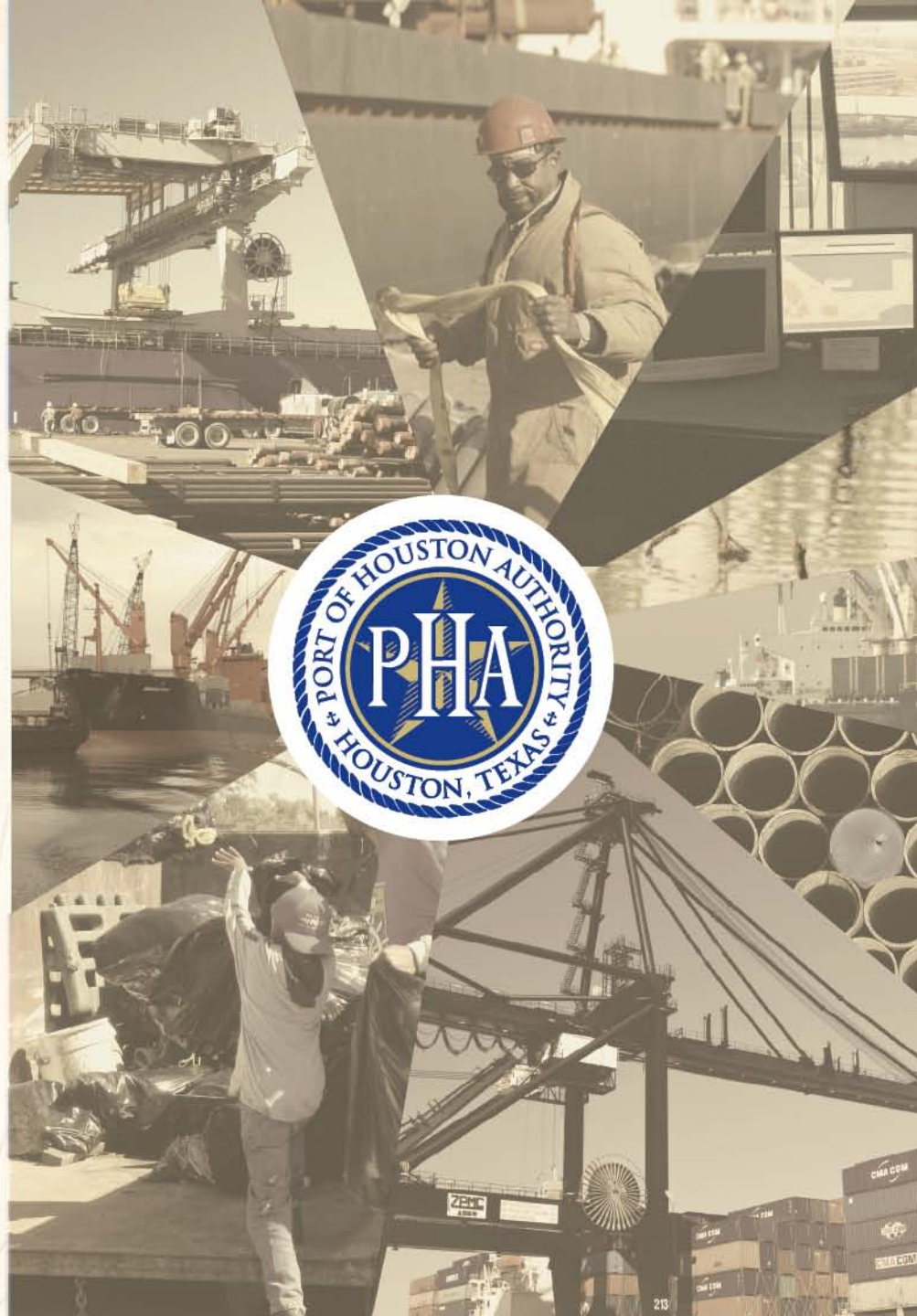


E PLURIBUS UNUM

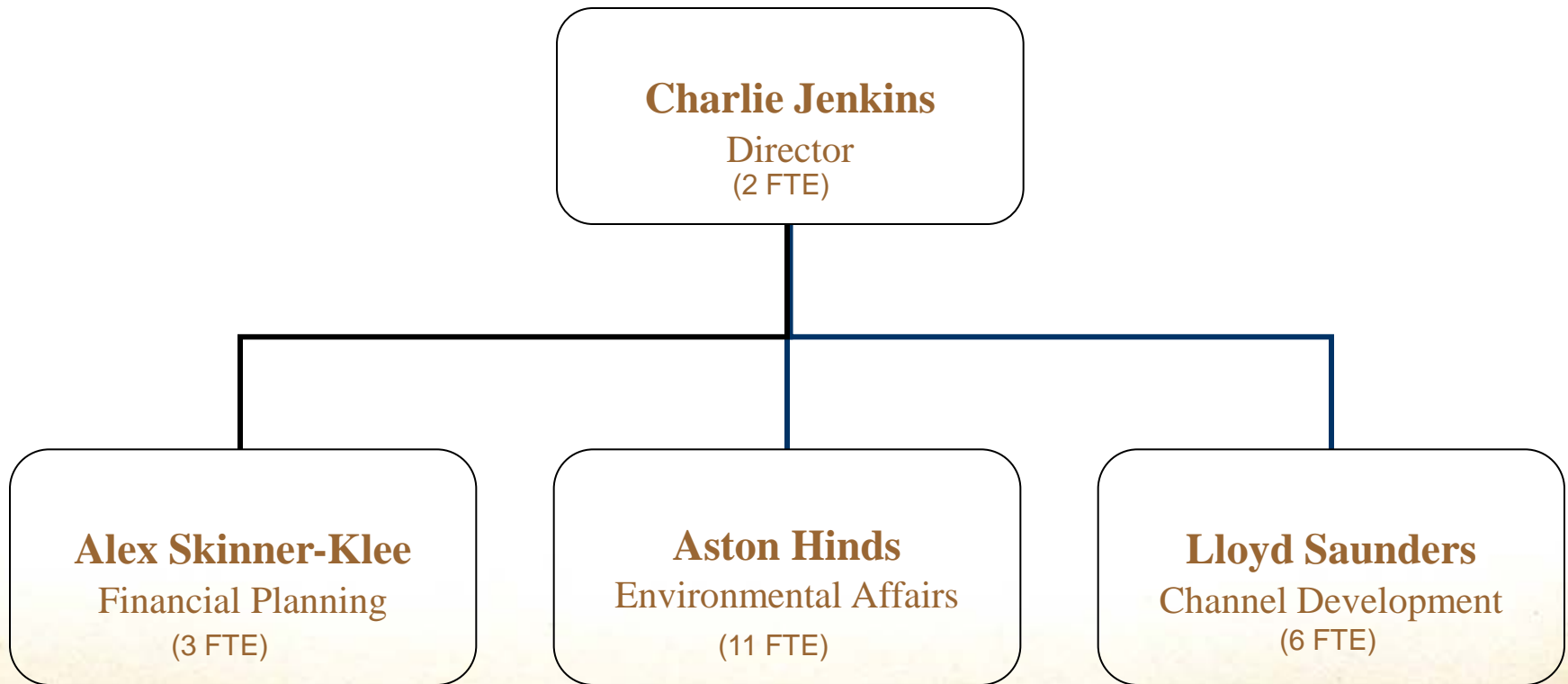
# Planning & Environment 2009 Budget

Presented by  
Charlie Jenkins  
Director

Port of Houston Authority  
November 19, 2008



# Planning & Environment Division





# Planning & Environment Division

## Roll-up - (\$ Thousands)

	2009 Budget	2008 Budget	2008 Forecast
<b>REVENUE</b>			
Fees & Permits	2,912	2,860	4,737
<b>Total Revenue</b>	<b><u>2,912</u></b>	<b><u>2,860</u></b>	<b><u>4,737</u></b>
<b>EXPENSES</b>			
Consulting Fees	4,020	3,878	1,734
Salaries & Benefits	2,768	2,548	2,271
Environmental Related Costs	1,218	900	900
DMDA Maintenance	1,187	0	0
Fees & Services	176	57	412
General Cleanup	2	625	945
All Other	682	610	654
<b>Total Expenses</b>	<b><u>10,053</u></b>	<b><u>8,618</u></b>	<b><u>6,916</u></b>
<b>Environmental Allocation</b>	<b>1,251</b>	<b>900</b>	<b>328</b>
<b>NET INCOME</b>	<b><u>(5,890)</u></b>	<b><u>(4,858)</u></b>	<b><u>(1,851)</u></b>



# Planning & Environment Division - (\$Thousands)

## Consulting Fees (\$4,020)

- Terminal Next Site Assessment Study
- Pelican Island Container Terminal Conceptual Planning Study
- Air Quality Permitting
- Air Quality Strategy Plan
- Environmental Consulting Services
- Sediment Consulting
- Water Quality
- Ballast Water
- Document Management
- Energy Management
- Industrial Hygiene
- Maintenance Dredging Alternatives
- Georeference – Submerged Lands
- HSC JV Consulting



# Environmental Affairs – (\$ Thousands)

	2009 Budget	2008 Budget	2008 Forecast
<b>EXPENSES</b>			
Consulting Fees	2,291	2,588	693
Salaries & Benefits	1,335	1,291	1,057
Environmental Related Costs	1,218	900	900
Fees & Services	23	41	75
Other	398	304	447
<b>Total Expenses</b>	<b><u>5,265</u></b>	<b><u>5,124</u></b>	<b><u>3,172</u></b>
Environmental Allocation	1,251	900	328
<b>NET INCOME</b>	<b><u>(4,014)</u></b>	<b><u>(4,224)</u></b>	<b><u>(2,844)</u></b>





# Environmental Affairs – (\$Thousands)

## Consulting Fees (\$2,290)

- Air Quality Permitting
- Air Quality Strategy Plan
- Environmental Consulting Services
- Sediment Consulting
- Water Quality
- Ballast Water
- Document Management
- Energy Management
- Industrial Hygiene



# Environmental Affairs — (\$Thousands)

Environmental-Related Costs (\$1,218)

Projects include:

- Engine (Sam Houston)
- Air Permits
- Asbestos Projects
- Air & Water Quality
- Sediment Sampling & Analysis
- Waste Disposal
- Energy Conservation
- ISO 14001 Certificate, External Audit



# Channel Development – (\$ Thousands)

	2009 Budget	2008 Budget	2008 Forecast
<b>REVENUE</b>			
DMA Application/Fee	1,652	1,505	3,302
Pipeline Application/License Fee	750	1,345	1,420
Rent or Lease	500	0	0
Permits	10	10	15
<b>Total Revenue</b>	<b><u>2,912</u></b>	<b><u>2,860</u></b>	<b><u>4,737</u></b>
<b>EXPENSES</b>			
DMDA Maintenance	1,187	0	0
Salaries & Benefits	723	671	604
Consulting Fees	330	30	13
Fees & Services	150	11	336
General Cleanup	2	625	945
All Other	185	192	126
<b>Total Expenses</b>	<b><u>2,577</u></b>	<b><u>1,529</u></b>	<b><u>2,024</u></b>
<b>NET INCOME</b>	<b><u>335</u></b>	<b><u>1,331</u></b>	<b><u>2,713</u></b>







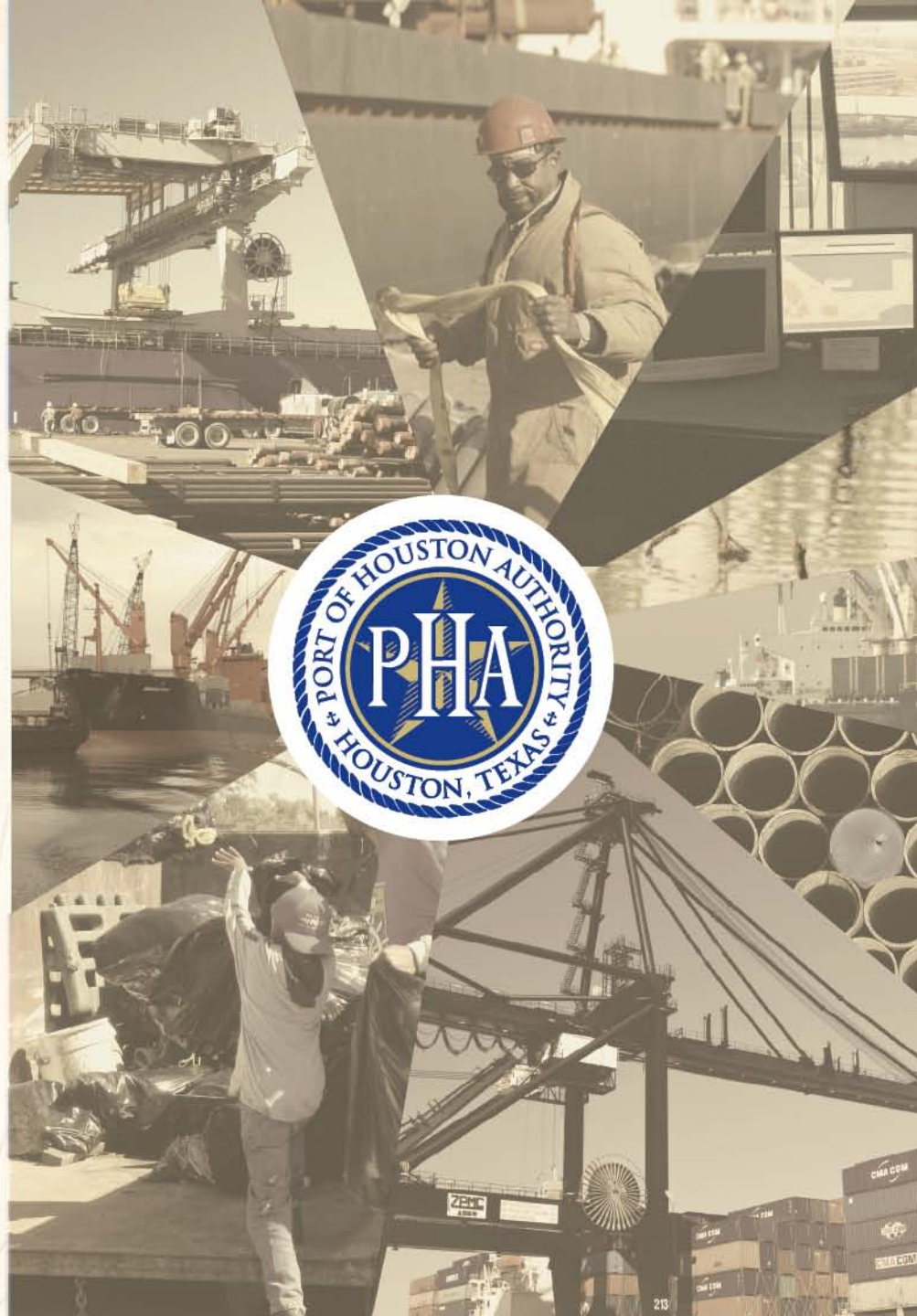


E PLURIBUS UNUM

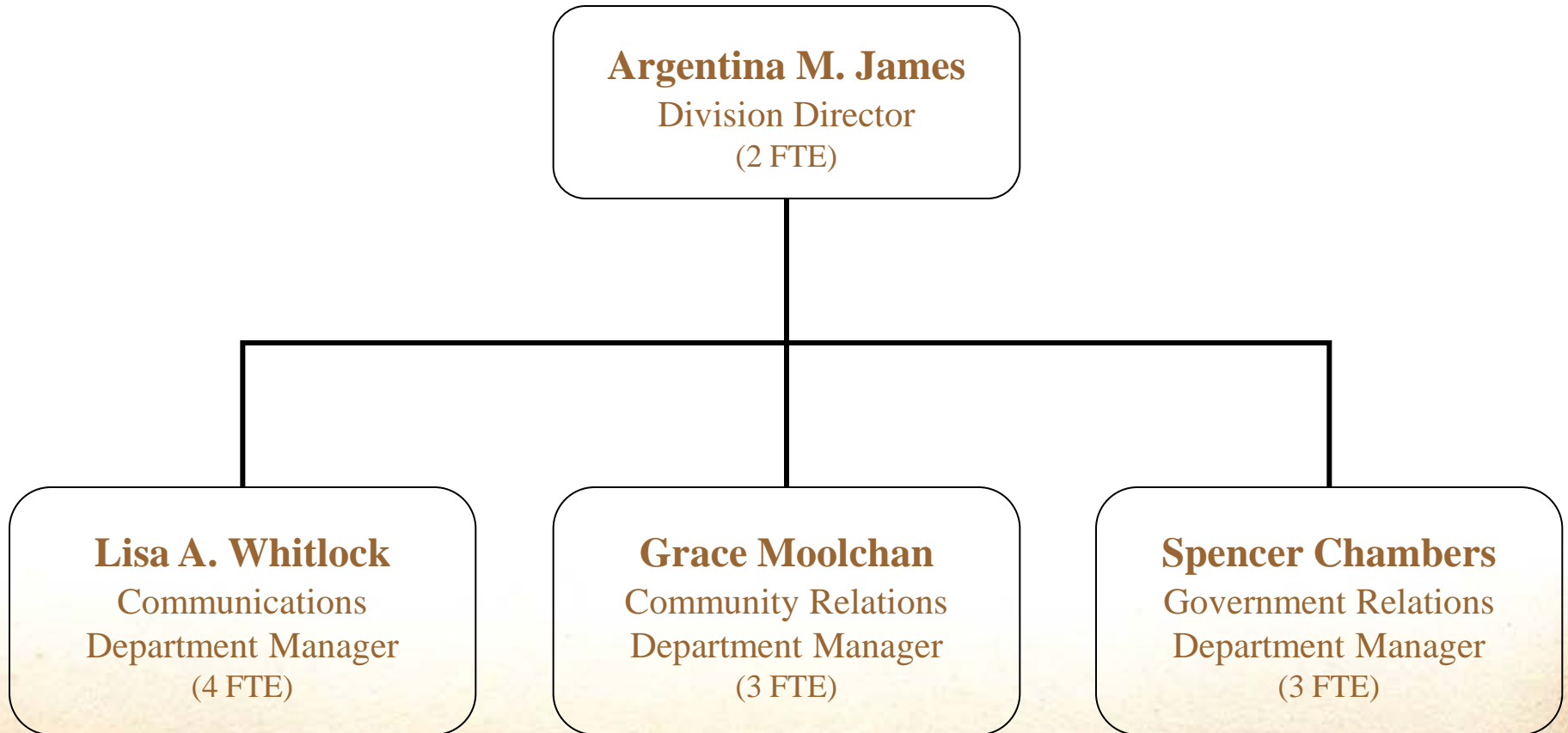
# Public Affairs Division 2009 Budget

Presented by  
Argentina James  
Director

Port of Houston Authority  
November 19, 2008



# Public Affairs Division





# Public Affairs Division Roll-up – (Thousand)

	2009 Budget	2008 Budget	2008 Forecast
<b>REVENUE</b>			
Revenue	45.0	75.0	45.0
<b>Total Revenue</b>	<b><u>45.0</u></b>	<b><u>75.0</u></b>	<b><u>45.0</u></b>
<b>EXPENSES</b>			
Salaries & Benefits	(1,398.6)	(1,396.0)	(1,396.0)
Advertising	(1,502.0)	(1,502.0)	(1,502.0)
Consulting Fees	(813.8)	(796.0)	(796.0)
Art & Production	(760.0)	(705.6)	(955.5)
Printing Production	(515.0)	(515.0)	(515.0)
Receptions & Special Events	(303.6)	(335.5)	(398.5)
Table Sponsorships	(250.7)	(127.0)	(285.0)
Economic Development	(185.0)	(150.0)	(150.0)
All Others	(712.2)	(505.7)	(788.5)
<b>Total Expenses</b>	<b><u>(6440.9)</u></b>	<b><u>(6032.7)</u></b>	<b><u>(6,690.8)</u></b>



# Advertising - (\$1,502,000)

- Community – Public Awareness
  - Television (10 broadcast and 4 cable channels)
  - Radio (10 stations and Metro Networks)
  - *Houston Chronicle*
  - Minority Publications (12)
  - Other Local Publications (13)
  - Chamber of Commerce Directories (12)
- Cargo-Related Marketing
  - National and International Publications (17)



# Consulting Fees - (\$813,850)

- Legislative Services
  - Federal
    - Mondello Group and Michael J. Frazier, Political Consultant Team
  - State
    - Al Luna
    - Baker Botts, L.L.P.
    - Greenberg Traurig, L.L.P.
    - J.E. “Buster” Brown
    - Texas Lobby Group
    - Robert Strauser
- Communications & Public Relations





# Art & Production - (\$760,000)

- Costs associated with publishing
  - *Port of Houston Magazine*
  - Annual Business Directory
  - Annual Report
  - Environmental Annual Report
  - *Port Report*
  - Video Presentations
  - Other Collateral Materials



# Printing Production - (\$515,000)

- Costs associated with printing
  - *Port of Houston Magazine*
  - Annual Report
  - Environmental Annual Report
  - Annual Review
  - Other Collateral Materials



# Receptions / Special Events & Table Sponsorships - (\$554,260)

Costs associated with receptions /special events  
& table sponsorship

- Table sponsorships/special receptions
  - Clean & Green Program
  - Coffee Symposium
  - Port of Houston – Wide Job Fair
  - Trash Bash
  - Other Community Involvement
- Briefings
  - Elected Officials
  - Community/Industry
  - Media





# Economic Development - (\$185,000)

- Houston Area Urban League
- Houston Citizens Chamber of Commerce
- Houston Hispanic Chamber of Commerce
- Baytown/West Chambers of Commerce
- North Channel Area Chamber of Commerce
- East End Chamber of Commerce
- Bay Area Transportation Partnership



# All Others - (\$712,270)

- Promotional Handouts/Gifts
- Employee Special Events
- Dues and Memberships
- Casual Labor
- Travel
- Postage







E PLURIBUS UNUM

# Finance & Administration Division

Presented by

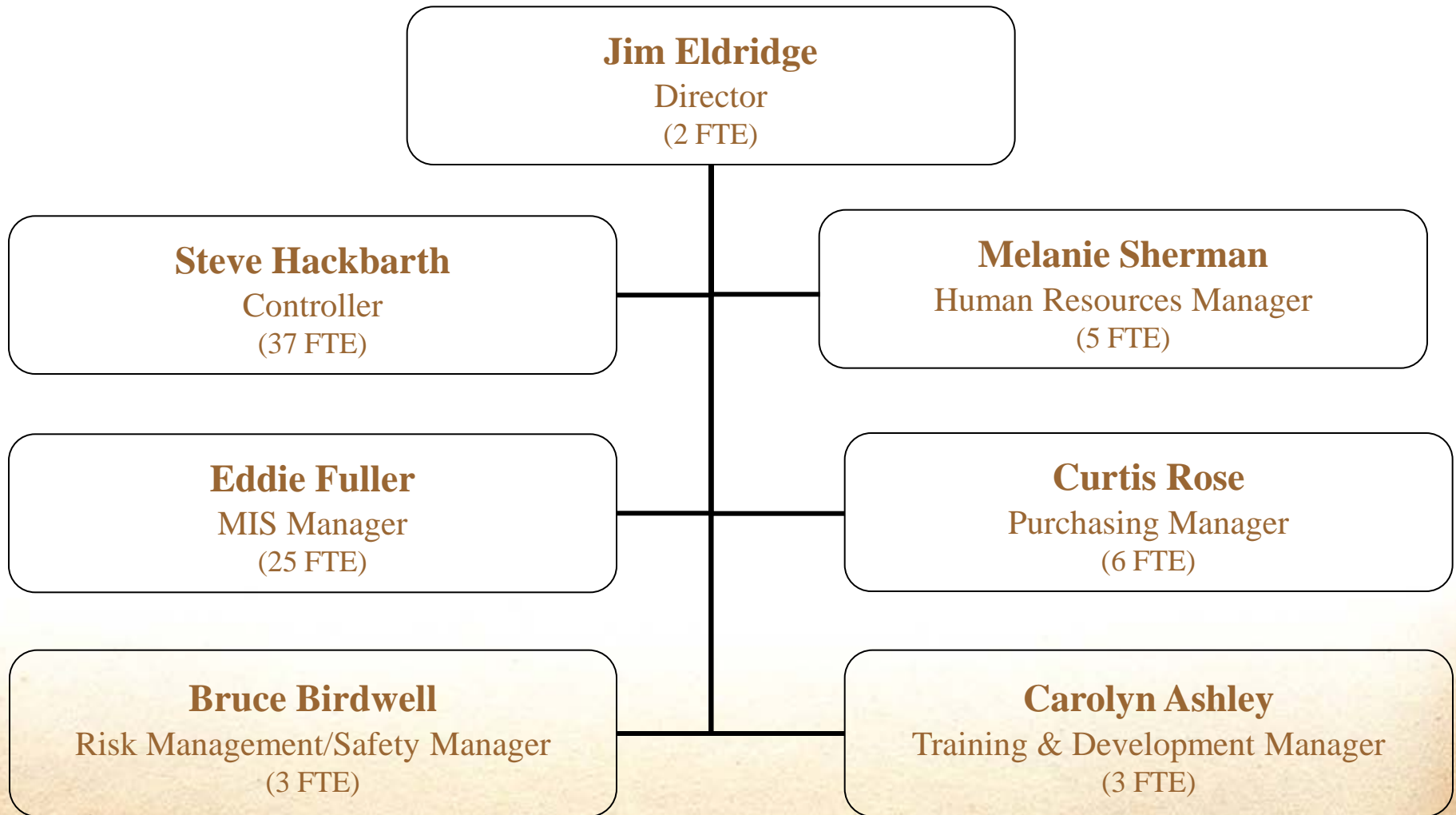
James Eldridge  
Director Finance &  
Administration

# Port of Houston Authority

November 19, 2008



# Administration Division



# Administration Division Roll-up – (\$ Thousands)

	2009 Budget	2008 Budget	2008 Forecast
<b>EXPENSES</b>			
Salaries & Benefits	12,075	11,087	10,730
Fees & Services	1,434	883	1,219
Maintenance	547	573	382
Depreciation	413	381	216
Other	1028	949	990
	<hr/>		
<b>Total Expenses</b>	<b><u>15,497</u></b>	<b><u>13,873</u></b>	<b><u>13,537</u></b>
MIS Allocation	(436)	(509)	(509)





# Administration - (\$ Thousands)

## Fees & Services \$1,434

- Near Real-Time Disaster Recovery
- Completion of Balanced Scorecard Implementation
- Annual Financial Audit
- Development of a Technology Master Plan



# Administration - (\$ Thousands)

## Maintenance \$547

- Database Software
- Network Maintenance
- Financial System
- Document Management System
- Computer Hardware



# Administration - (\$ Thousands)

## Other \$1,028

- Telephone and Data Circuits
- Training
- Equipment Purchases
- Materials and Supplies





# Accounting - (\$ Thousands)

	2009 Budget	2008 Budget	2008 Forecast
<b>EXPENSES</b>			
Salaries & Benefits	3,776	3,642	3,432
Fees & Services	443	326	347
Depreciation	275	231	84
Maintenance	106	107	44
Other	189	144	135
	<hr/>		
<b>Total Expenses</b>	<b><u>4,789</u></b>	<b><u>4,450</u></b>	<b><u>4,042</u></b>



# Accounting - (\$ Thousands)

## Fees & Services \$443

- Annual Audit
- Harris County
  - Financial Services
  - Commercial Paper Administration
- Implementation of New Financial System



# MIS - (\$ Thousands)

	2009 Budget	2008 Budget	2008 Forecast
<b>EXPENSES</b>			
Salaries & Benefits	2,974	2,451	2,378
Fees & Services	492	87	170
Maintenance	424	442	315
Telephone	157	158	157
Other	419	411	403
	<hr/>		
<b>Total Expenses</b>	<b><u>4,466</u></b>	<b><u>3,549</u></b>	<b><u>3,423</u></b>
	<hr/>		
MIS Allocation	(436)	(509)	(509)







# Port of Houston Authority International Corporation

**2009 Budget**

Presented by

**Rainer Lilienthal**

**Director, Business Development**

Port of Houston Authority  
International Corporation

November 19, 2008





# POHAIC - (\$ Thousands)

## REVENUE

Port Advisory Fees

2009  
Budget

2008  
Budget

2008  
Forecast

160

150

150

**Total Revenue**

**160**

**150**

**150**

## EXPENSES

Salaries & Benefits

212

207

207

Net Project Expenses

10

15

15

Other

48

48

47

**Total Expenses**

**270**

**270**

**269**

**NET INCOME**

**(110)**

**(120)**

**(119)**

