

# 2011 Budget Presentation

Port of Houston Authority

February 7, 2011



# Foreword

---

- A proposed operating budget was developed in October 2010 to guide staff in the operation and management of Port Authority facilities and activities for Fiscal Year 2011
- This presentation reflects the 2011 Operating Budget as approved by the Port Commission on February 7, 2011
- The operating budget does not include tax revenues nor capital expenditures, as capital projects are approved separately by the Port Commission

# Market Update – PHA

---

- PHA imports and exports of commodities have generally improved from recessionary lows in 2009
  - Total tonnage increased 9% over prior year
  - General cargo tonnage is up 6%
  - Total container TEUs are marginally higher, up 1%
- Steel tonnage through November 2010 was running 4% below prior year, but ended 2% higher for 2010 vs. 2009
- Forecasts indicate steady growth in next few years, but at levels below recent historical trends

*PHA cargo volumes show modest improvement in 2010*

## 2011 Market Forecast – U.S. Economy

---

- The U.S. economy continues a gradual recovery, with GDP growth in 2011 approximating 2.3%
- Low inflation, with consumer prices increasing 1.5% in 2011
- Unemployment rate remains above 9.0% throughout 2011
- Houston and Texas employment levels continue to outperform U.S. overall – unemployment should remain a full percentage point lower and no indication that this pattern will change in the near term
- Interest rates expected to stay at historically low levels, in light of Fed's focus on second round of quantitative easing
- Taxpayers' anxiety continues over budget deficit and record national debt levels

*Expect gradual recovery of the U.S. economy, with Texas continuing to slightly outperform the rest of the nation*

# 2011 Market Forecast – Global Economy

- Key trading partners' economies forecasted to continue to recover over the next 5 years
- GDP growth ranges from low single digits (industrialized nations) to high single digits (emerging markets)
  - European Union 1.7%
  - Brazil 4.1%
  - India 8.4%
  - China 9.6%
- Surging commodities prices reflect continuing scarcity premiums
- China announced plans to counter the pace of inflation by slowing its economy and thereby reducing overall demand
- European sovereign debt (Portugal, Ireland, Greece and Spain) weighing heavily on international markets, resulting in stronger U.S. dollar

*Global market conditions continue to present risks and opportunities*

# 2011 Budget

## Cargo Assumptions – Container Terminals

### Trends and Forecast (000's)

	<u>2008 Actual</u>	<u>2009 Actual</u>	<u>2010 Actual</u>	<u>2011 Budget</u>	<u>2012 Projection</u>
<b>Units</b>	<b>756</b>	<b>753</b>	<b>779</b>	<b>823</b>	<b>873</b>
<i>% Change</i>		-0.4%	3.5%	5.6%	6.1%
<i>2010 Budget Growth Assumption</i>			4.2%		

*Note: Excludes Maersk / partner lines volumes*

- Projected volumes based on R.K. Johns 2009 forecast study, with updated 2010 data.
- 5% general rate increase incorporated in 2011 Budget.
- 2010 Actual volume is less than 2010 Budget primarily due to a 5% decrease in the number of empty containers handled. Loaded containers increased by 7%.
- 2011 Budget reflects growth of export and import loads, while empty container movements are expected to stabilize.

*Container units handled expected to continue to increase in 2011*

# 2011 Budget

## Cargo Assumptions – Turning Basin Terminals

### Trends and Forecast (000's)

		<b><u>2008</u></b>	<b><u>2009</u></b>	<b><u>2010</u></b>	<b><u>2011</u></b>
		<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Budget</b>
<b>Steel</b>	(short tons)	<b>6,286</b>	<b>2,657</b>	<b>2,721</b>	<b>3,064</b>
<i>% Change</i>			-57.7%	2.4%	12.6%
<b>General Cargo</b>	(short tons)	<b>2,703</b>	<b>1,888</b>	<b>1,910</b>	<b>2,070</b>
<i>% Change</i>			-30.2%	1.2%	8.4%
<b>Automobiles</b>	(units)	<b>75.6</b>	<b>52.7</b>	<b>66.8</b>	<b>69.1</b>
<i>% Change</i>			-30.3%	26.8%	3.5%

- Projected volumes based on R.K. Johns 2009 forecast study, with updated 2010 data
- 2% general rate increase incorporated in 2011 Budget
- Budget assumes new lease executed at Jacintoport

*Moderate increases in steel and breakbulk volumes for 2011*

# 2011 Budget Revenue (000's)

	2009 Audited	2010 Unaudited	2011 Budget
<b>Container Terminals</b>	<b>\$108,088</b>	<b>\$120,361</b>	<b>\$131,102</b>
		11.4%	8.9%
<b>Turning Basin Terminals</b>	<b>31,538</b>	<b>33,724</b>	<b>36,667</b>
		6.9%	8.7%
<b>Lease Revenues</b>	<b>21,332</b>	<b>21,270</b>	<b>21,705</b>
		-0.3%	2.0%
<b>Harbor Fees</b>	<b>4,974</b>	<b>5,484</b>	<b>5,750</b>
		10.3%	4.9%
<b>Channel Development *</b>	<b>2,040</b>	<b>3,430</b>	<b>2,664</b>
		68.1%	-22.3%
<b>Other (Ad revenues, free trade zone fees, etc.)</b>	<b>551</b>	<b>712</b>	<b>564</b>
		29.2%	-20.8%
<b>Total Operating Revenue (See Tab 2)</b>	<b>\$168,523</b>	<b>\$184,981</b>	<b>\$198,452</b>
		9.8%	7.3%
<b>Non-Operating (Fed funds, insurance, interest inc, etc.) ** (See Tab 4)</b>	<b>14,350</b>	<b>13,213</b>	<b>7,735</b>
		-7.9%	-41.5%
<b>Total Revenues</b>	<b>\$182,873</b>	<b>\$198,194</b>	<b>\$206,187</b>
		8.4%	4.0%

\* Reflects reduction of private dredging in 2011, resulting in lower Channel Development revenue

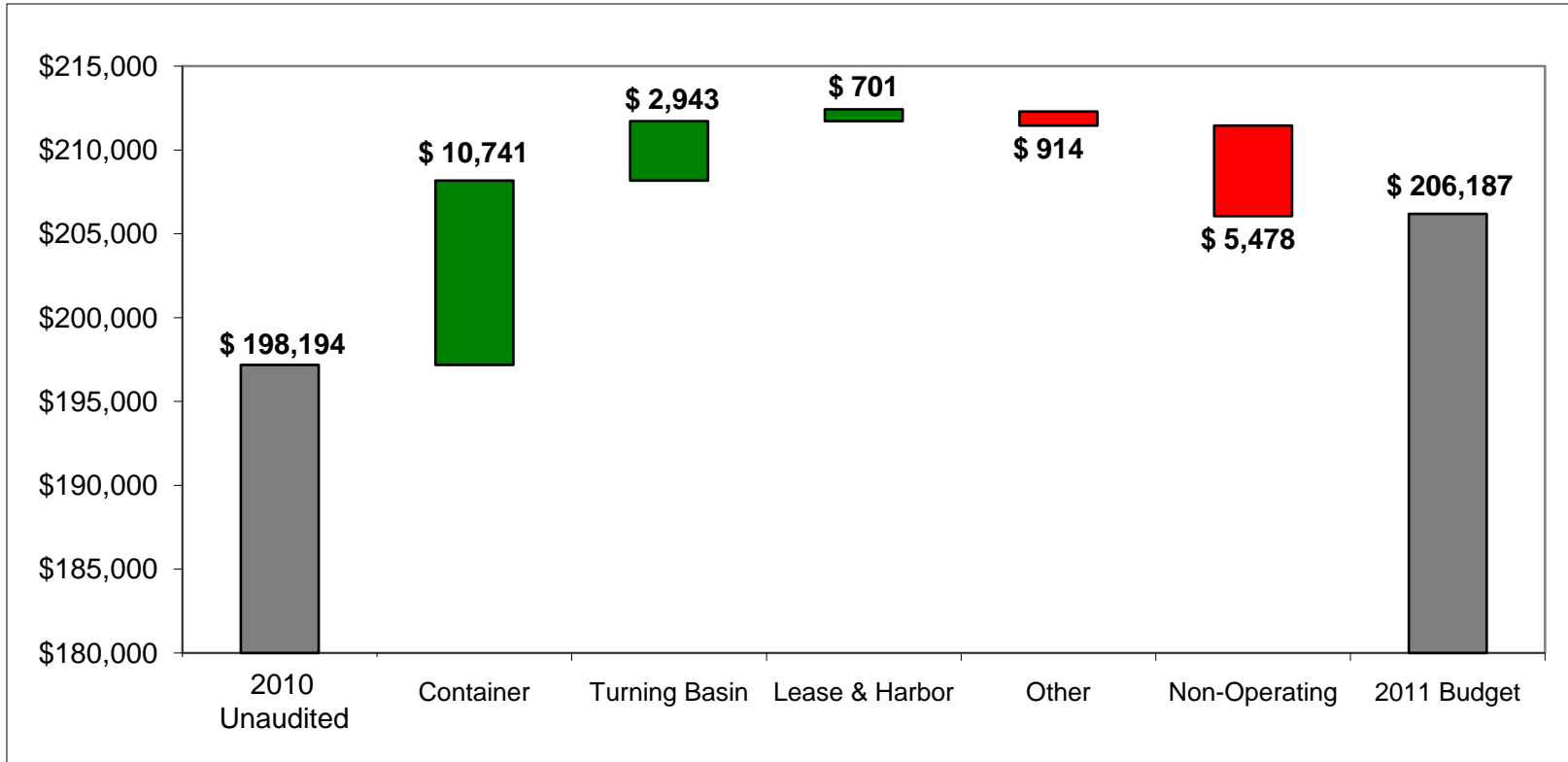
\*\* Includes hurricane proceeds from FEMA and insurance in 2010

*Steady revenue growth for 2011*



# 2011 Budget

## Revenue – Major Changes (000's)



- Non-Operating: Hurricane proceeds from FEMA and insurance in 2010, not expected to reoccur in 2011
- Other: Expect reduction in private dredging in 2011, resulting in lower Channel Development revenue
- Positive volume and tariff increases reflected in 2011

*Container Terminals revenue represents highest growth segment in 2011*

## 2011 Budget

# Expense Assumptions

- Fuel rates flat, but total fuel costs increase due to higher 2011 cargo volumes
- Depreciation growth due primarily to capital investments at Bayport
- Headcount remains flat
  - 2008            595
  - 2009            592
  - 2010            592
  - 2011            592
- Mix of salaried vs. hourly employees also expected to result in incremental salary expense
- ILA master contract wage increase of 4% in 2011 Q4
- Benefit costs in 2011 reflect a 20% increase in medical insurance

*Continue to manage headcount and expenses against operational performance targets*

# 2011 Budget

## Expense – Summary (000's)

	2009 Audited	2010 Unaudited	2011 Budget
Salaries	\$47,410	\$50,633 6.8%	\$54,305 7.3%
Benefits	27,021	20,323 -24.8%	22,617 11.3%
Pension & Other Retiree Benefits	12,616	25,890 105.2%	24,268 -6.3%
Depreciation & Amortization	48,619	53,836 10.7%	57,817 7.4%
Equipment & Terminal Maintenance	16,255	17,501 7.7%	16,008 -8.5%
Fees and Services	7,718	7,483 -3.0%	7,403 -1.1%
Insurance	3,925	3,926 0.0%	4,046 3.1%
Utilities	4,692	3,912 -16.6%	3,910 -0.1%
Consulting Fees	2,858	2,971 4.0%	3,783 27.3%
Fuel	1,961	2,578 31.5%	2,692 4.4%
Labor Allocated to CIP	(4,980)	(6,699) 34.5%	(9,886) 47.6%
Other	12,306	13,711 11.4%	13,844 1.0%
<b>Total Expenses – Operations &amp; G&amp;A (See Tab 3)</b>	<b>\$180,402</b>	<b>\$196,066</b> 8.7%	<b>\$200,805</b> 2.4%
Non-Operating (See Tab 4)	18,474	1,229 -93.3%	1,900 54.6%
<b>Total Expenses Including Non-Operating</b>	<b>\$198,876</b>	<b>\$197,295</b> -0.8%	<b>\$202,705</b> 2.7%

*Challenges remain in salaries, benefits and depreciation*

# 2011 Budget Expense – Operations (000's)

	2009 Audited	2010 Unaudited	2011 Budget
<b>Salaries</b>	<b>\$29,934</b>	<b>\$31,573</b>	<b>\$33,806</b>
		5.5%	7.0%
<b>Benefits</b>	<b>16,162</b>	<b>12,990</b>	<b>14,522</b>
		-19.6%	11.8%
<b>Pension &amp; Other Retiree Benefits</b>	<b>-</b>	<b>10,001</b>	<b>9,876</b>
		n/a	-1.2%
<b>Depreciation &amp; Amortization</b>	<b>45,658</b>	<b>50,967</b>	<b>54,156</b>
		11.6%	6.3%
<b>Equipment &amp; Terminal Maintenance</b>	<b>22,544</b>	<b>25,243</b>	<b>23,150</b>
		12.0%	-8.3%
<b>Utilities</b>	<b>4,570</b>	<b>3,805</b>	<b>3,783</b>
		-16.7%	-0.6%
<b>Insurance</b>	<b>3,527</b>	<b>3,465</b>	<b>3,501</b>
		-1.8%	1.0%
<b>Fuel</b>	<b>1,840</b>	<b>2,414</b>	<b>2,546</b>
		31.2%	5.5%
<b>Fees &amp; Services</b>	<b>1,331</b>	<b>1,393</b>	<b>1,279</b>
		4.7%	-8.2%
<b>Other</b>	<b>3,564</b>	<b>4,204</b>	<b>4,296</b>
		18.0%	2.2%
<b>Total Expenses – Operations</b>	<b>\$129,130</b>	<b>\$146,054</b>	<b>\$150,915</b>
		13.1%	3.3%

# 2011 Budget Expense – G&A (000's)

	2009 Audited	2010 Unaudited	2011 Budget
Salaries	\$17,476	\$19,059	\$20,499
		9.1%	7.6%
Benefits	10,860	7,333	8,096
		-32.5%	10.4%
Pension & Other Retiree Benefits	12,616	15,889	14,392
		25.9%	-9.4%
Fees & Services	6,214	6,090	6,123
		-2.0%	0.5%
Depreciation & Amortization	2,961	2,869	3,661
		-3.1%	27.6%
Consulting Fees	2,775	2,591	3,291
		-6.6%	27.0%
Maintenance	1,850	1,248	1,740
		-32.5%	39.4%
Insurance	398	462	545
		16.1%	18.0%
Other	1,102	868	787
		-21.2%	-9.3%
Subtotal	\$56,272	\$56,410	\$59,134
		0.3%	4.8%
Labor Allocated to CIP	(4,980)	(6,398)	(9,244)
		28.5%	44.5%
<b>Total Expenses – G&amp;A</b>	<b>\$51,272</b>	<b>\$50,012</b>	<b>\$49,890</b>
		-2.5%	-0.2%

# 2011 Budget Expense – Major Changes (000's)



*2011 expense growth is due to depreciation, salaries and benefits*

# 2011 Budget

## Income Statement (000's)

	<u>2009 Audited</u>	<u>2010 Unaudited</u>	<u>2011 Budget</u>
Operating Revenue	\$168,523	\$184,981	\$198,452
Less: Operating Expenses	<u>129,130</u>	<u>146,054</u>	<u>150,915</u>
Operating Income	39,393	38,927	47,537
Less: General & Administrative Expenses	<u>51,272</u>	<u>50,012</u>	<u>49,890</u>
Net Operating Income	(11,879)	(11,085)	(2,353)
Non-Operating Revenue (Expense)	<u>13,344</u>	<u>12,566</u>	<u>7,840</u>
Income before Contributions and Transfers	1,465	1,481	5,487
Contributions (to)/from Federal/State Agencies	<u>(17,468)</u>	<u>(582)</u>	<u>(2,005)</u>
<b>Net Income</b>	<b><u>(\$16,003)</u></b>	<b><u>\$899</u></b>	<b><u>\$3,482</u></b>

*Net income performance improves in 2011*

# 2011 Budget

## Operating Cash Flow (000's)

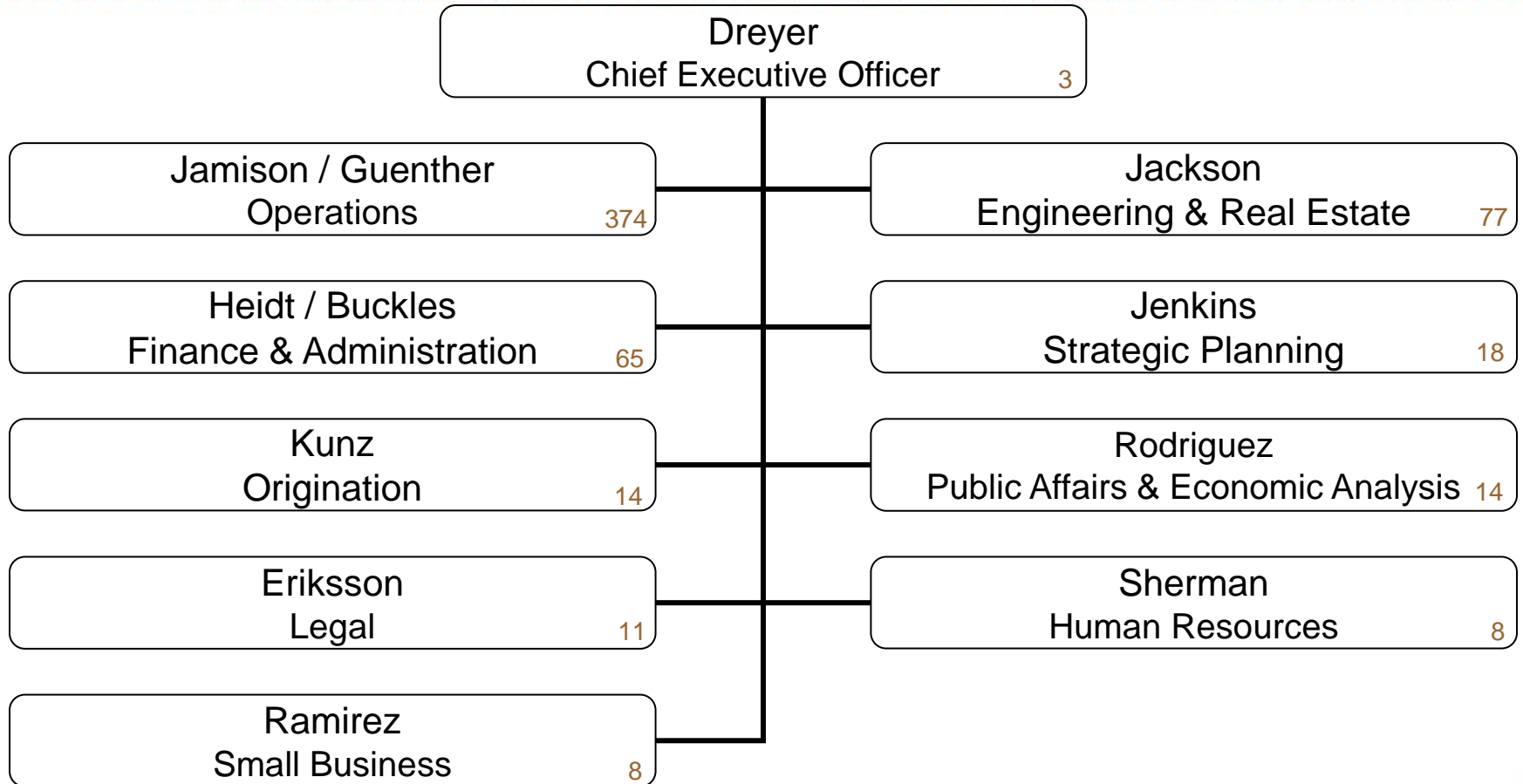
	<u>2009 Audited</u>	<u>2010 Unaudited</u>	<u>2011 Budget</u>
Operating Revenue	\$168,523	\$184,981	\$198,452
		9.8%	7.3%
Expenses (Operating & G&A)	180,402	196,066	200,805
		8.7%	2.4%
Net Operating Income	(11,879)	(11,085)	(2,353)
		-6.7%	-78.8%
<b><i>Return on Sales</i></b>	<b><i>-7.0%</i></b>	<b><i>-6.0%</i></b>	<b><i>-1.2%</i></b>
Add Back Depreciation/Amortization	48,619	53,836	57,817
		10.7%	7.4%
Add Back OPEB	11,939	13,099	11,939
		9.7%	-8.9%
Non Operating, Contributions & Adjustments	(4,124)	11,984	5,835
		-390.6%	-51.3%
<b>Cash Flow</b>	<b>\$44,555</b>	<b>\$67,834</b>	<b>\$73,238</b>
		52.2%	8.0%

*Continuing growth in free cash flow in 2011*



# 2011 Budget

## PHA Staff Organization Structure



Total Employment : 2011 (592) 2010 (592) 2009 (592) 2008 (595)

2011

# Liquidity Status Report, Part 1 (000's)

<b>TOTAL CASH RESOURCES</b>				
	<u>31-Dec-2010</u>	<u>30-Nov-2010</u>	<u>Δ</u>	<u>%</u>
Total Cash/Cash Equivalents	\$86,951	\$65,673	\$21,278	32%
Total Investments	250,800	270,800	(20,000)	-7%
<b>Total Cash Resources</b>	<b><u>337,751</u></b>	<b><u>336,473</u></b>	<b><u>1,278</u></b>	<b><u>0%</u></b>
<b>CASH RESOURCES BY CATEGORY</b>				
<b>Unrestricted Funds</b>				
Total Unrestricted Funds	<u>203,556</u>	<u>202,233</u>	<u>1,324</u>	<u>1%</u>
<b>Restricted Funds</b>				
Construction Bond Funds	83,510	92,011	(8,501)	-9%
<b>Reserves</b>				
Contingency	35,000	35,000	-	0%
Self Insurance	1,200	1,200	-	0%
Debt Service	10,923	2,468	8,455	343%
<b>Total Reserves</b>	<b><u>47,123</u></b>	<b><u>38,668</u></b>	<b><u>8,455</u></b>	<b><u>22%</u></b>
Bayport Construction Retainage	3,561	3,561	-	0%
<b>Total Restricted Funds</b>	<b><u>134,195</u></b>	<b><u>134,241</u></b>	<b><u>(46)</u></b>	<b><u>0%</u></b>
<b>Total Cash Resources</b>	<b><u>337,751</u></b>	<b><u>336,473</u></b>	<b><u>1,278</u></b>	<b><u>0%</u></b>

2011

# Liquidity Status Report, Part 2 (000's)

## LIQUIDITY RUNWAY (December 31, 2010)

	Unrestricted Funds	Construction Bond Funds	Reserves	Construction Retainage	Total
<b>Total Cash and Investments</b>	203,556	83,510	47,123	3,561	337,751
Less:					
Outstanding Capital PO's	(39,001)	(20,333)	-	-	(59,334)
Pending Capital Commitments *	(10,358)	(452)	-	-	(10,809)
Funds Not Available for Capex	-	-	(47,123)	(3,561)	(50,685)
<b>Net Funds Available</b>	<b>154,198</b>	<b>62,725</b>	<b>-</b>	<b>-</b>	<b>216,923</b>

## LIQUIDITY RUN RATE

<b>Net Funds Available @ 30-Nov-2010</b>	<b>147,606</b>	<b>66,177</b>			<b>213,783</b>
Net Operating Cash Generated	1,200	-	-	-	1,200
Cash Flow - Capital Expenditures	-	(8,506)	-	-	(8,506)
Cash Flow - Investments	123	5	-	-	128
Cash Flow - Financing	-	-	-	-	-
Change in Capital PO's **	5,022	5,501	-	-	10,524
Change in Capital Commitments **	245	(452)			(206)
<b>Net Funds Available @ 31-Dec-2010</b>	<b>\$154,198</b>	<b>\$62,725</b>	<b>-</b>	<b>-</b>	<b>\$216,923</b>

\* Projects approved by Commissioners, but PO numbers not yet assigned.

\*\* Paid or closed PO's and commitments shown as a positive numbers, offset by new items.

## Forward Looking Principles

- Primary operational focus:
  - Balance headcount and other expenses against actual operating performance
  - Sustain profitability in 2011
  - Generate free cash flow
- Optimal deployment of capital resources:
  - Enhance daily monitoring of cash availability
  - Strengthen capital allocation process and reporting
  - Preserve liquidity prior to commitment of future funding
  - Provide flexibility to pursue strategic initiatives

*Decisive financial and organizational refinements are necessary to achieve operational excellence*

# 2011 Budget

## Expense – Summary (Divisional) (000's)

Tab	<u>2009 Audited</u>	<u>2010 Unaudited</u>	<u>2011 Budget</u>
A Executive	\$2,376	\$1,248	\$1,279
B Container Terminals	86,536	96,393	101,327
C Turning Basin Terminals	24,888	29,969	28,238
D Operations Support	16,702	19,215	21,646
E Engineering & Real Estate	9,299	10,833	9,760
F Finance & Administration	7,846	10,382	10,079
G Strategic Planning	4,901	5,893	5,944
H Origination	6,082	7,218	7,749
I Public Affairs & Economic Analysis	5,106	6,029	6,333
J Legal	2,217	3,035	3,483
K Human Resources	13,767	4,687	3,381
L Small Business	682	1,166	1,585
<b>Total Expenses – Operations &amp; G&amp;A</b>	<b><u>\$180,402</u></b>	<b><u>\$196,066</u></b>	<b><u>\$200,805</u></b>

# 2011 Budget

## Executive (000's)

	<u>2009 Audited</u>	<u>2010 Unaudited</u>	<u>2011 Budget</u>
Salaries	\$616	\$411	\$453
Benefits	303	157	157
Pension & Retiree Benefits	-	318	288
Consulting Fees	154	-	146
Travel	127	66	80
Dues & Memberships	210	87	60
Other	967	210	96
<b>Total Expense</b>	<b><u>\$2,376</u></b>	<b><u>\$1,248</u></b>	<b><u>\$1,279</u></b>

Headcount

Executive      3

# 2011 Budget

## Container Terminals (000's)

	<u>2009 Audited</u>	<u>2010 Unaudited</u>	<u>2011 Budget</u>
Salaries	\$25,983	\$27,547	\$29,481
Benefits	12,163	10,121	11,073
Pension & Retiree Benefits	-	5,807	5,819
Depreciation & Amortization	26,911	29,975	33,505
Equipment & Terminal Maintenance	9,128	10,341	8,888
Expense Allocation	3,931	3,863	3,984
Utilities	2,695	2,328	2,432
Fuel	1,740	2,305	2,400
Insurance	2,355	2,232	2,314
Other	1,630	1,874	1,431
<b>Total Expense</b>	<b><u>\$86,536</u></b>	<b><u>\$96,393</u></b>	<b><u>\$101,327</u></b>

### Headcount

Barbours Cut Terminal-Salary	46
Barbours Cut Terminal-Hourly	70
Bayport Terminal-Salary	21
Bayport Terminal-Hourly	34

# 2011 Budget

## Turning Basin Terminals (000's)

	<u>2009</u> <u>Audited</u>	<u>2010</u> <u>Unaudited</u>	<u>2011</u> <u>Budget</u>
Salaries	\$3,539	\$3,438	\$3,841
Benefits	2,213	1,692	1,925
Pension & Retiree Benefits	-	2,381	2,319
Depreciation & Amortization	10,797	12,863	12,109
Equipment & Terminal Maintenance	4,635	5,259	4,340
Expense Allocation	3,107	3,906	3,759
Utilities	1,367	1,027	964
Insurance	663	665	654
Fees & Services	494	455	471
Other	411	505	377
<b>Total Expense</b>	<b>\$27,227</b>	<b>\$32,192</b>	<b>\$30,757</b>
Labor Allocation	(2,339)	(2,223)	(2,519)
<b>Net Expense</b>	<b>\$24,888</b>	<b>\$29,969</b>	<b>\$28,238</b>

Headcount

Turning Basin Terminal-Salary 19

Turning Basin Terminal-Hourly 45



# 2011 Budget

## Operations Support (000's)

	<u>2009</u> <u>Audited</u>	<u>2010</u> <u>Unaudited</u>	<u>2011</u> <u>Budget</u>
Salaries	\$6,691	\$7,118	\$7,486
Benefits	4,386	3,169	3,679
Pension & Retiree Benefits	-	4,476	4,409
Depreciation & Amortization	5,059	4,814	5,229
Fees and Services	5,045	4,836	4,495
Equipment & Terminal Maintenance	1,286	973	1,121
Insurance	273	330	460
Other	618	914	1,886
<b>Total Expense</b>	<b>\$23,359</b>	<b>\$26,630</b>	<b>\$28,766</b>
Security Allocations	(6,657)	(7,416)	(7,120)
<b>Net Expense</b>	<b>\$16,702</b>	<b>\$19,215</b>	<b>\$21,646</b>

Headcount

Administration	3	Fireboats	48
Security	75	Sam Houston	6
Marine	3	Vernon Bailey	4

# 2011 Budget

## Engineering & Real Estate (000's)

	<u>2009</u> <u>Audited</u>	<u>2010</u> <u>Unaudited</u>	<u>2011</u> <u>Budget</u>
Salaries	\$4,871	\$5,222	\$5,778
Benefits	2,922	1,982	2,200
Pension & Retiree Benefits	-	4,023	3,640
Depreciation & Amortization	2,600	2,515	2,884
Expense Allocation	942	994	851
Consulting Fees	189	307	610
Environmental Related Cost	567	425	510
Utilities	469	411	361
Equipment & Terminal Maintenance	391	304	303
Insurance	239	333	295
Fees & Services	177	188	243
Other	911	751	956
<b>Total Expense</b>	<b>\$14,279</b>	<b>\$17,453</b>	<b>\$18,630</b>
Labor Allocation	(4,980)	(6,620)	(8,870)
<b>Net Expense</b>	<b>\$9,299</b>	<b>\$10,833</b>	<b>\$9,760</b>

Headcount

Administration	2	Office Services	5	Project Management	15
Engineering & Construction	48	Building Services	1	Real Estate	6

# 2011 Budget

## Finance & Administration (000's)

	<u>2009</u> <u>Audited</u>	<u>2010</u> <u>Unaudited</u>	<u>2011</u> <u>Budget</u>
Salaries	\$3,522	\$3,762	\$4,117
Benefits	2,259	1,484	1,619
Pension & Retiree Benefits	-	2,659	2,626
Fees & Services	529	802	1,230
Maintenance Agreements	407	560	769
Depreciation & Amortization	395	376	716
Telephone	124	128	109
Consulting Fees	60	83	70
Other	984	1,150	404
<b>Total Expense</b>	<b>\$8,280</b>	<b>\$11,004</b>	<b>\$11,660</b>
Labor Allocation	(434)	(622)	(1,581)
<b>Net Expense</b>	<b>\$7,846</b>	<b>\$10,382</b>	<b>\$10,079</b>

Headcount

Administration	2	IT	20
Accounting	32	Purchasing	5
Finance/Fin Planning	3	Risk Management	3

# 2011 Budget

## Strategic Planning (000's)

	<u>2009 Audited</u>	<u>2010 Unaudited</u>	<u>2011 Budget</u>
Salaries	\$855	\$1,023	\$1,413
Benefits	652	413	456
Pension & Retiree Benefits	-	900	901
Consulting Fees	1,063	1,253	1,303
Equipment & Terminal Maintenance	1,323	1,351	1,219
Environmental Related Costs	712	386	498
Economic Development Support	-	180	182
Fees & Services	163	19	72
Depreciation & Amortization	45	209	51
PHA Sponsored Events	58	57	18
Other	636	563	325
<b>Total Expense</b>	<b>\$5,507</b>	<b>\$6,353</b>	<b>\$6,438</b>
Environmental Allocation	(606)	(460)	(494)
<b>Net Expense</b>	<b>\$4,901</b>	<b>\$5,893</b>	<b>\$5,944</b>

Headcount

Administration	2	Strategic Planning	2	Channel Development	4
Environmental Affairs	9	HSC/HSE Beneficial Uses	1		

# 2011 Budget

## Origination (000's)

	<u>2009</u> <u>Audited</u>	<u>2010</u> <u>Unaudited</u>	<u>2011</u> <u>Budget</u>
Salaries	\$941	\$928	\$978
Benefits	603	315	362
Pension & Retiree Benefits	-	646	624
Depreciation & Amortization	2,766	3,037	3,276
Travel	200	238	534
Consulting Fees	358	442	480
Economic Development Support	81	303	365
PHA Sponsored Events	300	375	310
Insurance	235	230	217
Other	597	704	601
<b>Total Expense</b>	<b><u>\$6,082</u></b>	<b><u>\$7,218</u></b>	<b><u>\$7,749</u></b>
POHAIC	\$194	\$219	\$306

Headcount

Administration	2	Market Development	4
Foreign Trade Zone	1	POHAIC	1
Houston Trade	6		

## 2011 Budget

# Public Affairs & Economic Analysis (000's)

	<u>2009</u> <u>Audited</u>	<u>2010</u> <u>Unaudited</u>	<u>2011</u> <u>Budget</u>
Salaries	\$758	\$1,016	\$1,028
Benefits	431	302	378
Pension & Retiree Benefits	-	685	746
Advertising	1,189	1,109	1,050
Consulting Fees	820	691	1,048
Art & Printing Production	741	574	867
PHA Sponsored Events	454	492	498
Other	714	1,159	719
<b>Total Expense</b>	<b><u>\$5,106</u></b>	<b><u>\$6,029</u></b>	<b><u>\$6,333</u></b>

### Headcount

Administration	2	Government Relations	3
Communications	5	Economic Analysis	1
Community Relations	3		

# 2011 Budget

## Legal (000's)

	<u>2009 Audited</u>	<u>2010 Unaudited</u>	<u>2011 Budget</u>
Salaries	\$997	\$1,028	\$1,003
Benefits	568	309	345
Pension & Retiree Benefits	-	662	639
Legal Fees	883	3,633	2,993
Other	207	249	149
<b>Total Expense</b>	<b>\$2,655</b>	<b>\$5,881</b>	<b>\$5,129</b>
Capitalized Legal Fees	-	(2,319)	(1,000)
Legal Allocation	(438)	(527)	(646)
<b>Net Expense</b>	<b>\$2,217</b>	<b>\$3,035</b>	<b>\$3,483</b>

### Headcount

Legal	10
Central Records	1

# 2011 Budget

## Human Resources (000's)

	<u>2009 Audited</u>	<u>2010 Unaudited</u>	<u>2011 Budget</u>
Salaries	\$489	\$640	\$654
Benefits	319	214	245
Pension & Retiree Benefits *	12,616	3,035	1,938
Consulting Fees	128	106	115
Fees & Services	8	95	90
Training	89	27	62
Other	118	570	277
<b>Total Expense</b>	<b><u>\$13,767</u></b>	<b><u>\$4,687</u></b>	<b><u>\$3,381</u></b>

\* 2009 OPEB costs were charged to HR only (i.e., not allocated to the other divisions, as they were in 2010 and 2011)

Headcount

Human Resources	6
Training & Development	2



# 2011 Budget

## Small Business (000's)

	<u>2009 Audited</u>	<u>2010 Unaudited</u>	<u>2011 Budget</u>
Salaries	\$340	\$499	\$568
Benefits	201	165	178
Pension & Retiree Benefits	-	296	319
Economic Development Support	-	-	260
PHA Sponsored Events	32	69	75
Educational Sponsorships	-	41	50
Other	108	96	134
<b>Total Expense</b>	<b><u>\$682</u></b>	<b><u>\$1,166</u></b>	<b><u>\$1,585</u></b>

Headcount

Administration	2
Small Business	6



PORT OF HOUSTON AUTHORITY  
111 EAST LOOP NORTH  
P.O. Box 2562  
HOUSTON, TX 77252-2562

PH: 713.670.2400  
FAX: 713.670.2429

[www.portofhouston.com](http://www.portofhouston.com)