



2015 Budget Presentation

Port of Houston Authority
November 20, 2014

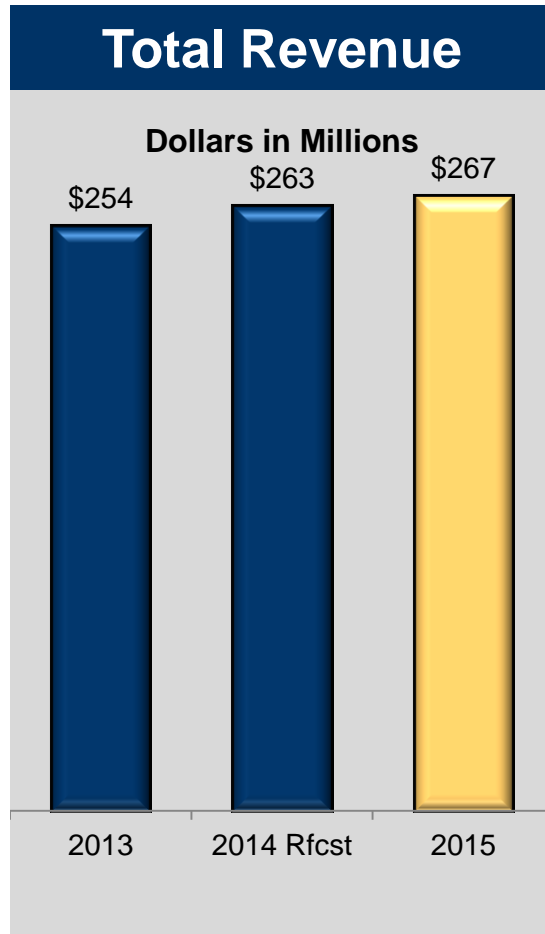
Foreword

- The 2015 operating budget and capital plan was developed to guide staff in the operation and management of Port Authority facilities and activities for Fiscal Year 2015. It was approved by the Port Commission on November 20, 2014.
- Note that the operating budget does not include tax revenues, which are used exclusively for debt service 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.
- References to "2014 Budget Reforecast" refer to an update to the 2014 Budget that was prepared by staff as of July 2014 and submitted to the Port Commission. It has been posted on the Port Authority's website (www.portofhouston.com).

Executive Summary

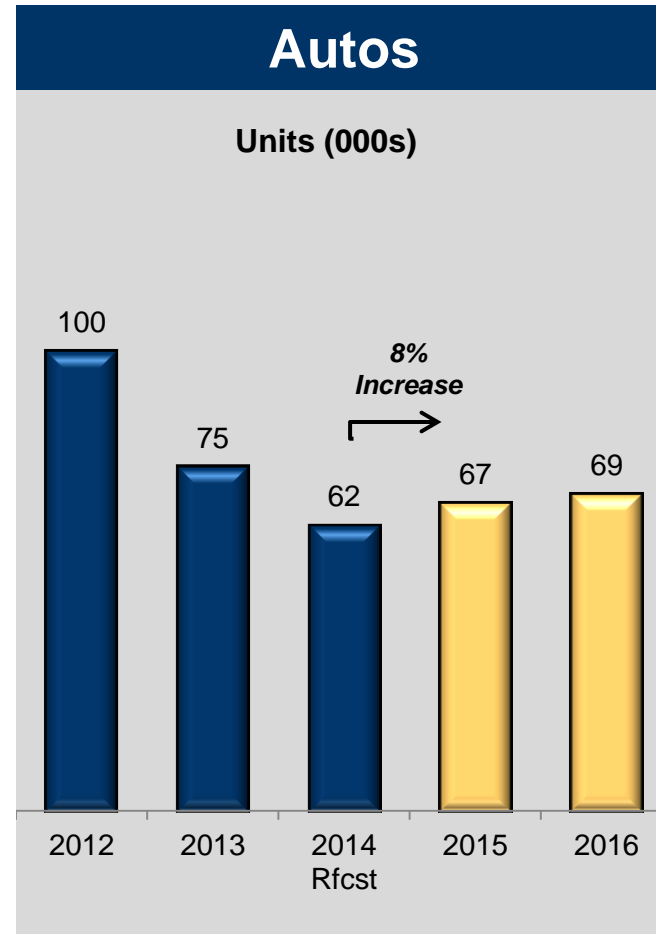
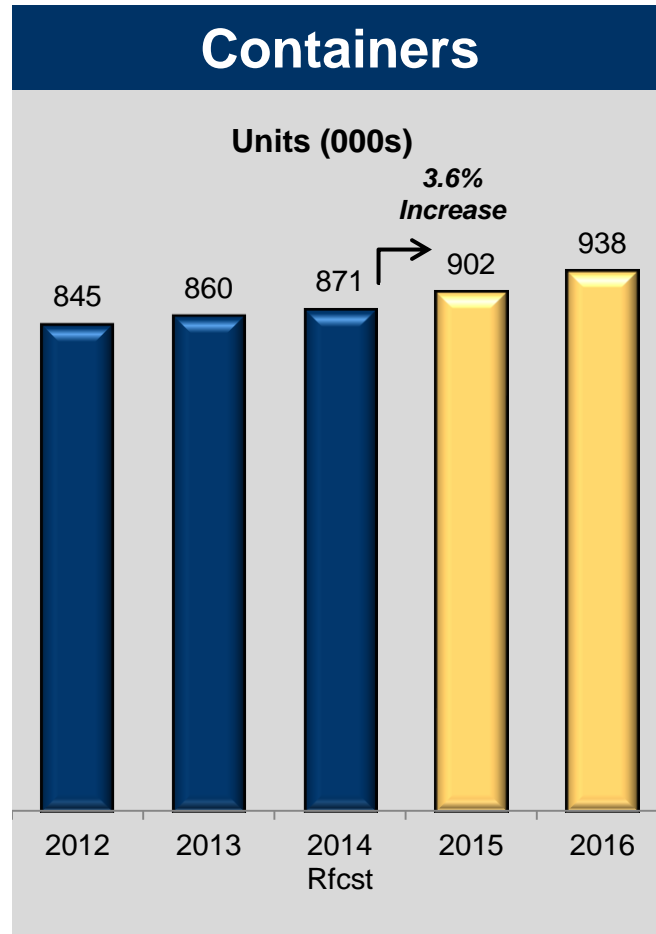
2015 Budget

2015 revenue growth continues despite expected slow-down in steel



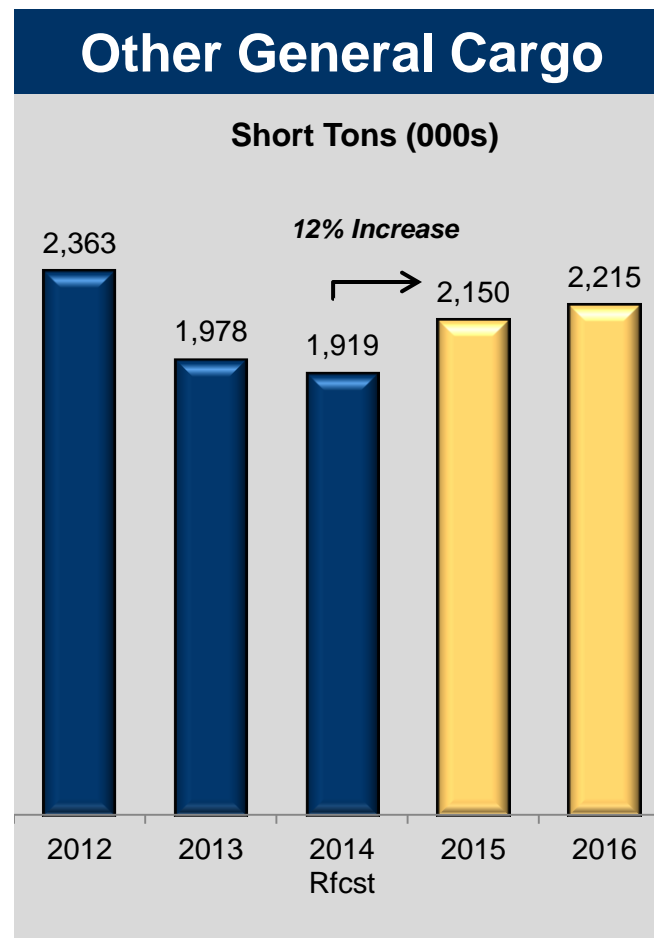
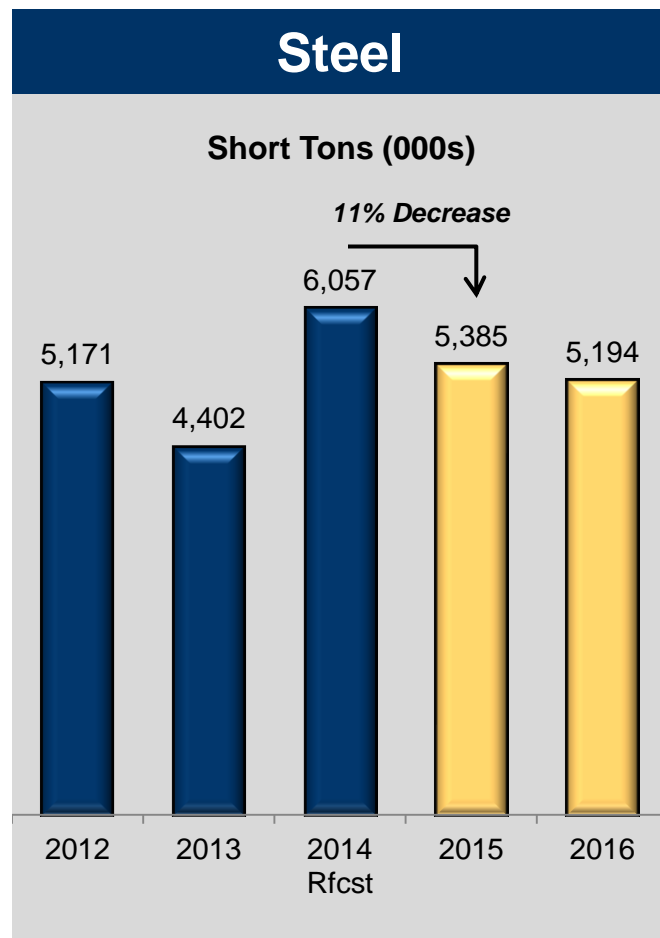
- **Total revenues increase 1.6%**
 - *Compared to 2014 Budget Reforecast*
- **Container TEUs increase 3.6%**
 - *Import and Export loads up 5%*
 - *No growth in empties*
- **Steel tonnage decreases 11.1%**
 - *Imports down 12%*
 - *Exports down 5%*

Container and auto cargo forecasts show growth



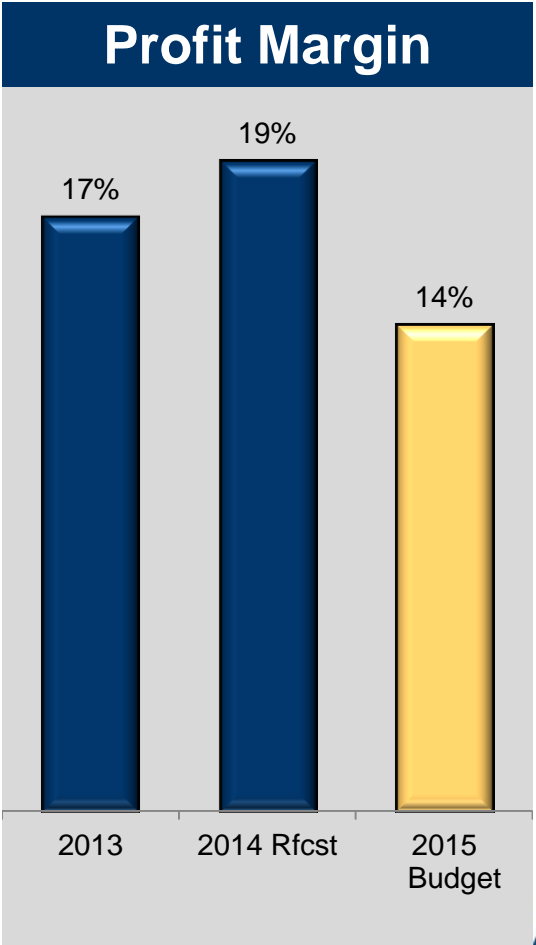
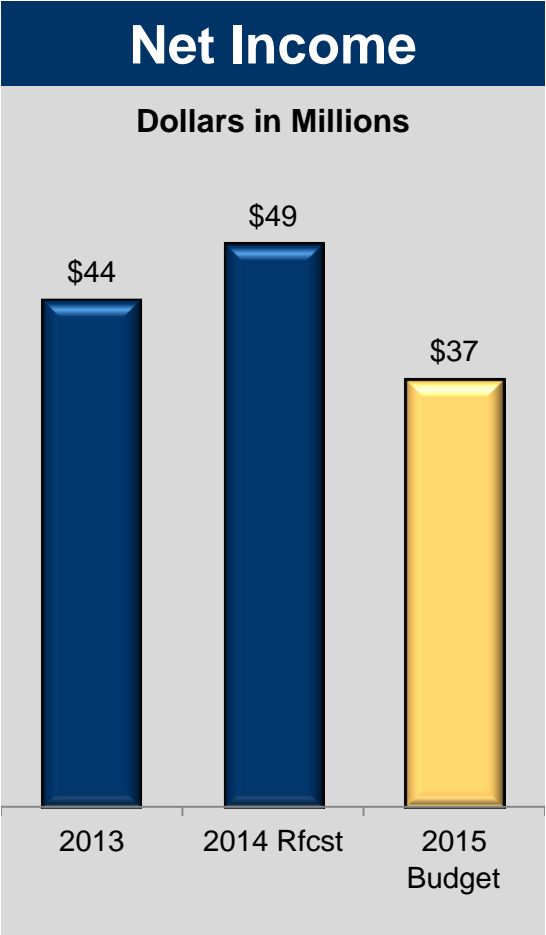
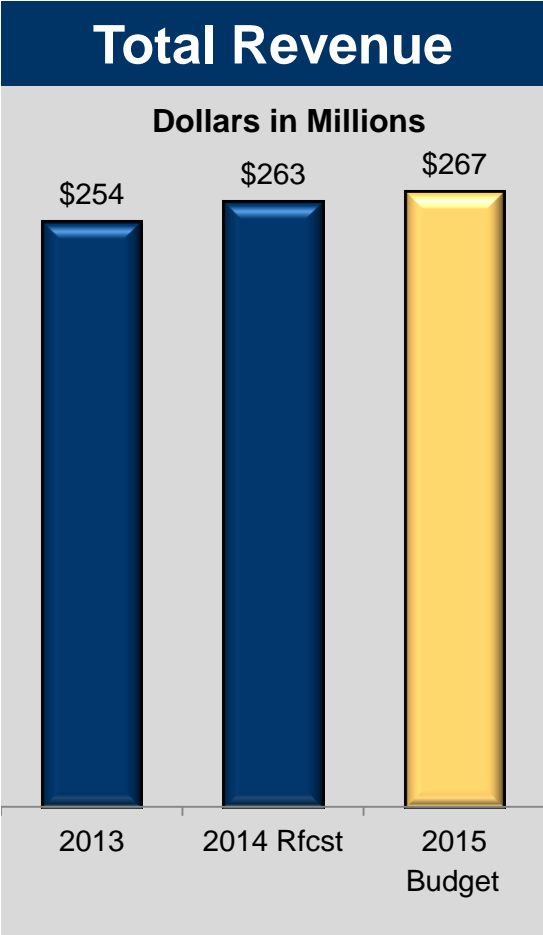
Note: 2014, 2015 and 2016 are forecasts

Steel declines vs. full year estimates, but other general cargo volumes increase

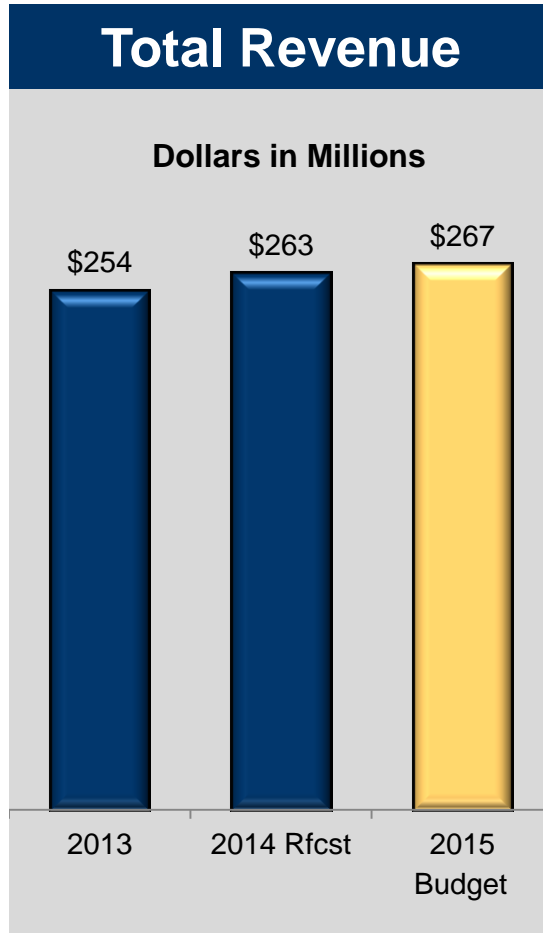


Note: 2014, 2015 and 2016 are forecasts

Strong financial performance continues in 2015



2015 Revenue expected to increase 1.6%

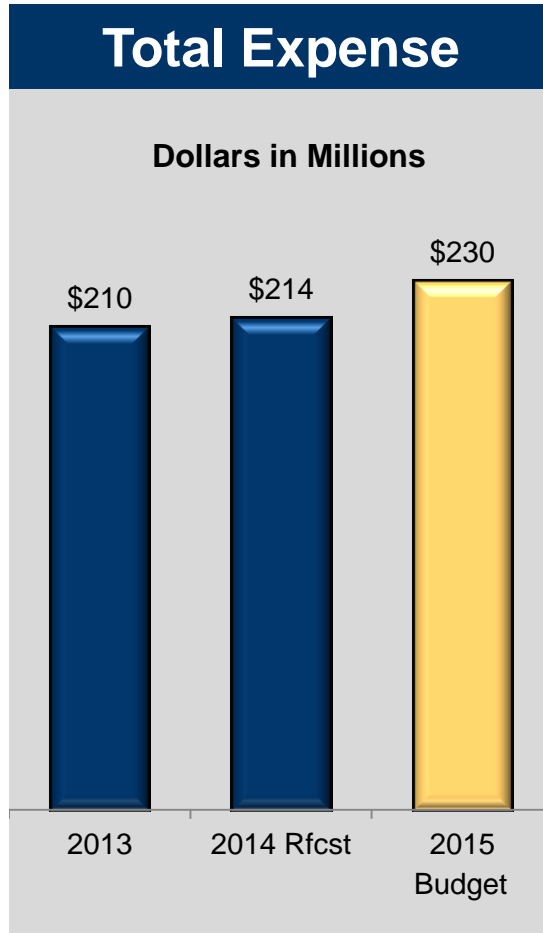


Revenue Analysis

Dollars in Millions

2014 Reforecast – Total Revenue	\$263
	<u>Variance</u>
• Increase in Container revenue driven by volumes	5
• Increase in DMA fees	2
• Reduced Non-Operating revenue driven by	
- decrease in income from Federal Funds	(2)
- decrease in refund of insurance / expenses	(1)
- decrease in interest income	(1)
• Other	1
Subtotal	4
2015 Budget – Total Revenue	\$267

2015 Expenses expected to increase 7.5%

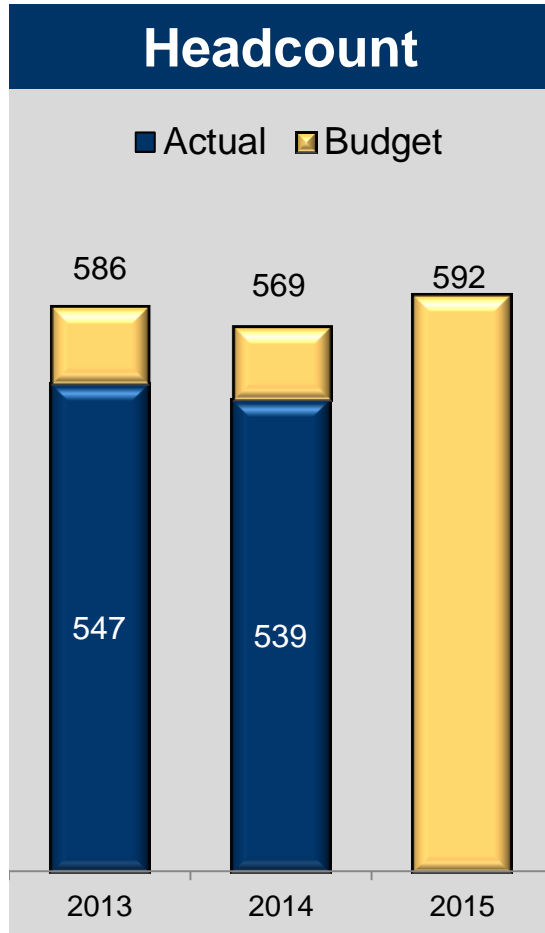


Expense Analysis

Dollars in Millions

2014 Reforecast – Total Expense	\$214
	<u>Variance</u>
• Increase in Non-Operating Expense due to Contributions to Federal / State Agencies	5
• Increase in Depreciation	3
• Increase in Salaries & Benefits	3
• Increase in Economic Development Support, including market development funding	2
• Increase in Terminal Maintenance due to wharf and road maintenance	1
• Increase in Fees & Services due to Consulting Fees	1
• Other	1
Subtotal	16
2015 Budget – Total Expense	\$230

Organizational structure and staffing stabilizes in 2015



Headcount Analysis

Number of Employees*

2014 Actual Headcount (as of September 30, 2014)

Actual Headcount

Salary	382
Hourly	157
Total Actual Headcount	539

Open Positions

Approved	30
New	23
Total Approved and New Positions	53

2015 Budget – Headcount	592
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* Does not include Casual Labor

Continued focus on the bottom line

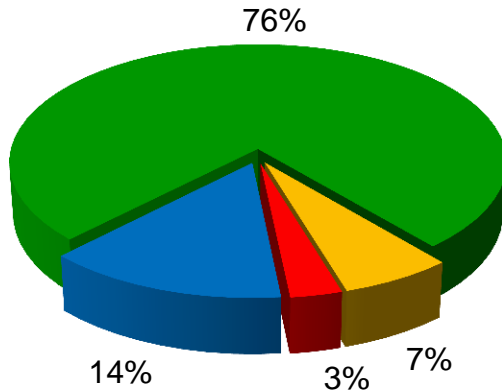
Budget Overview

Dollars in Millions

	2013 Budget	2013 Audited	2014 Reforecast	2015 Budget
Total Revenue	\$252	\$254	\$263	\$267
Total Expense	216	210	214	230
Net Income	\$36	\$44	\$49	\$37
Net Profit Margin	14%	17%	19%	14%
Cash Flow	\$96	\$104	\$104	\$97

Cash flow generated will help support the 2015 Capital Improvement budget of \$275 million

2015 Capital Improvement Program \$275 Million



- Recapitalization
- Strategic
- Channel Development
- Maintenance/Other

- Recapitalization projects = \$37 million
 - Investments required to sustain high service levels and/or enhance productivity
- Strategic projects = \$210 million
 - These investments support new growth opportunities
- Channel projects = \$18 million
 - Development at container terminals and DAMP areas
- Remaining projects = \$10 million
 - Includes required maintenance, equipment replacement, etc.

2015 Budget

Liquidity (000's)

	2014	2015	2016
Discretionary Funds Available, Beginning of Period	\$ 389,584	\$ 203,316	\$ 24,922
Contingency	(35,000)		
Debt Service and Other Reserves	(20,209)		
Outstanding Capital PO's and Commitments	(96,149)		
	<hr/> \$ 238,226	<hr/> \$ 203,316	<hr/> \$ 24,922
Sources:			
Operating Cash Flow	114,398	97,021	110,060
	<hr/>	<hr/>	<hr/>
Available Resources	\$ 352,624	\$ 300,337	\$ 134,983
Uses:			
New Capital Investment			
Bayport Terminal	(25,784)	(110,317)	(23,538)
Barbour's Cut Terminal	(19,819)	(73,898)	(41,381)
Turning Basin Terminals	(8,129)	(35,268)	(43,700)
Bayport Railroad	(1,722)	(25,893)	(17,145)
Channel Development	(75,561)	(17,580)	(11,690)
HSSE	(3,342)	(3,825)	(975)
Real Estate	(513)	(2,690)	(1,749)
IT	(3,676)	(1,400)	(1,150)
Other	(10,762)	(4,544)	(6,268)
	<hr/>	<hr/>	<hr/>
Subtotal - New Capital Investment	(149,307)	(275,415)	(147,595)
	<hr/>	<hr/>	<hr/>
Net Uses	(149,307)	(275,415)	(147,595)
	<hr/>	<hr/>	<hr/>
Discretionary Funds Available, End of Period	<u>\$ 203,316</u>	<u>\$ 24,922</u>	<u>\$ (12,614)</u>



2015 Budget Operating and Capital Summary

Port of Houston Authority
November 20, 2014

2015 Budget

Operating and Capital Budget Summary

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2015 Operating Budget

2015 Market Forecast – Global Economy

- Global economic outlook suggests 2015 slightly stronger than 2014
- Global growth expected to remain steady in the period 2015-2019
- Most key economies will either grow or remain steady in 2015
- 2015 GDP Growth Forecast versus 2014

	<u>2015</u>	<u>2014</u>
➤ Euro Area	1.5 %	1.1 %
➤ China	7.1 %	7.4 %
➤ India	6.4 %	5.4 %
➤ Brazil	2.0 %	1.3 %

- Commodities: International market prices for oil and other commodities will soften slightly in 2015

Sources: PHA Market Development, IMF – World Economic Outlook Database, April 2014 edition and July 2014 update

2015 Market Forecast – U.S. Economy

- U.S. economy continues gradual acceleration, with 2015 GDP growth of 3.1%, ahead of 2014 GDP growth, currently estimated at 2.1%
- Continued low inflation, with consumer prices increasing 2.1% in 2015
- U.S. unemployment rate follows its slow trend downward, falling 0.1 percentage points per quarter on average
- Federal Funds Rate likely to rise from zero percent today to a still low 1-2% in 2015, which will keep other interest rates fairly low
- The Federal Reserve announced a further measured reduction in the pace of its asset purchase program, beginning October 2014

Sources: PHA Market Development, Federal Reserve Bank of Philadelphia – Survey of Professional Forecasters – 3rd Quarter 2014, Federal Reserve FOMC September 2014 Meeting – Public Materials

2015 Market Forecast – Texas Economy

- Texas job growth has hit a record pace
 - Job growth is spiking
 - In 2014 Q2, Texas had the strongest quarterly employment growth since 1997 at an annualized 4.6% growth rate
 - Growth occurring across many industries, lead by energy
- The outlook for the Texas economy remains positive into 2015
 - Statewide leading indicators remain at multi-year highs
 - Housing construction continues to increase gradually
 - Oil drilling activity in the state remains at a two year high

Sources: PHA Market Development, Federal Reserve Bank of Dallas “Regional Economic Update”, Sept. 18, 2014

2014 Market Review – PHA

- **PHA overall volumes are growing**
 - Total 2014 tonnage is 5% higher vs. 2013 *
 - General Cargo (excl. containers) tonnage at Turning Basin grew 33% in 2014 vs. 2013, boosted by high steel volumes **
- **Total loaded container TEU year-over-year increase of 4% ****
 - Import loaded TEUs up 16% / Export loaded TEUs down (4%) **
 - Total empty TEUs down (21%) / Total overall (loaded plus empty) TEUs down (2%) **
 - Loaded container imports are rising quickly, reducing the need for imported empties
- **Steel tonnage year-to-date increase of 41%**
 - Imports up 44% / Exports are flat in 2014 vs. 2013 **
 - Import volumes boosted by strong demand in multiple subsectors of the steel industry

Sources: PHA Market Development, PHA Accounting Department

* based on 2014 YTD Sep vs. 2013 YTD Sep for overall PHA tonnage, excluding Bayport Chemical Complex

** based on 2014 YTD Sep vs. 2013 YTD Sep

2015 Budget

Cargo Assumptions – Container Terminals

Trends and Forecast (000's)

	2012	2013	2013	2014	2014	2015	2016
	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Reforecast</u>	<u>Budget</u>	<u>Projection</u>
Units *	845	885	860	916	871	902	938
TEU (Imports)	671	652	674	677	685	710	738
TEU (Exports)	703	764	733	790	745	772	803
% Change**			1.8%		1.3%	3.6%	4.0%
Budget Growth Assumption		5.7%		3.5%		3.6%	4.0%

* Units at PHA container terminals only, excluding units in leased terminals

** Percentages are based on 2012 Actual, 2013 Actual, 2014 Reforecast, 2015 Budget and 2016 Projection

- Projected volumes based on PHA Economic Analysis Forecast Summary with updated 2014 data
- No general rate increase incorporated in 2015 Budget
- 2015 Budget reflects growth of export and import loads at 5%, with a 3.5% reduction in empty container volume

2015 Budget

Cargo Assumptions – Turning Basin Terminals

Trends and Forecast (000's)

		2012	2013	2013	2014	2014	2015	2016
		<u>Actual</u>	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Reforecast</u>	<u>Budget</u>	<u>Projection</u>
Steel	(short tons)	5,171	4,402	4,448	3,350	6,058	5,385	5,194
% Change*				(14.0%)		36.2%	(11.1%)	(3.5%)
General Cargo	(short tons)	2,363	2,151	1,978	2,508	1,919	2,150	2,215
% Change*				(16.3%)		(3.0%)	12.0%	3.0%
Automobiles	(units)	99.8	75.1	74.9	77.8	62.2	67.0	69.0
% Change*				(25.0%)		(17.0%)	7.7%	3.0%

* Percentages are based on 2012 Actual, 2013 Actual, 2014 Reforecast, 2015 Budget and 2016 Projection

- 3% general rate increase incorporated in 2014 Budget starting January 1, 2014
- Expected decline in Import and Export Steel volumes in 2014
- General cargo and import automobiles expected to show growth in 2014 and 2015

2015 Budget

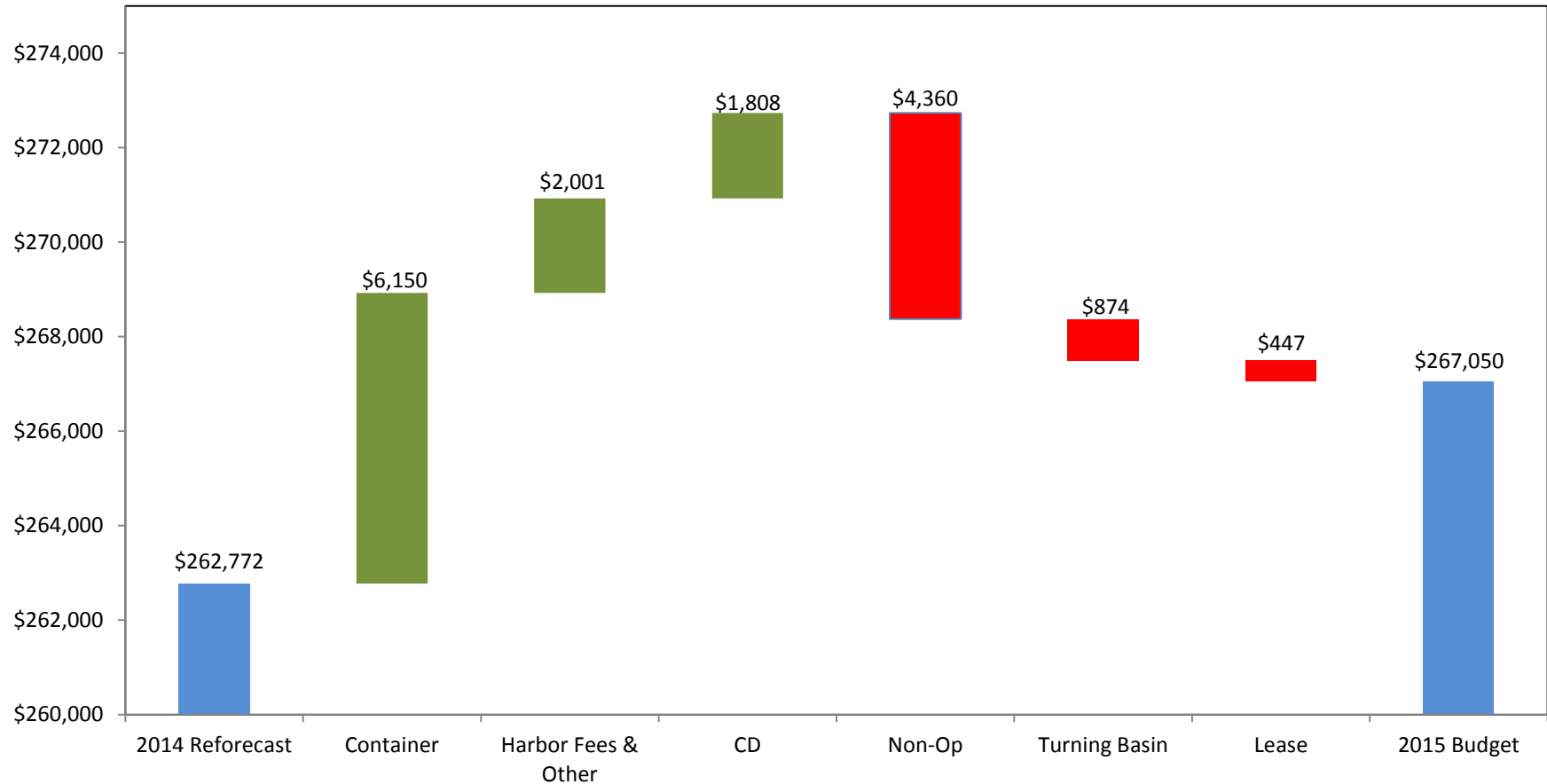
Total Revenue – Summary (000's)

	2013 Budget Budget	2013 Audited	2014 Actual Sep YTD	2014 Reforecast	2015 Budget
Container Terminals	\$149,587	\$149,222	\$124,680	\$164,104	\$170,254 3.7%
Turning Basin Terminals	45,546	54,210	48,400	58,512	57,638 (1.5%)
Lease Revenues	23,548	16,318	14,841	20,471	20,024 (2.2%)
Harbor Fees	6,125	6,029	4,705	6,200	6,880 11.0%
Channel Development	4,675	5,182	2,150	3,370	5,178 53.6%
Other Revenues	964	871	991	2,280	3,601 58.0%
Total Operating Revenues	\$230,445	\$231,832	\$195,767	\$254,937	\$263,575 3.4%
Non-Operating (Federal Grants, Insurance, Interest Income)	21,423	22,316	6,924	7,835	3,475 (55.6%)
Total Revenue	\$251,868	\$254,148	\$202,691	\$262,772	\$267,050 1.6%

Percentages are based on 2014 Reforecast and 2015 Budget

2015 Budget

Total Revenue – Major Changes (000's)



2015 Budget

Total Revenue – Major Changes (000's)

2014 Reforecast

\$262,772

Container Terminals

Rent/Lease	2,059	
Wharfage - BreakBulk/Other	1,936	
Wharfage - Loaded Containers	1,225	
Full Container Receipt/Delivery	1,184	
Wharf Crane Rental	989	
Dockage	(1,594)	
Other Container Terminal Revenues	351	6,150

Turning Basin Terminals

Wharfage-Export	(533)	
Rent/Lease	(380)	
Other Turning Basin Terminals Revenue	39	(874)

Lease Revenues

Usage Fees	(212)	
Rent/Lease	(204)	
Other Lease Revenues	(31)	(447)

Harbor Fees

Harbor & Barge Fees	552	
Other Harbor Fees	128	680

Channel Development

DMA Fees	2,002	
Other Channel Development Revenue	(194)	1,808

2015 Budget

Total Revenue – Major Changes (cont.) (000's)

Other Revenue

Parking Lot Income	2,267	
Miscellaneous Revenue	(674)	
Other Revenue	(272)	1,321

Non-Operating

Income from FEMA-Ike	250	
Income from Federal Funds	(2,085)	
Refund of Insurance	(1,005)	
Interest Income-Securities Current Fund	(896)	
Refund of Expenses	(524)	
Other Non Operating Revenues	(100)	(4,360)
		<u>4,278</u>

2015 Budget

\$267,050

Expense – Assumptions

- Increase in Salaries and Benefits due to higher cargo volumes
- Increase in Market Development Funding costs
- Increase in Contributions to Federal, State and Local Agencies, primarily related to the Channel Development projects

2015 Budget

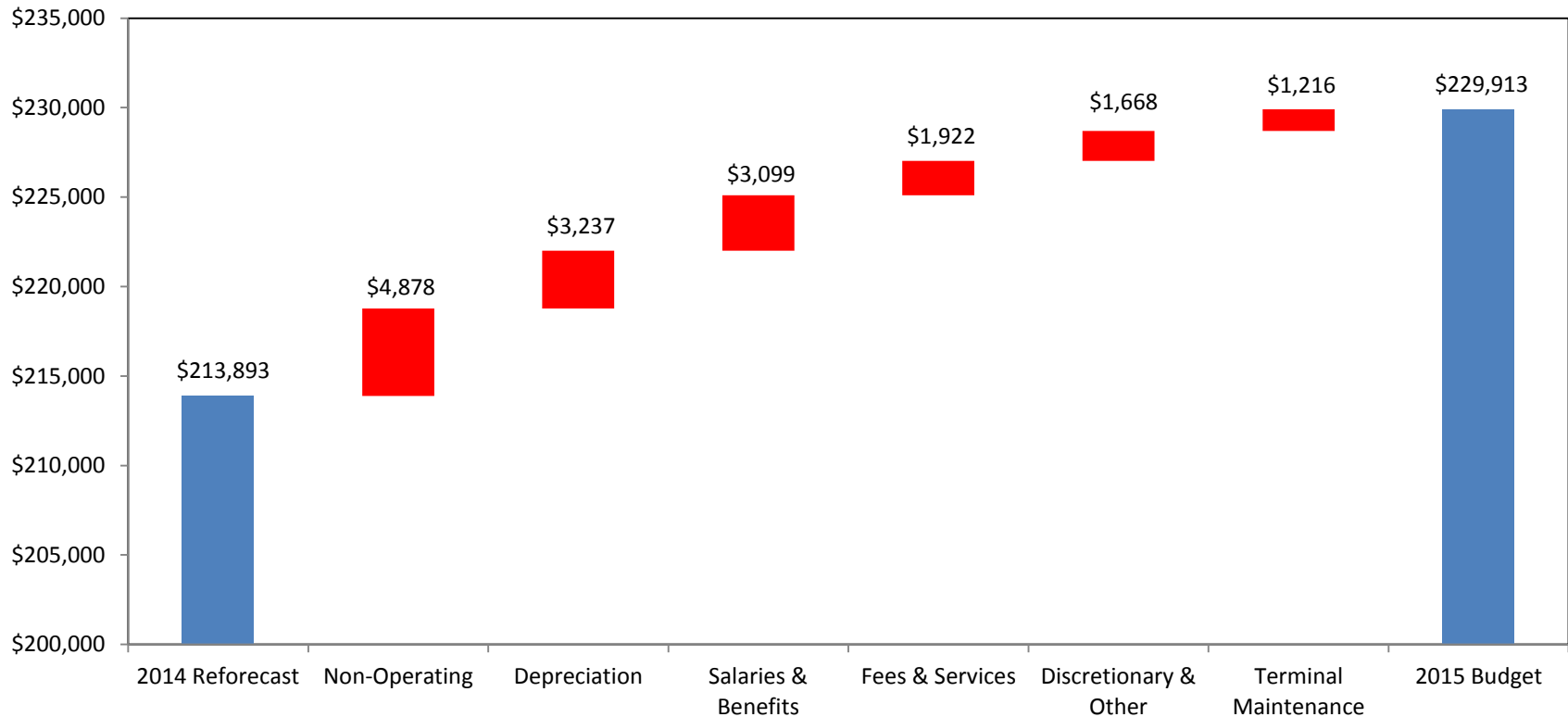
Total Expense – Summary (000's)

	2013 Budget	2013 Audited	2014 Actual Sep YTD	2014 Reforecast	2015 Budget
Salaries	\$57,750	\$56,751	\$44,784	\$60,801	\$63,825 5.0%
Benefits	22,202	\$21,513	\$17,009	\$20,857	23,006 10.3%
Retirement Benefits	15,965	\$15,708	\$10,761	\$14,474	12,400 (14.3%)
Depreciation & Amortization	56,469	\$55,785	\$42,254	\$57,647	60,884 5.6%
Terminal & Asset Maintenance	18,025	\$14,882	\$12,417	\$18,643	19,859 6.5%
Fees & Services	12,583	\$13,386	\$8,726	\$13,008	13,614 4.7%
Insurance	4,910	\$4,853	\$3,241	\$4,751	4,823 1.5%
Utilities	4,185	\$3,923	\$3,129	\$4,239	4,367 3.0%
Fuel	3,259	\$3,931	\$2,781	\$3,665	4,020 9.7%
Consulting Fees	5,170	\$2,291	\$1,460	\$2,826	4,142 46.6%
Discretionary Expenses	11,348	\$10,851	\$8,847	\$14,226	15,243 7.1%
Allocations	(1,377)	(\$873)	(\$544)	(\$1,016)	(920) (9.4%)
Total Expenses Operations and G&A	\$210,489	\$203,001	\$154,865	\$214,121	\$225,263 5.2%
Non-operating Expenses	5,876	6,664	(1,064)	(228)	4,650 (2139.5%)
Net Expense	\$216,365	\$209,665	\$153,801	\$213,893	\$229,913 7.5%

Percentages are based on 2014 Reforecast and 2015 Budget

2015 Budget

Total Expense – Major Changes (000's)



2015 Budget

Total Expense – Major Changes (000's)

2014 Reforecast

\$213,893

Salaries & Benefits

PHA Salary	2,644	
ILA Labor Due to Increased Volume	1,450	
Increase in Medical Insurance	990	
Decrease in Retirement Benefits	(2,446)	
All Other Salaries & Benefits	461	3,099

Depreciation & Amortization

Increase in Depreciation	1,796	
Increase in Amortization (Includes Amortization of Long Term Agreements)	1,441	3,237

Terminal & Asset Maintenance

Wharf Maintenance-Contractor	1,671	
Road Maintenance-Contractor	844	
Machinery & Equipment Maintenance-P&S	(770)	
Building Maintenance-Contractors	(588)	
All Other Terminal & Asset Maintenance	59	1,216

Fees & Services

Consulting Fees	1,316	
Software License Fees	466	
Legal Fees	458	
All Other Fees & Services	(318)	1,922

2015 Budget

Total Expense – Major Changes (cont.) (000's)

Discretionary Expenses

Market Development Funding	2,968	
Equipment Purchases Expensed	523	
Bayport User Fees	(1,277)	
PHA Receptions Special Events	(1,119)	
All Other Discretionary Expenses	(79)	1,016

Non-Operating

Contributions to State or Local Agencies	3,438	
Unrealized Loss on Investments	1,378	
All Other Non-Operating	62	4,878

All Other Expenses

All Other	652	652	
			<u>16,020</u>

2015 Budget

\$229,913

*Fees & Services include Consulting Fees

2015 Budget

Operations Expense – Summary (000's)

	<u>2013 Budget</u>	<u>2013 Audited</u>	<u>2014 Actual Sep YTD</u>	<u>2014 Reforecast</u>	<u>2015 Budget</u>
Salaries	\$41,950	\$41,741	\$33,220	\$44,744	\$46,813 4.6%
Benefits	16,089	15,834	12,594	15,370	17,061 11.0%
Retirement Benefits	7,143	6,825	4,792	6,390	5,111 (20.0%)
Depreciation & Amortization	53,773	53,217	40,237	54,666	57,313 4.8%
Terminal & Asset Maintenance	17,324	14,485	11,858	17,505	18,823 7.5%
Utilities & Fuel	7,147	7,604	5,693	7,594	8,053 6.0%
Insurance	4,426	4,374	2,827	4,210	4,244 0.8%
Allocation to Others	834	442	259	520	1,142 119.7%
Fees & Services	9,372	8,083	6,177	8,175	8,307 1.6%
Discretionary Expenses	4,924	5,309	3,738	5,852	7,343 25.5%
Total Operating Expenses	\$162,983	\$157,914	\$121,396	\$165,026	\$174,210 5.6%

Percentages are based on 2014 Reforecast and 2015 Budget

2015 Budget

Operations Expense – Major Changes (000's)

2014 Reforecast

\$165,026

Salaries

ILA Labor Expenses	1,450	
PHA Salary Expenses	1,472	
Increase in Medical Insurance	663	
Other Salaries & Benefits	175	3,760

Retirement Benefits

Decrease in Other Post Employment Benefits	(551)	
Decrease in Pension Contribution	(796)	
Other Retirement Benefits	67	(1,280)

Depreciation & Amortization

Increase in Depreciation	1,206	
Increase in Amortization (Includes Amortization of Long Term Agreements)	1,441	2,647

Terminal & Asset Maintenance

Decrease in Machinery and Equipment Maintenance - P and S	(775)	
Increase in Road Maintenance - Contractor	601	
Increase in Wharf Maintenance - Contractors	1,671	
Other Maintenance Items	(179)	1,318

Fuel

Increase in Fuel Expenses	348	348
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Consulting Fees

Increase in Consulting Fees	212	212
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2015 Budget

Operations Expense – Major Changes (cont.) (000's)

Discretionary Expenses

Market Development Funding	2,968	
Bayport User Fees	(1,277)	
Other Discretionary Expenses	(200)	1,491

Allocations

Environmental Allocation	508	
Other Allocations	114	622

Other Expenses

Other	66	66
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9,184

2015 Budget

\$174,210

2015 Budget

G&A Expense – Summary (000's)

	2013 Budget	2013 Audited	2014 Actual Sep YTD	2014 Reforecast	2015 Budget
Salaries	\$15,799	15,010	11,565	16,057	\$17,012 5.9%
Benefits	6,112	5,679	4,415	5,487	5,945 8.3%
Retirement Benefits	8,823	8,884	5,969	8,083	7,289 (9.8%)
Fees & Services	8,381	7,594	4,009	7,660	9,449 23.4%
Depreciation & Amortization	2,696	2,568	2,018	2,981	3,571 19.8%
Terminal & Asset Maintenance	700	398	559	1,137	1,036 (8.9%)
Utilities & Fuel	297	250	217	311	335 7.6%
Insurance	484	479	414	541	579 7.0%
Discretionary Expenses	6,424	5,543	5,109	8,374	7,900 (5.7%)
Gross G&A Expenses	\$49,716	\$46,403	\$34,274	\$50,632	\$53,115 4.9%
Allocations	(2,211)	(1,316)	(804)	(1,535)	(2,062) 34.3%
Net G&A Expenses	\$47,505	\$45,087	\$33,471	\$49,096	\$51,053 4.0%

Percentages are based on 2014 Reforecast and 2015 Budget

2015 Budget

G&A Expense – Major Changes (000's)

2014 Reforecast

\$49,096

Salaries & Benefits

Increase in Salaries	1,239	
Increase in Medical Insurance	327	
Other Salaries & Benefits	(153)	1,413

Retirement Benefits

Decrease in Pension Contribution	(650)	
Decrease in Other Post Employment Benefits	(449)	
Other Retirement Benefits	305	(794)

Depreciation & Amortization

Increase in Depreciation	590	590
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Fees & Services

Increase in Software License Fees	473	
Increase in Legal Fees	458	
Other Fees & Services	(245)	686

Consulting Fees

Increase in Consulting Fees	1,103	1,103
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Discretionary Expenses

Decrease in PHA Reception Special Events	(1,119)	
Increase in Telephone	370	
Increase in Equipment Purchases Expensed	437	

2015 Budget

G&A Expense – Major Changes (cont.) (000's)

All Other Discretionary Expenses	(162)	(474)	
Allocations			
Environmental Allocation	(508)		
Other Allocations	(18)	(526)	
Other Expenses			
Other	(41)	(41)	
			<u>1,957</u>
2015 Budget			\$51,053

2015 Budget

Income Statement (000's)

	<u>2013 Budget</u>	<u>2013 Audited</u>	<u>2014 Actual Sep YTD</u>	<u>2014 Reforcast</u>	<u>2015 Budget</u>
Operating Revenue*	\$230,445	\$231,832	\$195,767	\$254,937	\$263,575
Less: Operating Expense	<u>162,983</u>	<u>157,914</u>	<u>121,396</u>	<u>165,026</u>	<u>174,210</u>
Operating Income	\$67,462	\$73,918	\$74,371	\$89,910	\$89,365
Less: General & Administrative Expenses	<u>47,505</u>	<u>45,087</u>	<u>33,471</u>	<u>49,097</u>	<u>51,053</u>
Net Operating Income	\$19,957	\$28,831	\$40,900	\$40,814	\$38,312
Non-Operating Revenue (Expense)	<u>2,187</u>	<u>3,754</u>	<u>6,398</u>	<u>5,355</u>	<u>1,390</u>
Income before Contributions & Transfers	\$22,144	\$32,585	\$47,298	\$46,169	\$39,702
Contributions (to)/from Federal/State Agencies	13,360	11,897	1,590	2,708	(2,565)
Net Income	\$35,504	\$44,482	\$48,888	\$48,877	\$37,137
Cash Flow	\$96,020	\$103,597	\$89,220	\$104,147	\$97,021

*Includes G&A Revenues

2015 Budget

Net Operating Income – Major Changes (000's)

2014 Reforecast		\$40,814
Wharfage Revenue	3,161	
Decrease in Retirement Benefits	2,446	
Parking Lot Income	2,267	
DMA Fees	2,002	
Rent and Lease Revenue	1,232	
Increase in Depreciation & Amortization	(3,237)	
Market Development Funding	(2,968)	
Increase in Salaries & Benefits	(2,644)	
Wharf Maintenance-Contractor	(1,671)	
Increase in Medical Insurance	(1,450)	
Consulting Fees	(1,316)	
All Other Changes in Revenues/Expenses	(324)	<u>(2,502)</u>
2015 Budget		\$38,312

2015 Budget

Net Income – Major Changes (000's)

2014 Reforecast

\$48,877

Wharfage Revenue	3,161
Decrease in Retirement Benefits	2,446
Parking Lot Income	2,267
DMA Fees	2,002
Contributions to State or Local Agencies	(3,438)
Increase in Depreciation & Amortization	(3,237)
Market Development Funding	(2,968)
Increase in Salaries & Benefits	(2,644)
Wharf Maintenance-Contractor	(1,671)
Refund of Insurance Expenses	(1,529)
All Other Changes in Revenues/Expenses	(1,528)
Increase in Medical Insurance	(1,450)
Consulting Fees	(1,316)

(11,740)

2015 Budget

\$37,137

2015 Budget

Non-Operating – Summary (000's)

	2013 Budget	2013 Audited	2014 Actual Sep YTD	2014 Reforecast	2015 Budget
Non-operating Revenues	\$7,358	\$8,470	\$5,107	\$3,695	\$1,170
Contribution from Federal/State Agency	14,066	13,846	1,817	4,140	2,305
Total Non-Operating Revenues	\$21,424	\$22,316	\$6,924	\$7,835	\$3,475
Non-operating Expenses	5,171	4,716	(1,291)	(1,660)	(220)
Contribution to Federal/State Agency	705	1,949	227	1,432	4,870
Total Non-Operating Expenses	\$5,876	\$6,665	(\$1,064)	(\$228)	\$4,650
Non-Operating Income	\$15,548	\$15,651	\$7,988	\$8,063	(\$1,175)

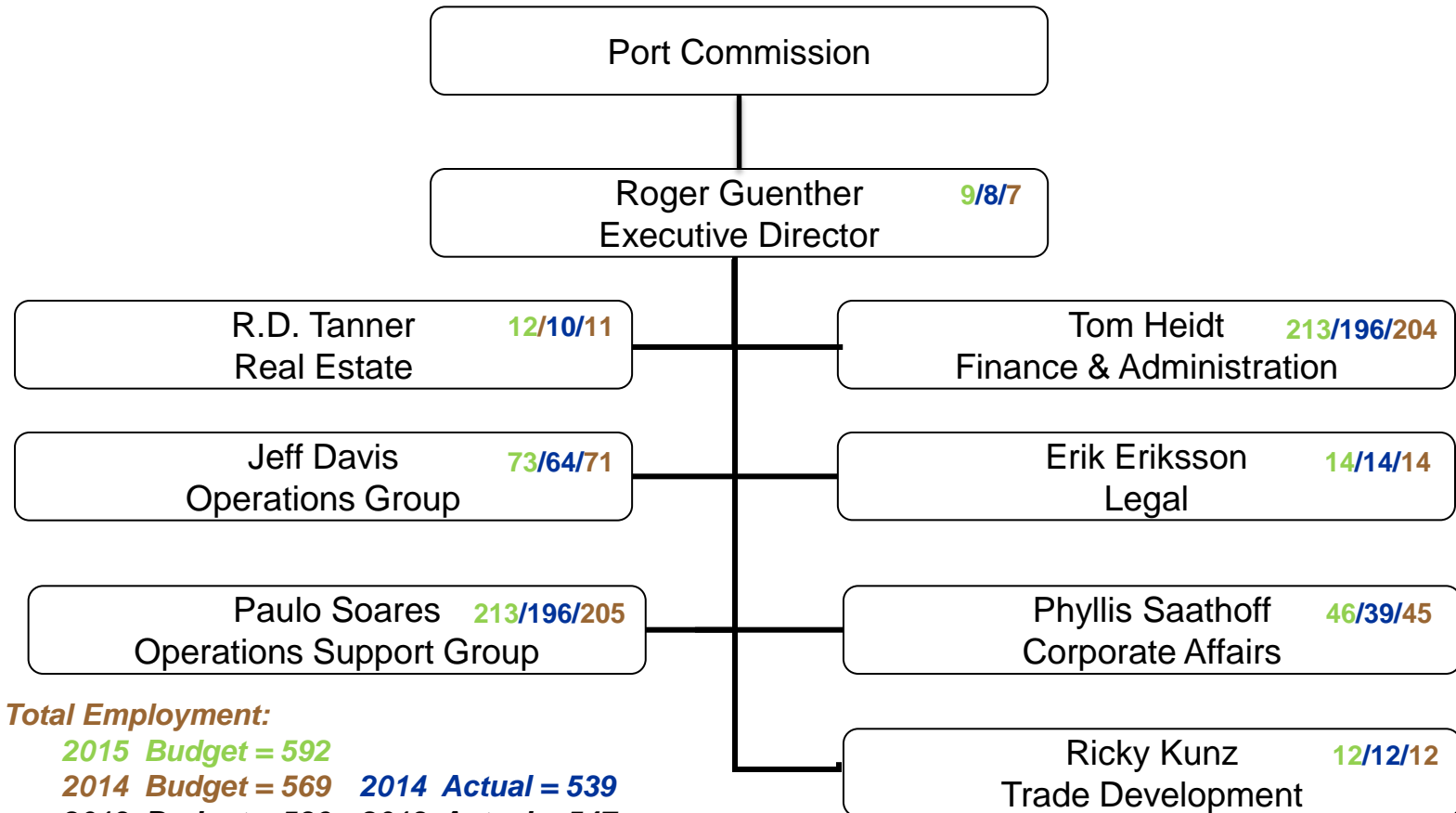
2015 Budget

Non-Operating – Major Changes (000's)

2014 Reforecast		\$8,063
Contributions to State or Local Agencies	(3,438)	
Income from Federal Funds (Including FEMA)	(1,835)	
Refund of Insurance Expenses	(1,529)	
Gain on Investments	(1,378)	
Interest Income-Securities Current Fund	(895)	
All Other Changes in Revenues/Expenses	(163)	<u>(9,238)</u>
2015 Budget		(\$1,175)

2015 Budget Organizational Structure

(As of September 30, 2014)



Total Employment:

2015 Budget = 592

2014 Budget = 569 2014 Actual = 539

2013 Budget = 586 2013 Actual = 547

2012 Budget = 606 2012 Actual = 542

2015 Budget

Executive (000's)

	<u>2013 Budget</u>	<u>2013 Audited</u>	<u>2014 Actual Sep YTD</u>	<u>2014 Reforecast</u>	<u>2015 Budget</u>
Salaries	\$698	\$680	\$631	\$887	\$939
Benefits	206	164	208	264	285
Retirement Benefits	255	243	216	294	243
Fees & Services	87	63	20	74	111
Insurance	9	8	4	5	10
Consulting Fees	50	0	0	160	300
Discretionary Expenses	204	178	86	182	301
Net Expense	\$1,509	\$1,336	\$1,165	\$1,866	\$2,189

2015 Budget

Legal (000's)

	<u>2013 Budget</u>	<u>2013 Audited</u>	<u>2014 Actual Sep YTD</u>	<u>2014 Reforecast</u>	<u>2015 Budget</u>
Salaries	\$1,266	\$1,276	\$981	\$1,316	\$1,340
Benefits	430	399	335	400	434
Retirement Benefits	482	445	351	467	363
Depreciation & Amortization	0	0	0	47	110
Terminal & Asset Maintenance	51	43	1	21	20
Fees & Services	2,368	2,596	712	1,726	2,194
Insurance	16	16	6	7	2
Consulting Fees	55	0	1	20	110
Discretionary Expenses	134	267	41	75	94
Net Expense	<u>\$4,802</u>	<u>\$5,042</u>	<u>\$2,428</u>	<u>\$4,079</u>	<u>\$4,667</u>

2015 Budget

Finance & Administration (000's)

	<u>2013 Budget</u>	<u>2013 Audited</u>	<u>2014 Actual Sep YTD</u>	<u>2014 Reforecast</u>	<u>2015 Budget</u>
Salaries	\$11,838	\$11,555	\$9,519	\$12,988	\$13,718
Benefits	5,005	4,835	3,826	4,694	5,145
Retirement Benefits	6,898	7,003	4,975	6,745	6,278
Depreciation & Amortization	4,957	4,671	3,788	5,319	5,763
Terminal & Asset Maintenance	493	186	267	703	852
Fees & Services	7,930	8,265	5,967	8,534	8,876
Insurance	724	714	398	600	597
Utilities	96	91	71	104	99
Fuel	0	23	148	213	242
Consulting Fees	561	404	128	305	450
Discretionary Expenses	2,498	2,396	1,361	2,284	3,279
Gross Expense	\$41,000	\$40,143	\$30,448	\$42,489	\$45,299
Allocations	(7,606)	(7,060)	(5,839)	(8,136)	(10,043)
Net Expense	\$33,394	\$33,083	\$24,609	\$34,353	\$35,256

2015 Budget

Corporate Affairs (000's)

	<u>2013 Budget</u>	<u>2013 Audited</u>	<u>2014 Actual Sep YTD</u>	<u>2014 Reforecast</u>	<u>2015 Budget</u>
Salaries	\$3,186	\$3,011	\$2,353	\$3,403	\$3,649
Benefits	1,168	1,055	850	1,093	1,226
Retirement Benefits	1,205	1,149	842	1,128	864
Depreciation & Amortization	925	910	671	1,167	918
Terminal & Asset Maintenance	1,588	1,404	916	1,469	1,340
Fees & Services	722	650	238	813	617
Insurance	142	136	145	171	162
Utilities	19	17	12	17	20
Fuel	0	0	26	41	48
Consulting Fees	3,737	1,259	806	1,585	2,586
Discretionary Expenses	3,477	2,444	3,251	5,208	3,223
Gross Expense	\$16,169	\$12,035	\$10,110	\$16,095	\$14,653
Allocations	(475)	(230)	(26)	(237)	(727)
Net Expense	\$15,694	\$11,805	\$10,084	\$15,858	\$13,926

2015 Budget

Trade Development (000's)

	<u>2013 Budget</u>	<u>2013 Audited</u>	<u>2014 Actual Sep YTD</u>	<u>2014 Reforecast</u>	<u>2015 Budget</u>
Salaries	\$941	\$975	\$945	\$1,011	\$1,002
Benefits	362	335	256	315	345
Retirement Benefits	357	334	251	334	271
Depreciation & Amortization	2,963	2,989	2,289	3,074	3,167
Terminal & Asset Maintenance	1,182	784	695	226	236
Fees & Services	154	172	276	299	173
Insurance	138	134	95	133	132
Utilities	153	144	153	220	295
Consulting Fees	388	398	400	500	438
Discretionary Expenses	744	1,210	925	2,445	5,618
Gross Expense	\$7,382	\$7,475	\$6,285	\$8,557	\$11,677
Allocations	145	116	184	326	601
Net Expense	\$7,527	\$7,591	\$6,469	\$8,883	\$12,278

2015 Budget

Real Estate (000's)

	<u>2013 Budget</u>	<u>2013 Audited</u>	<u>2014 Actual Sep YTD</u>	<u>2014 Reforecast</u>	<u>2015 Budget</u>
Salaries	\$716	\$718	\$509	\$695	\$764
Benefits	299	295	209	265	313
Retirement Benefits	288	275	179	235	181
Depreciation & Amortization	1,243	1,260	488	755	1,001
Terminal & Asset Maintenance	1,143	206	389	974	502
Fees & Services	174	174	144	212	207
Insurance	158	158	113	158	168
Utilities	360	337	256	319	266
Fuel	15	0	0	1	0
Consulting Fees	31	0	1	16	20
Discretionary Expenses	261	300	138	142	201
Gross Expense	\$4,688	\$3,723	\$2,426	\$3,772	\$3,623
Allocations	577	87	0	30	0
Net Expense	\$5,265	\$3,810	\$2,426	\$3,802	\$3,623

2015 Budget

Operations Group (000's)

	<u>2013 Budget</u>	<u>2013 Audited</u>	<u>2014 Actual Sep YTD</u>	<u>2014 Reforecast</u>	<u>2015 Budget</u>
Salaries	\$21,092	\$21,227	\$16,724	\$22,771	\$23,896
Benefits	8,153	8,240	6,839	8,340	9,192
Retirement Benefits	1,365	1,312	967	1,285	1,004
Depreciation & Amortization	46,203	45,790	34,855	47,023	49,156
Terminal & Asset Maintenance	2,522	1,293	2,333	4,014	5,501
Fees & Services	983	1,231	1,113	1,084	1,245
Insurance	3,356	3,325	2,018	3,022	3,084
Utilities	3,479	3,272	2,586	3,509	3,613
Fuel	2,888	3,442	2,487	3,200	3,520
Consulting Fees	15	12	2	5	6
Discretionary Expenses	2,857	2,914	2,300	2,835	1,410
Gross Expense	\$92,913	\$92,058	\$72,224	\$97,088	\$101,627
Allocations	42,676	41,626	32,224	44,058	47,782
Net Expense	\$135,589	\$133,684	\$104,448	\$141,146	\$149,409

2015 Budget

Operations Support Group (000's)

	<u>2013 Budget</u>	<u>2013 Audited</u>	<u>2014 Actual Sep YTD</u>	<u>2014 Reforecast</u>	<u>2015 Budget</u>
Salaries	\$18,014	\$17,309	\$13,122	\$17,730	\$18,517
Benefits	6,579	6,189	4,487	5,486	6,065
Retirement Benefits	5,116	4,947	2,980	3,985	3,194
Depreciation & Amortization	178	166	163	262	767
Terminal & Asset Maintenance	11,047	10,966	7,816	11,236	11,409
Fees & Services	166	235	257	268	192
Insurance	367	362	463	655	668
Utilities	76	61	51	71	74
Fuel	357	466	121	210	210
Consulting Fees	333	218	123	236	232
Discretionary Expenses	1,170	1,144	742	1,053	1,121
Gross Expense	\$43,403	\$42,063	\$30,325	\$41,192	\$42,449
Allocations	(36,695)	(35,412)	(27,088)	(37,058)	(38,535)
Net Expense	\$6,708	\$6,651	\$3,237	\$4,134	\$3,914

2015 Capital Budget

2015 Budget

Total Capital Investments (000's)

	2013 Actual	2014 Budget	2014 Forecast	2015 Budget
Bayport Terminal	\$ 7,134	\$ 122,454	\$ 25,784	\$ 110,317
Barbours Cut	95,266	21,077	19,819	72,629
TBT	34,057	25,839	8,907	35,268
Bayport Railroad	-	6,775	1,722	25,893
Channel Development	12,459	132,825	75,561	17,580
HSSE	5,287	3,135	3,342	3,825
Real Estate	1,598	1,840	763	2,690
IT	2,036	3,150	3,676	1,400
Other	2,228	7,615	9,733	5,813
Total Capital	\$ 160,065	\$ 324,710	\$ 149,307	\$ 275,415
 Grant Reimbursements	 \$ (13,827)	 \$ (3,868)	 \$ (3,842)	 \$ (66)
 Net Capital	 \$ 146,238	 \$ 320,842	 \$ 145,466	 \$ 275,349

2015 Budget

Bayport Terminal (000's)

Major Projects	2015 Budget
Wharf 2 Construction	\$ 58,031
3 Wharf Cranes	38,411
6 RTGs	11,871
Container Yard 6 South-Design	1,791
Container Yard 6 North-Security	213
Total Projects	\$ 110,317

* Wharf 2 partially funded by \$10 million U.S. Department of Transportation TIGER grant in 2015

2015 Budget

Barbours Cut Terminal (000's)

Major Projects	2015 Budget
Wharf 2 Construction	\$ 33,324
2 Wharf Cranes	25,715
12kv Distribution Feeders-Construction	9,923
East End Reconstruction First 20 Acres-Design	3,167
Other	500
Total Projects	\$ 72,629

2015 Budget

Turning Basin Terminals (000's)

Turning Basin North Terminal	
Major Projects	2015 Budget
Rehabilitation of Wharf 23	\$ 6,216
Transit Shed Roofs – Various	4,144
Lower Level Road & Utilities-Design	3,108
Replace Water Lines Under Dock	2,124
Rail Replacement	1,191
Improvements to Drainage Volkswagen Yard	673
Terminal Operating System	400
Other	848
Total Projects	\$ 18,704
Turning Basin South Terminal	
Major Projects	2015 Budget
Drainage & Pavement Stabilization Wharf 46	\$ 9,764
Rehab Decks - CD 45&46	4,144
Other	150
	\$ 14,058
Woodhouse Terminal	
Major Projects	2015 Budget
Replace Main Entrance & Potable Water System	\$ 1,367
Other	466
Total Projects	\$ 1,834

2015 Budget

Turning Basin Terminals (cont.) (000's)

Jacintoport Terminal	
Major Projects	2015 Budget
Renovate Fire Suppression System Lower Level - Transit Shed	\$ 518
Total Projects	\$ 518
Other	\$ 155
Grand Total Turning Basin Terminals Projects	\$ 35,268

2015 Budget

Bayport Railroad (000's)

Major Projects	2015 Budget
PTRA Track, South Bayport	\$ 14,618
PTRA Track, Mainline Red Bluff to Bayport-ROW	6,775
Middle Berm-Construction & Vegetation	2,500
Rail EIS	2,000
Total Projects	\$ 25,893

2015 Budget

Channel Development (000's)

Major Projects	2015 Budget
Placement Area (PA) Acquisition	\$ 10,000
PA Armoring Midbay and Goat Island	3,500
BCT-Widen & Deepen DAMP Spillman	1,200
Ditching Clinton PA (East & West)	1,100
Bayport Widen & Deepening Levee PA 15	1,000
Other	780
Total Projects	\$ 17,580

2015 Budget

HSSE (000's)

Emergency Management

Major Projects	2015 Budget
800MHZ Radio Replacement	\$ 600
Situator Programming	500
Upgrade Dispatch	300
Total Projects	\$ 1,400

Fire

Major Projects	2015 Budget
Fireboat Dock at Bayport	\$ 1,760
Vehicles	115
Total Projects	\$ 1,875

Police

Major Projects	2015 Budget
Vehicles	\$ 300
Total Projects	\$ 300

2015 Budget

HSSE (cont.) (000's)

Security	
Major Projects	2015 Budget
Turning Basin Terminal Perimeter Fence	\$ 150
Install Card Reader Enhancements	100
Total Projects	\$ 250
Grand Total HSSE Projects	\$ 3,825

2015 Budget

Real Estate (000's)

Major Projects	2015 Budget
Executive Office Building Build Out	\$ 1,084
Maritime Museum	865
Replace Roof Executive Building	675
Vehicles	66
Total Projects	\$ 2,690



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