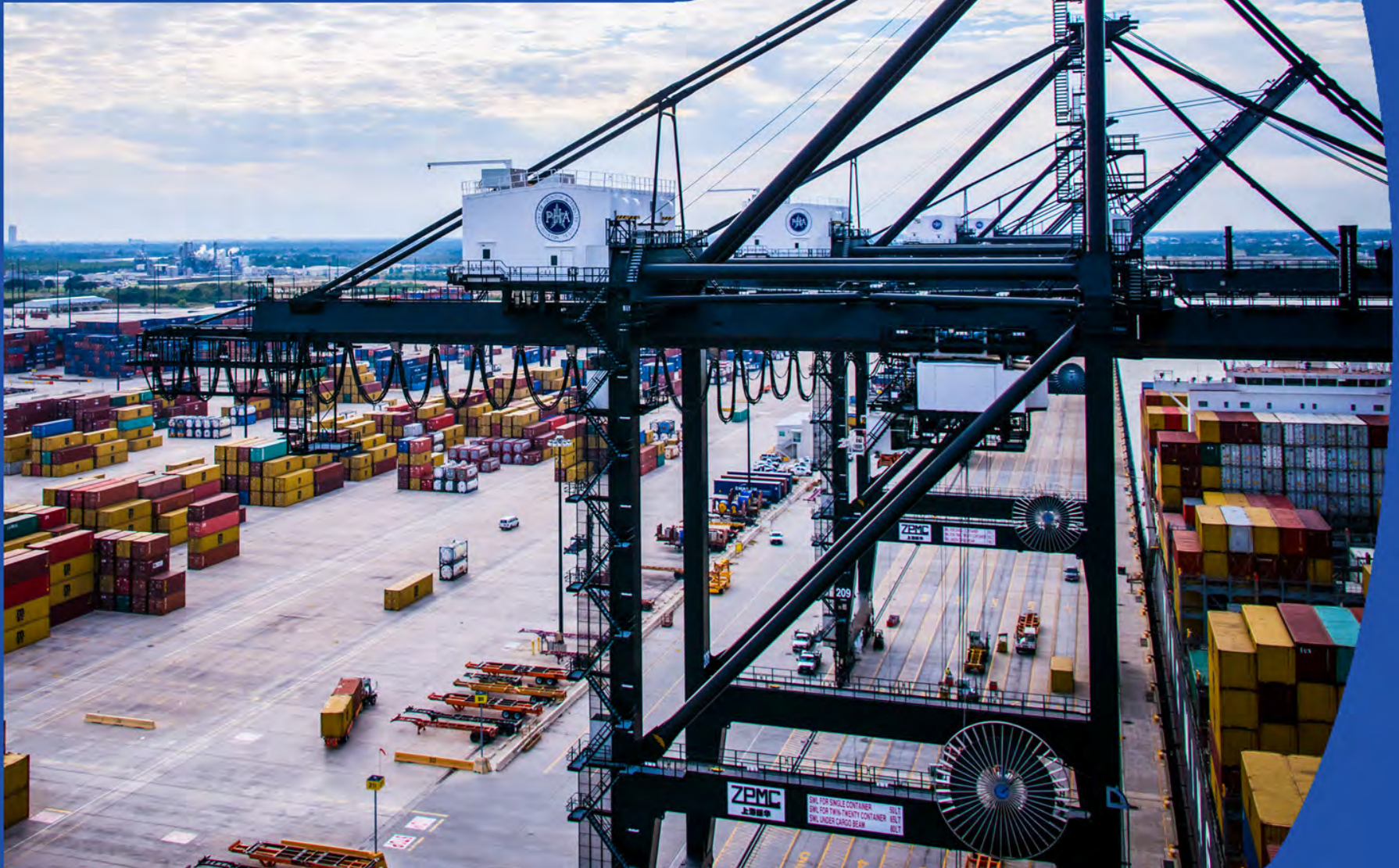


# 2017 2nd Quarter Reforecast

Port of Houston Authority  
August 1, 2017



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## Foreword

- In November 2016, 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 2017. It was presented to the Port Commission for consideration at a budget workshop open to the public.
- The Port Commission approved the 2017 Operating Budget and Capital Plan at an open meeting on November 15, 2016.
- This latest 2017 Budget Reforecast was prepared by staff as of June 2017, 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.

## 2017 2<sup>nd</sup> Quarter Reforecast Revenue (000's)



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	<u>2016 Budget</u>	<u>2016 Audited</u>	<u>2017 Budget</u>	<u>2017 Actual Jun YTD</u>	<u>2017 Reforecast</u>
<b>Container Terminals</b>	\$208,725	\$213,397	\$235,713	\$124,717	\$263,146 11.6%
<b>Turning Basin Terminals</b>	58,889	48,230	50,885	26,236	50,858 (0.1%)
<b>Lease Revenues</b>	15,877	17,293	15,187	8,561	16,890 11.2%
<b>Harbor Fees</b>	6,880	6,403	6,880	3,283	6,723 (2.3%)
<b>Channel Development</b>	2,683	2,497	2,846	827	2,499 (12.2%)
<b>Other Revenues</b>	2,812	2,385	387	173	402 3.8%
<b>Total Operating Revenues</b>	<u>\$295,866</u>	<u>\$290,205</u>	<u>\$311,898</u>	<u>\$163,797</u>	<u>\$340,518</u> 9.2%
<b>Non-Operating (Federal Grants, Insurance, Interest Income)</b>	5,595	12,355	11,312	5,906	15,173 34.1%
<b>Total Revenue</b>	<u>\$301,461</u>	<u>\$302,560</u>	<u>\$323,210</u>	<u>\$169,703</u>	<u>\$355,691</u> 10.0%

# 2017 2<sup>nd</sup> Quarter Reforecast Revenue (000's)



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**2017 Budget**

**\$323,210**

**Container Terminals**

Wharfage - Loaded Containers	6,770	
Storage	5,909	
Full Container Receipt/Delivery	4,726	
Wharf Crane Rental	3,940	
Dockage	1,722	
Drayage	1,338	
Security Fees	1,296	
Other Container Terminal Revenues	1,732	<b>27,433</b>

**Turning Basin Terminals**

Other Turning Basin Terminals Revenue	(28)	<b>(28)</b>
---------------------------------------	------	-------------

**Lease Revenues**

Rent/Lease	1,821	
Other Lease Revenues	(118)	<b>1,703</b>

**Harbor Fees**

Harbor & Barge Fees	(147)	
Other Harbor Fees	(10)	<b>(157)</b>

**Channel Development**

DMA Fees	(315)	
Other Channel Development Revenue	(32)	<b>(347)</b>

## 2017 2<sup>nd</sup> Quarter Reforecast Revenue (cont.) (000's)



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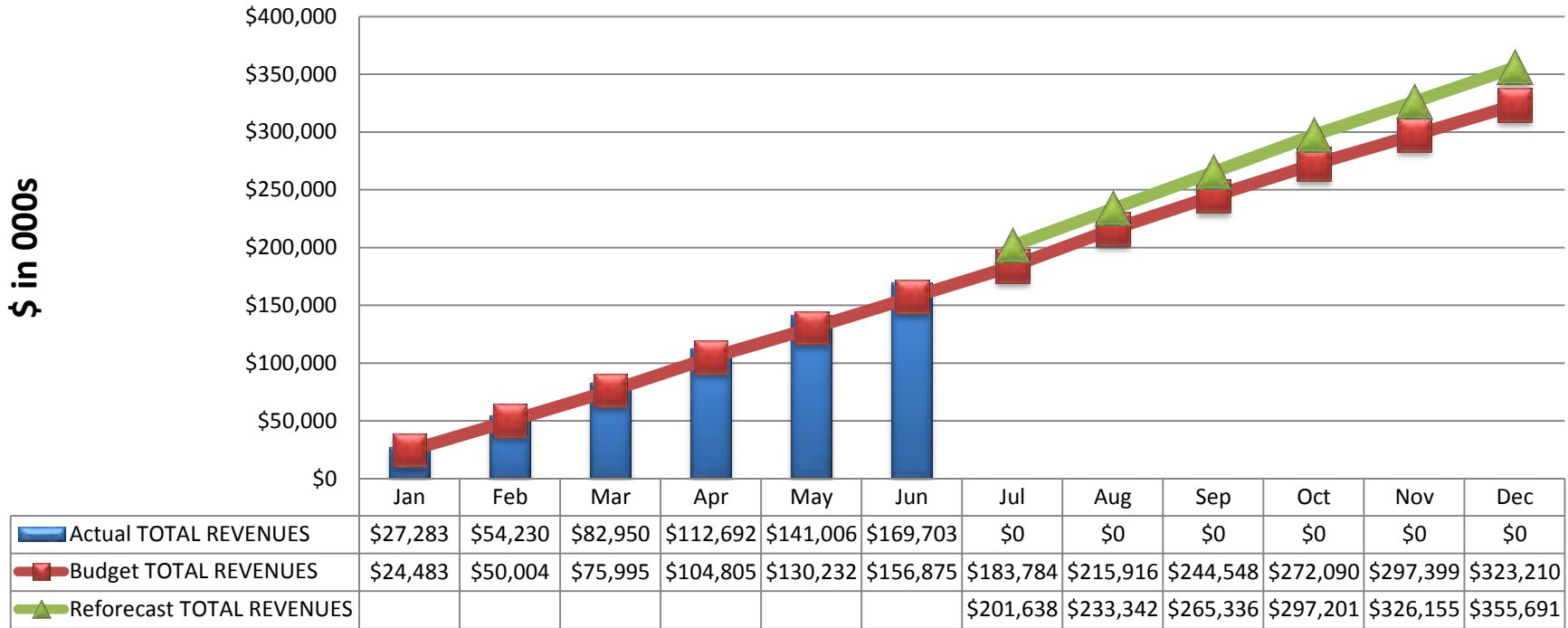
<b>Other Revenue</b>			
Other Revenue	15	15	
<b>Non-Operating</b>			
Income from Federal Funds	1,519		
Interest Income-Securities Current Fund	1,923		
Other Non Operating Revenues	420	3,862	
<b>2017 Reforecast</b>			<u>32,481</u>
			<b>\$355,691</b>

# 2017 2<sup>nd</sup> Quarter Reforecast Revenue (000's)



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## PHA Total Revenues



## 2017 2<sup>nd</sup> Quarter Reforecast Total Expense (000's)



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	<u>2016 Budget</u>	<u>2016 Audited</u>	<u>2017 Budget</u>	<u>2017 Actual Jun YTD</u>	<u>2017 Reforecast</u>
<b>Salaries</b>	\$72,791	\$74,739	\$77,685	\$41,777	\$84,027 8.2%
<b>Benefits</b>	28,007	\$29,059	\$31,978	\$17,183	32,313 1.0%
<b>Retirement Benefits</b>	11,173	\$13,149	\$13,908	\$10,532	17,624 26.7%
<b>Depreciation &amp; Amortization</b>	68,655	\$79,443	\$75,026	\$31,953	66,001 (12.0%)
<b>Terminal &amp; Asset Maintenance</b>	18,284	\$18,051	\$18,256	\$7,915	18,187 (0.4%)
<b>Fees &amp; Services</b>	14,867	\$14,362	\$16,156	\$6,743	15,860 (1.8%)
<b>Insurance</b>	5,157	\$5,008	\$5,051	\$2,506	4,968 (1.6%)
<b>Utilities</b>	4,649	\$4,074	\$3,959	\$1,950	4,051 2.3%
<b>Fuel</b>	3,017	\$2,333	\$2,752	\$1,470	3,134 13.9%
<b>Consulting Fees</b>	4,776	\$3,197	\$4,893	\$990	5,148 5.2%
<b>Discretionary Expenses</b>	13,005	\$22,613	\$11,864	\$3,772	10,672 (10.0%)
<b>Allocations</b>	(499)	(\$300)	(\$541)	(\$129)	(379) (29.9%)
<b>Total Expenses Operations and G&amp;A</b>	<u>\$243,882</u>	<u>\$265,728</u>	<u>\$260,987</u>	<u>\$126,662</u>	<u>\$261,606</u> 0.2%
<b>Non-Operating Expenses</b>	2,826	2,919	5,078	2,077	5,491 8.1%
<b>Net Expense</b>	<u>\$246,708</u>	<u>\$268,647</u>	<u>\$266,065</u>	<u>\$128,739</u>	<u>\$267,097</u> 0.4%

# 2017 2<sup>nd</sup> Quarter Reforecast Total Expense (000's)



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**2017 Budget**

**\$266,065**

**Salaries & Benefits**

ILA Labor Due to Increased Volume	7,263	
Increase in Pension Contribution	4,450	
All Other Salaries & Benefits	(1,319)	<b>10,394</b>

**Depreciation & Amortization**

Decrease in Amortization	(4,602)	
(Includes Amortization of Long Term Agreements)		
Decrease in Depreciation	(4,423)	<b>(9,025)</b>

**Terminal & Asset Maintenance**

Building Maintenance - Contractors	(1,610)	
Machinery and Equipment Maintenance	1,502	
All Other Terminal & Asset Maintenance	39	<b>(69)</b>

**Fees & Services**

Software License Fees	(411)	
Consulting Fees	255	
All Other Fees & Services	115	<b>(41)</b>

**Utilities & Fuel**

Fuel	382	
All Other Utilities & Fuel	91	<b>473</b>

**Discretionary Expenses**

Asset Management Assessment	(804)	
Environmental Related Costs	(212)	
Training Registration	(156)	



## 2017 2<sup>nd</sup> Quarter Reforecast Total Expense (cont.) (000's)



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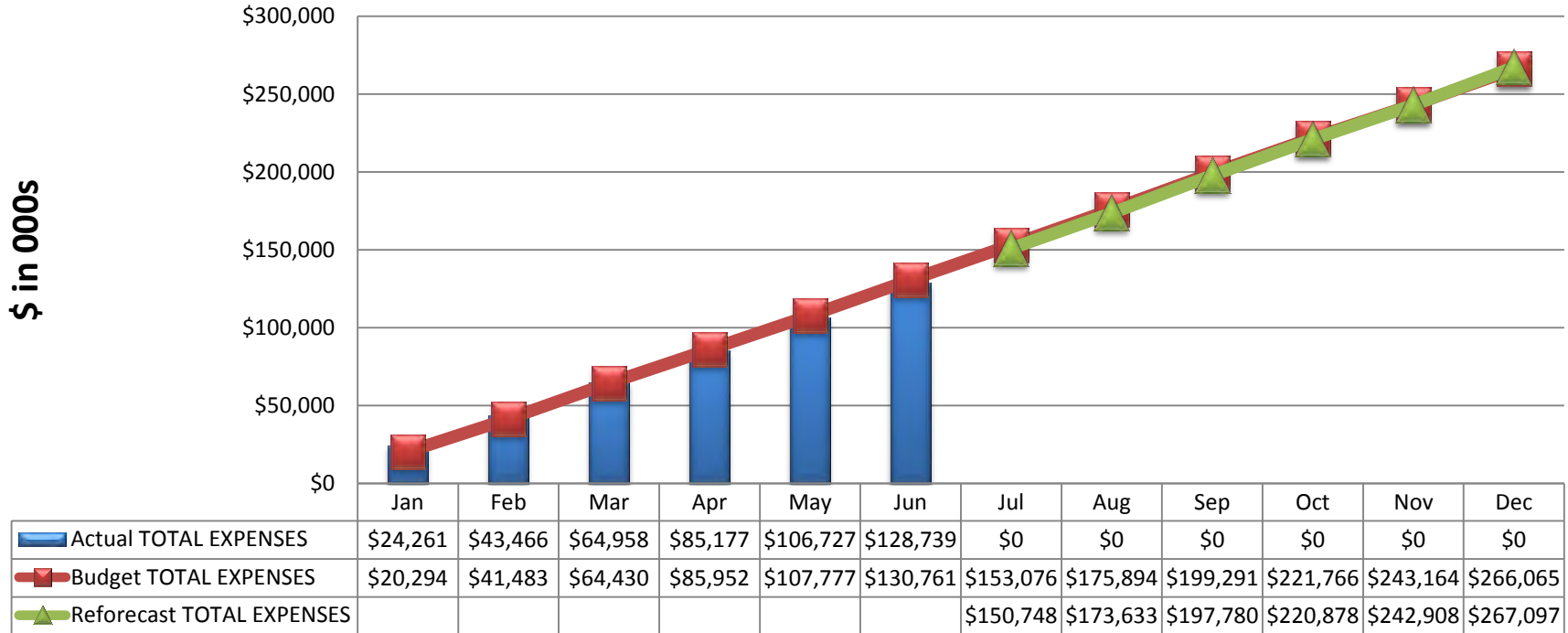
Telephone	(152)		
Travel	(134)		
Engineering Design and Analysis Services	246		
Bad Debt Expense	320		
All Other Discretionary Expenses	(301)	<b>(1,193)</b>	
<b>Non-Operating</b>			
Contributions to State or Local Agencies	480		
All Other Non-Operating	(67)	<b>413</b>	
<b>All Other Expenses</b>			
All Other	80	<b>80</b>	
			<u><b>1,032</b></u>
<b>2017 Reforecast</b>			<b>\$267,097</b>

# 2017 2<sup>nd</sup> Quarter Reforecast Total Expense (000's)



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## PHA Total Expenses



## 2017 2<sup>nd</sup> Quarter Reforecast Operations Expense (000's)



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	<u>2016 Budget</u>	<u>2016 Audited</u>	<u>2017 Budget</u>	<u>2017 Actual Jun YTD</u>	<u>2017 Reforecast</u>
Salaries	\$55,658	\$57,685	\$58,972	\$32,984	\$66,350 12.5%
Benefits	21,650	22,190	24,190	13,103	25,162 4.0%
Retirement Benefits	4,630	6,053	6,242	5,594	9,030 44.7%
Depreciation & Amortization	65,125	76,092	71,247	30,315	62,851 (11.8%)
Terminal & Asset Maintenance	17,723	17,249	16,657	7,732	17,179 3.1%
Utilities & Fuel	7,352	6,198	6,422	3,318	6,948 8.2%
Insurance	4,457	4,323	4,170	2,114	4,191 0.5%
Allocation to Others	1,400	1,274	626	681	1,400 123.8%
Fees & Services	9,597	9,959	11,054	4,686	11,317 2.4%
Discretionary Expenses	6,098	17,019	5,247	1,570	4,550 (13.3%)
<b>Total Operating Expenses</b>	<b>\$193,690</b>	<b>\$218,042</b>	<b>\$204,827</b>	<b>\$102,097</b>	<b>\$208,978</b> (2.0%)

# 2017 2<sup>nd</sup> Quarter Reforecast Operations Expense (000's)



**PORT HOUSTON**  
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**2017 Budget**

**\$204,827**

**Salaries**

ILA Labor Expenses	7,263	
Decrease in Leavetime Taken	1,876	
PHA Overtime	1,671	
PHA Salaries	(932)	
Decrease in Medical Insurance	(869)	
Decrease for Performance Management	(502)	
Other Salaries & Benefits	(157)	<b>8,350</b>

**Retirement Benefits**

Increase in Pension Contribution	2,677	
Other Retirement Benefits	111	<b>2,788</b>

**Depreciation & Amortization**

Decrease in Amortization (Includes Amortization of Long Term Agreements)	(4,601)	
Decrease in Depreciation	(3,795)	<b>(8,396)</b>

**Terminal & Asset Maintenance**

Increase in Machinery and Equipment-P&S	1,502	
Decrease in Building Maintenance-Contractors	(1,070)	
Other Maintenance Items	90	<b>522</b>

**Utilities & Fuel**

Increase in Fuel Expenses	420	
Increase Utilities - Water	260	
Decrease Utilities - Electricity	(152)	
Other Utilities & Fuel	(3)	<b>525</b>

## 2017 2<sup>nd</sup> Quarter Reforecast Operations Expense (cont.) (000's)



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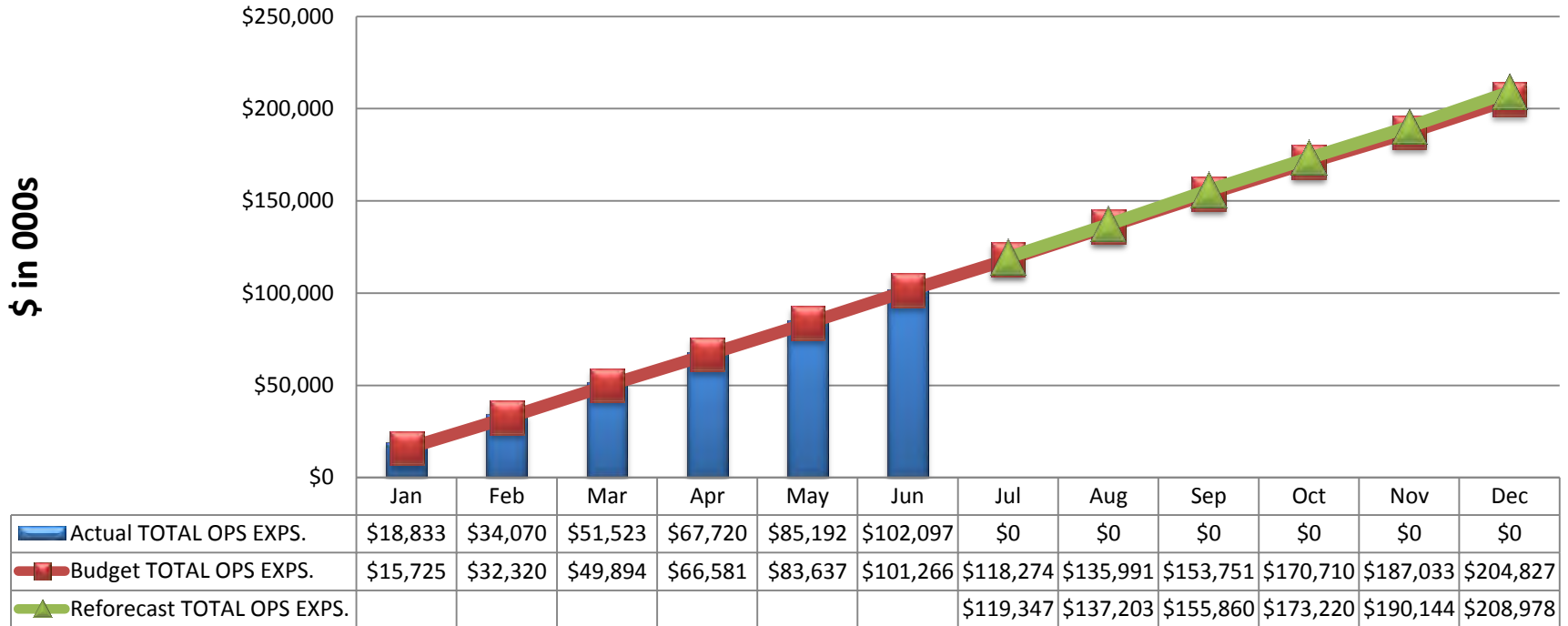
<b>Allocations</b>			
Maintenance Allocation	455		
IT Allocation	362		
Other Allocations	(42)	<b>775</b>	
<b>Discretionary Expenses</b>			
Decrease in Asset Management Assessment	(891)		
Other Discretionary Expenses	195	<b>(696)</b>	
<b>Other Expenses</b>			
Other	283	<b>283</b>	
			<b>4,151</b>
<b>2017 Reforecast</b>			<b>\$208,978</b>

# 2017 2<sup>nd</sup> Quarter Reforecast Operations Expense (000's)



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## PHA Operating Expenses



## 2017 2<sup>nd</sup> Quarter Reforecast G&A Expense (000's)



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	2016 Budget	2016 Audited	2017 Budget	2017 Actual Jun YTD	2017 Reforecast
Salaries	\$17,132	17,055	18,713	8,793	\$17,677 (5.5%)
Benefits	6,356	6,869	7,787	4,080	7,151 (8.2%)
Retirement Benefits	6,543	7,097	7,666	4,937	8,594 12.1%
Fees & Services	10,046	7,601	9,995	3,048	9,691 (3.0%)
Depreciation & Amortization	3,530	3,351	3,779	1,641	3,151 (16.6%)
Terminal & Asset Maintenance	560	802	1,599	182	1,008 (37.0%)
Utilities & Fuel	314	210	289	102	237 (18.1%)
Insurance	700	685	881	392	777 (11.8%)
Discretionary Expenses	6,908	5,592	6,618	2,201	6,121 (7.5%)
Gross G&A Expenses	\$52,089	\$49,262	\$57,327	\$25,376	\$54,407 (5.1%)
Allocations	(1,899)	(1,575)	(1,167)	(812)	(1,779) 52.5%
<b>Net G&amp;A Expenses</b>	<b>\$50,190</b>	<b>\$47,687</b>	<b>\$56,160</b>	<b>\$24,564</b>	<b>\$52,628</b> (6.3%)

## 2017 2<sup>nd</sup> Quarter Reforecast G&A Expense (000's)



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**2017 Budget**

**\$56,160**

**Salaries & Benefits**

Decrease in Salaries	(814)	
Decrease in Medical Insurance	(429)	
Decrease for Performance Management	(374)	
Decrease in Leavetime Taken	151	
Other Salaries & Benefits	(206)	<b>(1,672)</b>

**Retirement Benefits**

Increase Pension Contribution	1,773	
Decrease Retiree Benefits	(556)	
Other Retirement Benefits	(288)	<b>929</b>

**Fees & Services**

Decrease in Software License Fees	(276)	
Decrease in Fees & Services	(225)	
Other Fees & Services	9	<b>(492)</b>

**Consulting Fees**

Increase in Consulting Fees	187	<b>187</b>
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**Depreciation & Amortization**

Decrease in Depreciation	(629)	<b>(629)</b>
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**Terminal & Asset Maintenance**

Decrease in Building Maintenance-Contractor	(539)	
Other Terminal & Asset Maintenance	(52)	<b>(591)</b>



## 2017 2<sup>nd</sup> Quarter Reforecast G&A Expense (cont.) (000's)



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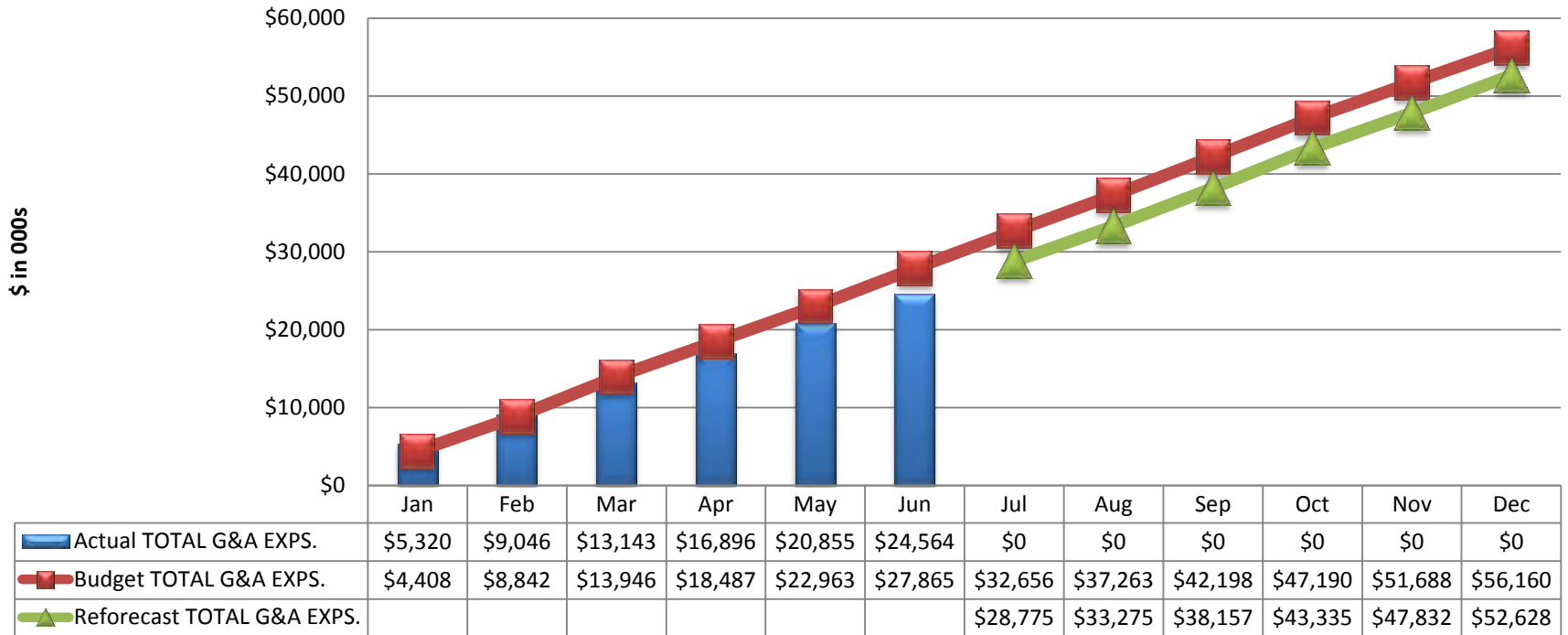
<b>Discretionary Expenses</b>			
Decrease in Telephone	(162)		
Decrease in Training Registration	(128)		
Decrease in Dues & Membership	(92)		
All Other Discretionary Expenses	(114)	<b>(496)</b>	
<b>Allocations</b>			
Maintenance Allocation	(455)		
IT Allocation	(362)		
All Other Allocations	204	<b>(613)</b>	
<b>Other Expenses</b>			
Other	(155)	<b>(155)</b>	
			<u><b>(3,532)</b></u>
<b>2017 Reforecast</b>			<b>\$52,628</b>

# 2017 2<sup>nd</sup> Quarter Reforecast G&A Expense (000's)



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## PHA G&A Expenses



## 2017 2<sup>nd</sup> Quarter Reforecast Income Statement (000's)



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	<b>2016 Budget</b>	<b>2016 Audited</b>	<b>2017 Budget</b>	<b>2017 Actual Jun YTD</b>	<b>2017 Reforecast</b>	<b>2017 Budget vs 2017 Reforecast</b>	<b>%</b>
Operating Revenue*	\$295,866	\$290,205	\$311,898	\$163,797	\$340,518	\$28,620	9.2%
Less: Operating Expense	193,690	218,042	204,827	102,097	208,978	4,151	2.0%
Operating Income	\$102,176	\$72,164	\$107,071	\$61,700	\$131,540	\$24,469	22.9%
Less: General & Administrative Expenses	50,190	47,687	56,160	24,564	52,628	(3,532)	(6.3%)
Net Operating Income	\$51,986	\$24,476	\$50,911	\$37,136	\$78,912	\$28,001	55.0%
Non-Operating Revenue (Expense)	(288)	9,109	383	1,832	2,740	2,357	614.7%
Income before Contributions & Transfers	\$51,698	\$33,585	\$51,294	\$38,968	\$81,652	\$30,358	59.2%
Contributions (to)/from Federal/State Agencies	3,057	327	5,852	1,996	6,943	1,091	18.7%
<b>Net Income</b>	<b>\$54,755</b>	<b>\$33,912</b>	<b>\$57,146</b>	<b>\$40,964</b>	<b>\$88,595</b>	<b>\$31,449</b>	<b>55.0%</b>
<b>Cash Flow</b>	<b>\$123,410</b>	<b>\$97,626</b>	<b>\$132,172</b>	<b>\$76,976</b>	<b>\$154,619</b>	<b>\$22,447</b>	<b>17.0%</b>

\*Includes G&A Revenues

## 2017 2<sup>nd</sup> Quarter Reforecast Income Statement (000's)



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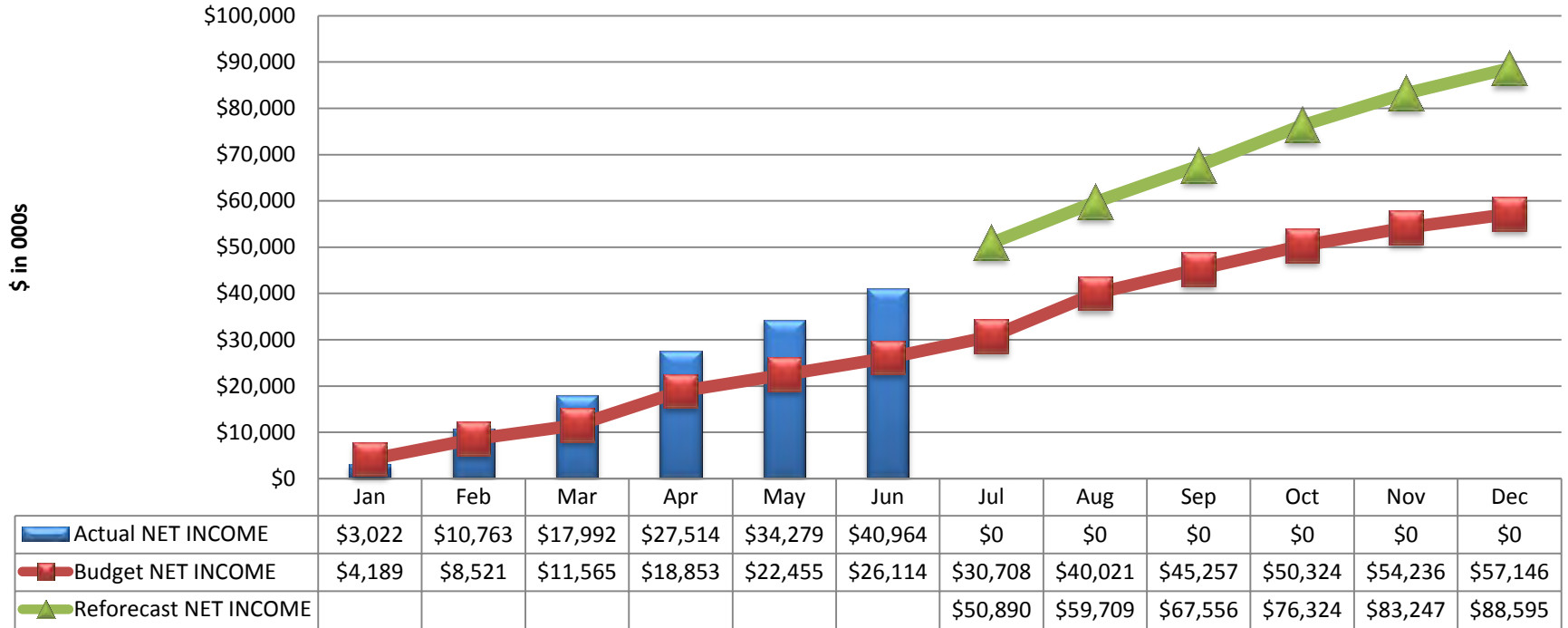
<b>2017 Budget</b>			<b>\$57,146</b>
Depreciation & Amortization	9,199		
Wharfage - Loaded Containers	6,770		
Storage	5,902		
Full Container Receipt/Delivery	4,726		
Wharf Crane Rental	3,940		
Rent/Lease	2,375		
Wharfage-Import	1,952		
Interest Income-Securities Current Fund	1,923		
Building Maintenance - Contractors	1,610		
Income from Federal Funds	1,519		
ILA Labor Expenses	(5,864)		
Pension Contribution	(4,450)		
Machinery and Equipment Maintenance-P & S	(1,502)		
Other	3,348	<b>31,449</b>	
			<u><b>31,449</b></u>
<b>2017 Reforecast</b>			<b>\$88,595</b>

# 2017 2<sup>nd</sup> Quarter Reforecast Net Income (000's)



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## PHA Net Income

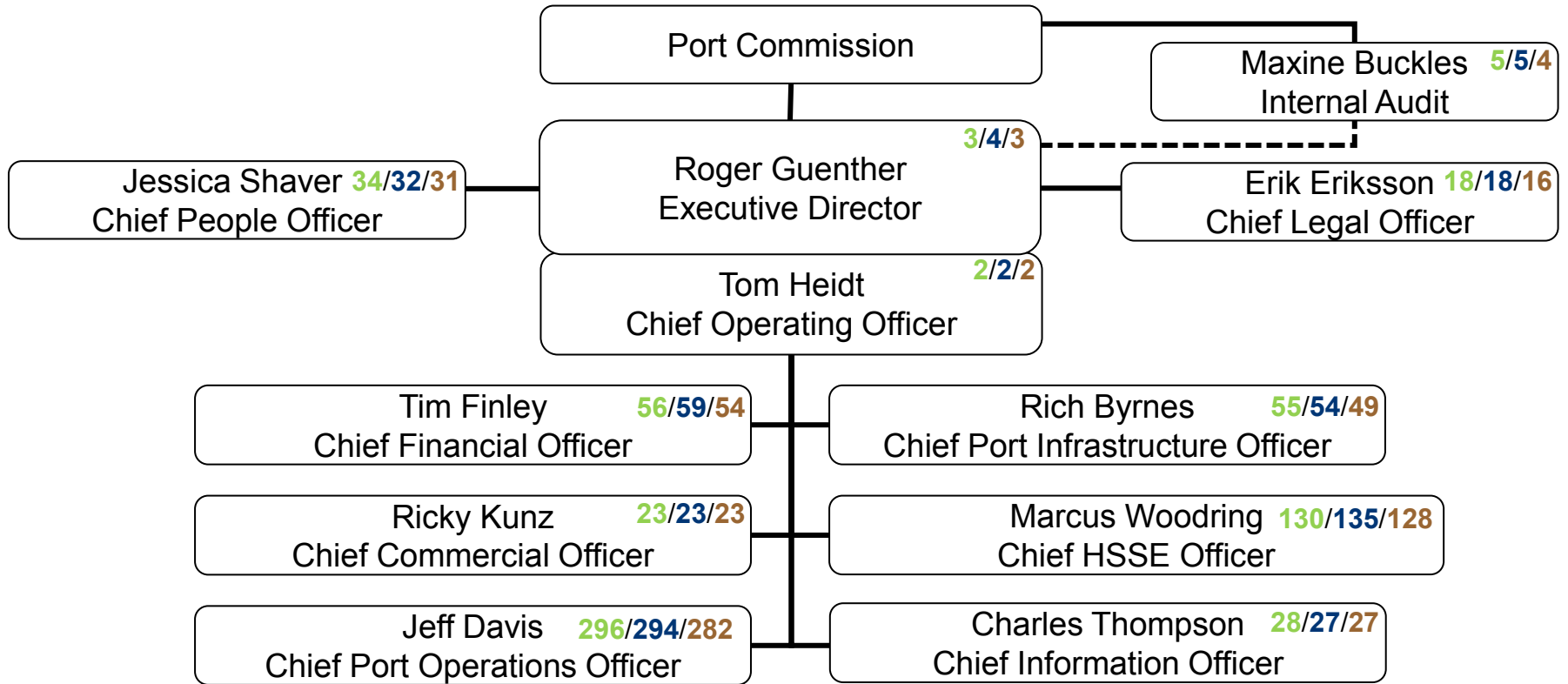


# 2017 Reforecast ORGANIZATIONAL STRUCTURE

(As of June 30, 2017)



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**2017 Reforecast = 650/2017 Budget = 653/2017 Actual = 619**

2016 Budget = 623    2016 Actual = 632

2015 Budget = 592    2015 Actual = 585

## 2017 2<sup>nd</sup> Quarter Reforecast Capital (000's)



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	<b>2017 Budget</b>	<b>2017 Reforecast</b>
Bayport Terminal	\$25,695	\$28,945
TBT	13,156	8,575
Bayport Railroad	10,163	20,306
Channel Development	5,360	13,687
Barbours Cut	5,997	7,008
HSSE	3,735	3,079
IT	2,973	1,855
Real Estate	2,633	513
Other	3,717	5,447
<b>Total Capital</b>	<b>\$73,429</b>	<b>\$89,415</b>
 <b>Grant Reimbursements</b>	 <b>(7,283)</b>	 <b>(9,000)</b>
 <b>Net Capital</b>	 <b>\$66,146</b>	 <b>\$80,415</b>

## 2017 2<sup>nd</sup> Quarter Reforecast Executive (000's)



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	2016 Budget	2016 Actual	2017 Budget	2017 Actual Jun YTD	2017 Reforecast	Variance	Variance %
Salaries	\$1,258	\$1,176	\$1,427	\$591	\$1,208	(\$219)	(15.3%)
Benefits	\$444	\$396	\$503	\$247	\$430	(\$73)	(14.5%)
Retirement Benefits	\$248	\$249	\$359	\$326	\$471	\$112	31.2%
Depreciation & Amortization	\$5	\$5	\$5	\$3	\$5	\$0	0.0%
Fees & Services	\$11	\$114	\$143	\$68	\$131	(\$12)	(8.2%)
Insurance	\$15	\$31	\$73	\$38	\$86	\$13	19.1%
Consulting Fees	\$88	\$8	\$68	\$76	\$184	\$116	173.0%
Discretionary Expenses	\$543	\$297	\$330	\$66	\$381	\$51	15.4%
<b>Net Expense</b>	<b>\$2,612</b>	<b>\$2,276</b>	<b>\$2,908</b>	<b>\$1,415</b>	<b>\$2,896</b>	<b>(\$12)</b>	<b>(0.4%)</b>



## 2017 2<sup>nd</sup> Quarter Reforecast Legal (000's)



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	2016 Budget	2016 Actual	2017 Budget	2017 Actual Jun YTD	2017 Reforecast	Variance	Variance %
Salaries	\$1,631	\$1,644	\$1,759	\$841	\$1,695	(\$64)	(3.6%)
Benefits	\$559	\$556	\$667	\$345	\$601	(\$65)	(9.8%)
Retirement Benefits	\$380	\$362	\$480	\$457	\$661	\$181	37.6%
Depreciation & Amortization	\$121	\$0	\$188	\$0	\$0	(\$188)	(100.0%)
Fees & Services	\$1,852	\$735	\$1,511	\$787	\$1,494	(\$17)	(1.1%)
Insurance	\$13	\$8	\$41	\$15	\$34	(\$7)	(16.8%)
Consulting Fees	\$635	\$588	\$700	\$275	\$769	\$68	9.8%
Discretionary Expenses	\$353	\$199	\$365	\$141	\$291	(\$74)	(20.4%)
<b>Gross Expense</b>	<b>\$5,544</b>	<b>\$4,092</b>	<b>\$5,711</b>	<b>\$2,861</b>	<b>\$5,545</b>	<b>(\$166)</b>	<b>(2.9%)</b>
Allocations	\$0	\$7	\$0	\$0	\$0	\$0	0.0%
<b>Net Expense</b>	<b>\$5,544</b>	<b>\$4,099</b>	<b>\$5,711</b>	<b>\$2,861</b>	<b>\$5,545</b>	<b>(\$166)</b>	<b>(2.9%)</b>

## 2017 2<sup>nd</sup> Quarter Reforecast Finance (000's)



**PORT HOUSTON**  
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	2016 Budget	2016 Actual	2017 Budget	2017 Actual Jun YTD	2017 Reforecast	Variance	Variance %
Salaries	\$4,063	\$4,049	\$4,353	\$2,053	\$4,130	(\$223)	(5.1%)
Benefits	\$1,497	\$1,561	\$1,820	\$923	\$1,637	(\$184)	(10.1%)
Retirement Benefits	\$964	\$2,095	\$1,042	\$906	\$1,406	\$364	35.0%
Depreciation & Amortization	\$6	\$6	\$5	\$3	\$5	(\$0)	(1.0%)
Fees & Services	\$796	\$812	\$829	\$286	\$792	(\$37)	(4.5%)
Insurance	\$30	\$27	\$115	\$39	\$89	(\$26)	(22.4%)
Fuel	\$0	\$0	\$2	\$0	\$1	(\$1)	(60.0%)
Consulting Fees	\$68	\$143	\$158	\$17	\$100	(\$58)	(36.9%)
Discretionary Expenses	\$883	\$743	\$737	\$272	\$753	\$16	2.1%
<b>Gross Expense</b>	<b>\$8,307</b>	<b>\$9,436</b>	<b>\$9,061</b>	<b>\$4,499</b>	<b>\$8,913</b>	<b>(\$148)</b>	<b>(1.6%)</b>
Allocations	\$0	\$0	\$3	\$0	\$0	(\$3)	(100.0%)
<b>Net Expense</b>	<b>\$8,307</b>	<b>\$9,436</b>	<b>\$9,064</b>	<b>\$4,499</b>	<b>\$8,913</b>	<b>(\$151)</b>	<b>(1.7%)</b>

## 2017 2<sup>nd</sup> Quarter Reforecast People (000's)



**PORT HOUSTON**  
THE INTERNATIONAL PORT OF TEXAS™

	2016 Budget	2016 Actual	2017 Budget	2017 Actual	2017	Variance	Variance %
				Jun YTD	Reforecast		
Salaries	\$2,361	\$1,974	\$2,365	\$1,031	\$2,177	(\$188)	(8.0%)
Benefits	\$915	\$1,233	\$1,150	\$659	\$1,151	\$1	0.1%
Retirement Benefits	\$3,149	\$2,787	\$3,709	\$1,463	\$3,313	(\$396)	(10.7%)
Depreciation & Amortization	\$152	\$154	\$111	\$77	\$116	\$5	4.1%
Terminal & Asset Maintenance	\$41	\$0	\$190	\$2	\$168	(\$22)	(11.8%)
Fees & Services	\$260	\$298	\$386	\$205	\$393	\$8	2.0%
Insurance	\$78	\$67	\$110	\$56	\$123	\$13	12.2%
Utilities	\$20	\$12	\$0	\$5	\$16	\$16	0.0%
Fuel	\$45	\$17	\$45	\$11	\$34	(\$11)	(24.5%)
Consulting Fees	\$323	\$150	\$193	\$29	\$139	(\$54)	(28.1%)
Discretionary Expenses	\$1,041	\$867	\$1,225	\$351	\$1,061	(\$165)	(13.4%)
<b>Gross Expense</b>	<b>\$8,385</b>	<b>\$7,559</b>	<b>\$9,484</b>	<b>\$3,889</b>	<b>\$8,691</b>	<b>(\$793)</b>	<b>(8.4%)</b>
Allocations	\$1	\$0	\$290	\$0	\$1	(\$290)	(99.8%)
<b>Net Expense</b>	<b>\$8,386</b>	<b>\$7,559</b>	<b>\$9,774</b>	<b>\$3,889</b>	<b>\$8,692</b>	<b>(\$1,083)</b>	<b>(11.1%)</b>

## 2017 2<sup>nd</sup> Quarter Reforecast Technology (000's)



**PORT HOUSTON**  
THE INTERNATIONAL PORT OF TEXAS™

	2016 Budget	2016 Actual	2017 Budget	2017 Actual	2017	Variance	Variance %
				Jun YTD	Reforecast		
Salaries	\$1,753	\$2,163	\$2,154	\$1,107	\$2,186	\$32	1.5%
Benefits	\$691	\$812	\$909	\$499	\$884	(\$25)	(2.7%)
Retirement Benefits	\$466	\$376	\$452	\$327	\$535	\$83	18.4%
Depreciation & Amortization	\$2,181	\$2,037	\$2,285	\$1,022	\$1,945	(\$340)	(14.9%)
Terminal & Asset Maintenance	\$501	\$344	\$384	\$155	\$358	(\$26)	(6.8%)
Fees & Services	\$1,872	\$2,227	\$2,141	\$457	\$1,817	(\$324)	(15.1%)
Insurance	\$360	\$299	\$226	\$74	\$110	(\$116)	(51.5%)
Fuel	\$0	\$0	\$0	\$0	\$1	\$1	604.4%
Consulting Fees	\$231	\$194	\$717	\$42	\$827	\$110	15.4%
Discretionary Expenses	\$1,206	\$1,182	\$1,324	\$388	\$1,211	(\$113)	(8.5%)
<b>Gross Expense</b>	<b>\$9,261</b>	<b>\$9,634</b>	<b>\$10,592</b>	<b>\$4,071</b>	<b>\$9,874</b>	<b>(\$718)</b>	<b>(6.8%)</b>
Allocations	(\$994)	(\$934)	(\$838)	(\$603)	(\$1,206)	(\$368)	43.9%
<b>Net Expense</b>	<b>\$8,267</b>	<b>\$8,700</b>	<b>\$9,754</b>	<b>\$3,468</b>	<b>\$8,668</b>	<b>(\$1,086)</b>	<b>(11.1%)</b>

## 2017 2<sup>nd</sup> Quarter Reforecast HSSE (000's)



**PORT HOUSTON**  
THE INTERNATIONAL PORT OF TEXAS™

	2016 Budget	2016 Actual	2017 Budget	2017 Actual Jun YTD	2017 Reforecast	Variance	Variance %
Salaries	\$8,300	\$8,148	\$7,797	\$4,094	\$8,208	\$411	5.3%
Benefits	\$3,415	\$3,455	\$4,006	\$1,969	\$3,582	(\$424)	(10.6%)
Retirement Benefits	\$546	\$958	\$1,845	\$1,639	\$2,677	\$832	45.1%
Depreciation & Amortization	\$3,206	\$3,081	\$2,990	\$1,502	\$2,893	(\$97)	(3.3%)
Terminal & Asset Maintenance	\$384	\$317	\$391	\$88	\$488	\$98	25.0%
Fees & Services	\$6,682	\$6,435	\$6,802	\$2,964	\$6,706	(\$96)	(1.4%)
Insurance	\$446	\$377	\$470	\$191	\$382	(\$88)	(18.7%)
Utilities	\$117	\$69	\$117	\$23	\$117	(\$0)	(0.0%)
Fuel	\$246	\$93	\$246	\$43	\$165	(\$81)	(33.1%)
Consulting Fees	\$135	\$118	\$125	\$0	\$90	(\$35)	(28.0%)
Discretionary Expenses	\$1,167	\$922	\$1,192	\$290	\$1,109	(\$83)	(6.9%)
<b>Gross Expense</b>	<b>\$24,644</b>	<b>\$23,973</b>	<b>\$25,981</b>	<b>\$12,803</b>	<b>\$26,417</b>	<b>\$436</b>	<b>1.7%</b>
Allocations	(\$9,670)	(\$9,258)	(\$6,855)	(\$4,340)	(\$9,152)	(\$2,297)	33.5%
<b>Net Expense</b>	<b>\$14,974</b>	<b>\$14,715</b>	<b>\$19,126</b>	<b>\$8,463</b>	<b>\$17,265</b>	<b>(\$1,861)</b>	<b>(9.7%)</b>

# 2017 2<sup>nd</sup> Quarter Reforecast Commercial (000's)



**PORT HOUSTON**  
THE INTERNATIONAL PORT OF TEXAS™

	2016 Budget	2016 Actual	2017 Budget	2017 Actual	2017	Variance	Variance %
				Jun YTD	Reforecast		
Salaries	\$1,958	\$2,043	\$2,066	\$1,060	\$2,080	\$14	0.7%
Benefits	\$714	\$777	\$844	\$468	\$805	(\$39)	(4.7%)
Retirement Benefits	\$530	\$480	\$592	\$567	\$844	\$252	42.6%
Depreciation & Amortization	\$1,002	\$1,127	\$1,088	\$533	\$1,077	(\$11)	(1.0%)
Terminal & Asset Maintenance	\$19	\$1,079	\$1,750	\$311	\$863	(\$887)	(50.7%)
Fees & Services	\$1,072	\$818	\$941	\$393	\$914	(\$27)	(2.9%)
Insurance	\$175	\$175	\$211	\$105	\$219	\$8	3.9%
Utilities	\$291	\$269	\$237	\$100	\$208	(\$30)	(12.5%)
Fuel	\$0	\$0	\$16	\$2	\$5	(\$11)	(67.0%)
Consulting Fees	\$593	\$466	\$519	\$191	\$624	\$106	20.3%
Discretionary Expenses	\$2,495	\$2,016	\$2,188	\$870	\$2,014	(\$174)	(7.9%)
<b>Gross Expense</b>	<b>\$8,849</b>	<b>\$9,250</b>	<b>\$10,452</b>	<b>\$4,600</b>	<b>\$9,653</b>	<b>(\$799)</b>	<b>(7.6%)</b>
Allocations	\$100	\$29	\$347	\$14	\$26	(\$321)	(92.4%)
<b>Net Expense</b>	<b>\$8,949</b>	<b>\$9,279</b>	<b>\$10,799</b>	<b>\$4,614</b>	<b>\$9,679</b>	<b>(\$1,120)</b>	<b>(10.4%)</b>

## 2017 2<sup>nd</sup> Quarter Reforecast Infrastructure (000's)



**PORT HOUSTON**  
THE INTERNATIONAL PORT OF TEXAS™

	2016 Budget	2016 Actual	2017 Budget	2017 Actual	2017	Variance	Variance %
				Jun YTD	Reforecast		
Salaries	\$4,039	\$3,964	\$4,700	\$2,168	\$4,342	(\$358)	(7.6%)
Benefits	\$1,547	\$1,533	\$1,950	\$945	\$1,660	(\$290)	(14.9%)
Retirement Benefits	\$811	\$750	\$1,040	\$899	\$1,383	\$343	33.0%
Depreciation & Amortization	\$782	\$739	\$793	\$336	\$690	(\$103)	(13.0%)
Terminal & Asset Maintenance	\$1,030	\$469	\$430	\$118	\$424	(\$6)	(1.5%)
Fees & Services	\$414	\$606	\$448	\$116	\$419	(\$30)	(6.6%)
Insurance	\$103	\$152	\$179	\$101	\$189	\$9	5.2%
Utilities	\$0	\$1	\$0	\$0	\$0	(\$0)	(40.6%)
Fuel	\$0	\$0	\$24	\$4	\$11	(\$13)	(55.4%)
Consulting Fees	\$2,704	\$1,401	\$2,413	\$361	\$2,415	\$2	0.1%
Discretionary Expenses	\$315	\$494	\$414	\$199	\$727	\$313	75.6%
<b>Gross Expense</b>	<b>\$11,745</b>	<b>\$10,109</b>	<b>\$12,391</b>	<b>\$5,247</b>	<b>\$12,260</b>	<b>(\$131)</b>	<b>(1.1%)</b>
Allocations	(\$886)	(\$649)	(\$618)	(\$213)	(\$577)	\$41	(6.6%)
<b>Net Expense</b>	<b>\$10,859</b>	<b>\$9,460</b>	<b>\$11,773</b>	<b>\$5,034</b>	<b>\$11,683</b>	<b>(\$90)</b>	<b>(0.8%)</b>

# 2017 2<sup>nd</sup> Quarter Reforecast Operations (000's)



**PORT HOUSTON**  
THE INTERNATIONAL PORT OF TEXAS™

	2016 Budget	2016 Actual	2017 Budget	2017 Actual	2017	Variance	Variance %
				Jun YTD	Reforecast		
Salaries	\$47,428	\$49,579	\$51,063	\$28,832	\$58,001	\$6,938	13.6%
Benefits	\$18,225	\$18,736	\$20,130	\$11,130	\$21,563	\$1,433	7.1%
Retirement Benefits	\$4,077	\$5,091	\$4,390	\$3,948	\$6,335	\$1,946	44.3%
Depreciation & Amortization	\$61,198	\$72,294	\$67,561	\$28,480	\$59,272	(\$8,289)	(12.3%)
Terminal & Asset Maintenance	\$16,310	\$15,842	\$15,111	\$7,242	\$15,887	\$775	5.1%
Fees & Services	\$1,908	\$2,319	\$2,956	\$1,467	\$3,194	\$238	8.0%
Insurance	\$3,936	\$3,871	\$3,626	\$1,886	\$3,736	\$110	3.0%
Utilities	\$4,221	\$3,723	\$3,604	\$1,822	\$3,709	\$105	2.9%
Fuel	\$2,726	\$2,224	\$2,419	\$1,410	\$2,918	\$499	20.6%
Consulting Fees	\$0	\$129	\$0	\$0	\$0	\$0	0.0%
Discretionary Expenses	\$5,002	\$15,892	\$4,089	\$1,194	\$3,126	(\$964)	(23.6%)
<b>Gross Expense</b>	<b>\$165,031</b>	<b>\$189,700</b>	<b>\$174,949</b>	<b>\$87,411</b>	<b>\$177,741</b>	<b>\$2,792</b>	<b>1.6%</b>
Allocations	\$10,950	\$10,506	\$7,129	\$5,011	\$10,529	\$3,400	47.7%
<b>Net Expense</b>	<b>\$175,981</b>	<b>\$200,206</b>	<b>\$182,078</b>	<b>\$92,422</b>	<b>\$188,270</b>	<b>\$6,192</b>	<b>3.4%</b>