

## E. STRATEGY

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<b>Subject</b>	<b>1. Approve and adopt the proposed amendment to the Strategic Plan 2025.</b>
Meeting	Nov 11, 2025 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its November 11, 2025 meeting, approve and adopt the proposed amendment to the Strategic Plan 2025 Update, and further authorize the Chief Executive Officer to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

**Category:**

General

**Department:**

Corporate Strategy

**Staff Contact:**

Candice Armenoff

**Background:**

Section 5007.221 of the Texas Special District Local Laws Code requires of the Port Authority that:

(a) Appropriate staff shall develop a long-range plan containing:

- a mission and values statement;
- an assessment of the Port Authority's state as of the date of the plan;
- an assessment of the projected operating environment over the course of the long-range plan;
- a discussion of high-level goals, strategies, and priorities;
- a scheme for ongoing evaluation of progress toward stated goals, including performance measures; and
- other strategic planning elements, as considered appropriate by the staff or Port Commission.

(b) The Port Commission shall establish a planning horizon of at least ten years for the long-range plan;

(c) The staff shall identify and collaborate with stakeholders to obtain input on the long-range plan; and

(d) The Port Commission may amend and shall adopt the plan and any updates to the plan in an open meeting.

The Port Authority is also required, by Section 5007.221(f) of the Code, to re-evaluate its long-range and strategic plans every five years, or more frequently if conditions warrant it.

By Minute No. 2024-1112-08, the Port Commission approved and adopted the Strategic Plan 2025 Update - Mission, Vision, Strategic Goals, and Objectives.

Since the 2025 update's adoption, the Port Authority has experienced new challenges and opportunities, including a change in executive leadership and organizational structure as well as evolving market conditions. In order to maintain its competitive advantage, these changes warrant recognition and inclusion in planning the Port Authority's future. This amendment to the Strategic Plan 2025 Update strengthens alignment and execution to better support the strategic goals.

**Staff Evaluation/Justification:**

The Port Commission was provided the final draft of this amendment to the 2025 Strategic Plan at the October 27, 2025 Port Commission meeting. The amended plan reflects formal and informal feedback received from stakeholders during the development of the 2025 plan development and since its adoption in November 2024.

Staff recommends to the Port Commission that the proposed amendment to the 2025 Strategic Plan be approved and adopted.

## F. FINANCE

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<b>Subject</b>	<b>1. Consideration and possible action regarding the proposed Fiscal Year 2026 Operating and Capital Budget.</b>
Meeting	Nov 11, 2025 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its November 11, 2025, meeting, consider and take possible action regarding the proposed Operating and Capital Budget for Fiscal Year 2026, and further authorize the Chief Executive Officer to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

**Category:**

General

**Department:**

Finance

**Staff Contact:**

David Jochnau/Tim Finley

**Background:**

The Texas Special District Local Laws Code includes the following requirements for the Port Authority:

Sec. 5007.223. BUDGET. The port commission shall annually adopt a budget for the authority in an open meeting.

Sec. 5007.224. ONE-YEAR CAPITAL PLAN.

- Appropriate staff shall develop a one-year capital plan, including associated financing that is integrated with the budget of the authority.
- The port commission shall adopt the one-year capital plan in an open meeting.
- The port commission shall establish and document a detailed process for the analysis and approval of a project proposed for inclusion in the one-year capital plan. A project may be included in the one-year capital plan only if it is approved in accordance with that process.

A proposed Operating Budget has been developed by staff to guide it in the operation and management of Port Authority facilities and activities for Fiscal Year 2026. In addition, staff has followed its standard process for review and analysis of capital projects and prepared a proposed 2026 Capital Budget to address the most urgent infrastructure needs in line with the Port Authority's strategic direction, and as required by law.

**Staff Evaluation/Justification:**

In accordance with its Strategic Planning Policy, the Port Authority has made available to the public by posting on its website the proposed Fiscal Year 2026 Operating and Capital Budget at least seventy-two hours prior to this meeting.

Staff recommends that the proposed Operating and Capital Budget be adopted for Fiscal Year 2026.



## F. FINANCE

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<b>Subject</b>	<b>2. Staff briefing, discussion, and possible action, regarding the proposed Five-Year Operating and Capital Plan.</b>
Meeting	Nov 11, 2025 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its November 11, 2025 meeting, conduct a staff briefing and discussion, and take possible action, regarding the proposed Five-Year Operating and Capital Plan, and further authorize the Chief Executive Officer to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

**Category:**

General

**Department:**

Finance

**Staff Contact:**

David Jochnau/Tim Finley

**Background:**

The Texas Special District Local Laws Code includes the following requirements for the Port Authority:

Sec. 5007.222. MID-RANGE PLANNING.

- a. Appropriate staff shall develop a mid-range plan consistent with the long-range plan. The mid-range plan must include:
  1. a five-year financial forecast addressing the financial needs and financing options of the authority for the five-year period, with information about the relative cost of the options;
  2. a five-year capital plan, including a preliminary analysis and prioritization of projects; and
  3. other detailed action plans as the port commission or staff finds necessary to achieve the goals of the mid-range plan or long-range plan.
- b. The staff shall present the mid-range plan in an open meeting of the port commission. The port commission is not required to adopt a mid-range plan.

A proposed Five-Year Operating and Capital Plan has been developed by staff for the years 2026-2030 as required by law

**Staff Evaluation/Justification:**

In accordance with its Strategic Planning Policy, the Port Authority has made available to the public by posting on its website the proposed Five-Year Operating and Capital Plan at least seventy-two hours prior to this meeting.

Staff requests that the Port Commission conduct a staff briefing and discussion regarding this matter.



## G. OPERATIONS

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<b>Subject</b>	<b>1. Approve increases in Port Authority tariff charges, including dockage, wharfage, throughput charges, container storage rates, container crane and private crane rental rates, water hookup rates, freight handling rates, and miscellaneous other charges as follows: (i) increases equal to the sum of a 2.7% increase in the Consumer Price Index average for the 12-month period ending July 2025, as published by the U.S. Bureau of Labor Statistics, and a 1.79% increase based on the anticipated effects of the wage scale and working condition change contained in the labor contract(s) affecting those terminals for a combined increase of 4.49% for Tariff 14 (Barbours Cut Container Terminal) and Tariff 15 (Bayport Container Terminal); (ii) 2.7% increases for Tariff 8 (Houston Ship Channel and Public Owned Wharves), (iii) 2.7% increases for the Harbor Fee, and (iv) 2.7% increases for the Port Security Fee, such increased charges to be included and published in Port Authority Tariff Nos. 8, 14, and 15 effective January 1, 2026.</b>
Meeting	Nov 11, 2025 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its November 11, 2025 meeting, approve increases in Port Authority tariff charges, including dockage, wharfage, throughput charges, container storage rates, container crane and private crane rental rates, water hookup rates, freight handling rates, and miscellaneous other charges as follows: (i) increases equal to the sum of a 2.7% increase in the Consumer Price Index average for the 12-month period ending July 2025, as published by the U.S. Bureau of Labor Statistics, and a 1.79% increase based on the anticipated effects of the wage scale and working condition change contained in the labor contract(s) affecting those terminals for a combined increase of 4.49% for Tariff 14 (Barbours Cut Container Terminal) and Tariff 15 (Bayport Container Terminal); (ii) 2.7% increases for Tariff 8 (Houston Ship Channel and Public Owned Wharves), (iii) 2.7% increases for the Harbor Fee, and (iv) 2.7% increases for the Port Security Fee, such increased charges to be included and published in Port Authority Tariff Nos. 8, 14, and 15 effective January 1, 2026, and (v) further authorize the Chief Executive Officer to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

**Category:**

General

**Department:**

Operations

**Staff Contact:**

Ryan Mariacher

**Background:**

Port Authority operations must remain cost-effective to meet the increasing demands of the maritime trade and take account of other relevant considerations. Staff anticipates that the cost of operations, including third-party expenses, would in general continue to increase in 2026, as reported by the change in the Consumer Price Index (CPI) for All Urban Consumers (CPI-U), United States city average, measured over a twelve-month period.

**Staff Evaluation/Justification:**

In view of escalating costs and expense increases and recognizing the need to keep Port Authority terminals competitive and operating at compensatory levels, staff has determined that it is advisable to implement increases in certain tariff charges, including dockage, wharfage, throughput charges, container storage rates, container crane and private crane rental rates, water hookup rates, freight handling rates, and miscellaneous other rates. These 4.49% increases in Tariff 14 and 15 for the container handling facilities, equal to a combination of the CPI increase and the anticipated effects of the wage scale and working condition change contained in the labor contract(s) affecting the container terminals, and 2.7% increases for certain Tariff 8 fees, including those applicable to the multi-purpose facilities, should enable the Port Authority to maintain its facilities and services as a competitive port and continue to meet the needs of its customers.

Staff is also requesting a 2.7% increase in the Harbor Fee per vessel charge provided for in Tariff 8, to continue to permit a fee that is both reasonable and compensates the Port Authority for its expenses relating to safety, and fire prevention and suppression responsibilities. Staff also requests a 2.7% increase for the Port Security Fee provided for in Tariffs 8, 14 and 15, in order to continue to fulfill its responsibilities for security.

Staff recommends the Port Commission approve the above tariff charge increases to take effect January 1, 2026.

## H. CHANNEL INFRASTRUCTURE

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<b>Subject</b>	<b>1. Approva a cost-share agreement with the U.S. Army Corps of Engineers – Galveston District to initiate the navigation feasibility study for "Project 12", the next Houston Ship Channel improvement project, in an amount not to exceed \$49,999</b>
Meeting	Nov 11, 2025 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its November 11, 2025 meeting, approve a cost-share agreement with the U.S. Army Corps of Engineers – Galveston District to initiate the navigation feasibility study for "Project 12", the next Houston Ship Channel improvement project, in an amount not to exceed \$49,999, and further authorize the Chief Executive Officer to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

**Category:**

General

**Department:**

Channel Infrastructure Operations

**Staff Contact:**

Lori Brownell/Leia Wilson

**Background:**

The Water Resource Development Act (WRDA) of 2024 authorized the feasibility study for the "Project 12", the next Houston Ship Channel improvement project. The Port Authority intends to serve as the non-federal sponsor of the study, which would be cost-shared with the U.S. Army Corps of Engineers (USACE). Port Authority staff would also negotiate an interlocal agreement to provide cooperation and financial assistance from Galveston and Texas City to support this project.

The navigation feasibility study is estimated to cost \$20,000,000 and would be funded in three phases. The Port Authority's cost-share portion is an estimated \$10,000,000, that staff expects to be shared with Galveston and Texas City. The initial kickoff of the feasibility study cost-share for the development of the agreement, project management plan, and initiation of scoping, is an amount not to exceed \$49,999. Staff would bring further study commitments to the Port Commission for future consideration as this work proceeds.

**Staff Evaluation/Justification:**

Port Authority staff recognize this as the initial and necessary step in continued progress for the Houston Ship Channel.

Staff recommends that the Port Commission authorize the approval to enter into a navigation feasibility cost-share agreement as described above.

