

# Port E-News

Public Relations Department  
Port of Galveston  
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## Board of Trustees of the Port of Galveston April 2005 Meeting

### March 2005 Financial Results:

Port of Galveston and Galveston Port Facilities Consolidated Income Statement:

**\*The Port reports a net income for March 2005.**

**A net income was reported for each month in the first 3 months of 2005,  
with the last net income reported in April 2004.\***

	March 2005 Actual	March 2004 Actual	March 2005 Budget
Operating Revenue	\$1,467,832	\$1,496,175	\$1,435,876
Operating Expense	965,542	860,557	980,642
<b>Net Operating Income (Loss)</b>	<b>502,290</b>	<b>635,618</b>	<b>455,234</b>
Add - Other Income	122,410	134,228	106,142
Deduct - Other Expense	317,233	310,297	304,431
<b>Net Income (Loss) After Other Income and Expense</b>	<b>307,467</b>	<b>459,549</b>	<b>256,945</b>
Deduct Depreciation and Amortization	239,142	241,021	239,142
<b>Net Income (Loss) for the Period</b>	<b>\$ 68,325</b>	<b>\$218,528</b>	<b>\$17,803</b>

All major revenue categories, with the exception of passenger service charges of \$36,000 over budget due to increased cruise activity, were on budget for the month of March. Expenses were slightly under budget in total, with salaries and related expenses, maintenance and repairs and office and sales expenses coming in under budget, and other operating expenses over budget. In related major line-items, contract labor exceeded budget due to parking operations and security costs at the Pelican Island facility. Water expenses exceeded budget due to an under-accrual of this item when billing discrepancies were settled with the City of Galveston.

**March 2005 Cargo Results:**

Description	March 2005	March 2004	1 <sup>st</sup> Quarter 2005	1 <sup>st</sup> Quarter 2004	Percentage
<b>Bulk Grains</b>	294,864	301,062	872,676	1,052,503	-17.09%
<b>Bulk Fertilizer</b>	7,771	29,044	53,858	29,044	.44%85,
<b>Bulk Liquid</b>	0	18,630	16,353	79,209	-79.35%
<b>Bulk Cement - Pier 41</b>	5,405	0	14,644	0	1000%
<b>Bananas / Fruit</b>	16,630	23,594	49,447	55,793	-11.37%
<b>General Cargo</b>	75	1,456	547	5,050	89.17%
<b>Ro-Ro Cargo</b>	16,075	13,803	48,104	33,558	43.35%
<b>Containerized – Pier 10</b>	0	980	0	7,402	-1000%
<b>Containerized - Others</b>	4,771	6,994	22,237	11,965	85.85%
<b>Total Cargo</b>	345,591	395,563	1,077,866	1,274,524	-15.43%
<b>Disembarking PAX</b>	51,459	42,545	150,824	110,786	36.14%
<b>Embarking PAX</b>	52,916	43,038	151,230	110,192	37.24%
<b>Cargo/Lay Ships</b>	27	30	91	93	-2.15%
<b>Cruise Ships</b>	22	22	68	60	13.33%
<b>Cargo/Lay Barges</b>	22	5	57	10	470%
<b>Research Vessels</b>	21	13	50	38	31.58%
<b>Total Calls</b>	92	70	266	201	32.34%

\*YTD - Year-to-date

\*PAX - Passenger

**Additional Reports:*****Cruise Terminal 2 Renovations***

The wharf work is complete and all the new fenders are installed. The remainder of the pad for the passenger loading bridge in the area where the scaffold is currently erected cannot be completed until the scaffold is removed. The scaffold will be dismantled after the last cruise of *Galaxy* on May 7. The loading bridge should be ready for passengers in early June. The walls for the newly expanded west end have been installed and the concrete on the roof poured. The windows around the top of the west end will be installed the last week of May. The elevator installation is estimated to take 4 to 6 weeks and probably will not begin until May 30. Interior terminal work in the remainder of the terminal continues. The boat-shaped wall in the passenger check-in and waiting area has been installed. The Customs and Border Protection inspection area is approximately 80% complete. The plumbing for the restrooms and the sewer line have been installed. Final completion of all Cruise Terminal No. 2 work is scheduled for July 1, 2005.

***Relocation of Police Headquarters and Emergency Operations Center Development (Federal Security Grant)***

The federally-funded project to build a new Port Police Headquarters and a secondary Emergency Operations Center was awarded to Brazos Commercial Constructors Inc. The elevation has been raised approximately 3 feet to meet flooding requirements. The footings and stem wall have been poured and plumbing and electrical conduit installed. Final completion of the facility is estimated to be July 2005.

***Cruise Terminal Security Perimeter Improvements (Federal Security Grant)***

Four crash-proof gates are installed at Pier 23, Pier 26, Pier 28 and Pier 29. This project is funded by a federal grant. The electrical work for each gate and the installation of traffic lights and protective bollards were projected for completion the last week of April.

***Pier 34 Upland Development***

Pier 34 and the upland area to the south of Pier 34 have been improved to accommodate ro-ro cargo and specifically the operations of Wallenius Wilhelmsen Lines. All site work is complete with the exception of the paving of a small area in the vicinity of the pile of crushed concrete and an area adjacent to Plant No. 14 where the Wallenius trailer will be positioned. Any remaining crushed material not used at other sites on the Port will be relocated to the former Material Yard to ensure the Wallenius has a clean site for operations. Ten light poles have been installed. All lighting equipment is in place and waiting CenterPoint Energy action on final hook-up before they are operational. Minor improvements have been made to the floor of the proposed staging and loading area. Additional ship fenders will be installed at Pier 34. Concerns exist relating to fencing, fire sprinklers at Plant 14 and the future road developments. Improvements will be made as funds become available. The work is being managed by the Port's engineering staff using a mixture of contract labor and port construction and maintenance personnel.

***Oil Rigs at Pelican Island Shipyard***

The Port took possession of the old Todd Shipyard facility in October 2004 when the lease with Newpark Shipbuilding was terminated. At that time, several oil rigs remained at the shipyard. The Port of Galveston is currently negotiating with the rig owners to obtain dockage owed through March 2005.

**Board of Trustees Agenda Items**

- The Board of Trustees voted to accept the Quarterly Report on the financial status of the Galveston Wharves Defined Pension Plan for the first quarter of 2005 and to set a special meeting to discuss the plan.
- The Board of Trustees approved the Memorandum of Agreement between the Board of Trustees of the Galveston Wharves and the U.S. Coast Guard on sharing maritime security and safety information and instructed legal counsel to review language addressing the confidentiality of information shared between organizations.
- The Board of Trustees deferred the request from the Galveston Hotel & Motel Association to adopt a fee of around \$2.00 per trip for shuttle service from local hotels and motels to the cruise terminal complex and requested the port staff provide an evaluation of shuttle-fee revenues.
- The Board of Trustees approved the lease agreement to include 2 amendments with Gulf Copper and Manufacturing Corporation for the shipyard on Pelican Island.
- The Board of Trustees tabled the amendment to the Promissory Note and Development Agreement with Carnival Corporation and additional loan and construction documents relating to increasing the primary loan amount by \$2 million to facilitate improvements to the front of the cruise terminal complex, relocate the Mallory Yard rail tracks, and expand circulation roadways and staging areas related to cruise operations.
- The Board of Trustees tabled the Lease and Development Agreement for the Pier 19/20 channel front property until the next meeting.

- The Board of Trustees instructed staff to meet with the Burlington Northern Santa Fe Railway Company about the lease of approximately 17.8 acres of land owned by the railroad at 37<sup>th</sup> Street and Harborside Drive and come back to the Board with a recommendation at the next meeting.
- The Board of Trustees was informed of the withdrawal of Agenda Item F-8 – Discuss and consider for approval a resolution regarding a request from Agriliance LLC for the issuance of a series of bonds for port facilities and an intent to finance expenditures to be incurred in connection therewith. A meeting on this item is scheduled for Tuesday, May 3, 2005 at 9:00 a.m.
- The Board of Trustees established a committee of Chairman Benny Holland and Vice Chairman Gerald Sullivan to meet with Port Director Steve Cernak about the Port Director’s contract. The results will be discussed at the next meeting of the Board of Trustees.

### **Next Meeting**

The next regular meeting of the Board of Trustees of the Galveston Wharves is scheduled for Friday, May 20, 2005 at the main offices of the Port of Galveston located at 123 Rosenberg, 8<sup>th</sup> floor. Agendas are scheduled to be posted on the Port of Galveston website at [www.portofgalveston.com](http://www.portofgalveston.com) prior to the meeting.

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