

PORT OF GALVESTON 2014 ANNUAL BUDGET

PORT OF GALVESTON GALVESTON, TEXAS



**Operating
Budget**

**Renewal and
Replacement
Budget**

**Capital
Improvement
Plan and 2014
Capital
Improvement
Budget**

**Port of Galveston 2014 Annual Budget
Overview of the 2014 Budget**



The 2014 Budget is being presented in a functional format – the same format presented monthly with Actual and Projected results compared to the amended approved 2013 Budget. General presentation is Overview followed by Revenues, Salaries and Benefits, Repairs and Maintenance, Other Operating Expenses, General and Administrative, Depreciation then Other Income and Expenses.

**Major Events
Occurring in
2014:**

**Cruise Terminal
2 Expansion**

**Parking Garage
and Transit
Center In-
service**

**Improvements
to Pier 10 Area**

Port of Galveston 2014 Revenues from Operations



Revenues from Operations are broken down by major categories. These Categories are:

1. Switching and Rail Storage
2. Cruise Passenger Revenue
3. Cruise Parking Revenue
4. Dockage
5. Wharfage
6. Rentals
7. Ship Services
8. Revenue Producing Services
9. Security Cost Recovery
10. Other

In 2001, the top five revenue cargos were:
Containerized Cargo, Bulk Grain, Sugar, Liquid Bulk and Fresh Produce.

Today the top five are:
Cruise Passengers, Bulk Fertilizer, Fresh Fruit, Ro-Ro and Ship Yard Rental.

Port of Galveston 2014
Revenues



In developing 2014 revenue projections, Staff obtained information from:

- 1. The Primary Stevedores**
- 2. Cruise Lines**
- 3. Del Monte**
- 4. ADM**
- 5. Ro-Ro shippers**

Forecast for 2014 grain exports are expected to double 2012 levels

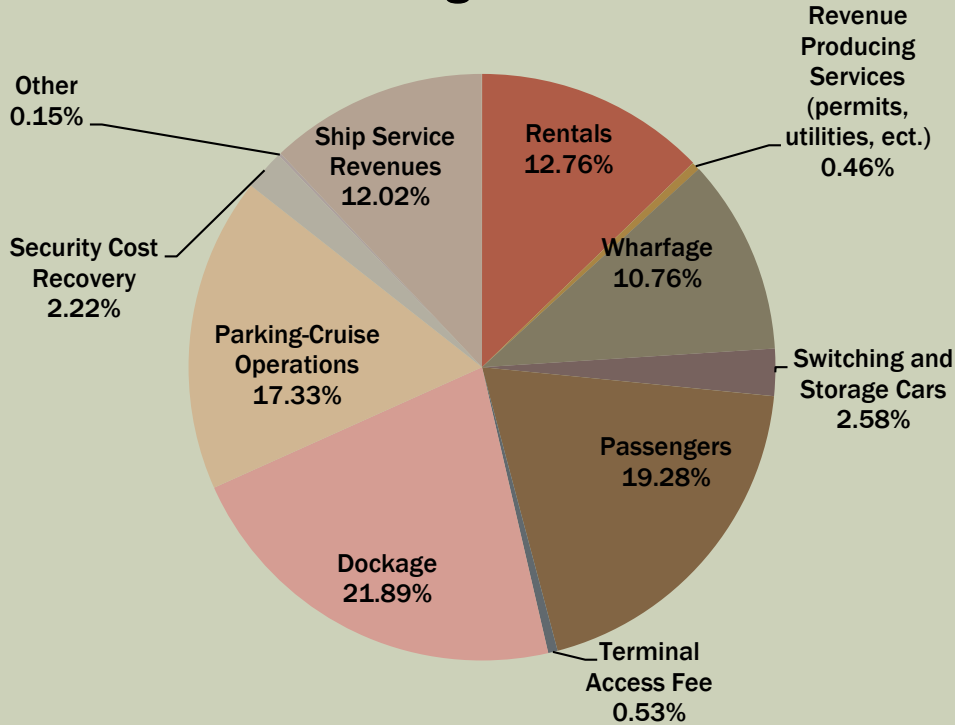
Wind Tower imports and Wind Blade exports are projected to increase in 2014

2014 Cruise Port Calls will exceed 2013 by 3

Port of Galveston 2014 Revenues from Operations



2014 Budgeted Revenue



Revenues from Operations by Major Categories

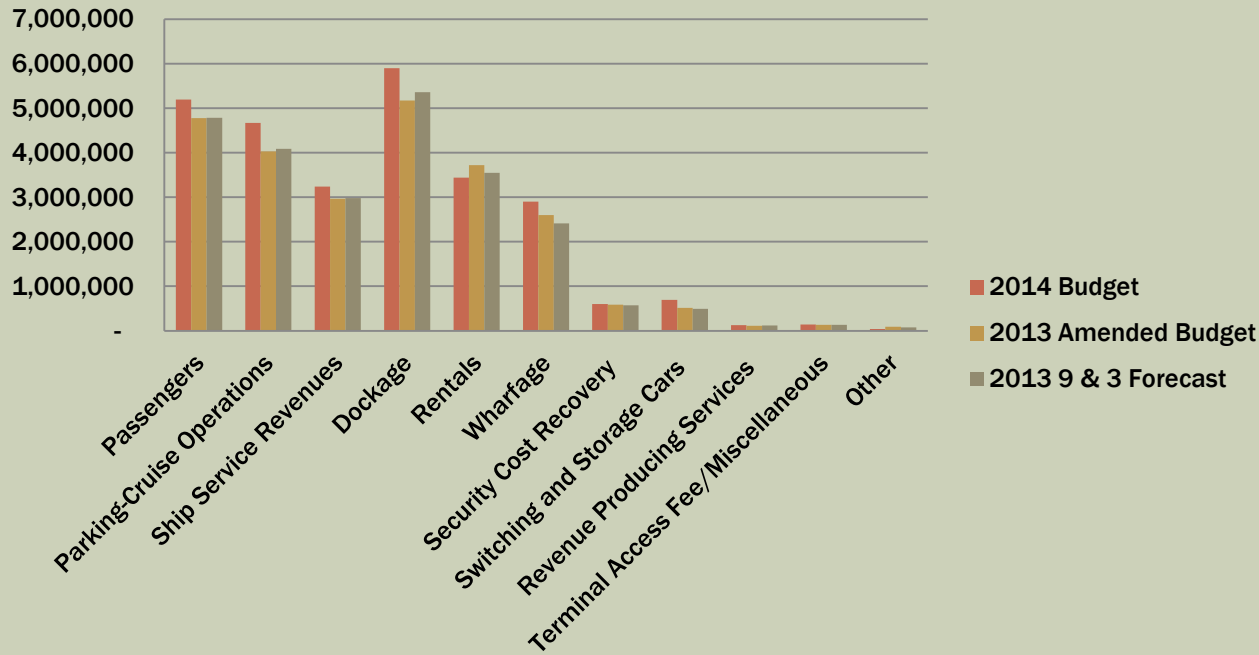
Total 2014 Operating Revenue are \$26.9M

- Dockage \$5.9M**
- Rentals \$3.4M**
- Passengers \$5.2M**
- Wharfage \$2.9M**
- Parking \$4.7M**
- Ship Service Revenues \$3.2M**
- Rail & Switching \$0.7M**
- Security Cost Recovery \$0.6M**
- All Other \$0.3M**

Port of Galveston 2014 Revenues from Operations



Compare 2014 Budgeted Revenues to 2013 Amended Budget and 2013 9 & 3 Forecast



Revenues from Operations by Major Categories

Compared to 2013
9&3 Forecast:

Increases In Revenues:

Parking **\$582K**

Dockage **\$535K**

Wharfage **\$488K**

Ship Services **\$261K**

Switching **\$199K**

Passenger Revenue
\$412K

Security Cost
Recovery **\$25K**

Decreases In Revenues:

Rentals **\$110K**

Other **\$26K**

**Total Revenue
Increase \$2.37M**

Port of Galveston 2014 Switching / Rail Revenues



Year	Switching/Rail					
	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Revenue	878,609	1,089,685	970,464	675,394	496,428	695,852
Percentage Change		24%	-11%	-30%	-26%	40%

Current projections received from ADM indicate increased grain exports through Galveston in 2014 when compared to 2013

In recent years grain exports from Galveston were primarily wheat but beginning in 4th quarter 2013 and continuing into 2014 soybeans are being added to the mix thus increasing local export activity

2014 Switching revenues are projected to increase 40% over 2013 levels driven by ADM's projections of increased grain exports and anticipated increased wind cargo.

Port of Galveston 2014 Wharfage Revenue

Year	Wharfage					
	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Revenue	1,583,092	1,873,470	2,113,569	2,890,377	2,411,068	2,899,432
Percentage Change		18%	13%	37%	-17%	20%

Wind product activity is projected to include 5 import and 7 export shipments in 2014

Fresh Fruit Terminal through put increased due to increased ship size along with improved facilities

Liquid Bulk and Ro-Ro activity is projected to remain at or slightly higher than 2013 levels

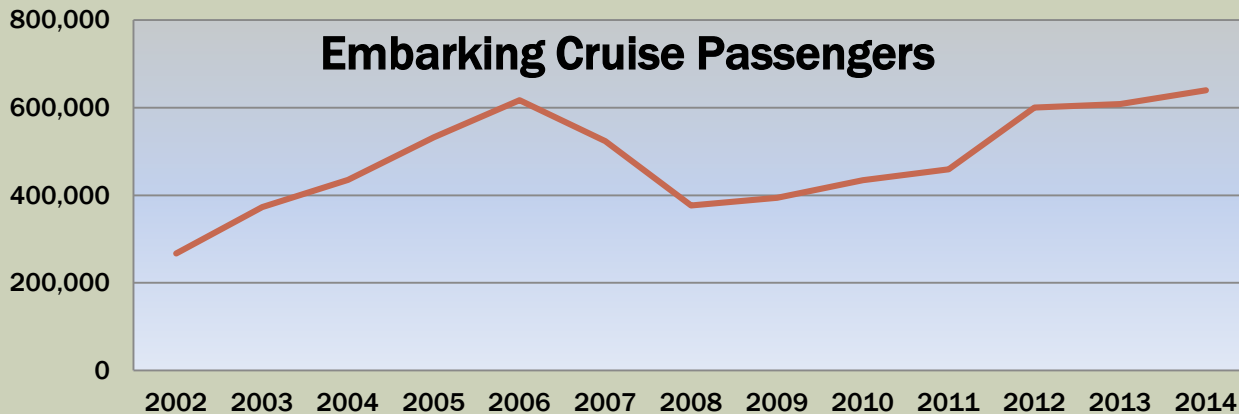
Bulk Fertilizer is expected to drop by 33% due to increases in fertilizer prices



Wharfage is the fee charged for cargo passing over the docks

Completion of Pier 16/18 improvements are contributing to increased fresh fruit imports by allowing larger ships to be off-loaded efficiently

Port of Galveston 2014 Revenues From Cruise Operations



In 2001 total embarking passengers were 148,701. In 2014, the passenger count is expected to exceed 639,600 an increase in excess of 330%!

Galveston is one of the top cruise ports in the United States.

Cruise Revenues (including Passenger and related Ship Service Revenues) increased from less than \$1M in 2001 to \$8.4M in 2014 and is now over 31% of annual revenues.

In 2014 Galveston remains the year round Home Port of the Carnival Magic and Triumph and welcomes Royal Caribbean's Navigator of the Seas- our newest year round Home Port vessel

Port of Galveston 2014 Revenues From Cruise Operations Passenger Counts



Year	Passenger Revenue					
	2009	2010	2011	2012	2013	2014
Revenue	3,032,155	3,438,848	3,760,158	4,772,119	4,780,862	5,193,240
Percentage Change		13%	9%	27%	0%	9%

Increase in Passengers:

1. Embarking passenger count in 2001 – 148,701. Increased in 2014 to 639,600 or an increase of 490,899 or 330% since 2001
2. Cruise calls in 2001 were 91 in 2014 scheduled cruise calls are 181 - an increase of calls or 99% since 2001
3. 2014 revenue includes a minimum guaranteed payment from Disney of \$331K related to the relocation of the Disney Wonder back to Florida

The cruise ships calling Galveston their home port have capacity from 3,600 per cruise up to 4,600 per cruise with an average of 3,500 passengers per trip

Cruise Terminal 1 - Largest Cruise Terminal in the World

Port of Galveston 2014 Revenues From Parking Operations

Year	Parking Revenue					
	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Revenue	3,132,854	3,208,581	3,307,542	4,202,922	4,087,359	4,669,179
Percentage Change		2%	3%	27%	-3%	14%

Parking Revenues are projected to increase due to:

1. Increase in passenger traffic through the Port
2. Enhancements to marketing of Port Parking



Port of Galveston – Texas' Star Cruise Port

12 miles to open seas

Proximity to Strand and other Galveston attractions

Within Driving Distance to Major Population Centers containing in excess of 25M people

Port of Galveston 2014 Revenues From Parking Operations



Year	Vehicles Parked					
	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Vehicles Parked	53,162	58,378	59,466	74,720	76,231	83,625
Percentage Change		10%	2%	26%	2%	10%

Financial controls over the parking lot process continue to be monitored including random car counts, observations of field processes and validation of proceeds based on expected revenue

Improvements to the on-line reservation system are expected to increase on-line reservations reducing the number of cash transactions in the parking lots

Parking is a major source of revenue for the Port

Financial controls are validated on a regular basis to ensure the integrity of the parking revenue stream

Port of Galveston 2014 Dockage Revenues



Year	Dockage					
	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Revenue	7,084,880	6,580,882	5,171,709	5,171,709	5,360,999	5,895,610
Percentage Change		-7%	-21%	0%	4%	10%

Dockage is projected to increase in 2014.

In 2014, the dockage tariff rate will increase an average of 3.62%

Increased Grain and Wind Cargo activity are driving the additional increase

Other cargos are expected to remain flat to slightly lower.

Dockage consist of fees collected from ships docked at Port controlled Wharves and Piers

Rates charged are set by Tariff or may be negotiated for high traffic customers

Port of Galveston 2014 Ship Services Revenue



Ship Services Revenue						
Year	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Revenue	1,474,313	1,703,452	2,064,344	2,214,845	2,977,970	3,238,862
Percentage Change		16%	21%	7%	34%	9%

Ship Services Revenues are fees received for providing cruise vessels services such as porters, security, line handlers, pilots and water

The expense related to these services are reported in Other Operating Expenses

The Port provides contracts for certain services to assist the various cruise ships

These costs are included in the cruise passenger service charge

Port of Galveston 2014 – Revenue Producing Services



Revenue Producing Services						
Year	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Revenue	349,995	467,740	349,995	153,300	118,604	124,600
Percentage Change		34%	-25%	-56%	-23%	5%

Revenue Producing Services includes fees from providing water, permits and other miscellaneous items

2014 Increase in number of vessels calls drives increased water sales

2014 Revenue Producing Services

Utilities
\$91,200

Scrap Sales
\$14,400

Permits & Fees
\$3,000

FTZ Fees
\$16,000

Port of Galveston 2014 – Rental Revenue

Year	Rentals					
	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Revenue	4,365,053	4,703,380	5,098,394	4,790,054	3,546,290	3,463,707
Percentage Change		8%	8%	-6%	-26%	-2%

Rental Revenue consists of a combination of fixed rate rents on upland facilities and percentage rent from tenants such as Gulf Copper and Del Monte

Ground Rents paid by GPFC to the Port for the Cruise Terminals are excluded



Major Sources of Rental Income

Gulf Copper
Del Monte
ADM
Malin
MBP
T&T
Galveston
Railroad
CHS

Port of Galveston 2014 Security Cost Recovery



Security Cost Recovery						
Year	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Revenue	550,516	711,322	764,705	569,942	573,933	598,807
Percentage Change		29%	8%	-25%	1%	4%

In 2014, the Security Cost Recovery rate will increase an average of 7% Excluded from this increase are specific contracts such as the Cruise Industry contracts

Security Cost Recovery is a surcharge placed on Dockage and Wharfage per the published Tariff

The purpose of this surcharge is to recover cost of implementing, administering, and maintaining Homeland Security mandates

Actions taken

**Control Access
to Facilities**

**Upgrade and
Maintenance of
Port Security
System**

**Increased
Police
Presence**

**Training of Port
Staff**

Port of Galveston 2014 – Other Operating Income

Year	Other Income					
	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Revenue	100,074	118,885	122,358	164,254	214,800	182,778
Percentage Change		19%	3%	34%	31%	-15%

Other Operating Income is comprised of Terminal Access Fees (drop off fees to the cruise terminals) and other miscellaneous fees and licenses.

One time miscellaneous transactions in excess of \$36K occurred in 2013 causing an increase in other miscellaneous income during 2013



Terminal Access Fees are tariff based fees.

2014 Terminal access fees are increasing 4.7% over 2013

Other miscellaneous income is budgeted based on normal recurring type transactions

**Port of Galveston 2014 –
Operating Expenses**



Operating Expenses consist of those costs incurred in the normal course of business and in the general operations of the Port including General and Administrative cost. Included are cost of Personnel, Facility and Equipment Maintenance, General Liability, Property and Casualty Insurance, Utilities, Fuel and other services as required.

Total Operating Expenditures are \$26.7M

Salaries and Benefits and \$8.2M

Contract Labor \$0.5M

Repairs and Maintenance \$1.8M

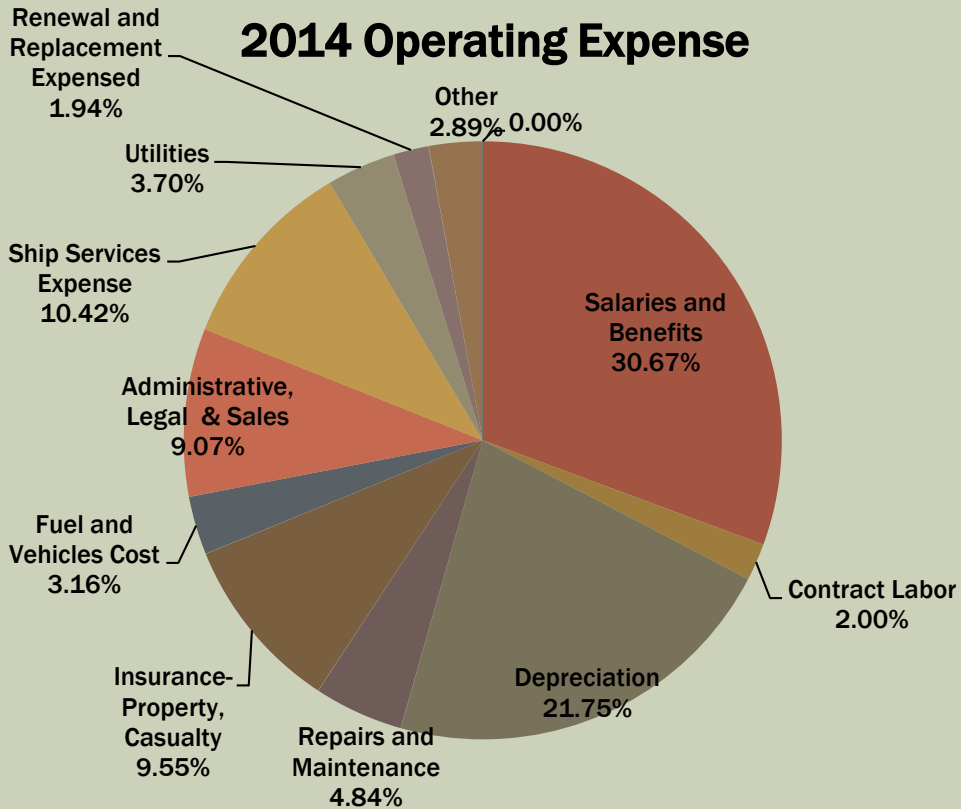
General and Administrative \$2.4M

Insurance \$2.6M

Depreciation \$5.8M

Other Expenses \$5.4M

Port of Galveston 2014 – Operating Expenses



**2014 Budgeted Operating Expenses are
\$26.7M**

**Total Operating
Expenditures
are \$26.7M**

**Salaries and
Benefits
\$8.2M**

**Contract Labor
\$0.5M**

**Repairs and
Maintenance
\$1.8M**

**General and
Administrative
\$2.4M**

**Insurance
\$2.6M**

**Depreciation
\$5.8M**

**Other Expenses
\$5.4M**

Port of Galveston 2014 – Labor and Related Cost

Salaries & Benefits and Contract Labor						
Year	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Revenue	6,552,001	7,208,746	7,615,177	8,040,443	8,278,826	8,731,532
Percentage Change		10%	6%	6%	3%	5%

The 2014 Budget includes 92 full time and 10 part time employees

Salaries, pension, health care, and employer taxes are the major components of Salaries and Benefits

The above trend includes Contract Labor totaling \$535,623

OUR EMPLOYEES ARE OUR GREATEST ASSETS

2014 Employees

**Police and Security
Employees
38FT 7PT
45**

**Maintenance
Employees
21FT
21**

**Engineering
5FT 2PT
7**

**Operations and
Cruise Terminal
6FT
6**

**General and
Administrative
22FT 1PT
23**

**Port of Galveston 2014 –
Labor and Related Cost**

Proposed Increases:

An average 3% Cost of Living increase is included. No Cost of Living increase was given in 2013

Overtime costs were adjusted to better match expected overtime directly related to cruise ships

**OUR
EMPLOYEES
ARE OUR
GREATEST
ASSETS**

Salaries \$5.6M

**Health Benefits
\$1.5M**

**Pension
\$0.6M**

**Employer Paid
Employment
Taxes
\$0.5M**

**Total Salaries
and Benefits
\$8.2M**

**Contract Labor
\$0.54M**

Port of Galveston 2014 – Repairs and Maintenance



Repairs and Maintenance						
Year	2009	2010	2011	2012	2013	2014
Revenue	1,335,331	1,661,059	1,050,715	1,159,940	1,073,785	1,810,386
Percentage Change		24%	-37%	10%	-7%	69%

Repairs and Maintenance includes both planned and unplanned maintenance. Due to the nature of maintenance (needing to make unplanned repairs as issues occur) actual results vary year to year.

2013 amended budget was \$1,213,087 compared to forecast of \$1,073,785 which includes 4th quarter 2013 cost based on projections.

The 2014 budget includes \$518K of Renewal, Replacement and Repair cost previously shown only in the R&R budget. These cost are major expense type projects.

Excluding the R&R expense cost the 2014 budget is \$79,303 or 6.5% higher than 2013 amended budget.

**Construction &
Maintenance
(C&M)**
department is
responsible for
the facilities
and equipment
maintenance
programs

Under this
program they
address both
planned and
unplanned
maintenance
issues

Port of Galveston 2014 – Insurance – Property & Casualty



Insurance						
Year	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Revenue	1,466,746	2,466,515	2,613,227	2,395,266	2,492,392	2,553,310
Percentage Change		68%	6%	-8%	4%	2%

2014 Property and Casualty insurance rates are predicted to remain flat with a possibility of a slight decline at renewal.

We budgeted for rates to remain flat.

The increase is due to the timing of renewal dates which vary from our financial year end.

In 2013 the Port added fiduciary coverage and anticipates adding cyber security coverage in 2014

In 2013 the Port saw coverage increase from \$55M to \$65M and anticipate this level of coverage in 2014

Port of Galveston 2014 – Payment in Lieu of Taxes (PILOT)



Payment in Lieu of Taxes (PILOT)						
Year	2009	2010	2011	2012	2013	2014
Revenue	182,000	182,000	182,000	182,000	187,477	187,302
Percentage Change		0%	0%	0%	3%	0%

Under current agreements, the Port makes annual payments to the City of Galveston of \$182,000 to offset loss of property tax on Port property listed as nontaxable property per the City tax rolls.

With the acquisition of the SMP Garage the PILOT payment increased approximately \$5,300 annually beginning in 2013.

Per agreement with the City the Port makes a Payment in Lieu of Property Taxes

West Side
\$160,000

Old Navy Dock
\$10,000

Pelican Island
Other
\$12,000

SMP Garage
\$5,300

Port of Galveston 2014 – Depreciation



Year	Depreciation					
	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Revenue	3,942,434	4,212,567	4,112,167	4,973,035	5,588,527	5,813,710
Percentage Change		7%	-2%	21%	12%	4%

The Port continues to make improvements to the Property and Facilities resulting in increased Depreciation.

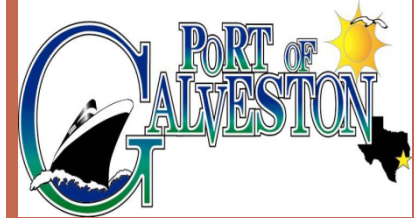
The increase in depreciation includes assets funded through Grants, Insurance, FEMA, debt and operations.

Since 2001 Net Property and Facilities have increased over 222%

**Increase in Net
Property and
Facilities
NEEDS FINAL
UPDATE for 2014**

2001-\$49,318,000
2002-\$50,326,000
2003-\$60,959,000
2004-\$69,748,000
2005-\$75,578,000
2006-\$78,079,000
2007-\$84,020,000
2008-\$92,136,000
2009-\$100,546,000
2010-\$101,418,000
2011-\$116,189,000
2012-\$137,644,000
2013-\$143,752,000
2014-\$158,936,000

Port of Galveston 2014 – Office and Sales Expense



Office and Sales Expense						
Year	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Revenue	3,195,543	2,595,201	2,550,479	3,158,343	2,226,806	2,423,467
Percentage Change		-19%	-2%	24%	-29%	9%

Office and Sales Cost include:

	<u>2014 Budget</u>	<u>2013 9&3</u>	<u>Increase/(Decrease)</u>	
Sales and Marketing	\$ 306,310	257,062	49,248	19%
Professional Services	\$ 671,400	685,127	(13,727)	(1.6%)
Rent Expense	\$ 885,764	857,110	28,654	3%
Office Supplies and Other	\$ 272,250	165,759	106,491	64%
Credit Card Fees	\$ 107,534	107,925	(391)	(0%)
Dues, Licenses, Training	\$ 99,995	86,988	13,007	15%
Travel	\$ 80,214	66,835	13,379	20%
Total	\$ 2,423,467	\$2,226,806	\$196,661	8.8%

This table is a comparison of actual results for 9 months plus forecasted 4th quarter compared to proposed budget

When compared to the 2013 amended budget, the 2014 budget for Office and Sales Expense decreased \$638K from \$4.3M to \$3.6M

Compare 2014 budget to
2013 9&3

Increased expenses:
Sales and Marketing
increase due to fees to hire
ad agency

Office Supplies & Other
replacement copy
machines are being leased
– in past this cost was in
depreciation

Training and Travel
planned essential 2014
training and travel

Decreased Expenses:

Professional Services
Decreased by \$44K due to
environmental remediation
offset by \$30K increase for
contract audit fees

Port of Galveston 2014 – Office and Sales Expense

2014 Budget compared to 2013 9&3 Forecast

Increase in Office and Sales Expense

Direct Sales Expense increased \$49K due to inclusion of \$50K for ad agency

Professional Services decreased \$14K due to exclusion of \$44K of environmental remediation cost incurred in 2013 and not anticipated in 2014 plus the addition of \$30K for contract audits.

Office Supply and Other cost increased by \$106K due to replacement copiers being leased beginning in 2014. Previously the copiers were purchased and the cost was depreciated

Travel increased \$13K to the 2013 amended budget amount and is restricted to essential travel related to sales and training only



The Board directed Staff to develop a detailed marketing plan To do so Staff budgeted to enlist the aid of a professional marketing firm in 2014

Port of Galveston 2014 – Office and Sales Expense

2014 Budget compared to 2013 9&3 Forecast

Increase in Office and Sales Expense

Office / Property Rent Expense increased by \$28.7K to \$885,764 due to rent escalation in the rental agreements.

Credit Card Fees remain flat based on anticipated increased credit card receipts offset by reduction to credit card fees.

Dues, Licenses, Training and Memberships are driven by annual required training and association dues. 2014 increased over forecasted expense by \$13K to \$99,995 which is \$17.6K less than the amount in the 2013 amended budget.



Travel includes
Essential Travel
Only:

Required
Training

Sales

Selected Trade
Shows

Governmental
Affairs

Other Revenue
Generating
Port Related
Business

Port of Galveston 2014 – Other Income – Non-Operating



Year	Other Income					
	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Revenue	811,528	843,476	509,735	131,956	47,101	37,200
Percentage Change		4%	-40%	-74%	-64%	-21%

In years prior to 2012, Other Income included Security Cost Recovery revenue, and other revenues now classified as Operating Revenue.

Included in the 2014 Other Income is Interest Income and finance charges.

As the Port continues to complete the current capital improvement program cash reserves are being reduced so interest income is declining

Interest Rates on Deposits remain at an all time low.

Port of Galveston 2014 – Interest and Other Expense – Non-Operating

Interest and Other Expenses						
Year	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Revenue	3,850,735	3,353,966	3,200,985	2,749,091	2,290,824	1,627,023
Percentage Change		-13%	-5%	-14%	-17%	-18%

Interest and Other Expenses consist of interest on debt and gain/loss on retirement of assets. As debt service declines, the related interest cost declines.

Outstanding Debt as of December 31, 2014 consists of

2013 Series Certificates of Obligation (Refunded Series 2004)

2011 Series Revenue Bonds

FMT note on Cruise Terminal 1 Gangway

Community Disaster Loan



Debt Milestones

In 2013 the Series 2004 Certificates of Obligation were refinanced lowering the interest rate

2/3's of the outstanding balance of the Community Disaster Loan was converted to a Grant in 2013

Port of Galveston 2014 – Debt Service



Debt Service Payments – Revenue Bonds, Certificate of Obligations, FMT						
Year	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Revenue	4,696,288	4,695,925	8,484,378	1,596,388	6,425,877	5,437,204
Percentage Change		0%	81%	-81%	303%	-10%

The above debt service schedule is based on when the Port made payment or placed funds in a restricted debt account. In the case of the Series 2011 it is when funds were transferred to Bank of America escrow account, the CO's when payment was transferred to the City and when the payment was made to FMT. Debt service is fairly flat through February 1, 2018 when the CO's are retired reducing debt service \$2.7M annually.

2012 debt service decreased due to scheduled 2012 payment occurring in December 2011 as part of a refinancing

2013 debt service increased due to timing of the 2013 refunding and payment of the February 1, 2013 debt service

Debt Milestones

In 2013 the Series 2004 Certificates of Obligation were refinanced lowering the interest rate

2/3's of the outstanding balance of the Community Disaster Loan was converted to a Grant in 2013

Port of Galveston 2014 – Annual Renewal and Replacement Schedule



Annual Renewal and Replacement items are normally smaller cost capital items. The budgeted cost related to these items expires at the end of the budget year unless they are specifically requested to be carried forward to the next calendar year.

Each of these 2014 requests will be assigned a specific project identification number for tracking purposes while identified on the master project sheet collectively.

2014 R&R request total \$1,978,930 comprised of Capital projects totaling \$1,460,930 and Expense projects totaling \$518,000.

All Renewal and Replacement items are reviewed and prioritized based on availability of funds.

Items are scheduled for replacement or refurbishment on an annual basis.

These items are normally capital in nature but include selected items totaling \$518K which are expense in nature.

**Port of Galveston 2014 –
Annual Renewal and Replacement Schedule**

2014 R&R request total \$1,978,930

Major Category

Equipment Acquisition	\$151,000
Other Projects - Capital	\$1,082,100
Other Projects – Expense	\$518,000
Great Plains Requisition & Projects*	\$150,000
Computer Hardware and Operating System Upgrades	<u>\$227,830</u>
Total	<u>\$1,978,930</u>

All R&R projects are prioritized by Port Management and completed based on availability of funds

*** Budgeted in 2013 – Postponed to 2014 - contingent upon availability of funds**



Items are scheduled for replacement or refurbishment on an annual basis.

These items are normally capital in nature but may include selected items which will be expensed.

■ End #35

