



GALVESTON WHARVES

THE PORT OF EVERYTHING



Supplemental Information For the 2024 Annual Budget

Operating | Renewal & Replacement | Capital Improvements

Board of Trustees | November 21, 2023

Overview of the 2024 Proposed Budget

The 2024 Proposed Budget is being presented utilizing the same format as the monthly forecasted results presented at the monthly Finance Committee and Board Meetings.

Port staff used realistically-estimated revenue and expense projections to support the related budgeted levels of activity for 2024. Cargo and Cruise revenues include increased rates.

Major 2024 Projects (Projected Spending > \$500K in 2024):

- CT 25 Jubilee Improvements and PBB
- CT 16 Terminal
- CT 16 Parking Garage
- Wharf Road Improvements (Rider 37)
- SCP Walkway
- Express Lot Expansion
- Pier 38-41 Rehabilitation
- Demolition of grain elevator
- Old Port Industrial Improvements
- CT 28 PBB
- Pier 38 Bulkhead: TxDoT Grant
- Pier 40 Bulkhead: TxDoT Grant
- Pier 38 Slip Fill
- Pier 28 Rehabilitation

Compare Summary of 2023 9+3 Forecast to 2024 Proposed Budget

	2023 9+3 Fcst	2024 Budget Proposed	Increase/ (Decrease) \$	Increase/ (Decrease) %
Total Revenue From Operations	\$ 64,581,294	\$ 72,469,922	\$ 7,888,629	12.2%
Operating Expenses				
Total Salaries and Related Expenses				
Salaries, Payroll Taxes, and Pension	\$ 10,114,448	\$ 11,935,045	\$ 1,820,596	18.0%
Health & Welfare	1,694,312	2,149,261	454,949	26.9%
Related Employee Expenses	311,564	590,480	278,916	89.5%
Total Contract Services				
Contract Services	6,285,767	6,469,501	183,734	2.9%
Ship Service Expense	-	-	-	0.0%
Total Repairs and Maintenance	3,139,964	3,953,329	813,365	25.9%
Total Other Operating Expenses	9,389,021	8,824,068	(564,953)	-6.0%
Total Office & Sales Expenses	1,295,722	1,595,269	299,547	23.1%
Total Operating Expenses Before Depreciation and Amortization	\$ 32,230,799	\$ 35,516,953	\$ 3,286,154	10.2%
Net Operating Income (Loss) Before Depreciation and Amortization	\$ 32,350,495	\$ 36,952,969	\$ 4,602,475	14.2%
Depreciation Expense	\$ 9,747,589	\$ 12,782,296	\$ 3,034,707	31.1%
Net Operating Income (Loss) After Depreciation and Amortization	\$ 22,602,906	\$ 24,170,673	\$ 1,567,768	6.9%
Total Non Operating Income	\$ 2,294,109	\$ 24,612,278	\$ 22,318,169	972.8%
Total Non Operating Expenses	\$ 1,203,677	\$ 3,061,383	\$ 1,857,707	154.3%
Net Income (Loss)	\$ 23,693,338	\$ 45,721,568	\$ 22,028,230	93.0%

*Ship service revenue and expense is unbundled in 2023 Budget

SUMMARY OF 2024 BUDGET

Operating Income



\$37.0M

\$4.6M better than 2023 9 + 3 Fcst.

Operating Revenue



\$72.5M

\$7.9M above 2023 9+3 Fcst - Increase is primarily due to cruise related categories (\$10.8M), Security Cost Recovery Fees (\$1.0M), offset by Dockage (\$1.7M), Wharfage (\$0.7M), Real Estate (\$0.8M), Lay Dockage (\$0.2M), Rail (\$0.2M) and Revenue Producing Services (\$0.2M).

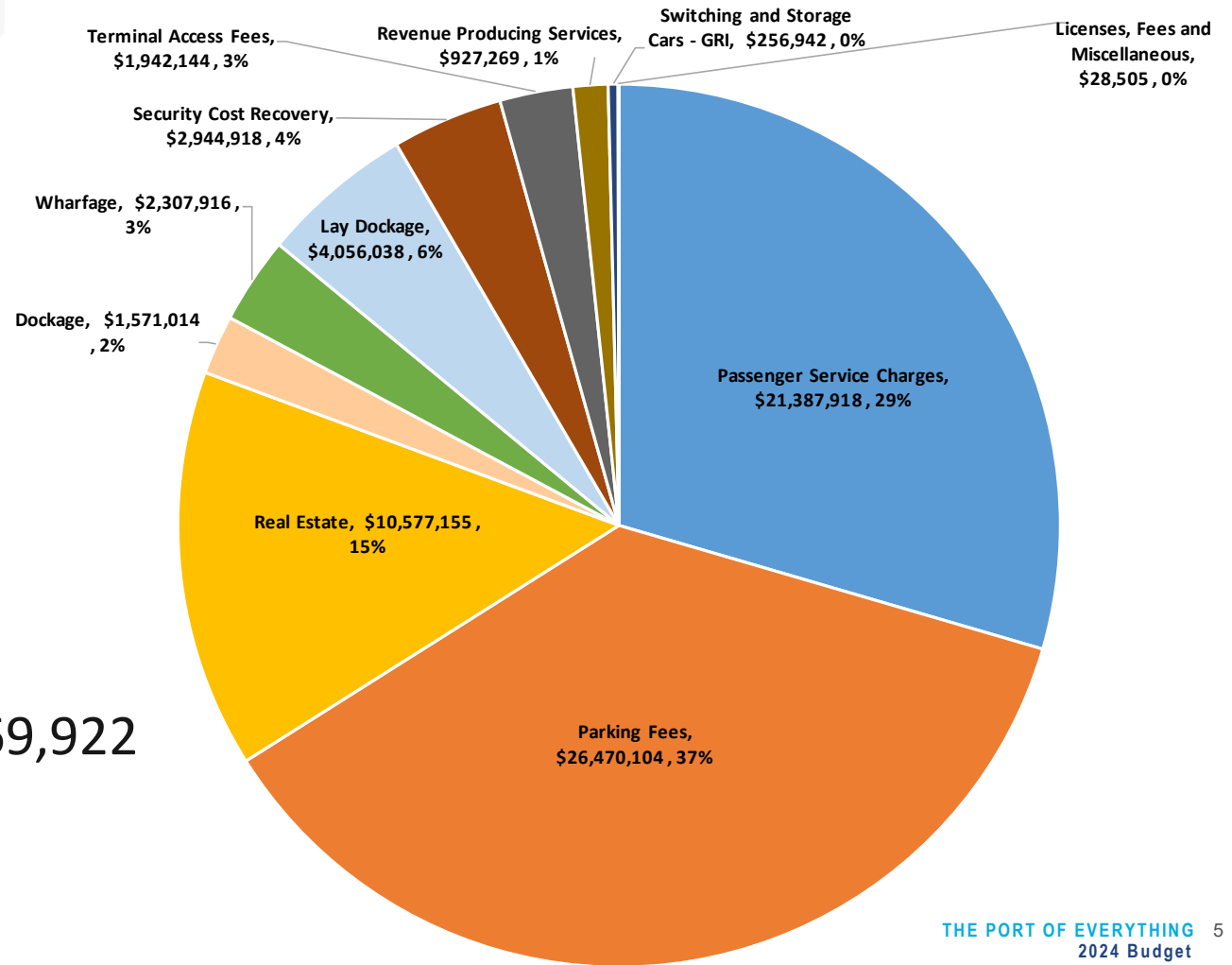
Operating Expenses Before Depreciation



\$35.5M

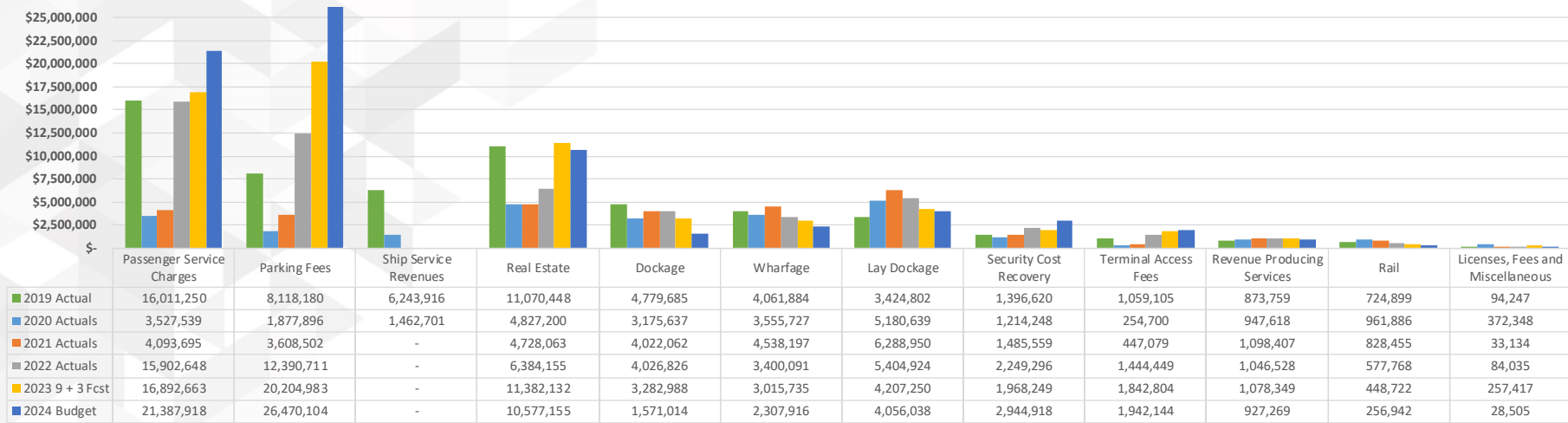
\$3.3M over 2023 9+3 Fcst - Primarily due to employee expenses (\$2.6M) and repairs & maintenance (\$0.8M).

2024 PROPOSED REVENUES FROM OPERATIONS



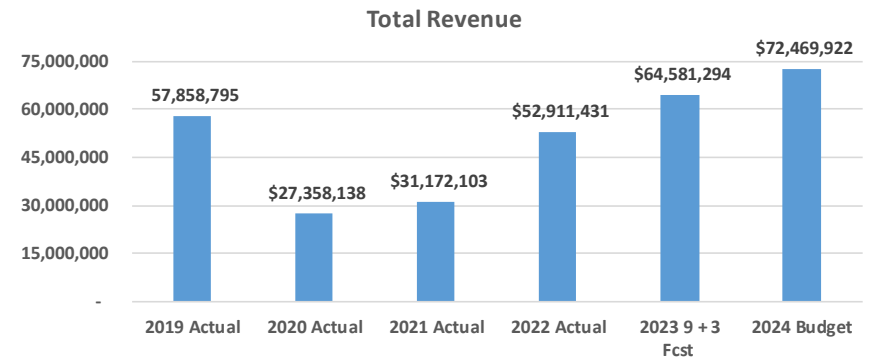
TOTAL: \$72,469,922

2024 PROPOSED BUDGETED REVENUE FROM OPERATIONS



*2019 Actuals excludes Intercompany Revenue

- Cruise ship calls projected are 387, 9% increase over 2023
- Ground transportation projected cars are 242,031, 29% increase over 2023

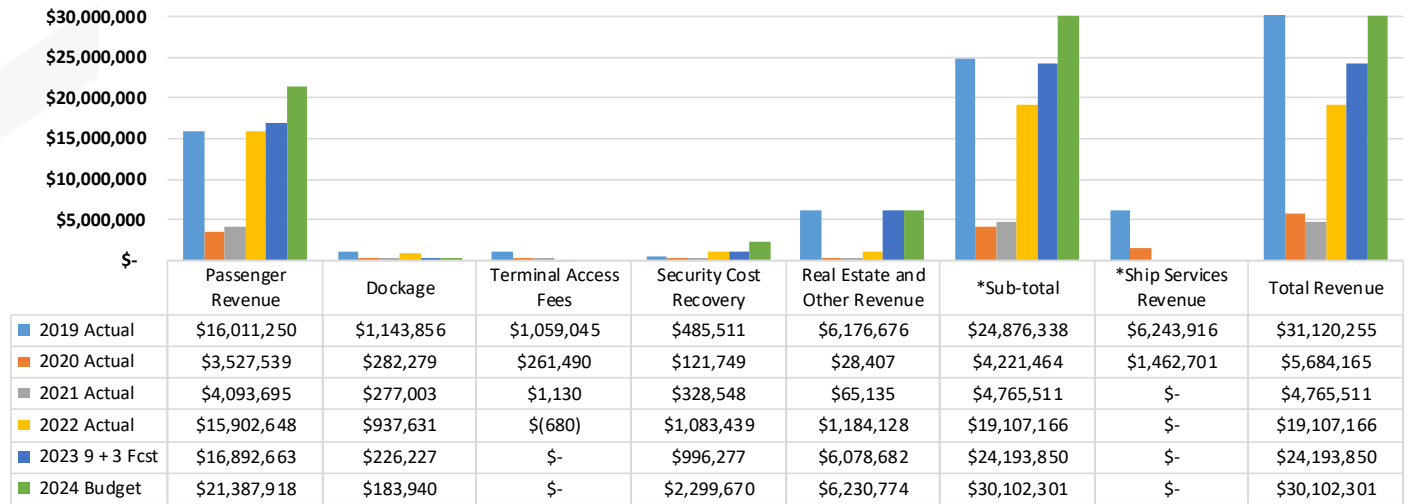


*2019 Actuals excludes Intercompany Revenue

CRUISE TERMINAL REVENUE TREND / PASSENGERS

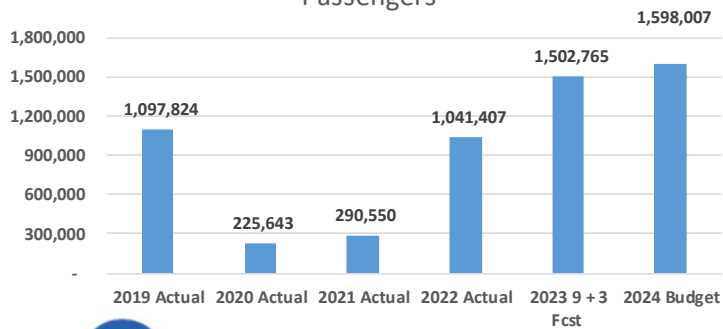
Total Cruise Revenue of \$21,387,918, is 26.6% over 2023 9 + 3 Fcst

- Due to contract changes, Ship Services Revenue & Expenses are no longer applied effective in 2021 post Covid.



*Sub-total excludes Ship Services Revenue

Passengers



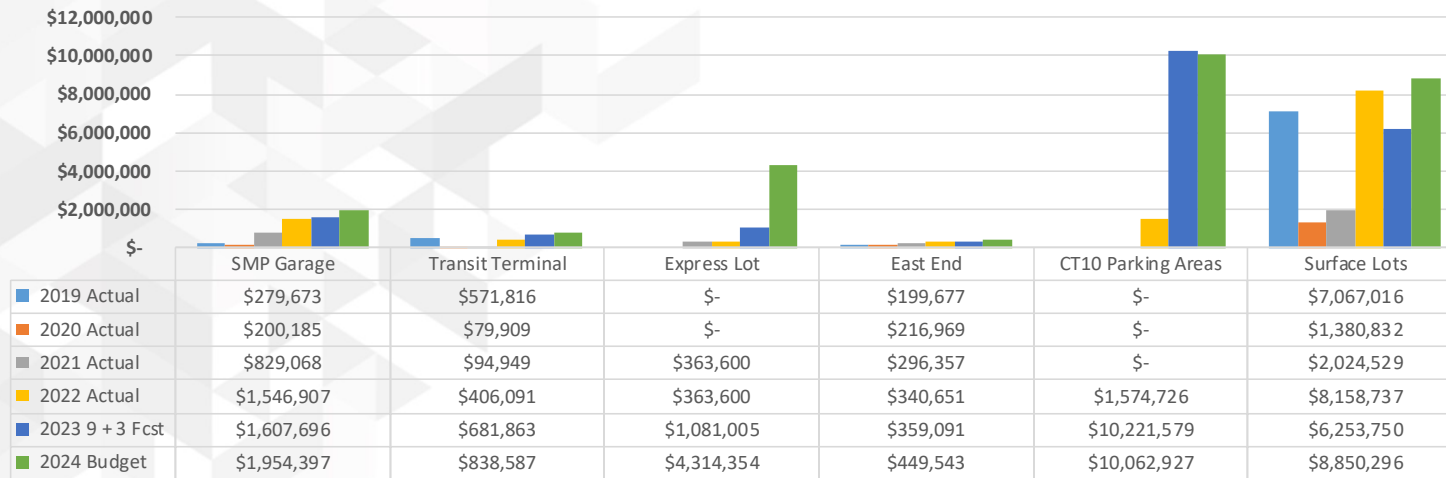
Total Passengers are 1,598,007, which is 6% over 2023 9 + 3 Fcst

Average Occupancy Projections

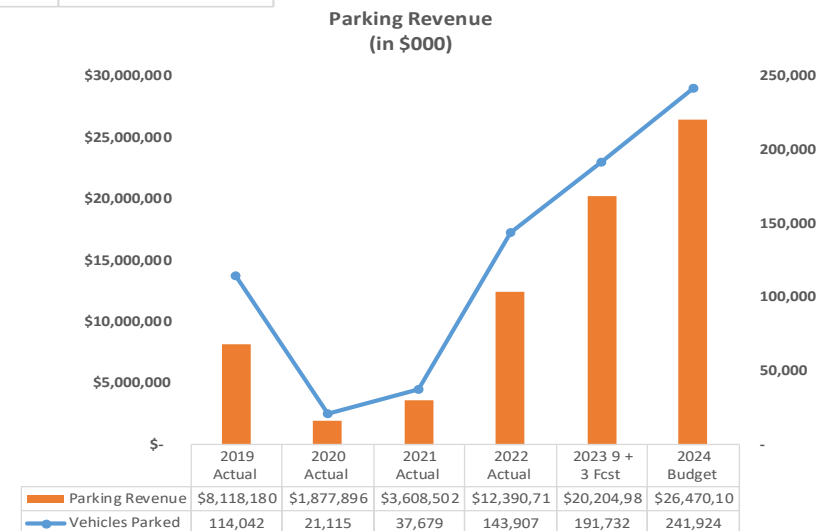
- Royal – 86% occupancy
- Carnival – 86% occupancy
- Disney – 99% occupancy
- Norwegian – 90% occupancy



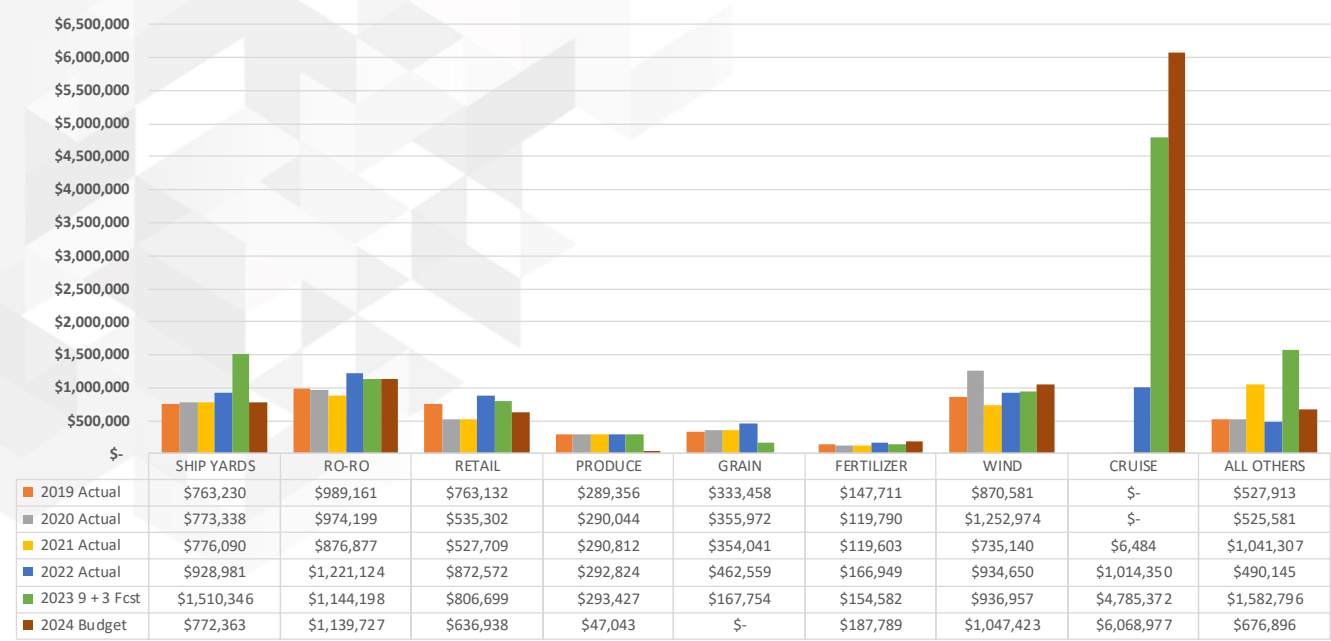
PARKING REVENUE TREND AND VEHICLES PARKED



Total Parking Revenues is \$26,470,104 which is 31.0% over 2023 9 + 3 Fcst

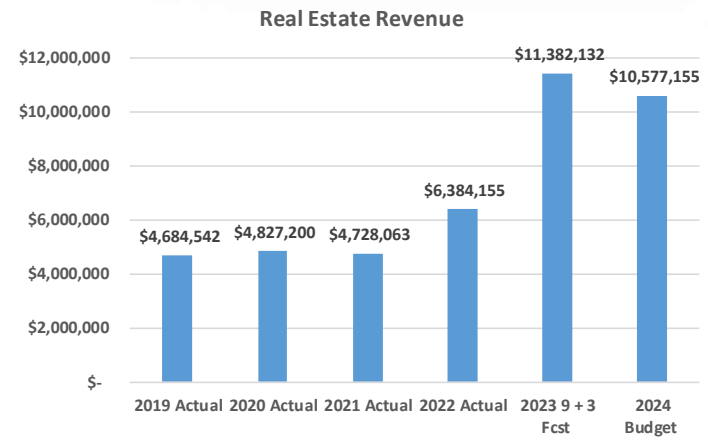


REAL ESTATE REVENUE TREND



Fixed Rate Rents on Upland Facilities and Percentage Rents from Tenants such as Gulf Copper and Del Monte

- 2022 Includes two months of Royal Caribbean rent due to the opening of Cruise Terminal 10

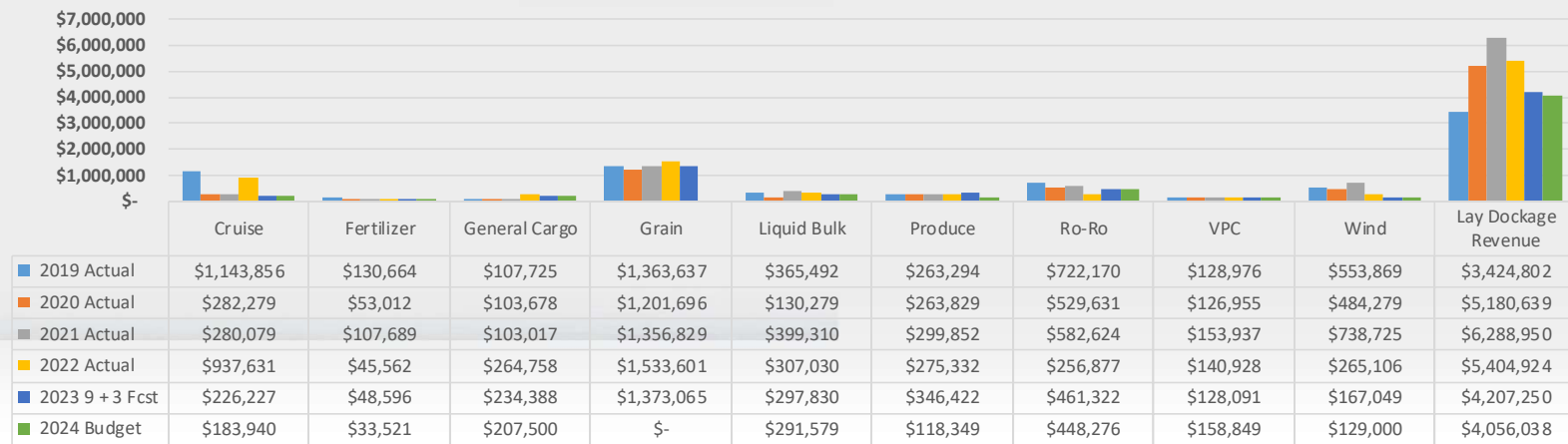
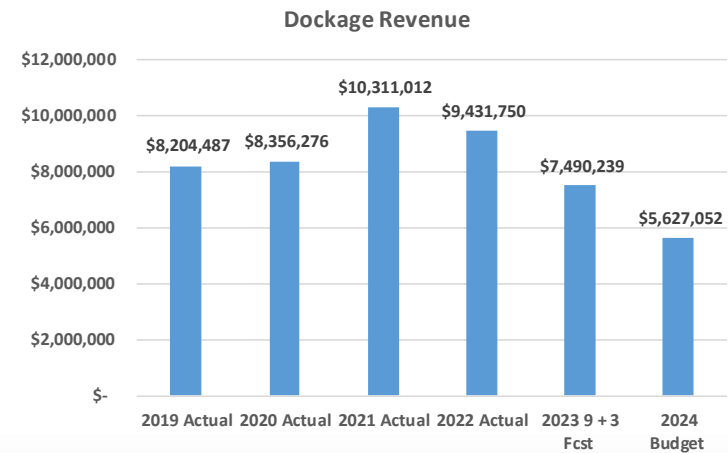




DOCKAGE REVENUE TREND

Total Proposed 2024 Budgeted Dockage is \$5,295,172

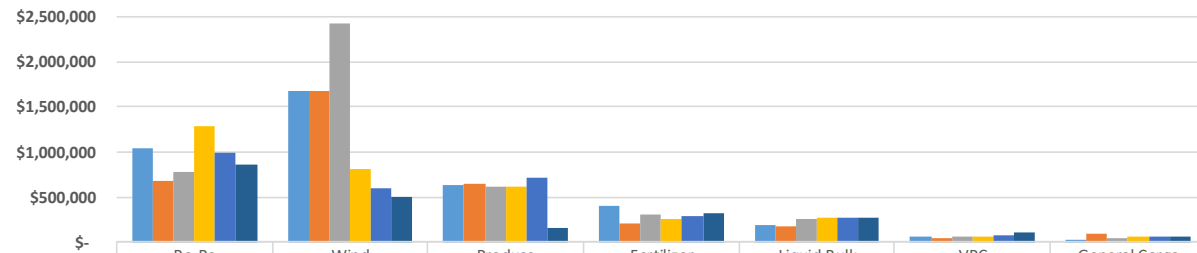
- Includes 3.5% proposed tariff escalation



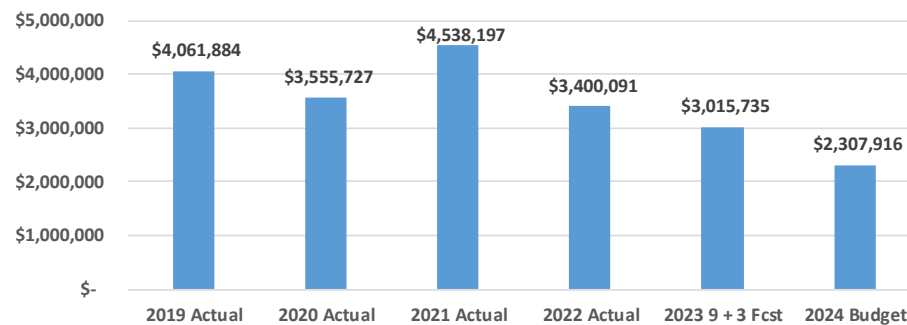


CARGO WHARFAGE REVENUE TREND

Fees Charged for Cargo Passing over Docks



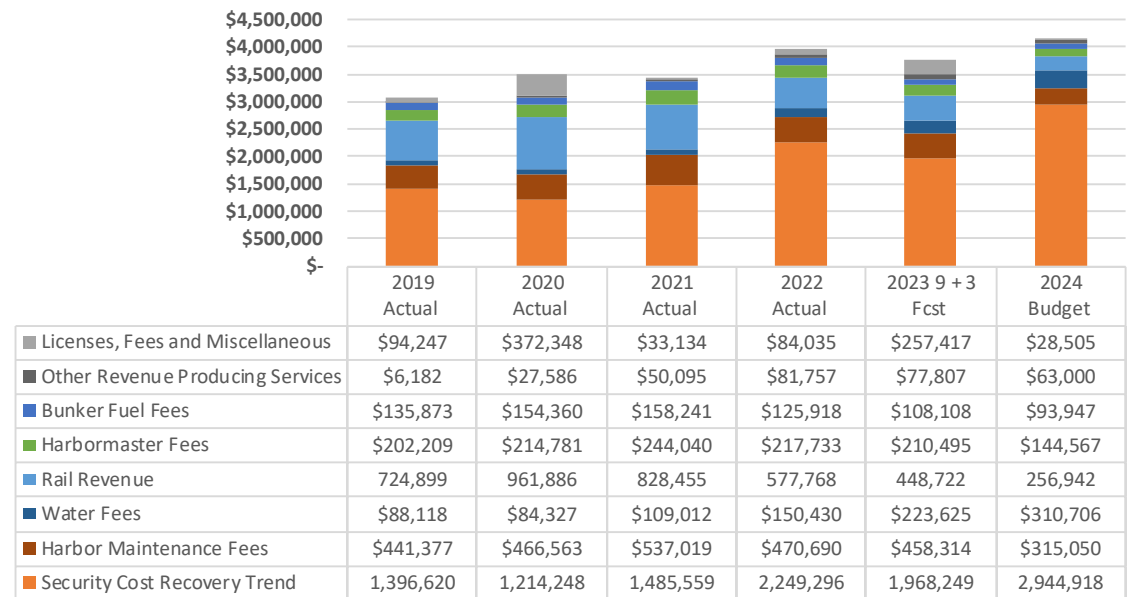
Wharfage Revenue



Total Proposed 2024 Budgeted Wharfage is \$2,245,774

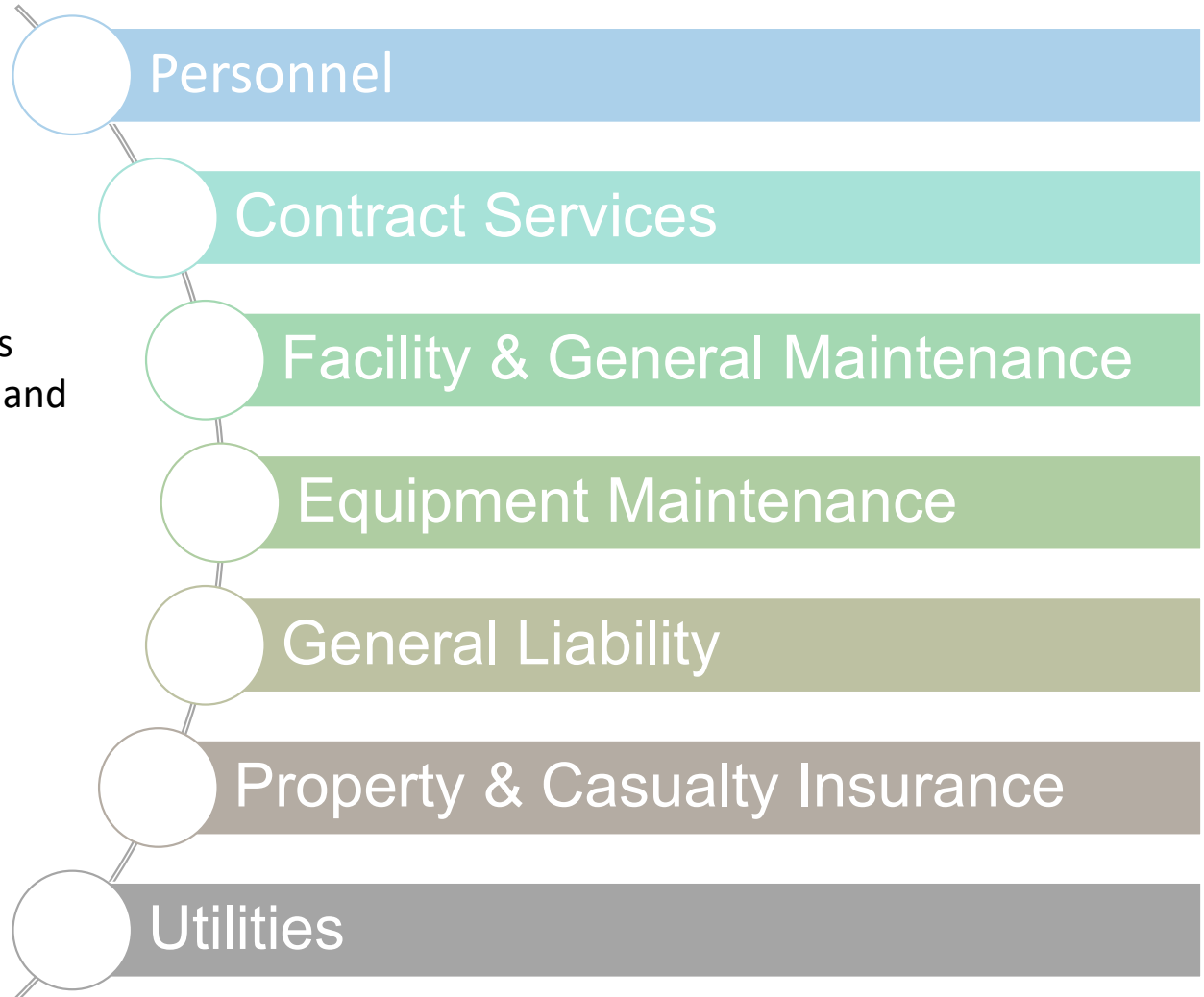


OTHER REVENUE TREND



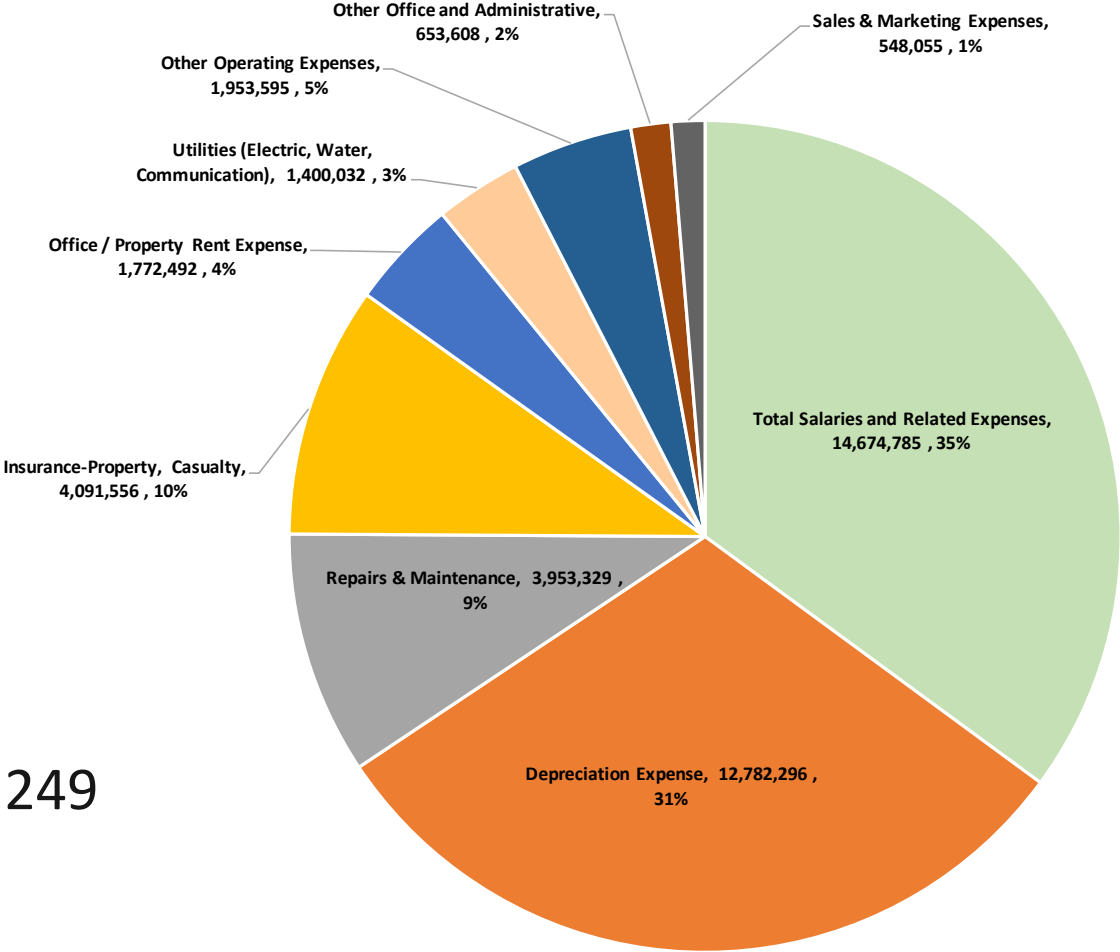
2024 Annual Budget Operating Expenses

Operating Expenses consists of those costs incurred in the normal course of business and the general operations of the Port.



2024 PROPOSED EXPENSES FROM OPERATIONS

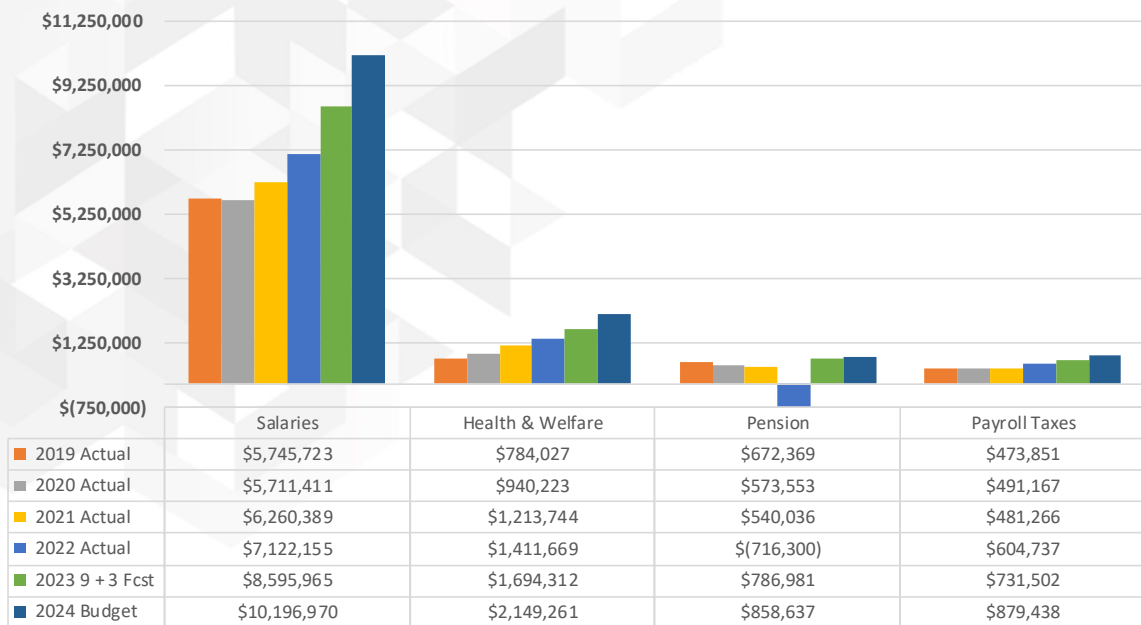
(Including Depreciation)



TOTAL: \$48,299,249



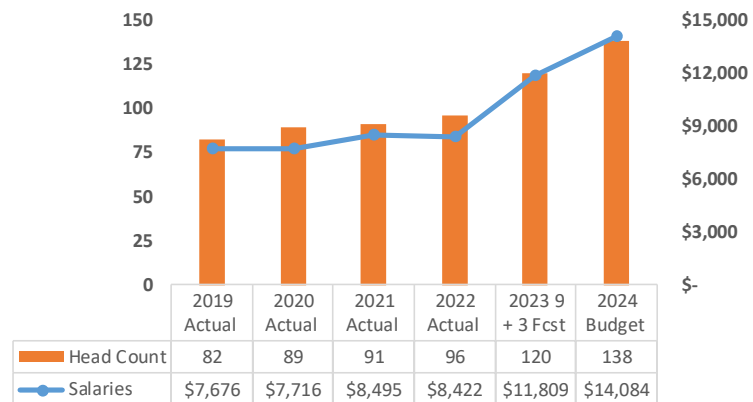
SALARIES AND RELATED TREND



- Total positions budgeted are 138; 2 2023 Open Positions and 16 New Positions.
- Defined benefit plan contribution is \$505K, up from the \$430K contribution in 2023, total increase of 17%

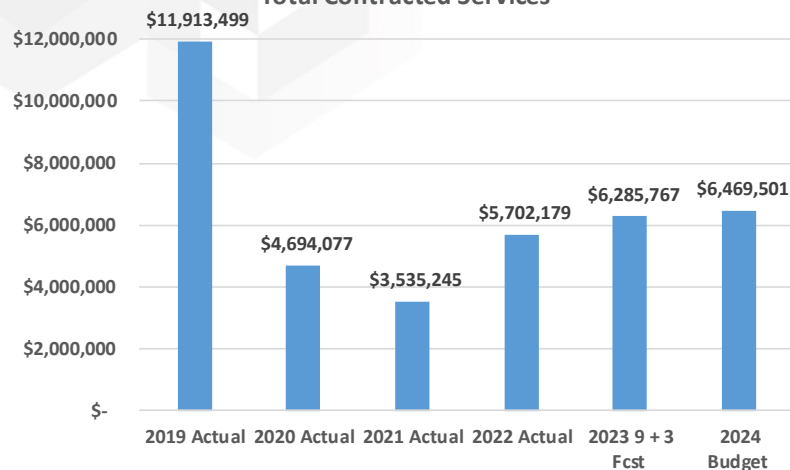


Staffing Levels
(in \$000)

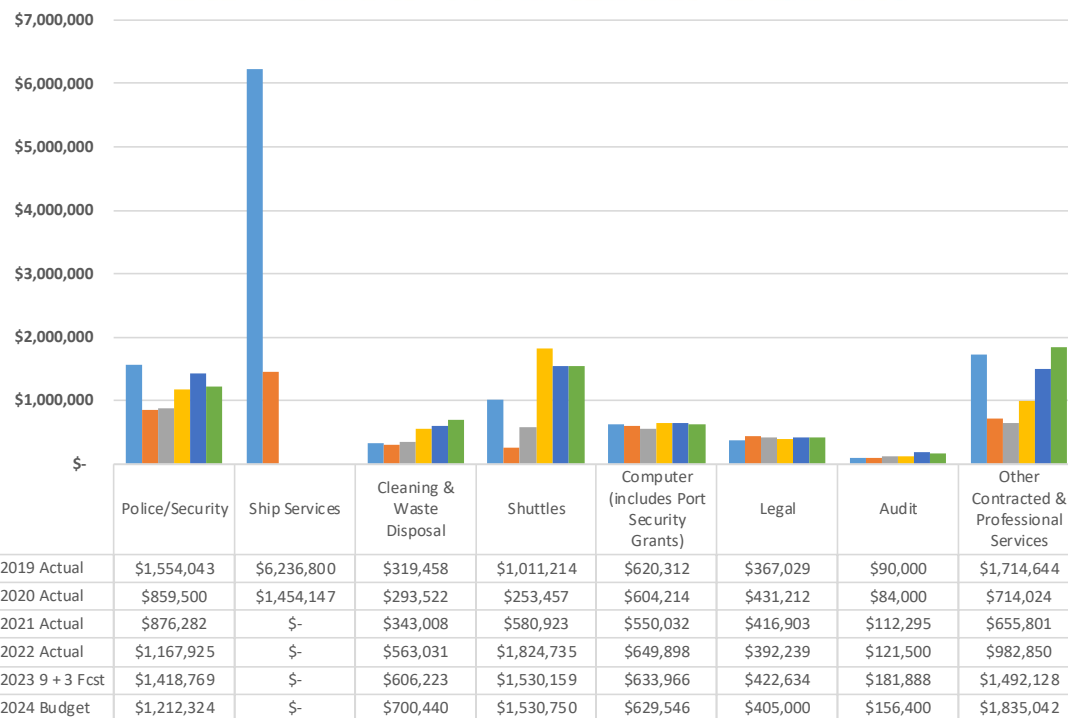




Total Contracted Services



CONTRACT LABOR TREND

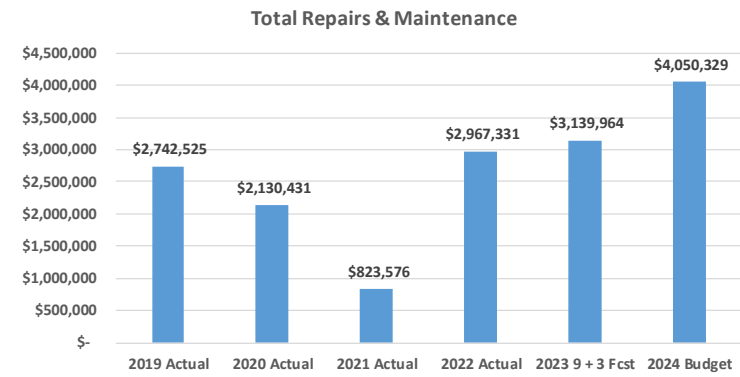
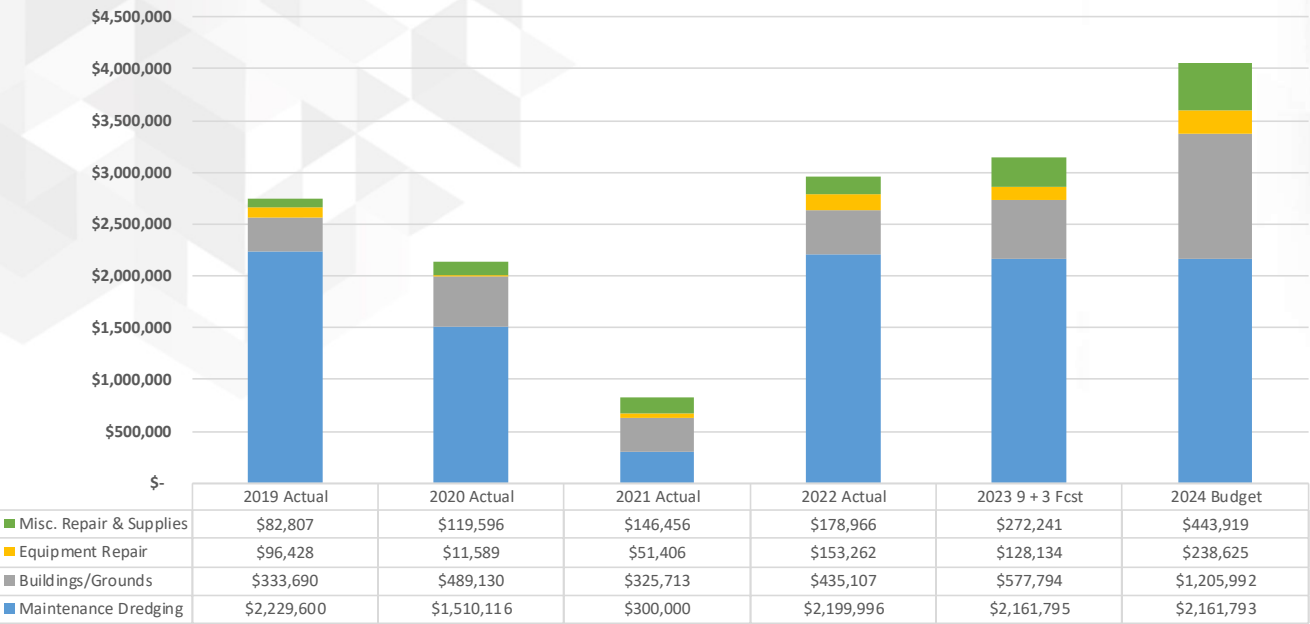


Total Contract Labor is \$6,469,501, which is 2.8% above 2023 9+3 Fcst

- Due to contract changes, Ship Services Revenue & Expenses are no longer applied effective in 2021 post Covid.
- Computer services are mainly comprised of Port Security Grant maintenance (\$371K) and IT related expenses (\$254K)

REPAIRS & MAINTENANCE EXPENSE TREND

The Construction & Maintenance (C&M) department is responsible for the facilities and equipment maintenance programs – they address both planned and unplanned maintenance issues. Annual results will vary.



2024 ANNUAL R&R BUDGET AND CAPITAL IMPROVEMENT PLAN

The 2024 R&R Budget and Capital Improvement Plan and Capital Improvement Budget is presented as a separate section in the 2024 Proposed Budget Book.

