



Supplemental Information For the 2022 Annual Budget

Operating | Renewal & Replacement | Capital Improvements

Board of Trustees | October 26, 2021

Overview of the 2022 Proposed Budget

The 2022 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 2022. Cargo and Cruise revenues include increased rates.

Major 2022 Projects (Projected Spending > \$500K in 2022):

- Expansion of Turning Basin
- Pier 10-12 Improvements
- East End Cruise Corridor (Rider 38)
- Cruise Terminal 1 Walkway
Circulation Improvements
- Cruise Terminal 3 Roadways
- Cruise Terminal 3 Wharf
Improvements
- Cruise Terminal 3 Parking

Compare Summary of 2020 Actual to 2022 Proposed Budget

	2020 Actual	Proposed 2022 Budget	Increase/ (Decrease) \$	Increase/ (Decrease) %
Total Income From Operations	\$ 27,358,138	\$ 48,006,976	\$ 20,648,838	75.5%
Operating Expenses				
Total Salaries and Related Expenses				
Salaries, Payroll Taxes, and Pension	\$ 6,776,131	\$ 8,098,405	\$ 1,322,274	19.5%
Health & Welfare	940,223	1,612,354	672,131	71.5%
Related Employee Expenses	180,342	411,558	231,215	128.2%
Total Contract Services				
Contract Services	3,239,929	5,570,761	2,330,832	71.9%
Ship Service Expense	1,454,147	-	(1,454,147)	-100.0%
Total Repairs and Maintenance	2,130,431	3,304,078	1,173,647	55.1%
Total Other Operating Expenses	6,127,215	11,345,963	5,218,748	85.2%
Total Office & Sales Expenses	845,934	1,568,335	722,401	85.4%
Total Operating Expenses Before Depreciation and Amortization	\$ 21,694,354	\$ 31,911,454	\$ 10,217,100	47.1%
Net Operating Income (Loss) Before Depreciation and Amortization	\$ 5,663,785	\$ 16,095,522	\$ 10,431,738	184.2%
Depreciation Expense	\$ 6,677,874	\$ 7,930,569	\$ 1,252,695	18.8%
Net Operating Income (Loss) After Depreciation and Amortization	\$ (1,014,089)	\$ 8,164,953	\$ 9,179,042	-905.2%
Total Non Operating Income	\$ 1,693,246	\$ 4,588,849	\$ 2,895,603	171.0%
Total Non Operating Expenses	\$ 1,333,749	\$ 240,538	\$ (1,093,211)	-82.0%
Net Income Before Grants, Contributions, Extraordinary Items, Special Items and Fema	\$ (654,593)	\$ 12,513,264	\$ 13,167,857	-2011.6%
Add: DEPRECIATION	\$ 6,677,874	\$ 7,930,569	\$ 1,252,695	18.8%
Less: BOND PRINCIPAL (ACCRUED)	\$ 3,831,718	\$ 5,325,819	\$ 1,494,101	39.0%
Ending Cash Flow from Operations	\$ 2,191,563	\$ 15,118,014	\$ 12,926,451	589.8%

*Ship service revenue and expense is unbundled in 2022 budget

Compare Summary of 2019 Actuals to 2022 Proposed Budget

	2019 Actuals	Proposed 2022 Budget	Increase/ (Decrease)	Increase/ (Decrease) %
Total Income From Operations	\$ 51,474,110	\$ 48,006,976	\$ (3,467,133)	-6.7%
Operating Expenses				
Total Salaries and Related Expenses				
Salaries, Payroll Taxes, and Pension	\$ 6,891,943	\$ 8,098,405	\$ 1,206,462	17.5%
Health & Welfare	784,027	1,612,354	828,327	105.7%
Related Employee Expenses	266,280	411,558	145,277	54.6%
Total Contract Services				
Contract Services	5,077,920	5,570,761	492,841	9.7%
Ship Service Expense	6,236,800	-	(6,236,800)	-100.0%
Total Repairs and Maintenance	2,742,525	3,304,078	561,553	20.5%
Total Other Operating Expenses	9,954,308	11,345,963	1,391,655	14.0%
Total Office & Sales Expenses	738,671	1,568,335	829,664	112.3%
Total Operating Expenses Before Depreciation and Amortization	\$ 32,692,474	\$ 31,911,454	\$ (781,020)	-2.4%
Net Operating Income (Loss) Before Depreciation and Amortization	\$ 18,781,636	\$ 16,095,522	\$ (2,686,113)	-14.3%
Depreciation Expense	\$ 6,370,852	\$ 7,930,569	\$ 1,559,717	24.5%
Net Operating Income (Loss) After Depreciation and Amortization	\$ 12,410,783	\$ 8,164,953	\$ (4,245,830)	-34.2%
Total Non Operating Income	\$ 1,188,038	\$ 4,588,849	\$ 3,400,810	286.3%
Total Non Operating Expenses (includes new debt interest)	\$ 2,123,948	\$ 240,538	\$ (1,883,410)	-88.7%
Net Income Before Grants, Contributions, Extraordinary Items, Special Items and Fema	\$ 11,474,873	\$ 12,513,264	\$ 1,038,390	9.0%
Add: DEPRECIATION	\$ 6,370,852	\$ 7,930,569	\$ 1,559,717	24.5%
Less: BOND PRINCIPAL (ACCRUED)	\$ 3,245,823	\$ 5,325,819	\$ 2,079,996	64.1%
Ending Cash Flow from Operations	\$ 14,599,903	\$ 15,118,014	\$ 518,111	3.5%

*Ship service revenue and expense is unbundled in 2022 budget

SUMMARY OF 2022 BUDGET



\$12.5M

Net Income


- \$13.2M better than 2020 Actuals
- \$1.0M better than 2019 Actuals
- \$8.4M better than 2021 8+4 Fcst



\$48.0M

Operating Revenue

- \$20.6M above 2020 Actuals- Favorable variance due to higher Cargo volumes (\$2.5M), Passenger service charges (\$9.9M), Parking (\$8.8M), and Cruise Terminal Access fees (\$1.2M), offset by the elimination (unbundling) of Ship service revenues (\$1.5M)
- \$3.5M below 2019 Actuals- Unfavorable due to elimination (unbundling) of Ship services (\$6.2M), offset by higher Lay Dockage (\$775K), Security recovery fees (\$673K), and increased cruise calls, 330 projected compared to 297 in 2019
- \$18.9M above 2021 8+4 Fcst- Increase is due to cruise related categories



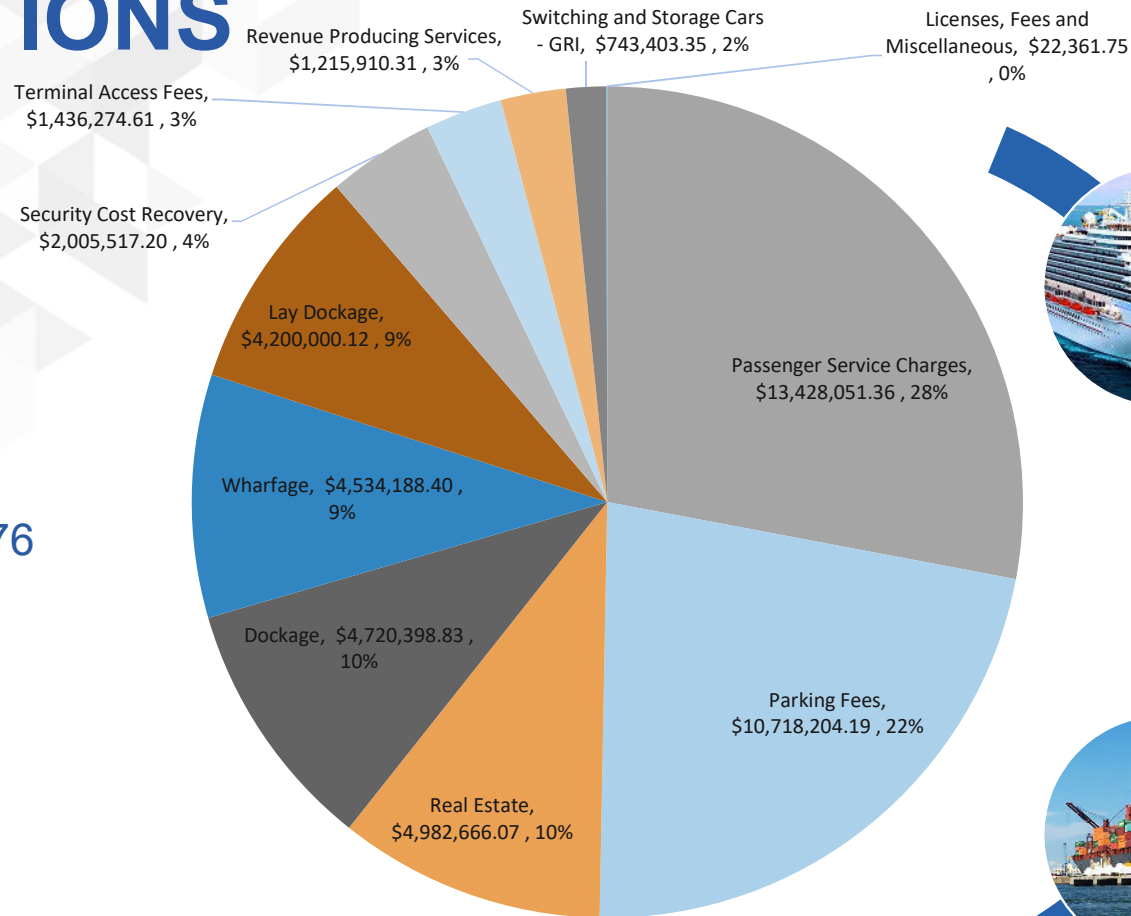
\$31.9M

Operating Expenses Before Depreciation

- \$10.2M over 2020 Actuals- Due to cruise & parking related contract fees (\$3.9M), shuttle fees (\$1.2M), health and welfare (\$0.7M), salaries & wages (\$1.1M), insurances (\$1.1M), and repairs and maintenance (\$1.2M)
- \$0.8M under 2019 Actuals- Due to unbundling of ship service expenses (\$6.2M), offset by health & welfare (\$0.8M), salaries & wages (\$1.1M), insurances (\$1.4M), sales & marketing (\$0.4M), dredging (\$0.7M), and shuttles (\$0.5M)
- \$10.2M over 2021 8+4 Fcst- Due to employee expenses (\$1.1M), dredging (\$1.9M), shuttles (\$0.9M) and cruise & parking related contract fees (\$3.2M)

2022 PROPOSED REVENUES FROM OPERATIONS

TOTAL
\$48,006,976



PASSENGER SERVICE CHARGES & PARKING FEES

0.1% under 2019 Actuals



DOCKAGE & WHARFAGE

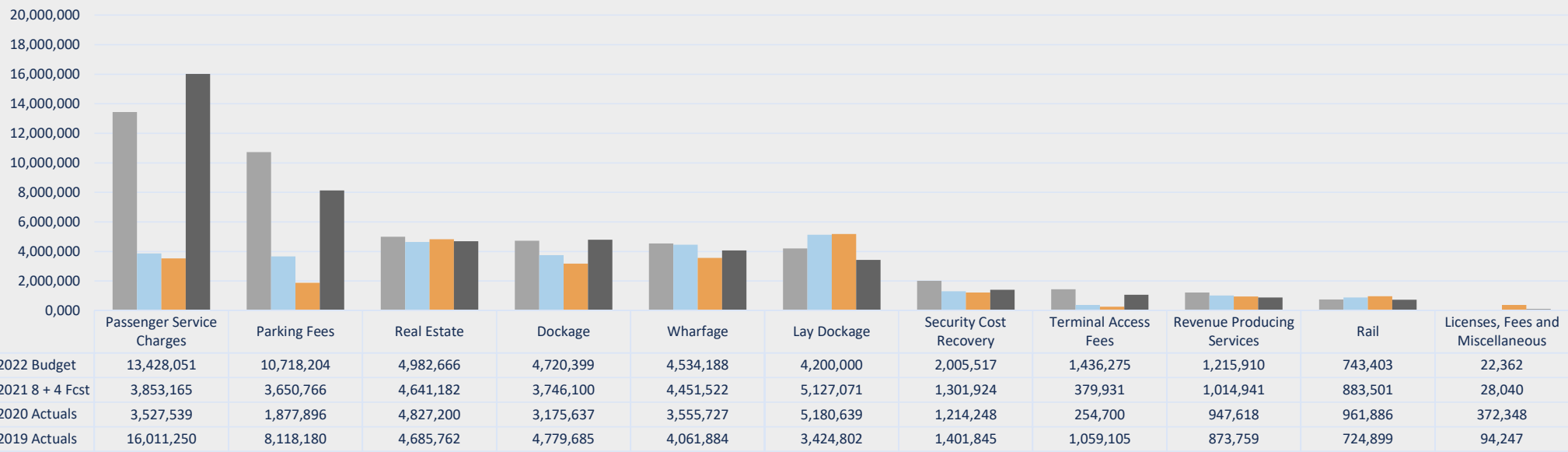
37.5% over 2020 Actuals



LAY DOCKAGE
18.9% under 2020 Actuals



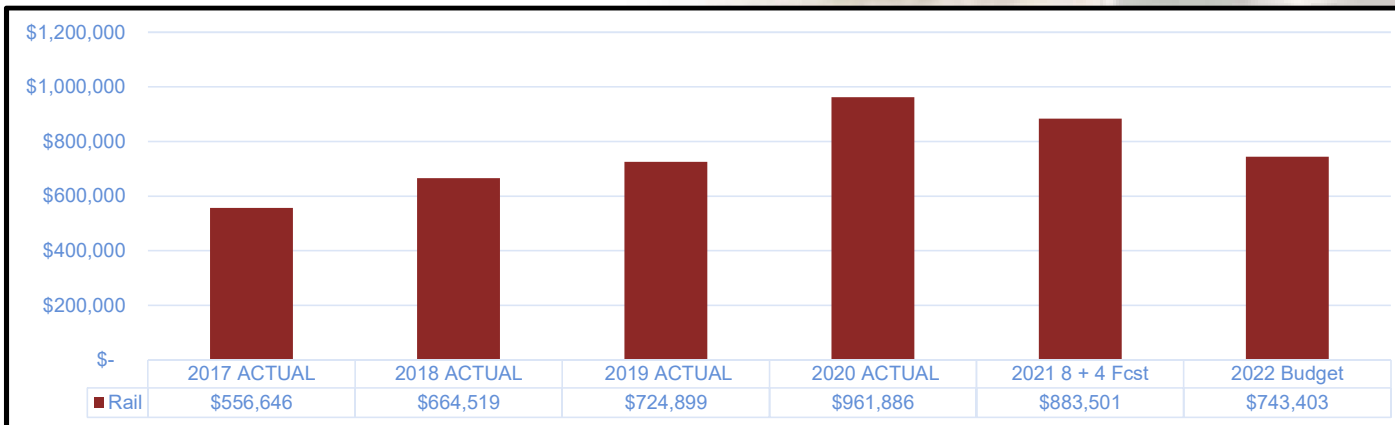
2022 PROPOSED BUDGETED REVENUE FROM OPERATIONS



- Cruise ship calls projected are 330, 11% increase over 2019
- Ground transportation projected cars are 133,598, 17% increase over 2019
- Real Estate is trending fairly consistently
- Dockage and Wharfage, projected 37% increase over 2020, 5% increase over 2019 related to increased rates
- Lay Dockage space decreased upon return of cruise, 19% decrease over 2020



SWITCHING / RAIL REVENUE TREND



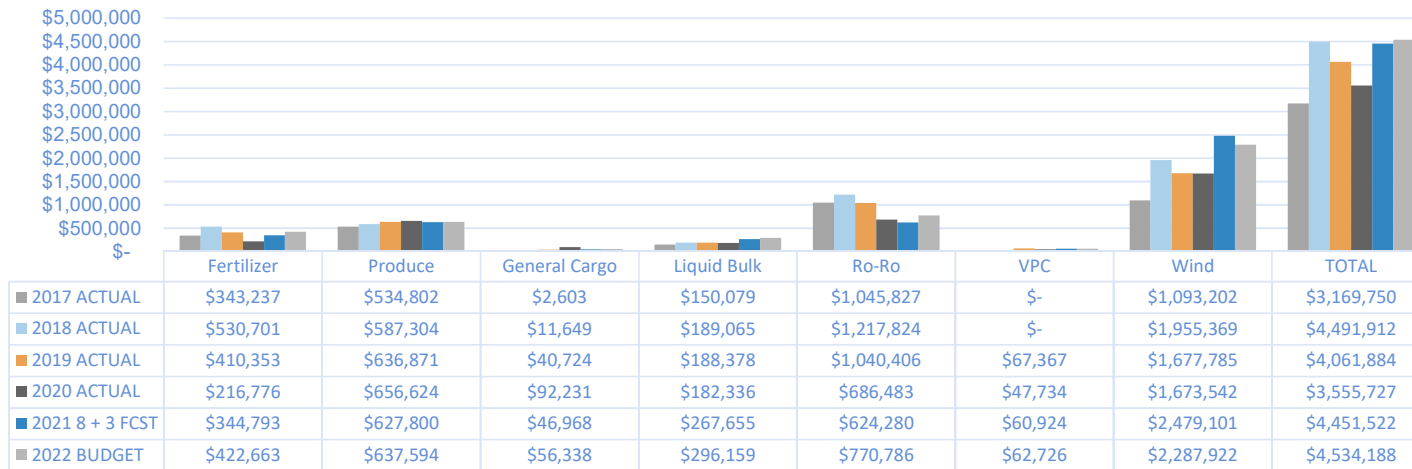
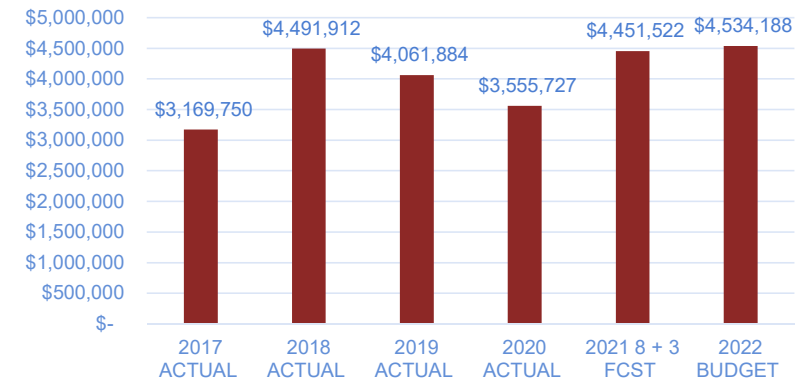
Consists Mainly of Grain, Fertilizer, and Wind Product in 2022

- Fertilizer, estimated volumes similar to 2019
- Grain, RORO, and Wind projected to trend 2021 revenues

WHARFAGE REVENUE TREND

Fees Charged
for Cargo Passing
over Docks

Total Revenue



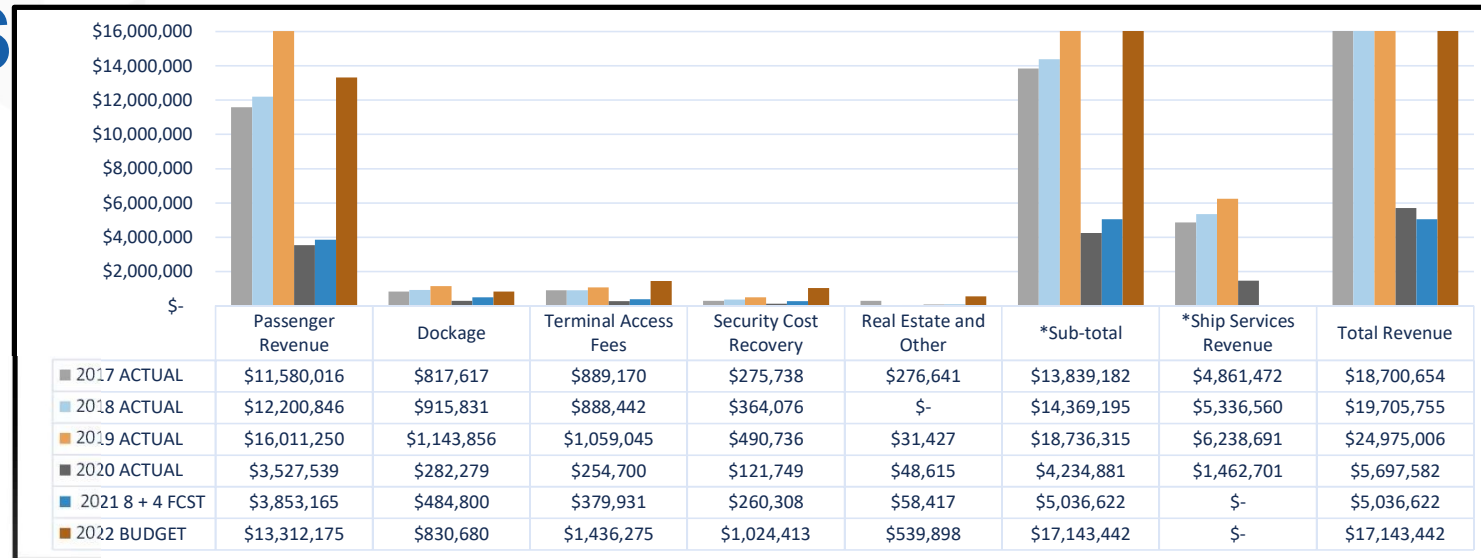
Total Proposed 2022
Budgeted Wharfage
is \$4,534,188

- Includes 3% proposed tariff escalation
- RORO subject to WWL MAG

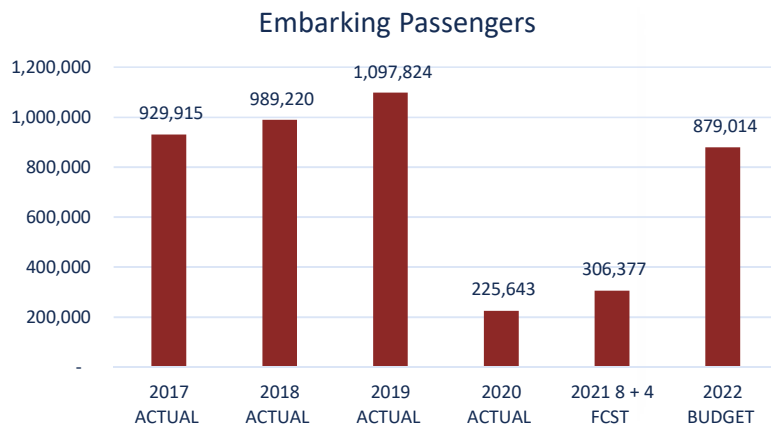
CRUISE TERMINAL REVENUE TREND AND PASSENGERS

Total Cruise Revenue of \$17,143,442, is 31.4% under 2019 Actuals

- Ship Services Revenue & Expenses are eliminated
- Royal Caribbean provided 2022 passenger projections



*Sub-total excludes Ship Services Revenue



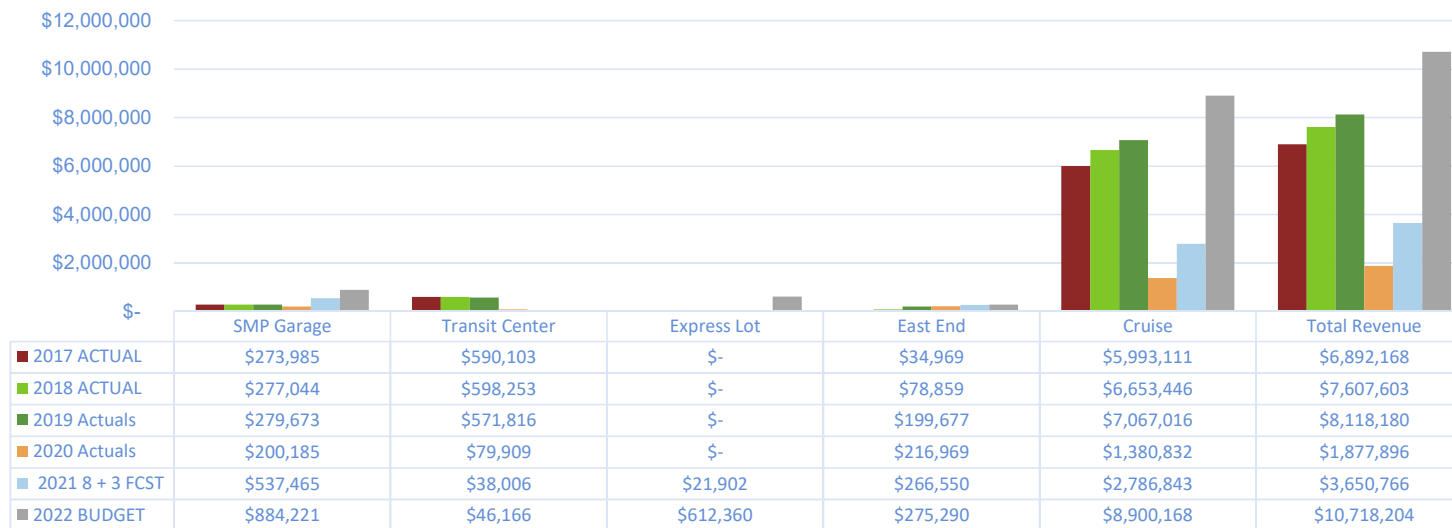
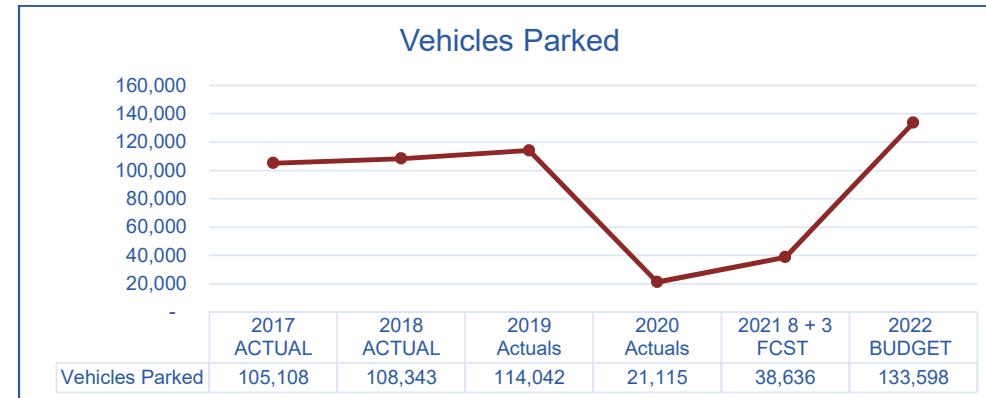
Total Embarking Passengers is 879,014, which is 19.9% under 2019 Actuals

Average Occupancy Projections

- Royal – 44% occupancy
- Carnival – 74% occupancy
- Disney – 83% Occupancy



PARKING REVENUE TREND AND VEHICLES PARKED



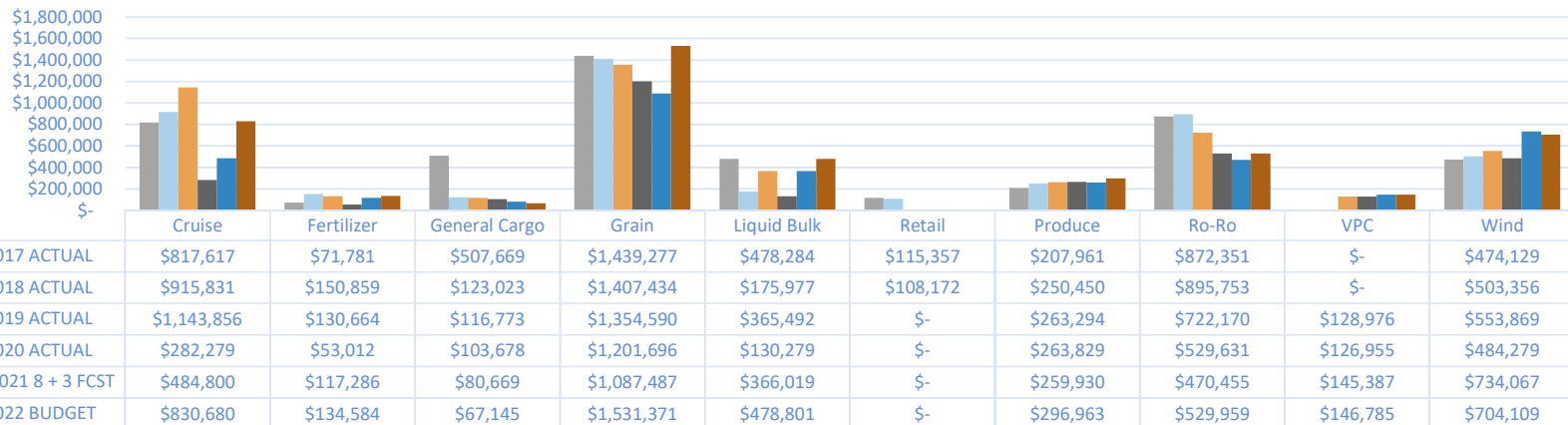
Total Parking Revenues is \$10,718,204, which is 32.0% over 2019 Actuals

DOCKAGE REVENUE TREND

Total Proposed 2022
Budgeted Dockage is
\$8,920,399

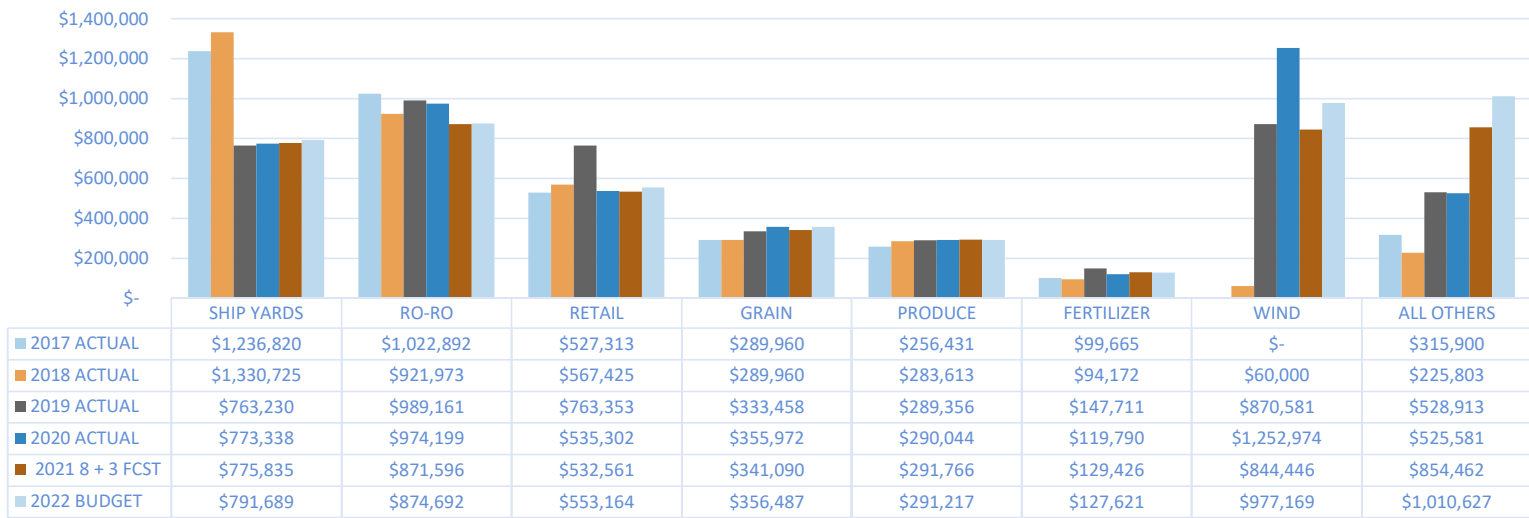
- Includes 3% proposed tariff escalation
- Grain subject to ADM MAG
- Lay Dockage of \$4.2M is 22.6% over 2019 Actuals

Dockage Revenue



Fees Charged
for Berthing
Ships at Docks

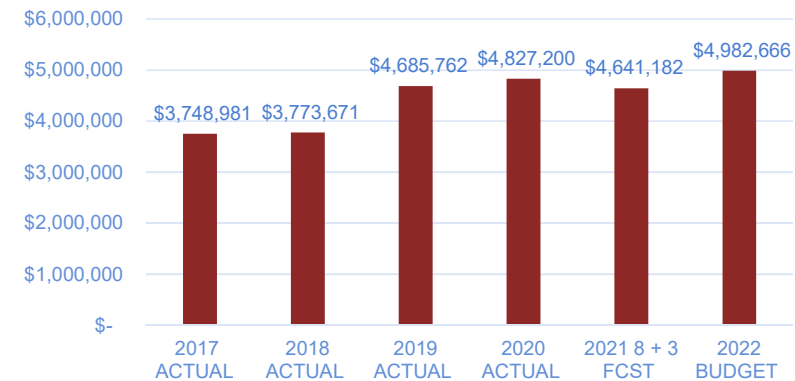
REAL ESTATE REVENUE TREND



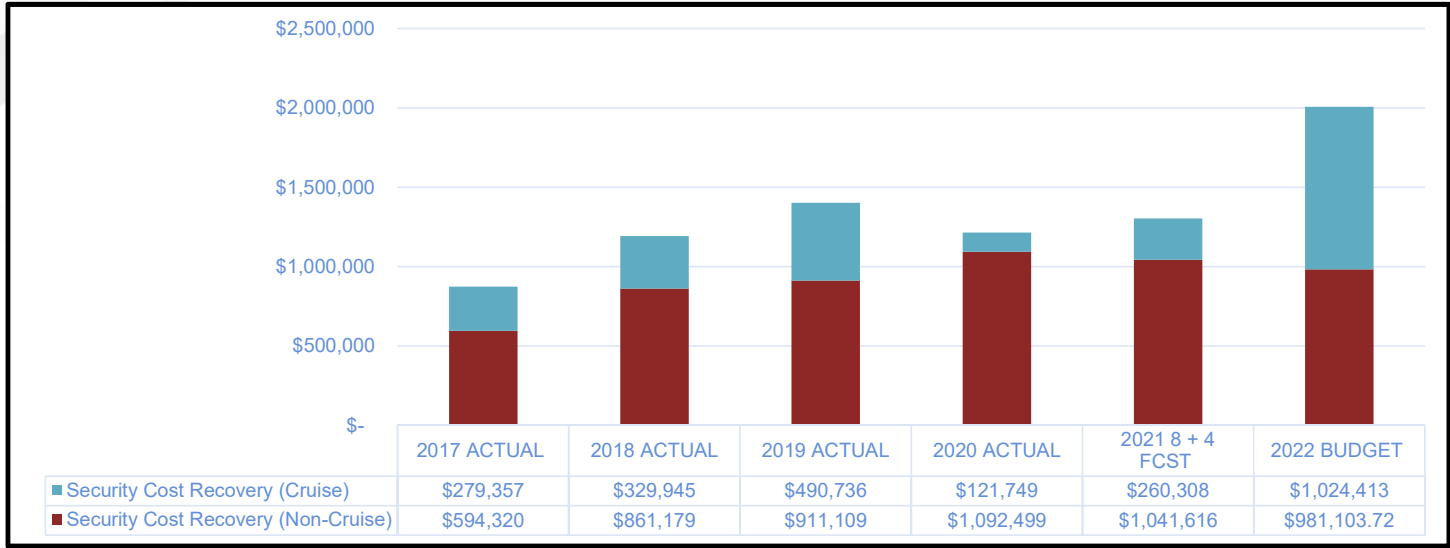
Total Revenue

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

- Includes two months of Royal Caribbean rent, \$533K, contingent upon completion of cruise terminal 3 in November 2022

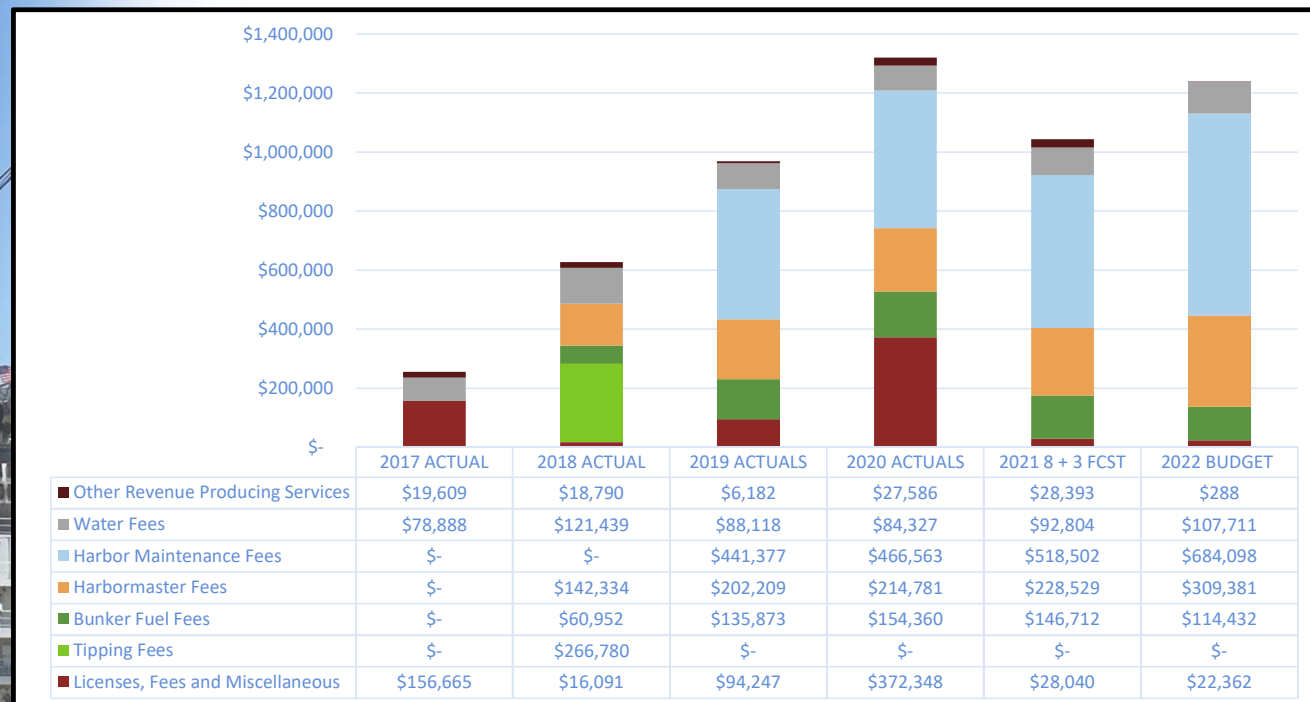


SECURITY COST RECOVERY REVENUE TREND



Fees Placed on Dockage and Cargo
Tonnage for Security Services

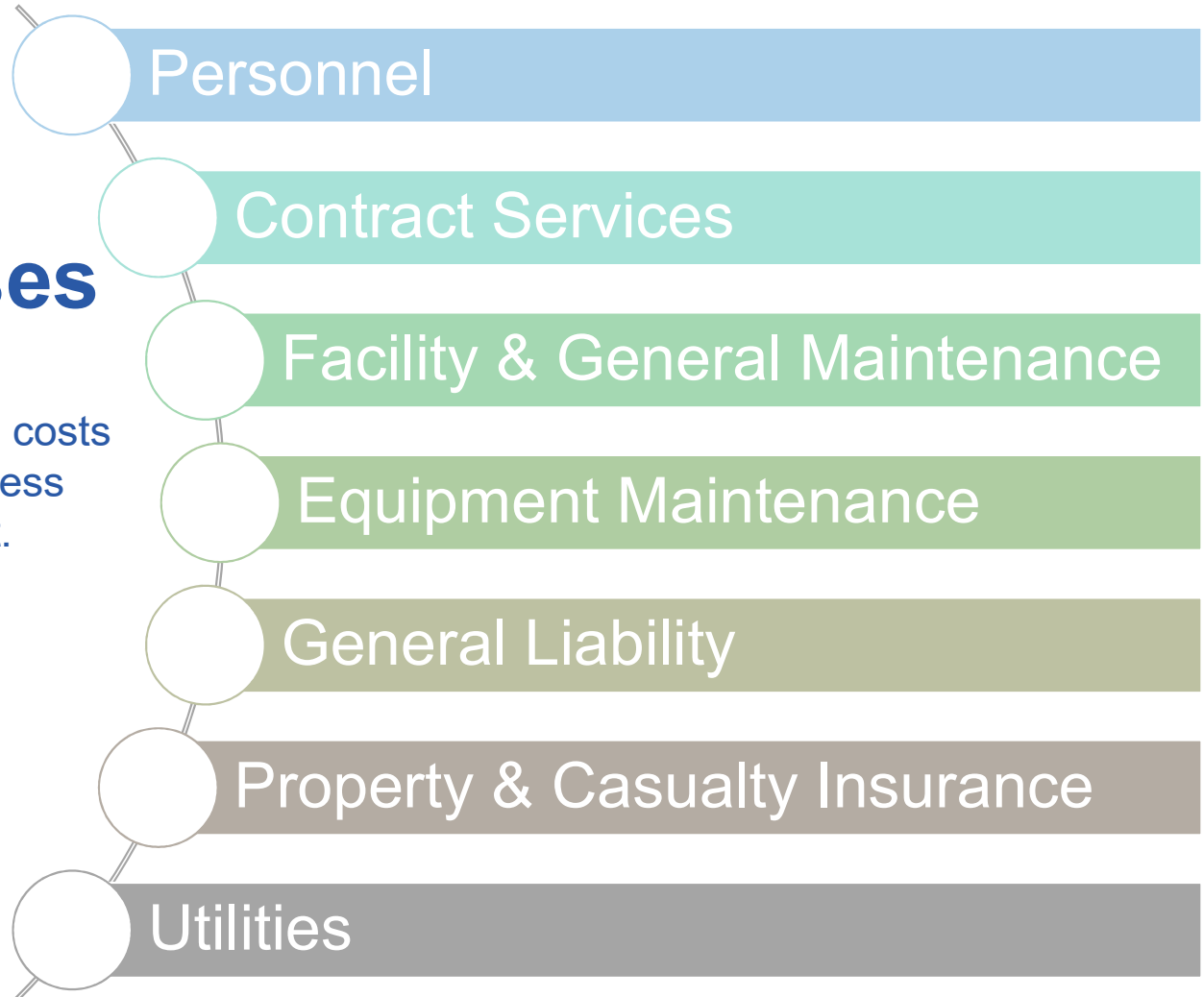
OTHER REVENUE TREND



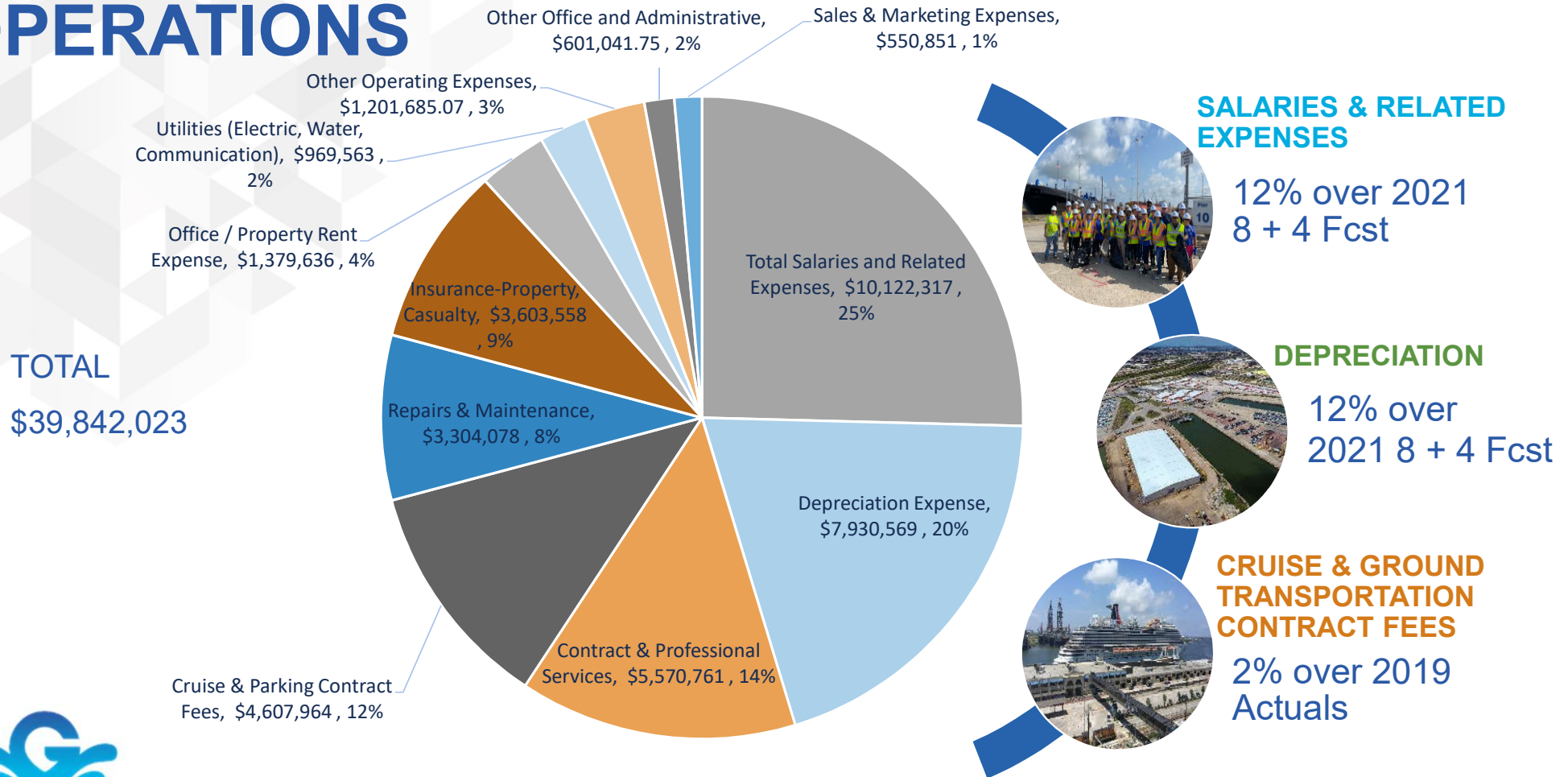
Includes 3% proposed tariff escalation

2022 Annual Budget Operating Expenses

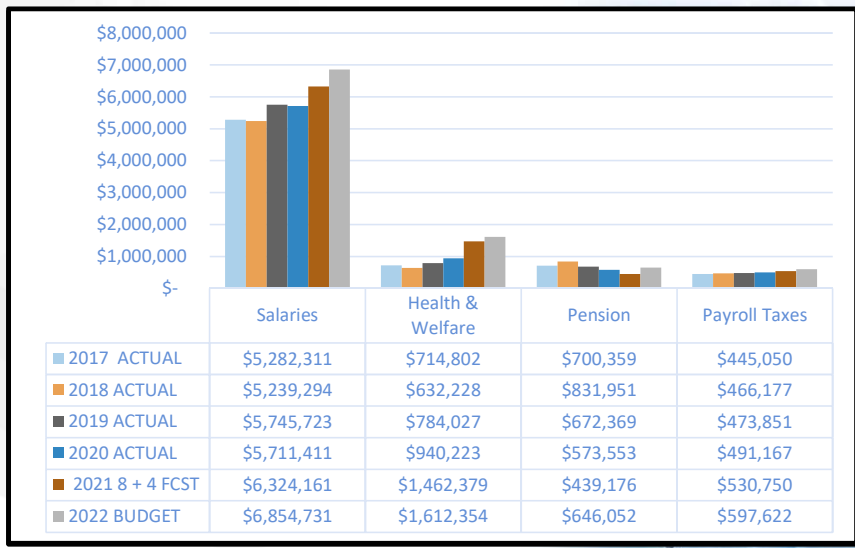
Operating Expenses consists of those costs incurred in the normal course of business and the general operations of the Port.



2022 PROPOSED EXPENSES FROM OPERATIONS Including Depreciation



SALARIES AND RELATED TREND

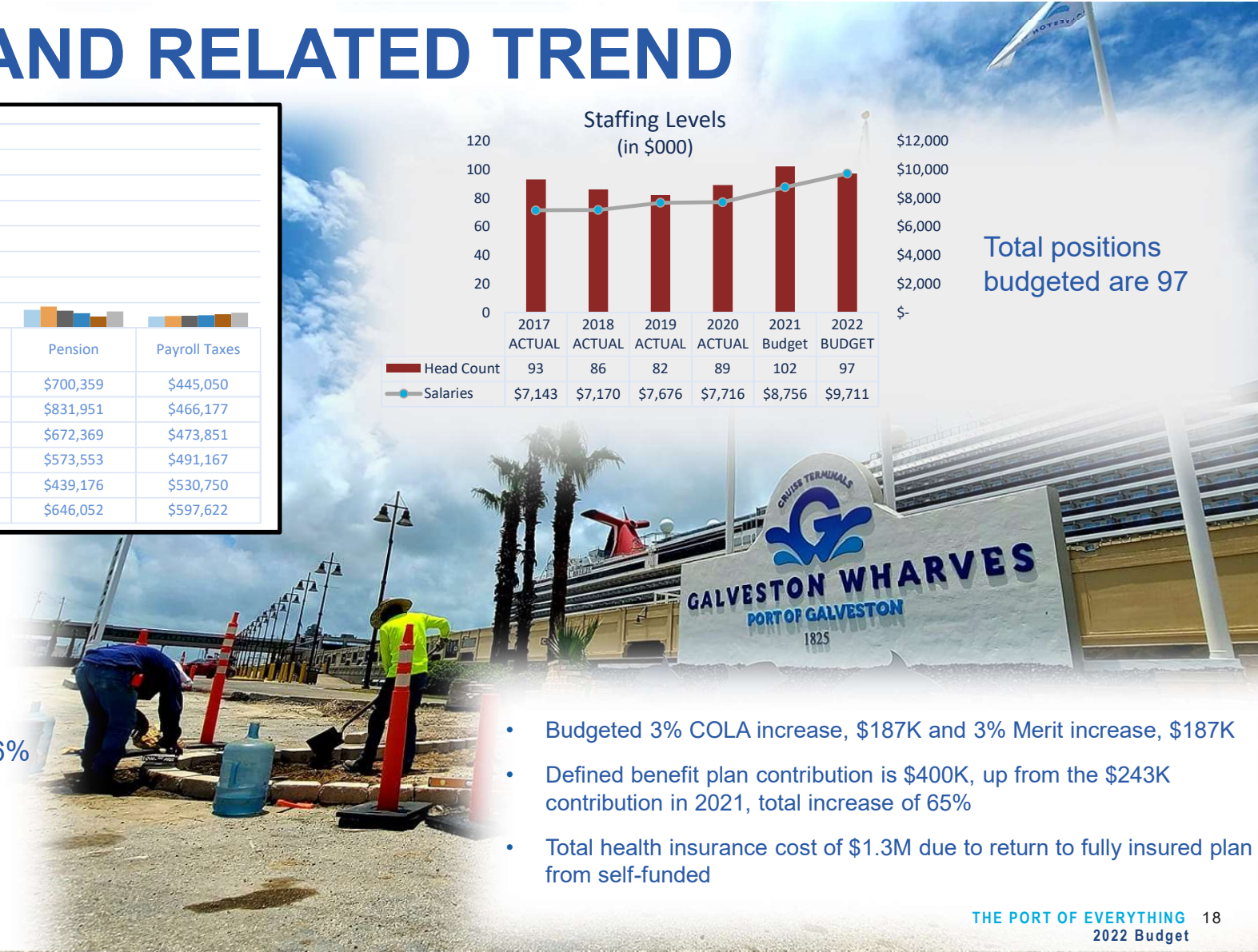


Total positions budgeted are 97

Total Salaries and Related Trend is \$10,122,317

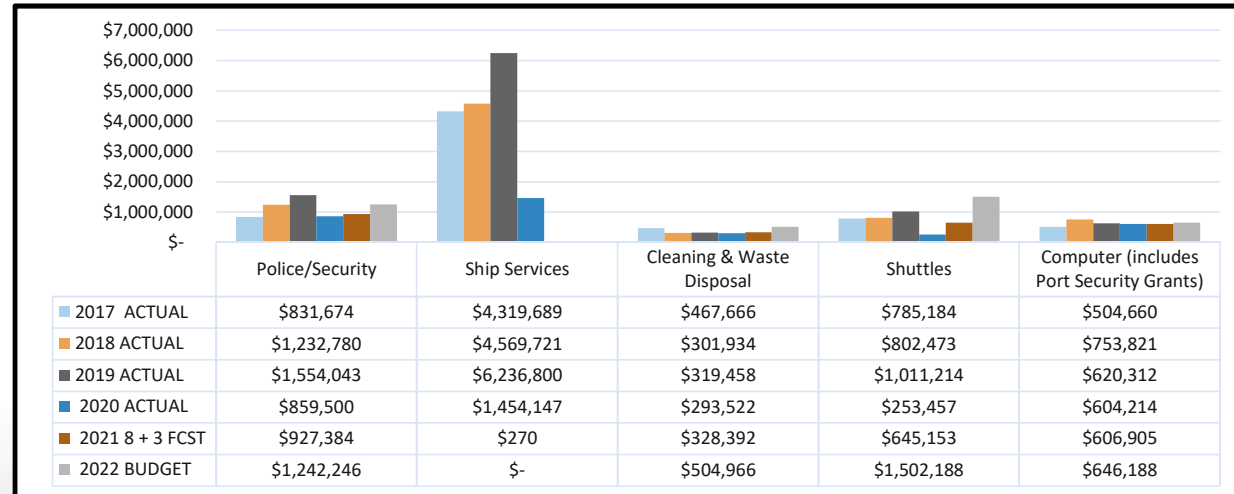
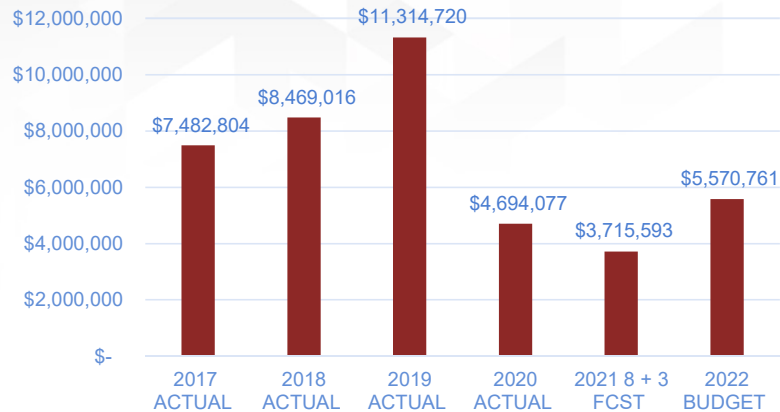
- Salaries make up 68%
- Health & Welfare make up 16%

- Budgeted 3% COLA increase, \$187K and 3% Merit increase, \$187K
- Defined benefit plan contribution is \$400K, up from the \$243K contribution in 2021, total increase of 65%
- Total health insurance cost of \$1.3M due to return to fully insured plan from self-funded



CONTRACT LABOR TREND

Total Contracted Services

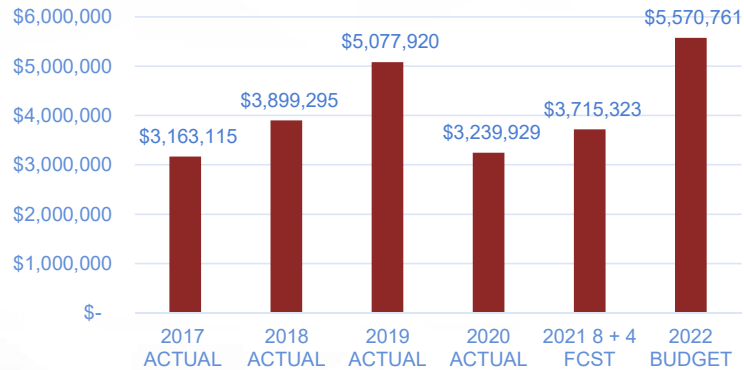


Total Contract Labor is \$5,570,761, which is 50.8% under 2019 Actuals

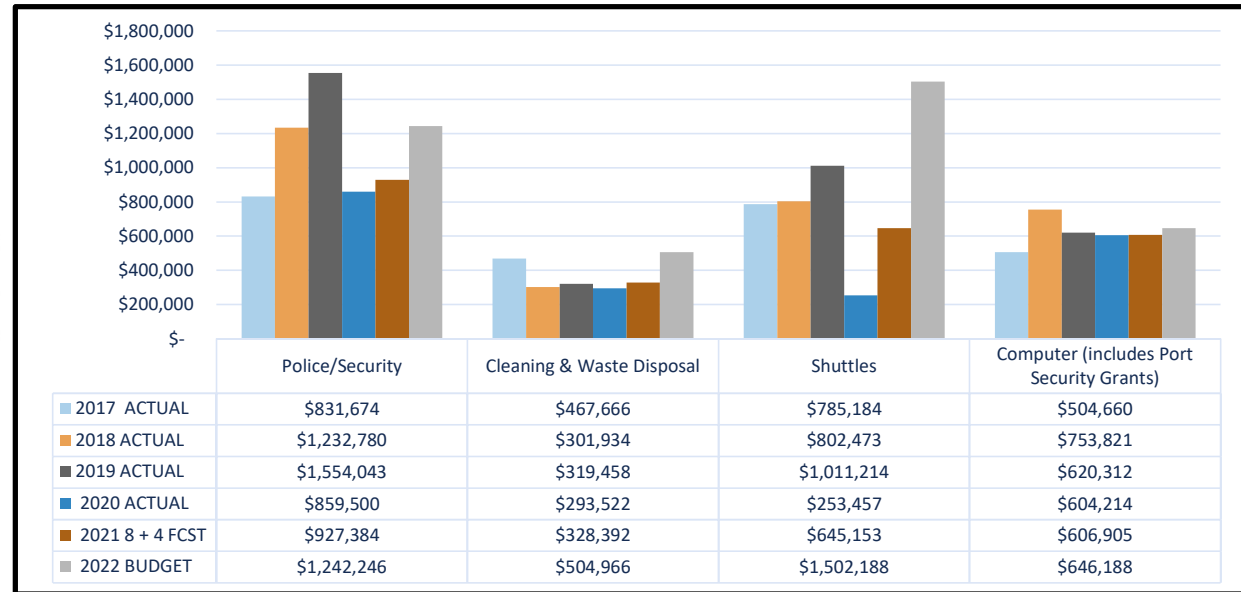
- Ship Service Expenses are eliminated (unbundled)
- Janitorial requirements were revised and rebid in 2021
- Computer services are mainly comprised of Port Security Grants (\$379K) and IT related expenses (\$225K)



Total Contracted Services*



CONTRACT LABOR TREND (EXCLUDING SHIP SERVICES)



*Excluded Ship Services from 2017-2020 Actuals for comparison purposes

Total Contract Labor is \$5,570,761,
which is 9.7% above 2019 Actuals

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.

- The 2022 budget includes \$221,900 of Renewal, Replacement, and Repair expense items shown in the R&R budget.

Dredging of \$2.2M is 35% of the 2022 Repairs & Maintenance budget

- Dredging reserve temporarily decreased in March 2021

\$5,000,000
\$4,500,000
\$4,000,000
\$3,500,000
\$3,000,000
\$2,500,000
\$2,000,000
\$1,500,000
\$1,000,000
\$500,000
\$-

	2017 ACTUAL	2018 ACTUAL	2019 ACTUAL	2020 ACTUAL	2021 8 + 3 FCST	2022 BUDGET
Rentals	\$2,356	\$19,110	\$1,923	\$932	\$6,986	\$15,000
Docks	\$19,333	\$27,105	\$22,477	\$18,874	\$4,800	\$9,000
Electrical	\$25,332	\$25,170	\$21,128	\$27,364	\$23,102	\$31,500
Police	\$63,293	\$54,987	\$29,038	\$20,183	\$40,379	\$77,675
Supplies	\$48,947	\$43,733	\$47,401	\$74,427	\$113,335	\$131,175
Buildings/Grounds	\$74,131	\$80,095	\$215,524	\$91,013	\$157,508	\$200,672
Landscaping	\$61,051	\$69,177	\$6,254	\$12,201	\$13,681	\$18,800
Services	\$59,919	\$48,090	\$54,037	\$33,964	\$20,239	\$74,500
Levees	\$-	\$130,000	\$129,600	\$243,187	\$20,000	\$200,000
Cruise	\$227,730	\$414,761	\$221,803	\$115,138	\$242,028	\$323,855
Renewals & Replacements Expensed	\$104,322	\$122,680	\$131,645	\$226,218	\$34,907	\$221,900
Salaries & Related	\$1,065,608	\$1,046,411	\$1,621,094	\$1,531,118	\$1,854,747	\$2,365,544
Maintenance Dredging	\$2,021,127	\$2,040,000	\$2,100,000	\$1,266,929	\$280,000	\$2,000,000

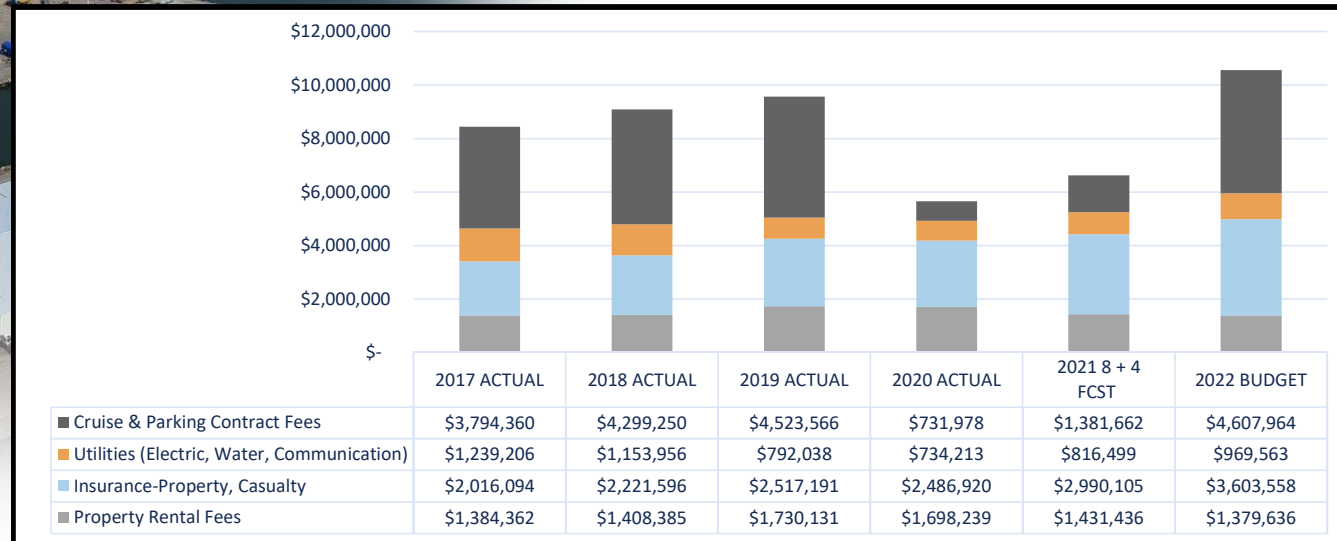
Total Expense



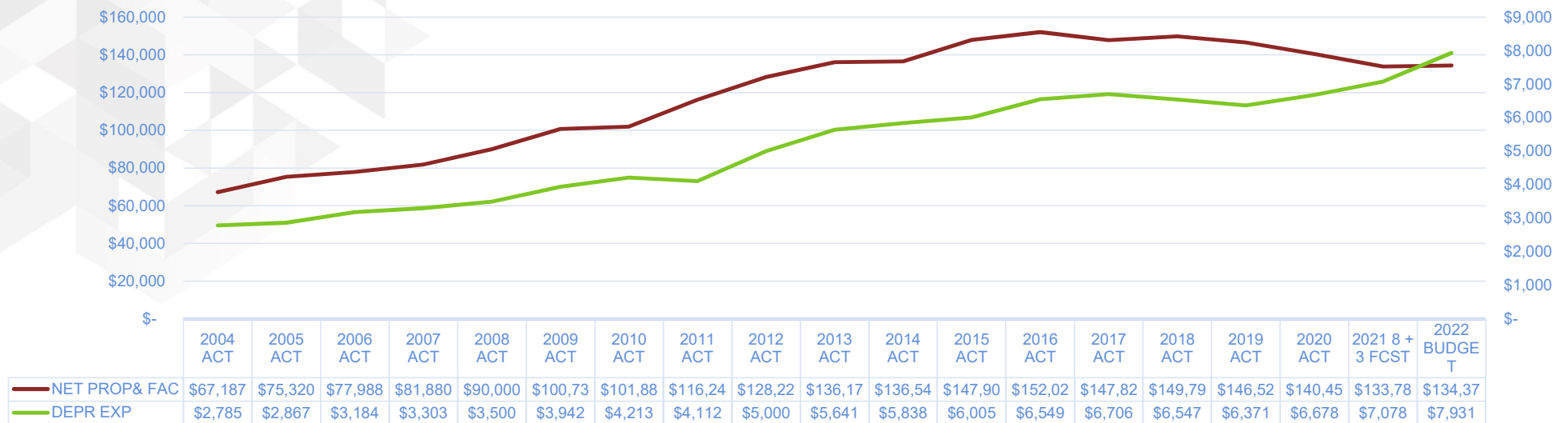
SELECT MAJOR EXPENSES TREND



Total Expenses



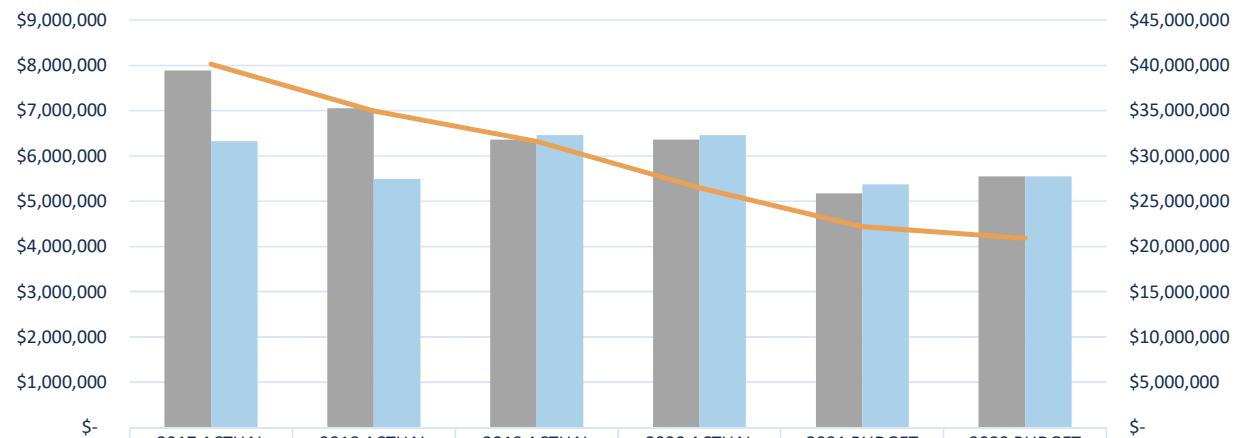
2004-2022 NET PROPERTY & FACILITIES & DEPRECIATION EXPENSE TREND (IN \$000)



Depreciation includes fixed assets Funded by Grants, Insurance, FEMA, Debt, and Operations

2022 DEBT SERVICE

Debt Service	2022 Interest	2022 Principal	2022 Debt - Cash Basis (Paid in 2022)	Bond Premium/Deferred Gain	Remove Prior Year Accretion that Impacts Cash but Not Book	2022 Debt - Book Basis	Comments
Series 2021 A&B	\$ 218,020	\$ 5,195,494	\$ 5,413,514			\$ 5,413,514	Annual Interest 1.3%
USA Corp Engineers 10% Payback	\$ 1,130	\$ 131,455	\$ 132,586	\$ -	\$ -	\$ 132,586	Assumed Annual Interest .03%
Debt Service	\$ 219,150	\$ 5,326,949	\$ 5,546,099	\$ -	\$ -	\$ 5,546,099	



2022 ANNUAL RENEWAL & REPLACEMENTS BUDGET

Annual Renewal & Replacement items are normally smaller capital cost 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
- Once approved, each of these 2022 requests will be assigned project identification numbers which are tracked on the master project sheet

All R&R items are reviewed and prioritized based on availability of funds

Capital projects total
\$2,641,698

Total 2022 R&R request is
\$2,969,048

Expense projects total
\$327,350

2022 ANNUAL RENEWAL & REPLACEMENTS SCHEDULE

Project Type	Expense	Capital
Safety	6,500	-
Utility	-	114,000
Equipment Acquisition	16,600	564,198
Other	205,000	1,689,000
IT Hardware and Software	99,250	274,500
Total	327,350	2,641,698



Utility Repairs (Water, Sanitary Sewer, Storm Sewer)

- \$100,000

Replace/rebuild hydraulic cylinders on FMT's

- \$150,000

C.T. #1 & #2 HVAC replacement

- \$250,000

Cruise Terminal Complex/Warehouse Repairs

- \$250,000

Safety-Security replacement of (3) police vehicles

- \$155,198

Dock Repairs

- \$300,000

Pavement and Roadway Repairs

- \$200,000

2022 ANNUAL BUDGET CAPITAL IMPROVEMENT PLAN

The 2022 Capital Improvement Plan and Capital Improvement Budget is presented as a separate section in the 2021 Proposed Budget Book.

