Supplemental Information For the 2024 Annual Budget

THE PORT OF EVERYTHING

Operating I Renewal & Replacement I Capital Improvements

Board of Trustees I November 21, 2023



THE PORT OF EVERYTHING 1

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

Total Revenue From Operations		2023 9+3 Fcst	2024 Budget Proposed		Increase/ (Decrease) \$	Increase/ (Decrease) %	
		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

THE PORT OF EVERYTHING 3 2024 Budget

SUMMARY OF 2024 BUDGET



GALVESTON WHARVES

THE PORT OF EVERYTHING 4 2024 Budget

2024 PROPOSED REVENUES FROM OPERATIONS

GALVESTON WHARVES



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





THE PORT OF EVERYTHING 6 2024 Budget

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



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



THE PORT OF EVERYTHING 7 2024 Budget

GALVESTON WHARVES

PARKING REVENUE TREND AND VEHICLES PARKED

\$12,000,000							
\$6,000,000							
-ب	SMP Garage	Transit Terminal	Express Lot	East End	CT10 Parking Areas	Surface Lots	
2019 Actual	\$279,673	\$571,816	\$-	\$199,677	\$-	\$7,067,016	
2020 Actual	\$200,185	\$79,909	\$-	\$216,969	\$-	\$1,380,832	
2021 Actual	\$829,068	\$94,949	\$363,600	\$296,357	\$-	\$2,024,529	
2022 Actual	\$1,546,907	\$406,091	\$363,600	\$340,651	\$1,574,726	\$8,158,737	
		¢601.062	\$1,081,005	\$359,091	\$10,221,579	\$6,253,750	
2023 9 + 3 Fcst	\$1,607,696	\$681,863	\$1,001,005	JJJJ,0JI	710,221,373	<i>Q0,233,130</i>	

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





2024 Budget

REAL ESTATE REVENUE TREND





Real Estate Revenue



THE PORT OF EVERYTHING 9 2024 Budget

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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 ٠ opening of Cruise Terminal 10

DOCKAGE REVENUE TREND

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

• Includes 3.5% proposed tariff escalation



\$7,000,000 \$6,000,000 \$5,000,000 \$4,000,000 \$3,000,000 \$2,000,000 \$1,000,000 \$-												
	Cruise	Fertilizer	General Cargo	Grain	Liquid Bulk	Produce	Ro-Ro	VPC	Wind	Lay Dockage Revenue		
2019 Actual	\$1,143,856	\$130,664	\$107,725	\$1,363,637	\$365,492	\$263,294	\$722,170	\$128,976	\$553,869	\$3,424,802		
2020 Actual	\$282,279	\$53,012	\$103,678	\$1,201,696	\$130,279	\$263,829	\$529,631	\$126,955	\$484,279	\$5,180,639		
2021 Actual	\$280,079	\$107,689	\$103,017	\$1,356,829	\$399,310	\$299,852	\$582,624	\$153,937	\$738,725	\$6,288,950		
2022 Actual	\$937,631	\$45,562	\$264,758	\$1,533,601	\$307,030	\$275,332	\$256,877	\$140,928	\$265,106	\$5,404,924		
2023 9 + 3 Fcst	\$226,227	\$48,596	\$234,388	\$1,373,065	\$297,830	\$346,422	\$461,322	\$128,091	\$167,049	\$4,207,250		
2024 Budget	\$183,940	\$33,521	\$207,500	\$-	\$291,579	\$118,349	\$448,276	\$158,849	\$129,000	\$4,056,038		



THE PORT OF EVERYTHING 10

2024 Budget

CARGO WHARFAGE REVENUE TREND



Fees Charged for Cargo Passing over Docks



Wharfage Revenue \$5.000.000 \$4,538,197 \$4,061,884 \$4,000,000 \$3,555,727 \$3,400,091 \$3,015,735 \$3,000,000 \$2,307,916 \$2,000,000 \$1,000,000 Ś 2019 Actual 2020 Actual 2022 Actual 2023 9 + 3 Fcst 2024 Budget 2021 Actual

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

THE PORT OF EVERYTHING 11 2024 Budget



OTHER REVENUE TREND





THE PORT OF EVERYTHING 12 2024 Budget

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.

Personnel

Contract Services

Facility & General Maintenance

Equipment Maintenance

General Liability

Property & Casualty Insurance

Utilities



THE PORT OF EVERYTHING 13 2024 Budget

2024 PROPOSED EXPENSES FROM OPERATIONS



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%







THE PORT OF EVERYTHING 15 2024 Budget





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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)

THE PORT OF EVERYTHING 16 2024 Budget

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 PORT OF EVERYTHING 17 2024 Budget



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.



