

2018 2nd Quarter Reforecast

Port of Houston Authority
August 1, 2018





Foreword

- In November 2017, a proposed operating budget and capital plan was developed to guide staff in the operation and management of Port Authority facilities and activities for Fiscal Year 2018. It was presented to the Port Commission for consideration at a budget workshop open to the public.
- The Port Commission approved the 2018 Operating Budget and Capital Plan at an open meeting on November 14, 2017.
- This latest 2018 Budget Reforecast was prepared by staff as of June 2018, and was provided to the Port Commission.
- Note that the operating budget does not include tax revenues. Property tax receipts are maintained in a separate account and used exclusively for principal and interest debt service payments due on the Port Authority's outstanding general obligation *ad valorem* tax bonds.
- While the capital plan may be approved as to maximum annual amount of capital expenditures, individual operating and capital projects exceeding \$50,000 will continue to be presented separately to the Port Commission for approval in accordance with statutory requirements.

2018 2nd Quarter Reforecast Revenue (000's)



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	<u>2017 Budget</u>	<u>2017 Audited</u>	<u>2018 Budget</u>	<u>2018 Actual Jun YTD</u>	<u>2018 Reforecast</u>
Container Terminals	\$235,713	\$252,405	\$288,033	\$136,720	\$289,298
% Change of Budget					0.4%
Turning Basin Terminals	50,885	53,871	52,671	28,558	55,817
					6.0%
Lease Revenues	15,187	17,295	16,439	9,187	18,474
					12.4%
Harbor Fees	6,880	6,401	6,949	3,392	6,866
					(1.2%)
Channel Development	2,846	2,922	3,574	751	2,538
					(29.0%)
Other Revenues	387	427	485	176	467
					(3.7%)
Total Operating Revenues	<u>311,898</u>	<u>333,321</u>	<u>368,151</u>	<u>178,784</u>	<u>373,460</u>
					1.4%
Non-Operating (Federal Grants, Insurance, Interest Income)	11,312	15,334	5,920	4,870	8,726
					47.4%
Total Revenue	<u><u>\$323,210</u></u>	<u><u>\$348,655</u></u>	<u><u>\$374,071</u></u>	<u><u>\$183,654</u></u>	<u><u>\$382,186</u></u>
					2.2%

2018 2nd Quarter Reforecast Revenue (000's)



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2018 Budget

\$374,071

Container Terminals

Storage	1,701	
Dockage	1,699	
Wharfage - Loaded Containers	(966)	
Wharf Crane Rental	(814)	
Empty Container Receipt or Delivery	(802)	
Other Container Terminal Revenues	448	1,265

Turning Basin Terminals

Rent/Lease	4,421	
Wharfage-Export	(907)	
Other Turning Basin Terminals Revenue	(368)	3,146

Lease Revenues

Rent/Lease	2,127	
Other Lease Revenues	(92)	2,035

Harbor Fees

Harbor & Barge Fees	(82)	(82)
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Channel Development

DMA Fees	(600)	
Rent/Lease	(367)	
Other Channel Development Revenue	(69)	(1,036)

Other Revenue

Other Revenue	(20)	(20)
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2018 2nd Quarter Reforecast Revenue (cont.) (000's)



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Non-Operating

Interest Income-Securities Current Fund	4,155	
Income from FEMA-Ike	905	
Income from Federal Funds	(2,600)	
Other Non Operating Revenues	346	2,806
		<u>8,115</u>

2018 Reforecast

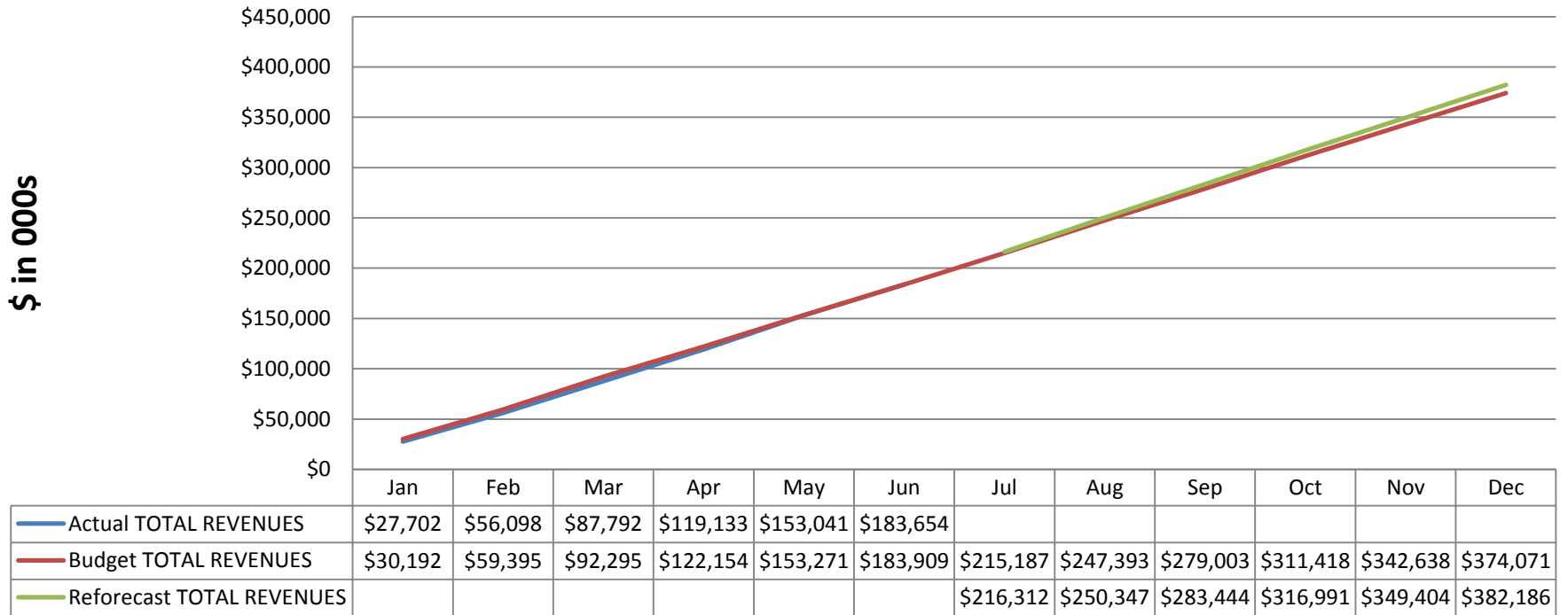
\$382,186

2018 2nd Quarter Reforecast Revenue (000's)



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PHA Total Revenues



2018 2nd Quarter Reforecast Total Expense (000's)



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	<u>2017 Budget</u>	<u>2017 Audited</u>	<u>2018 Budget</u>	<u>2018 Actual Jun YTD</u>	<u>2018 Reforecast</u>
Salaries	\$77,685	\$83,313	\$91,592	\$46,712	\$93,182
% Change of Budget					1.7%
Benefits	31,978	31,980	36,274	18,862	35,234
					(2.9%)
Retirement Benefits	13,908	12,354	13,748	6,604	13,847
					0.7%
Depreciation & Amortization	75,026	66,214	68,058	32,899	67,650
					(0.6%)
Terminal & Asset Maintenance	18,256	18,267	22,908	6,981	24,106
					5.2%
Fees & Services	16,156	14,993	17,084	7,357	17,334
					1.5%
Insurance	5,051	4,992	5,066	2,537	5,136
					1.4%
Utilities	3,959	3,952	4,323	2,179	4,313
					(0.2%)
Fuel	2,752	3,190	3,553	2,062	4,208
					18.4%
Consulting Fees	4,893	2,710	5,399	1,850	5,130
					(5.0%)
Discretionary Expenses	11,864	19,538	12,509	4,703	12,142
					(2.9%)
Allocations	(541)	(250)	(357)	(51)	(229)
					(35.9%)
Total Expenses Operations and G&A	<u>260,987</u>	<u>261,253</u>	<u>280,157</u>	<u>132,695</u>	<u>282,053</u>
					0.7%
Non-Operating Expenses	5,078	7,244	4,112	1,575	3,554
					(13.6%)
Net Expense	<u>\$266,065</u>	<u>\$268,497</u>	<u>\$284,269</u>	<u>\$134,270</u>	<u>\$285,607</u>
					0.5%

2018 2nd Quarter Reforecast Total Expense (000's)



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2018 Budget

\$284,269

Salaries & Benefits

Increase in PHA Salaries & Overtime	2,174	
ILA Labor Due to Decreased Volume	(1,105)	
All Other Salaries & Benefits	(421)	648

Depreciation & Amortization

Increase in Amortization	971	
(Includes Amortization of Long Term Agreements)		
Decrease in Depreciation	(1,379)	(408)

Terminal & Asset Maintenance

Prop and Equip Demo-Contractor	2,368	
Machinery and Equipment Maintenance	1,352	
Maint. to Items Other Than Equipment	725	
Wharf Maintenance-Contractor	(1,958)	
Road Maintenance	(726)	
All Other Terminal & Asset Maintenance	(563)	1,198

Fees & Services

Fees & Services	654	
Consulting Fees	(269)	
Software License Fees	(258)	
All Other Fees & Services	(145)	(18)

Utilities & Fuel

Fuel	655	
All Other Utilities & Fuel	(10)	645

2018 2nd Quarter Reforecast Total Expense (cont.) (000's)



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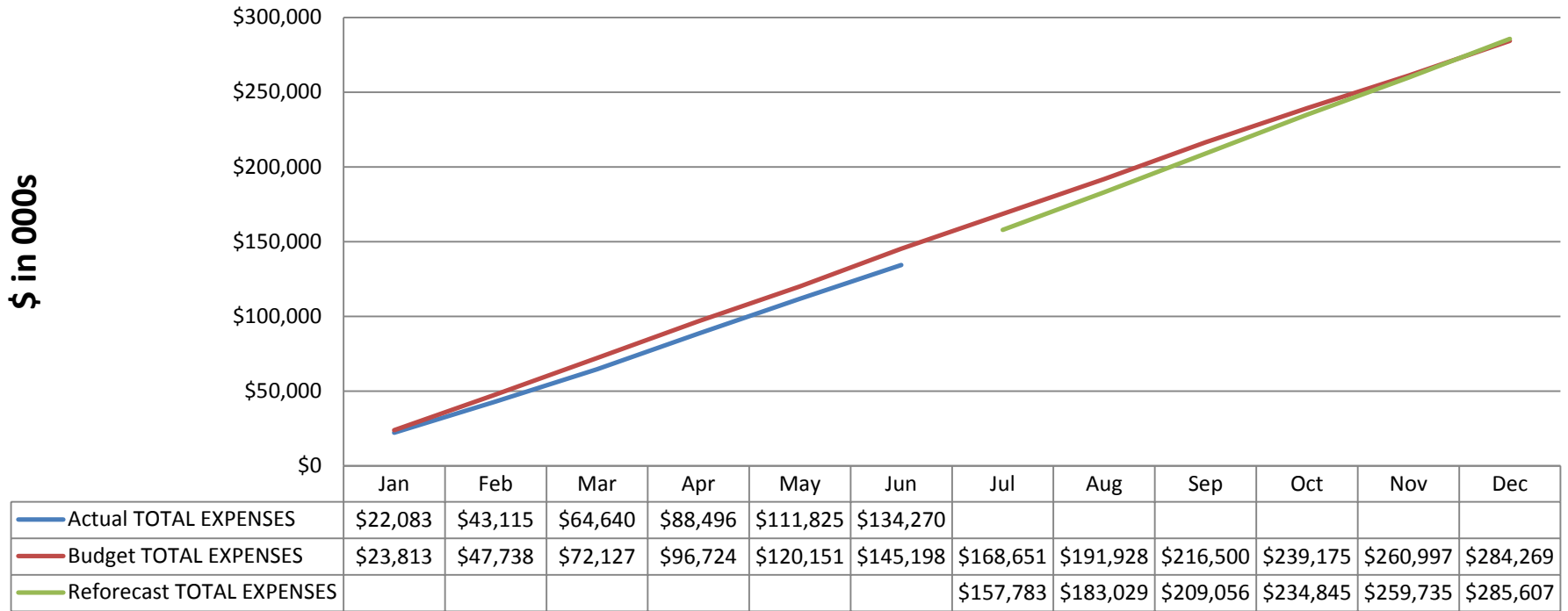
Discretionary Expenses			
Equipment Purchases Expensed	396		
Advertising Media	(259)		
Environmental Related Costs	(242)		
All Other Discretionary Expenses	(262)	(367)	
Non-Operating			
Contributions to State or Local Agencies	(337)		
Interest Expense	(244)		
All Other Non-Operating	23	(558)	
All Other Expenses			
All Other	198	198	
			1,338
2018 Reforecast			\$285,607

2018 2nd Quarter Reforecast Total Expense (000's)



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PHA Total Expenses



2018 2nd Quarter Reforecast Operations Expense (000's)



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	<u>2017 Budget</u>	<u>2017 Audited</u>	<u>2018 Budget</u>	<u>2018 Actual Jun YTD</u>	<u>2018 Reforecast</u>
Salaries	\$58,972	\$65,722	\$72,848	\$37,104	\$73,911
% Change of Budget					1.5%
Benefits	24,190	24,755	28,497	14,504	27,549
					(3.3%)
Retirement Benefits	6,242	6,136	7,113	3,421	7,238
					1.8%
Depreciation & Amortization	71,247	63,190	65,106	31,598	65,045
					(0.1%)
Terminal & Asset Maintenance	16,657	17,558	20,902	6,631	22,853
					9.3%
Utilities & Fuel	6,422	6,940	7,608	4,132	8,279
					8.8%
Insurance	4,170	4,188	4,305	2,194	4,446
					3.3%
Allocation to Others	626	1,430	413	99	866
					109.7%
Fees & Services	11,054	10,739	11,568	5,286	11,977
					3.5%
Discretionary Expenses	5,247	14,698	5,865	2,103	4,201
					(28.4%)
Total Operating Expenses	<u>\$204,827</u>	<u>\$215,357</u>	<u>\$224,226</u>	<u>\$107,072</u>	<u>\$226,364</u>
					1.0%

2018 2nd Quarter Reforecast Operations Expense (000's)



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2018 Budget

\$224,226

Salaries

PHA Overtime	945	
PHA Salaries	498	
ILA Labor Expenses	(1,105)	
Decrease in Medical Insurance	(183)	
Other Salaries & Benefits	(40)	115

Retirement Benefits

Increase in OPEB Contribution	281	
Decrease in Pension Contribution	(166)	
Other Retirement Benefits	10	125

Depreciation & Amortization

Increase in Amortization	971	
(Includes Amortization of Long Term Agreements)		
Decrease in Depreciation	(1,032)	(61)

Terminal & Asset Maintenance

Increase in Prop and Equip Demo-Contractor	2,368	
Increase in Machinery and Equipment Maintenance	1,352	
Increase in Maint. to Items Other Than Equipment	725	
Increase in Building Maintenance	525	
Decrease in Wharf Maintenance	(1,944)	
Decrease in Road Maintenance	(726)	
Other Maintenance Items	(351)	1,950

Utilities & Fuel

Increase in Fuel Expenses	671	671
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2018 2nd Quarter Reforecast Operations Expense (cont.) (000's)



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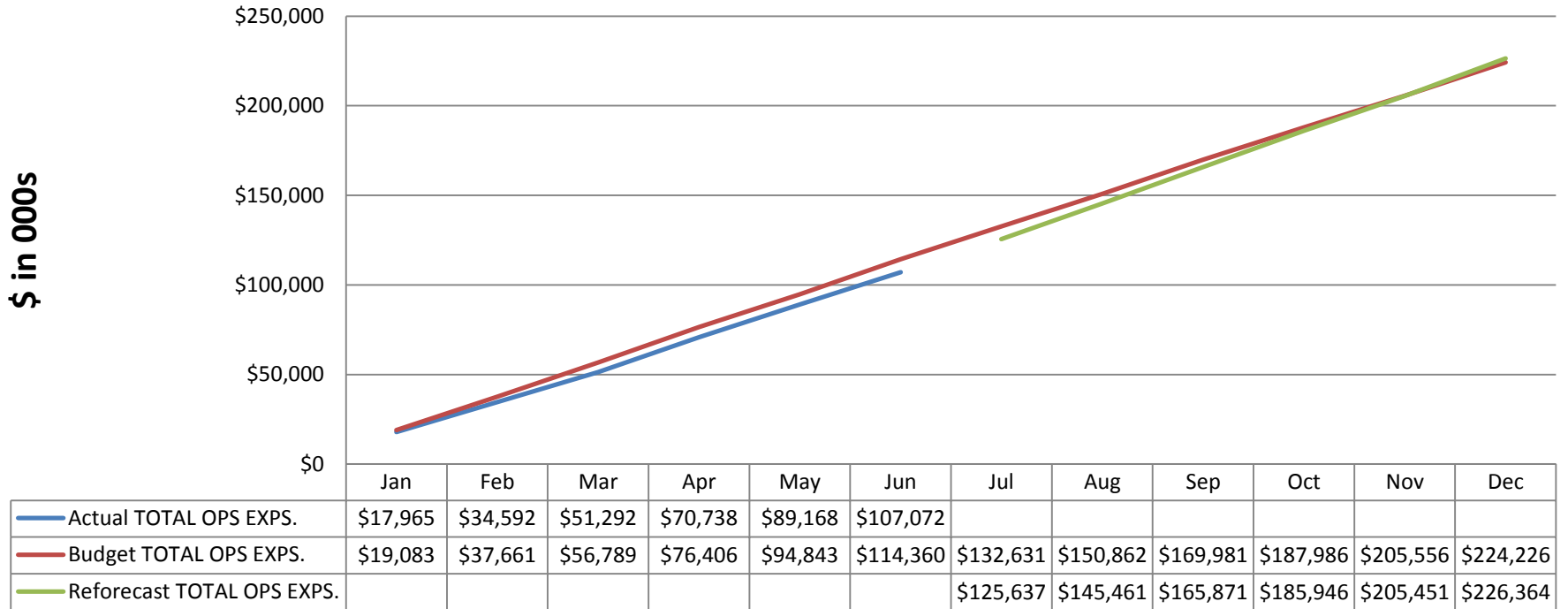
Allocations		
Maintenance Allocation	569	
Other Allocations	(116)	453
Discretionary Expenses		
Increase in Fees and Services	740	
Increase in Equipment Purchases Expensed	359	
Decrease in Asset Management Assessment	(1,930)	
Decrease in Environmental Related Costs	(242)	
Decrease in Consulting Fees	(216)	
Other Discretionary Expenses	34	(1,255)
Other Expenses		
Other	140	140
		<u>2,138</u>
2018 Reforecast		<u><u>\$226,364</u></u>

2018 2nd Quarter Reforecast Operations Expense (000's)



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PHA Operating Expenses



2018 2nd Quarter Reforecast G&A Expense (000's)



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	<u>2017 Budget</u>	<u>2017 Audited</u>	<u>2018 Budget</u>	<u>2018 Actual Jun YTD</u>	<u>2018 Reforecast</u>
Salaries	\$18,713	17,591	18,744	9,608	\$19,270
% Change of Budget					2.8%
Benefits	7,787	7,225	7,777	4,358	7,685
					(1.2%)
Retirement Benefits	7,666	6,218	6,635	3,183	6,608
					(0.4%)
Fees & Services	9,995	6,963	10,914	3,921	10,487
					(3.9%)
Depreciation & Amortization	3,779	3,024	2,952	1,301	2,605
					(11.7%)
Terminal & Asset Maintenance	1,599	709	2,006	350	1,254
					(37.5%)
Utilities & Fuel	289	201	267	108	241
					(9.7%)
Insurance	881	804	761	344	691
					(9.3%)
Discretionary Expenses	6,618	4,840	6,644	2,600	7,941
					19.5%
Gross G&A Expenses	<u>\$57,327</u>	<u>\$47,575</u>	<u>\$56,700</u>	<u>\$25,773</u>	<u>\$56,783</u>
					0.1%
Allocations	(1,167)	(1,680)	(770)	(150)	(1,095)
					42.3%
Net G&A Expenses	<u><u>\$56,160</u></u>	<u><u>\$45,895</u></u>	<u><u>\$55,931</u></u>	<u><u>\$25,623</u></u>	<u><u>\$55,688</u></u>
					(0.4%)

2018 2nd Quarter Reforecast G&A Expense (000's)



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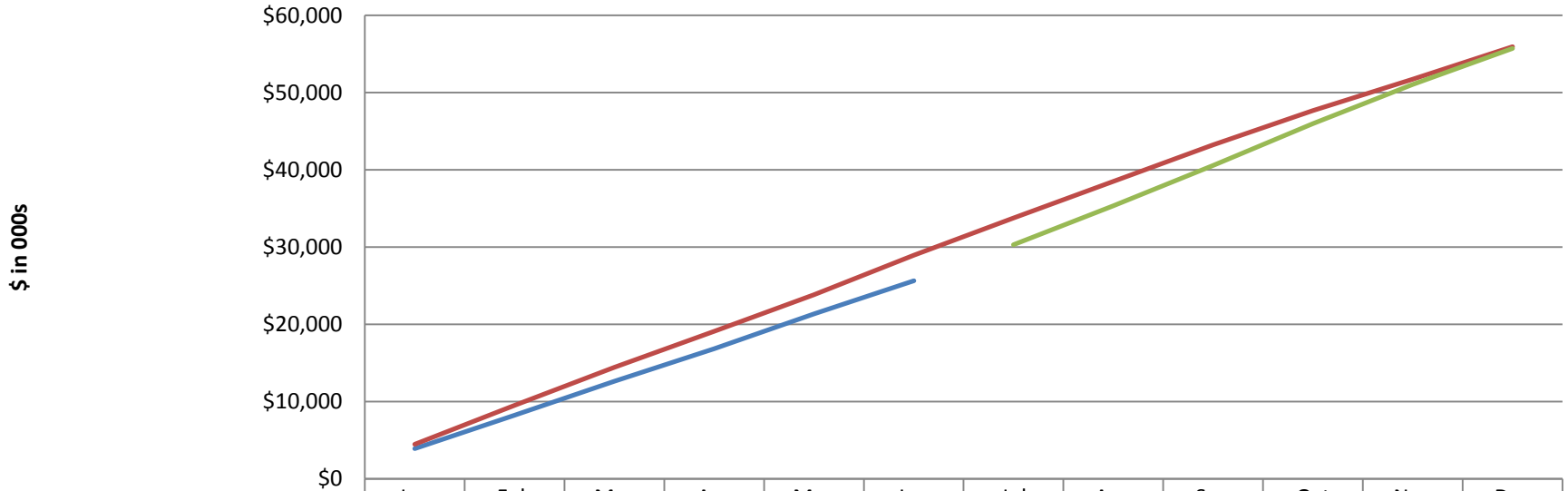
2018 Budget		\$55,931
Salaries & Benefits		
Increase in Salaries	522	
Decrease in Medical Insurance	(209)	
Other Salaries & Benefits	95	408
Fees & Services		
Decrease in Legal Fees	(147)	
Decrease in Software License Fees	(146)	
Other Fees & Services	(82)	(375)
Consulting Fees		
Decrease in Consulting Fees	(52)	(52)
Depreciation & Amortization		
Decrease in Depreciation	(347)	(347)
Terminal & Asset Maintenance		
Decrease in Building Maintenance-Contractor	(711)	
Other Terminal & Asset Maintenance	(41)	(752)
Discretionary Expenses		
Increase in Asset Management Assessment	1,840	
Decrease in Advertising Media	(259)	
All Other Discretionary Expenses	(284)	1,297
Allocations		
Maintenance Allocation	(569)	
All Other Allocations	243	(326)
Other Expenses		
Other	(96)	(96)
		(243)
2018 Reforecast		\$55,688

2018 2nd Quarter Reforecast G&A Expense (000's)



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PHA G&A Expenses



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Actual TOTAL G&A EXPS.	\$3,894	\$8,215	\$12,643	\$16,821	\$21,336	\$25,623						
Budget TOTAL G&A EXPS.	\$4,472	\$9,511	\$14,414	\$19,085	\$23,818	\$28,939	\$33,744	\$38,481	\$43,237	\$47,676	\$51,700	\$55,931
Reforecast TOTAL G&A EXPS.							\$30,303	\$35,342	\$40,556	\$45,967	\$51,049	\$55,688

2018 2nd Quarter Reforecast Income Statement (000's)



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	<u>2017 Budget</u>	<u>2017 Audited</u>	<u>2018 Budget</u>	<u>2018 Actual Jun YTD</u>	<u>2018 Reforecast</u>	<u>2018 Budget vs 2018 Reforecast</u>	<u>% Change of Budget</u>
Operating Revenue*	\$311,898	\$333,321	\$368,151	\$178,784	\$373,460	\$5,309	1.4%
Less: Operating Expense	204,827	215,357	224,226	107,072	226,364	2,139	1.0%
Gross Margin	107,072	117,964	143,925	71,712	147,096	3,171	2.2%
Less: General & Administrative Expenses	56,160	45,895	55,931	25,623	55,688	(243)	(0.4%)
Net Operating Income	50,912	72,070	87,994	46,089	91,408	3,414	3.9%
Non-Operating Revenue (Expense)	383	3,384	(247)	2,453	4,476	4,723	(100.0%)
Income before Contributions & Transfers	51,295	75,453	87,747	48,542	95,884	8,137	9.3%
Contributions (to)/from Federal/State Agencies	5,851	4,706	2,055	842	696	(1,359)	(66.1%)
Net Income	<u>\$57,146</u>	<u>\$80,159</u>	<u>\$89,802</u>	<u>\$49,384</u>	<u>\$96,581</u>	<u>\$6,778</u>	<u>7.5%</u>
Cash Flow	\$132,172	\$146,716	\$157,860	\$82,268	\$164,216	\$6,356	4.0%

*Includes G&A Revenues

2018 2nd Quarter Reforecast Income Statement (000's)



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2018 Budget

\$89,802

Increase in Rent/Lease	6,505	
Increase in Interest Income-Securities Current Fund	4,155	
Increase in Dockage	1,960	
Decrease in Wharf Maintenance	1,944	
Increase in Storage	1,611	
Decrease in Depreciation	1,379	
ILA Labor Decreased	1,105	
Increase Income from FEMA-Ike	905	
Decrease in Income from Federal Funds	(2,600)	
Increase in Prop and Equip Demo-Contractor	(2,368)	
Increase in Machinery and Equipment Maintenance	(1,352)	
Increase in PHA Salaries	(1,020)	
Increase in Amortization	(971)	
Decrease in Wharfage - Loaded Containers	(966)	
PHA Overtime Due to Increased Maintenance	(946)	
Decrease in Wharfage-Export	(916)	
Decrease in Wharf Crane Rental	(814)	
Decrease in Empty Container Receipt or Delivery	(802)	
Other	(27)	
	6,779	6,779

2018 Reforecast

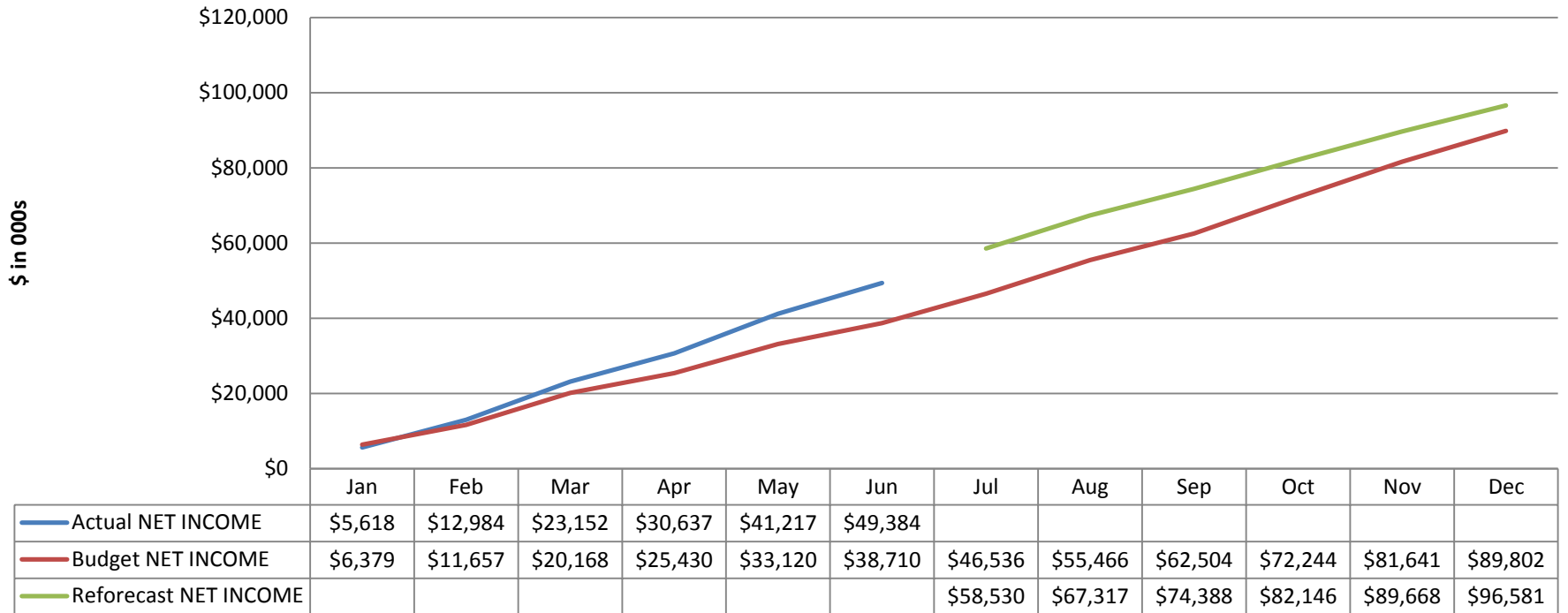
\$96,581

2018 2nd Quarter Reforecast Net Income (000's)



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PHA Net Income

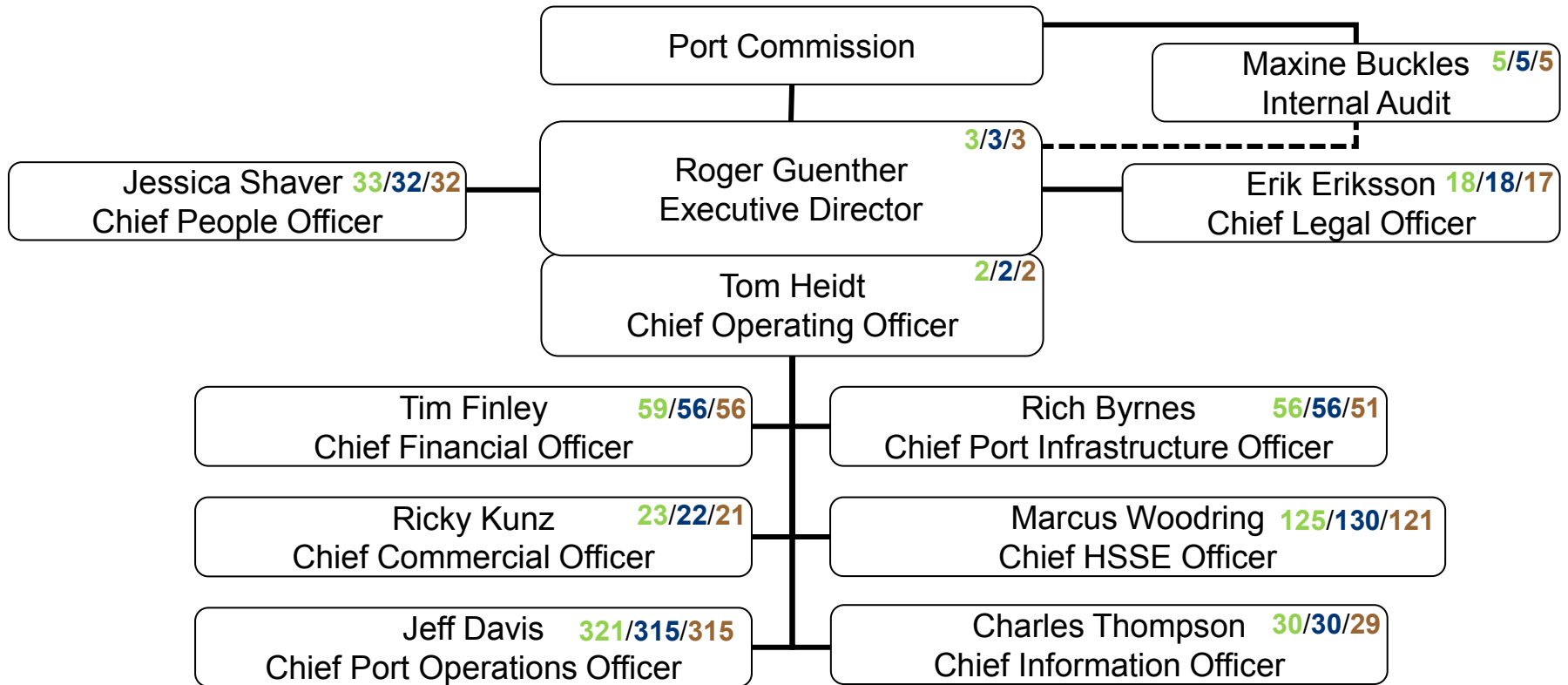


2018 Reforecast ORGANIZATIONAL STRUCTURE

(As of June 30, 2018)



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2018 Reforecast = 675/2018 Budget = 669/2018 Actual = 652

2017 Budget = 653 2017 Actual = 620

2016 Budget = 623 2016 Actual = 599

2018 2nd Quarter Reforecast Capital (000's)



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	2018 Budget	2018 Reforecast
Barbours Cut	\$99,837	\$90,124
Bayport Terminal	83,597	79,089
Turning Basin Terminals	24,897	14,814
Bayport Railroad	15,343	16,858
Channel Development	13,835	9,220
Real Estate	12,565	11,084
Maintenance	7,662	5,737
PSEO	7,073	822
Asset Management	7,000	6,960
Other	2,729	2,180
Total Capital	\$274,538	\$236,888
Grant Reimbursements	(4,035)	(3,417)
Net Capital	\$270,503	\$233,471

2018 2nd Quarter Reforecast Executive (000's)



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	2017 Budget	2017 Actual	2018 Budget	2018 Actual Jun_YTD	2018 Reforecast	Variance	Variance %
Salaries	\$1,427	\$1,211	\$1,268	\$702	\$1,384	\$116	9.2%
Benefits	503	408	461	285	482	21	4.6%
Retirement Benefits	359	393	302	142	299	(2)	(0.8%)
Depreciation & Amortization	5	5	5	3	5	0	0.0%
Fees & Services	143	122	153	36	112	(41)	(26.7%)
Insurance	73	86	82	26	41	(42)	(50.6%)
Consulting Fees	68	154	173	36	174	1	0.9%
Discretionary Expenses	330	199	368	30	341	(27)	(7.4%)
Allocations	0	0	0	2	2	2	0.0%
Net Expense	\$2,908	\$2,578	\$2,812	\$1,262	\$2,840	\$28	1.0%

2017 2nd Quarter Reforecast Commercial (000's)



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	2017 Budget	2017 Actual	2018 Budget	2018 Actual Jun_YTD	2018 Reforecast	Variance	Variance %
Salaries	\$2,066	\$2,098	\$2,040	\$1,113	\$2,189	\$148	7.3%
Benefits	844	802	807	473	818	11	1.4%
Retirement Benefits	592	695	547	263	548	1	0.3%
Depreciation & Amortization	1,088	1,111	1,040	542	1,062	22	2.1%
Terminal & Asset Maintenance	1,750	683	1,527	159	804	(723)	(47.3%)
Fees & Services	941	859	939	488	1,023	84	9.0%
Insurance	211	219	230	97	215	(16)	(6.7%)
Utilities	237	207	215	104	216	1	0.4%
Fuel	16	3	7	3	5	(2)	(22.9%)
Consulting Fees	519	438	544	202	448	(96)	(17.7%)
Discretionary Expenses	2,188	1,803	2,251	834	1,711	(541)	(24.0%)
Gross Expense	\$10,452	\$8,918	\$10,147	\$4,278	\$9,039	(\$1,111)	(10.9%)
Allocations	347	32	845	431	447	(398)	(47.1%)
Net Expense	\$10,799	\$8,950	\$10,992	\$4,709	\$9,486	(\$1,509)	(13.7%)

2018 2nd Quarter Reforecast Finance (000's)



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	2017 Budget	2017 Actual	2018 Budget	2018 Actual Jun_YTD	2018 Reforecast	Variance	Variance %
Salaries	\$4,723	\$4,355	\$4,542	\$2,259	\$4,504	(\$38)	(0.8%)
Benefits	1,944	1,739	1,924	1,015	1,779	(146)	(7.6%)
Retirement Benefits	1,115	501	1,042	502	1,045	3	0.3%
Depreciation & Amortization	17	18	0	0	0	0	0.0%
Fees & Services	829	631	746	287	748	2	0.3%
Insurance	126	97	114	54	107	(8)	(6.7%)
Fuel	8	1	5	0	3	(2)	(42.8%)
Consulting Fees	238	86	190	45	228	38	20.0%
Discretionary Expenses	878	688	992	366	841	(151)	(15.2%)
Gross Expense	\$9,878	\$8,116	\$9,555	\$4,528	\$9,255	(\$302)	(3.2%)
Allocations	3	0	15	9	9	(5)	(36.3%)
Net Expense	\$9,881	\$8,116	\$9,570	\$4,537	\$9,264	(\$307)	(3.2%)

2018 2nd Quarter Reforecast PSEO (000's)



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	2017 Budget	2017 Actual	2018 Budget	2018 Actual Jun_YTD	2018 Reforecast	Variance	Variance %
Salaries	\$7,427	\$7,870	\$8,193	\$4,007	\$8,141	(\$52)	(0.6%)
Benefits	3,883	3,448	3,867	1,956	3,553	(314)	(8.1%)
Retirement Benefits	1,772	1,972	2,038	983	2,027	(11)	(0.5%)
Depreciation & Amortization	2,979	2,760	3,042	1,281	2,543	(499)	(16.4%)
Terminal & Asset Maintenance	391	386	528	125	490	(38)	(7.3%)
Fees & Services	6,801	6,542	7,008	3,169	6,862	(145)	(2.1%)
Insurance	460	374	395	192	388	(7)	(1.8%)
Utilities	117	47	117	25	83	(34)	(29.1%)
Fuel	240	94	222	48	133	(89)	(39.9%)
Consulting Fees	45	37	35	6	37	2	4.3%
Discretionary Expenses	1,051	611	1,026	160	910	(117)	(11.4%)
Gross Expense	\$25,166	\$24,141	\$26,471	\$11,952	\$25,167	(\$1,304)	(4.9%)
Allocations	(6,855)	(8,956)	(8,185)	(3,998)	(8,942)	(757)	9.2%
Net Expense	\$18,311	\$15,185	\$18,286	\$7,954	\$16,225	(\$2,061)	(11.3%)

2018 2nd Quarter Reforecast Infrastructure (000's)



PORT HOUSTON
THE INTERNATIONAL PORT OF TEXAS™

	2017 Budget	2017 Actual	2018 Budget	2018 Actual Jun_YTD	2018 Reforecast	Variance	Variance %
Salaries	\$4,700	\$4,328	\$4,832	\$2,410	\$4,928	\$96	2.0%
Benefits	1,950	1,670	1,917	1,035	1,856	(61)	(3.2%)
Retirement Benefits	1,040	1,086	995	472	993	(2)	(0.2%)
Depreciation & Amortization	793	667	1,249	329	857	(392)	(31.4%)
Terminal & Asset Maintenance	430	277	630	124	334	(296)	(46.9%)
Fees & Services	448	398	536	157	517	(20)	(3.6%)
Insurance	179	216	177	90	174	(3)	(1.5%)
Utilities	0	0	0	0	0	(0)	(16.6%)
Fuel	24	8	25	5	17	(8)	(30.2%)
Consulting Fees	2,413	1,072	2,543	800	2,599	55	2.2%
Discretionary Expenses	414	916	646	133	2,328	1,682	260.2%
Gross Expense	\$12,391	\$10,638	\$13,550	\$5,555	\$14,603	\$1,051	7.8%
Allocations	(618)	(500)	(562)	(30)	(399)	164	(29.1%)
Net Expense	\$11,773	\$10,138	\$12,988	\$5,525	\$14,204	\$1,215	9.4%

2018 2nd Quarter Reforecast Operations (000's)



PORT HOUSTON
THE INTERNATIONAL PORT OF TEXAS™

	2017 Budget	2017 Actual	2018 Budget	2018 Actual Jun_YTD	2018 Reforecast	Variance	Variance %
Salaries	\$51,063	\$57,433	\$64,181	\$32,882	\$65,353	\$1,172	1.8%
Benefits	20,130	21,175	24,473	12,458	23,842	(631)	(2.6%)
Retirement Benefits	4,390	4,099	5,003	2,406	5,135	132	2.6%
Depreciation & Amortization	67,561	59,709	60,841	29,972	61,616	775	1.3%
Terminal & Asset Maintenance	15,111	16,515	19,744	6,382	22,028	2,284	11.6%
Fees & Services	2,956	3,427	3,448	1,797	4,158	710	20.6%
Insurance	3,626	3,733	3,828	1,961	3,978	151	3.9%
Utilities	3,604	3,688	3,974	2,045	4,000	26	0.6%
Fuel	2,419	3,069	3,253	1,989	4,012	759	23.3%
Consulting Fees	0	2	0	25	25	25	0.0%
Discretionary Expenses	4,089	13,243	4,508	1,891	3,110	(1,399)	(31.0%)
Gross Expense	\$174,949	\$186,093	\$193,253	\$93,808	\$197,257	\$4,004	2.1%
Allocations	7,129	10,359	8,371	3,943	9,638	1,267	15.1%
Net Expense	\$182,078	\$196,452	\$201,624	\$97,751	\$206,895	\$5,271	2.6%

2018 2nd Quarter Reforecast People (000's)



PORT HOUSTON
THE INTERNATIONAL PORT OF TEXAS™

	2017 Budget	2017 Actual	2018 Budget	2018 Actual Jun_YTD	2018 Reforecast	Variance	Variance %
Salaries	\$2,365	\$2,155	\$2,393	\$1,244	\$2,504	\$112	4.7%
Benefits	1,150	1,288	1,192	727	1,283	92	7.7%
Retirement Benefits	3,709	2,689	3,019	1,439	2,970	(49)	(1.6%)
Depreciation & Amortization	111	116	61	30	61	0	0.0%
Terminal & Asset Maintenance	190	118	25	0	25	0	0.0%
Fees & Services	386	311	410	212	361	(49)	(11.8%)
Insurance	110	123	126	64	127	0	0.1%
Utilities	0	10	16	6	14	(2)	(13.5%)
Fuel	45	14	36	15	33	(3)	(8.9%)
Consulting Fees	193	59	376	146	245	(131)	(34.8%)
Discretionary Expenses	1,225	813	1,192	616	1,491	300	25.1%
Gross Expense	\$9,484	\$7,696	\$8,846	\$4,499	\$9,114	\$270	3.0%
Allocations	290	2	318	200	200	(118)	(37.0%)
Net Expense	\$9,774	\$7,698	\$9,164	\$4,699	\$9,314	\$152	1.7%

2018 2nd Quarter Reforecast Technology (000's)



PORT HOUSTON
THE INTERNATIONAL PORT OF TEXAS™

	2017 Budget	2017 Actual	2018 Budget	2018 Actual Jun_YTD	2018 Reforecast	Variance	Variance %
Salaries	\$2,154	\$2,186	\$2,406	\$1,223	\$2,458	\$51	2.1%
Benefits	909	861	982	538	969	(14)	(1.4%)
Retirement Benefits	452	369	413	199	428	15	3.5%
Depreciation & Amortization	2,285	1,829	1,821	742	1,508	(314)	(17.2%)
Terminal & Asset Maintenance	384	288	454	192	424	(29)	(6.5%)
Fees & Services	2,141	1,493	2,471	825	2,322	(149)	(6.0%)
Insurance	226	110	73	35	69	(4)	(5.8%)
Fuel	0	1	4	1	3	(1)	(29.3%)
Consulting Fees	717	207	886	367	791	(96)	(10.8%)
Discretionary Expenses	1,324	1,038	1,156	556	1,113	(43)	(3.7%)
Gross Expense	\$10,592	\$8,382	\$10,666	\$4,678	\$10,085	(\$584)	(5.5%)
Allocations	(838)	(1,187)	(1,158)	(609)	(1,186)	(27)	2.4%
Net Expense	\$9,754	\$7,195	\$9,508	\$4,069	\$8,899	(\$611)	(6.4%)

2018 2nd Quarter Reforecast Legal (000's)



PORT HOUSTON
THE INTERNATIONAL PORT OF TEXAS™

	2017 Budget	2017 Actual	2018 Budget	2018 Actual Jun_YTD	2018 Reforecast	Variance	Variance %
Salaries	\$1,759	\$1,678	\$1,737	\$873	\$1,721	(\$16)	(0.9%)
Benefits	667	590	651	375	652	1	0.2%
Retirement Benefits	480	549	389	197	401	12	3.1%
Depreciation & Amortization	188	0	0	0	0	0	0.0%
Fees & Services	1,511	1,211	1,375	386	1,232	(143)	(10.4%)
Insurance	41	34	40	19	39	(2)	(4.1%)
Fuel	0	0	1	0	0	(0)	(25.5%)
Consulting Fees	700	654	651	222	583	(68)	(10.4%)
Discretionary Expenses	365	228	368	117	297	(71)	(19.3%)
Gross Expense	\$5,711	\$4,944	\$5,212	\$2,189	\$4,925	(\$287)	(5.5%)
Allocations	0	0	1	1	1	(1)	(50.7%)
Net Expense	\$5,711	\$4,944	\$5,213	\$2,190	\$4,926	(\$288)	(5.5%)

2018 2nd Quarter Reforecast Internal Audit (000's)



PORT HOUSTON
THE INTERNATIONAL PORT OF TEXAS™

	2017 Budget	2017 Actual	2018 Budget	2018 Actual Jun_YTD	2018 Reforecast	Variance	Variance %
Salaries	\$483	\$440	\$486	\$252	\$497	\$11	2.2%
Benefits	161	145	163	105	180	16	9.8%
Retirement Benefits	113	103	98	47	94	(5)	(4.7%)
Depreciation & Amortization	5	5	5	3	5	0	0.0%
Fees & Services	8	(4)	9	(44)	(36)	(45)	(483.6%)
Insurance	51	69	63	17	22	(40)	(64.4%)
Consulting Fees	53	0	53	22	54	1	2.8%
Discretionary Expenses	31	26	37	8	28	(9)	(24.0%)
Gross Expense	\$905	\$784	\$914	\$410	\$844	(\$71)	(7.8%)
Allocations	0	0	0	2	2	2	0.0%
Net Expense	\$905	\$784	\$914	\$412	\$846	(\$69)	(7.6%)