

FY 2008 - 09 Proposed Resource Allocation and Multi-Year Capital Plan

Seaport

The Seaport Department (Seaport) manages the Dante B. Fascell Port of Miami-Dade County (POM). The POM is the busiest passenger cruise home port in the world and the 12th busiest cargo container port in the United States.

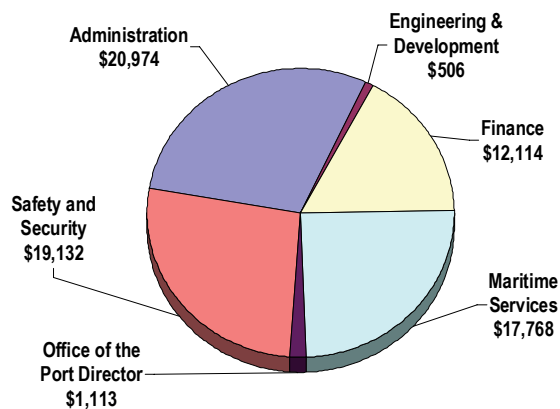
As part of the Transportation and Economic Development strategic areas, the Seaport is responsible for meeting the infrastructure needs of the cruise and cargo industries, ensuring the POM is managed efficiently and effectively, and maintaining, renovating, and expanding the Port's facilities. The Seaport promotes cruise and cargo growth through infrastructure enhancements and throughput capacity improvements combined with an aggressive foreign and domestic marketing program.

As one of the largest economic engines in Miami-Dade County, the Seaport works with the maritime, cruise, and cargo industries, truckers, freight forwarders, various federal and state agencies, the Miami-Dade Police and Fire Rescue Departments, as well as all the ancillary services that support these customers.

FY 2008-09 Proposed Budget

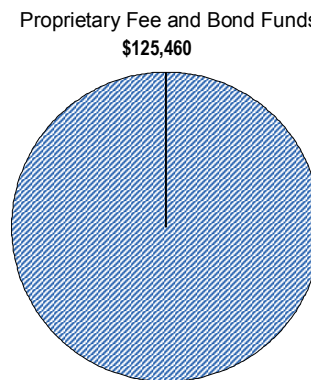
Expenditures by Activity

(dollars in thousands)



Revenues by Source

(dollars in thousands)



FY 2008 - 09 Proposed Resource Allocation and Multi-Year Capital Plan

TABLE OF ORGANIZATION

<u>OFFICE OF THE DIRECTOR</u>			
<ul style="list-style-type: none"> Formulates departmental policies and procedures and provides overall direction and coordination for all divisions 			
<u>FY 07-08</u> 6		<u>FY 08-09</u> 6	
<u>MARITIME SERVICES</u>		<u>FINANCE</u>	
<ul style="list-style-type: none"> Responsible for cargo and cruise ship operations and associated berthing and terminal management functions 		<ul style="list-style-type: none"> Responsible for all accounting activities, including cost accounting, reconciliation, accounts payable, financial statements, credit/collection, and billing 	
<u>FY 07-08</u> 175	<u>FY 08-09</u> 173	<u>FY 07-08</u> 30	<u>FY 08-09</u> 29
<u>SECURITY ENFORCEMENT</u>		<u>ENGINEERING</u>	
<ul style="list-style-type: none"> Responsible for the overall security planning and enforcement of the POM at the federal, state, and local levels; and operates POM badging and identification functions 		<ul style="list-style-type: none"> Develops and implements all capital related items required by POM 	
<u>FY 07-08</u> 126	<u>FY 08-09</u> 135	<u>FY 07-08</u> 29	<u>FY 08-09</u> 32
<u>ADMINISTRATION</u>			
<ul style="list-style-type: none"> Responsible for human resources, procurement, contracts, information technology, and grant activities; and manages the switchboard and mail center operations 			
<u>FY 07-08</u> 34		<u>FY 08-09</u> 35	

FY 2008 - 09 Proposed Resource Allocation and Multi-Year Capital Plan

FINANCIAL SUMMARY

(dollars in thousands)	Actual FY 06-07	Budget FY 07-08	Proposed FY 08-09
Revenue Summary			
Carryover	11,395	27,752	10,701
Interest Income	0	4	300
Proprietary Fees	91,968	106,064	114,459
Transfer From Other Funds	13,300	0	0
Total Revenues	116,663	133,820	125,460
Operating Expenditures Summary			
Salary	19,922	19,955	22,209
Fringe Benefits	5,908	6,722	7,713
Other Operating	38,198	42,518	40,420
Capital	453	2,349	1,265
Total Operating Expenditures	64,481	71,544	71,607
Non-Operating Expenditures Summary			
Debt Service	34,003	34,358	36,548
Reserve	0	27,157	10,900
Transfers	5,572	0	6,405
Other Non-Operating Adjustments	0	761	0
Total Non-Operating Expenditures	39,575	62,276	53,853

(dollars in thousands)	Total Funding		Total Positions	
Expenditure By Program	Budget FY 07-08	Proposed FY 08-09	Budget FY 07-08	Proposed FY 08-09
Strategic Area: Transportation				
Administration	20,125	20,974	34	35
Engineering & Development	976	506	29	32
Finance	12,418	12,114	30	29
Maritime Services	18,512	17,768	175	173
Office of the Port Director	1,143	1,113	6	6
Safety and Security	18,370	19,132	126	135
Total Operating Expenditures	71,544	71,607	400	410

CAPITAL BUDGET SUMMARY

(dollars in thousands)	PRIOR	FY 08-09	FY 09-10	FY 10-11	FY 11-12	FY 12-13	FY 13-14	FUTURE	TOTAL
Revenue									
Army Corps of Engineers	0	2,670	0	0	0	0	32,744	35,195	70,609
Building Better Communities GOB Program	0	100,000	0	0	0	0	0	0	100,000
FDOT Funds	2,080	13,544	5,526	2,500	2,500	2,500	3,939	0	32,589
FDOT-County Incentive Grant Program	0	0	670	1,000	0	0	0	0	1,670
FEMA Hazard Mitigation Grant	49	0	480	0	0	0	0	0	529
FEMA Reimbursements	2,576	1,144	1,500	0	0	0	0	0	5,220
Private Donations	90	0	0	0	0	0	0	0	90
Seaport Bonds/Loans	36,134	40,661	59,519	60,302	34,477	82,177	53,092	40,115	406,477
US Department of Homeland Security	5,308	4,631	999	0	0	0	0	0	10,938
Total:	46,237	162,650	68,694	63,802	36,977	84,677	89,775	75,310	628,122
Expenditures									
Strategic Area: Transportation									
Cargo Facilities Improvements	11,963	13,500	20,150	11,600	8,250	8,250	7,750	0	81,463
Equipment Acquisition	0	0	2,000	11,000	0	0	0	0	13,000
New Passenger Facilities	0	800	22,075	25,125	22,000	0	0	0	70,000
Passenger Facilities Improvements	9,875	11,592	4,490	2,350	0	0	0	0	28,307
Port Facility Improvements	17,753	119,300	18,192	13,727	6,727	50,427	7,727	0	233,853
Seaport Dredging	1,100	8,010	0	0	0	26,000	74,298	75,310	184,718
Security Improvements	5,546	9,448	1,787	0	0	0	0	0	16,781
Total:	46,237	162,650	68,694	63,802	36,977	84,677	89,775	75,310	628,122

FY 2008 - 09 Proposed Resource Allocation and Multi-Year Capital Plan

SELECTED ITEM HIGHLIGHTS AND DETAILS

Line Item Highlights	(dollars in thousands)				
	Actual FY 05-06	Actual FY 06-07	Budget FY 07-08	Projection FY 07-08	Proposed FY 08-09
Travel	74	52	130	77	60
Outside Maintenance	661	782	1,290	1,255	1,160
Contract Temporary Employees	129	244	119	240	178
Administrative Reimbursement	1,558	1,558	1,900	1,900	2,000
Transfers and Reimbursements					
• Audit and Management Services - Audit Services	110	110	110	110	110
• Consumer Services Department - Taxi Cab Inspections	57	57	57	50	100

PROPOSED FEE ADJUSTMENTS FOR SERVICES

Fee Adjustments	Current Fee FY 07-08	Proposed Fee FY 08-09	Dollar Impact FY 08-09
• Cruise Passenger Wharfage- Multi-day cruises per passenger embarking and debarking	8.61	8.98	875,000
• Dockage per gross registry ton	0.26	0.28	682,000
• Cargo Vessel Wharfage per short ton	2.21	2.28	524,000
• Gantry Crane Rentals per hour	588.00	617.40	252,000
• Reefer Fee per day or any portion thereof	50.00	52.50	198,000
• Water-use per ton	1.60	1.70	80,000

FY 2008 - 09 Proposed Resource Allocation and Multi-Year Capital Plan

DIVISION: OFFICE OF THE PORT DIRECTOR

The Office of the Director is responsible for overseeing Port operations. The Director is responsible for policies and procedures and provides overall direction and coordination for all divisions.

- Develops legislative items for Board of County Commissioners approval
- Acts as intergovernmental liaison with state, federal, and local government agencies
- Coordinates outside communication and public information, media, and public relations
- Develops and implements long-range plans for the Port's continued growth and development

Strategic Plan Outcome - Measures

- TP6-3: Meet existing and future demand levels for passengers and cargo at the ports

Increase non-maritime revenue to the Port	Measures	FY 06-07		FY 07-08		FY 08-09
		Target	Actual	Target	Projection	Target
	Generate advertising revenue (in thousands)	N/A	N/A	\$1,000	\$0*	\$1,000

*Advertising revenue did not materialize in FY 2007-08 due to a lack of viable bidders; advertising bid package is being revised for FY 2008-09

BUDGET PRIORITIES

Strategic Plan Outcome	Programs/Initiatives	Impact
ED1-1: Increased number of businesses and employment opportunities in higher-paying, targeted industries (priority outcome)	Continue high level visits with potential cargo and cruise customers to initiate and finalize long-term contracts	Increase cruise and cargo business efforts at the POM through aggressive contractual and pricing strategies to generate additional annual revenues
TP6-1: Seamless movement of people, baggage and cargo between Seaport and Airport (priority outcome)	Begin construction of the Port of Miami Tunnel working in conjunction with the Florida Department of Transportation and concessionaire; projected project completion is FY 2012-13 (\$100 million from Building Better Communities GOB Program and \$43.5 of future Seaport Bonds)	Improve access to the POM, ensuring its ability to handle projected growth in cruise and cargo operations; improve traffic safety in downtown Miami by removing POM traffic, trucks, and buses

FY 2008 - 09 Proposed Resource Allocation and Multi-Year Capital Plan

DIVISION: SAFETY AND SECURITY

The Security Enforcement Division is responsible for the overall security planning and enforcement of the Port of Miami at the federal, state, and local levels.

- Supervises, manages, and administers all public safety and seaport security efforts, including protection of all Port of Miami buildings and property
- Oversees issuance of identification cards granting access to the Port of Miami
- Ensures adherence to the Facilities Security Plan (FSP) as mandated by the Maritime Transportation Security Act

Strategic Plan Outcome - Measures

- TP6-2: Enhanced customer service, convenience, and security at every level of contact with the ports (priority outcome)

Ensure public safety and security at the POM	Measures	FY 06-07		FY 07-08		FY 08-09
		Target	Actual	Target	Projection	Target
	Security staffing level (in FTE)	89	82	110	110	110

BUDGET PRIORITIES

Strategic Plan Outcome	Programs/Initiatives	Impact
TP6-2: Enhanced customer service, convenience, and security at every level of contact with the ports (priority outcome)	Begin installation of access controls for federal Transport Workers Identification Credentials (TWIC) (\$2.415 million); finalize construction of a communications command and control center (\$4.425 million); complete cruise provisioning inspection facility (\$1.677 million); begin terminals D and E security upgrades (\$2.6 million); and finalize Phase Two installation of waterside surveillance cameras (\$3 million)	Ensure compliance with security mandates and safety requirements

FY 2008 - 09 Proposed Resource Allocation and Multi-Year Capital Plan

DIVISION: ENGINEERING & DEVELOPMENT

The Engineering and Development Division is responsible for developing and implementing all capital related items required by the Port.

- Completes infrastructure upgrades on time and within budget
- Provides in-house project management capability to reduce use of outside consultants
- Responsible for grant activities
- Coordinates Port of Miami engineering and construction management activities
- Coordinates environmental issues with various local, state, and federal agencies

Strategic Plan Outcome - Measures

- ES8-2: Planned necessary resources to meet current and future operating and capital needs

	Measures	FY 06-07		FY 07-08		FY 08-09
		Target	Actual	Target	Projection	Target
Improve internal capacity to oversee capital improvements	Percentage of projects completed on time and within budget*	N/A	N/A	N/A	N/A	100%

*The Department is incorporating this measure for FY 2008-09

BUDGET PRIORITIES

Strategic Plan Outcome	Programs/Initiatives	Impact
TP6-2: Enhanced customer service, convenience, and security at every level of contact with the ports (priority outcome)	Begin construction of Parking Garage Terminal D (\$15.056 million), which will add 750 parking spaces; complete general infrastructure improvements (\$1.5 million programmed in FY 2008-09) for the renovation of office buildings, facilities, and infrastructure; begin installation of canopies in the security area at the main cargo gates (\$998,000)	Ensure facilities meet customer needs and continue the implementation of the Seaport Master Development Program by investing in revenue generating infrastructure

FY 2008 - 09 Proposed Resource Allocation and Multi-Year Capital Plan

DIVISION: ADMINISTRATION

The Administration Division is responsible for procurement, human resource, risk management, information technology and mail room activities.

- Coordinates activities with the Florida Ports Council
- Provides human resource functions, including recruitment, employee counseling, and administration of policy and procedures
- Oversees maintenance of computerized systems to include parking gates, cruise and cargo logistics applications, and the Port's telecommunication and network division

Strategic Plan Outcome - Measures

- TP6-3: Meet existing and future demand levels for passengers and cargo at the ports

	Measures	FY 06-07		FY 07-08		FY 08-09
		Target	Actual	Target	Projection	Target
Improve Port efficiency	Percentage of mandatory employee training completed on time	100%	100%	100%	100%	100%

FY 2008 - 09 Proposed Resource Allocation and Multi-Year Capital Plan

DIVISION: MARITIME SERVICES

The Maritime Services Division is responsible for cruise and cargo activities, port maintenance, property management, public relations, advertising and media contact.

- Coordinates berthing activities and terminal management functions
- Directs Port trade development, advertising, promotions, marketing, customer service, traffic research, and tariffs activities
- Maintains facilities to achieve high customer satisfaction and rental occupancy
- Maintains competitive pricing and strengthens relationships with the port stakeholders

Strategic Plan Outcome - Measures

- TP6-3: Meet existing and future demand levels for passengers and cargo at the ports

	Measures	FY 06-07		FY 07-08		FY 08-09
		Target	Actual	Target	Projection	Target
Efficiently oversee all cruise and cargo operations	Crane availability	99.0%	98.8%	99.0%	98.8%	99%
	Seaport cargo tonnage (in thousands)	9,399	7,835	7,640	7,640	7,945
	Cruise passengers (in thousands)*	3,880	3,787	3,940	3,988	3,919
	Percentage of rental property occupancy	95%	95%	95%	96%	95%

*Reduction in cruise passenger activity is due to a cruise line changing departure destination

BUDGET PRIORITIES

Strategic Plan Outcome	Programs/Initiatives	Impact
TP6-3: Meet existing and future demand levels for passengers and cargo at the ports	Begin planning phase for cruise terminal A to expand business in conjunction with new agreement (\$70 million); finalize improvements at cruise terminals B and C (\$13.667 million); make final payments for construction completed at cruise terminals D and E (\$7.3 million)	Ensure facilities meet projected demand for cruise growth and continue the implementation of the Seaport Master Development Program by investing in revenue generating infrastructure
TP6-3: Meet existing and future demand levels for passengers and cargo at the ports	Begin Seaboard container yard improvements including bulkhead and drainage (\$10 million programmed for FY 2008-09); begin Phase III Dredging (\$6.910 million programmed for FY 2008-09) to increase depth to 50 feet	Increase the Seaport's ability to remain competitive by improving cargo and gantry crane operations and increasing throughput

FY 2008 - 09 Proposed Resource Allocation and Multi-Year Capital Plan

DIVISION: FINANCE

The Finance and Accounting Division is responsible for Port accounting and budget activities.

- Oversees cost accounting, accounts payable and receivable, financial statements, and year-end financial audits
- Prepares, coordinates, and administers capital and operational budget activities
- Oversees permitting and collection process
- Manages accounting operations for gantry cranes
- Develops and implements financial activities to enhance revenues and reduce expenditures

Strategic Plan Outcome - Measures

- TP6-3: Meet existing and future demand levels for passengers and cargo at the ports

	Measures	FY 06-07		FY 07-08		FY 08-09
		Target	Actual	Target	Projection	Target
Provide efficient administrative support to the Port	Prepaid scale accounts	N/A	N/A	120	139	150
	Gantry crane revenues (in thousands)	\$8,500	\$11,000	\$8,100	\$8,100	\$9,200
	New Parking revenue (in thousands)	N/A	N/A	\$150	\$160	\$200

Budget Enhancements or Reductions and Additional Comments

- In February 2006, the Department received a \$22.5 million settlement from dredging litigations with Safeco/Dutra; the Department used \$3.4 million in FY 2005-06 and \$13.5 million in FY 2006-07 towards debt service payments; the remaining \$6.0 million, including accumulated interest, is projected to be expended in FY 2007-08 towards debt service payments
- The Seaport Promotional Fund is budgeted at \$911,000 in FY 2008-09 and will be used for activities pursuant to County policy and Administrative Order 7-32; these funds are not proposed as competitive grant funding but rather allocations for limited programs that promote Seaport maritime activities; funding is provided for the Office of the Chair - Protocol Section (\$131,000), annual support to the International Trade Consortium (\$295,000); funding is also provided for the following activities: Seaport promotional/inaugural events (\$50,000), the Latin Chamber of Commerce of the United States (CAMACOL) (\$125,000), InterAmerican Mayor's Conference (\$65,000), Greater Miami Convention and Visitors Bureau (\$75,000), World Trade Center Miami (\$75,000), and Sea Trade Cruise Shipping Convention (\$95,000)
- The FY 2008-09 Proposed Resource Allocation Plan includes a \$40.661 million State of Florida Sunshine loan for the following: container yard improvements (\$4.9 million), install stormceptors (\$1.5 million), improvements at cruise terminals B and C (\$1.748 million), construction of parking garage D (\$6.95 million), Phase III Dredging (\$3.02 million), security upgrades to terminals D and E (\$1.85 million), capitalize eligible engineering services (\$4.727 million), gantry crane refurbishment (\$2 million), cruise terminals D and E upgrades to meet demand of new service and finalization of previous upgrades (\$7.5 million), and other infrastructure projects (\$6.466 million)
- The FY 2008-09 Proposed Resource Allocation Plan includes the addition of 10 security positions (overages approved in FY 2007-08) to address increased security requirements and to assist in the reduction of overtime costs
- Capital improvement projects completed in FY 2007-08 include completion of main cargo gateway system (\$11.7 million), terminals D and E (\$78 million), installation of cargo gateway security systems (\$1.86 million), and installation of Phase I waterside surveillance system (\$730,000)

FY 2008 - 09 Proposed Resource Allocation and Multi-Year Capital Plan

Department Operational Unmet Needs

Description	Startup Costs/ Non Recurring Costs	Recurring Costs	Positions
Purchase components required to upgrade sewer pumps, alarm systems, and air conditioning units	\$500	\$0	0
Purchase new lawn mowers and tractors throughout the Port to replace aging equipment	\$250	\$0	0
Total	\$750	\$0	0