

FY 2011-12 Adopted Budget and Multi-Year Capital Plan

Port of Miami

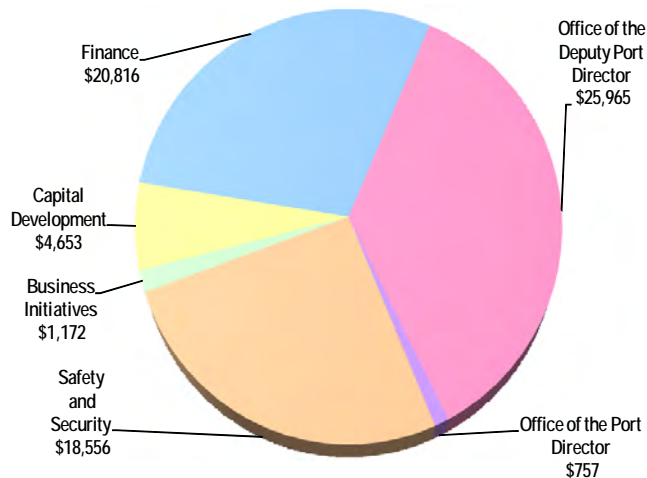
Miami Dade County manages the Dante B. Fascell Port of Miami-Dade (POM). The POM is the busiest passenger cruise port in the world and the 11th busiest cargo container port in the United States.

As part of the Transportation and Economic Development strategic areas, the POM 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 POM promotes cruise and cargo growth through infrastructure enhancements and throughput capacity improvements combined with an aggressive foreign and domestic marketing program.

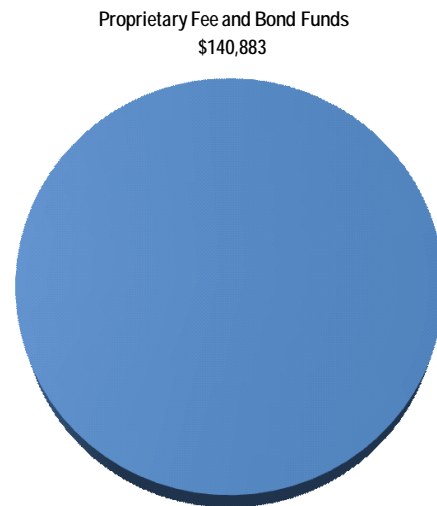
As one of the largest economic engines in Miami-Dade County, the POM works with the maritime, cruise, and cargo industries; truckers; freight forwarders; various federal and state agencies; the Miami-Dade Police and Fire Rescue departments; and all the ancillary service providers that support these customers.

FY 2011-12 Adopted Budget

Expenditures by Activity
(dollars in thousands)

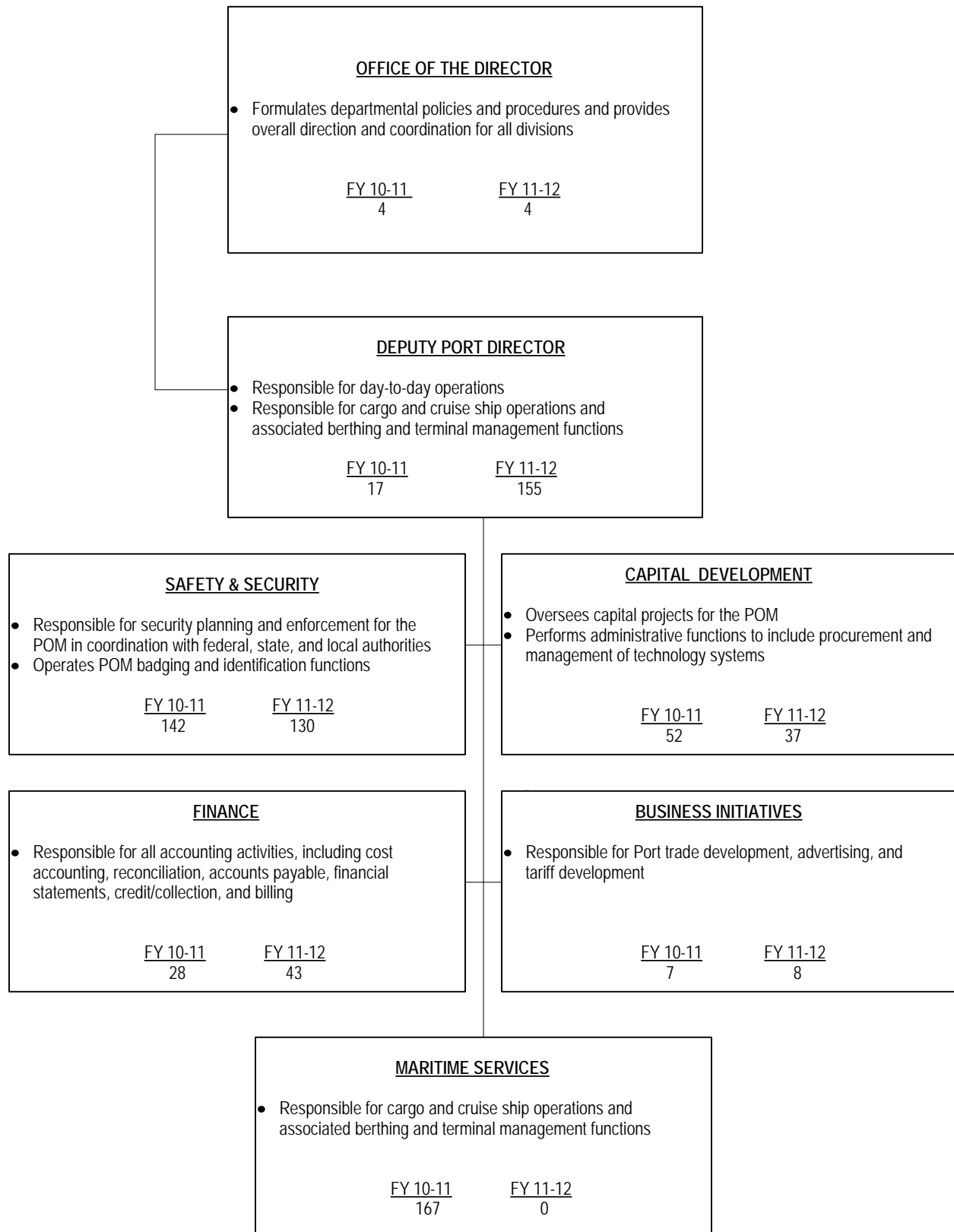


Revenues by Source
(dollars in thousands)



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TABLE OF ORGANIZATION



FY 2011-12 Adopted Budget and Multi-Year Capital Plan

FINANCIAL SUMMARY

(dollars in thousands)	Actual FY 08-09	Actual FY 09-10	Budget FY 10-11	Adopted FY 11-12
Revenue Summary				
Carryover	10,701	13,800	14,365	23,248
Interest Income	40	11	100	0
Proprietary Fees	105,599	110,097	114,630	117,635
Total Revenues	116,340	123,908	129,095	140,883
Operating Expenditures Summary				
Salary	23,170	24,322	24,529	22,280
Fringe Benefits	7,276	6,969	7,828	5,412
Court Costs	557	255	410	312
Contractual Services	14,428	11,799	13,676	16,444
Other Operating	9,935	13,176	12,219	9,253
Charges for County Services	15,957	15,884	17,146	15,436
Grants to Outside Organizations	0	0	0	0
Capital	1,138	1,279	2,303	2,782
Total Operating Expenditures	72,461	73,684	78,111	71,919
Non-Operating Expenditures Summary				
Transfers	795	831	1,046	6,329
Distribution of Funds In Trust	0	0	0	0
Debt Service	29,284	31,393	38,238	39,957
Depreciation, Amortizations and Depletion	0	0	0	0
Reserve	0	0	11,700	22,678
Total Non-Operating Expenditures	30,079	32,224	50,984	68,964

(dollars in thousands)	Total Funding		Total Positions	
Expenditure By Program	Budget FY 10-11	Adopted FY 11-12	Budget FY 10-11	Adopted FY 11-12
Strategic Area: Transportation				
Office of the Port Director	827	757	4	4
Office of the Deputy Port Director	1,986	25,965	17	155
Maritime Services	27,408	0	167	0
Business Initiatives	1,092	1,172	7	8
Capital Development	5,203	4,653	52	37
Finance	20,735	20,816	28	43
Safety and Security	20,860	18,556	142	130
Total Operating Expenditures	78,111	71,919	417	377

SELECTED ITEM HIGHLIGHTS AND DETAILS

Line Item Highlights	(dollars in thousands)				
	Actual FY 08-09	Actual FY 09-10	Budget FY 10-11	Actual FY 10-11	Budget FY 11-12
Advertising	168	168	169	189	269
Fuel	160	177	181	175	171
Overtime	1,346	1,694	1,430	1,369	1,030
Rent	0	0	0	0	0
Security Services	21,096	19,542	20,860	20,186	18,556
Temporary Employees	218	103	125	99	99
Travel and Registration	109	70	60	96	75
Utilities	4,650	4,805	5,350	4,950	5,350

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ADOPTED FEE ADJUSTMENTS FOR SERVICES

Fee Adjustments	Current Fee FY 10-11	Adopted Fee FY 11-12	Dollar Impact FY 11-12
<ul style="list-style-type: none"> Cruise Passenger Wharfage- Multi-day cruises per passenger embarking and debarking 	\$ 9.72	\$ 10.09	\$1,160,000
<ul style="list-style-type: none"> Dockage per gross registry ton 	\$ 0.30	\$ 0.31	\$221,000
<ul style="list-style-type: none"> Cargo Vessel Wharfage per short ton 	\$ 2.56	\$ 2.69	\$671,000
<ul style="list-style-type: none"> Gantry Crane Rentals per hour 	\$680.68	\$714.72	\$300,000
<ul style="list-style-type: none"> Water-use per ton 	\$ 2.08	\$ 2.18	\$100,000

CAPITAL BUDGET SUMMARY

(dollars in thousands)	PRIOR	FY 11-12	FY 12-13	FY 13-14	FY 14-15	FY 15-16	FY 16-17	FUTURE	TOTAL
Revenue									
Army Corps of Engineers	1,670	0	0	0	0	0	0	0	1,670
Federal Transportation Grant	0	8,989	13,778	0	0	0	0	0	22,767
FEMA Reimbursements	3,327	0	0	0	0	0	0	0	3,327
US Department of Homeland Security	0	2,042	0	0	0	0	0	0	2,042
FDOT Funds	16,766	30,377	63,714	20,426	2,725	0	0	0	134,008
BBC GOB Series 2008A	100,000	0	0	0	0	0	0	0	100,000
Seaport Bonds/Loans	65,678	76,128	79,908	123,125	43,344	35,576	20,900	6,186	450,845
Tenant Financing	100	295	1,327	1,377	0	0	0	0	3,099
Total:	187,541	117,831	158,727	144,928	46,069	35,576	20,900	6,186	717,758
Expenditures									
Strategic Area: Transportation									
Cargo Facilities Improvements	21,687	10,928	10,454	1,732	0	0	0	0	44,801
Equipment Acquisition	7,630	10,325	15,968	4,293	2,552	2,412	0	0	43,180
Facility Improvements	6,120	24,817	17,501	5,255	8,381	13,689	4,000	6,186	85,949
Passenger Facilities Improvements	23,009	7,348	5,509	0	0	0	0	0	35,866
Port Facility Improvements	108,304	12,994	15,565	74,736	24,872	19,475	16,900	0	272,846
Seaport Dredging	20,591	48,896	93,730	58,912	10,264	0	0	0	232,393
Terminal Improvements	200	2,523	0	0	0	0	0	0	2,723
Total:	187,541	117,831	158,727	144,928	46,069	35,576	20,900	6,186	717,758

CAPITAL HIGHLIGHTS AND OPERATIONAL IMPACTS

- In FY 2011-12 construction will continue on the Port of Miami Tunnel; the Department, working in conjunction with the Florida Department of Transportation and the concessionaire, projects a completion date of FY 2013-14; total project cost is \$914 million, funded with \$457 million from the State of Florida, \$55 million from the City of Miami, and \$402 million from the County that is comprised of rights-of-way contributions (\$45 million), Building Better Communities General Obligation Bond (BBC GOB) proceeds (\$100 million), future Seaport Bonds (\$43.5 million), contingency future seaport bonds (\$100 million), and double barrel bonds backed by the County and State of Florida State Enhanced Comprehensive Transportation System funds (\$114 million)
- In FY 2011-12, the Port will continue the remodeling of Terminal J (\$9.039 million) to attract luxury cruise operations by replacing carpet, installing new elevators, and completing various upgrades of the current terminal
- In FY 2011-12, the Port will continue working closely with the Army Corp of Engineers, as well as various private and governmental entities, to begin dredging the southern part of Lummus Island channel to a depth of 50 feet from the current depth of 42 feet (\$166.883 million funded with \$109.011 million from the Florida Department of Transportation, \$1.670 million from Army Core of Engineers, and \$56.202 million from Port bonds/loans), which is required to handle larger cargo vessels once the Panama Canal expansion is finalized in 2015
- In FY 2011-12, the Port will oversee improvements to the container yard for terminal operators in accordance with contractual obligations (\$40.672 million total with \$9.138 million programmed in FY 2011-12)
- In FY 2011-12, the Port will continue improvements and retrofits to Terminals D and E (\$14.959 million) that will allow berthing of a new class of cruise ship
- In FY 2011-12, the Port will begin construction of the rail line from the Port to a cargo transfer facility (\$25.914 million) to enhance storage capacity and increase cargo container traffic

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DIVISION: OFFICE OF THE PORT DIRECTOR

The Office of the Port Director is responsible for overseeing Port operations; overseeing policies and procedures; providing long-term vision and overall direction and coordination for all divisions; and representing the interests of the Port and the County at the local, national and international levels.

- Establishes departmental policy, directs overall management, provides long-term vision, and implements legislative policy and directives

Strategic Objectives - Measures

- ED2-1: Attract more visitors, meetings and conventions

Objectives	Measures			FY 08-09	FY 09-10	FY 10-11	FY 10-11	FY 11-12
				Actual	Actual	Budget	Actual	Target
Increase maritime revenue to the Port	Cruise passengers (in thousands)*	OC	↑	4,110	4,145	3,954	4,018	3,850

*Cruise passengers are expected to be lower than previous years in FY 2011-12 due to lower bookings

- ED3-1: Attract and increase foreign direct investments and international trade from targeted countries

Objectives	Measures			FY 08-09	FY 09-10	FY 10-11	FY 10-11	FY 11-12
				Actual	Actual	Budget	Actual	Target
Increase maritime revenue to the Port	Number of TEUs (Twenty Foot Equivalent) (in thousands)	OC	↑	807	847	879	907	940

DIVISION HIGHLIGHTS AND BUDGET ENHANCEMENTS OR REDUCTIONS

- In FY 2011-12, the Port will continue high level visits with potential cargo and cruise customers to initiate and finalize long-term contracts and/or retain or attract new customers
- The Port's Promotional Fund is budgeted at \$1.329 million in FY 2011-12 and will be used for activities pursuant to Administrative Order 7-32; these funds are not proposed as competitive grant funding but rather allocations for limited programs that promote Port maritime activities; funding is provided for the Office of the Chair - Protocol Section (\$131,000); funding is also provided for the following activities: Port promotional/inaugural events (\$40,000), Sea Trade Cruise Shipping Convention (\$70,000), InterAmerican Mayor's Conference (\$60,000), Greater Miami Convention and Visitors Bureau (\$205,000), the Latin Chamber of Commerce of the United States (CAMACOL) (\$100,000), World Trade Center (\$200,000), the Florida Chamber of Commerce (\$50,000), Future of Florida Forum (\$7,500), AAPA Latin Ports Delegation (\$20,000), U.S. Chamber of Commerce (\$25,000), AAPA 100th Annual Convention (\$5,500), National Custom Brokers and Freight Forwarders Annual Meeting (\$25,000), FEC/South Florida Marketing Program (\$150,000), and a Cargo and Cruise Marketing Program (\$240,000)

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DIVISION: OFFICE OF THE DEPUTY PORT DIRECTOR

The Office of the Deputy Port Director is responsible for human resources, risk management, government affairs, and day-to-day operations of the Port of Miami.

- Provides management direction and administration of all departmental operations and personnel
- Guides organizational development and performance excellence initiatives
- Coordinates federal, state, and local legislative affairs
- Coordinates internal and external communication including public information programs and outreach
- Coordinates berthing activities and terminal management functions
- Maintains facilities to support cruise and cargo operations

Strategic Objectives - Measures

- GG2-2: Develop and retain excellent employees and leaders

Objectives	Measures			FY 08-09	FY 09-10	FY 10-11	FY 10-11	FY 11-12
				Actual	Actual	Budget	Actual	Target
Improve Port efficiency	Percentage of mandatory employee training completed on time	EF	↑	100%	100%	100%	100%	100%

DIVISION HIGHLIGHTS AND BUDGET ENHANCEMENTS OR REDUCTIONS

- In FY 2012, the Port will eliminate 40 positions (\$2.885 million) and \$1.902 million in various line items in an effort to streamline operations; operational impacts will be mitigated through merging functions of the various operating divisions
- In FY 2011-12, the Maritime Services division was merged into the Office of the Deputy Port Director

DIVISION: BUSINESS INITIATIVES

The Business Initiatives Division is responsible for business retention and development as well as long term planning of Port requirements.

- Develops and negotiates short and long term agreements for on-Port business activities
- Plans and recommends future business and economic development
- Responsible for long term planning of the Port operations

Strategic Objectives - Measures

- ED4-1: Encourage creation of new small businesses

Objectives	Measures			FY 08-09	FY 09-10	FY 10-11	FY 10-11	FY 11-12
				Actual	Actual	Budget	Actual	Target
Improve new business initiatives	Advertising revenue generated*	OC	↑	N/A	N/A	\$100,000	\$0	\$100,000

*New measure for FY 2010-11 but was not implemented until FY 2011-12 due to legislative changes

DIVISION HIGHLIGHTS AND BUDGET ENHANCEMENTS OR REDUCTIONS

- In FY 2011-12, the Port will continue negotiations with one of its terminal operators in order to create an updated agreement
- FY 2011-12, overall revenues are projected to remain flat and include standard tariff increases of three percent

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DIVISION: CAPITAL DEVELOPMENT

The Capital Development Division manages implementation of capital improvement programs.

- Responsible for contract bid and award activities for capital projects
- Coordinates short and long range planning requirements
- Coordinates Port of Miami design engineering and construction management activities
- Coordinates environmental issues with various local, state, and federal agencies
- Provides information technology and procurement support for the Department

Strategic Objectives - Measures

- TP3-3: Continually modernize Seaport and airports

Objectives	Measures			FY 08-09	FY 09-10	FY 10-11	FY 10-11	FY 11-12
				Actual	Actual	Budget	Actual	Target
Improve internal capacity to oversee capital improvements	Percentage of projects completed on time and within budget	EF	↑	95%	95%	100%	100%	100%

DIVISION HIGHLIGHTS AND BUDGET ENHANCEMENTS OR REDUCTIONS

- In FY 2011-12, the Port will conduct studies regarding potential projects for inclusion into the capital program, to improve the Port's infrastructure and attract new customers
- The FY 2011-12 Adopted Budget includes \$76.128 million in bond proceeds to fund improvements to the Port's infrastructure; Port Revenue Bonds will be issued, backed by a pledge from the County

DIVISION: FINANCE

The Finance Division is responsible for Port accounting and budget activities, procurement and grant coordination.

- Oversees cost accounting, accounts payable and receivable, financial statements, and year-end financial audits
- Coordinates capital and operational budget activities
- Oversees permitting and collection process for port business activities
- Manages accounting operations for gantry cranes
- Develops and implements financial initiatives to enhance revenues and reduce expenditures
- Oversees Port facilities to achieve high customer satisfaction and rental occupancy
- Responsible for procurement functions of the Department
- Oversees grant activity

Strategic Objectives - Measures

- ED3-1: Attract and increase foreign direct investments and international trade from targeted countries

Objectives	Measures			FY 08-09	FY 09-10	FY 10-11	FY 10-11	FY 11-12
				Actual	Actual	Budget	Actual	Target
Provide efficient administrative support to the Port	Gantry crane revenues (in thousands)	OC	↑	\$8,180	\$8,477	\$9,000	\$9,900	\$9,600

DIVISION HIGHLIGHTS AND BUDGET ENHANCEMENTS OR REDUCTIONS

- In FY 2011-12, the Port will continue maintenance of a new revenue accounting and management system to enhance billing, collections, and statistical information; the new system was implemented in FY 2010-11

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DIVISION: SAFETY AND SECURITY

The Safety and Security Division is responsible for security planning and enforcement for the Port in coordination with federal, state, and local authorities.

- Manages 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
- Coordinates with federal, state and local law enforcement partners

Strategic Objectives - Measures

- TP2-4: Ensure security at airports, seaport and on public transit

Objectives	Measures			FY 08-09	FY 09-10	FY 10-11	FY 10-11	FY 11-12
				Actual	Actual	Budget	Actual	Target
Ensure public safety and security at the POM	Safety and security budget (in thousands)	IN	↔	\$21,096	\$19,542	\$20,860	\$19,956	\$18,556
	Security staffing level (in Full-Time Equivalent)	IN	↔	107	118	118	118	118

DIVISION HIGHLIGHTS AND BUDGET ENHANCEMENTS OR REDUCTIONS

- The Port has been successful in adding full-time Miami Dade Police Department (MDPD) officers and Seaport Enforcement Specialists, which have considerably reduced overtime costs and largely offset annual labor cost increases; the Port continues to work closely with all its law enforcement partners in analyzing ways to implement efficiencies in its security operations and revise its security plan, which will result in added savings, while enhancing its security program
- In FY 2011-12, as a result of the amendment of Florida Statute 311.12, which addresses the duplicative security requirements mandated by both state and federal government, the Port will evaluate the Port Security Plan to eliminate redundancies in order to achieve operational savings

Department Operational Unmet Needs

Description	(dollars in thousands)		Positions
	Startup Costs/ Non Recurring Costs	Recurring Costs	
Purchase components required to upgrade sewer pumps, alarm systems, and air conditioning units	\$850	\$0	0
Purchase ground maintenance equipment to replace deteriorating aging equipment	\$250	\$0	0
Total	\$1,100	\$0	0