

FY 2012 - 13 Adopted Budget and Multi-Year Capital Plan

Port of Miami

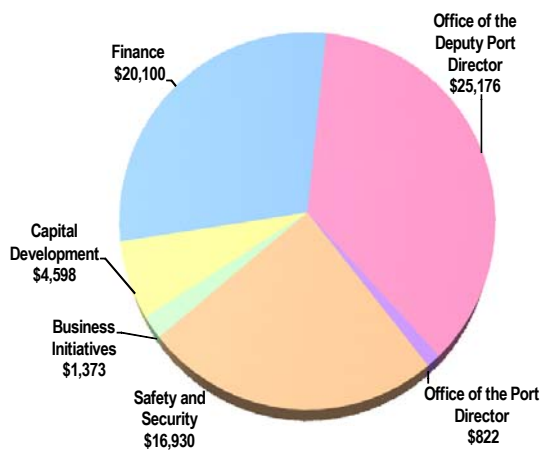
Miami-Dade County manages the Dante B. Faskell Port of Miami (POM). The POM is the busiest passenger cruise port in the world and the 11th busiest cargo container port in the United States.

As part of the Transportation and the 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.

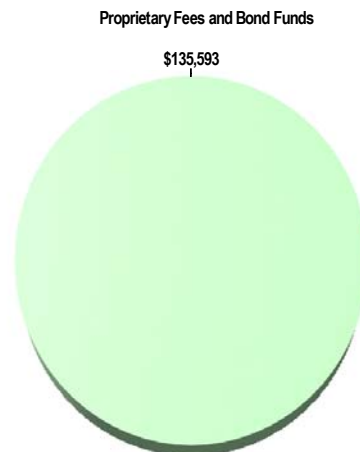
As the second largest economic engine in Miami-Dade County, the POM works with the maritime, cruise, and cargo industries; truckers; freight forwarders; various federal and state agencies; the Miami-Dade Police and Fire Rescue departments; and all the ancillary service providers that support these customers.

FY 2012-13 Adopted Budget

Expenditures by Activity
(dollars in thousands)

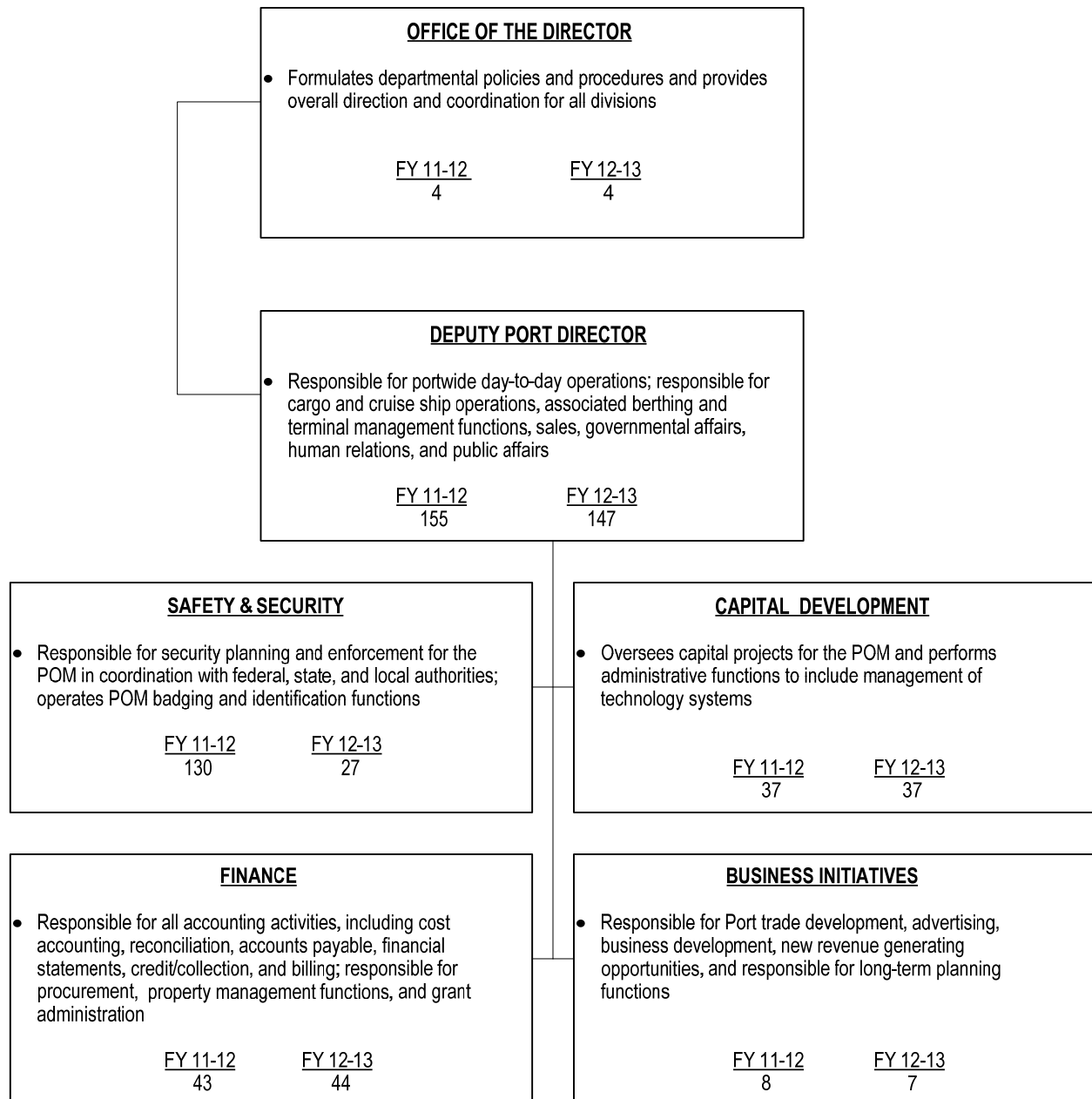


Revenues by Source
(dollars in thousands)



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TABLE OF ORGANIZATION



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FINANCIAL SUMMARY

(dollars in thousands)	Actual FY 09-10	Actual FY 10-11	Budget FY 11-12	Adopted FY 12-13
Revenue Summary				
Carryover	13,800	18,000	23,248	20,300
Interest Income	11	4	0	0
Proprietary Fees	110,097	114,284	117,635	115,293
Transfer From Other Funds	0	734	0	0
Interdepartmental Transfer	0	902	0	0
Total Revenues	123,908	133,924	140,883	135,593
Operating Expenditures Summary				
Salary	24,322	23,278	22,280	18,604
Fringe Benefits	6,969	7,047	5,412	4,041
Court Costs	255	89	312	12
Contractual Services	11,799	14,213	16,444	18,463
Other Operating	13,176	7,882	9,253	11,392
Charges for County Services	15,884	17,204	15,436	14,946
Grants to Outside Organizations	0	0	0	0
Capital	1,279	3,547	2,782	1,541
Total Operating Expenditures	73,684	73,260	71,919	68,999
Non-Operating Expenditures Summary				
Transfers	831	870	6,329	1,374
Distribution of Funds In Trust	0	0	0	0
Debt Service	31,393	37,057	39,957	40,120
Depreciation, Amortizations and Depletion	0	0	0	0
Reserve	0	0	22,678	25,100
Total Non-Operating Expenditures	32,224	37,927	68,964	66,594

(dollars in thousands)	Total Funding		Total Positions	
Expenditure By Program	Budget FY 11-12	Adopted FY 12-13	Budget FY 11-12	Adopted FY 12-13
Strategic Area: Transportation				
Office of the Port Director	757	822	4	4
Office of the Deputy Port Director	25,965	25,176	155	147
Business Initiatives	1,172	1,373	8	7
Capital Development	4,653	4,598	37	37
Finance	20,816	20,100	43	44
Safety and Security	18,556	16,930	130	27
Total Operating Expenditures	71,919	68,999	377	266

SELECTED ITEM HIGHLIGHTS AND DETAILS

Line Item Highlights	(dollars in thousands)				
	Actual FY 09-10	Actual FY 10-11	Budget FY 11-12	Actual FY 11-12	Budget FY 12-13
Advertising	168	240	269	306	307
Fuel	177	224	171	203	214
Overtime	1,694	854	1,030	941	370
Security Services	19,542	18,623	18,556	16,464	16,930
Temporary Employees	103	108	99	5	25
Travel and Registration	70	95	75	154	100
Utilities	4,805	4,944	5,350	4,438	5,355

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ADOPTED FEE ADJUSTMENTS FOR SERVICES

Fee Adjustments	Current Fee FY 11-12	Adopted Fee FY 12-13	Dollar Impact FY 12-13
<ul style="list-style-type: none"> Cruise Passenger Wharfage-multi-day cruises per passenger embarking and debarking Dockage per gross registry ton Cargo Vessel Wharfage per short ton Gantry Crane Rentals per hour Water use per ton 	\$ 10.09 \$ 0.31 \$ 2.69 \$714.72 \$ 2.18	\$ 10.39 \$ 0.32 \$ 2.77 \$736.16 \$ 2.29	\$1,262,000 \$192,000 \$669,000 \$264,000 \$58,000

CAPITAL BUDGET SUMMARY

(dollars in thousands)	PRIOR	FY 12-13	FY 13-14	FY 14-15	FY 15-16	FY 16-17	FY 17-18	FUTURE	TOTAL
Revenue									
Army Corps of Engineers	2,670	0	0	0	0	0	0	0	2,670
Federal Transportation Grant	8,989	13,778	0	0	0	0	0	0	22,767
US Department of Homeland Security	2,042	0	0	0	0	0	0	0	2,042
FDOT Funds	20,971	85,615	20,426	2,725	2,725	0	0	0	132,462
BBC GOB Series 2008A	100,000	0	0	0	0	0	0	0	100,000
Seaport Bonds/Loans	109,689	132,623	136,842	49,148	41,401	21,269	3,000	0	493,972
Tenant Financing	1,500	1,000	0	0	0	0	0	0	2,500
Total:	245,861	233,016	157,268	51,873	44,126	21,269	3,000	0	756,413
Expenditures									
Strategic Area: Transportation									
Cargo Facilities Improvements	23,784	4,877	7,956	7,178	0	0	0	0	43,795
Equipment Acquisition	10,436	25,469	4,294	2,552	444	0	0	0	43,195
Facility Improvements	25,917	27,258	9,500	5,500	12,000	4,369	3,000	0	87,544
Passenger Facilities Improvements	13,736	1,940	0	0	0	0	0	0	15,676
Port Facility Improvements	122,125	24,366	76,272	26,047	28,049	16,900	0	0	293,759
Seaport Dredging	47,191	149,056	59,246	10,596	3,633	0	0	0	269,722
Terminal Improvements	2,672	50	0	0	0	0	0	0	2,722
Total:	245,861	233,016	157,268	51,873	44,126	21,269	3,000	0	756,413

CAPITAL HIGHLIGHTS AND OPERATIONAL IMPACTS

- In FY 2012-13, 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 in 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, which is comprised of rights-of-way contributions (\$45 million), Building Better Communities General Obligation Bond (BBC GOB) proceeds (\$100 million), future Seaport Bonds (\$43.4 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 2012-13, the Port will continue working closely with the Army Corps 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 (\$203.903 million funded with \$112.5 million from the Florida Department of Transportation, \$2.670 million from the Army Corps of Engineers, and \$88.733 million from Port bonds/loans), which is required to handle larger cargo vessels once the Panama Canal expansion is finalized in 2015; the Port will also continue bulkhead strengthening that is associated with the dredging (\$65.819 million)
- In FY 2012-13, the Port will oversee improvements to the container yard for terminal operators in accordance with contractual obligations (\$39.125 million total with \$1.892 million programmed in FY 2012-13)
- In FY 2012-13, the Port will finalize improvements and retrofits to Terminals D and E (\$15.676 million) that will allow berthing of a new class of cruise ship, and Terminals F and G (\$22.065 million) that will repair and upgrade terminals to include roofing, stairways, and ventilation improvements
- In FY 2012-13, the Port will continue construction of the rail line from the Port to a cargo transfer facility (\$27.567 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 the implementation of the Port's 2035 Master Plan; 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 09-10	FY 10-11	FY 11-12	FY 11-12	FY 12-13
				Actual	Actual	Budget	Actual	Target
Increase maritime revenue to the Port	Cruise passengers (in thousands)	OC	↑	4,145	4,018	3,850	3,758	4,026

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

Objectives	Measures			FY 09-10	FY 10-11	FY 11-12	FY 11-12	FY 12-13
				Actual	Actual	Budget	Actual	Target
Increase maritime revenue to the Port	Number of TEUs (Twenty Foot Equivalent) (in thousands)	OC	↑	847	907	940	909	968

DIVISION COMMENTS

- In FY 2012-13, 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 \$1.838 million in FY 2012-13 and will be used for activities pursuant to Administrative Order 7-32 as applicable; 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/customer appreciation activities (\$40,000), Cruise Shipping Miami Trade Show and Conference (\$80,000), Inter-American Conference of Mayor's (\$60,000), Greater Miami Convention and Visitors Bureau (\$185,000), the Latin Chamber of Commerce of the United States (CAMACOL) (\$100,000), World Trade Center Miami (\$452,500), the Florida Chamber of Commerce (\$50,000), Future of Florida Forum (\$7,500), American Association of Port Authorities (AAPA) Latin Ports Delegation (\$20,000), U.S. Chamber of Commerce (\$25,000), National Custom Brokers and Freight Forwarders Annual Meeting (\$25,000), Florida East Coast (FEC)/South Florida Marketing Program (\$100,000), a Cargo and Cruise Marketing Program (\$300,000), Florida Perishables Coalition (\$25,000), Inaugural Cruise Activities (\$200,000), and Free Trade Promotional Events (\$37,000)

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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, public/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 operations and berthing activities and terminal management functions
- Maintains facilities to support cruise and cargo operations
- Coordinates Port of Miami Crane Management, Inc.'s functions

Strategic Objectives - Measures

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

Objectives	Measures			FY 09-10	FY 10-11	FY 11-12	FY 11-12	FY 12-13
				Actual	Actual	Budget	Actual	Target
Improve Port efficiency	Percentage of mandatory employee training completed on time	EF	↑	100%	100%	100%	100%	100%

DIVISION COMMENTS

- In FY 2011-12, the Maritime Services Division was merged into the Office of the Deputy Port Director
- In FY 2012-13, the Port will add four Management Trainee (\$243,000) positions that will assist in succession planning for the department
- In FY 2012-13, the Port will eliminate 15 positions (\$1.09 million) as a result of changing industry standards
- In FY 2012-13, the Port will eliminate six positions (\$331,000) in an effort to streamline operations as part of a departmental reorganization

DIVISION: BUSINESS INITIATIVES

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

- 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 activities

Strategic Objectives - Measures

- ED4-1: Encourage creation of new small businesses

Objectives	Measures			FY 09-10	FY 10-11	FY 11-12	FY 11-12	FY 12-13
				Actual	Actual	Budget	Actual	Target
Improve new business initiatives	Advertising revenue generated*	OC	↑	N/A	N/A	\$100,000	N/A	\$100,000

*New measure for FY 2011-12 but was not implemented until FY 2012-13 due to legislative changes

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DIVISION: CAPITAL DEVELOPMENT

The Capital Development Division manages implementation of capital improvement programs.

- Coordinates Port of Miami design, engineering and construction management activities
- Coordinates environmental issues with various local, state, and federal agencies
- Provides information technology support for the Department

Strategic Objectives - Measures

- TP3-3: Continually modernize Seaport and airports

Objectives	Measures			FY 09-10	FY 10-11	FY 11-12	FY 11-12	FY 12-13
				Actual	Actual	Budget	Actual	Target
Improve internal capacity to oversee capital improvements	Percentage of projects completed on time and within budget	EF	↑	95%	100%	100%	100%	100%

DIVISION: FINANCE

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

- 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 Property Management to achieve high customer satisfaction and rental occupancy
- Responsible for procurement and contracting functions of the Department
- Oversees grant activity
- Responsible for contract bid and award activities for capital projects

Strategic Objectives - Measures

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

Objectives	Measures			FY 09-10	FY 10-11	FY 11-12	FY 11-12	FY 12-13
				Actual	Actual	Budget	Actual	Target
Provide efficient administrative support to the Port	Gantry crane revenues (in thousands)*	OC	↑	\$8,477	\$8,471	\$9,600	\$7,607	\$8,814

*FY 2010-11 Actual was revised based on audited financials released after the FY 2011-12 Adopted Budget was published

DIVISION COMMENTS

- In FY 2012-13, the Port will add two positions (\$140,000) for the maintenance of a new revenue accounting and management system to enhance billing, collections, and statistical information

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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 permits and validation badges for 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 09-10	FY 10-11	FY 11-12	FY 11-12	FY 12-13
				Actual	Actual	Budget	Actual	Target
Ensure public safety and security at the POM	Safety and security budget (in thousands)*	IN	↔	\$19,542	\$18,509	\$18,556	\$16,464	\$16,930
	Security staffing level (in Full-Time Equivalent)	IN	↔	118	118	118	110	10

*FY 2010-11 Actual was revised based on audited financials released after the FY 2011-12 Adopted Budget was published

DIVISION COMMENTS

- The Port has been successful in the deployment of 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 2012-13, 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 modify the Port Security Plan to eliminate redundancies and achieve operational savings; the first phase of efficiencies will be realized through the restructuring of the incoming security checkpoint, which will reduce 27 security officers (\$1.8 million); the second phase will be placed on hold in FY 2012-13 but included the outsourcing of the remaining 79 security officers/supervisors and replacing them with 10 security supervisory positions and outside security contracts, which would also generate \$1.5 million in annual savings; the Port is currently reviewing alternatives for phase two and will present recommendations during the FY 2013-14 budget process

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