

**FINAL OPERATING BUDGET  
CAPITAL OUTLAY PLAN  
DEBT SCHEDULE**

**Fiscal Year**

**2008 – 2009**

**Executive Director Presentation**

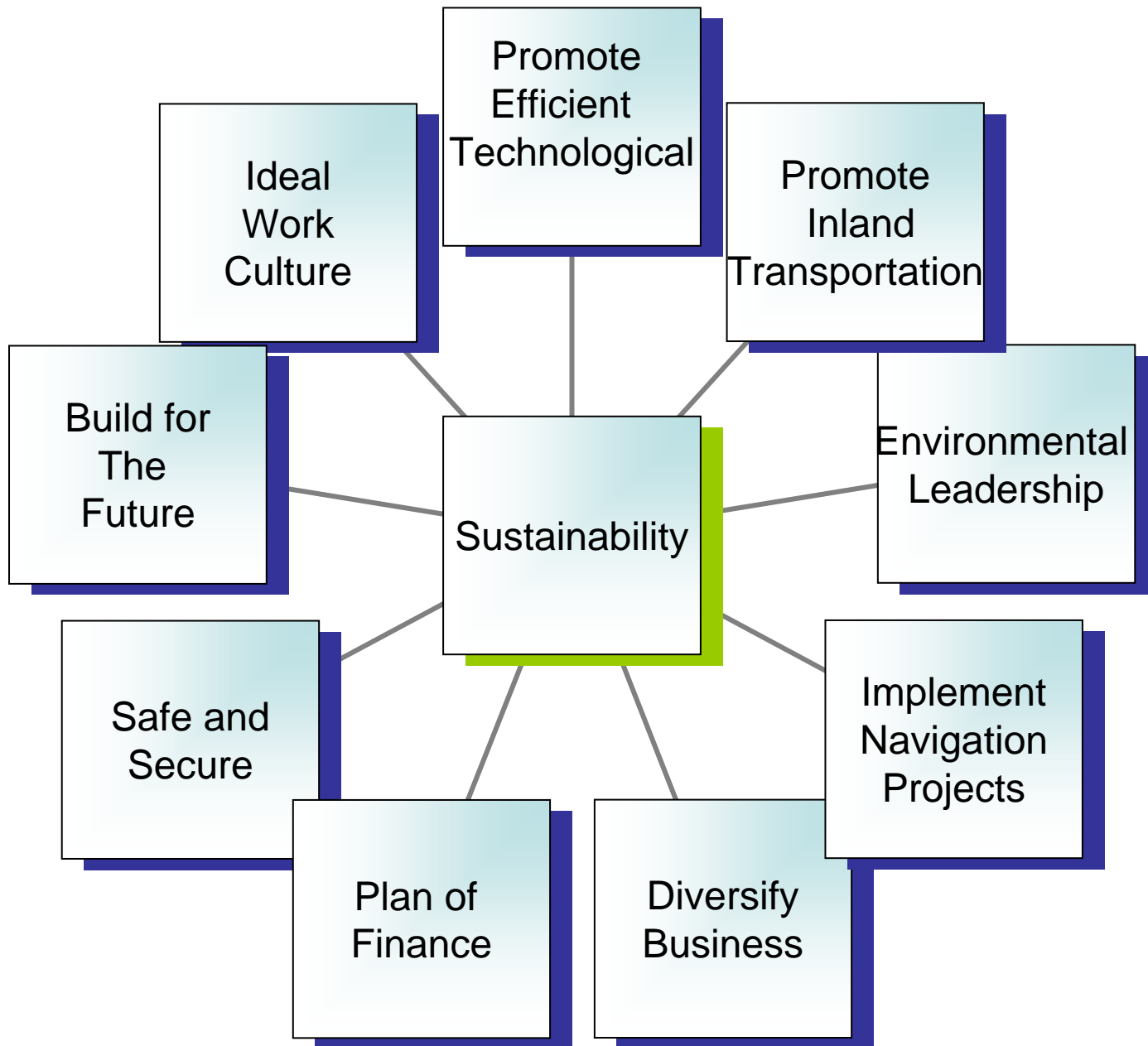
**July 14, 2008**

# 2007 – 2008 Successes

- Establishment of Port / City Standing Committee
- Obtained Proposition 1 B Funding Rice Road/Hwy 101
- Supported NBVC Out lease ~ 120 acres
- Promoted “Unity of Effort” with NBVC
- Obtained \$ 2.4 million in security grants
- Establishment of a Confined Aquatic Disposal Concept for dredging
- Obtained full funding for COE O&M dredging
- Completed Shoreline Protection & Waterfront Promenade
- Obtained unanimous consent for acquisition of 5901 Edison

# 2008 – 2009 Objectives

- Define a 2030 vision for the Hueneme Harbor and identify inland infrastructure requirements to support the vision
- Promote the Agile / Marine Highway System
- Implement new security technology
- Establish a wider community / business based support for District's goals
- Diversify the District's Business Lines
- Create and implement a District Environmental Program
- Maintain the sound financial operations for the Port of Hueneme



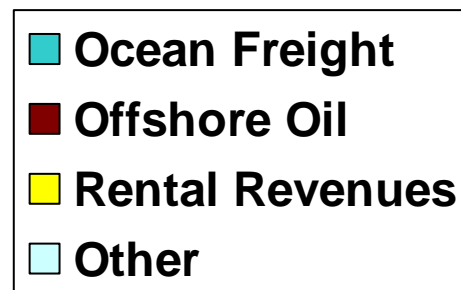
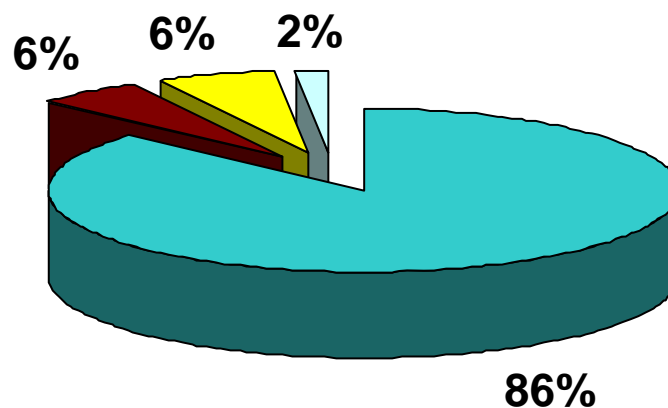
# Budget Preparation Assumptions

- Focus on District Programs, Projects and Business Lines
- Be flexible and act as a roadmap
- Be transparent
- Use sales forecast to set operating expenses



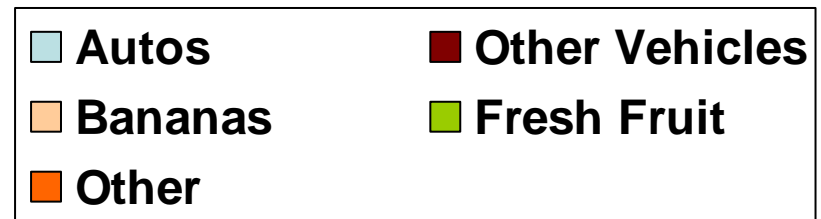
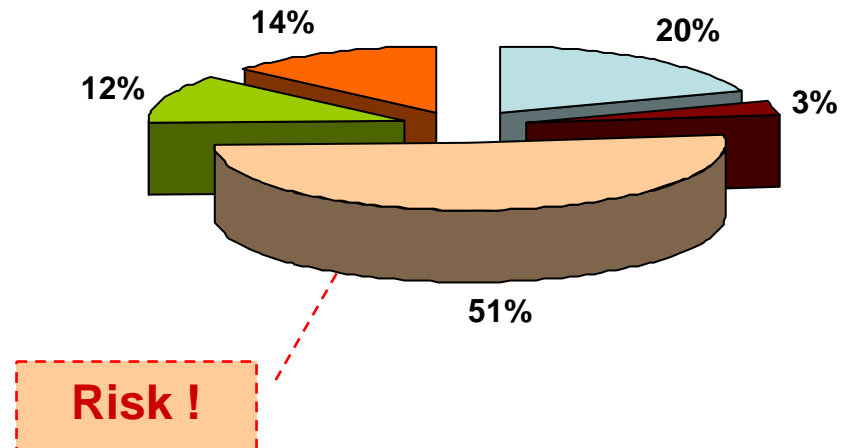
# Maritime Services

- Ocean Freight
  - Tariff Revenues
  - Reefer Receptacles
- Offshore Oil Freight
  - Tariff Revenues
  - Crew/Passengers
- Property Rental (Terminal)
- Other



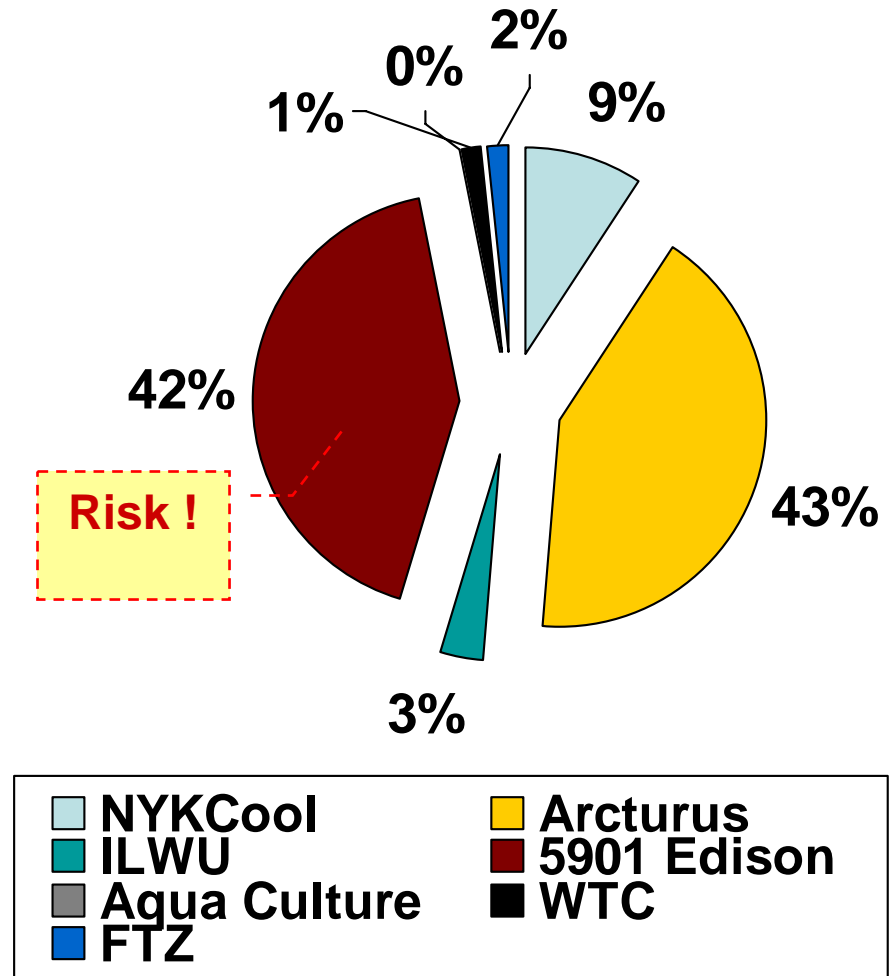
# Sales Forecast

- Automobiles imports/exports will not grow
- Bananas will decline **(Risk !)**
- Fresh Fruit slight increase
- Other Vehicles unchanged
- Other Freight will grow as a result of YARA N.A.



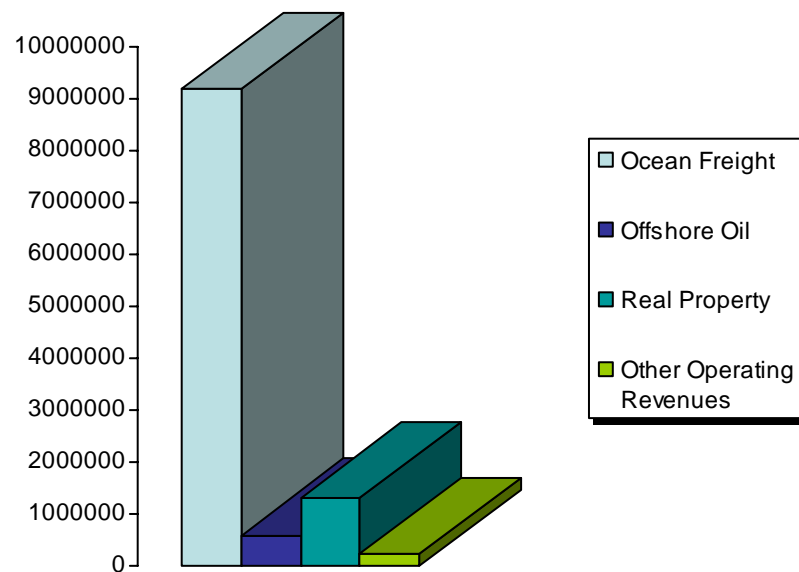
# Property Rental

- NYKCool Office
- Arcturus Station
- ILWU Dispatch
- 5901 Edison
- Aqua Culture Property
- World Trade Center
- FTZ Fees



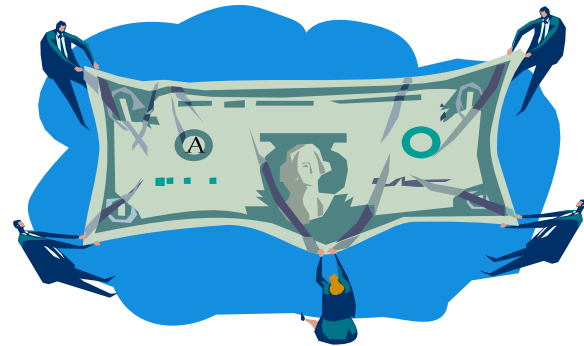
# Sales Forecast 2008 - 2009

- Ocean Freight
  - \$ 9,200,000
- Offshore Oil
  - \$ 590,000
- Real Property
  - \$ 1,300,000
- Other Operating Revenue
  - \$ 214,000
- Total
  - \$ 11,365,000



# Sales Assumptions

- Net Ocean Freight declines  
[larger percentage]
- Offshore Oil unchanged
- Real Property increases
- Other Operating Revenues unchanged  
[smaller percentage]



# Performance Measures

- + or – in Operating Expense = + or – in Operating Revenues
- Net income = or > than prior year
- Operating Margin = or > than 13%
- Return on Revenue = or > 11%
- Debt Service Ratio = or > 1.85

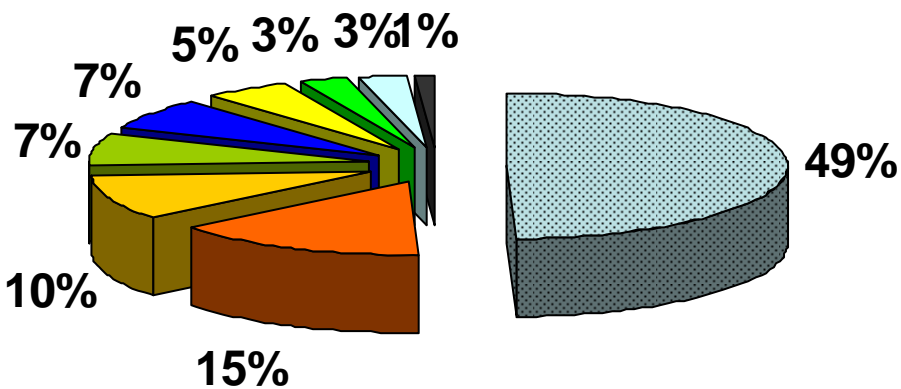


- **Results through 12/31/07**

- Operating Expenses – 3.77% and Operating Revenues + .62%
- Net Income > than prior year
- Operating Margin = 16.52%
- Return on Revenue = 11.26%
- Debt Service Ratio = 1.56

# 2008 – 2009 Operating Expenses

## \$ 7,900,000



- Human Resources
- City & County
- Risk Management
- Trade & Promotion
- Utilities
- Professional Services
- Maintenance
- Security
- Supplies

# Human Resources

\$ 3,873,687

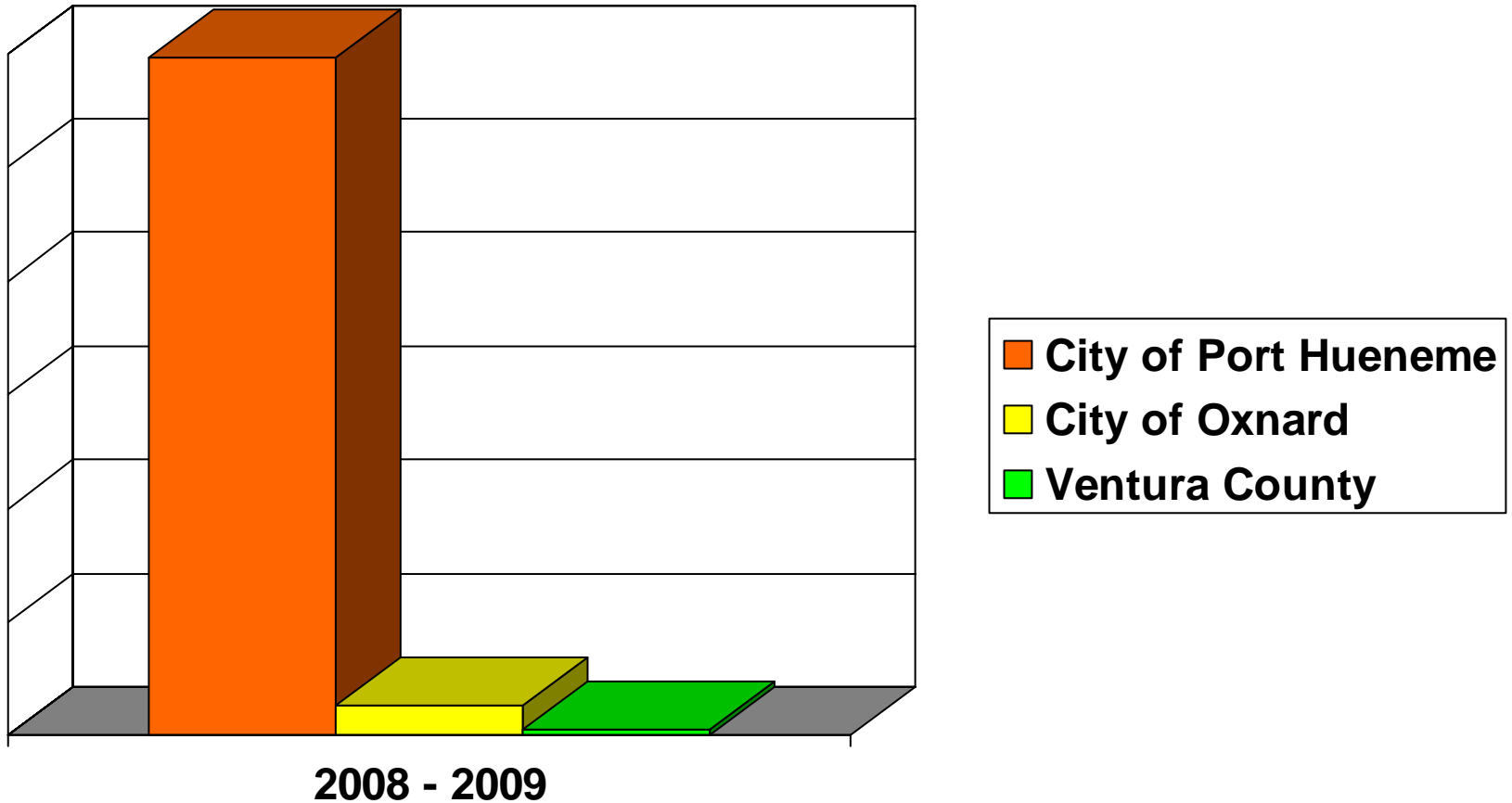
- Salaries, Wages, and Fringe Benefits
- Workers Compensation
- Employee Relations
- Uniform Expenses
- Miscellaneous Payroll Expenses (Temp's)
- Tuition Reimbursement
- Training (Non-security)
- Intern Program

# Human Resources Budget Assumptions

- Overall there will be a budget reduction in costs.
- Only the Account Clerk position remains unfilled and vacant.
- The Director of Human Resources position is funded but the Director is on leave.
- A new Administrative Assistant position may be added (Six Months).
- No new program initiatives

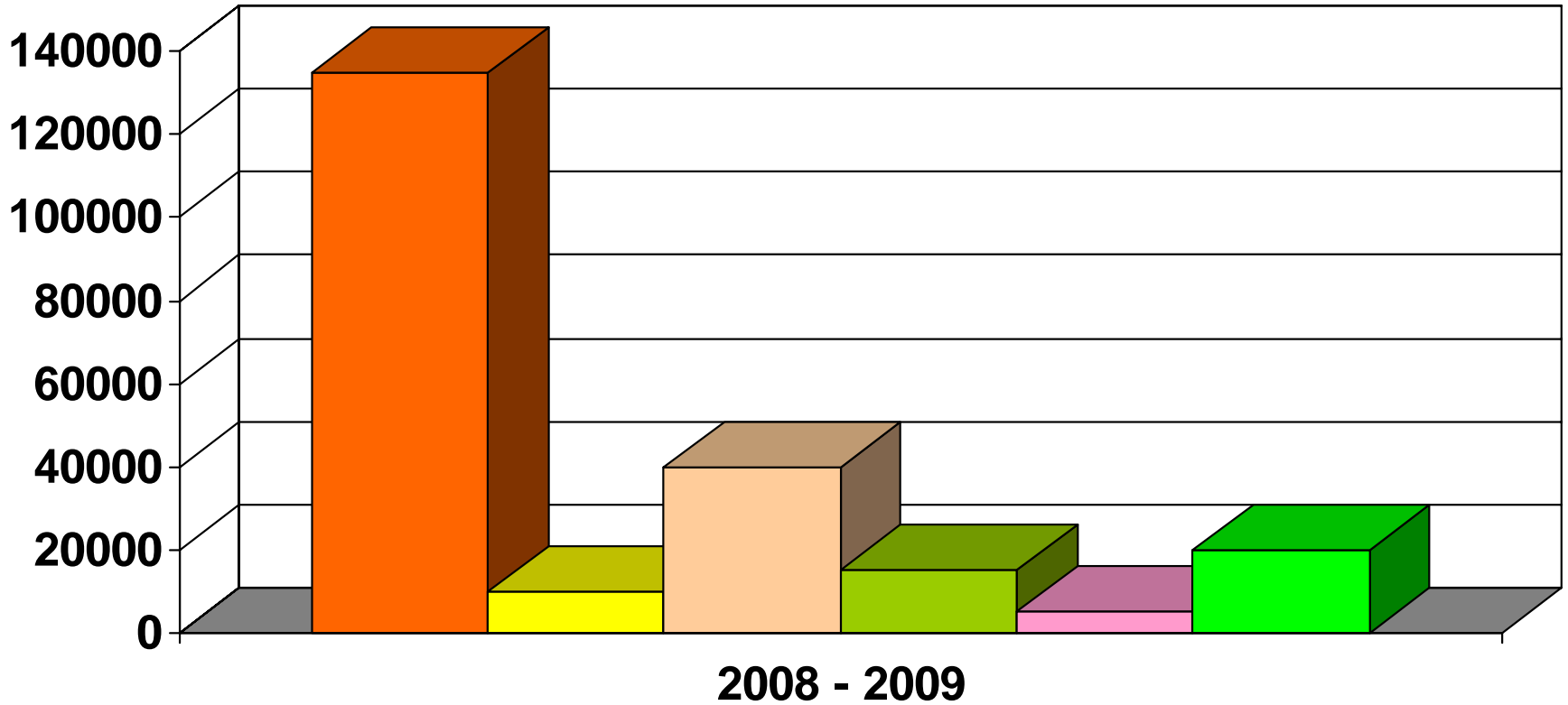
# City and County Contributions

## \$ 1,150,000



# Port Security

## \$ 225,000

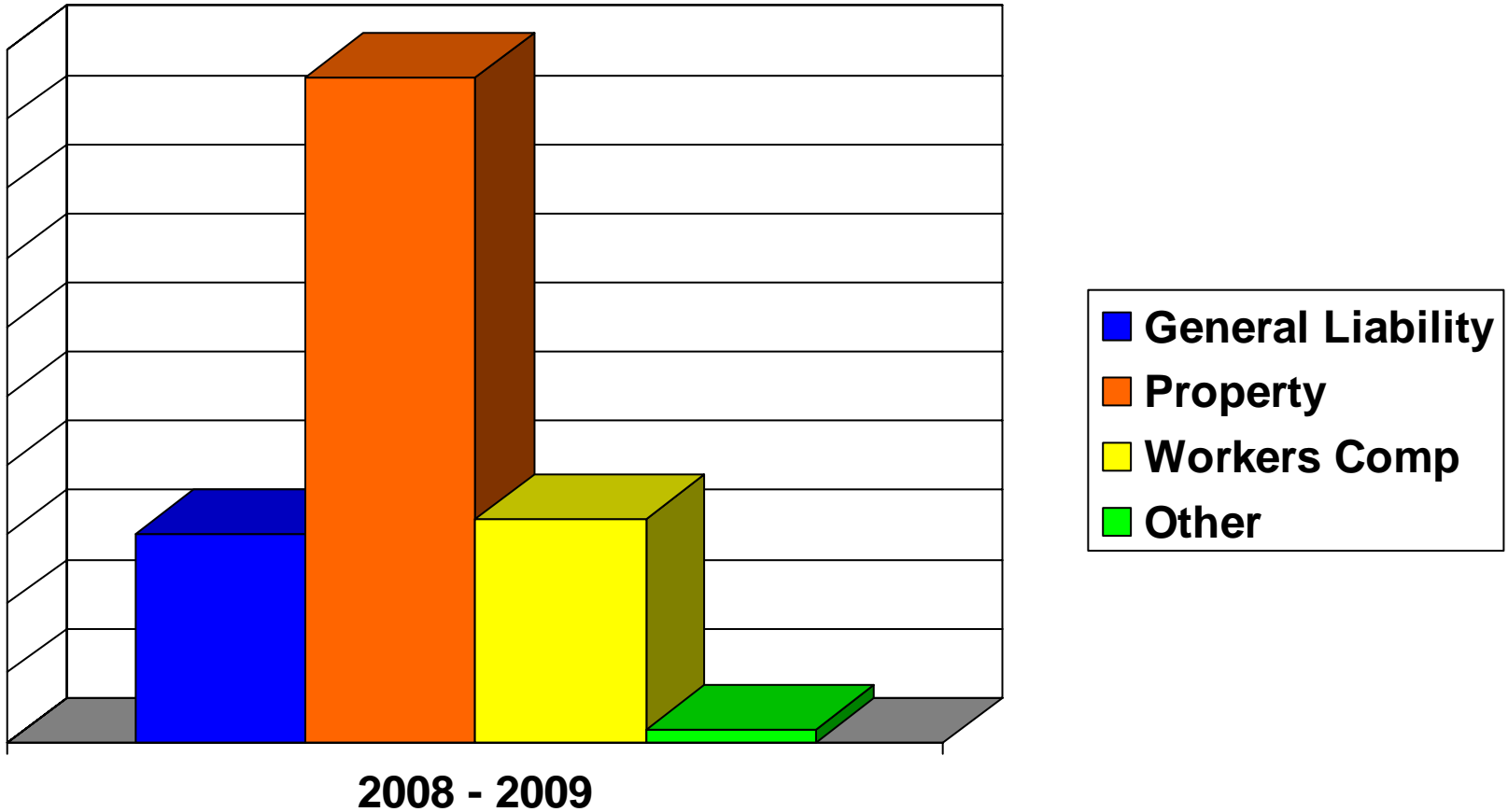


# Security Preliminary Budget Assumptions

- Guard Services to be enhanced and RFQ for new contract commencing January 1, 2009.
- Security Exercise, Security Training & Security Plan Update to be accomplished through Naval Postgraduate School Collaboration Agreement.
- Program costs for maintenance, exercise and training increased to meet 33 CFR regulations.
- TWIC and Radiation Portals will impact District's Operating Expenses

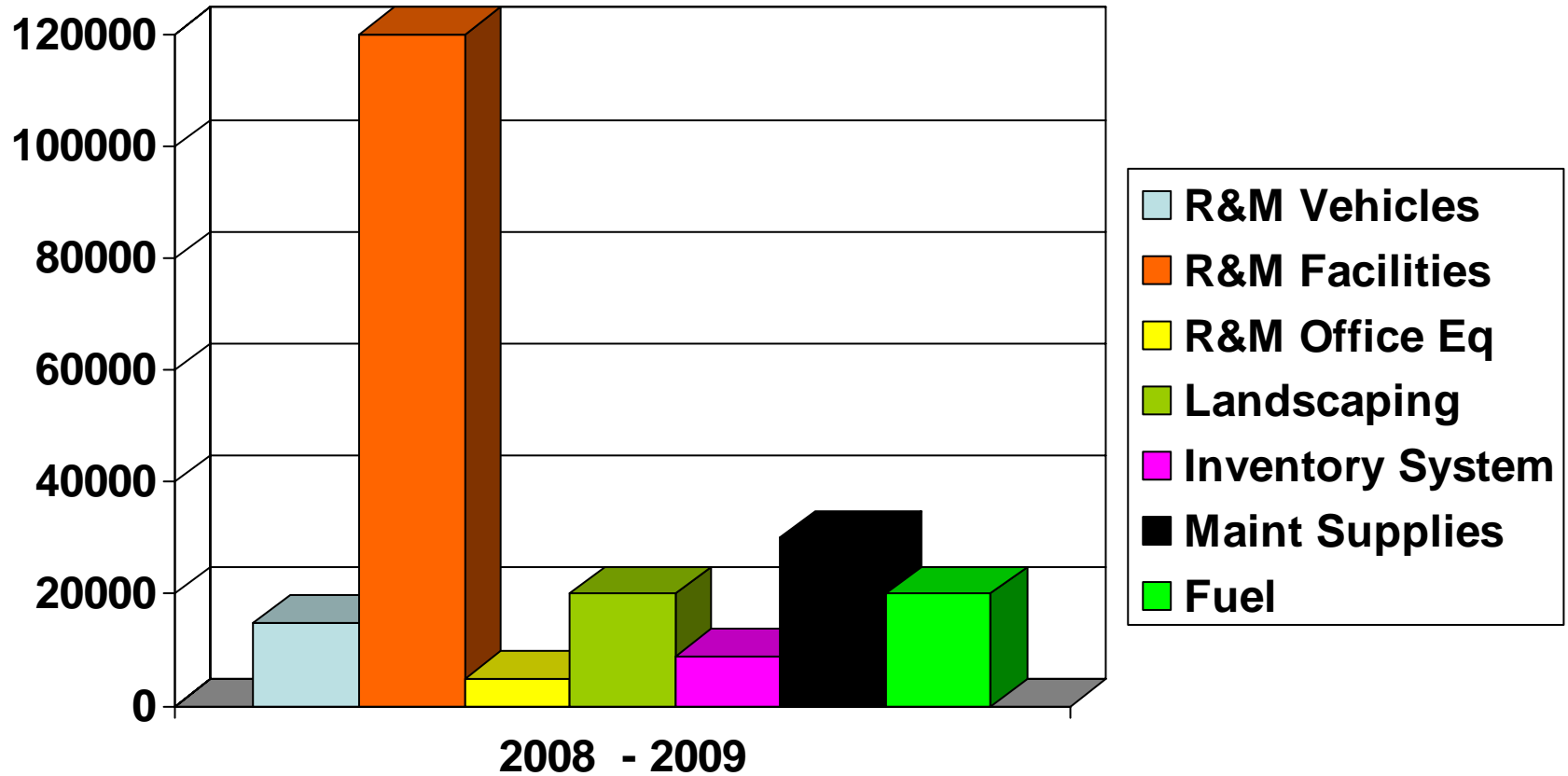
# Risk Management

## \$ 795,000



# Maintenance

## \$ 219,000



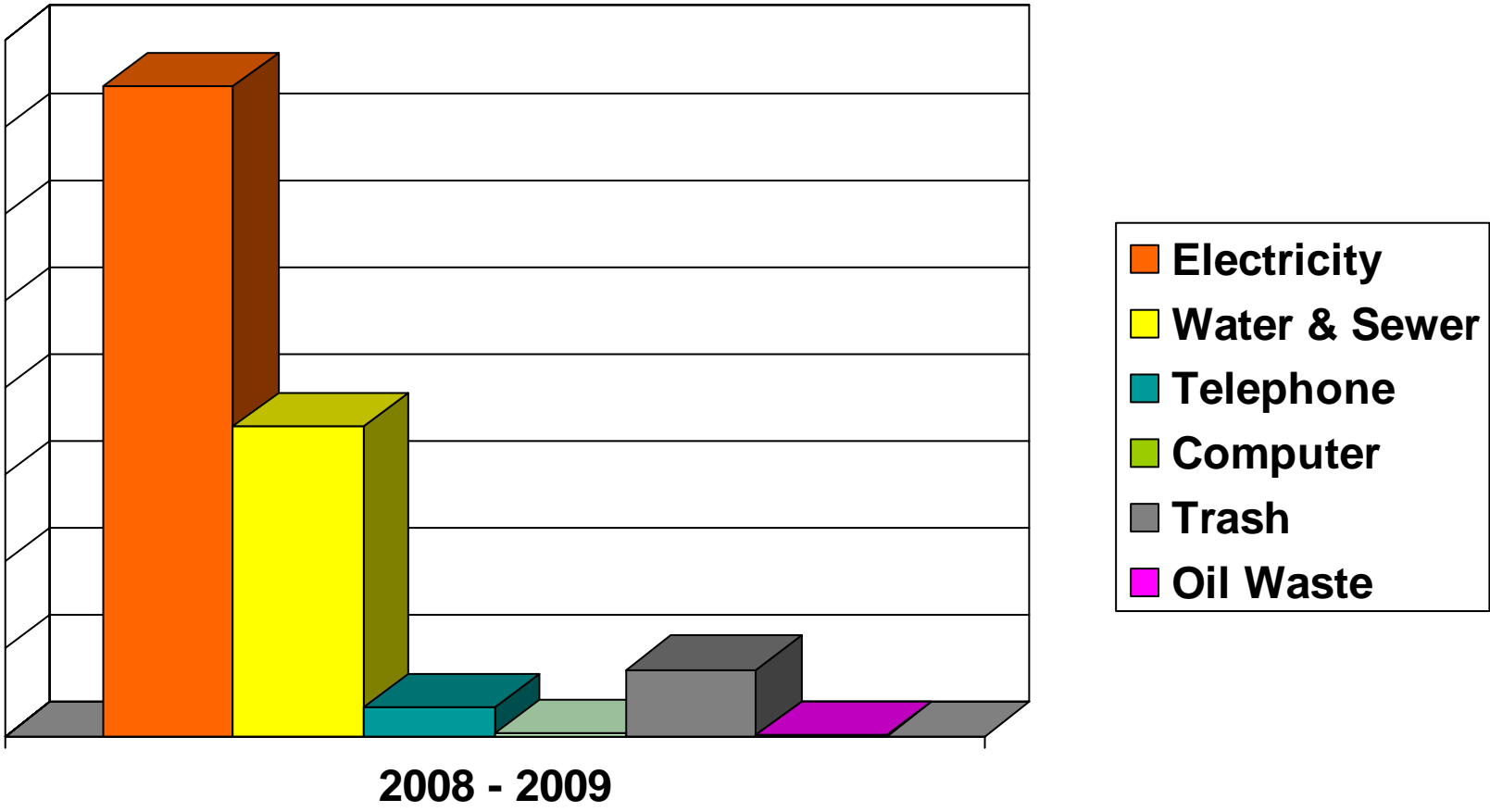
# Maintenance

## Preliminary Budget Assumptions

- Increase is to catch up on deferred maintenance.
- New maintenance inventory system carried over from 2007 – 2008 budget.
- District staff will look into alternatives for the purchase of gasoline.
- Maintenance Manager investigating ways to reduce electricity charges.

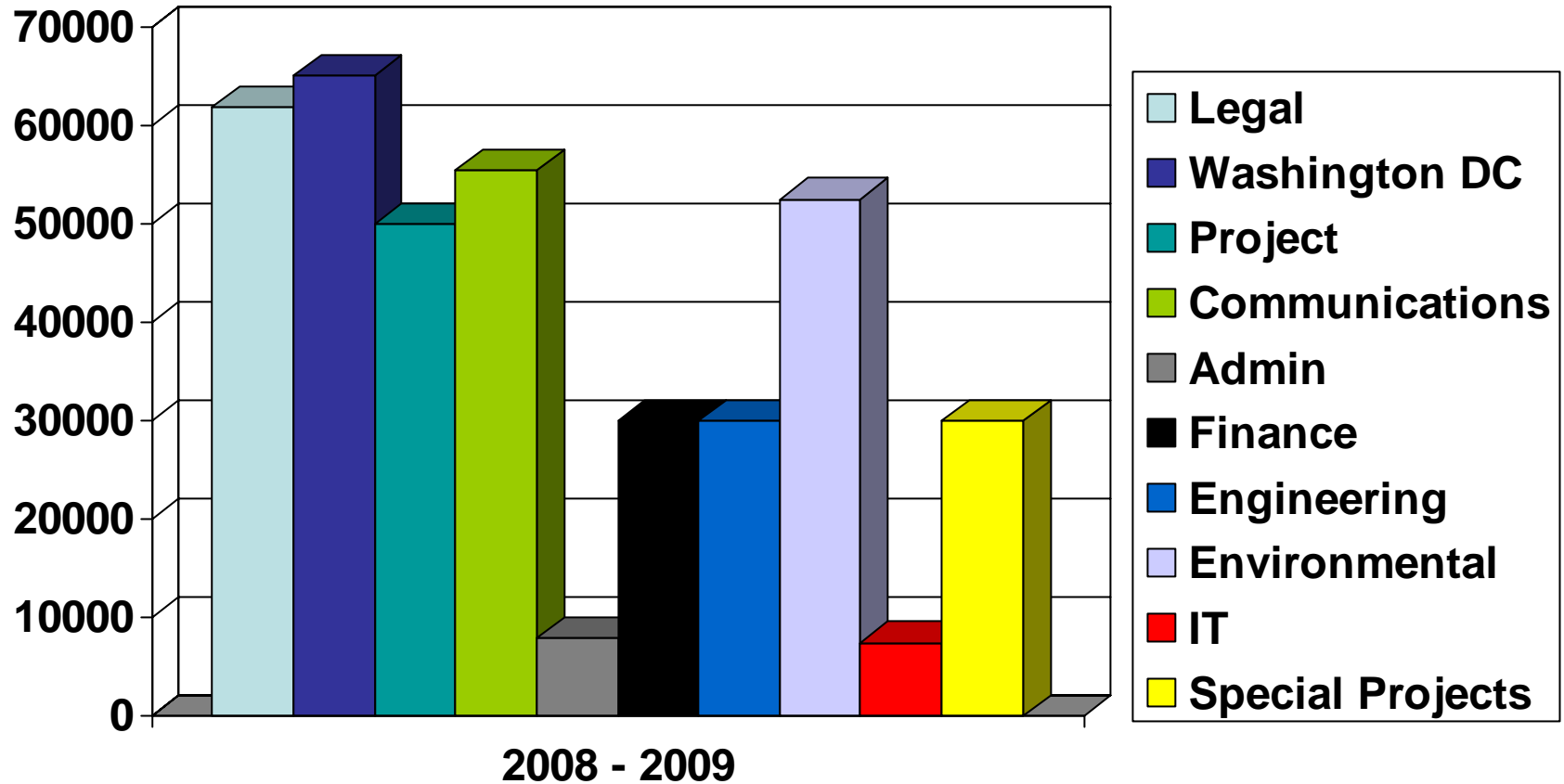
# Utilities

\$ 550,000



# Professional Services

\$ 390,288



# Professional Services

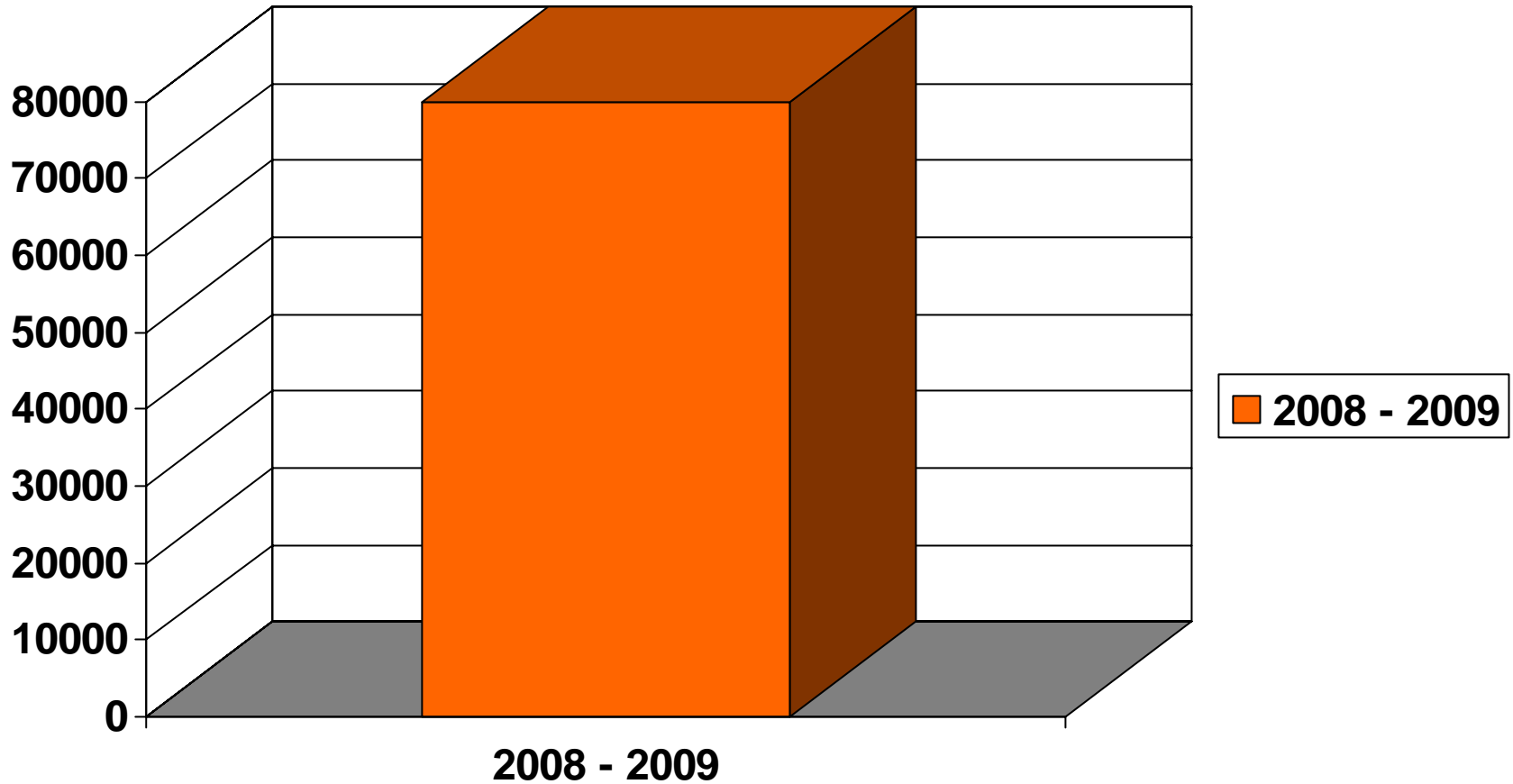
- Legal Services – (Schroeder Comis Nelson & Kahn)
- Washington DC Representation – (Murray, Montgomery and O'Donnell)
- Project Consultant – (All Automotive Consultants LLC – inland auto center)
- Communications and Public Information - (Gallagher 2020 Consultant)
- Financial Services (Audit Services)

# Professional Services

- Environmental Services – (Anchor Environmental – air quality)
- Information Technology – (Lanspeed – internet and network & Brooke Ireland – website)
- Special Projects – (Vickerman and Associates LLC – Agile Port Terminal / 2030 Vision)

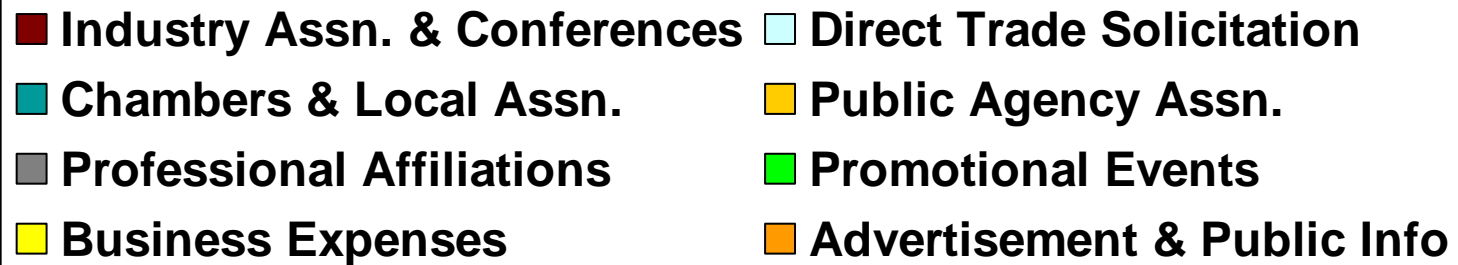
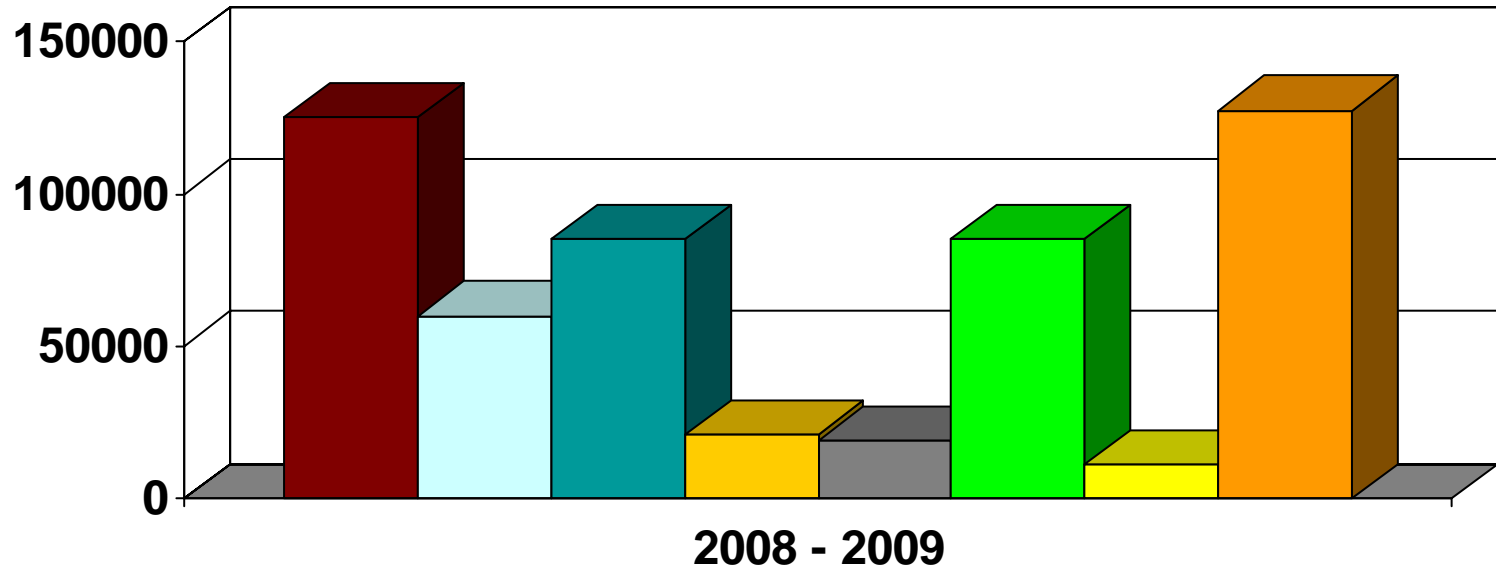
# Supplies

\$ 80,000



# Trade and Promotion Activities

## \$ 533,000



# Trade and District Promotion Preliminary Budget Assumptions

- Program includes reductions in Association & Conferences, Chamber and Local Affiliations, Direct Trade Solicitations and Business Expenses.
- New program initiatives include continuation of Time Warner advertisements, linked to local billboard and promotional campaign.
- New promotional initiative with Mexico to further trade and economic activities between the Port and businesses within the District.

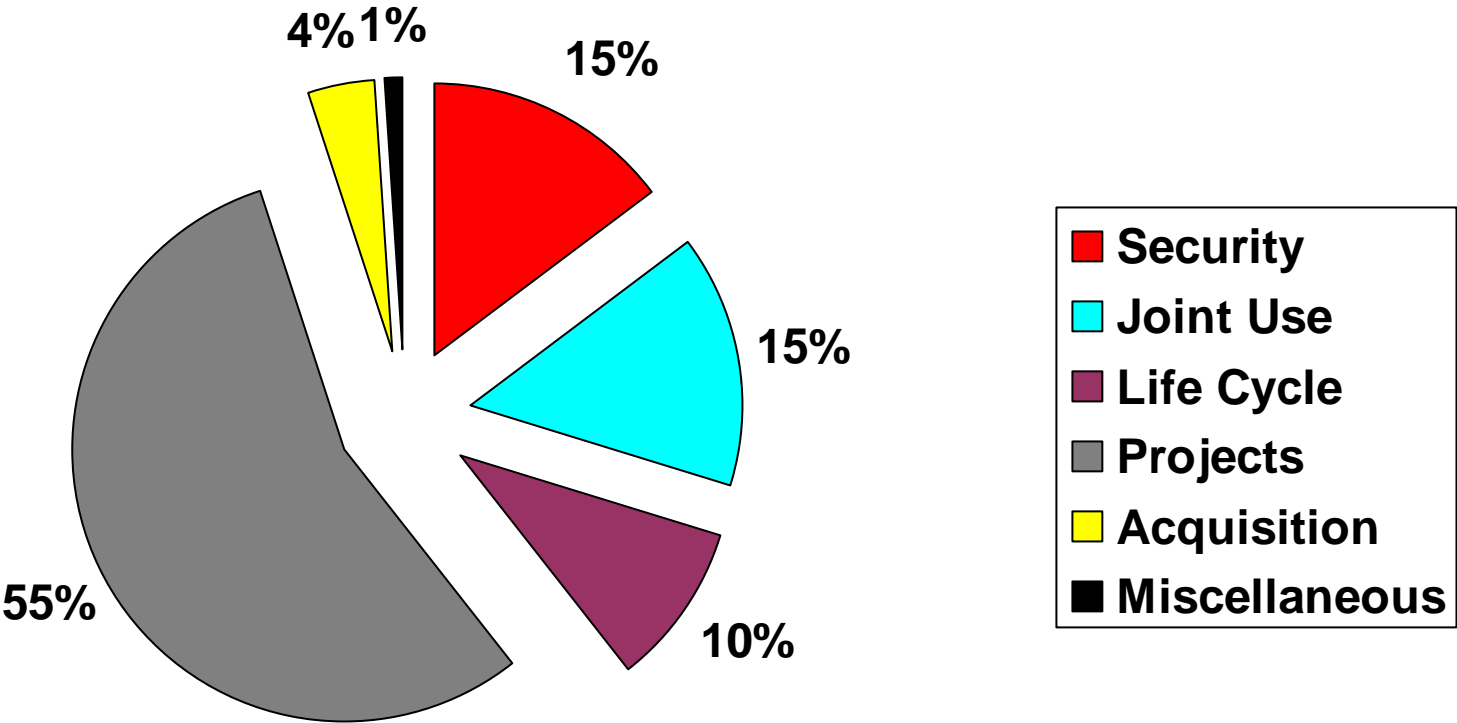
# Operating Budget 2008 - 2009

- Total Operating Revenue **\$ 11,365,000**
- Total Operating Expenses **\$ 7,900,000**
  
- Operating Income before Depreciation  
**\$ 3,465,000**
- Depreciation **\$ 2,761,000**
  
- Income from Operations **\$ 704,000**

# Non-Operating Revenue and Expenses

- Non-Operating Revenues are estimated to be \$ 543,403.
- Non-Operating Expenses are estimated to be \$ 2,000,000.
- The total Non-Operating Income for FY 2008 – 2009 is (\$ 1,456,597)
- The Net Income for FY 2008 – 2009 is estimated at (\$ 752,597)
- To Balance the Budget the District will use \$ 752,597 from General Fund to Non-Operating Revenues.

# Capital \$ 13,003,364



# Debt Schedule

- 1999 Revenue Bonds (\$ 605,920 Debt Service : \$ 10.82 million principal balance
- 2000 Revenue Bonds (\$ 1,424,045 Debt Service : \$ 7.660 million principal balance
- 2004 A Revenue Bonds (\$ 759,874 Debt Service : \$ 5.09 million principal balance
- 2004 B Revenue Bonds (\$ 408,000 Debt Service : \$ 6.8 million principal balance

# Questions