

Harbor Department Proposed Budget for Fiscal Year 2013

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2013 Budget Highlights

- \$942 million budget, up 12%
- \$720 million in Capital Expenditures, up 14%
- 25 new positions, primarily to support capital programs
- \$16.8 million transfer to Tidelands Fund

Highly Competitive Environment

- Flat revenue projected
- 5% reduction in non-staff Port Operations budget
- Bargaining units salary increases but no management increases
- 2012 borrowing of \$300 million deferred and reduced to \$200 million in 2013

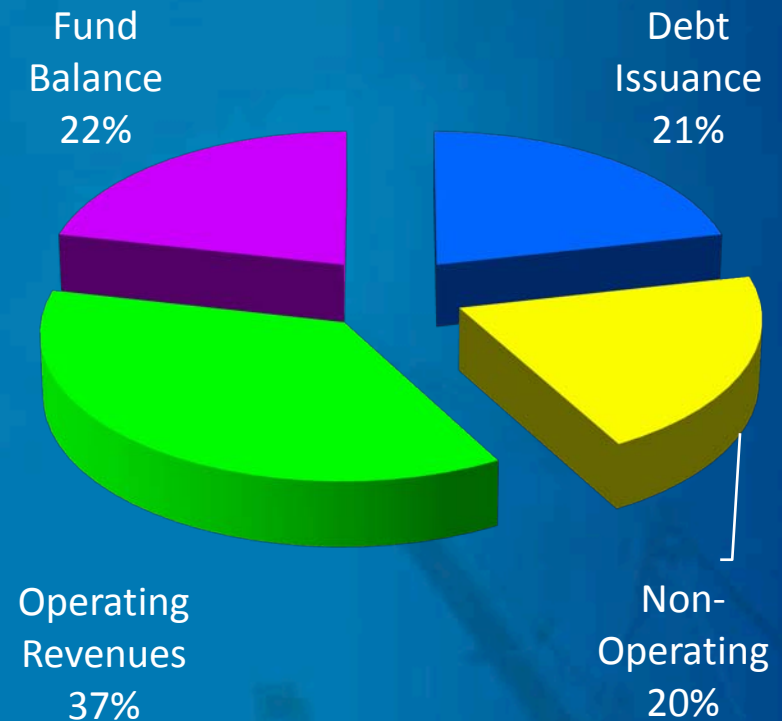
Revenue Assumptions



- Operating revenue 3% lower than budgeted in 2012
- No revenue gains projected for 2013
- Increase in Non-Operating Revenue because of Gerald Desmond Bridge spending and ensuing reimbursement

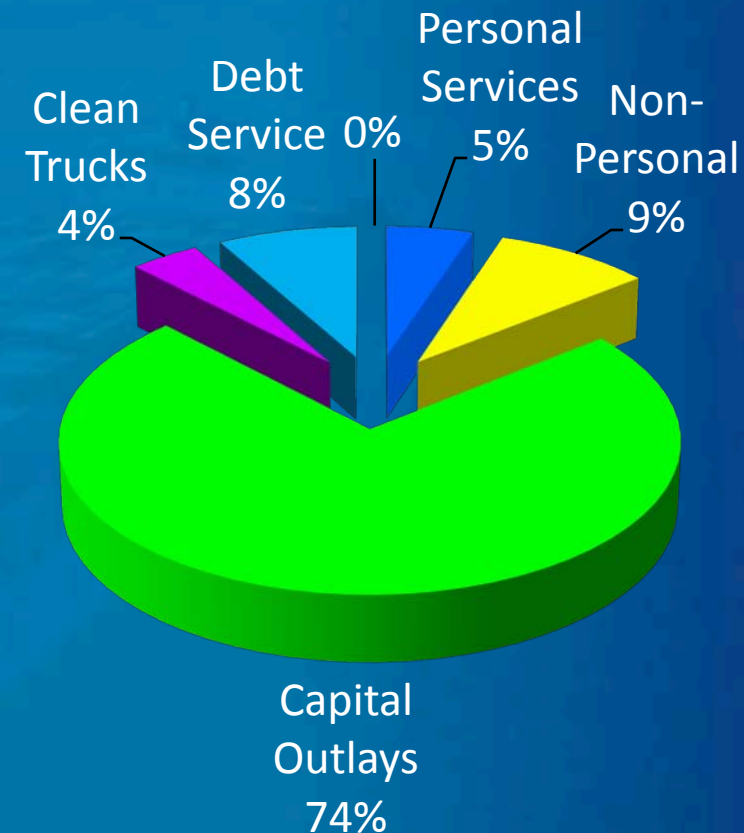
Sources of Funds

Operating Revenues		\$337.2
Non-Operating Revenues		199.3
-- Other agencies	191.8	
-- Interest income	\$3.5	
-- Equity income	3.0	
-- Clean Trucks	1.0	
Debt Issuance		200.0
Fund Balance		205.5
Total Sources of Funds		\$942.1



Uses of Funds

Personal Services		\$50.3
Non-Personal Expenditures		\$90.9
• Port Operations	\$36.1	
• Police, Fire, City Services	25.9	
• Tidelands Transfer	16.8	
• Clean Trucks	4.3	
• Other	7.9	
Capital Outlays		\$720.4
Debt Service		80.4
Total Sources of Funds		\$942.1



Capital Expenditures



- \$4.5 billion, decade-long Capital Program
- Critical to Port competitiveness
- Creating thousands of construction jobs, and permanent Port-related jobs

Capital Budget

\$ = 000

**FY2013
Budget**

Middle Harbor	261,208
Gerald Desmond Bridge	193,400
Cold Ironing	65,596
Pier G	47,802
Other Street, Bridges & Rail	40,020
Security Projects	33,860
Maintenance Facility	29,436
Wetlands Mitigation	10,000
Middle Harbor Mitigation Program	9,000
Information Management	3,827
Back Channel Navigation	3,174
Other	23,082
Total Projects	720,405



Conclusion

- Slow economic recovery
- Uncertain near-term cargo outlook, but bright long-term outlook
- Picking up pace on aggressive Capital Improvement Program
- At the same time, Port exercising conservative fiscal prudence over resources