

**NOTICE OF JOINT MEETING
CITY COUNCIL OF THE CITY OF GALVESTON
AND BOARD OF TRUSTEES OF THE GALVESTON WHARVES
THURSDAY - JANUARY 9, 2025 - 9:00 A.M.
ROOM 204 - CITY HALL
823 ROSENBERG, GALVESTON, TEXAS
TELEPHONE: (409) 797-3510**

MEETING AGENDA

1. DECLARATION OF A QUORUM AND CALL MEETING TO ORDER
2. ROLL CALL
3. DISCUSSION ITEMS
 - 3.A. Discussion Of The City Charter As It Relates To The Port Of Galveston
 - 3.B. Discussion Of A One Time And Annual, Long Term, Recurring Funding Stream From The Port To The City (C Brown/Pierson)
 1. History
 2. Current Funding
 3. Funding from the City to the Port of Galveston
 4. Reserve funding status
 5. Payment request of a one-time special dividend to the City of Galveston in the City's 2024-2025 Fiscal Year(Porretto/Rawlins)
 6. Future Funding Mechanisms
 7. Creation of an ad hoc committee to determine a dividend payment structure (Porretto/Rawlins)

Documents:

[PORT CFO REPORT - DEC 2024.PDF](#)

- 3.C. Update And Discussion Of The Port's Master Plan And Related Future Plans (C Brown/Pierson)
 1. Cruise Lines - Number/Expansion/Timing of Cruise Terminals
 2. Cargo Business
 3. Pelican Island Development
- 3.D. Discussion Of The Port Of Galveston's Financial Status Resulting In A Detailed Financial Report From The Port Of Galveston Outlining The Current Available Sources And Uses Of Funds For The Next 36 Months (Porretto/Rawlins)
- 3.E. Update And Discussion Of The Wharves Board's Real Estate Committee (B Brown/C Brown)
 1. Mission
 2. Future Potential Plans

3.F. Port Updates

1. Galveston County Property Tax
2. EPA Discussions
3. Procurement/Bid Processes as they relate to local vendors

3.G. Discussion Of A Resolution Or Policy Requiring The Wharves Board Of Trustees Inform The Galveston City Council On Filed, Pending, Or Potential Lawsuits At The Next Regularly Scheduled Galveston City Council Meeting Upon Notification Of Said Lawsuit (Porretto/Rawlins)

3.H. Discussion Of The Port's 200 Year Anniversary Celebration (Pierson/C Brown)

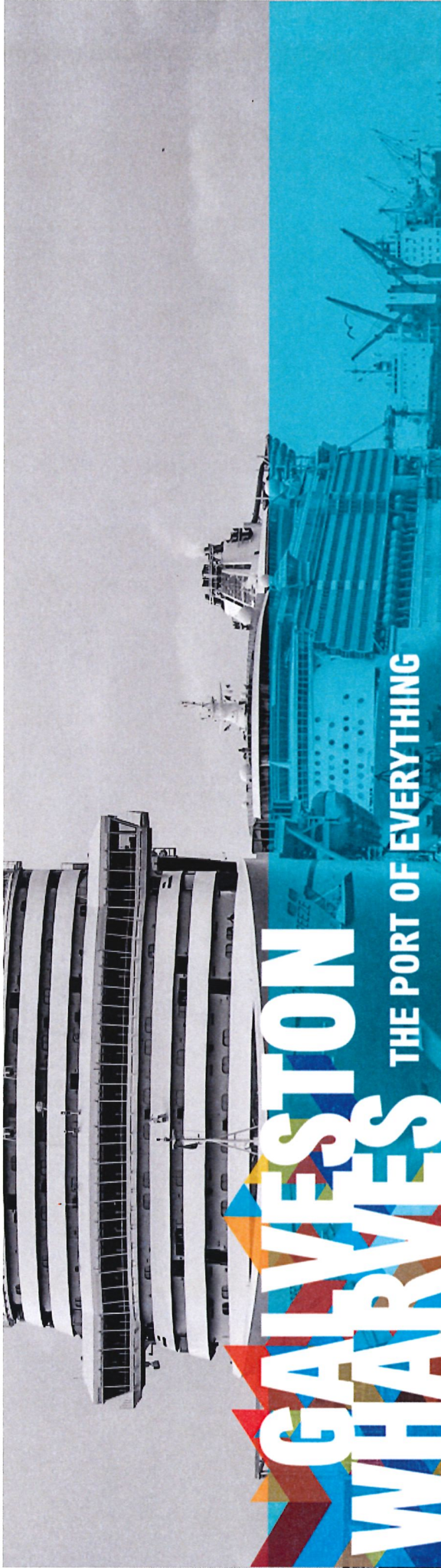
4. ADJOURNMENT

I certify that the above Notice of Meeting was posted in a place convenient to the public in compliance with Chapter 551 of the Texas Government Code on 2025 at P.M.

Janelle Williams, City Secretary

IN ACCORDANCE WITH THE PROVISIONS OF THE AMERICANS WITH DISABILITIES ACT (ADA), PERSONS IN NEED OF A SPECIAL ACCOMMODATION TO PARTICIPATE IN THIS PROCEEDING SHALL, WITHIN THREE (3) DAYS PRIOR TO ANY PROCEEDING, CONTACT THE CITY SECRETARY'S OFFICE, SUITE 201, 823 ROSENBERG, GALVESTON, TEXAS 77550 (409-797-3510).

One or more members of the City Council may attend the meeting by videoconference. A quorum of the members of the City Council will be physically present at the meeting location.



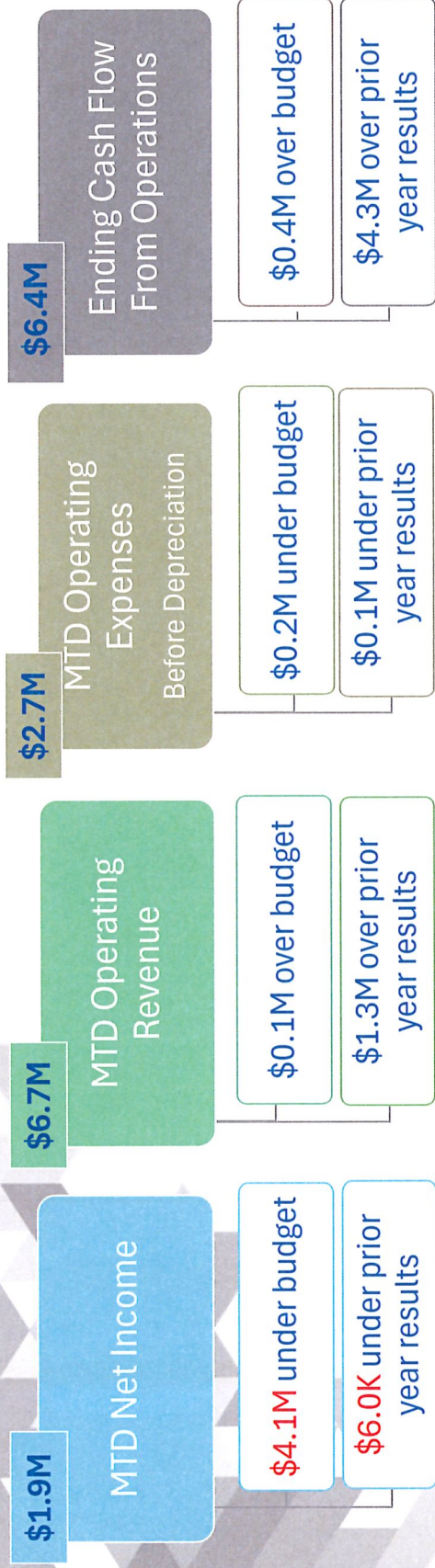
CFO'S REPORT

Galveston Wharves Board | December 17, 2024

By Mark Murchison, CFO



Summary Month of November 2024



Major Drivers -

- **Revenues** were \$0.1M over budget primarily due to wharfage (\$0.2M), dockage (\$0.1M) and lay dockage (\$0.1M), offset by real estate (\$0.3M) and passenger service charges (\$0.1M).
- **Operating Expenses before Depreciation** were \$0.2M under budget primarily due to contract services (\$0.1M) and repair and maintenance (\$0.1M).
- **Non-Operating Income** were \$2.5M under budget primarily due to grant revenue (\$3.4M), offset by interest income (\$0.7M) and bond premium (\$0.1M)
- **Non-Operating Expenses** are \$1.9M over budget primarily due to S2024A&B bond initiation and bond interest expense (\$0.6M), hurricane recovery cost (dredging) (\$1.1M) and recovery restoration expense (\$0.2M).

Financial Summary Month-to-Date

Port of Galveston						
Month-To-Date Income as of 11/30/2024						
	MTD November 2024 Actual	MTD November 2024 Budget	MTD November 2023 Actual	Over (Under) Budget %	Over (Under) Prior Year %	
Operating Income	\$ 6,671,962	\$ 6,554,442	\$ 5,350,729	1.8%	24.7%	
Operating Expenses before Depreciation	2,671,372	2,840,332	2,731,305	-5.9%	-2.2%	
Net Operating Income (Loss) Before Depreciation	4,000,590	3,714,111	2,619,424	7.7%	52.7%	
Depreciation Expense	1,023,316	1,088,827	806,323	-6.0%	26.9%	
Net Operating Income (Loss) After Depreciation	2,977,274	2,625,284	1,813,101	13.4%	64.2%	
Non-Operating Income	1,004,482	3,543,805	305,972	-71.7%	228.3%	
Non-Operating Expenses	2,130,715	247,143	262,055	762.1%	713.1%	
Net Income (Loss)	\$ 1,851,041	\$ 5,921,946	\$ 1,857,018	-68.7%	-0.3%	
Cash Flow from Operations (Consent Tab 5)	\$ 6,369,727	\$ 5,924,404	\$ 2,041,031	7.5%	212.1%	
Capital Expenditures	(3,050,611)	-	(7,166,881)	0.0%	-57.4%	

Cash flow was \$445,323 over budget

Financial Revenues Month-to-Date

Port of Galveston						
Month-To-Date Operating Revenues as of 11/30/2024						
	MTD November 2024 Actual	MTD November 2024 Budget	MTD November 2023 Actual	Over (Under) Budget %	Over (Under) Prior Year %	
Switching and Storage Cars - GRI	\$ 11,867	\$ 32,999	\$ 17,469	-64.0%	-32.1%	
Wharfage	296,975	122,790	326,156	141.9%	-8.9%	
Passengers	1,823,771	1,886,504	1,319,415	-3.3%	38.2%	
Parking	2,653,364	2,623,326	1,873,804	1.1%	41.6%	
Dockage	206,917	105,175	152,129	96.7%	36.0%	
Lay Dockage	439,449	338,003	357,275	30.0%	23.0%	
Real Estate	684,381	936,038	924,818	-26.9%	-26.0%	
Security Cost Recovery	276,110	253,633	148,408	8.9%	86.0%	
Ground Transportation	187,238	181,563	136,054	3.1%	37.6%	
Revenue Producing Services & Misc.	91,891	74,412	95,201	23.5%	-3.5%	
Total Income from Operations	\$ 6,671,962	\$ 6,554,442	\$ 5,350,729	1.8%	24.7%	
Non-Operating Income	\$ 1,004,482	\$ 3,543,805	\$ 305,972	-71.7%	228.3%	

Financial Expenses Month-to-Date

Port of Galveston						
Month-To-Date Expenses as of 11/30/2024						
	MTD November 2024 Actual	MTD November 2024 Budget	MTD November 2023 Actual	Over (Under) Budget %	Over (Under) Prior Year %	
Employee Expenses	\$ 1,123,097	\$ 1,179,495	\$ 1,043,590	-4.8%	7.6%	
Other Contracted Services	415,776	498,833	496,466	-16.7%	-16.3%	
Repairs & Maintenance	257,054	313,753	260,709	-18.1%	-1.4%	
Utilities	95,571	116,669	175,194	-18.1%	-45.4%	
Insurances	386,578	346,742	317,095	11.5%	21.9%	
Depreciation	1,023,316	1,088,827	806,323	-6.0%	26.9%	
Other Operating	311,504	289,860	335,926	7.5%	-7.3%	
Other Office & Sales	81,792	94,980	102,325	-13.9%	-20.1%	
Total Operating Expenses	\$ 3,694,688	\$ 3,929,158	\$ 3,537,628	-6.0%	4.4%	
Non-Operating Expenses	\$ 2,130,715	\$ 247,143	\$ 262,055	762.1%	713.1%	

Summary Year-to-Date November 2024



Major Drivers -

- **Revenues** are \$5.8M over budget primarily due to lay dockage (\$1.1M), wharfage (\$1.1M), passenger service charges (\$1.0M), real estate (\$0.7M), security cost recovery fees (\$0.6M), dockage (\$0.4M), revenue producing services (\$0.2M) and licenses, fees and miscellaneous (\$0.8M), offset by parking (\$0.1M).
- **Operating Expenses before Depreciation** are \$0.4M under budget primarily due to repairs and maintenance (\$0.5M), salaries and related expenses (\$0.7M), offset by contracted services (\$0.6M) and other operating expenses (\$0.2M).
- **Non-Operating Income** were \$7.4M under budget primarily due to grant revenue (\$11.8M), offset by interest income (\$3.8M) and bond premium (\$0.6M)
- **Non-Operating Expenses** are \$6.2M over budget primarily due to S2024A&B bond initiation and bond interest expense (\$4.5M), hurricane recovery cost (dredging) (\$1.1M), recovery restoration expense (\$0.2M) and disposal of assets (\$0.5M).

Financial Summary Year-to-Date

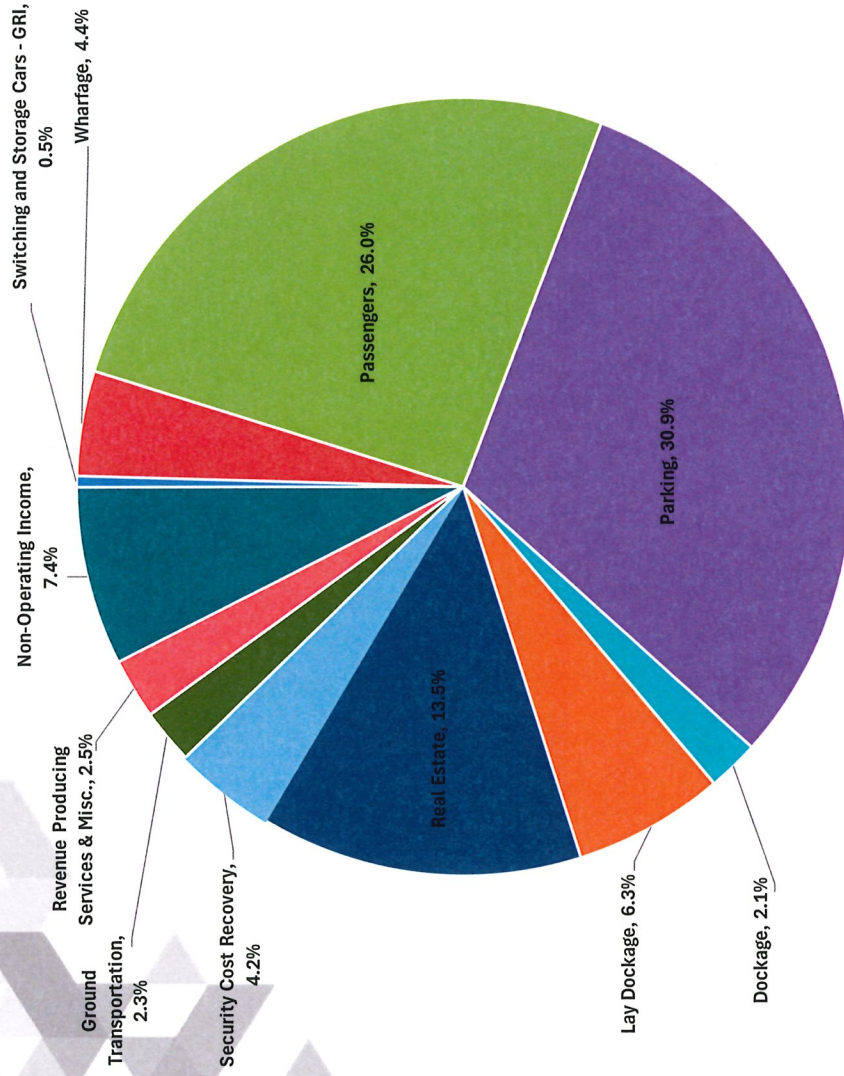
Port of Galveston						
Year-To-Date Income as of 11/30/2024						
	YTD November 2024 Actual	YTD November 2024 Budget	YTD November 2023 Actual	Over (Under) Budget %	Over (Under) Prior Year %	
Operating Income	\$ 70,432,452	\$ 64,628,454	\$ 60,291,164	9.0%	16.8%	
Operating Expenses before Depreciation	32,194,194	32,584,448	29,886,048	-1.2%	7.7%	
Net Operating Income (Loss) Before Depreciation	38,238,258	32,044,006	30,405,117	19.3%	25.8%	
Depreciation Expense	11,402,000	11,658,415	8,780,721	-2.2%	29.9%	
Net Operating Income (Loss) After Depreciation	26,836,257	20,385,590	21,624,395	31.6%	24.1%	
Non-Operating Income	5,647,337	13,002,108	2,177,266	-56.6%	159.4%	
Non-Operating Expenses	9,057,435	2,813,612	2,558,689	221.9%	254.0%	
Net Income (Loss)	\$ 23,426,159	\$ 30,574,087	\$ 21,242,972	-23.4%	10.3%	
Cash Flow from Operations (Consent Tab 5)	\$ 40,766,647	\$ 30,199,501	\$ 22,401,456	35.0%	82.0%	
Capital Expenditures	(43,884,977)	-	(49,616,460)	0.0%	-11.6%	

Cash flow was \$10,567,147 over budget

Financial Revenues Year-to-Date

Port of Galveston						
Year-To-Date Operating Revenues as of 11/30/2024						
	YTD November 2024 Actual	YTD November 2024 Budget	YTD November 2023 Actual	Over (Under) Budget %	Over (Under) Prior Year %	
Switching and Storage Cars - GRI	\$ 354,051	\$ 363,676	\$ 310,131	-2.6%	14.2%	
Wharfage	3,317,711	2,184,085	2,759,951	51.9%	20.2%	
Passengers	19,778,451	18,782,707	14,790,903	5.3%	33.7%	
Parking	23,486,305	23,553,973	20,482,153	-0.3%	14.7%	
Dockage	1,630,457	1,280,577	2,464,282	27.3%	-33.8%	
Lay Dockage	4,792,825	3,718,035	3,889,484	28.9%	23.2%	
Real Estate	10,242,024	9,501,721	10,973,101	7.8%	-6.7%	
Security Cost Recovery	3,187,851	2,638,584	1,729,737	20.8%	84.3%	
Ground Transportation	1,726,472	1,739,640	1,655,369	-0.8%	4.3%	
Revenue Producing Services & Misc.	1,916,304	865,456	1,236,054	121.4%	55.0%	
Total Income From Operations	\$ 70,432,452	\$ 64,628,454	\$ 60,291,164	9.0%	16.8%	
Non-Operating Income	\$ 5,647,337	\$ 13,002,108	\$ 2,177,266	-56.6%	159.4%	

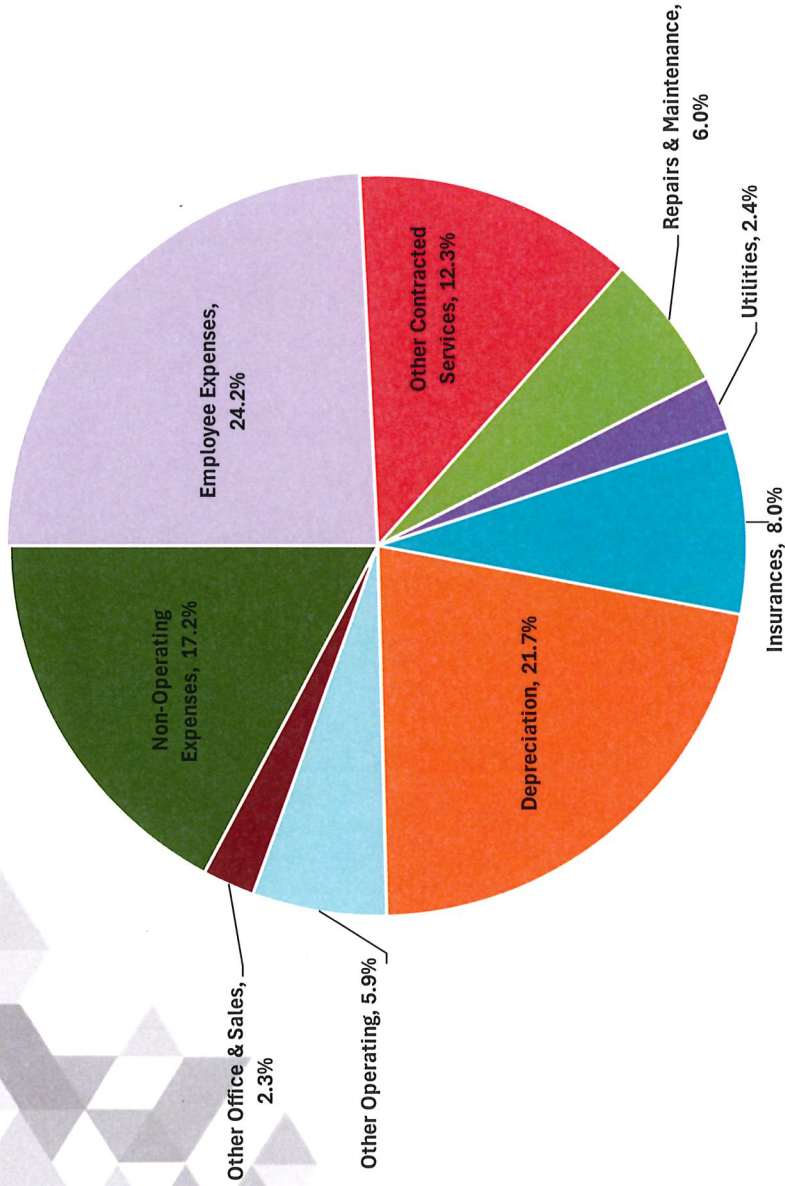
Year-to-Date Revenues



Financial Expenses Year-to-Date

Port of Galveston						
Year-To-Date Expenses as of 11/30/2024						
	YTD November 2024 Actual	YTD November 2024 Budget	YTD November 2023 Actual	Over (Under) Budget %	Over (Under) Prior Year %	
Employee Expenses	\$ 12,749,478	\$ 13,435,406	\$ 11,029,190	-5.1%	15.6%	
Other Contracted Services	6,490,727	5,927,125	5,931,684	9.5%	9.4%	
Repairs & Maintenance	3,149,108	3,639,776	2,945,928	-13.5%	6.9%	
Utilities	1,284,616	1,283,363	1,399,645	0.1%	-8.2%	
Insurances	4,216,623	3,744,814	3,759,072	12.6%	12.2%	
Depreciation	11,402,000	11,658,415	8,780,721	-2.2%	29.9%	
Other Operating	3,101,528	3,287,706	3,845,078	-5.7%	-19.3%	
Other Office & Sales	1,202,114	1,266,259	975,451	-5.1%	23.2%	
Total Operating Expenses	\$ 43,596,194	\$ 44,242,864	\$ 38,666,769	-1.5%	12.7%	
Non-Operating Expenses	\$ 9,057,435	\$ 2,813,612	\$ 2,558,689	221.9%	254.0%	

Year-to-Date Expenses



Product Line Summary

Port of Galveston
 Product Line Summary before Allocations & Depreciation
 Year-to-Date as of November 30, 2024

	Cruise	Parking	Ground Transportation	Cargo	Lay	Industrial, Real Estate & Retail	Miscellaneous	Total
Revenue from Operations before Allocations	\$28,520,747	\$23,239,921	\$1,762,147	\$7,666,339	\$5,862,109	\$2,612,024	\$769,165	\$70,432,452
Operating Expenses before Allocations & Depreciation	6,467,953	4,435,957	-	3,437,274	567,633	332,094	16,953,284	32,194,194
Net Operating Income before Allocations & Depreciation	\$22,052,794	\$18,803,965	\$1,762,147	\$4,229,065	\$5,294,476	\$2,279,929	\$(16,184,118)	\$38,238,258
Allocated - Revenue from Operations	153,285	414,563	29,481	74,998	85,621	11,217	(769,165)	-
Allocated - Expenses from Operations	4,378,770	8,782,719	616,809	1,935,519	2,252,216	353,580	(18,319,613)	-
Net Operating Income after Allocations & before Depreciation	\$17,827,309	\$10,435,809	\$1,174,819	\$2,368,544	\$3,127,881	\$1,937,567	\$1,366,330	\$38,238,258
Depreciation	6,827,311	1,409,495	-	1,263,584	56,935	478,346	1,366,330	11,402,000
Net Operating Income after Allocations & Depreciation	\$10,999,998	\$9,026,314	\$1,174,819	\$1,104,960	\$3,070,946	\$1,459,221	\$0	\$26,836,257



Summary Year-to-Date

Travel, Training & Development

- \$256,685 or \$222,658 below budget

Cash Position

- Total Cash \$207.8M, Unrestricted \$33.4M, Legally Restricted \$158.9M, Internally Restricted \$15.4M

Vendor Register MTD

- Checks to Local Vendors \$3.4M (60% of ordinary operating payments), Non-Local Vendors \$2.3M, and Non-Operating Vendors \$2.4M

Accounts over 90 Days

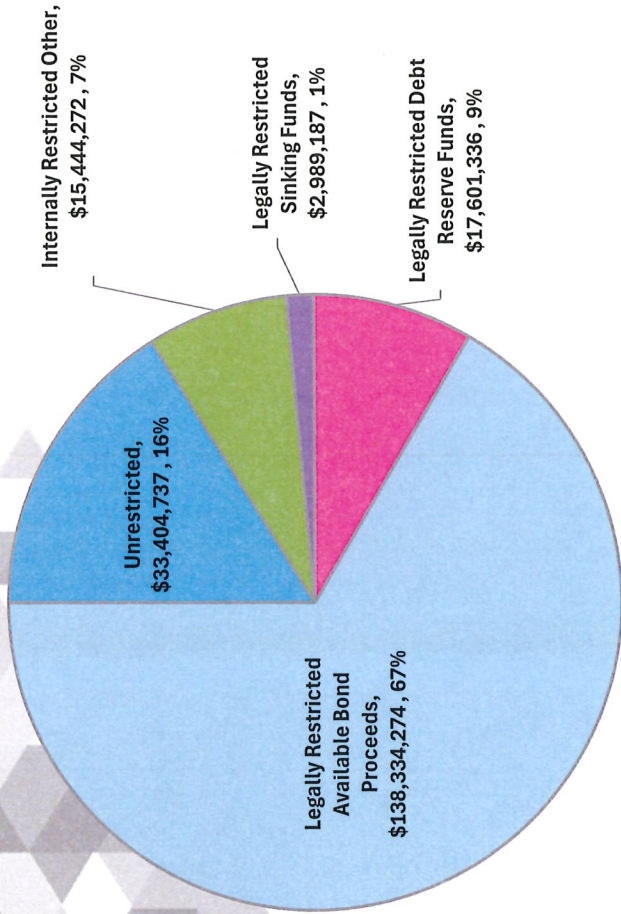
- Over-90 balances, Cargo and Rents \$479K

Financial – A/R Aging

Port of Galveston		
A/R Aging Analysis as of 11/30/2024		
Aging	Total	% of Total
0-30 Days	\$ 4,524,239	84.4%
31-60 Days	192,338	3.6%
61-90 Days	162,044	3.0%
> 90 Days*	480,004	9.0%
TOTAL OUTSTANDING	\$ 5,358,625	100%

Current Cash Position

Total Cash: \$207,773,806



INTERNALLY RESTRICTED FUNDS:	
CITY PAYMENT FUND (PILOT)	\$ 155,833
PELICAN PAYMENT FUND (PILOT)	11,000
SMP PAYMENT FUND(PILOT)	3,437
MAINTENANCE DREDGING	2,264,107
CCL MARKETING INCENTIVE	2,243,944
BOARD APPROVED CAPITAL IMPROVEMENTS FUNDED FROM OPERATIONS	10,765,950
TOTAL INTERNALLY RESTRICTED FUNDS	\$ 15,444,272
LEGALLY RESTRICTED SINKING FUND:	
BOND SINKING FUND SERIES 2021	\$ 392,618
BOND SINKING FUND SERIES 2023	2,596,569
TOTAL LEGALLY RESTRICTED SINKING FUNDS	\$ 2,989,187
LEGALLY RESTRICTED DEBT RESERVE FUNDS:	
BOND RESERVE FUND SERIES 2023	\$ 4,257,563
BOND RESERVE FUND SERIES 2024A	9,057,137
BOND RESERVE FUND SERIES 2024B	4,286,636
TOTAL LEGALLY RESTRICTED SINKING FUNDS	\$ 17,601,336
LEGALLY RESTRICTED AVAILABLE BOND PROCEEDS:	
LEGALLY RESTRICTED AVAILABLE BOND PROCEEDS SERIES 2024A	\$ 93,462,821
LEGALLY RESTRICTED AVAILABLE BOND PROCEEDS SERIES 2024B	44,871,453
TOTAL LEGALLY RESTRICTED AVAILABLE BOND PROCEEDS	\$ 138,334,274
UNRESTRICTED	\$ 33,404,737
TOTAL	\$ 207,773,806

Staffing Levels

Port of Galveston Employee Headcount

	CONSTRUCTION & MAINTENANCE	CRUISE	ENGINEERING	EXECUTIVE	FINANCE	OPERATIONS	TRANSPORTATION	PARKING & GROUND	SAFETY-SECURITY	TOTAL	Notes
Employees 11/8/24 Pay Date	29	7	12	6	11	3	10		43	121	
Transfers between Depts											
Retirements, Voluntary/Involuntary Terminations		(1)									
Replacements/New Hires	3								1	4	(1) Cruise Term 11/11/24 C&M Hire 11/18/24 C&M Hire 11/18/24 C&M Hire 11/18/24 Safety-Security Hire 11/18/24
Employees 12/06/24 Pay Date	32	6	12	6	11	3	10		44	124	
2024 Budgeted	37	7	15	7	11	4	11		46	138	
Over / (Under) 2024 Budgeted Staff	(5)	(1)	(3)	(1)	-	(1)	(1)		(2)	(14)	

Employees 12/8/23 Pay Date	28	6	11	6	9	3	7		42	112	
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Payments to City of Galveston

Galveston Wharves Payments to City of Galveston As of 11/30/24

	MTD	YTD
PILOT (Payment in Lieu of Taxes)	\$ -	\$ 154,407
Transit Terminal 4% Net Revenue	3,712	31,203
Local Sales Tax	43,072	490,330
Additional Passenger Charge - City of Galveston	59,230	733,636
Long Term Parking Fee	91,696	1,121,662
Subtotal of Payments to City	\$ 197,710	\$ 2,531,238
Portion of PILOT that goes to Galveston ISD	-	40,624
Total Payments to City	\$ 197,710	\$ 2,571,862

Dockage Discounts

Dockage Discounts Given in the Month of November 2024

Vessel Name	Location	Start Date	End Date	Days	Amount Billed	Discount	Class	Notes
PACIFIC DUCHESS	Pier 41	10/31/2024	11/30/2024	31	\$ 31,644	20%	Lay	20% Discount - Brett and Jake
Gordon K	Pier 15	11/1/2024	11/30/2024	30	\$ 3,950	50%	Lay	50% Discount - Brett and Jake
TEXAS RESPONDER	Pier 41	11/1/2024	11/19/2024	19	\$ 4,209	75%	Lay	75% Discount - Brett and Jake
DAVID MCALLISTER / CLEAN JACKSONVILLE	Pier 37	11/1/2024	11/30/2024	30	\$ 20,588	50%	Lay	50% Discount - Brett and Jake
Regal Princess	Pier 16-18	11/1/2024	11/16/2024	16	\$ 197,193	50%	Lay	50% Discount - Rodger and Brett