



**2019/2020 FISCAL
YEAR BUDGET
ADOPTED**

September 12, 2019

PREPARED BY:

Mary Campus, Controller

TABLE OF CONTENTS

| | |
|----------------------------------|-----------|
| TRANSMITTAL LETTER | 1 |
| CASH FLOWS | 5 |
| SOURCES AND USES | 6 |
| INCOME STATEMENT | 7 |
| CAPITAL BUDGET | 8 |
| CAPITAL BUDGET | 10 |
| CAPITAL EQUIPMENT | 12 |
| CAPITAL DESCRIPTIONS | 16 |
| CAPITAL MAINTENANCE DESCRIPTIONS | 18 |
| CONTRIBUTED CAPITAL DESCRIPTIONS | 19 |
| REVENUES | 20 |
| REVENUE | 21 |
| TAX REVENUE | 23 |
| EXPENSES | 27 |
| OPERATING EXPENSE SUMMARY | 28 |
| DEBT SERVICE | 30 |



1100 CHERRY ST. • FREEPORT, TX 77541
(979) 233-2667 • 1 (800) 362-5743 • FAX: (979) 233-5625
WWW.PORTFREEPORT.COM

BUDGET TRANSMITTAL

August 29, 2019

Members of the Port Commission
Port Freeport
Freeport, Texas

Presented herein is the Fiscal Year 2019/20 Budget. This budget was prepared through the collective efforts of staff, directors and commissioners. It represents the planned financial and operating performance of the Port for the coming fiscal year and provides insight to the direction of Port expansion for the next five years. Overall, this budget anticipates a \$40.9 million decrease in change in net assets due to capital contributions for the Port Freeport Harbor Channel Improvement Project. This year's budget follows the same format as the previous budgets with supporting documentation and schedules.

OPERATING BUDGET

Revenue:

When compared to the 2019 Budget, total operating revenue for fiscal year 2020 is expected to increase \$9.1 million to \$35.9 million, while net non-operating revenue and expenses are expected to decrease by \$878 thousand to (\$299) thousand.

Harbor operations revenues have increased \$9.6 million to \$21.9 million primarily due to existing customer base increasing their opportunities and increased vessel calls. Lease revenues have decreased \$439 thousand to \$14 million primarily due to leases that are set to expire, but are under renewal negotiations, and is offset by contractual inflation increases.

Net non-operating revenues at (\$299) thousand include debt service. Debt interest and fees have increased \$1.9 million due to the 2019 General Obligation Bond issuance as well as an estimated accrual of interest for issuance of revenue backed debt in fiscal year 2020.

The Certification of Appraised Valuations prepared by the Brazoria County Appraisal District reports assessed value for 2019 to be \$14.1 billion, which is 2.7% higher than the prior year. Increases were observed in market values and significant asset additions, along with offsets in these increases from homestead, abatements, and other exemptions. The budget has been prepared with maintaining the tax rate of \$0.04010 per \$100 of valuation. A rate of \$0.010615 per \$100 valuation is required for debt service, leaving a rate of \$0.029485 per \$100 valuation for maintenance and operations. Assuming a 98.65% collection rate, ad valorem tax collections are projected to be \$5.5 million, net of appraisal district and tax office fees.

PORT COMMISSION

SHANE PIRTLE, CHAIRMAN; PAUL KRESTA, VICE CHAIRMAN; RUDY SANTOS, SECRETARY; JOHN HOSS, ASST. SECRETARY;
RAVI K. SINGHANIA, COMMISSIONER; DAN CROFT, COMMISSIONER; PHYLLIS SAATHOFF, EXECUTIVE DIRECTOR/CEO

Expenditures:

Overall, expenditures, at \$20 million, are anticipated to increase \$1.4 million over the budget for fiscal year 2019. Expenditures, excluding depreciation are expected to be \$12 million, an increase of 5% or \$613 thousand from the budget for fiscal year 2019.

Port Salaries and Wages: The total amount budgeted for Port salaries and wages is \$3.8 million, an increase of \$262 thousand or 7.4% from the 2019 budget. The budget includes a maximum of 3.65% for merit/cost-of-living increase as well as a market/internal equity pool and assumes full staffing. In addition, reclassification of elected officials to employees, a part-time position is being converted to a full-time position, and an additional position for the Business Development Department are included.

Port Employee Benefits: The total amount budgeted employee benefits is \$1.5 million, an increase of \$199 thousand or 15% from the 2019 budget. The primary reason for the increase comes from the additional staffing mentioned above, an anticipated increase in medical (12%), dental and vision plan premiums (10%), full participation in the retirement plan, and assumes full staffing.

Professional Services: The budget for consultant services has decreased \$140 thousand or 5% from the 2019 budget to \$2.7 million. The largest line item in the professional services category is security service fees, which increased 3.1% to \$1.4 million due to contracted rates, increased manpower utilization and services. Fiscal year 2020 includes funds for a freight mobility/market analysis study, Port planning services, and surveying.

Training, Travel & Promotional: The training, travel and promotional category budget is \$707 thousand, which has increased from the 2019 budget by 10% or \$66 thousand. Commercial business development at \$293 thousand, which includes commercial trade shows, advertising, economic development, and promotional items, has been increased \$22 thousand or 8% from last year due to increased focus on target cargo events. Sales and promotion has increased by \$7 thousand or 10% to \$76 thousand due to increased sales travel/marketing. Government relations travel is decreased 10% or \$5 thousand to \$45 thousand due to decreased involvement in State Legislative interaction (off session year). Community relations at \$75 thousand has increased 7% or \$5 thousand due to increased community events and interaction. Technical training and related travel expense is increased by 32% or \$37 thousand to \$155 thousand due to increased staff development needs and AAPA annual training falling with two conferences in the same fiscal year. Automobile expense at \$63 thousand remains consistent.

Supplies: The supplies budget is \$166 thousand which has increased \$4 thousand or 2%. Increased small office equipment purchases account for the majority of the increase.

Utilities: The utilities budget has increased by \$106 thousand or 21% to \$608 thousand. Increased water and sewer rates account for the majority of the increase.

Business Insurance: Business insurance is being budgeted for \$1.2 million, which is a \$128 thousand or 12% increase from fiscal year 2019 budget. Contracted insurance premiums as well as increased insured values account for this increase.

Other Services & Charges: The \$515 thousand budget for other services and charges is planned to increase 14% or \$64 thousand from the 2019 budget. This category includes contract labor, contract services, lease expense and memberships and subscriptions. The addition of the pilot dispatch services, and software/IT services account for the majority of the increase.

Maintenance & Repair: The \$928 thousand budget for 2020 is \$75 thousand or 7% less than the 2019 with increases in some areas and decreases in others. Significant line items in this category include

maintenance expense for the crane, software and computer support services, berth sheet pile repairs, mowing services, and security systems maintenance.

Depreciation expense: Depreciation expense for fiscal year 2020 budget is projected at \$8 million, which has increased 10% or \$748 thousand over fiscal year 2019 budget. Depreciation additions from new assets are expected to be \$400 thousand.

CAPITAL BUDGET

Port Expansion:

Continuing from fiscal year 2019, the most significant projects planned over the next five-years are the construction of Velasco Terminal and related development of backland property to support the berths. Construction of the next 1,050' berth (Berth 8) is expected to begin. Improvements to OEM/Logistics facilities include completion of the next 20 acre open storage yard and transit shed modifications. \$54.8 million in total has been budgeted for Port expansion projects for fiscal year 2019. Cash flow requirements of the capital expansion plans will be funded from current cash flows, grant funds, reserves or debt financing.

Capital Contributed to Others:

Capital contributions to others include \$51.5 million for the Port Freeport Harbor Channel Improvement Project which will be funded partially by the 2019 General Obligation Bond issuance that was approved by the voters on May 5, 2018, capital improvement reserves, and cash reserves. Additional projects include \$8 million for dredging Berth 8, \$600 thousand in floodwall modifications and \$75 thousand to the Brazoria/Ft. Bend Rail District.

Capitalized Maintenance & Repair:

The \$608 thousand in capitalized maintenance and repair projects include the continuation of the repairs of the dock concrete joints, railroad track renovations, building repairs and road repairs. Cash flow requirement of the capitalized maintenance plan will be funded from current cash flows.

Capital Outlay:

Capital outlay includes equipment purchases over \$5,000 that will be capitalized and depreciated over a short life span of 3-20 years. The capital outlay budget for fiscal year 2020 is \$813 thousand. The major items in fiscal year 2020 include equipment purchases, security improvements, and operational equipment. Cash flow requirements for the capital outlay plans will be funded by \$313 thousand in Grant funds and \$501 thousand from current cash flows, reserves or financing.

CONCLUSION

The proposed budget for fiscal year 2019/20 continues to demonstrate the Port's commitment to the expansion and development of Port Freeport. Budgeted operating revenues exceed operating expenses by \$16 million and planned capital expenditures are \$54.8 million. The tax rate is being maintained at \$0.04010 per \$100 of assessed valuation as communicated to the taxpayers during the bond election. This budget is fiscally conservative without impeding the Port's continuing commitment to provide well-maintained, safe and secure port facilities to our customers and to further the growth and development of Port Freeport.

Respectfully submitted,

A handwritten signature in cursive script that reads "Mary Campus". The signature is fluid and elegant, with the first name "Mary" and the last name "Campus" clearly distinguishable.

Mary Campus
Controller

**PORT FREEPORT
2019/2020 FISCAL YEAR BUDGET**

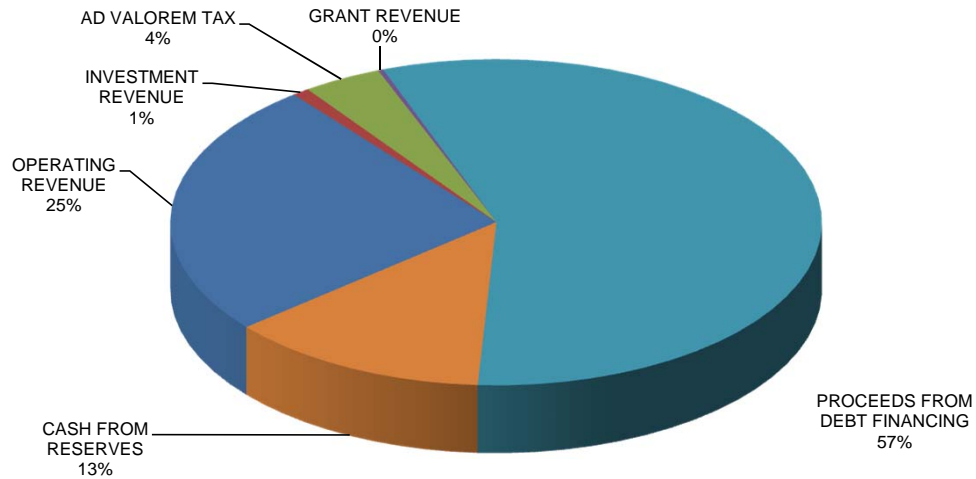
CASH FLOW WORKSHEET

| | | | |
|--|-------------|--------------------|-----------------------|
| Operating Revenue | \$ | 35,944,300 | |
| Operating Expenses | (| 20,017,600) | |
| Operating Income (Loss) | | 15,926,700 | |
| Net Non-Operating Revenues | (| 298,900) | |
| Net Income | | | \$ 15,627,800 |
| Add Back Non-cash Items | | | |
| Depreciation | | 7,986,000 | |
| Interest Expense | | 7,039,600 | |
| Loss on Disposition of Assets | | - | |
| Total Net Non-cash Expenses | | | <u>15,025,600</u> |
| Cash Flow from Operations, Taxes, Investments | | | 30,653,400 |
| Debt Service Payments | | | (13,045,500) |
| Net Cash Flow Before Capital Expenditures | | | 17,607,900 |
| Capital Expenditures and Contributed to Others: | | | |
| Funded by Grant Programs | (| 685,700) | |
| Funded from Capital Improvement Reserve | (| 20,000,000) | |
| Cash Flow or General Reserve Funded | (| 32,954,700) | |
| Proceeds from Debt Funding | (| 62,685,300) | |
| Total Additions to Assets | | | (116,325,700) |
| Reimbursement Resolution/Financing Proceeds | | | 80,000,000 |
| Contributed Capital From Grants | | | 373,100 |
| Cash To (From) Reserves | \$ (| 18,344,700) | |
| July 2019 Reserves Balance: | | | |
| Unrestricted | \$ | 43,178,909 | |
| Reserve for Capital Improvements | | 15,674,099 | |
| Restricted for Debt Service | | 7,607,313 | |
| 2018 Series Project Fund | | 4,545,908 | |
| 2019 Series GO Project Fund | | 35,049,948 | |
| Restricted for Capital Improvements (Corps) | | 13,752 | |
| Approximate FY 2020 Year-end Reserves: | | | |
| Unrestricted | \$ | 29,492,629 | |
| Expected Balance of Proceeds from Future Revenue Bond Issuance | | 29,974,400 | |
| Reserve for Capital Improvements | | - | |
| Restricted for Debt Service | | 8,910,000 | |
| 2018 Series Project Fund | | - | |
| 2019 Series GO Project Fund | | 19,334,948 | |
| Restricted for Capital Improvements (Corps) | | 13,252 | |

**PORT FREEPORT
2019/2020 FISCAL YEAR BUDGET**

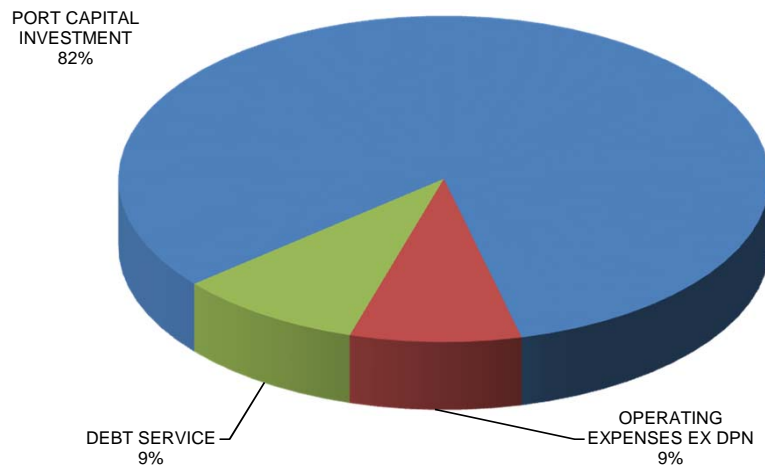
SOURCES OF FUNDS

| | |
|------------------------------|-----------------------|
| OPERATING REVENUE | \$ 35,944,300 |
| INVESTMENT REVENUE | 1,200,000 |
| AD VALOREM TAX | 5,540,700 |
| GRANT REVENUE | 373,100 |
| PROCEEDS FROM DEBT FINANCING | 80,000,000 |
| CASH FROM RESERVES | 18,344,700 |
| TOTAL | \$ 141,402,800 |



USES OF FUNDS

| | |
|---------------------------|-----------------------|
| PORT CAPITAL INVESTMENT | \$ 116,325,700 |
| OPERATING EXPENSES EX DPN | 12,031,600 |
| DEBT SERVICE | 13,045,500 |
| | <u>\$ 141,402,800</u> |



**PORT FREEPORT
2019/2020 FISCAL YEAR BUDGET**

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS

| | 2016 Actual | 2017 Actual | 2018 Actual | 2019 Budget | 5/31/2019 Actual | 2019 Forecasted | 2020 Budget | Percent of Total |
|---|----------------------|----------------------|----------------------|------------------------|----------------------|----------------------|-------------------------|---------------------|
| OPERATING REVENUES: | | | | | | | | |
| Wharfage | \$ 4,334,632 | \$ 4,847,411 | \$ 7,274,790 | \$ 6,704,000 | \$ 6,505,408 | \$ 7,685,784 | \$ 12,131,000 | 34% |
| Dockage & Deep Water Berth | 1,556,143 | 1,246,826 | 1,773,794 | 1,848,700 | 1,281,598 | 2,174,956 | 4,887,600 | 14% |
| Equipment & Pallet Use Fees | 1,223,119 | 851,941 | 882,221 | 1,184,800 | 807,887 | 1,217,600 | 1,489,400 | 4% |
| Facility Use Fees | 233,852 | 304,852 | 369,069 | 688,000 | 300,518 | 450,000 | 560,000 | 2% |
| Security Fees | 764,089 | 614,865 | 779,878 | 840,800 | 562,379 | 870,000 | 1,774,900 | 5% |
| Other Customer Service Fees | 757,025 | 799,691 | 926,321 | 1,047,800 | 706,557 | 1,109,557 | 1,067,100 | 3% |
| Ground Leases | 11,788,233 | 12,293,090 | 12,985,928 | 13,357,500 | 8,873,303 | 13,335,097 | 13,038,100 | 36% |
| Other Leases | 1,008,231 | 1,066,536 | 1,058,454 | 1,091,200 | 702,196 | 1,053,361 | 971,200 | 3% |
| Other Revenue | 19,420 | 58,580 | 283,391 | 25,000 | 30,906 | 37,692 | 25,000 | 0% |
| Total Operating Revenue | \$ 21,684,744 | \$ 22,083,792 | \$ 26,333,846 | \$ 26,787,800 | \$ 19,770,752 | \$ 27,934,047 | \$ 35,944,300 | |
| OPERATING EXPENSES: | | | | | | | | |
| Port Salaries/Wages | 3,052,922 | 3,009,936 | 3,175,177 | 3,529,900 | 2,135,380 | 3,433,793 | 3,792,200 | 19% |
| Port Employee Benefits | 945,922 | 1,012,383 | 1,039,760 | 1,311,400 | 758,654 | 1,302,064 | 1,509,900 | 8% |
| Professional Services | 1,916,293 | 1,886,579 | 2,119,928 | 2,791,300 | 1,315,969 | 1,948,055 | 2,651,600 | 13% |
| Training, Travel & Promotional | 408,762 | 322,077 | 406,362 | 641,600 | 325,857 | 580,204 | 707,300 | 4% |
| Supplies | 176,874 | 139,459 | 175,326 | 162,200 | 90,556 | 141,829 | 166,000 | 1% |
| Utilities | 517,133 | 531,284 | 490,982 | 502,100 | 382,672 | 565,154 | 608,000 | 3% |
| Business Insurance | 1,053,120 | 877,326 | 910,997 | 1,025,300 | 699,249 | 1,064,914 | 1,153,200 | 6% |
| Other Services & Charges | 421,310 | 314,996 | 374,692 | 451,600 | 304,146 | 460,502 | 515,300 | 3% |
| Maintenance & Repair | 671,077 | 722,054 | 630,215 | 1,003,300 | 763,516 | 1,267,749 | 928,100 | 5% |
| Depreciation | 6,834,914 | 6,909,554 | 6,875,049 | 7,238,300 | 4,504,212 | 6,796,715 | 7,986,000 | 40% |
| Total Operating Expenses | 15,998,327 | 15,725,648 | 16,198,488 | 18,657,000 | 11,280,211 | 17,560,979 | 20,017,600 | |
| OPERATING INCOME (LOSS) | 5,686,417 | 6,358,144 | 10,135,358 | 8,130,800 | 8,490,541 | 10,373,068 | 15,926,700 | |
| OPERATING MARGIN | 26% | 29% | 38% | 30% | 43% | 37% | 44% | |
| NON-OPERATING REVENUES (EXPENSES): | | | | | | | | |
| Ad Valorem Tax Collections | 4,701,307 | 4,841,680 | 5,173,826 | 5,308,300 | 5,400,717 | 5,389,651 | 5,540,700 | |
| Investment Net Revenue | 289,226 | 414,302 | 598,893 | 400,000 | 1,180,621 | 1,667,540 | 1,200,000 | |
| Gain (Loss) on Sale of Assets | (4,541,318) | (25,722) | - | - | - | - | - | |
| Debt Interest and Fees | (3,165,710) | (2,957,986) | (3,165,919) | (5,129,600) | (2,734,132) | (4,439,447) | (7,039,600) | |
| Other | 381,872 | (16,650) | 11,899 | - | - | - | - | |
| Non-Operating Revenues, Net | (2,334,623) | 2,255,624 | 2,618,699 | 578,700 | 3,847,206 | 2,617,744 | (298,900) | |
| NET INCOME (LOSS) BEFORE CONTRIBUTIONS | 3,351,794 | 8,613,768 | 12,754,057 | 8,709,500 | 12,337,747 | 12,990,812 | 15,627,800 | |
| CAPITAL CONTRIBUTIONS-Grants | 351,434 | 83,385 | 248,166 | 839,700 | 23,218 | 115,694 | 373,100 | |
| NET CAPITAL CONTRIBUTIONS (To)/From Others | (1,417,291) | (1,748,304) | (1,288,669) | (40,250,000) | (182,603) | (295,778) | (56,920,800) | |
| CHANGE IN NET ASSETS | \$ 2,285,937 | \$ 6,948,849 | \$ 11,713,554 | \$ (30,700,800) | \$ 12,178,362 | \$ 12,810,728 | \$ (40,919,900) | |

CAPITAL EXPANSION

**PORT FREEPORT
PROPOSED PORT CAPITAL EXPANSION PLAN
Fiscal Year 2020**

| <i>Strategic Initiatives</i> | <i>Milestones</i> |
|---|------------------------------|
| ➤ Freeport Harbor Channel deepening and widening | \$ 51,500,000 |
| ➤ Buildout of the Port's Container Handling Facilities | 50,665,300 |
| ➤ Development of warehousing and OEM distribution facilities | 12,250,000 |
| ➤ Supporting development of a rail and highway transportation corridor from Freeport to Rosenberg | 75,000 |
| ➤ Port Infrastructure Support | 1,835,400 |
| Total | <u>\$ 116,325,700</u> |

PORT FREEPORT
PROPOSED PORT CAPITAL EXPANSION PLAN
FY 2020 to 2027

| PROJECT | Estimated 2019 | Proposed 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2020-2027 TOTAL |
|---|-------------------|------------------|------------|-----------|------------|------------|------------|------------|------------|--------------------|
| VELASCO TERMINAL & RELATED INFRASTRUCTURE DEVELOPMENT (Excludes East End Expansion Area) | | | | | | | | | | |
| VELASCO TERMINAL, Phase II Berth Construction Observation and Materials Testing | | 780,000 | 780,000 | 640,000 | | | | | | 2,200,000 |
| VELASCO TERMINAL, Phase II Backland Areas 3 (5 AC) | 2,240,300 | 2,759,700 | | | | | | | | 2,759,700 |
| VELASCO TERMINAL, Area 3 Pmp Station Intake Channel | | | | 3,000,000 | | | | | | 3,000,000 |
| VELASCO TERMINAL, Phase II Backland Areas 4 (10 AC) | 50,000 | | | | | | | 10,500,000 | | 10,500,000 |
| VELASCO TERMINAL, Phase II Berth 8 (1,050 FT) | - | 36,625,600 | 44,000,000 | 7,374,400 | | | | | | 88,000,000 |
| VELASCO TERMINAL, Phase III - TBD | | | | | | | | 21,000,000 | 25,000,000 | 46,000,000 |
| VELASCO TERMINAL, Backland Areas 5 Phase II (15 AC) | 50,000 | | | | 15,000,000 | | | | | 15,000,000 |
| VELASCO TERMINAL, Phase III Backland Areas 6 (13 AC) | | | | | | | 10,000,000 | | | 10,000,000 |
| VELASCO TERMINAL, Entrance (GATE 14) | | | 1,000,000 | | | | | | | 1,000,000 |
| VELASCO TERMINAL, Phase III Entrance (GATE 12) | | | | | | 10,000,000 | 13,000,000 | | | 23,000,000 |
| VELASCO TERMINAL, Phase III Entrance (GATE 12) - Landside Access | | | | | | | | 12,800,000 | 50,000,000 | 62,800,000 |
| VELASCO TERMINAL, Phase IV Backland Area | | 1,500,000 | 4,000,000 | | | | | | | 5,500,000 |
| VELASCO TERMINAL, Development Study | 514,300 | | | | | | | | | - |
| VELASCO TERMINAL, Land Acquisitions | 1,000,000 | 1,000,000 | 2,500,000 | 500,000 | | | | | | 4,000,000 |
| OEM / LOGISTICS CENTER | | | | | | | | | | |
| PARCEL 14, Rail Development | 11,500,000 | | | | | | | | | - |
| PARCEL 14, Fiber Optic Infrastructure | | 450,000 | | | | | | | | 450,000 |
| PARCEL 14, Rail Development Phase II | | | 10,500,000 | | | | | | | 10,500,000 |
| PARCEL 14 Open Storage Yard (20 acres) | 1,000,000 | 7,300,000 | | | | | | | | 7,300,000 |
| TRANSIT SHED MODIFICATIONS | 400,000 | 4,000,000 | | | | | | | | 4,000,000 |
| SECURITY RELATED | | | | | | | | | | |
| GATE 8 - New Building and IT | | | 165,300 | 110,000 | | | | | | 275,300 |
| OTHER PROJECTS | | | | | | | | | | |
| ELECTRICAL BREAKER CABINET | | 414,500 | | | | | | | | 414,500 |
| CAPITALIZED MAINTENANCE & REPAIR PLAN | | | | | | | | | | |
| JOINT REPAIRS | | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 | 160,000 |
| RAILROAD TRACK RENOVATIONS | 50,000 | 162,600 | 25,000 | 25,000 | 25,000 | 50,000 | 50,000 | 50,000 | 50,000 | 437,600 |
| LIGHT POLE UPGRADES | 299,300 | | | | | | | | | - |
| ASPHALT PAVEMENT REPAIR (Roads.) | | 200,000 | 200,000 | 200,000 | 200,000 | 200,000 | 200,000 | 200,000 | 200,000 | 1,600,000 |
| OPERATIONS BUILDING UPGRADE | | 125,000 | | | | | | | | 125,000 |
| MAINTENANCE SHOP REPAIRS | | 100,000 | | | | | | | | 100,000 |
| TRANSIT SHED 5 MODIFICATIONS | 48,000 | | | | | | | | | - |

PORT FREEPORT
PROPOSED PORT CAPITAL EXPANSION PLAN
FY 2020 to 2027

| PROJECT | Estimated 2019 | Proposed 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2020-2027 TOTAL |
|---|-------------------|------------------|----------------|---------------|---------------|---------------|---------------|---------------|---------------|--------------------|
| FIVE YEAR CAPITAL OUTLAY SUMMARY (from detailed schedule) | 130,000 | 813,300 | 5,622,715 | 19,761,400 | 240,600 | 488,600 | 6,600,000 | 6,600,000 | 19,800,000 | 59,926,615 |
| CAPITAL CONTRIBUTED TO OTHERS | | | | | | | | | | |
| FREEPORT HARBOR CHANNEL IMPROVEMENT PROJECT | | 20,000,000 | - | - | - | - | | | | 20,000,000 |
| FREEPORT HARBOR CHANNEL IMPROVEMENT PROJECT | | 15,500,000 | 23,620,000 | - | - | - | | | | 39,120,000 |
| FREEPORT HARBOR CHANNEL IMPROVEMENT PROJECT | | 4,000,000 | 26,000,000 | 29,500,000 | 29,500,000 | 29,000,000 | - | - | - | 118,000,000 |
| REACH 3 DREDGING | | 12,000,000 | - | - | | - | - | | | 12,000,000 |
| BERTH 8 DREDGING | | 8,000,000 | | | | | | | | 8,000,000 |
| MAINTENANCE DREDGING | | | | | | 750,000 | 750,000 | 1,030,000 | 750,000 | 3,280,000 |
| BRAZORIA/FT. BEND RAIL DISTRICT | | 75,000 | 75,000 | 75,000 | | | | | | 225,000 |
| BRAZORIA/FT. BEND RAIL DISTRICT | | | 845,800 | 375,600 | 141,500 | | | | | 1,362,900 |
| BERTH 2 & 3 FLOODWALL, Modifications | | 500,000 | 2,000,000 | | | | | | | 2,500,000 |
| TOTAL | \$ 17,281,900 | \$ 116,325,700 | \$ 121,353,815 | \$ 61,581,400 | \$ 45,127,100 | \$ 40,508,600 | \$ 30,620,000 | \$ 52,200,000 | \$ 95,820,000 | \$ 563,536,615 |
| CapEx Category Summary | | | | | | | | | | |
| Velasco Terminal | \$ 3,854,600 | \$ 42,665,300 | \$ 57,080,000 | \$ 30,714,400 | \$ 15,000,000 | \$ 10,000,000 | \$ 29,600,000 | \$ 50,900,000 | \$ 94,800,000 | \$ 330,759,700 |
| OEM / Logistics | 12,900,000 | \$ 11,750,000 | 10,500,000 | - | - | - | - | - | - | \$ 22,250,000 |
| Security Related | - | \$ 119,700 | 353,300 | 110,000 | - | - | - | - | - | \$ 583,000 |
| Other | - | \$ 414,500 | - | - | - | - | - | - | - | \$ 414,500 |
| Capital Maintenance | 397,300 | \$ 607,600 | 245,000 | 245,000 | 245,000 | 270,000 | 270,000 | 270,000 | 270,000 | \$ 2,422,600 |
| Equipment & IT | 130,000 | \$ 693,600 | 634,715 | 561,400 | 240,600 | 488,600 | - | - | - | \$ 2,618,915 |
| Contributed to Others | - | \$ 60,075,000 | 52,540,800 | 29,950,600 | 29,641,500 | 29,750,000 | 750,000 | 1,030,000 | 750,000 | \$ 204,487,900 |
| Total | \$ 17,281,900 | \$ 116,325,700 | \$ 121,353,815 | \$ 61,581,400 | \$ 45,127,100 | \$ 40,508,600 | \$ 30,620,000 | \$ 52,200,000 | \$ 95,820,000 | \$ 563,536,615 |
| Targeted Funding Sources | | | | | | | | | | |
| Estimated Grant Application or already Funded by Grant Programs | \$ - | \$ 685,682 | \$ 4,757,205 | \$ 82,500 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 5,525,387 |
| General Obligation Debt Funded | - | 16,000,000 | 26,000,000 | 29,500,000 | 29,500,000 | 29,000,000 | - | - | - | 130,000,000 |
| Revenue Debt Funded | 3,340,300 | 46,685,300 | 48,800,000 | 29,574,400 | 15,000,000 | 10,000,000 | 23,000,000 | 44,300,000 | 75,000,000 | 292,359,700 |
| Funded from Capital Improvement Reserve | - | 20,000,000 | - | - | - | 750,000 | 750,000 | 1,030,000 | 750,000 | 23,280,000 |
| Cash Flow or General Reserve Funded | 13,941,600 | 32,954,718 | 41,796,610 | 2,424,500 | 627,100 | 758,600 | 6,870,000 | 6,870,000 | 20,070,000 | 112,371,528 |

PORT FREEPORT
CAPITAL OUTLAY SCHEDULE (ITEMS OVER \$5,000)
FY 2020 to 2027

| PROJECT | Proposed 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2020-2027 TOTAL |
|--|------------------|-----------|------------|---------|---------|-----------|-----------|------------|--------------------|
| COMPUTER EQUIPMENT: | | | | | | | | | |
| SERVER UPDATE/UPGRADE | | 50,000 | 20,000 | | | | | | 70,000 |
| GANTRY CRANE-SHIP PROFILE SYSTEM | | | | 200,000 | | | | | 200,000 |
| COMPUTER SOFTWARE: | | | | | | | | | |
| PORTWIDE EMERGENCY NOTIFICATION SYSTEM | | 180,000 | | | | | | | 180,000 |
| OFFICE FURNITURE: | | | | | | | | | |
| OFFICE EQUIPMENT: | | | | | | | | | |
| COPY/SCANNER MACHINE - ADMIN | 35,000 | | | | | | | | 35,000 |
| COPY/SCANNER MACHINE - OPS | 35,000 | | | | | | | | 35,000 |
| COPY/SCANNER MACHINE - EOC | | 35,000 | | | | | | | 35,000 |
| BADGE PRINTER | | | 5,000 | | | | | | 5,000 |
| EQUIPMENT: | | | | | | | | | |
| SHIP TO SHORE GANTRY CRANES (2 UNITS) | - | 4,800,000 | 19,200,000 | | | | | | 24,000,000 |
| SHIP TO SHORE GANTRY CRANES (3 UNITS) | | | | | | 6,600,000 | 6,600,000 | 19,800,000 | 33,000,000 |
| AIR COMPRESSOR | | | | | 9,000 | | | | 9,000 |
| WELDING MACHINE | | | | | 12,000 | | | | 12,000 |
| STEAM CLEANER | | | | | 12,000 | | | | 12,000 |
| DIAGNOSTIC INDICATOR | 7,000 | | | | 8,000 | | | | 15,000 |
| GANTRY CRANE TWIN PICK SPREADER BARS | | | 500,000 | | 400,000 | | | | 900,000 |
| 12,000# 4 POST CARLIFT | | 7,000 | | | | | | | 7,000 |
| RAIL CAR COUNTER EQUIPMENT (2 UNITS) | 25,000 | | | | | | | | 25,000 |
| jlg 40' SCISSOR MAN LIFT (USED) | 26,000 | | | | | | | | 26,000 |
| ADM BUILDING BACK UP GENERATOR | 182,800 | | | | | | | | 182,800 |
| PORTABLE PORT WIDE GENERATOR | 234,000 | | | | | | | | 234,000 |
| SECURITY: | | | | | | | | | |
| VIDEO MANAGEMENT UPGRADE | 60,000 | 226,485 | | | | | | | 286,485 |
| CYBER SECURITY | 77,000 | 46,030 | | | | | | | 123,030 |
| PARCEL 14 SECURITY | 90,000 | | | | | | | | 90,000 |
| COASTAL SURVEILLANCE | | 188,000 | | | | | | | 188,000 |
| EOC OPERATIONS CENTER ENCHANGEMENTS | 29,700 | | | | | | | | 29,700 |
| VEHICLES: | | | | | | | | | |

PORT FREEPORT

CAPITAL OUTLAY SCHEDULE (ITEMS OVER \$5,000)

FY 2020 to 2027

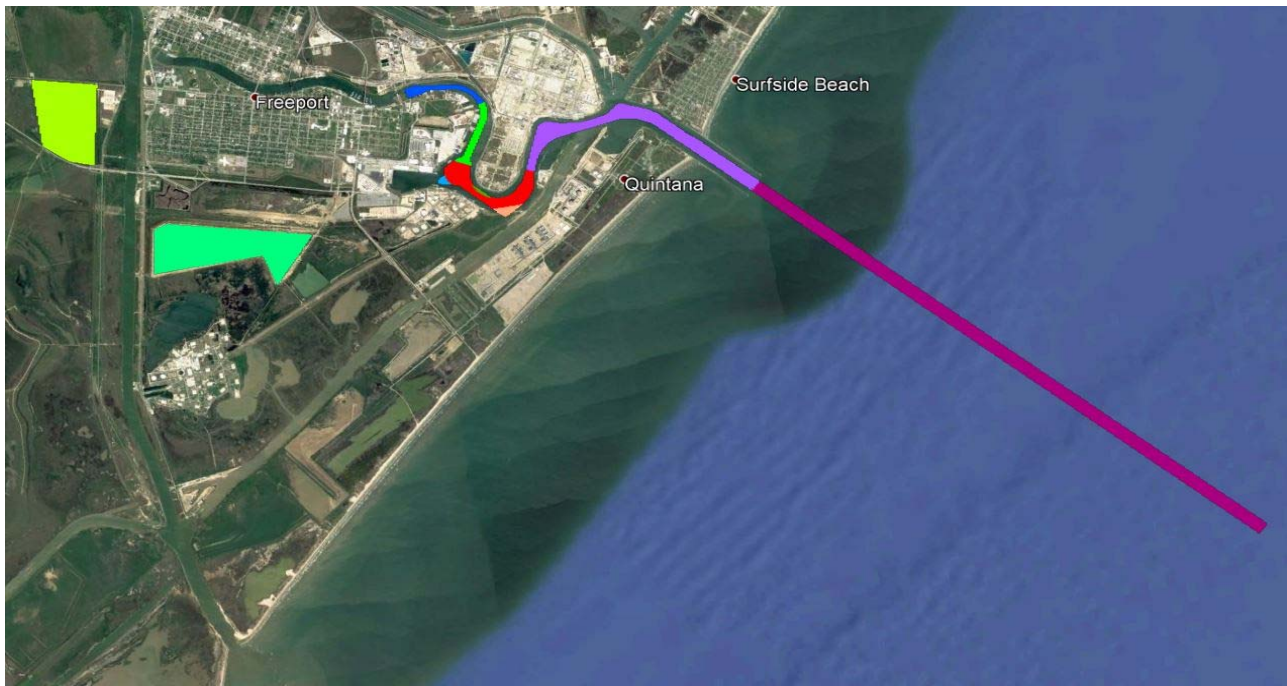
| PROJECT | Proposed 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2020-2027 TOTAL |
|--|------------------|--------------|---------------|------------|------------|--------------|--------------|---------------|--------------------|
| MAINTENANCE TRUCK - 1-TON DUALLY | | 33,000 | | | 35,000 | | | | 68,000 |
| MAINTENANCE UTILITY VEHICLES | 11,800 | 12,200 | 12,400 | 12,600 | 12,600 | | | | 61,600 |
| OPERATIONS/SAFETY/SECURITY VEHICLE | | | 24,000 | | | | | | 24,000 |
| SECURITY PATROL VEHICLE | | 45,000 | | 28,000 | | | | | 73,000 |
| OTHER: | | | | | | | | | |
| TOTAL | \$ 813,300 | \$ 5,622,715 | \$ 19,761,400 | \$ 240,600 | \$ 488,600 | \$ 6,600,000 | \$ 6,600,000 | \$ 19,800,000 | \$ 59,926,615 |
| CapEx Category Summary | | | | | | | | | |
| Security | 256,700 | 460,515 | - | - | - | - | - | - | 717,215 |
| Other: | | | | | | | | | - |
| Computer Equipment | - | 50,000 | 20,000 | 200,000 | - | - | - | - | 270,000 |
| Computer Software | - | 180,000 | - | - | - | - | - | - | 180,000 |
| Office Furniture | - | - | - | - | - | - | - | - | - |
| Office Equipment | 70,000 | 35,000 | 5,000 | - | - | - | - | - | 110,000 |
| Equipment | 474,800 | 4,807,000 | 19,700,000 | - | 441,000 | 6,600,000 | 6,600,000 | 19,800,000 | 58,422,800 |
| Vehicles | 11,800 | 90,200 | 36,400 | 40,600 | 47,600 | - | - | - | 226,600 |
| Other | - | - | - | - | - | - | - | - | - |
| Total | 813,300 | 5,622,715 | 19,761,400 | 240,600 | 488,600 | 6,600,000 | 6,600,000 | 19,800,000 | 59,926,615 |
| Targeted Funding Sources | - | - | - | | | | | | |
| Submitted or Future Grant Application @ 75% Fed. | 312,600 | 445,864 | - | - | - | - | - | - | 758,464 |
| Revenue Debt Funded | - | 4,800,000 | 19,200,000 | - | - | - | - | - | 24,000,000 |
| Cash Flow or Reserve Funded | 500,700 | 376,851 | 561,400 | 240,600 | 488,600 | 6,600,000 | 6,600,000 | 19,800,000 | 35,168,151 |

PORT FREEPORT

Freeport Harbor Channel Improvement Project

| | 2020 | 2021 | 2022 | 2023 | 2024 |
|---|---------------|------------|------------|------------|------------|
| ① Levee Stabilization Feature | \$ 20,000,000 | \$ - | \$ - | \$ - | \$ - |
| ① Levee Stabilization Feature | 9,500,000 | - | - | - | - |
| ③ Reach 3 Dredging | 12,000,000 | | | | |
| ① Reach 2 and Build PA8 | | 18,000,000 | | | |
| ① Reach 2 and Build PA8 | | 8,000,000 | | | |
| ① Reach 2 and Build PA8 | | 6,300,000 | | | |
| ③ Reach 2 Federal Portion | | 17,320,000 | | | |
| ① Portion of Reach 1 | | | 29,500,000 | | |
| ① Portion of Reach 1 | | | | 29,500,000 | |
| ① Portion of Reach 1 and Reach 4 | | | | | 29,000,000 |
| ③ PED Reach 1 | 6,000,000 | | | | |
| ① PED Reach 1 | 4,000,000 | | | | |
| TOTALS | 51,500,000 | 49,620,000 | 29,500,000 | 29,500,000 | 29,000,000 |
| General Obligation Debt Funded | 16,000,000 | 26,000,000 | 29,500,000 | 29,500,000 | 29,000,000 |
| Funded from Capital Improvement Reserve | 20,000,000 | - | - | - | - |
| Other Funding Sources needed | 15,500,000 | 23,620,000 | - | - | - |
| Total | 51,500,000 | 49,620,000 | 29,500,000 | 29,500,000 | 29,000,000 |

- ① Non- Federal Sponsor
- ② Federal - not appropriated yet
- ③ Advance funded Federal to be credited to Port



Project Fully Funded Costs

| | | |
|--------|---------|---------------|
| 58' | Reach 1 | |
| 56' | | \$192,575,563 |
| 51' | Reach 2 | \$53,868,961 |
| 51' | Reach 3 | \$31,982,660 |
| 26' | Reach 4 | \$3,691,142 |
| New | PA#8 | \$13,314,166 |
| Maint. | PA#1 | |
| Total | | \$295,432,492 |

**PORT FREEPORT
2019/2020 FISCAL YEAR BUDGET
PORT CAPITAL EXPANSION PLAN
PROJECT DESCRIPTIONS**

CAPITAL EXPANSION PROJECTS FOR FY 2020:

Velasco Terminal, Phase II Berth Construction Observation and Materials Testing (2019-2022)

Project includes the engineering construction observation as well as materials testing for the construction of Berth 8. Anticipated completion in FY 2022.

Velasco Terminal Phase II Backland Area 3 (5AC)

Project includes installing culverts to enclose an existing outfall ditch and installing 5 acres of container yard concrete pavement. Anticipate completion in FY 2020.

Velasco Terminal, (FY 2020-2022)

Project includes an extension of dock (Berth 8), creating 1050 lineal feet of berth. The purpose is to provide additional berthing capacity. Anticipate construction in FY 2020-2022.

Velasco Terminal Phase IV Backland Area

Project includes improvement to backlands to include reefer plugs. Anticipate design and construction to begin in 2020.

Land Acquisition

The purpose is to purchase property in the East End of Freeport for the Velasco Terminal Entrance and support industries.

Fiber Optic Infrastructure

Project includes installation (extension) of fiber from Parcel 19 into Parcel 14. Anticipate completion in FY 2020.

Parcel 14 Open Storage Yard 20 acres

Project includes the design, construction and development of open storage yard facilities at Parcel 14. The purpose is to support rail cargo movement to and from the Port. Anticipated project completion in FY 2020.

Transit Shed Modifications

Project includes modifications to the Transit Shed for greater Berth utilization. The purpose is to alleviate berth congestion. Anticipated project completion in FY 2020.

Electrical Breaker Cabinet

Project is to renovate one of main electrical breaker cabinets servicing the Port. The purpose is to upgrade aging infrastructure. Anticipated project completion in FY 2020.

PROPOSED FUTURE CAPITAL EXPANSION PROJECTS:

Velasco Terminal, Pump Station Intake Channel (FY2022)

This work will include installation of very large box culverts in the pump intake channel so that the area can be filled, paved and used as additional container yard. Anticipated project completion if FY 2022.

Velasco Terminal, (Backland Development, Area 4 10 acres) (FY 2026)

Project includes design and plan approval for the development of the area behind proposed Dock 9. Development to include High Mast lighting, and concrete paving. Anticipated project completion in FY 2026.

Velasco Terminal, (Berth 9) (FY 2026-2027)

Project includes additional wharf. The purpose is to provide additional berthing capacity. Anticipate completion of the design in FY 2026 and construction in FY 2027.

Velasco Terminal, (Backland Development, Area 5 15 acres) (FY 2023)

Project includes continuation of the development of Area 5 behind proposed Dock 8. Development to include High Mast lighting, and concrete paving. Anticipated project completion in FY 2023.

Velasco Terminal, (Backland Development, Area 6 13 acres) I (FY 2025)

Project includes continuation of the development of Area 6 behind proposed Dock 8. Development to include High Mast lighting, and concrete paving. Anticipated project completion in FY 2025.

Velasco Terminal Entrance (Gate 14) (FY 2021)

Project includes the design and update of Gate 14 entrance for use of traffic from Velasco Terminal. Anticipated project completion in FY 2021.

Velasco Terminal Entrance (Gate 12), (FY 2024-27)

Project includes the design and construction of the Full Build-Out gate providing for increased gate throughput from Navigation Blvd. to Port Road. Anticipate the start of design and construction in FY 2024. It is anticipated the project will be partially funded through various grant programs.

Parcel 14 Rail Development Phase II (FY 2021)

Project includes the design, construction and development of Phase II of the rail facilities at Parcel 14. The purpose is to increase the capacity and diversity for the movement of rail cargo to and from the Port. Anticipated project completion in FY 2021. This project received grant funding where PF will be responsible for approximately 40% of the cost.

Gate 8 (FY 2021-2022)

Project includes the design and construction of a new building and related infrastructure at Gate 8. The purpose is to support security activities at the main gate and upgrade outdated infrastructure. Anticipated project completion in FY 2022.

**PORT FREEPORT
2019/2020 FISCAL YEAR BUDGET
CAPITALIZED MAINTENANCE & REPAIR PLAN
PROJECT DESCRIPTIONS**

PROJECTS FOR FY 2020:

Joint Repairs

Project includes the cleaning and resealing of concrete pavement joints throughout the Port. The purpose is to reduce water intrusion into the subgrade, the leading cause of pavement failures. This will be an ongoing project.

Railroad Track Renovations

Project includes the systematic replacement of the deteriorated timber rail ties and crossings with new ties and precast concrete panels. This will be an ongoing project.

Asphalt Pavement Repair

Project includes base repair and overlay of existing asphalt road and open parking lots. The purpose is to improve the life of the existing pavement. This will be an ongoing project due to increase traffic.

Operations Building Upgrade

Project includes new exterior metal siding, and windows for the Port Operations Building. The purpose is to improve the life of the building.

Maintenance Shop Repairs

Project includes new overhead door frame and reskin of the east wall of the Port Maintenance Shop. The purpose is to improve the life of the building.

**PORT FREEPORT
2019/2020 FISCAL YEAR BUDGET
CAPITAL CONTRIBUTED TO OTHERS
PROJECT DESCRIPTIONS**

PROJECTS FOR FY 2020:

Freeport Harbor Channel Improvement Project (2019-2024)

Project includes the construction of the WRRDA 2014 approved project. The purpose is to accommodate larger vessels, increase vessel traffic volumes and increase the allowance for two-way traffic and reduce daylight-only restrictions. The project funding is cost-shared 50-50 with the U. S. Army Corps of Engineers.

Reach 3 Dredging Project includes dredging Reach 3 of the Freeport Harbor Channel Improvement project to authorized width, depth, and length, to wit: 300'x51'x approx. 2,500'.

Berth 8 Dredging Project includes dredging the area between wharf 8 and the Federal channel to a depth of 51 feet.

Brazoria Fort Bend Rail District

To provided operational funding to the District. The District was formed by Fort Bend Co., Brazoria Co. and Port Freeport for the express purpose to develop a rail connection from the Port to Rosenberg.

Berth 2 & 3 Floodwall Modifications

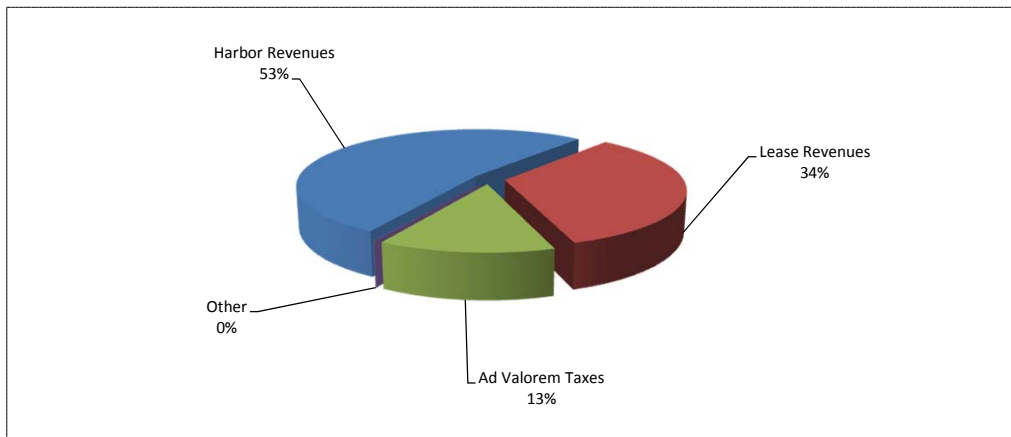
Project is to further modify Berths 2 and 3 to accommodate Ro-Ro vessels to allow greater flexibility in docking.

REVENUES

**PORT FREEPORT
2019/2020 BUDGET**

TOTAL REVENUE

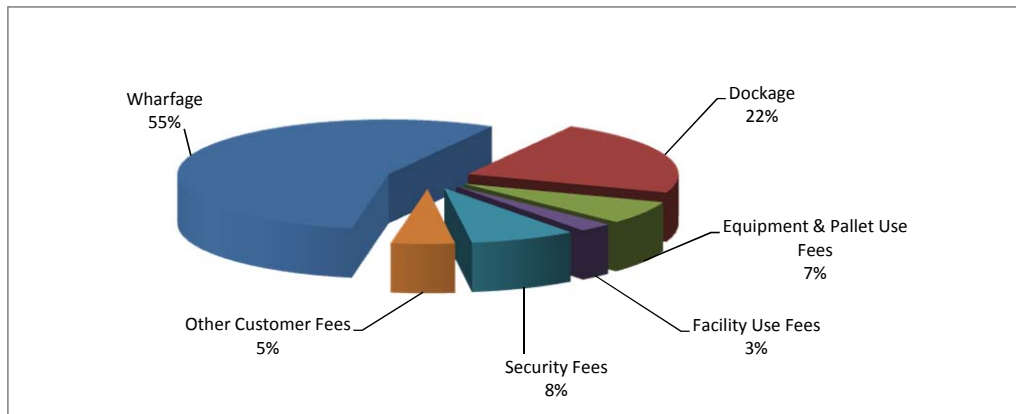
| | 2016 Actual | 2017 Actual | 2018 Actual | 2019 Budget | 2019 Forecasted | 2020 Budget |
|---|-----------------------|----------------------|----------------------|------------------------|----------------------|-------------------------|
| OPERATING REVENUES: | | | | | | |
| Wharfage | \$4,334,632 | \$4,847,411 | \$7,274,790 | \$ 6,704,000 | \$ 7,685,784 | \$ 12,131,000 |
| Dockage | 1,556,143 | 1,246,826 | 1,773,794 | 1,848,700 | 2,174,956 | 4,887,600 |
| Equipment & Pallet Use Fees | 1,223,119 | 851,941 | 882,221 | 1,184,800 | 1,217,600 | 1,489,400 |
| Facility Use Fees | 233,852 | 304,852 | 369,069 | 688,000 | 450,000 | 560,000 |
| Security Fees | 764,089 | 614,865 | 779,878 | 840,800 | 870,000 | 1,774,900 |
| Other Customer Service Fees | 757,025 | 799,691 | 926,321 | 1,047,800 | 1,109,557 | 1,067,100 |
| Ground Leases | 11,788,233 | 12,293,090 | 12,985,928 | 13,357,500 | 13,335,097 | 13,038,100 |
| Other Leases | 1,008,231 | 1,066,536 | 1,058,454 | 1,091,200 | 1,053,361 | 971,200 |
| Other Revenue | 19,420 | 58,580 | 283,391 | 25,000 | 37,692 | 25,000 |
| Total Operating Revenue | \$21,684,744 | \$22,083,792 | \$26,333,846 | \$26,787,800 | \$27,934,047 | \$ 35,944,300 |
| NON-OPERATING REVENUES (EXPENSES): | | | | | | |
| Ad Valorem Tax Collections | 4,701,307 | 4,841,680 | 5,173,826 | 5,308,300 | 5,389,651 | 5,540,700 |
| Investment Income | 289,226 | 414,302 | 598,893 | 400,000 | 1,667,540 | 1,200,000 |
| Gain (loss) on Sale of Assets | (4,541,318) | (25,722) | - | - | - | - |
| Debt Interest and Fees | (3,165,710) | (2,957,986) | (3,165,919) | (5,129,600) | (4,439,447) | (7,039,600) |
| Other | 381,872 | (16,650) | 19,075 | - | - | - |
| Non-Operating Revenues, Net | \$ (2,334,623) | \$ 2,255,624 | \$ 2,625,875 | \$ 578,700 | \$ 2,617,744 | \$ (298,900) |
| TOTAL REVENUE BEFORE CONTRIBUTIONS | \$ 19,350,121 | \$ 24,339,416 | \$ 28,959,721 | \$ 27,366,500 | \$ 30,551,791 | \$ 35,645,400 |
| Capital Contributions - Grants | 351,434 | 83,385 | 248,166 | 839,700 | 115,694 | 373,100 |
| Capital Contributions (To)From Others | (1,417,291) | (1,748,304) | (1,288,669) | (40,250,000) | (295,778) | (56,920,800) |
| TOTAL REVENUE | \$ 18,284,264 | \$ 22,674,497 | \$ 27,919,218 | \$ (12,043,800) | \$ 30,371,707 | \$ (20,902,300) |



**PORT FREEPORT
2019/2020 FISCAL YEAR BUDGET**

HARBOR OPERATIONS

| | 2016 Actual | 2017 Actual | 2018 Actual | 2019 Budget | 2019 Forecasted | 2020 Budget |
|-----------------------------|---------------------|---------------------|----------------------|----------------------|----------------------|----------------------|
| OPERATING REVENUES: | | | | | | |
| Wharfage | \$4,334,632 | \$4,847,411 | \$7,274,790 | \$ 6,704,000 | \$ 7,685,784 | \$ 12,131,000 |
| Dockage | 1,556,143 | 1,246,826 | 1,773,794 | 1,848,700 | 2,174,956 | 4,887,600 |
| Equipment & Pallet Use Fees | 1,223,119 | 851,941 | 882,221 | 1,184,800 | 1,217,600 | 1,489,400 |
| Facility Use Fees | 233,852 | 304,852 | 369,069 | 688,000 | 450,000 | 560,000 |
| Security Fees | 764,089 | 614,865 | 779,878 | 840,800 | 870,000 | 1,774,900 |
| Other Customer Fees | 757,025 | 799,691 | 926,321 | 1,047,800 | 1,109,557 | 1,067,100 |
| TOTAL HARBOR REVENUE | \$ 8,868,860 | \$ 8,665,586 | \$ 12,006,073 | \$ 12,314,100 | \$ 13,507,897 | \$ 21,910,000 |
| TONNAGE: | | | | | | |
| Import/Export | 2,907,859 | 2,011,404 | 2,222,049 | 1,948,700 | 2,477,300 | 11,398,500 |
| Domestic | 152,886 | 117,071 | 104,897 | 111,000 | 83,000 | 85,000 |
| TOTAL TONNAGE | 3,060,745 | 2,128,475 | 2,326,946 | 2,059,700 | 2,560,300 | 11,483,500 |
| SHIP CALLS | 258 | 265 | 254 | 327 | 325 | 448 |
| BARGE CALLS | 43 | 21 | 43 | 36 | 25 | 23 |



**PORT FREEPORT
2019/2020 FISCAL YEAR BUDGET**

TAX RATE

| | TAX RATE PER \$100 | PERCENT OF TOTAL |
|-----------------------------|-----------------------------------|---------------------------------|
| 2018 LEVY TAX RATE | 0.040100 | |
| 2019 EFFECTIVE TAX RATE | 0.039436 | |
| 2019 ROLLBACK RATE | 0.044016 | |
| 2019 NOTICE & HEARING LIMIT | 0.039436 | |
| 2019 TAX RATE: | | |
| M & O | 0.029485 | 73.53% |
| DEBT SERVICE | 0.010615 | 26.47% |
| TOTAL TAX RATE | 0.040100 | 100.00% |

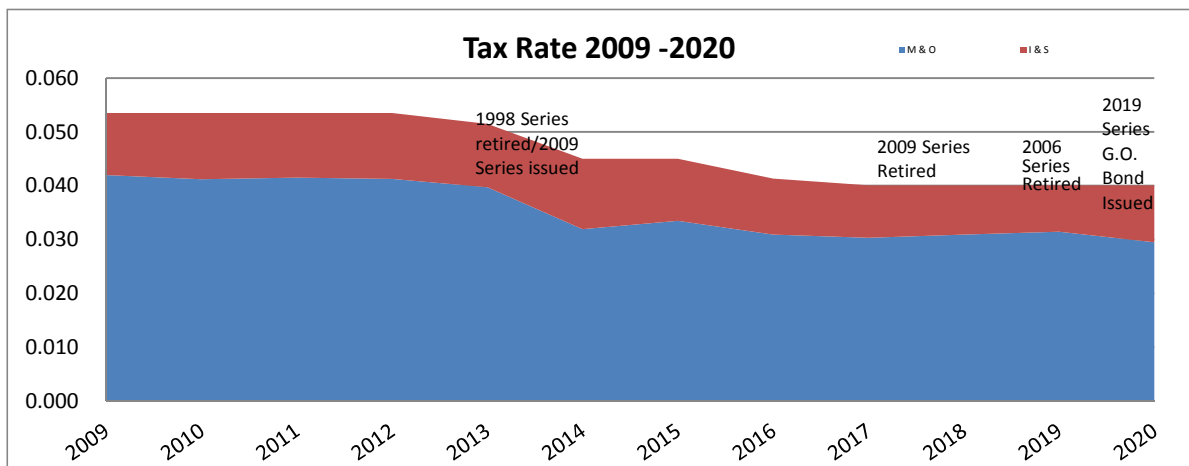
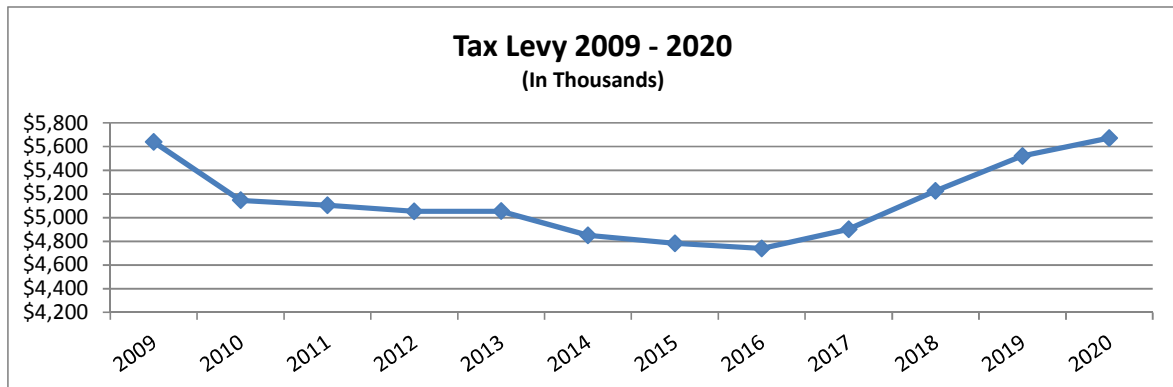
LEVY CALCULATION

| | |
|---|--------------------------|
| TAXABLE VALUE FOR 2019 APPRAISAL ROLL | \$ 14,147,947,460 |
| 2019 LEVY: | |
| M & O | 4,171,522 |
| DEBT SERVICE | 1,501,805 |
| TOTAL LEVY | 5,673,327 |
| ESTIMATED AMOUNT TO BE UNCOLLECTED (98.65% COLLECTION RATE) | 76,627 |
| APPRAISAL DISTRICT AND TAX OFFICE FEES | 56,000 |
| NET AD VALOREM TAX REVENUE BUDGETED | \$ 5,540,700 |

**PORT FREEPORT
2019/2020 FISCAL YEAR BUDGET**

VALUATION AND TAX RATE HISTORY

| | FISCAL YEAR | | | | |
|----------------------------------|-------------------|-------------------|-------------------|-------------------|---------------------------------------|
| | 2016 | 2017 | 2018 | 2019 | 2020 |
| TAXABLE VALUE | \$ 11,476,807,894 | \$ 12,229,254,524 | \$ 13,032,191,223 | \$ 13,772,985,905 | \$ 14,147,947,460 ¹ |
| TAX RATE: | | | | | |
| M&O | 0.030908 | 0.030346 | 0.030927 | 0.031451 | 0.029485 |
| DEBT SERVICE | 0.010396 | 0.009754 | 0.009173 | 0.008649 | 0.010615 |
| TOTAL TAX RATE | 0.041304 | 0.040100 | 0.040100 | 0.040100 | 0.040100 |
| LEVY AMOUNT | \$4,740,381 | \$4,903,931 | \$5,225,909 | \$5,522,967 | \$5,673,327 |
| % OF LEVY COLLECTED ³ | 98.65% | 98.65% | 98.65% | 98.65% | 98.65% ² |



¹ TAXABLE VALUE FOR CURRENT YEAR HAS BEEN CERTIFIED BY THE BRAZORIA COUNTY APPRAISAL DISTRICT.

TAXABLE VALUE FOR PAST YEARS ARE TAKEN FROM THE CERTIFIED ROLL FROM BRAZORIA COUNTY.

² PROPOSED OR ESTIMATED

³ INCLUDES COLLECTION OF CURRENT & DELINQUENT TAXES AND PENALTIES & INTEREST.

RESOLUTION ADOPTING 2019 TAX RATE

At a Regular Meeting of the Port Commission of Port Freeport held at the office of said Port at 1100 Cherry Street, Freeport, Texas on the 12th day of September 2019, among other business came on to be considered the following Resolution, which was upon motion duly made and seconded, adopted by an unanimous vote of six Commissioners present, which Resolution is as follows:

FINDINGS:

The Port Commission finds:

- (1) Notice of the date, time, place and purpose of the meeting at which this Resolution has been considered and adopted has been duly given in accordance with the requirements of Section 551.001, Texas Government Code, et. sec.
- (2) A quorum of the members of the Port Commission were present and participated in the deliberation and adoption of this Resolution.
- (3) The deliberation and vote on this Resolution has been conducted in open meeting as defined in Section 551.001, Texas Government Code, et. sec.
- (4) The deliberation and vote on this Resolution was separate from the vote adopting the budget for Port Freeport for the Fiscal Year 2019/2020.
- (5) The designated Officer of the Port has publicized the Effective Tax Rate and the calculation used to determine it in the manner required by Section 26.04, Texas Property Tax Code, and has submitted same to the Port Commission.
- (6)
 - (A) A tax rate of two and 9485/100 (\$0.029485) cents on each \$100 valuation for the purpose of maintenance and operations;
 - (B) A tax rate of one and 0615/100 (\$0.010615) cents on each \$100 valuation for the payment of principal and interest on debts of the Port;
 - (C) A total tax rate of four and 0100/100 (\$0.040100) cents for each \$100 valuation to be applied to the total taxable value of all taxable property located within Port Freeport, subject to taxation and calculated as provided in Sections 26.04 and 26.05, Texas Property Tax Code, should be proposed for adoption as the tax rate of Port Freeport for the year 2019.

RESOLUTION

NOW THEREFORE, BE IT RESOLVED, ORDAINED AND ORDERED, by the Port Commission of Port Freeport, that: a tax rate of two and 9485/100 (\$0.029485) cents on each \$100 valuation for the purpose of maintenance and operations, and a tax rate of one and 0615/100 (\$0.010615) cents on each \$100 valuation for the payment of principal and interest on debts of the Port, for a total tax rate of four and 0100/100 (\$0.040100) cents on each \$100 valuation to be applied to the total taxable value of all taxable property located within Port Freeport, subject to taxation and is hereby levied or adopted as the tax rate of Port Freeport for the year 2019.

The following members of the Port Commission present and participating in the deliberation and vote on the above and foregoing Resolution and the manner in which each member voted is evidenced by the signature of each member present as indicated below:


Chairman VOTED *yes*


Vice Chairman VOTED *yes*


Secretary VOTED *Yes*


Assistant Secretary VOTED *Yes*


Commissioner VOTED *Yes*

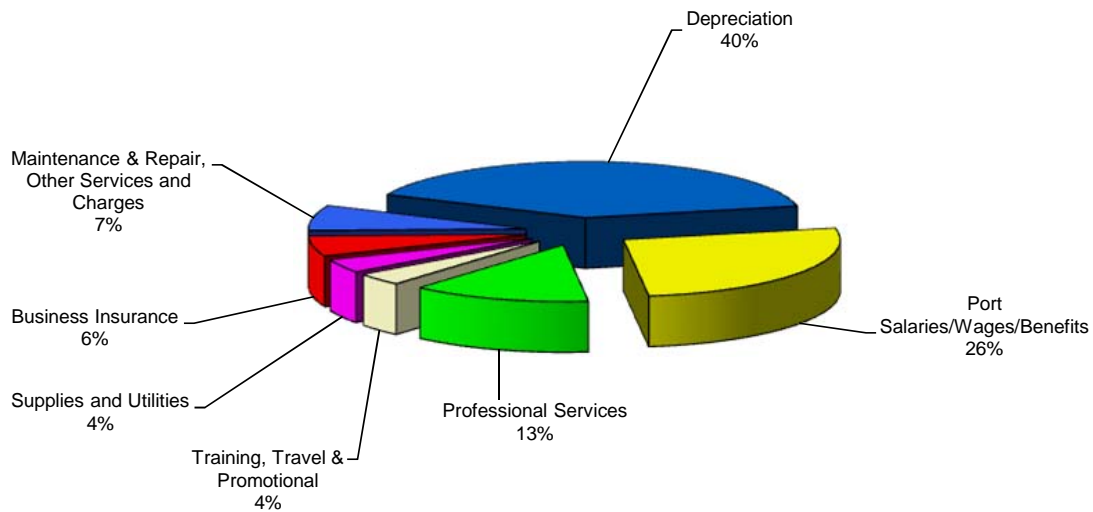

Commissioner VOTED *Yes*

EXPENSES BY MAJOR CLASSIFICATIONS

**PORT FREEPORT
2019/2020 FISCAL YEAR BUDGET**

OPERATING EXPENSES

| | 2016 Actual | 2017 Actual | 2018 Actual | 2019 Budget | 2019 Forecasted | 2020 Budget |
|--------------------------------|------------------------|------------------------|------------------------|------------------------|----------------------------|------------------------|
| Port Salaries/Wages | \$ 3,052,922 | \$ 3,009,936 | \$ 3,175,177 | \$ 3,529,900 | \$ 3,433,793 | \$ 3,792,200 |
| Port Employee Benefits | 945,922 | 1,012,383 | 1,039,760 | 1,311,400 | 1,302,064 | 1,509,900 |
| Professional Services | 1,916,293 | 1,886,579 | 2,119,928 | 2,791,300 | 1,948,055 | 2,651,600 |
| Training, Travel & Promotional | 408,762 | 322,077 | 406,362 | 641,600 | 580,204 | 707,300 |
| Supplies | 176,874 | 139,459 | 175,326 | 162,200 | 141,829 | 166,000 |
| Utilities | 517,133 | 531,284 | 490,982 | 502,100 | 565,154 | 608,000 |
| Business Insurance | 1,053,120 | 877,326 | 910,997 | 1,025,300 | 1,064,914 | 1,153,200 |
| Other Services & Charges | 421,310 | 314,996 | 374,692 | 451,600 | 460,502 | 515,300 |
| Maintenance & Repair | 671,077 | 722,054 | 630,215 | 1,003,300 | 1,267,749 | 928,100 |
| TOTAL GENERAL OPERATING | 9,163,413 | 8,816,094 | 9,323,439 | 11,418,700 | 10,764,264 | 12,031,600 |
| Depreciation | 6,834,914 | 6,909,554 | 6,875,049 | 7,238,300 | 6,796,715 | 7,986,000 |
| TOTAL OPERATING EXPENSE | \$ 15,998,327 | \$ 15,725,648 | \$ 16,198,488 | \$ 18,657,000 | \$ 17,560,979 | \$ 20,017,600 |



**PORT FREEPORT
2019/2020 FISCAL YEAR BUDGET**

OPERATING EXPENSES DETAIL

| | 2016 Actual | 2017 Actual | 2018 Actual | 2019 Budget | 2019 Forecasted | 2020 Budget |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| OPERATING EXPENSES: | | | | | | |
| Port Salaries/Wages | | | | | | |
| Commissioners | \$ - | \$ - | \$ - | \$ - | \$ 58,400 | \$ 59,702 |
| Administration | 941,273 | 840,128 | 952,986 | 1,073,000 | 1,077,177 | 1,290,532 |
| Engineering | 361,050 | 362,724 | 375,363 | 387,400 | 382,611 | 408,048 |
| Operations & Maintenance | 1,285,697 | 1,381,043 | 1,421,035 | 1,607,500 | 1,385,112 | 1,466,492 |
| Oper. & Maint. - Overtime | 126,430 | 91,626 | 99,051 | 80,000 | 183,835 | 100,000 |
| Business Development | 338,472 | 334,415 | 326,742 | 362,000 | 346,658 | 447,426 |
| Variable Pay & Other | | | | 20,000 | | 20,000 |
| TOTAL PORT SALARIES & WAGES | 3,052,922 | 3,009,936 | 3,175,177 | 3,529,900 | 3,433,793 | 3,792,200 |
| Port Employee Benefits | | | | | | |
| Social Security Expense | 217,253 | 213,112 | 225,796 | 254,100 | 255,563 | 282,500 |
| Unemployment Ins. | 6,680 | 703 | 6,489 | 5,500 | 487 | 4,900 |
| Group Health & Life Ins. | 501,513 | 531,381 | 579,963 | 724,700 | 724,541 | 883,100 |
| Retirement Fund | 195,213 | 237,161 | 201,479 | 295,300 | 293,168 | 308,000 |
| Workers' Comp. Ins. | 25,263 | 30,026 | 26,033 | 31,800 | 28,305 | 31,400 |
| TOTAL PORT EMPLOYEE BENEFITS | 945,922 | 1,012,383 | 1,039,760 | 1,311,400 | 1,302,064 | 1,509,900 |
| Professional Services: | | | | | | |
| Commission Fees | 50,400 | 50,400 | 128,327 | 160,800 | - | - |
| Legal Service Fees/Expenses | 284,443 | 296,673 | 262,056 | 231,600 | 295,322 | 231,600 |
| Audit Service Fees | 25,300 | 25,700 | 28,220 | 28,500 | 28,500 | 29,400 |
| Election Expenses | - | 28,669 | 24,425 | 29,000 | - | - |
| Security Service Fees | 1,353,463 | 1,303,960 | 1,306,378 | 1,346,000 | 1,295,263 | 1,388,600 |
| Consultant Services | 202,687 | 181,177 | 370,522 | 995,400 | 328,970 | 1,002,000 |
| TOTAL PROFESSIONAL SERVICES | 1,916,293 | 1,886,579 | 2,119,928 | 2,791,300 | 1,948,055 | 2,651,600 |
| Training, Travel & Promotional: | | | | | | |
| Commercial Business Development | 169,571 | 107,905 | 157,240 | 270,700 | 270,275 | 293,100 |
| Sales/Promotion Travel | 79,695 | 29,446 | 38,891 | 69,580 | 28,996 | 76,450 |
| Governmental Relations Travel | 17,238 | 32,630 | 21,492 | 50,800 | 41,852 | 45,550 |
| Community Relations | 55,118 | 54,726 | 76,310 | 69,850 | 72,215 | 74,650 |
| Technical Training | 31,753 | 46,673 | 60,008 | 117,150 | 108,171 | 154,500 |
| Automobile Expense | 55,387 | 50,697 | 52,421 | 63,520 | 58,695 | 63,050 |
| TOTAL TRAINING TRAVEL & PROMOTIONAL | 408,762 | 322,077 | 406,362 | 641,600 | 580,204 | 707,300 |
| Supplies, Furniture & Equipment | | | | | | |
| Supplies | 73,017 | 60,268 | 66,558 | 74,000 | 61,754 | 72,400 |
| Furniture & Equipment | 43,821 | 14,018 | 23,266 | 12,500 | 17,564 | 22,900 |
| Postage & Freight | 4,304 | 3,877 | 3,145 | 3,700 | 3,346 | 3,700 |
| Maintenance & Operation | 23,289 | 25,387 | 23,689 | 21,000 | 21,000 | 19,000 |
| Fuel/Oil | 32,443 | 35,909 | 58,668 | 51,000 | 38,165 | 48,000 |
| TOTAL SUPPLIES, FURNITURE & EQUIPMENT | 176,874 | 139,459 | 175,326 | 162,200 | 141,829 | 166,000 |
| Utilities | | | | | | |
| Telephone | 75,887 | 77,772 | 54,307 | 58,500 | 55,320 | 63,600 |
| Electricity | 360,646 | 364,239 | 295,680 | 313,900 | 352,977 | 345,100 |
| Water & Gas | 80,600 | 89,273 | 140,995 | 129,700 | 156,857 | 199,300 |
| TOTAL UTILITIES | 517,133 | 531,284 | 490,982 | 502,100 | 565,154 | 608,000 |
| Business Insurance | | | | | | |
| Business Insurance Expense | 1,053,120 | 877,326 | 910,997 | 1,025,300 | 1,064,914 | 1,153,200 |
| TOTAL BUSINESS INSURANCE | 1,053,120 | 877,326 | 910,997 | 1,025,300 | 1,064,914 | 1,153,200 |
| Other Services & Charges: | | | | | | |
| Contract Labor Expense | 45,556 | 16,668 | - | 8,200 | 13,700 | 8,600 |
| Contract Services | 152,080 | 147,035 | 199,775 | 212,000 | 247,524 | 279,600 |
| Dues, Memberships & Subscriptions | 46,674 | 44,336 | 75,624 | 130,800 | 98,678 | 125,900 |
| Lease Expense | 177,000 | 106,957 | 99,293 | 100,600 | 100,600 | 101,200 |
| TOTAL OTHER SERVICES & CHARGES | 421,310 | 314,996 | 374,692 | 451,600 | 460,502 | 515,300 |
| Maintenance & Repair: | | | | | | |
| Equipment | 222,148 | 268,192 | 248,357 | 344,050 | 314,015 | 368,750 |
| Vehicles | 15,553 | 12,229 | 16,908 | 11,000 | 18,285 | 13,500 |
| Office Buildings | 90,299 | 120,106 | 131,598 | 157,650 | 211,304 | 113,900 |
| Warehouses | 20,031 | 6,730 | 15,870 | 16,000 | 13,441 | 16,050 |
| Transit Sheds | 61,536 | 42,308 | 26,873 | 42,700 | 36,957 | 39,200 |
| Terminal Facilities | 71,344 | 112,893 | 95,270 | 194,900 | 490,905 | 261,700 |
| Leased Facilities | 81,340 | 43,573 | 20,660 | 154,000 | 103,159 | 17,000 |
| Other | 108,549 | 116,023 | 74,679 | 83,000 | 79,683 | 98,000 |
| TOTAL MAINTENANCE & REPAIR | 671,077 | 722,054 | 630,215 | 1,003,300 | 1,267,749 | 928,100 |
| TOTAL GENERAL OPERATING | 9,163,413 | 8,816,094 | 9,323,439 | 11,418,700 | 10,764,264 | 12,031,600 |
| DEPRECIATION | 6,834,914 | 6,909,554 | 6,875,049 | 7,238,300 | 6,796,715 | 7,986,000 |
| TOTAL OPERATING EXPENSES | \$ 15,998,327 | \$ 15,725,648 | \$ 16,198,488 | \$ 18,657,000 | \$ 17,560,979 | \$ 20,017,600 |

**PORT FREEPORT
2019/20 FISCAL YEAR BUDGET
DEBT INTEREST AND FEES SCHEDULE**

SCHEDULED BOND INTEREST AND PRINCIPAL PAYMENTS

| | Interest | Principal | Total Principal & Interest |
|--|---------------------|---------------------|----------------------------------|
| General Obligation Bonds, Series 2019 | \$ 1,371,348 | \$ 130,000 | \$ 1,501,348 |
| Senior Lien Refunding Bonds Series 2013A | 664,972 | 2,115,000 | 2,779,972 |
| 2015A Series Revenue Bonds | 1,702,588 | 735,000 | 2,437,588 |
| Equipment Financing | 171,829 | 1,423,112 | 1,594,941 |
| Senior Lien Revenue Refunding Bonds, Series 2018 (AMT) | 1,451,600 | 535,000 | 1,986,600 |
| Est New 2019/2020 Rev Bond Issuance | 1,510,094 | 1,235,000 | 2,745,094 |
| Total Debt Service | <u>\$ 6,872,431</u> | <u>\$ 6,173,112</u> | <u>\$ 13,045,543</u> |

INTEREST EXPENSE RECOGNIZED - FY 2020

| | Interest & Fees | Amortized Premiums | Total |
|--|---------------------|-----------------------|---------------------|
| General Obligation Bonds, Series 2019 | \$ 1,365,712 | \$ - | \$ 1,365,712 |
| Senior Lien Refunding Bonds Series 2013A | 644,258 | \$ 1,163 | 645,421 |
| 2015A Series Revenue Bonds | 1,691,338 | (40,516) | 1,650,822 |
| Equipment Financing | 171,829 | - | 171,829 |
| Senior Lien Revenue Refunding Bonds, Series 2018 (AMT) | 1,445,467 | (50,723) | 1,394,744 |
| Est New 2019/2020 Rev Bond Issuance Int & Costs | 1,811,094 | | 1,811,094 |
| Total Interest Expense Recognized | <u>\$ 7,129,698</u> | <u>\$ (90,076)</u> | <u>\$ 7,039,622</u> |

PORT FREEPORT

General Obligation Bonds, Series 2019 (Non-AMT)
September 30, 2019

| Fiscal Year Ending September 30 | Coupon | Interest Due 1-Feb | Interest Due 1-Aug | Principal Due 1-Aug | Total Principal & Interest | Principal Balance |
|---------------------------------------|---------|--------------------------|--------------------------|---------------------------|----------------------------------|----------------------|
| | | | | | | \$ 31,795,000 |
| 2020 | 5.000 % | \$ 723,467 | \$ 647,881 | \$ 130,000 | \$ 1,501,348 | 31,665,000 |
| 2021 | 5.000 | 644,631 | 644,631 | 310,000 | 1,599,262 | 31,355,000 |
| 2022 | 5.000 | 636,881 | 636,881 | 640,000 | 1,913,762 | 30,715,000 |
| 2023 | 5.000 | 620,881 | 620,881 | 670,000 | 1,911,762 | 30,045,000 |
| 2024 | 5.000 | 604,131 | 604,131 | 125,000 | 1,333,262 | 29,920,000 |
| 2025 | 3.000 | 601,006 | 601,006 | 710,000 | 1,912,012 | 29,210,000 |
| 2026 | 5.000 | 590,356 | 590,356 | 730,000 | 1,910,712 | 28,480,000 |
| 2027 | 5.000 | 572,106 | 572,106 | 770,000 | 1,914,212 | 27,710,000 |
| 2028 | 5.000 | 552,856 | 552,856 | 805,000 | 1,910,712 | 26,905,000 |
| 2029 | 5.000 | 532,731 | 532,731 | 845,000 | 1,910,462 | 26,060,000 |
| 2030 | 2.125 | 511,606 | 511,606 | 890,000 | 1,913,212 | 25,170,000 |
| 2031 | 5.000 | 502,150 | 502,150 | 910,000 | 1,914,300 | 24,260,000 |
| 2032 | 4.000 | 479,400 | 479,400 | 955,000 | 1,913,800 | 23,305,000 |
| 2033 | 4.000 | 460,300 | 460,300 | 990,000 | 1,910,600 | 22,315,000 |
| 2034 | 4.000 | 440,500 | 440,500 | 1,030,000 | 1,911,000 | 21,285,000 |
| 2035 | 4.000 | 419,900 | 419,900 | 1,070,000 | 1,909,800 | 20,215,000 |
| 2036 | 4.000 | 398,500 | 398,500 | 1,115,000 | 1,912,000 | 19,100,000 |
| 2037 | 3.000 | 376,200 | 376,200 | 1,160,000 | 1,912,400 | 17,940,000 |
| 2038 | 4.000 | 358,800 | 358,800 | 1,195,000 | 1,912,600 | 16,745,000 |
| 2039 | 4.000 | 334,900 | 334,900 | 1,240,000 | 1,909,800 | 15,505,000 |
| 2040 | 4.000 | 310,100 | 310,100 | 1,290,000 | 1,910,200 | 14,215,000 |
| 2041 | 4.000 | 284,300 | 284,300 | 1,345,000 | 1,913,600 | 12,870,000 |
| 2042 | 4.000 | 257,400 | 257,400 | 1,395,000 | 1,909,800 | 11,475,000 |
| 2043 | 4.000 | 229,500 | 229,500 | 1,455,000 | 1,914,000 | 10,020,000 |
| 2044 | 4.000 | 200,400 | 200,400 | 1,510,000 | 1,910,800 | 8,510,000 |
| 2045 | 4.000 | 170,200 | 170,200 | 1,570,000 | 1,910,400 | 6,940,000 |
| 2046 | 4.000 | 138,800 | 138,800 | 1,635,000 | 1,912,600 | 5,305,000 |
| 2047 | 4.000 | 106,100 | 106,100 | 1,700,000 | 1,912,200 | 3,605,000 |
| 2048 | 4.000 | 72,100 | 72,100 | 1,765,000 | 1,909,200 | 1,840,000 |
| 2049 | 4.000 | 36,800 | 36,800 | 1,840,000 | 1,913,600 | 0 |
| | | \$ 12,167,002 | \$ 12,091,416 | \$ 31,795,000 | \$ 56,053,418 | |

PORT FREEPORT
Senior Lien Revenue Refunding Bonds, Series 2013A (AMT)
September 30, 2019

| Fiscal Year Ending September 30 | Coupon | Interest Due December 1 | Interest Due June 1 | Principal Due June 1 | Total Principal & Interest | Principal Balance |
|---------------------------------------|--------|-------------------------------|---------------------------|----------------------------|----------------------------------|----------------------|
| 2019 | | | | | | \$ 21,590,000 |
| 2020 | 3.08 % | \$ 332,486 | \$ 332,486 | \$ 2,115,000 | \$ 2,779,972 | 19,475,000 |
| 2021 | 3.08 | 299,915 | 299,915 | 2,185,000 | 2,784,830 | 17,290,000 |
| 2022 | 3.08 | 266,266 | 266,266 | 2,250,000 | 2,782,532 | 15,040,000 |
| 2023 | 3.08 | 231,616 | 231,616 | 2,320,000 | 2,783,232 | 12,720,000 |
| 2024 | 3.08 | 195,888 | 195,888 | 2,395,000 | 2,786,776 | 10,325,000 |
| 2025 | 3.08 | 159,005 | 159,005 | 2,465,000 | 2,783,010 | 7,860,000 |
| 2026 | 3.08 | 121,044 | 121,044 | 2,540,000 | 2,782,088 | 5,320,000 |
| 2027 | 3.08 | 81,928 | 81,928 | 2,620,000 | 2,783,856 | 2,700,000 |
| 2028 | 3.08 | 41,580 | 41,580 | 2,700,000 | 2,783,160 | 0 |
| | | \$ 1,729,728 | \$ 1,729,728 | \$ 21,590,000 | \$ 25,049,456 | |

PORT FREEPORT
Senior Lien Revenue and Refunding Bonds, Series 2015A
September 30, 2019

| Fiscal Year Ending September 30 | Coupon | Interest Due December 1 | Interest Due June 1 | Principal Due June 1 | Total Principal & Interest | Principal Balance |
|---------------------------------------|--------|-------------------------------|---------------------------|----------------------------|----------------------------------|----------------------|
| 2019 | | | | | | \$ 36,445,000 |
| 2020 | 5.00 % | 851,294 | 851,294 | 735,000 | 2,437,588 | 35,710,000 |
| 2021 | 5.00 | 832,919 | 832,919 | 770,000 | 2,435,838 | 34,940,000 |
| 2022 | 5.00 | 813,669 | 813,669 | 815,000 | 2,442,338 | 34,125,000 |
| 2023 | 5.00 | 793,294 | 793,294 | 855,000 | 2,441,588 | 33,270,000 |
| 2024 | 5.00 | 771,919 | 771,919 | 895,000 | 2,438,838 | 32,375,000 |
| 2025 | 5.00 | 749,544 | 749,544 | 945,000 | 2,444,088 | 31,430,000 |
| 2026 | 5.00 | 725,919 | 725,919 | 990,000 | 2,441,838 | 30,440,000 |
| 2027 | 5.00 | 701,169 | 701,169 | 1,035,000 | 2,437,338 | 29,405,000 |
| 2028 | 5.00 | 675,294 | 675,294 | 1,090,000 | 2,440,588 | 28,315,000 |
| 2029 | 5.00 | 648,044 | 648,044 | 1,145,000 | 2,441,088 | 27,170,000 |
| 2030 | 4.00 | 619,419 | 619,419 | 1,200,000 | 2,438,838 | 25,970,000 |
| 2031 | 4.13 | 595,419 | 595,419 | 1,250,000 | 2,440,838 | 24,720,000 |
| 2032 | 4.13 | 569,638 | 569,638 | 1,300,000 | 2,439,275 | 23,420,000 |
| 2033 | 4.25 | 542,825 | 542,825 | 1,355,000 | 2,440,650 | 22,065,000 |
| 2034 | 4.25 | 514,031 | 514,031 | 1,410,000 | 2,438,063 | 20,655,000 |
| 2035 | 4.25 | 484,069 | 484,069 | 1,475,000 | 2,443,138 | 19,180,000 |
| 2036 | 5.00 | 452,725 | 452,725 | 1,535,000 | 2,440,450 | 17,645,000 |
| 2037 | 5.00 | 414,350 | 414,350 | 1,610,000 | 2,438,700 | 16,035,000 |
| 2038 | 5.00 | 374,100 | 374,100 | 1,690,000 | 2,438,200 | 14,345,000 |
| 2039 | 5.00 | 331,850 | 331,850 | 1,775,000 | 2,438,700 | 12,570,000 |
| 2040 | 5.00 | 287,475 | 287,475 | 1,860,000 | 2,434,950 | 10,710,000 |
| 2041 | 4.50 | 240,975 | 240,975 | 1,955,000 | 2,436,950 | 8,755,000 |
| 2042 | 4.50 | 196,988 | 196,988 | 2,045,000 | 2,438,975 | 6,710,000 |
| 2043 | 4.50 | 150,975 | 150,975 | 2,140,000 | 2,441,950 | 4,570,000 |
| 2044 | 4.50 | 102,825 | 102,825 | 2,235,000 | 2,440,650 | 2,335,000 |
| 2045 | 4.50 | 52,538 | 52,538 | 2,335,000 | 2,440,075 | 0 |
| | | \$ 13,493,263 | \$ 13,493,263 | \$ 36,445,000 | \$ 63,431,526 | |

PORT FREEPORT

Senior Lien Revenue Refunding Bonds, Series 2018 (AMT) September 30, 2019

| Fiscal Year Ending September 30 | Coupon | Interest Due December 1 | Interest Due June 1 | Principal Due June 1 | Total Principal & Interest | Principal Balance |
|---------------------------------------|--------|-------------------------------|---------------------------|----------------------------|----------------------------------|----------------------|
| 2019 | | | | | | \$ 32,365,000 |
| 2020 | 4.00 % | \$ 725,800 | \$ 725,800 | \$ 535,000 | \$ 1,986,600 | 31,830,000 |
| 2021 | 5.00 | 715,100 | 715,100 | 560,000 | 1,990,200 | 31,270,000 |
| 2022 | 5.00 | 701,100 | 701,100 | 585,000 | 1,987,200 | 30,685,000 |
| 2023 | 5.00 | 686,475 | 686,475 | 615,000 | 1,987,950 | 30,070,000 |
| 2024 | 5.00 | 671,100 | 671,100 | 645,000 | 1,987,200 | 29,425,000 |
| 2025 | 5.00 | 654,975 | 654,975 | 680,000 | 1,989,950 | 28,745,000 |
| 2026 | 5.00 | 637,975 | 637,975 | 710,000 | 1,985,950 | 28,035,000 |
| 2027 | 5.00 | 620,225 | 620,225 | 750,000 | 1,990,450 | 27,285,000 |
| 2028 | 5.00 | 601,475 | 601,475 | 785,000 | 1,987,950 | 26,500,000 |
| 2029 | 5.00 | 581,850 | 581,850 | 825,000 | 1,988,700 | 25,675,000 |
| 2030 | 5.00 | 561,225 | 561,225 | 865,000 | 1,987,450 | 24,810,000 |
| 2031 | 5.00 | 539,600 | 539,600 | 910,000 | 1,989,200 | 23,900,000 |
| 2032 | 5.00 | 516,850 | 516,850 | 955,000 | 1,988,700 | 22,945,000 |
| 2033 | 5.00 | 492,975 | 492,975 | 1,000,000 | 1,985,950 | 21,945,000 |
| 2034 | 5.00 | 467,975 | 467,975 | 1,050,000 | 1,985,950 | 20,895,000 |
| 2035 | 5.00 | 441,725 | 441,725 | 1,105,000 | 1,988,450 | 19,790,000 |
| 2036 | 5.00 | 414,100 | 414,100 | 1,160,000 | 1,988,200 | 18,630,000 |
| 2037 | 5.00 | 385,100 | 385,100 | 1,220,000 | 1,990,200 | 17,410,000 |
| 2038 | 5.00 | 354,600 | 354,600 | 1,280,000 | 1,989,200 | 16,130,000 |
| 2039 | 4.00 | 322,600 | 322,600 | 1,345,000 | 1,990,200 | 14,785,000 |
| 2040 | 4.00 | 295,700 | 295,700 | 1,395,000 | 1,986,400 | 13,390,000 |
| 2041 | 4.00 | 267,800 | 267,800 | 1,455,000 | 1,990,600 | 11,935,000 |
| 2042 | 4.00 | 238,700 | 238,700 | 1,510,000 | 1,987,400 | 10,425,000 |
| 2043 | 4.00 | 208,500 | 208,500 | 1,570,000 | 1,987,000 | 8,855,000 |
| 2044 | 4.00 | 177,100 | 177,100 | 1,635,000 | 1,989,200 | 7,220,000 |
| 2045 | 4.00 | 144,400 | 144,400 | 1,700,000 | 1,988,800 | 5,520,000 |
| 2046 | 4.00 | 110,400 | 110,400 | 1,770,000 | 1,990,800 | 3,750,000 |
| 2047 | 4.00 | 75,000 | 75,000 | 1,840,000 | 1,990,000 | 1,910,000 |
| 2048 | 4.00 | 38,200 | 38,200 | 1,910,000 | 1,986,400 | 0 |
| | | \$ 12,648,625 | \$ 12,648,625 | \$ 32,365,000 | \$ 57,662,250 | |

PORT FREEPORT

Capital Lease

September 30, 2019

| Fiscal Year Ending September 30 | Coupon | Interest Due Sept. 30 | Principal Due Sept. 30 | Total Principal & Interest | Principal Balance |
|---------------------------------------|--------|-----------------------------|------------------------------|----------------------------------|----------------------|
| 2019 | | | | | \$ 7,451,383 |
| 2020 | 2.31 % | \$ 171,829 | \$ 1,423,112 | \$ 1,594,941 | 6,028,271 |
| 2021 | 2.31 | 139,012 | 1,455,929 | 1,594,941 | 4,572,342 |
| 2022 | 2.31 | 105,438 | 1,489,502 | 1,594,940 | 3,082,840 |
| 2023 | 2.31 | 71,090 | 1,523,850 | 1,594,940 | 1,558,990 |
| 2024 | 2.31 | 35,950 | 1,558,990 | 1,594,940 | 0 |
| | | \$ 523,319 | \$ 7,451,383 | \$ 7,974,702 | |

**PORT FREEPORT
2019/20 FISCAL YEAR BUDGET**

\$80,000,000 Revenue Bond

CRITERIA USED FOR BUDGETING:

ISSUANCE - FALL 2019

AMORTIZATION PERIOD - 30 YEARS

RATE - 4.5%

PAYMENTS - SEMI-ANNUAL

FIRST YEAR PAYMENT - \$1,510,094

ISSUANCE COSTS EST \$301,000