AAPA Finance Committee

- Members from US, Canada, Caribbean & South American Ports including industry partners
- Periodic conference calls, biennial finance committee meetings as well as annual AAPA
- High interest in forming risk management sub-committee
- Recent survey to Port CFOs to develop programming (seminars, webinars, workshops)
- Planning biennial meeting for March 2018 TBD
- Actively looking for members
**CRUISE**

- $86 million in renovations to Cruise Terminals 5, 8 and 10 completed in 2016
- Summer 2017 homeport lineup
  - *Carnival Magic*
  - *Carnival Liberty*
  - *Disney Dream*
  - *Disney Fantasy*
  - *Majesty of the Seas*
  - *Oasis of the Seas*
- 4.2 million passenger movements in 2016, 4.6 projected for 2017
- Cruise Critics’ “Best North American Cruise Port”
- More than 500k revenue cruise and gaming passengers in March 2017, a new record!
- Expected 6-7% passenger movement increase in 2017
CARGO

- 30% revenue increase in FY2016, projected 11.8% increase in FY2017
- More than 5 million tons of cargo moved through Port Canaveral in FY2016
  - Ambassador Services
  - AutoPort Inc.
  - GT USA
  - Hanson Slag
  - Morton Salt
  - Seaport Canaveral
- Commercial space companies charting new territories
  - SpaceX rocket booster recoveries
REAL ESTATE & INLAND PORT

- Walmart purchased Port property at SR 524 and I-95 for an automated cold storage warehouse facility
  - 239 new jobs to Brevard County
- Port Canaveral Logistics Center at Titusville
  - RUAG Space USA Inc.
  - Negotiating with additional tenants
- Parrish Medical Center - Urgent care facility under construction on George King Boulevard
- SpaceX leasing and expanding the former SpaceHab facility
RECREATION

- Five public parks and a 1,200 ft lighted fishing pier
- Among Florida’s best free public boat ramps – only 2,700 ft to open water
- 325,000 annual visitors to Jetty Park
- Pristine beach with year-round lifeguards and beach amenities provided by the Port
- Exploration Tower offers 7 stories of interactive exhibits and event space with 52,000 visitors this past year
ENVIRONMENTAL SUSTAINABILITY

- Florida Department of Environmental Protection top-ranked inlet management program
- Removal of invasive vegetation, litter, and debris throughout Jetty Park and Barge Canal
- Monthly water quality monitoring at twelve sites throughout the Port
- Derelict vessel removals
- Sea turtle protection program
- Marine Resources Council North Atlantic Right Whale Program
- Green Marine certification program
LOOKING AHEAD

- Completion of Strategic Master Plan by mid year
- Anticipate 8-9% overall revenue increase in FY2017
- $409.8 million in capital projects in FY2017
  - Road improvements to north cruise terminals
  - Port-wide way finding and improved signage
  - Pier and infrastructure improvements to North Cargo Piers 1 & 2
  - Ground transportation tolling system
  - West Turning Basin dredging to -43 ft
FUTURE INITIATIVES

- Coordination with FDOT on major road infrastructure improvements
  - SR 401 drawbridge replacement
  - SR 528 widening project
  - SR A1A resurfacing project
- Strategic alliance with Florida Department of Transportation and Space Florida to plan and maximize multi-modal transportation resources
- 21st Century Harbor Deepening Study
- Future cruise terminal planning and permitting
Risk Management

- Insurance
- Safety programs
- Engineering and design criteria – minimize accidents
- Add value and provide support to existing Port tenants and extended business partners
- Be a good neighbor and community leader for the Space Coast and Central Florida region
Budgeting

- Meetings with each department
- Formulate expenses from department:
  - Historical information
  - Meetings with tenants and terminal operators
  - Port tariff increases
- Present budget to Board for approval
- Time certain requirement
Budgeting, continued

- Budget approved
- Mid-year budget adjustments
  - Try for zero “bottom line” adjustment if possible
  - Time certain again
- Mid-year budget approval
- Same cycle for year end
  - Year end adjustments
  - Final approval
Rating Agencies

- One of the most important financial relationships
- Agencies have ideas on what your numbers should look like
  - Calls at least annually or if new debt Issued, financial information and/or Projections requested
  - Issue new or remain stable ratings
- Directly affects your borrowing interest rates
- Issue press releases – allow for review of press release content
  - Issue your own press release
  - Final approval
Cash Management

- Cash reserves
- Debt service reserves – restricted cash
- Bank card incentives
- CD vs. managed money
- Risk vs return
Accounts Receivable Management

- Significant receivable balances
- Factoring receivables
- Credit card payments
- Electronic transfer of funds - ACH
- Timeliness of source documents
- Online portals
Capital Projects

- Financing Methods
  - Operating cash flow
  - Bank debt
  - Capital markets
  - Hybrid (bank and capital markets)
  - Public-private partnerships
  - Grants
ERP Solutions – Software Applications

- Problem – total integration of all business lines
  - Cruise operations
  - Cargo operations
  - Real estate portfolio
  - Recreation

- Cruise and cargo operations
  - Dockage, wharfage, line-handling, harbor master fees, berth reservations, bunkering and water consumption
  - Parking
  - Ground transportation – commercial
  - Customer service – payroll considerations
ERP Solutions – Software Applications, continued

- Real estate
  - Lease Management
  - Advertising availability
  - Relevant documents
  - Minimum annual guarantee – crossover

- Recreation
  - Campground
    - Reservations
    - Cabin and site management
    - Daily and annual parking permits
    - Camp store inventory and point of sale
    - Customer service – payroll considerations
ERP Solutions – Software Applications, continued

- Recreation (continued)
  - Exploration tower
    - Special events
    - Daily ticket sales
    - Café point of sale
    - Craft store inventory and point of sale

- Payroll
  - In-house vs. third party processor
  - Allocation of personnel
  - Vacation, sick, holiday time management

HOW DO YOU REPORT ALL OF THIS ACTIVITY MONTHLY AND ACCURATELY??
New Partners

NETSUITE

e-Builder®

DATAPARK

PORT CANAVERAL

GateKeeper CVMS

DocuPeak

i-Seaports™ MANAGEMENT
Other Financial Considerations

- Annual Audit
  - Independent third party auditor
  - Financial records
  - Grant records and compliance
  - Fraud not included in ordinary audit

- Comprehensive Annual Financial Report
  - Audit results
  - Management discussion
  - Additional statistical reports

- Consider consultants to:
  - Review internal control procedures
  - Potential areas of abuse

- Retirement funding considerations

- Centralized inventory control and procurement
2016 CAFR – available on www.portcanaveral.com
Port Canaveral Update

Maritime Procurement Center
Centralized Purchasing and Inventory Center Nearing Completion
Thank you!