



August 17, 2017

To: Commissioners of Port Canaveral

From: Sr. Director of Finance

Subj: Remarks on the Proposed FY2018-FY2022 Capital Budget and Cash Flow Projections

Enclosures

Enclosed is a copy of the Proposed FY2018-FY2022 Capital Budget and Cash Flow Projections. This preliminary document is to be used as a tool to review the current approved projects in place, and also plan for the future investments into growing and improving the infrastructure of the Port. Combining our projections for revenues, expenses and funding sources, we are given a snapshot of the next five years. The Cash Flow Summary includes a division of projects and related costs into three categories. The first are projects which are deemed necessary, are underway and are obligated with grant agreements or debt obligations. This category also includes prior projects which will be ending after the current fiscal year. The second category contains projects which are dependent on grant funding. These items have been included with grant applications to State and Federal agencies. Based on grant awards, decisions can be made on how to prioritize project planning and continuation. The third category consists of the projects which are dependent on financing, via loans, bond issuance or other means.

Page 1 contains the Cash Flow and 5 Year Plan Estimates which reflect the total amount of capital projects and the cash flows estimated to be generated during each of the next five fiscal years. It is presented in the standard format. You will see the unrestricted cash available at the end of each year. The restricted cash amounts include funds placed in a Sinking and Reserve account, in accordance with the provisions of the bond covenants. In FY16, we made the commitment to set aside on a monthly basis \$250,000, to fund a reserve account. This \$3,000,000 annual amount is also included in the restricted cash. Page 2 is the Cash Flow and 5 Year Plan Estimates, in the format which reflects the investments in capital projects based on the type of category. This gives the reader an estimate of cash available based on the type of funding required. Pages 3 and 4 contain the capital projects and estimated related budgets. These projections and budgets were completed using the estimated operating revenues and expenses, non-operating revenues and expenses, existing funding from federal, state and local agencies, and other funding which is anticipated.

Total projects planned for completion in FY17 is an estimated \$62 million. The new cost for capital projects considered for FY18 is \$63.9 million, with the total planned through FY22 of \$495 million. The Unrestricted Cash for FY18 is estimated at \$16.4 Million, and remains steady at an annual average of \$19 million over the next 5 years. The Cash Flow and 5 Year Plan is a fluid document, used as a tool for planning and management. As we move forward into the final planning steps of the adopted budgets, we will be available for questions and comments.

Sincerely,

Patricia G. Poston
Patricia G. Poston
Senior Director of Finance

Canaveral Port Authority
FY2018 Cash Flow & 5 Year Plan Estimates
(In Thousands)
Proposed 8/23/17

<u>Description</u>	<u>FY17/Prior</u>	<u>FY18</u>	<u>FY19</u>	<u>FY20</u>	<u>FY21</u>	<u>FY22</u>	<u>TOTAL</u>
Total Requirements-Projects	121,297	63,954	46,995	133,372	86,159	42,825	494,602
Operating revenues	91,596	99,627	104,681	107,676	109,829	112,026	625,435
Operating expenses	(80,286)	(88,363)	(93,631)	(96,985)	(99,485)	(101,485)	(560,235)
Net operating income	11,310	11,264	11,050	10,691	10,344	10,541	65,200
Add Non-cash Items:							
Depreciation and amortization	36,475	40,404	42,824	43,806	45,605	47,494	256,608
Change in Assets/Liabilities	1,000	1,000	1,000	1,000	1,000	1,000	6,000
Net cash provided by operating activities	48,785	52,668	54,874	55,496	56,949	59,035	327,808
Non-Capital Grant Funding net of fees	300	300	300	300	300	300	1,800
Net cash provided by non-capital financing	300	300	300	300	300	300	1,800
Capital Grant Funding net of accrual	5,758	9,706	13,625	12,875	10,250	10,625	62,839
Gain on sale/disposal assets	3,694	50	50	50	(5,000)	50	(1,106)
Revenue /Parity Bond Proceeds	62,070	0	0	110,000	39,500	0	211,570
Other	150	150	150	150	150	150	900
Debt Service Payments	(20,435)	(22,308)	(22,308)	(24,810)	(25,311)	(27,137)	(142,308)
Capital project requirements-net of capitalized items	(75,660)	(63,954)	(46,995)	(133,372)	(86,159)	(42,825)	(448,965)
Net cash used in capital/related financing activity	(24,423)	(76,355)	(55,478)	(35,107)	(66,570)	(59,137)	(317,070)
Net Cash provided from investing activities	315	100	350	350	350	350	1,815
Net increase (decrease) in cash	24,978	(23,287)	46	21,040	(8,971)	548	
Beginning cash	26,329	51,306	28,019	28,065	49,105	40,134	
Ending Cash Available	51,306	28,019	28,065	49,105	40,134	40,682	
Restricted Cash	8,612	11,612	14,612	17,612	20,612	23,612	
Unrestricted Cash	\$42,694	\$16,407	\$13,453	\$31,493	\$19,522	\$17,070	

Canaveral Port Authority
FY2017 Cash Flow & 5 Year Plan Estimates
(In Thousands)
Proposed 8/23/17

<u>Description</u>	<u>FY17/Prior</u>	<u>FY18</u>	<u>FY19</u>	<u>FY20</u>	<u>FY21</u>	<u>FY22</u>	<u>TOTAL</u>
Operating Activities							
Operating revenues	91,596	99,627	104,881	107,676	109,829	112,026	625,435
Operating expenses	(80,286)	(88,363)	(93,631)	(96,985)	(99,485)	(101,485)	(560,235)
Net operating income	11,310	11,264	11,050	10,691	10,344	10,541	65,200
Add Non-cash Items:							0.00%
Depreciation and amortization	36,475	40,404	42,824	43,806	45,605	47,494	256,808
Change in Assets/Liabilities	1,000	1,000	1,000	1,000	1,000	1,000	6,000
Net cash provided by operating activities	48,785	52,668	54,874	55,496	56,949	59,035	327,808
Net cash provided by non-capital items	300	300	300	300	300	300	1,800
Total net cash provided by operating items	49,085	52,968	55,174	55,796	57,249	59,335	329,608
Capital Contributions/Grant funding	5,758	7,701	0	0	0	0	13,459
Project Costs-Necessary, Underway, Loan obligated and Grant obligated-net							
	(75,860)	(43,711)	(31,145)	(8,272)	(23,559)	(22,575)	(204,922)
Gain on sale/disposal assets and other	3,694	50	50	50	(5,000)	50	(1,106)
Other	150	150	150	150	150	150	900
Current Borrowing proceeds	62,070	0	0	0	0	0	62,070
Net Cash provided from investing activities	315	100	350	350	350	350	1,815
Interest and Principal payments-current debt schedule	(20,435)	(22,308)	(22,308)	(22,310)	(22,311)	(24,137)	(133,808)
Net Increase/Decrease in Cash	24,978	(5,049)	2,271	25,765	6,879	13,173	68,016
Beginning Cash	26,329	51,307	46,257	48,528	74,293	81,172	327,886
Ending Cash-Based on current year Operating and Grant Commitments	51,307	46,257	48,528	74,293	81,172	94,345	395,903
Project costs -Grant Funding dependent							
		(20,243)	(13,100)	(17,850)	(23,100)	(20,250)	(74,293)
Capital Contributions - Funds provided by future related capital grants and partnerships		2,005	13,625	12,875	10,250	10,625	49,380
Ending Cash-Based including grant dependent projects		28,019	30,816	48,855	43,133	43,681	150,823
Project costs- Financing dependent							
		0	(2,750)	(107,250)	(39,500)	0	(149,500)
Funds provided by financing		0	0	110,000	39,500	0	149,500
Related debt addition		0	0	(2,500)	(3,000)	(3,000)	(5,500)
Ending Cash-Based including financing dependent projects		28,019	28,065	49,105	40,134	40,682	
Restricted	8,612	11,612	14,612	17,612	20,612	23,612	
Unrestricted	42,695	16,407	13,453	31,493	19,522	17,070	

**Canaveral Port Authority
Capital Projects Fy17-21
(In Thousands)
Proposed-8/23/17**

Line No.	Project Number	Description of Project	Prior	FY18	FY19	FY20	FY21	FY22	Total
1	1100	Road Improvements	4,231	6,250	250	250	250	250	11,481
2	1130	Portwide Parking Lot Improve	2,446	7,300	2,100	100	1,600	-	13,546
3	1180	Security Fencing/Lighting	-	60	60	60	60	60	300
4	1340	Maintenance Dredging	-	2,830	500	500	2,500	500	6,830
5	1380	Other Computer Equipment	676	295	30	30	30	30	1,091
6	1530	Park Upgrades	107	1,200	125	100	100	100	1,732
7	1560	Improve Piers,Bldgs,Structures	142	250	250	250	250	250	1,392
8	1570	Northside Land Improvements	146	-	-	-	-	-	146
9	1573	Marine Terminal Ph2 - 10 Acre	1,556	-	-	-	-	-	1,556
10	1580	Fire Fighting Equipment	411	93	77	103	316	85	1,085
11	1582	Fire Training Equipment	15	15	10	10	10	10	70
12	1590	Utilities and Improvements	128	35	35	35	35	35	303
13	1600	Minor Equipment	56	30	30	30	30	30	206
14	1610	New/Replacement Vehicles/Heavy Equipment	468	553	571	829	403	400	3,224
15	1622	Exploration Tower	1,029	-	-	-	-	-	1,029
16	1640	CT Furniture/Equipment	50	50	50	50	50	50	300
17	1651	Northside Cargo Backup Area	1,505	-	-	-	-	-	1,505
18	1652	Northside Pier Rejuvenation	733	2,000	-	-	-	-	2,733
19	1710	Stormwater Improvements NPDES	-	300	100	100	100	100	700
20	1711	Reuse Irrigation System	-	500	500	-	-	-	1,000
21	1842	North Cargo Pier 8	1,581	-	-	-	-	-	1,581
22	1860	Financial System Upgrade	710	200	-	-	-	-	910
23	1891	South Side Pier Rejuvenation	39	-	-	-	-	-	39
24	1893	SCP4 East Extension/Widening	274	-	-	-	-	-	274
25	1900	Portwide Signage	864	15	15	15	15	15	939
26	2005	Cove Roads Phase 2	3,771	-	-	-	-	-	3,771
27	2010	Equipment	185	500	100	100	100	100	1,085
28	2030	CT 5 Terminal Upgrades	2,183	-	-	-	-	-	2,183
29	2042	CT10 Terminal Improvements	34,502	650	-	-	-	-	35,152
30	2043	CT10 Waterside Berth Expansion	14	-	-	-	-	-	14
31	2075	Maritime Ctr Tenant Improvemnt	4,728	2,700	200	200	200	200	8,228
32	2091	CT# 8 Renovations	2,453	136	-	-	-	-	2,589
33	2126	WTB Channel Widen/Inner Reach	4,464	-	-	-	-	-	4,464
34	2127	WTB Phase 1 Widen & Deepen	1,599	-	-	-	-	-	1,599
35	2128	WTB Channel Entrance Phase 2	5,278	-	-	-	-	-	5,278
36	2129	WTB Cargo Area Deepening	9,612	-	-	-	-	-	9,612
37	2152	North Cargo Piers 1&2	766	2,000	1,900	-	-	-	4,666
38	2220	Commercial Access & Billing	2,867	-	-	-	-	-	2,867
39	2221	Improved Fender System	2,411	450	9,700	100	100	100	12,861
40	2222	SR 401 Improvements	5,196	-	-	-	-	-	5,196
41	2223	Tug Piers	1,200	-	-	-	-	-	1,200
42	2230	CT#1 Cruise Terminal	2,098	2,952	-	-	15,000	-	20,050
43	2235	Rail Connectivity Ph1 (State)	4,700	500	-	-	-	-	5,200
44	2240	North Cargo Berth 4	1,814	-	-	500	20,000	19,000	41,314
45	2241	North Cargo Berth 3	186	1,500	8,500	16,000	-	-	26,186
46	2245	NC Area Tanker/Multipurpose	-	-	-	-	250	-	250
47	2250	Land Acquisitions/Lease Buyback	2,815	500	200	200	200	200	4,115
48	2260	CT Rental Car Facility	68	-	-	-	-	-	68
49	2266	Auto Terminal	794	-	-	-	-	-	794
50	2267	EUL-USAF	1,125	-	-	-	-	-	1,125
51	2270	Port Master Plan	1,232	-	-	-	-	-	1,232
52	2271	New Cruise Terminal	1,750	500	500	107,250	39,500	-	149,500
53	2273	Contingency New Projects/Lease	2,384	1,250	1,250	1,250	1,250	5,000	12,384
54	2274	North Cargo Pier 3-A Barge Berth	500	304	-	-	-	-	804
55	2275	North Cargo Power Project	200	5,000	-	-	-	-	5,200
56	2276	Road Access to Cruise and Cargo Terminals (Wayfinding)	2,751	5,000	-	-	-	-	7,751
57	2277	Fire Station Remodel	268	-	-	-	-	-	268
58	2278	Rehab of South Intermodal Gate	25	-	-	-	-	-	25
59	2279	CT6 Pax Bridge/Lighting System	80	500	250	-	-	-	830

**Canaveral Port Authority
Capital Projects FY17-21
(In Thousands)
Proposed-8/23/17**

Line No.	Project Number	Description of Project	Prior	FY18	FY19	FY20	FY21	FY22	Total
60	2280	Bollards at Terminals	10	100	10	10	10	10	150
61	2281	Emergency Generators (Cruise Terminals)	-	152	-	-	-	-	152
62	2282	Portwide Hydraulic, Lighting & HVAC Upgrades	-	500	-	-	-	-	500
63	2283	North Cargo Berth Crane Rail System	-	2,832	2,832	-	-	-	5,664
64	2284	Harbormaster Office Space	-	110	-	-	-	-	110
65	2285	New Cranes	100	5,000	-	-	500	15,000	20,600
66	NEW-18-1	Security items	-	50	50	50	50	50	250
67	NEW-18-2	Fire Station Equipment Storage Building	-	-	300	-	-	-	300
68	NEW-18-3	Port Cargo Bldgs. & Cold Storage Facilities Upgrades	-	1,250	1,250	-	-	-	2,500
69	NEW-18-4	Cove Bulkhead Wall Replacement	-	-	3,000	4,000	2,000	-	9,000
70	NEW-18-5	528 Shoreline Stabilization	-	250	-	-	-	-	250
71	NEW-18-6	LNG Fire Trainer Expansion	-	2,500	-	-	-	-	2,500
72	NEW-18-7	PSGP Grants FY18 - FY22	-	3,943	1,000	1,000	1,000	1,000	7,943
73	NEW-18-8	CBP Tech Upgrade	-	350	250	250	250	250	1,350
74	NEW-18-9	Aerospace Commercial Facilities	-	500	11,000	-	-	-	11,500
75		TOTAL REQUIREMENTS	121,297	63,954	46,995	133,372	86,159	42,825	494,602

LEGEND
PRIOR PROJECTS - CLOSING
CURRENT GRANT FUNDING IN PLACE
GRANT APPLICATION