

Aviation Division



Aviation Area Map



AVIATION DIVISION FUNCTION

The Aviation Division provides air transportation facilities for the use of its tenants and the traveling public, while maximizing the economic impact of OAK for the City and the surrounding region.

DEPARTMENT FUNCTIONS

AVIATION PLANNING AND DEVELOPMENT

Aviation Planning and Development evaluates and identifies future Airport operating requirements, develops the facility plans and capital improvements as well as funding programs to meet those needs, and manages implementation of all approved aviation capital projects in an effort to achieve scope, schedule and budget objectives.

AIRPORT BUSINESS

Airport Business prepares Aviation Division's revenue and expense budgets, passenger airline operations and financial forecasts; strategizes ways to enhance non-aviation revenue; manages related special projects; and manages airport parking and bus shuttle services.

AIRPORT PROPERTIES

Airport Properties manages the leasing, acquisition and disposition of aviation properties, including all commercial airline agreements; principal land and building leases; in-terminal concession, telecommunication services and rental car agreements; as well as agreements with fixed base operators, the airline fuel consortium, aircraft ground handlers, cargo operators, outdoor advertising, and a municipal golf course.

AVIATION MARKETING

Aviation Marketing develops and manages programs designed to promote OAK to the general public, local communities, passenger and cargo airlines, travel agents, and commercial travel departments in order to establish OAK as the preferred airport for traveling passengers and air cargo carriers. This department also promotes OAK to commercial airlines that are considering Bay Area service.

AVIATION FACILITIES

Aviation Facilities performs ongoing maintenance, repair and construction of all Airport grounds, facilities and physical plant components for the entire 2,600 acre campus, including ensuring compliance with numerous federal safety and security regulations and standards. This scope includes building exteriors, all pavement (including runways, taxiways, and roadways), drainage, fences, dikes, landscaping; all utility systems including electrical power distribution, water, and sewer systems; as well as the interior of the Airport terminals, which includes electrical, lighting, heating, ventilating and air conditioning systems, baggage handling systems, elevators, escalators and passenger loading bridges.

SOUTH FIELD

- **Aviation Administration** plans, organizes and directs airport operations pursuant to Port rules, policies and applicable federal and state regulations.
- **Administrative Services** coordinates human resource management/training, insurance compliance and communications for Aviation staff, and manages special systems and related information technology throughout the Airport.
- **Landside Operations** manages airline terminal facility operations, interacts with airlines for space requirements and ensures that terminal facilities serve airport customer needs. Also coordinates with Airport Facilities and Planning & Development regarding the maintenance and the improvement of airport access roads, walkways and grounds; and manages ground transportation required for support, safety and security of passenger and visitor activities in the terminal complex. Landside staff coordinates the permitting of organizations that seek approval to conduct commercial filming and free speech activities at the Airport.
- **Airside Operations** provides airport safety, security, crash, fire and emergency medical services and monitors programs to reduce airport noise levels with computerized tracking systems. Staff inspects and maintains the airport's operational facilities to ensure compliance with prescribed FAA standards.
- **Aviation Security** administers security, which includes airport-worker training, background vetting, and the issuance of identification badges, and develops contingency plans for security-related emergencies at OAK. This includes administering contracts with outside agencies to provide law enforcement and security guard services at OAK and related functions, managing/operating the Airport's automated access control system, and closely coordinating with the TSA on terminal and perimeter security matters and operation of the security checkpoints.

ACTIVITY LEVELS

(Thousands)

	Actual 2011-12	Budget 2012-13	Budget 2013-14	Projected 2014-15	Projected 2015-16
Enplaned Passengers					
Volume	4,826	4,835	5,044	5,111	5,162
% Growth	2.9%	0.2%	4.7%	1.0%	1.0%
Landing Weight	8,719,289	9,215,000	8,962,000	9,051,620	9,142,136
% Growth	1.8%	5.4%	-2.7%	1.0%	1.0%
Air Freight + Mail (lbs)	1,104,388	1,100,000	1,078,000	1,088,780	1,099,668
% Growth	-1.8%	-0.4%	-2.0%	1.0%	1.0%
Parking Volume	866	862	877	877	877
% Growth	-3.6%	0.4%	1.7%	0.0%	0.0%
AirBART Ridership	767	767	812	410	-
% Growth	4.2%	0.1%	5.7%	1.0% ¹	N/A

¹ Assumes AirBART operations cease in December 2014 with the opening of the BART Oakland Airport Connector.

- Anticipated FY 2012-13 Enplaned Passengers is 5,015,000 reflecting enplanement growth for FY 2012-13 and FY 2013-14 of 3.9% and 0.6%, respectively.
- Anticipated FY 2012-13 Landing Weight is 8,792,462 reflecting Landing Weight growth for FY 2012-13 and FY 2013-14 of 0.8% and 1.9%, respectively.

AVIATION DIVISION OPERATING REVENUE

(\$ Thousands)

	Actual 2011-12	Budget 2012-13	Budget 2013-14	Projected 2014-15	Projected 2015-16
Fueling Revenue	3,984	3,809	3,295	3,295	3,295
Airfield Revenue	30,362	32,018	31,782	32,571	35,847
Terminal Concessions	19,372	19,650	19,689	19,742	19,796
Other Terminal	5,849	7,033	7,885	7,933	8,421
Other Airport Rentals	24,272	26,865	26,859	26,703	28,568
Parking and Ground Access	29,252	29,603	30,907	31,176	31,488
Terminal Rent	23,236	26,604	29,856	30,092	31,954
Delinquency Charges	66	21	8	8	8
Miscellaneous	113	106	104	104	104
Subtotal	136,507	145,709	150,385	151,623	150,481
Bad Debt Reserve	(45)	(101)	(101)	(101)	(101)
TOTAL	136,463	145,608	150,285	151,522	159,380

- FY 2012-13: Terminal rent increase of \$3.3 million due to adjustments in rental rates. Other airport rentals increase \$2.6 million due primarily to increased cargo related rent from lease-adjusted rent increases and from increased North Field fixed based operator rent. Airfield revenue higher by \$1.7 million due to higher forecasted airline operations and landing weight. Other terminal revenue increases \$1.2 million primarily due to higher baggage fees.
- FY 2013-14: Terminal rent increases \$3.2 million due to adjustments in rental rates. Other terminal revenue increases by \$0.8 million due to higher baggage fees. Parking and ground access increase \$1.3 million, reflecting passenger growth. Airfield revenues declines of \$0.2 million due to airline schedule adjustments. Fueling revenue declines \$0.5 million due to scheduled adjustments to payments by the airline fuel consortium.
- FY 2014-15: Operating revenue increases reflect 1% assumed growth in passenger activity. Airfield revenue increases of \$0.8 million, reflecting anticipated adjustments in airline landing fees. Terminal rent increase \$0.2 million due to anticipated adjustments in rental rates.
- FY 2015-16: Operating revenue increases reflect 1% assumed growth in passenger activity. Airfield revenue increase of \$3.3 million reflects anticipated adjustments in airline landing fees. Terminal rent increases \$1.9 million due to anticipated adjustments in rental rates. Other airport rental increases of \$1.9 million due to elimination of tenant rent credits in the previous fiscal year.

AVIATION DIVISION OPERATING EXPENSES

(\$ Thousands)

	Actual 2011-12	Budget 2012-13	Budget 2013-14	Projected 2014-15	Projected 2015-16
Personnel Services	33,310	35,944	38,808	40,864	42,282
Contractual Services	36,728	41,363	42,218	41,293	41,231
Supplies	2,323	2,172	2,211	2,211	2,211
General & Administrative	1,443	1,741	2,528	2,529	2,530
Dept'l (Credits) Charges	0	0	0	0	0
TOTAL	73,805	81,220	85,764	86,897	88,254
<i>FTEs (headcount)</i>	<i>242</i>	<i>255</i>	<i>255</i>	<i>255</i>	<i>255</i>

Personnel Services

- FY 2012-13: Includes the reinstatement of 6 FTEs and 1 incremental FTE. CalPERS pension employer contribution rate increasing from 23.6% to 25.1%. Health care premiums assumed to increase by 7.75%. Overtime expenses increase by \$1.2 million. Labor adjustments assumed.
- FY 2013-14: Salaries higher due to a contractual 2.5% Cost of Living increase plus an 8% increase to offset 8% CalPERS employee contribution that was formerly paid by the Port but will be paid by employee. CalPERS pension employer contribution rate increasing from 25.1% to 27.3%. Health care premiums assumed to increase 9% on January 1, 2014.
- FY 2014-15: Salaries increase due to a contractual 2.5% Cost of Living increase. CalPERS pension employer contribution rate increasing from 27.3% to 29.1%. Health care premiums assumed to increase 9% on January 1, 2015.
- FY 2015-16: CalPERS pension employer contribution rate increasing from 29.1% to 31.5%. Health care premiums assumed to increase 9% on January 1, 2016.

Contractual Services

- FY 2012-13: Higher parking lot operations, parking lot shuttle buses and AirBART shuttle buses of \$1.6 million. Rental car shuttle bus operations expenses higher by \$1.5 million due to the rental car companies' acquisition of 12 new clean diesel buses. Higher maintenance and repair costs of \$0.9 million. Alameda County Sheriff expenses higher by \$0.5 million.
- FY 2013-14: Alameda County Sheriff expense higher by \$1.0 million. Contractual rate escalations for parking lot operations, ground transportation management, Oakland Fire Department-AARF. Lower rental car shuttle bus operations of \$1.3 million due to the purchase of 12 buses in FY 2013.
- FY 2014-15: Lower AirBART shuttle operations due to the BART Oakland Airport Connector opening partially offset by CPI-based increases for parking, shuttle and curbside operations contractors and higher Alameda County Sheriff expenses.
- FY 2015-16: Lower expense reflects full year impact of the cessation of AirBART shuttle operations offset by CPI-based increases for parking, shuttle and curbside operations contractors.

General and Administrative

- FY 2012-13: Higher exhibits and displays, marketing and special events of \$0.3 million
- FY 2013-14: Primarily increased marketing expenses of \$0.7 million

Maritime Division



Maritime Area Map



MARITIME DIVISION FUNCTION

The Maritime Division manages, promotes and develops modern logistics facilities, services and programs which stimulate international business and trade while generating revenue to support the overall mission of the Port, and to promote economic growth in the Bay Area, Northern California, and beyond.

DEPARTMENT FUNCTIONS

In a landlord capacity, the Maritime Division manages the Oakland seaport. The Maritime Division is organized into three main functional areas. The Administration and Finance area works on all existing business, including planning and development of capital projects. The Business Development and Marketing area focuses on maintaining and increasing business. The Terminal Operations and Security, and Maritime Facilities (also known as Harbor Facilities) areas manage and/or provide day-to-day tenant liaison, security and safety, facility and equipment maintenance, and utilities and diving services.

MARITIME ADMINISTRATION AND FINANCE

In coordination with other Maritime departments, Maritime Administration and Finance develops and manages all Maritime Division programs in order to achieve the division's stated function, goals and objectives. The Administration and Finance Department provides general oversight and management direction for division personnel and operations. Specifically, the department provides:

- Administration for marine terminal agreements such as terminal pricing, contract negotiations, billing, tariff adjustments and auditing activity;
- Financial analysis and projections, including budget development and statistical data collection;
- Planning, project management and grant administration for facilities and capital projects;
- Management of environmental, legislative, and regulatory initiatives including regulatory compliance; and
- Long-term operational and strategic planning.

MARITIME BUSINESS DEVELOPMENT AND MARKETING

Maritime Business Development and Marketing develops, recommends and implements a broad range of targeted marketing and business development programs to address the commercial, operational, and strategic needs of the seaport and its customers, while maximizing the utilization of seaport assets and services. Specifically, the Maritime Business Development and Marketing Department:

- Seeks opportunities in domestic and foreign markets; formulates and executes market entry strategies; gathers and analyzes statistical data and other market intelligence;
- Develops and maintains business relationships with ocean carriers, terminal operators, beneficial cargo owners (importers/exporters), railroads, and other supply chain partners from the local operational offices to the senior executives at global headquarters;

- Actively markets vacant land within the seaport area and manages the entire business development process from solicitation and selection of the optimum business partner to the execution of the final lease agreement;
- Identifies, targets and influences cargo flows using intermodal services and other multimodal logistics capabilities to promote Oakland as a preferred gateway to/from Asia in addition to promoting the entire U.S. West Coast through the U.S. West Coast Collaboration consisting of the six major U.S. West Coast container ports and the two western railroads;
- Coordinates maritime marketing activities to support the Port's public relations and governmental affairs efforts; manages a marketing communication program that focuses on strategies to differentiate Oakland from other U.S., Canada, and Mexico gateways and grow market share; and
- Coordinates overseas agency representation and supports senior level overseas trade missions; fosters sister-port relationships and other international collaborative partnerships.

MARITIME TERMINAL OPERATIONS AND SECURITY

Maritime Terminal Operations and Security is responsible for day-to-day contact with the local terminal operators and serves as the liaison between marine tenants and Port services. The Wharfingers determine maintenance and repair responsibilities and coordinate with the Harbor Facilities Department by issuing work orders and assigning priorities based on tenant needs. The Wharfingers also serve as the day-to-day liaison with U.S. Customs, U.S. Coast Guard, the San Francisco Bar Pilots, the Marine Exchange, and the Harbor Safety Committee, as well as other governmental and related entities. The operations area ensures that Port tariff requirements and marine terminal lease terms are enforced, and markets and manages space assignment (month-to-month leases) and other non-marine terminal leases. Operations is also responsible for implementation of programs that affect day-to-day operations such as the Comprehensive Truck Management Program (CTMP).

Security for the Port is managed by the Port Facilities Security Officer (PFSO). The PFSO acts as a liaison between the U.S. Coast Guard, U.S. Customs and Border Protection, local law enforcement and the Port's marine terminal operators for security regulations and enforcement strategies. The PFSO is a member of the Northern California Area Maritime Security Committee and the Port Readiness Committee. The PFSO ensures compliance with all mandates of the Federal Maritime Transportation Security Act and United States Coast Guard regulations related to maritime security. The PFSO is also responsible for planning, developing and evaluating seaport security programs and public safety activities in the seaport area. In addition, the PFSO manages federal and state Port security grant programs to fund and implement regional infrastructure protection projects.

MARITIME FACILITIES

Maritime Facilities, also known as the Harbor Facilities Department, is responsible for maintaining Port-owned utilities, facilities and equipment primarily in the harbor and CRE areas and, to a lesser extent, at OAK and the Airport Business Park. It also provides support during construction of capital projects, performs regular and preventive maintenance, administers major maintenance projects, and provides first response and stabilization during emergencies and natural disasters. Below are the major functions of the department:

- **Facilities Management** plans, leads, organizes and controls the department's budget, programs, resource management and cost allocation. It interfaces with other departments and divisions and oversees job prioritization and general day-to-day operations.
- **General Maintenance** performs a wide variety of maintenance services within the harbor and CRE areas. This group plans, coordinates, maintains, inspects and performs roofing, paving, building maintenance, carpentry, painting and striping, miscellaneous signage, landscaping/gardening/weed-abatement, maintenance and sweeping of Port-controlled roads, flood response and park maintenance. The General Maintenance group will undertake construction activities when requested.
- **Utilities Group** maintains all Port-owned water and power distribution systems within the harbor and CRE areas and is also responsible for both Port and City-owned facilities at the former OAB. This group supports the Engineering Division in implementing major public works projects, and sometimes takes the lead on certain construction requests. The group reads electric, gas, and water meters, provides fire prevention services throughout the Port, including OAK, maintains electrical substations, sewer lift stations, streetlights, and railroad crossing protection on Port-owned roads.
- **Fleet Maintenance** maintains and services Port vehicles, construction equipment, and aircraft crash and fire rescue vehicles. The group also coordinates the operation of the Port's fossil fuel and compressed natural gas fueling stations. The group coordinates its operations with the Port's Environmental Programs and Planning Division and conforms its operations to comply with various air quality regulations as well as the California Highway Patrol bi-annual terminal inspections.
- **Diving Services** plans, coordinates, and performs inspection and repair of the Port's waterfront marine structures throughout the harbor, as well as in the CRE areas and the Runway 11-29 approach light structure, tide gates and security buoys at OAK. Primary work includes programmed inspection/repair of concrete piles to prevent structural failure of decks/cranes as well as pile inspection during construction. The Diving Services group is capable of providing on-call response for aircraft and ferry boat accidents in the San Francisco Bay, provides first response on waterside oil spill containment and raises/disposes of derelict vessels. The group also performs miscellaneous work and repairs, such as marine fender systems and tide gates, within all Port areas.
- **Crane Design and Maintenance** performs design and specification services for purchasing, upgrading, modifying, maintaining, surplus and replacing the Port's container cranes. The group also provides project management and construction administration, and oversees construction inspection, testing, loading, delivery, unloading and commissioning of cranes. The group is responsible for the structural integrity and major operational maintenance of Port-owned container cranes.

MARITIME DIVISION ACTIVITY LEVELS

	Actual 2011-12	Budget 2012-13	Budget 2013-14	Projected 2014-15	Projected 2015-16
Number of Deep Water Cargo Vessels	1,914	2,064	1,962	1,962	1,962
Total Loaded TEUs ¹ Handled	1,797,274	1,795,647	1,793,166	1,829,031	1,865,610
Total Loaded TEUs % Growth	0.4%	-0.1%	-0.1%	2.0%	2.0%

¹ TEU – Twenty-Foot Equivalent Unit. Does not include restows and shifts.

- Increased activity not always proportional to revenue increase because of Minimum Annual Guarantees (MAG) and agreements.
- Anticipated FY 2012-13 Number of Deep Water Cargo Vessels is 1,905.
- Anticipated FY 2012-13 Total Loaded TEUs Handled is 1,730,204. In comparison to anticipated actuals, Loaded TEU growth for FY 2012-13 and FY 2013-14 is -3.7% and 3.6% respectively.

MARITIME DIVISION OPERATING REVENUE

(\$ Thousands)

	Actual 2011-12	Budget 2012-13	Budget 2013-14	Projected 2014-15	Projected 2015-16
Terminals	135,899	136,362	122,293	126,519	129,520
Oakland International Gateway	1,942	2,116	2,117	2,159	2,202
Other Revenue	10,603	9,302	8,955	10,847	11,062
Miscellaneous	0	(2,000)	(1,000)	(1,000)	0
Subtotal	148,444	145,780	132,365	138,525	142,784
Bad Debt Reserve	262	(250)	(250)	(250)	(250)
TOTAL	148,706	145,530	132,115	138,275	142,534

- FY 2012-13: Terminals revenue increases by \$0.5 million due to contractual rent escalations offset by shifts in cargo activity among terminal operators that are anticipated to result in less over MAG revenue. Other revenue lower by \$1.3 million primarily due to unanticipated one-time and intermittent space assignment (short term, month-to-month) activities that occurred in FY 2011-12 and cannot be budgeted with certainty in future years. Miscellaneous revenue lower by \$2.0 million due to IPI incentive program for ocean carriers.
- FY 2013-14: Terminals revenue decreases by \$14.1 million due to potentially renegotiated lease terms and shifts in cargo activity among terminal operators that are anticipated to result in less over MAG revenue. Other revenue is lower by \$0.3 million primarily due to rent credits associated with certain space assignments at the former OAB. BNSF lease at OIG is assumed to renew at prior lease terms. Miscellaneous revenue reflects IPI incentive program of \$1.0 million.
- FY 2014-15: Anticipated tariff increase goes into effect, resulting in overall revenue increase for the fiscal year. Terminals revenue also increases due to forecasted cargo activity growth. Other revenue also increases due to elimination of prior year rent credits.
- FY 2015-16: Terminals revenues higher by \$3.0 million due to higher projected cargo activity levels and contractual rent escalation.

MARITIME DIVISION OPERATING EXPENSES

(\$ Thousands)

	Actual 2011-12	Budget 2012-13	Budget 2013-14	Projected 2014-15	Projected 2015-16
Personnel Services	10,126	11,691	12,789	13,467	13,933
Contractual Services	3,074	4,517	4,600	4,600	4,600
Supplies	1,475	1,400	1,450	1,450	1,450
General & Administrative	1,551	995	833	833	833
Dept'l (Credits) Charges	0	(34)	(34)	(34)	(34)
TOTAL	16,226	18,569	19,638	20,316	20,781
<i>FTEs (headcount)</i>	<i>63</i>	<i>71</i>	<i>72</i>	<i>72</i>	<i>72</i>

Personnel Services

- FY 2012-13: Includes the reinstatement of 4 FTEs and 1 incremental FTE. CalPERS pension employer contribution rate increasing from 23.6% to 25.1%. Health care premiums assumed to increase by 7.75%. Labor adjustments assumed.
- FY 2013-14: Salaries higher due to a contractual 2.5% Cost of Living increase plus an 8% increase to offset 8% CalPERS employee contribution that was formerly paid by the Port but will be paid by employee. CalPERS pension employer contribution rate increasing from 25.1% to 27.3%. Health care premiums assumed to increase 9% on January 1, 2014. Also contributing to the increase is the addition of 1 FTE transferred from non-departmental.
- FY 2014-15: Salaries increase due to a contractual 2.5% Cost of Living increase. CalPERS pension employer contribution rate increasing from 27.3% to 29.1%. Health care premiums assumed to increase 9% on January 1, 2015.
- FY 2015-16: CalPERS pension employer contribution rate increasing from 29.1% to 31.5%. Health care premiums assumed to increase 9% on January 1, 2016.

Contractual Services

- FY 2012-13: Higher maintenance and repair costs of \$0.6 million, security costs of \$0.7 million and management fees at Middle Harbor Shoreline Park of \$0.2 million.
- FY 2013-14: Primarily higher consulting expense

Supplies

- FY 2012-13: Primarily lower electrical and plumbing supplies

General & Administrative

- FY 2012-13: Higher reimbursement to the Port by the City related to the costs of maintaining utility system at OAB of \$0.3 million, lower travel and hosting of \$0.2 million, and lower space assignment property costs of \$0.1 million.
- FY 2013-14: Lower trade representative, travel and hosting expenses.

Commercial Real Estate Division



Commercial Real Estate Area Map



COMMERCIAL REAL ESTATE DIVISION FUNCTION

The Commercial Real Estate (CRE) Division manages, promotes, develops and enhances the City's urban waterfront for economic benefit and public enjoyment. CRE customers include:

- Businesses and individuals who manage, purchase, develop and/or lease Port land, buildings, marinas and other facilities;
- Employees and patrons of those businesses;
- Users of the public spaces such as streets, plazas, piers and promenades; and
- Other Port divisions and departments.

The CRE Division performs several major functions: marketing and managing Port assets; providing information, services and special events to the public; planning and facilitating new development on the urban waterfront; and providing building services support to all Port divisions.

OPERATING REVENUE

(\$ Thousands)

	Actual 2010-12	Budget 2012-13	Budget 2013-14	Projected 2014-15	Projected 2015-16
Jack London Square	6,829	6,456	6,702	6,704	7,043
Embarcadero Cove	1,752	1,744	1,879	1,853	1,867
Business Park	769	677	788	1,157	1,452
Distribution Center	257	279	841	841	841
Other Areas	2,799	2,301	2,514	2,514	2,001
Subtotal	12,406	11,457	12,724	13,096	13,204
Bad Debt Reserve	328	(70)	(75)	(75)	(75)
TOTAL	12,734	11,387	12,649	13,021	13,129

Jack London Square

- FY 2012-13: Decrease due to a one time \$0.5 million fee related to Port's repurchase option on certain undeveloped JLS properties in FY 2011-12.
- FY 2013-14 through FY 2015-16: Increase in percentage rents and minimum rent adjustments due to lease renewals.

Embarcadero Cove

- FY 2013-14 through FY 2015-16: Projected increase in percentage rents and minimum rent adjustments due to lease renewals.

Business Park

- FY 2012-13: Decrease due to lower percentage rent projections.

- FY 2014-15 through FY 2015-16: Projected increase in percentage rents and minimum rent adjustments due to lease renewals

Distribution Center

- FY 2013-14 through FY 2015-16: Projected increase in percentage rents and minimum rent adjustments due to lease renewals.

Other Areas

- FY 2012-13: Lower rental income due to the anticipated close of escrow on the Oak-to-9th project in FY 2013.
- FY 2014-15: Projected increase in percentage rents and minimum rents due to lease renewals.
- FY 2015-16: Lower rental income due to the completion of contractual payments related to the Oak to Ninth transaction.

COMMERCIAL REAL ESTATE DIVISION OPERATING EXPENSES

(\$ Thousands)

	Actual 2011-12	Budget 2012-13	Budget 2013-14	Projected 2014-15	Projected 2015-16
Personnel Services	1,292	1,265	1,342	1,414	1,463
Contractual Services	3,972	4,586	4,576	4,609	4,643
Supplies	68	124	124	124	124
General & Administrative	269	369	376	384	393
Dept'l (Credits) Charges	(161)	(161)	(161)	(161)	(161)
TOTAL	5,440	6,184	6,258	6,371	6,463
<i>FTEs (headcount)</i>	<i>7</i>	<i>8</i>	<i>8</i>	<i>8</i>	<i>8</i>

Personnel Services

- FY 2012-13: CalPERS pension employer contribution rate increasing from 23.6% to 25.1%. Health care premiums assumed to increase by 7.75%. Labor adjustments assumed.
- FY 2013-14: Salaries higher due to a contractual 2.5% Cost of Living increase plus an 8% increase to offset 8% CalPERS employee contribution that was formerly paid by the Port but will be paid by employee. CalPERS pension employer contribution rate increasing from 25.1% to 27.3%. Health care premiums assumed to increase 9% on January 1, 2014.
- FY 2014-15: Salaries increase due to a contractual 2.5% Cost of Living increase. CalPERS pension employer contribution rate increasing from 27.3% to 29.1%. Health care premiums assumed to increase 9% on January 1, 2015.
- FY 2015-16: CalPERS pension employer contribution rate increasing from 29.1% to 31.5%. Health care premiums assumed to increase 9% on January 1, 2016.

Contractual Services

- FY 2012-13: Higher operating costs at 530 Water Street building and Jack London Square of \$0.4 million. Higher parking lot operations of \$0.1 million and management consultants of \$0.1 million.

Supplies

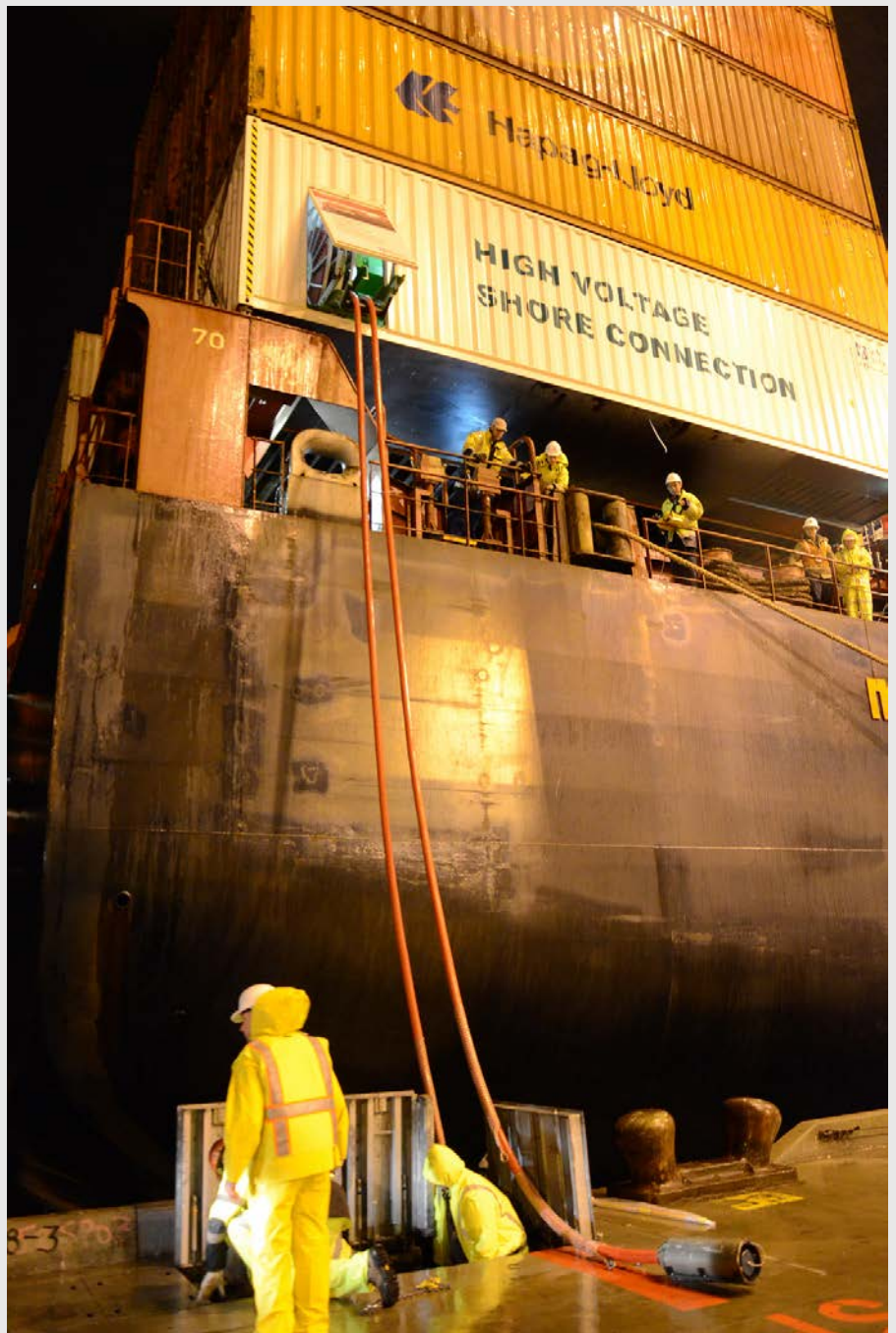
- FY 2012-13: Primarily higher general office supplies

General & Administrative

- FY 2012-13: Higher promotional expenses, marketing expense and courier services

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Utilities–Engineering Division



Port Utility Service Area Map



UTILITIES – ENGINEERING DIVISION

FUNCTION

The Utilities Department is a unit within the Engineering Division that provides the expertise to manage the Port's utility distribution system (electrical, gas, water, sewer and telephone). The department ensures that the Port plans, operates and upgrades its utility systems in an effective and efficient manner in compliance with all rules and regulations. The Utilities Department purchases and manages the delivery of electricity to the Port's customers at OAK and in certain seaport areas. It also obtains renewable energy for the Port, takes measures to reduce the Port's greenhouse gas emissions from electricity generation and promotes energy efficiency. The Utilities Department is comprised of technical and administration sections, as further discussed in the *Engineering Division* section. Utility revenues and cost of sales are reported separately here for budget purposes. Personnel costs, maintenance and other associated expenses of the Utilities Department are included as part of the Engineering Division budget.

UTILITIES – ENGINEERING DIVISION

REVENUE BY AREA

(\$ Thousands)

	Actual 2011-12	Budget 2012-13	Budget 2013-14	Projected 2014-15	Projected 2015-16
South Airport	1,910	2,811	1,679	1,729	1,779
North Airport	1,936	1,868	1,868	1,918	1,968
Marine Terminals – Retail	452	500	400	400	400
Marine Terminals – Wholesale	3,530	3,473	3,307	3,243	3,244
Marine Terminals – Shore Power	N/A	N/A	2,185	3,917	3,981
Commercial Real Estate	107	105	102	102	102
Oakland Army Base	300	236	236	186	186
TOTAL	8,235	8,993	9,777	11,496	11,660

REVENUE BY COMMODITY TYPE

(\$ Thousands)

	Actual 2011-12	Budget 2012-13	Budget 2013-14	Projected 2014-15	Projected 2015-16
Electricity – Retail	559	605	502	502	502
Electricity – Wholesale	7,116	6,850	6,750	6,850	6,950
Electricity – Capacity	63	1,323	106	43	43
Shore Power	N/A	N/A	2,185	3,917	3,981
Gas	53	34	52	52	52
Telecom – Capacity	252	0	0	0	0
Water	149	131	132	132	132
Water – Capacity	0	0	0	0	0
Miscellaneous	43	50	50	0	0
TOTAL	8,235	8,993	9,777	11,496	11,660

- FY 2012-13: Increased electricity revenue due to one-time capacity charge of \$1.2 million from a major tenant.
- FY 2013-14: Shore Power reflects approximately 6 months of high demand shore power use (when vessel owners are required to comply with CARB regulation in January 2014). Shore power use during the first half of year is not expected to be significant.
- FY 2014-15 and 2015-16: Shore Power revenues projected due to ships utilizing shore power.

UTILITIES - ENGINEERING DIVISION

COST OF SALES BY AREA

(\$ Thousands)

	Actual 2011-12	Budget 2012-13	Budget 2013-14	Projected 2014-15	Projected 2015-16
South Airport	574	752	841	726	932
North Airport	870	1,113	1,018	875	761
Marine Terminals – Retail	448	525	400	400	400
Marine Terminals – Wholesale	1,633	2,154	2,191	1,910	1,996
Marine Terminals – Shore Power	N/A	N/A	1,062	1,754	2,054
Commercial Real Estate	102	104	102	102	102
Oakland Army Base/OHIT	48	74	91	97	95
TOTAL	3,675	4,722	5,705	5,864	6,340

COST OF SALES BY COMMODITY TYPE

(\$ Thousands)

	Actual 2011-12	Budget 2012-13	Budget 2013-14	Projected 2014-15	Projected 2015-16
Electricity – Retail	550	629	502	502	502
Electricity – Wholesale	2,946	3,920	3,988	3,455	3,631
Shore Power	N/A	N/A	1,062	1,754	2,054
Gas	44	50	46	46	46
Water	135	123	107	107	107
TOTAL	3,675	4,722	5,705	5,864	6,340

- FY 2012-13: Increase in electricity cost of sales due to regulatory mandate to purchase 20% alternative energy for CY 2011 through CY 2013.
- FY 2013-14: Shore power increase due to substantial compliance of CARB Shore Power regulation beginning January 2014.
- FY 2014-15: Shore power increase due to full year compliance of CARB Shore Power regulation. Lower Electricity - Wholesale due to the purchase of electricity including renewables at a normal pace compared to the accelerated pace of renewables purchases in FY 2013-14.

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