

**Fiscal Year
2018**



**Operating &
Capital Budget**

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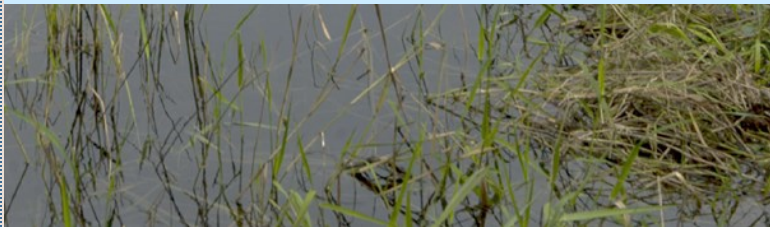
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INTRODUCTION AND OVERVIEW





HANCOCK COUNTY PORT & HARBOR COMMISSION

Economic Development • Stennis International Airport • Port Bienville Industrial Park • Port Bienville Railroad

DATE: August 28, 2017

TO: Hancock County Port and Harbor Commissioners and Staff
Hancock County Board of Supervisors
The Citizens of Hancock County, Mississippi

Fiscal Year 2018 Budget for the Hancock County Port and Harbor Commission

Background

On behalf of the staff of the Hancock County Port and Harbor Commission (HCPHC) and for the benefit of the great people of Hancock County, Mississippi, please accept and adopt this budget for Fiscal Year 2018, which begins on October 1, 2017 and ends on September 30, 2018. The HCPHC is privileged to be of service to the good citizens of Hancock County and contribute in significant ways to the economy of Mississippi and the broader coastal region. We do this through the stewardship of Port Bienville (maritime port and industrial park) and the Port Bienville Railroad, Stennis International Airport and Airpark, and through close collaboration with the federally controlled Stennis Space Center and recruitment and attraction of commercial and government interests there.

This budget reflects the principal goal of leveraging our resources to assist the private sector in creating **Jobs, Tax Base and Revenue** and thus enhance the economic development and business climate of Hancock County, while sustaining our ongoing operations without the need for ad valorem taxpayer support.

As Fiscal Year 2017 ends, we are pleased to report that those results are positive. Companies located at Port Bienville, Stennis International Airport and Stennis Space Center account for 6,043 jobs, an increase of 9% over last year. These companies pay 30% of the County's total ad valorem property tax, an increase of 0.3% over last year. These same companies and their uses of HCPHC assets generated a projected \$9.2 million in revenue from operations to sustain our organizational objectives.

We enter 2018 with an estimated unrestricted net cash balance of \$17.2 million, which will position us to address the strategic objectives contained in our short and long-term plans.

Business Policies and Strategies

While the financial stability and success of HCPHC is critical to continuing operations of infrastructure and services at its own facilities, it is also critical to Hancock County's recruitment of new industry and expansion of existing business within the entire boundary of the County, in cooperation with regional partners. During the last 16 months, HCHPC

hired Bill Cork as its CEO, a new Chief Administrative Officer, a new Port Director and realigned the former Airport Director to Chief Operations Officer. The former Airport Manager was promoted to Airport Director and a full-time Project Manager was hired in the Economic Development Department. We completed a new headquarters (HQ) building and consolidated operations from the airport to the new HQ. We also completed the migration to a new accounting system and outsourced grounds maintenance and reduction in force associated with both of those activities. This infusion of talent and streamlined processes have created opportunities for new ways of thinking about the business and creating new alignment with the Commissioners. Our continued efforts are consistent with the August 2015 Strategic Plan drafted for the organization but will benefit from several new initiatives, including: the results of a day long strategic planning workshop between the Commission, staff and closely aligned regional stakeholders; the completion of an Aviation and Aerospace Master Plan for Hancock County; and the work in progress on refreshed master plans for the Port and Airport.

While our categories of implementing objectives will always align with two distinct areas – Asset Development and Market/Economic Development – the Commission also placed emphasis in the coming years on three distinct sub objectives:

- Focused investment and marketing of the Port Bienville Industrial Canal and growth in wharfage and dockage fees and related services.
- Spaceport feasibility and new mission growth at Stennis International Airport.
- Assessing the feasibility of implementing a partnership with Stennis Space Center (SSC) for the development of an industrial park within the Fee Area of SSC to create an upland industrial complex tied to the aerospace sector.

The FY 2018 budget will reflect investment in these areas along with our other sustainment efforts.

Long -Term Financial and Business Planning

Consistent with the direction of the Commission, overarching strategic plans and long standing policy, the categories of objectives are divided into two distinct areas: Asset Development and Market/Economic Development.

Asset Development. The development of new product to put into the market is a key overarching goal of the Commission. All airport and port industrial park buildings are leased. While there are still hundreds of developable acres to work as greenfield projects, key infrastructure at the port are in dire need of improvement. The overall asset development program involves multi-year strategies that include the following elements:

Life Cycle Management Planning – Improvements of existing buildings and infrastructure to serve current and future markets. In FY 2017, we successfully implemented a five-year capital investment strategy that began to address deferred life cycle maintenance across our asset base.

In FY 2018, we continue to address these concerns from projects like rock/timber replacement at the port to air conditioner replacement at the airport. We've begun roof replacement

projects to address age and obsolescence and have begun discussions with the local utilities authorities about potential divestiture of our utility assets to save cost and improve recapitalization timing. This budget reflects our most urgent priorities and describes them in detail in the departmental narratives.

Master Planning and Long-Term Capital Investment – In FY 2017 the Commission approved an investment in the development of new master plans for the port and airport. They also approved the development of an Aviation and Aerospace Optimization Plan. Due to the influx of new professionals, who needed time to come up to speed on the organization, we intentionally postponed the port and airport master plans until FY 2018. As a result, you will see these investments resurface as strategic investments. The Aerospace Plan, on the other hand, was successfully completed in FY 2017 by Vision First Advisors, and elements of that plan are included in our budget for implementation in 2018 and are showcased within the departmental narratives. In addition, new delegations of authority that were implemented with the FY 2017 capital budget have significantly improved efficiency in procurement, grant agreements and project delivery while continuing to protect the public interest and review and approval by both the Commission and Board of Supervisors in accordance with state law. This was critical to demonstrate because In FY 2018 we anticipate the delivery of over \$35 million in capital projects, which is large considering the small size of our organization.

Complete Work-In-Progress – In FY 2017 we experienced numerous previous year capital projects languishing or in dispute. By FYE 2017 we anticipate having the entire backlog cleared. All programmed FY 2017 new construction will either be complete or substantially underway with delivery dates certain early in the new FY. This is an accomplishment that we can all be proud of.

Operational Excellence – Operational improvements were made in many areas in FY 2017, including the implementation of our new accounting software, barge count accountability at the port, rail safety improvements and the 2017 Railroad Jake Award for Outstanding Safety Performance, and outsourcing of ground maintenance. In addition, the Finance Department was recognized with back-to-back wins of the Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting for the Comprehensive Audited Financial Statements for FYE 2015 and FYE 2016, setting the stage for an attempt at the Distinguished Budget Presentation award for the FY 2018. The Administration Department will launch the fully automated board books program ACELA in early 2018, adding significant productivity gains to all the paper we process as well as enhancing our capacity to comply with the Records Retention and Open Records Acts in Mississippi. These significant changes, pioneered in FY 2017, will be institutionalized in 2018 when we will see the fruits of the investments made over time. We also successfully collapsed the stovepipes inherent in such a diverse organization and leveraged the talent across the board. This team approach to decision making and work sharing have made it possible to achieve meaningful change while continuing day-to-day operations at a high level of performance.

Short-Term Factors, Priorities and Budget Overview – Due to the diverse nature of the organization, our budget is organized so that the reader can easily identify the short-term

factors, priorities and the directly related budget items. However, in short, the budget for the last several years has remained relatively constant. One might expect this with a fixed asset organization, fully subscribed. But our orientation for the future is growth. In addition to the investment in new product discussed in the details of the budget, we continue to pursue market and Economic Development initiatives to facilitate that growth.

Market and Economic Development. Critical to our revenue planning is the development of a pipeline of renewals and new revenue generating opportunities. To do this the Commission and staff have adopted several innovative and forward-leaning programs to ensure success now and into the future.

Business Retention and Expansion – To protect and grow the business and industry already extant in Hancock County, the Commission implemented the Synchronist® system to evaluate our existing industries. In partnership with the Hancock Chamber of Commerce we surveyed 60 of the largest industrial and service sectors companies in the County to determine what policies and services will support their long-term viability. A significant outcome of this program in FY 2017 was the need for a career and technical employee certification program. The ACT® Work Keys program was selected and in FY 2018 we intend to participate in the implementation of this program with representatives from industry and academia to certify the County as “Work Ready” by 2021. In FY 2018 we also plan to continue the interview process with 60 more companies as well as follow-up surveys with several of the 2017 surveyed companies.

Capitalize on Obvious Strengths – As an epicenter for commercial space, aviation and unmanned systems research, development and testing an Aviation and Aerospace Optimization Plan was developed in FY 2017 and will begin implementation in FY 2018. A couple of key items with budgetary impact in FY 2018 include participation and implementation in the Governor’s Ocean Task Force (unmanned systems); development of a Spaceport Feasibility Study for Stennis Airport; focused short-term master plan for the industrial canal at Port Bienville; and development of the Project Ready Sites in the Fee Area at Stennis Space Center for commercial investment. The expansions announced at DAK Americas, Calgon Carbon, SNF Polychemie and others create opportunities for partnerships to grow what we have.

Emerging Markets – The Commission is constantly striving for new market opportunities. This includes the long-term development of a 26-mile rail extension from Port Bienville to Nicholson valued at \$120 million. Development of the Project Ready Site at SSC and Spaceport Feasibility at the airport address these new market capture opportunities. Dredging a new maritime approach from the mouth of the Pearl River (east fork) to Port Bienville and development of expanded capabilities at our primary dock at the mouth of the port (commonly referred to as the Linea dock) create opportunities for container on barge and related markets that the port cannot presently service. The same is true of the new hangars at the airport and the transload facility at the port. These new investments showcased throughout the FY 2018 budget address the Commission’s excitement about new market capture.

Leverage Partnerships – The Commission is renewing its work with the Gulf Coast Alliance for Economic Development, the Hancock Chamber of Commerce, national/regional/local professional economic development organizations and the State Chamber of Commerce. Our close relationship with the Mississippi Development Authority has evolved our market development in chemicals and aerospace, and foreign trips planned for the UK, India, Mexico and Saudi Arabia will be facilitated through their foreign investment office, all of which is budgeted for in FY 2018. Our partnership with Stennis Space Center is strong and growing. In 2017, we partnered on several site location proposals and are actively working a large prospect as the new year begins. We also strengthened our relationship with Hancock County municipalities as the new leadership at HCPHC is more integrated into the community.

Major Capital Initiatives

Resources and Ecosystems Sustainability, Tourist Opportunities and Revived Economies (RESTORE) of the Gulf Coast States Act of 2012. In December 2015, Mississippi's Governor announced his nomination of projects under the RESTORE Act, two of which will be constructed and operated by HCPHC. In the Summer of 2017, the Department of Treasury awarded grants to the State of Mississippi for these projects. The HCPHC and Mississippi Department of Environmental Quality, which is the grant recipient of the funds, will negotiate a sub grantee agreement with HCPHC for the construction of the following projects:
Terminal Hangar at Stennis International Airport. \$2 million to construct a hangar adjacent to the SIA terminal building to be matched with approximately \$2 million by HCPHC. This new 24,000 square-foot building will be used to house aviation related storage, maintenance, repair or overhaul and could employ more than 20 people upon completion.

Port Bienville Transload Facility. This \$8 million construction project, paid for entirely by RESTORE funds, will produce a new wharf, dock and rail extension to facilitate maritime-to-rail transloading opportunities. This intermodal terminal will complement our other intermodal investments on a smaller scale as presented in the more detailed budget discussion for the Port and Railroad.

Aerospace Academy/Pearl River Community College Expansion. Although not directly funded by or through HCPHC, this new facility in Hancock County has been promoted by and through HCPHC. The Governor will announce in November whether this project will be funded with approximately \$5 million to build the first phase of the campus within the Stennis Airpark.

Community Development Block Grant. The last remaining Hurricane Katrina CDBG funds for Hancock County are being earmarked for a \$9 million reconstruction of the main dock at the mouth of Port Bienville (commonly referred to as the Linea Dock). This project will reconstruct the damaged dock and extend its length by 150-300 feet, depending on actual cost. This investment along with our dredging investment will facilitate increased draft barge/shipping traffic into the port and expand the types of vessels and cargo that frequent the port.

Federal Aviation Administration. In FY 2017, we broke ground on an approximately \$5 million runway overlay project at Stennis Airport. This program was essential to the long-term life expectancy of this key asset. Future FAA-funded projects are included in our capital plan and are detailed in the departmental budgets. FAA funding for infrastructure and for the contract tower at KHSA are critical for our ongoing success. Yet, this funding stream is always subject to federal threats of reduction. Stennis International Airport is one of only a handful of small airports in Mississippi that can claim a positive net income from operations. Yet, this income is not sufficient to address long-term depreciation. Sustainability of the airport will rely on growth and new revenue opportunities and this budget reflects new investments in things like a Spaceport feasibility study and the development of an assault landing strip.

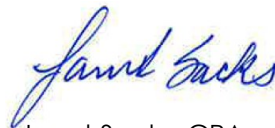
Conclusion

This fiscal year budget presentation reflects the work of nearly everyone at HCPHC as well as the staff at the County Board of Supervisors. Both the Operational Budget and the Capital Improvement Plan Budget elements have been workshopped with the Commission and presented in multiple public forums. Our Capital budget was an all-day workshop done in a mobile workshop fashion where Commission and the County officials and the general public were invited to "walk" the project sites and see firsthand the recently completed, work-in-progress, and proposed projects. We are excited about the future and the rare opportunity to leverage a sound financial position into future jobs, tax base and revenue for the benefit of Hancock County, the State of Mississippi and the broader coastal region.

Respectfully submitted,



William V. Cork
Chief Executive Officer



Janet Sacks, CPA
Chief Financial Officer

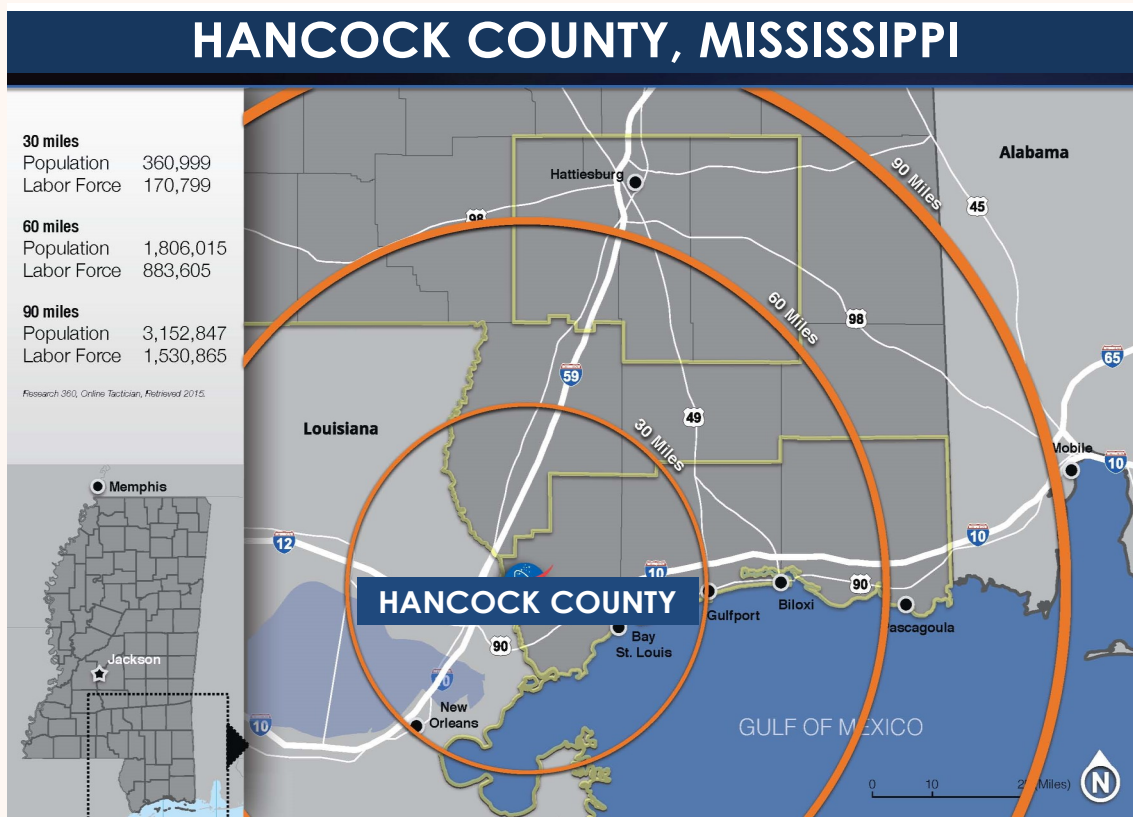
LIST OF OFFICIALS

Board of Commissioners

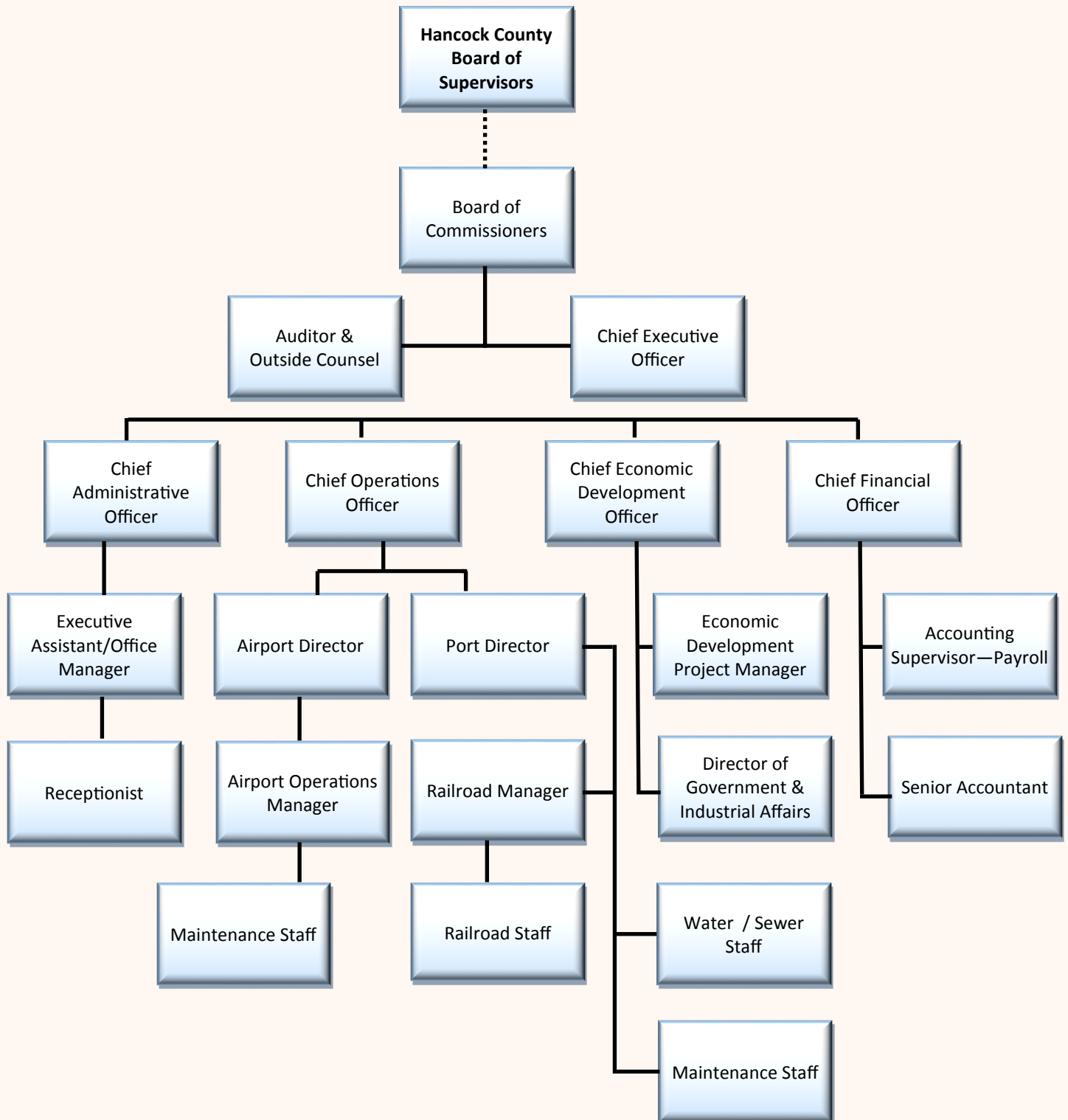
Robert R. Kane	President
Jon W. Ritten, Jr.	Vice President
Sherri Carr Bevis	Secretary
Daryl Cornell	Treasurer
Paula C. Jordan	Commissioner
David D. Malley	Commissioner
Christopher R. "Packer" Ladner	Commissioner
Bob Swanson	Commissioner

Executive Staff

Bill Cork	Chief Executive Officer
William P. Cotter Jr., C.M.	Chief Operating Officer
Ronnie Wade Robertson, J.D.	Chief Administrative Officer
Janet E. Sacks, C.P.A.	Chief Financial Officer
Janel L. Carothers	Chief Development Officer
Bo Ethridge, C.P.E.	Director of Port Bienville Industrial Park
Kevin Carlisle	Director of Stennis International Airport



ORGANIZATIONAL CHART



BUDGET DOCUMENT AND OVERVIEW

This section is intended to assist readers not familiar with the HCPHC budget or governmental enterprise budgeting. It provides a quick overview of how the budget is organized and what information is included. HCPHC's budget is divided into the following major sections:

INTRODUCTION AND OVERVIEW

This section contains the budget message that provides an overview of the budget process and highlights the Commission's budget strategies and major issues that affect the development of the annual budget. This section also includes a discussion of the Commission's strategic plan and goals which are documented in more detail throughout the various sections. A consolidated budget summary, fund balance summary by department, and consolidated budget detail report are presented in this section.

FINANCIAL STRUCTURE, POLICY AND PROCESSES

This section provides a brief description of each of the Commission's four departments and summarizes the comprehensive financial and risk management policy adopted in 2015.

OPERATING AND CAPITAL FINANCIAL SUMMARIES

This section presents each department's operating and capital budgets. Actual historical revenues and expenditures are presented for comparative purposes as well as illustrative tables, charts and graphs.

This section is also intended to provide a deep dive into each department's recent accomplishments, future goals and strategies, and the relationship between those goals and the operating and capital budget numbers presented.

The capital budget outlines proposed projects for a four-year period and includes estimated costs and anticipated sources of funds. Narrative descriptions of each project including intended use and necessity are included.

SUPPLEMENTAL INFORMATION

This section is intended to provide some context in which the Commission operates. Demographics and statistics about the community are provided. Also presented are definitions of budget terms and acronyms used throughout this document.

BUDGET SCHEDULE

June 9	<ul style="list-style-type: none">• 2018 Strategic Planning Session
July 19	<ul style="list-style-type: none">• Operations Budget Workshop
August 16	<ul style="list-style-type: none">• Capital Budget Workshop
August 28	<ul style="list-style-type: none">• Budget Approval - Commission
September 4	<ul style="list-style-type: none">• Budget Approval - Board of Supervisors
October 1	<ul style="list-style-type: none">• Fiscal Year 2018 Budget Effective Date
October 11	<ul style="list-style-type: none">• Fiscal Year 2017 Budget Amendment Approval - Commission
October 16	<ul style="list-style-type: none">• Fiscal Year 2017 Budget Amendment Approval - Board of Supervisors

BUDGET HIGHLIGHTS AND SUMMARY

REVENUES

Commission revenues include those collected through formally adopted tariffs for port and rail services and published rates and charges as applied to airport and water/sewer services. The Commission also leases warehouses, hangars, land and other infrastructure assets. The Commission receives no tax revenue and operates 100% from service and asset based revenue.

The 2018 operating revenue budget assumes a 3.8% reduction from 2017's projections and a 3.7% decrease from 2016 actual. Wharfage and dockage is expected to significantly decline as some products transported by port tenant SSA are no longer transported through Port Bienville Industrial Park. The Airport's fixed base operator (FBO) anticipates a reduction in fuel sales in the coming year as 2017 was an outlier with multiple high-use aircraft performing operations at Stennis Airport. Rental revenues are reduced from prior years as leases have terminated and an option for property purchase was exercised.

EXPENSES

Several key strategic initiatives are driving a 28.8% and 31.6% increase in total operating expenses over 2017 as projected and 2016, respectively.

Strategic investments in master planning for the airport and port are planned. Opportunities to benefit from innovations in unmanned systems and space exploration necessitate the airport investment. Strategies to reform Port Bienville's maritime business are essential for prospect attraction and revenue diversity. Capital planning into 2019 and beyond is expected to be altered to reflect the outcome of those master plans. Thorough environmental reviews of all Commission property is budgeted as a significant risk management move and as an effort to improve business and industry attraction.

The Commission will outsource grounds maintenance and grass cutting for all properties beginning October 1, adding over \$200,000 to contract expenses. Contracts with the airport's firefighters is planned to change from individual to a single entity contract as a risk management measure increasing the costs of those services at the airport.

Personnel costs represent 46.7% of 2018's operating budget as compared to 56.3% and 57.1% in 2017 and 2016, respectively. The total cost of personnel increased in 2018 as the Commission included a 2% cost of living increase, 3 positions were added to the railroad to reduce overtime and increase safety, and an anticipated increase in health benefits is reflected.

CONSOLIDATED BUDGET SUMMARY

	Prior Year	2017			
	Actual			Budget	%
	2016	Budget	Projected	2018	Change
TOTAL RESOURCES IN					
Use of Money & Property	\$ 4,094,213	\$ 3,409,696	\$ 3,738,928	\$ 3,521,842	-5.81%
Charges for Services	5,276,702	4,081,414	5,537,297	5,442,360	-1.71%
Other Operating Revenue	243,545	433,409	354,259	304,095	-14.16%
Non Operating Revenue	126,317	53,959	122,678	112,861	-8.00%
Grant Revenues	2,546,033	10,734,126	2,119,415	27,920,877	1217.39%
Notes Receivable (Principal)	170,728	168,729	200,637	169,041	-15.75%
TOTAL RESOURCES IN	12,457,538	18,881,333	12,073,214	37,471,076	
TOTAL RESOURCES OUT					
Operating Supplies & Materials	220,624	370,295	250,002	318,050	27.22%
Other Services & Charges	1,925,155	3,085,691	1,980,855	3,188,039	60.94%
Personnel Services	2,854,281	3,235,787	2,877,823	3,072,806	6.78%
Non-Operating Expenses	160,000	160,000	160,000	160,000	0.00%
Debt Service (Principal & Interest)	468,093	82,200	82,200	82,200	0.00%
Capital Projects	4,512,954	14,228,641	3,944,839	38,777,702	883.00%
Additions to Fixed Assets	63,157	610,210	43,228	-	-100.00%
Asset Impairment WriteDown	872,695	-	-	-	0.00%
TOTAL RESOURCES OUT	11,076,959	21,772,824	9,338,947	45,598,797	
CHANGE IN EQUITY BALANCE	1,380,579	(2,891,491)	2,734,267	(8,127,721)	
BEGINNING EQUITY BALANCE				79,807,690	
ENDING EQUITY BALANCE				\$ 71,679,969	

FUND BALANCE SUMMARY BY DEPARTMENT

	Administration & Economic Development	Port Bienville Railroad	Port Bienville Industrial Park	Stennis International Airport	FYE 2018 Consolidated Budget
BEGINNING FUND BALANCE 10/01/2017	\$ 2,820,863	\$ 26,147,013	\$ 22,496,946	\$ 28,342,868	\$ 79,807,690
Operating Budget Revenues	-	6,092,078	1,287,629	1,888,590	9,268,297
Operating Budget Expenses	1,880,714	1,740,494	1,263,021	1,694,666	6,578,895
NET OPERATING REVENUE (EXPENSES)	(1,880,714)	4,351,584	24,608	193,924	2,689,402
Non-Operating Revenues	76,000	9,500	163,001	33,401	281,902
Non-Operating Expenses	-	-	160,000	82,200	242,200
NET NON-OPERATING REVENUES (EXPENSES)	76,000	9,500	3,001	(48,799)	39,702
Capital Grant Revenues	-	677,147	20,110,884	7,132,846	27,920,877
Capital Grant Expenses	72,611	2,015,070	25,182,495	11,507,526	38,777,702
NET CAPITAL SOURCES (USES)	(72,611)	(1,337,923)	(5,071,611)	(4,374,680)	(10,856,825)
Transfers In	1,877,325	-	3,044,002	3,245,985	8,167,312
Transfers Out	-	7,650,882	-	516,430	8,167,312
NET TRANSFERS IN (OUT)	1,877,325	(7,650,882)	3,044,002	2,729,555	-
TOTAL SOURCES (USES)	-	(4,627,721)	(2,000,000)	(1,500,000)	(8,127,721)
PROJECTED FUND BALANCE 9/30/2018	\$ 2,820,863	\$ 21,519,292	\$ 20,496,946	\$ 26,842,868	\$ 71,679,969

The reader will note a 10.2% decrease in the Commission's fund balance at September 30, 2018. We expect 2018 to be an outlier as capital expenditures in excess of grant resources to fund them are planned to meet the strategic objectives discussed in the introductory section of this document.

CONSOLIDATED BUDGET DETAIL

	Prior Yr Actual 2016	2017		Budget 2018
		Budget	Projected	
REVENUE				
Use of Money & Property				
Airport - Fees: Ground, Ramp, Landing, Tie Downs	\$ 17,841	\$ 13,800	\$ 17,207	\$ 13,500
Airport - Fuel Flowage	167,095	76,100	194,146	152,500
IP - Wharfage	344,288	133,000	101,948	85,500
IP - Dockage and Demurrage	216,540	40,000	89,098	50,000
RR - Contract Track Lease	476,195	482,967	507,429	495,000
RR - Storage Track Lease	814,852	375,000	735,904	715,000
RR - Demurrage	9,820	1,500	265	2,000
Airport - Rent: Hangars and Buildings	832,160	887,150	776,817	821,301
RR - Rent: Rail Facilities Building	108,000	108,000	108,000	108,000
Rent: Buildings, Land & Equipment	1,107,422	1,292,179	1,294,409	1,079,041
Total Use of Money & Property	4,094,213	3,409,696	3,825,223	3,521,842
Charges for Services				
IP - Park Assessment Fees	136,334	133,860	129,528	133,860
RR - Junction Settlements (Line Haul)	3,321,853	2,500,000	3,669,482	3,400,000
RR - Switching	793,729	528,000	940,488	987,500
RR - Weekend Services	26,004	26,000	26,108	26,000
RR - Rail Scale Revenues	190,650	125,000	232,561	200,000
RR - Railcar Repair Services - Contract/Inhouse	203,003	218,554	163,676	150,000
IP - Water Service	80,125	65,000	72,340	80,000
IP - Sewer Services	150,082	125,000	134,322	150,000
IP - POTW I Revenues	374,922	360,000	359,507	315,000
Total Charges for Services	5,276,702	4,081,414	5,728,012	5,442,360
Other Operating Revenue				
Other Revenues	243,545	368,409	291,810	304,095
Grant Revenues - SMEPA/EDA Land Use Study	-	65,000	65,000	-
Total Other Operating Revenue	243,545	433,409	356,810	304,095
Total Revenues	9,614,460	7,924,519	9,910,045	9,268,297
EXPENSES				
Operating Supplies & Materials				
Equipment, Hardware & Software	63,361	120,745	73,616	94,050
Supplies - Custodial	2,850	4,950	5,245	6,250
Supplies - Fuel/Oil	103,822	151,700	128,755	135,000
Supplies - Office	24,063	23,000	28,163	25,050
Supplies - Operating	20,916	39,650	17,709	30,250
Supplies - Safety	481	1,800	1,840	3,050
Supplies - Train/Track	542	23,000	3,131	15,000
Supplies - Uniforms	4,588	5,450	5,970	9,400
Total Supplies & Materials	220,624	370,295	264,429	318,050

CONSOLIDATED BUDGET DETAIL (continued...)

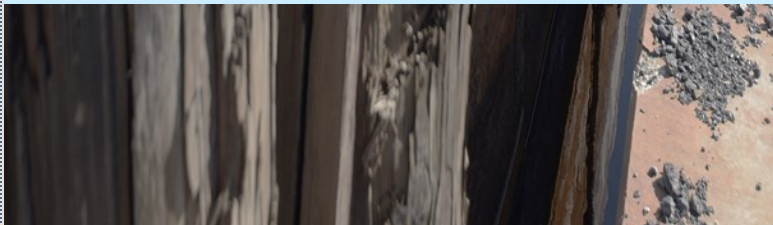
	Prior Yr	2017		Budget 2018
	Actual 2016	Budget	Projected	
Other Services & Charges				
Advertising & Local Industry Promotion	38,453	36,500	30,621	35,900
Marketing	71,407	60,580	44,656	141,000
Association Dues	24,090	23,895	26,642	33,995
Insurance - Property & Liability	570,095	595,018	555,016	623,147
Licenses, Fees & Permits	1,217	2,550	1,366	2,780
Rent - Buildings & Equipment	2,751	19,050	4,437	16,650
Rent - Locomotives	99,000	175,000	108,000	108,000
Repair/Maintenance/Improvements - Airfield	22,283	16,000	24,283	25,000
Repair/Maintenance/Improvements - Buildings	66,070	86,500	120,211	76,500
Repair/Maintenance/Improvements - Docks	4,809	25,000	-	-
Repair/Maintenance/Improvements - Waterways	-	150,000	-	-
Repair/Maintenance/Improvements - Equipment	65,358	110,750	48,962	138,950
Repair/Maintenance/Improvements - Grounds	8,032	19,350	13,460	87,450
Repair/Maintenance/Improvements - Roads	-	3,000	-	3,500
Repair/Maintenance/Improvements - Vehicles	5,704	31,500	4,355	27,500
Repair/Maintenance/Improvements - Track	11,991	60,000	20,569	25,000
Repair/Maintenance/Improvements - Water/Sewer	1,155	10,000	-	10,000
Railcar Repair Expense	551	1,000	20,247	-
Service Charges	3,391	3,500	3,468	3,500
Services - Auditing	45,000	45,200	37,200	45,300
Services - Car Hire/Accounting	52,997	50,000	49,128	50,000
Services - Commissioners	24,024	28,000	14,595	20,000
Services - Contract	90,062	128,948	105,707	360,777
Services - Land Use Study	-	100,000	98,500	-
Services - Rail Funding Study	-	100,000	15,600	-
Services - Airport Master Plan	-	125,000	-	202,000
Services - Port / Rail Master Plan	-	125,000	-	125,000
Services - Engineering	16,200	27,500	31,627	99,000
Services - Fire Fighters - ARFF	155,238	225,000	139,131	199,000
Services - Legal	62,488	84,000	22,015	49,000
Services - Payroll	6,720	7,100	6,804	7,000
Services - Professional	117,657	133,260	147,733	148,230
Services - Security Systems	680	1,150	1,672	1,610
Subscriptions, Books, & Periodicals	2,807	3,700	1,226	2,100
Telephone & Telecommunications	68,758	70,000	71,121	72,800
Training/Education	11,188	40,000	16,443	86,700
Trade Shows, Conferences & Symposiums	21,887	42,000	32,718	51,000
Travel - General	8,754	26,240	10,482	32,350
Utilities	244,337	294,400	229,021	277,300
Total Other Services & Charges	1,925,155	3,085,691	2,057,016	3,188,039

CONSOLIDATED BUDGET DETAIL (continued...)

	Prior Yr Actual 2016	2017		Budget 2018
		Budget	Projected	
Personnel Services				
Salaries & Wages - Regular Time	1,546,265	1,935,386	1,647,155	1,848,109
Salaries & Wages - Overtime	58,511	50,435	95,921	59,324
Salaries & Wages - PTO Payout	58,893	36,045	34,601	33,651
Accrued Payroll - Year End & PTO Compensation	89,007		(28,459)	
Employee Physicals	2,045	2,200	3,354	3,100
Insurance - Health/Life/LTD/AD&D	432,662	655,147	423,863	509,019
Insurance - Workers Comp & Occupational	33,662	32,343	31,332	36,478
Retirement - PERS	437,957	296,459	189,670	343,880
Tax - Mississippi Unemployment	3,189	3,500	3,671	2,450
Tax - Federal SSI/Medicare	89,494	112,462	97,481	97,399
Tax - RR Tier I, Tier II & RUIA	102,596	111,810	110,079	139,396
Total Personnel Services	2,854,281	3,235,787	2,608,668	3,072,806
Total Expenses	5,000,060	6,691,773	4,930,113	6,578,895
Net Income from Operations	4,614,401	1,232,747	4,979,932	2,689,402
Non-Operating Income (Expenses)				
Notes Receivable Principal	170,728	168,729	185,485	169,041
Interest Income - Checking & Savings	69,156	14,000	66,295	91,000
Interest Income - Notes Receivable	56,035	39,959	47,065	21,861
Investment Gain	1,126	-	-	-
Debt Service Principal	(152,200)	(82,200)	(82,200)	(82,200)
Bond Issue Costs	(850)	-	-	-
Wellman POTW I Credit	(160,000)	(160,000)	(160,000)	(160,000)
Net Non-Operating Income (Expenses)	(16,006)	(19,512)	56,645	39,702
Capital Sources & (Uses) of Funds				
Grant Revenues	2,546,033	10,734,126	2,119,415	27,920,877
Other Revenue - Project Surety Settlement	1,450,000	-	-	-
Appropriations from Prior Years	-	2,891,490	-	8,127,721
Capital	(4,576,112)	(14,228,641)	(3,944,839)	(38,777,702)
Fixed Assets - Personal Property	-	(610,210)	(43,228)	-
Asset Impairment Write Down	(872,695)	-	-	-
Total Net Capital Uses of Funds	(1,452,774)	(1,213,235)	(1,868,652)	(2,729,104)
Net Sources of Funds	\$ 3,145,621	\$ -	\$ 3,167,925	\$ -



FINANCIAL STRUCTURE, POLICY AND PROCESSES



DEPARTMENT DESCRIPTIONS

GENERAL OPERATIONS

The General Operations department accounts for both Commission administration and County-wide economic development efforts. Administrative expenses include those such as accounting and finance, general risk management, legal fees, and the Chief executive's office and administrative support. This fund is further divided into the departments of Administration and Finance and Economic Development. The Economic Development Department has responsibility for marketing the assets of the Commission and region, development to proposals for new corporate attraction, County-wide business retention and expansion, government relations, revenue growth for existing product lines, and public communications and information management and expenses related to marketing and sales are accounted for in this department as well as revenue from related operational support grants.

PORT BIENVILLE RAILROAD

This department accounts for all revenue and expenses related to the Commission's short-line railroad. Port Bienville Railroad connects to a single class I railroad (CSX) and receives most of its revenue as junction settlements. Junction settlements are negotiated rates received directly from CSX for transporting rail cars to and from Port tenants and their points of origin or destination. Revenues also include fees billed directly to tenants for switching, storing, and weighing railcars. The expenses and capital improvements associated with operating the rail department are accounted for in this department.

PORT BIENVILLE INDUSTRIAL PARK

The Port department accounts for revenue generated from warehouse, land and other infrastructure rentals, waste water treatment and water sales, wharfage and dockage tariffs and a park assessment fee billed equally to every tenant to offset costs of maintaining the industrial park. All maintenance, capital, planning and professional expenses incurred to benefit Port Bienville Industrial Park are accounted for in this department.

STENNIS INTERNATIONAL AIRPORT

All revenue, expenses, and capital projects related to the Airport are accounted for in this department. Revenue is generated through lease and rentals of properties, service fees and fuel flowage at a contractually stipulated cents-per-gallon rate from the airport's fixed base operator. Expenses of the Airport department include those to maintain facilities and infrastructure, contract for Air Rescue Firefighters and plan and engineer future development.

FINANCIAL POLICIES AND PROCEDURES SUMMARY

In 2017 the Commission adopted its first comprehensive Finance and Risk Management Policy with the intent to establish, communicate and manage risk and to ensure the long-term financial stability of the organization.

GENERAL ACCOUNTING POLICIES

The Commission accounts for and reports activity in accordance with GAAP on the accrual basis of accounting. Management also maintains strict internal controls to safeguard the Commission and its assets. Activities are budgeted and accounted for in one of four departments as discussed in the next section and in one of nine accounting groups within those departments.

Capital assets include land, land improvements, buildings, building improvements, fixed and moveable equipment, software and donated assets. With the exception of land and land improvements all assets are depreciated using the straight-line method from the date of acquisition. Assets may only be retired and disposed of with Commission approval subject to grantor requirements and through a public bid or marketing campaign unless transferred via an intergovernmental agreement to another County or State agency. Computer hardware is decommissioned and disposed of by the Commission's contracted technology service provider.

DELEGATIONS OF AUTHORITY

The Commission's delegations of authority define the limits of authority designated to specified positions of responsibility and establish the maximum dollar amounts and types of obligations to which those persons may commit the Commission. All documents executed by way of delegated authority shall be spread on the minutes of the Commission.

FINANCIAL REPORTING AND AUDIT

Annual reporting is provided through a Comprehensive Annual Financial Report (CAFR) which includes the results of the annual independent audit. These reports may be located on the Commission's website at portairspace.com.

The CFO provides the Commission quarterly fiscal year-to-date Statements of Net Position and Statements of Revenues, Expenses, and Changes in Net Position prepared on the GAAP basis.

In addition to the annual and quarterly reporting a budget to actual comparison of operating and non-operating revenues and expenses and sources and uses of capital funds are presented to the Commission with an analysis of significant variances for each department and on a consolidated basis. Monthly reporting also includes cash balances by revenue source, restricted cash balance, accounts receivable analysis, debt balance, and an investment report.

Approval of payments made to vendors is evidenced by Commission's approval of regular dockets listing all expenses to be paid. Payments may not be released without approval as spread on the minutes of the Commission and, in the case of expenses over \$25,000, the County Board of Supervisors.

BUDGETING

The budget adopted by the Commission shall be balanced so that estimated operating expenditures do not exceed estimated operating revenues available for appropriation. The Commission's budget is prepared on the modified accrual basis for all departments and assumes that prior years' ending cash balances may be utilized to balance the budget.

The annual budget provides an operating, non-operating and capital financial plan to the Commission and the County Board of Supervisors for approval. The CEO has overall responsibility for preparing and presenting the annual budget to the Commission and Board of Supervisors. The CFO is responsible for coordinating the overall preparation and administration of the Commission's annual budget process and together with the CEO will present the draft budget to the Commission for consideration, amendment and ultimate approval. Department Directors have primary responsibility for formulating budget proposals within their departments.

Each year staff workshops the operating and the capital budgets separately with Commissioners and members of the public during separate meetings beginning in July following the annual strategic planning session in June. The draft budget which will include operations, non-operations and capital is presented to the Commission in August of each year for approval at the last August Commission meeting. Final approval by the County Board of Supervisors follows in September of each year.

Commission staff shall keep expenditures within the limits set by the consolidated departmental budget line items. The Commission may amend the budget by accepting and spreading the amendment on the minutes and receiving approval of any amendment from the County Board of Supervisors. In the event that departmental budget line items are exceeded, Directors may, with the expressed written permission of the CFO, redirect funds from other line items to offset those exceedances. However, at no time shall a consolidated line item be exceeded without prior amendment of the budget.

The CFO will seek to obtain the Government Finance Officers Association Distinguished Budget Presentation Award each year. The Budget will be presented in a way to maximize transparency to the public and other interested parties.

Staff will present the Commission with a final amended budget in October of each year for the preceding fiscal year and according to State requirements.

CASH

The Commission will maintain at a minimum one bank account for each major revenue source and additional accounts as requested by the CFO to account for various monies for purposes such as escrow funds, debt service, capital and/or cash reserves. Opening and closing a bank account requires Commission approval. Presently, the Commission has one principal depository institution with eight (8) bank accounts. The accounts do not incur fees and accrue nominal interest income on monthly average balances.

A minimum of two and maximum of four Commissioners will be authorized signers for bank transactions. Two signatures will be required for disbursements. The Commission will use a magnetic ink character recognition (MICR) system for check signatures.

The CFO shall ensure that cash balances are sufficient to meet short-term operating, debt and capital obligations. In addition, the Commission desires to retain funds for use in future matching funds to support grant applications and to support cash and other investments necessary to attract industry to Hancock County.

The CFO will be responsible for monitoring cash balances and restrictions ensuring minimum unrestricted cash

balance equal to or greater than 90 days estimated operations, debt, and capital requirements. The total unrestricted funds balance target is \$10 million.

Multiple internal controls are in place to safeguard depository assets.

SALES AND ACCOUNTS RECEIVABLE

Pursuant to Title 596 of the Mississippi Code of 1972, as amended (the "Act") the Commission is authorized to establish rates and charges applicable to properties within its jurisdiction. Accordingly, the Commission publishes its Rates and Charges applicable to users of Stennis International Airport and Tariffs related to users of Port Bienville Industrial Park and Port Bienville Railroad. Tenants of Port Bienville Industrial Park are subject to the Commission's Water and Sewer Use Ordinance.

In addition to those published rates and charges the Commission may negotiate other fees and additional terms with prospects and existing tenants as agreements expire.

These documents are located on the Commission's website at PortAirSpace.com.

PROCUREMENT AND ACCOUNTS

PAYABLE

All commitments for payment made on behalf of the Commission must be accompanied by a form of approval in writing by authorized persons. Purchasing must comply with State law (Title 31, Chapter 7, Mississippi Code of 1972, as amended) and be within the annual budget set by the Commission. Purchases may only be made for Commission business.

Staff is limited by policy to the types of commitments made to purchase goods and services. Purchase orders are required to be approved by management prior to committing to purchase. The procedures required are detailed in the Employee Guidebook.

DEBT

The Commission may prefer to pay for infrastructure and expansion projects by securing debt. With the possible exception of an extraordinary event such as Hurricane

Katrina debt will not be used to finance operations. The State of Mississippi incentivizes economic growth in many ways, one of which is offering low or zero interest loans through one of its agencies such as the Mississippi Department of Transportation and the Mississippi Development Authority. These loans may be used to fund capital improvements.

The authority to issue bonds vests with the County Board of Supervisors who may secure revenue or general obligation bonds on behalf of the Commission. The process of securing a bond requires the BOS approve a request by resolution from HCPHC including the type of bond requested (general obligation or revenue), the amount of funds, a detailed description of the purposes of the bond, requested date of issuance, maturity date, and any other information that may be pertinent. The BOS may call for an election of the general population, however in lieu of this election, the BOS may, at their discretion, resolve to issue these bonds without the use of an election.

The bonds must be sold “in such a manner and for such a price as it may determine to be for the best interest of Hancock County, but no such sale (other than revenue bonds) shall be made at a price less than par plus accrued interest to date of delivery of the bonds to the purchaser.” The proceeds of these bonds must be placed into a special fund in banks qualified to act as a depository in Hancock County and may only be used for purposes for which they were expressly issued.

INVESTMENTS

Temporarily idle or unexpended funds of HCPHC shall be invested in accordance with principles of sound treasury management and in accordance with provisions of the Mississippi Code of 1972, as Amended, Section 59-9-19(f) and the Commission’s Investment Policy.

The basic objectives of HCPHC’s investment policy are safety of invested funds, maintenance of sufficient liquidity to meet cash flow needs and attainment of the maximum return possible consistent with the first two objectives.

The achievement of these objectives shall be accomplished in the following manner:

HCPHC shall insure the safety of its invested funds by limiting credit and interest rate risks. Credit risk is the risk of loss due to the failure of the security issuer or backer. Interest rate risk is the risk that the market value of portfolio securities will fall due to an increase in general

interest rates.

Credit Risk will be mitigated by:

- Limiting investments to the safest types of securities;
- The Commission designating depositories of funds at a regularly scheduled meeting in accordance with Miss. Code Section § 59-9-19(f); and
- Monitoring all the HCPHC’s investments to anticipate and respond appropriately to a significant reduction of credit-worthiness of any of the issuers. The current health of depositories or security dealers with whom HCPHC does business will be evaluated at least annually.

Interest Rate Risk will be mitigated by:

- Structuring HCPHC’s portfolio so that securities mature to meet the HCPHC’s cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to their maturing to meet those specific needs;
- Investing primarily in short and mid-term securities (maturities from 1-5 years); and
- Occasionally restructuring the portfolio to minimize the loss of market value and/or to maximize cash flows.

The physical security or safekeeping of HCPHC’s investments is also an important element of safety. The Policy has a section entitled “Safekeeping of Securities” that specifically defines the safekeeping requirements.

HPCHC’s financial portfolio must be structured in a manner which will provide that securities mature at approximately the same time as cash is needed to meet anticipated demands. Additionally, since not all possible cash demands can be anticipated, the portfolio should consist largely of securities with active secondary or resale markets.

The investment portfolio shall be designed with the overall objective of obtaining a total rate of return throughout economic cycles, commensurate with investment risk constraints and cash flow needs.

Types of investments authorized include:

- United States Treasury bills, notes and bonds, guaranteed as to repayment for which the full faith and credit of the United States are pledged for the payment of principal and interest.
- Collateralized and/or insured interest-bearing demand deposits insured by the Federal Deposit Insurance Corporation.

- Certificates of deposit, the total of which shall not exceed 15% of the total portfolio, and which shall be insured by each institution at the maximum amount required by regulations of the F.D.I.C.
- Federal agency obligations, participations, or other instruments, including those issued with triple-A rating or implied guarantee as to principal and interest by U. S. government-sponsored enterprises.

The CFO shall prepare a monthly Investment Report, including a succinct management summary that provides a clear picture of the status of the current investment portfolio and all security transactions made over the past month. This management summary shall be prepared in a manner which will allow HCPHC to ascertain whether investment activities during the reporting period have deviated from HCPHC's Investment Policy. This report shall be submitted within thirty (30) days following the end of the month.

GRANTS MANAGEMENT

This policy is applicable to any department or employee preparing and submitting grant applications for funds to be received and administered by the Commission. The goals and objectives of departments should be established early in the budget planning processes and should align with the Commission's mission and plan.

The Finance Department will maintain grant files to facilitate management reporting and monitoring. The Finance Department will review expenditures for obvious non-compliance and will act as liaison with department directors and independent auditors. Department directors will submit all grant information required by the Finance Department to carry out oversight risk management.

ECONOMIC DEVELOPMENT

The economic development tools of the Commission include a number of financial tools that allow for the advancement of the Commission's purpose. These include:

- Use of public funds to build infrastructure to support projects and/or companies that choose to locate or expand in Hancock County.
- Cash incentives to assist with workforce training and other allowable investments to entice companies to locate in Hancock County.

- Assistance to Hancock County Board of Supervisors and Tax Assessor/Collector in processing of requests for tax exemptions to induce economic development.
- Acting as a recipient of State grant and other program support related to the development of a project/program that attracts industrial operations to Hancock County.

Any use of Commission funds to support economic development shall be budgeted and approved in accordance with relevant sections of this policy. Specific incentive/cash assistance expenditures shall be disclosed as part of the Commission financial audit disclosures.

The Commission does not approve tax exemptions. However, the Commission will assist Hancock County in documenting and reporting all necessary GASB 77 requirements each year for projects with an approved tax exemption and within the Commission jurisdiction.

It is the general policy of this Commission to ensure that any use of public funds for infrastructure or other incentives to support private investment are directly connected to the generation of net new jobs, enhanced tax base or increased revenue for the Commission. Such terms shall be incorporated in economic development agreements or related contractual instruments (i.e. leases, or land sale purchase agreements) and such terms shall establish the minimum performance standards required by the benefitting entity.

The agreements shall also include so called "claw back" provisions such that a counter party who fails to generate the required public benefits shall forfeit or refund public funds for noncompliance.

All economic development incentive agreements and any related real estate documents shall be approved by both the Commission and Board of Supervisors and related expenditures shall be budgeted/restricted for the term of the agreement regardless of the amount.

RISK MANAGEMENT AND INSURANCE

The Commission's risk management program consists largely of the procurement of insurance products incorporating best practices and as available in the marketplace. At a minimum the Commission will review and bind annually the following coverages:

- Commercial Property
- Standard and Excess Flood (where deemed appropriate)

- Package – including General Liability, Crime, and Auto/Garage Keepers
- Auto Physical Damage
- Umbrella
- Rolling Stock/Equipment
- Railroad Liability
- Airport Liability
- Pollution Liability
- Public Officials
- Bond coverage for all Commissioners, the CEO, CFO, and Accounting Supervisor
- Workers Compensation

Policy limits and deductibles will be determined annually.

INTERNAL CONTROLS

The internal control system should provide reasonable assurance that these objectives have been met:

- Authorization - All transactions are properly authorized by management.
- Safeguarding of Assets -Acquisition, disposal and use of assets and records is permitted only with management's authorization. Assets include tangibles and intangibles. Controls are necessary to ensure they are optimally utilized and protected from misuse, fraud, misappropriation or theft.
- Prevention and Detection of Fraud - The CFO is responsible for developing, implementing and enforcing a system of internal controls to include functions handling cash (including receipts and disbursements for goods and services), investments, fixed and capital assets and payroll.

Best efforts to incorporate controls to remedy deficiencies that have been identified by the independent auditor will be made.

The CEO is responsible for ensuring staff follow internal control policies and procedures.

- Completeness and Accuracy of Accounting Records - The Finance Department will strive to ensure that all accounting transactions are fully and accurately recorded, that assets and liabilities are correctly identified and valued, and that all costs and revenues can be fully accounted for.
- Timely Preparation of Financial Information -The CFO will record and report all financial transactions to the Commission and staff as appropriate in a timely manner to facilitate effective management decision making.

ANTI-FRAUD TRAINING

Fraud risk assessment is one element of internal control. The CFO will conduct an annual anti-fraud training session for all staff. For purposes of this policy, the term fraud is used to describe offenses such as, but not limited to, deception, bribery, forgery, extortion, corruption, theft, conspiracy, embezzlement, misappropriation, false representation, concealment of material facts, and collusion.

Training will include the following:

- What Fraud is and What it is not
- Employee Code of Ethics
- Fraud Prevention
 - Background checks for certain new hires
 - Segregation of duties
 - Cross training
 - Limitations of physical access to assets
 - Removal of unauthorized and terminated users
- Communication of Possible Violations
- Disciplinary Actions

RECORDS RETENTION AND FREEDOM OF INFORMATION ACT REQUESTS

"Document" means all books, records, papers, accounts, letters, maps, photographs, films, cards, tapes, recordings or reproductions thereof, and any other documentary materials, regardless of physical form or characteristics, having been used, being in use, or prepared, possessed or retained for use in the conduct, transaction or performance of any business, transaction, work, duty or function of the Commission or required to be maintained by the Commission. "Document" does not include copies of records made for convenience.

- **Administration** - The organization's Chief Executive Officer shall designate an administrator ("Administrator") to be in charge of the administration of this Policy. The Administrator's responsibilities shall include supervising and coordinating the retention and destruction of documents pursuant to this Policy. Particular attention shall be paid to the Document Retention Schedule. The Administrator shall also be responsible for documenting the destruction of organization documents and retaining such

documentation. The Administrator shall at least annually coordinate with other Commission staff to identify and destroy documents that are eligible for destruction pursuant to an approved Record Retention Schedule.

- **Responsibilities of Constituencies** - The Commission's staff shall be familiar with this Policy, shall act in accordance therewith, and shall assist the Administrator, as requested, in implementing it. For contractors, vendors, or other third parties that may be in possession of Commission documents, depending upon nature of the documents involved with the particular third-party relationship, the Commission, through the Administrator, shall share this Policy with the third-party, requesting compliance. In particular instances, the Administrator may require that the contract with the outsider specify the particular responsibilities of the outsider with respect to this Policy. All Commission Staff, and any third parties who are identified as having responsibilities under this Policy, shall execute an "Acknowledgement of Receipt of, Understanding of, and Agreement to this Policy."
- **Retention** - All public records shall be retained according to a Document Retention Schedule. All retention requirements shall be treated as minimum retention periods and retention for longer periods is authorized if the individual has reason to believe that a record may be required beyond the minimum retention period for the efficient operation of the Commission. Documents not addressed in a Document Retention Schedule may not be disposed of.
- **Electronic Documents; Document Integrity** - Documents in electronic format shall be maintained just as hard copy or paper documents are, in accordance with the applicable Document Retention Schedule. Each individual who sends or receives email/electronic documents is responsible for retaining each applicable email/electronic document in accordance with this record retention policy. Wherever possible, the individual shall use the shared electronic filing system to store electronic documents. Notwithstanding the foregoing, an individual may comply with record retention obligations by keeping emails on their computer, provided emails are stored in folders and subfolders in a manner to aid in the retrieval by subject matter and provided emails documenting significant Commission action or

decision are stored in the shared electronic filing system. To the extent possible, significant electronic documents, such as those documenting significant Commission decisions or actions or containing the only record of significant information should be reduced to a paper copy and stored in the appropriate physical file.

- **Suspension of Document Destruction; Compliance** - The Commission becomes subject to a duty to preserve (or halt the destruction of) documents once litigation, an audit or a government investigation is reasonably anticipated. Therefore, if the Administrator becomes aware that litigation, a governmental audit or a government investigation has been instituted, or is reasonably anticipated or contemplated, the Administrator shall immediately order a halt to all document destruction under this Policy, communicating the order to all affected constituencies in writing. The Administrator may thereafter amend or rescind the order only after conferring with legal counsel.

If any Commissioner or staff member becomes aware that litigation, a governmental audit or a government investigation has been instituted, or is reasonably anticipated or contemplated, with respect to the organization, and they are not sure whether the Administrator is aware of it, they shall make the Administrator aware of it. Failure to comply with this Policy, including, particularly, disobeying any destruction halt order, could result in possible civil or criminal sanctions. In addition, for staff, it could lead to disciplinary action including possible termination. Records involved in investigations, audits, or litigation must be maintained until at least twelve (12) months after the disposition or settlement of any such matter, including any subsequent appeals, regardless of other guidance in an applicable Document Retention Schedule.



OPERATING AND CAPITAL FINANCIAL SUMMARIES



GENERAL OPERATIONS DEPARTMENT

ADMINISTRATION AND FINANCE

The Administration and Finance Department is generally responsible for providing administrative support to other departments so that our economic development and operations staff can focus on their core responsibilities.

Primary areas of responsibility for this department include managing legal and compliance issues, corporate governance, contract procurement and administration, grant writing and administration, payroll and benefits-related human resource issues, records management and retention, technology and insurance program management, and financial management and reporting.

Examples of work within the responsibility of the Administration and Finance Department:

Legal and Compliance

- Manage relationship with outside legal counsel
- Review, negotiate, and interpret new and existing contracts
- Provide guidance on compliance with applicable legal and regulatory requirements

Corporate Governance

- Oversee organization and preparation of Commission meetings
- Record and maintain minutes of the Commission
- Ensure operations within corporate authorities of Commission

Contract Procurement and Administration

- Coordinate with other departments to ensure compliance with Mississippi procurement law, including the development and publication of requests for qualifications and proposals
- Prepare and maintain all documentation necessary for procurement purposes
- Prepare and/or review contract-related documents such as notice of awards, notices to proceed, and change order requests
- Review contract packages for compliance with all bonding requirements

Grant Writing and Administration

- Assist in the preparation and review of grant applications
- Oversee communications with granting organization or grant administrator
- Ensure compliance with non-finance related grant obligations and assurances

Human Resources

- Provide guidance to managers on legal and compliance human resources related issues
- Maintain and update personnel policies and employee handbook
- Participate in and oversee employee disciplinary matters

Records Management and Retention

- Maintain official files and records of the Commission
- Maintain and promote compliance with record retention policy

Financial Management and Reporting

- Monthly preparation of budget to actual financial statements and variance analyses
- Quarterly preparation of GAAP Statements of Net Position and Revenues, Expenses, and Changes in Net Position
- Annual preparation and presentation of the Comprehensive Annual Financial Report (CAFR)
- Annual oversight and coordination of the annual audit
- Maintain adequate internal controls to ensure fiscal integrity
- Forecast financial outcomes related to project or business plan alternatives
- Manage operating and capital budgeting processes
- Annual review and renewal of property, liability and employee benefit insurance programs
- Oversight management of the following functions and personnel performing those functions: accounts payable, accounts receivable, payroll, fixed assets, notes receivable and payable, cash management and debt, and capital project and grant contract monitoring and reporting

Current Staff

Chief Administrative Officer. The CAO is responsible for the Commission's Administrative Department team and the provision of administrative support to the other departments. In addition to managing and assisting the other members of the Administrative Department Team, the CAO takes primary responsibility for legal and compliance responsibilities. Reporting to the Chief Administrative Officer are:

- *Executive Secretary/Officer Manager.* The Executive Secretary/Office Manager is responsible for the corporate governance of the Commission, including responsibility for preparing agendas and minutes for Commission meetings and coordinating approvals, when necessary, with the Hancock County Board of Supervisors. The Executive Secretary /Office Manager has primary responsibility for maintaining and updating the Commission's capital project and grant files and associated vendor

contract files. The Executive Secretary/Office Manager also works with the CAO to administer all vendor contracts related to capital projects and grant files.

- *Administrative Assistant.* The Administrative Assistant reports directly to the Chief Administrative Officer and is responsible for the receptionist duties of the Commission. The Administrative Assistant also performs secretarial duties for the Chief Executive Officer and the other chief officers and directors of the Commission staff. The Administrative Assistant is responsible for maintaining and updating the files that are not part of a Commission's capital project or grant or vendors associated with a capital project or grant. The Administrative Assistant also provides support as requested by the chief officers or directors of the Commission.

Chief Financial Officer. The CFO is responsible for the accurate and timely recording and reporting of all sources and uses of funds and Commission assets and obligations. Positions reporting to the Chief Financial Officer are :

- *Accounting Supervisor.* The Accounting Supervisor provides oversight of general ledger accounting, ensures employee and payroll record keeping is compliant and manages payroll and employee benefit transactions.
- *Senior Accountant.* The Senior Accountant ensures that the Commission's rights to sales revenues and obligations for purchases are recorded timely and according to contract. This position also has responsibility for monthly report preparation and provides regular project support to the CFO.

Performance Fiscal Year 2017

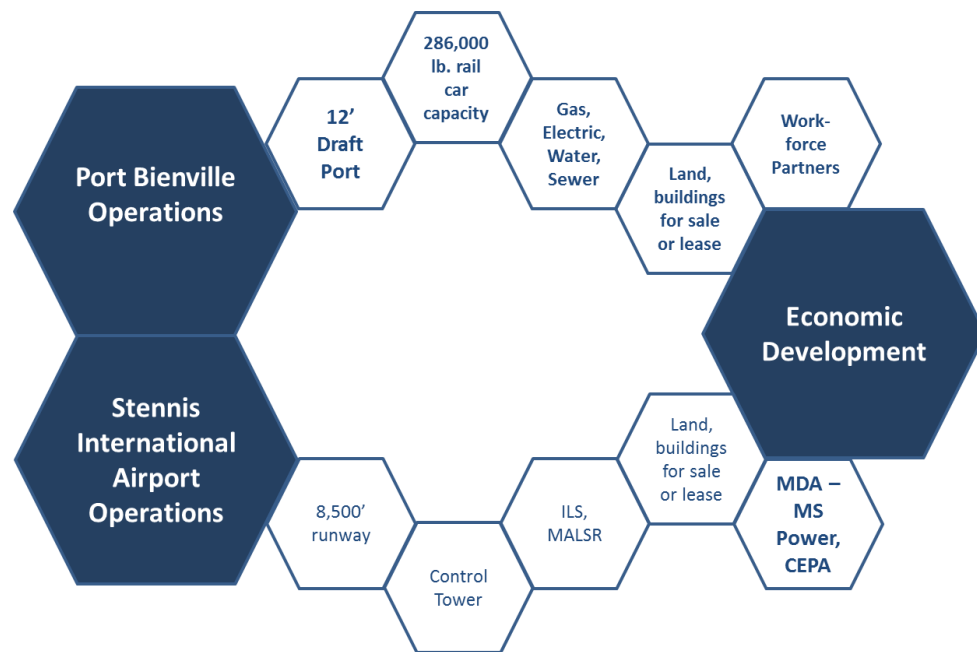
The Administration and Finance Department was restructured in FY 2017 because the Chief Administrative Officer and Executive Secretary/Office Manager were new hires and the Administrative Assistant was assigned new duties as part of the transition to the new headquarters (the Robert Kane Administrative Center).

In addition to hiring employees and establishing new roles and responsibilities for the restructured staff, the Administration Department's primary focus in FY 2017 included streamlining the Commission's approval process; developing and implementing a records retention policy; and developing a delegation of authority's policy for the Commission. The Department also developed a new contract numbering and tracking system and developed a standard contract for real estate leases.

The department also faced some restructuring as technological investments improved efficiencies. The Accounts Payable cycle was largely automated. A new property management module was installed which captures lease document contractual rights and obligations providing improved work flow and helps staff monitor lease termination dates and tenant insurance requirements. This system also improved the process of billing tenants. Our fixed assets accounting system was integrated with the general ledger system resulting in a

small annual cost savings. The addition of our CAO and the technology improvements increased efficiencies, allowing a reduction in Finance department staff of one (1) full time employee.

Finance implemented a new investment policy in the current year which was then included in the new finance and risk management policy which is summarized in this document.



Fiscal Year 2018 Objectives and Key Investments

For Fiscal Year 2018, the Administration and Finance Department will be focused on the following initiatives:

- Implementing board management software to further reduce the administrative burden associated with the corporate governance of the Commission
- Improve the creation of and accessibility of institutional knowledge and history of the Commission
- Increase transparency for residents of Hancock County
- Revising Port Bienville Industrial Park's rules and regulations, tariffs, and covenants
- Completing review and overhaul of Commission bylaws, policies, and employee handbook
- Developing delegation of responsibilities and property management plan for county-owned property
- Completing standard contract documents
- Conducting environmental compliance audit
- Developing compliance plan/calendar

ADMINISTRATION AND FINANCE BUDGET

Operating Supplies & Materials		Personnel Services	
Equipment, Hardware & Software	\$ 17,800	Salaries & Wages - Regular Time	545,816
Supplies - Custodial	1,500	Salaries & Wages - PTO Payout	10,066
Supplies - Office	14,500	Employee Physicals	500
Supplies - Operating	600	Insurance - Health/Life/LTD/AD&D	100,290
Total Supplies & Materials	34,400	Insurance - Workers Comp & Occupational	1,348
Other Services & Charges		Retirement - PERS	165,837
Advertising & Local Industry Promotion	3,200	Tax - Mississippi Unemployment	910
Marketing	-	Tax - Federal SSI/Medicare	40,230
Association Dues	2,800	Total Personnel Services	864,997
Insurance - Property & Liability	47,148	Total Expenses	1,163,963
Licenses, Fees & Permits	900	Net Loss from Operations	(1,163,963)
Rent - Buildings & Equipment	4,650	Non-Operating Income	
Repair/Maintenance/Improvements - Buildin	1,000	Interest Income - Checking & Savings	76,000
Repair/Maintenance/Improvements - Equipm	1,000	Non-Operating Income	76,000
Repair/Maintenance/Improvements - Grounc	8,000	Other Sources of Funds	
Services - Auditing	42,000	Transfers In	1,087,963
Services - Commissioners	20,000	Other Sources of Funds	1,087,963
Services - Contract	17,868	Net Sources and (Uses) of Funds	\$ -
Services - Engineering	-		
Services - Legal	49,000		
Services - Payroll	7,000		
Services - Professional	20,000		
Services - Security Systems	1,000		
Subscriptions, Books, & Periodicals	200		
Telephone & Telecommunications	9,600		
Training/Education	6,200		
Trade Shows, Conferences & Symposiums	-		
Travel - General	5,000		
Utilities	18,000		
Total Other Services & Charges	264,566		

ECONOMIC DEVELOPMENT

The Economic Development Department has overall responsibility for business development and stewardship of industrial employment growth, tax base enhancement and revenue expansion in Hancock County. The experts in the department accomplish this through best-in-class programs directed at industrial recruitment, product development, existing industry retention/expansion, and marketing of county assets.

The department is responsible for the existing HCPHC lease portfolio and customer service, collaborating with the Port and Airport operations staff as well as commercial real estate owners to identify and develop industrial “Project Ready” sites. A strong alliance is also maintained with the Mississippi Development Authority to coordinate local responses to national inquiries from industrial site selectors.

The Economic Development Department staff work with multiple agencies to address enhancement to the workforce; bring awareness to our various market clusters, including chemicals, commercial space and defense; and support regional economic development efforts such as the Mississippi Gulf Coast Alliance for Economic Development.

The Commission’s marketing efforts for FY 2018 will include standard print and web advertisement to key sectors, as well as social media and specialized brochures. The recruitment strategy is aligned with existing strategic advantages and foreign direct investment.

Current Staff

The department has three full-time professional staff members:

Chief Development Officer is responsible for HCPHC's Economic Development team and its focus on industrial recruitment, site development, existing industry expansion, and marketing. Reporting to the Chief Development Officer are:

- *Business Development Manager* conducts research for potential leads for retail and industrial prospects; maintains existing facilities and sites databases for a three-county region; maintains data on demographics, property and infrastructure; completes formal and informal Requests for Information (RFI); prepares for and participates in site visits; responds to day-to-day requests for economic development-related information; and maintains accurate, up-to-date information for website and marketing materials.
- *Industry and Government Relations Manager* maintains close working relationships with local, state, and federal government partners, attends local meetings, and communicates with local industry.

Additional Staff

The Department budgeted an economic development intern for FY 2018.



HCPHC & Hancock Chamber Business Retention and Expansion Results Luncheon

Performance Fiscal Year 2017

During fiscal year 2017, the Economic Development Department reported numerous accomplishments:

Local industry promotion

- Fully implemented the first-year Business Retention and Expansion Initiative Program which has identified nearly 2,300 new jobs and over \$200 million in new investments planned in the next couple of years. Sixty companies participated in the program, which was jointly implemented with the Hancock County Chamber of Commerce.

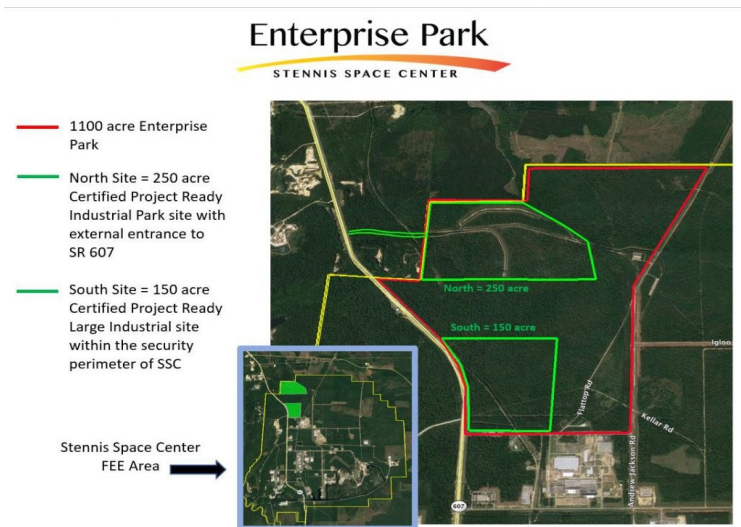
Expansion/location projects

- Calgon Carbon recently announced expansion in Port Bienville with 18 new jobs and a \$5.4 million investment. Link: <http://portairspace.com/news/article/calgon-carbon-earns-defense-production-act-dpa-title-iii-program-award>
- Goodnight Terminal Services, Inc. recently located in Port Bienville. They will add up to 15 employees over the next year and \$500,000 in investment.

- L & A Contracting is temporarily using HCPHC land and water access to move concrete from what's left of the old 9-mile turnaround, a vestige of the Lake Pontchartrain Causeway when it was a single, two-lane bridge between 1956 and 1969. Link: <http://www.landacontracting.com/>
- SNF Polychemie is planning an expansion, including a new rail spur, additional jobs, and capital investment. Link: <https://www.snf.us/>
- Trash Doctors is pursuing MDEQ permits necessary for operations. Link: <http://www.trashdoctors.com/>
- The Hancock County Ad Hoc Military Affairs Council, which focuses on local defense mission expansion and retention, was created.
- The Hancock County Workforce Committee was created as the result of feedback gathered in the Business Retention and Expansion Initiative Program.
- The Department participated in 12 local, state, regional, and national economic development strategic groups.

Marketing

- Assisted with the Project Ready and Enterprise Park ideas and marketing at Stennis Space Center.
- Appointed to the newly created Governor's Ocean Task Force to address integrated markets for unmanned systems and maritime/blue economy cluster growth on the coast. Link: <http://portairspace.com/news/article/cork-appointed-to-ocean-task-force>
- Developed and implemented Hancock County's first formal Tax Exemption Policy and audited the collectable taxes at the Port and Airport, resulting in an immediate increase to county revenues for unreported property.
- Completed Aviation and Aerospace Optimization Plan to implement in FY 18.
- Initiated Project Ready Certification of three sites at Port Bienville Industrial Park and one site at KHSa, finalized in FY18.
- Implemented the Project Management tools in our new BRE software, Synchronist®, to track ED project pipeline and benchmark results. Reporting monthly to Commission with Deep Dive reporting quarterly.
- Updated website, interior of the new office, social media, defense cluster brochure and other media enhancements to the image of the organization.



Fiscal Year 2018 Objectives and Key Investments

The following table reflects the department's key objectives for Fiscal Year 2018 and the unique one-time investments proposed to fund these initiatives:

Objective	Investment
Marketing for Industrial Canal at Port Bienville	\$ 60,000
Complete Project Ready Certifications on Sites in Progress	\$ 12,000
Stennis Space Center Enterprise Park Agreement	\$ 20,000
Implement Key Elements of Aerospace Optimization Strategy	\$ 55,000
Implement ACT Work Ready Communities Program	\$ 20,000
Establish HPT Regional Strategic Growth Coalition	\$ 10,000

- Marketing for Industrial Canal at Port Bienville - Implement strategic marketing for dock development/port infrastructure revenue streams.
- Pursue HCPHC developing and managing industrial park within Stennis Space Center for key industry attraction.
- Apply final Aerospace Optimization Plan to market strategy and spaceport feasibility .
- We will coordinate marketing activities for workforce optimization. ACT is American College Testing and the ACT Work Ready Communities program empowers states, regions and counties with data, process and tools that drive economic growth. Participants are leveraging the National Career Readiness Certificate (NCRC™) to measure and close the skills gap — and building common frameworks that link, align and match their workforce development efforts. For more information, visit <http://workreadycommunities.org/>.
- The HPT informal partnership consists of the three counties in West Mississippi and East Louisiana that are part of the I-10 Technology Corridor. We aim to coordinate marketing activities for workforce optimization, since we share a common labor pool, and promoting local NASA interests in the region: Stennis Space Center and Michoud Assembly Facility.

ECONOMIC DEVELOPMENT BUDGET

Operating Supplies & Materials	
Equipment, Hardware & Software	\$ 18,000
Supplies - Office	3,000
Total Supplies & Materials	<u>21,000</u>
Other Services & Charges	
Advertising & Local Industry Promotion	31,500
Marketing	141,000
Association Dues	6,445
Insurance - Property & Liability	164
Licenses, Fees & Permits	750
Services - Contract	24,500
Services - Engineering	60,000
Services - Professional	44,230
Telephone & Telecommunications	4,500
Training/Education	21,000
Trade Shows, Conferences & Symposiums	51,000
Travel - General	24,000
Total Other Services & Charges	<u>409,089</u>

Personnel Services	
Salaries & Wages - Regular Time	209,368
Salaries & Wages - PTO Payout	3,715
Insurance - Health/Life/LTD/AD&D	25,843
Insurance - Workers Comp & Occupational	727
Retirement - PERS	30,424
Tax - Mississippi Unemployment	420
Tax - Federal SSI/Medicare	16,165
Total Personnel Services	<u>286,662</u>

Total Expenses **716,751**

Net Loss from Operations **(716,751)**

Capital & Other Sources & (Uses) of Funds	
Capital	(72,611)
Transfers In	789,362
Net Capital & Other Sources & Uses	<u>716,751</u>

Net Sources and (Uses) of Funds **\$ -**



GENERAL OPERATIONS BUDGET (COMBINED)

	Prior Yr			
	Actual	2017		Budget
	2016	Budget	Projected	2018
REVENUES				
Other Operating Revenue				
Other Revenues	\$ 6,842	\$ -	\$ 44	\$ -
Grant Revenues - SMEPA/EDA Land Use Study		65,000	65,000	-
Total Other Operating Revenue	6,842	65,000	65,044	-
Total Revenues	6,842	65,000	65,044	-
EXPENSES				
Equipment, Hardware & Software	23,774	66,045	57,320	35,800
Supplies - Custodial	886	1,500	1,148	1,500
Supplies - Office	17,132	15,500	21,627	17,500
Supplies - Operating	3	-	707	600
Advertising & Local Industry Promotion	37,818	28,200	28,952	34,700
Marketing	71,407	60,580	44,656	141,000
Association Dues	6,110	7,245	7,324	9,245
Insurance - Property & Liability	55,738	56,484	49,376	47,312
Licenses, Fees & Permits	947	1,020	1,017	1,650
Rent - Buildings & Equipment	2,481	4,800	4,437	4,650
Repair/Maintenance/Improvements - Buildings	48	2,000	168	1,000
Repair/Maintenance/Improvements - Equipment	128	1,000	-	1,000
Repair/Maintenance/Improvements - Grounds	290	9,600	4,680	8,000
Services - Auditing	42,000	42,000	33,900	42,000
Services - Commissioners	24,024	28,000	14,595	20,000
Services - Contract	34,520	54,148	42,504	42,368
Services - Land Use Study	-	100,000	87,483	-
Services - Engineering	-	-	14,065	60,000
Services - Legal	62,488	84,000	22,015	49,000
Services - Payroll	6,720	7,100	6,804	7,000
Services - Professional	85,677	56,660	100,704	64,230
Services - Security Systems	243	600	1,217	1,000
Subscriptions, Books, & Periodicals	1,415	2,000	72	200
Telephone & Telecommunications	13,133	12,500	15,176	14,100
Training/Education	1,809	20,500	6,487	27,200
Trade Shows, Conferences & Symposiums	20,971	40,000	26,565	51,000
Travel - General	6,850	18,790	9,373	29,000
Utilities	4,180	26,100	11,754	18,000
Total Equipment, Supplies, Services & Charges	520,791	746,372	614,126	729,055

GENERAL OPERATIONS BUDGET (COMBINED) (continued...)

	Prior Yr Actual 2016	2017		Budget 2018
		Budget	Projected	
Personnel Services				
Salaries & Wages - Regular Time	620,950	759,770	694,389	755,184
Salaries & Wages - PTO Payout	45,679	13,814	9,400	13,781
Accrued Payroll - Year End & PTO Compensation	23,598	-	(11,696)	-
Employee Physicals	690	450	600	500
Insurance - Health/Life/LTD/AD&D	107,279	191,849	121,664	126,133
Insurance - Workers Comp & Occupational	2,244	2,170	2,071	2,075
Retirement - PERS	243,320	156,076	104,368	196,261
Tax - Mississippi Unemployment	1,555	1,680	1,849	1,330
Tax - Federal SSI/Medicare	48,704	57,054	54,751	56,395
Total Personnel Services	1,094,019	1,182,863	977,396	1,151,659
Total Expenses	1,614,810	1,929,235	1,591,522	1,880,714
Net Loss from Operations	(1,607,969)	(1,864,235)	(1,526,478)	(1,880,714)
Non-Operating Income (Expense)				
Interest Income - Checking & Savings	54,264	6,000	52,358	76,000
Investment Gain	1,126	-	-	-
Bond Issue Costs	(850)	-	-	-
Net Non-Operating Income	54,540	6,000	52,358	76,000
Capital & Special Projects Sources & (Uses) of Funds				
Grant Revenues (FEMA De-Obligation)	(3,670)	-	54,603	-
Other Revenue - Project Surety Settlement	1,450,000	-	-	-
Transfers In	-	2,488,235	-	1,877,325
Capital	(1,465,206)	(630,000)	(937,578)	(72,611)
Asset Impairment Write Down	(872,695)	-	-	-
Net Capital & Special Projects Sources & (Uses) of Funds	(891,571)	1,858,235	(882,975)	1,804,714
Net Sources and (Uses) of Funds	\$ (2,445,000)	\$ -	\$ (2,357,095)	\$ -

**GENERAL OPERATIONS
2017 WIP - 2021 CAPITAL IMPROVEMENT PLAN**

PROJECT #	PROJECT NAME	PURPOSE *	COSTS					TOTAL
			TO DATE	2018	2019	2020	2021	
GO1701	Land Abstracting	SI	\$ 27,389	\$ 72,611	\$ -	\$ -	\$ -	\$ 100,000
	Total Uses of Funds		\$ 27,389	\$ 72,611	\$ -	\$ -	\$ -	\$ 100,000

SOURCE OF FUNDS	SOURCES					TOTAL
	TO DATE	2018	2019	2020	2021	
Federal Grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State Grants	-	-	-	-	-	-
Cash Reserves	27,389	72,611	-	-	-	100,000
Debt/Bonds	-	-	-	-	-	-
Total Sources of Funds	\$ 27,389	\$ 72,611	\$ -	\$ -	\$ -	\$ 100,000

*** PURPOSE CODE**

LCM *Life Cycle Maintenance*
SA *Safety*
SI *Strategic Investment*
WIP *Work in Progress*

GO1701 – Land Abstracting - \$72,611. Comprehensive compilation of title abstracts to enable accurate land lease/sale/repurchase agreements. Funding Source – Cash Reserves.

PORT BIENVILLE RAILROAD

Port Bienville Railroad is owned and operated by the Hancock County Port and Harbor Commission. Port Bienville Railroad's primary goal is to service Port Bienville Industrial Park's rail customers safely and efficiently. Railcar service is currently provided to 7 tenants, while interchanging over 14,000 cars per year with Class I service from CSX. The track consists of a 7 ½ mile mainline capable of handling 286,000 railcars. There are 8 ½ miles of siding and storage space for up to 500 railcars. Port Bienville also has a rail trans-loading dock and weigh in motion rail scale. Several different commodities are moved for tenants including hazardous material used in the water treatment industry, steel for producing pipe and empty cars for repairs or cleaning. The largest volume is material used in plastic producing industries.

Current Staff

Port Bienville Railroad staff consists of eleven (11) full-time employees:

Railroad Manager responsible for overseeing all daily operations, direct contact for railcar customers and CSX, railroad budget, maintains all FRA and MDOT requirements, and employee scheduling. Positions reporting to the Railroad Manager are:

- *Yard Master* oversees crews, assists Railroad Manager, and office personnel as needed, and assists with rail crew training.
- *Office Manager* maintains data necessary for billing customers, maintains office records, filing, and provides rail crew with customer switch request.
- *Track Inspector/Maintenance Technician* is responsible for maintaining all safety standards of track and meeting all FRA and MDOT requirements and performs repairs to rail as needed.
- *Ground Coordinator* serves as direct contact and decision making for rail crew while in the field.
- *Engineer* operates locomotive, and performs daily inspections and servicing of locomotive to meet FRA and MDOT standards.
- *Conductor* duties include moving cars to locations as requested on switchlist, oversees all moves of the train crew and reports daily paperwork to office personnel.
- *Brakeman* assists conductor with all switching moves as related to the movement of railcars on switchlist.

Additional Staff

Additional staffing of three Trainmen has been included in the FY 2018 budget with two positions to be filled immediately and the other held for future use as demands increase.

Performance Fiscal Year 2017

- Received Jake Safety Award with distinction from the American Shortline Association with zero reported injuries.
- 4 FRA inspections with no recommended fines.
- 1 MDOT inspection with no recommended fines.
- Implemented a new staffing schedule to reduce the number of overtime hours for crew members.
- Completed training and certification for two Engineers and one Conductor.
- Completed Safety Institute Inspection and currently implementing recommendations.

Fiscal Year 2018 Objectives and Key Investments

- Zero derailments
- Continuation of safety awareness and training
- Maintain FRA and MDOT requirements
- Complete capital projects scheduled for FY18



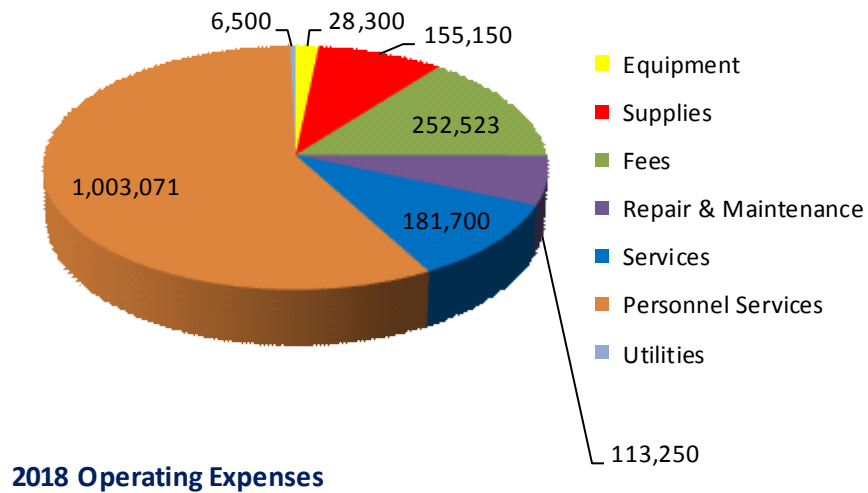
Port Bienville interchange rail crossing at Lower Bay Road

PORT BIENVILLE RAILROAD

	Prior Yr	2017		Budget
	Actual			
	2016	Budget	Projected	2018
REVENUE				
Use of Money & Property				
Contract Track Lease	\$ 476,195	\$ 482,967	\$ 507,429	\$ 495,000
Storage Track Lease	814,852	375,000	735,904	715,000
Demurrage	9,820	1,500	265	2,000
Rent: Rail Facilities Building	108,000	108,000	108,434	108,000
Total Use of Money & Property	1,408,867	967,467	1,352,032	1,320,000
Charges for Services				
Junction Settlements (Line Haul)	3,321,853	2,500,000	3,669,482	3,400,000
Switching	793,729	528,000	940,488	987,500
Weekend Services	26,004	26,000	26,108	26,000
Rail Scale Revenues	190,650	125,000	232,561	200,000
Railcar Repair Services - Contract/Inhouse	203,003	218,554	163,676	150,000
Total Charges for Services	4,535,238	3,397,554	5,032,315	4,763,500
Other Operating Revenue				
Other Revenues	9,619	18,974	9,563	8,578
Total Other Operating Revenue	9,619	18,974	9,563	8,578
Total Revenues	5,953,725	4,383,995	6,393,910	6,092,078
EXPENSES				
Operating Supplies & Materials				
Equipment, Hardware & Software	11,322	22,000	15,780	28,300
Supplies - Custodial	402	500	832	800
Supplies - Fuel/Oil	93,593	125,000	116,572	125,000
Supplies - Office	2,919	3,700	3,896	3,800
Supplies - Operating	1,699	2,000	2,933	2,500
Supplies - Safety	207	1,500	1,737	2,750
Supplies - Train/Track	542	23,000	3,143	15,000
Supplies - Uniforms	2,383	3,000	4,234	5,300
Total Supplies & Materials	113,067	180,700	149,127	183,450
Other Services & Charges				
Advertising & Local Industry Promotion	-	-	236	-
Association Dues	12,675	12,000	14,880	12,000
Insurance - Property & Liability	107,383	107,820	105,726	131,023
Licenses, Fees & Permits	11	1,000	95	500
Rent - Buidlings & Equipment	-	1,000	-	1,000
Rent - Locomotives	99,000	175,000	108,434	108,000
Repair/Maintenance/Improvements - Buildings	427	1,500	4,162	5,000
Repair/Maintenance/Improvements - Equipment	1,897	15,050	9,152	10,250
Repair/Maintenance/Improvements - Grounds	3,851	500	-	71,000
Repair/Maintenance/Improvements - Vehicles	2,695	1,000	1,807	2,000
Repair/Maintenance/Improvements - Track	11,991	60,000	20,651	25,000

PORT BIENVILLE RAILROAD (continued...)

	Prior Yr	2017		Budget
	Actual 2016	Budget	Projected	2018
Railcar Repair Expense	551	1,000	20,327	-
Services - Car Hire/Accounting	52,997	50,000	49,435	50,000
Services - Contract	3,598	6,000	3,718	4,500
Services - Rail Funding Study	-	100,000	18,795	-
Services - Port / Rail Master Plan	-	62,500	-	62,500
Services - Engineering	3,945	7,500	4,444	5,000
Services - Professional	8,415	15,100	11,677	24,000
Subscriptions, Books, & Periodicals	929	1,200	1,006	1,200
Telephone & Telecommunications	5,841	6,000	5,949	6,000
Training/Education	6,996	10,000	8,800	28,500
Trade Shows, Conferences & Symposiums	60	-	2,270	-
Travel - General	806	1,700	141	-
Utilities	5,470	7,000	5,152	6,500
Total Other Services & Charges	329,539	642,870	396,857	553,973
Personnel Services				
Salaries & Wages - Regular Time	352,794	526,649	387,375	562,709
Salaries & Wages - Overtime	58,085	44,710	95,224	57,464
Salaries & Wages - PTO Payout	3,678	10,001	16,533	8,983
Accrued Payroll - Year End & PTO Compensation	23,197	-	(10,003)	-
Employee Physicals	850	1,500	2,428	2,000
Insurance - Health/Life/LTD/AD&D	133,601	232,563	126,012	208,337
Insurance - Workers Comp & Occupational	19,000	19,000	19,076	24,182
Tax - RR Tier I, Tier II & RUIA	90,799	122,384	109,709	139,396
Total Personnel Services	682,004	956,807	746,355	1,003,071
Total Expenses	1,124,610	1,780,377	1,292,338	1,740,494
Net Income from Operations	4,829,115	2,603,618	5,101,572	4,351,584
Non-Operating Income (Expense)				
Interest Income - Checking & Savings	11,563	6,000	10,743	9,500
Debt Service Principal	(70,000)	-	-	-
Net Non-Operating Income (Expense)	(58,437)	6,000	10,743	9,500
Capital Sources & (Uses) of Funds				
Grant Revenues	1,321,980	1,607,628	801,903	677,147
Appropriations from Prior Years	-	1,729,865	-	4,627,721
Capital	(1,752,799)	(2,908,470)	(1,266,386)	(2,015,070)
Fixed Assets - Personal Property	-	(48,000)	(43,228)	-
Transfers Out	-	(2,990,641)	-	(7,650,882)
Net Capital Sources & (Uses) of Funds	(430,819)	(2,609,618)	(507,711)	(4,361,084)
Total Net Sources & (Uses) of Funds	\$ 4,339,859	\$ -	\$ 4,604,604	\$ -



Port Bienville Railroad crew

**PORT BIENVILLE RAILROAD
2017 WIP - 2021 CAPITAL IMPROVEMENT PLAN**

PROJECT #	PROJECT NAME	PURPOSE *	COSTS					TOTAL
			TO DATE	2018	2019	2020	2021	
RR1701	Manufab Spur Track Relay	LCM & SI	\$ 13,447	\$ 164,290	\$ -	\$ -	\$ -	\$ 177,737
RR1702	DAK Rail Spur	SI	32,175	524,185	-	-	-	556,360
RR1703	Rock & Timber Replacement	LCM	2,430	320,070	340,000	340,000	340,000	1,342,500
RR1706	Multi-Functional Building	SI	-	100,000	-	-	-	100,000
RR1801	Warehouse Spur	SI	-	851,617	-	-	-	851,617
RR1802	Locomotive Station	SA	-	54,908	-	-	-	54,908
RR1901	Culvert Replacement	LCM	-	-	384,920	-	-	384,920
RR1902	Straight Leg Siding	SI	-	-	504,326	-	-	504,326
RR2001	Crossings Improvements	LCM	-	-	-	175,000	-	175,000
RR2002	DAK Lead Spur	SI	-	-	-	599,909	-	599,909
RR2101	Loop Track	SI	-	-	-	-	1,136,000	1,136,000
Total Uses of Funds			\$ 48,052	\$ 2,015,070	\$ 1,229,246	\$ 1,114,909	\$ 1,476,000	\$ 5,883,277

SOURCE OF FUNDS	SOURCES					TOTAL
	TO DATE	2018	2019	2020	2021	
Federal Grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State Grants	31,853	677,147	300,000	-	-	1,009,000
Cash Reserves	16,199	1,337,923	929,246	1,114,909	1,476,000	4,874,277
Debt/Bonds	-	-	-	-	-	-
Total Sources of Funds	\$ 48,052	\$ 2,015,070	\$ 1,229,246	\$ 1,114,909	\$ 1,476,000	\$ 5,883,277

***PURPOSE CODE**

LCM Life Cycle Maintenance
SA Safety
SI Strategic Investment

CAPITAL PROJECTS - 2018

RR1701 – Manufab Spur Track Relay - \$164,290. Removes existing 90 lbs. rail from spur track and upgrades it with 115 lbs. rail. Upgrade is a safety enhancement and will support heavier rail traffic. Funding Source – Cash Reserves.

RR1702 – DAK Rail Spur - \$524,185. Provide additional railcar storage and also provide rail to 50 acre currently unmarketed site. Funding Source – State Grant and Cash Reserves.

RR1703 – Rock and Timber Replacement - \$320,070. Removal and disposal of worn crossties. Installation of new crossties and ballast rock to level track and extend its life. Funding Source – Cash Reserves.

RR1706 – Multi-functional Building - \$100,000. New elevated building to be constructed to house rail and port facilities personnel together. Footprint will be smaller than current buildings in use. Elevation will allow for parking beneath and provide protection from flooding. Funding Source – Cash Reserves.

RR1801 – Warehouse Spur - \$851,617. Rail spur will provide access to Warehouse #2 and will facilitate 400-500 new railcars per year. Funding Source – State Grant and Cash Reserves.

RR1802 – Locomotive Station - \$54,908. This project will allow sand and oil to be pumped through hoses up to locomotives so train crews will no longer have to carry 50 pound bags of sand up locomotive steps or utilize forklift to raise 55 gallon drums of oil to fill the locomotives. Productivity will be improved as well as safety measures. Funding Source – Cash Reserves.

CAPITAL PROJECTS - 2019

RR1901 – Culvert at SABIC and A&R - \$384,920. Life Cycle Maintenance, replace two culverts under RR tracks at SABIC and A&R plant entries. Will seek Multimodal funds.

RR1902 – Straight Leg Siding - \$504,326. Construct new track at Polychemie entry which will improve service to facility. Will seek funding.

CAPITAL PROJECTS - 2020

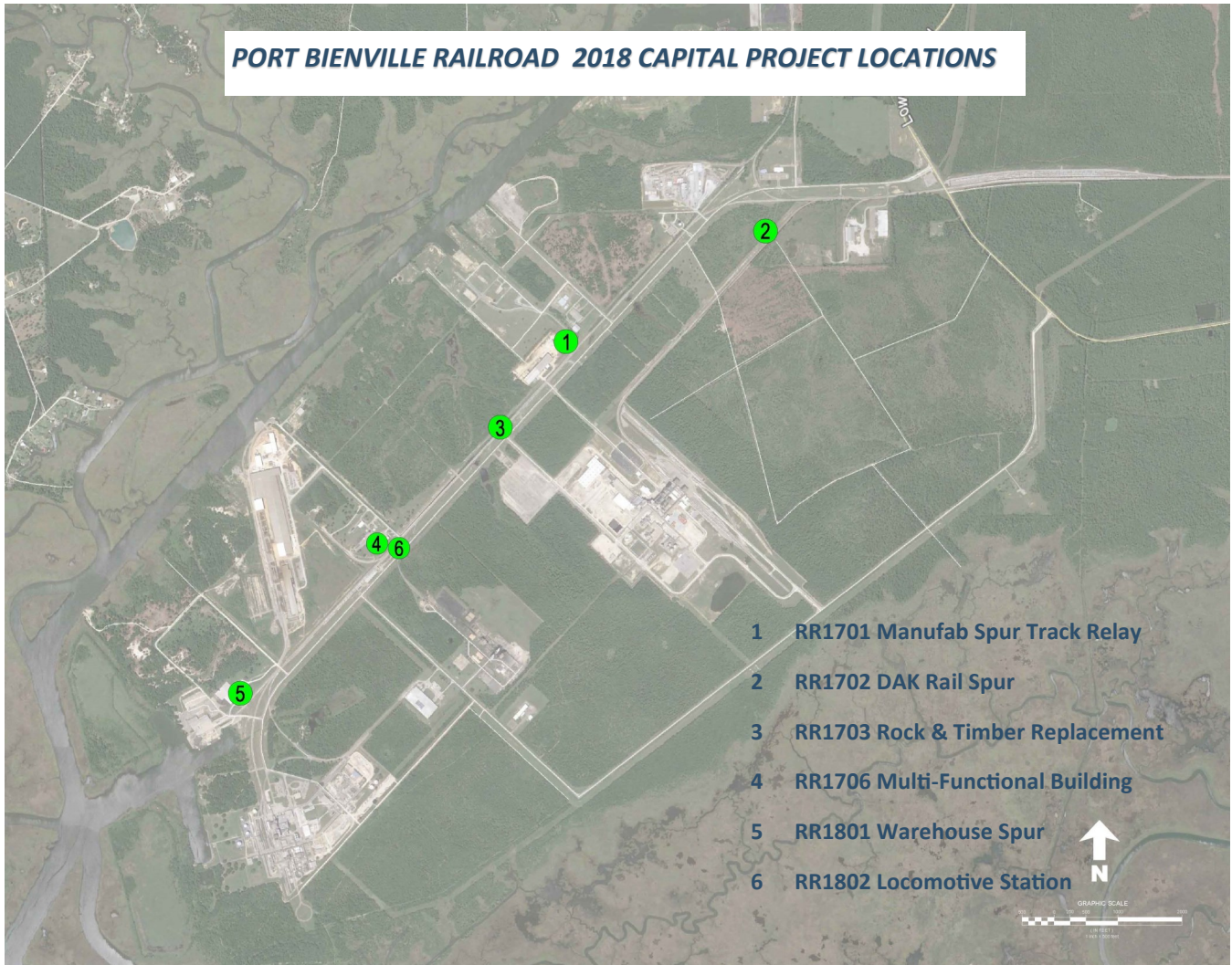
RR2001 – Crossings Improvements: Poly, Manufab, Hancock and Ansley - \$175,000. Replace ties and asphalt at four rail crossings. Will seek funding.

RR2002 – DAK Spur #2 - \$599,909. Construct new lead track spur behind site 6 to improve service to DAK. Will seek funding.

CAPITAL PROJECTS - 2021

RR2101 – Loop Track - \$1,136,800. Install approximately 4800 ft. loop track through site #4. Will seek funding.

PORT BIENVILLE RAILROAD 2018 CAPITAL PROJECT LOCATIONS



Port Bienville Industrial Park

PORT BIENVILLE INDUSTRIAL PARK

Port Bienville Industrial Park Department has overall responsibility for operations, maintenance, safety, and commerce within Port Bienville Industrial Park, including access to navigable waterways that allow connectivity to the intercostal waterway. The Department is responsible for managing the existing HCPHC lease portfolio, consisting of over 115,000 square feet of industrial building space and 900 acres of industrial land.

The public dock facilities at Port Bienville offer both long-term and short-term docking services including 1,175 linear feet of bulkhead load-out area, stabilized yard, electric power, water, security lighting and fencing. Short-term moorings are available. The Port's focus for 2018 will be to optimize useable space along the canal and increase cross-dock commodity revenues. The strategy is closely aligned with existing strategic advantages and foreign direct investment.



PORT BIENVILLE INDUSTRIAL PARK

BY THE NUMBERS:

- 3,600 acres of contiguous land
- 1,100+ acres of developable property
- 220,000 square feet of warehouse space
- 18 shovel-ready sites
- 14 Companies, 700 employees

Rail, Barge, & Trucking capabilities...

15 mi. **SHORTLINE** connecting to **CSX**

5 mi. **INDUSTRIAL CANAL** **12** ft. **Draft Port** connects to **INTRACOASTAL WATERWAY**

Current Staff

The department has four full-time professional staff members:

Port Director is responsible for HCPHC's Port Bienville Industrial Park, Port Bienville Rail operations, and its waterways. Positions which report to the Director are:

- *POTW Manager* oversees water and wastewater treatment plant, including all local, state, and federal regulatory operations.
- *POTW Technician* maintains water and wastewater plant for industrial operations.
- *Facilities Lead/Water Technician* oversees property management and facilities maintenance.



Port Bienville Industrial canal

Performance Fiscal Year 2017

- Four new businesses began operations at the port in 2017 including Goodnight Terminal Services, L&A Contracting, Sunbelt Plastics, and Osterman Logistics increasing local jobs numbers, County tax base, and revenue for the Port and Rail departments.
- Staff successfully managed the Emergency Response for a disabled Anhydrous Ammonia Barge (Duvall) needing a temporary berth for transloading hazardous materials into a safe vessel avoiding a potentially catastrophic spill into the Gulf of Mexico.
- Established quarterly luncheons for port tenants as an informal means of providing development project updates and as a forum for dialogue between tenants.
- Concluded preapplication meetings with 3 corps districts, NOAA, DMR, and Louisiana Wildlife and Fisheries in preparation for the Commission's strategic 2018 objective to dredge the East Pearl River, Little Lake and Port canals. This expansive dredge project is key to diversifying the Commission's maritime customer mix.
- Awarded \$780,827 in grant funds to expand road and rail infrastructure to enhance intermodal capabilities for an existing tenant.
- Appointed to MS Intermodal Council to leverage Hancock County's unique assets to promote Mississippi trade.

Fiscal Year 2018 Objectives and Key Investments

The following table reflects the department's key objectives for FY 2018 and the unique one-time investments proposed to fund these initiatives:

Objective	Investment
Master Plan for Port and Rail	\$ 125,000
Environmental Compliance Review	\$ 35,000
Dredge East Pearl River, Little Lake and Harbor Canals	\$ 6,000,000
Linea Wharf Restore	\$ 9,250,000
Develop Site 4 Transload Facility	\$ 8,750,000

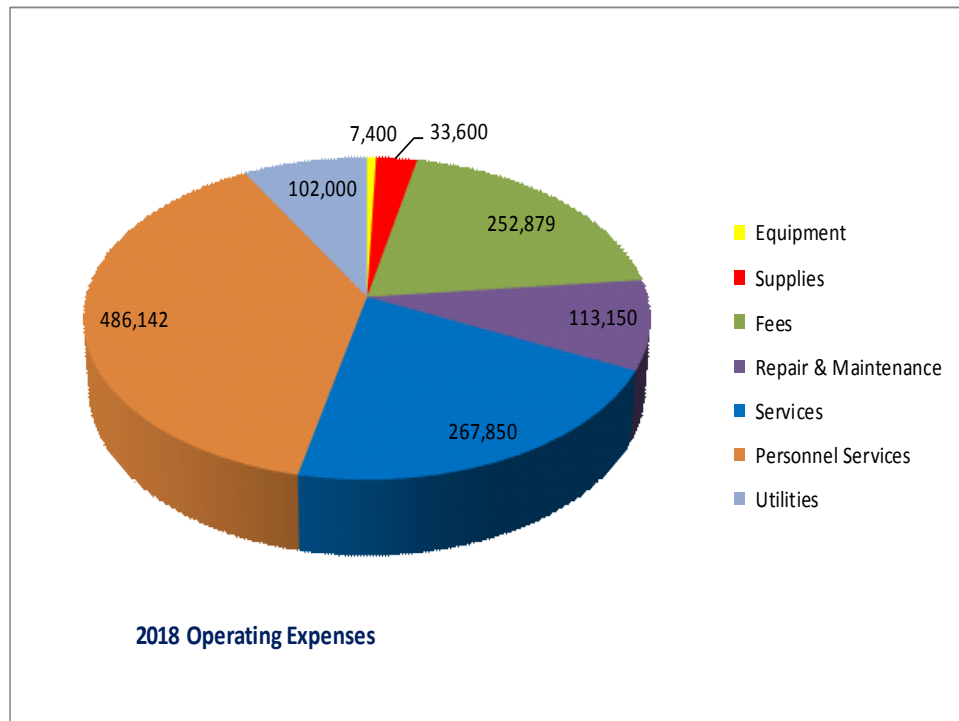
- Waterfront development strategy at Port Bienville - Strategic marketing effort for dock development, rail expansions, and port infrastructure to enhance revenue streams.
- An environmental compliance review is planned to ensure environmental risk is mitigated to the greatest extent practicable.
- Port Dredge Project - \$6,000,000. Dredge mouth of East Pearl River. Add approach from Little Lake and the Harbor Canals. Will seek funding.
- Linea Dock Site 10 Restoration - \$9,250,000. Replace current sheet pile and tie back system and improve apron area. Funded with KCDBG and cash reserves.
- Site 4 New Transload Dock - \$8,750,000. Develop waterfront wharf with transload capabilities and extend rail to apron edge. RESTORE Funds with no local match.

PORT BIENVILLE INDUSTRIAL PARK BUDGET

	Prior Yr			
	Actual	2017		Budget
	2016	Budget	Projected	2018
REVENUE				
Use of Money & Property				
Wharfage	\$ 344,288	\$ 133,000	\$ 101,948	\$ 85,500
Dockage and Demurrage	216,540	40,000	89,098	50,000
Rent: Buildings, Land & Equipment	438,267	624,035	625,759	408,394
Total Use of Money & Property	999,095	797,035	816,805	543,894
Charges for Services				
Park Assessment Fees	136,334	133,860	129,528	133,860
Water Service	80,125	65,000	72,340	80,000
Sewer Services	150,082	125,000	134,322	150,000
POTW I Revenues	374,922	360,000	359,507	315,000
Total Charges for Services	741,463	683,860	695,697	678,860
Other Operating Revenue				
Other Revenues	32,422	60,236	45,438	64,875
Total Other Operating Revenue	32,422	60,236	45,438	64,875
Total Revenues	1,772,980	1,541,131	1,557,940	1,287,629
EXPENSES				
Operating Supplies & Materials				
Equipment, Hardware & Software	27,481	8,500	581	7,400
Supplies - Custodial	619	1,300	1,152	1,600
Supplies - Fuel/Oil	7,084	15,700	7,274	4,000
Supplies - Office	1,474	1,300	553	1,100
Supplies - Operating	15,933	30,150	11,681	23,750
Supplies - Safety	274	300	110	300
Supplies - Uniforms	602	950	1,464	2,850
Total Supplies & Materials	53,468	58,200	22,815	41,000
Other Services & Charges				
Advertising & Local Industry Promotion	116	5,500	1,340	-
Association Dues	2,255	3,500	1,234	8,600
Insurance - Property & Liability	205,455	217,610	208,450	233,979
Licenses, Fees & Permits	234	300	157	300
Rent - Buildings & Equipment	270	11,000	-	10,000
Repair/Maintenance/Improvements - Buildings	487	39,000	1,560	15,500
Repair/Maintenance/Improvements - Docks	4,809	25,000	-	-
Repair/Maintenance/Improvements - Waterways	-	150,000	-	-
Repair/Maintenance/Improvements - Equipment	50,690	73,700	29,379	75,200
Repair/Maintenance/Improvements - Grounds	770	1,750	647	5,450
Repair/Maintenance/Improvements - Roads	-	3,000	-	3,500
Repair/Maintenance/Improvements - Vehicles	508	1,500	1,662	3,500
Repair/Maintenance/Improvements - Water/Sewer	1,155	10,000	-	10,000

PORT BIENVILLE INDUSTRIAL PARK BUDGET *(continued...)*

	Prior Yr			
	Actual	2017		Budget
	2016	Budget	Projected	2018
Services - Auditing	3,000	3,200	3,976	3,300
Services - Contract	17,091	23,000	20,634	110,500
Services - Port / Rail Master Plan	-	62,500	-	62,500
Services - Engineering	6,985	8,000	10,849	30,000
Services - Professional	13,993	48,000	13,322	39,000
Services - Security Systems	240	250	241	250
Subscriptions, Books, & Periodicals	404	500	70	500
Telephone & Telecommunications	7,861	13,500	7,787	9,800
Training/Education	1,349	4,000	1,196	10,000
Trade Shows, Conferences & Symposiums	-	-	1,866	-
Travel - General	74	2,000	206	2,000
Utilities	94,234	112,500	87,110	102,000
Total Other Services & Charges	411,980	819,310	391,685	735,879
Personnel Services				
Salaries & Wages - Regular Time	298,791	354,643	307,843	293,189
Salaries & Wages - Overtime	18	1,889	272	572
Salaries & Wages - PTO Payout	4,709	7,619	2,383	6,433
Accrued Payroll - Year End & PTO Compensation	(3,240)	-	(3,279)	-
Employee Physicals	505	250	337	500
Insurance - Health/Life/LTD/AD&D	97,270	122,696	78,491	84,053
Insurance - Workers Comp & Occupational	6,358	4,944	4,479	3,733
Retirement - PERS	88,167	74,980	46,053	74,432
Tax - Mississippi Unemployment	794	910	928	560
Tax - Federal SSI/Medicare	19,151	27,605	23,198	22,670
Tax - RR Tier I, Tier II & RUIA	11,797	-	811	-
Total Personnel Services	524,322	595,536	461,516	486,142
Total Expenses	989,769	1,473,046	876,017	1,263,021
Net Income (Loss) from Operations	783,211	68,085	681,923	24,608
Non-Operating Income (Expense)				
Notes Receivable Principal	144,804	141,309	150,362	141,309
Interest Income - Checking & Savings	1,266	500	1,720	3,000
Interest Income - Notes Receivable	49,779	35,200	42,409	18,692
Wellman POTW I Credit	(160,000)	(160,000)	(160,000)	(160,000)
Net Non-Operating Income (Expense)	35,850	17,009	34,491	3,001
Capital Sources & (Uses) of Funds				
Grant Revenues	673,244	5,157,500	65,305	20,110,884
Appropriations from Prior Years	-	-	-	2,000,000
Transfers In	-	502,406	-	3,044,002
Capital	(783,212)	(5,745,000)	(114,806)	(25,182,495)
Net Capital Sources & (Uses) of Funds	(109,968)	(85,094)	(49,502)	(27,609)
Total Net Sources & (Uses) of Funds	\$ 709,093	\$ -	\$ 666,912	\$ -



Port Bienville Industrial Park tenant

**PORT BIENVILLE INDUSTRIAL PARK
2017 WIP - 2021 CAPITAL IMPROVEMENT PLAN**

PROJECT #	PROJECT NAME	PURPOSE *	COSTS					TOTAL
			TO DATE	2018	2019	2020	2021	
PB1701	SSA Bulkhead Improvements	SI	\$ 348,971	\$ 97,000	\$ -	\$ -	\$ -	\$ 445,971
PB1702	Linea Dock Reconstruction	SI	-	9,250,000	-	-	-	9,250,000
PB1704	Site 4 Transload	SI	-	8,750,000	-	-	-	8,750,000
PB1705	Public Wharf Heavy Lift	SI	-	516,500	-	-	-	516,500
PB1801	Port & Pearl River Dredge	SI	18,587	6,000,000	-	-	-	6,018,587
PB1802	Road A Extension	SI	2,090	474,573	-	-	-	476,663
PB1803	Port Security Vessel	SI	-	44,422	-	-	-	44,422
PB1804	Transload Site Improvements	SI	-	50,000	-	-	-	50,000
PB1901	Mooring Dolphins	SI	-	-	120,000	-	-	120,000
PB1902	Truck Scale	SI	-	-	85,000	-	-	85,000
PB1903	Security System	SI	-	-	150,000	-	-	150,000
PB2001	POTW II Well	SI	-	-	-	1,000,000	-	1,000,000
PB2101	POTW II Expansion	SI	-	-	-	-	550,000	550,000
Total Uses of Funds			\$ 369,648	\$ 25,182,495	\$ 355,000	\$ 1,000,000	\$ 550,000	\$ 27,457,143

SOURCE OF FUNDS	SOURCES					TOTAL
	TO DATE	2018	2019	2020	2021	
Federal Grants	\$ -	\$ 17,033,692	\$ 150,000	\$ -	\$ -	\$ 17,183,692
State Grants	345,481	3,077,192	170,000	-	-	3,592,673
Use of Cash Balance	24,167	5,071,611	35,000	1,000,000	550,000	6,680,778
Debt/Bonds	-	-	-	-	-	-
Total Sources of Funds	\$ 369,648	\$ 25,182,495	\$ 355,000	\$ 1,000,000	\$ 550,000	\$ 27,457,143

*** PURPOSE CODE**

LCM Life Cycle Maintenance
SA Safety
SI Strategic Investment

CAPITAL PROJECTS - 2018

PB1701 – SSA Bulkhead Improvements - \$97,000. Existing mooring dolphins will be removed and replaced with bumpers at the dock. A mooring will be placed at each end of the dock for securing vessels and additional rip-rap will be added for erosion control. The current tenant for this space is Stevedoring Services of America (SSA). The barge terminal is used to off-load raw materials, primarily coal, which is utilized inside and outside of Port property. Mooring dolphins will no longer need replacement every two years, thereby saving maintenance funds. Funding Source – State Grant and Cash Reserves.

PB1702 – Linea Dock Reconstruction - \$9,250,000. Sheet pile erosion at this dock currently limits its use and is also becoming a safety concern. New steel sheet piles and tie backs will be installed as well as replacement of concrete on the dock surface area. Funding Source – Federal Grants and Cash Reserves.

PB1704 – Site 4 Transload - \$8,750,000. This is an ongoing project where phases 1 & 2 have been implemented so that the area can now be used for transloading. Future phases include development of the water front (bulkhead) and an extension of the rail to the water. Additional construction will include a warehouse and laydown space. In addition to transloading activities, the site will also support supply vessels in the offshore industry. Funding Source – Federal Grant (RESTORE Act) and Cash Reserves.

PB1705 – Public Wharf Heavy Lift - \$516,500. This is a work in progress project that consists of installing a heavy lift at the public wharf. The lift will make the dock more attractive for future tenants. Funding Source – State Grant and Cash Reserves.

PB1801 – Port & Pearl River Dredge - \$6,000,000. Current soundings reveal that the channel's current depth is 6.5 feet making it impossible for tugs with tows to transverse the waterway. Restoring the 1.3 mile stretch to a depth of 14 feet will allow cargo vessels access to not only Port Bienville, but also to the Stennis Space Center. Dredging will also include restoring Little Lake and Harbor Canal to a depth of 12 feet. Funding Source – State Grant and Cash Reserves.

PB1802 – Road A Extension - \$474,573. Road A will be paved and extended to water's edge along with the installation of 3 new mooring dolphins. Current and future tenants will be able to stage barges that are waiting to be loaded or off-loaded. Funding Source – State Grant and Cash Reserves.

PB1803 – Port Security Vessel - \$44,422. A Port Security Patrol Vessel will be purchased to allow the port to patrol its canals and to check barge numbers and activities. It will also be used to familiarize future tenants with the entrance and route to the Port. Funding Source – Cash Reserves.

PB1804 – Transload Site Improvements - \$50,000. This project will improve 2 acres on Road E and install a solid surface to enable future tenants to lease the area for loading and/or off-loading cargo from rail to truck or truck to rail. Funding Source – Cash Reserves.

CAPITAL PROJECTS - 2019

PB1901 – Mooring Dolphins - \$120,000. Install 3 barge mooring dolphins. Will seek Multimodal funds.

PB1902 – Truck Scale - \$85,000. Install truck scales at park entry. Will seek Multimodal funds.

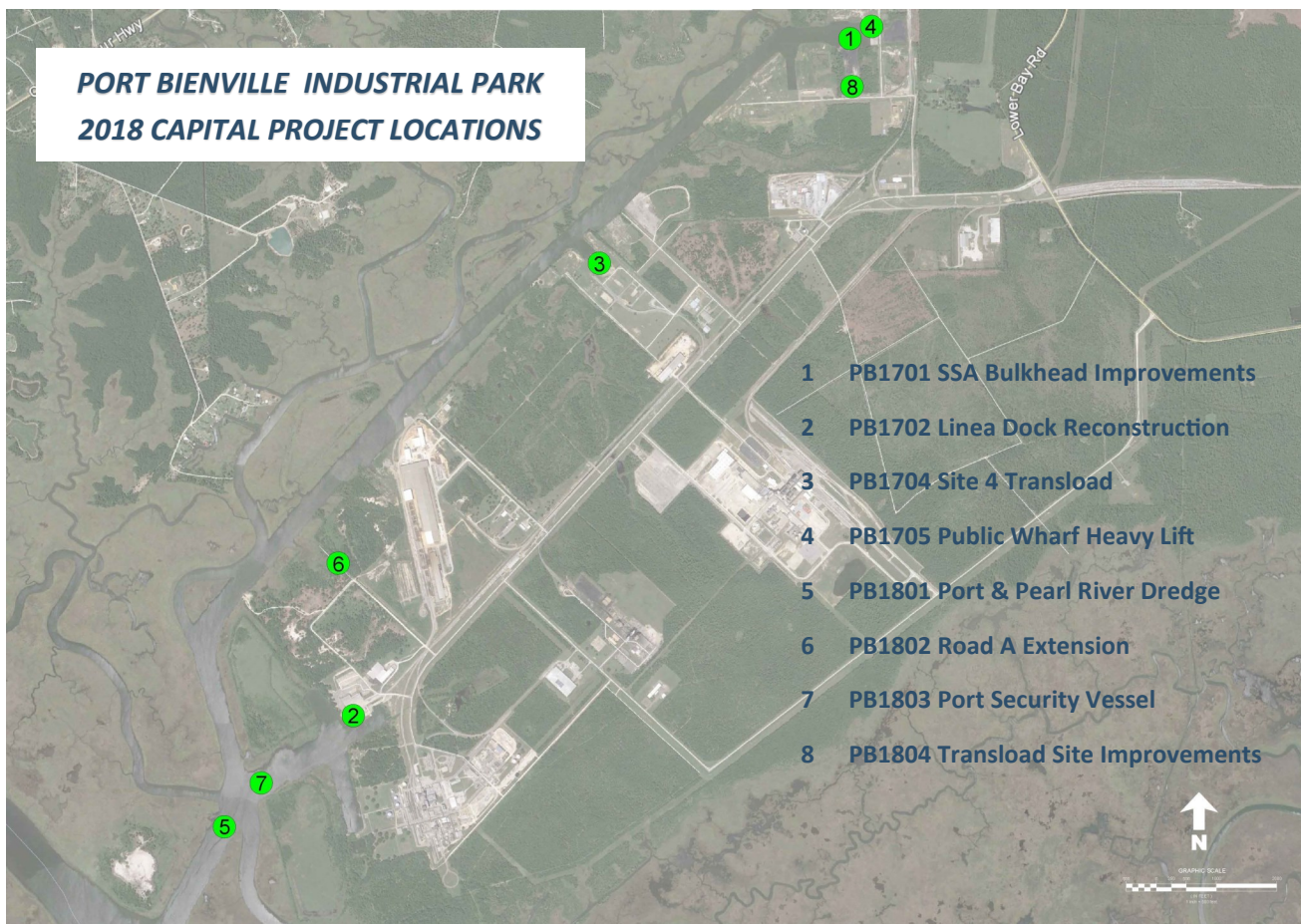
PB1903 - Port Security System / Cameras - \$150,000. Install port wide surveillance system. Will seek Dept. of Homeland Security Grant.

CAPITAL PROJECTS - 2020

PB2001 - POTW / Drill Second Well - \$1,000,000. Drill second well to increase water capacity to port tenants. Will seek funding.

CAPITAL PROJECTS - 2021

PB2101 - POTW / Expand POTW. \$550,000. Add Additional Treatment System which will increase port wastewater capacity. Will seek funding.



STENNIS INTERNATIONAL AIRPORT

The Airport Department has responsibility to provide safe and efficient operations of aircraft and the orderly movement of passengers at Stennis International Airport (KHSa). Airport staff accomplishes this by following the guidelines set forth in our Airport Certification Manual and FAA Airport Improvement – Airport Sponsor Assurances.

Stennis International Airport is a Class IV airport with Index A aircraft rescue firefighting capacity.

Airport operations are responsible for delivering the cornerstone objectives of ensuring the safety and security of the airport. Personnel monitor the airfield for security problems, and check all runways and taxiways daily for compliance with Federal Aviation Administration (FAA) standards.

In FY 2016-2017, with the consolidation of all departments in the new administration building, duties were revised to make work more efficient. The Airport's Customer Service Representative was moved to the Chief Administrative Officer's department. While she continues to work on airport projects as needed, her primary area of responsibility lies within the CAO's department. The position of Operations Duty Agent was not filled but an intern will supplement the operations duties.

With a contract for commercial lawn care services coming online in September 2017, Stennis International Airport will see a reduction in force of two maintenance personnel. Duties for maintaining the airfield equipment, hangars, and buildings of the airport and airpark will be jointly shared by a consolidated maintenance department with the HCPHC.

KHSA's air traffic control tower operates in the FAA's Contract Tower Program which represents half of all towers in the country and handles almost 30 percent of all tower operations nationwide. This facility and all equipment are maintained by and are the property of HCPHC. The air traffic controllers are employed with Roberson Aviation Inc., which operates most of the contract towers in the southeast region of the United States. Their controllers must adhere to the same standards as FAA's controllers. RVA employs four full-time controllers at KHSA's tower, and they average 36,000 aircraft operations per year. Operations have increased by 15 to 30 percent over the past four years.

Million Air is the Fixed-Base Operator on Stennis International Airport and its refueling facility offers a variety of aviation-related services. Airport Operations and Million Air staff work together on fuel farm inspections, the parking/placement of aircraft, and the coordination of military training exercises using KHSA as a base of operations. Million Air – Stennis is operated by a staff of 19. All their line service professionals are NATA Safety 1st Certified.

Their customer service professionals assist with transportation, catering, and accommodations. Local chefs prepare breakfast, lunch and dinner in the Jet-A-Way Café overlooking the airport.

Million Air - Stennis is one of 12 FBOs owned by Freeman Holdings Group. The Freeman Holdings Group exhibits at four major armed services conferences and one to two major business aviation conferences each year. They are located on the first floor of the terminal at the main apron area. Million Air – Stennis operates on a calendar year budget. They set a 6-10% growth in their fuel sale over the previous year's numbers.



Stennis International Airport hosts the Russian Antonov as it delivers a rocket engine for testing at Stennis Space Center

[Current Staff](#)

The department has three full-time professional staff members:

Airport Director responsible for HCPHC's airport team and its focus: the safe maintenance and operations of airfield and airpark. The director has broad responsibility for the overall staffing, budgeting, and operations of Stennis International Airport. Under direction of the Chief Operations Officer, the director oversees commercial and property management, develops short- and long-range departmental goals and objectives and components of the division strategic plan; and supports economic development and business expansion at the airport. The director also coordinates department activities with other Commission's departments to ensure effective working relationships; investigates and resolves nuisance

issues and public complaints; speaks before public groups on the plans, programs, and goals of the airport department; prepares and administers the department's budget and 5-year capital plan; plans for future airport services through development of an airport master plan; evaluates operational effectiveness and oversees process improvements; and performs related duties as assigned. Reporting to the Airport Director are:

- *Airport Operations Manager* is responsible for the day-to-day operations and maintenance of the airfield. He coordinates maintenance within the airfield and airpark and provides oversight to ascertain that applicable FAA standards are followed by all personnel and tenants. He also coordinates training of military operations with units operating within KHSA's airspace and assists the director in the above programs and projects.
- *Maintenance personnel* have a close working relationship with their counterparts at Port Bienville Industrial Park and, depending on maintenance needs, at either location; personnel will work to complete maintenance tasks. Maintenance personnel also work closely with the lawn care contractor to ensure FAA standards are met and adhered to during the performance of their duties.

STENNIS INTERNATIONAL AIRPORT (KHSA)

Tiffany M. Aultman
taultman@hcapmc.ms

228.467.9231

portairspace.com

BY THE NUMBERS:

1,800 acre airport and airpark

1,150 developable acres contiguous on runway

8,500 ft. grooved and lighted runway

340,000+ sq. ft. of surfaced aprons and taxiways

15 Companies, 360+ employees

Quick & Easy Access to...

12&59

Highways 603, 90 and 49

New Orleans

60 Miles to the West

FULL SERVICE FBO

Passenger Terminal

Aircraft Fueling

Tie Down & Hangar Space

Maintenance

Air Charter

Flight Training

Rental Car Service

and **MORE**

24/7 Aircraft Rescue & Fire Fighting Coverage

Air Traffic Control Tower

Automated Weather Observation System

UNICOM Communications

Instrument Landing System

Lighting System with Alignment Indicator

Moderate Mix of
Aviation and Military Traffic
daily

Foreign Trade Zone #92

owned & operated by

Performance Fiscal Year 2017

During fiscal year 2017, the Airport Department accomplished the following:

Operations

- Stennis International Airport continues to show an increase in airport operations. At the end of fiscal year 2016-2017, the operational count is estimated at 39,103 flights for the fiscal year.
- Both categories of Jet-A and Avgas sales are estimated to increase over the prior year. Avgas closing numbers were 69,019 gallons and Jet-A numbers increased to 1,234,001 gallons over the prior year at 59,847 and 934,946 gallons, respectively.

Training

- 52 personnel were certified for driving within the movement area by the Operations Department.
- Airport staff were certified for Wildlife Hazards Mitigation and all FAR 139 training was current.
- ARFF trained in all areas of FAR Part 139 and NAS 3306 Rev 3.

Inspections

- Completed FAR Part 139 inspection with minor discrepancies: 1) Runway 18-36 Surface Painted Holding Position Signs (SPHPS) and Enhanced Taxiway Centerline (ETCL) at Taxiway A3 and A4 dirty, moldy; lacks daytime visibility, and 2) Runway 18-36: no black borders on runway marking; side stripe dingy/dirty, faded; west side runway side stripe only 21 inches wide.
- Government Flight Review conducted inspections in accordance with Tyonek's Department of Defense contract. All inspected line items were within U.S. Department of Defense guidelines.

Fiscal Year 2018 Objectives and Key Investments

The following table reflects the department's key objectives for Fiscal Year 2018 and the unique one-time investments we are proposing to resource these initiatives:

Objective	Investment
Spaceport Feasibility Study	\$ 75,000
Forestry Management Plan	\$ 2,000
Non-FAA Airport Masterplan Update	\$ 125,000

- Spaceport Feasibility Study is a strategic objective of the Hancock County Port and Harbor Commission. This study will consider if airport can be structured for space vehicle launch/recovery and see if licensing and developing it into a spaceport is commercially viable. The study will help identify for the masterplan, what capital project is needed to achieve this goal.
- Forestry Management Plan will look at the different forestry compartments on the airport property and identify which areas have commercial value and what areas can be replanted for future harvesting.
- The Masterplan will coordinate all items and prioritize projects that were identified in the Aerospace Cluster Study, Joint Land Use Study, Forestry Management Plan, and Spaceport Feasibility Study. The Masterplan will assist the airport staff in developing their 5-year capital project plan.



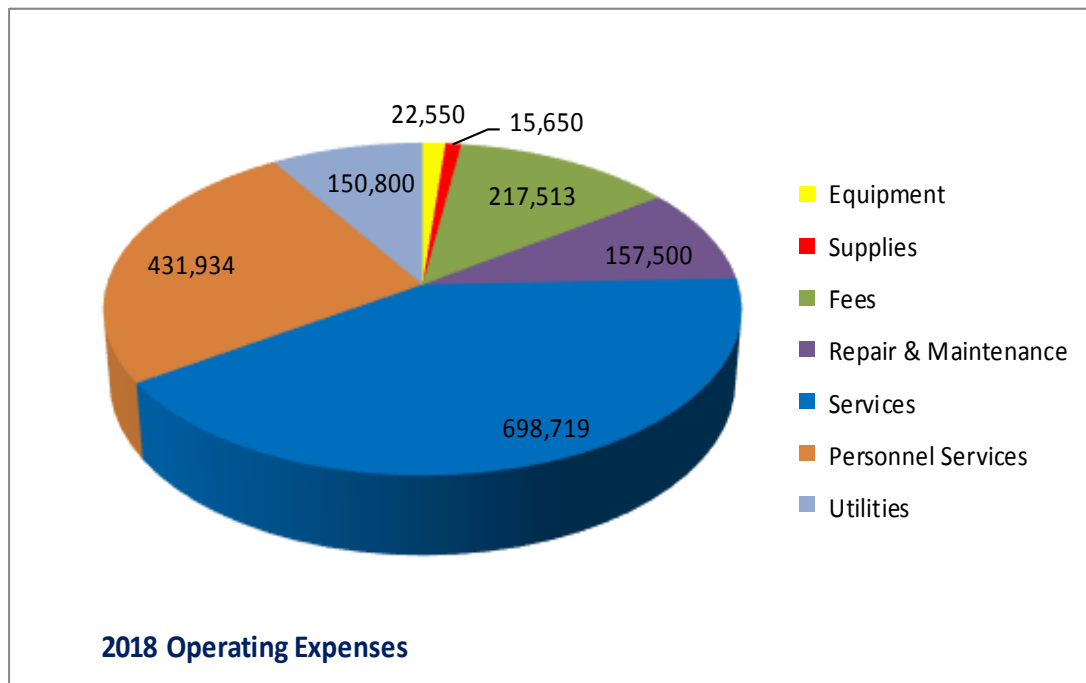
Military operations performed over Stennis International Airport

STENNIS INTERNATIONAL AIRPORT BUDGET

	Prior Yr			
	Actual	2017		Budget
	2016	Budget	Projected	2018
REVENUE				
Use of Money & Property				
Airport - Fees: Ground, Ramp, Landing, Tie Downs	\$ 17,841	\$ 13,800	\$ 17,207	\$ 13,500
Airport - Fuel Flowage	167,095	76,100	194,146	152,500
Airport - Rent: Hangars and Buildings	832,160	887,150	776,817	821,301
Rent: Buildings, Land & Equipment	669,155	668,144	668,217	670,647
Total Use of Money & Property	1,686,251	1,645,194	1,656,387	1,657,948
Other Operating Revenue				
Other Revenues	194,663	289,199	236,809	230,642
Total Other Operating Revenue	194,663	289,199	236,809	230,642
Total Revenues	1,880,914	1,934,393	1,893,196	1,888,590
EXPENSES				
Operating Supplies & Materials				
Equipment, Hardware & Software	783	24,200	-	22,550
Supplies - Custodial	944	1,650	2,129	2,350
Supplies - Fuel/Oil	3,145	11,000	4,691	6,000
Supplies - Office	2,539	2,500	2,114	2,650
Supplies - Operating	3,281	7,500	2,456	3,400
Supplies - Uniforms	1,603	1,500	296	1,250
Total Supplies & Materials	12,294	48,350	11,686	38,200
Other Services & Charges				
Advertising & Local Industry Promotion	519	2,800	99	1,200
Association Dues	3,050	1,150	3,282	4,150
Insurance - Property & Liability	201,520	213,103	193,473	210,833
Licenses, Fees & Permits	25	230	99	330
Rent - Buildings & Equipment	-	2,250	-	1,000
Repair/Maintenance/Improvements - Airfield	22,283	16,000	24,379	25,000
Repair/Maintenance/Improvements - Buildings	65,108	44,000	114,798	55,000
Repair/Maintenance/Improvements - Equipment	12,643	21,000	10,626	52,500
Repair/Maintenance/Improvements - Grounds	3,120	7,500	8,168	3,000
Repair/Maintenance/Improvements - Vehicles	2,500	29,000	902	22,000
Service Charges	3,391	3,500	3,482	3,500
Services - Contract	34,853	45,800	39,106	203,409
Services - Airport Master Plan	-	125,000	-	202,000
Services - Engineering	5,270	12,000	2,339	4,000
Services - Fire Fighters - ARFF	155,238	225,000	139,684	199,000
Services - Professional	9,574	13,500	22,217	21,000
Services - Security Systems	197	300	216	360

STENNIS INTERNATIONAL AIRPORT BUDGET (continued...)

	Prior Yr			
	Actual	2017		Budget
	2016	Budget	Projected	2018
Subscriptions, Books, & Periodicals	59	-	83	200
Telephone & Telecommunications	41,923	38,000	42,431	42,900
Training/Education	1,033	5,500	-	21,000
Trade Shows, Conferences & Symposiums	857	2,000	2,043	-
Travel - General	1,024	3,750	767	1,350
Utilities	140,453	148,800	126,955	150,800
Total Other Services & Charges	704,640	960,183	735,149	1,224,532
Personnel Services				
Salaries & Wages - Regular Time	273,729	294,325	257,548	237,027
Salaries & Wages - Overtime	408	3,836	425	1,288
Salaries & Wages - PTO Payout	4,826	5,217	6,285	4,454
Accrued Payroll - Year End & PTO Compensation	45,453	-	(6,915)	-
Employee Physicals	-	-	-	100
Insurance - Health/Life/LTD/AD&D	94,511	107,560	99,974	90,496
Insurance - Workers Comp & Occupational	6,060	6,157	5,824	6,488
Retirement - PERS	106,470	59,769	39,632	73,187
Tax - Mississippi Unemployment	840	910	903	560
Tax - Federal SSI/Medicare	21,639	22,807	19,726	18,334
Total Personnel Services	553,936	500,581	423,401	431,934
Total Expenses	1,270,870	1,509,114	1,170,237	1,694,666
Net Income from Operations	610,044	425,279	722,959	193,924
Non-Operating Income (Expense)				
Notes Receivable Principal	25,923	27,420	35,123	27,732
Interest Income - Checking & Savings	2,063	1,500	1,474	2,500
Interest Income - Notes Receivable	6,256	4,759	4,656	3,169
Debt Service - Principal	(82,200)	(82,200)	(82,200)	(82,200)
Net Non-Operating Income (Expense)	(47,958)	(48,521)	(40,947)	(48,799)
Net Capital Sources (Uses) of Funds				
Grant Revenues	554,480	3,968,998	1,197,604	2,100,000
Appropriations from Prior Years	-	1,161,625	-	1,500,000
Transfers In	-	-	-	2,729,555
Capital	(574,895)	(5,075,171)	(1,626,069)	(5,958,250)
Fixed Assets - Personal Property	-	(432,210)	-	-
Transfers Out	-	-	-	(516,430)
Net Capital Sources (Uses) of Funds	(20,415)	(376,758)	(428,465)	(145,125)
Net Sources and (Uses) of Funds	\$ 541,671	\$ -	\$ 253,547	\$ -



Stennis International Airport terminal building

**STENNIS INTERNATIONAL AIRPORT
2017 WIP - 2021 CAPITAL IMPROVEMENT PLAN**

PROJECT #	PROJECT NAME	PURPOSE *	COSTS					TOTAL
			TO DATE	2018	2019	2020	2021	
FAA31-2017	Runway Overlay	LCM	\$ 279,176	\$ 5,017,976	\$ -	\$ -	\$ -	\$ 5,297,152
FAA32-2018	New AWOS & Signage	SI	-	531,300	-	-	-	531,300
AP1701	Hangar Phase II	SI	-	4,210,000	-	-	-	4,210,000
AP1705	Air Conditioning	LCM	-	100,000	50,000	50,000	50,000	250,000
AP1707	ATCT Roof Replacment	LCM	6,787	65,000	-	-	-	71,787
AP1709	ATCT Safety Upgrades	LCM	8,878	183,250	-	-	-	192,128
AP1801	Generator Set	SA	-	50,000	-	-	-	50,000
AP1802	Building Roof Replacements	LCM	-	243,000	-	-	-	243,000
AP1803	Site Prep	SI	8,190	160,000	1,000,000	-	-	1,168,190
AP1804	Wayfinding & Lighting Study	SI	-	150,000	100,000	-	-	250,000
AP1805	Assualt Landing Strip	SI	-	162,000	2,862,000	-	-	3,024,000
AP1806	Corporate/UAS Hangar	SI	-	575,000	-	-	-	575,000
AP1807	Executive Vehicle	LCM	-	60,000	-	-	-	60,000
Total Uses of Funds			\$ 303,031	\$11,507,526	\$ 4,012,000	\$ 50,000	\$ 50,000	\$ 15,922,557

	SOURCES					TOTAL
	TO DATE	2018	2019	2020	2021	
Federal Grants	\$ 251,258	\$ 6,666,178	\$ -	\$ -	\$ -	\$ 6,917,436
State Grants	-	466,668	-	-	-	466,668
Use of Cash Balance	51,773	4,374,680	4,012,000	50,000	50,000	8,538,453
Debt/Bonds	-	-	-	-	-	-
Total Sources of Funds	\$ 303,031	\$11,507,526	\$ 4,012,000	\$ 50,000	\$ 50,000	\$ 15,922,557

*** PURPOSE CODE**

LCM	Life Cycle Maintenance
SA	Safety
SI	Strategic Investment
WIP	Work in Progress

CAPITAL PROJECTS - 2018

FAA31-2017 – Runway Overlay - \$5,017,976. Mill and overlay runway 18/36 – milling down 3 inches and applying asphalt back to grade. Runway will be restriped per FAA compliance. The project will assure continuous operation of the airport which will support the 200 airport jobs that are directly related to the operation of KHSa. Funding Source – Federal and State Grants and Cash Reserves.

FAA32-2018 – New AWOS Signage - \$531,300. The original existing AWOS system was commissioned in 1989 and has reached the end of its life cycle. Mandatory Hold and Distance Remaining signs were installed in 2006. There are continual maintenance issues with the circuit boards. As the price of these boards increases, it is no longer cost effective to attempt repairs. Phase I of this project will replace a total of 13 signs. Funding Source – Federal and State Grants and Cash Reserves.

AP1701 – Hangar Phase II - \$4,210,000. Construction of a mirror image of the northern hangar will take place on the south side of the terminal building. Aircraft storage will be provided for corporate and transit aircraft. A total of 24 new industry jobs could be created with annual revenue in excess of \$50,000 for the Commission. Funding Source – Federal Grant (BP Restore Act) and Cash Reserves.

AP1705 – Air Conditioning - \$100,000. Current air conditioning systems on the airfield/airpark are between 8 and 10 years old. Life Cycle Maintenance program will provide for replacing 4 to 5 units per year. Funding Source – Cash Reserves.

AP1707 – ATCT Roof - \$65,000. The flat roof on ATCT is in excess of 10 years old and has had numerous repairs to the flashing and drain points in recent years. To ensure safety and reduce liability the Life Cycle Maintenance program mandates replacement. Funding Source – Cash Reserves.

AP1709 – ATCT Safety Upgrades - \$183,250. This project is the replacement of the hand radios that are used 24 hours a day 365 days a year. The radio control system for air and ground traffic and the UHF for military traffic as well as supporting equipment for air safety operations will be replaced. Funding Source – Cash Reserves.

AP1801 – Generator Solutions - \$50,000. Electrical study for the design of generator system to support fire suppression pump house and transfer switches. Funding Source – Cash Reserves.

AP1802 – Building Roof Replacements - \$243,000. Existing roofs are approximately 30 years old and will be replaced. Funding Source – Cash Reserves.

AP1803 – Site Prep - \$160,000. Engineering work at Site #1 will include soil testing, wetland, threatened & endangered, and archeological surveys for future hangar development. Site #7 is Project Ready. As a part of the Airport Master Plan engineering for the road onto the site, utilities, apron and taxiway system will be completed. Funding Source – Cash Reserves.

AP1804 – Wayfinding and Lighting Study - \$150,000. Wayfinding is the term used to describe the movement, behavior and decision-making process used by people as they navigate through buildings, airparks and airports. This project will include the theme design, specifications, cost sharing plan, building numbering system and lighting plan. Funding Source – Cash Reserves.

AP1805 – Assault Landing Strip - \$162,000. A parallel taxiway that can be used as an Assault Landing Strip (ALS) for C-130 Hercules aircraft will be constructed to support the United States Keesler Air Force Base units. The project will continue into Fiscal year 2019. Funding Source – Cash Reserves.

AP1806 – Corporate/UAS Hangar - \$575,000. A 100' x 100' hangar will be constructed as well as office space and aircraft storage. The hangar is the development of corporate/UAS companies from research to flight operations. Funding Source – State Grant and Cash Reserves.

AP1807 – Executive Vehicle - \$60,000. New vehicle to be purchased for use by senior management of HCPHC as needed for site tours with prospective tenants and customers. Funding Source – Cash Reserves.





SUPPLEMENTAL INFORMATION



GENERAL INFORMATION

Hancock County Port and Harbor Commission was created in 1963 by Hancock County pursuant to Title 59 of the Mississippi Code of 1972, as amended (the “Act”). The Act provides HCPHC the power to acquire property, establish industrial parks, purchase, sell, construct, invest, lease or contract. HCPHC is also authorized to operate and maintain any facilities and lands created or placed under its authority. The Act states that it is the public policy of the State of Mississippi to encourage expansion and development of the State’s ports and harbors. HCPHC is vested with jurisdiction by Hancock County over the ports, terminals, harbors, channels, passes, wharves, and designated industrial parks that are not under the jurisdiction of any municipal port commission. Accordingly, HCPHC owns and operates Port Bienville Industrial Park, Port Bienville Railroad, and Stennis International Airport. HCPHC is responsible for submitting an annual proposed budget to the Hancock County Board of Supervisors for the operation and development of the aforementioned facilities in addition to providing economic development leadership efforts for Hancock County. HCPHC currently has an 8-member appointed Board of Commissioners and 31 employees.



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Interstates 12 & 59
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MOBILE 90 MILES TO THE EAST

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MULTIMODAL POWER CENTER

- 3,600 acres with 22 shovel-ready sites • Home to 18 industries with a workforce of 1,000+ • Shortline railroad connecting to CSX Class 1 Service • Multimodal transit offering access to the 3,000-mile Intracoastal Waterway • Direct access to U.S. Highway 90 and Interstates I-10, I-12 & I-59

STENNIS INTERNATIONAL AIRPORT:
ALL WEATHER, MORE AMENITIES

- 1,680 acre airport and airpark, with 1,100 developable acres contiguous to runway
- 8,500 ft. grooved and lighted runway • Aircraft Rescue and Fire Fighting (ARFF) coverage • Easy access to Highway 603 and I-10

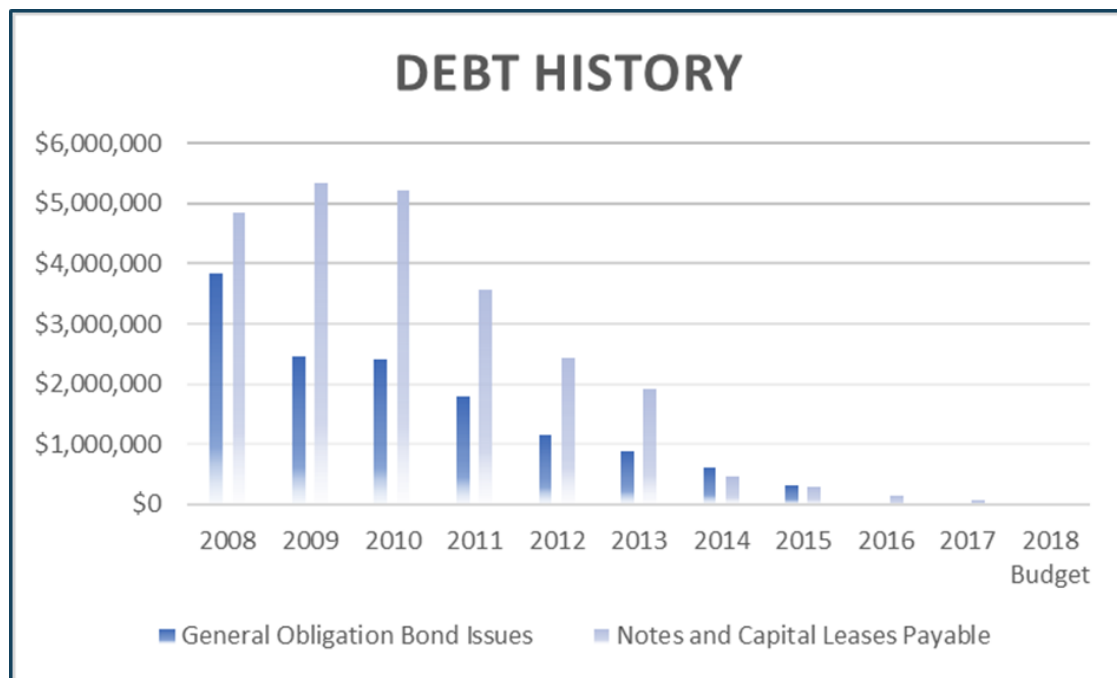
STENNIS SPACE CENTER:
MOVING BOUNDARIES, REMOVING BARRIERS

- Home to: NASA’s Applied Research and Technology Office and the Naval Meteorology and Oceanography Command • The Marine Industries Science and Technology Cluster • 30+ resident agencies with 5,000+ employees • The world’s leading science and technology researchers, including geospatial and earth sciences, satellite and rocket assembly, and jet engine testing

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DEBT

The Legislative Act provides HCPHC various powers and authorities as described in chapter 9 of the same title. This chapter outlines the scope of governing authority granted to HCPHC, including the right to request bonds from the Hancock County Board of Supervisors to make improvements and repairs to existing lands. This includes the right to purchase land for expansion and acquisition. These developments may be funded by either general obligations bonds or revenue bonds which are issued by the Hancock County Board of Supervisors. General obligation bonds may be issued for an amount not to exceed twenty percent (20%) of the assessed valuation of Hancock County.

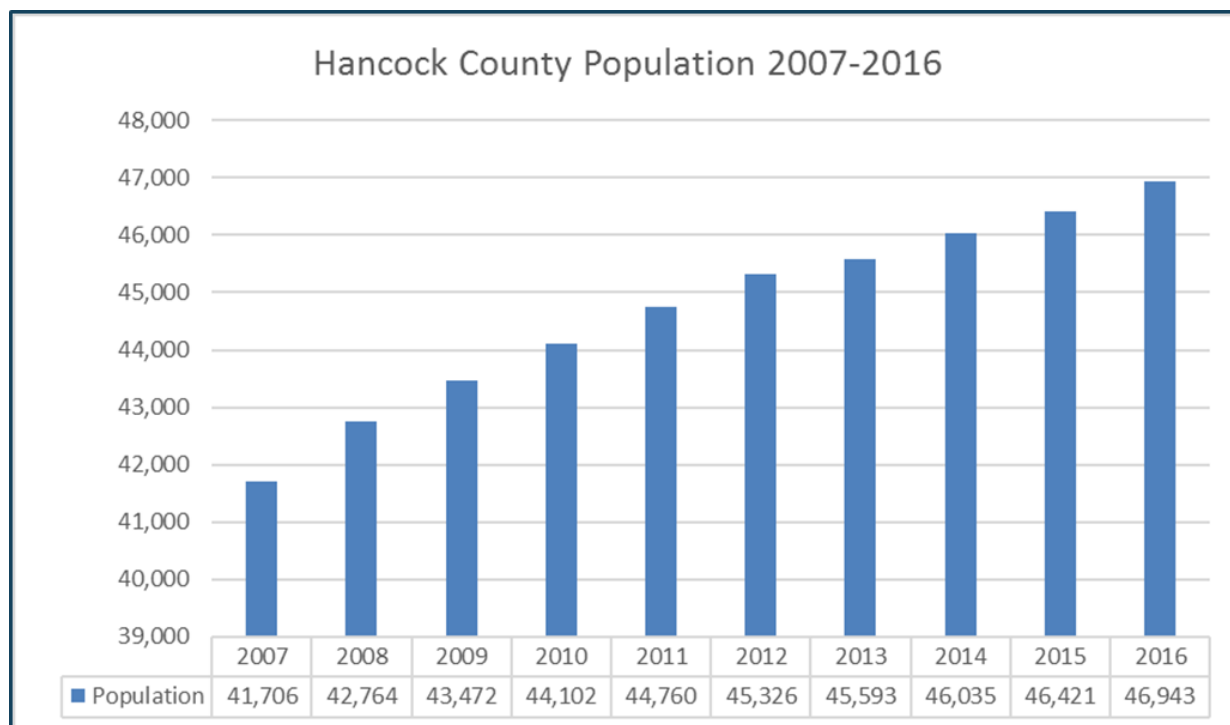


The years immediately following Hurricane Katrina Commission resources otherwise available for expansion were diverted to repairing the extensive damage to properties and to supplement significantly reduced operating revenue. In addition, HCPHC secured a \$1,004,901 Community Disaster loan which was subsequently forgiven under guidance of Public Law 113-6, Section 564. Various zero or low-interest loans offered by the State of Mississippi have been used for capital improvements throughout Commission properties and General Obligation bonds have funded land acquisitions and infrastructure improvements.

DEMOGRAPHICS

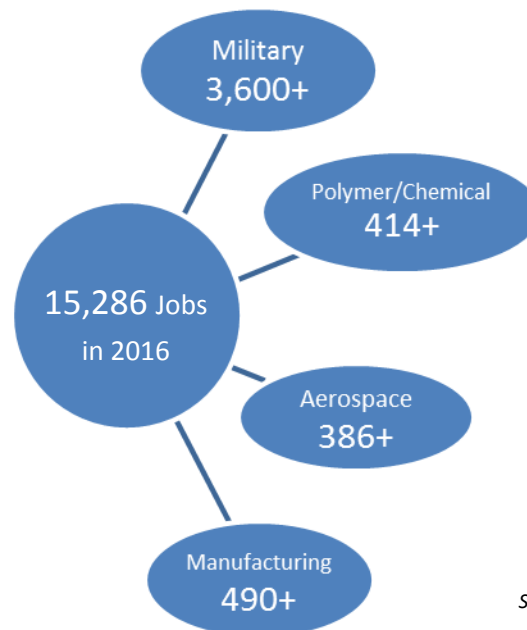
Cohort Totals				
Area	2017 Population	2018 Population	Change	% Change
Hancock County of Mississippi	47,242	47,651	409	1%
State	2,992,261	2,993,975	1,714	0%
Nation	325,967,876	327,983,507	2,015,631	1%

Only 22 Mississippi counties experienced population growth last year. Hancock's population increase is mostly due to **positive net migration** of 409 people (382 domestic, 27 international). The natural increase of population (i.e. births and deaths) was 83 between 2015 and 2016. Net migration accounted for almost 80 percent of the population increase in Hancock.



EMPLOYMENT BY INDUSTRY

Employment numbers increased at Port Bienville Industrial Park by 14% (up to 694) and tax revenue increased 6% (up to \$6,500,000.) Similar trends occurred on a smaller scale at Stennis International Airport, with employment up 1% (to 355) and tax revenue up 1% (to \$150,000.) Stennis Space Center employment stayed stagnant (5,000), but tax revenues rose 15% to \$3,900,000. It is worth noting there are only four companies that make up the \$3,900,000 tax revenue at Stennis Space Center.

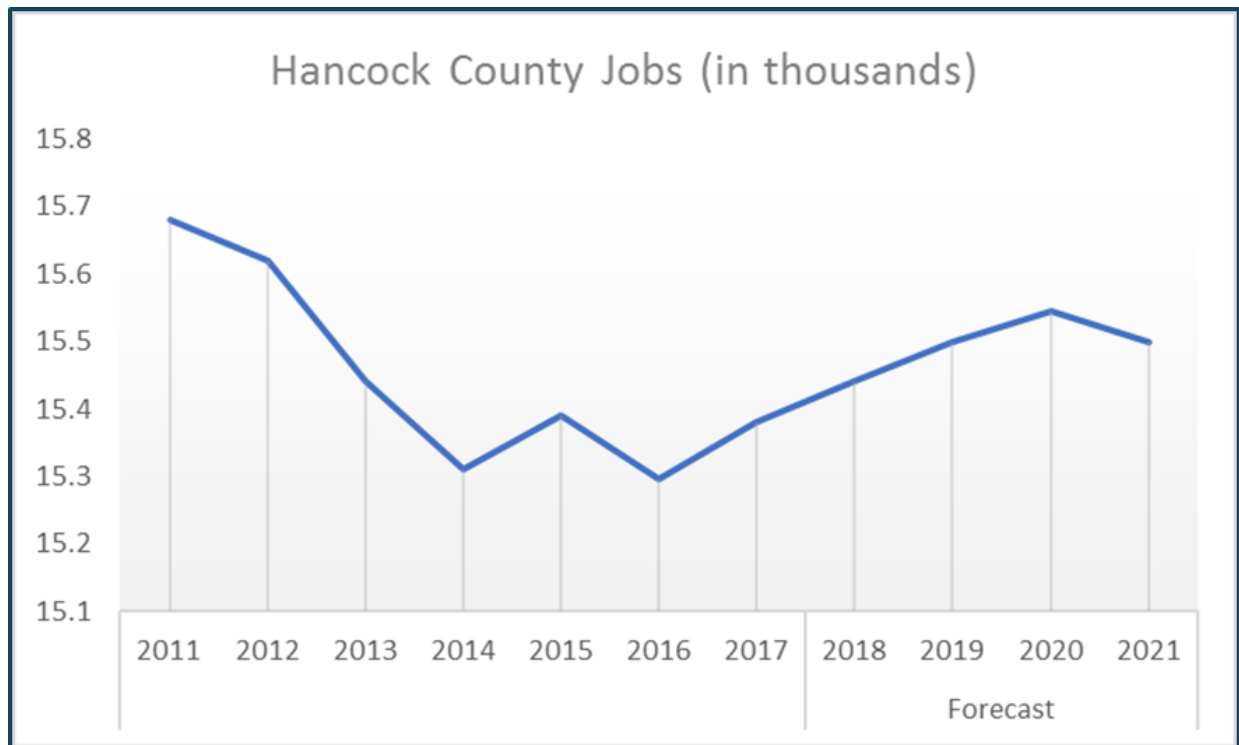


Source: EMSI

LOCAL INFORMATION

Employment by key industries is constantly changing, but the following are major trends from 2016-2018:

- Military employment in Hancock County has increased 32% at an average wage of \$51,235 while it has declined on the national scale at an average wage of \$47,508 (down 4.2%).
- Polymer/chemical industry employment has increased 7.6% with an average wage of \$118,222 in Hancock County, while declining 13.3% throughout the US (average wage of \$120,041.)
- Aerospace sector jobs are declining by 65.9% in Hancock County, with an average wage of \$51,235, and only slightly declining national (3.9%) with an average wage of \$122,057.
- Finally, manufacturing in the county is steady with an increase of 0.79%, with average wages at \$91,506, and 0.03% nationally with an average wage of \$79,760.



From 2011 to 2016, jobs declined by 2.6% in Hancock County, MS from 15,677 to 15,271 due in large part to both the lingering impacts of Hurricane Katrina and the 2010 BP Oil Spill. This change fell short of the national growth rate of 8.8% by 11.4%. Key industries such as defense, chemicals, polymers, and aerospace have remained flat in recent years. However the County has not experienced a closing of any major employer in these sectors and capital expansion continues at all of the plant. The employment outlook by the top 30 largest companies in the County also indicates further expansion. The small population of Hancock County (~45,000) heavily supports local industry employment, with those industry employees (1,500) being 8% of the labor force (18,869).

GLOSSARY AND ACRONYMS

The Annual Budget contains terminology unique to public finance and budgeting and includes additional terms specific to maritime, aviation, railroad and economic development industries. This glossary was prepared to assist the reader with understanding many of those terms.

American College Testing (ACT): ACT work-ready communities empower states, regions and counties with data, process and tools that drive economic growth.

Accrual Basis: Basis of accounting under which revenues are recorded when earned and expenses are recorded when the liability for payment of those expenses is incurred.

Aircraft Rescue and Fire Fighting (ARFF): Those resources contracted to provide firefighting services at Stennis International Airport.

Airport Improvement Project (AIP): Capital projects funded at least in part from the Federal Aviation Administration.

Assets: Resources with an established value that the Commission presently controls.

Balanced Budget: A budget in which total operating revenues equal or exceed total operating expenditures. Operating expenditures exclude items such as depreciation and debt service.

Basis of Accounting: Timing of when an economic transaction is reflected on the financial statements.

Benefits: Expenses related to the employment of personnel including health, life, and disability insurance; public employees retirement system contributions; social security; paid time off; unemployment insurance; and workers' compensation.

Board of Commissioners: Eight-member board that sets policy and direction for the organization. Each of Hancock County's five Supervisors appoints a Commissioner and the Governor of the State of Mississippi appoints the remaining three Commissioners based on recommendations from the mayors of Bay St. Louis, Waveland, and Diamondhead.

Board of Supervisors (BOS): The five-member board elected by the general population to manage County personnel and infrastructure.

Budget: A plan of financial operation embodying an estimate of proposed expenditures for a given period and the proposed means of financing them.

Capital Asset: Expenditures greater than \$5,000 to acquire, rehabilitate, or expand tangible and intangible assets that provide benefit over a period of more than one year.

Capital Improvement Budget: A plan of proposed capital expenditures and a plan for financing them. The capital budget is part of a complete annual budget.

Chart of Accounts: The classification system used by a government entity to organize the accounting for sources and uses of funds.

Community Development Block Grant (CDBG): A program administered by the U.S. Department of Housing and Urban Development. providing communities with resources to address a wide range of unique community development needs.

Contributed Capital: The estimated difference between the value of a newly acquired asset and the Commission's cost to acquire that asset.

Debt: An obligation resulting from borrowing money.

Department: An organizational unit of the Commission which is responsible for managing a group of related functions.

Department of Marine Resources (DMR): A governing agency created in 1994 to enhance, protect and conserve marine interests of the State.

Depreciation: The decrease in the value of assets over the estimated useful life of those assets.

Enterprise Fund: A fund used to account for self-supported services or programs. The Commission operates as a component unit enterprise fund of Hancock County.

Expenditure: The outflow of funds paid to or to be paid for assets, goods or services obtained regardless of when the expense is actually paid.

Federal Aviation Administration (FAA): An agency within the U.S. Department of Transportation with powers to regulate all aspects of civil aviation. These include the construction and operation of airports, air traffic management, the certification of personnel and aircraft, and the protection of US assets during the launch or re-entry of commercial space vehicles. .

Federal Railroad Administration (FRA): An agency within the U.S. Department of Transportation established to promulgate and enforce rail safety regulations, administer railroad assistance programs, conduct research and development in support of improved railroad safety and national rail transportation policy, and consolidate government support of rail transportation activities

Financial Accounting Standards Board (FASB): A seven-member board organized in 1973 to establish standards of financial accounting and reporting for the private sector.

Fiscal Year (FY): The 12-month period of time to which the annual budget applies. At the end of the period the Commission determines its financial position and the results of its operations. The fiscal year for the Commission is October 1 through September 30.

Fixed Asset: Long-lived asset obtained which is intended to be used over a period of time such as vehicles, machinery, equipment and furniture.

Fixed Base Operator (FBO): The commercial business at the airport authorized by the Commission to sell aviation fuels and provide other aviation-related services.

Full Time Equivalent (FTE): One FTE is equivalent to 2,080 hours worked in a one-year period. Several part-time positions may be combined to make one FTE.

Fund Balance: Excess assets over liabilities.

Generally Accepted Accounting Principles (GAAP): Uniform minimum standards for financial accounting and reporting encompassing the conventions, rules, and procedures that define accepted accounting principles.

Governmental Accounting Standards Board (GASB): A seven-member board organized in 1984 to establish standards of financial accounting and reporting for state and local governmental entities.

Hancock - Pearl River - St. Tammany Parish (HPT): An informal partnership consisting of the three counties in West Mississippi and East Louisiana that are part of the I-10 Technology Corridor and a common labor pool.

KHSA: Airport identifier for Stennis International Airport.

Mississippi Development Authority (MDA): Mississippi's lead economic and community development agency.

Modified Accrual Basis: The basis of accounting in which revenues are recognized in the period in which they become available and measurable; and expenditures are recognized when the liability is incurred, if measurable, except for the following: 1) principal and interest on long-term debt, and 2) claims and judgements, group health claims, net pension obligation, and compensated absences.

Mississippi Department of Transportation (MDOT): Mississippi's department of transportation is responsible to plan, design, construct, operate, and maintain state facilities in all modes of transportation including air, water, and land.

National Oceanic and Atmospheric Administration (NOAA): An agency of the U.S. Department of Commerce created to understand and predict changes in climate, weather, oceans and coasts, to share that knowledge, and to conserve and manage coastal marine ecosystems and resources.

Port Bienville Industrial Park (PBIP): An industrial park owned and operated by HCPHC spanning approximately 3600 acres, home to 13 companies and providing multimodal transportation options.

Port Bienville Railroad (PBVR): A short-line rail network owned and operated by HCPHC and consisting of approximately 15 miles of track, interchanging with CSX railroad for nation-wide transport.

Public Employees Retirement System (PERS): A program administering defined benefit retirement plans for individuals working in state government, public schools, universities, community colleges, municipalities, counties, the Legislature, highway patrol and other such public entities.

Request for Information (RFI)

Resources and Ecosystems Sustainability, Tourist Opportunities and Revived Economies of the Gulf Coast States Act of 2012 (RESTORE): This Act established the Gulf Coast Restoration Trust Fund in the U.S. Treasury in which 80 percent of the Clean Water Act penalties from the Deep Water Horizon Oil Spill will be distributed to impacted areas for recovery.

Restricted Fund Balance: Fund balance should be reported as restricted when constraints placed on the use of resources are either: a) Externally imposed by creditors, grantors, contributors, or laws or regulations; or b) imposed by law through constitutional provisions or enabling legislation.

Revenue: An increase to net assets which: 1) does not increase a liability; 2) does not represent a repayment of an expenditure already made; and 3) does not represent an increase in contributed capital.

Unmanned Aerial Systems (UAS)