

**PORT OF OSWEGO AUTHORITY
ANNUAL BUDGET AND FINANCIAL PLAN
2015 - 2016**

A. Relationship with unit of government on whose behalf or benefit the Authority was established.

The Port of Oswego Authority is a body corporate and politic, constituting a public benefit corporation. The authority shall have power over the survey, development and operation of port facilities and industrial projects in the port district which embraces the city of Oswego, the town of Scriba and all lands and water under and in the Oswego River and Lake Ontario lying or situated within the boundaries of the city of Oswego and/or the town of Scriba, and the coordination of the same with existing or future agencies of transportation with a view to the increase and efficiency of all such facilities and projects and the furtherance of commerce and industry, environmental protection, aesthetics, health, welfare, safety, recreational opportunities, and historical appreciation in the district.

B. Description of the budget process.

The Authority currently monitors performance against an operating budget. The operating budget governs the use of funds generated by Port operations. All expenses for administration, operations and maintenance are included in the operating budget. Development of the operating budget is coordinated by the Accounting Manager under the direction of the Executive Director. The budget is proposed to the Authority members in January prior to the beginning of the next fiscal year and is approved by the members at a meeting in February.

Throughout the year, monthly financial statements are produced, usually 30 days after the end of each month. The profit and loss statement is presented for the month and year to date in order to monitor performance against budget projections.

A capital budget is currently not done formally at this time. Capital projects are funded on a case by case basis using grants and matching with surplus funds from operations.

C. Description of the principal budget assumptions, including sources of revenues, staffing and future collective bargaining costs, and programmatic goals.

Revenue sources for the Port include dockage, wharfage, stevedoring, loading/unloading, rent, storage, marina slip rental, gas sales and various marina related items. In 2014-2015, stevedoring comprised 31.3% of overall revenues at \$1.5 million, with loading/unloading making up 16.9% at \$0.7 million, marina income was 14% at \$0.63 million, rental income was 13.8% at \$0.62 million, storage income was 7.5% at \$0.34 million and the remaining \$0.72 million coming from the remaining sources.

Payroll and related benefits equaled \$2.2 million which made up 54.7% of total expenses. During fiscal year 2014-2015 the Port received \$2.2 million in grants from New York State and MARAD for rail projects at the East Terminal Connector.

For 2015-2016 aluminum activity is anticipated to increase in dockage, wharfage, storage and stevedoring. Loading/unloading is also expected to increase for aluminum and grain cargo. Rental agreements with Crop Productions Services and Perdue are being renegotiated and include rate increases, so rentals should increase.

Payroll expenses are anticipated to increase 3% for port staff only in addition to a salary increase for the Executive Director after his review. NYS Retirement, Social Security, Medicare, Unemployment and disability are anticipated to increase as they are a function of the increased payroll. Health insurance is expected to decrease as the Port made a change in the plan offered in order to reduce expenditures.

D. Provide a self-assessment of budgetary risks.

Rental income does not have significant risk as the Port has agreements with each rental customer. Additionally, Crop Production Services and Perdue are both working on renewing their agreements and both include increases. Aluminum and grain activity is dependent on the markets that they are in so there is risk involved. However, based on the director's conversations with customers they are indicating that there should be an increase in aluminum, agricultural and construction materials. The marina operation also hold risk as they depend on the recreational funds that people have. We are expecting the marina income to hold steady as we have made capital improvements and additional services to the marina. With the reduction in gas prices we anticipate an increase in gas sales in the coming year.

Expenses related to operations are dependent on the movement of commodities. If there is a reduction in that movement then the payroll expense for operating labor, longshoremen, goes down. The longshoremen are called in based on need through the International Longshoreman's Association Local 1570A. Payroll would decrease in this instance, reducing risk.

E. Revised forecast of the current year's budget.

See Budget and Financial Plan 2015-2016

F. Reconciliation that identifies all changes in estimates from the projections in the previously approved budget or plan.

See Budget and Financial Plan 2015-2016

Income estimates as of January are 6.7% higher than budgeted. New rentals of the Fitzgibbons and Hammermill properties along with an unexpected increase in the rate for an office space accounts for rental income ending up higher than budgeted. Stevedoring is 29% above budget as there was an increase in aluminum tonnage on vessels this year, as well as an increase in the rate to offload aluminum vessels. These increases also contribute to the 45% increase over budget on overtime

work for Novelis, security and contract trucking. Additionally, a vessel that is being decommissioned, has docked at the Port creating a 28% increase in dockage over budget.

Overall payroll is expected to be 17% higher than budgeted due to the additional stevedoring needs. Conversely, travel expense are expected to be 68% below budget and marina supplies and expenses down 23% from budget.

- G. Statement of the last completed fiscal year's actual financial performance in categories consistent with the proposed budget or financial plan.

See Budget and Financial Plan 2015-2016

- H. Projection of the number of employees, including sources of funding, the numbers of full-time and full-time equivalents, and functional classifications.

The exact number of employees varies from day to day due to the longshoremen being called in as needed. Funding of all payroll comes from operating revenue of the Port.

There are 12 full-time employees:

Management – 2
Clerical – 6
Maintenance/Mechanics – 3
Marina – 1

This year there have been 103 part-time employees classified as:

Longshoremen - 75
Security – 12
Marina – 8
Custodial - 1
Summer Labor – 7

The longshoremen will have hours of 15 full-time equivalent employees.

- I. Statement of each revenue-enhancement and cost-reduction initiative that represents a component of any gap-closing program and the annual impact on revenues, expenses and staffing.

Going into 2015-2016 the rates for aluminum have been raised 5%. The director is working to control labor call-ins, in order to reduce labor when applicable and we have put in place stricter control over purchasing.

- J. Statement of the source and amount of any material non-recurring resource that is planned for use in any given fiscal year.

In fiscal year 2015-2016, the Port expect to receive the balance of grants for the East Terminal connector project in the amount of \$261,000 from NYS DOT and \$778,000 from MARAD.

- K. Statement of any transactions that shift material resources from one year to another and the amount of any reserves. None

- L. Statement of borrowed debt projected to be outstanding at the end of each fiscal year covered by the budget or financial plan; the planned use or purpose of debt issuances; scheduled debt service

payments for both issued and proposed debt; the principal amount of proposed debt and assumed interest rate(s); debt service for each issuance as a percentage of total pledged revenues, listed by type or category of pledged revenues; cumulative debt service as a percentage of available revenues; and amount of debt that can be issued until legal limits are met.

See Attached Debt Schedule

M. Statement of the annual projected capital cost broken down by category and sources of funding, and for each capital project, estimates of the annual commitment, total project cost, expected date of completion and the annual cost for operating and maintaining those capital projects or capital categories that, when placed into service, are expected to have a material impact on the operating budget.

See Attached Capital Project Schedule

PORT OF OSWEGO AUTHORITY
Budget & Financial Plan
2015-2016

	Last Yr		Current Yr		Next Year		Proposed		Proposed	
	(Actual)	(Actual)	(Projected)	(Projected)	4/1/14-3/31/15	4/1/15-3/31/16	4/1/16-3/31/17	4/1/17-3/31/18	4/1/18-3/31/19	
Revenue & Financial Sources										
Operating Revenues										
Charges for Services	\$ 2,810,437.00	\$ 3,222,847.00	\$ 3,900,000.00	\$ 3,122,000.00	\$ 3,122,000.00	\$ 3,122,000.00	\$ 3,122,000.00	\$ 3,122,000.00	\$ 3,122,000.00	
Rentals & Financing Income	\$ 594,917.00	\$ 620,784.00	\$ 970,000.00	\$ 605,481.00	\$ 605,481.00	\$ 605,481.00	\$ 609,223.00	\$ 613,048.00	\$ 613,048.00	
Other Operating Revenues	\$ 623,997.00	\$ 654,406.00	\$ 808,000.00	\$ 654,000.00	\$ 654,000.00	\$ 654,000.00	\$ 654,000.00	\$ 654,000.00	\$ 654,000.00	
Non-Operating Revenues										
Investment Earnings	\$ 1,207.00	\$ 814.00	\$ 750.00	\$ 750.00	\$ 750.00	\$ 750.00	\$ 750.00	\$ 750.00	\$ 750.00	
Other Non-Operating Revenues	\$ 4,000.00	\$ 201,000.00	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Proceeds from the Issuance of Debt										
Total Revenues & Financing Sources	\$ 4,034,558.00	\$ 4,699,851.00	\$ 5,678,750.00	\$ 4,382,231.00	\$ 4,382,231.00	\$ 4,385,973.00	\$ 4,385,973.00	\$ 4,389,798.00	\$ 4,389,798.00	
Expenditures										
Operating Expenditures										
Salaries and Wages	\$ 1,498,150.00	\$ 1,343,761.00	\$ 1,375,034.00	\$ 1,350,000.00	\$ 1,350,000.00	\$ 1,350,000.00	\$ 1,350,000.00	\$ 1,350,000.00	\$ 1,350,000.00	
Other Employee Benefits	\$ 968,426.00	\$ 820,889.00	\$ 813,973.66	\$ 850,000.00	\$ 850,000.00	\$ 850,000.00	\$ 850,000.00	\$ 850,000.00	\$ 850,000.00	
Professional Services Contracts	\$ 64,368.00	\$ 40,000.00	\$ 50,000.00	\$ 35,000.00	\$ 35,000.00	\$ 35,000.00	\$ 35,000.00	\$ 35,000.00	\$ 35,000.00	
Supplies and Materials	\$ 44,706.00	\$ 36,754.00	\$ 35,000.00	\$ 75,000.00	\$ 75,000.00	\$ 75,000.00	\$ 75,000.00	\$ 75,000.00	\$ 75,000.00	
Other Operating Expenditures	\$ 1,534,529.00	\$ 1,785,823.00	\$ 1,630,600.00	\$ 1,750,000.00	\$ 1,750,000.00	\$ 1,750,000.00	\$ 1,750,000.00	\$ 1,750,000.00	\$ 1,750,000.00	
Non-Operating Expenditures										
Payment of Principal on Bonds and Financing Arrangements	\$ 83,796.00	\$ 423,863.00	\$ 122,632.00	\$ 256,434.00	\$ 256,434.00	\$ 256,434.00	\$ 79,100.00	\$ 79,820.00	\$ 79,820.00	
Interest and Other Financing Charges	\$ 31,574.00	\$ 74,115.00	\$ 54,000.00	\$ 54,000.00	\$ 54,000.00	\$ 54,000.00	\$ 54,000.00	\$ 54,000.00	\$ 54,000.00	
Subsidies to Other Public Authorities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Capital Asset Outlay	\$ -	\$ 2,253,792.00	\$ 1,224,208.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Grants and donations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Other Non-Operating Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Total Expenditures	\$ 4,225,549.00	\$ 6,778,997.00	\$ 5,305,447.66	\$ 4,370,434.00	\$ 4,370,434.00	\$ 4,193,100.00	\$ 4,193,100.00	\$ 4,193,820.00	\$ 4,193,820.00	
Capital contributions										
Excess(Deficiency) of Revenues and Capital Contributions Over Expenditures	\$ (190,991.00)	\$ (2,079,146.00)	\$ 373,302.34	\$ 11,797.00	\$ 11,797.00	\$ 192,873.00	\$ 195,978.00	\$ 195,978.00	\$ 195,978.00	

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2015-2016

Projected Debt Schedule at March 31st

	Current Yr (Projected) 4/1/14-3/31/15	Next Year 4/1/15-3/31/16	Proposed 4/1/16-3/31/17	Proposed 4/1/17-3/31/18	Proposed 4/1/18-3/31/19
Debt Outstanding (Principal)	\$ 300,000.00	\$ 300,000.00	\$ 300,000.00	\$ 300,000.00	\$ 300,000.00
Debt Service Payments (Principal & Interest)	None	None	None	None	None
Proposed Debt	None	None	None	None	None

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Capital Project Schedule

	Prior Years	Current Yr (Projected) 4/1/14-3/31/15	Next Year 4/1/15-3/31/16	Proposed 4/1/16-3/31/17	Source
East Terminal connector	\$ 84,000.00	\$ 2,612,000.00	\$ 49,000.00	\$ -	Grants
Gas Dock improvements	\$ 103,590.00	\$ 9,000.00	\$ -	\$ -	Insurance
Lighting Upgrade (warehouse)	\$ -	\$ 32,950.00	\$ -	\$ -	Grant
USGS Facility Improvement	\$ 3,050.00	\$ 38,575.00	\$ 154,500.00	\$ -	Port funds Rent to reimb
Warehouse overhead door	\$ 1,050.00	\$ 8,600.00	\$ -	\$ -	Port funds
Document Imaging System	\$ -	\$ 17,000.00	\$ 1,400.00	\$ -	Grant
East Terminal Track Rehab	\$ -	\$ -	\$ 1,105,000.00	\$ -	Grant
East Terminal Pier Rehab	\$ -	\$ -	\$ 445,000.00	\$ 868,000.00	77.8% Grant Port funds
Access Control Screen Project	\$ -	\$ -	\$ 40,000.00	\$ 108,000.00	60% Grant Port funds