

**PORT OF OSWEGO AUTHORITY
ANNUAL BUDGET AND FINANCIAL PLAN
2017 – 2018**

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 not formally done 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 2016-2017, stevedoring comprises 25.7% of overall revenues at \$1.05 million, with loading/unloading revenue making up 20.3% at \$0.83 million, rental income is 17.4% at \$0.71 million, marina income is 12.6% at \$0.52 million, and the remaining \$0.98 million coming from the remaining sources.

Payroll and related benefits equal \$2.23 million which make up 65.8% of total expenses. During fiscal year 2016-2017 the Port has received \$0.76 million and \$0.72 million in grants for the East

Terminal Track and East Terminal Pier projects, respectively for addition to and rehab on the rail lines at the Port. Additionally, \$0.09 million has been received for Access Control System/Security from a FEMA security grant and \$0.75 million from a NYS grant for the CNY Inland Port.

For 2017-2018 aluminum activity is anticipated to increase. Therefore, dockage, wharfage, storage, stevedoring and loading/unloading are all expected to increase. The potential for increased vessels in agricultural products and oversized cargo also indicate a rise for these revenue streams. Rental income is expected to decrease with the sale of the Hammermill property having closed in August 2016.

Payroll expenses are anticipated to increase 3%. Additionally, the Executive Director will receive a salary increase for 2017-2018. NYS Retirement, Social Security, Medicare, Unemployment and disability are anticipated to increase as they are a function of the increased payroll. General insurance is expected to decrease again in the coming year.

D. Provide a self-assessment of budgetary risks.

Rental income does not have significant risk as the Port has agreements with each rental customer. However, it will decrease as stated above due to the sale of the Hammermill property in 2016-2017. Aluminum, salt and grain activity is dependent on the markets that they are in so there is risk involved. The marina operation also holds risk as they depend on the recreational funds that people have. We are expecting the marina income to increase slightly due to capital improvements and additional services at 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 2017-2018

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

See Budget and Financial Plan 2017-2018

For fiscal year 2016-2017 storage revenue is 41% lower than budgeted. Aluminum customers moved more aluminum off the Port site as opposed to storing. Dockage, Stevedoring and Miscellaneous are 64%, 13% and 45%, respectively, less than budgeted as there were fewer vessels than expected. Wharfage is 8% higher than budgeted as salt was unexpectedly brought in by North American Salt even though there was less activity with aluminum. Marina income was 12% below budget mainly due to gas sales being over estimated for the year.

Overall payroll and ILA Pension are expected to be 17% and 27%, respectively, lower than budgeted due mainly to lower longshoremen costs because there were fewer vessels, as well as, a vacancy in a position. General Insurance expense is expected to be 39% below budget due to the change in carriers. Travel expense will be 63% below budget due to reduced spending by the Director. Health insurance costs are 31% over budget, due to a large increase in rates. Building and equipment repairs is 90% over budget due to a new electric service needing to be installed for the new conveyor and repairs in the warehouse that were not expected.

- 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 2017-2018

- 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 11 full-time employees:

Management – 2
Clerical – 5
Maintenance/Mechanics – 3
Marina – 1

This year there have been 93 part-time employees classified as:

Longshoremen – 77
Clerical - 1
Security – 4
Marina – 6
Custodial - 1
Summer Labor – 4

The longshoremen will have hours of 10 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.

The director continues to work to reduce labor when applicable in order to reduce expense for longshoremen which also has an effect on the workers compensation insurance. He also continues oversight and reduction on 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 2017-2018, the Port expects to receive funds from the NYS Port and Infrastructure funding to reimburse costs incurred for the CNY Inland Port. Additionally, \$0.1 million is expected from NYS BIG grant for the marina gas dock replacement, as well as funds from the NYS CVAP program.

- 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
2017-2018

	Last Yr		Current Yr		Next Year		Proposed		Proposed	
	(Actual)	(Projected)	4/1/16-3/31/17	4/1/17-3/31/18	4/1/18-3/31/19	4/1/19-3/31/20	4/1/20-3/31/21			
Revenue & Financial Sources										
Operating Revenues										
Charges for Services	\$ 4,164,291.00	\$ 2,858,694.00	\$ 3,474,600.00	\$ 3,100,000.00	\$ 3,193,000.00	\$ 3,195,000.00				
Rentals & Financing Income	\$ 703,065.00	\$ 711,713.00	\$ 690,000.00	\$ 660,000.00	\$ 680,000.00	\$ 682,000.00				
Other Operating Revenues	\$ 554,550.00	\$ 527,157.00	\$ 610,515.00	\$ 575,000.00	\$ 590,000.00	\$ 595,000.00				
Non-Operating Revenues										
Investment Earnings	\$ 1,457.00	\$ 1,283.00	\$ 1,300.00	\$ 1,400.00	\$ 1,500.00	\$ 1,600.00				
State Subsidies/Grants	\$ 1,451,011.00	\$ 2,324,170.00	\$ 802,025.00	\$ -	\$ -	\$ -				
Federal Subsidies/Grants	\$ 526,222.00	\$ -	\$ -	\$ -	\$ -	\$ -				
Other Non-Operating Revenues	\$ -	\$ 222,768.00	\$ -	\$ -	\$ -	\$ -				
Proceeds from the Issuance of Debt										
Total Revenues & Financing Sources	\$ 7,400,596.00	\$ 6,645,785.00	\$ 5,578,440.00	\$ 4,336,400.00	\$ 4,464,500.00	\$ 4,473,600.00				
Expenditures										
Operating Expenditures										
Salaries and Wages	\$ 1,489,013.00	\$ 1,361,439.58	\$ 1,605,724.60	\$ 1,450,000.00	\$ 1,494,000.00	\$ 1,538,820.00				
Other Employee Benefits	\$ 832,928.00	\$ 828,090.00	\$ 870,148.50	\$ 880,000.00	\$ 895,000.00	\$ 899,000.00				
Professional Services Contracts	\$ 38,343.00	\$ 263,983.00	\$ 50,000.00	\$ -	\$ -	\$ -				
Supplies and Materials	\$ 31,817.80	\$ 43,514.59	\$ 45,000.00	\$ 155,000.00	\$ 159,000.00	\$ 162,000.00				
Other Operating Expenditures	\$ 1,473,935.00	\$ 1,183,629.79	\$ 1,335,230.00	\$ 994,000.00	\$ 1,000,000.00	\$ 1,003,000.00				
Non-Operating Expenditures										
Payment of Principal on Bonds and Financing Arrangements	\$ 267,967.00	\$ 798,389.00	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00				
Interest and Other Financing Charges	\$ 62,624.00	\$ 30,240.00	\$ -	\$ -	\$ -	\$ -				
Subsidies to Other Public Authorities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				
Capital Asset Outlay	\$ 864,492.00	\$ 919,451.78	\$ 150,000.00	\$ 300,000.00	\$ 300,000.00	\$ 200,000.00				
Grants and donations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				
Other Non-Operating Expenditures	\$ -	\$ 403,746.00	\$ -	\$ -	\$ -	\$ -				
Total Expenditures	\$ 5,061,119.80	\$ 5,832,483.74	\$ 4,106,103.10	\$ 3,829,000.00	\$ 3,898,000.00	\$ 3,852,820.00				
Capital contributions										
Excess(Deficiency) of Revenues and Capital Contributions Over Expenditures	\$ 2,339,476.20	\$ 813,301.26	\$ 1,472,336.90	\$ 507,400.00	\$ 566,500.00	\$ 620,780.00				

PORT OF OSWEGO AUTHORITY
Budget & Financial Plan
2017-2018

Projected Debt Schedule at March 31st

	Current Yr (Projected) 4/1/16-3/31/17	Next Year 4/1/17-3/31/18	Proposed 4/1/18-3/31/19	Proposed 4/1/19-3/31/20	Proposed 4/1/20-3/31/21
Debt Outstanding (Principal)	\$ 300,000.00	\$ 300,000.00	\$ -	\$ -	\$ -
Debt Service Payments (Principal & Interest)	\$ 18,000.00	\$ 481,000.00	\$ -	\$ -	\$ -
Proposed Debt	None	None	None	None	None

PORT OF OSWEGO AUTHORITY
Budget & Financial Plan
2017-2018

Capital Project Schedule

	Prior Years	Current Yr (Projected) 4/1/16-3/31/17	Next Year 4/1/17-3/31/18	Proposed 4/1/18-3/31/19	Source
East Terminal Pier Rehab	\$ 445,283.00	\$ 868,000.00	\$ -	\$ -	77.8% Grant Port funds
West Side Pier Improvements	\$ 34,000.00	\$ 63,000.00	\$ -	\$ -	Port funds
Gas Dock Improvements	\$ -	\$ -	\$ 250,000.00	\$ -	Port funds 68% Grant