

**PORT OF OSWEGO AUTHORITY
ANNUAL BUDGET AND FINANCIAL PLAN
2019 – 2020**

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, miscellaneous operations, marina slip rental, gas sales and various marina related items. In 2018-2019, stevedoring comprises 19.7% of overall revenues at \$0.71 million, with rental revenue making up 21.1% at \$0.77 million, loading/unloading income is 18.1% at \$0.66 million, marina income is 16.8% at \$0.61 million and the remaining \$0.88 million coming from the remaining sources.

Payroll and related benefits equal \$1.97 million which make up 63.5% of total expenses. During fiscal year 2018-2019 the Port has received \$0.004 million from the NYS CVAP, \$0.009 million from FEMA and anticipates receiving the final payment from the NYS BIG grant for the gas dock at the Oswego Marina for \$0.011 million.

For 2019-2020 aluminum activity is anticipated to remain steady as the director has rebuilt relationships with customers. Therefore, dockage, wharfage, storage, stevedoring and loading/unloading for aluminum are all expected to remain steady. The handling of agricultural products is expected to increase due to 2 additionally grain vessels. Again this year there is a breakwall project which indicates a rise for these revenue streams. Rental income is expected to increase as the contracts for Nutrien and Lehigh are almost completed.

Payroll expenses are anticipated to increase 3% for Port employees. Additionally, we expect an increase for the ILA payroll expense with negotiations ongoing for the ILA contract. Therefore, NYS Retirement, ILA Pension, Social Security, Medicare, Unemployment and disability are anticipated to increase as they are a function of the increased payroll. General insurance is expected to remain steady this 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. It will actually increase in 2019-2020 with the new agreements with Nutrien and Lehigh along with the upcoming breakwall project. Aluminum, salt and grain activity are 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. In 2018-2019 it was up across the board for the marina. We are expecting the marina income to increase slightly in 2019-2020.

Expenses related to operations are dependent on the movement of commodities. If there is a reduction in that activity 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 2019-2020

F. Reconciliation that identifies all changes in estimates from the projections in the previously approved budget or plan.
See Budget and Financial Plan 2019-2020

For fiscal year 2018-2019 stevedoring revenue is 28.7% under budgeted. This is due to fewer aluminum vessels in 2018. Storage is 49.2% under budget. Again this year, free storage was given to the aluminum companies as an incentive to bring more aluminum through the Port. This was not known at the time the budget was prepared. Dockage is 11.3% above budget as the number of grain vessels and the time at dock was higher than estimated. Loading/Unloading is 23.3% above budget

due to movement of more product. Rental income and Miscellaneous income are 22.7% and 77% over budget, respectively, due to the breakwall project that was not in the original budget as well as the timing of vessels which add additional fees on the weekends. Marina income is 17.1% over budget due mainly to higher fuel sales than estimated.

Payroll is 7% under budget as there are 2 vacant positions. ILA Pension along with the ILA payroll is over budget as there was more loading/unloading than estimated. Contract trucking resumed this year and wasn't budgeted for. General Insurance expense continues to decline as it is 16% below budget due to the change in insurance agent and carriers. Travel expense will be 70% over budget due to unexpected meetings and board members travelling with the director. Health insurance costs are 13% under budget, due to plan changes. Printing/Advertising is \$13,000 over budget with the addition of iHeart Oswego advertisements. Professional services will be 38% over budget due to unexpected legal matters and labor negotiations. Communications will be 55% over budget as the change to the new vendor was delayed until half way through the year. Rental expense is \$29,000 over budget due to equipment needs for the RV Park that has begun work but wasn't known for the budget last year. Museum expenses are 148% over budget as there were emergency repairs to the boiler and main gas line.

- 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 2019-2020

- 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 10 full-time employees:

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

This year there have been 86 part-time employees classified as:

- Longshoremen – 69
- Clerical - 1
- Security – 6
- Marina – 4
- Custodial - 1
- Summer Labor – 5

The longshoremen will have 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 has again extended free storage for aluminum for the months of Jan-March this year. We anticipate that doing so will result in a return to higher quantities of aluminum moving through the Port.

In an effort to reduce health insurance costs we have opted for a new plan format with lower premiums. The director will continue to monitor labor in order to reduce expense for longshoremen which also has an effect on the workers compensation insurance. He will also continue evaluating all spending.

- 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 2019-2020, the Port expects to receive the remaining funds from the NYS BIG grant for the gas dock project. CVAP funds will also be applied for from the marina.

Additionally, additionally funds from FEMA are expected to do the repairs from the high water emergency on Lake Ontario. It is unknown when they will actually be finalized and received.

Finally, we anticipate receiving funds from the Pier Rehab grant to complete West side pier repairs and improvements.

- 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
2019-2020

	Last Yr (Actual)		Current Yr (Projected)		Next Year		Proposed		Proposed	
	4/1/17-3/31/18	4/1/18-3/31/19	4/1/18-3/31/19	4/1/19-3/31/20	4/1/20-3/31/21	4/1/21-3/31/22	4/1/22-3/31/23	4/1/21-3/31/22	4/1/22-3/31/23	
Revenue & Financial Sources										
Operating Revenues										
Charges for Services	\$ 1,831,110.00	\$ 2,235,154.00	\$ 2,380,950.00	\$ 2,340,000.00	\$ 2,340,000.00	\$ 2,340,000.00	\$ 2,340,000.00	\$ 2,340,000.00	\$ 2,340,000.00	
Rentals & Financing Income	\$ 664,649.00	\$ 767,544.00	\$ 771,485.22	\$ 700,000.00	\$ 700,000.00	\$ 700,000.00	\$ 700,000.00	\$ 700,000.00	\$ 700,000.00	
Other Operating Revenues	\$ 483,177.00	\$ 566,409.00	\$ 608,400.00	\$ 550,000.00	\$ 550,000.00	\$ 550,000.00	\$ 550,000.00	\$ 550,000.00	\$ 550,000.00	
Non-Operating Revenues										
Investment Earnings	\$ 2,883.00	\$ 2,753.00	\$ 2,700.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	
State Subsidies/Grants	\$ 418,238.00	\$ 16,217.00	\$ 767,822.28	\$ 5,000.00	\$ 5,000.00	\$ -	\$ -	\$ -	\$ -	
Federal Subsidies/Grants	\$ -	\$ 9,225.00	\$ 164,604.56	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Other Non-Operating Revenues	\$ 288,130.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Proceeds from the Issuance of Debt										
Total Revenues & Financing Sources	\$ 3,688,187.00	\$ 3,597,302.00	\$ 4,695,962.06	\$ 3,597,000.00	\$ 3,597,000.00	\$ 3,592,000.00	\$ 3,592,000.00	\$ 3,592,000.00	\$ 3,592,000.00	
Expenditures										
Operating Expenditures										
Salaries and Wages	\$ 1,128,660.00	\$ 1,260,944.00	\$ 1,438,664.59	\$ 1,370,000.00	\$ 1,370,000.00	\$ 1,370,000.00	\$ 1,370,000.00	\$ 1,370,000.00	\$ 1,370,000.00	
Other Employee Benefits	\$ 798,213.00	\$ 824,132.03	\$ 802,264.05	\$ 800,000.00	\$ 800,000.00	\$ 800,000.00	\$ 800,000.00	\$ 800,000.00	\$ 800,000.00	
Professional Services Contracts	\$ 281,046.00	\$ 114,430.00	\$ 90,000.00	\$ 65,000.00	\$ 65,000.00	\$ 65,000.00	\$ 65,000.00	\$ 65,000.00	\$ 65,000.00	
Supplies and Materials	\$ 35,960.00	\$ 33,882.00	\$ 31,800.00	\$ 58,000.00	\$ 58,000.00	\$ 58,000.00	\$ 58,000.00	\$ 58,000.00	\$ 58,000.00	
Other Operating Expenditures	\$ 1,093,565.00	\$ 1,347,972.00	\$ 1,276,766.32	\$ 1,100,000.00	\$ 1,100,000.00	\$ 1,100,000.00	\$ 1,100,000.00	\$ 1,100,000.00	\$ 1,100,000.00	
Non-Operating Expenditures										
Payment of Principal on Bonds and Financing Arrangements	\$ 300,000.00	\$ 50,000.00	\$ 50,000.00	\$ 75,000.00	\$ 75,000.00	\$ 75,000.00	\$ 75,000.00	\$ 75,000.00	\$ 75,000.00	
Interest and Other Financing Charges	\$ 181,017.63	\$ -	\$ 1,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	
Subsidies to Other Public Authorities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Capital Asset Outlay	\$ 140,863.00	\$ 266,417.00	\$ 1,070,322.00	\$ 100,000.00	\$ 100,000.00	\$ 100,000.00	\$ 100,000.00	\$ 100,000.00	\$ 100,000.00	
Grants and donations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Other Non-Operating Expenditures	\$ 351,276.00	\$ -	\$ -	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	
Total Expenditures	\$ 4,310,600.63	\$ 3,897,777.03	\$ 4,760,816.96	\$ 3,580,000.00	\$ 3,580,000.00	\$ 3,580,000.00	\$ 3,580,000.00	\$ 3,580,000.00	\$ 3,580,000.00	
Capital contributions										
Excess(Deficiency) of Revenues and Capital Contributions Over Expenditures	\$ (622,413.63)	\$ (300,475.03)	\$ (64,854.90)	\$ 17,000.00	\$ 17,000.00	\$ 12,000.00	\$ 12,000.00	\$ 12,000.00	\$ 12,000.00	

PORT OF OSWEGO AUTHORITY

Budget & Financial Plan

2019-2020

Projected Debt Schedule at March 31st

	Current Yr (Projected) 4/1/18-3/31/19	Next Year 4/1/19-3/31/20	Proposed 4/1/20-3/31/21	Proposed 4/1/21-3/31/22	Proposed 4/1/22-3/31/23
Debt Outstanding (Principal)	\$ -	\$ -	\$ -	\$ -	\$ -
Debt Service Payments (Principal & Interest)	\$ -	\$ -	\$ -	\$ -	\$ -
Proposed Debt	None	None	None	None	None

PORT OF OSWEGO AUTHORITY
Budget & Financial Plan
2019-2020

Capital Project Schedule

	Prior Years	Current Yr (Projected) 4/1/18-3/31/19	Next Year 4/1/19-3/31/20	Proposed 4/1/20-3/31/21	Source
East Terminal Pier Rehab/ Oswego Intermodal Phase 2	\$ 1,324,123.78	\$ 37,567.13	\$ -	\$ -	77.8% Grant Port funds
West Side Pier Improvements	\$ 63,003.01	\$ 10,021.17	\$ 703,000.00	\$ -	77.8% Grant/Port funds/Customers
Gas Dock Improvements	\$ 129,906.25	\$ 117,306.14	\$ -	\$ -	Port funds 68% Grant
Mercer St. Properties	\$ 22,532.48	\$ 30,528.75	\$ -	\$ -	Port funds
Marina - new docks	\$ -	\$ 2,002.27	\$ 5,500.00	\$ 5,000.00	Port funds
East Dock - Water lines	\$ -	\$ 7,460.38	\$ -	\$ -	Port funds
New gin pole	\$ -	\$ 9,956.95	\$ -	\$ -	Port funds
Elect. Main Replacement	\$ -	\$ 46,047.61	\$ -	\$ -	Port funds
West Pier - High Water Damage	\$ -	\$ 10,931.83	\$ 4,919,160.93	\$ -	75% FEMA/ 12.5% NYS/ 12.5% Port
East Pier - High Water Damage	\$ -	\$ -	\$ 1,280,376.67	\$ -	75% FEMA/ 12.5% NYS/ 12.5% Port
East Term Revetment - High Water Damage	\$ -	\$ -	\$ 157,462.00	\$ -	75% FEMA/ 12.5% NYS/ 12.5% Port