
**PORT OF OSWEGO AUTHORITY
ANNUAL BUDGET AND FINANCIAL PLAN
2020 – 2021**

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 2019-2020, stevedoring comprises 27.4% of overall revenues at \$1 million, with rental revenue making up 21.6% at \$0.79 million, loading/unloading income is 13.3% at \$0.49 million, marina income is 14.7% at \$0.54 million and the remaining \$0.84 million coming from the remaining sources. Additionally, during fiscal year 2019-2020 the Port has received \$22 thousand in insurance funds due to the wind storm 10/31/19-11/1/19.

Payroll and related benefits equal \$1.95 million which make up 64% of total expenses.

For 2020-2021 aluminum activity is anticipated to remain steady. 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 as the grain movement in 2019 was below expected due to weather issues in 2019. Hopefully, the weather will be favorable and there will be an increase for wharfage, dockage and loading/unloading for grain. Rental income is expected to decrease. There are increase expected for Nutrien and Lehigh with new contracts but there is a decrease for the Fish & Wildlife building as the repayment of improvements portion of the rent has been completed.

Payroll expenses are anticipated to increase 3% for Port employees. Additionally, we expect an increase for the ILA payroll expense as the negotiations are still 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 have a 3% increase.

D. Provide a self-assessment of budgetary risks.

Rental income does not have significant risk as the Port has agreements with each rental customer. 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 2019-2020 it was up across the board for the marina, except for winter storage and gas sales. We are expecting the marina income to increase slightly in 2020-2021. Additionally, we have added an RV Park that we anticipate will be open for the summer season.

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 2020-2021

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

See Budget and Financial Plan 2020-2021

For fiscal year 2019-2020 stevedoring revenue is 38.0% above budget. This is due to more aluminum vessels in 2019 than were anticipated. Storage is 90.6% above budget as the temporary free storage fees for aluminum of the past 2 years was not continued which was not known at the time the budget was prepared. Dockage is 28% below budget and wharfage is 16.3% below, as the number of grain vessels and the time at dock was lower that estimated due to the weather. Loading/Unloading is 32.8% below budget due to the significant reduction in grain handled this year. Rental income is fairly steady and Miscellaneous income is 32.0% under budget, due to a

reduction in off hour work requested by customers and customers handling their own trucking instead of going through the Port. Marina income is 50.5% over budget due mainly to an increase in transient mooring and boat repairs.

Payroll is 13.2% under budget as longshoremen costs were reduced due to the reduction in ships and loading/unloading. Additionally, the hiring of the Supervisor of Development and Facilities didn't happen until more than half way through the year. ILA Pension along with the ILA payroll is under budget as there was less loading/unloading than estimated. General Insurance expense continues to decline as it is 8.5% below budget due to removal of injuries that have been on our experience mod. Travel expense will be 44.3% over budget due to unexpected meetings the director has need to attend to increase business. Automotive expense is 74.7% above budget as our aging fleet has deteriorated. Vehicles are being changed out. Health insurance costs are 8.8% under budget, due to plan changes. Printing/Advertising is 10.6% under budget. Professional services will be 29.5% over budget due to unexpected legal matters and labor negotiations dragging on. Communications will be 21% over budget as an expected refund of the old contract was only partially realized. Special Supplies and Expenses will be 36.4% over budget due mainly to demurrage costs from the railroad that are in dispute, signage to secure Port properties and TWIC card renewals that are cyclical. Rental expense is \$11000 over budget due to equipment needs for the RV Park and repairs due to high water and wind events. Museum expenses are \$5900 over budget due mainly to repairs to the LT-5 tug that weren't known at the time the budget was prepared. Contract trucking expense is down 50.2% in correlation with the reduction in contract trucking income.

- 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 2020-2021

- 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 13 full-time employees:

- Management – 2
- Clerical – 5
- Security - 1
- Maintenance/Mechanics – 4
- Marina – 2 (1 is seasonal)

This year there have been 83 part-time employees classified as:

- Longshoremen – 71
- Security – 4
- Marina – 4
- Custodial - 1
- Summer Labor – 3

The longshoremen will have 12 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.

In an effort to keep health insurance costs down we opted for a new plan format with lower premiums and HRA partial funding of deductibles. This plan was a success for this year and we will continue with it for 2020-2021.

The director has hired the Supervisor of Development and Facilities. He will continue to monitor labor in order to reduce expense for longshoremen which also has an effect on the workers compensation insurance.

The director will 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 2020-2021, the Port expects to receive REDI funds from NYS for 4 projects totaling \$389,500. Funds from FEMA are expected to do the repairs from the high water emergency in 2017 on Lake Ontario. We anticipate receiving funds from the NYS Pier Rehab grant to complete West side pier repairs and improvements totaling \$493,230.83. Additionally, FEMA funds for the Wind Storm Nov. 1st are expected in the coming year. CVAP funds will also be applied for from the marina.

- 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**

2020-2021

Revenue & Financial Sources Operating Revenues	Last Yr (Actual)	Current Yr (Projected)	Next Year 4/1/20-3/31/21	Proposed 4/1/21-3/31/22	Proposed 4/1/22-3/31/23	Proposed 4/1/23-3/31/24
	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	4/1/23-3/31/24
Charges for Services	\$ 2,295,587.43	\$ 2,326,625.67	\$ 2,495,000.00	\$ 2,544,000.00	\$ 2,544,000.00	\$ 2,544,000.00
Rentals & Financing Income	\$ 768,043.99	\$ 789,537.33	\$ 723,660.43	\$ 731,915.99	\$ 748,148.90	\$ 748,148.90
Other Operating Revenues	\$ 551,936.07	\$ 539,174.17	\$ 621,700.00	\$ 628,800.00	\$ 628,800.00	\$ 628,800.00
Non-Operating Revenues						
Investment Earnings	\$ 3,044.73	\$ 3,928.19	\$ 4,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00
State Subsidies/Grants	\$ 110,602.64	\$ -	\$ 977,730.83	\$ 16,269,907.33	\$ -	\$ -
Federal Subsidies/Grants	\$ 333,384.74	\$ -	\$ 383,366.38	\$ 4,619,443.95	\$ -	\$ -
Other Non-Operating Revenues	\$ -	\$ 22,408.28	\$ -	\$ -	\$ -	\$ -
Proceeds from the Issuance of Debt						
Total Revenues & Financing Sources	\$ 4,062,599.60	\$ 3,681,673.64	\$ 5,205,457.64	\$ 24,796,067.27	\$ 3,922,948.90	\$ 3,922,948.90
Expenditures						
Operating Expenditures						
Salaries and Wages	\$ 1,236,854.98	\$ 1,249,223.38	\$ 1,455,000.00	\$ 1,470,000.00	\$ 1,475,000.00	\$ 1,480,000.00
Other Employee Benefits	\$ 973,295.25	\$ 700,530.58	\$ 772,832.56	\$ 779,000.00	\$ 782,000.00	\$ 785,000.00
Professional Services Contracts	\$ 116,721.10	\$ 116,523.82	\$ 100,000.00	\$ 80,000.00	\$ 65,000.00	\$ 65,000.00
Supplies and Materials	\$ 58,727.06	\$ 57,774.52	\$ 57,125.00	\$ 58,000.00	\$ 58,000.00	\$ 58,000.00
Other Operating Expenditures	\$ 962,444.58	\$ 910,630.01	\$ 944,525.04	\$ 950,000.00	\$ 975,000.00	\$ 975,000.00
Non-Operating Expenditures						
Payment of Principal on Bonds and Financing Arrangements	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ 250,000.00	\$ 200,000.00	\$ 75,000.00
Interest and Other Financing Charges	\$ -	\$ -	\$ 3,000.00	\$ 3,000.00	\$ 2,000.00	\$ 1,000.00
Subsidies to Other Public Authorities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Asset Outlay	\$ 292,551.62	\$ 423,120.24	\$ 1,293,547.00	\$ 21,159,258.60	\$ 275,000.00	\$ 275,000.00
Grants and donations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Non-Operating Expenditures	\$ 10,000.00	\$ 10,250.00	\$ 10,500.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00
Total Expenditures	\$ 3,700,594.59	\$ 3,518,052.55	\$ 4,686,529.60	\$ 24,759,258.60	\$ 3,842,000.00	\$ 3,724,000.00
Capital contributions						
Excess(Deficiency) of Revenues and Capital Contributions Over Expenditures	\$ 362,005.01	\$ 163,621.09	\$ 518,928.04	\$ 36,808.67	\$ 80,948.90	\$ 198,948.90

PORT OF OSWEGO AUTHORITY
Budget & Financial Plan
2020-2021

Projected Debt Schedule at March 31st

	Current Yr (Projected) 4/1/19-3/31/20	Next Year 4/1/20-3/31/21	Proposed 4/1/21-3/31/22	Proposed 4/1/22-3/31/23	Proposed 4/1/23-3/31/24
Debt Outstanding (Principal)	\$ 396,521.36	\$ 354,777.68	\$ 313,034.00	\$ 260,780.12	\$ 208,526.24
Debt Service Payments (Principal & Interest)	\$ 4,378.64	\$ 54,000.00	\$ 54,000.00	\$ 64,510.20	\$ 64,510.20
Proposed Debt	None	None	None	None	None

PORT OF OSWEGO AUTHORITY
Budget & Financial Plan
2020-2021

Capital Project Schedule

	Prior Years	Current Yr (Projected) 4/1/19-3/31/20	Next Year 4/1/20-3/31/21	Proposed 4/1/21-3/31/22	Source
East Terminal Pier Rehab/ Oswego Intermodal Phase 2	\$ 1,380,622.74	\$ -	\$ -	\$ -	77.8% Grant Port funds
West Side Pier Improvements	\$ 73,024.18	\$ -	\$ 703,000.00	\$ -	Grant/ \$66,500 REDI/ \$67192 Customers/ Balance Port
Mercer St. Properties	\$ 75,780.72	\$ -	\$ -	\$ -	Port funds
Marina - new docks summer 2019	\$ 2,002.27	\$ 24,201.71	\$ -	\$ -	Port funds
Elect. Main Replacement	\$ 46,047.61	\$ 46,047.61	\$ -	\$ -	Port funds
Marina - High water 2019	\$ -	\$ 4,832.00	\$ -	\$ -	Port funds
West Pier - High Water Damage	\$ 10,931.83	\$ 55,283.37	\$ 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	\$ -	\$ 45,586.48	\$ 232,547.00	\$ -	75% FEMA/ 12.5% NYS/ 12.5% Port
USDA Office	\$ 1,997.38	\$ -	\$ -	\$ -	Port funds
RV Park	\$ -	\$ 50,823.00	\$ 3,000.00	\$ -	Port funds
High Wind damage - FEMA 4472	\$ -	\$ 72,000.00	\$ -	\$ -	12.5% NYS/ 12.5% Port
REDI 19512 - Sprague/West Berm	\$ -	\$ 126,083.15	\$ 35,000.00	\$ -	\$95,000 REDI / Balance Port
REDI 19513 - Marina Docks	\$ -	\$ 35,000.00	\$ 5,000.00	\$ -	95% REDI/5% Port
REDI 19516 - N. End West dock	\$ -	\$ -	\$ 300,000.00	\$ -	95% REDI/5% Port
REDI 19515 - Goble Boating Center				\$ 1,800,000.00	95% REDI/5% Port