

**PORT OF OSWEGO AUTHORITY
ANNUAL BUDGET AND FINANCIAL PLAN
2021 – 2022**

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. With Covid-19 shutting down most aspects of revenue for at least ½ of the physical year, revenues were down 30% for PY 2020-2021. In 2020-2021, storage comprises 17.9% of overall revenues at \$479 thousand, with stevedoring revenue making up 17.1% at \$457 thousand, rental income is 17.0% at \$456 thousand, marina income is 14.8% at \$397 thousand, loading and unloading is 14.0% at \$375 thousand and the remaining \$513 thousand coming from the remaining sources. Additionally, during fiscal year 2020-2021 the Port has received \$654

thousand in grant funds from the NYS REDI program, DOT and Environmental Facilities Corp. as well as \$13 thousand from FEMA in disaster aid.

Payroll and related benefits equal \$1.6 million which make up 57% of total expenses.

For PY 2021-2022 all activity is anticipated to increase as we come out of the effects of Covid-19. Aluminum activity is anticipated to rebound. Therefore, dockage, wharfage, storage, stevedoring and loading/unloading for aluminum are all expected to return to prior levels. As we complete construction on the new Agricultural Center this year, we anticipate a new tenant to begin bringing in agricultural products as harvest begins in the fall. This will bring back revenue through rental and loading/unloading of these products. Rental income is expected to decrease overall. There are incremental increases with 3 contracts but there is a decrease for the Fish & Wildlife building as the repayment of improvements portion of the rent has been completed and without the full year of agricultural products there will be a decrease in that line item.

Payroll expenses are anticipated to return to the amount budgeted for 2020-2021. We expect an increase for the ILA payroll expense when negotiations for the ILA contract resume. Therefore, NYS Retirement, ILA Pension, Social Security, Medicare, Unemployment and disability are anticipated to return to similar levels as last year as well, 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.

Unfortunately, with Covid-19 we found out that everything was at risk. Going into 2021-2022 we don't expect significant risk with Rental income 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 2020-2021, the marina had 46% increase in slip rental and 51% increase in storage but most areas it was down significantly at the marina wasn't allowed to open until well into the season. We are expecting the marina income to rebound in 2021-2022 as people are anxious to return to normal activities. Again, the RV Park wasn't able to be completed due to Covid-19 causing a lack of funds. We do anticipate completion of the RV Park in 2021-2022 and hope to open for part of the 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 2021-2022

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

See Budget and Financial Plan 2021-2022

For fiscal year 2020-2021, storage revenue is 140.0% above budget. This is due to aluminum being stored at the Port because customers were unable to move it out due to Covid-19 closures. All other revenue streams are down for an overall 30% below budget due to Covid-19.

Payroll is 27.3% under budget predominantly because longshoremen and marina costs were reduced due to Covid-19. ILA Pension is tied to the ILA hours worked so that was under budget 56% as well. Additionally, a change in the position of Supervisor of Development and Facilities brought a decrease. General Insurance expense continued to decline as it is 4.3% below budget due further removal of past injuries have reduces our experience mod. Travel expense is 99% under budget as no travel was allowed due to Covid-19. Automotive expense is 84% above budget as our aging fleet continues to need work and during Covid-19 there was time to make repairs. Health insurance costs are 9.2% under budget, with our current plan allowing for flexibility, creating opportunity for reductions with non-use. Professional services will be 70.4% over budget due to continued labor negotiations dragging on causing increases is legal fees as well other unexpected legal matters. Contract trucking expense is up 127.3% as customers increased use as things reopened after Covid-19 shutdowns. This correlates to an increase in contract trucking income. Interest expense is up \$17,209 with the addition of a new equipment loan. Virtually all other line items are under budget due to Covid-19 with an overall amount of 20% under 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 2021-2022

- 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 – 3
- Marina – 2 (1 is seasonal)

This year there have been 60 part-time employees classified as:

- Longshoremen – 50 (4 full-time equivalents)
- Security – 3
- Marina – 2
- Custodial - 1
- Summer Labor – 4

- 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.

We are continuing with the health plan format that we used last year as it did produce about a \$22,000 savings over what we anticipated with lower premiums and HRA partial funding of deductibles. The Supervisor of Development and Facilities will continue to monitor labor in order to reduce expenses for longshoremen which also has an effect on the workers compensation insurance and 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 2021-2022, the Port expects to receive REDI funds from NYS for 3 projects totaling \$1,976,000. Funds from FEMA are expected to do the repairs from the high water emergency in 2017 on Lake Ontario in the amount of \$6,143,769.95. We anticipate receiving funds from the NYS Pier Rehab grant to complete West side pier repairs and improvements totaling \$634,135.81. Additionally, \$261,229 in FEMA funds, for the Wind Storm on Nov. 1st, 2019 are expected on projects that have been completed. We will receive \$20,000.00 from an ESD Strategic Planning Grant for work that has been completed and 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
2021-2022

Revenue & Financial Sources	Last Yr (Actual)	Current Yr (Projected)	Next Year	Proposed	Proposed	Proposed
Operating Revenues	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	4/1/24-3/31/25
Charges for Services	\$ 2,359,302.28	\$ 1,854,758.31	\$ 2,496,900.00	\$ 2,544,000.00	\$ 2,600,000.00	\$ 2,700,000.00
Rentals & Financing Income	\$ 789,248.75	\$ 455,678.49	\$ 445,000.00	\$ 731,915.99	\$ 748,148.90	\$ 748,148.90
Other Operating Revenues	\$ 526,668.25	\$ 396,746.08	\$ 595,100.00	\$ 628,800.00	\$ 628,800.00	\$ 628,800.00
Non-Operating Revenues						
Investment Earnings	\$ 5,277.39	\$ 4,949.79	\$ 3,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00
State Subsidies/Grants	\$ 522.00	\$ 654,214.37	\$ 17,157,473.94	\$ 2,400,000.00	\$ -	\$ -
Federal Subsidies/Grants	\$ -	\$ 11,008.68	\$ 6,404,998.95	\$ 2,100,000.00	\$ -	\$ -
Other Non-Operating Revenues	\$ 22,408.28	\$ -	\$ 51,308.19	\$ -	\$ -	\$ -
Proceeds from the Issuance of Debt						
Total Revenues & Financing Sources	\$ 3,703,426.95	\$ 3,377,355.72	\$ 27,153,781.08	\$ 8,406,715.99	\$ 3,978,948.90	\$ 4,078,948.90
Expenditures						
Operating Expenditures						
Salaries and Wages	\$ 1,258,540.42	\$ 1,062,514.76	\$ 1,427,000.00	\$ 1,470,000.00	\$ 1,499,000.00	\$ 1,550,000.00
Other Employee Benefits	\$ 891,161.63	\$ 546,904.88	\$ 795,880.79	\$ 800,000.00	\$ 821,000.00	\$ 849,735.00
Professional Services Contracts	\$ 156,314.48	\$ 169,694.04	\$ 100,000.00	\$ 80,000.00	\$ 65,000.00	\$ 65,000.00
Supplies and Materials	\$ 64,355.50	\$ 63,262.93	\$ 56,750.00	\$ 58,000.00	\$ 58,000.00	\$ 58,000.00
Other Operating Expenditures	\$ 1,197,490.23	\$ 1,014,239.49	\$ 1,008,315.92	\$ 950,000.00	\$ 975,000.00	\$ 975,000.00
Non-Operating Expenditures						
Payment of Principal on Bonds and Financing Arrangements	\$ 50,000.00	\$ 27,473.62	\$ 85,705.17	\$ 250,000.00	\$ 200,000.00	\$ 75,000.00
Interest and Other Financing Charges	\$ 3,654.44	\$ 20,879.29	\$ 23,000.00	\$ 3,000.00	\$ 2,000.00	\$ 1,000.00
Subsidies to Other Public Authorities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Asset Outlay	\$ 705,772.56	\$ 1,589,684.66	\$ 22,635,474.87	\$ 4,200,000.00	\$ 200,000.00	\$ 200,000.00
Grants and donations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Non-Operating Expenditures	\$ 10,250.00	\$ -	\$ 5,000.00	\$ 300,000.00	\$ 10,000.00	\$ 10,000.00
Total Expenditures	\$ 4,337,539.26	\$ 4,494,653.67	\$ 26,137,126.75	\$ 8,111,000.00	\$ 3,830,000.00	\$ 3,783,735.00
Capital contributions						
Excess(Deficiency) of Revenues and Capital Contributions Over Expenditures	\$ (634,112.31)	\$ (1,117,297.95)	\$ 1,016,654.33	\$ 295,715.99	\$ 148,948.90	\$ 295,213.90

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Projected Debt Schedule at March 31st

	Current Yr (Projected) 4/1/20-3/31/21	Next Year 4/1/21-3/31/22	Proposed 4/1/22-3/31/23	Proposed 4/1/23-3/31/24	Proposed 4/1/24-3/31/25
Debt Outstanding (Principal)	\$ 364,363.73	\$ 328,658.56	\$ 281,035.95	\$ 230,727.05	\$ 177,580.33
Debt Service Payments (Principal & Interest)	\$ 54,000.00	\$ 54,875.85	\$ 64,510.20	\$ 64,510.20	\$ 64,510.20
Proposed Debt	None	None	None	None	None

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Budget & Financial Plan
2021-2022

Capital Project Schedule

	Prior Years	Current Yr (Projected) 4/1/20-3/31/21	Next Year 4/1/21-3/31/22	Proposed 4/1/22-3/31/23	Source
West Side Pier Improvements	\$ 19,371.95	\$ 58,805.15	\$ 1,164,124.40	\$ -	\$634,135.81 PFRAP Grant/\$500,000 PFRAP(100%)/ \$66,500 REDI/ \$64,692 Customers/ Balance Port
Agricultural Center	\$ 85,590.68	\$ 526,106.74	\$ 14,388,302.58	\$ -	NYS DOT Grant (100%)
Museum Tour boat dock	\$ -	\$ 3,600.00	\$ -	\$ -	Port funds
West Pier - High Water Damage	\$ 163,813.77	\$ 35,529.59	\$ 4,833,413.24	\$ -	75% FEMA/ 12.5% NYS/ 12.5% Port
East Pier - High Water Damage	\$ 64,626.13	\$ 11,637.77	\$ 1,050,238.10	\$ -	75% FEMA/ 12.5% NYS/ 12.5% Port
East Term Revetment - High Water Damage	\$ 61,217.76	\$ 229,409.89	\$ -	\$ -	75% FEMA/ 12.5% NYS/ 12.5% Port
Marina Horseshoe Rehab	\$ -	\$ 9,925.00	\$ -	\$ -	Port funds
New Marina Sign	\$ -	\$ 4,300.00	\$ -	\$ -	Port funds
RV Park	\$ 65,714.22	\$ 20,610.50	\$ 15,000.00	\$ -	Port funds
Office Building Sewer Pump	\$ -	\$ 7,240.38	\$ -	\$ -	Port funds
Museum heating updates	\$ -	\$ 13,946.93	\$ -	\$ -	Port funds
High Wind damage - FEMA 4472	\$ 61,830.04	\$ 430,134.24	\$ -	\$ -	75% FEMA/ 12.5% NYS/ 12.5% Port
REDI 19512 - Sprague/West Berm	\$ 128,633.15	\$ 20,880.00	\$ -	\$ -	\$142,037 REDI / Balance Port
REDI 19513 - Marina Docks	\$ 33,787.59	\$ 52,795.24	\$ -	\$ -	\$38,000 REDI/ Balance Port
REDI 19516 - N. End West dock	\$ 11,518.00	\$ 510,963.80	\$ -	\$ -	\$285,000 REDI/\$15,000 Port/FEMA
REDI 19515 - Goble Boating Center	\$ 28,620.00	\$ 114,480.00	\$ 1,607,386.85	\$ -	95% REDI/5% Port