

**PORT OF OSWEGO AUTHORITY
ANNUAL BUDGET AND FINANCIAL PLAN
2022 – 2023**

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. Revenues vary from year to year naturally. For PY 2021-2022, revenues are down 3% primarily due to the loss of Perdue as a customer. In 2021-2022, stevedoring comprises 21.5% of overall revenues at \$563 thousand, with loading & unloading revenue making up 15.4% at \$403 thousand, rental income at 15.0% at \$393 thousand, marina income is 22.3% at \$582 thousand, storage is 10.8% at \$282 thousand and the remaining \$389 thousand coming from dockage, wharfage and miscellaneous activity. Additionally, during fiscal year 2021-2022 the Port has

received \$13.9 million in grant funds from the NYS REDI program, NYS DOT and Environmental Facilities Corp., as well as, \$463 thousand from FEMA in disaster aid.

Payroll and related benefits equal \$2 million which make up 62.7% of total expenses.

For PY 2022-2023, all activity is anticipated to increase as we continue to come out of the effects of Covid-19 and potential projects are anticipated. Aluminum activity is anticipated to increase and grain and windmill vessels are expected. Therefore, dockage, wharfage, storage, stevedoring and loading/unloading for aluminum are all expected to return to prior levels. Additionally, increases are expected in these line items for grain and special projects. With the new Agricultural Center running with a new tenant this year, we anticipate they will bring 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 also expected to increase with the grain silo operational as well as, incremental increases with four existing contracts.

Payroll expenses are anticipated to increase as we are expecting a windmill project running for 6 months beginning in April 2022 as well as grain vessels and a Breakwall project. All of these will add additional longshoremen hours. We also expect an increase for the ILA payroll expense when negotiations for the ILA local contract is completed. Therefore, NYS Retirement, ILA Pension, Social Security, Medicare, Unemployment and disability are anticipated to increase as well, as they are a function of the increased payroll. General insurance is expected to have an increase as well.

D. Provide a self-assessment of budgetary risks.

Going into FY 2022-2023 we don't expect significant risk with Rental income as the Port has agreements with each rental customer. Aluminum 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 2021-2022, the marina had 100% increase in transient mooring and gas sales and increases in most areas as the marina was open for the entire season when compared to only about ½ the season in the prior year due to Covid-19. Again, the RV Park wasn't able to be completed due to Covid-19 causing a lack of funds. We did make some progress this year and anticipate completion of the RV Park in 2022-2023 but probable won't get to open for the season.

Expenses related to operations are dependent on the movement of commodities. As stated above, if there is an increase in that activity then the payroll expense for operating labor, longshoremen, goes up and vice versa. 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 2022-2023

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

See Budget and Financial Plan 2022-2023

For fiscal year 2022-2023, almost all Port revenue streams are budgeted with increases. This is due to the expected windmill project, grain vessels and increased aluminum vessels anticipated. These increases average 25% per line item. The marina revenue line items are anticipated to have an average 12% decrease leveling out to pre-pandemic levels.

Payroll is projected to have an 8.6% increased budget predominantly because of the anticipated projects that will require additional longshoremen hours and vessel security and pay increases. ILA pension is tied to the ILA hours worked so that will be increased 22.3% with the additional projects as well as the annual rate increase. Almost all other expense items will have increases related to either the additional expenses incurred during the expected projects, the new grain silo or general rate increases. Repairs on buildings and equipment is slated 5.3% below 2021-2022 as many things have been repaired already. Both rentals and contract trucking are budgeted 49.9% and 100% less than 2021-2022 as we increased our leases which has decreased rentals and contract trucking has been eliminated due to the retiring of the trucking company that had that arrangement through the Port.

- 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 2022-2023

- 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 – 2 ½ (1 is split between the marina and maintenance)

Marina – 2 ½ (1 is split between the marina and maintenance)

This year there have been 77 part-time employees classified as:

Longshoremen – 65 (1 full-time equivalent)

Security – 4

Marina – 5

Custodial - 1

Summer Labor – 2

- 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 the past couple of years as it did produce about a \$30,000 savings over what the potential expense anticipated with lower premiums from other plans 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 has received REDI funds from NYS for 3 projects totaling \$865,500. Another \$1,149,000 are expected to be received in 2022-2023, when the final REDI project is completed. In 2022-2023, 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. These projects have been delayed but are now beginning. Funds from the NYS Pier Rehab in the amount of \$634,135.81 were received this year from the completion of West side pier repairs and improvements. Additionally, \$336,384 in FEMA funds, for the Wind Storm on Nov. 1st, 2019 were received on projects that have been completed. \$12,505,327 have been received from NYS for completed work on the Agricultural Center. Another \$2,494,673 is expected in 2022-2023, as the construction wraps up. 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
2022-2023

Revenue & Financial Sources	Last Yr (Actual)	Current Yr (Projected)	Next Year	Proposed	Proposed	Proposed
Operating Revenues	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	4/1/25-3/31/26
Charges for Services	\$ 1,841,063.29	\$ 1,638,473.20	\$ 3,011,500.00	\$ 2,800,000.00	\$ 2,600,000.00	\$ 2,600,000.00
Rentals & Financing Income	\$ 455,678.49	\$ 393,269.47	\$ 518,462.93	\$ 396,778.47	\$ 410,943.55	\$ 417,194.35
Other Operating Revenues	\$ 393,004.92	\$ 582,004.25	\$ 619,200.00	\$ 620,000.00	\$ 620,000.00	\$ 620,000.00
Non-Operating Revenues						
Investment Earnings	\$ 5,307.70	\$ 648.94	\$ 1,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00
State Subsidies/Grants	\$ 1,287,790.28	\$ 13,858,675.15	\$ 3,003,948.39	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00
Federal Subsidies/Grants	\$ 642,243.66	\$ 462,553.27	\$ 5,746,744.06	\$ -	\$ -	\$ -
Other Non-Operating Revenues	\$ -	\$ 529,342.00	\$ 374,895.00	\$ -	\$ -	\$ -
Proceeds from the Issuance of Debt						
Total Revenues & Financing Sources	\$ 4,625,088.34	\$ 17,464,966.28	\$ 13,275,750.38	\$ 3,819,778.47	\$ 3,633,943.55	\$ 3,640,194.35
Expenditures						
Operating Expenditures						
Salaries and Wages	\$ 1,085,087.05	\$ 1,149,528.62	\$ 1,550,000.00	\$ 1,200,000.00	\$ 1,200,000.00	\$ 1,200,000.00
Other Employee Benefits	\$ 891,057.50	\$ 913,868.60	\$ 1,133,041.00	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,000.00
Professional Services Contracts	\$ 190,412.49	\$ 78,991.40	\$ 100,000.00	\$ 75,000.00	\$ 65,000.00	\$ 65,000.00
Supplies and Materials	\$ 66,787.21	\$ 63,402.62	\$ 60,000.00	\$ 60,000.00	\$ 60,000.00	\$ 60,000.00
Other Operating Expenditures	\$ 1,015,070.46	\$ 1,011,892.64	\$ 1,054,407.92	\$ 1,015,000.00	\$ 1,015,000.00	\$ 1,015,000.00
Non-Operating Expenditures						
Payment of Principal on Bonds and Financing Arrangements	\$ 33,120.71	\$ 36,744.67	\$ 97,840.88	\$ 100,539.48	\$ 103,390.31	\$ 106,401.92
Interest and Other Financing Charges	\$ 20,879.29	\$ 71,172.04	\$ 31,669.32	\$ 13,970.72	\$ 11,119.89	\$ 8,108.28
Subsidies to Other Public Authorities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Asset Outlay	\$ 1,554,542.70	\$ 14,950,782.39	\$ 8,201,035.93	\$ -	\$ -	\$ -
Grants and donations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Non-Operating Expenditures	\$ -	\$ -	\$ 10,500.00	\$ 10,500.00	\$ 10,500.00	\$ 10,500.00
Total Expenditures	\$ 4,856,957.41	\$ 18,276,382.98	\$ 12,238,495.05	\$ 3,475,010.20	\$ 3,465,010.20	\$ 3,465,010.20
Capital contributions						
Excess(Deficiency) of Revenues and Capital Contributions Over Expenditures	\$ (231,869.07)	\$ (811,416.70)	\$ 1,037,255.33	\$ 344,768.27	\$ 168,933.35	\$ 175,184.15

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Budget & Financial Plan
2022-2023

Projected Debt Schedule at March 31st

	Current Yr (Projected) 4/1/21-3/31/22	Next Year 4/1/22-3/31/23	Proposed 4/1/23-3/31/24	Proposed 4/1/24-3/31/25	Proposed 4/1/25-3/31/26
Debt Outstanding (Principal)	\$ 324,789.06	\$ 276,948.18	\$ 226,406.70	\$ 173,018.39	\$ 116,616.47
Debt Service Payments (Principal & Interest)	\$ 55,751.70	\$ 64,510.20	\$ 64,510.20	\$ 64,510.20	\$ 64,510.20
Proposed Debt	None	None	None	None	None

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Budget & Financial Plan
2022-2023

Capital Project Schedule

	Prior Years	Current Yr (Projected) 4/1/21-3/31/22	Next Year 4/1/22-3/31/23	Proposed 4/1/23-3/31/24	Source
West Side Pier Improvements	\$ 86,488.12	\$ 1,037,667.71	\$ -	\$ -	\$634,135.81 PFRAP Grant/\$500,000 PFRAP(100%)/ Balance Port
Agricultural Center	\$ 723,469.78	\$ 13,467,248.18	\$ 809,282.04	\$ -	NYS DOT Grant (100%)
Domes 2 roof/Dome 3 roof/Barrel Bldg roof	\$ -	\$ 8,926.68	\$ -	\$ -	Port funds
West Pier - High Water Damage	\$ 226,977.00	\$ 51,857.27	\$ 4,753,922.33	\$ -	75% FEMA/ 12.5% NYS/ 12.5% Port
East Pier - High Water Damage	\$ 125,137.37	\$ 47,084.03	\$ 954,280.60	\$ -	75% FEMA/ 12.5% NYS/ 12.5% Port
RV Park	\$ 86,324.72	\$ 9,352.30	\$ 10,000.00	\$ -	Port funds
Office Building Sewer Pump	\$ 10,082.38	\$ 6,213.76	\$ -	\$ -	Port funds
Museum heating updates	\$ 13,946.93	\$ 10,000.00	\$ -	\$ -	Port funds
REDI 19514 - Lehigh	\$ 11,875.00	\$ 158,270.50	\$ -	\$ -	\$66,500 REDI/Balance Port & Tenant contribution
REDI 19515 - Goble Boating Center	\$ 190,418.66	\$ 337,572.90	\$ 1,222,495.29	\$ -	95% REDI/5% Port