

PORT OF OSWEGO AUTHORITY
ANNUAL BUDGET AND FINANCIAL PLAN
2024 – 2025

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 within 15 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 FY 2023-2024, revenues are down 44.8% from the previous year, primarily due to the lack of windmill projects in 2023-2024. In 2023-2024, stevedoring comprises 28.5% of overall revenues at \$1.19 million, with rental revenue making up 13.9% at \$558 thousand, loading & unloading revenue making up 12.3% at \$513 thousand, storage 9.0% at \$374 thousand, miscellaneous terminal activity 7.6% at \$315 thousand, marina income is 18% at \$750 thousand, and the remaining \$447 thousand coming from dockage,

wharfage, profit sharing and interest. Additionally, during fiscal year 2023-2024 the Port has received \$1.2 million in grant funds from the NYS Lake Ontario Resiliency and Economic Development Initiative, \$933 thousand from FEMA in disaster aid, \$318 thousand from NYS DOT and Environmental Facilities Corp., as well as, \$305 thousand from the disposal/sale of equipment.

Payroll and related benefits equal \$2.5 million which make up 59.3% of total expenses.

For FY 2024-2025, most activity at the Port is anticipated to increase somewhat. Aluminum revenue is anticipated to increase with steady activity and an increase in rates as well as additional aluminum movement by rail. There is another breakwall project for the coming year to bring rock through the Port. Therefore, dockage, wharfage, storage, stevedoring and loading/unloading and miscellaneous terminal activity are all expected to be greater than FY 2023-2024.

Payroll expenses are anticipated to increase in accordance with the expected projects as well as staffing changes at the marina and annual increases. An increase for the ILA payroll expense is also anticipated when negotiations for the ILA local contract are 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 2024-2025 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 2023-2024, the marina had an overall decrease of 10% caused predominantly by reduced gas sales. Inflation appears to be affecting people's available funds. Again, the RV Park wasn't able to be completed due to requirements of the city. We hope to complete the project and open for the 2024 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. With projects expected to increase payroll would increase which can cause increased risk.

E. Revised forecast of the current year's budget.

See Budget and Financial Plan 2024-2025

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

See Budget and Financial Plan 2024-2025

For fiscal year 2023-2024, dockage is 28% below budget and wharfage is 12% below budget as a result of an unexpected departure of our grain customer that had planned to have vessels export grain. This departure also contributed to a 36% reduction in loading & unloading revenues along with aluminum customers keeping aluminum on site instead of loading it out to Novelis and other locations. Stevedoring is 58% higher than budget and miscellaneous terminal activity is 26% higher due to an increase in the volume of aluminum shipped during the season as well as cargo projects that were not known at the time of budget. Additionally, there is revenue from Profit Sharing - Castaloo that was unknown at the time of budgeting. The marina revenue line items overall are anticipated to be 126% under budget mainly due to reduced gas sale revenue. This is due to both a reduction in the number of gallons sold and reduced gas prices. Additionally, boat repair/maintenance revenue is \$13K below budgeted amount. Again, caused by a reduction in people's funds for boating.

This year's payroll is projected to be 2% below budget, predominantly due to less activity for the ILA since there were fewer projects. General insurance expense is 20% higher than budget due to higher increases than expected because the policy period and fiscal year are 6 months off. Printing/Advertising is up 46% due to an effort to make the community aware of what goes on at the Port that came about due to expansion. Communication expense is 65% under budget. The Port changed phone services. Utility expense is 21% below budget due to a mild winter. Special supplies are 36% over budget predominantly due to new required testing/training that was unknown at time of budget. Professional services are 96% over budget. Ongoing legal issues that were expected to be resolved have caused the overage as well as new legal matters that arose during the year. Technical Services-Probe expense is 53% below budget, as a result of the unexpected departure of our grain customer. Dues/Subscriptions are up 65% from budget because of rate increases, a retro payment and the addition of a legal subscription. Repairs & Maintenance expense is 26% higher than budget due to additional repairs to buildings and equipment beyond that which was anticipated. Rental expense is 382% over budget as additional large equipment was needed for the cargo projects that came up after budget completion.

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 2024-2025

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 12 full-time employees:

Management – 2

Clerical – 5

Security - 1

Maintenance/Mechanics – 2 ½ (1 is split between the marina and maintenance)

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

This year there have been 103 part-time employees classified as:

Longshoremen – 93 (2 full-time equivalent)
Security – 5
Marina – 3
Custodial - 1
Summer Labor – 1

- 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 have been using as it has produced about a \$39,000 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 2023-2024, the Port has received grant funds from NYS for projects totaling \$1.6 million. In 2024-2025, \$181 thousand are expected from REDI funds, when the final REDI project is completed; \$231 thousand from NYS DOT when Dome 4 is completed and \$36 thousand from NYS PFRAP when the Goble marina project is completed. The Port has received \$933 thousand from FEMA in FY 2023-2024, for repairs from the high water emergency in 2017 on Lake Ontario. FEMA funds are also expected in 2024-2025 in the amount of \$4.1 million. These projects have been delayed but are now beginning. \$305 thousand has been received from the sale of equipment during FY 2023-2024. CVAP funds have also been applied for from the marina activity for 2023-2024 and will be again in 2024-2025.

- 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 Report
2024-2025

Revenue & Financial Sources	Last Yr (Actual)	Current Yr (Projected)	Next Year	Proposed	Proposed	Proposed
Operating Revenues	4/1/22-3/31/23	4/1/23-3/31/24	4/1/24-3/31/25	4/1/25-3/31/26	4/1/26-3/31/27	4/1/27-3/31/28
Charges for Services	\$ 6,054,227.93	\$ 2,783,905.69	\$ 3,081,700.00	\$ 3,000,000.00	\$ 3,000,000.00	\$ 3,000,000.00
Rentals & Financing Income	\$ 614,743.32	\$ 577,579.47	\$ 704,265.60	\$ 716,054.00	\$ 419,963.00	\$ 421,920.00
Other Operating Revenues	\$ 837,815.79	\$ 750,378.12	\$ 823,360.00	\$ 620,000.00	\$ 620,000.00	\$ 620,000.00
Non-Operating Revenues						
Investment Earnings	\$ 30,011.62	\$ 50,789.29	\$ 36,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00
State Subsidies/Grants	\$ 611,028.46	\$ 1,556,566.36	\$ 449,249.03	\$ 251,000.00	\$ 251,000.00	\$ 251,000.00
Federal Subsidies/Grants	\$ 957,486.11	\$ 932,710.06	\$ 4,149,175.85	\$ -	\$ -	\$ -
Other Non-Operating Revenues	\$ 374,895.00	\$ 305,235.00	\$ -	\$ -	\$ -	\$ -
Proceeds from the Issuance of Debt						
Total Revenues & Financing Sources	\$ 9,480,208.23	\$ 6,957,163.99	\$ 9,243,750.48	\$ 4,589,054.00	\$ 4,292,963.00	\$ 4,294,920.00
Expenditures						
Operating Expenditures						
Salaries and Wages	\$ 2,060,534.19	\$ 1,547,150.94	\$ 1,625,000.00	\$ 1,650,000.00	\$ 1,650,000.00	\$ 1,650,000.00
Other Employee Benefits	\$ 1,116,701.33	\$ 918,544.21	\$ 1,027,312.50	\$ 1,050,000.00	\$ 1,050,000.00	\$ 1,050,000.00
Professional Services Contracts	\$ 463,426.00	\$ 189,661.99	\$ 134,000.00	\$ 80,000.00	\$ 80,000.00	\$ 80,000.00
Supplies and Materials	\$ 95,214.20	\$ 87,310.36	\$ 96,310.00	\$ 80,000.00	\$ 75,000.00	\$ 75,000.00
Other Operating Expenditures	\$ 3,001,216.38	\$ 1,355,113.86	\$ 1,332,736.54	\$ 1,100,000.00	\$ 1,015,000.00	\$ 1,015,000.00
Non-Operating Expenditures						
Payment of Principal on Bonds and Financing Arrangements	\$ 504,153.72	\$ 1,055,929.07	\$ 125,324.03	\$ 131,085.91	\$ 137,526.61	\$ 144,479.53
Interest and Other Financing Charges	\$ 42,598.01	\$ 46,773.26	\$ 40,000.00	\$ 40,000.00	\$ 23,000.00	\$ 20,000.00
Subsidies to Other Public Authorities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Asset Outlay	\$ 1,558,327.75	\$ 2,104,089.57	\$ 4,658,467.91	\$ -	\$ -	\$ -
Grants and donations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Non-Operating Expenditures	\$ 10,725.00	\$ 12,725.00	\$ 12,750.00	\$ 12,725.00	\$ 12,725.00	\$ 12,725.00
Total Expenditures	\$ 8,852,896.58	\$ 7,317,298.26	\$ 9,051,900.98	\$ 4,143,810.91	\$ 4,043,251.61	\$ 4,047,204.53
Capital contributions						
Excess(Deficiency) of Revenues and Capital Contributions Over Expenditures	\$ 627,311.65	\$ (360,134.27)	\$ 191,849.50	\$ 445,243.09	\$ 249,711.39	\$ 247,715.47

PORT OF OSWEGO AUTHORITY
Budget & Financial Plan
2024-2025

Projected Debt Schedule at March 31st

	Current Yr (Projected) 4/1/23-3/31/24	Next Year 4/1/24-3/31/25	Proposed 4/1/25-3/31/26	Proposed 4/1/26-3/31/27	Proposed 4/1/27-3/31/28
Debt Outstanding (Principal)	\$ 3,882,725.27	\$ 3,757,401.25	\$ 3,626,315.34	\$ 3,488,788.73	\$ 3,344,309.20
Debt Service Payments (Principal & Interest)	\$ 121,900.29	\$ 159,100.16	\$ 159,100.16	\$ 159,100.16	\$ 159,100.16
Proposed Debt	None	None	None	None	None

PORT OF OSWEGO AUTHORITY
Budget & Financial Plan
2024-2025

Capital Project Schedule

	Prior Years	Current Yr (Projected) 4/1/23-3/31/24	Next Year 4/1/24-3/31/25	Proposed 4/1/25-3/31/26	Source
Agricultural Center	\$ 14,510,760.71	\$ 76,862.91	\$ 463,851.23	\$ -	NYS DOT Grant (100%)
West Pier - High Water Damage	\$ 371,021.73	\$ 50,893.26	\$ 4,449,328.01	\$ -	75% FEMA/ 12.5% NYS/ 12.5% Port
East Pier - High Water Damage	\$ 1,266,437.44	\$ 423,220.85	\$ 121,984.31	\$ -	75% FEMA/ 12.5% NYS/ 12.5% Port
RV Park	\$ 95,677.02	\$ 29,319.74	\$ -	\$ -	Port funds
REDI 19515 - Goble Boating Center	\$ 542,080.44	\$ 1,410,969.35	\$ 85,151.76	\$ -	95% REDI/5% Port
Marina Electrical Upgrade	\$ -	\$ 57,955.02	\$ -	\$ -	Port funds
Scales	\$ -	\$ 93,603.23	\$ -	\$ -	Port funds
Dome 3 Roof	\$ -	\$ -	\$ 7,000.00	\$ -	Port funds
Warehouse (South end) Roof	\$ -	\$ -	\$ 30,000.00	\$ -	Port funds