

Albany Port District Commission
(Part 203.6 Accompanying Documentation to the 2016 Budget and Financial Plan)

- a) ***An explanation of public authority's relationship with the unit or units of government, if any, on whose behalf or benefit the authority was established:***

The Albany Port District Commission ("APDC") is a "local public authority" as such term is defined in section two of the New York Public Authority Law. Five individuals serve as "APDC Commissioners" and comprise the APDC Board. Four of the members are nominated by the Mayor of the City of Albany. One member is nominated by the Mayor of the City of Rensselaer. The nominations are submitted to the Governor and if approved by the Governor, the nominees are appointed by the Governor. The five APDC Commissioners receive no compensation for their services.

- b) ***A description of the budget process, including dates of key budget decisions:***

The budget process is ongoing through the fiscal year at staff and board level. Quarterly the CFO reviews the actual revenue and expenses as it relates to budget with the Finance Committee of the Board. The APDC key budget dates are as follows:

- 1) A draft budget is presented for review and discussion at the September Finance Committee. Following discussion during September-October, the Finance Committee presents their recommended budget to the Board for discussion and approval at the October Board Meeting.
- 2) The approved budget is made available for the public in the Rensselaer City Clerk's Office, Albany City Clerk's Office, Rensselaer Public Library, Albany Public Library, the offices of the Albany Port District Commission, and the Port Web-site www.portofalbany.us

- c) ***A description of the principal budget assumptions, including sources of revenue, staffing and future collective bargaining costs and programmatic goals:***

The APDC has three (3) main revenue sources: Maritime, Rental, and Security revenue.

Estimated maritime revenue is estimated based on the cumulative experience of the General Manager, the Contracted Stevedore, Financial Officer, Director of Internal Controls, Security Director, Director of Business Development and the historical analysis of prior years of activity at the APDC. (see attachment A)

The estimated rental revenue is based on signed leases of the tenants at the Port (see attachment B).

The estimated security revenue is directly derived from the estimated maritime revenue (discussed above).

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Staff and Programmatic goals are discussed at the Bi-weekly management meetings, as well as reviewed with the full board.

d) ***A self-assessment of budgetary risks:***

The Chief Financial Officer and the Director of Internal Controls review the maritime, rental and security revenue on a weekly basis. If any of the revenue sources is not within the expected budgetary forecast, the CFO in consultation with other staff/Board members, as needed, will develop a plan of correction and/or justification.

e) ***A revised forecast of current year's budget:***

There has not been a revised budget forecast for fiscal year 2015. The budget for fiscal year 2015 is currently within the budgetary forecast.

f) ***A reconciliation that identifies all changes in estimates from the projections in previously approved budget or plan:***

The budget forecast for 2015 is currently performing closely to the budget forecast.

g) ***A statement of the last completed fiscal year's actual financial performance in categories consistent with the proposed budget or financial plan:***

See attached Income Statement and Balance Sheet Highlights for December 2014 (see attachment C).

h) ***A projection of the number of employees, including sources of funding, numbers of full-time and full-time equivalents, and functional classifications:***

<u>2014</u>	<u>FTE</u>	<u>2015</u>	<u>FTE</u>
Police/Security	10.6	Police/Security	10.
Clerical/Admin	10.3	Clerical/Admin	10.3
Attorney	1.0	Attorney	.7
Custodial/Building OPS	5.2	Custodial/Building OPS	5.2
Custodial/Building	1.0	Custodial/Building	1.0
Foreman		Foreman	

i) ***A 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 APDC did not require a gap-closing program during fiscal year 2015 and there is no gap anticipated in 2016.

- j) *A statement of the source and amount of any material non-recurring resource that is planned for use in any given fiscal year:*

The APDC has previously secured grants from the New York State Department of Transportation for the Rensselaer wharf reconstruction during 2013. This wharf reconstruction project is expected to be complete during 2015. At the time this statement was prepared, the APDC had expended \$9,879,780. of this grant. The APDC also received a grant of \$207,306 from the NYS Department of Transportation, Passenger and Freight Rail Infrastructure Program to improve the rail infrastructure that services the Mohawk Paper Building.

- k) *A statement of any transactions that shift material resources from one year to another and the amount of any reserves:*

There have not been any such transactions at the APDC.

- l) *A statement of borrowed debt projected to be outstanding at the end of the each fiscal year covered by the budget of financial plan (note that the APDC does not have debt issuances, therefore the remainder of this paragraph is not applicable):*

	Long Term Debt				
	Yr. End December <u>2013</u>	Debt <u>Payments</u>	Yr. End December <u>2014</u>	2015 Est. <u>Payments</u>	2015 <u>Est. YE</u>
NYS First Instance Load (A)	\$ 77,709	77,709	0		
M&T Warehouse Obligation (B)	923,327	923,327	0		
BOA Obligation (C)	<u>0</u>	<u>0</u>	<u>2,990,586</u>	433,843	2,556,742
Less current maturities	<u>\$ 145,683</u>				
Totals	\$1,001,036	<u>\$145,683</u>	<u>2,990,586</u>	<u>\$433,843</u>	<u>\$2,556,742</u>

(A) New York State First Instance Advances are non-interest bearing advances, authorized by the State pursuant to the provisions of Section 19, Chapter 170 of the Laws of 1967, for construction, reconstruction and rehabilitation of facilities. The terms of the agreement, as approved by the State Division of Budget and the State Legislature, provide for equal annual payments, each in the amount of \$80,000, through the year 2013, with a final payment of \$77,709 in 2014.

(B) During 1994, the APDC entered into an agreement with Albany Industrial Development Agency (AIDA) providing for a ground lease of certain real property owned by the Commission.

Concurrent with this transaction, AIDA conveyed their rights under the ground lease to the Albany Local Development Agency (ALDC) and issued, for the benefit of ALDC, Civic Facility Revenue Bonds in the amount of \$1,675,000. The net proceeds of the Revenue Bonds were utilized to construct a 70,000 square foot warehouse facility which was subsequently leased to the APDC. The ground lease between the APDC and AIDA, which provided for no rental payments, was to extend over the 30 year term of the Revenue Bonds. The APDC was obligated under the facility lease to provide for payments, approximating \$11,500 monthly (through February 2004), which were to be utilized by ALDC to fund their debt service obligations over the 30 year term of the Revenue Bonds. Upon termination of the ground lease and the project facility lease, and the repayment of the Revenue Bonds, the warehouse facility and related improvements are to be conveyed to the APDC. The APDC recorded this transaction as a capitalized lease obligation with the project facility and lease obligation both recorded on the APDC's balance sheet.

In 2004, the APDC refinanced this obligation through a mortgage with M&T Bank, and concurrently, defeased the revenue bonds. The terms of the mortgage provide for monthly payments of \$8,718, including interest at 4.07% per annum, with 20 year amortization and a 10 year balloon payment. Final maturity is November 2014. The mortgage is secured by the warehouse facility.

(C) During 2014 the Albany Port District Commission entered into an equipment agreement with Bank of America. This financing will enable the Port of Albany to move forward Lease/Installation purchase of a mobile Harbor Crane, forklifts, and payoff of an existing warehouse loan. The amount of this financing was \$3,000,000 million with a rate of 2.11 over 7 years.

At December 31, 2013, long-term debt maturities were comprised of the following:

<u>Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$145,683	\$38,937	\$184,620
2014	\$1,001,035	\$33,033	\$1,034,068
2015	\$433,844	\$58,922	\$492,766
2016	\$443,087	\$49,679	\$492,766

- m) *A statement of 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 of 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 attachment D.

RECORD SETTING YEAR



The Albany Port District monitors 10 tracks and measures Port performance by measuring. Three of these measurements most related to maritime activity increased sharply in 2014. In fact, the increase in maritime activity broke records for the Port of Albany. These increases are attributable to a large job with GE Power Systems shipping cargo made in Schenectady County to Algeria in Northern Africa. These increases are also a testament to the major infrastructure improvement projects completed in recent years paying dividends with increased customer activity.



2009 - 2014 Comparison of Ships & Barges

SHIPS & BARGES	2009	2010	2011	2012	2013	2014
Grain	2	8	3	4	7	15
Heavy Lift/Project	36	23	33	22	29	43
Barges-Heavy Lift/Project	4	9	0	11	5	15
Molasses - Fertilizers	2	1	1	2	5	4
Scrap Iron	7	7	8	9	7	8
Woodpulp	7	10	8	10	7	7
Other	0	0	0	0	0	2
Totals	58	58	53	58	60	94



62%
INCREASE

SINCE 2009



ALBANY PORT DISTRICT COMMISSION
ANNUAL RENT PROJECTIONS

(B)

<u>TENANT</u>	<u>Term</u>	2016		<u>Total Acreage</u>	<u>Rent Per Acre</u>	<u>Lease comments</u>
		<u>MONTHLY RENTAL</u>	<u>ANNUAL RENTAL</u>			
Durham School	7/02-6/16	\$16,165.90	\$193,990.80	6.5	(1) 5 yr options	
Calahan Industries	1/92-12/2021	\$11,376.50	\$136,518.00	9	15,168.67	Escal by CPI.-20yr option tenant owns bldg
Albany Port employers	4/13-3/31/16	\$441.26	\$5,295.12	169.3	s ft	Escal by CPI.- port owns
Albany Port Railroad	10/75-10/2074	\$248.42	\$2,981.04	16.5	miles	Escal by prime Tenant owns bldg(4000)
Biers & company	4/98-3/18	\$5,720.75	\$68,649.00	4.7	14,606.17	Escal by CPI.-option
Upstate Shreding	9/98-8/2018	\$981.15	\$11,773.80	1	11,773.80	Tenant owns (1,100 bldg)
Cargill Grain	02/07-02/18	\$24,552.14	\$294,625.68			Escal by CPI-(port owns elevator)
Ardent Mills	06/74-5/2024	\$2,927.91	\$35,134.92	11.68	3,008.13	2-25 options (fixed until 2024)
Westway Feed Products	09/98-08/18	\$5,906.21	\$70,874.52	3	23,624.84	Escal by CPI(not to exceed 4%)
Cargill Nutrena	4/88-12/35	\$7,620.00	\$91,440.00	3.8	24,063.16	Options to renew-rent only
Buckeye Terminals	02/78-09/65	\$3,917.00	\$47,004.00	32	1,468.88	Rent fixed to 2,065 (2 options of 25 yrs)
CD mann	7/09-6/17	\$2,667.98	\$32,015.76	1		
Federal Marine	05/97-12/17	\$1,192.35	\$14,308.20	0	0.00	2-10 yr options
Gorman Bros Inc	05/84-04/19	\$3,279.10	\$39,349.20	3.19	12,335.17	Escal yrly by CPI
Rensselear Iron & Steel	5/97-4/28	\$22,325.84	\$267,910.08	15	17,860.67	Escal yrly by CPI (Wharage provisions)
C.C.I Renns Co-gen LLC	10/91-9/2021	\$18,479.72	\$221,756.64	5	44,351.33	Escal yrly by CPI +2 5yr options
Normal Truck & Trailor	7/98-6/16	\$1,363.97	\$16,367.64	0.3	54,558.80	Escal yrly by CPI (Port Bldg)
New Castle	02/95-01/32	\$12,953.74	\$155,444.88	9.2	(1) 25yr option	
Encon bldg	1/02-11/17	\$26,180.50	\$314,166.00			
Sam Greco (Construction)	9/98-8/2018	\$5,871.38	\$70,456.56		17,464 sq ft	Escal yrly by CPI-Port owns bldg-options)
Mohawk Paper	7/02-11/2022	\$61,875.00	\$742,500.00	12	(1) 10yr optio	Port bldg
Waste Management	4/96-3/2018	\$7,012.43	\$84,149.16	4.6	18,293.30	Escal yrly by CPI
Upstate Shreding	1/13-12/28	\$22,500.00	\$270,000.00	18	(2) 5yr options	
Totals			<u>\$3,186,711.00</u>			

ALBANY PORT DISTRICT COMMISSION
2016 APPROVED BUDGET
with comparative data

D

	2014 Actual	Approved 2015 Budget	Projected 2015 Actual	Approved 2016 Budget
OPERATING REVENUE				
REAL ESTATE RELATED				
LEASES	\$ 3,073,712	\$ 3,116,886	\$ 3,089,387	\$ 3,086,771
LICENSES	150,000	150,000	150,000	150,000
MARITIME RELATED				
DOCKAGE	718,209	647,500	520,975	547,432
WHARFAGE	422,768	411,067	328,301	444,390
STEVEDORE RELATED	736,849	423,100	567,322	450,000
SECURITY	639,007	602,000	508,000	450,000
SERVICES	10,956	7,500	4,140	8,450
OTHER & MISCELLANEOUS	<u>246,772</u>	<u>119,200</u>	<u>264,483</u>	<u>129,750</u>
TOTAL OPERATING REVENUE	<u>5,998,273</u>	<u>5,477,253</u>	<u>5,432,608</u>	<u>5,266,793</u>
 OPERATING EXPENSES				
SALARIES & FRINGE				
SALARIES	1,358,115	1,730,514	1,690,881	1,629,487
FRINGE BENEFITS	864,464	871,737	834,493	883,334
FICA & OTHER	122,594	137,400	137,400	122,284
PROFESSIONAL SERVICES & CONSULTANTS				
AUDITING SERVICES	36,500	32,000	31,000	32,000
A & E SERVICES	18,919	15,000	10,000	10,000
APPRAISAL SERVICES	5,250	5,000	7,750	6,000
INSURANCE	266,748	295,000	270,000	265,000
MARKETING	10,618	15,000	20,576	-
SERVICE CONTRACTS	42,480	60,000	260,000	460,000
CONSULTANTS	150,717	125,000	160,000	135,000
STEVEDORE RELATED	104,905	82,000	43,000	25,500
ADMINISTRATIVE	203,036	227,500	176,700	191,150
FACILITIES, EQUIPMENT, & MAINTENANCE	460,528	483,297	321,478	378,800
OTHER & MISCELLANEOUS	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL OPERATING EXPENSES	<u>3,644,874</u>	<u>4,079,449</u>	<u>3,963,278</u>	<u>4,138,555</u>
NON OPERATING REVENUE	-	-	-	-
 NON OPERATING EXPENSES				
AMORTIZATION, INTEREST, & OTHER CHARGES	76,294	119,137	110,422	96,678
WATERFRONT DEVELOPMENT	<u>268,612</u>	<u>210,000</u>	<u>168,000</u>	<u>195,000</u>
TOTAL NON OPERATING EXPENSES	<u>344,906</u>	<u>329,137</u>	<u>278,422</u>	<u>291,678</u>
AVAILABLE FOR CAPITAL ITEMS	2,008,492	1,068,668	1,190,909	836,560
DEPRECIATION	<u>1,487,367</u>	<u>1,700,000</u>	<u>1,918,000</u>	<u>1,975,000</u>
CHANGE IN NET POSITION BEFORE CAPITAL FUNDING	521,125	(631,332)	(727,091)	(1,138,440)
CAPITAL CONTRIBUTIONS	<u>6,043,535</u>	<u>700,000</u>	<u>1,653,692</u>	<u>2,077,625</u>
INCREASE/(DECREASE) IN NET POSITION	6,564,661	68,668	926,600	939,185
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BEGINNING NET POSITION	<u>37,945,890</u>	<u>44,510,551</u>	<u>44,510,551</u>	<u>45,437,151</u>
ENDING NET POSITION	<u>\$ 44,510,551</u>	<u>\$ 44,579,218</u>	<u>\$ 45,437,151</u>	<u>\$ 46,376,336</u>

ALBANY PORT DISTRICT COMMISSION
2016 APPROVED BUDGET
Capital Items

D

SOURCES

CAPITAL REPAIR & REPLACEMENT RESERVE	\$ 821,560
CAPITAL CONTRIBUTIONS	<u>3,077,625</u>

TOTAL SOURCES	<u>3,899,185</u>
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USES

WHARF REPAIR & IMPROVEMENTS - CARGILL	3,000,000
BOA MASTER LEASE	445,000
VEHICLES	38,000
BUILDING REPAIR & IMPREVEMENTS	174,685
FACILITY REPAIR & IMPROVEMENTS	7,500
TERMINAL ROAD MAINTENANCE	100,000
INFORMATION TECHNOLOGY	7,500
SECURITY RELATED	<u>126,500</u>

TOTAL USES	<u>3,899,185</u>
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SURPLUS/(DEFECIT)	<u>\$ -</u>
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