

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).

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 | <u>\$1,001,036</u> | <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.