

ALBANY PORT DISTRICT COMMISSION
2024 Approved Budget with 2023 Forecast - Actual Results through July 31, 2023

	Year to Date Jul-23	Forecast Aug- Dec 2023	Forecast 2023	Budget 2023	Approved Budget 2024
Operating Revenue:					
Rental Income	2,395,375	1,738,090	4,133,465	4,105,952	4,274,763
Dockage Fees	196,677	110,000	306,677	460,000	341,000
Wharfage Fees:	170,969	140,000	310,969	450,000	320,000
Buckeye Revenue	50,000	100,000	150,000	150,000	150,000
Stevodore Fees and Services	254,082	192,231	446,313	430,000	450,000
Crane Equipment Rental	82,845	100,000	182,845	290,000	200,000
Security Fees	188,428	150,000	338,428	450,000	413,000
Public Private Partnership Revenue	170,500	170,000	340,500	300,000	300,000
Other Services and Revenue	5,361	4,744	10,106	10,000	11,401
Total Operating Revenue	<u>3,514,236</u>	<u>2,705,065</u>	<u>6,219,302</u>	<u>6,645,952</u>	<u>6,460,164</u>
Operating Expenses:					
Payroll, Payroll Taxes and Fringe Benefits	1,850,050	1,224,675	3,074,725	2,972,228	3,350,790
Other Post Retirement Benefit Expense	-	100,000	100,000	100,000	100,000
Repairs, Maintenance and Utilities	337,649	247,727	585,376	356,500	665,816
Crane Parts and Repairs	48,374	55,000	103,374	90,000	150,000
Insurance	203,309	140,000	343,309	290,000	369,917
Professional and Consulting Fees	126,721	41,500	168,221	286,000	414,500
Service Contracts	101,905	90,000	191,905	220,000	190,000
Security and Safety Costs	53,861	75,156	129,017	154,500	155,000
Education and Training	4,320	10,000	14,320	30,000	15,000
Office Supplies and Expense	21,372	32,480	53,852	57,000	63,100
Advertising, Promotion and Association Dues	84,071	160,740	244,811	270,000	260,812
Development Expense Empire Wind Project	-	-	-	-	-
Contingency	-	-	-	180,000	180,000
Total Operating Expense	<u>2,831,632</u>	<u>2,177,278</u>	<u>5,008,910</u>	<u>5,006,228</u>	<u>5,914,935</u>
Operating Income (Expense) before other item:	682,604	527,787	1,210,392	1,639,724	545,229
Depreciation and Other (Income) Expenses:					
Depreciation Expense	1,554,070	1,114,130	2,668,200	2,760,000	2,800,000
Interest Income	(25,117)	(9,000)	(34,117)	9,007	(20,000)
Interest Expense	66,331	44,241	110,571	111,358	167,240
Waterfront Development	282,329	10,000	292,329	297,890	310,190
Municipal Support	32,830	46,000	78,830	170,000	-
(Gain)Loss on Asset	-	-	-	-	-
Net Depreciation and Other (Income) Expen	<u>1,910,443</u>	<u>1,205,371</u>	<u>3,115,814</u>	<u>3,348,255</u>	<u>3,257,430</u>
Change in Net Position Before Capital Funding	<u>(1,227,839)</u>	<u>(677,583)</u>	<u>(1,905,422)</u>	<u>(1,708,531)</u>	<u>(2,712,201)</u>
Capital Grant Revenue	1,490,633	9,500,000	10,990,633	11,000,000	4,500,000
Public Private Partnership Revenue	547,381	31,128,917	31,676,298	199,975,000	36,500,000
Development Expense Empire Wind Project	(547,381)	(31,128,917)	(31,676,298)	-	(36,500,000)
Change in Net Position	<u>262,794</u>	<u>8,822,417</u>	<u>9,085,211</u>	<u>209,266,469</u>	<u>1,787,799</u>

ALBANY PORT DISTRICT COMMISSION (“APDC”)
2024 Approved Budget
Overview

In accordance with the requirements of the Public Authorities Accountability Act (“PAAA”), public authorities with a December 31 fiscal year are required to adopt, make available on their website, and report in the Public Authority Reporting Information System (“PARIS”) their 2024 budgets.

Overall, the 2024 budget anticipates an increase in the APDC’s net position of approximately \$1.8 million. This anticipated increase assumes capital contributions of \$4.5 million in 2024. Capital contributions are typically grants received from state or federal sources. Absent of the capital contributions for 2024, the budget anticipates generating approximately \$90,000 to fund capital projects.

Certain items are reimbursable from LOGISTEC in accordance with the Terminal Operating Agreement (“Agreement”) between APDC and LOGISTEC. Accounting rules require these items to be recorded as expenses when incurred by APDC and revenue recognized when reimbursed by LOGISTEC; however, due to the unpredictable nature of these items and that on a net basis do not impact the operating budget, these items are not included for budgeting purposes.

During the development of the budget, proposed goals have been identified to guide the allocation of resources proposed for 2024 and beyond. Accomplishing these goals will bring new facilities online, stabilize and grow real estate revenue, position the APDC for future growth and contribute to environmental justice and address climate change.

2024 Budget Goal	Objective	Projected Completion Date	Metric
New roadway -phase 2 expansion extension - construction	Construction Bid, construction awarded for roadway, construction underway for roadway	June '24	Design doc and bid doc completion, construction completion percentage
1,200 LF of Albany wharf deck improvement construction	Secure Grant Funding, Contract, Construction Bid, construction awarded for terminal, construction underway for roadway	Dec-24	Grant secured, Agreements in place, Design doc and bid doc completion, construction completion percentage
Explore new funding sources to support infrastructure or operation / equipment needs or applicable Port priorities	Explore state, federal and utility related programs	Ongoing	Resources explored and engagement, applications submitted
Compliance on all funding sources for grant projects	Manage multiple supplemental resources	Dec-24	Monitoring and compliance
Support Port tenants	Meet one on one with Port tenants, identify retention plans, identify business development opportunities with existing tenants (all short term renewal options have been executed)	Quarterly	Percentage of tenant meetings
Re-program/re-purpose available land to develop additional revenue streams / commerce activities	Re-use plan for any other minor developable or limited properties	Dec-24	Feasibility evaluations, Lease or sale or collaborative options presented/approved
Create revenue/business development opportunities and / or partnerships	Since all commercial spaces are spoken for, explore strategic initiatives that will create revenue/business development opportunities	Ongoing	Percentage change of revenue / development
	Identify alternative users w/ wharf needs	Ongoing	List of alternatives/qty of leads
	Identify potential bi-directional maritime use partnerships for Beacon Island (Import activity pairing)	Ongoing	List of alternatives/qty of leads
Continue Port expansion efforts Beacon Island	Construction in progress	Ongoing	% Completion
	Economic Impact Assessment	Q1 24	Completion
	Alternative Use Market Assessment	Q1 24	Completion
	Highlight Project via presentations & conventions	Ongoing	Engagements
	Pursue NYSERDA grant money (e.g., NY2 & NY3 solicitations)	Ongoing	Engagements
	Pursue National Grid Grant (for env. Remediation/cleanup)	Q2 24	Applications submitted
	Final agreements path forward	Q1 24	Scope / path defined
Final agreements in place	Q3 24	Final agreements in place, resources defined	

2024 Budget Goal	Objective	Projected Completion Date	Metric
Continue Port expansion efforts Rensselaer Property	Option Agreement in Place	Q1 24	Agreement in place
	Pursue grant support for rehabilitation of 600 LF Rensselaer Wharf in tandem with expansion property development	Q3 24	Applications submitted
	Ground Lease Path forward (Pursuant to Option)	Q4 24	Lease executed
	Resource development for Rensselaer Land Acq	Q4 24	Agreement in place
Growth Strategy Reassessment	Maritime operations review and assessment	Q1 24	T/O review
	Strategic Planning Review with Board	Q1 24	Agenda developed, session held, strategic recommendations and action plan, determine growth/no growth plans
	Perform growth strategy and market assessment update	Q2 24	Update with clear strategic direction
	Review enabling legislation for updating	Dec-24	Recommendations from strategic direction+D41
Continue Alignment of Maritime Interface with Logistec Stevedoring /TO	Continue strong point of contact and chain of command on both parts, convey expectations inc marketing goals	Ongoing	Regular leadership, business development and external affair/marketing engagement
Explore Foreign Trade Zone designation	Coordinate with local business on benefits of FTZ	Ongoing	FTZ engagement and implementation
Update Port of Albany Tariff	Review and update Tariff	Q1 24	Tariff update complete
APDC marketing, communications update	Streamline, unify strategic marketing, communication, outreach and writing that represents the Port	Ongoing	Utilize communications/writing/content intern assistance in implementation of strategic communications plan
Consider strategic investment in paid media resources/budget	Implement Best Practices	Ongoing	Feedback from constituents, traffic to website on social media channels,
Ramp up earned media efforts	Create content calendar with staff input to highlight accomplishments and be responsive to community voices	Ongoing	Assess content, frequency, voice, audience, etc. to establish baseline of

The following goals will be monitored but are dependent on the Port's terminal operator:

2024 Budget Goal	Objective	Projected Completion Date	Metric
Develop / enhance Future Maritime related Revenue Streams	Explore and consider technology platforms to support maritime and business development	Ongoing in concert with Terminal Operator	Number of commitments
	Develop offshore wind energy project business; possible storage, staging or handling		Number of commitments for use
	Shipments of more than the two major energy construction projects.		Number of commitments
	Identify and secure shipments of international or domestic steel to move over our facilities		Number of commitments
Retain Tonnage Passing the Wharf	Retain woodpulp from Europe to various destinations in the U.S. and Canada	Ongoing in concert with Terminal Operator	% change from previous year
Increase Tonnage Passing the Wharf	Secure Winter Port Business: Inc steel business that would sail to the Great Lakes, other regional business cargo movement needs	Ongoing in concert with Terminal Operator	% change from previous year
	Containerboard from Europe for various paper companies and brokers in Canada, New York & New Jersey and coordinate with local and regional businesses		% change from previous year
Increase Ships entering the Port	Develop additional business for ocean carriers - either import or export	Ongoing in concert with Terminal Operator	% change from previous year
	Continue marketing program to secure heavy lift/project or general cargo business		% change from previous year
Increase Longshoreman Hours	Obtain land based wind energy project shipments and other labor intensive projects	Ongoing in concert with Terminal Operator	% change from previous year

Significant revenue and expense assumptions that have been used in the development of the 2024 budget are presented below.

REVENUE ASSUMPTIONS:

Revenue derived from operations is budgeted at approximately \$6.5 million. Budgeted operating revenue for 2024 represents a \$186,000 decrease from 2023 budget and a \$241,000 increase compared to the current operating revenue projection for 2023. The major driver of this increase is the result of net growth in rental income along with a proposed increase in the APDC tariff.

- Rental income through the leasing of APDC-owned real property is the largest single operating revenue component. Income from real estate represents over 66% of APDC's operating revenue. APDC's real estate portfolio serves as a stabilizing force to offset volatility in the maritime sector. Rental revenue is expected to increase by modest inflationary adjustments to rents, generally through CPI, as prescribed in the individual leases. The Port has renegotiated several leases in 2023 which represent additional annual lease revenue of \$342,000.
- Maritime Related revenue is generated from charges for vessels being berthed at APDC-owned docks (dockage) and charges generated from the loading and unloading of vessels (wharfage). Additionally, the Agreement with LOGISTEC consists of two primary revenue components: a fixed amount related to LOGISTEC's operation of the APDC maritime terminal and a revenue sharing payment that is triggered upon LOGISTEC gross revenue exceeding specified thresholds. The 2024 budget reflects the fixed amount of the payment (\$245,000) and anticipates a 10% revenue share as defined under the terms of the Agreement.
- Services Revenue consists of fees generated primarily from two activities: security charges for the terminal and terminal escort charges for those entering the terminal without the necessary Transportation Working Identification Credentials ("TWIC"). Also included in this category are the charges collected for LOGISTEC's use of the APDC's mobile harbor cranes. Of the amount budgeted for 2024, \$413,000 is for security charges and represents about 3,300 hours of chargeable security services and 2,500 TWIC escorts. The 2024 budget anticipates 550 hours of billable crane hours, generating \$200,000 of revenue. The crane revenue activity is correlated to the continued handling needs of the additional wood pulp customer and other break bulk commodities, which drives crane utilization.
- The Facility Related category primarily represents the revenue recognized through various reimbursements received primarily from LOGISTEC for the use of fuel, utilities, equipment rentals and other similar items utilized in the daily operation of APDC's terminal. As these items are effectively offset by expenses, this category is not budgeted for in 2024.

EXPENSE ASSUMPTIONS:

- 14 full-time salaried employees
- 7 full-time hourly employees
- 6 regular part-time security employees
- Static association membership (AAPA, NAPA, CEG, Green Marine, Capital Region Chamber, etc.)

Expenses incurred from operations (“OpEx”) are budgeted at approximately \$5.9 million; this amount reflects a 18% increase (\$900,000) over the budgeted operating expenses for 2023. The major drivers of this increase are Repairs and Maintenance and Crane parts and repairs as well as Engineering Services and Consulting expenses as detailed below.

- OpEx incurred for Salaries , Fringe Benefits and other related expenses are budgeted at approximately \$3.35 million for 2024. The overall change from the projected 2023 expense is \$276,000. Included in the 2024 budget is a previously approved position that was filled in August of 2023, competitiveness and retention and salary adjustments which combine for the approximately 3.5% increase and a 14% increase in health insurance costs. APDC’s NYS Retirement payment for 2024 is \$35,000 higher than in 2023. Approximately \$300,000 of the proposed salary expense has a revenue offset through the billing of security services.
- Professional Services are budgeted at an increase of \$128,500. This increase is in the Consultant line and includes business development and strategic planning resources.
- Administrative Expenses are expected to increase \$10,000 over the 2023 projections, with a \$9,000 decrease from the 2023 budget. The major driver in the increase from projection is Printing for production of an APDC annual report.
- Facilities Equipment & Maintenance has a budgeted increase of \$18,000 from the current year-end projection. The budget has significantly increased and relates to the Riverside Avenue property. Crane Parts and Repair are budgeted at an increase from both 2023 budget and projection due to continued required maintenance.
- Security and Safety costs budget remained at the same level as 2023 budget.

NON-OPERATING ACTIVITIES:

- Non-operating revenue is income derived from APDC's investment portfolio.
- Within the non-operating expense categories are contractual amounts related to non-capital lease obligations of the APDC and various interest and transaction charges related to other lease obligations.
- During 2014Q2 the APDC entered into a master lease agreement with a commercial bank for purposes of funding current and future capital items. Various APDC-owned assets are pledged as collateral under the terms of the lease agreement. An additional sub-lease was executed during Q4 2018 to partially fund capital project costs. In 2021 Q1, APDC extended the original 2014 lease for another 4 years.
- For 2024, we have again included a contingency amount representing approximately 3% (or \$180,000) of operating expenses is being proposed to help stabilize the volatility in various maritime and maritime-related revenue activities and/or reduce the impact of unanticipated expenses on net position.
- The amount of unspent contingency in 2024 will be moved into a Replacement Reserve account.

CAPITAL ITEMS:

- The 2024 budget anticipates generating approximately \$100,000 to fund necessary capital repairs and replacements in 2024 and reflects the fluctuations addressed earlier in this document. The performance of operating activities during 2024 will either reduce or increase the resources used to fund APDC's capital needs.
- Capital contributions totaling \$6.3 million are expected to be recorded by APDC in 2024. These amounts will be restricted to capital-related activities and are projected to supplement the amounts generated by APDC 2024 operating activities.