

ALBANY PORT DISTRICT COMMISSION
2025 Proposed Budget with 2024 Forecast - Actual Results through July 31, 2024

	<u>Year to Date</u> <u>Jul-24</u>	<u>Forecast</u> <u>Aug- Dec 2024</u>	<u>Forecast</u> <u>2024</u>	<u>Budget</u> <u>2024</u>	<u>Proposed</u> <u>Budget</u> <u>2025</u>	<u>Budget</u> <u>Increase</u> <u>(Decrease)</u>	<u>Forecast to</u> <u>Proposed</u> <u>Budget</u>
Operating Revenue:							
Rental Income	2,485,404	1,796,405	4,281,809	4,274,763	4,317,793	43,029	35,984
Dockage Fees	306,465	218,903	525,368	341,000	500,000	159,000	(25,368)
Wharfage Fees:	115,946	82,819	198,765	320,000	200,000	(120,000)	1,235
Buckeye Revenue	50,000	100,000	150,000	150,000	150,000	-	-
Stevodore Fees and Services	174,484	272,131	446,615	450,000	620,000	170,000	173,385
Crane Equipment Rental	73,500	52,500	126,000	200,000	200,000	-	74,000
Security Fees	255,353	182,395	437,747	413,000	413,000	-	(24,747)
Public Private Partnership Revenue	127,434	60,000	187,434	300,000	-	(300,000)	(187,434)
Other Services and Revenue	19,700	8,471	28,171	11,401	13,500	2,099	(14,671)
Total Operating Revenue	<u>3,608,286</u>	<u>2,773,623</u>	<u>6,381,909</u>	<u>6,460,164</u>	<u>6,414,293</u>	<u>(45,871)</u>	<u>32,384</u>
Operating Expenses:							
		(9,500,000)	(36,689,719)	-	-	-	-
Payroll, Payroll Taxes and Fringe Benefits	2,108,914	1,303,055	3,411,969	3,350,790	3,866,602	515,812	454,633
Other Post Retirement Benefit Expense	-	100,000	100,000	100,000	100,000	-	-
Repairs, Maintenance and Utilities	391,555	257,750	649,305	665,816	469,658	(196,158)	(179,647)
Crane Parts and Repairs	37,403	115,000	152,403	150,000	125,000	(25,000)	(27,403)
Insurance	210,416	159,950	370,366	369,917	407,000	37,083	36,634
Professional and Consulting Fees	102,803	247,171	349,974	414,500	279,450	(135,050)	(70,524)
Service Contracts	129,703	108,086	237,789	190,000	240,000	50,000	2,211
Security and Safety Costs	17,906	124,735	142,641	155,000	78,000	(77,000)	(64,641)
Education and Training	2,405	10,000	12,405	15,000	17,800	2,800	5,395
Office Supplies and Expense	18,468	40,487	58,955	63,100	58,800	(4,300)	(155)
Advertising, Promotion and Association Dues	83,991	207,000	290,991	260,812	254,175	(6,637)	(36,816)
Development Expense Empire Wind Project			-	-	-	-	-
Contingency	-	-	-	180,000	180,000	-	180,000
Total Operating Expense	<u>3,103,565</u>	<u>2,673,234</u>	<u>5,776,798</u>	<u>5,914,935</u>	<u>6,076,485</u>	<u>161,550</u>	<u>299,687</u>
Operating Income (Expense) before other item:	504,721	100,390	605,111	545,229	337,808	(207,421)	(267,303)
Depreciation and Other (Income) Expenses:							
Depreciation Expense	1,864,349	1,354,062	3,218,411	2,800,000	3,200,000	400,000	(18,411)
Interest Income	(20,725)	(9,350)	(30,075)	(20,000)	(20,000)	-	10,075
Interest Expense	40,761	115,233	155,994	167,240	217,529	50,289	61,535
Waterfront Development	270,894	37,714	308,608	310,190	70,000	(240,190)	(238,608)
Municipal Support	-	-	-	-	-	-	-
(Gain)Loss on Asset	(15,149)	-	(15,149)	-	-	-	-
Net Depreciation and Other (Income) Expen	<u>2,140,129</u>	<u>1,497,659</u>	<u>3,637,789</u>	<u>3,257,430</u>	<u>3,467,529</u>	<u>210,099</u>	<u>(185,409)</u>
Change in Net Position Before Capital Funding	<u>(1,635,408)</u>	<u>(1,397,269)</u>	<u>(3,032,678)</u>	<u>(2,712,201)</u>	<u>(3,129,721)</u>	<u>(417,520)</u>	<u>(97,043)</u>
Capital Grant Revenue	625,477	3,875,000	4,500,477	4,500,000	4,500,000	-	(477)
Public Private Partnership Revenue	27,189,719	9,500,000	36,689,719	36,500,000	-	(36,500,000)	(36,689,719)
Development Expense Empire Wind Project	(27,495,008)	(9,500,000)	(36,995,008)	(36,500,000)	-	36,500,000	36,995,008
Change in Net Position	<u>(1,315,220)</u>	<u>2,477,731</u>	<u>1,162,510</u>	<u>1,787,799</u>	<u>1,370,279</u>	<u>(417,520)</u>	<u>207,769</u>

ALBANY PORT DISTRICT COMMISSION (“APDC”)
2025 Proposed 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 2025 budgets.

Overall, the 2025 budget anticipates an increase in the APDC’s net position of approximately \$1.3 million. This anticipated increase assumes capital contributions of \$4.5 million in 2025. Capital contributions are typically grants received from state or federal sources. Absent of the capital contributions for 2025, the budget anticipates generating approximately \$80,000 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 2025 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.

Significant revenue and expense assumptions that have been used in the development of the 2025 budget are presented below.

REVENUE ASSUMPTIONS:

Revenue derived from operations is budgeted at approximately \$6.5 million. Budgeted operating revenue for 2025 represents a \$46,000 decrease from 2024 budget and a \$32,000 increase compared to the current operating revenue projected for 2024. The major driver of this increase is the result of net growth in rental income along with an increase in the shared revenue from Logistec related to the volume of stevedore activity.

- Rental income through the leasing of APDC-owned real property is the largest single operating revenue component. Income from real estate represents over 67% 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 continues to renegotiate leases upon renewal to maximize our rental revenue.

- 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 2025 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 2025, \$413,000 is for security charges and represents about 3,300 hours of chargeable security services and 2,500 TWIC escorts. The 2025 budget anticipates 500 hours of billable crane hours, generating \$200,000 of revenue. The projected hours are decreased but are offset by a proposed increase in the hourly rate charged from \$350 to \$400. 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 2025.

EXPENSE ASSUMPTIONS:

- 14 full-time salaried employees
- 8 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 \$6 million; this amount reflects a 3% increase (\$162,000) over the budgeted operating expenses for 2024. The major drivers of this change are Repairs and Maintenance, Crane parts and repairs as well as Engineering Services and Consulting and Salary and Benefit expenses as detailed below.

- OpEx incurred for Salaries, Fringe Benefits and other related expenses are budgeted at approximately \$3.9 million for 2025. The overall change from the projected 2024 expense is \$455,000. Included in the 2025 budget a \$281,000 increase in salaries and FICA. This is comprised of a salary increase for competitiveness and retention of 5% (\$108,920); increase in Security hours (\$112,000); increase in Maintenance and Operations (\$40,000); and FICA of \$20,000. The overall 5% increase was weighted by salary range with actual percentages ranging from 3% to 6%. Approximately \$400,000 of the proposed salary expense has a revenue offset through the billing of security services. The fringe benefits budget has increased from the year end projection by \$173,000. There is a 13% (\$100,000) increase in health insurance costs and APDC's NYS Retirement payment for 2025 is \$66,000 higher than in 2024.
- Professional Services are budgeted at a decrease of \$70,000 from the current year end projection. This decrease is in the Consultant line which includes business development and strategic planning resources.
- Administrative Expenses are expected to decrease \$37,000 over the 2024 projections, with a \$7,000 decrease from the 2024 budget. We are budgeting a decrease in Advertising and Marketing, which offsets an increase in Travel expenses. The proposed increase in travel expenses is for Maritime business development.
- Facilities Equipment & Maintenance has a budgeted decrease of \$180,00 from the current year-end projection. The Port's lease of the Riverside Avenue property expires on June 30, 2025. Crane Parts and Repair are budgeted at a \$25,000 decrease from both 2024 budget and projection due to the cycle of required maintenance.
- Security and Safety costs budget has been reduced \$77,000 from 2024 budget. This reduction follows the actual spending over the past 5 years.

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 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. There are currently two leases outstanding, with expirations of May 2025 and June 2026. APDC has budgeted for an additional lease to be executed in 2024.
- For 2025, 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.

CAPITAL ITEMS:

- The 2025 budget anticipates generating approximately \$100,000 to fund necessary capital repairs and replacements in 2025 and reflects the fluctuations addressed earlier in this document. The performance of operating activities during 2025 will either reduce or increase the resources used to fund APDC's capital needs.
- Capital contributions totaling \$4.5 million are expected to be recorded by APDC in 2025. These amounts will be restricted to capital-related activities and are projected to supplement the amounts generated by APDC 2025 operating activities.

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